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Congressional Record

PROCEEDINGS AND DEBATES OF THE 81st CONGRESS, FIRST SESSION

SENATE

FRIDAY, AUGUST 12, 1949

(Legislative day of Thursday, June 2, 1949)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Bernard Braskamp, D. D., pastor of the Gunton-Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

O Thou who hast created us with a capacity to be like Thee in spirit, inspire our lives with the gracious revelations of Thy truth, transforming them from what they are to what they ought to be.

We pray that when our minds are baffled and our hearts are burdened with perplexing problems we may experience the quieting and quickening ministries of that divine wisdom which never errs and that divine strength which never fails.

Grant that, as God-fearing patriots, we may be loyal partners with all who are striving to build a finer social order. May that day soon dawn when all the nations of the earth shall go forward as a commonwealth of free people, united by those bonds of friendship and fraternity which nothing can break.

Hear us in the name of the Prince of Peace. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, August 11, 1949, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on August 12, 1949, the President had approved and signed the following acts:

S. 1076. An act to amend the Migratory Bird Hunting Stamp Act of March 16, 1934 (48 Stat. 451; 16 U. S. C. 718b), as amended;

S. 1136. An act to amend the Canal Zone Code, and for other purposes;

S. 1285. An act to authorize progressive partial payments to sponsors under the Federal Airport Act program; and

S. 1745. An act to authorize the transfer to the Attorney General of a portion of the Vigo plant, formerly the Vigo ordnance plant, near Terre Haute, Ind., to supplement the farm lands required for the United States prison system.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed the following bill and joint resolution, in which it requested the concurrence of the Senate:

H. R. 5929. An act to amend the Army and Air Force Vitalization and Retirement Equalization Act of 1948; and

H. J. Res. 332. Joint resolution providing for the establishment of a Joint Senate and House Recording Facility.

The message also announced that the House had agreed to a concurrent resolution (H. Con. Res. 103) to provide funds for the expenses of the joint committee created pursuant to House Concurrent Resolution 102, to provide for the attendance of a joint committee to represent the Congress at the eighty-third and final encampment of the Grand Army of the Republic, in which it requested the concurrence of the Senate.

CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Holland	Morse
Anderson	Humphrey	Mundt
Bridges	Hunt	Murray
Butler	Ives	Neely
Byrd	Johnson, Colo.	O'Conor
Cain	Johnson, Tex.	O'Mahoney
Capehart	Johnston, S. C.	Pepper
Chavez	Kefauver	Robertson
Connally	Kem	Russell
Cordon	Kerr	Saltonstall
Donnell	Kilgore	Schoeppel
Douglas	Knowland	Smith, Maine
Downey	Langer	Smith, N. J.
Dulles	Lodge	Sparkman
Ecton	Long	Stennis
Ellender	Lucas	Taylor
Ferguson	McCarran	Thomas, Okla.
Fulbright	McCarthy	Thomas, Utah
George	McClellan	Thye
Gillette	McFarland	Tydings
Graham	McGrath	Vandenberg
Green	McKellar	Watkins
Gurney	McMahon	Wherry
Hayden	Magnuson	Wiley
Hendrickson	Malone	Williams
Hickenlooper	Maybank	Young
Hill	Miller	
Hoey	Millikin	

Mr. LUCAS. I announce that the Senator from Kentucky [Mr. CHAPMAN], the Senator from Mississippi [Mr. EASTLAND], the Senator from Delaware [Mr. FREAR], and the Senator from Pennsylvania [Mr. MYERS] are absent on public business.

The Senator from Kentucky [Mr. WITHERS] is absent by leave of the Senate.

Mr. SALTONSTALL. I announce that the Senator from Connecticut [Mr. BALDWIN] and the Senator from Kansas [Mr. REED] are absent by leave of the Senate.

The Senator from Maine [Mr. BREWSTER], the junior Senator from Ohio [Mr. BRICKER], the Senator from Vermont [Mr. FLANDERS], the Senator from Indiana [Mr. JENNER], and the senior Senator from Ohio [Mr. TAFT] are necessarily absent.

The Senator from New Hampshire [Mr. TOBEY] is absent on official business.

The Senator from Pennsylvania [Mr. MARTIN] is detained on official business.

The VICE PRESIDENT. A quorum is present.

DELIVERED-PRICE SYSTEMS AND FREIGHT-ABSORPTION PRACTICES

The Senate resumed the consideration of the motion of Mr. LONG to reconsider the vote by which the motion of Mr. MCCARRAN to send Senate bill 1008 to conference was agreed to.

Mr. LONG. Mr. President, in view of the fact that a limitation of time for debate on the pending motion has been fixed, and to save the necessity for the call of a quorum before the vote is taken, I now ask that the yeas and nays be ordered on my motion.

The VICE PRESIDENT. The question is on the request of the Senator from Louisiana that the yeas and nays be ordered on his motion.

The yeas and nays were ordered.

Mr. LUCAS. Mr. President, the Senate has entered into a unanimous-consent agreement to vote at 4 o'clock, the time to be divided between the Senator from Louisiana [Mr. LONG] and the Senator from Maryland [Mr. O'CONOR]. The Senate is now using time which has been allotted for debate under the unanimous-consent agreement.

The VICE PRESIDENT. The time is controlled by the two Senators, and no time between now and 4 o'clock can be consumed for any purpose except for the purpose of the debate on the motion, unless either one of the two Senators yields of his time. The time until 4 o'clock is controlled by the two Senators indicated, and if any Senator wants to place anything in the RECORD within that time, he must receive the consent of one or the other of the two Senators. Senators cannot use any of the time except as time is yielded by either of the two Senators. Does the Senator from Louisiana wish to yield any time to Senators for transaction of routine business?

TRANSACTION OF ROUTINE BUSINESS

Mr. LONG. I shall be glad to yield half of the time necessary for Senators to make insertions in the RECORD, if they care to make any.

Mr. O'CONOR. I shall be glad to yield half the time necessary for such purposes.

The VICE PRESIDENT. Without objection, then, the Chair will recognize Senators to place routine matters in the RECORD, the time so consumed to be

equally divided and taken from the two Senators who control the time.

Mr. O'CONOR. And without debate.

The VICE PRESIDENT. Yes.

PETITIONS

Petitions were presented, and referred as indicated:

By Mr. PEPPER:

A resolution of the Legislature of the State of Florida; to the Committee on Public Works:

"House Memorial 1443

"A memorial to Congress, the President, and Corps of Engineers, urging development of the port of Apalachicola, completion of the Jim Woodruff Dam, and further expediting the over-all Apalachicola, Chattahoochee, Flint River Valley projects

"Whereas the port of Apalachicola was once a leading port on this continent; and

"Whereas economic, agricultural, and trade changes adversely effected this port and along with the Civil War its development was retarded and the great river systems and tributaries also remain undeveloped natural resources; and

"Whereas Congress in its wisdom has now seen fit to authorize and make appropriations to develop these rivers and tributaries into a mighty waterway; and

"Whereas these rivers constitute the Apalachicola River Basin comprising the Apalachicola, Chattahoochee and Flint Rivers and their tributaries of Florida, Georgia and Alabama, an aggregate of some one hundred million dollars has been approved for this over-all project with more than 10 percent of said amount having been expended or contracted for on the great Jim Woodruff Dam near Chattahoochee in the great State of Florida; and

"Whereas the national resources of this great State are being developed and are subject to great industrial progress with the advent of transportation, electric energy and flood control; and

"Whereas from the viewpoint of national defense the port of Apalachicola is strategically located; and

"Whereas the port of Apalachicola is located at the mouth of the river system flowing through the world's largest and most completely equipped military post at Fort Benning, Ga., and in close proximity to headquarters of the Third Army at Fort McPherson, and the numerous southeastern divisions offices of military service, as the South Atlantic Division, Corps of Engineers, the ordnance depot, hospitals and such other area units; and

"Whereas official records disclose maritime losses were suffered at the hands of the enemy within sight of the heart of the city of Apalachicola because of the lack of a sufficient channel to this harbor of safety; and

"Whereas the city of Apalachicola is already a designated port of entry and documentation with weather station facilities existent and quarantine station authorities and is the only subject port complete with these facilities between Tampa, Fla., and Pensacola, Fla.; and

"Whereas the port of Apalachicola is the only city at the mouth of a great river system developed or being developed, without sufficient channels to accommodate transoceanic trade; and

"Whereas the Florida Chamber of Commerce and the Florida Junior Chamber of Commerce have given their unanimous indorsement to the development of the port of Apalachicola: Now, therefore, be it

"Resolved by the Legislature of the State of Florida, That the Congress of the United States, the President, and the Corps of Engineers, are hereby memorialized and respectfully urged to facilitate and expedite the further development of the port of Apalachicola for transoceanic commerce and trade, and the immediate completion of the Jim Woodruff Dam located near Chattahoochee, Fla., and completion of the other Apalachicola Basin projects as expeditiously as is possible; and be it further

"Provided, That copies of this memorial be transmitted forthwith by the chief clerk of the House and the secretary of the Senate of the State of Florida to the President of the United States, the Senators and Representatives of the Federal Congress from the States of Florida, Georgia, and Alabama, and to Gen. Lewis A. Pick, Chief of Engineers, Washington, D. C.; and be it further

"Provided, That a copy of this memorial be spread upon the journal of both the Senate and House of Representatives of the State of Florida and sufficient copies thereof be furnished to the press.

"Approved by the Governor June 12, 1949."

A concurrent resolution of the Legislature of the State of Florida; to the Committee on Foreign Relations:

"House Concurrent Resolution 1074

"Concurrent resolution recognizing the naming of Judge Walter H. Beckham, of Dade County, by the National Council of Juvenile Court Judges of the United States as its official representative to attend a European conference

"Whereas the State of Florida has recently been honored by having Judge Walter H. Beckham, judge of the Juvenile and Domestic Relations Court, in and for Dade County, Fla., named president of the National Council of Juvenile Court Judges of the United States; and

"Whereas at the last annual convention of the said National Council of Juvenile Court Judges held in Miami, Fla., the said State of Florida was again honored by the said Judge Walter H. Beckham being named and appointed as an international representative from the juvenile court judges of the United States to attend an International Conference of Juvenile Court Judges to be held in Belgium, or some other European country, at an early date; and

"Whereas it is necessary and proper that the United States Government, through its State Department and other necessary and appropriate agencies and officials, cooperate in arranging for such official attendance in order for such official visit to be made from this country to Belgium or such other European country, in which such international conference may be held: Now, therefore, be it

"Resolved by the house of representatives (the senate concurring), That we request the United States Government, through its State Department and such other proper and appropriate agencies and officials, to fully cooperate in recognizing and expediting such official representation from the juvenile court judges of the United States to the said International Conference of Juvenile Court Judges, by designating Judge Walter H. Beckham, judge of the Juvenile and Domestic Relations Court, in and for Dade County, Fla., with such official status and providing such other official and diplomatic arrangements as may be fit and proper to carry out the plan and purpose of such representation; be it further

"Resolved, That we likewise request those Members in Congress from the State of Florida to take note of this resolution and encourage and cooperate with the United States Government and its proper agencies and officials for the purposes herein suggested; be it further

"Resolved, That an official copy of this resolution be forwarded by the Secretary of State to the Secretary of the United States and to the Florida Members of Congress.

"Approved by the Governor May 24, 1949."

WORLD FEDERATION—LETTER FROM HARRY W. McCORMICK

Mr. PEPPER. Mr. President, I present for appropriate reference and ask unanimous consent to have printed in the RECORD a letter addressed to me from Harry W. McCormick, vice mayor of the city of St. Petersburg, Fla., dated July 27, 1949, concerning world federation.

There being objection, the letter was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

CITY OF ST. PETERSBURG, FLA.,
July 27, 1949.

Hon. CLAUDE PEPPER,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR PEPPER: I have recently learned that the House Foreign Affairs Committee has voted to hold hearings on the world federation resolution.

I am both excited and pleased that at long last we might get some favorable action from the floor on this very important legislation vital to each of us and our families.

As a father of three, a taxpayer, city official, and American citizen, I implore you to take our place and remember to plead for us in committee or on the floor, if opportunity presents, in support of the world federation resolution.

World events point to now as the opportune time for world organization and strengthening UN powers. Another session may be just one too late.

Gratefully,

HARRY W. McCORMICK,
Vice Mayor.

MILITARY ESTABLISHMENT APPROPRIATIONS—TELEGRAM AND LETTER FROM N. P. ALIFAS, WASHINGTON, D. C.

Mr. LANGER. Mr. President, I present for appropriate reference and ask unanimous consent to have printed in the RECORD a telegram and letter from N. P. Alifas, president, district No. 44, International Association of Machinists, Washington, D. C., together with an attached amendment, relating to the Military Establishment appropriation bill.

There being no objection, the telegram, letter, and attached amendment were ordered to lie on the table and to be printed in the RECORD, as follows:

AUGUST 12, 1949.

When Military Establishment appropriation bill comes before Senate please support committee amendment beginning on page 95 identified as section 630 with perhaps one or two clarifying amendments thereto submitted by the committee. This identical language was approved by the Senate last year in the Navy Appropriation Act. The amendment denies appropriations for the making of elemental stop-watch time studies in industrial Government establishments under the Department of National Defense and restricts appropriations for the Navy so that construction, modernization, and repair work must be performed in the Government's own naval shipyards and arsenals when time and facilities permit and when it will cost less than by contract. The anti-stop-watch section was contained in the Army and Navy appropriation bills unchanged from 1915 until 1946, then it was amended unfavorably from labor's point of view in 1947 and 1948. The section merely restores the old language. The language relating to the assignment of work to naval shipyards and arsenals has been in the bill practically unchanged for 25 years. This section is very dear to organized labor. Please oppose crippling amendments from the floor.

N. P. ALIFAS,
President, District No. 44, I. A. of M.,
Machinists Building.
WASHINGTON, D. C.

INTERNATIONAL ASSOCIATION
OF MACHINISTS,
Washington, D. C., April 21, 1949.

Senator ELMER THOMAS,
Chairman, Subcommittee on Military Establishment Appropriation Bill, Senate Appropriations Committee, The Capitol, Washington, D. C.

DEAR SENATOR THOMAS: In accordance with the provisions of the Legislative Reorganization Act of 1946, I respectfully request a hearing before your committee at your convenience, for the purpose of urging the restoration to the bill H. R. 4146, of a provision carried in the Naval Appropriation Act for the fiscal year 1948, identified as section 103.

This identical provision was approved last year by the subcommittee of the Appropriations Committee of the Senate having in charge the Naval Appropriation Act, later on approved by the Senate. In conference however, a part of the language relating to the stop-watch time study practice was eliminated, thereby weakening the effectiveness of the provision, which is identified as section 112 of the Naval Appropriation Act for the fiscal year 1949.

It is therefore respectfully requested that the full text of the legislation which was incorporated as section 103 in the Naval Appropriation Act for the fiscal year 1948, as in previous years, be incorporated in the pending bill on page 90 following line 21 as a new section numbered 629.

This provision relates to two distinct subjects. One, the prohibition against the use of elemental stop-watch time study as a shop practice in naval industrial establishments. This provision was incorporated in the Naval Appropriation Act annually beginning in 1915 until 1947, except for the first clause of the first sentence which was incorporated in the section in 1947 and 1948. The other subject to which the proposed section relates requires in effect that work of the Navy shall be performed in its own plants when, in the opinion of the Secretary of the Navy, it would not involve an appreciable increase in cost to the Government, and when the work can be performed within the time required and if facilities are available to perform the work; and if such procedure is deemed advantageous to the national defense. This provision has been in the bill annually with slight modifications for at least 25 years; and while the language contains many exceptions which by interpretation could make it null and void, its retention in the bill appears to have resulted in the establishment of the Navy departmental policy of utilizing its own plants to a substantial degree.

As to the first of these two proposals, the language prohibiting elemental stop-watch time study was originally sponsored by the late Senator Borah in 1912 following a study which his committee made of the Taylor system of shop management and similar systems.

In succeeding Congresses this legislation has been sponsored by Democrats in Democratic Congresses and by Republicans in Republican Congresses. Hence, the issue is nonpartisan.

While elemental stop-watch time study is used to a limited extent in a few private industries, principally in mass-production plants and where the assembly-line technique is in operation, a check on abuses exists in that employees have a right to strike if shop practices become oppressive. No such right exists in Government plants. In fact, the pending bill contains a provision against strikes in Government plants. Hence Government employees need this legislative safeguard.

Furthermore, the Navy Department appears to be the only agency in the executive departments where a small but insistent portion of management insists upon approaching as close to the practice of elemental stop-watch time study as the technical construction of the law permits. We desire to point out that no other department of the Government appears to be bent upon introducing these obnoxious practices even though there is no law prohibiting it in their departments and agencies. This bears out our contention that the alleged value of stop-watch time study is not as desirable even from the management's point of view, as the proponents of this practice claim.

As to that part of the above-mentioned proposed section 629, which requires that the Navy's work be performed in its own industrial establishments under the numerous qualifications contained therein, I beg to point out that since the Navy's policy at present of doing its repair and modernization work in its own plants appears to be based upon this provision, if it is eliminated from the pending bill, the Navy Department would have reason to assume that Congress wants its policy changed; and may therefore subsequently let as much work as possible to private contractors. Such a change of policy would result in closing down many of the Navy's industrial establishments or reduce their operations to an uneconomical rate.

The Navy's industrial establishments have cost the American people hundreds of millions of dollars; and we submit that they should not be permitted to fall into disuse.

These Government plants have turned out high-class work and economically; and they constitute a bulwark against subversive influences in our national defense program.

Employees in these Government establishments in the field service of the Navy Department are required to pass rigid loyalty tests; and are continually subjected to investigation whenever their loyalty is called in question. In fact, the pending bill continues these loyalty tests. The employees in these Government establishments are all American citizens and have not complained to any appreciable extent about the loyalty tests.

In private industry, on the other hand, noncitizens are permitted to work and loyalty tests are not universally applied or enforced.

Furthermore, in 1944, Congress passed the Veterans' Preference Act, which gives veterans preference for life, both in entering the service and remaining therein. The proportion of veterans therefore has been substantially increased in these Government establishments to the point where in some instances practically all of the employees are veterans.

Veterans' preference is not in operation in private industry to which this work would go by contract in case the Navy Department should conclude that Congress wants it to close down its own plants and let the work to private contractors. Thus, insofar as the veterans are concerned, Congress would have given them preference in employment only to pave the way to abolish the jobs either by closing down the plants or minimizing their operation.

May I emphasize the serious blow to the morale of the employees of these establishments to face the possibility of the introduction of the Taylor system of shop management and the loss of their livelihood by a possible closing down of the particular plant in which they are employed in letting the work out to contract where strikes prevail, noncitizens are employed, loyalty tests are not enforced, and where veterans' preference is not in operation?

Last year and the year previous the subcommittee of the Senate Appropriations Committee which handled the Naval Appropriation Act was sufficiently generous and considerate in restoring to the bill the identical language which comprises the proposed amendment. It is hoped, therefore, that your committee will relieve a very tense situation in these Government establishments and incorporate the proposed section in the bill.

For your convenience, copy of the proposed section is hereto attached.

Hoping this will receive your favorable consideration, I remain

Very respectfully yours,

N. P. ALIFAS,
President, District No. 44, International Association of Machinists.

Amend H. R. 4146 on page 90 following line 21 by inserting a new section reading as follows:

"SEC. 629. No part of the appropriations made in this act shall be available for contracts with any person, firm, or corporation to make or cause to be made with a stop watch or other time-measuring device a time study of any job of any employee; no part of the appropriations made in this act shall be available for the salary or pay of any officer, manager, superintendent, foreman, or other person or persons having charge of the work of any employee of the United States Government while making or causing to be made with a stop watch or other time-measuring device a time study of any job of any such employee between the starting and completion thereof, or of the movements of any such employee while engaged upon such work; nor shall any part of the appropriations made in this act be available to pay any premiums or bonus or cash reward to any employee in addition to his regular wages, except for suggestions resulting in improvements or economy in the operation of any Government plant; and no moneys herein appropriated for the Naval Establishment or made available therefor shall be used or expended under contracts hereafter made for the repair, purchase, or acquirement, by or from any private contractor, of any naval vessel, machinery, article, or articles that at the time of the proposed repair, purchase, or acquirement can be repaired, manufactured, or produced in each or any of the Government naval shipyards or arsenals of the United States, when time and facilities permit, and when, in the judgment of the Secretary, such repair, purchase, acquirement, or production would not involve an appreciable increase in cost to the Government, except when the repair, purchase, or acquirement, by or from any private contractor, would, in the opinion of the Secretary, be advantageous to the national defense."

REORGANIZATION PLAN NO. 2 OF 1949—MINORITY VIEWS (PT. 2 OF REPT. NO. 852)

Mr. HUMPHREY, as a member of the Committee on Expenditures in the Executive Departments, submitted minority views on the resolution (S. Res. 151) disapproving Reorganization Plan No. 2 of 1949, which were ordered to be printed.

ADDITIONAL REPORT OF JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL EXPENDITURES—PERSONNEL AND PAY IN EXECUTIVE BRANCH

Mr. BYRD. Mr. President, as chairman of the Joint Committee on Reduction of Nonessential Federal Expenditures, I submit an additional report on personnel and pay in the executive branch of the Federal Government, and in accordance with practice of several years' standing I request that it be printed in the body of the RECORD together with a statement by me.

There being no objection, the report and statement were ordered to be printed in the RECORD, as follows:

FEDERAL PERSONNEL IN THE EXECUTIVE BRANCH MAY–JUNE 1949, AND PAY APRIL–MAY 1949

NOTE WITH REFERENCE TO PERSONAL SERVICE EXPENDITURE FIGURES

It should be noted that the latest expenditure figures for personal service shown in

table I of this report are for the month of May, and that they are compared with personal service expenditure figures for the month of April, whereas the latest employment figures covered in this report are for the month of June and are compared with the month of May. This lag in personal service expenditure figures is necessary in order that actual expenditures may be reported.

(Figures in the following report are compiled from signed official personnel reports by the various agencies and departments of the Federal Government. Table I shows total personnel employed inside and outside continental United States, and pay, by agency. Table II shows personnel employed inside continental United States. Table III shows personnel employed outside continental United States. Table IV gives by agency the industrial workers employed by the Federal Government. For purposes of comparison, figures for the previous month are shown in adjoining columns.)

PERSONNEL AND PAY SUMMARY

(See table I)

According to monthly personnel reports for June 1949 submitted to the Joint Committee on Reduction of Nonessential Federal Expenditures:

	Civilian personnel in executive branch			Pay roll (in thousands of dollars) in executive branch		
	In June numbered—	In May numbered—	Increase (+) or decrease (−)	In May was—	In April was—	Increase (+) or decrease (−)
Total	2,114,433	2,120,019	−5,586	$550,712	$536,395	+$14,317
1. Agencies exclusive of National Military Establishment	1,229,705	1,222,127	+7,578	319,348	312,401	+6,947
2. National Military Establishment	884,728	897,892	−13,164	231,364	223,994	+7,370
Within National Military Establishment:						
Office of the Secretary of Defense	1,530	1,522	+8	567	509	+58
Department of the Army	368,960	377,310	−8,350	91,590	89,700	+1,890
Department of the Air Force	168,958	167,289	+1,669	42,819	40,447	+2,372
Department of the Navy	345,280	351,771	−6,491	96,388	93,338	+3,050

Table I breaks down the above figures on employment and pay by agency.

Tables II, III, and IV break down the above employment figures to show the number inside continental United States, outside continental United States, and the number in the so-called industrial categories. This further break-down in tables II, III, and IV does not include pay figures because payroll reports submitted to the committee by some agencies are inadequate for this purpose.

INSIDE CONTINENTAL UNITED STATES

(See table II)

Federal personnel within the United States decreased 4,114 from the May total of 1,932,746 to the June total of 1,928,632.

Exclusive of the National Military Establishment there was an increase of 6,882 from the May total of 1,164,974 to the June total of 1,171,856.

Total civilian employment within the United States for the National Military Establishment for June was 756,776, a decrease of 10,996 under the May total of 767,772.

The Office of the Secretary of Defense increased 8 from the May figure of 1,522 to the June figure of 1,530.

The Department of the Army civilian personnel within the United States decreased 5,830 from the May figure of 313,076 to the June figure of 307,246.

The Department of the Air Force civilian personnel within the United States decreased 885 from the May figure of 139,521 to the June figure of 138,636.

The Department of the Navy civilian personnel within the United States decreased 4,289 from the May figure of 313,653 to the June figure of 309,364.

OUTSIDE CONTINENTAL UNITED STATES

(See table III)

Outside continental United States Federal personnel decreased 1,472 from the May total of 187,273 to the June total of 185,801.

An increase of 696 was reported by the departments and agencies other than the National Military Establishment from the May total of 57,153 to the June total of 57,849.

Total civilian employment outside continental United States for the National Military Establishment decreased 2,168 from the May total of 130,120 to the June figure of 127,952.

The Department of the Army reported a decrease in overseas civilian employment of 2,520 from the May figure of 64,234 to the June figure of 61,714.

The Department of the Air Force reported an increase in overseas civilian employment of 2,554 from the May figure of 27,768 to the June figure of 30,322.

The Department of the Navy reported a decrease in overseas civilian employment of 2,202 from the May figure of 38,118 to the June figure of 35,916.

INDUSTRIAL EMPLOYMENT

(See table IV)

Total industrial employment during the month of June decreased 12,174 from the May total of 575,124 to the June total of 562,950.

The departments and agencies other than the National Military Establishment increased 1,354 from the May total of 20,323 to the June total of 21,677.

The National Military Establishment decreased its total industrial employment 13,528 from the May figure of 554,801 to the June figure of 541,273.

The Department of the Army reported a decrease of 8,835 from the May figure of 213,332 to the June figure of 204,497. Inside continental United States Army industrial employment decreased 6,447, and outside continental United States there was a decrease of 2,388.

The Department of the Air Force reported an increase of 1,472 industrial employees from the May figure of 100,945 to the June figure of 102,417. Air Force industrial employment decreased inside the continental United States 1,242 and increased outside the continental United States 2,714.

The Department of the Navy decreased its industrial employment 6,165 from the May figure of 240,524 to the June figure of 234,359.

The term "industrial employees," as used by the committee, refers to unskilled, semiskilled, skilled, and supervisory employees paid by the Federal Government who are working on construction projects such as airfields and roads, and in shipyards and arsenals. It does not include maintenance and custodial employees.

TREND IN FEDERAL PERSONNEL FOR FISCAL YEAR 1949

Table V, carried at the end of this report, shows the trend in Federal employment for fiscal year 1949, by quarterly totals, broken as between the departments and agencies (exclusive of National Military Establishment) and the National Military Establishment. Table is further broken to show trends in employment within as well as outside continental United States.

TABLE I.—*Consolidated table of Federal personnel inside and outside continental United States employed by the executive agencies during June 1949, and comparison with May 1949, and pay for May 1949 and comparison with April 1949*

	Pay (in thousands of dollars)				Personnel			
	April	May	Increase	Decrease	May	June	Increase	Decrease
Executive departments (except National Military Establishment):								
Agriculture	18,648	20,025	1,377		82,347	89,518	7,171	
Commerce	12,656	13,432	776		45,443	46,892	1,449	
Interior	13,635	14,533	898		54,021	57,960	3,939	
Justice	8,748	9,238	490		26,041	26,016		25
Labor	1,101	1,177	76		3,589	3,661	72	
Post Office	124,575	122,928		1,647	514,932	517,538	2,606	
State	6,017	5,988		29	20,815	21,278	463	
Treasury	26,806	27,493	687		91,017	88,740		2,277
Executive Office of the President:								
White House Office	128	88		40	230	228		2
Bureau of the Budget	235	252	17		530	530		
Executive Mansion and Grounds	13	15	2		71	71		
National Security Council [1]	7	7			20	20		
National Security Resources Board	159	161	2		348	341		7
Council of Economic Advisers	21	26	5		39	39		
Emergency war agencies: Office of Defense Transportation	12	14	2		12	9		3

[1] Exclusive of personnel and pay of the Central Intelligence Agency.

TABLE I.—*Consolidated table of Federal personnel inside and outside continental United States employed by the executive agencies during June 1949, and comparison with May 1949, and pay for May 1949 and comparison with April 1949*—Continued

	Pay (in thousands of dollars)				Personnel			
	April	May	Increase	Decrease	May	June	Increase	Decrease
Postwar agencies:								
Displaced Persons Commission	75	81	6		237	256	19	
Economic Cooperation Administration	1,197	1,167		30	3,411	3,595	184	
Office of the Housing Expediter	1,613	1,666	53		4,922	5,231	309	
Philippine Alien Property Administration	31	38	7		99	97		2
Philippine War Damage Commission	198	213	15		988	1,046	58	
War Assets Administration	1,791	2,376	585		3,702	2,539		1,163
Independent agencies:								
American Battle Monuments Commission	20	18		2	157	158	1	
Atomic Energy Commission	1,631	1,692	61		4,627	4,639	12	
Civil Aeronautics Board	255	267	12		679	682	3	
Civil Service Commission	1,192	1,226	34		4,164	4,098		66
Export-Import Bank of Washington	55	55			122	126	4	
Federal Communications Commission	484	505	21		1,348	1,340		8
Federal Deposit Insurance Corporation	371	389	18		1,062	1,089	27	
Federal Mediation and Conciliation Service	186	192	6		368	364		4
Federal Power Commission	299	315	16		794	791		3
Federal Security Agency [2]	9,201	9,398	197		35,931	36,000	69	
Federal Trade Commission	281	282	1		653	655	2	
Federal Works Agency	5,623	5,893	270		23,546	24,139	593	
General Accounting Office	2,792	2,920	128		9,344	8,857		487
Government Printing Office	2,256	2,413	157		7,020	7,017		3
Housing and Home Finance Agency	3,549	3,743	194		11,534	11,362		172
Indian Claims Commission	6	6			11	11		
Interstate Commerce Commission	806	847	41		2,195	2,184		11
Maritime Commission [3]	1,847	1,736		111	6,318	6,032		286
National Advisory Committee for Aeronautics	2,115	2,224	109		6,939	7,134	195	
National Archives	116	120	4		379	362		17
National Capita Housing Authority	74	78	4		309	310	1	
National Capital Park and Planning Commission	6	7	1		20	20		
National Capital Sesquicentennial Commission	1	1			2	2		
National Gallery of Art	74	71		3	313	317	4	
National Labor Relations Board	502	521	19		1,481	1,523	42	
National Mediation Board	51	51			101	111	10	
Panama Canal	3,568	3,197		371	22,459	22,174		285
Railroad Retirement Board	683	688	5		2,384	2,386	2	
Reconstruction Finance Corporation	1,762	1,827	65		4,600	4,601	1	
Securities and Exchange Commission	444	464	20		1,133	1,127		6
Selective Service System	888	1,109	221		5,154	4,919		235
Smithsonian Institution	158	166	8		546	545		1
Tariff Commission	103	103			238	237	1	
Tax Court of the United States	70	54		16	124	124		
Tennessee Valley Authority	3,639	3,699	60		12,782	13,174	392	
Veterans' Administration	49,627	52,153	2,526		200,476	195,488		4,988
Total, excluding National Military Establishment	312,401	319,348	9,196	2,249	1,222,127	1,229,705	17,629	10,051
Net increase, excluding National Military Establishment			6,947				7,578	
National Military Establishment:								
Office of the Secretary of Defense	509	567	58		1,522	1,530	8	
Department of the Army:								
Inside continental United States	76,211	78,756	2,545		313,076	307,246		5,830
Outside continental United States	13,489	12,834		655	64,234	61,714		2,520
Department of the Air Force:								
Inside continental United States	35,103	37,135	2,032		139,521	138,636		885
Outside continental United States	5,344	5,684	340		27,768	30,322	2,554	
Department of the Navy	93,338	96,388	3,050		351,771	345,280		6,491
Total, National Military Establishment	223,994	231,364	8,025	655	897,892	884,728	2,562	15,726
Net change, National Military Establishment			7,370				13,164	
Grant total, including National Military Establishment	536,395	550,712	17,221	2,904	2,120,019	2,114,433	20,191	25,777
Net change, including National Military Establishment			14,317				5,586	

[1] Includes personnel and pay for Howard University and the Columbia Institute for the Deaf.
[2] Exclusive of 90 seamen and 2,457 trainees on the rolls of the Maritime Commission and their pay.

TABLE II.—*Federal personnel inside continental United States employed by executive agencies during June 1949 and comparison with May 1949*

Department or agency	May	June	Increase	Decrease
Executive departments (except National Military Establishment):				
Agriculture	79,880	87,024	7,144	
Commerce	42,212	43,469	1,257	
Interior	47,631	51,460	3,829	
Justice	25,562	25,539		23
Labor	3,554	3,624	70	
Post Office	513,136	515,732	2,596	
State	8,142	8,262	120	
Treasury	90,325	88,052		2,273
Executive Office of the President:				
White House Office	230	228		2
Bureau of the Budget	530	530		
Executive Mansion and Grounds	71	71		
National Security Council [1]	20	20		
National Security Resources Board	348	341		7
Council of Economic Advisers	39	39		
Emergency war agencies: Office of Defense Transportation	12			3
Postwar agencies:				
Displaced Persons Commission	77	82	5	
Economic Cooperation Administration	944	947	3	
Office of the Housing Expediter	4,896	5,203	307	
Philippine Alien Property Administration	2	2		
Philippine War Damage Commission	8	6		2
War Assets Administration	3,701	2,538		1,163
Independent agencies:				
American Battle Monuments Commission	13	14	1	
Atomic Energy Commission	4,624	4,636	12	
Civil Aeronautics Board	661	663	2	
Civil Service Commission	4,159	4,093		66
Export-Import Bank of Washington	120	124	4	
Federal Communications Commission	1,315	1,308		7
Federal Deposit Insurance Corporation	1,062	1,089	27	
Federal Mediation and Conciliation Service	368	364		4
Federal Power Commission	794	791		3
Federal Security Agency [2]	34,910	34,989	79	
Federal Trade Commission	653	655	2	
Federal Works Agency	22,817	23,338	521	
General Accounting Office	9,344	8,857		487
Government Printing Office	7,020	7,017		3
Housing and Home Finance Agency	11,493	11,322		171
Indian Claims Commission	11	11		
Interstate Commerce Commission	2,195	2,184		11
Maritime Commission [3]	6,283	6,000		283
National Advisory Committee for Aeronautics	6,939	7,134	195	
National Archives	379	362		17
National Capital Housing Authority	309	310	1	
National Capital Park and Planning Commission	20	20		

[1] Exclusive of personnel of the Central Intelligence Agency.
[2] Includes employees of Howard University and the Columbia Institute for the Deaf.
[3] Exclusive of 90 seamen and 2,457 trainees on the rolls of the Maritime Commission.

TABLE II.—*Federal personnel inside continental United States employed by executive agencies during June 1949 and comparison with May 1949*—Continued

Department or agency	May	June	Increase	Decrease
Independent agencies—Continued				
National Capital Sesquicentennial Commission	2	2		
National Gallery of Art	313	317	4	
National Labor Relations Board	1,469	1,511	42	
National Mediation Board	101	111	10	
Panama Canal	644	635		9
Railroad Retirement Board	2,384	2,386	2	
Reconstruction Finance Corporation	4,589	4,590	1	
Securities and Exchange Commission	1,133	1,127		6
Selective Service System	4,997	4,772		225
Smithsonian Institution	541	540		1
Tariff Commission	238	239	1	
Tax Court of the United States	124	124		
Tennessee Valley Authority	12,782	13,174	392	
Veterans' Administration	198,848	193,869		4,979
Total, exclusive of National Military Establishment	1,164,974	1,171,856	16,627	9,745
Net increase, excluding National Military Establishment			6,882	
National Military Establishment:				
Office of the Secretary of Defense	1,522	1,530	8	
Department of the Army	313,076	307,246		5,830
Department of the Air Force	139,521	138,636		885
Department of the Navy	313,653	309,364		4,289
Total, National Military Establishment	767,772	756,776	8	11,004
Net decrease, National Military Establishment			10,996	
Grand total, including National Military Establishment	1,932,746	1,928,632	16,635	20,749
Net decrease, including National Military Establishment			4,114	

TABLE III.—*Federal personnel outside continental United States employed by the executive agencies during June 1949, and comparison with May 1949*

Department or agency	May	June	Increase	Decrease
Executive departments (except National Military Establishment):				
Agriculture	2,467	2,494	279	
Commerce	3,231	3,423	192	
Interior	6,390	6,500	110	
Justice	479	477		2
Labor	35	37	2	
Post Office	1,796	1,806	10	
State	12,673	13,016	343	
Treasury	692	688		4
Postwar agencies:				
Displaced Persons Commission	160	174	14	
Economic Cooperation Administration	2,467	2,648	181	
Office of the Housing Expediter	26	28	2	
Philippine Alien Property Administration	97	95		2
Philippine War Damage Commission	980	1,040	60	
War Assets Administration	1	1		
Independent agencies:				
American Battle Monuments Commission	144	144		
Atomic Energy Commission	3	3		
Civil Aeronautics Board	18	19	1	
Civil Service Commission	5	5		
Export-Import Bank of Washington	2	2		
Federal Communications Commission	33	32		1
Federal Security Agency	1,021	1,011		10
Federal Works Agency	729	801	72	
Housing and Home Finance Agency	41	40		1
Independent agencies—Continued				
Maritime Commission	35	32		3
National Labor Relations Board	12	12		
Panama Canal	21,815	21,539		276
Reconstruction Finance Corporation	11	11		
Selective Service System	157	147		10
Smithsonian Institution	5	5		
Veterans' Administration	1,628	1,619		9
Total, excluding National Military Establishment	57,153	57,249	1,014	318
Net increase, excluding National Military Establishment			696	
National Military Establishment:				
Department of the Army	4,234	1,714		2,520
Department of the Air Force	27,768	30,322	2,554	
Department of the Navy	38,118	35,916		2,202
Total, National Military Establishment	130,120	127,952	2,554	4,722
Net decrease, National Military Establishment			2,168	
Grand total, including National Military Establishment	187,273	185,801	3,568	5,040
Net decrease, including National Military Establishment			1,472	

TABLE IV.—*Industrial employees of the Federal Government inside and outside continental United States employed by executive agencies during June 1949, and comparison with May 1949*

Department or agency	May	June	Increase	Decrease
Executive departments (except National Military Establishment):				
Commerce	1,111	1,445	334	
Interior	5,988	6,723	735	
State	354	355	1	
Treasury	4,453	4,457	4	
Independent agencies:				
Atomic Energy Commission	125	114		11
Housing and Home Finance Agency	2	2		
Panama Canal	1,865	1,814		51
Tennessee Valley Authority	6,425	6,767	342	
Total, excluding National Military Establishment	20,323	271,677	1,416	62
Net increase, excluding National Military Establishment			1,354	
National Military Establishment:				
Department of Army:				
Inside continental United States	171,079	164,632		6,447
Outside continental United States	42,253	39,865		2,388
Department of the Air Force:				
Inside continental United States	79,824	78,582		1,242
Outside continental United States	21,121	23,835	2,714	
Department of the Navy	240,524	234,359		6,165
Total, National Military Establishment	554,801	541,273	2,714	16,242
Net decrease, National Military Establishment			13,528	
Grand total, including National Military Establishment	575,124	562,950	4,130	16,304
Net decrease, including National Military Establishment			12,174	

TABLE V.—*Trend in Federal personnel for fiscal year 1949*

	June 30, 1948	Sept. 30, 1948	Dec. 31, 1948	March 1949	June 1949	Increase (+) or decrease (−)
Total	2,083,753	2,105,670	2,092,783	2,099,716	2,114,433	+30,680
Inside continental United States	1,857,000	1,899,881	1,899,016	1,908,182	1,928,632	+71,632
Outside continental United States	226,753	205,789	193,767	191,534	185,801	−40,952
Departments and agencies (exclusive of National Military Establishment)	1,211,975	1,221,212	1,202,555	1,204,254	1,229,705	+17,730
Inside continental United States	1,156,016	1,167,428	1,148,282	1,148,179	1,171,856	+15,840
Outside continental United States	55,959	53,784	54,784	56,075	57,849	+1,890
National Military Establishment	871,778	884,458	890,228	895,462	884,728	+12,950
Inside continental United States	700,984	732,453	750,734	760,003	756,776	+55,792
Outside continental United States	170,794	152,005	139,494	135,459	127,952	−42,842

TABLE V.—*Trend in Federal personnel for fiscal year 1949*—Continued

	June 30, 1948	Sept. 30, 1948	Dec. 31, 1948	March 1949	June 1949	Increase (+) or decrease (−)
Within the National Military Establishment:						
Department of the Army	370,716	368,466	367,365	370,903	368,960	−1,756
Inside continental United States	275,270	288,541	297,049	302,690	307,246	+31,796
Outside continental United States	95,446	79,925	70,316	68,213	61,714	−33,732
Department of the Air Force	152,391	154,962	157,799	162,697	168,958	+16,567
Inside continental United States	121,103	125,969	130,946	135,570	138,636	+17,533
Outside continental United States	31,288	28,993	26,853	27,127	30,322	−966
Department of the Navy	347,687	359,976	363,874	360,527	345,280	−2,407
Inside continental United States	303,627	316,889	321,549	320,408	309,364	+5,737
Outside continental United States	44,060	43,087	42,325	40,119	35,916	−8,144
Office of the Secretary of Defense	984	1,054	1,190	1,335	1,530	+546

STATEMENT BY SENATOR BYRD, CHAIRMAN OF THE JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES, IN CONNECTION WITH THE MONTHLY REPORT ON FEDERAL PERSONNEL AND PAY, MAY–JUNE 1949

When fiscal year 1949 ended June 30, the National Military Establishment was employing 1 civilian for each 1.8 men in uniform. This ratio of civilian employment to uniformed personnel was identical with that recorded when the Armed Services Unification Act became effective nearly 2 years ago in September 1947. The ratio at the war peak in July 1945 was 1 civilian for each 4.7 men in uniform.

This phase of results from the Unification Act was revealed in the June report on Federal personnel in the executive branch of the Federal Government released today by the Joint Committee on Reduction of Nonessential Federal Expenditures.

In a fiscal year-end summary for 1949 the report showed the National Military Establishment in June was employing 884,728 civilians as compared with 871,778 a year ago.

Although there was a decrease of 42,842 in civilians employed by the military agencies outside continental United States, civilians employed by the National Military Establishment inside continental United States increased by 55,792.

The principal increase was recorded by the Air Force which had a net increase in civilian employment inside continental United States of 14 percent. The Departments of the Army and the Navy each were employing more than 11 percent more civilians inside continental United States than they were a year ago.

The executive branch as a whole was employing 30,680 more people in June 1949 than were on the pay roll in June 1948. On the whole there was an increase of 71,632 civilians employed inside continental United States. Civilian employment outside continental United States decreased by 40,952.

Other major increases were reported for the fiscal year by the Post Office Department with 19,123, Commerce Department with 5,957, Agriculture Department with 4,415, Selective Service System with 4,161, Economic Cooperation Administration with 3,024, Federal Works Agency with 1,574, Federal Security Agency with 1,448.

These increases were partially offset by decreases reported by War Assets Administration, in liquidation, with 14,590, Tennessee Valley Authority with 2,049, Veterans' Administration with 1,370, and Maritime Commission with 1,187.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. JOHNSON of Colorado:

S. 2425. A bill for the relief of Giovanni Aldo Ghilarducci; to the Committee on the Judiciary.

By Mr. DULLES:

S. 2426. A bill for the relief of Livia de Badics and Agatha de Badics; to the Committee on the Judiciary.

By Mr. LANGER:

S. 2427. A bill for the relief of Masae Marumoto; and

S. 2428. A bill for the relief of certain aliens from Pakistan; to the Committee on the Judiciary.

By Mr. McCARRAN:

S. 2429. A bill for the relief of Henrique Santos; to the Committee on the Judiciary.

By Mr. HUMPHREY:

S. 2430. A bill for the relief of Major Nils M. Ylvisaker; to the Committee on the Judiciary.

By Mr. SALTONSTALL (for himself and Mr. LODGE):

S. J. Res. 125. Joint resolution to authorize the Administrator of Civil Aeronautics to undertake a project under the Federal Airport Act for the development and improvement of Logan International Airport at Boston, Mass., during the fiscal year 1950; to the Committee on Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. HUMPHREY, and Mr. MORSE):

S. J. Res. 126. Joint resolution to direct the Administrator of Veterans' Affairs to construct certain additional hospital beds, and for other purposes; to the Committee on Labor and Public Welfare.

PRINTING OF ADDITIONAL COPIES OF HEARINGS ON PROPOSED AMENDMENT TO CONSTITUTION RELATING TO ELECTION OF PRESIDENT AND VICE PRESIDENT

Mr. McCARRAN submitted the following resolution (S. Res. 154), which was referred to the Committee on Rules and Administration:

Resolved, That there be printed 2,000 additional copies of the hearings conducted before a subcommittee of the Senate Committee on the Judiciary on Senate Joint Resolution 2, Eighty-first Congress, proposing an amendment to the Constitution of the United States providing for the election of President and Vice President. Such additional copies shall be for the use of the Senate Committee on the Judiciary.

INTERIOR DEPARTMENT APPROPRIATIONS—AMENDMENT

Mr. BUTLER submitted an amendment intended to be proposed by him to the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes, which was ordered to lie on the table and to be printed.

HOUSE BILL AND JOINT RESOLUTION REFERRED

The following bill and joint resolution were each read twice by their titles, and referred as indicated:

H. R. 5929. An act to amend the Army and Air Force Vitalization and Retirement Equalization Act of 1948; to the Committee on Armed Services.

H. J. Res. 332. Joint resolution providing for the establishment of a Joint Senate and House Recording Facility; to the Committee on Rules and Administration.

HOUSE CONCURRENT RESOLUTION REFERRED

The concurrent resolution (H. Con. Res. 103) to provide funds for the expenses of the joint committee created pursuant to House Concurrent Resolution 102, to provide for the attendance of a joint committee to represent the Congress at the eighty-third and final national encampment of the Grand Army of the Republic, was referred to the Committee on Rules and Administration.

FREEDOM FROM FEAR—ADDRESS BY SENATOR THOMAS OF UTAH

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD a radio address entitled "Freedom From Fear" broadcast by him over Station KSL, Salt Lake City, Utah, on August 10, 1949, which appears in the Appendix.]

WORLD FEDERATION OF GOVERNMENTS—STATEMENT BY SENATOR PEPPER

[Mr. PEPPER asked and obtained leave to have printed in the RECORD a statement issued by him on August 8, 1949, which appears in the Appendix.]

ARTICLE BY THOMAS L. STOKES ON ADDRESS BY HERBERT HOOVER

[Mr. PEPPER asked and obtained leave to have printed in the RECORD an article entitled "Doleful Keynote," written by Thomas L. Stokes, and published in the Washington Evening Star of August 12, 1949, which appears in the Appendix.]

MONOPOLY CONTROL—ADDRESS BY SENATOR KEFAUVER

[Mr. KEFAUVER asked and obtained leave to have printed in the RECORD a radio address entitled "Monopoly Control," delivered by him on August 7, 1949, which appears in the Appendix.]

ATLANTIC UNION RESOLUTION

[Mr. KEFAUVER asked and obtained leave to have printed in the RECORD an editorial

entitled "Atlantic Union Resolution," published in the Meriden Daily Journal of Meriden, Conn., of recent date, which appears in the Appendix.]

BENNINGTON COLLEGE COMMENCEMENT ADDRESS BY SENATOR HUMPHREY

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD a commencement address delivered by him at Bennington College, Bennington, Vt., July 1, 1949, which appears in the Appendix.]

REORGANIZATION PLAN NO. 2—EDITORIAL FROM THE WASHINGTON POST

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an editorial entitled "Reorganization Plan No. 2," published in the Washington Post of August 12, 1949, which appears in the Appendix.]

FDIC ASSESSMENTS—ARTICLE FROM THE UNITED STATES INVESTOR

[Mr. JOHNSON of Colorado asked and obtained leave to have printed in the RECORD an article entitled "FDIC Assessments," published in the United States Investor of August 6, 1949, which appears in the Appendix.]

AMERICAN POLICY IN CHINA—ARTICLE BY RAY RICHARDS

[Mr. FERGUSON asked and obtained leave to have printed in the RECORD an article written by Ray Richards, of the Washington Bureal of the Hearst newspapers, under date of August 11, 1949, dealing with the American mediation between Communists and Nationalists in China, which appears in the Appendix.]

BORROWER'S RIGHTS—ARTICLE BY RALPH HENDERSHOT

[Mr. KEM asked and obtained leave to have printed in the RECORD an article entitled "Borrower's Rights," written by Ralph Hendershot, financial editor, and published in the New York World-Telegram of August 11, 1949, which appears in the Appendix.]

SHADOW OF THE A-BOMB—EDITORIAL FROM THE HARTFORD COURANT

[Mr. MCMAHON asked and obtained leave to have printed in the RECORD an editorial entitled "Shadow of the A-Bomb," from the Hartford Courant of August 9, 1949, which appears in the Appendix.]

ALASKAN DEFENSES—TELEGRAM FROM GOVERNOR OF ALASKA

Mr. HUNT. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a telegram received by me from the Governor of Alaska, dated August 12, 1949, concerning Alaskan defenses.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

JUNEAU, ALASKA, *August 12, 1949.*

Senator LESTER C. HUNT,
Washington, D. C.:

Word that Congress is deferring action for this session on the $137,738,712 defense authorization for Alaska appears to us unbelievable. I can state categorically that Alaska is defenseless and that the Territory could be taken tomorrow by a minor scale airborne invasion. While the Congress has just approved a $5,797,000,000 appropriation for Europe to check the advance of communistic totalitarianism across the Atlantic 3,000 to 4,000 miles away it denies less than 2½ percent of that sum in authorization for the long overdue defense construction of American territory just 54 miles across Bering Strait from our police state neighbor. Instead of having made Alaska impregnable, a bulwark for the United States and the Western Hemisphere, the Congress, if it fails to make this authorization, is perpetuating Alaska instead as America's Achilles heel. Alaska was the only part of America invaded by the enemy in World War II. Shall this happen again? To allege that this authorization is merely deferred to the second session of the Eighty-first Congress misses the entire point. Given the seasonal conditions in Alaska and the working organizations now created such deferment will mean the loss of at least a year and a half in military construction which should have been completed by now and which even if completed would give Alaska far less in the way of defenses than we ought to have for national safety. Postponement is moreover the heighth of wastefulness. It will mean that all work will have to be stopped, organizations disbanded, the construction crews shipped back to the States and recruited all over again if and when Congress decides to act, probably not until June 1950. There has been complaint in Congress over the high cost of construction in Alaska. Here is precisely the reason. Military construction urgently demanded by the Army, Navy, and Air Force was interrupted when the Eightieth Congress failed to make the necessary appropriations. It apparently is happening again in the Eighty-first Congress. Those who are responsible for this action are incurring a great risk and a tragic responsibility. If there is another Pearl Harbor, and this time it will be a far more serious disaster than in 1941, it shall not be said that no warning has been given.

GOV. ERNEST GRUENING.

CENTRAL INTELLIGENCE AGENCY—COMMENTS ON HOOVER COMMISSION RECOMMENDATIONS

Mr. MCCLELLAN. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a statement which I have prepared, including comments by Rear Adm. R. H. Hillenkoetter, Director of Central Intelligence, as they affect the Central Intelligence Agency.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR JOHN L. M'CLELLAN, CHAIRMAN, SENATE COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

Senator JOHN L. MCCLELLAN, chairman of the Senate Committee on Expenditures in the Executive Departments, today released a letter from Rear Adm. R. H. Hillenkoetter, Director of Central Intelligence, with reference to the effect recommendations of the Hoover Commission would have on the Central Intelligence Agency.

Admiral Hillenkoetter pointed out that the Central Intelligence Agency Act of 1949 (Public Law 110) gives the Agency the administrative authority it needs to carry out the functions assigned to it by the National Security Act of 1947, and to bring about the development of the career foreign intelligence service for the Government, in order to better assure the successful performance of its assigned missions, in conformity with recommendations of the Hoover Commission.

In reference to the specific recommendation of the Commission (No. 4c) in the Report on National Security Organization, which applies to the Central Intelligence Agency and its work, it was pointed out that a previous report submitted to this committee by the National Security Council (CONGRESSIONAL RECORD, July 13, 1949, pp. 9343–9345) had covered fully the action taken by the Council in the employment of a special group of consultants from outside the Government to survey the Central Intelligence Agency and related intelligence problems, which had resulted in reorganization of the entire administrative procedure in line with the Hoover Commission recommendations. The Department of State, in its report to the committee (CONGRESSIONAL RECORD, July 20, 1949, pp. 9756–9758) also covered administrative changes within its research and intelligence organization to conform to the Hoover Commission's recommendations for strengthening the Central Intelligence Agency.

Admiral Hillenkoetter referred specifically to a criticism voiced by a task force report on the National Security Organization (Appendix G) with reference to activities of scientific and medical intelligence in the field, stating that "This criticism, which was justified, was anticipated and met by creating a special office within the Agency, under an assistant director, whose sole responsibility lies in the field of scientific and medical intelligence," and added that a qualified staff had been appointed to improve its scientific intelligence functions. It was also indicated that steps had been taken to correct the conditions referred to by the Hoover Commission with reference to relationships among the various intelligence agencies throughout the Government and in the production of intelligence estimates.

Admiral Hillenkoetter also expressed general approval of the recommendations of the Commission relating to general management, personnel management, budget and accounting, and general services, pointing out in regard to the latter, however, that normal procurement channels and methods cannot always be followed for reasons of security.

The full text of the letter from the Director of Central Intelligence follows:

CENTRAL INTELLIGENCE AGENCY,
Washington, D. C.

The Honorable JOHN L. MCCLELLAN,
Chairman, Committee on Expenditures in the Executive Departments, United States Senate, Washington, D. C.

DEAR MR. CHAIRMAN: This is in response to your letter requesting information relative to the application of various recommendations and textual discussions concerning the Central Intelligence Agency contained in the reports of the Commission on Organization of the Executive Branch of the Government. Because of the nature of the work of this Agency, I am sure you will understand the difficulties in giving any detailed public report of this nature while still maintaining essential security. However, I believe that I can make certain general statements which will be responsive.

The Central Intelligence Agency was established by the National Security Act of 1947 (Public Law 253, 80th Cong.). This act placed the Agency under the direction of the National Security Council, and the Commission has agreed that it is properly so placed. The Congress has now passed the Central Intelligence Agency Act of 1949 (Public Law 100, 81st Cong.), which gives the Agency the administrative authorities it needs to carry out the functions assigned to it by the National Security Act of 1947. In addition, this new act is most important to us in the development of the career foreign intelligence service for the Government, which is so vital to the Agency's successful performance of its assigned missions.

Recommendation No. 4c of the Hoover Commission Report on the National Security Organization is "That vigorous steps be taken to improve the Central Intelligence Agency and its work." These steps, we feel, are being taken, and will continue to be taken in the future. In this connection, I invite your attention to paragraph 5 of the comments of the executive secretary of the National Security Council, contained in his letter to you dated June 22, 1949. He states:

"Last year the Council employed a special group of consultants from outside the Government to survey the Central Intelligence

Agency and related intelligence problems and report its findings to the Council.

"The Council has considered this survey, has taken some indicated steps for improvement, and presently has under advisement additional steps to improve the Central Intelligence Agency and national organization for intelligence."

One particular weakness which was underlined by the task force report on the national security organization (appendix G, pp. 20 and 77) was in the field of scientific and medical intelligence. This criticism, which was justified, was anticipated and met by creating a special office within the Agency, under an assistant director, whose sole responsibility lies in the field of scientific and medical intelligence. As assistant director we were most fortunate to secure an outstanding scientist, with a long and distinguished career, both in the field of applied science and medical research. In addition, the Central Intelligence Agency Act of 1949 (Public Law 110, 81st Cong., sec. 9) authorizes the establishment within the Agency of three P–9 positions for those scientific intelligence functions which require the services of specially trained scientific personnel.

Further criticism has been indicated of relationships among the various intelligence agencies throughout the Government and in the production of intelligence estimates. You may be assured that these problems are being considered on a daily basis, with thought to their continual improvement.

In your letter you note that your committee is particularly interested in recommendations in the field of general and personnel management, administrative services, and budgeting and accounting.

Great strides forward in the general field of administrative services are anticipated with the passage recently of the Federal Property and Administrative Services Act of 1949. While an exemption has been granted this agency under section 502 (d) (17) of this act, we are complying with its provisions wherever possible. As we stated in discussions with a member of your committee staff during consideration of this act, this agency has some very special problems in the field of procurement, which, because of the nature of our work, require that special means of procurement be taken. Normal procurement channels and methods cannot always be followed for reasons of security. In addition, section 3 of the Central Intelligence Agency Act of 1949 extends to us certain authorities contained in the Armed Services Procurement Act of 1947.

We have given careful study to the Hoover Commission reports in the fields of personnel and general management, and budget and accounting. We maintain a small management staff engaged in constant survey and review of agency activities. Their mission is the prevention of overlapping of functions and the establishment of organization structure and personnel authorizations on the basis of maximum production with minimum personnel.

We feel that this has produced excellent results so far. As I stated above, we are trying to build a career service in intelligence which shall be second to none. At the same time we are endeavoring to keep administrative costs at a minimum for administrative costs can be met at the expense of operational activities after a certain minimum has been reached. We are pleased to find, however, that many of the Commission's recommendations were already in practice here in administrative fields.

I trust that the above comments will be helpful to you, and if there is anything further we can do to assist you please do not hesitate to call upon me.

Sincerely yours,

R. H. HILLENKOETTER,
Rear Admiral, United States Navy,
Director of Central Intelligence.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the concurrent resolution (S. Con. Res. 28) favoring the suspension of deportation of certain aliens, which were, on page 5, after line 5, insert "A–6611868, Diamantopoulos, Sapho"; on page 6, after line 22, insert "A–2776290, Kahn, Akram or Mohamed Akram or John Elk or Chief Running Elk"; on page 8, strike out lines 22, 23, and 24; and on page 9, after line 17, insert "A–3333079, Pirrone, Antonino."

Mr. McCARRAN. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

BIG BEND NATIONAL PARK, TEX.

The VICE PRESIDENT laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H. R. 2877) to authorize the addition of certain lands to the Big Bend National Park, in the State of Texas, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. O'MAHONEY. I move that the Senate insist upon its amendment, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. O'MAHONEY, Mr. MURRAY, Mr. ANDERSON, Mr. BUTLER, and Mr. MILLIKIN conferees on the part of the Senate.

AMENDMENT OF CIVIL SERVICE RETIREMENT ACT

The VICE PRESIDENT laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H. R. 2944) to amend the Civil Service Retirement Act of May 29, 1930, as amended, to provide survivorship benefits for widows or widowers of persons retiring under such act, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. JOHNSTON of South Carolina. I move that the Senate insist upon its amendment, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. JOHNSTON of South Carolina, Mr. FREAR, and Mr. FLANDERS conferees on the part of the Senate.

FOREIGN AID APPROPRIATIONS—SUBSTITUTION OF CONFEREE

Mr. McKELLAR. Mr. President, the Senator from Kansas [Mr. REED] was appointed one of the conferees on the part of the Senate on the ECA bill, H. R. 4830, making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes. I am informed that he is ill, and it is the desire of the Appropriations Committee to appoint the Senator from Nebraska [Mr. WHERRY] in his place and stead. I ask unanimous consent that that may be done.

The VICE PRESIDENT. Is there objection to the request of the Senator from Tennessee?

Mr. CAPEHART. Mr. President, I wish to state that the Senator from Kansas [Mr. REED] is ill. He has been ordered to spend a couple of weeks in the hospital in order to recuperate from his illness.

The VICE PRESIDENT. Without objection, the substitution requested will be made.

DELIVERED-PRICE SYSTEMS AND FREIGHT-ABSORPTION PRACTICES

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Louisiana [Mr. LONG] to reconsider the vote by which the motion of the Senator from Nevada [Mr. McCARRAN] to send Senate bill 1008 to conference was agreed to.

Mr. O'CONOR. Mr. President, I assume that there is no further routine business to be transacted, and that we are prepared to proceed to the consideration of the motion of the Senator from Louisiana. I yield 30 minutes of our time to the junior Senator from Nebraska [Mr. WHERRY].

The VICE PRESIDENT. The Senator from Nebraska is recognized for 30 minutes.

Mr. WHERRY. Mr. President, at the outset I wish to express my appreciation to the distinguished junior senator from Louisiana [Mr. LONG] and his colleagues who have worked with him in bringing to the attention of the Senate the many price discriminations which have been alleged, and the monopolistic tendencies which have existed, especially during the past few years. To my way of thinking that is an indictment against this administration for its failure, through the procedures we now have, to eliminate those practices, which have grown like an octopus throughout our entire national economy.

I agree with much that has been said relative to monopoly and discrimination. I think there is a need to overhaul our statutes. I agree with the distinguished Senators who have worked so earnestly in that direction, and I shall support them in enacting legislation to accomplish that purpose.

Mr. President, the debate on S. 1008 has gone clearly beyond the provisions contained therein.

This bill has been used as the medium by which to air wholesale violations of the Sherman antitrust laws, and the Senate, at least, momentarily, has gotten far away from the issues involved in the proposed legislation.

Much of the debate has been taken up with a discussion of collusion with respect to prices, such as was alleged against the Atlantic & Pacific Tea Co. and other large distributing companies throughout the country.

All of that is beside the point. It is entirely outside the question presented by the provisions of the proposed legislation.

The junior Senator from Nebraska is just as much in favor of overhauling and amending the Sherman Antitrust Act

wherever needed as is anyone else, but with all due respect to the sincerity of my colleagues, I suggest that the floor of the Senate is not the place to attempt a general revision of the Sherman antitrust law and the Clayton Act, especially so as it is not the issue involved in the pending bill.

All that the pending bill, without its crippling amendments, is designed to do is restore the competitive conditions which were revolutionized by the Supreme Court opinion in the Cement case—an opinion which has caused great confusion among businessmen and driven them to their wits' end.

Shall all industries be compelled to price their merchandise f. o. b. factory or mill, or shall all industries be permitted as in the past to sell at a delivered price if they so choose? That is all that is involved in the bill; and unless the bill is passed, the resulting impact upon industry and especially upon the small-business men will be devastating. Many simply will have to go out of business.

Think of the millions upon millions of transactions which occur daily, and we get some idea of the complexity of our economic system. Add to that the difficulties of maintaining rules and regulations to provide for free competitive enterprise, and then we see that the problem is vastly more complicated than the duties of an umpire at a baseball game.

For years my own family in Nebraska has dealt in livestock. Sometimes our firm has sold horses f. o. b. at our farm. But on many occasions we have sold horses in competition with other sellers, and in those instances we had to deliver the horses to the buyer's farm or place of business, thereby absorbing the freight in order to make the sale.

Let us extend that sample one step further. Let us assume that John Smith, located 25 miles from my farm, wants to buy a horse. Eight or ten livestock dealers have horses for sale, all of them worth about $100. Yet he comes to my place—perhaps because he does not like the color of the other horses. He says to me, "I would like to buy your horse. Your horse is no better than the other horses. He is worth $100, but I cannot afford to pay the freight to my farm, which would cost me $10." I say to him, "I will sell you the horse for $100, and I will deliver the horse to your farm. I will pay the $10 freight rate."

It is just as simple as that. Am I to be required from now on to price my horses f. o. b. farm? Am I to be restricted? Or may I do as other Americans have done for 100 years, and sell my horse delivered at the other man's farm if I choose?

Let us go one step further. Let us suppose that on Friday night 10 livestock dealers or farmers gather around the grocery store, and there they have a cracker-box discussion about John Smith buying a horse. All 10 of them say, "John Smith is going to buy a horse from someone here. Let us make him pay $100 for the horse." So they decide not to sell a horse unless it brings $100. Of course, if they do that they collude among themselves to sell a horse for $100. This is discrimination. That is a monopoly in selling horses.

But the farmer comes to me and buys a horse. I was not at the grocery store. I had no part in the cracker-box discussion about maintaining a certain price, and I sell a horse for $90, because I pay the freight.

In keeping with the arguments advanced by the Senator from Louisiana [Mr. LONG], that is a violation of law. That is collusion. But whether this bill is passed or not, it makes no difference with respect to that violation. We have laws and procedures to prosecute such a violation. It does not come within the provisions of this bill, which would permit me to absorb the freight, if I care to do so, in delivering a horse 25 miles away at the purchaser's farm. That is all there is to it. That is all that is in the bill.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. WHERRY. I must respectfully decline to yield, because I am speaking under a limitation. I must decline to yield at this time. If I have time at the conclusion of my speech, I shall be glad to yield.

That is all there is to this bill. The competitive elements involved in whether I sold the horse f. o. b. my farm or whether I delivered it to the buyer's farm are the same competitive elements involved in the question of whether any commodity is to be sold f. o. b. the place of production, or delivered to the buyer's place of business.

Mr. President, let us focus our attention upon the specific purpose for which the pending bill was presented. Many extraneous issues have been injected into this debate. It seems that some persons want to use this bill as a vehicle to correct all the abuses in the business world. Bogeymen have been paraded, and all of them have had the effect of clouding and confusing the main issue. Misrepresentations as to what this bill would do or would not do have been spread across the country, compounding the already existing confusion caused by the Supreme Court's resolutionary opinion.

Let's keep our eyes on the ball. This Congress should not adjourn until this issue is clarified, for the dislocations in industry, the impact upon big and little businesses, and far-reaching effects upon workingmen and workingwomen would be tremendous—heavy beyond measure—should the present session of Congress fail to pass this measure.

As chairman of the Senate's Small Business Committee during the Eightieth Congress, and as a minority member of the committee before that, the junior Senator from Nebraska had many problems of business to consider, problems running the range of our national economy.

No Member of this body wants to oppress the little fellow in business. By the way, Mr. President, if we really wish to help him, we should have passed this measure within 30 minutes, and then should have devoted all of these days to setting up a permanent Small Business Committee in the Senate of the United States, so as to help solve the problems of small-business men throughout the country. That is what we need; but in this Congress we have not even been permitted to raise that issue.

As I have said, we do not wish to oppress the little fellow in business. All of us want to protect the rights of independent business firms—the small men in business. They are in the great majority. In fact, they are the backbone of American industry.

The freedom of choice and freedom for fair play must be preserved if our way of life is to continue.

But the Senate cannot rewrite the antitrust laws on the floor of the Senate. That is a much more complicated task than the writing of a revenue bill.

So I urge the Senate not to be carried down byways of controversy over this or that phase of competition or activity in our national economy that have nothing to do with the bill which is before the Senate.

Confusion and bewilderment now prevail in competitive industry and business generally. Plan expansions are being deferred or canceled. I have in my files many letters to that effect—because of this confusion and the uncertainties of the future under present statutes and rulings of the Federal Trade Commission.

Congress alone can remedy this situation. It is our responsibility.

Businessmen are helpless without clear definitions of the law telling them what they can do and what they cannot do.

It would be most disastrous for our country if Congress, at its present session fails to pass this bill, and to pass it without crippling, confusing amendments. The Carroll amendments, I think, would nullify the very purpose of the bill. They would leave industry in a worse state of confusion than that in which it now finds itself.

The effect of the Supreme Court's opinion is such that many businessmen believe they are required to sell at f. o .b. mill price, or factory price. There is no doubt about that. It has been disputed on the floor of the Senate; but the attorneys for the Federal Trade Commission, including Walter Wooden, say that is the only safe way a businessman can now sell his product—that is f. o. b.

This is stifling competition. This is stopping industry. Small-business men all over the country have appealed to me to support legislation which makes it clear how their goods may be priced. They want the privilege of selling either f. o. b. the factory or mill or at a price at the buyer's own place of business. That is the American way to continue our American economy.

It is apparent that required f. o. b. mill pricing, gives the selling advantage to producers, whose plants are located closest to the consuming public.

Congress should insure the right of sellers to absorb freight in order to get their products to the consuming market, not just next door, but to be able to ship to the remote areas. Unless this is done there will be much relocation of industry and some cities will become ghost towns. That is the desperate problem before the Senate today.

Two results can be expected if f. o. b. prices are made mandatory by the Congress. Manufacturers that are able to do

so will relocate their plants closer to large consuming markets or else build branches clear across the country. In either case, it is the independent businessman with limited capital who will suffer.

Let me give some practical examples of the need for freight absorption by independently operated industries. These examples are right out of the record of the Senate Interstate and Foreign Commerce Committee hearings. More than a thousand pages of testimony were adduced there.

On page 901 there is the testimony of Walter Page, of the Midland Cooperative Dairy Association. He testified regarding the canned-milk industry in Wisconsin—I wish the Wisconsin Senators could hear this—saying that 27 percent of all the canned milk processed in the United States is canned in the single State of Wisconsin, but only 2 percent of our national consumption is consumed in that State.

The Wisconsin milk canners are largely small business enterprises. Many are cooperatively owned by local dairy farmers. On the other hand, the largest milk canner in the country is the widely advertised Carnation Milk Co., whose product is produced in a string of plants located in 25 States.

But the small, independent milk canners of Wisconsin, who produce 13 times the milk consumed in that State, can sell their production in competition with their large competitor, Carnation, only if permitted to absorb freight in order to get their product into the market where it is consumed, and this is largely outside the State of Wisconsin.

Mr. President, at this point I ask unanimous consent to have printed in the RECORD the colloquy appearing on page 902 of the hearings between the Senator from Indiana [Mr. CAPEHART] and Mr. Page, beginning at the place where marked on that page.

There being no objection, the colloquy was ordered to be printed in the RECORD, as follows:

I would like to introduce now, if it is permissible, Mr. Chairman, the two letters that I wrote to you.

Senator CAPEHART. If you wish, you may read them into the record.

Mr. PAGE. Thank you.

This is a letter dated November 17, 1948, addressed to the Honorable HOMER E. CAPEHART, Senate Office Building, Washington, D. C.

"I notice by the papers that you are starting the hearings on the price methods—f. o. b. plant as against delivered basis.

"If f. o. b. pricing were forced on the evaporated-milk industry, it would mean the elimination of many small operators. It would bring confusion into the distributing trade, and it would not in the slightest degree benefit the consumer.

"The Midland Cooperative Dairy Association, in whose interests I am writing, is an organization made up of 15 independent manufacturers, 3 of which are cooperatives and 12 are small corporations. All except one of these companies have only one plant manufacturing evaporated milk; one company has 2 plants.

"Midland produces about 9 percent of the total evaporated production of the United States; from 75 to 80 percent of the production is in the hands of large companies. If Midland members were compelled by law to sell on an f. o. b. basis, it would mean that many of them would be driven out of business."

Senator CAPEHART. Would you yield a moment, please?

Your units now equalize and absorb freight; do they not?

Mr. PAGE. Yes, sir.

Senator CAPEHART. Does everyone in the industry do likewise?

Mr. PAGE. The entire industry does that, Senator.

Senator CAPEHART. The entire industry absorbs and equalizes freight?

Mr. PAGE. I do not know that you could call it equalizing freight. We sell on a delivered-price basis, and in that way do absorb the freight.

Senator CAPEHART. In other words, you sell everything f. o. b. the buyer's place of business?

Mr. PAGE. Yes, sir.

Senator CAPEHART. Is that true generally of the entire industry, the big fellows as well as the little fellows?

Mr. PAGE. Yes, sir; it has been that way for over 50 years.

Senator BREWSTER. How far do your prices match?

Mr. PAGE. Do you mean between companies?

Senator BREWSTER. Yes, sir.

Mr. PAGE. Over a period of years, they varied as much as 75 and 80 cents a case.

Senator BREWSTER. That is, between various companies?

Mr. PAGE. Yes, sir.

Senator CAPEHART. You do not have basing points?

Mr. PAGE. No; we sell in certain areas. In other words, when the freight gets too high, we adjust our price accordingly. In other words, selling into Maine, as an illustration, Senator, we naturally have to get more money than we do when we sell into Ohio, because you have the higher freight.

Senator BREWSTER. When you said 75 to 80 cents a case, that was between the companies which you represent?

Mr. PAGE. No.

Senator BREWSTER. They have about the same price?

Mr. PAGE. Generally speaking; they would vary some, and please do not think that the 70 cents or 80 cents or 75 cents is continuous. We would go out of business in that event.

Senator BREWSTER. I understand that.

Mr. WHERRY. Then, Mr. President, on page 908, the Senator from Maine [Mr. BREWSTER] asked Mr. Page a question, and the following occurred:

Senator BREWSTER. In other words, the net result of it, you feel, would be to put the dominant companies in an even more dominant position and partially, at least, eliminate the smaller people.

Mr. PAGE. Senator, I read in the paper—and I do not know whether the report is true or not—but they said this was to prevent monopoly. In our business, it would do one thing: drive monopoly to the fore.

Senator CAPEHART. You mean the f. o. b. basis?

Mr. PAGE. Certainly.

Senator CAPEHART. You feel it would work in the opposite direction?

Mr. PAGE. Certainly. It would tend to monopoly, not eliminate it.

If you had a small plant in Wisconsin, and this ruling was enforced, what would you do? You would sell it as quickly as you could, and save as much as you could of your life's savings.

That was the testimony of Mr. Page, the general manager of the Midland Cooperative Dairy Association, who operates cooperatives not only in Wisconsin but also in several other States in the Midwest.

Here is another example right out of the testimony, at page 1210. I refer to the testimony of Roland Rodman, an independent oilman. He is now in Oklahoma, but grew up in Nebraska—a man I know personally and in whom I have the greatest confidence. I am sure the distinguished junior Senator from Kansas [Mr. SCHOEPPEL] also knows Mr. Rodman and his activities in the great State of Oklahoma in connection with the great oil industry there.

He said that Texas and Oklahoma refine four times as much gasoline, a great deal of it by small independent refiners, as is consumed in Texas and Oklahoma. These independent refiners must sell their products in the large consuming markets like Chicago.

But just outside Chicago is Whiting, Ind., with one of the largest refineries in the country, owned by one of the large oil companies.

If the small, independent, Texas refiners are denied the right to absorb freight to the Chicago market, a monopoly in that market is delivered to the large Whiting refiner.

Is that the way to protect the independent refiners?

Is that the way it is expected to increase competition in the oil industry?

Still another example is at Newton, Iowa. In the cornfields of Iowa, the Maytag Co., an independent washing-machine manufacturer, makes products which it must sell in competition with General Electric and Westinghouse.

Maytag must get its steel from Chicago and Pittsburgh, manufacture it into washing machines, and then ship the washing machines to Chicago and sell them in competition with General Electric, which makes washing machines in Chicago. And Maytag must ship them to Pittsburgh to be sold in competition with Westinghouse, which makes washing machines in Pittsburgh.

If this independent washing-machine manufacturer in Iowa is denied the advantages of freight absorption, it is denied the right to produce in that rural community. The inevitable result will be that the Iowa manufacturer will have to discontinue, because of inability to obtain raw products under the application of freight absorption, or will have to move nearer Pittsburgh or Chicago where the materials can be obtained.

Mr. President, the Congress is concerned with the economy of the entire country, and regional development is essential to the welfare of all the people.

New England is primarily a manufacturing center. It imports most of the raw materials used, and exports the great bulk of its manufactured products. This manufacturing activity is profitably carried on because of the availability of a large, skilled-labor force and existing manufacturing facilities in that area.

If the Congress denies New England the right to absorb freight on its manufactured products and compels it to pay the full freight on its imported raw materials, then the Congress denies to those people, some of whose families have been in business there for more than a hundred years, the right to make a living through the production of manufactured commodities.

What about the Southland? There has been a very substantial increase of large industries located in the South within the past few years—I have visited some of those places—textiles, paper mills, furniture, aluminum plants. The market for the products of these industries is not found in the sparsely settled areas in which they are produced. It must be found in the great centers of population all over America, across State lines. The opinion of competent observers is that the solution of the problems of the South depends upon the establishment of more industries there. The South should have more industries, reaching out into the markets all over America.

The South can no longer be a one-crop section of the Nation, and unless the South can sell its manufactured products in the consuming markets through freight absorption, this great section of America is denied the opportunity to become industrialized. That is especially so, since I know the distinguished Senator from Louisiana as well as the distinguished Senators from the Middle West agree with me that our freight rates are much higher than the rates elsewhere.

Substantial paper mills are located in Mississippi to take advantage of the availability of raw materials. Many substantial industries have located in the Tennessee Valley to take advantage of the cheap power made available through TVA. But such industries cannot survive in those areas if they are not permitted through freight absorption to sell their products in the consumers markets of the United States.

Senators from the Tennessee Valley must know that dreams for industrialization of that part of the country will go out the window if there is not freight absorption to give the opportunity to sell products competitively in all the consuming centers of the United States of America. I ask what would happen to the great TVA if the industries located there could sell their products only within the area of TVA?

What about the West? The West has been blessed by nature with tremendous mineral deposits and great agricultural resources. Much of the Nation's canned fish is produced in the far West. A great portion of the Nation's canned fruit and vegetables is produced in the West and in the Rocky Mountain area.

The canners of vegetables in Nebraska and other Middle Western States cannot hope to sell their canned products within their local areas; they can dispose of their packs only by being permitted to absorb freight to meet the competitor's prices in the large eastern markets where the consumer demand is, and will continue to be.

It is the practice of canners to contract with farmers to purchase their entire crop. The same practice prevails among sugar refiners who contract with farmers to purchase their entire sugar-beet crop, and who in turn sell the sugar in the 48 States competitively with imported cane sugar. If that is not freight absorption, what is? And it is for the benefit competitively, if you please, of the whole country.

When Nature is kind to our farmers, they deliver to the canners and sugar refiners tremendous crops which cannot be sold locally.

If the canners and sugar refiners of the West are denied the right to absorb freight to eastern markets, their industry is destroyed and the farmers are deprived of their principal outlet for their agricultural commodities. It is just that serious. For anybody to say that that is not being done, and for anyone to say the decision does not affect it, is to my mind to give an improper interpretation of the facts and to show a lack of knowledge of the confusion in which we find ourselves in the great area which is producing these commodities.

Yet here we are talking about collusion and the destruction of small business and many other things which will be just as illegal after passage or defeat of this bill as they are now.

Do not deny the relief that is being asked throughout the country by farmers, miners, and manufacturers, so that they may continue to operate as they have operated for more than a hundred years, and until the Supreme Court decision was rendered which will apparently result in the relocation of many industries throughout the country.

This Congress is appropriating billions of dollars for the avowed purpose of permitting and encouraging free and unrestricted trade among all the regions of western Europe. Are we to deny to our own people the same right of free trade which we vigorously advocate to our friends in Europe? Is the Senate going to set up trade barriers at home by restricting competition and compelling producers to sell f. o. b.?

Every Senator is interested in employment. If Congress does not correct this situation, what will be the effect upon the working men and women—upon labor?

Mr. President, I should like to quote a portion of a statement to a subcommittee of the Senate, by H. W. Fraser, president of the Order of Railway Conductors and chairman of the Railway Labor Executives Association consisting of 20 railroad brotherhoods, with members in excess of 1,000,000 railroad workers in all branches of the service.

At page 1208 of the record of Senate hearings, he said:

> As far back as I can remember, even to Guffey's Reader days, we in the United States have pursued one aim, to keep these United States united. Emphasis has always been upon the word "united" since the Colonies became one Nation under the Constitution. We have tried to build a coordinated economy. We have tried to spread opportunity across the continent and from the Canadian border to the Gulf and to the border of Mexico. We have tried to remain united. Why now, by theoretical dictum, should we sectionalize our national economy and thus create sectional economic advantages on the one hand and sectional economic defeat on the other?

I continue the quotation:

> The workers in the railroad industry, as well as workers in all important established industries, are attached to these institutions and should not be the victims of a highly experimental change, which in the face of expert evidence presented to this committee promises to produce confusion, dislocation, and economic upset which we can ill afford at this time, or at any time, if our national economic unity is to be served.
>
> I therefore urge upon this committee the logic of recommending congressional action legalizing the continuance of absorption of freight charges by all producers in the same voluntary manner this has been done throughout our industrial history.

What could be more forceful than that? That applies to labor. How does f. o. b. pricing affect the purchaser?

Our antitrust laws are intended primarily to protect the buyers. How do they fare under required mill-price selling? The largest buyer—probably in the whole world—is the United States Government. The Treasury Department acts as the purchasing agent for all Government agencies other than the military.

The PRESIDING OFFICER (Mr. GEORGE in the chair). The Senator's time has expired.

Mr. WHERRY. Mr. President, I ask for five more minutes.

Mr. O'CONOR. Mr. President, I yield five more minutes to the Senator from Nebraska.

Mr. WHERRY. The subcommittee of the Senate which inquired into this question heard the testimony of F. W. Witt, Chief of the Contract Division of the Bureau of Federal Supply, which appears at page 917 of the record; the testimony of Gen. E. M. Brannan, Procurement Division, Department of the Army, which is at page 923—I do not have time to read it—and the testimony of Admiral M. L. Ring, vice chief of the Office of Naval Material of the Navy Department, which is at page 928.

These men are responsible for buying everything the Government purchases. They were emphatic and unanimous in testifying that it is to the advantage of the Government as a buyer that sellers be permitted to absorb freight to compete with more favorably located customers.

The largest number of buyers are, of course, small-business men. How does freight absorption affect them?

It can never increase the price to the buyer but can only lower the price to him. When sellers are permitted to absorb freight costs to meet the lower prices of local competitors, the prices to the buyers are not increased but in many instances the competition will result in lower prices to the buyer. And it gives buyers a choice of suppliers. They are not required to purchase their requirements from the nearby seller. They can buy from whom they please, when they please, and with a competitor at hand they can buy from the lowest priced seller.

The little fellow can be protected only when he is given a number of sellers competing for his business.

Mr. President, I make one more observation before concluding my remarks.

Thirty billion dollars—three-fourths of our national budget—is appropriated for national defense, to pay the cost of prior wars, and in the hope of preventing future wars.

It is not disputed that required mill selling makes it attractive for producers to be located close to the consuming

markets. This is directly contrary to the persistent urging of those charged with our national defense that our industrial properties be decentralized to the rural areas.

Admiral Ring told the subcommittee of the Senate, and I quote from his testimony at page 930:

Abandonment of basing-point pricing will probably result in concentration of industry around the basic producers of steel. A large segment of Navy contracting is with fabricators of end items made of steel. Dispersion of industry is desirable from the strategic angle.

The committee formally asked the National Military Establishment for its views with respect to the impact on national defense of a ban on freight absorption. Their formal reply is in part:

With respect to the steel industry, it should be pointed out that the decision would have substantial effects on those consuming plants whose steel costs represent a very large proportion of total production costs. Eventually, there may be some tendency for such consuming plants to move closer to their steel supplies, with increased concentration around steel producing centers.

This, Mr. President, is the very thing we are determined to avoid in the interest of our national defense.

There has been a great deal of talk about what this bill does. I have carefully studied the provisions of sections 1 and 2 of the bill and discussed them with competent authorities, including the author.

Those sections permit sellers to absorb freight costs to compete in distant markets when, and only when, they do so in the absence of collusion, agreement, or practices which the Federal Trade Commisson finds to be oppressive. What is wrong with that?

The bill cannot conceivably promote or encourage monopoly, for such practices are expressly prohibited by this very bill.

On the contrary the bill tends to discourage monopoly by encouraging more sellers to compete in additional markets.

The pending bill, without crippling, confusing amendments, would validate only natural and wholesome competitive practices which have grown up in industry over many years.

Under these practices—broad fundamentals of commerce—America has become great and has vouchsafed to its citizens the highest standards of living in the world. From every section of the Nation come urgent pleas for passage of this legislation. The whole business world is in a state of utter confusion.

Never before, at least within my memory, and I have been engaged in business quite a long time, has a more vital or imminently important economic issue affecting the future of American commerce, business, and industry ever faced the Congress for constructive, clarifying legislation.

I yield to no one priority in opposition to monopoly.

If I had the slightest suspicion that the purpose of this bill is to do harm to small businesses, I would fight this measure to the limit of my ability.

Monopolies have no place in America's industrial or business life, save perhaps in certain of the service industries which are Government regulated, but the Federal Trade Commission's cease-and-desist order and the Supreme Court decision in the Cement case had a tendency to create the very monopolies they sought to prevent.

Therefore, in the interest of expediting the legislation which is before us, and in order to prevent incalculable havoc with our national economy, I urge concentration on the specific purpose of the bill, which has to do with freight absorption.

The debate has been wholesome. The orderly parliamentary procedure for the pending bill at this stage of its passage is to send it to conference with Members of the House of Representatives. There the conferees can consider the actions of both bodies and resolve them.

Should the result of their work be found unsatisfactory to any Members of the Senate they can avail themselves of the customary procedure of asking for rejection of the conferees' report.

But, first, the conferees are entitled to their opportunity to resolve the Senate and House actions. That is the orderly, customary procedure.

I urge that this course be followed as it has been followed all through the years.

If Senators agree with me, I urge them to vote against the motion to reconsider which has been urged by the Senator from Louisiana.

Mr. LONG. Mr. President, I yield 20 minutes to the junior Senator from Illinois.

The PRESIDING OFFICER. The Senator from Illinois is recognized for 20 minutes.

Mr. DOUGLAS. Mr. President, the issue at stake in this bill (S. 1008) is a very simple one. By section one, the bill makes it legal "for a seller, acting independently, to quote or sell at dividend prices or to absorb freight," provided it cannot be proved that this was the result of a conspiracy or of a collusive agreement.

By section two it declares that it is not illegal "to quote or sell at delivered prices if such prices are identical at different delivery points; or to absorb freight to meet the equally low price of a competitor in good faith."

These proposals, on their face, seem reasonable. Why should not firms be permitted to absorb freight if they want to do so, as the Senator from Nebraska [Mr. WHERRY] has urged? Is it not, moreover, perfectly competitive to meet the prices which a competitor charges? These provisions certainly seem innocent enough, and they have impressed the many honorable Senators who are supporting this measure. But we should remember that the wolf dressed up as the innocent old grandmother fooled Little Red Riding Hood, and, as a result, ate her up, and that the devil is reported frequently to walk the road disguised in the garb of a clergyman.

Let us see what is the reality behind the words in this bill. A very large proportion of the mass production industries—not merely the sale of horses, as the Senator from Nebraska mentioned—follows what is known as the basing-point system or some variation of that system. This includes steel, cement, lime, copper, zinc, lead, sugar, business furniture, oil, paper, tile, gypsum, prepared roofing, window glass, glucose, many lumber products and many chemical manufactures. This has been well shown in the first volume of the report of the TNEC, where the lists of these industries will be found from pages 343 to 345. As we all know, that committee was headed by the distinguished Senator from Wyoming [Mr. O'MAHONEY]. The value of the products which are sold under the basing-point system runs into the billions and possibly the tens of billions of dollars a year. The practice of fixing prices in these industries is as follows:

First. The leading firm in the industry, such as the Steel Corp., or, as in the cost of cement, its wholly owned subsidiary Universal-Atlas, will declare a price at a given basing point, or at several basing points, and will charge to buyers at different places the prices at the basing point, plus the freight from the basing point to the point of sale.

I may say that, under this system, it is impossible for the buyers to buy steel or cement at the mill where it is produced. In these cases they have to take the steel or the cement delivered to them at their point of manufacture or use. In other words, the company is not only selling steel or cement, but it is selling freight as well, and it charges this freight from the basing point to the point of purchase, even though the actual freight may have been less than the freight charged. This might seem fair enough, but it is the first step in the process of monopoly.

Second. The second step is this: Every firm in the industry will have a freight book, possibly kept in the safe, but certainly around the premises, which shows the freight rates on the goods in question from the basing points to the various cities. Then each of these so-called independent firms will quote prices on goods when delivered at these cities as equal to the base price plus the freight. And once again they will refuse to sell the products at their own mill. They also will insist that the buyer accept delivery at the point of purchase, and they will wrap up with the goods the freight and charge the freight from the basing point, even though the actual freight may have been less than the freight from the basing point.

This process will give identical prices at each and every point in the country with those which are charged by the leading firms, although, of course, prices between localities will vary. Price competition between firms is virtually killed by this process. And since the goods are standardized and relatively uniform, there is virtually no quality competition.

The big firm which acts as the price leader sets the pace, and others follow immediately and precisely. If the big firm increases the price by 10 cents, the others raise their prices by 10 cents. If the big company cuts prices by an equal amount, the others follow suit. The point is that they never, or almost never, get out of line. Prices are identical between the firms at each and every place, although, naturally, differing between places. All this has been shown by the

abundant evidence on the identity of bids introduced into the RECORD by Representative PATMAN, of Texas, Appendix of the RECORD, pages A3353–A3357; the junior Senator from New Hampshire [Mr. TOBEY], CONGRESSIONAL RECORD, pages 7071–7091; the junior Senator from Oregon [Mr. MORSE], as found in the CONGRESSIONAL RECORD, pages 11274–11276; and the present speaker. The independents go along with this system because they are afraid that if they start cutting prices, the big firms will then establish a punitive basing point at their point of manufacture, undersell or match their prices at a loss, which is made good for the big firms by the profits which they make in other areas, and hence put the independents out of business. Consequently, as a result of all this, we have monopoly pricing in the industries I have cited. If this bill should become law this system of monopoly pricing will be retained in these industries where it now exists, and, in my judgment, may spread to other industries as well.

The bill before us would legitimatize such practices, namely, absorbing freight, meeting the price of a competitor and charging identical prices, unless it can be proved that there was conspiracy or a collusive agreement. The basic question is whether conspiracy or collusion can be proved after the bill is enacted. Mind you, section 2 of the act specifically says that it is proper to sell at delivered prices even though these are identical, and that it is all right to absorb freight to meet the delivered price of the big and dominant firm. The point is that so well disciplined are the firms, and so deeply established is the practice, that it is now not necessary for the firms formally to agree that they will all charge the same prices. It is not necessary for them to sign any written compact that they will follow the price leader. It is not even necessary for them to have dinner together or play golf together and at those times reach a gentleman's understanding of what they are going to do, although abundant opportunity for such understanding is afforded by the social gatherings at the meetings of the various trade associations. Of course, if they did reach such understandings, it would be extremely difficult to determine what happened after the eighteenth hole.

How can it be proved that there is a conspiracy or act of collusion? The defendants can always plead that they are merely following Senate 1008, and are in good faith charging the prices charged by their big alleged competitors.

Mr. JOHNSON of Colorado. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I have only 20 minutes.

Mr. JOHNSON of Colorada. Will the Senator yield if the time consumed is charged to me?

Mr. DOUGLAS. Certainly.

Mr. JOHNSON of Colorado. Who decides whether all that is done is done in good faith?

Mr. DOUGLAS. The courts ultimately will decide that question.

Mr. JOHNSON of Colorado. No; not the courts; the Federal Trade Commission decides.

Mr. DOUGLAS. The decisions of the Federal Trade Commission are reviewed by the courts, and the Federal Trade Commission must defend its decisions before the courts.

Mr. JOHNSON of Colorado. Oh, yes; but if one uses as his defense that he is acting in good faith, he must convince the Federal Trade Commission. It is not necessary for the Federal Trade Commission to produce evidence to show he acted in bad faith. He has to prove to the Federal Trade Commission that all he did was done in good faith. They are the judges.

Mr. DOUGLAS. The ultimate review is in the hands of the courts. The rulings of the Federal Trade Commission will not go permanently into effect, if disputed, until they are upheld by the courts. And their decisions are usually disputed and tied up in litigation.

Mr. JOHNSON of Colorado. Of course, and that is what we want. It is to the courts we go for justice in this country. But establishing that one acted in good faith must be done to the satisfaction of the Federal Trade Commission.

Mr. DOUGLAS. Not ultimately, because the system of administrative law, as the Senator from Colorado well knows, is subject to judicial review.

Mr. JOHNSON of Colorado. Of course, it is subject to review by the courts, as it should be, but in the original case it is the Federal Trade Commission which decides whether the action was in good faith.

Mr. DOUGLAS. That is the only way, under administrative law, by which it can be handled, but the decisions of the Federal Trade Commission are not final, and they frequently have been reversed by the courts, and when they are out of line I hope they will be reversed.

Mr. JOHNSON of Colorado. The point I am making is that the bill before the Senate now does not by itself make the defense of good faith legal. It is a defense before the Federal Trade Commission. The bill does not say that good faith shall be legal, and just leave it that way. It is left to the Federal Trade Commission to make the decision.

Mr. DOUGLAS. Subject to review by the courts.

The bill in question, S. 1008, would specifically overrule the second count in the Government's action in the so-called Rigid Steel Conduit case, in which the Government charged, that even in the absence of explicit agreement or explicit combination, the firms acted "through their concurrent use of a formula method of making delivered-price quotations with the knowledge that each did likewise, with the result that price competition between them was unnecessarily restrained."

Personally, I want to say that I think the position which the Circuit Court in the Seventh Circuit took in the Rigid Steel Conduit case, and which is the supreme law of the land, since it was not overruled by the Supreme Court, was correct. I believe this because it proceeded on what I understand to be the correct legal doctrine that the law is increasingly moving away from an attempt to discover motives into an attempt to weigh the consequences of action. The law asks: "What would be the consequences of your acts?" It holds people to acting in such a way that the social consequences of their acts will be beneficial. If a reasonable man knows that the result of his acts will be against the law, then he cannot plead that he is innocent because he did not mean them. That is the whole burden, I may say, of that great book on the common law written by Justice Oliver Wendell Holmes before he became a Justice. This law tends increasingly to proceed on the basis of the consequences of acts and does not attempt to go into the minds of the actor to determine precisely what his motive might have been.

That is the way the law on combinations in restraint of trade has been developed. It has been held that even though there was no explicit collusion that could be proved, nevertheless, if there was a concurrence of action leading to the effect that competition would be suppressed, it was a violation of the Sherman Act, of the Clayton Act, and of the Robinson-Patman Act. I believe that was good law and good policy, and that under it we really could get at the monopolies. But all this is now to be thrown out the window if S. 1008 is passed, because the doctrine of intent, conspiracy, collusion, and agreement is introduced into the law.

Passage of the bill now before us would make it very hard, if not impossible, to prove such collusion or conspiracy. The defendants could always plead that they were acting independently and in good faith and were merely following S. 1008 by charging identical prices with those of the price leader. They will turn to the bill, if it becomes law, and say, "Well, this act says it is quite legal to quote or sell at delivered prices if such prices are identical at delivery points. The identity of price cannot be used as evidence that there is collusion, because the law specifically permits this." And they will say, "The law also declares that it is perfectly legal to absorb freight to meet the equally low price of the competitor in good faith."

So that all that is needed would be for the price leader to lead off and establish prices at basing points and then fix prices at other points equal to those prices plus freight from those basing points, and the others can then follow suit. It would not be necessary for them to conspire or to have any collusion whatever; they can follow suit, and if the Federal Trade Commission prosecutes, then when hearings are held before the examiner or when there is a trial before the courts, the attorneys for these companies can say, "We were doing something which was perfectly legal, which was authorized by S. 1008.

Mr. LONG. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. LONG. In order to place the situation in the proper legal perspective, I will ask the Senator if it is not true that the way the Federal Trade Commission is proceeding at this time is to charge that the practice is one which, to quote the law:

Where the effect of such discrimination may be substantially to lessen competition

or tend to create a monopoly in any line of commerce, or to injure, destroy, or prevent competition.

Is not that the basis upon which the present law enables the Federal Trade Commission to get at the practice without proving collusion.

Mr. DOUGLAS. Yes. The present law is based on the correct legal doctrine that we should look at the effects of action, and that if the effects of action are wrong and harmful then acts which restrain trade, which lead to monopoly, which repress competition can be restrained even though the person may say, "Well I did it in good faith."

For instance, if one of the Senators should start swinging his arms in close proximity to me and should hit me on the chin, it would not be adequate for him to say, "I was merely exercising in good faith." It would be presumed that he would know that if one swings his arms at random near someone else he might land a haymaker, and that the one who so swung his arms would be held responsible for the results of his action, and that it would not be sufficient for him to say, "I never intended it."

It is very interesting to find how many firms allege that what they are doing now is a purely competitive affair. Take the cement industry. I think if there is one fact which has been developed in the debate it is that in the cement industry there is no competition, and that the instrument by which they prevent competition is the basing-point system and the delivered price. Yet the cement industry, or one big company in the cement industry, in a pamphlet which I received this morning, speaks of their price system as "one of competitive delivered pricing."

Now we are really at a very crucial point in public policy. Under the Sherman Act and the Clayton Act and the Robinson-Patman Act we have been making progress. Finally the Federal Trade Commission struck at the instrument by which monopoly prices are computed and enforced. It struck at the basing-point system which is not merely the masquerade of monopoly, but also the instrument by which monopoly control is made effective. The Federal Trade Commission struck at this practice in the two glucose cases and it was upheld by the Supreme Court. It struck at the practice in the Cement case and was upheld by the Supreme Court. It struck at this practice in the Rigid Steel Conduit case and was upheld by the circuit court, and not overruled by the Supreme Court.

The Federal Trade Commission was beginning to reveal the real and actual teeth inside the Sherman Act. Those teeth were beginning to bite. If those decisions are permitted to stand we can break up monopoly in a great many of these industries where it already exists, by giving to the independents the courage to go ahead and by depriving the monopolists of the instrument by which all the smaller firms go along with the leaders.

Mr. LONG. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. LONG. Does not the law as it now stands, if properly enforced, prevent the practice of a punitive base being established to run a man out of business?

Mr. DOUGLAS. That is correct. And, furthermore, the prevention of the basing-point system would not only have helped to break up monopolies in some of the industries where they now exist, but it would have headed off the spread of this practice into new industries.

But as soon as the Cement decision was announced a big propaganda was started against the action of the Federal Trade Commission. The illustration of Hershey bar was trotted out. The piteous plight of men who might want to sell horses 50 miles away from home and absorb freight, but could not do so, was brought forth. It was said, the law must be changed. The demand to change the law was made after the big trusts began to feel the teeth of the Sherman Act. And in the case of steel, the United States Steel Corp. raised its prices immediately after the decision, and said it was compelled to do so by the decision. It was able to raise its prices in a seller's market. It hoped in this way to convince the public that the abolition of the basing-point system would increase prices. The present legislation before us is the unhappy result.

The pending bill would permit these great monopolies and cartels to flourish. It would permit the system to spread to other industries, and would pull the teeth of the Sherman Act, the Clayton Act, and the Robinson-Patman Act.

If this bill goes through cartelization will continue in the great industries where it now exists. It probably will spread to other industries. Smaller firms will continue to go along with the leaders and will give up the chance to grow. New firms will be reluctant to enter these industries. Prices under monopoly or under cartelization are always higher than they are under competition. Since the prices will be higher, there necessarily will be a smaller quantity of such goods demanded than would be the case under competition; and with a smaller quantity of goods demanded, that necessarily means that a smaller quantity of goods will be produced than would be the case under competition. That necessarily means less employment, and a strain thrown on our economy by displacing labor and investment funds and forcing them either to be idle or to go into other lines where the returns will be lower.

The PRESIDING OFFICER. The time of the Senator from Illinois has expired.

Mr. DOUGLAS. Mr. President, I ask for 3 minutes more.

Mr. LONG. I yield 3 minutes more to the Senator from Illinois.

Mr. DOUGLAS. Depressions will be more severe. The profits of the few will be larger, but the condition of the country will be worse.

That is why I hope very much that the motion of the able junior Senator from Louisiana may prevail.

In conclusion, I should like to make one point which refers to the so-called Carroll amendments, modeled on the Kefauver amendment offered on this side of the Capitol.

The Carroll amendments represent a heroic effort to repair some of the damage done by Senate bill 1008. Senate bill 1008 would pull the teeth of the Sherman Act. What the Carroll amendments do is to provide false teeth in place of the good teeth which the bill itself would pull. I believe that although it is better to have false teeth than no teeth at all, it is better to retain good teeth. That is why I hope very much that we may permit the natural teeth of the Sherman Act to operate for the preservation of competition and why I support the motion of the Senator from Louisiana.

Mr. O'CONOR. Mr. President, I yield myself 25 minutes.

I ask the consideration of my fellow Members of the Senate regarding several aspects of the economic situation resulting from the application of pricing practices which have been under discussion by the Senate pending decision on the motion to reconsider our previous vote sending this entire matter to conference.

At the outset let me say that I oppose the motion of the junior Senator from Louisiana [Mr. LONG]. Much of the previous debate has indicated a misunderstanding of the purpose of S. 1008 as previously passed by the Senate. Considerable time has been taken about matters which are not affected by the proposed legislation. No attempt or purpose exists to weaken the antitrust laws.

By injecting conjured-up possibilities which are not involved here, one can wax eloquent against the terrible trusts. Lengthy argument can be directed against illegal and conspiratorial actions which have no relation to this proposal. Of course, oppressive and unlawful combinations have victimized the American people. These confederations have been outlawed—and properly so.

But that is not the issue here. Senators who have spoken in opposition to the legislation we have presented are just as sincere and well-intentioned as we are in regard to this bill. But may I be permitted to say that we are just as anxious and vigilant as they are to safeguard the interests of the American public, especially small business.

The main purpose of the bill is to clarify the legal situation, as it resulted from Court and administrative decisions. This whole effort grew out of a desire to resolve doubts that existed throughout America following the decisions unexpectedly thrust upon the business world.

I repeat that there is no purpose here of impairing the antitrust laws or of weakening the Clayton Act, as amended. If such inescapable effect were to result, Senators most active in support of this bill would not exert their efforts to accomplish such a situation.

Because references have been made as to collateral questions I desire to emphasize that this is not a bill to legalize phantom freight or to revive the Pittsburgh plus system. Furthermore, there is no disagreement on our part with the assertions that various practices of certain industries have been blameworthy. The bill does not sanction or approve these collusive operations. On the contrary the bill expressly condemns these

practices and reiterates as of this late date that the Congress will not uphold such methods, because there is written into the bill the express stipulation that no conspiracy shall be tolerated.

It is necessary and highly desirable to review the history of this legislation in order to appraise the present situation. As has been indicated, the bill was first introduced as a moratorium by the senior Senator from Pennsylvania [Mr. MYERS], and then a substitute was offered by the Senator from Wyoming [Mr. O'MAHONEY]. Prior to its being reported there was lengthly consideration by the Senate committee headed by the Senator from Indiana [Mr. CAPEHART]. Then there were hearings, in which the able Senator from Colorado [Mr. JOHNSON] participated. The bill then went to the Judiciary Committee, where a subcommittee conducted hearings upon it, and reported it almost unanimously. It was reported unanimously so far as the subcommittee was concerned. In the full committee there were possibly one or two adverse votes.

When the bill came to the floor of the Senate the junior Senator from Tennessee [Mr. KEFAUVER], offered amendments, all of which were accepted. We now find that after we have accepted all the amendments proposed by the Senator from Tennessee, he is in opposition to the bill incorporating the amendments which he supported.

It seems to me that during the discussions on S. 1008, insufficient attention has been given to the fact that the uncertainty now existing in business circles generally with regard to the legality of non-collusive-delivered-price practices based on freight absorption has had a most unsettling influence, particularly upon those phases of industry in which freight costs enter importantly into selling practices. That confusion is growing and will continue to grow unless we are able, through agreement upon the provisions of S. 1008, to allay the fears of business by setting down in clear and unmistakable terms just what can and cannot be done in the matter of absorption of freight to meet legitimate competition.

Nor will it be satisfactory if, in our desire to get a bill passed, we include amendments which a great many business leaders and lawyers feel would be unsatisfactory and of little avail toward clearing up the present confusion as to what is and is not permitted.

It is for this reason that sincere hope is voiced that the bill will be allowed to go to conference. Admittedly we are dealing with a complicated problem. It is of such complexity that we are convinced it can be worked out more successfully through calm and well-considered study in conference committee than through lengthy statements and the give-and-take of discussions on the Senate floor.

No one would attempt to claim that the wording of the substitute bill which is now embodied in S. 1008, is necessarily the final word on the subject.

Nor do a great many of those who are vitally interested in the provisions of the bill accept the amendments which have been added as the best possible wording that could be found to clarify the subject. There must be, however, some acceptable wording possible which will do what the proponents of this bill want to do, in clear, unmistakable language.

We are all anxious to protect in every way the rights of small-business men everywhere. On the other hand, also do we wish not to contribute to the upset of the economic system of our country by helping to put through legislation which would tend to force further decentralization of industries, with the resultant increased costs which might well follow.

Certainly if steel plants and cement plants and other heavy industries will be required, in order to meet competitive situations in local areas throughout the country, to construct new facilities here, there, and everywhere, a great portion of the price advantages now made possible through central organization would be lost to our people. As far as small business is concerned, the end result might well be a condition under which the large concerns, with their facilities located throughout the country, would enjoy increased advantages in comparison to the smaller concerns.

CLARIFICATION THE GOAL

The extended discussions concerning the desirability of the passage of S. 1008 have tended to make a most confusing problem out of what, essentially, is intended to be, and I think is, a successful effort to clarify what admittedly is a complicated situation.

As passed by the Senate, and embodying the substitute of the distinguished senior Senator from Wyoming, S. 1008 simply attempts to put into clear and understandable language something that all too evidently is not presently clear and beyond any chance of misunderstanding, in the laws against collusive business practices now on the statute books.

In their approach to a decision on the pending motion for reconsideration of Senate action to send the bill to conference, I would invite the Senators to keep this fact in mind. S. 1008 is not intended to be, nor is it, substantive legislation on the matter of delivered prices based on freight absorption. It is solely and completely an effort to make unmistakably clear to that great section of the American industry which is vitally concerned with freight costs just what can be done legally in the matter of independent action to meet competition by absorbing freight charges, and what cannot be done in this direction without running afoul of the Clayton Act as amended by the Robinson-Patman Act.

All the opposition to enactment of this measure stems from the very commendable desire to protect the small-business enterprises of the country against undue and destructive competition from larger enterprises. It has been contended frequently, and with vehemence, that S. 1008 would make it possible for larger business enterprises to invade and completely dominate areas served by smaller and more localized concerns. Not only do we not concur in this belief, but it is felt that exactly the opposite result will ensue. In other words, I am convinced that the small-business enterprises which the opponents of this legislation are so earnestly trying to protect are at a greater disadvantage under present circumstances than they are likely to be if the provisions of S. 1008 are enacted into law.

In the less populous districts of the Nation particularly, a local industry, even though not large enough to be beyond the accepted definition of small business, could easily become a monopoly, to the extent of freezing out competition from outside its area. With its more favorable freight costs it could consistently quote lower prices than could plants located farther away, for, without this bill, such competitors would always be in danger of court action if they absorbed the difference in freight to meet the local competition.

The very fact that the prices of the distant concerns, after such absorption of freight, might coincide could always lead to the charge of collusive practices. And with the limited sales potential in these less populous areas, industries located at some distance would hesitate to run the risks involved. The result would be a virtual monopoly for the plant which happened to have a favorable geographical location with regard to the particular area in question.

Under strict f. o. b. pricing practices, competition would be gradually eliminated in such areas, except where there existed sufficient possibility of sales to induce outside manufacturers to establish manufacturing facilities close by. Here again we run up against the situation that reduced costs made possible by concentration of manufacturing facilities will be affected unfavorably to the extent that industry finds it necessary to redistribute its producing facilities.

CONSTANT LITIGATION POINTS NEED

Nothing could better evidence the necessity for the most thorough consideration of the provisions of this bill than the 4-to-4 decision of the Supreme Court in its review of the decision of the Seventh Circuit Court of Appeals in the Rigid Steel Conduit case. The additional fact that throughout the years there has been litigation as to the application and meaning of the various antitrust laws makes it all the more imperative now that we incorporate into this measure language which will say unequivocally what business can do with respect to the absorption of freight in the establishment of a delivered price to meet competition.

One can rail endlessly at the dangers of price rigging by big business to freeze out competition. The history of America's phenomenal industrial development and expansion, however, gives clear testimony of the value of competition as a leveler of prices. Competition from a far-away manufacturer helps to keep down prices in any area of the country. Without competition there would be a lessened urge on the part of local industries and business to find new ways to cut costs and new ways to bring better products at the same price to the purchasers in the area.

Competition unquestionably has been the spur which has made the United States of America the leading nation of

the world. We must nurture and preserve competition. Nothing in this bill is designed to impair the urge to improve products and to lower prices, which always has been the prime result of our free competitive system.

Any provisions of this bill which would inspire fear or apprehension among legitimate businessmen concerning their legitimate efforts to meet competition independently, through delivered-price practices built on freight absorption, would be a dangerous thing, indeed, in this present unstable period of our national economy. That is why it is felt so definitely that the violently contradictory schools of thought which have arisen with respect to this bill can never be reconciled except in a conference based on a real desire to meet valid objections. Under such conditions, the representatives of the two Houses can sit down quietly and can discuss word by word and phrase by phrase the final wording to be proposed. There is real reason to doubt that such a well-considered study can be made as satisfactorily in the heat of floor debate.

The distinguished Senator from Wyoming [Mr. O'MAHONEY], whose substitute for Senate bill 1008 offered hope for the enactment of immediate permanent legislation, rather than the moratorium first proposed; the distinguished senior Senator from Pennsylvania [Mr. MYERS], who introduced the original moratorium bill; and all the other Senators, including the junior Senator from Maryland, who have interested themselves in the matter in a desire to aid the legitimate conduct of business throughout the United States, all have in mind only one desire, namely, to reassure business in its legitimate competitive efforts and to protect small business against unfair competition.

From the very splendid addresses delivered by Members who are opposing the provisions of the substitute bill, and who are advocating one or another or all the amendments which since have been added, it is amply evident that, likewise, their concern is for the protection of the small businesses and industries of the country. In such a spirit of mutual desire to serve business and industry, the fountainheads from which so many of the blessings of the American way of life flow, one can be assured that the representatives of the two Houses meeting in conference can so revise and reword the provisions of the bill as to offer all the protection necessary to small business, while at the same time allowing all business to pursue its legitimate ends without fear of legal reprisals.

ANALYSIS OF CARROLL AMENDMENTS

Mr. President, because of the short time remaining, let me briefly attempt to present an analysis of what the amendments adopted by the House of Representatives would do. We think they would completely nullify this bill in certain respects.

Section 2 (a) of the present Clayton Act makes illegal differences in prices by a seller to different buyers where the effect may be substantially to lessen competition, or to injure, destroy, or prevent competition, or tend to create a monopoly in any line of commerce. Not every price discrimination is made illegal, but only those having this specified effect. Because there was a widespread feeling that this section prohibited individual, good-faith, competitive pricing practices, the senior Senator from Pennsylvania [Mr. MYERS] introduced his moratorium bill, for which the permanent legislation proposed by the senior Senator from Wyoming [Mr. O'MAHONEY] was later substituted. They were to insure the right of sellers individually and in good faith to absorb freight in order to engage in competition.

Section 2 of the Senate bill would add to section 2 (a) of the Clayton Act a proviso that the act does not prevent individual, good faith, freight absorption for the purpose of meeting competition. But the House amendment adds to this a provision that this may not be done where there is present the effect on competition specified in the present section 2. This cancels that provision of the O'Mahoney bill. The present law applies only to discriminations which have the specified effect on competition. Since the Carroll amendment, inserted on the floor of the House, limits the O'Mahoney bill to discriminations which do not have that precise effect, this section of the O'Mahoney bill is rendered wholly meaningless.

The Carroll amendment to section 3 goes even further. While section 2 of the Senate version does not change the language of the present law but merely adds additional provisions to section 2 (a) of the Clayton Act, section 3 of Senate bill 1008 is a complete substitute for section 2 (b) of the present Clayton Act. Thus, provisions in that section which cancel each other not only nullify the provisions of the O'Mahoney bill but have the effect of removing from the statute the present section 2 (b) of the Clayton Act.

Section 3 of the O'Mahoney bill provides that when the Federal Trade Commission has proved a price discrimination with the specified effect on competition, the seller can justify his conduct by affirmatively proving that he was acting in good faith to meet the equally low price of a competitor. But the Carroll amendment says this shall apply only if his conduct does not have the specified effect on competition. Since the defense of meeting competition in good faith applies only after the specified effect on competition is shown, the provision is meaningless if the defense is available only when the same effect on competition is not shown. The Carroll amendment to this section not only nullifies section 3 of the O'Mahoney bill but entirely nullifies section 2 (b) of the present Clayton Act, and deprives businessmen of whatever defenses are now available to them under that section.

The Clayton Act amendments in the O'Mahoney bill, as amended by the Carroll amendments, are less desirable to business than no legislation at all. Not only are the provisions of the O'Mahoney bill nullified but the defenses which are presently available under section 2 (b) of the Clayton Act are also eliminated.

The Carroll amendments go considerably beyond the Kefauver amendments which were in the bill when it was passed by the Senate. The Senate proposal describes the illegal effect upon competition as being present whenever price differences will substantially lessen competition. The Carroll amendment changes the "will be" to "may be" and exempts all the specified effects named in the present act from the defense of individually absorbing freight and meeting competition in good faith.

In the Triangle Conduit & Cable Co. case, the Court of Appeals for the Seventh Circuit affirmed a cease-and-desist order of the Federal Trade Commission in a case in which the first count of the complaint did charge the existence and continuance of a conspiracy for the purpose and with the effect of substantially restricting and suppressing actual and potential competition in the distribution and sale of rigid-steel conduit in commerce, effectuated by the adoption and use of a basing-point method of quoting prices. The second count in that complaint, however, did not rest upon any allegation of agreement, combination, or conspiracy. It merely charged that each of the corporate defendants and others had violated section 5 of the Federal Trade Commission Act "through their concurrent use of a formula method of making delivered-price quotations with the knowledge that each did likewise, with the result that price competition between and among them was unreasonably restrained."

Thus, the second count in the complaint in that case squarely raised the issue as to whether individual and noncollusive use of a delivered-price formula of quotations was illegal under section 5 of the Federal Trade Commission Act. On this second branch of the case, which did not involve any charge of combination, conspiracy, or collusion, the Court said:

> We now turn to consider petitioners' contention that the individual use of the basing-point method, with the knowledge that other sellers use it, does not constitute an unfair method of competition. This contention embodies the theory of the second count of the complaint and of that part of the order to cease and desist that is directed against each of the corporate petitioners.
>
> Briefly, the argument is that individual freight absorption is not illegal per se, and that the Commission's order is a denial of the right to meet competition. More specifically, petitioners say that conduit is a homogeneous product; that no buyer will pay more for the product of one seller than he will for that of another; that the buyer is not interested in the seller's cost of transportation or in any other factor of the seller's cost; that effective competition requires that traders have large freedom of action when conducting their own affairs; that in any particular market, the seller must adjust his own price to meet the market price or retire from that market altogether; that it has always been the custom of merchants to send their goods to distant markets to be sold at the prices there prevailing; that there is no lessening of competition, or injury to competitors, when a seller absorbs freight traffic to meet lawful competition; and that it is for the court to decide as a matter of law what constitutes an unfair method of competition under section 5 of the act. (*Federal Trade Commission* v. *Gratz* (253 U. S. 421, 40 S. Ct. 572, 64 L. Ed. 993).)
>
> On the other hand, the Commission contends that unfair methods of competition include not only methods that involve deception, bad faith, and fraud, but methods that

involve oppression or such as are against public policy because of their dangerous tendency unduly to hinder competition or create monopoly.

On this question, the court of appeals expressed the view that it was bound by the decision of the Supreme Court in the Cement Institute case. It said:

In the light of that opinion, we cannot say that the Commission was wrong in concluding that the individual use of the basing-point method as here used does constitute an unfair method of competition.

When this case came before the United States Supreme Court, the Court divided equally, 4 to 4; and thus no opinion issued from the Court. In the existence of such uncertainty, a general demand naturally arose for clarification.

Some Senators may be surprised to learn that in the Clayton Act there is now a section making a showing of good faith in meeting an equally low price of a competitor an adequate defense to a charge of unlawful discrimination.

Senate bill 1008, as it passed the Senate, would have tightened up this provision by eliminating the reference to a prima facie case, and to rebutting such a case; by placing, not merely the burden of proceeding, but the absolute burden of proof, upon the respondent; and by limiting the right of the respondent to justify the discrimination complained of, on the basis of a showing of good faith, to cases in which there is a substantial or probative evidence that the discrimination in question will substantially lessen competition.

JUSTIFICATION DIFFICULT UNDER BILL

Senators should understand this point: Under the law as it now stands, even if the discrimination is such that it will substantially lessen competition, the respondent today may attempt to justify his action on the grounds that his lower price was made in good faith to meet an equally low price of a competitor. But under the language of the bill as it passed the Senate, such an attempt at justification could not be made.

However, the language of bill as it passed the Senate contained one crumb of comfort for the respondent in a price-discrimination case: if it is not a case in which the discrimination will substantially lessen competition, then the seller can justify the discrimination by showing that his lower price was made in good faith to meet an equally low price of a competitor.

Under the House language, justification on grounds of good faith would be permitted only if it could be shown that there was no reasonable probability that the discrimination would have any effect prohibited by section 2 of the Clayton Act. In other words, in order to attempt a justification on grounds of the good-faith meeting of an equally low price of a competitor, the respondent would have to show by a preponderance of the evidence that there was no reasonable probability that the discrimination in question would injure competition. Again, we are right back to the point that undoubtedly it can be contended—and undoubtedly will be contended, if this law is enacted in the form in which it came from the House—that any discrimination which benefits one competitor injures the other. Under this theory, the right of justification granted by subsection 2 (b) of the Clayton Act, as it is proposed to be amended, would be no right at all.

THE ISSUE INVOLVED

What will be the issues, Mr. President, which must be resolved in conference, if this bill is sent to conference? Will there be any attempt, on the part of any conferees, to strike out both the Kefauver amendments and the Carroll amendments? That seems to be an eventuality which some Members of the Senate fear.

Mr. President, I have no reason to believe there would be any such effort; and I think I can safely assure the Senate there will be no such effort, because the field within which the conferees may act is bounded on one side by what the Senate has done, and on the other side by what the House has done. If the conferees should attempt to strike from the bill a provision to which both the House and the Senate have agreed, the conference report would be subject to a point of order, and it is quite certain the point of order would be made. If the conferees should attempt to insert new material, material not within the scope of the action taken by either the Senate or the House, the conference report would be subject to a point of order, and I feel sure that the point of order would be made.

There may have been a time when there was a question whether the Kefauver amendments or any similar language should remain in this bill. That time has now passed. It has been the judgment of both Houses of the Congress that the exemption provisions in both section 2 and section 3 should be subject, in the one case, to an exception, and, in the other case, to a clause in the proviso designed to make it perfectly clear that in removing doubt about the legality of freight absorption and the use of delivered prices, where such prices do not involve an effect upon competition prohibited by section 2 of the Clayton Act, and where such freight absorption is in good faith to meet the equally low price of a competitor, we do not raise any doubts about the illegality of monopolistic, oppressive, deceptive, or fraudulent practices, in restraint of trade or in the furtherance of unfair competition.

We have stated before, and state again, that the language of the House amendments may encompass results not intended by the sponsors of that language, and results which would be most unfortunate. We have said before that the language of the House amendments fails to accomplish the purpose which I am sure was intended, but, rather, results in virtual nullification of that purpose.

But it remains clear, Mr. President, what that purpose was. The conferees, then, will have the job of deciding, not whether language shall be put in the bill designed to accomplish that purpose, but only what language shall be used to accomplish that purpose.

The conferees will have to consider specifically whether the House amendment to the definition of the term "the effect may be" is more desirable than the Senate definition, or whether some other and different definition, if there be one which might be acceptable, should be inserted. But all that will be done, as I stated before, is to bring the matter within the two versions already made. Then, and in the light of that decision—and I say, in the light of that decision, because the defined phrase is used in the Carroll amendments as well as elsewhere in the bill—the conferees will have to decide whether the language of the Kefauver amendments, as adopted by the Senate, or the language of the Carroll amendments, as adopted by the House, or some other and different language, having the same purpose of making sure that in clarifying, and dissipating confusion, Congress does not let down the bars against monopolistic practices, is the language best suited to this purpose; a purpose which both Houses of the Congress have approved.

Mr. President, all opponents do not argue here that no legislation at all on this subject is necessary or desirable. The record stands so clear with regard to the confusion which this bill is designed to dispel that I cannot see how there can be any doubt of the obligation of the Congress to speak on this question, one way or the other. It has been frequently stated here that good lawyers disagree on one point or another in connection with the decisions in the Cement case and the Rigid Steel Conduit case, among others. That is true. Such disagreement is so widespread, and the necessarily resulting confusion on the part of business—both big business and little business—is so widespread, that I say, Mr. President, even if there is no basis for the confusion, the Congress should act to set the matter at rest.

Each House of the Congress, in its own way, has acted toward that end. The question now remains, what shall be the joint action of both Houses. The traditional way of resolving such a question, and arriving at a satisfactory solution, is by sending the bill to conference. That is not only the traditional method, Mr. President; it is the only orderly method. It is the method which invites compromise.

Each House of the Congress is clear, I am confident, with respect to its objective in connection with this bill. The conferees of each House will be clear as to that objective—and it is essentially the same objective, in both cases.

I cannot imagine that the conference committee, under such circumstances, would give any thought, for one moment, to any different objective. Rather, I have the highest confidence that all the conferees will be seeking the attainment of the mutual objective of both Houses, through language which will be acceptable to both Houses.

The institution of free conference is one of the great advantages of our great American legislative system. It is particularly advantageous in the case of such a bill as this, where technical questions of legal phraseology and legal effect are vitally involved. I believe that sending this bill to conference will result in a speedy and satisfactory resolution of our differences with respect to it; and I therefore urge, Mr. President, that the bill go to conference so that we

may have one more example in the long line of examples of the ultimate workability of our legislative system.

Mr. President, because some reference has been made to Dr. John D. Clark, of the President's Council of Economic Advisers, I think it pertinent to observe here what the situation is. Not only has this bill been approved by the very many outstanding Americans to whom reference has been made, but I submit that when Dr. Clark speaks he is entitled to be heard. I cannot do better than to quote the language of the senior Senator from Colorado, who described him in, I think, the best way I could imagine anyone describing Dr. Clark, as one of the truly great liberals of America today. Reference has been made to what the proponents of the bill are seeking to do, and indicating that if the bill passes it will have a terrible effect.

Mr. HUNT. Mr. President, will the Senator yield?

Mr. O'CONOR. If the Senator will allow me, I should like to finish, because I have but a few moments remaining. I shall then be glad to yield.

Mr. HUNT. I do not want to ask a question. I merely want to make a very short statement.

Mr. O'CONOR. I am very happy to yield.

Mr. HUNT. Dr. Clark, to whom the Senator refers, is a former vice president of the Standard Oil Co. of Indiana, a former president of the Midwest Oil Co., a graduate in economics from Johns Hopkins University, a former professor of economics at the University of Colorado, and he is immediate past dean of the College of Business of the University of Nebraska. He is a large stockholder in perhaps the largest bank in the State of Wyoming.

Mr. O'CONOR. I am very grateful to the Senator from Wyoming. I desire to indicate that when we criticize, or when we state that the opinions rendered by the Court need clarification, I should like to quote Dr. Clark's language when he testified at a hearing before the House Judiciary Committee, on July 13, as follows:

> All competitive effort is burdensome and harmful to those who cannot keep pace, but if we said it must stop short before it hurts anyone we would completely abandon the policy of competition. It is only the unfair methods which we wish to prevent, and it is a very fine line between the vicious and unfair on the one hand and the rugged but fair on the other. * * *
>
> Some of us believe that in the particular rulings involved in the pending bill relating to freight absorption and other matters the law and the Commission stepped over the line between unfair methods and those which are of the essence of vigorous competition. It is for that reason that we have surprised some friends whom we have joined in other battles against monopoly by proposing corrective legislation. * * *
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> Is it a desirable national policy to tie the hands of the big competitor and thereby make it easier for the small-business man to survive? I have no doubt that Woodrow Wilson and his predecessors would have furiously contested any such proposal. * * * there is a heavy burden of proof upon him who would temper the storms of competition for the lamb in this manner. He must do more than argue for stability of business. He must make an exceedingly strong case that his proposal will not, by depriving competition of its vigor, deny the people those benefits of larger production, lower costs and prices, and improved standard of living which the Sherman Act was designed to promote.

With respect to the Court decision which the House amendments were designed to incorporate into the statute, he said:

> I was shocked by that decision.
>
> I knew from my own experience in assisting at times in directing the operation of a great sales organization, of the many, many cases which the manager must consider that are somewhat uncertain, but where he can finally grasp the firm rule that if he is actually meeting a competitive offer he is safe, and he will not go to jail, and his company will not be fined. This decision, all of a sudden, just took that one solid basis for managerial decision-away from him.

Mr. President and fellow Senators, I ask whether that situation, such as described by Dr. Clark, does not justify and demand action by the Congress in this respect?

I may say in conclusion, it can be said that the bill as it passed the Senate did restrict a seller's right to absorb freight if it could be shown that such a practice in the particular case would substantially lessen competition. In following this procedure we acted in accordance with the provisions of the original Robinson-Patman Act. Your committee felt that business should have the right to go into any community and sell in competition with the producers there under circumstances which are fair and equitable. To engage in such competition it must absorb freight.

But the amendments adopted by the House would prevent a business from absorbing freight if the Federal Trade Commission decided that the effect of such absorption was that prohibited by section 2 of the Robinson-Patman Act. We think such a change, as made by the House, virtually nullifies the act. In effect, it says "we hereby amend the Robinson-Patman Act except in any respect in which it is in force."

If that language remains in the bill, the Federal Trade Commission can continue to decide that freight absorption does have the effect or might have the effect of creating some situation prohibited by the Robinson-Patman Act. Therefore, no one will be safe in absorbing freight.

Your committee has believed that what business needs is a clear-cut statement of its right to absorb freight to meet competition as long as it is acting in good faith. It was insisted by the Senate committee that this declaration be stated in unequivocal terms that it would only be allowed when a business concern was acting independently. Protective features of the Robinson-Patman Act are preserved. They protect the public, and properly so, against oppressive monopolistic and deceptive practices. But the language proposed in the House amendments merely proceed to take this enactment around in a circle. The end result is that it says, "We amend the Robinson-Patman Act except in respect to situation where it applies."

Our aim in this bill is to clarify the law, which certainly needs clarificaton when it is shown that the Supreme Court itself has been unable to decide what the present requirements are under the law as interpreted by the Federal Trade Commission. Small wonder the businessman, large and small, is in a quandary. It is to give him some light that S. 1008 has been sponsored in this session and we hope it will go to conference where differences can be adjusted for final action by both Houses of the Congress.

Mr. LONG. Mr. President, at this time I ask unanimous consent that I may yield to myself 5 minutes without sacrificing my right to close on behalf of my motion.

The PRESIDING OFFICER (Mr. STENNIS in the chair). Is there objection? The Chair hears none, and it is so ordered.

Mr. LONG. Mr. President, since the junior Senator from Maryland has so clearly brought into perspective some of the issues involved in the debate, I feel I should answer now one or two points he has raised. In the first place, the views of Dr. John Clark are cited, and I certainly respect the sincerity of Dr. John Clark in the position he takes. I recognize that he is a former president of the Standard Oil Co. of Indiana, and as a great industrialist, and as the son of a great industrialist, undoubtedly his views are somewhat colored by the business point of view.

The great Standard Oil Co. of Indiana case is presently being fought. In my opinion it involves the very crux of the Robinson-Patman Act. That case involves the attempt of the oil company in the city of Detroit to resort to the old oil-trust practice of squeezing out and destroying independent retail filling-station operators. What did Standard Oil do? It picked out about 12 stations in the city of Detroit and sold gasoline to those 12 stations at 2 cents less than any other stations can buy gasoline. The mark-up on gasoline is 3 cents. Those 12 stations had their signs out, "Buy your gas here—you can buy it cheaper—why pay more?" Those gasoline stations had doubled their volume before the Federal Trade Commission came into the picture. The case is presently at issue. We know how Dr. John Clark feels. The Standard Oil Co. of Indiana is defending the case on the ground it is discriminating in good faith in order to meet competition in regard to only about a dozen stations. All their 200 company-owned stations in the city of Detroit were losing money from day to day, and 156 independent stations in the city of Detroit were in danger of being driven out of business. Here are little-business people trying to save everything they have in life, which they have invested in filling stations.

The Standard Oil Co. will win this case by default if this bill is passed without inclusion of the Carroll amendments. That is the reason small business is sending telegrams to the Congress; that is the reason they are sending representatives here saying, "Please save the Robinson-Patman Act." Otherwise, Standard Oil could make out a good defense that it must make the discrimination to meet competition. It could find some little

wildcat refineries who would sell at a reduced price and match that price for a few stations only. When those few stations can say they are selling Standard Oil gasoline at lower prices in competition with other Standard Oil stations, they can run the independent stations out of business. Standard Oil is following the old A & P practice applied to the oil and gasoline business. I have heard it said that the large oil companies have constructed 4 percent of the filling stations and they own 75 percent of the business by acquiring stations of distressed owners. They are getting ready to again take over the other independents in the city of Detroit if they can win their case. If they can so discriminate among their own customers to drive independent merchants out of business in the city of Detroit, every other company can do the same thing.

Safeway Stores, American Stores, and several other great chains can do it, too, and they can do it in good faith. The hearings on the Robinson-Patman Act showed that certain large producers, in order to get the business of the great A & P chain, had to discriminate as much as 30 percent in their prices. We recall that in 1936 many little independent merchants were going out of business every day. That is why the Robinson-Patman Act was passed.

We hear the same arguments today that we heard against the Robinson-Patman bill at that time. We have the argument made by the junior Senator from Maryland, and we have the argument made by Dr. Clark. He was amazed, he said, to find that he could not meet competition by granting any kind of a discount he wanted to if he could find a competitor willing to match his price. The Robinson-Patman Act provided that one may discriminate as much as he wants to except where the effect of such discrimination will be substantially to lessen competition or tend to create a monopoly in any line of commerce.

The PRESIDING OFFICER. The time of the Senator from Louisiana has expired.

Mr. LONG. I yield myself one more minute.

What will the Carroll amendments do? They save that language of the Robinson-Patman Act; and that is why some Senators do not want to have a vote on the Carroll amendments. That is why all the little independent retail merchants are hoping we can vote on those amendments, so that those merchants can continue to have a chance to do business.

Mr. President, I now yield 20 minutes to the junior Senator from Tennessee.

The PRESIDING OFFICER. The Senator from Tennessee is recognized for 20 minutes.

Mr. KEFAUVER. Mr. President, I was very much interested in the speech of the distinguished Senator from Nebraska [Mr. WHERRY] this afternoon, in which he made a plea for the farmer who wanted to sell a horse or some product of the farm, and it was alleged that if he sold and absorbed the freight, he would be prohibited from doing so unless this bill without amendments is passed.

The Senator from Nebraska, in my opinion, is mistaken about the present law on absorbing freight. No one is alleging and no one can point to any opinion of the Supreme Court or to an order of the Federal Trade Commission in which, at any time, the Court or the Commission or any Member of the Senate on our side of this controversy has said that the independent absorption of freight, when separately done, when not done in collusion, either constructively or actually, is prohibited. Anyone who will impartially consider the matter must reach the conclusion that the independent use of a basing-point system is permissible under present law.

So, Mr. President, after all the discussion, I am brought to the very definite conclusion that certain corporations and certain Senators who are so tremendously interested in the passage of this legislation without the Carroll amendments, must want to amend and change the protection which the antitrust laws give to business and to the people of the Nation.

A great hue and cry has been raised about the Carroll amendments. All that those amendments provide, as set out in section 2 of the bill, is that whereas a sale at delivered prices is all right, or the absorbtion of freight is all right, such action must be done so as not to violate the Robinson-Patman Act. If businessmen do not want to injure, destroy, or lessen competition, as prohibited by section 2 of the Clayton Act (the Robinson-Patman Act), then why are they so worried about the Carroll amendments? The only reason why they want the Carroll amendments out of the bill is that they want to change and emasculate the antitrust laws of the Nation. They cannot do that by frontal attack. A bill to take away the protection of any of those antitrust laws would be defeated. But they try to do it by indirection, by writing it into this basing-point bill.

There has been a great deal of discussion regarding confusion as to the present law on basing points. Mr. President, where is the confusion?

Mr. President, I have here the decisions of the Supreme Court in the various cases affecting the basing-point issue. I discussed those cases on yesterday. There are four or five principal cases, and no Senator has criticized or condemned the decisions of the Supreme Court, with the exception of the Senator from Nebraska [Mr. WHERRY], this morning, and perhaps the Senator from Maryland [Mr. O'CONOR] who were critical of the Cement decision.

Starting with the Corn Products decision, which was a unanimous decision by the Supreme Court, involving the systematic adoption of the basing-point practice which lessened competition, the Supreme Court held that that practice was illegal.

The Staley decision, which followed the same pattern as the Corn Products case practice, and involved the plea that the company was meeting competition in good faith, held, upon consideration of what was being done, the fact that the company had rate books which showed a systematic use of the basing-point practice in violation of the law, that they were guilty of violation of the antitrust laws. No one has criticized that decision.

Then we come to the Rigid Steel Conduit case in which 14 companies adopted the same basing-point practice and thereby lessened competition. The Supreme Court, I believe by a unanimous decision, held that that was a violation of the antitrust laws. No one has criticized that decision. This morning the Senator from Nebraska [Mr. WHERRY] said the Cement decision caused confusion and that no one knew what the law was, that it eliminated the right of anyone to adopt the basing-point practice.

Let us see if that is true. I want to challenge the Senator from Nebraska or any other Member of the Senate to read one word in the decision of Federal Trade Commission against Cement Institute, which says that the independent absorption of freight, when not collusively done, is unlawful.

In the majority opinion in that case, which was a 5 to 1 opinion, there being only one dissent, the Court said:

> The Commission has specifically found the existence of a combination among the respondents to employ the basing-point system for the purpose of selling at identical prices.

That is, the Court found an illegal conspiracy. They found that by secret, sealed bids 10 or 12 of the cement companies all bid per barrel $3.286854. The same bid down to the sixth decimal point.

Mr. CAPEHART. Mr. President, does the Senator desire not to be interrupted?

Mr. KEFAUVER. I am willing to yield for a brief question, but my time is limited.

Mr. CAPEHART. I appreciate that, and that is why I do not care to have the Senator yield unless he desires to do so.

Mr. KEFAUVER. I yield.

Mr. CAPEHART. Inasmuch as no Senator has condemned the decisions in any of these cases, and we have all agreed the defendants were in collusion and conspiracy, and are perfectly willing to go along with the decisions of the Court because we think the Court was right, does not the Senator feel that the law is not changed at all by the pending legislation because all it does, if it does anything, is to permit each seller independently to pay all the freight, absorb the freight, or equalize the freight. Even under the bill we are discussing, if the companies were in collusion or conspiracy and it can be proved that they are, they could be prosecuted, and I should want them to be prosecuted.

Mr. KEFAUVER. Mr. President, I appreciate the very fair statement of the distinguished Senator from Indiana, and let me say that the Senator from Indiana in his report to the Senate said that the decision in the Cement case was correct and "wholesome." I believe that was the word he used. But I think the Senator from Indiana should get together with the other proponents of the pending legislation, because just a few minutes ago the decision in the Cement

case was bitterly condemned by the Senator from Nebraska as creating confusion and being incorrect, and I think the Senator from Maryland a few minutes ago criticized the decision, and said that it had caused a great deal of confusion.

Mr. CAPEHART. Will the Senator yield for just one point?

Mr. KEFAUVER. Let me answer the other point.

Mr. CAPEHART. Very well.

Mr. KEFAUVER. If the bill does only what the Senator from Indiana says it does, that is, protect the seller where he acts independently and wants to absorb freight, I would have no opposition to it whatsoever, if that is what it does. But what I fear is that it enables the corporations to get together and have the same planned systematic basis of selling at identical prices by constructive conspiracy without violating the antitrust laws. I think it takes away from American businessmen and the public the protection of the Staley case, and of the applied decision in the Standard Oil case, by providing that meeting competition in good faith is a conclusive defense. The courts have always held that that is a matter of evidence, and that if the action of the companies in fact substantially lessens competition, or results in monopoly, or destroys competition, it is not a defense. Those are my objections to the bill.

I am afraid section 1 takes away the strength of documentary or economic evidence.

Mr. CAPEHART. Will the Senator yield for a question?

Mr. KEFAUVER. I yield.

Mr. CAPEHART. The Senator understands that I am not the author of the bill, and did not introduce it, but I did offer the resolution originally asking the Senate to study the question, and I was chairman during the hearings, which were extensive, and I think fair.

Let me say that it was never my intention, and it is not my intention now, and it is not the intention of the legislation as it is now written, to do what the Senator is fearful it will do. Let me say further that if the bill becomes law, and it is proved that the able Senator is right and I am wrong, I shall be one of the first to join with the able Senator in correcting the legislation to make certain that it does not do what he fears.

Mr. KEFAUVER. I wish I could yield further to the distinguished Senator, but my time is limited.

I am certain that if the Senator would consider the fact that the Carroll amendment only protects the antitrust laws, that it only protects the Robinson-Patman Act, and leaves it intact, and if the distinguished Senator does not desire to emasculate and change the Robinson-Patman Act, I can see no earthly reason why he objects to the Carroll amendment staying in the bill.

Coming now to the particular issue before the Senate, Mr. President, the first question is whether judgment is going to be taken by default against those who want to concur in the House amendments. I think a showing has been made that there was an agreement that certain of us were to be notified when the bill was to be brought up. We were not notified. The blame perhaps was on me, but although I was present in the Senate at the time it was brought up and sent to conference, there was so much confusion I did not know that was done. At any rate, we were not notified. Are we to have our day in court, to enable the Members of the Senate to vote on the question whether the Senate is going to concur in the House amendments, or whether the bill is going to conference?

I have always felt that decisions should be made on their merits, and that default judgment should not be taken, particularly where there is a misunderstanding. That is the first issue. In any event, we should have an opportunity of considering the amendments on their merits.

If the motion of the Senator from Louisiana to reconsider is sustained, then the question will come on whether we shall agree to the House amendments or send the bill to conference.

Mr. President, let me state why we should agree to the House amendments. In section 2 it is made legal to sell at delivered prices or to absorb freight. That is made clear. No one desires to violate the antitrust laws in doing that, so it is spelled out here, "except where such absorption of freight would be such that its effect upon competition may be that prohibited by this section." That is, one can do it if he does not violate the antitrust laws, he can do it under these circumstances, namely, if he acts independently and separately, and not in collusion, either actual or constructive, with other sellers. I do not think anyone wants to legalize collusive price fixing through use of basing points.

Mr. President, it seems to me that if we are to prevent the encroachment of monopoly by virtue of conspiracy and getting together in the fixing of prices by the use of the basing-point system, we must have the protection that is provided for in the Carroll amendment. That is the only issue involved in this controversy.

I do not like section 1 of the bill. Perhaps we can get something done to that later, or by interpretation of what the Congress meant. Perhaps the courts will not construe it as I am afraid they might. But certainly we can protect section 2, and I plead with my colleagues in the Senate to give us at least a chance to have a hearing on the merits of the issue.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator yields back 5 minutes of his time.

The question is on agreeing to the motion of the Senator from Louisiana.

Mr. LONG. Mr. President, if the Senator from Maryland does not have any Senator who cares to speak at this time, I will yield 10 minutes to the junior Senator from Minnesota [Mr. HUMPHREY].

The PRESIDING OFFICER. The junior Senator from Minnesota is recognized for 10 minutes.

Mr. HUMPHREY. Mr. President, I am grateful to the Senator from Louisiana for yielding 10 minutes of his time so that I may make a few remarks in support of the motion to reconsider.

A remarkable feature of the present battle about basing-point pricing is that scarcely a voice has arisen to challenge the fundamental propriety of the proceedings in which the Federal Trade Commission has taken action against various delivered price arrangements. There has been almost no serious assertion that the business corporations against which orders were issued were innocent of substantial and significant violations of law nor that the practices in which these corporations were engaged were improperly condemned. Instead, expressions of alarm about the present state of the law have avoided challenge of the Commission's findings in actual cases. This is with the exception which the Senator from Tennessee [Mr. KEFAUVER] mentioned this afternoon in reference to the Cement case, which was challenged on the floor of the Senate.

The opponents have emphasized the unwisdom of applying the law in ways in which the Commission has never applied it, indeed in ways in which the Commission has repeatedly disclaimed having the power to apply it. Thus the fight has been carried on about hypothetical cases, and thousands of innocent businessmen have been hypothetically ruined by the Commission's hypothetical enforcement of a nonexistent policy and by the hypothetical action of the courts in applying hypothetical principles of law. Seldom, if ever, in the history of legal conflict, has so much panic been generated by so few hard facts.

The argument that these hypothetical cases are likely to become realities has been based upon interpretations of isolated passages taken from court opinions, from briefs, and from public statements by persons attached to the Federal Trade Commission. Typically, these passages have been given interpretations that are not justified by the contexts in which they appear, and typically, other passages which refute these interpretations have been ignored. By this method of argument one can, of course, seem to prove almost anything.

For example, alarm is expressed that innocent business practices may suffer because of the Commission's policy toward geographic pricing practices. If this alarm has substance, it can only be because the Commission has already attacked some innocent practice or some innocent business group. Otherwise the whole matter is gratuitous speculation about a future course of conduct which does not correspond to anything the Commission has yet done. An appropriate question to ask, therefore, is what innocent undertaking by what businessmen has been condemned by the Commission?

Since the Cement case touched off the controversy, let us examine it first. The Commission found that the Cement Institute and a large number of cement companies had participated for many years in a conspiracy to fix prices by the use of a multiple basing-point pricing formula and that they had conspired to

maintain the price discriminations which were inherent in the use of the formula.

Mr. President, I do not think there can be the shadow of a doubt that the argument of the Federal Trade Commission before the Court and the ruling of the Court in the Cement case is pretty much underwritten by a vast majority of the people who have studied the basing-point practices.

Mr. President, without going into the details of this case I ask at this point that the material I have prepared on the matter of the Cement case be incorporated in the RECORD as a part of my statement.

The PRESIDING OFFICER (Mr. STENNIS in the chair). Without objection, it is so ordered.

The matter referred to is as follows:

The conspirators maintained identical delivered prices at any given point in the United States, regardless of the origin of the cement or the distance it had traveled in reaching the locality. These identical prices prevailed not only in ordinary trade but in sealed bids upon Government contracts, which were identical to the last decimal point. The evidence of conspiracy consisted not merely in the rigid observance of the basing-point system and of the identical prices which it produced, but also in a large number of collective activities designed to prevent gaps in the system and to discipline members of the industry who might act independently. Perhaps the most striking of these activities was that concerns which made independent prices were disciplined by localized price wars undertaken to punish the offenders and coerce them into obedience. In one instance, for example, members of the industry established a new basing point at the plant of a price cutter without that price cutter's consent, and then in this basing-point area drove prices down to half of what they had previously been until the price cutter capitulated. Other practices found by the Commission and noted by the Supreme Court included boycotts, discharge of uncooperative employees, organized opposition to the erection of new cement plants, activities designed to prevent truck or barge shipments from interfering with prices calculated on a rail basis, and the preparation and use of freight rate books which prevented any differences from appearing in the freight factors used by the different companies in computing delivered prices at any destination.

The public expressions of alarm about the decision in the Cement case cannot be intended to imply that the practices of the cement companies should not have been attacked and terminated, unless it is contemplated that price-fixing conspiracies should be tolerated in the cement industry. This, indeed, has been the view of some members of that industry. In 1934, a trustee of the Cement Institute wrote to another of its trustees:

"The truth is of course—and there can be no serious, respectable discussion of our case unless this is acknowledged—that ours is an industry, above all others, that cannot stand free competition, that must systematically restrain competition or be ruined."

Mr. HUMPHREY. Mr. President, only three other cases in which the Commission has issued orders about geographic pricing practices have reached the Supreme Court. These are the Corn Products and Staley cases and the Conduit case. The first two have to do with price discrimination, the latter with price conspiracy. These cases have been discussed in great detail on the floor of the Senate. By reason of the short period of time which has been allotted to me by the Senator from Louisiana, I ask that my prepared manuscript respecting the nature of these cases and the charges which were brought out in the cases be incorporated in the RECORD as a part of my general statement on the subject matter of the reconsideration of the basing-point legislation.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and without objection it is so ordered.

The matter referred to is as follows:

Corn Products Refining Co. has plants in Chicago and Kansas City. The Commission found that this company sold its products as though they were all shipped from Chicago. The company's delivered price in Kansas City, which was $2.49, included 40 cents representing a freight charge for a shipment from Chicago which was not actually made. The company's price at Lincoln, Nebr., which was $2.54, included 45 cents to cover the cost of a fictitious shipment from Chicago, although the goods were actually shipped from Kansas City at a cost of 13 cents. Phantom freight charges of this sort were typical in the Kansas City area. Their effect was to place buyers in that area at a systematic disadvantage as compared with Chicago customers who bought from the same company. Manufacturers of candy in the Kansas City area competed against Chicago manufacturers under conditions of intense price competition which allowed very narrow margins of profit. For this reason, the difference in the cost of their basic raw material was of major importance in injuring their ability to compete. The Commission found that competition was injured by the price differences and that these differences could not be justified by differences in cost such as would have made them lawful. The Supreme Court sustained the finding.

Staley Manufacturing Co. is another producer of corn products, located in Decatur, Ill. It has used the price system of Corn Products Refining Co. In its home city, Decatur, its delivered price included fictitious freight from Chicago. Similar phantom freight was included in sales in other markets more distant from Chicago. The discriminations and the injury which they produced were similar to those found in the Corn Products case. The Staley Co. contended that it had not violated the law because it had merely met the competition of its larger rival in good faith. The Supreme Court rejected this claim on the ground that the facts did not support the contention. The Court noted that Staley did not merely reduce prices to sell in territory near the Chicago plant of Corn Products, but also charged phantom freight from Chicago in territory near Staley; and that Staley had apparently never tried to determine whether its discriminatory price structure was really necessary because of the competition which it encountered. The Court said:

"The Commission's conclusion seems inescapable that respondent's discriminations such as those between purchasers in Chicago and Decatur were established not to meet equally low Chicago prices of competitors there, but in order to establish elsewhere the artificially high prices whose discriminatory effect permeate respondent's entire pricing system."

If the law is to condemn discriminations which injure competition between buyers, it would be hard to find clearer evidence of such injury than was presented by the facts of the two Corn Products cases. Indeed the discriminations found by the Commission may have been so large and so systematic that they could be maintained only by conspiracy, for in June 1947 the Commission issued a complaint against Corn Products Refining Co., Staley, and most of the other producers in the industry, charging that they had all conspired to fix prices by various techniques, including the use of a Chicago basing point. If the complaint should prove to be justified, the previous cases would turn out to have covered merely particular instances of the discriminations inherent in an industry-wide conspiracy. The question is clearly posed, whether those who express alarm about these cases intend that sellers shall henceforth be permitted to discriminate as they choose among their customers without regard to the injuries sustained by the buyers who pay the higher prices.

Another case which has been frequently mentioned during the basing-point controversy is that against the Rigid Steel Conduit Association.

In the Conduit case, the Commission's order was sustained in April 1948 by the circuit court of appeals and, through failure to appeal one count and a 4-to-4 vote in the Supreme Court on the other count, the entire order has now been finally confirmed.

The Commission found that the Rigid Steel Conduit Association and various steel and electrical manufacturing companies were engaged in a conspiracy to fix prices, control distribution, and eliminate competition by various methods, which included use of a basing-point system with bases at Pittsburgh and Chicago, use of uniform consignment contracts, fixation of trade discounts, joint classification of customers, investigation of prices in closed transactions, and various other concerted trade practices. Most of the constituent parts of this program were adopted concertedly through the trade association or in meetings of the manufacturers. For example, an agent of the Garland Manufacturing Co. wrote in January 1948:

I attended another meeting of the labeled-conduit manufacturers today at the New York Athletic Club. Several projects were discussed as to prices and agreements that had been made, but nothing was pinned on to any of those present, which was in accord with our agreement to maintain card 76 on any new projects that might come up after our first meeting.

The place of the basing-point system in this collusive arrangement was made evident in the association's rate bulletin of January 1, 1937, which carried as a foreword the statement:

"The freight rates listed herein are to be used to ascertain delivery charges in figuring f. o. b. destination prices to all points in the United States and their possessions. Where the freight rates shown are from Pittsburgh, Pa., the Pittsburgh basing prices must be used. If the freight rates shown are from Chicago or Evanston, Ill., the Chicago or Evanston basing prices must be used."

In this case the Commission not only found that the members of the industry had conspired to adhere to the basing-point system but also charged and found separately that each individual producer had adopted the system in the knowledge of the fact that the others were likewise doing so and that thereby price competition had been eliminated in violation of the FTC Act. This second count in the Commission's case has been discussed by some commentators as though it meant that the FTC Act would be violated if a single company were to follow a basing-point system, regardless of whether or not other concerns in the industry did so and regardless of the effect upon price competition in the industry.

Mr. HUMPHREY. Mr. President, as of yesterday, I brought to the attention of the Senate some official statements by some of the Federal Trade Commissioners as to what was the intent of the Federal Trade Commission in the enforcement of the Federal Trade Commission Act, the Clayton Act, the Robinson-Patman Act, and what was the intent of

the Federal Trade Commission in the enforcement of the rules and regulations pertaining to the control of monopoly. I again want to state that one of the Commissioners, Mr. Davis, speaking in behalf of the majority of the Federal Trade Commission in reply to inquiries which were presented to him by members of the Senate Interstate and Foreign Commerce Committee, speaking of the Conduit case, said:

In my opinion, the second count of the Conduit case is not susceptible of application except in conspiracy situations. The legal theory of that count charges a practice followed by each of a group of sellers with knowledge by each that the same practice is being followed by all other members of the group, as well as with knowledge of the results of the common use of the practice, and that those results are in fact the restraint and suppression of competition. The facts of record in the Conduit case were such that the Commission might have elected to include Spang-Chalfant and Clifton Conduit in the order under the first count. Both had knowledge (or such knowledge could reasonably be imputed to them) of the origin and purpose of the practices adopted and followed by them. Since I view the second count of the Conduit case as, in practical effect, equivalent to a conspiracy, although the word "conspiracy" is not used, I see nothing inconsistent in dismissing the first count as to these two respondents and including them in the order under the second count. The character of their participation and the proof concerning it conformed more precisely to the second count than to the first count.

This statement says that the order in the Conduit case was intended to have the practical effect of preventing the respondents in that proceeding from continuing to use the basing-point pricing system which had been established and maintained by conspiracy, or from substituting for it the industry-wide use of any other pricing formula which produced the same result, and thus nullifying the effect of the proceeding.

It also says that if the Supreme Court should affirm the circuit court's order—an event which has subsequently taken place—the result would be to leave in full effect the Commission's interpretation of count II of the corresponding order. As indicated in the answers to questions 3, 9, and 11, this interpretation means that the count would be a precedent only in conspiracy situations.

In other words, the Commissioner pointed out that in the judgment of the majority there was a pricing conspiracy.

While there has been much said about the Conduit case, and, particularly since the Supreme Court divided 4 to 4, it should be made crystal clear that the lower court upheld the view of the Commission, and that the Supreme Court, in splitting on the case 4 to 4, makes the holding of the lower court the law of the land.

As was pointed out by the Senator from Illinois [Mr. DOUGLAS] development of the law takes time. To be sure, in the development of the law there have been many changes. Since the Court has sustained the majority opinion of the Federal Trade Commission it is to be expected that the business interests of America and the business enterprise of America will abide by the lower court's decision.

Mr. President, I ask unanimous consent that a portion of my prepared address be printed in the RECORD at this point as a part of my statement.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

In the Crown Bottle Cap case the Commission found that the Crown Manufacturers Association and 12 member companies had conspired to fix prices and suppress competition in the sale of bottle caps by various methods, and included use of a standard sales contract; standardization of product; agreement on schedules of deductions, additions and differentials; and use of a freight equalization plan. Under the freight equalization plan every mill was a base but adherence to the pricing formula was as rigid as in the systems previously discussed. Moreover, the Commission found that the members of the industry agreed upon uniform base prices at their mills and thus managed to make delivered prices identical in all localities. The Commission's findings and order in this case have not yet been reviewed in the courts.

Another case, in which the Commission's order became final after it had been sustained by an order from the circuit court, is that against the National Crepe Paper Association. In this case, the Commission found that practices designed to fix prices and to standardize various terms of sale, which were originally developed under NRA, were subsequently continued by agreement. Among the practices were a price filing system showing current and future prices, the filing of invoices showing the details of specific sales, classification of customers for pricing purposes, standard provisions for the sale of seconds and close-outs and the maintenance of an agreed zone pricing system. The circuit court pointed out that the Commission's finding of an agreement to suppress competition was not based simply on inference. It emphasized the point that the pricing zones which the industry maintained were highly artificial, and treated this artificiality as a significant part of the evidence in the case. There has been less public discussion of this case than of those previously mentioned; but, as in the Conduit case, it would be hard to say that the Commission should not have taken action here so long as price competition is to be preserved by law and price conspiracy is to be thereby condemned.

This is a sample of the recent cases. The facts found in the others were generally similar. In the Maltsters case the circuit court sustained the Commission's finding that there had been a price-fixing conspiracy which included price filing and price reporting, the use of a standard contract form, and the use of a single basing-point system. In the Milk and Ice Cream Can case, the circuit court sustained the Commission's finding that there had been a price-fixing conspiracy based upon a price reporting system and upon an industry-wide system of freight equalization. The court noted that the respondents did not seek to refute, but rather confirmed, the Commission's conclusion that the freight equalization system was used for the deliberate purpose of making delivered prices uniform. In the case against the Salt Producers Association the Commission found the members of the association had engaged in a conspiracy which included restriction of production, allocation of business, price-fixing, and the maintenance of a jointly established zone pricing system. The circuit court sustained the Commission's order with certain modifications, one of which limited the prohibition of zone pricing contained in the order so that it applied, not to mere concurrent use, but only to concerted action to use zone price systems which results like that which had been the vehicle of the conspiracy.

One other case deserves special mention. It is the Pittsburgh-plus case, first decided in 1924, in which the Commission's order was finally confirmed by the circuit court with the consent of the respondents within the last year.

Here, as in the Corn Products and Staley cases, the charge was price discrimination. The Commission found that the United States Steel Corp. and its subsidiaries sold most steel products throughout the country at a delivered price which included freight from Pittsburgh, regardless of the actual point of production. Thus at Chicago steel made in Gary was priced as though it originated in Pittsburgh.

The complaint in this proceeding was due in large part to the protests of Middle Western consumers of steel, who saw no reason why they should pay the equivalent of freight from Pittsburgh upon steel which actually came from Gary or some other nearby point. The Commission found that in Chicago the fictitious freight upon a ton of steel worth $30 was about $7.60, and that in Duluth this imaginary freight charge was $13.20. In Milwaukee, the Commission found a customer who obtained steel at a Milwaukee mill in his own truck, but, nevertheless, paid the equivalent of freight from Pittsburgh. The Commission reported:

"Chicago fabricators of steel buildings and bridges are unable to compete east of Chicago against the Pittsburgh fabricators on straight, competitive structural steel work. Pittsburgh fabricators, on the other hand, compete on an equality in Chicago with the Chicago fabricator, because the freight paid by the Pittsburgh fabricator on his finished product from Pittsburgh to Chicago is offset by the higher price paid by the Chicago fabricator for his steel bought in Chicago. * * *

"Nowhere in the United States does the Chicago fabricator have an advantage over the Pittsburgh fabricator. In only a very limited territory can he compete on an equality. * * *

"At South Bend, Ind., which is only 86 miles from Chicago, and 400 miles from Pittsburgh, the Pittsburgh fabricator has an advantage over the Chicago fabricator of $4.60 per ton, while the profit on a fabricating job averages only $5 a ton. On large jobs, it is only about $2 per ton. With the imaginary freight charge from Pittsburgh eliminated, the Chicago fabricator would have an advantage of $3 per ton. * * *

"In the case of manufacturers of heavy drop forgings and screw-machine products, and other products where there is a heavy steel waste entailed in the manufacturing process, the Pittsburgh manufacturer has a very substantial advantage over the Chicago manufacturer right in the city of Chicago. This advantage, right in Chicago, as shown by the evidence, amount to 3.2 percent of the selling price of the product. * * *

"One witness company having a plant near Pittsburgh and one at Chicago, manufactures 40 percent of the metal lath produced in the United States. This company actually supplies its carload customers in Chicago from its Pittsburgh plant because of the fact that, due to the Pittsburgh-plus system, the volume of business done from the Pittsburgh plant is so much greater that it reduces the overhead cost very much below that at the Chicago plant, and therefore the carload business for Chicago can be supplied to better advantage and at greater profit from the Pittsburgh plant, although the company's main office is in Chicago. * * *

"A number of steel users have been forced to discontinue the manufacture of a variety of products made of steel because of the Pittsburgh-plus prices which they were forced to pay. They were unable to compete with

their competitors in favor of whom such discriminations operated. * * *

"The business of the western manufacturers generally cannot grow to the extent of the business of their eastern competitors because of respondents' Pittsburgh-plus prices. * * *

"The cost of producing steel at respondents' Chicago and Birmingham plants is approximately 20 percent less than at their Pittsburgh plants. The cost at Birmingham is slightly less than at Chicago. As shall be shown later, there is a great surplus production in both the Chicago and Birmingham districts. Yet the prices at which respondents sell their steel at Chicago and Birmingham is very much greater than at Pittsburgh."

In this case a price conspiracy is not charged, but the corporation argued that its discriminations had been made in good faith to meet competition, and in rejecting this contention the Commission found that the Pittsburgh-plus system had originated in conspiracy and had been used from 1909 to 1924 as a device to eliminate price competition.

If the law is to prevent price discriminations which affect competition among buyers so substantially as to check the industrial development of a community and to drive the handicapped buyers out of certain lines of business, the Commission must necessarily proceed where the facts are like those of the Pittsburgh-plus case.

After the Commission's order in the Pittsburgh-plus case was issued the respondents established Chicago-base prices decidedly lower than the former delivered prices. In September 1927, Iron Trade Review reported:

"Those who attacked the Pittsburgh-plus method have thus far been victorious. Their prime motive was cheaper steel and they have obtained it. Sheets, wire, and pipe have uniformly been quoted at a $2 differential over Pittsburgh, where previously the spread was $6.80."

This change, and the subsequent reduction and final elimination of the Chicago differential, have had an important part in the growth of Chicago and in the prosperity of the steel-using industries in this area. It is no longer possible, even in normal times, to describe Chicago as an area of surplus steel production.

This is the record of the Commission's cases which involve geographic pricing practices. Unless there is to be a fundamental change in the public policy of the United States, there is no basis for the contention that any of the practices condemned was improperly condemned or that any of the business corporations against which orders were issued was innocent of a substantial and a significant violation of law.

The pervasive condition in these cases was a price-fixing conspiracy, proved not merely from inference or from brief identity of prices but from many converging types of evidence which showed the economic effect of a conspiracy, the practices through which the conspiracy operated, the agreements through which these practices came into being, and the disciplinary measures that were used to police the schemes. It would be difficult to demonstrate price-fixing more conclusively than it has been demonstrated in these price-fixing cases. Indeed in the Cement case the Supreme Court went out of its way to compliment the Commission upon the comprehensive character of its findings and the expertness which they show.

The other unlawful circumstances in these cases was price discrimination which injured competition. In some of the conspiracy cases, the injury to competition which appeared in the discriminations consisted in the setting aside of competition among the conspirators by their agreement to discriminate in a systematic way. In these instances the discrimination charge may be regarded as subordinate and incidental to the conspiracy charge. In the other cases, including the three in which no price-fixing conspiracy was charged, the injury to competition consisted in the inability of the buyers who paid high prices to compete effectively against the buyers who paid low prices. The evidence was very strong that the price differences actually had this effect. This evidence was derived not merely from the price differences, substantial though they were, but also from the conditions under which the buyers had to compete against one another, the size of their profit margins, and their actual experiences in loss of business. It is difficult to think of any type of evidence pertinent to the proof of this sort of injury which was not present in these cases.

So far as I know, the alarm over the cases which I have described has not rested upon any belief that the groups against which these proceedings were directed ought to enjoy any special exemption under the law. Short of such special exemption, it is impossible to see how the applicable laws could apply against any one if they were not appropriately applied to these groups, or to see what kind of evidence could be used to prove a law violation if the evidence in these cases was not appropriate and adequate.

Mr. HUMPHREY. Mr. President, continuing with what I had to say about the attitude of the Federal Trade Commission as to how far their authority goes, I point out that the hypothetical matters about which alarm has been expressed, are wholly different from the cases on which the Commission has acted. Businessmen are scaring themselves to death by three ghosts. First, that everyone is required to sell f. o. b. mill; second, that to absorb freight except in isolated instances is necessarily to be guilty of unlawful price discrimination; and, third, that to meet the price of a competitor in good faith is to violate the Federal Trade Commission Act.

The Federal Trade Commission has never maintained that everyone is required to sell f. o. b. mill. The Federal Trade Commission has never maintained that to absorb freight, except in isolated instances, is necessarily to be guilty of unlawful price discrimination. The Federal Trade Commission has never maintained that to meet the price of a competitor in good faith is to violate the Federal Trade Commission Act.

In the first session of the Capehart Committee last summer four members of the Federal Trade Commission testified in effect that these statements have no substance. In a formal policy statement to the staff, released last October, the Commission reiterated this disclaimer. More recently there have been other official statements to the same effect. For example, in a speech on December 28, Robert Freer, then Chairman of the Commission, said that—

> The law does not require uniform f. o. b. mill prices, that the law does not prevent the absorption of freight to meet competition, and that the recent decisions apply only to situations in which there is organized monopoly and conspiracy to suppress and restrain competition.

I conclude with this statement, that the issue before the Senate is simply this. Are we going to amend existing law with language which is ambiguous, and which can be subject to interpretation so as to give opportunity to destroy existing anti-monopoly legislation?

The issue before the Senate is whether or not we need any new law. It is the considered judgment of the junior Senator from Minnesota that the present law is adequate, and that to tamper with the law at the present time would merely confuse and jeopardize effective enforcement. To tamper with the law would be to jeopardize the Robinson-Patman Act and to threaten the small-business institutions of this country. To change the law at this time, particularly with the language of the Senate, without the Carroll amendments, would be to put an ambiguity in the law which would permit people who are clever and subtle in their interpretations of the law to circumvent the rulings of the Federal Trade Commission to amend existing law may destroy the findings in the Cement case, the Staley case, the Morton Salt case, and others.

It seems to me that we ought to leave well enough alone. The Congress of the United States has legislated wisely. There is more than a quarter of century of history in this policy.

With monopoly growing by leaps and bounds, with 61 major corporations having more assets than 73,000 small businesses, it seems crystal clear to the junior Senator from Minnesota that, having a law which has been enforced with fairness, we should leave it alone and not try to tamper with it. Above all, if any thing is done, let us take the protective language of the amendments of the House of Representatives. The distinguished Representative from Colorado made it quite clear that the language of the Senate was ambiguous, clumsy, and confusing. He asked that it be clarified, with direct emphasis on checking conspiracy, price-fixing, and absorption of freight to eliminate competition, and the other practices which have been so clearly condemned.

Mr. President, I ask unanimous consent that the remainder of my prepared remarks be incorporated in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

> Last January the Commission's secretary addressed a letter, approved by the Commission, to the secretary of the Chamber of Commerce of the State of New York, answering certain questions that had been submitted by the chamber. In reply to an inquiry whether the Commission favors imposition of f. o. b. mill pricing, he said, "The Commission does not advocate the imposition of a requirement that business enterprises price their goods f. o. b. mill, or that they use any other form of geographic pricing practice. In the Commission's opinion, one of the principal virtues of the antitrust laws is the fact that they maintain freedom of choice and variety of behavior among businessmen, forbidding only the specific practices and conditions which have been condemned by law as destructive of competition."
>
> In reply to an inquiry whether the Commission regards single or multiple basing-point systems as illegal if practiced by one concern, he said, "It is the Commission's view that the law permits a single enterprise to use any pricing practice it may choose, including the quotation of delivered prices computed from one or more basing

points, unless that practice involves price discriminations which injure competition within the meaning of the Clayton Act."

In February, Commissioner Davis, with the concurrence of Commissioners Ayres and Ferguson, submitted written answers to questions by the Senator from Colorado. As to freight absorption, he said:

"Freight absorption may be an innocent or even beneficial practice. It may be harmful, not only when it is incident to a conspiracy, but also when it is an instrument for a monopolistic purpose or when it produces price discriminations that injure competition. The law should not and does not either expressly condemn or expressly sanction freight absorption, but should and does treat it like other trade practices, which, in the absence of conspiracy, are lawful unless they have an unlawful purpose or effect.

"The law as to absorption of transportation costs, like the law as to any other pricing practice, does not now make such practice lawful or unlawful per se. The practice becomes unlawful if it has an illegal purpose or effect—for example, if it is part of an attempt to monopolize trade or if the effect of the practice is a price discrimination that injures competition.

"My principal objection to legislative permission for freight absorption in the absence of a conspiracy is that it would set the stage for discriminatory freight absorption which would permit a large and financially strong seller to oppress and perhaps destroy his smaller competitors, and would permit powerful buyers, particularly mass distributors, to secure unjustly discriminatory advantages from sellers which smaller buyers who competed with them could not secure.

"When used in a manner which is not illegal under present law, freight absorption may permit interpenetration of markets and tend to promote competition."

As to delivered prices, Commissioner Davis said:

"The basing-point decisions leave every businessman free to use any pricing method he chooses, so long as it is not one which eliminates or injures competition. I presume that pricing practices will continue to vary from industry to industry and from company to company; and since I cannot predict what pricing practices will eventually be used by the industries involved in the basing-point cases, I cannot foretell the effect of these practices upon the location of industry.

"There is nothing inherently or necessarily unlawful about delivered prices, zone prices, or freight absorption. However, there may be discriminations in any prices, and if these discriminations have monopolistic effects or result in injury to competition within the meaning of the Clayton Act, they are illegal."

As to identical prices, Commissioner Davis said:

"In any case where conspiracy to fix prices is charged, evidence of price identity is one factor to be considered in determining the issue of conspiracy. Under different circumstances identity of price may differ greatly in probative value. Hence, it is not practicable to state abstractly the weight to be attached to evidence of price identity in such a conspiracy proceeding."

He also quoted with approval an official letter from the Commission which said:

"Momentary identity of delivered prices in ordinary commercial sales is not regarded by the Commission as adequate evidence of a conspiracy. Price identity may be one element of proof of conspiracy, to be considered with other elements, and the weight to be given it depends upon the circumstances. Unvarying prices over a long period of time; identity of prices offered in sealed bids where there is no innocent basis for fore-knowledge on the part of each bidder of what other bidders may offer; efforts to avoid price differences as, for example, withdrawal of lower prices offered through inadvertence or error; substantially simultaneous price changes; price rigidity in the face of changing market conditions, and similar factors, all directly related to the character and continuance of price identity, may so supplement a showing of identity as to establish an inescapable inference of conspiracy."

But actions speak even louder than words. I have already pointed out that one of the Commission's cases has been directed against an enterprise or group merely for failing to sell f. o. b. mill, merely for absorbing freight, or merely for an identity in delivered prices derived from the good-faith meeting of competition. Not only is this true, but where investigation has shown an absence of conspiracy and of injurious price discrimination, the Commission has refrained from legal proceedings even though there was freight absorption or price identity or use of a basing-point system. The Federal Trade Commission's chief economist has pointed out that there are at least six cases in which the Commission investigated charges that a basing-point system resulted in violation of section 5 of the Federal Trade Commission Act, section 2 of the Clayton Act, or both, and subsequently closed the file because the evidence did not support the charges. The facts of one of these cases refute the assertion that the Commission is trying to control business pricing practices or put them in a strait-jacket, or even to prevent the use of a basing-point system except where conspiracy or monopolistic practices or unlawful discrimination is involved.

One case was investigated in 1938–39 and closed in the latter year. The product is sold by 11 sellers in four States, and the products of the different companies are not differentiated nor identified by brands or trade-marks. The issues raised included both violation of the Federal Trade Commission Act and violation of section 2 (a) of the Clayton Act. Investigation showed that the largest member of the industry sold his product at delivered prices including actual freight from his plant; that another company not located at the same point sold on a delivered-price basis, using the plant of the first company as a basing point and meeting the delivered prices of the first company; that, nevertheless, this second company did not appear to be engaged in conspiracy with the first company; that a third and fourth company in two other locations sold f. o. b. their own mills; but absorbed freight to meet or to beat competition; and that similar diversities of practices characterized the other producers. It was common for the delivered prices of the first two companies to be met by other producers through freight absorption, but it was also common for these other producers to quote less than the delivered price of the price leader in an effort to get more business and for them to take advantage of their location by quoting prices near their own plants which were somewhat below the delivered prices of the more remote producers. The Commission concluded that the evidence did not indicate price fixing and that such identities of price as appeared were not collusive in origin. There was no evidence showing injury among competing sellers by price discrimination or showing that the geographic differences in delivered prices had any significant effect upon competition among the customers of particular mills. Accordingly, though the industry's pricing pattern included freight absorption, certain identities of delivered prices, and regular use of the plant of one member of the industry as a basing point for delivered prices quoted by another, the Commission closed the file without complaint.

How can alarm about the Federal Trade Commission basing-point cases have become widespread in the face of the fact that the cases themselves offer no cause for alarm and that the Commission's statements about the meaning of the law refute the fears that have been expressed. All that is offered as a basis for apprehension is a few dicta from court decisions and a few isolated passages from statements by employees of the Commission plus the remarks of one dissenting commissioner. Businessmen do not generally comb court decisions and public statements so closely as to pull together scattered materials like these and make out of them a bogeyman with which to frighten themselves.

The explanation is simple. Powerful interests have seen to it that every scrap of material that could be used in support of a change of the law which would legalize monopolistic pricing practices should be collected and widely disseminated.

After the Cement decision Mr. Irving S. Olds, the chairman of the Board of United States Steel Corp., was quoted in the New York Journal of Commerce as announcing a drive for legislation to legalize basing-point methods of pricing, and Mr. Benjamin Fairless, the president of United States Steel, announced on the same day not only that the steel company was abandoning the basing-point system but also that one of the considerations motivating the abandonment was the plan to get immediate congressional action to legalize basing points.

The type of pressure that was immediately applied is typified by a letter which Mr. E. T. Weir, chairman of the Board of National Steel Corp., dispatched to that company's customers at a time when steel was in extremely short supply and customers were fighting for favors. This letter was quoted by the Senator from Oregon, but it deserves emphasis as an indication of the forces behind the propaganda campaign that has alarmed business. It contained the following description of the basing-point system:

"The basing-point system permitted the buyer to secure required materials from any steel-producing plant at delivered prices competitive with the prices of the steel producer closest to the buyer's plant. This was possible, of course, because distant steel producers absorbed the excess in the cost of freight from their plants to the buyer's plant over the cost of freight from the plant of the closest steel producer.

"The Court decided that this could no longer be done. Instead, one f. o. b. price must now be established for each product at each point of production which each and every buyer must pay. The actual cost to the buyer, therefore, must be this price plus freight from the point of production to the buyer's plant, because, under the decision, there can be no systematic freight absorption on the part of the steel producer."

Of the Supreme Court's decision in the Cement case, Mr. Weir stated:

"Now, with one stroke, the Supreme Court has wiped out these systems at the behest of bureaucrats and on a basis of theory which has never been proved by practical experience anywhere or at any time. In doing this, the Supreme Court has usurped legislative functions to establish a rule which Congress, the proper agency, explicitly refused to enact time and again, although strongly urged to do so by the bureaucrats of the Federal Trade Commission."

Mr. Weir then proceeded to give his solution for the problem in the following language:

"Congressmen, therefore, should be contacted promptly. All trade associations should be aroused to the seriousness of this situation and the necessity for constructive action. The public should be shown that this is not a mere legal action with limited effect of a technical nature, but a matter of vital importance to everyone.

"Your help is not only important; it is essential. You can communicate with your Congressmen and Senators to give them specific information regarding the effect of this

Supreme Court decision on your business and, therefore, on your employees and community. You can keep in continuous touch with them at each step as this matter progresses to final legislative action. You can communicate with your trade associations to urge that they make legislative contact and public information on this subject a first order of business. You can talk with the editors of your community newspapers and give them information which will be the basis for editorials and articles which will educate the public as to the vital importance of this situation and the necessity for its correction."

It should be noted that a proceeding is now under way in the Commission in which the American Iron and Steel Institute and the leading steel producers are charged with having conspired to fix prices by maintaining a price-fixing formula founded upon a multiple basing-point system similar in many respects to that of the cement industry. After the Cement decision last spring the principal steel producers announced their intention to abandon their basing-point system and to substitute systems of f. o. b. mill pricing in order to bring their practices into line with what they understood to be the law in the Cement case, and changes in pricing methods have been made in the steel industry in accord with these announcements. Nevertheless, these same companies are continuing to resist the Commission's complaint in the Steel case and to oppose the entry of an order which would prohibit the practices they have abandoned.

Horror stories have been circulated in an effort to excite people about the effects of the basing-point decisions. But when these tales are examined carefully they prove to be without substance. The director of research of the United Steelworkers of America, CIO, testified before the Interstate Commerce Committee on February 15 about the union's attempt to find out whether there was any truth in the contention that the steel industry's change to f. o. b. mill selling was having harmful effects. He listed the types of harm which, according to the propaganda, were supposed to be developing. They include the creation of local monopolies, the closing and relocation of steel plants, the geographic concentration of industry, and other similar matters. The union checked these things with most of the employers which it had under contract. Its director of research then testified as follows:

"We found virtually no evidence to warrant a belief that these results will occur, and no preparation to forestall or meet them on the part of those would be affected. Throughout the entire 30 districts into which our union is divided in the United States we found not one single basic steel plant or one steel fabricating plant which had been shut down because of the pricing change. * * * In nearly every instance our districts reported that there had not been any perceptible effects traceable to the pricing change. In fact, in those few cases where changes were reported they were chiefly increases in employment in areas where the companies were convinced that the change would be beneficial and where they were, therefore, expanding operations. * * * Particularly significant in the study was the fact that in nearly every instance where the study showed that basic steel companies were building new plants they were doing so at existing locations, not at new or presumably more favorably located sites. * * * Examples such as this convince us that much of this fuss is a tempest in a teapot. The basic producers who have been shouting the loudest have not been hurt and do not really expect to be hurt. * * * Another most significant fact was that the local managements of some of the larger companies frankly admitted that they were certain that with a strict f. o. b. system their plants and their sections of the country would prosper by reason of the change. This was in sharp contrast with the public stands taken by the top leadership and central offices of these same companies in their unyielding opposition to abandoning permanently their price-fixing policies. We could not but wonder if, by chance, some of these steel leaders were not trying to deceive both us and the public."

The real purpose of those business groups who have organized the propaganda for change in the law has been to legalize the basing-point system. I know of no clearer description of this system and no clearer analysis of the illegalities which it usually creates than is contained in a book called the Law of Free Enterprise, which has just been published by Lee Loevinger, a distinguished attorney of my own State. He describes the basing-point system in the following language:

"Basing-point systems, whether single or multiple, are subject to two legal objections. The first is that they produce prices which discriminate unreasonably between purchasers. To illustrate, a purchaser in Fort Wayne buys steel from a producer in Gary, Ind. He pays the base price plus a charge equal to the freight from Pittsburgh. Another purchaser, located in Pittsburgh (or in any town closer to Pittsburgh than Fort Wayne) also buys from the same producer. He pays the same base price, but without any charge for freight (or, at least, with a lower freight charge than the Fort Wayne purchaser). So the price to the Pittsburgh purchaser is less than the price to the Fort Wayne purchaser. Assuming the grade, quality, and quantity to be equal, this difference could be justified under the law only if it represented a due allowance for a difference in the cost of delivery. But the actual cost of delivery from Gary to Pittsburgh is greater than the actual cost of delivery from Gary to Fort Wayne. Thus we have the anomalous situation in which the nearest purchaser pays the most freight, and the most distant purchaser pays the least.

"The two terms which are often used to describe this effect are 'phantom freight' and 'freight absorption.' Under a basing-point system, when a purchaser pays an allowance for freight which is greater than the actual cost of freight in delivering the products to him, he is said to be paying 'phantom freight.' On the other hand, when a purchaser pays less than the actual cost of delivering the products, then he is said to be getting the advantage of 'freight absorption' by the seller. It is almost self-evident, from the use of these terms, that freight charges under a basing system do not represent due allowances for the actual cost of delivery. Under a multiple basing-point system the charges for freight are closer to actual freight costs than they are under a single basing-point system, but the disparity is merely minimized and not eliminated. Thus a basing-point system necessarily produces unjustifiable price discriminations. They are smaller under a multiple basing-point system than under one using a single basing point, but they cannot be wholly eliminated, for they are inherent in the nature of the system.

"The second legal objection to basing-point systems is that they eliminate price competition. This is not because a single company computes its prices by the peculiar method of figuring freight from some point other than its actual shipping point. The elimination of competition results from the use of an identical pricing system by a number of companies in the same industry. Probably this is the crux of the whole matter. The apologists for such a pricing method always insist that it is adopted without any collusion or agreement by the members of an industry. But it is notable that in every industry which uses a basing-point system the base prices used by all companies are identical, the basing points are the same and the freight allowances are figured on the basis of railroad freight, so that the price to the purchaser always comes to the same amount, no matter who the seller is or where he may be located with respect to the buyer. Indeed, a basing-point system simply will not work and can have no possible utility to its sponsors, unless the base prices, the basing points, and the freight allowances used are uniform for a large part of the industry.

"It is at the point where this aspect of the matter is considered that most legal discussion of the problem assumes an Alice-in-Wonderland quality. Mature, intelligent men with college educations and law degrees solemnly argue whether an extremely complicated pricing formula which is rigidly followed by dozens of separate enterprises over a period of years can be legal, assuming that 'there is no collusion.' The problem is reminiscent of those debated by medieval scholastics. It requires the assumption that the laws of probability and causation have ceased to operate. It makes about as much sense as the question, Would you get a traffic ticket for parking half an hour overtime in Louisville, Ky., assuming that all movement in the solar system had stopped 1 hour earlier? The only rational response to the proposition is that given by one Federal court, which said: 'Just how such an unnatural situation could be brought about by members of an industry without a plan or agreement is difficult, if not impossible, to visualize. The mere fact that the situation did exist in and of itself furnishes strong support that the institute and its members were acting cooperatively and by agreement. It is contended, however, that the same delivered price, even though the result of a plan or agreement, did not affect price competition. In fact, it is argued that an identical delivered price is in aid of price competition. Not being economists, we confess our inability to comprehend such an argument. The same delivered price might leave room for competition in things such as quality or appearance. But insofar as price competition is concerned, we think that an agreement among manufacturers of a product to sell at the same delivered price would seriously interfere with, if not entirely destroy, competition in that respect. * * * On the face of the situation it taxes our credulity to believe, as argued, that petitioners employed this system without any agreement or plan among themselves.'

"Regardless of the ingenuous and the sophisticated arguments that are offered to rationalize and justify basing-point systems, it is apparent that their ultimate utility to industry lies in producing price uniformity. There can be no other reason for computing prices on the basis of fictitious freight charges from some point other than the actual point of shipment. The argument that this enables one producer to compete against others located closer to the buyers is clearly fallacious. No one argues that producers will compete for business that will be taken at a loss. Consequently it follows that, if competition were the real purpose, the hypothetical producer would figure his price on the basis of the lowest return he could afford to take and make a profit, plus the charge for the cheapest practical method of delivery from his plant to the purchaser. A basing-point system precludes such a method of arriving at the price, because the essence of it lies in the use of a uniform base price, uniform basing points, and uniform freight allowances.

"It is unrealistic in the extreme to discuss the propriety of a basing-point system upon the assumption that each firm, acting independently in an economic vacuum, uses a system that is completely unrelated to the one used by other firms but which happens, by sheer coincidence, to be identical with the system used by every other firm. But the only alternative to this assumption is the hypothesis that there is some sort of common action or agreement among those using a particular system. But, once this hypothesis is assumed, the problem no longer

depends upon a question of price discrimination. The adoption of a basing-point system by agreement among a number of firms is, quite simply, a price-fixing conspiracy. No matter how complex and elaborate the formula agreed upon, the conspiracy is just as illegal as all the other numerous price-fixing conspiracies that have been denounced by the courts.

* * * * *

"There is some agitation for passage of a bill to legalize basing-point systems. However, it is difficult to see how this can be done without either repealing the laws of logic or modifying our fundamental policy against price-fixing conspiracies. It seems evident that basing-point systems are contrary to the basic policy of the antitrust laws and, under present statutes at least, virtually always illegal" (p. 159).

The present bill is not offered by its sponsors as a way of restoring the basing-point system or of legalizing price-fixing conspiracies or of permitting monopolistic price discriminations. They offer it as a device for allaying fears and making sure that innocent practices are not prosecuted. The bill is less harmful than those that preceded it—the two versions of S. 236 and the first version of S. 1008—and the sponsors of the bill are to be congratulated upon at least moving in the right direction.

Nevertheless, they have not moved far enough. The bill would still change the antitrust laws in a harmful way. The Carroll amendments adopted by the House of Representatives are absolutely essential if any legislation is to be enacted.

Section 2 of the Clayton Act now provides that price discriminations are to be unlawful if they have the effect of injuring competition, unless they can be justified in certain particular ways. One particular form of price discrimination, that which may be brought about by the absorption of freight, is covered by the present bill. The bill provides that this kind of discrimination is to be lawful if its purpose is to engage in competition in good faith. For this one kind of price discrimination, the law that rests upon the effect on competition is set aside, and a law that rests upon purpose is put in its place. There would be two different laws about price discrimination—one depending upon the effect of the prictice, applicable to everything but freight absorption, and one depending on the purpose of the practice, applicable to freight absorption alone. The latter would be the law which superseded the former for most price discriminations between customers who were located at different points. If, for example, a Chicago producer were shipping to two Minnesota fabricators with a freight cost of $6 on one shipment and $7 on the other, the shipper could make a $5 discrimination in price against either one of these two customers and show that the whole discrimination had been accomplished by absorbing freight. He could then defy the Federal Trade Commission to stop him unless it could show that he had an evil purpose. This change cripples the law against price discrimination.

The bill also endangers the enforcement of the Federal Trade Commission Act against conspiracies. Delivered pricing and freight absorption would be legal unless a bad purpose could be shown. If an industry used freight absorption to establish an industry-wide system of identical delivered prices, the Commission might wish to introduce circumstantial evidence derived from the systematic character of the pricing practices as a part of its evidence in a conspiracy case. A telling argument could be made that the Congress had specifically legalized these practices, so that no inferences could be drawn from them, no matter how reasonable, unless the Commission could first show a bad purpose. This would amount to requiring the Commission to prove a conspiracy by other means before it could introduce evidence drawn from the nature of the pricing system.

I feel very strongly that this problem of preserving our competitive system is the foremost domestic problem today and that the public must soon decide whether we honestly intend to try to obey the rules of the economic road we so far have traveled or whether we are willing to recognize that the alternative route is one of all-out Government regulation. Unfortunately, there seems to be no middle road in this situation. If we continue to give lip service to the competitive system and provide only token enforcement agencies under the antitrust laws; if we continue to cry against monopolies and at the same time refuse to provide the means of curbing them, we will continue to coast downhill without conscious resolution into a valley from which we must be towed because the spark of competition neither exists nor can be restored to its proper function in our economic motive power. When that point is reached we will have no choice but to acquiesce in a system of permanent peacetime Government controls which will shift the responsibility of management to the Government.

The PRESIDING OFFICER (Mr. ROBERTSON in the chair). The Chair calls attention to the fact that when a Senator in charge of time yields 10 minutes or 15 minutes and the speaker takes more than that time, the additional time which the speaker takes after the Chair notifies him that his time has expired is of necessity charged to the Senator who yields the time.

Mr. LONG. I understand that, Mr. President.

Mr. O'CONOR. Mr. President, I yield 15 minutes to the distinguished Senator from Wyoming [Mr. O'MAHONEY].

TIME TO CLARIFY AND STRENGTHEN ANTITRUST LAW

Mr. O'MAHONEY. Mr. President, when the Chair raps his gavel at the end of 15 minutes I shall desist.

This is not a hypothetical case. This is a very direct and clear case of attempting to clarify the law by dispelling misunderstanding and misinterpretation. The Congress of the United States owes a supreme obligation to the people and to the industries of the United States to make the law so clear that he who runs may understand it. I submit to my friends who though they approve this law, have been good enough during the 2 days of this debate to pay me some compliments upon my attitude in the past as a foe of monopoly and to express regret that I seem to have departed from them, that I deeply regret that they have parted company with me upon a measure which to my mind will strengthen the antitrust laws by clearing away the confusion that now exists.

Do Senators say there is no confusion? Mr. President, when the decision in the Cement case was handed down the confusion began, not as a result of the decision itself, but as a result of the comments that were made upon it. I remember well the statements which were issued by the United States Steel Corp. upon the one hand, and by a member of the Federal Trade Commission upon the other, both attempting to interpret that decision, and both, as I saw it, attributing to that opinion, a meaning and effect it never had. United States Steel said, "This decision means f. o. b. pricing," and United States Steel was supported by a galaxy of high-priced lawyers. A member of the Federal Trade Commission appearing at conferences of businessmen and at meetings of associations told them, in words that were not capable of being misunderstood, "Now the Federal Trade Commission has you in the hollow of its hand, and may do with you as it pleases."

I did not believe that United States Steel was right. I did not believe that Commissioner Mason was right. I am very happy to accord to Commissioner Mason and those who took the point of view that he took the sincerity which I claim for myself. He was interpreting that decision as he saw it. I say that that decision was a declaration of the law as it stands and that it holds no threat to competitive business.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. O'MAHONEY. I have only 15 minutes.

Mr. LONG. Will the Senator yield for a question on my time?

Mr. O'MAHONEY. On the Senator's time; yes.

Mr. LONG. I ask the Senator if he did not make the following statement on July 8, 1948, at the time United States Steel announced its interpretation of the decision:

> I fear that United States Steel is merely trying to lay the basis for a demand that Congress change the antitrust law under which the Supreme Court found that a multiple-basing-point delivered-price system for the purpose of suppressing competition is prohibited.

Mr. O'MAHONEY. Yes; and I repeat it. Certainly I said that; and I believed it. I believe it today. Big Steel has never been a conspicuous advocate of the antitrust laws. I believe that the United States Steel Corp. did exactly what I said. Furthermore, I believe, as developments have transpired since that decision was rendered, that if we do not clarify the law we shall have brought about a condition in which the United States Steel Corp. will be enabled to fasten its hold upon the industry of the United States.

If the Senator will pardon me for just a moment, I wish to develop my theory of this matter. After I have proceeded for about 10 minutes I shall be very glad to yield, but let me make the development of this question as clear as I can.

I agree with what my friends who are supporting the motion to reconsider have said about the meaning of the antitrust laws as they stand. The Robinson-Patman Act, the Federal Trade Commission Act, the Sherman Act, do not prohibit independent, nonconspiring absorption of freight, or delivered prices. But so much has been said to cloud the fact I want that declaration to stand upon the force and authority of a statute of the United States, and not upon the force and authority of a letter or statement by a member of the Federal Trade Commission today, which may be changed tomorrow or upon editorial expressions on press releases. We have seen too great a tendency to drift into the condition in which a declaration by an official of the Government takes the place of the law of the land.

THIS IS AN ANTITRUST BILL

What I sought to do when this bill was introduced, as I stated upon the 1st of June, was to write into the law what I considered to be the correct policy of the Federal Trade Commission, namely, that ir dependent freight absorption and delivered prices are not illegal; and at the same time to make crystal clear that the Congress of the United States is not deducting one jot or one tittle from the antitrust laws of the United States.

In section 1 of the bill we sought to provide a plain statement that there specific pricing methods are not in violation of that provision of the Federal Trade Commission Act which prohibits unfair trade practices. I was stating precisely what the Chairman of the Federal Trade Commission said. I was stating precisely what was stated by the author of the article in the Loyola Law Review, which the Senator from Louisiana quoted several times yesterday. I was restating the law and therefore making it stronger.

Having stated that, and nothing else, we added a direct proviso, as follows:

Provided, That this shall not make lawful any combination, conspiracy, or collusive agreement; or any monopolistic, oppressive, deceptive, or fraudulent practice, carried out by or involving the use of delivered prices or freight absorption.

I think that language could not be made more clear. It could not be clearer that no cloak of protection is being placed upon any violation of the antitrust laws. Here is a declaration in words which enunciate the very heart and soul of the antitrust laws, and make it clear that under this bill neither delivered prices nor freight absorption can be used as a device to suppress competition or exploit the people. That is so clear that no one, it seems to me, can possibly misunderstand it.

So much for the Federal Trade Commission Act. Then it was necessary to proceed to the Clayton Act, as amended by the Robinson-Patman Act.

Mr. President, my friends have been misled, as I see it, by the thought that this bill would, somehow or other, modify, repeal, or destroy the Robinson-Patman Act. In my judgment, it will do nothing of the sort. I felt that way when I introduced the bill, because it was drawn merely to make clear that section 2 (a) of the Clayton Act, which is the first section of the Robinson-Patman Act, should not be held to prohibit delivered prices or freight absorption independently adopted in good faith. But when the suggestion was made by my friend, the Senator from Tennessee, that perhaps it was not clear, I stated to him upon the floor what I state now, namely, that my purpose then was, as it now is, to maintain the antitrust laws unimpaired. So I accepted the amendment he offered upon the floor, the amendment which provides that—

Except where the effect of such absorption of freight will be to substantially lessen competition.

In order that we may make this matter crystal-clear, I wish to draw the distinction between the Kefauver amendment and the Carroll amendment. The Carroll amendment, which was inserted in the bill by the House of Representatives, provides—

Except where the effect on competition may be that prohibited by this section.

Mr. President, the difference between the word "will" and the word "may" is almost as great as the distinction between the poles. Under the Kefauver amendment, this law will read, if it is enacted—and I hope it will be—that delivered prices or freight absorption independently practiced by an industrialist are not in violation of the Clayton Act unless they will have the effect of violating the antitrust laws. I prefer the word "will" to the word "may"; because if we use the word "may", no one under the sun can tell what the law means, because "may" conveys into the hands of some future Federal Trade Commission the power to hold that these two practices to be illegal, although the Federal Trade Commission now say they are not illegal. That is all in the world that this bill proposes to do.

If it is agreed, as my friends who on reconsideration admit, that freight absorption is not illegal unless it is a part of a conspiracy, why introduce uncertainty by using the word "may," which can only mean to the lay person that perhaps freight absorption without conspiracy, express or implied, may some day next week or next year be held illegal?

I say to my friends, the supporters of the antitrust laws, and my erstwhile supporters in the campaign against monopoly that they can safely come along with this amendment, because it means that if freight absorption and delivered prices will or do undermine the antitrust laws, then under this bill they are not permissible.

What more can Senators ask? Do Senators wish to go beyond that, and say, "We are not satisfied with the requirement that there will not be injury to competition. We want something more. We want the Federal Trade Commission to be able to say, 'Well, perhaps there is no present injury, but perhaps there may be some injury in the future' "?

Mr. President, I accept the rule of the Robinson-Patman Act with respect to practices outside of independent freight absorption or delivered prices which the Federal Trade Commission and my friends say is not illegal. So we are not changing the Robinson-Patman Act in the slightest, since that law does not condemn and never has condemned the pricing practices with which we are dealing.

The difference was made quite clear in the so-called Standard Oil case, in which Judge Minton ruled, as reported in One Hundred and Seventy-third Federal Reporter, second series, at page 216:

The Commission here considered the other evidence as to the effect on competition of this continuing determination, and found, and it was justified in finding, that the discrimination not only may but did affect competition.

Mr. President, that is good law. I agree with that, and I want it to be perfectly clearly stated in the law that an independent competitor who absorbs freight will be in no danger, unless what he does actually does affect competition. The distinction was made clear in another statement in that case, namely:

It is not actual injury alone—

Said Judge Minton—

but the prospect, reasonably to be expected, of injury to competition, which the statute seeks to prevent.

That is the Robinson-Patman Act. That is the law, but it does not prohibit independent freight absorption or independent delivered prices, and when we are trying to make that clear we must choose our language so that everyone will know that with respect to these two pricing practices they become illegal only when they do actually injure competition.

Mr. LONG. Mr. President, will the Senator yield for a question on my time?

Mr. O'MAHONEY. Certainly.

Mr. LONG. Did not the Senator from Wyoming say, on July 11, 1948, after the declaration of policy by the United States Steel Co., in effect that—

It is not inconceivable that at the very same time they abandon the basing-point system they will actually raise their mill prices in order to reap the fullest possible advantage of the present seller's market.

And did not the Senator close his statement by saying:

It would be a characteristic monopolistic move to endeavor to create the impression that such price increases were caused by the abandonment of an innocent system, whereas the fact is the Supreme Court has ruled against the system only so far as it is used collusively to suppress competition.

Mr. President, I submit that that is a perfectly clear, understandable statement in plain English.

Mr. O'MAHONEY. Precisely, Mr. President, I said that; and I repeat it. I want to call to the attention of the Senator from Louisiana the position in which he places himself by quoting my statement. I am happy that he did. I read from it—and I am glad the Senator from Louisiana has recalled my words to me:

I fear that United States Steel is merely trying to lay the basis for a demand that Congress change the antitrust law under which the Supreme Court found that a multiple basing-point delivered-price system for the purpose of suppressing competition is prohibited.

Certainly I said that, and there is nothing in this proposed law which affects the basing-point system or the multiple basing-point system.

What the Senator from Louisiana is doing—if I may humbly and respectfully suggest it to him—is this: By defeating this bill, if he can, he would make it possible for United States Steel, which now controls 40 percent of the steel industry of the United States, and which with three or four other companies controls almost 80 percent of the steel industry, to go back to the f. o. b. mill prices, and then prevent Louisiana or Texas or Wyoming or Colorado or any other State from building a new steel industry; and when Senators do that, they are playing the game of monopoly.

Mr. LONG. Did not the Senator say in the same statement it would be best for the steel companies to go on an f. o. b. basis?

Mr. O'MAHONEY. I said that at the time, in the belief it might be possible for all to go on the f. o. b. basis. But as I pointed out in the TNEC report, there must be time for industry to adjust itself to such a change, and I see around me now opportunities for new competitive private enterprise to enter industry in the United States. But it cannot do it if it is not in a position to meet prices by absorbing freight. We cannot afford to risk unemployment and economic uncertainty when the peace of the world depends on our stability.

I say, Mr. President, in response to my friend, there is no moral turpitude in freight absorption per se. A department store in New York, Chicago, Washington, or Pittsburgh uses its trucks to send its goods to all the surrounding area, 50 or 75 miles. It absorbs the freight, it absorbs the cost of transportation, and it sells at the delivered price, the same price at which it sells in its store. I ask my friends to realize that the world has moved, that transportation is no longer the transporation of 20 or 50 years ago, that the radius within which business is carried on has been greatly extended, and that if it is desired to afford opportunity for new competitive business to enter the field in competition with the giants which have concentrated control of industry, it will be essential to cooperate first in making the law clear, and then, secondly, in rallying around some of the bills which I have in the past recommended, such as the O'Mahoney-Kefauver bill, or a bill like the one to provide charters of responsibility and power for these national giants. But do not reduce the statutory law of the United States in such an uncertain form that honest businessmen who are not monopolists are afraid to invest a dollar in order to get into competitive business.

Mr. O'CONOR. Mr. President, I yield 10 minutes of our time to the distinguished senior Senator from Colorado [Mr. JOHNSON].

The PRESIDING OFFICER. The Senator from Colorado is recognized for 10 minutes.

Mr. JOHNSON of Colorado. Mr. President, I think we ought to keep our minds upon the exact issue that is before us. The issue is whether the bill now before the Senate shall go to conference. The Senate enacted the bill in the first instance, after debate. Prior to the debate, lengthy hearings were held. The Senator from Indiana last year set up an advisory council to explore the whole field and the whole problem with the assistance of businessmen, industrialists, farmers, and labor representatives from all over the country. In January, when I took over the subcommittee which the Senator from Indiana had previously headed, I conducted further hearings, at which everyone having views on the question, either for or against, was invited to come in and testify. Many witnesses came before the committee to testify, and their testimony is a matter of record.

When it became apparent that it would be necessary, in order to correct the whole problem, that the Clayton Act, as amended, be modified, the chairman of the Judiciary Committee claimed that, since the Clayton Act was under the jurisdiction of his committee, the matter should be transferred to that committee. My committee thereupon transferred the bills we had under consideration, to the Judiciary Committee, after which the Judiciary Committee conducted extensive hearings. Anyone who had anything to say on the subject, either for or against it, was invited to appear before the committee.

In due course, the committee brought forth S. 1008, the Myers bill. The O'Mahoney language of the present bill was substituted for the bill which came from the Judiciary Committee. It seemed to be a great improvement on it. The bill which came from the Judiciary Committee provided for a moratorium, to allow things to stand as they were for a year or two, which would provide time to work out permanent legislation. But that seemed to be objectionable, because as long as the moratorium existed, no industry could proceed with its plans. The chemical industries of the West wanted to go ahead without further delay. They had to have matters clarified so they could develop the industries they had in mind. Industries wanted to get underway in Wyoming. They were demanding that the matter be settled. They persuaded the Senator they needed action at once and the present bill is the result.

The bill in due time came before the Senate, where it was amended. The bill as amended went to the House. It was considered by the House Judiciary Committee, which brought the bill to the floor of the House. At that time an amendment was adopted—an amendment which could not have been given very careful thought. It is merely one of those things that happen so often in connection with legislation. A bill comes to the floor. An amendment is adopted which is not properly considered. There is no opportunity for study on the floor. We are dealing with an extremely technical subject. It is so technical that the courts of our country have had great difficulty in reaching agreement on it. Only recently, as has been stated in the Senate, the Supreme Court divided 4 to 4 on points of law with respect to it. A technical amendment to a technical and complicated matter on a technical and highly controversial subject came up for consideration on the floor of the House and was adopted forthwith. The bill then returned to the Senate.

The natural thing to do when there is one version by the House and another by the Senate, is to go to conference to compare and resolve the differences. That is why we have conference committees. That is why that arrangement has been adopted by the Congress of the United States. I have been in the Senate for over 12 years, and this is the first time in such circumstances I have ever heard of resistance to sending a bill to conference where it might be considered by conferees sitting around a table to work out the difficulties. Now it is proposed to break down the legislative processes, and take a short cut. Apparently some Senators do not want to proceed in that orderly way. Apparently some Senators would stop the traditional legislative processes and arbitrarily decide a serious legislative question—a question which had its origin in an amendment adopted without due consideration on the floor of the House. That is not the way to legislate.

I do not want to take too much time speaking about the Carroll amendment, but I do want to point out what it does. It has been stated heretofore that the Carroll amendment nullifies sections 2 and 3. That is precisely what it does. Let us read the Carroll amendment. I say it is technical. I ask Senators to listen as I read it, and if any Senator says it is not technical, I shall think he is a wizard so far as the interpretation of language is concerned. The Carroll amendment reads:

> if the discrimination is not such that its effect upon competition may be that prohibited by this section.

Let us read section 2 of the Robinson-Patman Act, as amended and see what is prohibited:

> Where the effect of such discrimination may * * * tend to injure competition with any person who either grants or knowingly receives the benefit of such discrimination or customers of either of them.

How can you sell anything that others sell without tending to injure competition?

The Carroll amendment, read in connection with the words I have just read, makes section 2 of the bill utterly ridiculous. I would have more respect for it if it had stricken section 2 rather than to mutilate it in this manner. It has been argued that it will clarify the law. The Carroll amendment makes the whole thing muddier than ever. The Senator from Illinois [Mr. DOUGLAS] said that it puts false teeth into that section. I will agree with the "false" part of it. It nullifies it.

All Senators have been receiving a great deal of mail from druggists; at least, I have received a great amount, and other Senators have told me that they have received much similar mail. Druggists in their States are very much alarmed at what Senate bill 1008 would do, and they have written their Senators with respect to it. I have discovered who has been yelling "Wolf, wolf!" when there is no wolf. I ask unanimous consent to insert in the RECORD a letter which the National Association of Retail Druggists, of Washington, under date of June 29, 1949, mailed to independent druggists throughout the country, together with my reply thereto. There is not one word in S. 1008 which in the slightest degree affects any drug store in the United States. It not only has false teeth; it is false from the first word to the last word.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

THE NATIONAL ASSOCIATION
OF RETAIL DRUGGISTS,
Washington, D. C., June 29, 1949.

Please relay this message to all independent druggists:

S. 1008 is detrimental to the retail druggists of the country. Let no one lull you to

sleep with a false sense of security by telling you otherwise.

People may talk about the basing-point system, the zone system, and freight absorption to their hearts content but the fact remains that S. 1008 strikes at the very heart of the Robinson-Patman law.

Why did the House Judiciary Committee eliminate Senator KEFAUVER'S amendments originally contained in S. 1008?

Why didn't the House Judiciary Committee permit public hearings on S. 1008? Why the secrecy?

Why all the rush to stampede an act through Congress at this late date while the congressional calendar is log-jammed with vital legislation that has been pending for months—Taft-Hartley, Atlantic Pact, national security, atomic energy, organization of the executive branch of the Government, etc.

The equal opportunity bill (Robinson-Patman Act) originally passed the House May 28, 1936, by a vote of 290 to 16. That represented the people's decision.

If you will remember how hard the retail druggists worked for the passage of the Miller-Tydings law (fair trade), then recall the NARD leadership as exemplified by Mr. John W. Dargavel who went all out in spearheading these two pieces of legislation you will understand the seriousness of the present attack on the Robinson-Patman law.

We think it only fair that S. 1008 should not be acted upon by Congress until hearings have been completed by the House Select Small Business Committee and a report of the hearings has been compiled.

If the proponents of S. 1008 tell you that the bill will not harm the Robinson-Patman Act ask them why the Honorable WRIGHT PATMAN, coauthor of the measure, is bitterly opposing S. 1008.

We realize that we have encroached upon busy independent retail druggists during the past few weeks, but we strongly urge the presidents and secretaries of each State association, together with regional and local drug organizations, national legislation, and auxiliary to national legislation to contact your Representatives in Congress and ask them to vote against S. 1008.

GEORGE H. FRATES,
Washington Representative.

UNITED STATES SENATE,
COMMITTEE ON INTERSTATE
AND FOREIGN COMMERCE.

Mr. COLORADO DRUGGIST: I have your recent letter with respect to bill S. 1008. If that bill would remotely begin to approach doing the things that the druggists' association has contended it would do, then I would be vigorously opposed to the bill. I yield to no one in my opposition to monopoly in any type or form. However, S. 1008 cannot conceivably have any harmful effect on druggists.

I have seen the bulletin which the National Association of Retail Druggists sent out and I assume your letter is based on that bulletin. The facts stated by that association are wholly erroneous. S. 1008 relates to freight costs and it permits the manufacturer or seller to pay all or a part of the cost of transportation of the goods he sells. For example, it permits producers in Colorado to pay the freight on their products to eastern markets in order to compete in those markets.

This bill does not have any effect at all on the fair-trade laws. In fact, to the extent that it might possibly have a bearing on the fair-trade laws and the drug industry, it is beneficial to druggists. If manufacturers of drugs are not permitted to pay the freight on drugs shipped throughout the United States, then each druggist would have a different cost based upon the difference in freight rates from the point of manufacture to the druggist's location. These different costs would require different resale prices and thus make policing the fair-trade laws virtually impossible and there would be a different resale price in every community to which there was a different freight rate from the point of manufacture.

The sponsor of the bill is Senator O'MAHONEY, of Wyoming, who is one of the leading exponents in the Senate of protecting the interests of small business. I thank you for writing me about this matter and assure you that your apprehension arises directly from the fact that you have been misinformed as to the purpose and effect of S. 1008.

Very truly yours,

ED. C. JOHNSON,
Chairman.

The PRESIDING OFFICER. The time of the Senator from Colorado has expired.

Mr. JOHNSON of Colorado. May I have one more minute?

Mr. O'CONOR. Mr. President, I yield one more minute to the Senator from Colorado.

Mr. JOHNSON of Colorado. Mr. President, I desire to read into the RECORD a colloquy which occurred in the House when this bill was pending there and which appears in the CONGRESSIONAL RECORD:

Mr. MCCORMACK. It is my understanding—in fact I saw a letter sent to the chairman of the Committee on Rules, which was signed by Peyton Ford, assistant to the Attorney General, unreservedly endorsing the bill as reported out of the House Committee on the Judiciary.

Mr. CELLER. That is correct; and I will go further and say that Dr. Clark, representing the President's Council of Economic Advisers, came out in favor of this bill.

Mr. MCCORMACK. May I say further in addition to that, the latter part of June I wrote to the White House seeking information on this subject. I have in my hand a letter dated June 28, signed by Charles S. Murphy, which states in relation to S. 1008, the O'Mahoney bill relating to basing point:

"We have been checkng on this matter down here. The Bureau of the Budget is advising Congressman SABATH today that the bill as reported from the House Committee on the Judiciary is in accord with the program of the President."

So what we have is the Department of Justice recommending the passage of the bill, and we also have the fact that the White House also favors the passage of the bill as reported out of the House Committee on the Judiciary.

Mr. CELLER. Plus the Federal Trade Commission.

Mr. MCCORMACK. Plus the Federal Trade Commission.

Mr. LONG. Mr. President, yield 15 minutes of my time to the junior Senator from Alabama.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. SPARKMAN. Mr. President, because of the limitation of time I wish to proceed with my statement without yielding. If I finish in time, I shall be glad to yield if there are any questions to be propounded.

Mr. President, the problem of monopoly is an easy one with which to deal. All we have to do is to make speeches against it and vote for it. Monopoly is quite unlike Mark Twain's weather—a thing everybody talked about and nobody did anything about. In the case of monopoly, almost everyone talks about it and quite a few of the same people also do things about it. But it occurs to me there is quite a disparity—indeed a most intriguing reversal—between the way they talk and the things they do. Of course, things done to advance monopoly are all very sedate and proper sounding. Nothing is ever done on behalf of monopoly, I dare say, that is not explained as really being against monopoly and in the name of the free-enterprise system, saving small business, the American way of life, and so forth.

This bill is offered in the name of all these things, and in the name of clarification. We are told that so much confusion exists in the law that we must clarify it. If I do not understand the law perfectly, I believe I have a rather clear understanding of the nature of the confusion. I believe the Supreme Court gave a rather adequate characterization of this confusion in its decision in the Cement case last year. The cement companies claimed to the Court that there was confusion, that there was ambiguity in the language of the Federal Trade Commission's cease-and-desist order against the basing-point practice. The Court studied this claim, explained the meaning of the language, and concluded with the following observation:

> We think that no one would find ambiguity in this language—
>
> Referring to the Commission's order—
>
> who concluded in good faith to abandon the old practice.

I am aware that certain members of the basing-point industries quite obviously have not concluded to abandon this practice, and that the confusion originally claimed before the Court has been multiplied and generated many times over during the past year. It is a fact that the steel and cement industries have employed high-paid lobbyists, some of whom are registered as lobbyists with the Congress. It is also a fact that these same industries have set up local groups in many of the Nation's cities for the purpose of stirring up agitation against the Supreme Court decision.

The Senate passed a resolution almost a year ago, appropriating money for a special committee to investigate and study this matter. This committee, organized under Senator CAPEHART'S chairmanship, was to make a study and investigation of the law, the effects of its application in the recent decisions of the courts, and also to make a study of the extent and character of the concentration of control or ownership of industry in the United States.

As nearly as I am able to tell, however, with a year of very active and well-publicized work on the part of this committee, we have not been given a report which seems even to recognize the existence of a monopoly problem; and we have not been given a report which sets out the activities and trade practices which were at issue in the recent Court decisions. We do not have a description of the practices that were being engaged in that were found to be in violation of the antitrust laws. We do not have an analysis from the committee as to whether these were good or bad for the national welfare, or whether the Federal Trade Commission should have

acted to stop them. In fact, I do not believe I have heard, amidst all the furor that has been raised, any defense of the specific activities which the courts have ruled against.

On the other hand, it would appear that, during this past year, every community in the land has gained certain fears that the effects of the Federal Trade Commission order against the basing-point system will be to ruin its local industry. No greater fears have been generated, of course, than those in Pennsylvania, particularly at Pittsburgh. On April 28, 1948, 2 days after the Supreme Court's decision upholding the Federal Trade Commission order against the basing-point system in the cement industry, the Journal of Commerce carried Mr. Irvin S. Old's now-familiar statement that "industry was faced with two alternatives—either to seek remedial legislation or to 'educate the Supreme Court.'" Thus, the chairman of the board of the United States Steel Corp. was quoted under the following front-page headline:

Move for Congress action rushed to avert disruptive impact of ban on basing points in Nation's industry.

Under this headline, Mr. Olds was further quoted as saying, among other things, the following:

The Federal Trade Commission apparently thinks that you can have a steel mill in every back yard. If the present large mills at Pittsburgh and Chicago, which distribute over wide areas, were replaced by small mills operating in small areas, the cost of making steel would go up sharply.

I submit, but I think I need not dwell on the point, that such an analysis as this, coming from the chairman of the board of the United States Steel Corp., would certainly frighten a lot of people. Such language, suggesting that as a result of the Federal Trade Commission's action, large mills at Pittsburgh will have to be replaced by a small mill in every back yard, would certainly have the effect of frightening the community of Pittsburgh, where United States Steel has its principal operations. And it would also have the effect of frightening the community of Chicago—or more particularly, the communities in northeastern Indiana, such as Gary, where the United States Steel Corp. has its second largest concentration of steel capacity.

I am aware, as I imagine everyone else in this body is, that the United States Steel Corp. owns the largest cement company in the country. Moreover, prior to the Supreme Court's decision in the Cement case last year, steel was sold on a basing point system which is generally considered to be identical with that which the Court declared to be collusive and illegal in cement.

It is no wonder then that Mr. James W. Daniel, the Washington correspondent for the Rocky Mountain News, discovered that a highly financed lobby had been organized by Pittsburgh businessmen, who had hired a high-powered advertising firm to stir up so-called grassroots sentiment and agitation for legislation to legalize the basing point system. Mr. Daniel reported in his prize-winning articles of December 17 and December 22, 1948, that this particular lobby had been organized at a meeting held in the Duquesne Club at Pittsburgh, and had provided what was called a grubstake amounting to $11,000 per month to pay salaries of an organization by the name of Ketchum, Inc., to assist in this campaign. It seems the sum of $11,000 per month was the amount to be paid for certain salaries and the amount which was reported to Congress. "Expenses" were to be paid in addition. Moreover, the organization was, and perhaps still is, soliciting funds from local businessmen in the various communities over the country where representatives go and organize what they call chapters. Mr. Daniel reported in his article of December 22 in part as follows:

Today I called Mr. Megronigle to the telephone. I asked him to please explain to the businessmen of Denver how the services of an advertising firm could be worth $11,000 a month plus expenses. That was the sum which Mr. Megronigle's firm, Ketchum, Inc., reported to Congress it was getting paid to persuade Congress to legalize a pricing system which the Supreme Court outlawed in the cement conspiracy cases.

Mr. Megronigle said it was simple.

"We have six men and two girls going out around the country organizing local chapters of the National Competition Committee," he said. "Businessmen give us $100 to $1,000. In return we give them a complete organization, down to local chapters."

Mr. Daniel reported further in the same article:

I asked Mr. Megronigle what was the connection between Ketchum, Inc., and Ketchum, MacLeod & Grove, an old-line Pittsburgh advertising firm specializing in institutional accounts. Mr. Megronigle said the corporations were "in the same family," that Ketchum, Inc., was organized to perform such jobs as delivering a client a ready-made Nation-wide "grassroots" organization.

But this lobby, described so well by Mr. Daniel, is only one among many working toward the same end. The city of Pittsburgh, and perhaps half the other communities in the country, have been subjected to almost daily scare stories calculated to suggest that its local industry will be ruined unless the Congress takes action to legalize the basing point system.

Fear of the consequences of the Supreme Court's decision have been particularly pronounced on the part of members of the beet-sugar industry. On page 583 of the hearings before the Capehart committee Mr. Kemp, president of the Great Western Sugar Co., whose headquarters are located in Denver, Colo., and speaking on behalf of several of his competitors in the Mountain States and for the Nebraska Beet Growers Association and the Central Nebraska Beet Growers Association said:

We think that, in making our sugar available at an over-all freight absorption, there is no reason why it is either improper, unfair, inequitable, or anything else; that the purchaser of our sugar, obtaining it as he does, for less than other sugar would cost him if it were not for ours, should not pay what it is worth at that point.

Senator CAPEHART. Why do you not just dismantle all the plants out there except what is necessary to produce the sugar that is consumed in the Rocky Mountain States?

Mr. KEMP. We do not believe that is necessary.

Senator CAPEHART. And then why do you not grow wheat instead of sugar?

Mr. KEMP. Then you have a surplus to dispose of greater even than otherwise.

Senator CAPEHART. I mean that would be the end result of this situation if you are not able to absorb freight?

I do not think that the abolition of the basing-point system will ruin the beet-sugar industry in Colorado or in the other Mountain States. I base this statement upon figures presented by the Director of the sugar branch of the Department of Agriculture presented to the Capehart committee last December. These figures consisted of dollars and cents estimates of the phantom freight charges taken by this industry. Mr. Meyers explained, as did several executives from the industry, that under the basing-point system practiced in the sugar industry, the beet-sugar refiners charge their local customers full phantom freight from San Francisco. Thus the customers charged the highest prices anywhere in the Nation are those right in Colorado, where the sugar is produced, and the customers charged the lowest prices are those most distant from the region where the sugar is produced. According to this testimony, the penalty heaped upon local customers and consumers in the Mountain States is a great burden only because it is heaped upon a relatively few; and it really does not amount to a great increase in the total profits of these producers. Although the local customers pay, on their purchases, phantom freight all the way from San Francisco (a charge of about 90 cents on 100 pounds), the local business accounts for a small proportion of the total business of these producers. Consequently, the phantom freight extracted from customers in the Mountain States amounts only to a small fraction of a cent per pound on the total business of these producers. Mr. Meyers explained that the sugar branch had estimated that even if the sugar industry took the extreme step of selling strictly f. o. b. mill—a step which the present law does not require—the reduction in profits to the beet-sugar refiners would be some small amount between one-half and three-quarters of a cent per pound.

But even this estimate of a possible reduction of one-half to three-quarters a cent per pound overstates the case for loss of profits in the beet-sugar industry. It does not take account of gains which might be expected from increased demand accompanying the lower prices which would be offered to customers in the Mountain States. And what is more important, it does not take account of any gains which might be expected to result from an expansion of commercial customers of sugar in these States, and from the location of new commercial customers there.

This brings me to another reason why I do not believe the beet-sugar industry of Colorado, Wyoming, and the other Mountain States will be seriously affected by the abolition of the basing-point system. A very compelling reason against the continuation of this system is that it would be contrary to the self-interests

of the people of the Mountain States, and contrary to the self-interests of the beet-sugar industry itself. We in Alabama have had a long experience—about 50 years of experience in fact—with an identical system used in the steel industry. This system in steel has been a curse of two generations in the South, and its results will be a curse upon the South for at least two generations to come. During this 50-year period, while the people of the North were acquiring a machine technology and increasing very rapidly their productivity of goods and services; we, of the South, were condemned to continue the old semicolonial techniques of mule and human power. While the people of the North were industrializing and turning more and more to the production of the newer and scarcer goods, we in the South were condemned to produce more and more cotton and other agricultural goods which are less and less wanted. While the people of the North were building up their wealth in the form of factories and machines, and in the form of scientific and technical know-how, we in the South were condemned to a process of depleting our wealth by mining our soil and exporting to other regions many of the ablest and best trained of our population. Among the causes of this situation was the phantom-freight charge on steel rigged against the South under the basing-point system. Steel is, of course, the basic and most prominent material in any modern industrial community, and those communities which cannot get low-priced steel do not have much industrialization.

Prior to 1924, when the Federal Trade Commission issued a cease and desist order against the practice, the steel producers in this country had for some 25 or 30 years used a single basing-point system known as Pittsburgh-plus. Under the Pittsburgh-plus system delivered prices in almost every place in the country were computed as the base price at Pittsburgh, plus the rail-freight charge from Pittsburgh to the place where the steel was to be used. Prices were charged as if the steel came from Pittsburgh, no matter where the steel was actually made. Thus, for example, the steel mills in Chicago, when selling to customers in Chicago, charged the full phantom freight from Pittsburgh. On the other hand, when the same mills sold to customers in Pittsburgh, as they regularly did, they charged the Pittsburgh price and, in addition, paid out of their pockets the costs of shipping the steel to Pittsburgh. Under this system, delivered prices of steel were lowest at Pittsburgh, and they increased to all other points in the country by the exact rail-freight costs for shipping from Pittsburgh.

The PRESIDING OFFICER. (Mr. O'MAHONEY in the chair.) The time of the Senator has expired.

Mr. LONG. I yield such additional time as the Senator may need to complete his remarks.

Mr. SPARKMAN. Mr. President, Birmingham was something of an exception to the rule to which I have just referred. The delivered price at Birmingham was not quite the full Pittsburgh-plus price, but a price slightly below this amount. Thus it seemed to some that the Birmingham steel mills were being accorded a very special and a very favored position within the system. They were able to take, by this arrangement, almost the full phantom freight on their sales to the Birmingham area. On the other hand they were allowed to offer a price slightly below the Pittsburgh-plus price in their home area which, it was understood, their eastern competitors would be nice enough not to meet. This meant, on the one hand, that the Birmingham mills were able to get, and to get at a near full phantom freight price, all, or practically all, of the business in their home area. On the other hand they were allowed to match the prices of their distant competitors in all other areas.

Mr. President, I wish I had time to discuss fully the practices under the Pittsburgh-plus system and the practices which have continued even since the Pittsburgh-plus system has been done away with.

I now wish to say a very brief word on the question of decentralization.

In that connection I want to refer to a letter which Mr. Arthur M. Hill, chairman of the National Securities Resources Board, wrote to the Senator from Wisconsin [Mr. WILEY] on September 3, 1948, regarding the basing-point system. In substance he said that we need not expect, certainly at any early time, to see plants pick up and move—probably never. But he said that if the basing-point system should be maintained we would see no development of new plants in new areas, the very thing we have been working for in this country under our national security program. I believe such a development would be a good thing, I believe it is highly desirable from the standpoint of our national security, and I certainly believe Congress ought not to be called upon to pass the kind of legislation which will defeat the very thing for which we have been working.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks the letter from Mr. Hill to which I have just referred.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SEPTEMBER 3, 1948.

Hon. ALEXANDER WILEY,
United States Senate,
Washington, D. C.

MY DEAR SENATOR WILEY: As requested in your letter of August 17, 1948, I am enclosing a prepublication copy of the booklet National Security Factors in Industrial Location, which presents one aspect of our analysis of the industrial dispersion problem. I shall appreciate receiving any comments or suggestions you may care to make.

The question you raise regarding the Supreme Court's basing-point decision is one which is of concern both to our Board and to other Federal departments and agencies, especially the Department of Commerce and the Munitions Board. A statement of the probable consequences of the decision cannot be a simple one, for there will be immediate, short-term and long-term consequences, and the last will undoubtedly be influenced by other factors which cannot now be clearly foreseen, such as legislation, rate decisions of regulatory bodies, and the developing trade practices of industry.

The National Security Resources Board has been considering the basing-point decision in regard to its probable effects on the industrial dispersion problem and national security. Our current impressions are: (1) The basing-point decision will have little immediate effect on the location of industry because of the difficulty in constructing or moving plants. In many cases such changes as are now being made would no doubt have been made anyway because of other considerations. (2) When sufficient time has elapsed for the new pricing methods to have a tangible influence on industrial location, the effect probably will be to cause some plants using steel to locate closer to steel-supply sources. A general movement in this direction, however, is not anticipated, for the pressure would be strong only where the cost of steel is a major element in all costs. (3) The more important effects of the basing-point change, assuming that the change is not counterbalanced by some other development, are likely to occur over a long-term period. Areas which are large users of steel obtained from other areas may expand their existing steel-making capacity or may develop entirely new steel-producing facilities. Thus, it seems now that the long-run effect in deficit supply areas such as the Midwest is more likely to be a stimulation to steel production than a movement of steel consumers out of the area. Whether or not such decentralization of steel production actually takes place depends largely on technical developments and on how far industry is able to adapt its locational and distribution practices to the new pricing system.

An adequate appraisal of the effects of the basing-point decision will require a good deal of inquiry and cannot be complete until it is possible to observe how the public and industry react to the new price system. Much of the basic inquiry required is outside the province of this Board, but insofar as the problem concerns national security it seems that such industrial relocation as does take place need not increase industrial vulnerability. In fact, some relocation of industry may well represent a marked improvement from the national security standpoint where the present location is in a highly vulnerable industrial district. It is to be hoped that such educational efforts as are represented by the enclosed booklet will have influence in that direction.

Sincerely yours,

ARTHUR M. HILL,
Chairman, National Security Resources Board.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the remainder of the statement I have prepared be printed in the RECORD at this point.

There being no objection, the remainder of the statement was ordered to be printed in the RECORD, as follows:

Through this favorable arrangement the Birmingham mills were able to take practically all of the market in their immediate home area, and at the same time share—on an identical price basis—the markets of their distant competitors. This is about the same favored treatment which the beet sugar producers imagine is being accorded them by the cane sugar refiners. Since the cane refiners are nice enough to observe a standard discount for beet sugar of 10 to 20 cents per 100 pounds below the price of cane sugar, the beet refiners doubtless believe that they are being accorded a very special position in the system, and that they are reaping full benefits from their phantom freight charges to their local customers. I wonder if they really are benefiting themselves by this practice? The hitch in this "favored" treatment, is the same as that accorded the Birmingham steel mills—that is, the local commercial customers did not grow along with their distant competitors, and new commercial

customers located, perforce, in the East, where they could get the lowest price on Birmingham steel, bought in the East rather than at Birmingham, where the price was highest.

To continue the story of the basing-point system in steel: After the Federal Trade Commission issued, in 1924, a cease-and-desist order against the use of the Pittsburgh plus system by the United States Steel Corp., the steel industry then went on the multiple basing-point system. Under this system, instead of having just one Pittsburgh plus we had several Pittsburgh pluses—at least for most of the important shapes and forms of steel. Several important shapes and forms continued to be priced on only a single basing point up until the time the industry suspended the basing-point system last year. Nevertheless, with the installation of new basing points almost all parts of the country were able to get steel at a great deal lower price than they had paid before, and many places were offered prices which were on a parity with those at Pittsburgh. Birmingham was not one of these places. The Federal Trade Commission's order was evaded in spirit if not in letter. We got at Birmingham what was known as the Birmingham differential. This was a base price at Birmingham, but a base price which was, at first, $3 above whatever the price at Pittsburgh happened to be. Later it was increased to $5 above the Pittsburgh price. Thus, insofar as customers in the Birmingham territory were concerned, the Federal Trade Commission's order against Pittsburgh plus did little, if any, good. Instead of charging phantom freight in the old way, the Birmingham mills adopted a mill price which was so high that when they shipped into the territories of other base mills, they were able to call the process absorbing freight. It is this simple process of converting phantom freight into freight absorption which would permit the legal continuation of the basing point system under bill S. 1008, should this bill be passed into law. This process and the way it would work under this bill has been explained very ably in the minority report on the original version of S. 1008, known as the moratorium bill. I am illustrating only the explanation of this minority report by pointing out a practical example of how phantom freight was converted to freight absorption, with the result that the old phantom-freight practice was continued under a new name. I might add, this discrimination was just as effective in holding back industrialization in the South under one name as it had been under another.

It was not until the year 1938 that the steel industry voluntarily dropped the Birmingham differential. This voluntary action was taken in June 1938 after President Roosevelt had sent his so-called antimonopoly message to Congress in April of that year. That was a message which asked for the establishment of a joint congressional investigative body, later known as TNEC, or the Temporary National Economic Committee, and specifically asked that this body investigate the basing-point system in steel. This action in dropping the Birmingham differential was taken at the end of June, just before the TNEC was scheduled to begin its investigations in July. Thanks to this threatened investigation, Birmingham has enjoyed since 1938 a price parity with the other large production areas in the case of most of the important steel products. There are some grounds for believing that if prices in this industry were more competitively made, the prices at Birmingham would be lower than at most of the other production centers. It is generally thought in industry that costs at Birmingham are the lowest of any point in the country and that the Birmingham mills are the most profitable of any in United States Steel's far-flung empire. Therefore, on a cost basis, Birmingham prices should really be lower than the other large centers. Be that as it may, we have now, parity with the other large steel centers.

Incidentally, it is quite possible that the States of the far West which have recently received parity on those products made at Geneva, Utah, are indebted for this to the Federal Trade Commission and the present campaign to get Congress to pass the kind of legislation proposed here. On April 29, 1948, Mr. Benjamin F. Fairless, president of the United States Steel Corp., announced in a press release, dated for release on April 30, that the $3 differential previously charged for steel from the corporation's plant at Geneva would be dropped. I should like to quote from this press release as follows:

"'For the first time in the history of the steel industry, a western mill has announced prices at a parity with those for similar products produced by steel mills in the East. To attain this parity in base prices was one of our aims when we purchased the Geneva plant from the Government in June 1946,' Mr. Fairless said.

"'Elimination of the previous differential of $3 a ton in the prices for the steel products produced by Geneva Steel Co. at Geneva, Utah, will be of material help to western purchasers of these products and marks a further important milestone in nearly half a century of close association between United States Steel and steel users in the Western States.'"

The relevance of this announcement to the present campaign to weaken the antitrust laws may be seen if one happens to recall the part the Western States played in the Pittsburgh Plus case some 25 years ago. One has only to glance at any of the old records, the newspapers or the magazines, to realize that the protests of the Western States had a major part in FTC's success in stopping that system. The governors of most of the Western States appointed special committees to protest the discriminations then being practiced against the West. Newspapers carried cartoons depicting the insidious nature of phantom freight, and western businessmen and consumers were quite vehement in their protests against the system. Is it possible that the United States Steel Corp. expected from the Western States similar protests and expressions of indignation in the current fracas? Or did the decision to remove the $3 discrimination at their Geneva plant spring from a sudden generosity toward the western customers?

It is my opinion that the abolition of the basing-point system will not injure the beet-sugar industry of Colorado, Wyoming, and the other Mountain States. By this I mean that I do not believe that the industry in general will be injured. This is not the same as saying that, in the absence of this system, each and every producer now in the industry will be protected from competition with his neighbors. It is important that we draw a sharp distinction between protection afforded to an industry in general and that kind of action or relaxation of principles which affords protection to every member of an industry.

The Congress has decided, by passage of the Sugar Act of 1948 (Public Law 388, 80th Cong., ch. 519, 1st sess., approved Aug. 8, 1947), that it is in the public interest to subsidize the domestic-sugar industry of this country. This act provides for the assignment of quota limitations on the amount of foreign sugar which can be brought in each year, so as to maintain prices which, in the language of the law, "will fairly and equitably maintain and protect the welfare of the domestic-sugar industry." I should like to point out that this law provides for subsidized prices to protect a domestic-sugar industry in general. It does not provide, nor do I believe it was intended to provide, that kind of protection whereby each and every individual company and each and every individual mill would have guaranteed to it a pro rata share of the business or that each individual company is guaranteed protection against the normal hazards of competition with other domestic companies.

It is one thing to provide protection for an industry in general—to provide a fenced-in and protected area wherein old firms and newcomers alike, may scramble among themselves for the prizes of business risks. It is quite a different thing to provide special concessions and relaxations of our traditional precepts of competition in order that the favored ones within the protected grounds may also find protection from competition with one another. Yet, it appears that this latter kind of protection is precisely what the members of the beet-sugar industry are seeking in testimony and statements offered by members of this industry to the Capehart committee last November and December. The members of this industry repeatedly cited the Sugar Act of 1948 as justification for their basing-point pricing system and their practice of charging the local customers phantom freight. The logic of their arguments seems to run this way: The Congress has declared a domestic sugar industry to be in the national interest; therefore, since the corporations in this industry are serving the national interest, what is good for the profits of these corporations is good for the national interest. Ergo, the more these corporations can increase their profits, by whatever means, the more the national interest is served.

I should have serious question about the wisdom of this law if it were intended that, after granting a subsidy to the industry in general, it now becomes necessary to make special provisions for the existing corporations in this industry to avoid competition among themselves. I do not think this is necessary, or that it would be in the national interest. I believe this is one of the things that is being asked in this proposed legislation. I am aware that the basing-point system has been described as one growing out of natural competition. It is still a very strange kind of competition when you find a large number of presumably independent producers in an area, all selling to the local customers at a high price, all shipping a portion of their goods to distant markets at a low price, while each seller studiously avoids taking a local customer away from a competitor when he could do so at an intermediate price. I suggest the system was borrowed from the European cartel system which had its beginning a few years earlier.

This kind of competition, wherein each competitor exercises such careful self-restraint toward his competitors' customers and toward the prospect of beating his competitors' prices, is not likely to be the kind of competition which improves efficiency and reduces prices. Nor is it likely to be the kind of competition which bids up prices paid to farmers for sugar beets. When competitors are so careful not to undercut each other's prices, it follows usually that they are equally careful not to bid up each other's raw-material prices. In this connection, I recall that some of the members of the beet sugar processing industry were recently found guilty, on a Department of Justice charge of conspiracy to fix the price they would pay the farmers for beets.

I do not think competition will ruin the beet-sugar industry in Colorado, Wyoming, and the other Mountain States. I do not believe that abolition of the basing-point system will ruin the steel industry in the Pittsburgh area. There was a great cry from this area at the time of the Pittsburgh Plus case. It was claimed then that the abolition of this system would ruin the Pittsburgh area, but the results show this claim to have been wrong. It is true that the results were to lower the price in many regions which were distant from Pittsburgh, and thus cut off, some of the areas to which Pittsburgh could sell profitably. This has not ruined Pittsburgh. On the contrary, there has been a

huge growth of industry there and a huge growth of steel capacity. In 1926, shortly after the Pittsburgh Plus case was decided, there were 26,000,000 net tons of steel-producing capacity in the Pittsburgh-Youngstown area. (The figures available are for these two areas combined.) By the end of 1948, the total steel capacity in these areas had grown to 38,700,000 tons. In the time since the Pittsburgh Plus case was decided, the growth of steel capacity in the Pittsburgh-Youngstown area has been at a faster rate than that for the Nation as a whole. In 1926, this area had 38.2 percent of all the steel-producing capacity in the country, and in 1948, it had 40.8 percent of all the steel capacity in the country.

I do not think that the fact that some of the other regions of the country got lower steel prices and have been able to advance their industrial progress has hurt Pittsburgh. I do not believe that Pittsburgh will benefit now, or that the country as a whole will benefit now, by a relaxation of the antitrust laws which would permit certain monopolistic corporations to decide for themselves how the economic pie of this country is to be divided. I do not believe that the country will benefit by legislation which will permit these corporations to fix the prices of their commodities and to decide who shall be discriminated against and who shall be favored. Finally, I do not believe that the country as a whole will be benefited by legislation which will permit these corporations to engage in local price cutting, dumping, and other predatory pricing techniques. The new industrial concerns that have come into being or will come into being in the South may be destroyed. I am not ready to concede that the only way the smaller and newer members of industry in the country can be protected from destruction by monopolistic practices on the part of a few giant corporations is to turn the problem of regulation and decision over to these monopolistic corporations themselves. I am not yet ready to adopt the philosophy that our national policy shall be, on the one hand, to continue to prosecute conspiracies and agreements among competitors, and on the other hand to deny to the smaller members of industry any protection from destruction by the monopolistic practices of their larger competitors. This is a policy which would deny the small competitor any legal protection from the predatory practices of his giant competitors and at the same time deny him the privilege of coming to terms and maintaining with his potential destroyers whatever agreement he can get to save himself.

As we all know there has been a tremendous growth of concentration of economic power in the hands of a few in the last decade. We have allowed this, partially at least, because our attention has been diverted by preparation for the last war and the emergencies of the war. This is no time to weaken or make more difficult of enforcement our antitrust laws. Instead, it seems to me to be the better part of wisdom to strengthen them.

I was the son of a farmer and lived on a farm until I was grown. Since the beginning of my recollection, my father sold his produce at prices quoted to him and bought at prices which were already set and which were set against him. He had no bargaining power whatever. When I was first elected to Congress, I promised my people that I would do all in my power to change this condition. What I am suggesting now is that you consider seriously anything that revises the antitrust laws unless you are convinced that it does not weaken them. In my opinion this bill does weaken and make more uncertain the present law. I am opposed to any change in the present law until a full and complete study can be made. If, however, you are convinced that the law must be amended immediately, I urge that you retain the Carroll amendments adopted by the House of Representatives.

The Judiciary Committee of the House of Representatives is now engaged in a study of the antitrust laws to determine what changes, if any, are desirable. I suggest that we wait until this study is completed before we change existing law. I fear we have been too hasty in passing this bill in the first instance and should consider carefully every word and even every punctuation mark before we finally enact any law which amends the antitrust laws. Every new word included in them will require judicial interpretation.

The platforms of the Republican Party and the Democratic Party pledged opposition to monopoly and full support of our antitrust laws. Did we mean what we said or were we merely giving lip service to an idea in the hope of gaining votes from the consuming public? I hope and believe that both parties meant what they said.

The thing that is so amazing to me is that at convention time and all through the campaign period, both parties were so against monopolies and in favor of adequate appropriations for the agencies charged with their enforcement. We all know that this is a popular notion which will enlist the support of the people and yet when it comes to a matter of voting on a bill which may have, and I believe will have, the effect of weakening the laws we are pledged to maintain, we hurriedly agree to it.

I am confident that this bill merits further study.

I thank my colleagues for their attention and consideration of my suggestions.

Mr. LONG. Mr. President, I yield 8 minutes to the senior Senator from Florida [Mr. PEPPER].

Mr. PEPPER. Mr. President, for a great many years, up until April 1948, when the practice was denounced by the United States Supreme Court, there was in effect in this country a form of monopoly and discrimination which is generally couched under the term "the basing-point system." I have two illustrations to show how that principle operated in my State of Florida.

In the midthirties the city of Miami had an extensive harbor-improvement project under way. But when it came time to purchase the steel materials for the project—mostly sheet-steel piling—the city found it was up against a relentless price-fixing conspiracy. There were only four producers of sheet-steel piling in the United States. They were United States Steel Corp., Bethlehem Steel Corp., Jones & Laughlin Steel Corp., and Inland Steel Corp. These four corporations, which are supposedly in competition with one another, under sealed bids, bid identical prices on all the lots of steel the city proposed to buy. Complaints about this price fixing, and about the refusal of these corporations to quote f. o. b. mill and allow the city the benefit of the cheapest transportation costs, reached President Roosevelt. In response to these complaints, and similar complaints from other parts of the country, President Roosevelt requested, in 1935, the Federal Trade Commission to make an investigation and report on the steel bidding for this project and two others. The other two were the Triborough Bridge project in New York City and the Morehead City project at Morehead, N. C. The Commission was requested to ascertain whether or not the steel companies were conspiring and colluding on their bidding, and also to ascertain whether or not prices of steel were fair and reasonable. The answer to the first question is clear and indisputable. The Commission made its report to the President on June 10, 1936, in which all the details of this price-fixing conspiracy were set forth. On page 2 of this report the facts of the bids submitted to the city of Miami are stated as follows:

> On August 1, 1935, these four corporations submitted to the city of Miami, Fla., bids on 3,370 tons of steel-sheet piling for use on the so-called Miami Harbor project. Each bid on a delivered-price basis and refused to bid otherwise, notwithstanding that the city requested prices f. o. b. shipping point in order that it might receive the benefit of the most economical means of transportation.

I interpolate—water transportation which is available at the very door of the city of Miami.

> The delivered unit price per ton quoted by each of the four bidders was $55.10 and the total bid $185,687. Alternative bids, depending on the use of plates, were also submitted and in each case the delivered unit price on the same portion of the tonnage was $75.10 per ton, with a total amounting to $221,761.50. These identical delivered prices were made, despite substantial differences in the cost of delivery, as indicated from the fact that Carnegie and Jones & Laughlin would have shipped from Pittsburgh, Kalman from Buffalo, and Inland from near Chicago.

Mr. President, I present one other case. Until last year, when the United States Supreme Court decision required a change in the practice of these big companies, the rail rate on steel from Birmingham to Jacksonville, Fla., was $13.20 a ton. On the other hand, the water rate from Baltimore was $10.20 a ton. Since the base prices announced at Sparrows Point—one of the steel companies was located at Birmingham, and the other was at Baltimore, and shipped from Sparrows Point—were the same as those announced at Birmingham, this meant that Sparrows Point raised its base price by $3 a ton on steel delivered by water to Jacksonville. Or to put the matter the other way around, if customers in Jacksonville had been permitted to buy their steel at the mill from which they could buy and transport it cheapest, they could have bought from Sparrows Point, transported by water—I interpolate waterways built by the public purse through the Government of the United States—and saved themselves $3 a ton. The penalties exacted from customers at Tampa were not unlike those at Jacksonville. Here the rail charges from Birmingham were $16.40 a ton, while the water rate from Sparrows Point was $14 a ton—a difference of $2.40 a ton.

Those two illustrations are typical of the sort of evil economic practices which prevailed before the courageous and farsighted and far-reaching decision of the United States Supreme Court rendered at the October term, 1947, in December of 1948.

Mr. President, I am reading not history but prophecy. When the decision was rendered by the United States Supreme Court, here is what an author, writing in the month of December, after

that decision, which is the decision in the Cement case, summed up what in his opinion the situation would be in the future. This is prophecy, Mr. President.

Under present laws and present public policy—

He was referring to the Cement case—

the basing-point practice is declared by our highest Court to be a form and method of monopoly. It is definitely out, according to accepted antitrust law policy. Moreover, this is fully recognized, under advice of counsel, by the leading basing-point industries—

Listen, Mr. President—

and they have announced their intention to persuade the next Congress to legalize the practice, despite the judgment of the Supreme Court. Indeed, they have already set in motion powerful forces to attain that end. It is clear, in the light of the recent decision as to the monopolistic nature of the practice, that this would be not simply a change in statute law, but a revolution in fundamental antitrust law policy and a long step toward the acceptance of a universal system of industrial monopoly.

Mr. President, the name of that gentleman is Frank Albert Fetter, writing in the American Economic Review, volume 38, No. 5, December 1948. That gentleman was prophesying what we are dealing with in the United States Senate this day. He knew what had been going on before. He had seen what happened when the United States Supreme Court, in the Southeastern Underwriters case held that the big fire insurance companies were in violation of the antitrust laws of the country.

As soon as the decision was rendered in the lower court, and while appeal was pending before the Supreme Court, what happened? An appeal was taken from the courts of the country to the Congress to reverse the courts in their interpretation of the antitrust law. That is the first case.

Then came the Bulwinkle bill. The courts had held that the carriers could not violate the antitrust laws and were amenable to the antitrust laws. As soon as the ink was dry on that decision, a bill was introduced in Congress, an appeal from the court to the Congress to reverse a policy which the Congress had already declared, and which was merely interpreted by the Supreme Court of the United States.

This is the third case: When the Supreme Court of the United States, in April of 1948, outlawed the basing-point practice as a violation of the antitrust law, what do we see? We see Senate bill 1008, the purpose of which cannot but be to diminish and impair the effectiveness of the decision of the Supreme Court of the United States.

Mr. President, there is much ambiguous language in the original bill. The ambiguity could not be lessened by the language which has come back from the House, although the House language improves the Senate bill. That language will be the subject of dispute for the next 20 years, or until another decision is rendered at length upon that language. There will be another bill, if we establish this precedent, to avoid the decision which may subsequently come. Nothing but harm to the progress made in enforcing the antimonopoly laws of the country could come from the enactment of any part of this law. What the Congress should do is to defeat the entire bill, and not seek to better it by the adoption of the House language. Certainly the language of the House is preferable if one or the other version must be taken by a reluctant Congress.

Mr. President, I ask unanimous consent that the remainder of the statement which I have prepared be printed in the RECORD at this point as a part of my remarks, together with two letters on the subject.

There being no objection, the statement and letters were ordered to be printed in the RECORD, as follows:

I should like to direct my remarks in opposition to this bill, S. 1008, largely to the matter of the basing-point system. The basing-point system of fixing prices in several industries has long been one of the most pernicious and evil monopolistic practices on record. It is a system which has been identified principally with the steel and cement industries, but it appears that the system has also been in prominent use in the fertilizer industry, the corn-products refining industry, and the sugar industry—particularly the beet-sugar industry of the Mountain States. This system is unquestionably one of fixing prices and avoiding price competition. It is what the Supreme Court called, in the Cement Institute case last year, "a handy instrument for eliminating all price competition." The public has been subjected in the past to a number of propaganda campaigns which attempted to convince us that this price-fixing system really is not price fixing at all, but vigorous competition at work. Moreover, the professional propagandists have not yet completely abandoned hope for the effectiveness of this claim. Despite all the evidence which the Federal Trade Commission has assembled and brought out in recent court cases to show just how collusive this system is, we are still treated to an occasional piece of sly propaganda, or an outright statement from some business executive to the effect that this system really is competitive and must be preserved in order to avoid conspiracy and monopoly. But we have as a matter of record a letter written by one Mr. Treanor in 1935, at a time when one of these propaganda campaigns was being expensively pushed. Mr. Treanor was a highly respected member of the cement industry, being president of one of the prominent cement companies, a trustee of the Cement Institute, and director in charge of the propaganda campaign which included a sizable advertising budget to sell the public on the notion that the basing-point system really is the competitive way of pricing cement. But at one point Mr. Treanor wrote to the chairman of the Cement Institute criticizing the line of the then current propaganda campaign. He frankly stated that arguments advanced for the purpose of making the public believe that the basing-point system is competitive were "sheer bunk and hypocrisy." He wrote:

"Do you think any of the arguments for the basing-point system which we have thus far advanced will arouse anything but derision in and out of the Government? I have read them all recently. Some of them are very clever and ingenious. They amount to this, however: that we price this way in order to discourage monopolistic practices and to preserve free competition, etc. This is sheer bunk and hypocrisy. The truth is, of course—and there can be no serious, respectable discussion of our case unless this is acknowledged—that ours is an industry above all others that cannot stand free competition, that must systematically restrain competition or be ruined." (Letter from Dr. John Treanor to Mr. Rader, dated May 17, 1934. Quoted from *Aetna Portland Cement Co., et al.* v. *Federal Trade Commission*, in the United States circuit court of appeals, brief for respondent (Federal Trade Commission, February 1946), p. 127.)

The basing-point system has been allowed to escape the antitrust laws much too long. And the damages the Nation has paid for this weakness in the law are incalculable. I think we have all learned by now that the amount of profits extracted from the public by monopoly is by no means a true measure of the damage wrought upon our economic life by monopoly. The real damage is incalculable. This is the damage of high prices, low production, and consequently, low employment. The ill effects of these three results of monopolistic practices are multiplied and compounded throughout the economic system and, in the aggregate, they add up to an economy of scarcity and unemployment.

No; it is not the amount of profits taken by monopoly which plays such havoc with our economic system. It is the way in which these profits are taken. Indeed, the same amount of profits and frequently even larger profits may be earned at low prices and high employment than are taken at high prices and low employment.

But quite aside from the damages this monopolistic price-fixing system has done in the Nation as a whole, it has wrought and compounded intolerable damages in certain sections of the Nation—particularly the South. The damages heaped upon the South by the use of this system in the steel and fertilizer industries alone are inestimable. The farmers of the South, and particularly of the Southeastern States, buy most of the fertilizer used in this country. It is also this same group of farmers who have the lowest farm incomes of any section of the country. It is particularly objectionable to my mind, therefore, that the chemical trust, the suppliers of basic fertilizer materials, should have rigged a basing-point system to rob these people year after year. But even more objectionable and even more damaging to the South has been the basing-point system saddled upon the Nation by the steel industry. The discriminations perpetuated against the South for many years by this industry have not only saddled southern people with exorbitant prices for steel, but these discriminations have also retarded industrialization and employment in the South. Thus the basing-point system in the steel industry has had the peculiar distinction of not only robbing southern people of their money, but also of robbing them of the opportunities for making a living.

The basing-point system in the sugar industry appears to be primarily a problem of the Mountain States, and perhaps some of the Western States. The principal function of the system as it is operated in this industry seems to be that of permitting the beet-sugar producers of Colorado, Wyoming, and several other Mountain States to exact a special tax from the consumers in these States. That is to say, the principal function seems to be that of permitting the beet-sugar producers in these States to charge their local customers phantom freight from distant coastal points. The Colorado producers of beet sugar, as I understand it, operate a basing-point system whereby the customers right in Colorado are charged phantom freight from San Francisco. I dare say no less than a dozen members of the beet-sugar industry testified on this matter to the Capehart committee last November. For example, on November 16 of last year Mr. Reginald S. Carey, vice president and sales manager of the National Sugar Manufacturing Co., at Sugar City, Colo., testified on this matter. On pages 641 through 645 of the hearings before this committee, one may find Mr. Carey's special plea for legislation to legalize the basing-point system. And at

page 642 of these hearings, one may find Mr. Carey's description of how this system is used in the beet-sugar industry. His explanation appears in part as follows:

"Under the present so-called basing-point system of marketing sugar, the price in Colorado is the base price set by the big cane refineries on the coasts, to which is added the freight inland."

Thus, according to Mr. Carey, the way his company prices sugar to the customers in Colorado is to take the base price at San Francisco and add to it the phantom freight charges from San Francisco. At the same time Mr. Carey and the other Colorado producers charge the local customers phantom freight from the west coast, they also regularly sell part of their product in Chicago, and in other midwestern cities, at prices computed as though their sugar were shipped from New Orleans, in which case they absorb freight. Mr. Carey's testimony on this point continues as follows:

"Meeting this competition, we are able to sell sugar at a higher net in Colorado, close to our factory, than we are at points distant from the factory and closer to the seaboard, where the price is lower and we have to absorb the freight."

That is to say, Mr. Carey and the other producers of the Mountain States regularly charge the local customers a high price and regularly charge their distant customers a low price. This presents a spectacle of prices which are upside down in relation to costs. The customer right at home, where costs are lowest, are charged the highest price. And the farther away the customer is, and the greater the freight cost for shipping to him, the lower the price he is charged. This must necessarily mean that any competition between the beet-sugar producers of the Mountain States is of such a friendly nature that each of the producers refrains from shading the price in the home markets in order to take a customer from his competitors. To refrain from shading the price in the home market is to exhibit a rather remarkable courtesy toward one's competitors. This will appear as a particularly remarkable courtesy, moreover, when it is considered that at the same time that each of the producers of the Mountain States is refraining from shading the price in this region, each is disposing of a large part of his sugar in distant markets at a much lower price than the local customers of his competitors would be willing to pay. This friendly kind of competition requires that each producer do what is known in basing-point industries as meeting competition. Meeting competition is a well-formulated process whereby each competitor lowers his price wherever necessary to match the delivered price of his competitors; and, conversely, the process also requires that each producer raise his price wherever necessary to meet competition.

Several executives from the beet-sugar industry explained the process of raising prices to "meet competition" in their testimony to the Capehart committee last November. For example, in the published record of the Capehart hearings, Mr. J. R. Bachman, secretary-treasurer of the Amalgamated Sugar Co. of Ogden, Utah, explained the process and cited figures to demonstrate the way in which prices at his plant at Nyssa, Oreg., are raised to "meet competition." At page 594 of these hearings, Mr. Bachman explains that on its sales to customers in Chicago, this plant in Oregon "meets competition" from New Orleans—that is, charges these customers the New Orleans price plus freight from New Orleans. This yields a plant price of $7.394 at Nyssa. He further explains, however, that on sales in the western areas he must meet competition from San Francisco. But he could not, according to his explanation, meet competition from San Francisco at, for example, Portland, Oreg., if he quoted the same mill price to the customers there as he quotes to those in Chicago. The reason is that his delivered price in Portland would then be lower than that of his competitors who ship to Portland all the way from San Francisco. The reason is that the plant at Nyssa, Oreg., is a great deal nearer to Portland than are the competitors' plants at San Francisco, and consequently, if the Nyssa plant charged the same plant price on shipments to Portland as it charges on shipments to Chicago, its sugar would then reach Portland at a price of 50⁷⁄₁₀ cents ($0.507) per 100 pounds less than the competitors' sugar coming from San Francisco.

Obviously, you cannot meet competition if you quote a lower price to a nearby trade than your distant competitors quote this trade. Obviously, in such cases you would not be meeting competition, you would be helping to make competition.

Therefore, according to Mr. Bachman, in order to meet competition at Portland, he raises his price by 50⁷⁄₁₀ cents per 100 pounds when he quotes prospective buyers in Portland. That is to say, he charges the customers in this city the San Francisco price plus the phantom freight costs for shipping from San Francisco to Portland.

I suppose that 51 cents of phantom freight on each 100 pounds of sugar is not a lot of money in the view of people out in Oregon, but on the other hand, I do not imagine it is an amount they would consider completely insignificant. If the population of Portland consumes the national average of 96 pounds of sugar per year, then this phantom freight on each 100 pounds of sugar is not a lot of money in the view of people out in Oregon, but on the other hand, I do not imagine it is an amount they would consider completely insignificant. If the population of Portland consumes the national average of 96 pounds of sugar per year, then this phantom freight amounts to a tax of about 50 cents a year on each man, woman, child, and infant in the city. If the population figure I have for Portland is correct—that is, 305,000 persons, then this private tax, enacted by the sugar industry, amounts to roughly $150,000 per year. I dare say there are items in the city budget of Portland, costing no more than $150,000—such as for improvements in education, libraries, and other services for which municipal taxes are levied—that have to be considered rather carefully.

Of course this $150,000 a year toll on the one city of Portland, is the phantom freight toll only—it does not include any additional benefit from price competition which might result from the elimination of the basing-point system. And, of course, I have mentioned only one city for which the figures happen to have been conveniently supplied. There are many other cities and States in which this kind of private tax is exacted by the sugar industry as well as by the other industries which practice the basing-point system of raising prices to "meet competition."

The process of "meeting competition" is not, of course, a unilateral process. It must of necessity be a multilateral process, requiring at least two competitors to "meet" one another's competition. It becomes then rather a social process, wherein the various competitors reciprocate in "meeting" one another's competition. Of course, this development could lead to a conundrum, the question being this: If each and every competitor simply "meets competition," and nobody helps to make competition, is there any competition?

And then of course, some difficult questions could arise as to the meaning of the phrase "meet competition" when there is no competition.

But, nonetheless, the same representative of the sugar industry, Mr. Bachman, after demonstrating how his plant in Oregon raises its price to "meet competition" from San Francisco, then explains how the competitors at San Francisco also raise their price to meet competition from Mr. Bachman's plant in Oregon. This meeting of competition takes place, it should be noted, at the same city originally illustrated, namely, Portland, Oreg. Thus at page 596 of the Capehart hearings, Mr. Bachman states:

"The price of cane sugar at San Francisco is also $7.75 per 100 pounds. Freight application from there to Portland is $0.584, making the Portland price $8.334."

Now the term "freight application" which Mr. Bachman uses is worthy of particular note. The rate, or sum of money, which the term "freight application" denotes, is not the actual cost of shipping sugar from San Francisco to Portland. It is not the rate figure which could be found in the official tariffs for shipping sugar either by rail or by water between San Francisco and Portland, but it is the figure—that is, $0.584 per 100 pounds—which the various producers at and near San Francisco use for determining the delivered price to be charged at Portland. And it is also the figure which the mill at Nyssa, Oreg., uses for determining the price it will charge at Portland.

The freight application figure of 58.4 cents per 100 pounds is, however, the approximate figure for the cost of shipping sugar from San Francisco to Portland by rail. By water freight, however, the service frequently used between these points, sugar can be shipped at a cost of 46 cents per 100 pounds (Pacific Coast Freight Tariff Bureau, No. 29). Thus, if the people of Portland consume the national average of 96 pounds of sugar per annum, they pay about $35,000 per year of phantom freight charges, even assuming they bought all their sugar from San Francisco, and none from the mills at Nyssa and other nearby points. Now it should be noted that the mills at San Francisco had an announced mill price of $7.75 per 100 pounds. This is presumably the price these mills were willing to take at the mill door on most of their sales, and it is presumably the mill net price they actually were receiving on their sales to customers at inland points who could be reached only by rail. But on sales to Portland, these mills raise their prices by insisting upon collecting from Portland customers all rail freight charges. Such price raising can be accomplished, of course, only by refusing to allow buyers in Portland to take delivery of sugar at the mill and choose their own methods of transportation. If this were not the case, I daresay that for the sum of $35,000 per year some enterprising businessman or ex-GI would step forward and capitalize on the prospect of shipping sugar by water. Such an enterpriser could sell sugar in Portland for less than the market price and still save a large part of the $35,000 for himself, provided of course he could persuade the mills to sell him sugar in San Francisco at their announced mill price. But it follows that the San Francisco mills will not do this. It would not be the social thing to do toward their competitor at Nyssa, Oreg. Since this mill has raised its price to Portland to meet competition from San Francisco, the only sociable thing the San Francisco mill can do is raise their prices to Portland to meet competition from Nyssa, Oreg.

Thus, we have a demonstration of the purpose of the basing-point system—all the various competitors raising prices to meet competition.

Under the basing-point method of selling steel, the steel companies have followed the practice of raising their prices to meet competition when selling to customers located in Florida. It appears that the Bethlehem Steel Co., for example, has followed the practice of raising prices to Florida customers in order to meet competition, with the plants of the United States Steel Corp. located at Birmingham, Ala. Under the basing-point system in steel, which prevailed

until about a year ago, prices charged Florida buyers for most steel items were computed on the Birmingham base. The delivered price for any point in Florida was computed as the base price announced at Birmingham, plus the rail freight charges for shipping the steel from Birmingham. Thus, each town in Florida had a single price set by Birmingham, and the buyers had to pay this price whether they bought their steel from Birmingham or some other place, and it was the price they had to pay whether their steel was actually shipped by rail or by some cheaper means of transportation. These were the delivered prices the Bethelehem Steel Co. met, although this meant, in the case of shipments by water, that the Bethlehem Steel Co. raised its announced mill price, at Sparrows Point, Md., by whatever amounts were necessary to meet competition from Birmingham. That is to say, Bethlehem had an announced mill price at Sparrows Point, and United States Steel had an announced mill price at Birmingham, and Florida is in the Birmingham territory. But since it is cheaper to ship to Florida coast points by water from Sparrows Point than from Birmingham by rail, Bethlehem systematically raised its mill price on such shipments, so as to make the Florida customers pay the same as though their steel had been shipped by rail from Birmingham. This practice meant that the Bethlehem Steel Co. raised its prices to Florida customers frequently by as much as $3 a ton.

The rail rate last year for shipping steel from Birmingham to Jacksonville, for example, was $13.20 a ton. (In carload lots of minimum 40,000 pounds. Source: Southern Freight Association Tariff 240E.) On the other hand the water rate from Baltimore was $10.20 per ton. Since the base prices announced at Sparrows Point were the same as those announced at Birmingham, this means that Sparrows Point raised its base price by $3 per ton on steel delivered by water to Jacksonville. Or to put the matter the other way around, if customers in Jacksonville had been permitted to buy their steel at the mill from which they could buy and transport it cheapest, they could have bought from Sparrows Point, transported by water and saved themselves $3 per ton. The penalties exacted from customers at Tampa were not unlike those at Jacksonville. Here the rail charges from Birmingham were $16.40 per ton, while the water rate from Sparrows Point was $14 per ton—a difference of $2.40 per ton. (Atlantic Seaboard Freight Tariff Bureau 45A, item 3045.)

Nor was this the end of the discrimination against steel customers in Florida. The Atlantic Steel Co., located in Atlanta, Ga., also raised its prices to Florida customers to "meet competition" with the Birmingham mills. Although this company shipped to Florida by rail, from Atlanta, it raised its prices so as to charge these customers the same as though their steel had been shipped from Birmingham.

The individual dollar and cents amounts of these discriminations against the State of Florida, and the other Southern States, may appear to some as small amounts. But I assure you that the cumulative, day-after-day effects of these amounts are not small. A discrimination of $3 per ton in the price of steel can easily mean the difference between life and death for many businesses which must have steel as a raw material. A discrimination of $3 per ton can mean, and usually does mean, that small businesses in the Southern States, if they can ever get started at all, dry up and die, while their competitors in the Eastern and Central States grow and prosper. It is over such a discrimination as this—$3 per ton—that several cities and sections have waged vigorous and long fights. It was such a discrimination as this—$3 per ton—which was the subject of a special press release from the president of the United States Steel Corp., issued from Geneva, Utah, last year. This corporation had charged at Geneva a price for steel $3 per ton higher than it charged at its plants in Chicago, Pittsburgh, and other eastern cities. But when the corporation decided last year to remove this discrimination and let western customers have steel at the same price as eastern customers, the decision was considered worthy of a press release hailing this new parity price as a forerunner of great industrial advances in the West. It was such a discrimination as this—$3 per ton—which the United States Steel Corp. maintained at Birmingham in the years between the Pittsburgh Plus case in 1924 and the beginning of the TNEC investigations in 1938. In these years, incidentally, the amount of the discrimination against steel customers in Florida included not only the $3 of phantom freight—or whatever the difference between rail and water freight happened to be in those years—but it included the $3 base discrimination at Birmingham in addition.

Whatever the basing-point tax on the State of Florida has amounted to in dollars and cents I do not know. It is really not possible to appraise in dollars and cents the far-reaching ill effects of this system upon the economic life of my State. But I am certain that the continuous and deadly accumulation, over the years, of seemingly small individual amounts, puts a tremendous drain upon the wealth and well-being of the citizens of my State. And I am certain also that these seemingly small individual amounts are frequently crucial in determining the success or failure of businesses which must compete with firms in other regions. The net results of the discriminations and high prices fostered by this system must inevitably be that it deprives my State of a fair opportunity for developing manufacturing industries, for improving its economic status, and for keeping its citizens in adequate employment. But the corporations which have used this system for the purpose of fixing prices—the only purpose for which the system could be used—have shown a ruthless unconcern for employment in Florida, as they have elsewhere. They have shown a heartless unconcern for employment anywhere, in bad times as in good times.

I should like to cite one instance of this unconcern for employment which occurred in the midthirties, at a time when unemployment was the number one problem in the minds and hearts of the whole Nation. This was a time when various State and local governments all over the country—as well as the Federal Government—were all doing what they could to increase employment. But even then the big steel corporations were conspiring with one another and fixing prices of steel, with the inevitable result that prices were held up and employment was held down. At that time the city of Miami had an extensive harbor improvement project under way. But when it came time to purchase the steel materials for this project—mostly sheet-steel piling—the city found it was up against a relentless price-fixing conspiracy. There were only four producers of sheet-steel piling in the United States. These were United States Steel Corp., Bethlehem Steel Corp., Jones & Laughlin Steel Corp., and Inland Steel Corp. And these four corporations—corporations which are supposedly in competition with one another—were all bidding, under sealed bid, identical prices on all the lots of steel the city proposed to buy. Complaints about this price fixing, and about these corporations' refusal to quote f. o. b. mill and allow the city the benefit of cheapest transportation costs, reached President Roosevelt. In response to these complaints, and similar complaints from other parts of the country, President Roosevelt requested, in 1935, the Federal Trade Commission to make an investigation and report on the steel bidding for this project and two others. The other two were the Tri-Borough Bridge project in New York City and the Morehead City project at Morehead, N. C. The Commission was requested to find out whether or not the steel companies were conspiring and colluding on their bidding, and also to find out whether or not prices of steel were fair and reasonable. The answer to the first question is clear and indisputable. The Commission made its report to the President on June 10, 1936 in which all the details of this price-fixing conspiracy were set out. On page 2 of this report the facts of the bids submitted to the city of Miami are set out as follows:

"On August 1, 1935, these four corporations submitted to the city of Miami, Fla., bids on 3,370 tons of steel sheet piling for use on the so-called Miami Harbor project. Each bid on a delivered-price basis and refused to bid otherwise, notwithstanding that the city requested prices f. o. b. shipping point in order that it might receive the benefit of the most economical means of transportation. The delivered unit price per ton quoted by each of the four bidders was $55.10 and the total bid $185,687. Alternative bids depending on the use of plates were also submitted and in each case the delivered unit price on the same portion of the tonnage was $75.10 per ton, with a total amounting to $221,761.50. These identical delivered prices were made, despite substantial differences in the cost of delivery, as indicated from the fact that Carnegie and Jones & Laughlin would have shipped from Pittsburgh, Kalman from Buffalo, and Inland from near Chicago."

The Kalman Co. referred to in this statement, it might be noted, was a subsidiary of the Bethlehem Steel Corp.

These bids, submitted under seal, and all identical to the fraction of the penny, were all computed in accordance with the basing-point formula which had been agreed upon by the four producers. In this instance, the formula included some rail freight charges and some water freight charges. The formula was, in fact, the Pittsburgh base price, plus rail freight from Pittsburgh to the east coast, plus water freight to Jacksonville, plus rail freight from Jacksonville to Miami. But in any case, the base price and the various freight factors used in computing the delivered price at Miami were all commonly agreed upon by the various steel companies. The Commission's report explained why it is necessary, in order for variously located competitors to produce identical bids, to conspire and agree upon the freight factors to be used in computing the delivered price. Moreover, the report cited on this point the testimony of Mr. W. A. Irvin, then president of the United States Steel Corp., to the Senate Committee on Interstate Commerce in April 1936. Part of the colloquy between the chairman of the committee and Mr. Irvin was as follows:

"The CHAIRMAN. I asked you a moment ago—and I will repeat it—you stated you would agree that unless steel mills calculated delivery costs in terms of a common mode of transportation, such as all rail, the delivered prices could not be identical at the place of delivery. That is the real reason for calculating delivery in terms of all-rail freight, is it not?

"Mr. IRVIN. Yes, sir."

After showing the details of the price-fixing conspiracy behind the steel bids to all three of the projects it was requested to investigate, the Commission drew its general conclusion on the question of collusion in the following judicious language:

"The foregoing analysis shows collusion with respect to every element entering into the delivered prices made by these four companies on the bids in question. It shows that the identity of the bids of these four

companies producing steel sheet piling was not accidental or casual in character. Identical bidding is fundamental in the interrelationships of the steel producers. Their pricing system meticulously meets every requirement of a program closing every loophole for even slight divergencies in delivered prices. Such a closely articulated system would be wholly impossible without collusion."

But on the question of whether these collusive, fixed prices for steel were fair and reasonable, the Commission could only answer with the very same proposition which confronts us here today. I quote from the Commission's answer in part as follows:

"If the conclusion be sound that the prices quoted were collusively determined, there is then no adequate economic basis on which to consider their fairness and reasonableness. In the steel industry price competition has been frustrated and destroyed by collusive arrangements among competitors.

"If private industry is unwilling to engage in price competition it seems futile to consider whether its prices are fair and reasonable, for reasons hereinafter noted. To consider that question apart from organized industry's legal and economic duty not to frustrate price competition comes close to conceding that it is fair and reasonable to all concerned for organized industry to have the power to fix prices without any restraining influence either from competitive forces or from the Government."

I, for one, do not concede that it is "fair and reasonable * * * for organized industry to have the power to fix prices without any restraining influence either from competitive forces or from Government." I do not concede therefore that it is fair and reasonable to pass the kind of legislation proposed in bill S. 1008, legislation which for all practical purposes would exempt certain large corporations from the restraint of competition, and not at the same time pass legislation which would bring these corporations under some kind of direct Government regulation and restraint. I do not believe I need to dwell upon the point that I am not prepared to entertain a proposal for weakening the antitrust laws, whether these proposals are offered in the name of the free-enterprise system, in the name of clarification or in the name of anything else. I am for clear laws and I am for the free-enterprise system. But I do not believe the so-called free-enterprise system we presently have can continue half free and half unregulated monopoly. If it should be decided therefore that certain of the powerful, highly concentrated industries of this country are so peculiar that they cannot survive without price fixing and discriminatory systems of one kind or another—if it should be decided that these industries really are not suited to competition, then I am ready to entertain a proposal of an entirely different kind. I am ready, under these circumstances, to entertain a proposal for bringing these industries under public-utility regulation or perhaps Government control and ownership. But I am not ready in any case to entertain such a proposal as is made here today for weakening the antitrust laws and turning over the country to the mercy of private, unregulated monopoly.

FLORIDA STATE,
PHARMACEUTICAL ASSOCIATION,
Fort Myers, Fla., June 23, 1949.

Hon. CLAUDE PEPPER,
Senate Office Building,
Washington, D. C.

DEAR CLAUDE: The Florida State Pharmaceutical Association urgently requests that you oppose bill S. 1008.

This bill, if passed, will weaken tremendously the Robinson-Patman Act and is lopsiderly in favor of chain stores and other powerful groups. The Florida State Pharmaceutical Association is composed of small business and this bill will be detrimental to them and markedly in favor of big business.

Your earnest cooperation will be highly appreciated.

Very truly yours,

R. Q. RICHARDS,
Secretary-Manager.

JACKSONVILLE, FLA., *July 16, 1949.*

Hon. CLAUDE A. PEPPER,
United States Senate,
Washington, D. C.

DEAR SENATOR PEPPER: In behalf of the Northeast Florida Pharmaceutical Association, I am writing you to ask if you will please use your influence against a bill pending in Congress identified as S. 1008, which is of vital importance to every retail druggist in the Nation. If enacted it would weaken tremendously the Robinson-Patman Act.

Such a bill, if passed, would be detrimental not only to every retail independent druggist, but to all other types of retail business such as jewelry, hardware, grocery, 5-and-10 stores, etc., alike.

Should this bill come before the Senate, in your good judgment, you can consistently oppose any such action, I would personally appreciate it as well as our entire association.

Thanking you for your consideration, I am,

Sincerely yours,

ELBERT J. MUNDY,
Chairman, Legislative Committee,
Second Congressional District.

Mr. O'CONOR. Mr. President, I yield 15 minutes to the senior Senator from Nevada [Mr. MCCARRAN].

Mr. MCCARRAN. Mr. President, there is one phase of the situation which has arisen with respect to the measure now before the Senate which grieves me deeply, and with respect to which I believe the RECORD should be set straight.

What I refer to is the anomalous, almost paradoxical situation in which the senior Senator from Wyoming [Mr. O'MAHONEY] has been placed without his leave, consent, or connivance.

For many years the senior Senator from Wyoming has been, and has been recognized as being, one of the outstanding opponents of monopoly in the Senate of the United States. He has fought many good battles against monopolistic practices, and against collusion and conspiracy in business and industry to the detriment of free competition, and against combinations and practices in restraint of trade, and against methods of unfair competition. Yet today he finds himself under attack as a sponsor of legislation which has been characterized on the floor of the Senate and elsewhere as a device to aid monopoly and monopolistic practices.

This has come about, Mr. President, because there are those who do not understand what this bill is designed to do, and do not understand how and why the senior Senator from Wyoming stepped into the picture to become a leading figure in connection with this legislation.

I shall speak very frankly, Mr. President, because I believe that in justice to the senior Senator from Wyoming the facts should be frankly stated.

After the Committee on Interstate and Foreign Commerce, through weeks of hearings, had built up a tremendous record establishing beyond question the need for Congress to clarify the situation with respect to the legality of delivered prices and freight absorption, determined upon independently, and in good faith, and without conspiracy or collusion, and after the claim of the Judiciary Committee for jurisdiction over this subject matter had been recognized, the Committee on the Judiciary was faced with the problem of writing legislation. The committee determined to report to the Senate a so-called moratorium bill which would preserve the status quo while permanent legislation was being written. With this end in view, the Judiciary Committee held its own hearings and reported such a moratorium bill.

It was at that point, Mr. President, that the senior Senator from Wyoming stepped into the picture. In stating why he did so, I wish to make it clear that I express only my own opinion. I have not consulted with the senior Senator from Wyoming concerning this matter, but I believe I know whereof I speak.

Remember, Mr. President, that the record as to the need for permanent legislation was completely clear. Pressures were building up for broadening such legislation to include what might even have amounted to a substantial rewriting of portions of the Clayton Act. Those who have been satisfied with the trend toward restriction of monopolistic practices, by legislation, during the past four or five decades—and I include the senior Senator from Wyoming in that group—were concerned lest the permanent bill which might come out of the committee might have a tendency to reverse that trend. The major purpose of the senior Senator from Wyoming—or at least one of his major purposes—was, I am confident, to secure permanent legislation of a nature which would be acceptable to those who held his philosophy—a philosophy in which I have long joined. The substitute which the senior Senator from Wyoming offered on the floor of the Senate, and which became the Senate version of the bill now under consideration, was and is, in my opinion, much less palatable to those who would foster monopolistic practices in business and industry than any bill which was likely to come out of the Committee on the Judiciary after the year of study which was contemplated during the period of moratorium which would have been provided under the bill which the committee reported. The language proposed by the Senator from Wyoming was no more than the absolute minimum necessary to remove confusion by establishing clearly the legality of independent and noncollusive use of delivered prices under circumstances not in any way constituting a violation of section 2 of the Clayton Act, or the absorption of freight to meet the equally low price of a competitor in good faith and under circumstances which would not result in any substantial lessening of competition. The bill went no further than that. Furthermore, in section 3, as the Senator from Maryland [Mr. O'CONOR] has already pointed out, the language proposed by the Senator from Wyoming, and approved by the Senate actually accomplished a tightening up of section 2 (b) of the Clayton Act, rendering it even more restrictive upon business and industry than the law which is now on the books.

If, therefore, the objective of the senior Senator from Wyoming was, as I believe it to have been, the accomplishment of the one purpose which was completely justified by the lengthy hearings on this subject, namely, clarification of the law in order to remove widespread and disastrous confusion, while at the same time avoiding any change which would weaken the antitrust laws of this Nation, the senior Senator from Wyoming accomplished that purpose admirably.

The complete good faith of the senior Senator from Wyoming was, I think, fully demonstrated by his willingness to accept the suggestions of the Senator from Tennessee [Mr. KEFAUVER] and the Senator from Louisiana [Mr. LONG]. The language which resulted from the acceptance of those suggestions is what is now known as the Kefauver amendments.

Mr. President, to my mind, it is a lasting tribute to the clarity of mind and depth of legal understanding of the senior Senator from Wyoming, and to the good will and spirit of cooperation of the Senator from Tennessee [Mr. KEFAUVER], the Senator from Louisiana [Mr. LONG], the Senator from Maryland [Mr. O'CONOR], the Senator from Colorado [Mr. JOHNSON], the Senator from Pennsylvania [Mr. MYERS], the Senator from Indiana [Mr. CAPEHART], and other Senators that the Senate was able to work out, on the floor, language which I regard as completely satisfactory and well suited to its purpose. Hasty floor amendments, particularly in connection with a bill so highly technical as this, always present a serious threat that legislation will be enacted which either fails to accomplish the desired purpose or which goes too far. It is greatly to the credit of the senior Senator from Wyoming, of the other Senators whom I have mentioned, and of the Senate as a whole that such a result was avoided in this instance, so far as the Senate was concerned.

I am sorry to say I do not believe such a result was avoided in the House.

Instead of being given credit for the magnificent job which he did, the senior Senator from Wyoming has been placed under attack, and has been made the subject of loose charges that he has sponsored a bill which will favor monopoly and monopolistic practices. Mr. President, such charges are not true, and I want the RECORD to show that they are not true.

In place of the bill which the Senate approved and which was a good bill, there has come to us from the House a bill embodying certain changes which, in the opinion of the chairman of the Judiciary Committee, make it a bad bill. In saying that, I do not mean for one moment to impugn either the motives or the good faith of any Member of the House. I feel confident that the objective of the House majority which approved this bill, and of the House Members who proposed and sponsored the specific changes which the House has made, was substantially the same as that held by the senior Senator from Wyoming and by others of us in the Senate who joined in securing Senate approval of the Senate version of this measure. But the fact remains that the House was unable to avoid, as the Senate had avoided, the pitfalls of hasty floor amendments; and the House version of the bill not only fails to accomplish its intended purpose but in some important respects is a virtual nullity.

Mr. President, I do not wish to belabor the technical discussion of the differences between the House and Senate language. The Senator from Maryland [Mr. O'CONOR] has made a very fine and very able presentation. I think I may be pardoned, therefore, if I merely summarize.

Although the Senate version of the bill set standards readily susceptible of proof, the House bill has set standards extremely difficult to prove. Where the Senate bill kept proceedings under the Clayton Act within the framework laid down by the Administrative Procedures Act, the House bill throws down those standards and moves backwards toward the old "scintilla of evidence" rule. Where the Senate version of the bill limited the applicability of the defense of good faith by establishing a reasonable exception, the House version includes an exception, virtually as broad as the defense, and thereby effectively nullifies the defense itself.

Mr. President, the way out of this situation lies clear before us. We do not have to search for some new parliamentary device, nor are we faced with the alternative of accepting the House version of this bill, or in the alternative, having no bill at all. There is a traditional way in which to meet and deal with a situation of this nature—by full and free conference between the two Houses of the Congress. The conference system is not only hallowed by long use, but its outstanding record of success in the composition of differences between the two Houses of the Congress has caused it to be recognized as one of the most important factors in our American legislative system. There is no possible reason to believe that a full and free conference between representatives of the Senate and of the House will not be successful in the present instance. There is no basis for any belief that a conference report on this bill can possibly do any violence to the objective and intent of either the House or the Senate, for I am confident that the objective and intent are the same in both Houses.

Mr. LONG. Mr. President, during this debate it has been argued—and I intend to prove the correctness of the argument—that this proposed legislation is sponsored by none other than the great monopolies and trusts of America.

I say to the Senate that if every Senator had been on the floor listening throughout the course of this debate, I would have the utmost confidence in the outcome of the vote we are about to take. Nevertheless, I know Senators are busy and do the best they can to attend the sessions, and that they attempt to read the RECORD if they are unable to stay in this Chamber and hear every word that is said.

I wish to quote from one of the foremost authorities on this subject. I refer to Dr. Fitz Machlup, who said, a few days ago, in a letter to Representative WRIGHT PATMAN:

> There is no doubt that an overwhelming majority of the Congress would vote against a bill to aid monopolistic policies and to harm the interests of small business. S. 1008 does exactly this. But the Members of Congress have not had enough time to examine the implications of this measure. Some people are in an awful hurry to railroad this bill through Congress because they know that it would never be passed if the legislators knew what was behind it and what it would accomplish.

Mr. President, I turn now to the Wall Street Journal, in an issue dated shortly after the Cement Institute decision was handed down, when the industry contended it would have to go to f. o. b. prices. I shall read from the Wall Street Journal for Thursday, July 29, 1948. The article appears in the right hand column on page 1, and continues on page 4:

> Basing-point blues—firms beseige Congress to legalize pricing banned by high court—claim f. o. b. rates now lift costs, stifle competition; some Senators disagree—congressional probe ahead.

The article mentions that a great amount of pressure was being put on Congress, even though at that time Congress was only in special session, to set aside the decision of the United States Supreme Court in the Cement case.

Later in the article the Wall Street Journal states:

> If this was part of the steel industry's strategy, it has been successful.

Then the article mentions all the complaints coming from the steel companies and from various persons who had written to Members of Congress about the matter, attempting to "pressure" us.

Mr. President, for the sake of brevity, I ask unanimous consent that the article may be printed in full at this point in the RECORD, as a part of my remarks. The article appears in the Wall Street Journal for July 29, 1948.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BASING-POINT BLUES—FIRMS BESIEGE CONGRESS TO LEGALIZE PRICING BANNED BY HIGH COURT—CLAIM F. O. B. RATES NOW LIFT COSTS, STIFLE COMPETITION; SOME SENATORS DISAGREE—CONGRESSIONAL PROBE AHEAD

(By Alan L. Otten)

WASHINGTON.—The heat is on Congress to legalize the basing-point pricing system.

There's no chance of such legislation passing the special session. But industrial firms throughout the country want to make sure something is done early next year. They're telling their troubles to Congressmen in letters, phone calls and personal visits. A special Senate committee is launching a study of the problem today or tomorrow.

Protests to lawmakers have increased since large steel and cement firms began scrapping their basing-point price systems in favor of a mill price plus freight. For many a buyer, this has meant higher costs, because its suppliers no longer absorb freight charges for shipping to distant points. The steel and cement industries explained a Supreme Court decision last spring forced the change in their pricing methods.

When the steel makers switched from a basing-point method to f. o. b. prices, some Government men and industry executives suggested part of the strategy was to increase pressure on Congress to legalize the historic

price system. This would come from steel users who would have to pay more for their metals in increased freight costs.

SUCCESSFUL STRATEGY

If this was part of the steel industry's strategy, it has been successful.

Complains an Aurora, Ill., sheet metal manufacturer to Republican Senator Brooks of his State: "This new policy will prove very expensive for fabricators of steel products, especially in the Chicago area and throughout Illinois. Many fabricators will seek to move their plants to western Pennsylvania or eastern Ohio areas in order to be nearer the mills."

A Trenton wire and cable manufacturer warns Republican Senator CAPEHART of Indiana that the change in price methods "will tend to promote monopolies in the areas immediately surrounding any factory by excluding competition from more distant factories because of differences in transportation costs."

An Ohio electrical motor maker writes Senator TAFT that "It is our sincere belief that this new pricing policy will promote monopolies. * * * It will certainly deny the consumer a free source of supplies and should lead to a geographical concentration of industry. * * * It will naturally restrict the sales of each steel company primarily to the district immediately surrounding its own plant."

Steel users are not the only ones singing the basing-point blues to Congressmen.

An Ohio match company informs Senator BRICKER it has only one plant while its main competitor has five in different parts of the country. "If it is finally decided that delivered prices are illegal," writes the president of this firm, "it will practically put us out of business."

A Danville, Ill., building materials dealer laments he has to pay 21 percent more for cement now than he did before the cement industry was ordered by the Supreme Court to abandon its basing-point system. "There is now no competition," he says. "The cement manufacturer having the lowest freight rate now has a monopoly in his particular territory because other cement producers cannot under this decision meet competition at destination. The housing and construction situation for the entire Nation is at stake."

REACTION OF A SMALL PRODUCER

According to a Hartford, Conn., screw manufacturer, small producers will now have to sell in a greatly reduced area while large manufacturers can erect new plants in different parts of the country.

"We have for many years," this firm wrote Republican Senator BALDWIN, of its State, "enjoyed a Nation-wide business. If we are limited to selling on the eastern seaboard, we will be in a hot spot of competition, for about two-thirds of the production in our line is in this area. In our opinion, the end result will be to substantially reduce our volume and that of many of our New England competitors."

These complaints are finding their way to the office of Indiana's Senator HOMER CAPEHART, who is chairman of the special Senate Interstate Commerce Subcommittee to look into the effects of the Supreme Court ruling against basing-point price systems. Senator CAPEHART reports receiving about a dozen phone calls and several visitors daily and a growing, fat file of letters.

Tomorrow morning, the Capehart committee will get under way its $50,000 investigation. Its first organizational meeting is expected to take these three actions:

1. Name a special advisory committee of leading farm, labor, and business officials to help lawmakers assemble and interpret facts on the effects of the change in pricing methods of heavy industry and on other monopoly problems. Dr. Melvin T. Copeland, head of Harvard University's Marketing School, has been asked to serve as chairman.

2. Select William Simon, a young Chicago attorney, as chief counsel for the investigation. He will be aided by two assistant counsels, an economist, and four clerical workers.

3. Lay plans for public hearings in the late fall, probably soon after elections. This will give time for considerable staff spadework and also for committee members to look after election chores.

THE INFLATION ANGLE

One angle committee members may stress is that hearings will tie in with efforts to lick inflation. "The switch to the f. o. b. system has resulted in higher prices," one Senator says. "Maybe if we legalized some sort of basing-point system, we'd be helping to lick inflation."

Not all committee members are convinced the basing-point system should be legalized. They point out the protests which have been sounded come from those buyers who pay greater freight charges. Some buyers, they claim, will be paying less than before.

Senator MCMAHON of Connecticut, for example, agrees with some members of the Federal Trade Commission that the steel industry has acted on an "extreme interpretation" of the Supreme Court decision. Not all freight absorption was outlawed by the ruling against cement makers, Senator MCMAHON declares. Along with noncommittee members, Democratic Senator O'MAHONEY of Wyoming, Senator MCMAHON has warned the Capehart group not to attempt to overrule the Supreme Court.

In the cement case, the Federal Trade Commission charged the Cement Institute and major producers with a conspiracy to fix cement prices by use of a multiple basing-point-price system. The Supreme Court upheld FTC charges. The Court and FTC claim the decision did not rule out freight absorption by individual companies on a sale-by-sale basis. But industry lawyers advised clients their safest bet would be to quote only mill prices and charge freight, giving up the basing point and other delivered price systems.

The Capehart committee's avowed purpose is to find out if the situation set forth in such complaints as it is receiving should be remedied by legislation. It is under instructions to report any recommendations to Congress by next March 15. While the Capehart group is primarily concerned with the basing-point problem, the investigation will touch on other industry practices. The resolution setting up the committee directs it to "seek to determine the extent and character of economic concentration * * * and the status of free competitive business enterprise."

Mr. LONG. Mr. President, in addition to that, I then turn to a letter by Jones & Laughlin Steel Co., as found in hearings of the House Small Business Committee. This investigation was conducted in the Eightieth Congress by the Small Business Committee, which at that time was a Republican committee. In the report we find letters and documents submitted for the records by Mr. MacIntyre. One of them is a letter from Jones & Laughlin Steel Corp., addressed to every stockholder, urging them to bring pressure upon Congress in every possible way to set aside this decision. The letter closes by saying:

We urge our customers and all others interested in the welfare of the country to give serious consideration to this matter. We believe that all will conclude, as we have, that prompt action by the Congress is essential if we are to continue to have the vigorous competition in this country which has been found so fundamental to our national development.

Yours very truly,

BEN MOREELL,
President.

Mr. President, the ridiculousness of that position is apparent, inasmuch as there has never been any real price competition in the steel industry.

Mr. President, for the sake of brevity I ask unanimous consent that the letter from which I have just read an excerpt be printed at this point in the RECORD as a part of my remarks.

The PRESIDING OFFICER (Mr. GILLETTE in the chair). Without objection, it is so ordered.

The letter is as follows:

To All J. & L. Shareholders and Employees:

The following letter has been mailed to all J. & L. customers. I believe you will be interested.

BEN MOREELL, *President.*
JONES & LAUGHLIN STEEL CORP.,
Pittsburgh, Pa., July 21, 1941.

THE RIGHT TO COMPETE

To Our Customers:

Jones & Laughlin Steel Corp. has carefully considered the recent decisions of the Federal courts in the Cement case and the Rigid Steel Conduit case, and the interpretation placed upon those decisions by the Federal Trade Commission. As a result of this consideration and to avoid the possibility of violating these restrictive interpretations, Jones & Laughlin Steel Corp. reluctantly announces that effective July 22, 1948, it will discontinue pricing its products on a competitive basis through freight absorption.

Prices are being announced today for all basic steel products produced at each of the corporation's plants. The cost to the customer henceforth will be, in each case, the price for the product at the producing plant plus the established charge for transportation.

In taking this action, Jones & Laughlin Steel Corp. wishes to emphasize that this change is not made willingly. The decisions of the courts and the Federal Trade Commission have caused this action on our part. We disagree with these decisions and their application to our business. We believe that the new system of pricing caused by these decisions is contrary to the best interests of our customers, our employees, our stockholders, and the communities in which our plants and our customers' plants are located. This new system of pricing will radically restrict Nation-wide competition.

We take no issue with the decisions of the Federal Trade Commission and the courts in enforcing the Federal Trade Commission Act, the Sherman Act, and the Clayton Act as amended by the Robinson-Patman Act to the extent that they prohibit unfair methods of competition, price fixing, collusion, and monopolistic practices. The Commission and the courts, however, have gone far beyond these prohibitions, and in the opinion of many, including at least one member of the Federal Trade Commission, they have held that a general practice in which the seller absorbs transportation charges in order to meet competition in a distant market is itself illegal as a violation of statutory law. By these interpretations, the Commission and the courts have, as a matter of plain fact, decidedly lessened, rather than promoted, competition.

We believe that an enforced continuation of this new pricing policy will promote monopolies in the areas immediately surrounding any given source of production by excluding competition from more distant sources, because of the transportation costs. In effect, a legal prohibition against meeting competition by absorbing freight will create tariff walls around each producing area. It

will force the closing and relocation of mills and factories. It will restrict the sales of each company to the territory surrounding its own plant. It will curtail the development of low-cost production and distribution. It will deny to consumers a free choice of suppliers. It will lead to geographical concentration of industry, rather than dispersion which is desirable for national security. It will cost customers more money because they will pay more transportation costs when they buy from other than the nearest producer. Since costs will vary, depending upon the location of the supplier, consumers of steel will not be able to establish their costs in advance of actual purchases.

Jones & Laughlin believes that the Nation's basic industries and their customers, bound by such legal shackles, cannot continue the vigorous growth which is essential to the preservation of our country's industrial strength. We must seek relief from these bonds. We do not seek to perpetuate the basing-point system. We do not seek a rule which would permit the collection of phantom freight. All that we seek is the right to compete.

In order to restore this basic principle, we believe it is essential that the Congress amend the applicable laws. There should be no statutory prohibition against charging lower mill prices to some customers than to others, when such lower prices are necessary to permit products to be sold in a distant market to compete with another producer more favorably located with respect to that market.

We are convinced that this position is economically sound and consistent with the meaning of the antitrust and antimonopoly laws as intended by the Congress. It is simple. It would not weaken the laws against price fixing, collusion, unfair competition, or monopolies.

A difference of opinion within the Federal Trade Commission itself and the dissenting opinions of the courts clearly indicate a need for clarifying legislation on this point.

The legislative history regarding attempts to outlaw the basing-point system by statute leaves no question that the Congress has not been willing to require uniform f. o. b. factory prices. The Supreme Court expressly recognized this in the Corn Products case in 1945. However, in the recent Cement case, the Supreme Court has stated that the commonly used basing-point system is a violation of the Robinson-Patman Act. In so doing, the Supreme Court has not sought to interpret the will of the Congress, but has engaged in judicial legislation.

We urge our customers and all others interested in the welfare of the country to give serious consideration to this matter. We believe that all will conclude, as we have, that prompt action by the Congress is essential if we are to continue to have the vigorous competition in this country which has been so fundamental to our national development.

Yours very truly,

BEN MOREELL, *President.*

Mr. LONG. Mr. President, in addition I submit an article to be found on page 1151 of the hearings by the Select Committee on Small Business, House of Representatives, Eightieth Congress. I submit the article, appearing on page 1152, where Mr. Ernest T. Weir, chairman of the board of the National Steel Corp., is shown to have issued a press release urging all the consumers and customers of his corporation to bring pressure on Congress to legalize this system. I ask unanimous consent that the article may be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BASING-POINT RETURN, GOAL OF E. T. WEIR

PITTSBURGH, September 4.—One of the Nation's biggest steel masters today asked his customers to help the campaign to legalize the steel industry's traditional pricing methods.

He is Ernest T. Weir, chairman of the board of National Steel Corp., who armed his salesmen with personal letters to customers. Weir urged steel buyers to induce Congress to pass legislation permitting a return to the basing-point method of selling steel.

Formerly, steel companies quoted a delivered price to customers which absorbed freight charges. That enabled them to meet competition from other producers in more favored locations. But the United States Supreme Court declared that method of selling goods was illegal in a decision affecting the cement industry but applying to all industries.

METHOD ADOPTED RELUCTANTLY

So steel companies reluctantly began quoting prices which saw customers paying freight charges. Steelmen like President Benjamin F. Fairless of the United States Steel Corp. said the change would work to the disadvantage of steel customers and to the Nation's business life as well. Others said it would turn the industry's economics topsy-turvey.

To Weir and other steel leaders, it appeared that the only recourse was to seek new legislation which would restore the former policy.

Weir declared in his letter that the Court's decision was "thoroughly destructive" and said former pricing methods "evolved over long periods of time; they were the product of constant dealing between buyers and sellers and, as such, represent the most practical, efficient, and mutually satisfactory method of doing business."

THEORY NEVER PROVED

He said the Court "wiped out these systems at the behest of bureaucrats and on a basis of theory which has never been proved by practical experience anywhere or at any time."

Declaring Congressmen can only learn the portent of the ruling from businessmen. Weir urged customers to discuss the issue with legislators. He asked trade associations to take "constructive action." And added:

"You can keep in continuous touch with them (Congress Members) at each step. * * * You can communicate with your trade associations to urge that they make legislative contact and public information on this subject a first order of business."

Weir said that "since the type of Congress we had during the 1930's refused to do what the Supreme Court has done, there is every reason to expect that the type of Congress to be elected in November will act to reverse the Court."

Mr. LONG. Then, Mr. President, I turn to the report of the same House committee, and quote from page 23 of the report, where the committee says:

Mr. MacIntyre furnished the committee with evidence from official sources showing the heads of large companies supplying materials in short supply had written their customers letters, requesting them to bring pressure upon Congress to legalize basing-point systems. The heads of such large companies, it was pointed out, were affected by the Supreme Court's ruling, since they had used basing-point systems in their business up to the decision of the Supreme Court.

Now, Mr. President, I turn to the statement of Mr. Brubaker, the economist for the Congress of Industrial Organizations, when he was asked why the processors of steel were urging that this basing-point system be legalized by Congress. I quote from page 36 of the hearings of the subcommittee of the Senate Committee on the Judiciary, on pricing practices and moratorium, March 30 to April 1, 1949. He said:

We know many companies that favor f. o. b., and we know many more who oppose basing-point pricing, but who feared to appear and testify lest there be retaliation.

I think I need not tell you how serious, even today, the withdrawal of a source of supply of steel would be to a steel fabricator. Steel fabricators who are in favor of an f. o. b. pricing arrangement, which I have told you we do not favor, were unwilling to come down and testify that they were opposed to clarification of the law even though they were quite willing to tell us so, because they said "Frankly, if we go down and testify, the first thing we know the steel company will suddenly discover they can't ship us any more steel, and we just can't afford to take that chance, because to us that means the difference between our continuing to operate and not operating."

Here we have the word of Mr. Otis Brubaker that some people had told him they could not come to testify, they had to do the bidding of the steel industry in order to get their supplies of steel. If that be true, then if we look in the record and see the list of steel processors, whether they make farm machinery or culverts or anything else, the requests of those people are not worth the paper they are written on, because they were exacted under pressure.

I have been besieged by certain persons who ask that I vote for Senate bill 1008. Letters have been written to me by honest, hard-working people who have been led to believe they are in danger of losing their jobs. Many of them relate to the International Paper Co. in Louisiana, concerning which a point has been raised. I have a file of communications from members of labor unions at International Paper Co. mills, every letter being a virtual declaration that the International Paper Co. is going to move from Louisiana if I do not vote to legalize the basing-point pricing system. I know that such statements are ridiculous. I know that those paper mills are not going to move out of Louisiana.

On that point, I should like to read another excerpt from the testimony of Mr. Brubaker, in which he said that although there had been a great deal of testimony about the steel industry moving, the CIO had carefully checked into it and could not find that the steel industry was acquiring any new locations anywhere else throughout the country. I again quote from the testimony of Mr. Brubaker, at page 21 of the Senate committee hearings:

Actually, we could find no evidence of any serious nature at all that any such things had occurred, or that anybody expected them to occur, and the proof, so far as we could gather on that score, had to be found and had to be based back in a determination of whether these companies who might say "Well, sure, this is going to happen to us," were actually making any plans to take care of such a situation if and when it developed.

We could find no evidence that any such preparations were being made.

We also found new steel plants now under construction or planned were being built at old plant locations, in most instances in surplus steel areas which should certainly not be the case if there were to be extensive relocations.

Mr. KEFAUVER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Tennessee?

Mr. LONG. I yield for a question.

Mr. KEFAUVER. There has been some discussion about the position of small business. I should like to read to the Senator a telegram, and ask whether it does not represent the position, as he understands it, of most small businesses in the country upon this issue. The telegram is as follows:

WASHINGTON, D. C., *August 12, 1949.*

HON. ESTES KEFAUVER,

Senate Office Building:

The Democratic Party in its recent Presidential campaign pledged themselves (1) intensive enforcement of antitrust laws, with adequate appropriations, (2) strengthening of existing antitrust laws where gaps exist, (3) propose program to promote competitive business, independent trade. The Republican Presidential platform pledged themselves (1) aggressive antitrust action. Independent business of this Nation looked upon these pledges as binding as to needed protection to their business future. Do Members of the Senate believe these pledges will be kept if the present O'Mahoney-Walter bill is approved by the Congress without either the Kefauver or Carroll amendments included in the bill? If the bill is finally approved without these necessary amendments as voted on by Members of the Senate and the House, we look upon such action as a complete repudiation of the pledges to small business.

GEORGE J. BURGER,

Vice President in Charge, Washington Office, National Federation of Independent Business.

Mr. LONG. I agree with the statement in the telegram. There have also been some statements about the position of the railroad workers. The Senator from Wyoming [Mr. O'MAHONEY] released a statement dated July 8, 1948, condemning the basing-point system and advocating f. o. b. pricing, stating that doing as he proposes would eliminate the senseless practice of cross-hauling. Naturally, the railroads like this unnecessary business. They like to have the business, even though it might be more economical if the commodities were not shipped at all. Even though there may be a mill only 50 miles away, the railroads welcome the opportunity to haul a competing product a thousand miles to be sold at the same price. Why should they want to do that? Because it means more profit for the railroads. I am sponsor of a bill along with 8 or 10 other Senators to continue Federal Barge Lines. People have contacted me and asked whether I would be willing to withdraw my support of that bill, because they felt it might in some way reduce the amount of tonnage the railroads would haul. The railroad unions have always been willing to go to bat for the railroads.

Mr. President, any producer who honestly and genuinely wants to absorb freight can do so. Many times in the course of the debate I have quoted from the Loyola Law Review an article which all of us agree is substantially correct in its conclusions. It states that the Federal Trade Commission has not attempted to proceed against anyone who was legitimately absorbing freight in good faith. What we want to do is to be able to catch monopolists, all of whom arrive at identically the same price at every delivery point, and who use the freight absorption practice as a way to charge high prices which the consumer is forced to pay because he has no chance of doing otherwise and does not have the benefit of competition. It is a practice which the Supreme Court has outlawed. If there is no conspiracy, and if a person is operating independently and individually, absorbing freight to meet competition, no one would question that, and no one would attempt to restrain the practice in any way. However, when a person knowingly starts matching the price of his competitors throughout the entire Nation, even in the matter of sealed bids, then it is obvious what the effect is.

There has been much discussion about count two of the complaint in the Rigid Steel Co. case, and it has been said there is great confusion, the court having split 4 to 4. Which side are we going to take? We must take either one side or the other. If the O'Mahoney bill were passed, it would have the effect of overruling the circuit court of appeals, which would mean that everyone could claim to be acting independently and in good faith. It would be necessary to prove by some kind of documentary evidence, or through the testimony of a witness to a verbal conversation, that there was a conspiracy, a conspiracy to keep prices high on certain products. Otherwise, it would be impossible to effectively deal with a monopoly of that kind. That was the basis of the Federal Trade Commission's complaint in count two of the Rigid Steel Co. case. We are not going to be able to find such documentary evidence in the future. We are not going to be able to find the 50,000 pages of exhibits necessary to bring about a conviction of monopolists, as happened in the Cement Institute case, which was started 14 years ago and in which about 49,000 pages of testimony was taken in order to prove that the cement companies were conspiring. It will be impossible to get evidence like that today. The case will have to be based upon the fact that the companies are following the age-old practice of absorbing freight in such a manner that, although they may be acting independently, and although it may be impossible to prove a monopolistic contract, they are following a practice which is reducing, limiting and preventing competition. That is why I do not want Senate bill 1008 to pass. That is why I object to section 1.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. LONG. I should prefer not to yield at this time. I have only 10 minutes left.

The VICE PRESIDENT. The Senator has only 5 minutes left.

Mr. LONG. Mr. President, there is one other feature of this bill which is worse than anything else in it. When the bill was originally introduced it contained no language to protect the small-business man against discrimination. A seller, a manufacturer, or a processor may discriminate in terms of freight absorption, if it is done in good faith, to meet competition. If we pass this bill without the Carroll amendment in it, we shall see that the Standard Oil Co. of Indiana, which is trying to ruin independent operators in Detroit, will be upheld, because Congress will have passed a law which insures Standard Oil Co. of victory. If they can sell to one of their customers 2 cents below the price at which they sell to another customer, it would also mean that those who sell to A & P, the Safeway, and all the great chain stores would be able to discriminate in a comparable way to destroy small independent merchants. If this bill is passed, it will be necessary to prove that the corporations are intending to destroy independent merchants and that they are not independently and in good faith trying to get business.

The Senator from Wyoming [Mr. O'MAHONEY] stated a few days ago that he thought section 3 of the Robinson-Patman Act would be safe in the event this bill should be passed. I have a letter from one of the authors of that act, Representative WRIGHT PATMAN, who says that in his opinion section 3 of the act is virtually useless. It has been used only in two cases, for it requires proof beyond a reasonable doubt that discrimination is made with the intention to destroy competitors.

We should reconsider the vote by which this bill was sent to conference. The Senate should be given an opportunity to agree to the Carroll amendment. The Senate should have that opportunity for the protection and salvation of the small-business men of America.

Mr. President, I regret very much that, contrary to my understanding, I did not have an opportunity to move to agree to the House amendments. I found myself in such a position that I have been compelled to argue the merits of the issue on my motion to reconsider. I have had to make my argument in this manner for fear there would be no record to show why I was opposing the bill and why I was trying to save the Carroll amendment.

The Senate will not have an opportunity to vote on the Carroll amendment if the bill is sent to conference. When the bill comes back from conference it will have different language in it.

Someone has said that the Carroll amendment was not carefully worked out. The junior Senator from Tennessee [Mr. KEFAUVER] offered his amendments when there was no time to work it out carefully and they have not been so criticized. The junior Senator from Tennessee was the first to agree that the Carroll amendments better accomplished the purpose which he had in mind.

There is a controversy as to the word "will" and the word "may." If the word "may" is used an opportunity is given to catch the practice and to restrain it

before business people are destroyed. On the other hand, if the word "will" is used, the Federal Trade Commission would have to prove to a virtual certainty that someone's business would be destroyed. It may be a matter of closing the stable door after the horse has been stolen. Can there be a single instance shown in which an injustice has been done by making the big corporations of America give the small business people a chance to compete, and making the big corporations stop discriminating against the small business people of America, regardless of the element of good faith?

Mr. President, we recall the days before 1936, when the chain stores at will were destroying independent merchants. The Robinson-Patman Act put an end to that practice. I say once more, that the changes proposed to be made in the Robinson-Patman Act will permit that situation all over again. I hope this vote may be regarded as a vote on the merits of the Carroll amendment. I have not had an opportunity to present my argument in any other way. Rather than to have any element of personality between the Senator from Nevada [Mr. McCARRAN], and myself enter in I should prefer that the question be voted on its merits, and if any Senator feels that we should change the law and weaken the Robinson-Patman Act and the antitrust laws, he can vote against my motion to reconsider.

I ask unanimous consent that at the conclusion of my remarks a letter to me from Representative WRIGHT PATMAN may be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

HOUSE OF REPRESENTATIVES,
Washington, D. C., August 11, 1949.

Hon. RUSSELL B. LONG,
United States Senator,
Washington, D. C.

DEAR RUSSELL: I have read the colloquy in the CONGRESSIONAL RECORD of yesterday, particularly page 11170, between you and the distinguished Senator from Wyoming, Senator O'MAHONEY.

The Senator from Wyoming calls attention to the fact that section 3 of the Robinson-Patman Act is not affected by the terms of S. 1008.

It should be recalled that section 3 was never considered an effective part of the Robinson-Patman Act. It contains what was known as the Borah amendment, inserted on the Senate floor without committee consideration. It is a criminal provision entirely. It will be strictly construed by the courts.

The Department of Justice has only filed two cases under section 3. They were filed in the spring of 1949 against two milk concerns in Chicago, but they have not been tried. It is recognized that the burden of proof will be on the Government to prove its charges beyond a reasonable doubt. Therefore, this provision has never been looked upon with favor by the enforcing authorities, which has resulted in no cases being filed, except these two I have mentioned.

The parts of the Robinson-Patman Act that have been so helpful to small business and so harmful to the illegal conduct of the national corporate chains, such as the Atlantic & Pacific Tea Co., are sections 2 (a), 2 (b), 2 (c), 2 (d), 2 (e), 2 (f), and section 2. These parts represent the real Robinson-Patman Act, and these parts of the law would be almost completely destroyed as an aid to small business, if S. 1008 is enacted without the Kefauver and Carroll amendments.

S. 1008 is so confusing that the extent of its devastation, if enacted into law, cannot be measured at this time; therefore, I sincerely hope that the bill is killed outright; but if that cannot be done, it should certainly by all means contain the Kefauver amendments as amended by the Carroll amendments.

In conclusion, do not depend on section 3 as an aid to small business, as it has never been considered of any help and has not been used.

Sincerely yours,

WRIGHT PATMAN.

The VICE PRESIDENT. The time of the Senator from Louisiana has expired.

Mr. O'CONOR. Mr. President, I yield 2 minutes to the Senator from Indiana [Mr. CAPEHART].

Mr. CAPEHART. Mr. President, I have never seen so much agreement as there has been on this subject under discussion. The proponents and the opponents have all agreed that businessmen should have a right to absorb freight charges. They are all against phantom freight, the old Pittsburgh-plus, the basing-point practice, and conspiracies and they have all agreed that the Cement case was correctly decided by the Supreme Court. The big question—and there is onliy one question involved—is, Are we going to clarify the law so that any seller may have the right to absorb freight or equalize freight, if it be done without collusion or conspiracy? There certainly can be no harm in clarifying the law.

The able senior Senator from Wyoming [Mr. O'MAHONEY] introduced a bill. I know of no Senator who is more sincere and honest in his opposition to monopolies than is the able Senator from Wyoming. He injected himself into this picture after he came to the conclusion that it was necessary to clarify the law. I sat through the hearings for many weeks, and I say that if any Senator stands on the floor of the Senate and says there is no confusion in the mind of American business and labor, he simply does not know what he is talking about.

The VICE PRESIDENT. The time of the Senator has expired.

Mr. LONG. Mr. President, I yield 1 minute to the junior Senator from Wisconsin [Mr. MCCARTHY].

Mr. McCARTHY. Mr. President, at the time the Senator from Louisiana [Mr. LONG] made his original motion I felt that Senators should have an opportunity to argue the Carroll amendment on its merits. Since that time the Carroll amendment has not been fully argued on its merits, and the vote is not merely a technical vote; it is on the Carroll amendment. For that reason I want to make it clear why I have changed my position and now intend to vote against the Long motion.

Mr. O'CONOR. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Holland	Millikin
Anderson	Humphrey	Morse
Bridges	Hunt	Mundt
Butler	Ives	Murray
Byrd	Johnson, Colo.	O'Conor
Cain	Johnson, Tex.	O'Mahoney
Capehart	Johnston, S. C.	Pepper
Chavez	Kefauver	Robertson
Connally	Kem	Russell
Cordon	Kerr	Schoeppel
Donnell	Kilgore	Smith, Maine
Douglas	Knowland	Smith, N. J.
Dulles	Langer	Sparkman
Ecton	Lodge	Stennis
Ellender	Long	Taylor
Ferguson	Lucas	Thomas, Okla.
Fulbright	McCarran	Thomas, Utah
George	McCarthy	Thye
Gillette	McClellan	Tydings
Graham	McFarland	Vandenberg
Green	McGrath	Watkins
Gurney	McKellar	Wherry
Hayden	McMahon	Wiley
Hendrickson	Magnuson	Williams
Hickenlooper	Malone	Young
Hill	Martin	
Hoey	Maybank	

The VICE PRESIDENT. A quorum is present.

Mr. O'CONOR. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. O'CONOR. I ask the Presiding Officer whether a vote "yea" is a vote to keep the bill in conference.

The VICE PRESIDENT. The Chair will endeavor to state the situation. The question before the Senate is the motion of the Senator from Louisiana [Mr. LONG] to reconsider the vote by which the motion of the Senator from Nevada [Mr. MCCARRAN] previously made, to send Senate bill 1008 to conference, was agreed to. A vote "yea" is a vote to reconsider the vote by which the bill was sent to conference. A vote "nay" is a vote against reconsidering the vote.

If the motion now pending should prevail, the question would then recur on the motion of the Senator from Nevada [Mr. MCCARRAN] to send the bill to conference.

There are three motions which might be made in connection with that. One would be to send the amendments and the bill back to the committee. One would be to amend the House amendments to the bill. One would be to concur in the House amendments without amendment.

The question now is whether the motion to reconsider the vote by which the bill was sent to conference shall be agreed to.

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. LUCAS. In the event the motion made to reconsider should be agreed to, would the three motions mentioned by the Vice President come in the order in which he stated them?

The VICE PRESIDENT. In that order. That would be the order of priority.

Mr. LUCAS. I thank the Chair.

Mr. KEFAUVER. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. KEFAUVER. As I understand, it is not possible to move to concur in the House amendments unless the motion to reconsider shall be carried.

The VICE PRESIDENT. Certainly not.

Mr. MALONE. Mr. President, is it possible to agree to the amendments or any part of the amendments in conference without a reconsideration?

The VICE PRESIDENT. The Senate will have no further control of the bill unless the motion to reconsider shall be agreed to. The bill having already been sent to conference by vote, and the Chair having appointed conferees, unless the motion to reconsider shall be agreed to, the bill will still be in conference, and the Senate will have no control over the bill until the conferees shall report to the Senate.

Mr. MALONE. Then, with the Chair's further indulgence, the conference may or may not agree to the amendments?

The VICE PRESIDENT. Certainly; they may agree to them in whole or in part, or in any modification, or anywhere within the territory of the difference between the two Houses.

The yeas and nays have been ordered, and the Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HENDRICKSON (when his name was called). On this vote I have a pair with the senior Senator from Massachusetts [Mr. SALTONSTALL]. If he were present and voting he would vote "nay." If I were permitted to vote I would vote "yea." I withhold my vote.

Mr. JOHNSON of Texas (when his name was called). On this vote I have a pair with the senior Senator from Kansas [Mr. REED]. If he were present and voting he would vote "nay." If I were permitted to vote I would vote "yea." Therefore I withhold my vote.

The roll call was concluded.

Mr. LUCAS. I announce that the Senator from Kentucky [Mr. CHAPMAN], the Senator from Mississippi [Mr. EASTLAND], the Senator from Delaware [Mr. FREAR], and the Senator from Pennsylvania [Mr. MYERS] are absent on public business.

The Senator from California [Mr. DOWNEY] and the Senator from West Virginia [Mr. NEELY] are absent on official business.

The Senator from Idaho [Mr. MILLER] is necessarily absent.

The Senator from Kentucky [Mr. WITHERS] is absent by leave of the Senate.

The Senator from Kentucky [Mr. CHAPMAN] is paired on this vote with the Senator from Pennsylvania [Mr. MYERS]. If present and voting, the Senator from Kentucky would vote "yea," and the Senator from Pennsylvania would vote "nay."

Mr. WHERRY. I announce that the Senator from Connecticut [Mr. BALDWIN], who is absent by leave of the Senate, is paired with the Senator from Ohio [Mr. BRICKER], who is necessarily absent. If present and voting, the Senator from Connecticut would vote "yea," and the Senator from Ohio would vote "nay."

The Senator from New Hampshire [Mr. TOBEY], who is absent on official business, is paired with the Senator from Ohio [Mr. TAFT], who is necessarily absent. If present and voting, the Senator from New Hampshire would vote "yea," and the Senator from Ohio would vote "nay."

The Senator from Maine [Mr. BREWSTER], the Senator from Vermont [Mr. FLANDERS], and the Senator from Indiana [Mr. JENNER] are necessarily absent. If present and voting, the Senator from Maine [Mr. BREWSTER] and the Senator from Indiana [Mr. JENNER] would vote "nay."

The Senator from Kansas [Mr. REED] is absent by leave of the Senate, and his pair has been previously announced.

The Senator from Massachusetts [Mr. SALTONSTALL] is necessarily absent, and his pair has been previously announced.

The result was announced—yeas 28, nays 49, as follows:

YEAS—28

Aiken	Humphrey	Murray
Anderson	Johnston, S. C.	Pepper
Connally	Kefauver	Russell
Douglas	Langer	Sparkman
Ellender	Long	Stennis
Fulbright	Lucas	Taylor
Graham	McGrath	Thomas, Okla.
Green	Magnuson	Wiley
Hill	Maybank	
Holland	Morse	

NAYS—49

Bridges	Hunt	Mundt
Butler	Ives	O'Conor
Byrd	Johnson, Colo.	O'Mahoney
Cain	Kem	Robertson
Capehart	Kerr	Schoeppel
Chavez	Kilgore	Smith, Maine
Cordon	Knowland	Smith, N. J.
Donnell	Lodge	Thomas, Utah
Dulles	McCarran	Thye
Ecton	McCarthy	Tydings
Ferguson	McClellan	Vandenberg
George	McFarland	Watkins
Gillette	McKellar	Wherry
Gurney	McMahon	Williams
Hayden	Malone	Young
Hickenlooper	Martin	
Hoey	Millikin	

NOT VOTING—19

Baldwin	Frear	Reed
Brewster	Hendrickson	Saltonstall
Bricker	Jenner	Taft
Chapman	Johnson, Tex.	Tobey
Downey	Miller	Withers
Eastland	Myers	
Flanders	Neely	

So Mr. LONG's motion to reconsider was rejected.

Mr. McCARRAN subsequently said: Mr. President, I ask unanimous consent that the Chair be authorized and permitted to augment the membership of the conferees on Senate bill 1008, which was today sent to conference, by adding two conferees.

Mr. LANGER. Mr. President, I should like to ask whether the new conferees are to be members of the Committee on the Judiciary.

Mr. McCARRAN. One is a member of the Committee on the Judiciary, the Senator from Indiana [Mr. JENNER], whom I have suggested. The Senator from Wyoming [Mr. O'MAHONEY] is the author of the bill which went from the Senate to the House. He was the author of the bill and offered it on the floor of the Senate. Therefore, although he is not a member of the Committee on the Judiciary, I think he might well be a member of the conference.

Mr. LANGER. Mr. President, I object. The reason for my objection is that I filed a minority report on the bill. We have on the committee 12 other members, entirely competent. I have no objection to the Senator from Wyoming [Mr. O'MAHONEY] appearing before the conferees, but there would be just as much sense in having the Senator from North Dakota appointed on some bill reported by the Committee on Foreign Relations or the Finance Committee. Therefore, I object.

Mr. McCARRAN. Mr. President, I withdraw the request.

REORGANIZATION PLANS NOS. 1 AND 2—COMMUNICATION FROM THE PRESIDENT

The VICE PRESIDENT. The Chair is in receipt of an official communication from the President of the United States, which is in the nature of a message to the Senate, and therefore he lays it before the Senate and asks the Secretary to read it.

The legislative clerk read as follows:

THE WHITE HOUSE,
Washington, August 12, 1949.

Hon. ALBEN W. BARKLEY,
Vice President of the United States,
Washington, D. C.

DEAR MR. VICE PRESIDENT: I am informed that the Senate will soon take action on Reorganization Plans No. 1 and No. 2 of 1949.

I earnestly hope that this action will be favorable. These plans are of great importance in improving the organization and administration of the Federal Government. They are even more important as the first real test of whether the long and difficult effort to achieve increased economy and efficiency in Government is to succeed or is to be blocked whenever any group fancies that its interests will be adversely affected. The action taken on these plans will demonstrate whether the many recent professions of support for increased efficiency and economy in Government are to be taken seriously or are to be written off as political oratory.

Under the leadership of former President Hoover, the Commission on Organization of the Executive Branch of the Government has made a careful study of ways to improve the management of the Federal Government. This Commission, composed of outstanding citizens from both political parties, has made a comprehensive report containing its recommendations. Two of its important recommendations are included in Reorganization Plans No. 1 and No. 2.

If these plans fail, the whole great endeavor to reorganize the executive branch in accordance with modern principles of administration and management will be imperiled.

It is because of the basic importance which these plans have to the whole concept of governmental reorganization that I take this means of urging the Senate to act favorably upon Reorganization Plans No. 1 and No. 2.

Reorganization Plan No. 1 would create a Department of Welfare to administer most of the activities now in the Federal Security Agency. Reorganization Plan No. 2 would transfer the Bureau of Employment Security from

the Federal Security Agency to the Department of Labor.

The important changes which would be effected by these two plans were unanimously recommended by the Hoover Commission. When I submitted these plans, along with five others, I expected that there would be such general agreement with their objectives that they would gain ready acceptance by the Congress. However, a public campaign has been instigated against them, and a majority of the Senate Committee on Expenditures in the Executive Departments has recommended that they be disapproved by the Senate.

The principal objection which has been made to Reorganization Plan No. 1 is that it does not include all the recommendations of the Hoover Commission which would affect the Federal Security Agency. This is, of course, true, and I pointed it out in my message to the Congress on plan No. 1. But it is not, in my judgment, a valid objection to the plan. It is not possible to do everything at once. There is nothing in plan No. 1 which would preclude further reorganization, either by reorganization plan or by legislation. Those who urge the transfer of additional functions into or out of the Federal Security Agency, or the establishment of a United Medical Administration, obviously will not achieve their purpose if plan No. 1 is rejected. Nor will acceptance of the plan in any way prevent later action along the lines they desire.

It seems to me self-evident that the proper action now is to approve plan No. 1, which is thoroughly constructive and desirable in itself, and to consider further reorganization in due course. This view is concurred in by President Hoover, who appeared before the Senate committee and stated that this plan, and plan No. 2, are desirable steps that should be taken now.

A claim has also been advanced that the reorganization proposed in plan No. 1 would in some way commit the Congress to a course of action on my recommendations for a national health program. This claim is absurd. Good organization requires that we establish a Department of Welfare, regardless of what legislation the Congress enacts in the field of health. After the establishment of such a Department, the Congress will be just as free as it is now to determine national health policies.

The principal objection which has been made to plan No. 2 is the claim that the Bureau of Employment Security is being administered more fairly and impartially in the Federal Security Agency than it would be in the Department of Labor. The facts refute this claim. The Department of Labor for years has administered programs for the collection and analysis of labor statistics, the establishment of labor standards, and the enforcement of wage-and-hour legislation. Honest and impartial treatment of labor and management has been demonstrated in the administration of these and other programs by the Department of Labor. Furthermore, the employment service functions of the Bureau of Employment Security for a number of years in the past were administered by the Department of Labor with conspicuous success and without bias. This claim of possible bias, contradicted by the plain facts, does not seem to me to constitute sensible grounds for attempting to block plan No. 2.

Some question has been raised as to whether plan No. 2 would result in increased efficiency or in economies in administration. The answer to this is clear. I pointed out in my message transmitting plan No. 2 that transferring the Bureau of Employment Security to the Labor Department, which has as one of its principal functions the analysis and promotion of job opportunities, would result in placing more emphasis on finding employment for persons looking for work and less emphasis on paying them unemployment benefits. This is obviously the proper way to achieve more effective service to the unemployed and to reduce the cost of benefit payments. I pointed out that the transfer would permit closer working relationships between the Bureau of Employment Security and the several bureaus now in the Labor Department which have related functions. This, too, would obviously make for both efficiency and economy. I pointed out also that abolition of the Veterans' Placement Service Board and the integration of its work with that of the Bureau of Employment Security would achieve better and more economical employment service for veterans. For these reasons, among others, it is clear that plan No. 2 would contribute both to efficiency and economy in the operation of the Government.

The objections which are being urged against these two plans appear to me to be ill-founded and mistaken. These plans propose administrative changes, not changes in legislative policy. They will not change the policies of the Government with respect to its employment functions, or with respect to health matters. Those groups who are opposing these plans on such grounds are creating imaginary difficulties.

These plans were submitted at this time as part of the first series of reorganization plans because their desirability is widely accepted. If plans such as these are rejected, a serious blow will be dealt to the prospects for further progress. Every special interest group concerned with the operation of the Government will be encouraged to try to block further steps toward efficiency and economy.

I have discussed these plans within the last few days with President Hoover. He shares my concern that their rejection would be a real set-back to the effort to reorganize the executive branch of the Government.

These plans are a first step in moving forward under reorganization authority on the wide range of proposals for greater efficiency and economy submitted by the Commission on Organization. If we fail in this first step, there is small chance that we will ever accomplish the reforms for which the basis has been laid by the diligent, nonpartisan work of that Commission.

I trust, therefore, that the Senate will permit Reorganization Plans No. 1 and 2 to become effective.

Very sincerely yours,

HARRY S. TRUMAN.

The VICE PRESIDENT. The communication will be referred to the Committee on Expenditures in the Executive Departments.

MINIMUM-WAGE STANDARD

The Senate resumed the consideration of the bill (S. 653) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes.

The VICE PRESIDENT. The unfinished business of the Senate is the minimum-wage bill.

PROGRAM FOR CONSIDERATION OF REORGANIZATION PLANS NOS. 1 AND 2

Mr. LUCAS. Mr. President, in view of the communication just sent to the Senate and read by the clerk upon Reorganization Plans Nos. 1 and 2, I desire to make an announcement. This follows more or less as a repetition of what I said last Monday.

On Tuesday, when the Senate convenes, we shall take up the resolution disapproving Reorganization Plan No. 1. Under the law, 10 hours are allowed for debate on that resolution. I am hoping that by Tuesday of next week Senators who are interested in Reorganization Plans Nos. 1 and 2, and who are in charge of the resolutions, and Senators interested in addressing the Senate upon these two reorganization plans, will endeavor to get together on a limitation of time. I should like very much to complete the consideration of both Reorganization Plan No. 1 and Reorganization Plan No. 2 on Tuesday, if possible. Under any circumstances, we are going through with Reorganization Plan No. 1, starting at 12 o'clock and continuing until we finish it on Tuesday, even if it takes until 10 o'clock that night. I merely mention that so that Senators will know that we shall have a night session on Tuesday. I sincerely hope that we shall be in a position to dispose of both resolutions on Tuesday. I do not know whether it can be done or not.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. LUCAS. I yield to the Senator from Nebraska.

Mr. WHERRY. I deeply appreciate the announcement made by the majority leader and wish to assure him of my cooperation. I will say, however, that when this question arose a few days ago on the call of the calendar, or shortly thereafter, I suggested to the majority leader that we might obtain a unanimous-consent agreement to limit debate on Reorganization Plan No. 1 to 4 hours. Since then several Senators have told me that they want to speak on that resolution.

The announcement of the majority leader with respect to a night session is information which all Senators would like to have. Furthermore, there are so many more speeches than I anticipated that I doubt very much if consideration of Reorganization Plan No. 1 can be concluded Tuesday night.

Mr. LUCAS. We shall have to conclude it Tuesday night, under the law.

Mr. WHERRY. As I understand, 10 hours of debate are allowed.

Mr. LUCAS. Yes.

Mr. WHERRY. I was wondering if it was the idea of the majority leader that a unanimous-consent agreement could be obtained in the event that every Senator who wished to be heard did not have an opportunity.

Mr. LUCAS. We shall have to conclude the debate in 10 hours. That is certainly long enough to debate Reorganization Plan No. 1, and long enough to debate Reorganization Plan No. 2.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. McCLELLAN. I wish to make an announcement, in view of the announcement of the majority leader. Under the rule the time will be controlled by Senators favoring the resolution and by Senators in opposition to the resolution. Therefore, Senators who wish to speak in favor of the resolution should advise me as soon as possible about what time they would like to use. I assume that whatever Senator is in charge of the time in opposition to the resolution would like to make a similar request.

Mr. HUNT. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. HUNT. I wonder if the distinguished majority leader has given thought to the fact that if we remain in session Tuesday night for the consideration of Reorganization Plan No. 1, the attendance at night not being generally as great as it is during the daytime, each absentee means a vote to the disadvantage of the proponents of Resolution 147.

Mr. LUCAS. I have not given much thought to that subject. What I am trying to do is to get a little speed. When I find a measure which has a limitation of time, I wish to take every advantage of it I can.

Mr. HUNT. Mr. President, will the majority leader further yield?

Mr. LUCAS. I yield.

Mr. HUNT. I am in hearty agreement with the Senator from Illinois as to the conservation of time. I assure the Senator that I have taken only a very few minutes of the time of the Senate.

Mr. LUCAS. I was not referring to the able Senator from Wyoming. If Senators did not consume more time than does the able Senator from Wyoming, we would have been out of here by now.

Mr. HUNT. When the opportunity presents itself to express myself fully on a matter in which I am greatly interested, I do not like to have the cards stacked against me before I start, which I think that situation would involve.

Mr. LUCAS. I will think about the Senator's suggestion. I do not want to stack the cards against the Senator from Wyoming or any other Senator. I merely wish to make the announcement which I have made.

I appreciate what the Senator from Arkansas [Mr. McCLELLAN] has said with respect to Senators who desire to speak. If they will give the information to the Senator from Arkansas, we shall have better information as to whether or not we can obtain a further limitation of time.

Mr. IVES. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. IVES. Did I correctly understand the distinguished Senator from Illinois to say that consideration of the resolution with respect to Reorganization Plan No. 2 will follow immediately the consideration of the resolution on Reorganization Plan No. 1?

Mr. LUCAS. That is correct.

Mr. IVES. Assuming that it takes until 10 o'clock or shortly thereafter on Tuesday to dispose of Reorganization Plan No. 1, is it the intention of the distinguished Senator from Illinois to begin the session on Wednesday with consideration of Reorganization Plan No. 2 and continue in session until the completion of consideration of that resolution?

Mr. LUCAS. The Senator is correct in his understanding both with respect to Reorganization Plan No. 1 and Reorganization Plan No. 2.

I am glad the Senator from New York made the last suggestion. Perhaps the prospect of two consecutive night sessions may influence some Senators to agree that one night session should be enough.

Mr. IVES. That situation occurred to the Senator from New York.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. McCLELLAN. I am advised that certain Senators are absent who cannot possibly be here Tuesday. They would like to have the opportunity to vote, but they would not have such opportunity if the vote were taken on Tuesday night. Would the able majority leader agree, in view of that situation, to a unanimous consent request that the Senate take a recess on Tuesday night, after all debate is concluded, and vote promptly at 12:15 the following day on the resolution with respect to Reorganization Plan No. 1?

Mr. LUCAS. I could not agree to that now, because if we agree to such a suggestion, some Senator will say "I expect to be absent on Wednesday." That situation always arises. There is always some Senator who is absent from the Senate. Senators have been notified that on Tuesday we intend to consider the resolution with respect to Reorganization Plan No. 1. In the colloquy which I had with the able Senator from New York last Monday, or Tuesday, Senators were notified that we would start at 12 o'clock and go through with Reorganization Plan No. 1. I do not say that I will not make such a unanimous consent request as has been suggested, but I do not wish to do so at this time.

Mr. McCLELLAN. Mr. President, will the Senator further yield?

Mr. LUCAS. I yield.

Mr. McCLELLAN. It is true that the majority leader announced to the Senate that we would take up Reorganization Plan No. 1 on Tuesday. However, at that time he did not announce that there would be a night session. He did say that he wanted to expedite consideration of the resolution, but Senators did not have notice that there would be a night session. Having in mind that 10 hours' debate are provided under the law, I am advised that some Senators have planned accordingly, and expect to return on Wednesday to vote. It would require only 10 or 15 minutes to take the vote immediately upon the convening of the Senate on Wednesday. Then we could immediately go ahead with consideration of Reorganization Plan No. 2. In all fairness, I hope the majority leader will consider my suggestion. I believe if that is done we shall be able—I hope so, and I will cooperate in every way possible—to dispose of both plans on Wednesday next.

Mr. LUCAS. Mr. President, I can understand now, after listening to the able Senator from Arkansas, why we cannot get a limitation of 4 hours. The Senator from Nebraska was entirely in favor of a four-hour limitation when we discussed the matter before. He advised me that he wanted to cooperate. But now that certain Senators find themselves unavoidably absent, there is a good reason why no limitation of debate is agreeable and why more speakers than usual will be found. I cannot say that I am going to agree to any unanimous-consent request. If anyone will read the colloquy which I had with the able Senator from New York on Tuesday, I think it will be found that at least the implication is to be drawn that we were going to start at noon and finish Reorganization Plan No. 1 on Tuesday.

INTERIOR DEPARTMENT APPROPRIATIONS

Mr. HAYDEN. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside, and that the Senate proceed to the consideration of House bill 3838, making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes.

The VICE PRESIDENT. Is there objection?

Mr. TYDINGS. Mr. President, reserving the right to object, let me say that the Senator from Maryland has canvassed the Senate fairly well, particularly those Members who are interested in the wind-tunnel bill. I am interested in it primarily because it involves two very important things, namely, the loss of life by members of our Air Force and the saving of money through the operations of the wind tunnel. I believe all of us understand the bill; and so far as I have been able to learn, there is no opposition to it.

If the Interior Department appropriations bill is taken up, I wonder whether the Senator from Arizona will then consent to have the wind-tunnel bill considered, with the expectation that it probably will be disposed of this afternoon, before the recess is taken.

Mr. HAYDEN. Mr. President, I would not wish to have the wind-tunnel bill consume the remaining time this afternoon. If it can be disposed of within 15 or 20 minutes, I shall be willing to have

the bill taken up, but not if its consideration will take all the rest of the afternoon.

Mr. TYDINGS. If its consideration takes more than half an hour, I shall ask that it be withdrawn.

Mr. HAYDEN. When I first discussed the bill with the Senator from Maryland, he said he thought its consideration would take 10 or 15 minutes. Of course, Mr. President, the Interior Department appropriations bill must be passed.

Mr. TYDINGS. I understand that, but I proposed the consideration of the wind-tunnel bill because the wind tunnel must be built in order to save life. Men flying our planes today are being killed.

The VICE PRESIDENT. Is there objection to the request of the Senator from Arizona?

Mr. WHERRY. Mr. President, reserving the right to object, I believe it is understood that if the Interior Department appropriations bill is taken up, the unfinished business will be laid aside.

The VICE PRESIDENT. The unfinished business is the minimum wage bill, and the Senator from Arizona has requested unanimous consent that it be laid aside temporarily and that the Interior Department appropriations bill be considered at this time.

Mr. LODGE. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. LODGE. What effect will that action have, if taken, on the minimum-wage bill; likewise, what effect will the consideration of the wind-tunnel bill have on the minimum-wage bill?

The VICE PRESIDENT. If unanimous consent is given to have the wind-tunnel bill taken up, that action will be taken by unanimous consent, and will have no effect on the unfinished business; it will remain the unfinished business.

Is there objection to the request of the Senator from Arizona?

There being no objection, the Senate proceeded to consider the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes, which had been reported from the Committee on Appropriations, with amendments.

Mr. HAYDEN. Mr. President, I ask unanimous consent that the formal reading of the bill be dispensed with, that it be read for amendment, and that the committee amendments be first considered.

The VICE PRESIDENT. Without objection, it is so ordered.

TRANSSONIC AND SUPERSONIC WIND-TUNNEL FACILITIES AND AIR-ENGINEERING DEVELOPMENT CENTER

Mr. TYDINGS. Mr. President, I ask unanimous consent for the immediate consideration of the bill (S. 1267) a bill to promote the national defense by authorizing a unitary plan for construction of transsonic and supersonic wind-tunnel facilities and the establishment of an Air Engineering Development Center.

The VICE PRESIDENT. The Senator from Maryland asks unanimous consent that the Interior Department appropriation bill, just made the pending business, be temporarily laid aside for the consideration of Senate bill 1267, to which he has just referred. Is there objection?

Mr. HAYDEN. Mr. President, reserving the right to object, I understand that the Senator from Maryland will withdraw the bill if action is not taken on it within 20 minutes.

Mr. TYDINGS. I will.

Mr. PEPPER. Mr. President——

Mr. TYDINGS. I hope the Senator will let me have my 20 minutes, because otherwise I may lose a chance to explain the bill.

The VICE PRESIDENT. Is there objection to the unanimous-consent request of the Senator from Maryland?

There being no objection, the Senate proceeded to consider the bill (S. 1267) to promote the national defense by authorizing a unitary plan for construction of transsonic and supersonic wind-tunnel facilities and the establishment of an Air Engineering Development Center.

Mr. TYDINGS. Mr. President, I shall not make a long explanation of the bill, unless Senators wish to ask questions. I appreciate very greatly the opportunity to bring this bill up somewhat out of the normal course.

Several of our best pilots have recently lost their lives while flying faster-than-sound airplanes or airplanes that approach the supersonic barrier because adequate facilities are not available with which to make tests.

This bill has been approved by the committee of the House of Representatives; it has been approved by the Joint Chiefs of Staff. So far as I know, there is no agency connected with aviation in the United States that has not endorsed this bill.

Perhaps a day or two more before the bill is passed will not make any difference, but I think my colleagues will agree with me that where it is a matter of life or death, the Senator from Maryland perhaps has not been too aggressive in trying to save another life, if that is possible.

This bill provides for the building of a wind tunnel which will cost perhaps a great deal of money to complete; but only $30,000,000—and it is in the budget—is provided for expenditure this year.

Where these tunnels will go, no one knows. The large center will have to go in a place where there is plenty of power and plenty of water.

It is important that this work be undertaken at the first opportunity.

If Senators desire to ask me any questions, I shall try to answer them. But I have made this brief preliminary statement, so as to have time to answer questions, if I am able to do so.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield to the Senator from North Dakota, and I wish to thank him particularly for cooperating with me in getting this bill before the Senate.

Mr. LANGER. Do I correctly understand that the cost this year will be $30,000,000?

Mr. TYDINGS. That cost is carried in the budget, and it will be $30,000,000 in the curernt fiscal year.

Mr. LANGER. What will the total cost be?

Mr. TYDINGS. The total cost will be approximately $300,000,000, when completed; and I am advised it will take about 2 years to complete the larger of these tunnels.

Mr. LANGER. I thank the Senator.

Mr. WHERRY. Mr. President, will the Senator yield to me?

Mr. TYDINGS. I yield.

Mr. WHERRY. I believe the Senator from Maryland said a day or two ago, when he attempted to have the bill brought up for consideration, that the bill had been reported unanimously from the Senate Armed Services Committee.

Mr. TYDINGS. Yes, and also from the House Armed Services Committee, I am advised.

Mr. WHERRY. Were the hearings exhaustive?

Mr. TYDINGS. They were. The junior Senator from Texas [Mr. JOHNSON], in cooperation with other Senators, held very exhaustive hearings, and filed a very comprehensive report. Practically everything we can think of in connection with this subject is contained in the report; but I shall be glad to answer any questions, if I can.

Mr. MAGNUSON. Did the hearings bring out information as to whether any sites have been selected as yet?

Mr. TYDINGS. That question was asked. A commission on sites will be appointed. Thirteen of the smaller tunnels will cost altogether $4,500,000, and will be located at the 13 universities in the United States best equipped to render the service, all things considered.

The larger tunnels, the Air Force Center, will have to be located where power, water, and other facilities that enter into the situation are available.

There have been no commitments, I can say to the Senator, to any Senator or to any Member of the House of Representatives or to anyone else as to where a single one of the tunnels will be located. That will be determined by a commission appointed specifically for that purpose.

Mr. WHERRY. What does the Senator from Maryland mean when he refers to the "thirteen universities best equipped to render the service"?

Mr. TYDINGS. There are thirteen of the small experimental wind tunnels by means of which by-experiments, as we might call them, other than the main experiments, are to be conducted; and they are to be installed in connection with the engineering departments of some of our universities where there already is a great deal of fundamental equipment which, in conjunction with the small model tunnels, will provide the necessary facilities for making the tests.

The VICE PRESIDENT. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed, read the third time, and passed, as follows:

Be it enacted, etc.—

TITLE I

SEC. 101. The National Advisory Committee for Aeronautics (hereinafter referred to as the "Committee") and the Secretary of Defense are hereby authorized and directed jointly to develop a unitary plan for the construction of transsonic and supersonic wind-tunnel facilities for the solution of research, development, and evaluation problems in aeronautics, including the construction of facilities at educational institutions for training and research in aeronautics, and to revise the uncompleted portions of the unitary plan from time to time to accord with changes in national defense requirements and scientific and technical advances. The Committee and the Secretaries of the Army, the Navy, and the Air Force are authorized to proceed with the construction and equipment of facilities in implementation of the unitary plan to the extent permitted by appropriations pursuant to existing authority and the authority contained in titles I and II of this act. Any further implementation of the unitary plan shall be subject to such additional authorizations as may be approved by Congress.

SEC. 102. The committee is hereby authorized, in implementation of the unitary plan, to construct and equip not to exceed thirteen transsonic or supersonic wind tunnels at educational institutions, to be selected by the committee, or to enter into contracts with such institutions to provide for such construction and equipment, at a total cost not to exceed $4,440,000: *Provided,* That the committee may, in its discretion, vest title to the facilities completed pursuant to this section in such educational institutions under such terms and conditions as may be deemed in the best interests of the United States.

SEC. 103. The Committee is hereby authorized in implementation of the unitary plan, to expand the facilities at its existing laboratories by the construction of additional wind tunnels, including buildings, equipment, utilities, and accessory construction, and to acquire not to exceed 500 acres in expansion of the Langley Aeronautical Laboratory, Langley Air Force Base, Va., at a total cost not to exceed $150,000,000.

SEC. 104. The Secretary of the Navy is hereby authorized, in implementation of the unitary plan, to expand the naval facilities at the David W. Taylor Model Basin, Carderock, Md., by the construction of a wind tunnel, including buildings, equipment, utilities, and accessory construction, at a cost not to exceed $6,600,000.

SEC. 105. There is hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the purpose of this title.

SEC. 106. This title may be cited as the "Unitary Wind Tunnel Plan Act of 1949."

TITLE II

SEC. 201. The Secretary of the Air Force is hereby authorized to establish an Air Engineering Development Center, and to construct, install, and equip (1) temporary and permanent public works, including housing accommodations and community facilities for military and civilian personnel, buildings, facilities, appurtenances, and utilities; and (2) wind tunnels in implementation of the unitary plan referred to in title I of this act; and to maintain and operate the public works and wind tunnels authorized by title II of this act.

SEC. 202. To accomplish the purposes of this title, the Secretary of the Air Force is authorized to acquire lands and rights pertaining thereto, or other interest therein, including the temporary use thereof, by donation, purchase, exchange of Government-owned lands, or otherwise, and construction under this title may be prosecuted without regard to section 3648, Revised Statutes, as amended.

SEC. 203. The Secretary of the Air Force is authorized to employ such civilian personnel as may be necessary to carry out the purposes of this title without regard to the limitation on maximum number of employees imposed by section 14 (a) of the Federal Employees Pay Act of 1946 (5 U. S. C. 947 (g)).

SEC. 204. There is hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, to remain available until expended when so specified in the appropriation act concerned, (a) not to exceed $150,000,000 for the establishment and for initial construction, installation, and equipment of the Air Engineering Development Center authorized in this title, including expenses for necessary surveys and acquisition of land, and (b) such sums as may be necessary to carry out the other purposes of this title.

SEC. 205. This title may be cited as the "Air Engineering Development Center Act of 1949."

Mr. TYDINGS. Mr. President, I do not feel that I should conclude this brief interlude in the business of the Senate without thanking both the majority and minority leaders, and also the able Senator from Arizona, who so kindly consented to the temporary displacement of his bill.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting a nomination was communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1962) to amend the cotton and wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 2634) to provide transportation of passengers and merchandise on Canadian vessels between Skagway, Alaska, and other points in Alaska, and between Hyder, Alaska, and other points in Alaska or the continental United States, either directly or via a foreign port, or for any part of the transportation.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 1892. An act authorizing the Secretary of the Interior to issue to Lake County, Mont., a patent in fee to certain Indian lands;

H. R. 1997. An act to authorize the survey of a proposed Mississippi River Parkway for the purpose of determining the feasibility of such a national parkway, and for other purposes;

H. R. 2197. An act to authorize acquisition by the county of Missoula, State of Montana, of certain lands for public-use purposes;

H. R. 2740. An act to authorize the establishment of fish hatcheries in the States of Georgia and Michigan; to authorize the rehabilitation and expansion of rearing ponds and fish cultural facilities in the States of New York and Colorado; to authorize the Secretary of the Interior to undertake a continuing study of shad of the Atlantic coast; and to amend the act of August 8, 1946, relating to investigation and eradication of predatory sea lampreys of the Great Lakes, and for other purposes; and

H. R. 4510. An act to provide funds for cooperation with the school board of Klamath County, Oreg., for the construction, extension, and improvement of public-school facilities in Klamath County, Oreg., to be available to all Indian and non-Indian children without discrimination.

INTERIOR DEPARTMENT APPROPRIATIONS, 1950

The Senate resumed the consideration of the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes.

Mr. HAYDEN. Mr. President, as shown by the committee report, the amount of the bill as passed by the House of Representatives was $536,461,908; the net amount added by the Senate is $54,224,003.

The budget estimates submitted to date for all departments and agencies of the Government for the fiscal year 1950 total $42,015,796,000, including permanent appropriations in the amount of $5,921,542,299. The regular budget estimates for the 1950 Interior Department appropriation bill, including $8,430,416 in supplemental estimates, total $616,380,020. I invite the attention of the Senate to the fact that the budget estimates for the Interior Department for the fiscal year 1950 amount to only 1.4 percent of the total of the 1950 budget estimate. I had an opportunity some time ago to exhibit to the Senate a chart showing the break-down of the budget dollar. In the dollar there was 5 cents for constructive agencies such as the Bureau of Reclamation, and the work of the Corps of Engineers, and the Atomic Energy Commission. This bill contains numerous items, but the total amount of money in it is not great compared to the vast sums in the entire budget. As will be developed during the course of the discussion, the principal items of controversy in the bill relate to the generation and transmission of hydraulic power.

At my request, the Federal Power Commission has prepared tabulations which show that agencies of the Federal Government are now producing less than 13 percent of the electric energy consumed in the United States and that power produced by all types of public agencies is about 19.3 percent of the total output, the remaining 80.7 percent being generated by privately owned utilities. The Federal Power Commission estimates that in 1951 the Federal Government will have an investment of $2,000,000,000 in electric power plants as compared to $22,000,000,000 of private capital.

I ask unanimous consent that this table may be included in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 1.—*Electric utility generating capacity, production, and investment, 1948, United States*

[Prepared in response to request of Senator Hayden]

	Installed capacity, Dec. 31, 1948			Production, 1948			Investment as of Dec. 31, 1948 [1]
	Hydro	Fuel	Total	Hydro	Fuel	Total	
	Kilowatts	*Kilowatts*	*Kilowatts*	*Million kilowatt-hours*	*Million kilowatt-hours*	*Million kilowatt-hours*	*Billion dollars*
Private	9,028,184	36,352,701	45,380,885	43,250	184,981	228,231	15.5
Federal:							
Corps of Engineers	656,400	0	656,400	4,523	0	4,523	.1
Bureau of Reclamation	2,555,600	0	2,555,600	17,375	0	17,375	[2].6
TVA	1,873,300	424,400	2,297,700	10,828	2,627	13,455	.5
Other	10,320	5,282	15,602	2	17	19	
Subtotal	5,095,620	429,682	5,525,302	32,728	2,644	35,372	1.2
Other public:							
Municipal	763,052	3,341,625	4,104,677	3,522	9,601	13,123	
Co-ops, State projects, etc	764,774	784,200	1,548,974	2,970	3,002	5,972	
Subtotal	1,527,826	4,125,825	5,653,651	6,492	12,603	19,095	2.2
Total, United States	15,651,630	40,908,208	56,559,838	82,470	200,228	282,698	18.9

[1] Includes production, transmission, distribution, and general facilities. Excludes costs allocated to flood control, navigation and other nonpower functions of multiple-purpose projects. Data for Federal and other public facilities are estimates based on incomplete data reported for 1947.

[2] Includes Southwestern Power Administration and Bonneville Power Administration, both power marketing agencies of the Department of the Interior. The SPA markets the power output of the Corps of Engineers' Norfork and Denison projects and the BPA markets the output of the Corps of Engineers' Bonneville plant and the USBR Grand Coulee plant.

TABLE 2.—*Scheduled additions to electric utility generating capacity 1949 through 1951 with indicated generating capacity and investment as of Dec. 31, 1951, United States*

[Prepared in response to request of Senator Hayden]

	Scheduled capacity additions, 1949-51			Installed capacity, Dec. 31, 1951			Estimated investment, Dec. 31, 1951
	Hydro	Fuel	Total	Hydro	Fuel	Total	
	Kilowatts	*Kilowatts*	*Kilowatts*	*Kilowatts*	*Kilowatts*	*Kilowatts*	*Billion dollars*
Private	710,000	14,125,000	14,835,000	9,738,000	50,478,000	60,216,000	22.0
Federal:							
Corps of engineers	450,000	0	450,000	1,106,000	0	1,106,000	.2
Bureau of reclamation	1,305,000	0	1,305,000	3,861,000	0	3,861,000	[1] 1.1
TVA	370,000	[2] 125,000	495,000	2,243,000	549,000	2,792,000	.7
Other				10,000	6,000	16,000	
Subtotal	2,125,000	125,000	2,250,000	7,220,000	555,000	7,775,000	2.0
Other public:							
Municipal	210,000	535,000	745,000	973,000	3,877,000	4,850,000	
Co-ops, State projects	35,000	260,000	295,000	800,000	1,044,000	1,844,000	
Subtotal	245,000	795,000	1,040,000	1,773,000	4,921,000	6,694,000	2.7
Total, United States	3,080,000	15,045,000	18,125,000	18,731,000	55,954,000	74,685,000	26.7

[1] Includes Southwestern Power Administration and Bonneville Power Administration, both power-marketing agencies of the Department of the Interior.

[2] Capacity of first unit at New Johnsonville steam plant. The second and third units of 125,000 kilowatts each are scheduled for completion in 1952.

Mr. HAYDEN. These figures clearly indicate that there is no real cause for the alarm by the private utilities that the Federal Government intends to drive them out of business. Neither do they justify the dreams of some public-power advocates of Government ownership of all electric power facilities. I say this because there is not the slightest prospect in the foreseeable future that Congress could be persuaded to advance $22,000,000,000 for the acquisition of all the privately owned generating capacity.

All but 7.1 percent of the electric power to be produced in 1951 by Federal agencies will be derived from falling water made available at dams designed to control floods and as aids to either irrigation or navigation. The construction of such multiple-purpose dams must continue to be a Federal function since it is not profitable for private capital to build them.

Existing law not only contemplates the generation of electric power at federally owned dams but also authorizes the construction of transmission lines to encourage the widespread use of such power and gives preference in its sale to public bodies and cooperatives.

From the hearings on this bill and the studies I have made in respect to the generation and transmission of electric power, I am firmly convinced that it is possible, throughout the United States, to adopt a policy of live and let live, if the private utilities and the Federal Government will properly cooperate. As an illustration of such cooperation, I should like to invite the attention of the Senate to an article which appeared in the New York Times on July 31, entitled "TVA and Utilities Working as a Team—President of Southern Co. Describes How Expansion Is Aided in Five States." The article, by John P. Callahan, reads as follows:

TVA AND UTILITIES WORKING AS TEAM—PRESIDENT OF SOUTHERN COMPANY DESCRIBES HOW EXPANSION IS AIDED IN FIVE STATES

(By John P. Callahan)

A complete reversal of utility industry's policy on public power in the United States may result from the disclosure made yesterday by the president of a $500,000,000 utility system in the southeast. Also, to the consternation of his startled colleagues in other utility companies, he answered affirmatively the long-controverted question: Can public and private power coexist harmoniously?

During a 2-hour interview, Eugene A. Yates, president of the Southern Co., which will be represented by four operating utilities of the reorganized Commonwealth & Southern Corp. after October 1, painted a picture of the rapidly expanding economy in the five-State area served by the system, and the actual teamwork that prevails between the Tennessee Valley Authority and the private companies. This was in marked contrast to the stories of the enmity that typify the situation in other sections of the country, such as the northwest and the southwest.

Citing several examples of cooperation with the TVA, Mr. Yates advanced as one of the most mutually beneficial the practice whereby the Southern Co. furnished TVA with steam power at night so that the Federal agency could store water. In return, the TVA furnished the system companies with power when needed at times of peak operations during the day. In addition to working with TVA, the companies also supply Federal-financed rural electric cooperatives with power, and in one instance of this latter operation, he said, the practice obviated the need for a federally owned steam plant.

Reference to steam plants brought recollection of the sharp opposition that the industry voiced to the New Johnsonville steam plant, appropriations for which were approved recently. It will provide a generating source for the TVA on the shores of Kentucky Lake, which is a TVA reservoir on the Tennessee River.

Several utility officials testified in opposition to the steam plant before congressional committees, some of them charging that it marked the beginning of an era of socialized power. The Southern Co's. officials, including Mr. Yates, adamantly refused to testify,

with the result that the rest of the industry, or at least those most concerned about New Johnsonville, bitterly criticized them. However, as Mr. Yates said yesterday, the company's refusal to testify was based primarily on the ground that to have done so would have strained relations with TVA and made difficult the side-by-side operations of the system and TVA.

The demand for electric service in the southeast is increasing steadily, and both the TVA and the Southern Co. are rushing expansion plans. This was another point cited by Mr. Yates in his contention that efforts on opposition could be better used toward meeting power demands.

In connection with this newspaper article I should like to call the attention of the Senate to statements made by Gordon R. Clapp in an address which he delivered in Atlanta not long ago and in which he said:

The construction of the steam plant has been opposed before the Congress, in the press, and over the radio by powerful and financially well-heeled forces, led by the National Association of Electric Companies and assisted by the United States Chamber of Commerce. These interests would, if successful in their fight against the steam plant, put a ceiling on the economic development of the TVA area by denying it the power it needs.

I am glad to say that, to the best of my knowledge, our southeastern utility neighbors have not joined in this organized and reckless campaign to stop construction of the New Johnsonville steam plant. TVA is physically and in many other ways a part of the southeastern region; its interests lie in the direction of the development not only of the TVA as such, but of the Southeast as a whole. These southern utility companies recognize, I am sure, that the Southeast, like any other section of the country, is entitled to adequate amounts of power as cheaply as it can be provided. The people of the region know this, and they are determined to have low-cost electricity based on the most economical development of their power resources.

Again Mr. Clapp says:

I suggest that the companies which earn their money by striving to reduce the cost of electricity to the consumer, to increase power supply, and to provide ever-better service—and companies bordering TVA in the Southeast fall largely into that class—have little to fear in the coming years.

I should like to add that in my own State there has developed a similar relationship between private industry and the Federal Government as has been exhibited in respect to the TVA. Hydroelectric power for use in Arizona is obtained from the Colorado River. The Federal Government has provided two backbone transmission lines which bring the power into the central part of the State.

An act of the Arizona Legislature provides protection to existing distributors, whether public or private, by requiring any applicant for Federal power to first secure a certificate before the applicant is entitled to receive such power. The certificate is issued by a State agency and must be issued to any applicant for a territory then being served by it and cannot be issued to any applicant for a territory then being served by some other distributor. The certificate carries no right to get such power but without it no distributor is eligible to get such power.

Provisions are included for hearings with respect to territory not being served by anyone where there are competing applicants and also with respect to the right of municipalities to obtain certificates if they own their facilities or have taken all the steps necessary to acquire such facilities.

It also provides that the power cannot be sold by the Government agency at retail except to consumers adjacent to transmission lines who are without other means of adequate electric supply. The result is that, no longer fearing competition in their own territory, the public and private utilities have all united in doing the job of serving the public in the State. So good a job has been done that when the President of the United States delivered an address in Phoenix, Ariz., last fall he stated:

You are fortunate here in Arizona that the private power utilities and the public power agencies have shown a fine spirit of cooperation with the Federal Government in the development and transmission of power. This example of the mutual advantage of cooperation between private utilities and Government agencies should be a matter of interest to people in other areas where the Power Trust is trying to bottle up power until they can get their rake-off on it.

There is in this bill another illustration of that kind of cooperation. The Senate Committee on Appropriations has provided for an appropriation of $2,000,000 for the construction of transmission lines in North Dakota and South Dakota. At this time, because of the lack of electric power in that area and the tremendous demand for it, it has been agreed in the bill that Congress should appropriate money to build backbone transmission lines. The hydroelectric power itself will not be generated for a few years to come. The private utilities have agreed to energize those lines, and, when the power is developed on the Missouri River, to purchase power from the Federal Government which will be taken off from these same backbone transmission lines. This development shows that it is possible, under a proper arrangement, to bring about a live-and-let-live policy between private industry and the Federal Government in the production of electric power.

There is a controversy in the bill with respect to the appropriations for Southwest Power Authority. At first the utilities in that area opposed the construction of transmission lines which would connect several Government dams. Their desire at that time was that when power was generated at any particular dam the nearest utility company should go to the bus bar and get it. Obviously, if more power could be generated on one river than on another at a given time, it was to the advantage of the Government to coordinate the power. That is what was opposed by the utility companies. There was one far-seeing company, the Texas Light & Power Co., which made a contract with the Southwest Power Authority whereby the power in the Denison Dam could be taken into its system, firmed up, and made available to the rural electric cooperatives in that area.

We had hoped that the other private utilities in the southwestern area would see the light and follow the same policy. Instead of doing so, some of them bitterly denounced their neighboring power company and said they never would, under any circumstances, provide that wheeling service which had proved so advantageous, both to the Government and the Texas Power & Light Co.

This year, under those circumstances, the House of Representatives appropriated money to build additional transmission lines, so that the Southwest Power Authority could deliver power to preferred customers—that is, those which are given preference under existing law, such as rural cooperatives—because the other power companies in the area had refused to transmit power to them. That action having been taken by the House of Representatives, we were faced, when the committee went into session, by a complete reversal of the attitude of the remaining public utility companies. They said:

We do not like this contract, and we said we never would accept it, because we did not believe that Congress would ever appropriate money to build the transmission lines to invade our territory. Now we are ready and willing to agree to adopt a policy whereby we will wheel power to the preferred customers of the Government, just as the Texas Light & Power Co. has agreed to do.

The only question in the minds of some members of the committee was that, having been converted so recently, was there any danger that they might "back-slide." It is said that a convert is more zealous than is a person who was born in the church. Perhaps that may turn out to be the case in this instance. That doubt was the basis of a controversy in the committee as to whether it was desirable for the Senate to appropriate the full amount allowed by the House of Representatives for transmission lines in the case of the Southwest Power Administration, or whether the appropriation could safely be reduced, in view of the recent offer made by the private utilities. That is an issue which will be presented to the Senate.

Mr. President, I ask that the first committee amendment be read.

Mr. GURNEY. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. GURNEY. Mr. President, I am glad to hear the statement made by the senior Senator from Arizona. I compliment him on the way in which he has placed the report of the committee before the Senate, and I join with him in endorsing the committee's report.

I am convinced that in considering the Interior Department appropriation bill we should go back to the original basis on which appropriations to the Bureau of Reclamation were authorized, namely, to give the people of the arid sections some water. A secondary benefit—and it certainly is a secondary benefit—is the electrical energy produced at multiple-purpose dams.

First, we considered irrigation, put it on a 40-year-pay-back basis, cut down on the charge for the water to the irrigator, and get some benefits from power.

It was the belief of the committee that in these times, where there are so many requests for funds, we could cut down

appropriations for distributing transmission lines, as contrasted with bus-bar transmission lines, which the Senator from Arizona has discussed; that we could cut those out where there were available on a live-and-let-live basis already existing distribution lines owned by private utilities which would contract on a basis similar to that now operated so nicely by the Texas Power & Light Co. I do not know the exact location of it.

The companies which testified before the Senate committee—and I might say there are about 270 pages of testimony—all said they would endeavor to negotiate contracts with the Interior Department and distribute the power to preferred customers first, at no cost to those customers for that firm power. These private utilities would get their pay by taking secondary or nonfirm power for wheeling the energy produced at federally financed dams.

I know there will be some opposition to this proposal; but, to refer to the South Dakota-North Dakota connections, I do not see any other way by which we can distribute the power in the Missouri River States—and there are about 10 States involved, because the power from that river will affect industry and REA's even as far away as Colorado and Missouri—if we do not get some live-and-let-live contracts along this line with the utilities doing business in about seven or eight of the States in that area.

Along with the Senator from Arizona I recommend this bill, which includes a small appropriation for starting the bus-bar transmission lines where they are needed, where they are not duplicating existing lines which are capable of handling the power and distributing it out to REA customers and municipalities, and other preference customers under the law.

I wish to make one more statement before I sit down, in reference to the Central Valley project. I know that my good friends, the Senators from California, may possibly not agree with me; nevertheless, in withholding money in this year's appropriation bill for the building of a transmission line on the west side of the Sacramento River, it has been possible for us to speed up the irrigation program.

About 15 years ago the irrigators of California said they needed water; and they still need it. It was promised them that they would get water in 10 years. That was 15 years ago. Of course, we could not go ahead with the project during the war, but now we can proceed with it, and the Government-produced power is available to these irrigators at Government prices, at bureau prices. So the irrigators are going to get the Government-produced power, under the plan set forth in the committee report, at the low prices which Congress intends they should pay for the federally financed power. By the committee's report they will also get their water in the irrigation ditches much sooner.

Therefore, Mr. President, I am happy to join with the Senator from Arizona, being a member of the committee, in recommending the bill to the Senate.

Mr. HILL. Mr. President, the distinguished Senator from South Dakota [Mr. GURNEY] has said that under the Texas Light & Power Co. contract the power company was wheeling this Government power to the preferred customers free.

Mr. GURNEY. At no cost to the Government customers.

Mr. HILL. I will ask the Senator from Arizona if this is not the situation, that for every hundred kilowatts of electric power which the Government puts on the private company's line the private company gets 30 of the 100 kilowatts.

Mr. HAYDEN. Practically that. The testimony was that 1,400 kilowatts of unfirm power were placed on the line, and that a thousand kilowats of firm power were delivered when needed to Government customers. The Government then gave the power company a record of what the customer received, the customer was billed, and the customer paid the Government for the power.

Mr. HILL. The power company is compensated for wheeling this Government power, is it not?

Mr. HAYDEN. By taking power that is not firm and firming it up. It performs two services, it takes unfirm power and makes it firm and puts it into the system, so that another quantity of power is delivered at another place.

Mr. HILL. And the power company gets for its service——

Mr. HAYDEN. Power.

Mr. HILL. Thirty percent of the power the Government turns into this line.

Mr. HAYDEN. I have heard no one say it was not a good trade for both the Government and the utility company.

Mr. HILL. I did not want the impression to be created that the private power company was rendering the service absolutely free. I think it is only right that the power company should be compensated, and for the record I wanted it made clear that the private power company did receive compensation.

Now let me ask the Senator another question, if I may.

Mr. HAYDEN. Certainly.

Mr. HILL. No one in the Senate contributed more or fought harder for the establishment of the present Federal power policy than did the distinguished Senator from Arizona. That policy has evolved through the years, written in many different bills, but the last declaration of policy as written into the statute was in the Flood Control Act of 1944.

Mr. HAYDEN. That is correct.

Mr. HILL. I recall how ably and how persistently the Senator fought to have that power policy written into the statute.

Mr. HAYDEN. It was actually sponsored and handled by the late Senator from Louisiana, Mr. Overton, the chairman of the committee.

Mr. HILL. The Senator is correct and, as always, is modest. I noticed several statements in the committee's report that no funds were approved or recommended for transmission lines with reference to certain particular projects, and also that no funds were approved or recommended in the case of other power facilities. I recognize full well not only the right of the committee to write such statements in reports, but that it has been done many times by committees. The truth, however, is that such statements standing in the committee reports do not and cannot have in any way the effect of legislation. They cannot set aside any of the provisions written into the basic act to which I am referring, the Flood Control Act of 1944.

Mr. HAYDEN. No. It is customary in both House and Senate committee reports on various appropriation bills to indicate to the departments concerned the policy of Congress. It is true that one House may indicate that a certain line should be followed; the other House may indicate a different line to follow. Then when the bill goes to conference there is written a conference report in which we not only adjust the differences in money but we are compelled also to adjust the differences in policies; so that when the final conference report is written it acts as an instruction to the agency as to what Congress expects to be done with the money.

Mr. HILL. Of course, in this particular situation, as the Senator has already brought out, the House has taken a different position in this matter from the position taken by the Senate committee, as shown in its report. Is that not true?

Mr. HAYDEN. Yes; and the object of the conference is to adjust those differences.

Mr. HILL. Yes; but at the present time they are in conflict.

Mr. HAYDEN. That is correct.

Mr. HILL. As the Senator implies, if the bill carries an appropriation under the basic act of 1944 making a lump-sum appropriation, for a particular project, then within the limits of funds appropriated for the project, those funds are available for construction of all facilities authorized under the terms and provisions of the basic act.

Mr. HAYDEN. That is correct.

The PRESIDING OFFICER. The clerk will proceed to state the amendments of the Committee on Appropriations.

The first amendment of the Committee on Appropriations was, under the heading "Office of the Secretary," on page 2, line 17, after the word "Interior", to strike out "$190,000" and insert "$217,500."

Mr. LUCAS. Mr. President, do I understand correctly that the Senator from Arizona has concluded his statement for the day?

Mr. HAYDEN. There are committee amendments to be considered.

Mr. LUCAS. I understand that. I ask whether the Senator has concluded his own statement?

Mr. HAYDEN. I have said all I care to say now.

Mr. LUCAS. I now inquire of the Senator from Washington [Mr. CAIN] as to how much time he will require on the bill?

Mr. CAIN. Twenty minutes.

Mr. LUCAS. I understand the Senator from Oklahoma [Mr. THOMAS] expects to deliver quite a long speech.

Mr. THOMAS of Oklahoma. Mr. President, there are some charts and maps which I wish to display to the Senate. I understand there will be a controversy as to certain items in the bill. A space

should be cleared out immediately in front of the desk so I can exhibit my charts and maps. It will require a few moments to clear that space. I am prepared to speak tonight for 30 minutes. I cannot conclude tonight, however.

Mr. LUCAS. How long does the Senator from Louisiana [Mr. ELLENDER] expect to speak?

Mr. ELLENDER. Ten minutes.

EXECUTIVE SESSION

Mr. LUCAS. Mr. President, in view of the fact that it would be only fair to have the Senator from Oklahoma open up on Monday, due to the fact that he desires to exhibit certain charts and maps, and that it will be nearly 6 o'clock before other Senators can conclude their speeches, I move, before other Senators begin their speeches, that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. HUNT in the chair) laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the Committee on Armed Services.

(For nominations this day received see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. MCCARRAN, from the Committee on the Judiciary:

Tom C. Clark, of Texas, to be an Associate Justice of the Supreme Court of the United States, vice Frank Murphy, deceased.

By Mr. THOMAS of Utah, from the Committee on Labor and Public Welfare:

Roger M. Cole, and sundry other candidates for appointment and promotion in the Regular Corps of the Public Health Service.

NOMINATION OF SENATOR MCGRATH TO BE ATTORNEY GENERAL—REPORT OF A COMMITTEE

Mr. MCCARRAN. Mr. President, as chairman of the Committee on the Judiciary, I have a signal honor conferred upon me today in being permitted to announce that, by unanimous vote of the Committee on the Judiciary, the nomination of one of its honored members, the Senator from Rhode Island [Mr. MCGRATH] to be Attorney General of the United States has been ordered reported to the Senate of the United States for confirmation. On behalf of the committee, I report the nomination. Speaking for the committee, I may say we bespeak for him one of the greatest careers ever to come to one in the office of Attorney General. We believe that today we have presented to the Senate a man who will carry the honors of that great office with the dignity which belongs to the office and with an honor that belongs to the United States of America.

The PRESIDING OFFICER. The report will be received, and the nomination will be placed on the Executive Calendar.

If there be no further reports of committees, the clerk will state the nominations on the calendar.

Mr. LUCAS. Mr. President, I ask unanimous consent that all nominations appearing on page 1 of the Executive Calendar be passed over and that the Senate proceed to consider the nominations appearing on page 2.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will state the nomination on page 2.

DEPARTMENT OF LABOR

The legislative clerk read the nomination of Philip M. Kaiser, of Virginia, to be Assistant Secretary of Labor.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

THE TAX COURT

The legislative clerk read the nomination of Miss Marion J. Harron, of California, to be a judge of the Tax Court of the United States, for a term of 12 years from June 2, 1948.

Mr. GEORGE. Mr. President, the Senate Finance Committee, by majority vote, reported favorably the nomination of Judge Harron. The vote, I regret to say, was not unanimous. A majority of the committee, however, after extensive hearings, ordered a favorable report. The chairman of the committee was instructed by the committee to make a brief statement in connection with the nomination.

Miss Harron was appointed some years ago to the Tax Board of Appeals, and has been in that service for a number of years. An examination of her work on the court shows that she is a competent judge. Her decisions, by all the ordinary tests, indicate that her work is on a par with that of the other judges of that court.

A controversy was presented to your committee. There were some charges and counter charges with respect to Judge Harron, and particularly with respect to the activities of the tax section of the American Bar Association. Your committee especially desired the chairman to state that the committee found nothing improper whatsoever in the activities of the gentlemen who appeared from the tax section of the American Bar Association, but on the contrary found much to commend them for, because the committee appreciates the fact that this particular section of the Bar Association is charged with a responsibility, and the gentlemen who appeared before the committee at considerable sacrifice to themselves, discharged their obligation with due consideration both to the committee and to Judge Harron.

There were complaints against Judge Harron, based primarily upon lack of judicial temperament on her part. The evidence offered in support of that charge or of that complaint tended to show—there was sharp conflict, of course, in the testimony—that Judge Harron was impatient with the younger members of the bar who appeared before her in tax hearings, and that she was disposed to take over the direction of the case or cause, sometimes to the very great discomfort of the representatives who appeared in the case. However, there was nothing at all to indicate that Judge Harron was disposed to show partiality as between the Government and the taxpayers, or representatives of the Government and the taxpayers. She seemed to have more difficulty with representatives of the Government.

The testimony offered us by eminent members of the bar, experienced attorneys, was in sharp conflict on the question of judicial temperament. The committee, after fully considering the evidence submitted to it and evidence relating to all matters which were brought to the attention of the committee, was disposed to think, and a majority of the committee do think, that the judge herself may quite easily correct the basis or grounds upon which these complaints were made, and the committee expresses the hope that Judge Harron, who is a competent, capable, and well informed tax attorney and judge of this court, will correct the practices which led to the making of the complaints.

As chairman of the committee, I can say that no partisanship was involved. There was no division along party lines. The subject was fully and thoroughly considered, and while certain doubts were resolved in favor of the judge, in each instance there was sharply conflicting testimony which justified the final decision made on this nomination by the committee. The majority of the committee recommend the nomination.

Mr. CONNALLY. Mr. Chairman, will the Senator yield?

Mr. GEORGE. I yield.

Mr. CONNALLY. Is it not true that the chief complaint before the committee with regard to Judge Harron was that she was arbitrary and irritable, and rather dictatorial, especially toward younger members of the bar, and hostile to some of them?

Mr. GEORGE. That is quite true. There was conflicting evidence on all those points.

Mr. CONNALLY. But the complaints were based upon those charges.

Mr. GEORGE. That is correct.

Mr. CONNALLY. That was what the Senator referred to when he said he hoped that she would correct those practices.

Mr. GEORGE. That she might easily correct them; and we hope that she will.

Mr. CONNALLY. It is certainly to be hoped that she will, because when a judge is holding a hearing alone, with no other judge, lawyers are somewhat at the mercy of the judge, especially young, timid lawyers, who cannot get their rights if the one on the bench is sawing them off, cutting them down, and humiliating them. There is some testimony to the effect that some of the younger members of the bar were humiliated by the actions of Judge Harron. I join in the hope that she will correct those practices in the future.

Mr. GEORGE. I believe that what the Senator from Texas says is true. However, the committee felt, after a fair and full consideration of this subject, that we should recommend the nomination.

I see that the Senator from Colorado [Mr. MILLIKIN] is present. He may wish to make a statement.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. MILLIKIN. I fully subscribe to the statement which has been made by the distinguished chairman of the Finance Committee and by the Senator from Texas. I think it is not only generally understood but it is a part of the judicial code of ethics that judges should refrain from excessive control of cases, should be courteous, should be patient especially with young counsel, and at all times considerate of all who are in attendance on the court. I voted to approve the nomination of Judge Harron, so I may say this: There are instances in the record of bad temper which it was difficult to excuse. On the question of judicial temperament some of us resolved many doubts in favor of Judge Harron.

I join in the hope of the Senator from Georgia that we may never again be confronted with complaints of the same kind.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Miss Marion J. Harron to be a judge of the Tax Court of the United States?

Mr. WHERRY. Mr. President, I want the RECORD to show that on the last call of the Executive Calendar I objected on behalf of another Senator. I have no personal objection to the nomination.

The PRESIDING OFFICER. As the Chair understands, the Senate is not objecting at this time.

Mr. WHERRY. That is correct.

The PRESIDING OFFICER. Without objection, the nomination is confirmed; and, without objection, the President will be immediately notified of all nominations confirmed this day.

REORGANIZATION PLAN NO. 1

The Senate resumed the consideration of legislative business.

Mr. CAIN obtained the floor.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. CAIN. I am pleased to yield for a question.

Mr. MURRAY. I should like to take about 2 or 3 minutes to make a statement.

Mr. CAIN. If it is permissible for me to yield without losing my right to the floor, I shall be delighted to do so.

The PRESIDING OFFICER. Without objection, the Chair recognizes the Senator from Montana with that understanding.

Mr. MURRAY. Mr. President, I ask unanimous consent to place in the RECORD at the conclusion of my remarks two newspaper columns dealing with the intensive lobbying campaign to which Senators are being subjected in an effort to defeat Reorganization Plan No. 1.

These two columns are on the same subject, but the conclusions expressed are vastly different. They should be of great concern to Members of this body. One column, that by Lowell Mellett, explains the pressure campaign to defeat the Truman-Hoover program for efficiency in Government. It is being stage managed by the public-relations firm of Whitaker & Baxter. Members of the Senate will recall that Whitaker & Baxter receive a fee of $100,000 a year for their efforts in aiding the officers of the American Medical Association to seize monopoly control of the health services paid for by all the people of these United States.

Mr. Mellett believes that Members of Congress are intelligent enough to see through the fakery behind the telegrams, telephone calls, and visits from State and local medical societies and from the hundreds of individual physicians who we know cannot be as conversant with the details of this program as their telegrams would indicate.

Mr. Mellett also indicates a belief that Members of the House and Senate will resent this trumped-up pressure as an insult to the dignity of the Congress. He believes that we are sincere enough as regards our obligation to the people of the United States to study the reorganization plan and to vote for it on its merits. I hope he is right.

But Mr. Kidney, author of the second column, thinks he has reason to believe that Members of the Senate might not act with the courage and integrity attributed to them by Mr. Mellett. He says that at least one Member of the Senate intends to vote against Reorganization Plan No. 1 because it might be too difficult for him to explain the real facts involved to the doctors in his State who have been misled and confused by the Whitaker-Baxter machine.

I cannot believe that a Member of this body would so far forget his duty as to vote against efficiency and economy in government merely because he had received a few hundred telegrams, all framed in Dearborn Street, Chicago. I do not believe that Members of this body will so vote.

It may well be true that it may be difficult to explain to certain men of medicine why one votes for Reorganization Plan No. 1. It is a possibility. But let me say to my unnamed colleague who was quoted by Mr. Kidney that it is a certainty that there are many, many groups of people in his State—groups much more numerous and much more representative of the public good and of public opinion—to whom he will find it absolutely impossible to explain a vote against Reorganization Plan No. 1. How will he explain such a vote to those who believe in efficiency and economy in government? How will he justify his vote to the members of the American Legion who are on record in favor of a Department of Welfare? How will he explain his vote to the Veterans of Foreign Wars, the Disabled American Veterans, and to all the other veterans' organizations which are justifiably fighting against this attempt by the American Medical Association to defeat the reorganization plan and to extend their control to include our veterans' hospitals and health programs? How can any Senator hope to explain to the American Public Welfare Association, to the American Public Health Association, to organized labor, and to our farmers' associations that he has voted against the Hoover-Truman plan to reorganize one of the great agencies of our Government in the interests of efficiency, economy, and better service to the people of this Nation?

I hope that Mr. Kidney has inadvertently misquoted my unnamed colleague. But in any case, I should like to say in summation that while it may be difficult to explain to his State medical society a vote for Reorganization Plan No. 1, it will be impossible to justify a vote against it to his people and to his conscience.

In conclusion, permit me to say that I share Mr. Mellett's confidence in the intelligence and integrity of the Members of this body. I know that despite the millions raised by the best-financed lobby in Washington, Whitaker & Baxter will not succeed in misleading the Senate of the United States as they have so many busy doctors; I know they will not succeed in defeating the proposals of the Hoover Commission as embodied in Reorganization Plan No. 1. The American Medical Association may buy the services of a couple of high-pressure publicity agents for a hundred thousand dollars a year, but it can neither buy nor intimidate the Senate of the United States. I am confident that on Tuesday next we shall vote to put Reorganization Plan No. 1 into effect. We shall vote to kill the resolution which would halt its inception. We shall vote to support the only two living men who have headed this great Government of ours, Presidents Truman and Hoover, in their wholly bipartisan program for governmental efficiency and economy.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Evening Star of August 6, 1949]

AMA CAMPAIGN GETTING RESULTS, INCLUDING SOME THAT ARE AMUSING

(By Lowell Mellett)

When a Senator from Louisiana gets a batch of telegrams telling him to vote against Reorganization Plan No. 1, against socialized medicine, and against making Oscar Ewing any bigger, he is disposed to be amused. For he notes that some of the signers are country doctors, practicing among the Cajuns up the bayous, and he wonders how they happen to know the reorganizing plan by its number and Oscar Ewing by his name.

When a Congressman from Indiana gets an imperative demand from his county medical society for a statement of his position on Reorganization Plan No. 1 by a certain date, followed by a personal letter from his family doctor telling him how to vote and then by a letter from his sister reporting pressure put upon herself to influence his vote, he is disposed to get mad. He had not given the subject much thought up to that time, being a freshman Member, but now he digs into it and decides he should support Plan No. 1.

So the great $3,500,000 campaign of the American Medical Association is working and getting results, including some results not intended.

IMMEDIATE TARGET

The immediate target of the campaign, engineered by the high-priced public-relations firm of Whitaker & Baxter, is the President's proposal to convert the Federal Security Agency into a Department of Welfare, making its head, Oscar Ewing, a member of his Cabinet. The proposal has the support of Herbert Hoover and his Commission on Government Reorganization. It had met with no serious opposition from any important quarter until hearings began 2 weeks ago in the Senate Committee on Expenditures in the Executive Departments. Then,

LAW LIBRARY FEDERAL WORKS AGENCY

in 1 day, 1,500 telegrams were received by the committee and hundreds more by individual members of the committee. For the most part the telegrams were remarkably similar in language. Whitaker & Baxter were obviously on the job, carrying out the campaign they had outlined at the Atlantic City meeting of the AMA, including pressure from the personal physicians of the Members of Congress.

The Senate's response to this costly campaign probably will be revealed within a few days, when it will vote to accept or reject the plan. To reject it will require a majority of the full membership. The House has not taken the matter up and probably will not at this late date. Refraining from action is equivalent to acceptance of the plan. Rejection by either branch of Congress, however, is sufficient to defeat it.

DOCTORS AND POLITICS

So Senators are pondering over the importance of doctors in politics. They obtained some enlightenment in November when the AMA went all out to defeat Senator MURRAY, of Montana, making his health-insurance bill—socialized medicine—the supreme issue in that State. Mr. MURRAY was reelected by the largest majority ever given a Montana Senator.

In that election there was revealed one of the tactics now becoming general. The active medical men allied themselves with other opposition groups, such as the real-estate and private-utility interests. Socialization was made the theme song for all. This sort of thing is still going on in anticipation of the 1950 election. The Oregon Medical Society recently distributed a speech by Representative GWINN, of New York, against public housing. In Washington, speakers against health insurance and public power have been holding joint meetings.

Whitaker & Baxter apparently have studied the career of Wayne B. Wheeler, who in his day terrorized Congress and State legislatures as the supreme lobbyist of the Anti-saloon League. Wheeler never hesitated to ally himself with any group that had votes to trade, even though some of his alliances must have shocked the single-minded prohibitionists he represented.

[From the Washington Daily News]

HEAT ON OSCAR EWING

(By Daniel M. Kidney)

Federal Security Administrator Oscar R. Ewing's ardent support of President Truman's Fair Deal program may cost him a Cabinet post, it appeared today.

Doctors are denouncing his strong support of the administration's compulsory health insurance plan and Dixiecrats take a dim view of his championship of civil rights with the stress he places on Negroes.

These two factors, combined with the antipathy of some Republicans for anything proposed by President Truman, may result in defeat of governmental Reorganization Plan No. 1. This plan would give the Federal Security Agency full department status and make Mr. Ewing a Cabinet officer.

Because he was a pioneer in predicting a Truman victory and did his best to bring it about, any suggestion that the President ditch Mr. Ewing to save the reorganization plan has met with small favor at the White House.

Deadline for defeating the reorganization plan is August 19. Unless it is disapproved by that time it would take effect automatically. A resolution to turn it down was introduced in the Senate by Senators J. WILLIAM FULBRIGHT, Democrat, of Arkansas; ROBERT A. TAFT, Republican, of Ohio; and LESTER C. HUNT, Democrat, of Wyoming.

Senators TAFT and FULBRIGHT joined in a measure setting up a health and welfare department with Cabinet status in the Eightieth Congress. They still consider theirs the better plan. Senator HUNT is a dentist who frequently denounces "socialized medicine."

The resolution to defeat Reorganization Plan No. 1 received a 7 to 4 favorable report from the Senate Committee on Expenditures in the Executive Departments. Since Chairman JOHN L. MCCLELLAN, Democrat, of Arkansas, voted with the majority, he may call it up at any time. Such a motion has priority, but a "constitutional majority" is necessary for its approval. That means it must muster 49 Senate votes. So it is unlikely to be brought to a roll call, except when a large number of Senators are on the floor.

Meanwhile Senator JOSEPH R. MCCARTHY, Republican, Wisconsin, has reintroduced the Taft-Fulbright bill of the last Congress.

Mr. Ewing calls the McCarthy bill an "administrative monstrosity." He says if he is given the power of Plan No. 1 he can save hundreds of thousands of tax dollars.

One Southern Senator, who declined to let his name be used, explained his support of the resolution to defeat Plan No. 1 this way:

"I am more interested in keeping the country doctors in my district from saying I am for socialized medicine than I am in the civil rights business. I realize that Jack Ewing is no Communist, as some of them write and tell me. I also understand the political wisdom of his fight for Negro rights. But I'll be darned if I'm going back home and explain all that. I'll just vote to kill the plan."

THE HOUSING EXPEDITER

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 2, line 17, to the Interior Department appropriation bill.

Mr. CAIN. Mr. President, the junior Senator from Washington wishes to discuss rather briefly, but with some force, a question of public morals. He will attempt to do this by reading three letters which he holds in his hand. Two of the letters have been written by Mr. Tighe E. Woods, Housing Expediter, and the third by the Senator from Washington.

Mr. President, the pending business, the Interior Department appropriation bill, is of vital importance. As a Senator from a western State, I know how important the bill is to the economic health and growth of the Nation. But far more important is the integrity of our Government. It is of this integrity that I wish to speak briefly, and it is why I dare to consume a few minutes of our precious time.

The first letter to which I have referred is written on the stationery of the Office of Housing Expediter, Washington, D. C., and is signed by Tighe E. Woods, Housing Expediter. The letter is addressed to me, and reads as follows:

OFFICE OF THE HOUSING EXPEDITER,
Washington, D. C., August 8, 1949.

Hon. HARRY P. CAIN,
Banking and Currency Committee,
United States Senate,
Washington, D. C.

DEAR SENATOR CAIN: I am attaching a copy of my letter to Congressman SPENCE, chairman of the House Banking and Currency Committee, outlining my views on the need for supplemental direct loans to veterans as contained in section 512 of H. R. 5631. The same provision is also contained in S. 2246.

These views are not theory but are the result of my practical experience in constructing low-cost housing.

Sincerely yours,

TIGHE E. WOODS,
Housing Expediter.

The second letter to which I have referred is important, and I hope most of my colleagues will read the letter in the RECORD tomorrow. This letter likewise is on the stationery of the Housing Expediter, and is signed by Tighe E. Woods, in his official capacity as Housing Expediter. The letter is written to the Honorable BRENT SPENCE, chairman, Banking and Currency Committee, House of Representatives. It reads as follows:

OFFICE OF THE HOUSING EXPEDITER,
Washington, D. C., August 5, 1949.

Hon. BRENT SPENCE,
Chairman, Banking and Currency Committee,
House of Representatives,
Washington, D. C.

DEAR MR. SPENCE: I have been following with a great deal of interest the hearings in the Senate and the House on bills S. 2246 and H. R. 5631 to amend the National Housing Act as amended. I am particularly interested in section 512 of H. R. 5631 entitled "Supplemental Direct Loans to Veterans."

As you know, I have been experimenting with my own funds in the construction of low-cost housing for veterans. The corporation which is actually going ahead with the construction, sale, and financing of these homes made application through a broker specializing in the financing of housing projects to both the Federal Housing Administration and the Veterans' Administration for mortgage insurance. The terms for insurance offered by the Federal Housing Administration were not acceptable to me because they would have necessitated structural changes in the house which would have raised the price above the original offering price of $6,750 including lot, and consequently the veteran would have had to make larger monthly payments on his principal at a higher rate of interest. Besides that I felt the house had been designed by a good architect who was a member of the American Institute of Architects and the soundness of the house would stand up under the most severe professional scrutiny.

The Veterans' Administration showed evidence of the most complete cooperation and agreed with me that the primary objective, if we were to solve the housing problem, was to keep the price of the house down and thereby keep the payments to the veteran low. Through the cooperation of the Veterans' Administration I was able to lower the price to $6,450 with no down payment except closing charges, and monthly payments of $40 per month for interest and principal. While I believe you will agree that this is a splendid deal for the veteran purchaser, it has been most difficult to obtain financing under these terms.

The corporation building the houses has obtained the necessary financing but in order to do so they must pay the financial institution 3 percent for each loan of $6,450 as a commission, and this institution insists on the exclusive sales right for any houses they finance at another 3 percent. That is a total of $387 per house which must be absorbed by the builder. I don't blame the financial institution. As a matter of fact, the corporation building these houses couldn't go ahead without their help. But I believe that—

And these lines in quotation marks are by Mr. Tighe Woods, the Housing Expediter—

"the scarcity of money for straight Veterans' Administration insured loans is the chief obstacle to the building of low-cost houses around Washington and throughout the country." Most small builders operating on small margins of profit could not stand to absorb this 6 percent in order to get their projects financed.

It is my firm belief that section 512 of H. R. 5631, Supplemental Direct Loans to Veterans, will cure this situation as this section of the bill provides that where a veteran is unable to obtain a loan from private lending sources he may borrow directly from his Government through the Veterans' Administration at the rate of 4 percent per annum. It is my firm opinion that the Government will not be called upon to make a large number of direct loans under this provision because as soon as private lending institutions see this source of revenue going out of their hands they will hasten to make terms with the veteran as attractive as he can get from the Federal Government.

I, therefore, respectfully ask the House Banking and Currency Committee to give favorable consideration to this provision in H. R. 5631 because from the letters I have received from all over the country since my low-cost house was announced, there are plenty of builders willing and able to build and sell houses in the $5,000 to $6,000 class if they can count on this type of financial assistance without paying a high premium for the money.

Sincerely,

TIGHE E. WOODS,
Housing Expediter.

Mr. WHERRY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HUNT in the chair). Does the Senator from Washington yield to the Senator from Nebraska?

Mr. CAIN. Certainly; I am very pleased to yield.

Mr. WHERRY. I was called off the floor for a moment. I am most interested in the last statement the Senator has read from the letter, particularly the words "my low-cost house." Is the Expediter speaking there of a type of house which some agency is helping to build? Will the Senator make that clear?

Mr. CAIN. Mr. President, in reference to the matter now before us, let me say to the Senator from Nebraska that Mr. Tighe E. Woods, the Housing Expediter, is an interesting person, because he not only is this Nation's Housing Expediter, but he is—and it is for this reason that I have written the third letter which I shall read—a producer of housing, separate and apart from his official capacity as a high public officeholder in this country.

But in the letter to the reading of which the Senator from Nebraska has just listened, Mr. Woods, the Housing Expediter, writes in his official capacity about a problem which is his personal concern and affair.

Mr. WHERRY. Mr. President, will the Senator yield further?

Mr. CAIN. Certainly.

Mr. WHERRY. I did not hear the reading of the three letters. Does the Senator from Washington mean to state that the Housing Expediter is also a promoter who is building homes, on his own account for sale, while he also is the Housing Expediter?

Mr. CAIN. I am grateful for the question the Senator has asked. I shall attempt to answer it fully and conclusively. I am grateful to the Senator from Nebraska for raising this question, because, as I have said, my one and only excuse for presuming to take some of the time of the Senate this afternoon is that the integrity of this Government, which includes the integrity of all its officeholders, is even much more important than is the pending Interior Department appropriation bill which has the purpose, among other things, of building and developing the West.

Mr. WHERRY. Agreed.

Mr. CAIN. As a result of the letter which Mr. Woods, the Housing Expediter, addressed under date of August 5 to the Honorable BRENT SPENCE, of the House of Representatives—which is the letter I have just read for the information and interest of the Senate—I sat down, last night, and wrote the following answer to acknowledge receiving the two letters, including the Brent Spence letter which I had received the day before from Mr. Woods, the Housing Expediter. I know it is unusual for any Senator to assume that any letter he writes is of broad interest to every Member of the Senate; but I have taken that risk and that chance, for, although perhaps I have not said it very well, I am convinced that the substance of my letter to Mr. Woods today will arouse not only the present but the continuing interest of the Senate and of all thoughtful people everywhere.

This letter was written on August 11, 1949, addressed to Mr. Tighe E. Woods, Housing Expediter, Washington, D. C.:

AUGUST 11, 1949.

Mr. TIGHE WOODS,
Housing Expediter, Washington, D. C.

MY DEAR MR. WOODS: I have for acknowledgment and comment your letter of August 8th to which you attached a copy of a letter which you wrote to Representative BRENT SPENCE, Chairman, Banking and Currency Committee, House of Representatives, on August 5.

I have read your letter to Mr. SPENCE not once but a dozen times and have found it so amazingly unusual and provocative that I feel impelled to discuss its substance with my colleagues in the Senate and to have it printed in the CONGRESSIONAL RECORD where it may be considered by interested persons all over the land.

To begin with, I am not yet certain concerning the capacity in which you wrote to Representative SPENCE and to me. Were you writing as the Housing Expediter or as a promoter of low cost housing? If you wrote as the Housing Expediter, are we in the Congress to understand that your office of the Housing Expediter has entered the field of home construction? If you wrote as a producer of houses and not as the Housing Expediter, what are we to understand from the letter which was written on the stationery of the Office of the Housing Expediter and over your signature as the Housing Expediter? If I am curious, as a Senator, about the different kinds of hats which you seemingly appear to be wearing at one and the same time how difficult do you think it will be for the average American to understand the two roles which you have assumed on the national scene? I take it to be a fact that we must find out who you really are before anybody in the Congress can determine what ought to be done with you and your letter to Representative SPENCE.

One distressing conclusion appears to be undeniable. In my opinion, you have, either by accident, which I trust is so, or by design, used the influence and prestige of your high office in an effort to make money as a private citizen. What you have done, when it becomes apparent to others, will cause citizens generally to question and to lose faith in the integrity and character of their Government.

As you know so well, Mr. Woods, I have been among those who have attempted to retire you to private life in recent years. Some of us have thought for some time that the Office of the Housing Expediter has outlived its usefulness. Your letter to Representative SPENCE rather confirms this view. The letter has indicated that much of your time is being devoted to housing operations which you have absolutely no connection with your official duties. I am inclined to believe that if you find it convenient to write about your private business on official time and stationery that you ought to be provided with an opportunity to spend all of your time as you like, but as a private citizen. What do you think about this suggestion, which seems to me to be a good and practical one?

Mr. WHERRY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Nebraska?

Mr. CAIN. I may say the letter has just been written. If the Senator will permit me to continue the reading of it without interruption, I think he will find it speaks for itself. At the conclusion of the reading of the letter, should the Senator care to ask any questions, or make any observations, I shall be both grateful and interested.

Continuing, my letter to Mr. Woods reads further, as follows:

I want to think that you just didn't think when you wrote to Representative SPENCE over your official signature as the Nation's Housing Expediter. I have no desire to see you charged with a direct violation of prevailing law, but you have been guilty of breaking the law, if you intentionally wrote to Representative SPENCE as the Housing Expediter. Has it ever been called to your attention that a member of the executive branch is prohibited from endeavoring to influence Members of the Congress? I find it difficult to believe that as a responsible and leading executive official that you are totally unfamiliar with Public Law 772, which was passed in the second session of the Eightieth Congress. At the risk of being tiresome, I think I ought to provide you with some food for thought by quoting the law as it apparently applies to your conduct in writing to Representative SPENCE and me. The following two paragraphs ought to arouse your concern and interest:

"No part of the money appropriated by any enactment of Congress shall, in the absence of express authorization by Congress, be used directly or indirectly to pay for any personal service, advertisement, telegram, telephone, letter, printed or written matter, or other device, intended or designed to influence in any manner a Member of Congress, to favor or oppose, by vote or otherwise, any legislation or appropriation by Congress, whether before or after the introduction of any bill or resolution proposing such legislation or appropriation; but this shall not prevent officers or employees of the United States or of its departments or agencies from communicating to Members of Congress on the request of any Member or to Congress, through the proper official channels, requests for legislation or appropriations which they deem necessary for the efficient conduct of the public business.

"Whoever, being an officer or employee of the United States or of any department or agency thereof, violates or attempts to violate this section, shall be fined not more than $500 or imprisoned no more than 1 year, or both; and after notice and hearing by the

superior officer vested with the power of removing him, shall be removed from office or employment."

That, as concerns the law. To get back to the closing paragraphs of my letter to Mr. Woods, the Housing Expediter:

Are you beginning to understand why any reasonable Member of the Congress is certain to wonder about your conduct and to inquire about the dual role you have assumed. For my part, I hope you will drop one role or the other or that the very least you will do is to completely separate your activities in order that reasonable people won't question your motives.

In the second paragraph of your letter to Mr. SPENCE you state that "the terms for insurance offered by the FHA were not acceptable to me * * *." May I ask what you actually mean by this? I have bothered to determine from the Federal Housing Administration that you have made no application to them, although in your letter to Mr. SPENCE you said you did. I am told that Mr. R. J. Barr, presumably an associate of yours, submitted your plans and specifications to a District FHA office and requested an informal opinion as to the eligibility of your houses. The underwriting division of the central office of the FHA is presently reviewing the comments which were made by the District office and no decision has yet been rendered. How can you say that an application has been submitted when this is seemingly not the case and how can you be dissatisfied with insurance terms which have not yet been offered?

I know of no Federal agency which has been better thought of through the years than the Federal Housing Administration. I have never heard that the FHA discouraged or restricted legitimate low cost housing. It has been my opinion that most producers have built above, rather than below, the minimum FHA standards and requirements. Is there reason for us to believe that your houses don't subscribe to reasonable standards? If your houses don't subscribe to these standards, do you think that direct Government loans ought to permit you to do things which reasonable requirements say should not be done for private American citizens?

I have never seen your houses but I am told that they represent a very low resale value. I have heard that your house does not lend itself to the needs of the average veteran couple who anticipate having children in the future. Someone has said your house is a beach house without a beach. I suppose that such matters are thoughtfully considered by the FHA when it seeks to establish reasonable standards. The Congress is entitled to know all there is to be known about your houses before it listens seriously to your complaint that the FHA restricts the building of needed low cost housing in America.

You represent in your official capacity the executive branch of our Government. The Federal Housing Administration is another part of the same executive branch. It makes no sense of any kind for the head of one executive office, who is a promoter of housing on the side, to criticize and question the standards of another executive office, through a lobbyist's letter to the Congress. Even though you may tell me you weren't writing in your official capacity, you obviously did so over your signature and this will cause consternation in the executive branch and cause others to vigorously question your judgment as I am doing now in this letter.

The National Association of Home Builders is an association devoted to improving home construction standards throughout the country. In their weekly newsletter which was published today, I find several interesting paragraphs about your houses. I do not know whether their references are accurate or not but I think they ought to be brought to the attention of anyone who is concerned. This newsletter relates:

"Brief reference was made last week to Expediter Woods ramblerette of two rooms, a bath, and pullman-mail kitchen, on a back road near Fort Belvoir, 25 miles from Washington, D. C. Most lenders will not lend on such a structure and it cannot qualify for FHA mortgage insurance. VA, however, is financing it on a sales price of $6,450 and the lending institution is adding 3 percent for the loan and 3 percent for selling the house.

"The Expediter's difficulties have brought America to the conclusions that 'scarcity of money for straight Veterans' Administration insured loans is the chief obstacle to the building of low cost houses around Washington and throughout the country.'

"The above is an extract from a lobbying letter the Expediter sent to Members of the House and Senate Banking Committees urging enactment of a provision of the Sparkman bill providing for direct Federal lending.

"Expediter Woods would learn a great deal more about housing finance and we are convinced would suggest entirely different remedies than direct Federal loans if he constructed conventional housing meeting FHA standards in the urban areas throughout the country. When he does that, he will qualify for membership in the National Association of Home Builders."

I think it is true that you have several hundred agents whom you charge with the responsibility for checking complaints which are filed with your office by veteran home purchasers. These agents are properly critical of bad construction. They try to make certain that a veteran gets what he pays for. Does it not therefore follow that you, either as the Housing Expediter or as a home builder, must be foremost among those who place houses on the market which meet every reasonable and high standard.

You concluded your letter to Representative SPENCE by saying that direct loans to veterans would permit you to construct your houses in large numbers. I think we should extend no Government direct loan to anybody who can have his legitimate housing requirements met by private financing agencies. If your house isn't everything it ought to be in every single respect no veteran should be encouraged to buy it, with or without a direct loan. I hope your house is completely adequate in every way and if it is it shouldn't be necessary to provide direct loans with which to purchase it. If your house isn't good enough to stand on its own merits in a private financing market it doesn't deserve to be sold. If it is good enough to stand on its own merits and if prevailing FHA standards are proven to be too severe, then I think the standards ought to be changed to satisfy your needs. May I ask if this doesn't make good sense to you?

I continue to be distressed because you wrote to me and to Mr. SPENCE over your signature as the Housing Expediter. Certainly you must know that Mr. Foley, the Housing and Home Finance Administrator, testified in opposition to direct loans for veterans as not being in accordance with the program of the President. How can you justify supporting a proposal which the administration opposes at this time? You can't very well do it so I won't ask you to try.

Though you may think otherwise, I have no personal desire to cause you injury or trouble. In this latter I am simply using you as an example of the confused and disordered thinking and conduct which is so much a part of our present-day Government. In your letter to Mr. SPENCE you violated the law and exceeded the authority of your office in every way I can think of. How you are going to escape from the trap you have created for yourself, I don't know. My only advice is for you to either be a builder or the Housing Expediter. You can't be both and the sooner you reach this decision yourself the better for all concerned.

That letter is signed "Very sincerely"—and so I meant it—by the junior Senator from Washington.

IMPROVED HEALTH CONDITIONS IN EUROPE

Mr. ELLENDER. Mr. President, a few days ago I had occasion to address the Senate, presenting observations made during my recent trip to Europe regarding the present outlook of the ECA action, and I mentioned that I had been in Rome as congressional adviser to the American delegation to the Second World Health Assembly. At the time I did not refer to the deliberations of that body. I feel, however, that certain facts brought out at the Assembly and some of the plans adopted by it should be of interest to the Senate because they have a bearing on the further economic development of countries in which we are interested.

The World Health Assembly, which meets once a year, is the supreme authority of the World Health Organization, one of the specialized agencies of the United Nations. Each year the member states send an official delegation to the Assembly. This year 60 countries were represented, including Israel and Korea as newly elected members. The Soviet Union was not represented this year.

Dr. Leonard Scheele, Surgeon General of the United States Public Health Service, was chairman of the delegation of the United States.

The first point of interest is the reports which many delegates brought of progress in public health made by their countries during the last few years. The chief delegate of Italy stated that in 1944 the general death rate of his country was 15.9 per 1,000 inhabitants as against 13.4 during the bese prewar year. In 1948 the general death rate of Italy was 10.5 per 1,000 inhabitants, and the infant mortality had gone down to a level previously unknown in Italy. The tuberculosis death rate had gone down from 208 per 100,000 inhabitants in 1945 to 61 in 1948, which was the lowest on record. Similarly, in 1945, malaria was responsible for a half million cases of illness. Now, less than 4 years later, it has been practically eradicated. The Island of Sardinia, which was the most highly infected part of Italy, had been completely cleared of the malaria-carrying Anopheles mosquitos. Transmission of this disease in Sardinia is therefore no longer possible. I may say that Sardinia is of the same size as Sicily. The island of Sicily has over 4,000,000 inhabitants; Sardinia has only 1,000,000. The backward state of Sardinia was mainly due to the prevalence of malaria which kept the economy of the island at a very low level. The island will now be able to nourish a much larger population, and since it has also coal and iron it will mean much to the economic recovery of Italy. The Italian delegation gratefully acknowledged the help received from abroad, mainly from the United States, through the various postwar international organizations created

for the purpose of foreign relief and rehabilitation.

The Austrian delegate reported that the death rate of his country had decreased from 25.6 per 1,000 in 1945 to 11.8 in 1948, which is a considerably lower rate than recorded in any prewar year. Tuberculosis deaths had decreased correspondingly, and in a single year, from 1947 to 1948, there was a reduction of 51 percent in the typhoid fever cases and 65 percent in the dysentery cases. He, too, stressed the importance of help received from abroad. It has evidently been well applied.

Greece has also benefited from American help in solving its very serious health problems, first through UNRRA and more lately through World Health Organization and the ECA mission, which includes an active health division staffed by the United States Public Health Service. Malaria cases have been reduced from about 2,000,000 a year to less than 50,000. It is estimated that as much as 60,000,000-man-work days a year have been saved by this operation. This would be equivalent to the adding of 200,000 workers without the addition of more mouths to feed. What this means to a small country fighting for a bare economic existence can hardly be overemphasized. It may mean the difference between failure and ultimate success.

We heard similar news from other European countries which had suffered severely from the war. In France the death rate was 20 percent lower in 1948 than during any prewar year. Throughout continental Europe the death rates are now the lowest ever recorded.

This improvement in health all over Europe brought about a great reduction in the loss of work days due to illness. Improved health means also greater efficiency during working hours. There can be no doubt, therefore, that the betterment of health, which has been so general in Europe during the last 2 years, has been a very important factor in raising the productivity—industrial as well as agricultural—of this entire area. This fact should not be overlooked when further economic aid is discussed.

The new methods of combating certain diseases are surprisingly inexpensive. We thus heard the delegate of Ceylon state that this populous tropical island had been thoroughly dusted with DDT, thereby reducing malaria to a minimum. The incidence of many other diseases fell at the same time with the result that in a single year the general death rate was reduced from 20.3 per 1,000 inhabitants to 14.3. The cost of this entire action was 20 American cents per capita. For this trifling sum a large part of the misery due to disease had been abolished and production had been greatly increased.

An outstanding element of the world picture as seen by the experts assembled at Rome was that, war-ravaged or not, subject to tropical climate or not, countries which have been able to employ these modern methods of sanitation had greatly improved their position. On the other hand, there are large areas in the world where death took the same high toll as in past centuries and where disease remained rampant and thus sapped the strength of the population for economic and cultural activities. The guiding thought of the World Health Assembly was that these underdeveloped areas should be helped with expert advice and thus be enabled to share the benefits of modern science successfully demonstrated elsewhere.

The program approved by the Assembly is mainly based on field demonstrations, technical training of medical and auxiliary personnel, and advice given by expert committees as well as by specialists on the pay roll of the Organization. The field of operation is all member states, but the work will be concentrated where most needed, that is in more or less undeveloped countries.

Demonstration areas will be selected so that they are reasonably typical of conditions prevailing in many parts of the region. It is intended to select areas where there is at least one major problem susceptible of eradication, such as malaria or cholera. Carried by the momentum of a spectacular success in the special field, general health services will be strengthened, thus assuring the permanent improvement of the area. A malaria team is expected to be able to take care of a rural population of about 150,000. In the second year of activity the imported personnel will be limited to the leader of the team. All the other personnel will be local having been trained in the meantime, and will be paid by the host government. Demonstrations will be started only on an assurance on the part of the government concerned that the work will be carried on. Since an immediate economic gain of 10 or more times the initial outlay can be anticipated from a campaign in a malarial area, it is not too much to expect that each country will promote the extension of such work to other areas. In other words, an initial attack under experienced leadership should set off a chain reaction which in the end will leave healthy populations capable of increased production and general economic progress.

Some of these projects, for instance, in Haiti and the Amazon area, are undertaken jointly with the Food and Agriculture Organization and United Nations Educational, Scientific, and Cultural Organization. A large-scale vaccination campaign against tuberculosis in children is a joint enterprise with the United Nations International Children's Emergency Fund. Numerous teams will demonstrate modern methods of venereal-disease control in many parts of the world and especially in international ports where the transmission of these diseases is a major problem. In central Africa along with malaria the African sleeping sickness will be singled out for attack.

Behind all these actions, many of which are already in full swing, stands a powerful international fellowship program providing for as many as 550 fellows in a year. Had the Second World Health Assembly done nothing else, its existence would have been justified by the new plan of technical training which it worked out. Individual fellowships will be limited to specialists, while the future health officers of countries where the need is greatest will be trained in groups at special courses. This training will be centered in areas where conditions are similar to those prevailing in their own countries. Fellows from Siam or Indonesia might thus be trained in the Philippines or in India in preference to a European or American university.

The list of undertakings of the World Health Organization is too long to bear enumeration here. I may mention as an example the international sanitary regulations now being worked out by an expert committee, the chairman of which is the Chief of the Division of Foreign Quarantine, United States Public Health Service. It is expected that these regulations next year will put an end to the existing confusion regarding vaccination requirements now causing so much inconvenience to all who travel abroad. Such regulation will avert the necessity for ratification by the Senate of sanitary conventions changed at frequent intervals to keep pace with scientific development.

These are big undertakings, a fine example of thinking and acting in global terms. How much will all this cost? The Second World Health Assembly passed a regular budget for 1950 of $7,000,000. Out of this sum $779,000 are for technical training of medical and auxiliary personnel and $903,000 are for regional offices which are scheduled to become of increasing importance. Such important subjects as malaria, tuberculosis, venereal disease, maternal and child health, and environmental sanitation are provided for at levels ranging from $174,000 to $340,000 each. That is not very much, and the hoped-for chain reaction may be delayed if the initial charge to set it off should prove too small.

The Assembly, recognizing the inadequacy of the budget in view of the job to be done, approved a supplemental program calling for up to $10,000,000 of which about $2,000,000 would be spent for technical training of medical and auxiliary personnel and the remainder chiefly on demonstrations in the field. It was the hope of the Assembly that some or all of this amount might be forthcoming as voluntary contributions from governments as part of an international effort to aid the economic development of underdeveloped areas.

Money put into international health work is an investment that pays high dividends. In low-wage tropical America the losses due to malaria have recently been evaluated at $3.78 per capita. In India the loss of wages plus expenses for medicine have been estimated at $2 per capita. This does not include the loss of working output nor the depression of agricultural production due to malaria. It is obvious that the 20 cents per capita spent by Ceylon for dusting the island has given rich returns.

Money spent for public health improvement of underdeveloped countries constitutes an excellent investment not only for the country concerned but also for others. Dr. P. F. Russel, one of our well-known malaria experts, has stated that any imports into the United States from malarious countries carry " a hidden malaria tax of about 5 percent" due

to increased cost of production under such conditions. This would mean that in 1938 malaria in foreign countries cost the United States $175,000,000. Today it is probably more. That is a huge sum in comparison with what we are now spending on health improvement outside our own country.

During the current year the United States will pay a little over 38 percent of the budget of the World Health Organization which reaches the ceiling figure of $1,920,000 at present authorized by the Congress. The Second World Health Assembly increased the budget from $5,000,000 to $7,000,000, but reduced at the same time the contribution of the United States to 36 percent. It was accepted that our contribution should be reduced to one-third in subsequent years, that present reduction being the first step.

I have been speaking of the reduction of preventable disease only in terms of economics and as an excellent investment. What of the anguish and suffering when, on the average, one member of every family in the more backward half of the world is ill at all times? What of the fear of death when, as in India, the expectation of life at birth is only 27 years? With us it is now approaching the three score and ten. Freedom from preventable disease can be bought and the price has been going down rapidly during the last few years. That freedom is necessary if people are to acquire and maintain the other four freedoms. I earnestly urge continuing and increasing support of this great work.

INTERIOR DEPARTMENT APPROPRIATIONS, 1950

The Senate resumed the consideration of the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes.

The PRESIDING OFFICER (Mr. CAIN in the chair). The question is on agreeing to the first committee amendment.

Mr. HAYDEN. Mr. President, there are a few amendments concerning which there is no controversy, and which can be acted upon now.

The PRESIDING OFFICER. The question is on the first committee amendment, on page 2, line 17.

The amendment was agreed to.

The next amendment was, on page 3, line 7, after the word "binding", to strike out "$325,000" and insert "$370,000."

The amendment was agreed to.

The next amendment was, on page 3, line 22, after the word "including", to strike out $107,000" and insert "$115,-00"; on page 4, line 1, after the word "aircraft", to strike out "$2,600,000" and insert "$2,800,000"; and in line 7, after the word "Interior," to insert a colon and the following additional proviso: *"Provided further,* That not to exceed $65,-000 of the unobligated balance of the appropriation for this purpose contained in the Interior Department Appropriation Act, 1949, is hereby continued available to June 30, 1950."

The amendment was agreed to.

The next amendment was, on page 5, after line 9, to strike out:

Salaries and expenses, southeastern power marketing: For expenses necessary to carry out the provisions of section 5 of the Flood Control Act of 1944 (16 U. S. C. 825s), as applied to the area east of the Mississippi River, for marketing power produced or to be produced at multiple-purpose projects of the Corps of Engineers, Department of the Army; purchase (not to exceed two) and hire of passenger motor vehicles; services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a); and printing and binding, $70,000.

RECESS TO MONDAY

Mr. HAYDEN. That amendment may cause some controversy.

I therefore move that the Senate stand in recess until 12 o'clock noon on Monday next.

Mr. WHERRY. Mr. President, will the Senator withhold his motion for a moment?

Mr. HAYDEN. Yes.

Mr. WHERRY. I have just returned to the Senate Chamber, and I ask what committee amendment is now pending.

The PRESIDING OFFICER. The committee amendment on page 5, line 10.

Mr. WHERRY. And have the previous committee amendments been agreed to?

Mr. HAYDEN. I will say to the Senator that the committee amendments up to that point have been agreed to.

Mr. WHERRY. I thank the Senator for expediting the consideration of the bill.

Mr. HAYDEN. I now renew my motion that the Senate take a recess.

The motion was agreed to; and (at 6 o'clock and 11 minutes p. m.) the Senate took a recess until Monday, August 15, 1949, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate August 12 (legislative day of June 2), 1949:

MUNITIONS BOARD

Carl A. Ilgenfritz, of Pennsylvania, to be Chairman of the Munitions Board.

CHIEF OF STAFF, UNITED STATES ARMY

Gen. Joseph Lawton Collins, United States Army, for appointment as Chief of Staff, United States Army.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 12 (legislative day of June 2), 1949:

DEPARTMENT OF LABOR

Philip M. Kaiser to be Assistant Secretary of Labor.

THE TAX COURT OF THE UNITED STATES

Miss Marion J. Harron to be judge of the Tax Court of the United States, for a term of 12 years from June 2, 1948.

HOUSE OF REPRESENTATIVES

FRIDAY, AUGUST 12, 1949

The House met at 12 o'clock noon.

The Acting Chaplain, the Reverend James P. Wesberry, pastor, Morningside Baptist Church, Atlanta, Ga., offered the following prayer:

O Thou who hast made of one blood all the nations that dwell upon the earth, deliver us, we entreat Thee, from intolerance, selfishness, and unkindness. Make us friendly with those with whom we do not always agree and who do not always agree with us. Give us magnanimity of soul that transcends all barriers of race, color, and creed. As we would that men should do unto us, may we likewise do unto them. Imbue us, Holy Father, Lord of heaven and of earth, with the spirit of Christ who taught us to love our enemies, to bless them that curse us, to do good to them that hate us, and to pray for them which despitefully use us and persecute us, that we may be the children of our Father which is in heaven, for Thou makest the sun to shine on the evil and on the good, and sendeth rain on the just and the unjust. In our blessed Saviour's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had adopted the following resolution (S. Res. 153):

Resolved, That the House of Representatives be, and it is hereby, requested to return to the Senate the bill (S. 51) to amend title 28, United States Code, section 962, so as to authorize reimbursement for official travel by privately owned automobiles by officers and employees of the courts of the United States and of the Administrative Office of the United States Courts at a rate not exceeding 7 cents per mile.

COMMITTEE ON BANKING AND CURRENCY

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may sit this afternoon during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

EXTENSION OF REMARKS

Mr. WILSON of Texas asked and was given permission to extend his remarks in the RECORD and include an editorial.

INDEPENDENT OFFICES APPROPRIATION ACT, 1950—CONFERENCE REPORT

Mr. THOMAS of Texas. Mr. Speaker, I ask unanimous consent that the House conferees on the bill (H. R. 4177) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1950, and for other purposes, may have until midnight tonight to file a conference report and statement.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

EXTENSION OF REMARKS

Mr. ELLIOTT asked and was given permission to extend his remarks in the RECORD in three instances and include extraneous matter.

Mr. CAVALCANTE asked and was given permission to extend his remarks in the RECORD.

Mr. MITCHELL asked and was given permission to extend his remarks in the

RECORD in two instances and include extraneous matter.

Mr. WILLIAMS asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mrs. BOSONE asked and was given permission to extend her remarks in the RECORD and include a speech on the mining industry by J. C. Jensen.

Mr. FLOOD asked and was given permission to extend his remarks in the RECORD in three instances.

Mr. O'HARA of Illinois asked and was given permission to extend his remarks in the RECORD.

Mr. ANGELL asked and was given permission to extend his remarks in the RECORD and include a news item from London, England, on mental hospitals.

Mr. VELDE asked and was given permission to extend his remarks in the RECORD and include an editorial from the Peoria Star of August 9, 1949, with reference to the recent statement of the State Department on China.

Mr. LEFEVRE asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. SMITH of Kansas asked and was given permission to extend his remarks in the RECORD in two instances; in one to include an editorial and in the other a letter.

BRITISH-AMERICAN SWAGGER STICKS

Mr. GROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. Mr. Speaker, it has been most interesting to learn in the last few days that staff officers of the United States Army are to be equipped with that great British weapon of war, the swagger stick.

We are told that these swagger sticks are now receiving their finishing touches in the Fort Belvoir paint shop; that each of these sticks, three-eighths inch in diameter and 24 inches in length, requires 10 hours of labor in the paint shop alone.

Who is paying for this labor? You can be sure it is the taxpayers and not the Army officers.

A swagger stick as part of the equipment of an American Army officer is about as necessary as feathers on a bullfrog, and since when did it become necessary that our military men ape the snobbery of the British officer caste system of which this device is a symbol?

I suggest that Secretary of Defense Johnson lose no time in borrowing one of those 5-percent refrigeration units and put this entire nauseating swagger stick business in deep freeze. He might also give consideration to putting Major General Weart, the author of this latest boondoggling, in with the sticks.

SPECIAL ORDER GRANTED

Mr. HAND. Mr. Speaker, I ask unanimous consent that on Wednesday next, after the disposition of business on the Speaker's desk and the conclusion of special orders heretofore granted, I may address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

EXTENSION OF REMARKS

Mr. FARRINGTON asked and was given permission to extend his remarks in the RECORD and include a letter from the New York Times.

LEGISLATIVE PROGRAM

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Speaker, I have asked for this time in order to inquire of the majority leader as to the program for today and next week also, if he can announce it at this time.

Mr. McCORMACK. Mr. Speaker, the first order of business today will be the conference report on the bill, S. 1962, relating to cotton-acreage allotments and marketing quotas. Whether or not the independent offices appropriation bill will be ready to report, I am not able to state.

The SPEAKER. The chairman of the subcommittee just asked permission to have until midnight to file the report.

Mr. McCORMACK. That answers that.

The next order of business will be the lobby investigation. Then, there is House Joint Resolution 312, relating to the Haiti Bicentennial, which will follow.

Then the bill relieving the President of certain work, to the extent that we can.

That will be the order of business, to the extent we can go. It is my intention, unless something unexpected arises, of which we are not advised, to adjourn over from today until Monday.

Mr. HALLECK. Can the gentleman inform us as to the program for next week?

Mr. McCORMACK. Yes. On Monday the Consent Calendar will be called. There will be the following suspensions:

H. R. 799, the Weber Basin reclamation project.

S. 855, the Alaska Public Works Act.

House Joint Resolution 87, payments of Finland.

H. R. 2734, monopolies and unlawful restraints.

There is one bill relating to agricultural workers from foreign countries, H. R. 5557. A rule has been reported out on that.

Of course, conference reports will be in order at any time, and, if a rule is reported out on it, the Korea aid bill will be brought up. Then, if the bill is reported from the Committee on Foreign Affairs with reference to military assistance, and a rule is granted, of course that will be brought up.

I am unable to make any statement beyond that. It is all uncertain. It all depends more or less on what arises from time to time.

I am perfectly frank to say that everything was done by the leadership on both sides to get the military-assistance bill out of the committee. I was hopeful that if that had been accomplished, we would be in a position to take action that would be pleasing to the House, and I think the House would be anxious to take that action.

However, that is the situation. Those bills did not come out. As soon as possible, the leadership will bring them up.

I would like to announce further that the fourth deficiency appropriation bill will come up next week. The chairman of the committee informed me that it will be ready on Tuesday.

The SPEAKER. The time of the gentleman from Indiana [Mr. HALLECK] has expired.

TRANSPORTATION OF PASSENGERS AND MERCHANDISE ON CANADIAN VESSELS IN ALASKA

Mr. THOMPSON. Mr. Speaker, at the request of the gentleman from Alabama [Mr. BOYKIN], chairman of the subcommittee, I ask unanimous consent to take from the Speaker's table the bill (H. R. 2634) to provide transportation of passengers and merchandise on Canadian vessels between Skagway, Alaska, and other points in Alaska, between Haines, Alaska, and other points in Alaska, and between Hyder, Alaska, and other points in Alaska or the continental United States, either directly or via a foreign port, or for any part of the transportation, with Senate amendments, and agree to the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, lines 7 and 8, strike out "and merchandise."

Page 2, line 5, after "transportation", insert ": *Provided*, That such Canadian vessels may transport merchandise between Hyder, Alaska, and other ports and points herein enumerated."

Amend the title so as to read: "An act to provide transportation on Canadian vessels between Skagway, Alaska, and other points in Alaska, between Haines, Alaska, and other points in Alaska, and between Hyder, Alaska, and other points in Alaska or the continental United States, either directly or via a foreign port, or for any part of the transportation."

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. SABATH. Mr. Speaker, reserving the right to object, I would like to be informed as to what these amendments are and what this is all about.

Mr. BARTLETT. Mr. Speaker, the bill as it passed the House recently provided that Canadian steamships could carry passengers and merchandise to three ports in Alaska.

One of those ports is served only by a small American mail boat and otherwise can be served only by Canadian shipping.

With reference to the other two ports the American service has been quite infrequent. The Senate amendment provided that passengers and merchandise could be carried to the one port where there is altogether inadequate American service, Hyder; but with reference to Haines and Skagway in southeastern Alaska the Senate amendment provided

that the ships could carry only passengers. In other words, the effect of the Senate amendment was to strike the word "merchandise" from carriage on the part of Canadian ships to Haines and Skagway.

Mr. SABATH. As a matter of fact, the American companies were objecting to giving the Canadian companies the right to operate in Alaska.

Mr. BARTLETT. I may say that the American shipping company does not object to the form of the bill as it is now before the House; it is perfectly agreeable to having the Canadian shipping companies carry passengers to Haines and Skagway, and passengers and merchandise to Hyder.

Mr. SABATH. That is to one point.

Mr. BARTLETT. That is to one point for passengers, and merchandise and passengers to the other two.

Mr. SABATH. And the American companies have agreed to that?

Mr. BARTLETT. The American company has agreed to that.

Mr. RANKIN. Mr. Speaker, reserving the right to object, Haines and Skagway are both on the Lynn Canal, are they not?

Mr. BARTLETT. The gentleman is correct.

Mr. RANKIN. How far apart are they, approximately?

Mr. BARTLETT. Sixteen miles.

Mr. RANKIN. And the only possible way for American transportation to reach either Haines or Skagway is by boat, is it not?

Mr. BARTLETT. For all practical purposes; yes. Passengers and merchandise could, of course, be shipped over the Alaska Highway to Whitehorse, and thence by railroad to Skagway, but that would be very involved and difficult.

Mr. RANKIN. In order to get American goods into either Haines or Skagway at reasonable rates they have to come by boat?

Mr. BARTLETT. For all practical purposes; yes.

Mr. RANKIN. That is what I mean, for all practical purposes.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Alaska?

There was no objection.

The Senate amendment was agreed to.

COMMITTEE ON FOREIGN AFFAIRS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs may have until midnight Saturday to file a report.

Mr. MARCANTONIO. Mr. Speaker, reserving the right to object, is that on the arms program bill?

Mr. McCORMACK. That is what the understanding is.

Mr. MARCANTONIO. To that I object. The gentleman knows my views about that bill. I will have to object.

COMMITTEE ON RULES

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight Saturday to file reports.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

Mr. RANKIN asked and was given permission to extend his remarks in the RECORD and to include a bill which he introduced yesterday to restore the 16,000 veterans' hospital beds that were eliminated some time ago.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the Appendix of the RECORD in two separate instances and in each to include extraneous matter.

COTTON AND WHEAT MARKETING QUOTAS

Mr. PACE. Mr. Speaker, I call up the conference report on the bill (S. 1962) to amend the cotton and wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and ask unanimous consent that the Statement of the Managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read the statement of the managers on the part of the House.

The conference report and statement follow:

CONFERENCE REPORT (H. REPT. No. 1259)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1962) to amend the cotton and wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following: "That sections 342 to 350, inclusive, of the Agricultural Adjustment Act of 1938, as amended, are amended to read as follows:

"'NATIONAL MARKETING QUOTA

"'SEC. 342. Whenever during any calendar year the Secretary determines that the total supply of cotton for the marketing year beginning in such calendar year will exceed the normal supply for such marketing year, the Secretary shall proclaim such fact and a national marketing quota shall be in effect for the crop of cotton produced in the next calendar year. The Secretary shall also determine and specify in such proclamation the amount of the national marketing quota in terms of the number of bales of cotton (standard bales of five hundred pounds gross weight) adequate, together with (1) the estimated carry-over at the beginning of the marketing year which begins in the next calendar year and (2) the estimated imports during such marketing year, to make available a normal supply of cotton. The national marketing quota for any year shall be not less than ten million bales or one million bales less than the estimated domestic consumption plus exports of cotton for the marketing year ending in the calendar year in which such quota is proclaimed, whichever is smaller: *Provided*, That the national marketing quota for 1950 shall be not less than the number of bales required to provide a national acreage allotment of twenty-one million acres. Such proclamation shall be made not later than October 15 of the calendar year in which such determination is made.

"'REFERENDUM

"'SEC. 343. Not later than December 15 following the issuance of the marketing quota proclamation provided for in section 342, the Secretary shall conduct a referendum, by secret ballot, of farmers engaged in the production of cotton in the calendar year in which the referendum is held, to determine whether such farmers are in favor of or opposed to the quota so proclaimed: *Provided*, That if marketing quotas are proclaimed for the 1950 crop, farmers eligible to vote in the referendum held with respect to such crop shall be those farmers who were engaged in the production of cotton in the calendar year of 1948. If more than one-third of the farmers voting in the referendum oppose the national marketing quota, such quota shall become ineffective upon proclamation of the results of the referendum. The Secretary shall proclaim the results of any referendum held hereunder within thirty days after the date of such referendum.

"'ACREAGE ALLOTMENTS

"'SEC. 344. (a) Whenever a national marketing quota is proclaimed under section 342, the Secretary shall determine and proclaim a national acreage allotment for the crop of cotton to be produced in the next calendar year. The national acreage allotment for cotton shall be that acreage, based upon the national average yield per acre of cotton for the five years immediately preceding the calendar year in which the national marketing quota is proclaimed, required to make available from such crop an amount of cotton equal to the national marketing quota.

"'(b) The national acreage allotment for cotton for 1953 and subsequent years shall be apportioned to the States on the basis of the acreage planted to cotton (including the acreage regarded as having been planted to cotton under the provisions of Public Law 12, Seventy-ninth Congress) during the five calendar years immediately preceding the calendar year in which the national marketing quota is proclaimed, with adjustments for abnormal weather conditions during such period.

"'(c) The national acreage allotments for cotton for the years 1950 and 1951 shall be apportioned to the States on the basis of a national acreage allotment base of twenty-two million five hundred thousand acres, computed and adjusted as follows:

"'(1) The average of the planted acreages (including acreage regarded as planted under the provisions of Public Law 12, Seventy-ninth Congress) in the States for the years 1945, 1946, 1947, and 1948 shall constitute the national base; except that in the case of any State having a 1948 planted cotton acreage of over one million acres and less than 50 per centum of the 1943 allotment, the average of the acreage planted (or regarded as planted under Public Law 12, Seventy-ninth Congress) for the years 1944, 1945, 1946, 1947, and 1948 shall constitute the base for such State and shall be included in computing the national base; to this is to be added (A) the estimated additional acreage for each State required for small-farm allotments under subsection (f) (1) of this section; (B) the acreage required as a result of the State adjustment provisions of paragraph (2) of this subsection; (C) the additional acreage required to determine a total national allotment base of twenty-two million five hundred thousand acres, which additional acreage shall be distributed on a proportionate basis among States receiving no adjustment under paragraph (2) of this subsection.

"'(2) Notwithstanding the provisions of paragraph (1) of this subsection, the acreage allotment base for 1950 and 1951 for any State (on the basis of a national acreage allotment base of twenty-two million five hundred thousand acres) shall not be less than the larger of (1) 95 per centum of the average acreage actually planted to cotton in the State during the years 1947 and 1948, or (2) 85 per centum of the acreage planted to cotton in the State in 1948.

"'(3) If the national acreage allotment for 1950 or 1951 is more or less than twenty-two million five hundred thousand acres, horizontal adjustments shall be made percentagewise by States so as to reflect the ratio of the national acreage allotment for 1950 and 1951 to twenty-two million five hundred thousand acres.

"'(d) The national acreage allotment for cotton for 1952 shall be apportioned to States on the basis of the acreage planted to cotton (including the acreage regarded as having been planted to cotton under the provisions of Public Law 12, Seventy-ninth Congress) during the years 1946, 1947, 1948, and 1950, with adjustments for abnormal weather conditions during such period.

"'(e) The State acreage allotment for cotton shall be apportioned to counties on the same basis as to years and conditions as is applicable to the State under subsections (b), (c), and (d) of this section: *Provided*, That the State committee may reserve not to exceed 10 per centum of its State acreage allotment (15 per centum if the State's 1948 planted acreage was in excess of one million acres and less than half its 1943 allotment) which shall be used to make adjustments in county allotments for trends in acreage, for counties adversely affected by abnormal conditions affecting plantings, or for small or new farms.

"'(f) The county acreage allotment, less not to exceed the percentage provided for in paragraph 3 of this subsection, shall be apportioned to farms on which cotton has been planted (or regarded as having been planted under the provisions of Public Law 12, Seventy-ninth Congress) in any one of the three years immediately preceding the year for which such allotment is determined on the following basis:

"'(1) There shall be allotted the smaller of the following: (A) five acres; or (B) the highest number of acres planted (or regarded as planted under Public Law 12, Seventy-ninth Congress) to cotton in any year of such three-year period.

"'(2) The remainder shall be allotted to farms other than farms to which an allotment has been made under paragraph (1) (B) so that the allotment to each farm under this paragraph together with the amount of the allotment to such farm under paragraph (1) (A) shall be a prescribed percentage (which percentage shall be the same for all such farms in the county or administrative area) of the acreage, during the preceding year, on the farm which is tilled annually or in regular rotation, excluding from such acreages the acres devoted to the production of sugarcane for sugar; sugar beets for sugar; wheat, tobacco, or rice for market; peanuts picked and threshed; wheat or rice for feeding to livestock for market; or lands determined to be devoted primarily to orchards or vineyards, and nonirrigated lands in irrigated areas: *Provided, however*, That if a farm would be allotted under this paragraph an acreage together with the amount of the allotment to such farm under paragraph (1) (A) in excess of the largest acreage planted (and regarded as planted under Public Law 12, Seventy-ninth Congress) to cotton during any of the preceding three years, the acreage allotment for such farm shall not exceed such largest acreage so planted (and regarded as planted under Public Law 12, Seventy-ninth Congress) in any such year.

"'(3) The county committee may reserve not in excess of 10 per centum of the county allotment (15 per centum if the State's 1948 planted cotton acreage was in excess of one million acres and less than half its 1943 allotment) which, in addition to the acreage made available under the proviso in subsection (e), shall be used for (A) establishing allotments for farms on which cotton was not planted (or regarded as planted under Public Law 12, Seventy-ninth Congress) during any of the three calendar years immediately preceding the year for which the allotment is made, on the basis of land, labor, and equipment available for the production of cotton, crop-rotation practices, and the soil and other physical facilities affecting the production of cotton; and (B) making adjustments of the farm acreage allotments established under paragraphs (1) and (2) of this subsection so as to establish allotments which are fair and reasonable in relation to the factors set forth in this paragraph and abnormal conditions of production on such farms: *Provided*, That not less than 30 per centum of the acreage reserved under this subsection shall, to the extent required, be allotted, upon such basis as the Secretary deems fair and reasonable to farms (other than farms to which an allotment has been made under subsection (f) (1) (B)), if any, to which an allotment of not exceeding fifteen acres may be made under other provisions of this subsection.

"'(g) Notwithstanding the foregoing provisions of this section—

"'(1) State, county, and farm acreage allotments and yields for cotton shall be established in conformity with Public Law 28, Eighty-first Congress.

"'(2) In apportioning the county allotment among the farms within the county, the Secretary, through the local committees, shall take into consideration different conditions within separate administrative areas within a county if any exist, including types, kinds, and productivity of the soil so as to prevent discrimination among the administrative areas of the county.

"'(3) For any farm on which the acreage planted to cotton in any year is less than the farm acreage allotment for such year by not more than the larger of 10 per centum of the allotment or one acre, an acreage equal to the farm acreage allotment shall be deemed to be the acreage planted to cotton on such farm, and the additional acreage added to the cotton acreage history for the farm shall be added to the cotton acreage history for the county and State.

"'(h) Notwithstanding any other provision of this section, the county committee, upon application by the owner or operator of the farm, (1) may establish an allotment for any cotton farm acquired in 1940 or thereafter for nonfarming purposes by the United States or any State or agency thereof which has been returned to agricultural production but which is not eligible for an allotment under paragraph (1) or (2) of subsection (f) of this section, and (2) shall establish an allotment for any farm within the State owned or operated by the person from whom a cotton farm was acquired in such State in 1940 or thereafter for a governmental or other public purpose: *Provided*, That no allotment shall be established for any such farm unless application therefor is filed within three years after acquisition of such farm by the applicant or within three years after the enactment of this Act, whichever period is longer: *And provided further*, That no person shall be entitled to receive an allotment under both (1) and (2) of this subsection. The allotment so made for any such farm shall compare with the allotments established for other farms in the same area which are similar, taking into consideration the acreage allotment, if any, of the farm so acquired, the land, labor, and equipment available for the production of cotton, crop rotation practices, and the soil and other physical facilities affecting the production of cotton. Except to the extent that the production on any such farm has contributed to the county and State allotments, any allotment established pursuant to this subsection shall be in addition to the acreage allotments otherwise established for the county and State under this Act, and the production from the additional acreage so allotted shall be in addition to the national marketing quota.

"'(i) Notwithstanding any other provision of this Act, any acreage planted to cotton in excess of the farm acreage allotment shall not be taken into account in establishing State, county, and farm acreage allotments.

"'(j) Notwithstanding any other provision of this Act, State and county committees shall make available for inspection by owners or operators of farms receiving cotton acreage allotments all records pertaining to cotton acreage allotments and marketing quotes.

"'(k) Notwithstanding any other provision of this section except subsection (g) (1), there shall be allotted to each State for which an allotment is made under this section not less than the smaller of (A) four thousand acres or (B) the highest acreage planted to cotton in any one of the three calendar years immediately preceding the year for which the allotment is made.

"'(l) Notwithstanding any other provision of law, the Secretary, in administering the provisions of Public Law 12, Seventy-ninth Congress, as it relates to war crops, shall carry out the provisions of such Act in the following manner:

"'(i) A survey shall be conducted of every farm which had a 1942 cotton acreage allotment, and of such other farms as the Secretary considers necessary in the administration of Public Law 12. This survey shall obtain for each farm the most accurate information possible on (a) the total acreage in cultivation, and (b) the acreage of individual crops planted on each farm in the years 1941, 1945, 1946, and 1947.

"'(ii) An eligible farm for war-crop credit shall be a farm on which (a) the cotton acreage on the farm in 1945, 1946, or 1947, was reduced below the cotton acreage planted on the farm in 1941; (b) the war-crop acreage on the farm in 1945, 1946, or 1947, was increased above the war-crop acreage on the farm in 1941; and (c) the farm had a cotton acreage allotment in 1942.

"'(iii) A farm shall be regarded as having planted cotton (in addition to the actual acreage planted to cotton) to the extent of the lesser of (a) the reduction in cotton acreage for each of the years 1945, 1946, and 1947, below the acreage planted to cotton in 1941, or (b) the increase in war crops for each of the years 1945, 1946, and 1947, above that planted to such war crops in 1941. However, the county committee may be given the discretion to adjust such war-crop credit when the county committee determines that the reduction in cotton acreage was not related to an increase in war crops, but the adjustment shall be made only after consultation with the producer.

"'(iv) The Secretary, using the best information obtainable, and working with and through the State and county committees, shall use whatever means necessary to make an accurate determination of the credits due each individual farm, under Public Law 12.

"'(v) The total of the war-crop credits due the individual farms in each county shall be credited to the county and the total of the war-crop credits due all of the counties in a State shall be credited to the State.

"'(vi) The acreage credited to States, counties, and farms for the years 1945, 1946, or 1947, because of war crops, shall be taken into full account in the determination and distribution of cotton acreage allotments on a national, State, county, and farm basis.

"'FARM MARKETING QUOTAS

"'SEC. 345. The farm marketing quota for any crop of cotton shall be the actual production of the acreage planted to cotton on the farm less the farm marketing excess. The farm marketing excess shall be the normal production of that acreage planted to cotton on the farm which is in excess of the farm acreage allotment: *Provided*, That such farm marketing excess shall not be larger than the amount by which the actual production of cotton on the farm exceeds the normal production of the farm acreage allotment, if the producer establishes such actual production to the satisfaction of the Secretary.

"'PENALTIES

"'SEC. 346. (a) Whenever farm marketing quotas are in effect with respect to any crop of cotton, the producer shall be subject to a penalty on the farm marketing excess at a rate per pound equal to 50 per centum of the parity price per pound for cotton as of June 15 of the calendar year in which such crop is produced.

"'(b) The farm marketing excess of cotton shall be regarded as available for marketing and the amount of penalty shall be computed upon the normal production of the acreage on the farm planted to cotton in excess of the farm acreage allotment. If a downward adjustment in the amount of the farm marketing excess is made pursuant to the proviso in section 345, the difference between the amount of the penalty computed upon the farm marketing excess before such adjustment and as computed upon the adjusted farm marketing excess shall be returned to or allowed the producer.

"'(c) The person liable for payment or collection of the penalty shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

"'(d) Until the penalty on the farm marketing excess is paid, all cotton produced on the farm and marketed by the producer shall be subject to the penalty provided by this section and a lien on the entire crop of cotton produced on the farm shall be in effect in favor of the United States.

"'LONG-STAPLE COTTON

"'SEC. 347. (a) Except as otherwise provided by this section, the provisions of this Part shall not apply (1) to cotton the staple of which is one and one-half inches or more in length or (2) to extra long staple cotton designated by the Secretary which is produced from pure strain varieties of American Egyptian, Sea Island or other similar types of extra long staple cotton having characteristics needed for various end uses for which American upland cotton is not suitable and when such varieties are produced in designated irrigated cotton-growing regions of the United States or other areas designated by the Secretary as suitable for the production of such varieties. The exemptions authorized by this subsection shall not apply to any such cotton unless ginned on a roller-type gin.

"'(b) Whenever during any calendar year not later than October 15, the Secretary determines that the total supply of cotton of any one or more of the varieties covered by this section for the marketing year beginning in such calendar year will exceed the normal supply for such marketing year by more than 8 per centum, the Secretary shall proclaim such fact and a national marketing quota shall be in effect with respect to such variety or varieties of cotton during the marketing year beginning in the next calendar year.

"'The Secretary shall also determine and specify in such marketing quota proclamation the amount of the national marketing quota in terms of the quantity of such extra long staple cotton adequate, together with (1) the estimated carryover at the beginning of the marketing year which begins in the next calendar year and (2) the estimated imports during such marketing year, to make available a normal supply of such cotton. All provisions of this Act relating to marketing quotas and acreage allotments for cotton shall, insofar as applicable, apply to marketing quotas and acreage allotments for such extra long staple cotton.

"'INELIGIBILITY FOR PAYMENTS

"'SEC. 348. (a) Any person who knowingly plants cotton on his farm in any year in excess of the farm acreage allotment for cotton for the farm for such year under section 344 shall not be eligible for any payment for such year under the Soil Conservation and Domestic Allotment Act, as amended.

"'(b) All persons applying for any payment of money under the Soil Conservation and Domestic Allotment Act, as amended, with respect to any farm located in a county in which cotton has been planted during the year for which such payment is offered, shall file with the application a statement that the applicant has not knowingly planted, during the current year, cotton on land on his farm in excess of the acreage allotted to the farm under section 344 for such year.'

"SEC. 2. (a) Section 301 of the Agricultural Adjustment Act of 1938, as amended, is amended as follows:

"(1) Subsection (b) (3) (B) is amended to read: '"Carry-over" of cotton for any marketing year shall be the quantity of cotton on hand in the United States at the beginning of such marketing year, not including any part of the crop which was produced in the United States during the calendar year then current.'

"(2) Subsection (b) (10) is amended (i) by deleting from subparagraph (A) the word 'cotton' where it first appears and the language '40 per centum in the case of cotton' and (ii) by adding a new subparagraph (C) as follows:

"'(C) The "normal supply" of cotton for any marketing year shall be the estimated domestic consumption of cotton for the marketing year for which such normal supply is being determined, plus the estimated exports of cotton for such marketing year, plus 30 per centum of the sum of such consumption and exports as an allowance for carry-over.'

"(3) Subsection (b) (16) is amended by (i) striking from subparagraph (A) the word 'cotton' and (ii) by adding a new subparagraph (C) as follows:

"'(C) "Total supply" of cotton for any marketing year shall be the carry-over at the beginning of such marketing year, plus the estimated production of cotton in the United States during the calendar year in which such marketing year begins and the estimated imports of cotton into the United States during such marketing year.'

"(b) Section 374 of the Agricultural Adjustment Act of 1938, as amended, is amended by inserting '(a)' before the first paragraph and by adding the following new paragraph:

"'(b) With respect to cotton, the Secretary, upon such terms and conditions as he may by regulation prescribe, shall provide, through the county and local committees for the measurement prior to planting of an acreage on the farm equal to the farm acreage allotment if so requested by the farm operator, and any farm on which the acreage planted to cotton does not exceed such measured acreage shall be deemed to be in compliance with the farm acreage allotment. The Secretary shall similarly provide for the remeasurement upon request by the farm operator of the acreage planted to cotton on the farm, but the operator shall be required to reimburse the local committee for the expense of such remeasurement if the planted acreage is found to be in excess of the allotted acreage. If the acreage determined to be planted to cotton on the farm is in excess of the farm acreage allotment, the Secretary shall by appropriate regulation provide for a reasonable time within which such planted acreage may be adjusted to the farm acreage allotment.'

"(c) Section 362 of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof the following:

"'Notice of the farm acreage allotment established for each farm shown by the records of the county committee to be entitled to such allotment shall insofar as practicable be mailed to the farm operator in sufficient time to be received prior to the date of the referendum.'

"SEC. 3. (a) Notwithstanding any other provision of law, Middling seven-eighths inch cotton shall be the standard grade for purposes of parity and price support.

"(b) Paragraph (9) of Public Law 74, Seventy-seventh Congress, is amended by striking out 'cotton and'.

"SEC. 4. Subsection (c) of section 358 of the Agricultural Adjustment Act of 1938, as amended, is amended to read as follows:

"'(c) The national acreage allotment shall be apportioned among the States on the basis of the average acreage of peanuts harvested for nuts in the State in the five years preceding the year in which the national allotment is determined, with adjustments for trends, abnormal conditions of production, and the State peanut acreage allotment for the crop immediately preceding the crop for which the allotment hereunder is established: *Provided*, That the allotment established for any State shall be not less than (1) the allotment established for such State for the crop produced in the calendar year 1941, or (2) 60 per centum of the acreage of peanuts harvested for nuts in the calendar year 1948, whichever is larger: *Provided further*, That if the national acreage allotment in any year is less than 2,100,000 acres, then the allotment for each State after being calculated as hereinabove provided shall be reduced by the same percentage as the State allotment (as so calculated) bears to the national allotment: *And provided further*, That the national acreage allotment for the crop year 1950 shall be not less than 2,100,000 acres.'

"SEC. 5. Notwithstanding any other provision of law, the farm acreage allotment of wheat for the 1950 crop for any farm shall not be less than the larger of—

"(A) 50 per centum of—

"(1) the acreage on the farm seeded for the production of wheat in 1949, and

"(2) any other acreage seeded for the production of wheat in 1948 which was fallowed and from which no crop was harvested in the calendar year 1949, or

"(B) 50 per centum of—

"(1) the acreage on the farm seeded for the production of wheat in 1948, and

"(2) any other acreage seeded for the production of wheat in 1947 which was fallowed and from which no crop was harvested in the calendar year 1948,

adjusted in the same ratio as the national average seedings for the production of wheat during the ten calendar years 1939–1948 (adjusted as provided by the Agricultural Adjustment Act of 1938 as amended) bears to the national acreage allotment for wheat for the 1950 crop: *Provided*, That no acreage shall be included under (A) or (B) which the Secretary by appropriate regulations, determines will become an undue erosion hazard under continued farming. To the extent that the allotment to any county is insufficient to provide for such minimum farm allotments, the Secretary shall allot such county such additional acreage (which shall be in addition to the county, State, and national acreage allotments otherwise

provided for under the Agricultural Adjustment Act of 1938, as amended) as may be necessary in order to provide for such minimum farm allotments."

And the House agree to the same.

HAROLD D. COOLEY,
STEPHEN PACE,
W. R. POAGE,
CLIFFORD R. HOPE,
AUG. H. ANDRESEN,
Managers on the Part of the House.

ELMER THOMAS,
ALLEN J. ELLENDER,
CLYDE R. HOEY,
CLINTON P. ANDERSON,
GEORGE D. AIKEN,
EDWARD J. THYE,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1962) to amend the cotton and wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House amendment struck out all of the Senate bill after the enacting clause and inserted a substitute amendment. The committee of conference has agreed to recommend that the Senate recede from its disagreement to the amendment of the House with an amendment which is a substitute for both the Senate bill and the House amendment.

The conference substitute in the main is the same as the House amendment. Except for clarifying or minor changes, the differences between the conference substitute and the House amendment are explained below:

(1) The House amendment required the Secretary of Agriculture to proclaim the need for a national marketing quota not later than November 15 of the calendar year in which such determination was made. The conference substitute changes the date to October 15.

(2) The House amendment provided for the apportionment of the State allotment among the counties in the State on the basis of the acreage planted to cotton during a period of four calendar years for the years 1950, 1951, and 1952, and thereafter on the basis of the acreage planted to cotton during the preceding five years (excluding 1949). The conference substitute provides that the State acreage allotment shall be apportioned among the counties in the State on the same basis as to years and conditions as the national allotment is apportioned to the States.

(3) The House amendment authorizes the establishment of a State reserve to be used to make adjustments in county allotments for counties adversely affected by abnormal conditions affecting plantings, or for small or new farms. The conference substitute authorizes the State reserve to be used for making adjustments in county allotments "for trends in acreages" as well as for the purposes specified in the House amendment.

(4) The House amendment made provision for the establishment of allotments for any cotton farm which had been acquired by the Federal or State government for nonfarming purposes, and which is being returned to agricultural production. Provision was also made for the establishment of allotments for farms within the State which have been acquired by persons whose cottor farms have been or are being acquired by the Federal or State government for public purposes. Under the House amendment any acreage required to provide an allotment for such farms was to be in addition to the acreage allotments otherwise provided for the county and the State, and the production from such acreage was to be in addition to the national marketing quota. The conference substitute provides that such acreage shall be in addition to the county and State allotments and the production from such acreage shall be in addition to the national marketing quota only to the extent that such production on any such farm has not contributed to the allotment for the county and the State.

(5) The House amendment provides that the producer shall be subject to a penalty on the "farm marketing excess" at a rate per pound equal to 50 percent of the parity price of cotton. The "farm marketing excess" is the normal production of the acreage planted to cotton on the farm which is in excess of the farm acreage allotment, except that the "farm marketing excess" shall not be larger than the amount by which the actual production on the farm exceeds the normal production of the farm acreage allotment. The House amendment authorizes the farmer to store, in accordance with regulations prescribed by the Secretary, excess cotton and thereby avoid or postpone the payment of the penalty. Reductions in such stored cotton are authorized if the acreage allotment for a future crop is underplanted or if the production for a future year is less than the normal production of the farm acreage allotment. The conference substitute deletes the provisions of the House amendment which permits the farmer to store excess cotton and avoid or postpone the payment of the penalty. Also under the conference substitute, until the penalty on excess cotton is paid, all cotton produced on the farm and marketed by the producer is subject to a penalty, and a lien on the entire crop of cotton produced on the farm shall be in effect in favor of the United States.

(6) The House amendment exempted from marketing quotas cotton having a staple of 1½ inches or more in length unless the Secretary of Agriculture determined that the total supply of such cotton would exceed the normal supply by more than 8 percent. In addition the conference substitute authorizes the exemption of extra-long-staple cotton designated by the Secretary which is produced from pure strain varieties of American-Egyptian, Sea Island, or other similar types of extra-long-staple cotton having characteristics needed for various end uses for which American upland cotton is not suitable when such varieties are produced in areas designated by the Secretary and if such cotton is ginned on roller-type gins.

(7) The conference substitute reenacts and continues in effect a provision of existing law which was not contained in the House amendment, the effect of which make a person who knowingly plants cotton in excess of the farm acreage allotment ineligible for payments under the Soil Conservation and Domestic Allotment Act.

(8) The House amendment added a provision to the peanut quota law which provided that no State would receive a peanut allotment of less than 60 percent of the acreage harvested for nuts in 1948. The conference substitute retains this language with two additional provisions, as follows:

(*a*) The 1950 national acreage allotment for peanuts shall not be less than 2,100,000 acres;

(*b*) If in any year after 1950 the national acreage allotment is less than 2,100,000 acres, the allotment for each State shall be reduced in the same proportion as the national acreage allotment is reduced below 2,100,000.

The intention of the conferees may best be shown by reference to the table, marked "Exhibit A," hereto attached and made a part hereof. In column 7 is shown the minimum acreage allotment to each State under this section when the national acreage allotment is 2,100,000 acres or more (subject to slight adjustments to reflect the difference between 2,100,000 and 2,098,317). That is, if the national peanut acreage for 1950 should be proclaimed as 2,100,000 acres, then each of the States listed would be allotted the respective number of acres shown in column 7. In the event the national allotment in some subsequent year should be less than 2,100,000 acres, then, in such event, the minimum allotment to each of these States is to be reduced to the same extent and in the same ratio as such national allotment is reduced under 2,100,000 acres. For example, if in 1951 or later year the national allotment should be proclaimed as 1,890,000 acres (10 percent under 2,100,000) then the minimum allotment for each State as set forth in column 7 would be reduced 10 percent.

EXHIBIT A.—*Peanut-acreage allotments, 1950: Based on proposed legislation*

State	1949 allotment [1] (1)	Column 1 factored to 1,610,000 acres (2)	1941 allotment (3)	1950 allotment (larger of column 2 or column 3) [2] (4)	1948 acreage picked and threshed (5)	60 percent of column 5 (6)	Larger of columns 4 or 6 (7)	Increase due to present 1941 minimum provisions (column 4 minus column 2) (8)	Increase due to proposed amendment (column 7 minus column 4) (9)
Alabama	397,320	245,271	274,907	274,907	449,000	269,400	274,907	29,636	
Arizona	401	247	0	247	0	0	247		
Arkansas	8,184	5,052	5,473	5,473	8,000	4,800	5,473	421	
California	1,257	776	1,257	1,257	0	0	1,257	481	
Florida	82,640	51,015	73,236	73,236	110,000	66,000	73,236	22,221	
Georgia	873,092	538,971	550,694	550,694	1,169,000	701,400	701,400	11,723	150,706
Louisiana	3,887	2,399	353	2,399	3,000	1,800	2,399		
Mississippi	14,117	8,715	2,476	8,715	15,000	9,000	9,000		285
Missouri	401	247	0	247	0	0	247		
New Mexico	8,256	5,096	3,673	5,096	9,000	5,400	5,400		304
North Carolina	242,463	149,675	225,702	225,702	295,000	177,000	225,702	76,027	
Oklahoma	183,733	113,421	61,607	113,421	306,000	183,600	183,600		70,179
South Carolina	25,165	15,535	18,375	18,375	26,000	15,600	18,375	2,840	
Tennessee	5,524	3,410	4,766	4,766	5,000	3,000	4,766	1,356	
Texas	620,531	383,062	246,373	383,062	752,000	451,200	451,200		68,138
Virginia	141,108	87,108	141,108	141,108	164,000	98,400	141,108	54,000	
Total	2,608,079	1,610,000	1,610,000	1,808,705	3,311,000	1,986,600	2,098,317	198,705	289,612

[1] Excluding new farms.
[2] Minimum 1950 allotment under present legislation, assuming a national allotment of 1,610,000 acres.

(9) Section 3 of the conference substitute retains the provision of the House amendment relative to the establishment of Middling ⅞-inch cotton as the standard grade for purposes of parity and price support. This means that for price support purposes, parity will be deemed to apply to Middling ⅞-inch cotton. Thus, the percentage of parity at which price support is required to be made available for cotton will be

deemed to apply to Middling ⅞-inch cotton. As in the past appropriate adjustments will be made from such standard for other grades and staple lengths. The effect of this provision is that the basis upon which the schedule of support prices for cotton has heretofore been arrived at will continue in effect in the future.

HAROLD D. COOLEY,
STEPHEN PACE,
W. R. POAGE,
CLIFFORD R. HOPE,
AUG. H. ANDRESEN,
Managers on the Part of the House.

Mr. PACE. Mr. Speaker, in explanation of the action of the conferees, may I say that this is a unanimous report on the part of the conferees of the House and Senate and, further, it is substantially the bill as it passed the House.

A brief explanation of the changes in the bill. It was provided that the Secretary of Agriculture should proclaim marketing quotas not later than November 15. That date has been changed to not later than October 15 in the report.

The Senate bill provided that the allotment to the counties should be made on the same basis as the allotment received by the State, while the House bill provided that the allotment to the counties should be on the basis of the preceding 4 years for the 3 years 1950, 1951, and 1952. The language provided in the Senate bill was accepted.

The House bill provided that the State committee could reserve 10 percent of the State allotment to be used in adjusting county allotments adversely affected by the abnormal conditions affecting plantings, for small and new farms. The Senate bill contained also the provision that this reserve acreage could be used in making adjustments in county allotments for trends in acreages. That provision was added to the House language, so that the bill as reported would authorize a 10-percent reserve for making adjustments in the county allotments for trends in acreages as well as for adjustments in county allotments adversely affected by abnormal conditions affecting plantings, for small farms and for new farms.

The House bill contained a provision whereby if a cotton farm was taken over by the Federal Government or State government for public purposes the owner could acquire an acreage allotment on another farm within the State. The House provided that such acreage should be in addition to the national allotment. That is modified in the report to the extent that the acreage needed shall be in addition only to the extent that the production on any such farm has not contributed to the allotment for the county and the State.

The most substantial change in the bill was that the House bill carried a provision authorizing a noncooperator—that is, a cotton producer who exceeded his allotment—to store his excess production; that is, cotton produced on the excess acreage. That provision is stricken from the bill as reported by the conferees.

The provision as to the exemption for long-staple cotton is revised, but no substantial change is made. The provision in the present law which prohibits a noncooperator from receiving his ACP payments, that is, payments under the Soil Conservation and Domestic Allotment Act, is included in the bill as agreed upon. And also the section giving the United States a lien on the entire crop of cotton until the penalty on the farm marketing excess is paid.

There is a provision giving a minimum allotment to States with regard to peanut acreage allotments. That is retained in the bill with a proviso adding that the national allotment for 1950 should not be less than 2,100,000 acres, and that if the acreage in future years is reduced to less than that figure, then the allotment for each State shall be reduced in the same proportion as the national allotment is reduced.

That, Mr. Speaker, covers the principal changes in the bill as passed by the House and, as I stated, it is substantially the bill as it passed the House.

Mr. HAYS of Arkansas. Mr. Speaker, will the gentleman yield?

Mr. PACE. I yield to the gentleman from Arkansas.

Mr. HAYS of Arkansas. I realize that the Committee on Agriculture has had a very difficult task, and I am in agreement with the general provisions of the conference report. I claim the privilege of adding my personal commendation for the chairman. I realize he has had a complicated problem to deal with. I think the chairman forgave me for the interruptions which I caused in the consideration of this bill when it was before the House.

Mr. PACE. The gentleman need not apologize for that. His interruptions were quite helpful to the committee.

Mr. HAYS of Arkansas. I appreciate that. The thing that some of us have been vitally concerned about is that, in this transition that is taking place in the cotton economy, we avoid those two dangers that are ever present: First, the imposition upon the little farmers who are inevitably to be squeezed out; and the other is that in helping him get into other types of farming we do not bankrupt the United States Treasury. I know the gentleman has been sensitive to both of those considerations, and sometimes they are very hard to harmonize.

Mr. PACE. May I say to the gentleman that the provision seeking to protect the small farmer is retained in the bill exactly as it passed the House. There was no modification in that language.

Mr. HAYS of Arkansas. I am very gratified over that. I understand, then, that the provision that allows this item of 10 and 15 percent for special situations is retained?

Mr. PACE. That is retained in the bill exactly as it passed the House without any change whatsoever, except the one change I mentioned, where we did add, besides small farms, new farms, "and for trends in acreage." That was the only change. That is where there has been a shift in production in a State.

Mr. HAYS of Arkansas. The fears that I expressed in the debate regarding the larger acreage are somewhat allayed by some of the statements the gentleman has made; that is, that there will be no prospect of that larger acreage for 1950.

Mr. PACE. The minimum acreage of 21,000,000 in 1950 applies only to the one year.

Mr. HAYS of Arkansas. The cotton farmers are greatly indebted to the gentleman from Georgia. He has striven to ascertain the facts upon which a permanent policy might be developed. That policy must release those producers whose lands are adapted to cotton to achieve high production and must gradually place emphasis upon high yields and lower production costs. The marginal or high-cost producer cannot indefinitely maintain a high support price, for the high price in peacetimes always depends upon restricted acreage or weather adversities.

A 5,000,000-bale carry-over from the 1948 crop is proof that we cannot afford unlimited acreage. A lower price, gradually achieved, is our only hope, unless new demands now unforeseen should develop. The efficient low-cost producer has nothing to fear from this if we work out a good national policy. I realize that there is a stark economic law operating against the small producer. It must be respected. In this period of quotas he cannot always be guaranteed as much as adequate living standards require, unrelated to market and other factors, for we would either place an unjust burden on the Treasury or penalize the owners, tenants, and laborers who depend upon the large operations. A share cropper is a little man, too, though part of a large operation.

I hope we can find a better formula to balance the various interests.

One thing I fear is that Congress may not face the realities of these terrific postwar changes in the cotton situation. We cannot guarantee a high price without inconveniences to a lot of people. It is not pleasant to tell producers about these inconveniences but in justice to the over-all requirements we have to ask for a give-and-take attitude.

The Government must help the cotton farmers through the present difficulty and the cotton price-support program is only one phase of it.

We must keep the prices up for other commodities, for livestock, peanuts, fruits, and related crops so that diversification is attractive. We must keep the Farmers Home Administration well equipped to provide credit needed by the farmers who cannot get out of cotton without help.

There is another phase to the transition that has not been developed and that is the perfecting of an industrial policy that will provide greater opportunities at home. My belief in the efficacy of this program led me to urge that the minimum-hourly rate be held to 65 cents for the present. The majority of the House took an opposite view and this decision reduces our hopes for industrial expansion to replace our shrinking cotton system. This is not defeatism, I am merely enumerating the various factors in a total program for the cotton section's relief. What we do for the survival of these distressed groups

must not be at the expense of other sections or other commodity groups. It is a national problem and one that will require many years to solve. At this stage it is well to resolve that we will relate this issue to other legislation in a manner that moves us gradually toward a sound policy.

Mr. PACE. Mr. Speaker, I yield such time as he may desire to the gentleman from Oklahoma [Mr. MONRONEY].

Mr. MONRONEY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. MONRONEY. Mr. Speaker, I take this occasion to express my appreciation of the wonderful work done by my colleague the gentleman from Oklahoma, Representative ALBERT, on this measure.

The Albert amendment, providing for guaranteed acreage on peanuts, will ensure to Oklahoma farmers that their scant acreage quotas will not be further reduced to a devastating figure.

Because Oklahoma farmers had not had a long history of peanut raising, the quota base first proposed in the bill, and in the former law, would have resulted in our State losing more than 70,000 acres of our quota. This would have been in addition to the reduction of 40 percent which we were compelled to take under our 1948 acreage.

The Albert amendment will insure that Oklahoma farmers may plant a total of 183,600 acres and will more nearly place us on a parity with other States.

The gentleman from Oklahoma [Mr. ALBERT] not only drafted the corrective amendment which gave us a fairer share of the national quota, but because of his leadership on the important Agricultural Committee was able to secure its adoption by the committee and its passage by the House of Representatives.

When difficulty developed in the conference committee, it was the work of the gentleman from Oklahoma [Mr. ALBERT] in explaining the justice of his proposal that resulted in final approval of the amendment.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. PACE. I yield to the gentleman from Illinois.

Mr. SABATH. I do not know whether or not I understood the gentleman correctly. But, in view of the fact that there is such a great surplus of cotton, I think it should be understood, as we were made to believe, that the acreage will be reduced. I understand the gentleman said that there should not be less than 2,500,000 acres for any one State; is that right?

Mr. PACE. No.

Mr. SABATH. Not less; instead of not more.

Mr. PACE. Let me clarify that. Let me say, first, that the acreage in cotton this year is in excess of 26,000,000 acres. The bill provides that next year the allotment shall not be less than 21,000,000. Then the bill further provides that thereafter the allotments shall not be less than 10,000,000 bales, or 1,000,000 bales less than the previous year's consumption and exports. Then, if in 1951 we should drop down to 10,000,000 bales on the basis of the average yield the last 5 years, the national allotment will be 17,880,000 acres, which means that within 2 years we will have gone down from in excess of 26,000,000 acres to a little below 18,000,000 acres, which I am sure the gentleman will agree, when you have to adjust your economy to such a reduction, is just about as fast as it can go down.

Mr. SABATH. I am interested, of course, in the cotton growers. In view of the tremendous acreage and tremendous yield the last few years and the surplus we have, and the great amount of money it costs the Government for storage, and so on, I was hopeful and I was led to believe that the acreage would be reduced, but as the gentleman himself states, instead of providing that it should be no more than 21,000,000 acres, he said it should not be less than 21,000,000 acres.

Mr. PACE. I think I can assure the gentleman it will be 21,000,000 acres, because I am sure the Secretary will be disposed to go as low as he can.

Mr. Speaker, I yield 3 minutes to the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. Mr. Speaker, I doubt if there is a man in the House who represents more small cotton farmers than I do.

What I am afraid of is that this is going to drive many of them from their fields.

When they put on the acreage limitation 15 years ago it was "duck soup" for the big planters, but it drove many little farmers into bankruptcy.

Today they are talking about a surplus of cotton. By driving the little farmer from his field, by limiting his acreage, they forced the price of cotton up and encouraged the production of cotton in Brazil and other foreign countries.

We have what looks like a disaster in the Southern States today. We have the worst boll-weevil infestation we have had for at least 16 years.

Another thing I dislike about this limitation is that you deny to the ex-serviceman the right to start cotton farming.

The other day when we tried to guarantee him at least 5 acres by the Beckworth amendment it was voted down.

We are going to have a great deal of unemployment in that section of the South that depends on the small cotton farmer. I am just wondering if you are not getting ready to again expand the production of the big planter and restrict the possibilities for the little farmer to make a living. That is what I am concerned about.

Mr. CHRISTOPHER. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Missouri.

Mr. CHRISTOPHER. I do not want to heckle; I really am asking for information. Are the small cotton farmers down there mostly sharecroppers? I am not trying to set a trap, or anything of the sort. I am asking for information.

Mr. RANKIN. A large percentage own their land.

Let me say to the gentleman from Missouri that down there invariably you cannot tell a renter from the man who owns the land. Many farmers do not want to own land, because they would have to pay the taxes whether they make any crop or not, to say nothing of the expense of keeping the property in good condition.

That burden falls on the landowner. But I will say a majority of these people own their small farms.

I have heard a great deal of talk about labor here lately. I have done all kinds of work that a man is supposed to do in the South, and I say frankly that I have never seen any man work harder than a cotton farmer works, not in the shade but in the hot sun.

He makes 1 cent an hour on an average for every cent a pound that he gets for his lint cotton. That means last year he got 32 cents an hour.

As I said, he is just about the hardest worker in America.

He gets less per hour for his work and takes all the chances of having his crop ruined by rains or destroyed by the boll weevil. And yet here you come along and put a floor under the other fellow of 75 cents an hour and then limit this little fellow so that he cannot really exercise his prerogative of making a living on his own land.

Let me remind you that the small white cotton farmers of the South sent the largest percentage of their sons to the recent war of any other people in America.

The Government levied a quota on each State according to the population, and then proceeded to take a preponderance of white boys to do the fighting. They did not regard cotton as a necessity, and, therefore, allowed no exemptions for cotton farmers. The result was that they took a larger percentage of the white cotton farmers of the South into the service than any other class of people in America.

Now to limit those small farmers to where they cannot grow enough cotton to pay their bills, and deny the ex-serviceman who has not been growing cotton the privilege of entering into that activity, is something I simply cannot understand.

Mr. PACE. Mr. Speaker, I yield myself such time as I may require, in order to answer the gentleman from Mississippi.

In response to the statement made by the gentleman from Mississippi, I think it needs to be said that there has never been presented to the Congress any piece of legislation having to do with the limitation of production which is so liberal, with such beneficial provisions for the small farmer, as that set forth in the conference report.

Let me correct one further statement which has so often been made—that the limitations on the production of cotton have driven the production of cotton to foreign countries. About 30 years ago we were planting about 44,000,000 acres of cotton in this country. We were producing on the average of about 11,000,000

bales. We have now cut the acreage in cotton practically in half and I think it needs to be said we are now producing more cotton on half of the acreage than we formerly produced on all the 44,000,000 acres. For example, last year when only 23,000,000 acres of cotton were planted we produced 15,000,000 bales of cotton, and every year since marketing quotas have been in effect the production in cotton has been greater than before we had marketing quotas. Marketing quotas—let me say this, perhaps everybody will not agree with me—but marketing quotas on cotton has contributed more to efficiency in farming than anything that has ever happened to the farmers of this Nation. Mark my word, within a few years we are going to be producing on only 17,000,000 acres more cotton than we ever produced on the 44,000,000 acres or the 26,000,000 acres that we have in production this year. I do not know of anything that contributes more to efficient farming; I do not know anything that contributes more to the conservation of the soils of this Nation than marketing quota provisions as they relate to cotton.

Mr. Speaker, I yield to the gentleman from North Carolina [Mr. BONNER].

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. PACE. I am sorry; I yield to the gentleman from North Carolina.

Mr. BONNER. Will this bill do away with the assured acreage of peanuts under the existing law to the States of Virginia and North Carolina?

Mr. PACE. There are two protective provisions. There is one providing that the peanut-acreage allotment for any State shall not be less than its allotment in 1941. Of course that, as the gentleman knows, protects the State of North Carolina and the State of Virginia. Then, to recognize the trends in production, as the bill does in the case of cotton and in the case of wheat, there is a provision that the minimum allotment to any other State shall not be less than 60 percent of its 1948 harvested acreage. The bill then provides that the 1950 acreage allotment shall not be less than 2,100,000 acres. That will assure the State of Virginia and the State of North Carolina their full 1941 allotment. After that, if the Secretary has to go below the 2,100,000 acres, then the agreement provides that each State, including the States of North Carolina, Virginia, and all the other States, shall have their minimum allotment reduced in the same proportion as the national allotment is reduced under the 2,100,000 acres.

Mr. BONNER. I understand that.

Now, may I ask the chairman this question: The chairman of the Committee on Agriculture in the House was a member of the conference committee. The senior Senator from North Carolina was a member of the conference committee. Did the two conferees I have mentioned agree to the arrangement in this conference report?

Mr. PACE. What two are those?

Mr. BONNER. The senior Senator from North Carolina and the chairman of the Committee on Agriculture in the House.

Mr. PACE. They both joined in the conference report.

Mr. BONNER. And this was satisfactory to them?

Mr. PACE. So far as I am advised, it was.

I now yield to the gentleman from Mississippi.

Mr. RANKIN. Mr. Speaker, the gentleman talks about their making more cotton on a smaller acreage. I call attention to the fact that, instead of requiring the farmers to diversify, when they put on this program years ago, they just cut each one proportionately and drove many little cotton farmers out of the field.

The big planters have been able to buy fertilizer, such as nitrate of soda, intensively cultivate, and make more cotton than before.

If you will go back and search, you will find that the little fellow was getting it in the neck, and I fear he is going to get it in the neck under this bill.

Mr. PACE. Not under this bill.

Mr. BONNER. Mr. Speaker, will the gentleman yield?

Mr. PACE. I yield.

Mr. BONNER. With respect to peanuts: Yesterday I understood the gentleman from Georgia to advise me that the State committee could take into consideration historical plantings—old growers as against new growers, in making the necessary reduction in the allocation in the States.

Mr. PACE. The present law provides that among other elements to be considered in making farm allotments is the allotment made to the farm under the previous programs where marketing quotas were in effect. That is not only permissive but it is a mandatory provision.

Mr. BONNER. Therefore, the State committees could give preference to old growers, prior to the establishment of new peanut quotas? Should the acreage be reduced below 2,100,000.

Mr. PACE. To the extent of taking into consideration previous allotments they have received on the farm.

I now yield to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Speaker, I am amazed to hear the statement of the gentleman from Mississippi [Mr. RANKIN] that under the law we have passed the small cotton farmer has been discriminated against. I have at all times urged, advocated and supported aid for the small farmer. It was never my intention to especially help the big cotton planters.

Now, if the statement of the gentleman from Mississippi [Mr. RANKIN] is true, that the big planters have taken advantage under the law to drive the little fellow, in whom I have always been interested as to every piece of legislation that has been proposed, out, I want to know how it was permitted, and whether under this bill the big planter will be in a position to drive the little fellow out.

Mr. RANKIN. It is often said that the difference between a planter and a farmer is that the planter farms the farmer, and the farmer farms the farm.

The little fellow is the man who does the work. Where he owns his own home or he has to rent a small piece of ground, under that restriction years ago he was driven to where he could not raise enough cotton to pay his taxes and meet other necessary expenses, while the big planters made more money than he had ever made before.

Mr. SABATH. Of course, I am informed that conditions even in the gentleman's State of Mississippi, and all through the South, are much better than they were before. I am indeed gratified that conditions have improved, and I hope they will continue to improve, but I am not promoting the interest of the big planter as against the little fellow who is being discriminated against under any legislation; and I hope that this bill will really provide a safeguard for the little fellow.

Mr. PACE. I can give the gentleman assurance that it will.

Mr. HOPE. Mr. Speaker, this is a unanimous report on the part of the committee on conference. As has already been stated by the distinguished gentleman from Georgia, the conference report embodies substantially everything we had in the House bill. Such changes as were made in the House bill are very minor. As a matter of fact, the entire legislation changes the present law only in matters of detail and administration; it does not put us in the field of any new policies or principles as far as this type of legislation is concerned.

Mr. WILLIAMS. Mr. Speaker, will the gentleman yield?

Mr. PACE. I yield.

Mr. WILLIAMS. I still am not clear with reference to the person who plants cotton on his farm for the first time, the returned veteran who wants to grow a little cotton but who has no past history of having grown cotton. I would appreciate it if the gentleman would explain this point and how it would work out with reference to this type of farmer.

Mr. PACE. The bill provides for a State allotment, which in the case of Mississippi I believe is about 2,500,000 acres. It then provides that the State committee can reserve 10 percent of that, or 250,000 acres. The State committee can use this to take care of trends in production among counties within the State. I understand there have been trends between the northern and southern parts of Mississippi. The State committee can also take care of the case where there has been an abnormally adverse condition brought about through planting. It may also use some of this reserve to take care of these small farmers the gentleman from Illinois was talking about, and give them increased acreage. The State committee also can use this reserve to make allocations to veterans about whom the gentleman from Mississippi has spoken; that is a man who under the strict application of the formula would get nothing, can receive an allocation from the State committee to the county committee for that purpose. Not only does this 10-percent reservation apply to the State committee but likewise to the county committee which can reserve an additional 10 percent for the same purpose.

I may say that never has there been a bill in my experience in the Congress

that gives as sympathetic consideration to the welfare of the little producer or the man who is not under the regular formula, because it allows the State and the county committees to make provision for them.

Mr. WILLIAMS. Does the gentleman consider that provision to be sufficient to take care of the situation down there without further specification?

Mr. PACE. I will put it this way: It is most generous, taking into account the welfare of the old cotton growers. The gentleman understands that in these matters you cannot give anybody any cotton acreage unless you take it away from somebody else. Taking into account the welfare of all of the cotton growers of Mississippi I think this is just as far as the committee can afford to go.

Mr. RANKIN. Then why not take it from the big farmer who puts everything into cotton and give it to the little fellow who raises corn, and peas, hogs, and cows, give him more cotton acreage in order that he may pay his taxes?

Mr. PACE. I think we have gone just as far in that direction as the committee or the Congress will want to go—much further than with any other commodity.

Mr. RANKIN. No; you are applying the strait-jacket to the peanut and tobacco growers; it will not work with the cotton farmers.

Mr. LARCADE. Mr. Speaker, will the gentleman yield?

Mr. PACE. I yield.

Mr. LARCADE. As the gentleman from Georgia probably knows, this year there has been a general infestation of boll weevils in my section of Louisiana.

Mr. PACE. It has not been peculiar to the gentleman's State.

Mr. LARCADE. The question arises under the circumstances whether or not it would be possible to get an increased allocation for that portion of the State that was hurt by this infestation.

Mr. PACE. No; the bill does not deal with the question of production; it deals with the question of acreage.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. PACE. I yield.

Mr. ALBERT. I have been asked whether Members representing the peanut-producing districts of Virginia and North Carolina agreed to the provisions of this bill, and it is my understanding that they did.

Mr. PACE. It was represented to the conferees that while they were in no way enthusiastic about it, that in the light of all the circumstances they did not make any objection.

Mr. BECKWORTH. Mr. Speaker, will the gentleman yield?

Mr. PACE. I yield.

Mr. BECKWORTH. It was pointed out in the debate the other day that eight-tenths of 1 percent of the peanut acreage went to new peanut farmers.

Mr. PACE. Yes.

Mr. BECKWORTH. Eight-tenths of 1 percent.

Mr. PACE. That is not dealt with in this bill.

Mr. BECKWORTH. The gentleman does not think that will occur with reference to cotton?

Mr. PACE. No.

Mr. BECKWORTH. Then the gentleman pointed out that Oklahoma lost 54 percent of her peanut acreage under the peanut quota. I believe it was said that she had a loss of 50 percent of her wheat acreage. The gentleman does not think anything like that might happen in regard to cotton, does he?

Mr. PACE. No, it will not. We have tried to give sympathetic consideration to the situation in Oklahoma, so ably represented on the committee by the gentleman from Oklahoma [Mr. ALBERT].

Mr. ALBERT. The national allotment on wheat is already out. Oklahoma has taken about a 20-percent cut in wheat which is in line with cuts taken by the other States. We will get an additional 150,000 acres under this bill. We did take a 40-percent cut in peanuts and one county did take a 57-percent cut last year. Our State did not take a 57-percent cut in peanuts last year. Under this bill, we will take no cut next year.

Mr. BECKWORTH. I was simply using the figures as used by the chairman of the subcommittee here the other day. If he was mistaken, it is his mistake, not mine.

Mr. PACE. Mr. Speaker, I yield 3 minutes to the gentleman from Wisconsin [Mr. MURRAY].

Mr. MURRAY of Wisconsin. Mr. Speaker, there is no reason why we as a Congress cannot protect the weak from the strong without being called Communists. I realize the fears of the gentleman from Illinois [Mr. SABATH] and the gentleman from Mississippi [Mr. RANKIN], and I do wish to call attention to two facts.

I have served here with the gentleman from Georgia [Mr. PACE] for 10 years. If there is any Member of Congress who is interested in the average or small-type farmer, it is the gentleman from Georgia [Mr. PACE]. But he is just one Member.

The second point is, if this program is not carried out to an exact nicety in every county in the United States, I do not think we should take the position that we are going to blame the gentleman from Georgia [Mr. PACE] for it, either, because that is not going to be his responsibility. That is going to be the responsibility of the executive branch of our Government.

I also realize that the gentleman from Texas [Mr. BECKWORTH] the other day brought up something that surely is of interest to every person who has followed the agricultural trends in this country. We have one wheat grower who has grown practically 600,000 bushels of wheat this year. We only need about a thousand of such producers in the United States. We have comparable growers producing other agricultural products in abundance. That is why and where we get the surpluses. We need only a few hundred of those in the United States. But we must remember when we go into that kind of farming, be it in this country or in any other country, and have the land all owned by a few people, they always end up in trouble. Our thinking should support the idea that was brought out the other day by the gentleman from Texas [Mr. BECKWORTH].

There are other problems involved in two big farm operations. There is the social problem involved. We have to have some kind of base to protect the small operator, and I say that without any danger of being accused of demogoguery because my State of Wisconsin is based upon the family-sized farm. Our farms are largely family farms that are largely owned and operated by the family. There is very little farm tenancy in the State. I feel that the welfare of the Nation depends upon these family farms. We do have many, many social problems that result from the land being owned and operated by the few.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield to the gentleman from Mississippi.

Mr. RANKIN. The other day the gentleman from Texas [Mr. BECKWORTH] offered an amendment to guarantee every little farmer the right to plant 5 acres of cotton. That amendment was voted down, and they were denied that privilege. They are the ones the county committees have found to be the legitimate cotton farmers. That is not the new man who is coming in. With the boll-weevil situation raging as it is, he could not pay the taxes on his land with less than 5 acres of cotton. So you are squeezing him out of the picture.

Mr. MURRAY of Wisconsin. I do not have to defend the gentleman from Georgia. But, let me call your attention to the fact that the committee worked for 6 months or more on this particular legislation. I am sure that the gentleman from Georgia [Mr. PACE], during all of that time, in his mind and in his heart, was trying to protect the same people that the gentleman from Texas [Mr. BECKWORTH] called to our attention. Rome was not built in a day, and it takes time to unscramble these legislative eggs.

I feel that a majority of the Members believe in a farm program based on the family unit. I think the next turn in legislation will be in that direction. We do not want a few big landowners, and many agricultural peasants. For the future of our country we want to build up the family units. I hope that will eventually be accomplished.

Mr. PACE. Mr. Speaker, I yield to the gentleman from Louisiana [Mr. WILLIS].

Mr. WILLIS. Mr. Speaker, the gentleman from Texas [Mr. BECKWORTH] revealed some startling facts during the debate on this floor a few days ago when we were considering the merits of the bill having to do with cotton acreage allotments, and which is now before us again on consideration of the conference report. He said that only 50 percent of income received from cotton goes to seven-eighths of producers, while the other 50 percent goes to one-eighth of the planters. This means, Mr. Speaker, that seven-eighths of all the small cotton farmers put together derive merely 50 percent of the income, while the large planters with mechanized facilities, numbering only one-eighth of the people producing cotton get 50 percent of the income from cotton.

More disturbing still is the fact that what is happening to the small tiller of the soil in the cotton industry is also happening to all our other farming industry. When we were considering the general legislation with regard to the

parity and support-price program a few weeks ago, I was amazed and astounded to read from the report of the Committee on Agriculture that 2 percent of the farmers in the United States produce 25 percent of all our farm products. Here again this handful of 2 percent of producers comprise large operators, many of whom and perhaps most of whom are corporate and absentee landowners.

But that is not all, Mr. Speaker. Stated in a different way and translated in terms of money, the foregoing means that of all money we appropriate to support the cotton program, 50 percent is paid to only one-eighth of the large cotton planters, while seven-eighths of all the little men behind the plow receive only 50 percent, and taking agriculture as a whole, it means that of all the money we make available for agriculture 25 percent thereof is paid to 2 percent of the large landowners, and 98 percent of the small farmers, the tillers of the soil, derive only 75 percent of the benefits.

The only consoling feature about this situation is the fact that the great House Committee on Agriculture is composed of such stanch friends of agriculture as its chairman, the gentleman from North Carolina [Mr. COOLEY], and such distinguished members as the gentleman from Georgia [Mr. PACE], the gentleman from Mississippi [Mr. ABERNETHY], and others equally qualified.

Still, Mr. Speaker, I have some misgivings about the proposed cotton acreage and allotment program. I earnestly hope that it will work to the interest of the small cotton farmers and that the facts which I have given will provoke the careful thought of the committee and result in further study if necessary.

Mr. PACE. Mr. Speaker, I yield such time as he may desire to the gentleman from Montana [Mr. D'EWART].

Mr. D'EWART. Mr. Speaker, the provisions of the conference report on acreage allotments will correct a grave injustice that has been done to Montana wheat farmers under the old law.

Montana, one of the principal wheat producing States of the Nation, will receive a much more favorable acreage allotment under the terms of this proposal.

The wheat farmers of my State were greatly alarmed at the 23 percent cut in wheat acreage which was decreed by the Secretary of Agriculture a few weeks ago. They compared this reduction with the national average reduction of only 17 percent and the smaller reductions of other wheat States and they felt they were being asked to make too great a sacrifice.

At that time I stated I would work for and support legislation to correct the allotment system so that our State and others in a similar position would receive proper consideration. I am glad to note that this conference report will do just that. In adopting the report, the Congress will prevent a serious and needless injury to the agricultural economy of my State.

Mr. PACE. Mr. Speaker, I yield such time as he may desire to the gentleman from Colorado [Mr. HILL].

Mr. HILL. Mr. Speaker, this is a unanimous committee report. As a member of the Committee on Agriculture, I am sure that I never witnessed a more constant and thorough attention to legislation than was given to this bill by our good subcommittee chairman, the gentleman from Georgia [Mr. PACE]. I am sure the committee and the House appreciates how hard he has worked on the many problems that arise over details of such legislation. Congressman PACE has demonstrated his broad and thorough understanding of the issues involved in crop acreage controls from the standpoint of the small farm producers as well as the problems of larger farm operators.

Mr. Speaker, several counties in the State of Colorado were critically affected by the Secretary of Agriculture's proclamation of 1950 wheat-acreage allotments. Colorado was reduced nearly 1,000,000 acres—over 35 percent. Several counties in the Second Congressional District of Colorado that had increased their wheat acreage since 1946 were critically curtailed and some wheat farmers placed in a position where their operations could not possibly continue to be successful.

In section 5 of S. 1962, cotton-acreage allotments and marketing quotas, provision was made for the protection of farm-acreage allotments of wheat for the 1950 crop.

Before discussing the section of this bill that protects the wheat growers of Colorado, let me review briefly how the Department of Agriculture arrives at the wheat-acreage allotments.

The national acreage allotment for wheat is the acreage which the Secretary of Agriculture determines on the basis of the national average yield will produce an amount of wheat together with the estimated carry-over at the beginning of the marketing year to make available a supply of wheat equal to a normal year's domestic consumption and exports plus 30 percent.

The national acreage allotment is then apportioned among the several States on the basis of the acreage seeded for the production of wheat during the 10 calendar years immediately preceding the calendar year in which the allotment is determined—plus, in applicable years, the acreage diverted under previous agricultural adjustment and conservation programs—with adjustments for abnormal weather conditions and for trends in acreage during such period.

The State acreage allotment is then apportioned among the counties in the State, on the basis of the acreage seeded for the production of wheat during the 10 calendar years immediately preceding the calendar year in which the national acreage allotment is determined—plus in applicable years, the acreage diverted under previous agricultural adjustment program—with adjustments for abnormal weather conditions and trends in acreage during such period and for the promotion of soil conservation practices.

The allotment to the county is then apportioned through the local committees among the farms within the county on the basis of tillable acres, crop-rotation practices, type of soil, and topography. Not more than 3 percent of the county allotment is required to be apportioned to farms on which wheat has not been planted during any of the three marketing years immediately preceding the marketing year in which the allotment is made.

You will observe that under the preceding paragraph the law does not actually require that farm-acreage allotments be based upon prior history, except that a farm to be eligible for an old farm allotment must have had wheat planted during one of the immediately preceding years. However, in administering the act the Department has given principal weight to the prior wheat history of the farm in making the farm allotments.

Notwithstanding any of the foregoing provisions, this bill, H. R. 5738, provides for the establishment of minimum farm acreage allotments for the 1950 crop. Under the provisions of section 5 of the bill the farm acreage allotment of wheat for the 1950 crop may not be less than the larger of, first, one-half of the acreage on the farm seeded for the production of wheat in 1949 and any other acreage on the farm which was seeded for the production of wheat in 1948, but which was summer fallowed and on which no crop was harvested in the calendar year 1949; or, second, one-half of the acreage on the farm seeded for the production of wheat in 1948 and any other acreage on the farm which was seeded for the production of wheat in 1947, but which was summer fallowed and on which no crop was harvested in the calendar year 1948, adjusted in the same ratio as the national average seedings for the production of wheat during the 10 calendar years 1939–48 as adjusted bears to the national acreage allotment for 1950. The additional acreage required by virtue of this section is to be in addition to the county, State, and national acreage allotment.

This provision was designed to afford relief to those farms and those areas which have substantially expanded their wheat acreage in the last one or two years and which, if it were not for the relief provided by this provision, would suffer a reduction in 1950 greatly out of proportion to the reduction taken by other farms generally. This provision also gives recognition to good farming practices by giving credit to summer fallowed land. This provision is also of great importance in areas where summer fallowing is customarily practiced and will put those farms on which good farming practices have been followed on an equal footing with farms which have been fully cropped.

This is very necessary legislation and I am sure will bring immediate relief to many sections in the West.

Estimated maximum increased acreage resulting from application of this wheat amendment

Colorado	500,000
Montana	350,000
Texas	150,000
Oklahoma	150,000
Kansas	100,000
Idaho	100,000
Wyoming	50,000

As part of my remarks I enclose a letter from the Eastern Colorado Development Association:

EASTERN COLORADO
DEVELOPMENT ASSOCIATION,
Eads, Colo., August 2, 1949.

Hon. Representative WILLIAM S. HILL,
House Office Building,
Washington, D. C.

DEAR MR. HILL: The Eastern Colorado Development Association wishes to thank you for the interest you have shown and the efforts you have put forth to forestall economic disaster in the High Plains area. Your recent bill containing provisions for wheat acreage allotments is clear evidence of your complete understanding of our situation.

We of ECDA have discussed your bill thoroughly with representative groups in this area, and the following comments will show its unanimous acceptance by eastern Colorado wheat farmers.

1. The bill will forestall economic disaster among wheat farmers in this area. The present law does not provide for expanded areas and is thus a detriment to soil conservation programs and good farming practice.

2. The provisions of the bill promote good farming practices. The practice of summer fallowing semi-arid lands is well established and proven. The enforcement of this practice will be regarded as a milestone in furthering the development of this rich farming area.

3. The plan is workable. All farmers in this area realize the benefits of strong Government support and are willing to cooperate with acreage allotments as long as good practices are not penalized, and such action by Government is required to stabilize the industry.

4. The plan is reasonable. Inasmuch as the national cut is the maximum cut expected of any farmer, regardless of historical background, our farmers accept the plan as reasonable and pledge to support same.

5. The error in total acreage of a State is eliminated. The present acreage figures used by State PMA in securing a base for what acreage are admittedly in error. The bill is a guaranty to every farmer that his full acreage will be used to determine his seeded acres.

Again we thank you and give our assurance of support when this bill becomes law.

Very truly yours,
H. O. WALES, *President.*

Mr. PACE. Mr. Speaker, I yield such time as he may desire to the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. PACE. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. JENNINGS asked and was granted permission to extend his remarks in the RECORD and include a pamphlet written by a great Baptist minister who began his career in the State of Texas and is now known throughout the world, Rev. Frederick Brown.

Mr. McDONOUGH asked and was given permission to extend his remarks in the RECORD and include an article.

Mr. MURRAY of Wisconsin asked and was given permission to revise and extend his remarks and also to extend his remarks in the RECORD in two instances and in one to include a table.

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an article on China. I am informed by the Public Printer that this will exceed two pages of the RECORD and will cost $273.34, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made on the conference report. I want to show that these little cotton farmers furnished a larger proportion of their sons to this war than any other class in America.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

SELECT COMMITTEE ON LOBBYING ACTIVITIES

Mr. SABATH. Mr. Speaker, I call up House Resolution 298 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That there is hereby created a Select Committee on Lobbying Activities to be composed of seven Members of the House of Representatives to be appointed by the Speaker, one of whom he shall designate as chairman. Any vacancy occurring in the membership of the committee shall be filled in the manner in which the original appointment was made.

The committee is authorized and directed to conduct a study and investigation of (1) all lobbying activities intended to influence, encourage, promote, or retard legislation; and (2) all activities of agencies of the Federal Government intended to influence, encourage, promote, or retard legislation.

The committee may from time to time submit to the House such preliminary reports as it deems advisable; and prior to the close of the present Congress shall submit to the House its final report on the results of its study and investigation, together with such recommendations as it deems advisable. Any report submitted when the House is not in session may be filed with the Clerk of the House.

For the purposes of this resolution the committee, or any subcommittee thereof, is authorized to sit and act during the present Congress at such times and places, whether or not the House is sitting, has recessed, or has adjourned, to hold such hearings, to require the attendance of such witnesses and the production of such books, papers, and documents, and to take such testimony, as it deems necessary. Subpenas may be issued under the signature of the chairman of the committee or any member designated by him, and may be served by any person designated by such chairman or member. The chairman of the committee or any member thereof may administer oaths to witnesses.

CALL OF THE HOUSE

Mr. HOFFMAN of Michigan. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. COLMER. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 176]

Abbitt	Gwinn	Pfeiffer,
Andresen,	Hall,	William L.
August H.	Leonard W.	Philbin
Bailey	Harrison	Phillips, Tenn.
Baring	Hart	Plumley
Barrett, Pa.	Hébert	Poage
Bentsen	Heffernan	Poulson
Bishop	Heller	Powell
Bland	Herlong	Quinn
Blatnik	Herter	Ramsay
Boggs, La.	Hinshaw	Redden
Bolling	Hoffman, Ill.	Reed, Ill.
Bolton, Ohio	Hope	Rees
Bosone	Horan	Regan
Breen	Howell	Ribicoff
Brooks	Huber	Riehlman
Buckley, N. Y.	James	Rogers, Mass.
Bulwinkle	Jonas	Roosevelt
Burleson	Kearney	Sadowski
Burton	Kee	St. George
Canfield	Keefe	Sasscer
Celler	Kennedy	Scott, Hardie
Chatham	Keogh	Scott,
Chelf	Kilburn	Hugh D., Jr.
Chesney	Kilday	Secrest
Chiperfield	King	Shafer
Chudoff	Kirwan	Short
Clemente	Klein	Sikes
Clevenger	Lane	Smith, Ohio
Cole, N. Y.	Latham	Smith, Va.
Cooley	Lichtenwalter	Staggers
Corbett	Lind	Stanley
Coudert	Lovre	Taylor
Dague	Lucas	Teague
Davies, N. Y.	Lyle	Thomas, N. J.
Davis, Tenn.	McCarthy	Thornberry
Delaney	McGregor	Tollefson
Denton	Macy	Towe
Dingell	Mahon	Underwood
Dollinger	Marshall	Velde
Dolliver	Martin, Mass.	Vinson
Donohue	Mason	Wadsworth
Eaton	Miles	Weichel
Ellsworth	Miller, Calif.	Welch, Calif.
Fellows	Murdock	Whitaker
Fulton	Murphy	White, Idaho
Gilmer	Norton	Wickersham
Gordon	O'Neill	Wilson, Ind.
Gore	Patman	Wilson, Tex.
Gorski, N. Y.	Patterson	Winstead
Gossett	Peterson	Withrow
Granahan	Pfeifer,	Wood
Green	Joseph L.	
Gregory		

The SPEAKER pro tempore (Mr. BECKWORTH). On this roll call 273 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

SELECT COMMITTEE ON LOBBYING ACTIVITIES

Mr. SABATH. Mr. Speaker, this resolution provides for the appointment of 7 members of a committee which will be authorized and directed to conduct a study and investigation of, first, all lobbying activities intended to influence, encourage, promote, or retard legislation; and, second, all activities of the Federal Government intended to influence, encourage, promote, or retard legislation.

I feel that the resolution should have been broader so as to include, first, the activities of persons or organizations not directly employed or engaged on salary but retained by firms or corporations on a contingent fee basis to obtain contracts from Government agencies or Government-owned corporations; and, second, the activities of former Government employees and retired officers of the armed services receiving retirement pay, now employed on a salary or fee basis by firms

or corporations doing business with Government agencies or Government-owned corporations.

On May 18 the House passed House Concurrent Resolution 62; but, notwithstanding the fact that nearly 4 months have since passed, no action has been taken by the other body. Not only this but other legislation is being held up in the Judiciary Committee of the other chamber.

In order to effect this investigation, which is desired and much needed, we are bringing in this House resolution. I understand the Senate committee has amended the concurrent resolution in a manner that would only permit the members of the Judiciary Committee of either branch of the Congress to be members of this proposed committee. In view of the fact that both of these Judiciary Committees are extremly busy and already have several investigations under way, I feel that those committees would not be able to conduct this investigation as demanded by the country. Therefore, we are calling up this resolution, with the conviction that the gentleman who introduced the resolution is extremely capable and fair-minded. The gentleman from Pennsylvania [Mr. BUCHANAN] has the confidence of every Member of this House, and I know that under his chairmanship we will obtain a real and impartial investigation, not only of the business lobbyists but also the gentlemen representing the Federal departments and independent agencies that devote a great deal of their time to lobbying for their legislation. I, and I presume other Members, are aware of the fact that we have certain branches of our Government that spend a great deal of their time and Government money to lobby for legislation to broaden their authority and have opposed the President's requests on reorganization to bring about greater efficiency and economy in the departments. The Corps of Engineers, United States Army, is doing everything in its power to kill reorganization. It even defies orders of the President. The corps has for years carried on a most flagrant lobbying activity. It has had the whole-hearted support of the so-called rivers and harbors bloc, composed mostly of southern Members of the House and Senate. The rivers and harbors congress is stanchly behind the corps in its lobbying activities. They, in turn, tie up with the lobby of contractors and with State and local officials. If you own a swamp in the South and are lucky enough to get the Corps of Engineers to drain it for you, you can sell it at any price you can get—the people of the United States pay the bill. The Corps of Engineers has developed one of the most effective lobbies ever operating on Capitol Hill.

I introduced in several Congresses prior to 1946, resolutions asking for investigations of lobbyists but no action was taken. When the Reorganization Act of 1946 was passed it embodied provisions for the registration of lobbyists. I then said that instead of restricting lobbying, under that reorganization provision, we really legalized lobbying here in the Capitol regarding legislation of special interest to the Departments and outside interests.

I feel that this resolution is timely and should receive the unanimous support of the House. For your information I wish to say that up to now 1,900 lobbyists have registered, though very few of them give the real facts and information as to how much money they are receiving or how many corporations they represent; in fact, the information they give is of very little value to the Members of this House. Consequently, I feel that this resolution should pass.

I have some figures here as to how much some of these professional lobbyists have been receiving. I am not going to detain the House with that information, but I am going to insert those facts in the RECORD and embody them in my remarks. I ask unanimous consent to insert the names of some of the outstanding lobbyists, whom they represent, how much they have received, and so forth.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SABATH. Here is a partial list, picked at random from reports appearing in the RECORD:

Name	Firm represented	Paid	By whom	Expense reimbursement
Wm. F. Bryans	Public Service Co. of Colorado.	$25,000 per year retainer	By same	Traveling and miscellaneous expenses.
Fred Hartley	Tool Owners Union, Inc., Massachusetts.	$20,000 per year	do	Out-of-pocket, office rent, traveling, entertainment.
Edgar S. Idol	American Trucking Association.	$13,500 per year	do	Ordinary business expenses.
Hill Knowlton, Inc	American Butter Institute, Chicago; National Creameries Association, St. Paul, Minn.	$36,000 retainer, at $3,000 per month.	do	Out-of-pocket, travel, entertainment, postage, etc.
Peyton Gordon P	Association of Cocoa and Chocolate Manufacturers of United States.	$20,000 annual retainer	do	No expenses.
Reilly, Gerard	General Motors, Detroit.	$36,000 per year	do	None.

The record shows that in the first quarter of 1949 lobbyists reported a total of over two millions spent—to break all records. The second quarter will exceed the first. It also shows that 258 lobbyists filed reports—another record.

The total of over $2,000,000 reported is almost $200,000 more than was reported in the last quarter of 1948—the previous high.

During the first quarter of 1949 Congress was engaged with legislation dealing with Taft-Hartley repeal, housing, minimum wage, increased appropriation for TVA steam plant, national health insurance, and yellow margarine, all of which legislation kept the lobbyists busy.

Below is a partial list of some of the large lobby organizations and their reports of expenditures for the first quarter of 1949:

	Expended
Committee for Constitutional Government	$149,066
National Association of Electric Companies (against Taft-Hartley)	136,509
National Physicians' Committee	130,969
American Medical Association	115,248
General Electric Co	91,075
National Association of Real Estate Boards	39,344
Association of American Railroads	33,000
Chamber of Commerce of United States	28,000
Southern Pines Industry Committee	36,377

The following is a break-down of 258 groups which spent hundreds of thousands in the first quarter of 1949:

Business (building, real estate, finance, food and agricultural products, oil, gas, mining, power, communications, transportation)	$952,421
Foreign-policy groups	184,020
Farm groups	111,079
Reclamation, rivers and harbors groups	102,000

In the business group, NAM allocated $80,019 for the year 1948. Total receipts by NAM for the second half of 1948 were $2,280,989.

The majority of the large concerns now retain large law firms in Washington and other large cities. In these firms is found a partner influential in Washington because he occupied at one time or other an important Government position.

The compensation these firms receive for lobbying is called a retainer—not lobbying compensation. Hence they do not set forth the amount of retainer or if set forth, is charged as fees for legal services the law firms maintain are not lobbying service. But they are. They write briefs, consult with the companies and corporations they represent—send out material for consumption by the members of the industry and thus directly and indirectly influence legislation.

Some of the evasions by registrants under Public Law 601 are herewith cited:

First. A law firm receives a retainer and each partner shares in proportion to services he renders in connection with its employment.

Second. Registrants claim to act as consultants and claim they do not come under Public Law 601.

Third. Registrants fail to state, at time of filing statements with the Clerk of the House, the compensation they are to receive.

Fourth. Executives of corporations and companies register. They spend most of their time in Washington. However, they claim they are not subject to the act.

Another class of executives state they are paid as executives of the company they represent, and if they do anything to influence legislation only a portion of their salaries are shown as being expended for their lobbying activities. The question is, how much time do they spend

as executives and how much time as lobbyists?

Fifth. Lobbyists in many cases receive expenses from two or more clients for hotel, entertainment, office, and so forth. They should be made to itemize these charges.

Sixth. Form A, which covers "name of contributor and amount of contribution" should be printed in the RECORD. Many do not file this form. There is no check upon these returns, although I understand the Department of Justice looks over these reports.

In the case of an organization such as the National Economic Council, we find in its report such entries as J. J. Raskob ($500); Nelson, of Sears-Roebuck & Co., and others, giving money to a hate-mongering organization, but I have been unable to find any report by this organization showing the many thousands of dollars they receive in contributions from various other sources.

A civil suit has been brought by the National Association of Manufacturers against the Attorney General to determine the constitutionality of the Lobby Registration Act. This case originated as a result of the request of the Department of Justice to NAM to furnish certain records relative to their legislative activities but they refused to comply. The suit was instituted to determine the meaning of persons as defined in the act. The Attorney General has held that NAM does come under the act and must register and file its statement.

I do not have to tell you how many of these lobbyists there are around this building and the Capitol and the hotels—how many of them have organized publicity offices in the city feeding us a lot of this misinformation and attempting to kill legislation that they dislike and advocating legislation not in the best interests of our Nation.

In view of the fact that many Members desire to leave this afternoon and that I have two other resolutions that I wish to call up before we adjourn, I shall conclude my remarks.

Mr. SABATH. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN].

Mr. ALLEN of Illinois. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, we have three minor measures here today, and it should not take the House over 5 minutes to pass all three of them. The first one is the resolution about which our distinguished chairman has just spoken, regarding lobbying. Personally, I am not going to offer any objection to this resolution. However, as far as I am individually concerned, may I say that in the long time I have been in Congress, I have not in any instance found any persons trying illegally or wrongfully to influence me in regard to any legislation. I will admit that many have come down here and discussed legislation both pro and con, but I reiterate that in all my years here I have never seen or heard of any individual doing anything that I could possibly construe as being wrongful.

We also have for consideration the bill (H. R. 5526) to authorize the President to provide for the performance of certain functions of the President by other officers of the Government, and for other purposes. We all know that the duties of the President of the United States are so vast and so many that we would naturally like to help him delegate as many of his administrative functions as possible. However, I think it is extremely important that while we do permit him to delegate certain administrative functions he retain, and we must insist that he retain, the responsibility in respect to all the powers he does delegate. In other words, the delegation of administrative functions is all right, but I repeat that it is necessary that the President be responsible for all the powers he delegates to any department head or other individual.

House Joint Resolution 297, also scheduled for consideration this afternoon, authorizes Federal participation in the International Exposition for the Bicentennial of the founding of Port-au-Prince, Republic of Haiti. The resolution authorizes the expenditure of $170,000 for a commission to go down there and show our respect for that republic.

I say again, Mr. Speaker, there is no reason why these three measures should not be passed in short time this afternoon. This entire week we have been continuously on the House floor in regard to important legislation. It is of like importance that the membership be permitted, this being a Friday, to go to their offices and take care of their mail.

Mr. SABATH. Mr. Speaker, I yield such time as he may desire to the gentleman from Ohio [Mr. MCSWEENEY].

Mr. MCSWEENEY. Mr. Speaker, I thank my chairman for yielding me this time, and ask unanimous consent to proceed out of order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. MCSWEENEY. Mr. Speaker, at present the Senate is engaged in investigating the activities of certain self-styled management counsellors, or who are more popularly known as "5 percenters." It is my belief that such persons are a result of the lack of adequate and centralized dissemination of information on bids and awards by the various governmental agencies. Government procurement is vast and many small-business men, who cannot afford to avail themselves of the services of high-priced representatives in Washington, have no way of knowing the status of any particular bid that they may have submitted to a Government agency.

Continuing my thought on this timely question of the obtaining of Government contracts by private industry, I would like to say that my suggestion is as follows:

That a small agency be established which would gather from all of the departments and bureaus of the Government regular information as to the needs of these several departments, what materials are to be purchased, and what contracts are to be let. A daily report could be made and printed in booklet form by the Public Printer. This publication would not only contain requests for material and the call for bids on proposed building programs, but it would also show each day what contracts have been awarded and to whom so that individuals or firms, which had bid on a certain project, would know when it had been awarded and could submit bids on other proposed work. As we all know, the small concerns cannot risk bidding on two or three Government projects at one time because their capacity would not make it possible for them to carry out more than one project at any one time. The regular report of this agency would keep them informed so that they could bid on the different projects as they appear on the record.

This whole program would be entirely self-supporting. The businessmen of the country would subscribe to it gladly because they would have before them constantly, the needs of the Government and all of its ramifications. An initial fund might be necessary to set the program in operation but this would be a revolving fund and would be liquidated by the contributions of the subscribers. Those who join with me in feeling that too often bureaus are set up and become almost self-perpetuating would be relieved of that fear because the moment the businessmen of the country were not willing to support this service, it would automatically be discontinued.

Again, I must repeat that we can all see that the ramifications of a tremendous operation like our Federal Government do, of necessity, create what we call "5 percenters." The small-business men in the several parts of the country would find it cheaper to pay 5 percent to some man to keep them informed on what was happening. However, we can all see that this type of program does lead to discrimination and to injustices and, if carried far enough, to dishonest procedure. My program, which would be embodied in a bill which I shall introduce in the next session of Congress, will entirely eliminate this.

I ask for your friendly consideration of this proposition and hope that when the time comes, it will have your wholehearted support. I am sure it will be welcomed by the fair-minded businessmen, who are trying to find outlets for their products and who are trying to find continuous employment for their employees.

Mr. SABATH. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Speaker, I rise at this time, since we are considering lobbying investigations, to demand the removal of Tighe Woods, the Housing Expediter. I do so, not only because of what has been revealed concerning his personal conduct, the method by which he obtained his appointment, the influence—sinister influence that was at play in bringing about his appointment—but also because of his actions favoring the realty interests to the detriment of the tenants. He is in the main responsible for the inordinate rises in rents which

are taking place particularly in the city of New York.

On August 1 Mr. Woods issued the following regulation—incidentally this is on top of the regulation with respect to the fair net operating income for which this Congress is responsible and which I opposed. The regulation is as follows:

> In considering petitions for adjustments under each of several grounds, the area rent office is directed under the amended regulation to grant increases to compensate for increased cost of operating and maintaining rental housing accommodations since the maximum rent date.

This will mean a landlord who is now receiving as much as a 50 percent or a 60 percent net return, will be entitled to an additional increase in rental.

During the last 3 months there have been 2,400 cases of increases in New York City where rents were raised as much as 35, 37, and 49 percent without having given the tenants a hearing. Under the regulation previously issued by Mr. Woods, tenants are not permitted to question the landlord's figures. They are not permitted to attend the hearing. They are not afforded a hearing and the rentals are increased and made retroactive as well for many months. Tenants have no defender and no protector in Tighe Woods. His actions demonstrate conclusively that he has become the medium through whom greedy landlords exploit tenants—the fountainhead, from which all of these rent increases spring.

The record will show that the office of the Housing Expediter has become an annex to the Real Estate Board. I just wonder what real estate influences are operating on Mr. Woods. Who has his finger in these pies that are being dished out in the office of the Housing Expediter? This is a situation that involves a real thorough investigation.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. MARCANTONIO. I yield.

Mr. SABATH. May I say to the gentleman that the Real Estate Board, the real estate owners, the great real estate lobby, that has been around here for over 4 years, has spent, according to figures I have been able to ascertain, over $2,000,000 in the last 3 years, and have brought about legislation under which, unfortunately, Mr. Woods can grant the increases that he has.

Mr. MARCANTONIO. Yes. That is true. The real-estate lobby won a great victory when they got through the fair net operating income legislation. I spoke and voted against the House amendment which later became the fair net operating income language in the bill. This language had the support and approval of the leadership in the House.

However, on top of that, Mr. Woods has gone further. He interpreted the law in such manner as to permit landlords to obtain increases without even giving the tenants an opportunity to be heard. Now he comes up with this other regulation of August 1, which the Congress never intended. I do not believe there is a single member of the Committee on Banking and Currency who will state that Congress ever intended to give landlords an increase over and above increases they receive under the fair net operating income formula that you accepted here. Yet Mr. Woods sneaks in this new regulation of August 1, which will make it possible for the landlord, who is obtaining a 50- or a 60-percent net income, to get an additional increase.

The SPEAKER pro tempore. The time of the gentleman from New York has expired.

Mr. SABATH. Mr. Speaker, I yield the gentleman one additional minute.

Mr. MARCANTONIO. Now, why did Mr. Woods issue this regulation? Who are the selfish influences that brought this about? In view of Mr. Woods' record, in view of the manner in which he obtained his appointment, in view of the fact that he permitted scarce material to be used to build a race track when veterans could not get it to build homes, in the light of the manner in which he has been interpreting the law and issuing regulations, I say he should be summarily removed. I say further that his office should be investigated from A to Z. Let me serve warning on you Members who come from the big cities. What is happening in New York is being repeated in every one of your cities. Your tenants are being fleeced. Rent increases are being given indiscriminately. This Congress gave no protection to the tenants, and here you have a Housing Expediter who goes out of his way to turn his office into a subsidiary of the real-estate interests.

The SPEAKER pro tempore. The time of the gentleman has again expired.

Mr. ALLEN of Illinois. Mr. Speaker, I now yield 5 minutes to a gentleman who has not been with us a very long time, but whom we all greatly admire, the gentleman from Indiana [Mr. HARVEY].

Mr. HARVEY. Mr. Speaker, I rise to pay tribute to the majority leader at this time, who brought out this piece of legislation. It was voted out of our committee to take some of the load from President Truman. I might add that our party, unsuccessfully, last November, attempted to relieve him of all these duties, but since he has them we might just as well make the job a livable one. I think the restrictions that are placed around the authority granted will adequately safeguard the constitutional rights of the office.

The SPEAKER pro tempore. The time of the gentleman from Indiana has expired.

Mr. SABATH. Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Speaker, when the Congressional Reorganization Act of 1946 was passed, one of the arguments that was made by the gentleman from Oklahoma [Mr. MONRONEY] and others was that we were going to do away with these special committees. Certain provisions were placed in the act which obligated legislative committees to maintain continuous jurisdiction over legislation which emanated from those committees. Additional prerogatives and jurisdiction were given to the House Committee on Expenditures in the realm of investigation of governmental agencies in regard to their operating on an economic and efficient basis, and also to see if they were exceeding the authority which the Congress had given to the administrative agencies of government in the executive branch.

It is a hard thing to speak against a resolution like this, and I am not going to vote against this resolution; in fact, I am going to support it because I realize how important it is that this job of work be done. But I want to point out that in setting up this committee, as in the setting up of any other special committee, that the House is, to a certain extent, breaking down one of the primary principles of the Congressional Reorganization Act, which sought to concentrate in committees certain functions, to prescribe certain jurisdictions, and to place with them the responsibility of continued surveillance of the legislation which they pass. This is an instance. Lobbying was part of the Reorganization Act; in my opinion, it comes entirely within the purview of the House Committee on Expenditures. I quote to you subsection (c) of that act which reads:

> Evaluating the effects of the laws enacted to reorganize the legislative and executive branches of the Government.

If that does not establish clear jurisdiction I do not know that anything could establish it. So it seems to me that we are in this case taking the wrong action. I opposed the "watchdog committee" the other day because I believed that that particular function should be in the Committee on Appropriations and in the Committee on Foreign Affairs. I thought that anything that could be done by the "watchdog committee" could be done by the Committee on Appropriations or by the Committee on Foreign Affairs investigating the expenditures of money in Europe, or, rather, the administration of the legislation on the ECA. Certainly, if the expenditures of the executive departments go beyond that which is outlined in law, it would come within the purview of the House Committee on Expenditures in the Executive Departments. I believe that we should give this Congressional Reorganization Act a chance to work, and I believe that we should concentrate the functions and responsibilities of each legislative committee within their particular legislative committee. I believe they should have staffs large enough to do the job. The gentleman from New York [Mr. TABER] the other day said that the Committee on Appropriations did not have a staff large enough to cover the functions of the "watchdog committee." The gentleman from Pennsylvania [Mr. FULTON] was right when he said that if that were true, then the staff of the Committee on Appropriations should be enlarged.

The leadership has seen fit to bring this legislation to the floor, and I realize the importance of it. I think that there should be a complete exposé of all lobbying. All lobbying is not necessarily evil;

lobbying comes under the headings of good and bad; if someone is lobbying for something you support, then it is good lobbying. If it is against something you support, then it is bad. But the over-all effect on legislation in this Nation of the expenditure of millions and hundreds of millions of dollars to influence legislation is certainly a pressing thing that should be looked into. I am, therefore, 100 percent in accord with the purposes of this legislation.

I wish that the function of investigating lobbying had been assigned to the House Committee on Executive Expenditures, which I believe has jurisdiction over the lobbying section of the Congressional Reorganization Act of 1946.

The SPEAKER pro tempore. The time of the gentleman from California has expired.

Mr. SABATH. I may say to the gentleman from California that this legislation will in no way affect the jurisdiction of the gentleman's committee. All that is intended is to make the investigation on lobbying and report the findings of the investigation to the Congress.

Mr. Speaker, I yield to the gentleman from Pennsylvania [Mr. BUCHANAN].

Mr. BUCHANAN. Mr. Speaker, I wish to commend the chairman and the members of the Committee on Rules for reporting this legislation favorably. Public Law 601, Seventy-ninth Congress, title III, covers regulation of lobbying activities.

Pressure groups interpret the Lobbying Act in different ways. Some file expenses. Others file full budget, but list expenditures they judge allocable to legislative activities. Still others file only expenditures directly concerned with lobbying.

Some organizations argue they need not file unless principal purpose is influencing legislation. But Justice Department says, "principal" includes all who have substantial legislative interests. Lobbies also differ on who filed expenditures—organizations or individuals.

The Federal Regulation of Lobbying Act does not spell out whether total budget or the portion of expenses judged allocable to legislative efforts shall be reported, nor has there been a decision on which it is to be used. There is no clear and universally accepted methods of determining how to allocate. The reported expenditure figures, therefore, vary widely as to what they cover.

Some groups simply report the expenses of their Washington office. Others report the whole expenses of various departments and allocate a percentage of publications expense of other departments. Others take a flat percentage of the total as lobbying expense. Some report the salaries of their lobbyists on individual lobbying expense forms and other legislative allocations on the organization expense sheet. Some organizations report that fraction of their publication costs which the legislative contents bear to the whole content. Others do not count their publication costs. Still other organizations do not explain their allocation formula, but give total expense and the amount allocated to lobbying.

The lobbying law calls for financial accounting of the activities of persons and groups seeking to influence the passage or defeat of any legislation by the Congress. It therefore does not cover the activities before executive, judicial, or regulatory agencies of the Government. Many organizations, therefore, do not file lobbying expenditure reports, or do not include in their allocations their expenses for commission and departmental work. Those organizations which do not report their entire Washington office expenses, including nonlegislative within the terms of the lobbying law, mean noncongressional lobbying in many cases.

Mr. SABATH. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING PRESIDENT TO PROVIDE FOR PERFORMANCE OF CERTAIN FUNCTIONS OF THE PRESIDENT BY OTHER OFFICERS OF THE GOVERNMENT

Mr. SABATH. Mr. Speaker, I call up House Resolution 311 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5526) to authorize the President to provide for the performance of certain functions of the President by other officers of the Government, and for other purposes. That after general debate which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Expenditures in the Executive Departments, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SABATH. Mr. Speaker, this resolution makes in order consideration of H. R. 5526, which would authorize the President to delegate some of his many minor duties and less important functions to other officers of the Government. It is, obviously, physically impossible for him to perform all of the duties now legally committed to his personal attention. Many of them are not of high importance, yet it is necessary for him to devote a great deal of time to them. How in the world, the physical strength of the President allows him to even sign, to say nothing of considering, the multifarious matters that must pass over his desk, I cannot understand.

Mr. Speaker, I do not think there is any opposition to this bill. Since the resolution was introduced by the majority leader, has the unanimous report of the proper committee, as well as the Committee on Rules, I will not detain the House with a further explanation.

I now yield 30 minutes to the gentleman from Illinois [Mr. ALLEN].

Mr. ALLEN of Illinois. Mr. Speaker, I have no requests for time and I know of no opposition on this side.

Mr. SABATH. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The resolution was agreed to.

Mr. DAWSON. Mr. Speaker, I ask unanimous consent that the bill (H. R. 5526) to authorize the President to provide for the performance of certain functions of the President by other officers of the Government, and for other purposes, be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., that the President of the United States is hereby authorized to designate and empower the head of any department or agency in the executive branch, or any other official who is required to be appointed by and with the advice and consent of the Senate, to perform without approval, ratification, or other action by the President (1) any function which is vested in the President by law, or (2) any function which such officer is required or authorized by law to perform only with or subject to the approval, ratification, or other action of the President. Such designation and authorization shall be in writing, shall be subject to such terms, conditions, and limitations as the President may deem advisable, and shall be revocable at any time by the President in whole or in part.

SEC. 2. The authority conferred by this act shall apply to any function vested in the President by law if such law does not affirmatively prohibit delegation of the performance of such function as herein provided for, or specifically designate the officer or officers to whom it may be delegated. This act shall not be deemed to limit or derogate from any existing or inherent right of the President to delegate the performance of functions vested in him by law, and nothing herein shall be deemed to require express authorization in any case in which such an official would be presumed in law to have acted by authority or direction of the President.

SEC. 3. As used in this act, the term "function" embraces any duty, power, responsibility, authority, or discretion vested in the President or other officer concerned, and the terms "perform" and "performance" may be construed to mean "exercise."

With the following committee amendment:

Page 2, line 2, after the colon insert "*Provided*, That nothing contained herein shall relieve the President of his responsibility in office for the acts of any such head or other official designated by him to perform such functions."

Page 2, line 6, after "writing", insert "shall be published in the Federal Register."

The committee amendments were agreed to.

Mr. DAWSON. Mr. Speaker, the Committee on Expenditures in the Executive Departments, to whom was referred the

bill, H. R. 5526, to authorize the President to provide for the performance of certain functions of the President by other officers of the Government, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill, as amended, do pass.

The purpose of the bill is to lighten the excessive work load of the President of the United States. This will be accomplished by enabling the President to cause other officers of the Government to perform in his behalf functions of the President designated by him.

The bill would authorize the President to delegate in writing, subject to such terms, conditions, and limitations as the President may deem advisable, and subject to revocation in whole or in part by the President at any time, to the head of an executive department or agency, or to any officer whose office requires appointment by the President, by and with the advice and consent of the Senate, the performance or exercise of any function (including any duty, power, responsibility, authority, or discretion) vested in the President, unless the statute vesting the function in the President affirmatively prohibits delegation as provided for in the bill or specifically designates the officer or officers to whom delegation may be made.

That the bill, if enacted, would be of assistance to the President is beyond doubt. Of the many hundreds of Presidential duties there are several hundred which he now personally performs. He would be afforded material relief from excessive work load by the enactment of the bill because it would provide a workable and expeditious method for placing the responsibility for the discharge of certain minor functions in other officers of the Government.

I think every Member of this Congress can appreciate the excessive work load that has been placed upon the President, and the toll that it has taken upon him in health and time and in long hours of work to carry out the performance of his duties. I think we can appreciate that our Presidents have broken down to a great extent by reason of the heavy work load. We can appreciate that many of these duties are merely administrative in their nature, but the President under the law is required to perform them. All this bill does is authorize the President to delegate to the head of a department or agency or to an officer whose appointment rests in the President with the advice and consent of the Senate certain duties and functions. This power to delegate is revocable at any time. The bill specifically provides that the President is at no time relieved of responsibility for the acts of his agents.

Mr. HARRIS. Mr. Speaker, will the gentleman yield?

Mr. DAWSON. I yield to the gentleman from Arkansas.

Mr. HARRIS. I think I can see, as perhaps we all can, the advisability of providing authority for an executive to delegate certain functions and duties as a matter of expediting the tremendous business it is necessary to transact, but what is it this bill will authorize the President to do that he does not have authority to do under the present law?

Mr. DAWSON. Questions have been raised at various times in decisions upon statutes as to whether the President has had power to delegate under the law. This just gives him clear-cut authority to do what many believe he now has the right to do, but where a question has been raised at various times as to his right to do it. It does not give him the right, certainly, to delegate any constitutional powers, because we could not give him that right by law. However, many statutes provided that the President should do certain things. For instance, under the War Powers Act he had to sign the warrant for every officer, and he delegated that duty, but there was some question about it.

Mr. HARRIS. The gentleman had a lot to do with the formulation and presentation of the reorganization bill to this House. Certainly he is to be highly commended on the very valuable service he performed in the course of his duty as chairman of the committee. May I ask the gentleman if any of the authority under the Reorganization Act which the Congress this year has provided that is delegated to the President could be delegated by the President to someone else in the various agencies?

Mr. DAWSON. My answer to that would be "No."

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. DAWSON. I yield to the gentleman from Illinois.

Mr. SABATH. Is it not a fact that your committee has had before you witnesses testifying to the need for this legislation, and that your committee has reported this bill out by a unanimous vote?

Mr. DAWSON. That is true. It was reported out of the committee by a unanimous vote, with the reservation by one member of the committee that he had the right to make objections or differ on the floor of the House if he saw fit to do so. The action of voting the bill out was unanimous.

Mr. CAVALCANTE. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, I am in accord with the general idea of this bill, but in order that I may point out to you my slight objection, may I call to your attention the divisions of our Government—the legislative, the executive, and the judicial. The thing that I am concerned about here is whether this bill would give the President power to assign the performance of some of the Executive functions to officials in departments other than the executive department. As this bill is now written I am afraid that is what it will do—it will permit the President of the United States to delegate the performance of some of his functions to heads and officials in other departments of the Government—I mean departments and agencies other than those in the executive. No amount of arguing can prove otherwise. Let me read to you:

> The President of the United States is hereby authorized to designate and empower the head of any department or agency in the executive branch, or any other official, who is required to be appointed by and with the advice and consent of the Senate.

I say under the wording of this bill the President can designate any judge in the judicial department and assign to him the performance of executive functions. Personally, I feel it would be unwise to confer that power upon the President because it would be in the direction of destroying the theory of our Government and the balance of powers between the three departments. It would confuse the performance of these functions if the President could designate a member of the judicial department to perform executive functions.

He could even go into the legislative department where the official is appointed by and with the consent and advice of the Senate and he could select that individual to administer executive functions. I honestly believe—and I shall offer an amendment at the proper time, that we should strike out the word "other" in line 5; and after the word "official" we ought to insert the word "thereof." Then we would be spelling out in the bill exactly that the President must assign the performance of these functions to a head or official of any of the departments of the executive branch and must not go out of that executive department to select the official who must perform these functions.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. CAVALCANTE. It is a pleasure to yield to our distinguished majority leader, the gentleman from Massachusetts.

Mr. McCORMACK. As the author of the bill I recognize that the gentleman has talked with restraint and very constructively. I recognize there is such a possibility. I am sure the gentleman will agree with me that in the actual operation of this bill there would not be any such delegation. But of course that is not the question. I think the amendment which the gentleman has said he proposes to offer is an amendment which will strengthen the bill because it removes any possibility of uncertainty or ambiguity, and it makes it definite. So far as I am concerned, if the gentleman offers the amendment, and I hope he will, I shall vote for it. It is agreeable to me.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

Mr. HOFFMAN of Michigan. Mr. Speaker, I move to strike out the last word.

CALL OF THE HOUSE

Mr. H. CARL ANDERSEN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] Evidently there is no quorum present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 177]

Abbitt	Gorski, N. Y.	O'Neill
Anderson, Calif.	Gossett	Patterson
Andresen, August H.	Green	Pfeifer, Joseph L.
Auchincloss	Gregory	Pfeiffer, William L.
Baring	Gwinn	Philbin
Barrett, Pa.	Hall, Leonard W.	Phillips, Calif.
Bates, Ky.	Harrison	Phillips, Tenn.
Beall	Hart	Plumley
Bentsen	Hébert	Poage
Bland	Heffernan	Poulson
Bolling	Heller	Powell
Bolton, Ohio	Herlong	Quinn
Breen	Herter	Redden
Brooks	Hinshaw	Reed, Ill.
Buckley, N. Y.	Hoffman, Ill.	Rees
Bulwinkle	Hope	Ribicoff
Burdick	Horan	Riehlman
Burke	Howell	Rivers
Burleson	Jackson, Wash.	Rogers, Mass.
Burton	James	Roosevelt
Canfield	Javits	Sadowski
Celler	Jennings	St. George
Chatham	Johnson	Scott, Hardie
Chesney	Jonas	Scott, Hugh D., Jr.
Chiperfield	Kearney	Secrest
Chudoff	Keefe	Shafer
Clemente	Kelley	Short
Clevenger	Kennedy	Sikes
Cole, N. Y.	Keogh	Smith, Ohio
Corbett	Kilburn	Smith, Va.
Coudert	Kilday	Staggers
Dague	Kirwan	Stanley
Davies, N. Y.	Klein	Taylor
Davis, Tenn.	Lane	Teague
Delaney	Latham	Thomas, N. J.
Denton	Lichtenwalter	Tollefson
Dingell	Lind	Towe
Dollinger	Lovre	Underwood
Dolliver	Lyle	Velde
Donohue	McGregor	Vinson
Doyle	Macy	Wadsworth
Eaton	Mahon	Weichel
Fallon	Marshall	Welch, Calif
Fellows	Martin, Mass.	White, Idaho
Flood	Mason	Whittington
Fogarty	Miles	Wickersham
Fulton	Miller, Md.	Wilson, Ind.
Furcolo	Miller, Nebr.	Winstead
Gilmer	Morton	
Gordon	Murphy	
Gore	Norton	

The SPEAKER. On this roll call 284 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

AUTHORIZING PRESIDENT TO PROVIDE FOR PERFORMANCE OF CERTAIN FUNCTIONS OF THE PRESIDENT BY OTHER OFFICERS OF THE GOVERNMENT

The SPEAKER. The gentleman from Michigan [Mr. HOFFMAN] is recognized.

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to proceed for an additional 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, though frequently points of no quorum have been made by me, I did not make this particular one. That does not mean that I would not make it had someone else not made it.

There is so much confusion in the House, it may in part be unavoidable, that the other day I noted that the Speaker himself had difficulty not only in hearing what was said but in seeing who was talking. In my humble judgment, the Members of the House should have at least some little idea of the legislation that is being enacted here from day to day. I hope we can avoid all personalities in the discussion on this bill. For that reason I want it distinctly understood that if during the debate I say something about the head of a department, or if perchance I should name some individual, there will be nothing personal about it. My only purpose is to call attention to the authority of that individual or to the functions which that individual might be called upon to exercise if such are delegated to him by the President.

So far as I know, Mr. Speaker, there is no objection—none whatever—to the purpose of this bill. Everyone realizes that the President cannot perform all the routine duties the Congress has imposed upon a President. That would be a physical impossibility. For my own part I might say that I have no objection if he wants to get some sort of duplicating machine carrying his signature or some mechanical device to stamp with his name all the bills that he must sign, or if he wants someone to perform any of the administrative acts or duties which fall upon him—I have no objection, and I know of no one who has any objection to that burden being lightened by any legitimate way.

But this bill, may I suggest, goes entirely too far. Note—and I wish everyone had a copy of the bill in his hand—the first page gives authority to the President to empower the head of any department or of any agency or any appointive officer whose confirmation by the Senate is necessary to do or to perform any function—get that—to perform any function which it is the duty of the President to perfom. So far so good. I have no objection so far. But, then turn to page 2 where we find the definition of the term "function." Here is the language. It begins in section 3 on the last line at the bottom of the second page:

> As used in this act the term "function" embraces any duty, power, responsibility, authority, or discretion vested in the President or any other officer concerned.

Could any language be broader in its meaning or scope? Could any language be more comprehensive than that? We are not setting up a dictator by this bill—that is not my argument. What we are doing is permitting the President who is overburdened and overworked to empower any agency head, the head of any department, to do the things and to perform the duties—the discretionary duties—of course, those vested in, or imposed upon, him by the Constitution, we have nothing to do with—to delegate any other discretionary or mandatory duty which is imposed upon him or any act which he is required to do as the head of a department or agency.

I submit that is going altogether too far. If we follow through on the course which is charted in this bill and permit that language to stand, shortly—in spite of the words in the bill which state that the President shall be responsible for what these gentlemen do—in spite of that language, it will not be long before we will have a lot of little presidents or dictators exercising in an arbitrary manner authority and performing the duties which the Congress has placed upon the President.

Let me repeat—we all realize that some of these duties, in fact many of them, have to be delegated. As a matter of practice many acts are now delegated. Let us not go beyond what is necessary to release the President. Let us consider this illustration, and again let me say there is nothing personal about this.

Suppose we have a strike in the steel industry, as we may have, and the question comes up as to whether the steel industry shall be seized. Under the law as it stands today, it is up to the President to decide whether he will ask for an injunction, or perhaps attempt to seize the plant.

The other day the gentleman from California [Mr. ANDERSON] called attention to the strike in Hawaii, which has tied up the island. Industry in that island is tied up. Food is short. Harry Bridges, now under indictment, is there, and he says that notwithstanding the legislation which has been passed in the islands for the seizure of those industries, if the Government attempts to operate them, he is going to transfer some of the activities of the strike to the west coast, and he will tie up the west coast. He has been able to do it before and we let him get away with it.

Now, suppose that issue comes up and the President delegates authority over the dispute to the Secretary of Labor, do you see where we are? There is an agency created by statute, to do what? In the words of the statute, "to foster, promote, and develop the interests of the wage earner." What are the interests of the wage earner in connection with that strike in the islands? Shorter hours, higher wages—I do not know what it is. But in any event, whatever be the issue there, whatever be the issue in the steel strike, it would be up to the President, and he might delegate that authority to the Secretary of Labor, whose duty it is to promote the interest of the wage earner as against the interest of the employers, but more important as against the interests of the people of the United States, to determine whether under his duty to promote the interest of the wage earner the industry should be seized and—now get this—held until the employer yielded to the wage earners' demands.

My point is that that authority should not be delegated to the Secretary of Labor, but the probabilities are that it would be so delegated. So when the proper time comes, I will offer an amendment to strike out, at the top of page 3, after the word "embraces", the words "any duty, power, responsibility, authority, or discretion" and insert in lieu thereof "any administrative duty"; or if anyone on the floor has any other words that will more accurately describe my purpose, I am perfectly willing to have those words substituted.

When this matter was before the Rules Committee the other day, I recall that the gentleman from New York [Mr. WADSWORTH] and the gentleman from Ohio [Mr. BROWN] and perhaps one or two others suggested that the bill was too broad and that we could correct it on the floor. That is my sole purpose. To relieve the President? Yes. But not to permit anyone—that does not mean, as some subsequent speakers will suggest, that I lack confidence in the President. That is not it. It would not make any difference who was President. The amendment might in practice protect the President from ill-advised acts of the heads of an agency or department.

Mr. McCORMACK. May I suggest to the gentleman that the amendment stage is now. I simply make that observation for the gentleman's information.

Mr. HOFFMAN of Michigan. I thank the gentleman from Massachusetts, but I thought perhaps, having moved to strike out the last word, then, after some other gentleman had spoken, I might offer the amendment, and by that procedure it might be possible for me to have an opportunity to answer these arguments.

Mr. McCORMACK. Will the gentleman yield further?

Mr. HOFFMAN of Michigan. I yield.

Mr. McCORMACK. The reason I made the observation was in hopes not to stop the gentleman from getting another crack at it but that he would not take another crack.

Mr. HOFFMAN of Michigan. That is all right, if the amendment could be voted on now without further discussion, but realizing the power of the gentleman from Massachusetts [Mr. McCORMACK] to sway the House by his eloquence——

The SPEAKER. Does the gentleman offer an amendment at this time?

Mr. HOFFMAN of Michigan. No. I just ask that it may be read at this time.

The SPEAKER. Without objection, the suggested amendment will be read by the Clerk.

The Clerk read as follows:

Amendment offered by Mr. HOFFMAN of Michigan: On page 3, line 1, after the word "embraces", strike out the words "any duty, power, responsibility, authority, or discretion" and insert in lieu thereof the words "any routine administrative duty."

Mr. HOFFMAN of Michigan. Mr. Speaker, I yield back the balance of my time, if I have any.

Mr. McSWEENEY. Mr. Speaker, I rise in opposition to the pro forma amendment, as unanimous consent to speak out of order and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. McSWEENEY. Mr. Speaker, I wish to call to the attention of the Members of this House the fact that $85,000,000 have been set aside for production and subsistence loans for the fiscal year 1950 by the Department of Agriculture.

I want to state that I in no way wish Ohio to have unfair advantage over any of our sister States, but from the point of view of population, from the point of view of the contribution we make to the maintenance of our Federal Government, and from the point of view of our desire to help our ex-servicemen and others in their efforts to improve agriculture, I make this complaint.

I think the fallacy of the whole program is that we in Congress predicate a future appropriation or the continuing of an appropriation upon past consumption. In other words, if we have appropriated $10,000,000 for a project for 1 year and it is not all used, instead of giving credit to the administrator of that fund who is trying to spend it wisely and judiciously, we penalize him by not giving him an equal amount for next year when he may be better prepared to spend the remaining amount plus the new appropriation.

As we know, $85,000,000 was appropriated for production and subsistence loans for 1950; $75,000,000 was to be allocated immediately and $10,000,000 kept in reserve. Because of my interest in Ohio I am making definite reference to that State. I find that it has $950,000 allocated for this year; that it has $822,780 available for new loans, but, on the other hand, I find the small States, from the population point of view, such as Mississippi and Oklahoma, each getting over $3,000,000. To me this is an inequality and an injustice. Ohio's administrators have been trying to conserve this fund and only put it out where they feel it will do the most good. Since 50 percent of this fund was for ex-servicemen, we are trying in Ohio to see that men who have been availing themselves of an education under the GI bill of rights will soon be in a position to receive the benefits of this fund. Therefore, because last year's consumption was small, it is not fair to give small allocation for this year. The gentleman from Ohio [Mr. POLK], distinguished member of the Agriculture Committee, also feels that adjustments must be made.

My colleague and comrade, the gentleman from New Jersey, Congressman RODINO, was startled to find that his State, with its vast truck-gardening programs, was confined to $525,000. He, too, insists on reconsideration of the allocation.

I in no way want to be too critical of the people who must make the allocations of public funds, but I do feel that it is wrong to predicate future allocations entirely upon past consumption, because, as I said before, it penalizes the careful administrator and encourages unwise and extravagant use of Government moneys. I am respectfully asking that the administrators, who have made these allocations, give reconsideration to them and see if a more equitable program cannot be set in motion.

Many of my comrades of both World Wars are supposed to have one-half of all of this fund. The Ohio boys are going to be severely handicapped if more money is not allocated to Ohio. We realize, too, that the providing of shelter on the farm for animals and equipment costs more than in States of a milder climate. I must insist, therefore, that a reallocation of funds be made.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. McSWEENEY. I yield.

Mr. RANKIN. I invite the gentleman's attention to the fact that on yesterday I introduced a bill to restore the 16,000 veterans' hospital beds that were eliminated recently by Executive order. A large number of them are in the State of Ohio.

Mr. LESINSKI. Mr. Speaker, will the gentleman yield?

Mr. McSWEENEY. I yield.

Mr. LESINSKI. I understand there is great demand from the State of Ohio for money for education. Why is it that Ohio has bottled up $200,000,000 and will not release any money for education?

Mr. McSWEENEY. I will answer the gentleman this way: We are trying to handle things in Ohio in the way that will be most beneficial for the people who are helped. We have a number of men who are getting ready to make application for farm loans. These men are now in the agricultural colleges. In order not to make unwise loans we are retaining this money so that it may be used judiciously, that the men may be qualified to use it and so that they will understand that in using it the State wants them to make a success. We in Ohio are trying to make those people who apply worthy people, and we are trying to take care of worth while ex-servicemen who are now getting into the farming business.

Mr. LESINSKI. That money was purposely allocated for education. There are many underprivileged people there who ought to get this money, whom it was expected would be helped by this money, yet the State of Ohio will not release it.

Mr. BREHM. Mr. Speaker, will the gentleman yield that I may answer the gentleman from Michigan?

Mr. McSWEENEY. I yield.

Mr. BREHM. I would like to answer the question of the gentleman from Michigan as to why the State of Ohio does not release more money for educational purposes. That is undoubtedly due to the fact that Hon. Frank J. Lausche, our Democratic Governor, and his Democratic-controlled legislature, has the same attitude toward education as has the chairman of our Committee on Education and Labor. That is the answer why no more money was released. And, by the way, let me further explain to the gentleman from Michigan [Mr. LESINSKI] that there is no great demand from Ohio for money for educational purposes from the Federal Government.

Mr. McSWEENEY. There have been bills introduced——

Mr. LESINSKI. But the gentleman has not told us why money was not granted when it was actually made available by a Republican Congress.

Mr. McSWEENEY. May I say in reply to my colleague that there have been bills introduced in the legislature to do

just that thing. As to the present status of those bills I am sorry I do not know.

Mr. BREHM. Mr. Speaker, will the gentleman yield further?

Mr. McSWEENEY. I yield.

Mr. BREHM. I wish to further state that I fully answered the question of the gentleman from Michigan as to why more money was not appropriated by the State of Ohio for aid to education. I am in complete agreement with the sentiments of the gentleman from Ohio [Mr. McSWEENEY] and am only answering the question of the gentleman from Michigan as to why more money had not been appropriated for educational purposes in Ohio. I repeat that if the present Ohio Legislature had authorized more money, especially for certain school districts in the unglaciated area of the State that you would hear no talk from anyone requesting Federal aid in Ohio. We have sufficient money in Ohio to run all State functions as well as education and the present State administration was derelict in its duty by failure to act. Governor Lausche is the first executive in Ohio who ever vetoed an educational appropriation bill. This was during his first term and a Republican legislature overrode him.

Mr. McSWEENEY. Mr. Speaker, I yield back the balance of my time.

Mr. HOFFMAN of Michigan. Mr. Speaker, I was asked to offer the amendment at this time. I offer the amendment.

The Clerk read as follows:

Amendment offered by Mr. HOFFMAN of Michigan: On page 3, line 1, after the word "embraces", strike out the words "any duty, power, responsibility, authority, or discretion" and insert in lieu thereof the words "any routine administrative duty."

Mr. CASE of South Dakota. Mr. Speaker, I move to strike out the requisite number of words.

Mr. Speaker, I ask unanimous consent that in the first line of the title of the pending bill the word "ta" be corrected to read "to."

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. CASE of South Dakota. Mr. Speaker, I believe that the legislative history of this bill would be clearer if we had some statement by the chairman of the committee as to whom the word "such" refers appearing in line 20, page 2.

Let me read the first sentence of that section:

SEC. 2. The authority conferred by this act shall apply to any function vested in the President by law if such law does not affirmatively prohibit delegation of the performance of such function as herein provided for, or specifically designate the officer or officers to whom it may be delegated.

Then follows the sentence, which reads:

This act shall not be deemed to limit or derogate from any existing or inherent right of the President to delegate the performance of functions vested in him by law, and nothing herein shall be deemed to require express authorization in any case in which such an official would be presumed in law to have acted by authority or direction of the President.

I have read the paragraph over two or three times and it is not clear that in the second sentence there is any antecedent to determine who "such an official" is. The only way that I can understand it is to assume that the words "such an official" refer back to "officer or officers" in line 15 of the preceding sentence. I would like to ask the chairman of the committee if that is correct? Ahead of the words "such an official" in the second sentence no officials are referred to other than the President himself. The phrase "such an official" is meaningless unless that official is described somewhere.

Mr. DAWSON. I do not get the import of the gentleman's question. To me the language is clear. The gentleman is reading beginning on page 2, line 16:

This act shall not be deemed to limit or derogate from any existing or inherent right of the President to delegate the performance of functions vested in him by law, and nothing herein shall be deemed to require express authorization in any case in which such an official would be presumed in law to have acted by authority or direction of the President."

Mr. CASE of South Dakota. Who is "such an official"?

Mr. DAWSON. Any official who is deemed to act in a delegated power.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. CASE of South Dakota. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. I think the gentleman's question is this; is it not? Does such individual refer to an individual to whom the President has delegated power, or does it refer to someone invested with power by law other than this?

Mr. DAWSON. I assume by law.

Mr. HOFFMAN of Michigan. Well, which is it?

The SPEAKER. The time of the gentleman from South Dakota has expired.

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to proceed for three additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. CASE of South Dakota. In the interest of clarity we should understand who is exempted from the requirement of the express authorization by designation in writing set forth in section 1. If "such an officer" refers back to the first part of this section 2, the first sentence, then it is referring to the officials covered by laws in which there is a specific designation of an officer or officers.

Mr. DAWSON. It relates to that language.

Mr. CASE of South Dakota. If it relates to that language, then it should be clear.

Mr. DAWSON. Yes; it relates to that language.

Mr. CASE of South Dakota. It refers to an officer or officers designated by law, then, and does not refer to an officer or officers whom the President may designate.

Mr. DAWSON. That is right.

The SPEAKER. The time of the gentleman from South Dakota has expired.

Mr. HOLIFIELD. Mr. Speaker, I rise in opposition to the amendment.

Mr. Speaker, as I understand the amendment offered by the gentleman from Michigan [Mr. HOFFMAN] on page 3, it is this: The words stricken are "any duty, power, responsibility, authority, or discretion" and the insertion for those words of "any routine administrative duty."

First, I would like to say that in the definition of the word "function" we have tried to follow the definition which is ordinarily considered the legal definition of the word "function." I think that the gentleman's words suggested there, "routine administrative duty" would be certainly subject to variability of interpretation. What would the words "routine administrative duty" mean? How would you draw the line of delineation between other administrative duties and routine administrative duties? It seems to me that you would open up this whole meaning of a delegated function to words which are obscure and certainly subject to lawsuits and disagreement as to the exact meaning.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. HOFFMAN of Michigan. I cannot follow that argument, because there are other words in there. The gentleman can make the same argument against any of those words that he is making now. "Routine administrative duties" covers a fairly well-defined field. I do not believe we should quibble about the President's getting rid of some of these duties that are weighing so heavily on him and that are purely in the way of routine, but what I object to is the delegation of powers with respect to the tariff or the reciprocal trade agreements or any of those things that come up, where a great deal of harm might be done.

Mr. HOLIFIELD. I think I understand what the gentleman means. If he will allow me, I should like to say this: At the top of page 2 we have put in this provision, *"Provided,* That nothing contained herein shall relieve the President of his responsibility in office." In other words, such designations as the President makes are not only made clearly, for, as the paragraph provides, "such designation and authorization shall be in writing," and "shall be published in the Federal Register," so Congress immediately has cognizance of it, but such designation "shall be subject to such terms, conditions, and limitations as the President may deem advisable," and he retains the power to revoke that delegation of authority at any time. It seems to me that gives adequate protection to any designation of authority.

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent that the gentleman from Californa be permitted to proceed for five additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. If the gentleman will yield further, what I am trying to do is protect and relieve the President from any ill-advised acts that some subordinate might do. You put in this bill that the President is responsible, and of course he cannot avoid that responsibility, but at the same time the wider you make the field of his delegation of power the more you subject him to criticism. If this bill had gone far enough to let the President delegate his authority to any of his official family, where would he be now, for instance, with reference to General Vaughan? Here comes the Post this morning and calls upon the President to take action against the general. Right or wrong, that situation exists. I do not want the President to be put in the position of having the power to delegate that discretionary authority or his duty, and then be responsible for what some subordinate may do.

Mr. HOLIFIELD. I understand the gentleman's motives, and they are certainly in line with the motives of all of us. We want to do this thing and do it right. We certainly do not want to give the President any powers to which he is not entitled. It still seems to me that the gentleman's words, "routine administrative duties," do not clearly delineate a sphere of activity. They could be very broad in the interpretation of some people and very narrow in that of others. Therefore, I think the words which are customarily used which relate to function and have a meaning in legal terminology should be used rather than the loose, general words of "routine administrative duties."

May I point out one difficulty in determining "routine and administrative duties"? We have in mind that the President will delegate his function, possibly, to the Postmaster General to sign the commissions of postmasters. That is a tremendous duty. I think the testimony showed that sometimes the President had to sign four or five hundred routine papers in one evening, and that he took the papers home to his own bedchamber and worked into the night affixing his signature, which is required by law, to commissions for second lieutenants and higher officers in the armed services. It is obvious that the President cannot, of his own personal knowledge, know each one of these individuals, know his qualifications and know all the things that an individual would have to know to discharge a personal responsibility. He must, therefore, depend upon administrative heads of departments to bring these papers to him after they have been properly screened and put in order, and the people have been given clearance. Then he affixes his signature as is required by law. We feel, too, in the issuance of certain regulations in the departments there are minor regulations and certainly there is a function of discretion on the part of the administrative officer, there is more involved than merely affixing a signature in those cases.

But there are routine functions which have to be done over and over again, required by some law or other. We had testimony that there were something like 1,100 statutory laws which require the President's signature to be attached to documents, the contents of which involved no personal knowledge on the part of the President. He had to take the advice of his administrative officers on them.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. HOFFMAN of Michigan. Of course I have no objection to having somebody sign the President's name to these papers. That is absolutely clear. He should be relieved of all of this manual labor as much as possible. But do not impose upon him what might follow as a consequence of allowing him to delegate authority so that some subordinate might get him in hot water.

That is not only protecting the people of the United States, but protecting the President.

Mr. HOLIFIELD. I am in complete harmony with the gentleman's objective, but I think the language used in his amendment is language which is general in scope and susceptible of so many varying interpretations that you would nullify the act.

Mr. HOFFMAN of Michigan. Will the gentleman yield further?

Mr. HOLIFIELD. I yield.

Mr. HOFFMAN of Michigan. Then if that criticism is just, since the language of the bill is world-wide and there is no limitation to it at all and the President can do anything, I am willing to accept any other language which you might suggest.

Mr. HOLIFIELD. No. I think the limitation at the top of page two limits the functions and the last section clarifies the interpretation of the word "function."

Mr. HOFFMAN of Michigan. If you object to the words that I have offered, I am perfectly willing to take anything else to accomplish our purpose. You say that we are in accord on that.

Mr. HOLIFIELD. I think the bill does accomplish the purpose because it puts the legal definition of the word "function" which has been established over the decades and we use the legal definition and then we have the further limitation by the provision at the top of page two.

Mr. GRAHAM. Mr. Speaker, will the gentleman yield?

Mr. HOLIFIELD. I will be glad to yield to the distinguished gentleman from Pennsylvania [Mr. GRAHAM], whose knowledge of the law I am afraid I am in no way able to cope with.

Mr. GRAHAM. I thank the gentleman, but I really do not merit such encomium. I would like to ask the gentleman this question. In your definition of powers you sought to give the President full authority, which he should have, and wide discretion inherent in his office.

As I understand the law, there are many cases where a person is authorized to sign the name of the President thereby relieving the President of the tediousness of writing his name over and over again.

If I understand the full purport of this bill, it was to do that very thing. That was the question which was in my mind.

The SPEAKER. The time of the gentleman from California has again expired. Without objection, the gentleman may proceed for two additional minutes.

There was no objection.

Mr. GRAHAM. I thank the Speaker.

This is the question which was in my mind—where the gentleman from Michigan [Mr. HOFFMAN] has offered his amendment striking out the words that you have inserted in the bill, his amendment would make the language read "any routine administrative duty." That, in my judgment, would take from the President the discretion which the President has a right to exercise and I wonder if it would be acceptable to the gentleman to amend it in this sense to make it read "any routine administrative or discretionary duty"?

Mr. HOLIFIELD. If you include "discretionary duty", it would certainly, in my opinion, be better than the way the amendment is written, but I still do not believe it is necessary. I would say it would make the amendment better, but I believe the present language of the bill is safer, because I do not know what field you would open up with the two words "discretionary" and "routine." It would seem to me to be hard to try to delineate between the words. Certainly "discretionary power" is as wide as "duty, responsibility, and authority."

Mr. GRAHAM. Will the gentleman yield further?

Mr. HOLIFIELD. I yield.

Mr. GRAHAM. Of course, it is apparent that in defining the word "functions" you have used all the legal definitions under that.

Mr. HOLIFIELD. Yes.

Mr. GRAHAM. As I understand the gentleman from Michigan, it is his statement that that is too wide—giving to the President powers that were not intended. But, by the same token, as I understand his amendment, he is depriving the President of that inherent discretion which he has at all times, and over which we have no control. That is what I am trying to get at.

Mr. HOLIFIELD. However, in this bill we seek to give the President the power to delegate certain functions which he is now prohibited from doing by the general terms of law.

Mr. GRAHAM. You will recall in the days of the Blue Eagle, when it was held the President had gone beyond his functions in delegating too much power. If I properly understand it, the danger may arise because too much power has been given to the President. What you are seeking to do is to limit to that discretionary power that he must use to relieve him of the tediousness and onerousness of his position.

Mr. HOLIFIELD. Does not the gentleman believe that the provision at the top of page 2 which says that "nothing contained herein shall relieve the President of his responsibility in office" is

adequate protection in that only a function is transferred and not the responsibility to discharge that function?

Mr. GRAHAM. I agree with the gentleman that that is a direct attempt to avoid the very thing I have suggested. But the question is whether it would not be made absolutely safe by the insertion of these other words.

Mr. COX. Mr. Speaker, will the gentleman yield to me?

Mr. HOLIFIELD. I yield.

Mr. COX. Would not the risk involved be such as to make the President extremely cautious in making the delegation in the first instance, and that therefore, no matter what the language may be, we are compelled to depend upon the discretion of the President?

Mr. HOLIFIELD. I think the gentleman has brought out a point which is certainly very valid and which we tried to anticipate in the following part of that paragraph when we said that such designation and authorization should be in writing and should be published in the Federal Register.

The SPEAKER. The time of the gentleman from California has again expired.

Mr. McCORMACK. Mr. Speaker, I move to strike out the last three words.

Mr. Speaker, after we analyze this bill, it is a very simple one. I think it is very fine to have inquiries made to bring out any weakness in the bill, as well as the strength of the bill.

As you notice, this bill gives the President—it is not a question of taking away any power from the President and giving those powers to someone else; all powers are to be retained by the President—powers conferred under this statute. The purpose of the bill is to relieve the President of the United States of as much work as possible, so that he can devote himself to matters of policy. The President has complete control at all times. He can delegate or not, in part or in whole; and if he does, he can recall it. There is no irrevocable delegation here. He can recall it in whole or in part.

The way it came about was very simple. I was at the White House at one of the leaders' meetings some few weeks ago, and, talking as we do there, the President referred to a pile on top of his desk and said, "I have got to take that over to Blair House every night and I have to spend about 3 hours going over these things and signing my name. I have to know what I am signing when I sign. Many of the duties imposed upon me I could delegate to others." That is how it grew up. Not that the President suggested anything, but it left the thought in my mind, and I had a survey made by the Coordinator of Information, Mr. Dickson, to find out just what the situation was. We found over 1,100 statutes; I do not know how many more there are, but the General Accounting Office and the Bureau of the Budget found at least 1,100 statutes under which, either expressly or by inference, the President must act. The purpose of this bill is to relieve the President of some of this detail work, but if he does not want to use such powers he need not do so. He does not delegate the authority to somebody down the line. It is a delegation only to the head of a department or an agency—somebody nominated by the President and confirmed by the Senate.

Mr. CHURCH. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. CHURCH. The gentleman has pointed out the words at the top of page 2:

Provided, That nothing contained herein shall relieve the President of his responsibility in office for the acts of any such head or other official designated by him to perform such function.

Mr. McCORMACK. Yes.

Mr. CHURCH. Let me remind the gentleman that there is another responsibility of the President which must be kept in mind; that is that when on page 3 you turn the duty, power, responsibility, and authority or discretion of the President over to these people it should be suggested——

Mr. McCORMACK. Will the gentleman ask his question? What is the gentleman's question?

Mr. CHURCH. Responsibility for failure to act or for the acts of any such heads.

Mr. McCORMACK. What is the gentleman's question?

Mr. CHURCH. Why, the point is that when powers are given to the head of a department and you merely excuse the President for his acts, remember that you should hold the President responsible also for his failure to act.

Mr. McCORMACK. We are considering a bill here under which the President has got to do something.

Mr. CHURCH. I call the gentleman's attention to the words at the top of page 2.

Mr. McCORMACK. We are considering a bill under which the President has got to act. We included the words "responsibility," and so forth, suggested by the members of the committee on the Republican side, and we recognize the import of them. I think that when the President delegates under this he does not abdicate or eliminate his responsibility, but we put the language in there expressly so there would be no question about it. Then we also put in the language: "Shall be published in the Federal Register," in order that there be notice given according to the amendment suggested by the minority side of the committee.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to proceed for five additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. HOFFMAN of Michigan. The gentleman just spoke about being down to the White House and seeing a high stack of papers which the President must sign. Of course, we have no objection to the President's calling on any man named John, Jim, or whoever it is——

Mr. McCORMACK. I know the gentleman's argument on that; he made it in the committee and he has made it here. Let me advise the House further that the committee, as I remember, held three hearings on this. It was suggested by the gentleman from Michigan [Mr. HOFFMAN], at one of the hearings that he would like to have the General Accounting Office consider this. A representative of the General Accounting Office was up there; he had considered it only the day before. But it was a logical and reasonable request and we said "Yes." So the General Accounting Office considered this, because the General Accounting Office is very close to the Committee on Expenditures and it is close to the Congress. The General Accounting Office considered it for over a week, and then they took it up with the Director of the Budget, and they wrote a letter in substance recommending the bill without even the two amendments that the committee adopted. That shows you how careful we were. Furthermore, this bill was reported out by, if I remember right, all the members present but one, and there were Republicans and Democrats present. That is my recollection. I think it is fine to have my friend from Michigan be the devil's advocate. It is a fine thing to be a devil's advocate, but we cannot let ourselves be governed in legislation solely by the view of one who takes the position of a devil's advocate.

Mr. HOFFMAN of Michigan. Mr. Speaker, a parliamentary inquiry.

Mr. McCORMACK. I will yield for a parliamentary inquiry. That is very complimentary. I want it understood that when I use the phrase that I like a devil's advocate around it is one of the most complimentary characterizations I can make of my friend. If you say I am a devil's advocate at times, I say it is a compliment, because it is a constructive position where exercised constructively.

Mr. HOFFMAN of Michigan. Mr. Speaker, in view of the fact the gentleman thinks he is paying me a compliment, I will not ask him to yield further.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Georgia.

Mr. COX. When this resolution came to the Rules Committee on an application for a rule, that committee examined the resolution very critically. I am disposed to think if there could be found any sound reason upon which to turn the application down it would have done so.

Mr. McCORMACK. I am sure of that, based upon my own experience with the Rules Committee, and that is said with all respect to the committee.

Mr. COX. It must be remembered that the grant is at the will of the President. He can make it now and retract it later.

Mr. McCORMACK. He has complete control. He cannot delegate any duty especially imposed by law upon it. So we had that in mind. We have specifically provided for that. If any statute says it is the President's express duty, he cannot delegate it. Some people

raised the question that he could delegate the right to sign a law. We know that cannot be done. We inserted all the reservations we could.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. Would the gentleman from Massachusetts say that during the Eightieth Congress his position was that of a devil's advocate?

Mr. McCORMACK. Do not get me into that, please. There are so many of my good friends here.

Mr. CASE of South Dakota. I say that in the sense of a compliment.

Mr. CAVALCANTE. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Pennsylvania.

Mr. CAVALCANTE. Is it not true that the burden of the President at the present time is so heavy it has become necessary for some of his subordinates to perform certain of his functions, and that the purpose of this bill is to eliminate any doubt that may rise as to the legality of the performance of those functions by these subordinates?

Mr. McCORMACK. That comes within the purview of the bill.

Let us consider ourselves and how busy we are, then visualize the President of the United States. This bill is going to be a permanent proposition. It is not for a President, a particular one; it covers the office of President. He has complete control. Can you or I imagine any President delegating to any Department or the head of an agency any power or any duty or any act he feels, or if you or I were President that we felt we should perform ourselves?

The SPEAKER. The time of the gentleman from Massachusetts has expired.

Mr. HUBER. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for one additional minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HUBER. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Ohio.

Mr. HUBER. Is not part of this burden of the President, so far as affixing his signature is concerned, due in part to the fact the Eightieth Congress did not see fit to confirm any postmasters in 1947 and 1948, which added to the burdens of the President?

Mr. McCORMACK. Please do not get me into that. I will allow it to stay in the RECORD, but I am not going to get into that matter. We are all happy here now, even the gentleman from Michigan.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. If I understood the gentleman correctly a moment ago he stated in substance that by the language of this bill you expressly refuse or did not give the President the authority to delegate power which had been by statute expressly given to him?

Mr. McCORMACK. Expressly imposed upon him.

Mr. HOFFMAN of Michigan. All right, expressly imposed upon him. But the language here is that you give to him authority to delegate any function which is vested in the President by law.

Mr. McCORMACK. No. At the beginning of section 2 we say:

> The authority conferred by this act shall apply to any function vested in the President by law if such law does not affirmatively prohibit delegation.

That means, of course, that anything expressly delegated to the President he must perform by law; that is, that which is imposed by law. He cannot delegate it under this law.

Mr. HOFFMAN of Michigan. Of course, as to any subsequent acts expressly conferring upon him that duty he might not be able to delegate that authority, but anything that has gone on before this act he certainly could, under the bill.

Mr. McCORMACK. At any event, I tried to give the picture. The committee considered it very carefully. It was reported unanimously, except one vote against.

I hope the amendment offered by the gentleman from Michigan [Mr. HOFFMAN] will be defeated. The amendment offered by the gentleman from Pennsylvania is a very good one; it is clarifying and makes it definite, and I hope his amendment will be adopted.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

Mr. CASE of South Dakota. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. CASE of South Dakota. Did the gentleman from Pennsylvania offer his as an amendment to the amendment?

The SPEAKER. He did not.

Mr. CASE of South Dakota. We are voting simply then on the original amendment.

The SPEAKER. Yes.

Mr. CASE of South Dakota. I thank the Speaker.

The SPEAKER. The question is on the amendment offered by the gentleman from Michigan [Mr. HOFFMAN].

The question was taken; and on a division (demanded by Mr. HOFFMAN of Michigan) there were—ayes 42, noes 33.

Mr. McCORMACK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 114, nays 162, not voting 156, as follows:

[Roll No. 178]

YEAS—114

Allen, Calif.	Anderson, Calif.	Arends
Allen, Ill.	Andresen,	Barrett, Wyo.
Andersen,	August H.	Bennett, Mich.
H. Carl	Angell	Bishop
Blackney	Hare	Nicholson
Boggs, Del.	Harvey	Norblad
Bramblett	Heselton	O'Hara, Minn.
Brehm	Hill	O'Konski
Brown, Ohio	Hoeven	Pace
Byrnes, Wis.	Hoffman, Mich.	Phillips, Calif.
Case, S. Dak.	Holmes	Pickett
Church	Hope	Potter
Cole, Kans.	Hull	Poulson
Crawford	Jackson, Calif.	Rankin
Cunningham	Jenison	Reed, N. Y.
Curtis	Jenkins	Regan
Davis, Ga.	Jennings	Rich
Davis, Wis.	Jensen	Sadlak
D'Ewart	Johnson	Sanborn
Dondero	Judd	Scrivner
Ellsworth	Kearns	Scudder
Elston	Keating	Simpson, Ill.
Engel, Mich.	Kunkel	Simpson, Pa.
Feighan	LeCompte	Smith, Kans.
Fenton	LeFevre	Smith, Wis.
Ford	Lemke	Stefan
Gamble	Lodge	Stockman
Gavin	McConnell	Talle
Gillette	McCulloch	Van Zandt
Golden	McDonough	Velde
Goodwin	McMillan, S. C.	Vorys
Graham	McMillen, Ill.	Vursell
Gross	Mack, Wash.	Werdel
Hagen	Martin, Iowa	Wigglesworth
Hale	Merrow	Wilson, Tex.
Hall,	Meyer	Withrow
Edwin Arthur	Michener	Wolcott
Hand	Murray, Wis.	Wolverton
Harden	Nelson	Woodruff

NAYS—162

Abernethy	Garmatz	O'Brien, Ill.
Addonizio	Gary	O'Brien, Mich.
Albert	Gathings	O'Hara, Ill.
Allen, La.	Gorski, Ill.	O'Sullivan
Andrews	Granger	O'Toole
Aspinall	Hardy	Passman
Barden	Harris	Patman
Bates, Ky.	Havenner	Patten
Battle	Hays, Ark.	Perkins
Beckworth	Hays, Ohio	Peterson
Bennett, Fla.	Hedrick	Polk
Biemiller	Hobbs	Preston
Blatnik	Holifield	Price
Boggs, La.	Huber	Priest
Bolton, Md.	Irving	Rabaut
Bonner	Jacobs	Rains
Bosone	Jones, Ala.	Ramsay
Brown, Ga.	Jones, Mo.	Rhodes
Bryson	Jones, N. C.	Richards
Buchanan	Karst	Rodino
Buckley, Ill.	Karsten	Rogers, Fla.
Burdick	Kee	Rooney
Burnside	Kelley	Sabath
Byrne, N. Y.	Kerr	Sasscer
Camp	King	Sims
Cannon	Kruse	Smathers
Carlyle	Lanham	Spence
Carnahan	Larcade	Steed
Carroll	Lesinski	Stigler
Cavalcante	Linehan	Sullivan
Chelf	Lucas	Sutton
Christopher	Lynch	Tackett
Colmer	McCarthy	Tauriello
Combs	McCormack	Thomas, Tex.
Cooley	McGrath	Thompson
Cooper	Mack, Ill.	Thornberry
Cox	Madden	Trimble
Crook	Magee	Underwood
Crosser	Mansfield	Wagner
Davenport	Marcantonio	Walsh
Davis, Tenn.	Marsalis	Welch, Mo.
Dawson	Marshall	Wheeler
Deane	Miles	Whitaker
DeGraffenried	Miller, Calif.	White, Calif.
Doughton	Mills	Whitten
Eberharter	Mitchell	Wier
Elliott	Monroney	Williams
Engle, Calif.	Morgan	Willis
Evins	Morris	Wilson, Okla.
Fernandez	Morrison	Wood
Fogarty	Moulder	Worley
Forand	Murray, Tenn.	Yates
Frazier	Noland	Young
Fugate	Norrell	Zablocki

NOT VOTING—156

Abbitt	Bolton, Ohio	Case, N J.
Auchincloss	Boykin	Celler
Bailey	Breen	Chatham
Baring	Brooks	Chesney
Barrett, Pa.	Buckley, N. Y.	Chiperfield
Bates, Mass.	Bulwinkle	Chudoff
Beall	Burke	Clemente
Bentsen	Burleson	Clevenger
Bland	Burton	Cole, N. Y.
Bolling	Canfield	Corbett

Cotton	Jackson, Wash.	Poage
Coudert	James	Powell
Dague	Javits	Quinn
Davies, N. Y.	Jonas	Redden
Delaney	Kean	Reed, Ill.
Denton	Kearney	Rees
Dingell	Keefe	Ribicoff
Dollinger	Kennedy	Riehlman
Dolliver	Keogh	Rivers
Donohue	Kilburn	Rogers, Mass.
Douglas	Kilday	Roosevelt
Doyle	Kirwan	Sadowski
Durham	Klein	St. George
Eaton	Lane	Scott, Hardie
Fallon	Latham	Scott,
Fellows	Lichtenwalter	Hugh D., Jr.
Fisher	Lind	Secrest
Flood	Lovre	Shafer
Fulton	Lyle	Sheppard
Furcolo	McGregor	Short
Gilmer	McGuire	Sikes
Gordon	McKinnon	Smith, Ohio
Gore	McSweeney	Smith, Va.
Gorski, N. Y.	Macy	Staggers
Gossett	Mahon	Stanley
Granahan	Martin, Mass.	Taber
Grant	Mason	Taylor
Green	Miller, Md.	Teague
Gregory	Miller, Nebr.	Thomas, N. J.
Gwinn	Morton	Tollefson
Hall,	Multer	Towe
Leonard W.	Murdock	Vinson
Halleck	Murphy	Wadsworth
Harrison	Nixon	Walter
Hart	Norton	Weichel
Hébert	O'Neill	Welch, Calif.
Heffernan	Patterson	White, Idaho
Heller	Pfeifer,	Whittington
Herlong	Joseph L.	Wickersham
Herter	Pfeiffer,	Wilson, Ind.
Hinshaw	William L.	Winstead
Hoffman, Ill.	Philbin	Woodhouse
Horan	Phillips, Tenn.	
Howell	Plumley	

So the amendment was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Towe for, with Mr. Denton against.

Mr. Hardie Scott for, with Mr. Keogh against.

Mr. Hugh D. Scott, Jr., for, with Mr. Sadowski against.

Mrs. Rogers of Massachusetts for, with Mr. Baring against.

Mr. Herter for, with Mr. Chesney against.

Mr. Hinshaw for, with Mr. McKinnon against.

Mr. Dague for, with Mr. Lind against.

Mr. James for, with Mr. McGuire against.

Mr. Reed of Illinois for, with Mr. Barrett of Pennsylvania against.

Mr. Plumley for, with Mr. Breen against.

Mr. Auchincloss for, with Mr. Celler against.

Mr. Lichtenwalter for, with Mr. Dollinger against.

Mr. Macy for, with Mrs. Norton against.

Mr. Shafer for, with Mr. O'Neill against.

Mr. Short for, with Mrs. Douglas against.

Mr. Canfield for, with Mr. Hart against.

Mr. Dolliver for, with Mr. Green against.

Mr. Jonas for, with Mr. Jackson of Washington against.

Mr. Cole of New York for, with Mr. Gordon against.

Mr. Fellows for, with Mr. Roosevelt against.

Mr. Beall for, with Mr. Heller against.

Mr. Case of New Jersey for, with Mr. Gilmer against.

Mr. Kean for, with Mr. Fallon against.

Mr. Bates of Massachusetts for, with Mr. Gorski of New York against.

Mr. Hoffman of Illinois for, with Mr. Klein against.

Mr. Taylor for, with Mr. McSweeney against.

Mr. Lovre for, with Mr. Ribicoff against.

Mr. Miller of Maryland for, with Mr. Murphy against.

Mr. Nixon for, with Mr. Heffernan against.

Until further notice:

Mr. Whittington with Mr. McGregor.

Mr. Mahon with Mrs. St. George.

Mr. Burleson with Mr. Martin of Massachusetts.

Mr. Redden with Mr. Gwinn.

Mr. Hébert with Mr. Leonard W. Hall.

Mr. Gore with Mr. Wadsworth.

Mr. Bolling with Mr. Kearney.

Mr. Furcolo with Mr. Halleck.

Mr. Philbin with Mr. Riehlman.

Mr. Brooks with Mr. Coudert.

Mr. Donohue with Mr. Chiperfield.

Mr. Staggers with Mrs. Bolton of Ohio.

Mr. Chudoff with Mr. Taber.

Mr. Stanley with Mr. Tollefson.

Mr. Harrison with Mr. Smith of Ohio.

Mr. Rivers with Mr. Eaton.

Mr. Sheppard with Mr. Corbett.

Mr. Vinson with Mr. William L. Pfeiffer.

Mr. Walter with Mr. Phillips of Tennessee.

Mr. Wickersham with Mr. Morton.

Mr. Winstead with Mr. Kilburn.

Mr. Gregory with Mr. Keefe.

Mr. Howell with Mr. Horan.

Mr. Davies of New York with Mr. Mason.

Mr. Flood with Mr. Miller of Nebraska.

Mr. Bailey with Mr. Weichel.

Mr. FERNANDEZ changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

Mr. H. CARL ANDERSEN. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. H. CARL ANDERSEN: Page 3, line 2, after the word "discretion" insert a comma and the words "other than policy-making decisions."

Mr. H. CARL ANDERSEN. Mr. Speaker, there are many of us who, upon studying this section 3, are becoming more convinced than ever that there is entirely too much discretion left to the President in this particular section to divest himself of all power given to him under the Constitution. I am offering this little amendment hoping that we can make this bill more acceptable to the House, and yet do what most of us want to do, and that is to give to the President assistance in his arduous duties.

I hope the chairman of the committee will accept this amendment as a friendly gesture toward helping frame a bill.

Mr. DAWSON. Mr. Speaker, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to the gentleman from Illinois.

Mr. DAWSON. I cannot accept the proposed amendment for the reason that it only adds confusion. It does not clarify anything. It is contained in the section which defines the terms used. This certainly adds nothing to the definition of any term and, as a limitation, it will only lay the groundwork for lawsuits. If any power is delegated, that power is used by the person to whom it is delegated, and then if any person came within the influence of that power, who ob-objected to it, he could raise, under the gentleman's amendment, a lawsuit, based upon the fact that it was not a proper use of that discretion. This bill endeavors to give the President the power to delegate certain functions and certain authority and certain duties. This bill keeps in the President full responsibility for the acts of those to whom he delegates the power.

Mr. H. CARL ANDERSEN. Nevertheless, the chairman will admit to the House, I believe, that this particular section gives to the President the authority to give to some other official the power to even get us into war, through decisions on matters of extreme importance?

Mr. DAWSON. No, no.

Mr. H. CARL ANDERSEN. If the gentleman will study the section, there is unlimited authority in section 3, and why would the gentleman object to simply having the words in here "other than policy-making decisions?"

Mr. DAWSON. It only adds confusion. It will open the ground to lawsuits when powers have been delegated. We even hold the President responsible for his acts and for the acts of the delegatees. This will not add anything to it. It will only cause confusion and cause possible lawsuits.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. Under the law as written the President might delegate the foreign policy to the Secretary of State; there is no question about that.

Mr. DAWSON. There is nothing to that under this bill. We cannot give the President the right to delegate any duties imposed upon him by the Constitution.

Mr. H. CARL ANDERSEN. As the gentleman from Michigan has well stated, and as any of you can see if you will study section 3, the President can divest himself of all foreign-affairs policies and policy-making decisions and give them to the Secretary of State, if he so desires. I hope that the House will agree to this very reasonable limitation of the power in that section.

The SPEAKER. The time of the gentleman from Minnesota has expired.

Mr. DAWSON. Mr. Speaker, I rise in opposition to the amendment.

Mr. Speaker, this amendment is offered to a term contained in the definition, and the only effect it would have would be to confuse the minds of the people about it and to give an opportunity for those who wish to seek some "out" when a power has been delegated to say that it did not come within the limitation. If we do not place the limitation there, then as far as third persons are concerned they are bound by the acts of the person to whom the power has been delegated. If the person who uses that power uses it wrongfully, the President is still responsible under this bill. We have given him the power to do it. We certainly would say that a President would use the same good judgment in delegating powers which would involve him as any common ordinary businessman would use. I would not put such a restriction around an ordinary businessman in the conduct of his business, and certainly I do not think we should put it around any President of the United States, regardless of what party he belongs to. I ask that the amendment be voted down.

The SPEAKER. The question is on the amendment offered by the gentleman from Minnesota.

The question was taken; and on a division (demanded by Mr. H. CARL ANDERSEN) there were—ayes 41, noes 76.

So the amendment was rejected.

Mr. CAVALCANTE. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CAVALCANTE: Page 1, line 5, after the conjunction "or" strike out the word "other" and after the word "official" insert the word "thereof."

Mr. DAWSON. Mr. Speaker, the amendment is acceptable to the committee. It is a clarifying amendment.

The amendment was agreed to.

Mr. CHURCH. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CHURCH: On page 2, line 4, after "of" insert "or for the failure to act of."

Mr. McCORMACK. Mr. Speaker, I make the point of order that this is an amendment to an amendment that has already been adopted. The amendment should have been offered previously.

The SPEAKER. The point of order is well taken, and is sustained.

Mr. CHURCH. Mr. Speaker, may I be heard on the point of order? The gentleman from Massachusetts said it is an amendment to an amendment that has already been adopted.

The SPEAKER. That is correct.

Mr. CHURCH. Does the Chair mean the committee amendment has already been adopted?

The SPEAKER. The committee amendment has already been agreed to.

Mr. DAWSON. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. H. CARL ANDERSEN) there were—ayes 101, noes 28.

So the bill was passed.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. WHITE of California asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. McDaniel, its enrolling clerk, announced that the Senate agrees to the amendments of the House to the concurrent resolution (S. Con. Res. 28) entitled "Concurrent resolution favoring the suspension of deportation of certain aliens."

The message also announced that the Senate insists upon its amendment to the bill (H. R. 2877) entitled "An act to authorize the addition of certain lands to the Big Bend National Park, in the State of Texas, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. O'MAHONEY, Mr. MURRAY, Mr. ANDERSON, Mr. BUTLER, and Mr. MILLIKIN to be the conferees on the part of the Senate.

APPROPRIATION BILLS IN CONFERENCE

Mr. CASE of South Dakota. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. CASE of South Dakota. Mr. Speaker, what is the rule of the House with respect to the time following which a motion may be of high privilege to move to discharge conferees for failure to report on a bill in conference?

The SPEAKER. The Chair is informed the time is 20 days after the conferees have been appointed.

Mr. CASE of South Dakota. Mr. Speaker, I am not going to make a motion at this time, but I believe attention should be invited to the fact that the Republican minority in the Congress is being wrongly blamed by the President for a filibuster and for the delay on the appropriation bills. The facts are, as I have heard them on the various bills that are in conference, and which have been in conference for more than 20 days, that no filibuster is taking place by the Republican conferees. I am simply stating a fact when I say that if this situation persists and an attempt is made to throw the blame and responsibility on the minority party, that that motion to discharge the conferees will be made.

Mr. McCORMACK. If the gentleman will yield, my inference is that that observation was not made with reference to any conferees, but rather to another body.

Mr. CASE of South Dakota. I am not so sure about that. But the facts will be developed in the event that such a motion is made. In any event it would seem to me that the members of the various conference committees, who are responsible for the delay might well take into consideration the fact that they are inviting a motion to instruct or discharge them if this situation continues. There is no reasonable excuse for this delay the fault does not rest with the Republican minority.

INTERNATIONAL EXPOSITION—FOUNDING OF PORT-AU-PRINCE, REPUBLIC OF HAITI, 1949

Mr. SABATH. Mr. Speaker, I call up House Resolution 312, providing for the consideration of the resolution (H. J. Res. 297) authorizing Federal participation in the International Exposition for the Bicentennial of the Founding of Port-au-Prince, Republic of Haiti, 1949, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (H. J. Res. 297) authorizing Federal participation in the International Exposition for the Bicentennial of the Founding of Port-au-Prince, Republic of Haiti, 1949. That after general debate which shall be confined to the joint resolution and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the joint resolution shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the joint resolution for amendment, the Committee shall rise and report the joint resolution to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the resolution and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SABATH. Mr. Speaker, this rule makes in order House Joint Resolution 297. It provides for participation by the United States in the International Exposition for the Bicentennial of the Founding of Port-au-Prince, Haiti, and authorizes an appropriation of $170,000. Further, it authorizes the Secretary of State to appoint a commissioner and deputy commissioner, with approval of the President, to represent the United States.

This proposal is nothing new. We have in the past invariably appropriated various sums of money for national and international expositions; and I feel that our Nation should participate in this exposition the same as other countries are to participate, especially since Haiti is part of Pan America. The resolution permits the construction of some necessary buildings, and the total expenditures are restricted to $170,000, as I have said.

I do not see how we can decline to participate, because nearly all other countries have shown their interest and will participate. I understand they have appropriated reasonable sums for the erection of various buildings there to befittingly comport with their prestige and dignity. Consequently, I feel, especially in view of the fact that the proposed legislation has been unanimously approved by the great and conservative Committee on Foreign Affairs after careful consideration, that the rule should be adopted and the bill passed.

I reserve the remainder of my time and ask unanimous consent to revise and extend my remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield for a question?

Mr. SABATH. Yes; I yield.

Mr. HOFFMAN of Michigan. In line 12, on page 2, this commissioner receives $12,000 per annum. How long does he stay in office?

Mr. SABATH. Oh, until the exposition is over, and that will be about a year, because the exposition will be in 1949 and 1950. It would be necessary to come back to Congress for additional money, of course. We can limit tenure by not appropriating more.

Mr. HOFFMAN of Michigan. Is there any termination date, when he is out and does not get his $12,000 any longer?

Mr. SABATH. No doubt he will not be entitled to any compensation when his duties are over. His duties will continue only during the time he is supervising appropriate facilities for our proper participation in this happy event and during the time the exposition is operating. I think we may safely say that the job will not be unnecessarily prolonged simply to provide fictional work at public expense.

Mr. HOFFMAN of Michigan. What year? Will the gentleman tell me that?

Mr. SABATH. It starts late this year and concludes relatively early in 1950, as I am reliably informed.

Mr. HOFFMAN of Michigan. 1950?

Mr. SABATH. Yes.

Mr. HOFFMAN of Michigan. No longer?

Mr. SABATH. No longer.

Mr. HOFFMAN of Michigan. I do not see anything limiting it to 1950.

Mr. SABATH. Well, it is provided on the first page that "there is to be held in the city of Port-au-Prince, capital of Haiti, during the years 1949 and 1950." So I presume that applies to his time of service and also his compensation.

Mr. Speaker, does anybody of the minority desire any time in oppoistion?

Mr. MICHENER. I have no requests for time.

Mr. SABATH. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

Mr. SMATHERS. Mr. Speaker, I ask unanimous consent that it may be in order to consider Senate Joint Resolution 79 in lieu of House Joint Resolution 297, and that the same may be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read the resolution, as follows:

Whereas there is to be held in the city of Port-au-Prince, capital of Haiti, during the years 1949 and 1950, a world fair commemorating the bicentennial of the founding of Port-au-Prince; and

Whereas the United States has been formally invited by the Republic of Haiti to participate in this exposition; and

Whereas the Republic of Haiti and the city of Port-au-Prince have provided a site and permanent public improvements at an estimated cost of $4,000,000; and

Whereas such international exposition and celebration are worthy and deserving of the support and encouragement of the United States; and the United States has aided and supported such expositions in the past: Therefore be it

Resolved, etc., That the President is hereby authorized, in his discretion and upon the recommendation of the Secretary of State, to appoint or designate a commissioner, by and with the advice and consent of the Senate, to represent the United States in connection with participation in the Port-au-Prince Bicentennial Exposition who shall serve for such period prior to such exposition as may be necessary to carry out the purposes of this joint resolution, for the duration of such exposition, and for not more than 6 months after the official closing thereof. The Secretary of State may delegate to the commissioner any authority conferred upon him by this joint resolution, and the commissioner shall be responsible to the Secretary of State in carrying out his duties. The commissioner shall receive compensation at a rate not to exceed $12,000 per annum while serving in this capacity, except that any official of the Government designated as commissioner shall serve without additional compensation.

SEC. 2. The Secretary of State is authorized—

(a) to designate as deputy commissioner a Government official, who shall serve without additional compensation and whose duties shall be prescribed by the commissioner;

(b) to secure, either by direct hire or by detail from Government agencies with the consent of the heads of such agencies, such other staff as may be necessary to assist the commissioner;

(c) to erect on land which shall be conveyed in full ownership of the United States of America by the Haitian Government such a building or such a group of buildings as he may deem adequate for effective participation by the United States in the exposition: *Provided,* That, after the close of the exposition, such land and building or group of buildings shall be utilized or disposed of in accordance with the Foreign Service Buildings Act of 1926, as amended;

(d) to contract with the Port-au-Prince Exposition authorities or with any other person or persons for the design and erection of such building or group of buildings;

(e) to maintain such building or group of buildings and the site thereof and to arrange and maintain exhibits and assign space therein and thereon; and

(f) to accept from any source and to use for the purposes designated—

(1) contributions in money to aid in carrying out the purposes of this joint resolution, which contributions shall be placed in a special-deposit account and any unused portions thereof returned to the donors upon the close of the exposition or upon the cessation of United States participation therein; and

(2) contributions of material or aid in the preparation of the exhibits.

SEC. 3. The head of any establishment, department, or agency of the Government is authorized, on request, to assist the Department of State or the commissioner in carrying out the functions authorized by this joint resolution, including the furnishing of personnel, the procurement, installation, and display of exhibits, and the loan to the exposition authorities of articles, specimens, and exhibits for display.

SEC. 4. There is hereby authorized to be appropriated to the Department of State, out of any money in the Treasury not otherwise appropriated, the sum of $170,000 to remain available until expended for the purposes of this joint resolution including: The salaries, allowances, and expenses of the commissioner and such staff as may be required; personal services in the District of Columbia or elsewhere; without regard to civil-service laws and the Classification Act of 1923, as amended; employment of aliens; transportation of things; travel expenses without regard to the standardized government travel regulations, as amended, and the Travel Expense Act of 1949; payment of rentals in advance; services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a); printing and binding without regard to section 11 of the act of March 1, 1919 (44 U. S. C. 111); official cards; entertainment; purchase and hire of passenger motor vehicles; stenographic reporting and other services by contract or otherwise; rental of offices and quarters by contract or otherwise without regard to the provisions of section 322 of the act of June 30, 1932 (40 U. S. C. 278a); ice and drinking water; insurance on exhibits; such expenditures as may be necessary for the purpose of obtaining, preparing, maintaining, and disposing of exhibit materials; for the construction of a building or group of buildings and the payment of any expenses incurred in connection with the employment of architects and engineers in connection therewith, including payment of their necessary travel expenses, and for the maintenance of such building or group of buildings and their site and grounds; and such other expenses as may be deemed necessary by the Secretary of State to carry out the purposes of this joint resolution; all without regard to section 3709 of the Revised Statutes (41 U. S. C. 5). Funds authorized to be appropriated herein may be transferred to any executive department or independent office or establishment of the Government with the consent of the heads therof, for direct expenditure for any purposes of this joint resolution which the Secretary of State may specify.

SEC. 5. The Secretary of State shall transmit to the Congress within 6 months after the close of the exposition a detailed statement of all expenditures together with such other reports as he may deem proper, which reports shall be prepared and arranged with a view to concise statement and convenient reference: *Provided,* That this provision shall not be construed to waive the submission of all accounts and vouchers to the General Accounting Office for audit or to permit any obligations to be incurred in excess of the amount authorized to be appropriated herein.

Mr. SMATHERS (interrupting the reading). Mr. Speaker, I ask unanimous consent that further reading of the bill be dispensed with, but that the bill be printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SMATHERS. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, as has been explained by the chairman of the Committee on Rules, this is a very simple bill. It authorizes the United States to participate in this bicentennial exposition in Haiti and authorizes the appropriation of $170,000 to build a building at Port-au-Prince for this purpose. The building will be used by the Embassy after the exposition has come to an end. Twenty-two other countries are participating in this exposition. There is much precedent for our doing so. Nine times in the past few years the Congress has authorized United States participation in similar expositions. There is every good reason why we should participate in this one. We, as a country, have $50,000,000 of investment in Haiti and we believe it is to the best interest of the United States that the United States participate in this exposition, and that is why the Foreign Affairs Committee urges your approval of this resolution.

Mr. STEFAN. Mr. Speaker, will the gentleman yield?

Mr. SMATHERS. I wish first to answer the gentleman from Michigan as to the time limit which the Commissioner can serve. The Senate bill, which we have substituted for the House bill and which is now under consideration, contains a limitation that the Commissioner shall not serve longer than 6 months after the exposition has ended.

I now yield to the gentleman from Nebraska.

Mr. STEFAN. Will the gentleman tell the House how much this building is going to cost and what the over-all appropriation will be including the salary of the Commissioner and his staff?

Mr. SMATHERS. One hundred and eighty-two thousand dollars, including the salary of the Commissioner.

Mr. STEFAN. Does that include the cost of the building also?

Mr. SMATHERS. Yes. The land is given to us by the Haitian Government.

Mr. STEFAN. Then, the entire overall cost including the salary of the Commissioner and his staff and including the cost of the building will be not over $182,000.

Mr. SMATHERS. Yes. The staff of the Commissioner will be taken from the State Department employees so there will be no additional appropriation needed for salaries of employees.

Mr. HOFFMAN of Michigan. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, the advice from home is to the effect that the people approve the recommendations of the Hoover Commission on the theory that those recommendations, if enacted into law, will give us economy and efficiency. They not only approve, they demand economy. Yesterday we heard a great deal of talk from the floor about following the Hoover Commission's recommendations. We are hearing from all sources about economy. When will we start on the economy program we have all promised? The amount contained in this bill is small; if the Commission goes out of office when it is contemplated that it will, it amounts to but $182,000.

A few days ago the press carried the statement that during the month of July of this year we went into the red a billion and a half, or some such figure. This morning's press carried the statement that a bill was coming out of the Civil Service Commission giving Federal employees more money.

Now, that is the usual procedure, while we are all talking economy and while I assume we are all writing back telling our folks that we are going to economize, we do not start on any economy program. Our acts just do not make sense. Congress talks economy. Its acts give the country waste and deficit spending. What is troubling me and a lot of people in my district, and the people of other districts—and they are very insistent that we give them a reason—yes; and just the other day we gave the veterans something like $112,000,000 or $120,000,000, in addition to all the other money we have appropriated for them in the fact that we promise one thing and do the opposite. And, by the way, Collier's a week or more ago carried a very concise statement showing the amount of money that had been appropriated for the veterans; yes, and now the post-office people are insisting that they get a raise. What is worrying me is how long will the Congress continue to vote to give billions of dollars to people in other countries while I have to vote against appropriations for this group, that group, and the other group here at home upon whose votes I depend for election in order that we will not overnight slip into a depression. How long can a few of us carry the economy ball, but continue to go along with that kind of deficit spending? That is what is bothering me. Should I join the give-away boys who always speak on the floor for and vote every appropriation requested by a pressure group? I am growing just a little tired of all this loud, continuous economy talk and the vote which, day following day, increases the national debt. I like to be consistent, I like to vote for a principle, but I am getting terribly tired of voting with a very, very small minority, just a few, willing to resist pressure vote to cut down expenses. I realize when I do that—follow that course—I am incurring the ill will of some of the people who elect me while other gentlemen in this House are getting the good will and the support, Mr. Speaker, first of this group, then of the other group. I am getting tired of it. I would enjoy seeing a few more vote as they talk.

Mr. SMATHERS. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the third reading of the bill.

The bill was ordered to be read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

House Joint Resolution 297 was laid on the table.

A motion to reconsider was laid on the table.

LENA MAE WEST

Mr. BYRNE of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 1285) for the relief of the legal guardian of Lena Mae West, a minor, with Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from New York? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. BYRNE of New York, DENTON, and JENNINGS.

HARRY WARREN

Mr. BYRNE of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 1505) for the relief of Harry Warren, with Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 6, strike out "$1,212" and insert: "$576."

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

J. W. GREENWOOD, JR.

Mr. BYRNE of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 1137) for the relief of J. W. Greenwood, Jr., with Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Line 9, strike out "$718.23" and insert: "$615.41."

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

MRS. DOROTHY VICENCIO

Mr. BYRNE of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 631) for the relief of Mrs. Dorothy Vicencio, with Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Page 2, line 4, strike out "truck. No" and insert "truck: *Provided*, That no part of the amount provided for in this act shall be subject to any claim for reimbursement to any insurance company or compensation insurance fund which may have paid any amount to the claimant herein by reason of the death of Raymond Vicencio: *And provided further, That no.*"

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

BREINIG BROS., INC.

Mr. BYRNE of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 1604) conferring jurisdiction upon the Court of Claims to hear and determine the claim of Breinig Bros., Inc., with Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Page 1, line 8, strike out "for" and insert: "from."

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

CLAIMS OF THE CITY OF NEEDLES, CALIF., AND THE CALIFORNIA-PACIFIC UTILITIES CO.

Mr. BYRNE of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 559) to confer jurisdiction upon the United States District Court for the Central Division of the Southern District of California to hear, determine, and render judgment upon the claims of the city of Needles, Calif., and the California-Pacific Utilities Co., with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, line 7, after "1941" insert ": *Provided*, That the passage of this act shall not be construed as an inference of liability on the part of the Government of the United States."

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

ADJOURNMENT OVER

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

SALARIES OF TEACHERS

Mr. BREHM. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BREHM. Mr. Speaker, I am informed that there is a movement on foot to try and obtain 13 signatures of members of the Committee on Education and Labor in order to try and force a bill out of our committee which would appropriate a certain amount of money and earmark it specifically for increasing the salaries of teachers in the public schools in the various States. Now I am 100 percent in favor of teachers receiving a decent living wage. However, I have it on very reliable authority, in fact from the highest legal authority available that such a move would positively be unconstitutional. The Supreme Court has previously ruled that the Congress does not have authority to appropriate money and earmark it to raise the salaries of anyone who receives his money directly from the State. That ruling was handed down by the Court regarding a test case involving civil-service employees. I was also informed that it would apply to teachers within the various States. It would therefore seem that there is no use to talk about it, because if our committee did bring it out, it would not be germane.

We could appropriate money to the State treasurer or the Ohio Educational Association, and they could use it for any specific purpose permitted under State law but we are not specifically permitted to earmark it by saying that this money may only be used to raise schoolteachers' salaries within the State.

EXTENSION OF REMARKS

Mr. ALLEN of California asked and was given permission to extend his remarks in the RECORD and include communications.

Mr. BURDICK asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

LOAN EQUIPMENT TO THE BOY SCOUTS OF AMERICA

Mr. HAYS of Arkansas. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 5342) to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment to the Boy Scouts of America for use of the Second National Jamboree of the Boy Scouts.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That (a) the Secretary of Defense is hereby authorized, under such regulations as he may prescribe, to lend to the Boy Scouts of America, a corporation created under the act of June 15, 1916, for use at the Second National Jamboree of the Boy Scouts to be held during the period beginning June 30, 1950, and ending July 6, 1950, at Valley Forge Park, Pa. in celebration of the fortieth anniversary of the founding of the Boy Scouts of America and as the culmination of their crusade to "Strengthen the Arm of Liberty," such tents, cots, blankets, commissary equipment, flags, refrigerators, and other articles of equipment as may be necessary or useful for the accommodation of the approximately 40,000 Scouts and officials who are to attend such jamboree.

(b) Such equipment is authorized to be delivered at such time prior to the holding of such jamboree, and to be returned at such time after the close of such jamboree, as may be agreed upon by the Secretary of Defense and the National Council, Boy Scouts of America. No expense shall be incurred by the United States for the delivery and return of such equipment.

(c) The Secretary of Defense, before delivering such property, shall take from the Boy Scouts of America a good and sufficient bond for the safe return of such property in good order and condition, and the whole without expense to the United States.

Mr. HAYS of Arkansas. Mr. Speaker, this bill has received the unanimous approval of the Committee on Armed Services. The report was submitted by the gentleman from California [Mr. JOHNSON], who introduced an identical measure and who is entitled to the bulk of the credit for this legislation.

I am sure the Members will be glad to give approval to this bill making possible the use of needed Army equipment by the Boy Scouts of American next year in their fortieth anniversary jamboree at Valley Forge Park.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SPECIAL ORDER GRANTED

Mr. HOFFMAN of Michigan asked and was given permission to address the House for 10 minutes on Monday next, following any special orders heretofore entered.

The SPEAKER. Under previous order of the House, the gentleman from Wisconsin [Mr. BIEMILLER] is recognized for 15 minutes.

SCHOOL HEALTH PROGRAM

Mr. BIEMILLER. Mr. Speaker, I have asked for the floor today to express surprise and considerable anger over a new campaign that has suddenly developed against the school-health bill. During the past 3 days I have received a series of telegrams and letters in opposition to the bill, and I know that other Members of the House Interstate and Foreign Commerce Committee have received identical messages. They come from State medical societies in Washington, Colorado, Maryland, Florida, and New York.

Behind those societies stands the American Medical Association which I feel is going out of its way shamefully in lobbying against the health of America's children.

The bill now under this new and strange attack is the national school health services bill, H. R. 3942. It was introduced by my colleague, Representative PRIEST, and identical bills were introduced by myself and the following Democrats: Representatives BOLLING, BUCKLEY, DAVIES, HAYS, KLEIN, LINEHAN, MACK, MITCHELL, O'BRIEN, O'HARA, WOODHOUSE, and my distinguished colleague on the other side of the aisle, Representative COUDERT.

The bill calls for an appropriation of $35,000,000 on a matching State basis to implement the present inadequate school health programs.

As you all know, we have had school health programs for some years. There is nothing unusual in the attempt to protect the health of American children, and the school is the logical place to check on children's health. Nor is there anything revolutionary about Federal grants-in-aid. They are given to the States for roads, for protection against forest fires, for land-grant colleges, and other worth-while purposes.

Although we have some programs now, there are shocking figures to show that the present facilities for school health services are grossly inadequate.

The United States Children's Bureau estimates that three-quarters of the Nation's children need dental care. One-third need medical care. Ten million school children have defective vision. One million have poor hearing. Another 6,000,000 are believed to have diseased tonsils or adenoids, a condition which often leads to deafness.

The recent war brought into sharp focus the need for action on a health program for the Nation's children. In advocating passage of a similar bill in 1944, designed to enlarge the school health program through Federal aid, the Surgeon General of the United States said:

> The prevalence of physical defects at selective-service age, defects which in many instances existed in childhood and youth, indicates that school health programs have not been as effective as they might be, both in discovering defects and in following through to assure that appropriate corrective measures are taken.

The Surgeon General went on to say that—

> Careful periodic examinations, together with adequate follow-up and correction in the schools and high schools of the Nation are the best insurance a community can have against a repetition of the situation the Nation faced in this war when 40 to 50 percent of the young men were found physically unfit for general military service.

H. R. 3942 seeks to accomplish exactly this purpose. It is designed to implement the present school health programs through Federal aid to protect more effectively American children.

But, suddenly, out of the blue, the American Medical Association is pushing an intensive campaign against it.

I personally as astonished at this flagrant attempt of the AMA to defeat this legislation. That is why I bring the matter up on the floor today. I think the American Medical Association has gone one step too far. Are we going to have to fight the AMA on every piece of legislation affecting health? Even children's health? Is this why the AMA has hired the high-powered publicity firm of Whitaker & Baxter at $100,000 a year—to deprive schoolchildren of health services?

For the AMA to oppose the over-all health bill was bad enough. But to turn their high-priced lobby on the school health bill is infinitely worse. And it will gain them no sympathy nor support from anyone who is interested in trying to assure adequate health protection for our children.

I already mentioned that there are State health programs in existence now. Would the AMA destroy these too? Would it take away the hearing aids provided by the State of Michigan through its school-health program? The State of Michigan, by the way, has already passed enabling legislation in anticipating the passage of the pending Federal law. Would it stop the dental-caries control programs in the State of Massachusetts? There is a school-health program in North Carolina which is developing its services—training teachers so they will be more aware of children's health needs. In Ohio, hearing and vision conservation programs are being developed with the State assisting local health and education departments in training workers to make tests of school children. The State of Maine is assisting in a demonstration school health project. Florida, Minnesota, New Jersey, New York, Pennsylvania, Oklahoma, Wisconsin, Arkansas, and many more States are trying to protect their children through school-health services. The trouble is that these are only beginnings. They need Federal aid if the job is to be done right and extended to additional areas.

I do not know what brought on this campaign of opposition by the AMA at this time. Surely they would not want the existing school-health programs abolished.

There has been little opposition to the national school health services bill. The AMA did testify against certain parts of it during the House hearings. But the bill has wide support throughout the country. Because here is a bill which provides for the development of school health services, which includes all school children, regardless of race, color, creed or nationality. It would extend the State's present school health programs from a mere diagnosis to a program providing diagnosis and treatment "with special reference to the correction of defects and conditions likely to interfere with the normal growth and development and educational progress of children." And here I would like to point out the necessity for providing treatment. Records of a series of health examinations show that out of 200,000 children having dental defects in one examination only 36,000—or 1 in 5 had had their teeth fixed by the time of the next examination. Barely 5 percent with diseased tonsils had had them removed after the first examination. And only 14 percent after the third examination.

The arguments against this part of the bill seem to center around the section permitting States which give treatment to all children to continue doing so. Does the AMA expect doctors to stop vaccinating during an epidemic to ask each child "can your father pay for this?" Are children supposed to deposit a penny in the slot before they are allowed to receive a fluoride treatment? Are we to dissipate the appropriation called for in the bill in order to determine who can pay and who cannot? The funds spent on improving child health will more than justify those who perhaps could afford to pay who may be included.

The Senate has already approved an identical bill. It is sponsored by the entire membership of the Senate Labor and Public Welfare Committee, plus Senator SALTONSTALL. Senators TAFT and DOUGLAS did much of the spade work on the bill. It was passed without a dissenting vote on April 29 of this year. Committee hearings have been held on the House side and a favorable report is expected next week. Now, at the last minute, the AMA jumps into the picture in order to create confusion.

The telegrams I have received are indicative of such confusion tactics. Some are just blunt one-line messages stating "we are opposed to passage of school health bill." The powerful AMA lobby should know better than that. It would have been courteous to say why the senders are opposed. Others, from persons who seemingly have read the bill, or at least have been informed in part of its provisions, go into a little fuller explanation on their grounds for opposition.

One telegram asks me to oppose the bill because it "regiments a child's life." Does school vaccination regiment a child's life? If it does, that is something new to me.

Another medical society is against the bill because of the advisory committee recommended in H. R. 3942. The sender says the bill "requires that no members"—of the committee—"be a physician." This is wholly incorrect. The Federal Security Administrator will administer the program from plans drafted jointly by the State educational and health agencies. Surely State health agencies have at least one physician.

Another is just plain stupid. It reads:

> School health bills as now drawn will not, repeat not, accomplish purpose of improving child-health services. Federal control in administration of these bills is harmful. Congress should lay down broad general controls with proper audit of funds.

Needless to say, this particular State medical society does not want the bill. But what it wants, I do not know, because the bill does exactly what the wire asks for.

I do not intend to go into further detail about the need for this bill. When this bipartisan measure is reported out of committee, I urge that it be favorably acted upon during the present session. We cannot discriminate against our children. We must increase the health services for America's 45,000,000 children, to correct physical and mental defects which, in many cases when treated early in life, can assure millions of a healthy and productive adulthood.

We must not permit the American Medical Association to lobby America's children out of this right.

Mr. HARRIS. Mr. Speaker, will the gentleman yield?

Mr. BIEMILLER. I am delighted to yield to my colleague, the distinguished gentleman from Arkansas.

Mr. HARRIS. The gentleman has made a very thorough study of the question of public health and has manifested an intense interest in this highly important phase of the health and welfare of the children of the country. The gentleman is a member of the subcommittee which sat and heard testimony and then, in the consideration of the executive sessions of the committee, has had the benefit of the discussion among the members. Could the gentleman advise the House whether or not at the convention of the American Medical Association recently held at Atlantic City there was adopted a resolution in opposition to this proposed legislation which the gentleman has discussed?

Mr. BIEMILLER. My latest information is to the effect that a resolution was presented, and with no discussion, was carried by a voice vote, opposing this legislation. But if I may add to that, in the hearings held before our committee, the American Medical Association sent a representative to testify. He stated that the American Medical Association was opposed to one section of the bill, the permissive section, which permits existing State health plans to carry on the provisions for treatment for all children, not just indigents, a provision that has been put into the bill to maintain State rights, because in many States such plans are now in effect. The drafters of the legislation and the supporters of it certainly do not want to be in the position of forcing a State to change existing plans.

Mr. HARRIS. The gentleman has had a great deal to say, and I am sure justifiably so, from the information that has come to him, about the American Medical Association being in opposition to this legislation. Am I correctly informed that they had a representative to appear before your subcommittee, which is our Committee on Interstate and Foreign Commerce, to express opposition to paragraph (C) of section 6 of the bill, and only that part of the entire legislation?

Mr. BIEMILLER. I believe that is the correct number.

Mr. HARRIS. But that was the only section of the bill that the AMA opposed before the committee, is it not?

Mr. BIEMILLER. The AMA representative also inferred that he thought there were not proper safeguards placed upon what he chose to call "too much Federal control," but on rereading the bill and upon discussion in the committee, the representative of the AMA could not show us where there are any rigid Federal control over State plans in the bill. We particularly pointed out to him that proper appeal provisions were in the bill, in case there was any doubt about the matter.

Mr. HARRIS. I dislike to impose upon the gentleman, but would he yield further?

Mr. BIEMILLER. Yes; I will be delighted to yield.

Mr. HARRIS. I have understood, at least the information has come to me that because of the fact there has developed a keen dissension and controversy in the Federal aid to education bill, that through this measure, public health service to the children, that phase of the controversy regarding the religious angle might in someway be minimized. Could the gentleman tell us whether or not there is any basis for that contention, and, if so, is there any connection with the delay in the consideration of this measure, due to the fact that there has been considerable delay and speculation, and perhaps doubt, as to whether there will be any Federal aid to education legislation during this session of Congress?

Mr. BIEMILLER. Obviously, the gentleman has asked a question that could only be answered in about a 5-hour speech, but I am happy to comment, particularly on the first part of his question.

In my humble opinion, the question of school health services is not a matter of Federal aid to education. H. R. 3942 and its companion measures are designed to give health services to children. The reason we chose to make this legislation a school health bill is that it is obviously easier to get groups of children together in the schools than in any other place. As a result, the schools are chosen as the place where physicians and other health technicians, dentists, and so forth, can examine the children and recommend what should be done for them. It is much more efficient and economical. It is for that reason that the bill is drawn to use the schools as the locale in which the examinations of children shall be made. It also draws upon previous experience from plans now functioning in many States, that these techniques are successful and have been very useful indeed.

Furthermore, in most States, even in those States that carry a strict provision against the use of public funds for parochial or private schools of any sort; in those States there has never been any objection made to school health services given to all children regardless of attendance at public or private schools, and this bill is drafted in that spirit. We want to protect and preserve the health of all our children.

The SPEAKER. The time of the gentleman from Wisconsin has expired.

EXTENSION OF REMARKS

Mr. McGRATH (at the request of Mr. BYRNE of New York) was given permission to extend his remarks in the RECORD and include a newspaper clipping.

Mr. HOLIFIELD asked and was given permission to extend his remarks in the Appendix of the RECORD and include the script of a radio broadcast he made and two editorials.

Mr. BOYKIN (at the request of Mr. MANSFIELD) was given permission to revise and extend his remarks.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. PACE, for the week of August 15, on account of important business;

To Mr. CHESNEY, for Friday, August 12, on account of official business.

To Mr. LOVRE (at the request of Mr. CASE of South Dakota), on account of the serious illness of his father;

To Mr. VINSON, for the week of August 15, on account of important business.

ENROLLED BILLS SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 1892. An act authorizing the Secretary of the Interior to issue to Lake County, Mont., a patent in fee to certain Indian lands;

H. R. 1997. An act to authorize the survey of a proposed Mississippi River Parkway for the purpose of determining the feasibility of such a national parkway, and for other purposes;

H. R. 2197. An act to authorize acquisition by the county of Missoula, State of Montana, of certain lands for public-use purposes;

H. R. 2740. An act to authorize the establishment of fish hatcheries in the States of Georgia and Michigan; to authorize the rehabilitation and expansion of rearing ponds and fish cultural facilities in the States of New York and Colorado; to authorize the Secretary of the Interior to undertake a continuing study of shad of the Atlantic coast; and to amend the act of August 8, 1946, relating to investigation and eradication of predatory sea lampreys of the Great Lakes, and for other purposes; and

H. R. 4510. An act to provide funds for cooperation with the school board of Klamath County, Oreg., for the construction, extension, and improvement of public-school facilities in Klamath County, Oreg., to be available to all Indian and non-Indian children without discrimination.

BILLS PRESENTED TO THE PRESIDENT

Mrs. NORTON, from the Committee on House Administration, reported that that committee did on August 11, 1949, present to the President, for his approval, bills of the House of the following titles:

H. R. 91. An act to provide for a research and development program in the Post Office Department;

H. R. 242. An act to provide for the conferring of the degree of bachelor of science upon graduates of the United States Merchant Marine Academy;

H. R. 579. An act to permit the motor vessel *FLB–5005* to engage in the fisheries;

H. R. 607. An act for the relief of Harvey M. Lifset, formerly a major in the Army of the United States;

H. R. 637. An act for the relief of Mrs. Harriett Patterson Rogers;

H. R. 691. An act for the relief of Lawrence Fontenot;

H. R. 748. An act for the relief of Louis Esposito;

H. R. 1017. An act for the relief of John Aaron Whitt;

H. R. 1023. An act for the relief of Lois E. Lillie;

H. R. 1034. An act for the relief of the Jansson Gage Co.;

H. R. 1055. An act for the relief of Agnese R. Mundy;

H. R. 1069. An act for the relief of Albert Burns;

H. R. 1075. An act for the relief of Harry C. Metts;

H. R. 1154. An act to provide authorization for additional funds for the extension and improvement of post-office facilities at Los Angeles, Calif., and for other purposes;

H. R. 1282. An act for the relief of Mrs. T. A. Robertson;

H. R. 1459. An act for the relief of E. Neill Raymond;

H. R. 2925. An act for the relief of Ida Hoheisel, executrix of the estate of John Hoheisel;

H. R. 2931. An act to provide for the conveyance by the United States to Frank C. Wilson of certain lands formerly owned by him;

H. R. 3139. An act for the relief of James B. DeHart;

H. R. 3193. An act for the relief of Public Utility District No. 1, of Cowlitz County, Wash.;

H. R. 3408. An act for the relief of Opal Hayes and D. A. Hayes;

H. R. 3461. An act for the relief of Lester B. McAllister and others;

H. R. 3501. An act for the relief of Nelson Bell;

H. R. 3511. An act to declare the waterway (in which is located the Brewery Street Channel) from Brewery Street southeastward to a line running south thirty-three degrees fifty-three minutes thirty-six seconds west from the south side of Chestnut Street, at New Haven, Conn., a nonnavigable stream;

H. R. 3756. An act to amend the Civil Service Retirement Act of May 29, 1930, to provide that the annuities of certain officers and employees engaged in the enforcement of the criminal laws of the United States shall be computed on the basis of their average basic salaries for any five consecutive years of allowable service;

H. R. 3788. An act to authorize the Secretary of the Interior to construct, operate, and maintain the Vermejo reclamation project, New Mexico;

H. R. 4097. An act for the relief of George M. Beesley, Edward D. Sexton, and Herman J. Williams;

H. R. 4138. An act for the relief of Herbert L. Hunter;

H. R. 4307. An act for the relief of Ever Ready Supply Co. and Harold A. Dahlberg;

H. R. 4366. An act for the relief of Pearson Remedy Co.;

H. R. 4854. An act for the relief of Mrs. Miriam G. Wornum;

H. R. 4948. An act relating to the policing of the building and grounds of the Supreme Court of the United States;

H. R. 5034. An act to authorize the taxation of Indian land holdings in the town of Lodge Grass, Mont., to assist in financing a municipal water supply and sewerage system;

H. R. 5114. An act to amend the Internal Revenue Code to permit the use of additional means, including stamp machines, for payment of tax on fermented malt liquors, provide for the establishment of brewery bottling house on brewery premises, and for other purposes; and

H. R. 5188. An act to provide for the preparation of a plan for the celebration of the one hundredth anniversary of the building of the Soo Locks.

ADJOURNMENT

Mr. MANSFIELD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 47 minutes p. m.) the House, pursuant to its previous order, adjourned until Monday, August 15, 1949, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

854. A communication from the President of the United States, transmitting supplemental and deficiency estimates of appropriation for the fiscal year 1950 and prior

fiscal years in the amount of $6,342,000 for the Post Office Department (H. Doc. No. 301); to the Committee on Appropriations and ordered to be printed.

855. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1950 in the amount of $7,500,000 for the General Services Administration (H. Doc. No. 302); to the Committee on Appropriations and ordered to be printed.

856. A communication from the President of the United States, transmitting supplemental estimates of appropriation for the Judiciary in the amount of $159,660, and proposed rescissions of appropriations for the District of Columbia in the amount of $266,100, all for the fiscal year 1950 (H. Doc. No. 300); to the Committee on Appropriations and ordered to be printed.

857. A letter from the Secretary of Defense, transmitting a letter by the Acting Secretary of the Navy recommending the enactment of a proposed draft of legislation entitled "To Clarify the Status of Inactive Members of the Naval Reserve Relating to the Holding of Offices of Trust or Profit Under the Government of the United States"; to the Committee on Armed Services.

858. A letter from the Acting Director, Bureau of the Budget, Executive Office of the President, transmitting a report of personnel ceilings as determined and fixed pursuant to Public Law 390, Seventy-ninth Congress, for the quarter ending June 30, 1949; to the Committee on Post Office and Civil Service.

859. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated July 18, 1949, submitting a report, together with accompanying papers and illustrations, on a review of reports on Redondo Beach Harbor, Calif., requested by a resolution of the Committee on Rivers and Harbors, House of Representatives, adopted on April 17, 1939 (H. Doc. No. 303); to the Committee on Public Works and ordered to be printed with two illustrations.

860. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated February 28, 1949, submitting a report, together with accompanying papers and illustrations, on a preliminary examination and survey of waterway from Indian River inlet to Rehoboth Bay, Del., authorized by the River and Harbor Act approved on March 2, 1945 (H. Doc. No. 304); to the Committee on Public Works and ordered to be printed with two illustrations.

861. A letter from the Secretary of the Army transmitting a letter from the Chief of Engineers, United States Army, dated June 24, 1949, submitting a report, together with accompanying papers and an illustration on a review of reports on Susquehanna River and tributaries, New York, Pennsylvania, and Maryland, with a view to improvement of Monkey Run Creek in Corning, N. Y., and vicinity, requested by a resolution of the Committee on Public Works, House of Representatives, adopted on January 28, 1947 (H. Doc. No. 305); to the Committee on Public Works and ordered to be printed with an illustration.

862. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated February 28, 1949, submitting a report, together with accompanying papers and illustrations, on a preliminary examination and survey of Pasquotank River, N. C., authorized by the Flood Control Act approved on December 22, 1944 (H. Doc. No. 306); to the Committee on Public Works and ordered to be printed with two illustrations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PETERSON: Committee on Public Lands. H. R. 5764. A bill to authorize the granting to the city of Los Angeles, Calif., of rights-of-way on, over, under, through, and across certain public lands; with an amendment (Rept. No. 1260). Referred to the Committee of the Whole House on the State of the Union.

Mr. MORRIS: Committee on Public Lands. H. R. 5097. A bill for the administration of Indian livestock loans, and for other purposes; without amendment (Rept. No. 1261). Referred to the Committee of the Whole House on the State of the Union.

Mr. THOMAS of Texas: Committee of conference. H. R. 4177. A bill making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1950, and for other purposes. (Rept. No. 1262.) Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MULTER:

H. R. 5973. A bill to provide additional compensation in lieu of overtime pay, for certain Federal employees engaged in criminal law-enforcement work; to the Committee on Post Office and Civil Service.

By Mr. STEED:

H. R. 5974. A bill to prohibit an individual from traveling in interstate or foreign commerce in connection with the abandonment of his dependent child; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. KLEIN:

H. R. 5975. A bill for the relief of Thomas Winkler; to the Committee on the Judiciary.

H. R. 5976. A bill for the relief of Edit Hannach; to the Committee on the Judiciary.

By Mr. McCORMACK:

H. R. 5977. A bill for the relief of Leon Alex Piechowiak, alias Leon Piechowiak; to the Committee on the Judiciary.

By Mr. MORRISON:

H. R. 5978. A bill for the relief of the heirs of Michel Deval; to the Committee on the Judiciary.

By Mr. PLUMLEY:

H. R. 5979. A bill for the relief of John Tweit; to the Committee on the Judiciary.

By Mr. POULSON:

H. R. 5980. A bill for the relief of F. E. Thibodo; to the Committee on the Judiciary.

By Mr. TRIMBLE:

H. R. 5981. A bill for the relief of Clayborne V. Wagley; to the Committee on the Judiciary.

By Mr. WALTER:

H. R. 5982. A bill for the relief of Livia de Badics and Agatha de Badics; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1408. By the SPEAKER: Petition of Fairbanks Chamber of Commerce, Fairbanks, Alaska, requesting Congress to take immediate steps to repeal the 15-percent excise tax on passenger travel and the 3-percent excise tax on freight shipments; to the Committee on Ways and Means.

1409. By Mr. LECOMPTE: Petition of Messrs. Murdy and Johnston, druggists, and other citizens of Brooklyn, Iowa, urging the repeal of the 20-percent excise tax on all toilet goods; to the Committee on Ways and Means.

SENATE

MONDAY, AUGUST 15, 1949

(Legislative day of Thursday, June 2, 1949)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Douglas Frazer-Hurst, D. D., Elmwood Church, Belfast, Northern Ireland, offered the following prayer:

O, God, who art the author of life, the universal father, and yet hast given to every nation its place of habitation, and its own destiny; we pray for the people of this Republic, and for their representatives, met today in this council chamber. Guide us in all our deliberations so that we may feel ourselves supported by a higher wisdom than our own. Bless the President of the United States and the members of the Cabinet. In all our ways may we acknowledge Thee, so that Thou mayest direct our paths. Let us be willing to stand in the searchlight of truth, so that we may be honest and sincere in all our judgments. Deliver us from all selfishness and fear.

In these days of unsettlement, when clouds often gather darkly in the sky, may our hand be steady upon the helm which guides the ship of state. May we set our course by the stars of truth and justice, and not by the lesser lights of policy or passion. Help us to believe sincerely in the divine origin and destiny of man, and to resist any influences which would make him a chattel of the state, or deny him liberty of self-expression.

We pray Thee to bring together the English-speaking world in true brotherhood. With our common heritage of liberty and faith, may the things which unite us be always greater and stronger than the things which divide. As we are one in our belief in free institutions, in government of the people, by the people, and for the people, may we walk together in mutual trust and confidence on the great highway of freedom and service. We ask it in His name who is the Master of all good life, and the Inspirer of all true service, even Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Friday, August 12, 1949, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the joint resolution (S. J. Res. 79) authorizing Federal participation in the International Exposition for the Bicentennial of the Founding of Port-au-Prince, Republic of Haiti, 1949.

The message also announced that the House had severally agreed to the

amendments of the Senate to the following bills of the House:

H. R. 559. An act to confer jurisdiction upon the United States District Court for the Central Division of the Southern District of California to hear, determine, and render judgment upon the claims of the city of Needles, Calif., and the California-Pacific Utilities Co.;

H. R. 631. An act for the relief of Mrs. Dorothy Vicencio;

H. R. 1137. An act for the relief of J. W. Greenwood, Jr.;

H. R. 1505. An act for the relief of Harry Warren; and

H. R. 1604. An act conferring jurisdiction upon the Court of Claims to hear and determine the claim of Breinig Bros., Inc.

The message further announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 1285) for the relief of the legal guardian of Lena Mae West, a minor; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. BYRNE of New York, Mr. DENTON, and Mr. JENNINGS were appointed managers on the part of the House at the conference.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 5342. An act to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment to the Boy Scouts of America for use at the Second National Jamboree of the Boy Scouts; and

H. R. 5526. An act to authorize the President to provide for the performance of certain functions of the President by other officers of the Government, and for other purposes.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 559. An act to confer jurisdiction upon the United States District Court for the Central Division of the Southern District of California to hear, determine, and render judgment upon the claims of the city of Needles, Calif., and the California-Pacific Utilities Co.;

H. R. 631. An act for the relief of Mrs. Dorothy Vicencio;

H. R. 1137. An act for the relief of J. W. Greenwood, Jr.;

H. R. 1505. An act for the relief of Harry Warren;

H. R. 1604. An act conferring jurisdiction upon the Court of Claims to hear and determine the claim of Breinig Bros., Inc.; and

H. R. 2634. An act to provide transportation on Canadian vessels between Skagway, Alaska, and other points in Alaska, and between Hyder, Alaska, and other points in Alaska or the continental United States, either directly or via a foreign port, or for any part of the transportation.

CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Chavez	Ecton
Anderson	Connally	Ellender
Baldwin	Cordon	Ferguson
Butler	Donnell	Flanders
Cain	Douglas	Fulbright
Capehart	Downey	George
Chapman	Dulles	Gillette
Graham	Long	Robertson
Green	Lucas	Russell
Gurney	McCarran	Schoeppel
Hayden	McCarthy	Smith, Maine
Hickenlooper	McClellan	Smith, N. J.
Hill	McFarland	Sparkman
Hoey	McKellar	Stennis
Holland	Magnuson	Taft
Hunt	Malone	Taylor
Ives	Martin	Thomas, Okla.
Johnson, Colo.	Maybank	Thomas, Utah
Johnson, Tex.	Miller	Thye
Johnston, S. C.	Millikin	Tydings
Kefauver	Morse	Vandenberg
Kem	Mundt	Watkins
Kerr	Murray	Wherry
Kilgore	Neely	Wiley
Knowland	O'Conor	Withers
Langer	O'Mahoney	Young
Lodge	Pepper	

Mr. LUCAS. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Mississippi [Mr. EASTLAND], the Senator from Delaware [Mr. FREAR], the Senator from Rhode Island [Mr. MCGRATH], the Senator from Connecticut [Mr. MCMAHON], and the Senator from Pennsylvania [Mr. MYERS] are absent on public business.

The Senator from Minnesota [Mr. HUMPHREY] is absent because of illness in his family.

Mr. WHERRY. I announce that the Senator from Maine [Mr. BREWSTER], the Senator from Ohio [Mr. BRICKER], the senior Senator from New Hampshire [Mr. BRIDGES], the Senator from Indiana [Mr. JENNER], the Senator from Massachusetts [Mr. SALTONSTALL], the junior Senator from New Hampshire [Mr. TOBEY], and the Senator from Delaware [Mr. WILLIAMS] are necessarily absent.

The Senator from New Jersey [Mr. HENDRICKSON] is absent because of illness.

The Senator from Kansas [Mr. REED] is absent by leave of the Senate.

The VICE PRESIDENT. A quorum is present.

TRANSACTION OF ROUTINE BUSINESS

Mr. LUCAS. Mr. President, I ask unanimous consent that Members of the Senate be permitted to present petitions and memorials, introduce bills and joint resolutions, and incorporate matters into the RECORD and the Appendix of the RECORD, without debate.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred, as indicated:

ALCOHOL PLANT AT OMAHA, NEBR.

A letter from the Secretary of Agriculture, reporting, pursuant to law, that the holding of the alcohol plant at Omaha, Nebr., by the Department of Agriculture, can no longer be justified; to the Committee on Agriculture and Forestry.

REPORT ON PERSONNEL CEILINGS

A letter from the Acting Director, Bureau of the Budget, transmitting, pursuant to law, a report on personnel ceilings, for the quarter ended June 30, 1949 (with an accompanying report); to the Committee on Post Office and Civil Service.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, and referred as indicated:

By the Vice President:

A telegram in the nature of a petition from the Chinese Women's Club of Chicago, Chicago, Ill., signed by Jean Moy, praying for the enactment of legislation to provide the necessary aid to halt the progress of communism in the Far East; to the Committee on Appropriations.

A resolution adopted by the City Council of the City of Los Angeles, Calif., favoring the enactment of legislation to provide statehood for the territories of Hawaii and Alaska; to the Committee on Interior and Insular Affairs.

A resolution adopted by the Sisterhood of Ahavath Achim, of Syracuse, N. Y., protesting against the enactment of legislation that would change the present calendar; to the Committee on Foreign Relations.

A resolution adopted by the Southern California State Dental Hygienists Association, protesting against the enactment of legislation providing compulsory health insurance; to the Committee on Labor and Public Welfare.

A letter in the nature of a petition from James E. Folsom, Governor of the State of Alabama, praying for the confirmation of the nominations of Tom Clark as Associate Justice of the United States Supreme Court, and Senator MCGRATH as Attorney General; ordered to lie on the table.

A telegram in the nature of a memorial from the Northeast Ogden Improvement Association, of Ogden, Ill., signed by John G. Christie, secretary, remonstrating against the confirmation of the nomination of Tom Clark as Associate Justice of the Supreme Court of the United States; ordered to lie on the table.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. GEORGE, from the Committee on Finance:

H. R. 5327. A bill to continue until the close of June 30, 1950, the suspension of duties and import taxes on metal scrap, and for other purposes; with amendments (Rept. No. 898).

By Mr. MCCLELLAN, from the Committee on Expenditures in the Executive Departments:

S. 2018. A bill to authorize advancements to and the reimbursement of certain agencies of the Treasury Department for services performed for other Government agencies, and for other purposes; without amendment (Rept. No. 897).

By Mr. O'MAHONEY, from the Committee on Interior and Insular Affairs:

H. R. 2876. A bill to effect an exchange of certain lands in the State of North Carolina between the United States and the Eastern Band of Cherokee Indians, and for other purposes; without amendment (Rept. No. 917);

H. R. 3881. A bill to provide for the use of the State course of study in schools operated by the Bureau of Indian Affairs on Indian reservations in South Dakota when requested by a majority vote of the parents of the students enrolled therein; without amendment (Rept. No. 918), and

H. R. 5134. A bill to promote development in cooperation with the State of Colorado of the fish, wildlife, and recreational aspects of the Colorado-Big Thompson Federal reclamation project; without amendment (Rept. No. 919).

By Mr. ANDERSON, from the Committee on Interior and Insular Affairs:

S. 2275. A bill permitting the use for public purposes of certain land in Hot Springs, N. Mex.; without amendment (Rept. No. 913); and

S. 2286. A bill authorizing transfer of land to the county of Bernalillo, State of New Mexico, for a hospital site; with an amendment (Rept. No. 914).

By Mr. DOWNEY, from the Committee on Interior and Insular Affairs:

H. R. 4584. A bill to provide for disposition of lands on the Cabazon, Augustine, and

Torres-Martinez Indian Reservations in California, and for other purposes; with an amendment (Rept. No. 915).

By Mr. McFARLAND, from the Committee on Interior and Insular Affairs:

S. 76. A bill to authorize the Secretary of the Interior to convey a certain tract of land in the State of Arizona to Lillian I. Anderson; with an amendment (Rept. No. 916).

By Mr. WATKINS, from the Committee on Interior and Insular Affairs:

S. 2140. A bill to authorize the Secretary of the Interior to exchange certain Navajo tribal Indian land for certain Utah State land; without amendment (Rept. No. 920).

By Mr. MURRAY, from the Committee on Interior and Insular Affairs:

S. 1829. A bill to authorize the Secretary of the Interior to transfer to the Crow Indian Tribe, of Montana, the title to certain buffalo; with amendments (Rept. No. 921).

By Mr. HAYDEN, from the Committee on Rules and Administration:

H. Con. Res. 62. Concurrent resolution creating a Joint Committee on Lobbying Activities; without additional amendment (Rept. No. 895).

By Mr. KNOWLAND, from the Committee on Armed Services:

S. 1660. A bill providing for the conveyance to the Franciscan Fathers of California of approximately 40 acres of land located on the Hunter-Liggett Military Reservation, Monterey County, Calif.; with amendments (Rept. No. 896).

By Mr. JOHNSON of Colorado, from the Committee on Interstate and Foreign Commerce:

S. 1282. A bill to authorize grants under the Federal Airport Act for minor projects at major airports; with amendments (Rept. No. 901);

S. 2316. A bill to authorize the construction and equipment of a guided-missile research laboratory building for the National Bureau of Standards, Department of Commerce; without amendment (Rept. No. 899); and

S. 2360. A bill to amend the Federal Airport Act so as to authorize appropriations for projects in the Virgin Islands; without amendment (Rept. No. 900).

By Mr. McCARRAN, from the Committee on the Judiciary:

S. 73. A bill for the relief of Samuel M. Inman; with an amendment (Rept. No. 902);

S. 481. A bill for the relief of C. J. Hartman; with amendments (Rept. No. 903);

S. 1048. A bill for the relief of Saul Phillips; with an amendment (Rept. No. 904);

S. 1764. A bill for the relief of George K. Haviland; with amendments (Rept. No. 905);

H. R. 1132. A bill for the relief of Mabel H. Slocum; without amendment (Rept. No. 906);

H. R. 1446. A bill for the relief of Conrad L. Wirth; without amendment (Rept. No. 907);

H. R. 2091. A bill for the relief of Jack McCollum; without amendment (Rept. No. 908);

H. R. 2471. A bill for the relief of Walt W. Rostow; without amendment (Rept. No. 909);

H. R. 2594. A bill for the relief of Grace L. Elser; without amendment (Rept. No. 910);

H. R. 3665. A bill for the relief of Mrs. Josephine Wagnon Walker; without amendment (Rept. No. 911); and

H. R. 5155. A bill for the relief of Francesca Lucareni, a minor; without amendment (Rept. No. 912).

By Mr. TYDINGS, from the Committee on Armed Services:

H. R. 5929. A bill to amend the Army and Air Force Vitalization and Retirement Equalization Act of 1948; without amendment (Rept. No. 922); and

H. Con. Res. 102. Concurrent resolution to provide for the attendance of a joint committee to represent the Congress at the Eighty-third and Final National Encampment of the Grand Army of the Republic; without amendment.

CERTAIN CONSTRUCTION AT MILITARY AND NAVAL INSTALLATIONS—REPORT OF A COMMITTEE

Mr. TYDINGS. Mr. President, from the Committee on Armed Services I report an original bill, and I submit a report (No. 923) thereon.

The VICE PRESIDENT. The report will be received and the bill will be placed on the calendar.

The bill (S. 2440) to authorize certain construction at military and naval installations, and for other purposes, was read twice by its title, and ordered to be placed on the calendar.

ACTIVE DUTY FOR CERTAIN ADDITIONAL NATIONAL GUARD OFFICERS—REPORT OF A COMMITTEE

Mr. HUNT. Mr. President, from the Committee on Armed Services I report an original bill, and I submit a report (No. 924) thereon.

The VICE PRESIDENT. The report will be received and the bill will be placed on the calendar.

The bill (S. 2441) to amend section 81 of the National Defense Act, as amended, to provide for additional officers of the National Guard of the United States on active duty in the National Guard Bureau, was read twice by its title and ordered to be placed on the calendar.

ANTHROPOLOGICAL RESEARCHES ON AMERICAN INDIANS—REPORT OF A COMMITTEE

Mr. HAYDEN. Mr. President, from the Committee on Rules and Administration, I report favorably, without amendment, the bill (H. R. 3417) to amend the act entitled "An act to provide for cooperation by the Smithsonian Institution with State, educational, and scientific organizations in the United States for continuing ethnological researches on the American Indians," approved April 10, 1928, and for other purposes, and I submit a report (No. 893) thereon. I ask unanimous consent for the immediate consideration of the bill.

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

INVESTIGATION OF FIELD OF LABOR-MANAGEMENT RELATIONS—REPORT OF A COMMITTEE

Mr. HAYDEN. Mr. President, from the Committee on Rules and Administration I report favorably, with an amendment, Senate Resolution 140, and I submit a report (No. 894) thereon. I ask unanimous consent for the immediate consideration of the resolution.

The VICE PRESIDENT. The resolution will be read for the information of the Senate.

The resolution, submitted by Mr. MURRAY (for himself and other Senators) on July 22, 1949, and referred to the Committee on Labor and Public Welfare, and subsequently to the Committee on Rules and Administration, was read, as follows:

Resolved, That the Committee on Labor and Public Welfare, or any duly authorized subcommittee thereof, is authorized and directed to conduct a thorough study and investigation of the entire field of labor-management relations, including but not limited to—

(A) the means by which cooperation between employers and employees and stability of labor relations may be secured;

(B) the methods and procedures for best carrying out the collective bargaining processes;

(C) the administration and cooperation of existing Federal laws relating to labor relations; and

(D) such other problems and subjects in the field of labor-management relations as the committee deems appropriate. The committee shall report to the Senate not later than January 15, 1950, the results of its study and investigation, and such other recommendations from time to time as it may deem advisable, and shall make its final report under this resolution not later than December 31, 1950.

SEC. 2. For the purposes of this resolution, the committee, or any duly authorized subcommittee thereof, is authorized to employ upon a temporary basis such technical, clerical, and other assistance as it deems advisable. The expenses of the committee under this resolution, which shall not exceed $25,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The VICE PRESIDENT. The committee amendment will be stated.

The LEGISLATIVE CLERK. On page 1, line 5, after the word "directed" it is proposed to insert "during the Eighty-first Congress."

The amendment was agreed to.

The resolution, as amended, was agreed to.

AMENDMENT OF PUBLIC HEALTH SERVICE ACT—REPORT OF A COMMITTEE

Mr. HILL. Mr. President, from the Committee on Labor and Public Welfare, I report favorably, with amendments, the bill (S. 522) to amend the Public Health Service Act to authorize assistance to States and political subdivisions in the development and maintenance of local public health units, and for other purposes, and I submit a report (No. 925) thereon. I ask unanimous consent that the Senator from Utah [Mr. THOMAS], the Senator from Montana [Mr. MURRAY], the Senator from West Virginia [Mr. NEELY], the Senator from Kentucky [Mr. WITHERS], the Senator from Ohio [Mr. TAFT], the Senator from Oregon [Mr. MORSE], the Senator from Missouri [Mr. DONNELL], and the Senator from North Carolina [Mr. GRAHAM] be added as cosponsors of the bill.

The VICE PRESIDENT. The report will be received and the bill will be placed on the calendar, and, without objection, the names of the Senators suggested by the Senator from Alabama will be added as cosponsors of the bill.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. JOHNSON of Colorado, from the Committee on Interstate and Foreign Commerce:

William H. E. Schroeder, of the United States Coast Guard Reserve, to be lieutenant

(junior grade) in the United States Coast Guard.

By Mr. McCARRAN, from the Committee on the Judiciary:

Alphonse Roy, of New Hampshire, to be United States marshal for the district of New Hampshire.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MARTIN:

S. 2431. A bill for the relief of Sumiko Kato; to the Committee on the Judiciary.

(Mr. YOUNG (for himself and Mr. GILLETTE) introduced Senate bill 2432, to amend the Federal Food, Drug, and Cosmetic Act by requiring a minimum fat content for bread, which was referred to the Committee on Interstate and Foreign Commerce, and appears under a separate heading.)

By Mr. WILEY (by request):

S. 2433. A bill to increase the fee for appeal to the Board of Appeals in the Patent Office; to the Committee on the Judiciary.

By Mr. ECTON:

S. 2434. A bill authorizing the Secretary of the Interior to issue a patent in fee to Mrs. Lucy Knows Gun; to the Committee on Interior and Insular Affairs.

By Mr. JOHNSON of Colorado:

S. 2435. A bill to amend the Civil Aeronautics Act of 1938 with respect to the regulation of domestic air transportation;

S. 2436. A bill to amend the act entitled "An act to authorize the construction, protection, operation, and maintenance of public airports in the Territory of Alaska";

S. 2437. A bill to amend the Civil Aeronautics Act of 1938, as amended, to provide for the separation of subsidies from air-mail pay, and for other purposes; and

S. 2438 (by request). A bill to amend the Civil Aeronautics Act of 1938, as amended, to provide for the regulation of interstate contract carriers by air, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. TYDINGS:

S. 2439. A bill to clarify the status of inactive members of the Naval Reserve relating to the holding of offices of trust or profit under the Government of the United States; to the Committee on Armed Services.

(Mr. TYDINGS (from the Committee on Armed Services) reported an original bill (S. 2440) to authorize certain construction at military and naval installations, and for others purposes, which was ordered to be placed on the calendar, and appears under a separate heading.)

(Mr. HUNT (from the Committee on Armed Services) reported an original bill (S. 2441) to amend section 81 of the National Defense Act, as amended, to provide for additional officers of the National Guard of the United States on active duty in the National Guard Bureau, which was ordered to be placed on the calendar, and appears under a separate heading.)

By Mr. LUCAS:

S. 2442. A bill for the relief of Yone T. Park; to the Committee on the Judiciary.

By Mr. McCLELLAN:

S. J. Res. 127. Joint resolution to clarify the status of the Architect of the Capitol under the Federal Property and Administrative Services Act of 1949; to the Committee on Expenditures in the Executive Departments.

MINIMUM FAT CONTENT FOR BREAD

Mr. YOUNG. Mr. President, I introduce for appropriate reference a bill to amend the Federal Food, Drug, and Cosmetic Act by requiring a minimum fat content for bread.

There has been a great deal of evidence taken by the Subcommittee on Utilization of Farm Crops, established pursuant to Senate Resolution No. 36 as a subcommittee of the Senate Agriculture Committee, on the subject of the use of chemicals in the baking industry as a substitute for natural fats and oils, the disastrous effect of such practice on the producers of natural fats and oils and the deleterious effect upon the consumers.

Witnesses have told the committee that lard and vegetable shortening are facing a serious threat from the so-called chemical emulsifiers or bread softeners which are beginning to be used in volume in the baking industry. These witnesses claim that with the use of one pound of chemical with a fatty base made from petroleum they can replace six pounds of fats and oils by adding 5 pounds of water to their pound of chemical.

Witnesses have also told the committee that the over-all results of the constant ingestion of these chemicals into the human system is going to ultimately break down the health of our people.

While the hearings will continue and a report thereon filed, the chairman, Mr. GILLETTE, and I, feel that this matter should be forcefully brought to the attention of the American people for their consideration. The legislation would require a minimum content of 4 percent natural fat in bakery products.

The bill (S. 2432) to amend the Federal Food, Drug, and Cosmetic Act by requiring a minimum fat content for bread, introduced by Mr. YOUNG (for himself and Mr. GILLETTE), was read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

REORGANIZATION PLAN NO. 7 OF 1949

Mr. HAYDEN. Mr. President, I submit for appropriate reference a resolution relating to Reorganization Plan No. 7, and ask unanimous consent that following it, there be printed in the RECORD a memorandum from Mr. Charles F. Boots, of the Senate legislative counsel.

The VICE PRESIDENT. The resolution will be received, and printed, and, without objection, the memorandum will be printed in the RECORD.

The resolution (S. Res. 155) was referred to the Committee on Expenditures in the Executive Departments, as follows:

Whereas Reorganization Plan No. 7 of 1949, transmitted to Congress on June 20, 1949, provided for the transfer of the Public Roads Administration to the Department of Commerce; and

Whereas there was subsequently enacted the Federal Property and Administrative Services Act of 1949 (Public Law 152), approved June 30, 1949, which abolished the Federal Works Agency and transferred all of its functions to the Administrator of General Services, and which changed the name of the Public Roads Administration to the Bureau of Public Roads and transferred all of its functions to the Administrator of General Services; and

Whereas Reorganization Plan No. 7 thus purports to affect agencies which do not in fact exist; and

Whereas section 9 (a) (1) of the Reorganization Act of 1949 (Public Law 109) provides, in substance, that any statute enacted in respect of any agency or function affected by a reorganization plan, before the effective date of such reorganization, shall have the same effect as if such reorganization had not been made; and

Whereas all doubt should be removed as to whether the above cited statute has made such reorganization plan ineffective: Now, therefore, be it

Resolved, That the Senate does not favor the Reorganization Plan No. 7 transmitted to Congress by the President on June 20, 1949.

The memorandum presented by Mr. HAYDEN is as follows:

OFFICE OF THE LEGISLATIVE COUNSEL,
UNITED STATES SENATE.

REORGANIZATION PLAN NO. 7 OF 1949

MEMORANDUM FOR SENATOR HAYDEN

This is in reply to your request for our opinion with respect to the effectiveness of Reorganization Plan No. 7 of 1949, transmitted to the Congress on June 20, 1949.

The substantive provisions of Reorganization Plan No. 7 relate to the transfer of the Public Roads Administration and read as follows:

"SECTION 1. Transfer of Public Roads Administration: The Public Roads Administration, together with its functions, including the functions of the Commissioner of Public Roads, is hereby transferred to the Department of Commerce and shall be administered by the Commissioner of Public Roads subject to the direction and control of the Secretary of Commerce.

"SEC. 2. Transfer of certain functions of Federal Works Administrator: All functions of the Federal Works Administrator with respect to the agency and functions transferred by the provisions of section 1 hereof are hereby transferred to the Secretary of Commerce and shall be performed by the Secretary or, subject to his direction and control, by such officers, employees, and agencies of the Department of Commerce as the Secretary shall designate."

Subsequent to the transmittal to Congress of Reorganization Plan No. 7 the Federal Property and Administrative Services Act of 1949 (Public Law 152) was approved by the President on June 30, 1949. This act, among other things, abolished the Federal Works Agency and the office of Federal Works Administrator and transferred all the functions thereof to the Administrator of General Services, created by the act; and also transferred to the General Services Administration the Public Roads Administration and provided that it should hereafter be known as the Bureau of Public Roads.

It will thus be seen that Reorganization Plan No. 7 seeks to transfer from a nonexistent agency (the Federal Works Agency) another nonexistent agency (the Public Roads Administration); and, as noted above, in the case of the Federal Works Agency, the nonexistence results not merely from a change in name but from statutory abolition of the Agency.

I suppose it could be argued that despite the intervening circumstances it was the ultimate purpose of Reorganization Plan No. 7 to transfer the agency in question, by whatever name called, to the Department of Commerce, and that this purpose should be given effect. And perhaps anticipating the unsatisfactory status of the reorganization plan in the light of the then pending Federal Property and Administrative Services Act of 1949, section 4 of the reorganization plan provides as follows:

"SEC. 4. Effect of reorganization plan: The provisions of this reorganization plan shall become effective notwithstanding the status of the Public Roads Administration within the Federal Works Agency or within any other agency immediately prior to the effective date of this reorganization plan."

It appears to me that in everyday language this section is attempting to say that the reorganization plan will be given effect

no matter what the status of the then Public Roads Administration may be immediately prior to the effective date of the reorganization plan. If this be the effect of section 4 of the plan, and I see no other reason for the inclusion therein of the section, I doubt if it accomplishes the purpose, even assuming that Congress should allow the 60-day period to expire without taking any action with respect to Reorganization Plan No. 7. In this connection attention is called to section 9 (a) (1) of the Reorganization Act of 1949, which reads as follows:

"(1) Any statute enacted, and any regulation or other action made, prescribed, issued, granted, or performed in respect of or by any agency or function affected by a reorganization under the provisions of this act, before the effective date of such reorganization, shall, except to the extent rescinded, modified, superseded, or made inapplicable by or under authority of law or by the abolition of a function, have the same effect as if such reorganization had not been made; but where any such statute, regulation, or other action has vested the functions in the agency from which it is removed under the plan, such function shall, insofar as it is to be exercised after the plan becomes effective, be considered as vested in the agency under which the function is placed by the plan."

While this provision is hedged about by a great deal of verbiage it would appear that it was designed to anticipate the case where, following the submission of a reorganization plan, Congress acted with respect to the agency or function affected in a manner inconsistent with the plan, and to make certain that in that situation the statute would have the same effect as if the reorganization had not been made. There is one qualification to that general statement, however, which is found in the matter following the semicolon in the provision quoted. It states in substance that where the statute has vested the function in the agency from which it is removed under the plan such function shall, insofar as it is to be exercised after the plan becomes effective, be considered as vested in the agency under which the function is placed by the plan. Obviously this has no application to Reorganization Plan No. 7 because the statute (Public Law 152) did not vest the function in the agency from which it is removed under the plan.

From the foregoing it is my opinion that Reorganization Plan No. 7 will not take effect upon the expiration of 60 days following its submission. It is further my opinion that in any event, in the extremely confused situation, clarifying action should be taken either by the Congress or by the Executive.

Respectfully,

CHARLES F. BOOTS,
Assistant Counsel.

AUGUST 11, 1949.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles, and referred as indicated:

H. R. 5342. An act to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment to the Boy Scouts of America for use at the Second National Jamboree of the Boy Scouts; to the Committee on Armed Services.

H. R. 5526. An act to authorize the President to provide for the performance of certain functions of the President by other officers of the Government, and for other purposes; to the Committee on Expenditures in the Executive Departments.

COSTS OF FEDERAL RECLAMATION PROJECTS—AMENDMENT

Mr. O'MAHONEY submitted an amendment intended to be proposed by him to the bill (H. R. 1694) to provide for the return of rehabilitation and betterment of costs of Federal reclamation projects, which was ordered to lie on the table and to be printed.

AMENDMENT OF FAIR LABOR STANDARDS ACT—AMENDMENT

Mr. STENNIS (for himself, Mr. FULBRIGHT, Mr. MAYBANK, Mr. EASTLAND, Mr. MCKELLAR, Mr. JOHNSTON of South Carolina, Mr. YOUNG, Mr. MCCLELLAN, and Mr. WHERRY) submitted an amendment intended to be proposed by them, jointly, to the bill (S. 653) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes, which was ordered to lie on the table and to be printed.

INTERIOR DEPARTMENT APPROPRIATIONS—AMENDMENTS

Mr. JOHNSON of Colorado submitted an amendment intended to be proposed by him to the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. MCCARTHY submitted amendments intended to be proposed by him to House bill 3838, supra, which were ordered to lie on the table and to be printed.

LIQUIDATION OF TRUSTS UNDER TRANSFER AGREEMENTS WITH STATE RURAL REHABILITATION CORPORATIONS—AMENDMENTS

Mr. JOHNSON of Colorado submitted amendments intended to be proposed by him to the bill (S. 930) to provide for the liquidation of the trusts under the transfer agreements with State rural rehabilitation corporations, and for other purposes, which were ordered to lie on the table and to be printed.

EXTENSION OF TRADE AGREEMENTS ACT—AMENDMENT

Mr. BUTLER submitted an amendment intended to be proposed by him to the bill (H. R. 1211) to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, and for other purposes, which was ordered to lie on the table and to be printed.

MILITARY ASSISTANCE TO FOREIGN NATIONS—AMENDMENTS

Mr. VANDENBERG. Mr. President, on behalf of the Senator from New York [Mr. DULLES] and myself, I submit for reference to the Committees on Foreign Relations and Armed Services, jointly, a series of amendments intended to be proposed by us jointly to the bill (S. 2388) to promote the foreign policy and provide for the defense and general welfare of the United States by furnishing military assistance to foreign nations, and I ask unanimous consent that the amendments be printed in the RECORD, together with a brief explanation by the Senator from New York and myself.

The VICE PRESIDENT. The amendments will be received and referred to the Committees on Foreign Relations and Armed Services, jointly, as requested by the Senator from Michigan, and, without objection, the amendments and explanation will be printed in the RECORD.

The amendments submitted by Mr. VANDENBERG (for himself and Mr. DULLES) are as follows:

Amendment 1: On page 2, beginning with line 18, strike out down through line 7 on page 3 and insert in lieu thereof the following:

"SEC. 101. In view of the coming into force of the North Atlantic Treaty and the anticipated establishment thereunder of the Council and the Defense Committee which will recommend measures for the common defense of the North Atlantic area, and in view of the fact that the task of the Council and the Defense Committee can be facilitated by immediate steps to increase the integrated defensive armed strength of the parties of the treaty, the President is hereby authorized to furnish military assistance in the form of equipment, materials and services to such nations as are parties to the treaty and have heretofore requested such assistance. Any such assistance furnished under this title shall be subject to agreements, further referred to in section 402, designed to assure that the assistance will be used to promote an integrated defense of the North Atlantic area and to facilitate the development of defense plans by the Council and the Defense Committee under article 9 of the North Atlantic Treaty; and after the agreement by the Government of the United States with defense plans as recommended by the Defense Committee, military assistance hereunder shall be furnished only in accordance therewith, and in the event of any inconsistency between agreements made hereunder and the agreed defense plans under the North Atlantic Treaty, the latter shall prevail."

Amendment 2: On page 3, line 13, strike out "$1,160,990,000" and insert in lieu thereof "$500,000,000."

Amendment 3: On page 3, between lines 13 and 14, insert the following new section:

"SEC. 103. In addition to the amount authorized to be appropriated under section 102, without further legislative authorization, the President is hereby authorized to enter into contracts for carrying out the provisions and accomplishing the policies and purposes of this title in amounts not exceeding in the aggregate $500,000,000 during the period ending June 30, 1950, and there are hereby authorized to be appropriated for expenditure after June 30, 1950, such sums as may be necessary to pay obligations incurred under this contract authorization."

Amendment 4: On page 7, line 18, strike out "If the President" and insert in lieu thereof "If such assistance would contravene any decision of the Security Council of the United Nations, or if the President otherwise."

Amendment 5: On page 7, between lines 23 and 24, insert the following new section:

"SEC. 406. Assistance to any nation under this act may, unless sooner terminated by the President, be terminated by concurrent resolution by the two Houses of the Congress."

Renumber all following sections accordingly.

Amendment 6: On page 11, line 8, strike out the period and insert a semicolon and the following:

"and the amount, if any, remaining after the payment of such administrative expenses shall be used only for purposes specified by act of Congress."

Amendment 7: On page 11, between lines 22 and 23, insert the following new subsection:

"(f) Any equipment or materials procured to carry out the purposes of title I of this act, shall be retained by, or transferred to, and for the use of, such Department or Agency of the United States as the President may determine in lieu of being disposed of to a nation which is a party to the

North Atlantic Treaty whenever in the judgment of the President of the United States such disposal to a foreign nation will not promote the self-help, mutual-aid, and collective capacity to resist armed attack contemplated by the treaty or whenever such retention is called for by concurrent resolution by the two Houses of the Congress."

The explanation of the amendments presented by Mr. VANDENBERG (for himself and Mr. DULLES) is as follows:

The administration has proposed to initiate now a major military assistance program which would run over a 2-year period. We believe in beginning now; but also we believe in making certain that what is started now will integrate surely and quickly into the agreed plan for area defense that will emerge from the North Atlantic Treaty. That plan must control the situation. We do not want two separate programs running at the same time. Therefore, we propose (see amendment 1) to rewrite the basic policy section of the bill (sec. 101) to provide that the agreements pursuant to which present assistance is rendered will obligate the recipients to use the assistance to promote an integrated defense of the north Atlantic area in accordance with defense plans to be made under article 9 of the North Atlantic Treaty. Also we would stipulate that after such defense plans have been agreed to, no military assistance shall be given under the present law except in accordance with the over-all defense plans and that such treaty plans shall prevail as against the nontreaty plans now made. This assures that the present program is in fact an interim program to be geared into the North Atlantic Treaty procedure just as rapidly as possible.

Amendment No. 7 (to sec. 408 of present bill, sec. 409 in proposed amendments) is a key amendment designed to provide the mechanics for cutting off from this interim program any elements which will not gear into the North Atlantic Treaty plan for area defense. It provides that if any of the equipment or materials procured from an appropriation under the act will not, in the light of developments, serve to promote the self-help, mutual-aid and collective capacity to resist armed attack of the parties to the North Atlantic Treaty, then the President or the Congress may require such equipment and material to be retained as part of the United States Military Establishment rather than make delivery to any foreign nation.

Amendments 2 (to sec. 102) and 3 (adds new sec. 103) deal with the amount of assistance authorized to be given to North Atlantic Treaty countries. The Administration has proposed that $1,160,990,000 be now appropriated. We propose to authorize an appropriation of $500,000,000 for the fiscal year ending June 30, 1950, and to authorize the making of contracts, calling for expenditures thereafter of $500,000,000. That would charge the costs into the budget of the year when, in fact, they will be incurred.

We believe that subsection (c) of section 403, dealing with the value of military equipment and materials ought to be further elaborated, particularly in relation to so-called surplus or excess equipment. But this calls for further technical study.

Our amendments involve a net reduction of $160,990,000. Detailed analysis has shown that there are economies that can be effected in the present program without altering its substance. Also the proposed reduction could be effected in large part by eliminating funds intended to stimulate increased military production on the Continent. We believe that the decision of whether and where to develop a permanently expanded munitions industry on the Continent involves very important policy considerations, not merely military, and that it could better be left to a collective judgment under the North Atlantic Treaty procedure. If the Council and Defense Committee and the Governments concerned agree that this is sound policy, then it can be gotten under way within 6 months.

Amendment No. 4 (to sec. 405) eliminates an ambiguity in the present bill which suggests that the President of the United States would have discretion to determine whether or not to comply with a decision of the United Nations Security Council by which, under the Charter, the United States would be bound.

Amendment No. 5 (adds new sec. 406) provides for termination of assistance to any nation, not only by the President, but also by concurrent resolution by the two Houses of Congress. Comparable provisions were contained in the lend-lease legislation of 1941 and in the act for assistance to Greece and Turkey of 1947.

Amendment No. 6 (to sec. 408 of the present bill, sec. 409 in proposed amendments) is designed to meet the possibility that foreign currencies may be received in payment or part payment for military assistance rendered. The present bill authorizes their use for administrative expenses in the countries concerned, but as to balance, makes no provision. This means that such foreign currencies might in effect become a revolving fund further extending the scope of military assistance. Our amendment would provide that such foreign currencies, except as needed for administrative expense abroad, could not be used for any purpose except by the specific authorization of Congress.

The net effect of the major amendments to be proposed is to make clear the supremacy of the North Atlantic Treaty. Its procedures for collective area defense must prevail as against any bilateral or national system to be inaugurated now. Our proposed amendments will not delay by a day, or substantially reduce in scope, the present program. They do assure that the present program will in reality be only an interim program, to be geared into the integrating processes of the North Atlantic Treaty at the earliest practical date. The amended bill would keep full faith with our partners of the North Atlantic community, assuring them on the one hand a prompt beginning of substantial military assistance, and on the other hand, the transformation of such assistance from national auspices to the collective integrating auspices of the treaty as soon as this is possible.

We believe that, with the amendments outlined, the bill should receive and will receive the support of the Congress and of the country.

CONVERSION OF NATIONAL BANKING ASSOCIATIONS INTO STATE BANKS—AMENDMENTS

Mr. CAIN submitted amendments intended to be proposed by him to the bill (H. R. 1161) to provide for the conversion of national banking associations into and their merger or consolidation with State banks, and for other purposes, which were referred to the Committee on Banking and Currency, and ordered to be printed.

AMENDMENT OF NATIONAL HOUSING ACT—AMENDMENTS

Mr. CAIN. Mr. President, on behalf of myself, the Senator from Vermont [Mr. FLANDERS], the Senator from Ohio [Mr. BRICKER], and the Senator from Virginia [Mr. ROBERTSON], I submit for appropriate reference amendments, intended to be proposed by us jointly to the bill (S. 2246) to amend the National Housing Act, as amended, and for other purposes, and I ask unanimous consent that the amendments, together with a statement by me be printed in the RECORD.

The VICE PRESIDENT. The amendments will be received, printed, and lie on the table, and, without objection, the amendments, together with the statement presented by the Senator from Washington will be printed in the RECORD.

The amendments are as follows:

Beginning with line 20 on page 63, strike out all through line 15 on page 83.

Change title and section numbers and cross references to sections accordingly.

The statement presented by Mr. CAIN is as follows:

STATEMENT BY SENATOR CAIN

Mr. CAIN. Mr. President, on behalf of the junior Senator from Virginia [Mr. ROBERTSON], the junior Senator from Vermont [Mr. FLANDERS], the junior Senator from Ohio [Mr. BRICKER], and myself, I am offering an amendment to strike out title III of S. 2246, the so-called Housing Amendments of 1949. This title would precipitate the United States Government into the private home building market to the tune of $1,000,000,000, a move which would be in direct and unreasonable competition with private financial institutions, and a proposal which, in the considered judgment of Mr. Foley, Administrator of the HHFA, would not achieve the objectives it is designed to accomplish.

Mr. President, I have already termed this title of S. 2246 a revolutionary proposal and it is reported that such a friend of good housing as Senator TAFT agrees with me, as do the members of the Senate Banking and Currency Committee whose names appear as cosponsors of this amendment.

Why do we sincerely believe this to be the case? I would like to very briefly explain the mechanics of this proposal.

Title III would set up a new billion-dollar program of direct Government loans to cooperatives, such loans to be made at the going Federal interest rate plus one-half percent, or a total about 3 percent under current conditions. These loans could be amortized over a period of years not to exceed the estimated life of the property, but in no event more than 50 years.

A new constituent agency within the Housing and Home Finance Agency would be established to administer the program and make the loans. So we have an example of still another large Government unit being proposed at a time when the Hoover Commission experts recommend condensation and consolidation, not expansion and diffusion.

This proposed Cooperative Housing Administration would obtain its loan funds by issuing notes for purchase by the Secretary of the Treasury. The effects of this type of operation on our national debt position and our fiscal policies are considerable, and I know the Senator from Vermont [Mr. FLANDERS] is considerably concerned about this.

I might pause to make the point that the addition of still another considerable, untried program within the administrative jurisdiction of the Housing and Home Finance Agency at this time would create an intolerable administrative burden bordering on complete chaos and confusion. Senators should remember, I believe, that vast new public housing, slum clearance, and housing research programs are presently being set up in the HHFA with the manifold problems contained in each. If I were a betting man, I would wager that Mr. Foley is shuddering at the thought of possible new programs being thrust upon him at this time. He has his hands full already.

The proponents of this program argue that tremendous savings can be effected for the

benefit of the cooperative owner. Certainly, to a degree, this would be true because of the unfair Government participation in the loaning process. However, the very substantial savings indicated by several witnesses before our committee are not at all in accord with the expert testimony given by Mr. Foley. I ask unanimous consent to place in the record at this point, as a part of my remarks, a portion of Mr. Foley's comments on this subject. Senators will notice that his calculations are based on a 60-year maximum maturity, which the committee reduced to 50 years, so the average rental he indicates will be even higher under the committee bill.

"I am calling these considerations to the attention of the committee in connection with title III of the pending bill because I believe they merit and require careful study. This is particularly so in view of the fact that the financing proposals contained in this title represent a substantial departure from the Federal Government's existing role in housing finance, except in connection with those problem areas where public subsidy is clearly necessary.

"With these considerations in mind, I believe the committee will also wish to appraise the effectiveness of the proposals in title III from the standpoint of serving the broad range of needs in the middle-income housing market. On the basis of studies made by the Housing and Home Finance Agency of this and similar proposals, we estimate that the financing formula contained in title III (i. e., a 100-percent loan with interest at 3 percent and a term of 60 years) would result in a gross rent of approximately $69 a month for a 4½-room unit involving an overall capital cost of $9,000. This estimate makes full allowance for the nonprofit character of the corporations which would be eligible to develop projects under title III, as well as for substantial operating economies, including management and operating services well below the level ordinarily furnished in a privately financed rental housing project, plus a considerable amount of tenant maintenance. The FHA's experience with large-scale rental projects with management and operating services of the character generally supplied in privately financed projects indicates that monthly operating charges might well be $10 higher. with a corresponding increase in rents.

"Assuming an average range of 20 percent upward and downward from the national cost average between the lowest-cost areas and the highest-cost areas, this estimate would indicate a possible range of achievable gross rents of from about $55 to about $83. Of course, the populations in the higher-cost areas generally have relatively higher average incomes and, conversely, the families in the lower-cost areas generally lower-average incomes.

"On the basis of these estimates, it therefore appears that the financing formula in title III, even when combined with the maximum operating economies which can realistically be expected from a nonprofit cooperative operation, would under current conditions result in rents suitable only for roughly the upper half of the middle-income market."

Mr. President, if title III of S. 2246 passes the Congress and becomes public law, it will represent a radical departure from our private home financing methods. It will effectively subsidize a segment of our society which, with the application of thrift and self-denial, has the means to go into the private money market for its loans.

In conclusion, I want to make it perfectly clear that cooperative housing in the United States can and will succeed without any such a scheme. The Eightieth Congress passed section 207 (c) (2) of the National Housing Act about a year ago in the special session. This is a cooperative housing section which has been understandably slow in developing because of great technical difficulties. But with the addition of the proposed new section 213, contained in title I, of S. 2246, a proposal sponsored largely by the American Legion, the cooperative program will move into high gear, in my opinion. This section is based on the principle of insured loans and is in accord with our FHA system, within which it would continue to be administered. Certainly, this is the preferable way to do the job and achieve the objective of sound cooperative housing.

Mr. CAIN. Mr. President, I submit for appropriate reference amendments intended to be proposed by me to the bill (S. 2246) to amend the National Housing Act, as amended, and for other purposes, and I ask unanimous consent that the amendments, together with an explanatory statement by me be printed in the RECORD.

The VICE PRESIDENT. The amendments will be received, printed, and lie on the table, and, without objection, the amendments, together with the explanatory statement will be printed in the RECORD.

The amendments submitted by Mr. CAIN are as follows:

On page 47, line 6, beginning with the comma following "605 (b)" strike out all down to and including "606" in line 7.

Beginning with line 18 on page 47 strike out all through line 6 on page 57.

On page 57, line 7, strike out "Sec. 607." and insert "Sec. 606.".

On page 57, line 8, beginning with the comma following "housing" strike out all down to and including the comma following "Act" in line 10.

On page 58, line 3, strike out "607 (b)" and insert "606 (b)."

On page 60, line 15, strike out "Sec. 608." and insert "Sec. 607."

The explanatory statement presented by Mr. CAIN is as follows:

EXPLANATORY STATEMENT BY SENATOR CAIN

A second amendment which I am submitting at this time in relation to S. 2246 deals primarily with title II, section 606, of the bill. This section authorizes the transfer of 149 permanent Lanham Act war-housing projects to specified municipalities for use as low-rent public housing; it also sets up elaborate and complicated procedures for such transfers.

Mr. President, not only does this directly add some 35,000 units to the 810,000 public-housing units which Congress recently authorized, but it flies directly in the face of the policy declared by Congress when it enacted the so-called Lanham Act.

Of a total of 191,100 permanent war-housing units constructed, some 48,600 have been disposed of by sale, leaving a total of 142,500 still in the Government's jurisdiction. Of these, the 149 projects to be specifically transferred for low-rent public housing purposes represent approximately 35,000 units. Senators should realize that such a transfer will, in effect, completely write off any possibility of a financial return on these units, which cost some $150,000,000 to construct. I hope the Senate takes note of this fact and realizes that terms of sale could eventually be negotiated, under the policy laid down by the Lanham Act, for a number of these projects. Veterans have a strong priority in such negotiated sales, and my amendment would not in any way disturb the improvements in such sales procedures which S. 2246 sets up.

I believe that the sections of title II which deal with disposal of temporary war housing and veterans' reuse housing are very creditably worked out, and my amendment would not affect these sections in any way.

But I wonder whether Congress wishes to contradict its previous policy declaration which said:

"It is declared to be the policy of this subchapter to further the national defense by providing housing in those areas where it cannot otherwise be provided by private enterprise when needed, and that such housing may be sold and disposed of as expeditiously as possible; *Provided*, That in disposing of said housing consideration shall be given to its full market value and said housing or any part thereof shall not, unless specifically authorized by Congress, be conveyed to any public or private agency organized for slum clearance or to provide subsidized housing for persons of low income: *Provided further*, That the Administrator may, in his discretion, upon the request of the Secretaries of War or Navy transfer to the jurisdiction of the War or Navy Departments such housing constructed under the provisions of subchapters II–IV of this chapter as may be considered to be permanently useful to the Army or Navy."

This policy declaration is clear; it states that if public or private agencies organized for slum clearance or public housing wish to obtain title of a project for those purposes, Congress reserves the right to authorize a specific transfer. If this policy had been reasonably followed and if sales had been expedited, as well as specific transfers requested, the Government would be in a much more favorable position today. Now the policy would be reversed by mass transfer. I urge that Senators consider these factors.

One more thing in this connection—how about those tenants presently in these permanents designed for transfer if their incomes are above the low-income levels which must be met? Do not these tenants deserve consideration from prior occupancy? Would not these tenants be the very ones who would be in the best position to purchase, if the original Lanham Act policy were followed? The bill as reported would disregard these tenants if their incomes are a few dollars above low-income public-housing levels, and they would be evicted within a very short time.

I believe a much longer time should be spent by the committee in studying these aspects before any such mass transfer for low-rent public housing is enacted.

Mr. CAIN. Mr. President, I also submit for appropriate reference an amendment intended to be proposed by me to the bill (S. 2246) to amend the National Housing Act, as amended, and for other purposes, and I ask unanimous consent that the amendment, together with an explanatory statement by me be printed in the RECORD.

The VICE PRESIDENT. Without objection, the amendment will be received, printed, and lie on the table, and, without objection, the amendment and explanatory statement will be printed in the RECORD.

The amendment submitted by Mr. CAIN is as follows:

Beginning with line 4, on page 86, strike out all through line 6, on page 91.

The explanatory statement presented by Mr. CAIN is as follows:

EXPLANATORY STATEMENT BY SENATOR CAIN

Mr. President, I am offering a third amendment to S. 2246 which would have the effect of striking from the bill the sections providing for so-called supplemental direct loans by the Veterans' Administration to veterans under the GI guaranteed home-loan program. A revolving fund of $300,000,000 would be established for that purpose, under the terms of the committee bill.

The sections I am referring to will be found in title IV of the bill, which amends the Servicemen's Readjustment Act of 1944. I wish to make it clear that those sections of title IV are quite satisfactory which increase the allowable aggregate amount of the GI loan guaranty to $7,500 (from the present $4,000), which permit 60 percent of a loan to be guaranteed (instead of the present 50 percent), and which repeal the so-called combination loan. In addition, title I of the bill previously provides that all GI home and farm loans of $10,000 or less, which have been certified as meeting minimum construction standards by the VA, can be purchased by the Federal National Mortgage Association. This removes the present 50-percent purchase limitation on the portfolio of a mortgagee and practically assures as liquid a portfolio as a mortgage dealer desires, while at the same time guarding the Government against possible bad paper.

Mr. President, I cannot logically escape the conclusion that this so-called supplemental direct loan power by the Veterans' Administration cannot be justified by the facts. What are the prospects for GI 4-percent home loans in the present market? I believe that an analysis will conclusively demonstrate that they are excellent, particularly with the addition of a 100-percent secondary market, which I have mentioned.

I have gathered some figures on the volume of GI guaranteed home loans over a considerable period of time to aid me in my thinking. I ask unanimous consent to include as a part of my remarks at this point a short table showing the volume of GI home-loan applications requested by lenders from the loan-guaranty service of the VA.

Monthly volume of applications for GI home-loan guaranties

1946–47	
August 1946 (peak)	58,000
September 1947	52,700
October	48,600
November	46,400
December	38,500
1948	
January	32,800
February	32,100
March	30,000
April	28,800
May	31,400
June	30,200
July	25,000
August	27,800
September	24,200
October	23,500
November	23,100
December	21,000
1949	
January	19,700
February	19,500
March	18,900
April	21,600
May	25,400
June	27,400
July	[1]

[1] Not compiled; preliminary estimates about same volume as June.

What do these figures mean? Obviously, the considerable spurt beginning in April of this year and continuing steadily through the present time augurs well for the GI home-loan money market. It should be plain to any fair-minded person that the long-term downward trend in GI home-loan guaranty applications has been conclusively reversed since March. With the advent of the reinforced secondary market contemplated by title I of S. 2246, any lingering dried-up areas will respond immediately.

What are some of the reasons for this reversal, even without the aid of a 100-percent secondary market? I believe the facts are clear and worthy of careful consideration when future trends are contemplated. In the first place, there has been a near record flow of savings into mortgage institutions in the past several months, particularly into savings and loan institutions. This is caused, of course, by continued high levels of personal income accompanied by deferred consumer expenditures during the recent mild recession and price declines. With more money to invest available, these institutions have responded even more readily than usual to home-loan requests.

Secondly, recent general declines in bond yields, which the Senate is well aware of, have made other forms of investment and savings relatively more attractive. Whereas a 4-percent return has looked comparatively small until recent months, such is not the case today. As a result, 4-percent GI home loans are now readily available in practically every section of the country, a fact which is reluctantly admitted by the proponents of the so-called supplemental direct loans. They can only partially substantiate their position by looking backward, not forward, which certainly does not make for good legislation.

Another reason for the upswing in GI home loan guaranty applications is due to steady decreases in the costs of building, resulting in more than a 10 percent decline in some materials. Quite naturally, many veterans who had been forced to forego a chance to build their homes because of high costs are now in the market and lenders themselves have been processing a considerably larger number of applications during the past few months.

Certainly with the improved quality of GI mortgages—now that appraisals are more carefully related to reasonable value—the improvement in the secondary market contemplated in this bill, and the increased guaranty allowable, the veteran who is a good credit risk will have every opportunity to purchase or build his home. We should remember that over $8,000,000,000 of GI home loan guaranties have been closed over the length of the program, certainly an enviable record. Why go off on a new tangent including direct government competition with the private money market under these circumstances?

Mr. President, I ask unanimous consent to include as a part of my remarks at this point a portion of the testimony of Mr. Foley on this section.

"Section 401 (d) provides an authorization for a 2-year $300,000,000 program of direct loans to veterans who have not previously availed themselves of their guaranty entitlement and who are unable to obtain from private lending institutions loans at 4 percent or less, for which they are qualified under section 501 of the Servicemen's Readjustment Act, to finance the purchase or construction of a home.

"I desire to make it entirely clear that I am not opposed to direct loans by the Government where the circumstances fully justify their use. However, I do not believe that the direct lending authority provided by section 401 (d) of H. R. 5631 is necessary to accomplish the objective of the home loan guaranty provisions of the Servicemen's Readjustment Act—the opportunity for veterans of World War II to borrow, on reasonable terms, funds to finance the purchase or construction of a home.

"This bill contains other provisions directed toward that same objective. First, it permits loans to veterans, for home purchase or construction, to be guaranteed in an amount not to exceed 60 percent (as compared to the present 50 percent) of the loan, and also permits the aggregate amount of the loan guaranteed to be up to $7,500 (as compared with the present $4,000). Second, it provides that all GI guaranteed home loans in the amount of $10,000 or less and otherwise eligible may be purchased by the Federal National Mortgage Association without regard to the 50-percent limitation. These provisions should make these loans much more attractive to lenders generally throughout the country and make it unnecessary to resort to direct Federal lending on individual homes in order to permit veterans generally to obtain funds to purchase or construct homes. It is for these reasons that I have been authorized by the Director of the Bureau of the Budget to advise that the enactment of section 401 (d) of the bill would not be in accord with the program of the President."

I have concluded my arguments dealing with these amendments at this time, although I have much more material to offer when the bill comes up for debate. I hope that Senators will give these views careful thought because the billions of dollars involved in S. 2246 will have great influence on the money market and the fiscal policies of the Government. I contend that the revolutionary departures found in this bill are not only bad in principle but are not needed. Further time should be devoted by the committee to a serious study of the implications and consequences involved in (a) using Lanham Act housing for low-rent purposes; (b) direct housing loans to veterans; and, (c) cooperatives to be established through direct Federal loans.

AMENDMENT OF FAIR LABOR STANDARDS ACT—AMENDMENT

Mr. HOLLAND. Mr. President, S. 653 has, I believe, been the unfinished business of the Senate for about 3 weeks. For myself and for the Senator from Iowa [Mr. GILLETTE], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Nebraska [Mr. WHERRY], the Senator from New Hampshire [Mr. BRIDGES], and the Senator from Pennsylvania [Mr. MARTIN] I should like to send forward now a proposed amendment to the bill (S. 653) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes, and ask that it be printed at this point in my remarks and appear in the RECORD. I also ask that the amendment be printed and lie on the table awaiting the taking up of the business before the Senate.

The VICE PRESIDENT. The amendment will be received, printed, and lie on the table, and, without objection, the amendment will be printed in the RECORD.

The amendment submitted by Mr. HOLLAND (for himself and other Senators) is as follows:

On page 41, after line 17, insert the following:

"(e) Section 13 (a) of such act is further amended by striking out clause (2) thereof and inserting in lieu thereof the following:

"'(2) Any employee employed by any retail or service establishment, more than 50 percent of which establishment's annual dollar volume of sales of goods or services is made within the State in which the establishment is located. A "retail or service establishment" shall mean an establishment 75 percent of whose annual dollar volume of sales of goods or services (or of both) is not for resale and is recognized as retail sales or services in the particular industry; or (3) any employee employed by any establishment engaged in laundering, cleaning, or repairing clothing or fabrics, more than 50 percent of which establishment's annual dollar volume of sales of such services is made within the State in which the establishment is located, provided that 75 percent of such establishment's annual dollar volume of sales of such services is made to customers who are not

engaged in a mining, manufacturing, transportation, or communication business.'

"Renumber the remaining clauses of section 13 (a) in proper sequence."

ADDRESS BEFORE AMERICAN LEGION CONVENTION BY SENATOR LUCAS

[Mr. LUCAS asked and obtained leave to have printed in the Appendix of the RECORD an address delivered by him before the American Legion convention at Chicago, August 6, 1949, which appears in the Appendix.]

THE CHALLENGE OF POLISH RELIEF, 1949—ADDRESS BY SENATOR WILEY

[Mr. WILEY asked and obtained leave to have printed in the RECORD an address entitled "The Challenge of Polish Relief, 1949," delivered by him at the American Relief for Poland picnic in Milwaukee, Wis., on August 14, 1949, which appears in the Appendix.]

REORGANIZATION PERIL — EDITORIAL FROM THE WASHINGTON POST

[Mr. LUCAS asked and obtained leave to have printed in the RECORD an editorial entitled "Reorganization Peril," published in the Washington Post of August 15, 1949, which appears in the Appendix.]

REORGANIZATION PLAN NO. 1—FAVORABLE COMMENT

[Mr. MURRAY asked and obtained leave to have printed in the RECORD the testimony of the American Public Welfare Association, a letter from the American Public Health Association, and a Gallup poll, all dealing with Reorganization Plan No. 1, which appear in the Appendix.]

THE ARMS AID PROGRAM—EDITORIAL COMMENT

[Mr. PEPPER asked and obtained leave to have printed in the RECORD an editorial entitled "General Marshall Speaks," published in the New York Times of August 2, 1949; an editorial entitled "If We Break Faith," published in the Dayton (Ohio) Daily News, of July 26, 1949; an editorial entitled "Inevitable Result," published in the Topeka (Kans.) Daily Capital of July 28, 1949; and an editorial entitled "An Eloquent Voice for Arms Aid," published in the Christian Science Monitor of July 29, 1949, which appear in the Appendix.]

LT. GEN. JOSEPH LAWTON COLLINS—EDITORIAL FROM THE TIMES-PICAYUNE

[Mr. ELLENDER asked and obtained leave to have printed in the RECORD an editorial entitled "Signal, Merited Promotion," commending the nomination of Lt. Gen. Joseph Lawton Collins to be Army Chief of Staff, published in the New Orleans Times-Picayune of August 13, 1949, which appears in the Appendix.]

UNITED STATES UNDERGROUND — ARTICLE BY MALVINA LINDSAY

[Mr. FULBRIGHT asked and obtained leave to have printed in the RECORD an article entitled "United States Underground," written by Malvina Lindsay and published in the Washington Post of recent date, which appears in the Appendix.]

NINETY YEARS AFTER—EDITORIAL FROM THE OIL CITY (PA.) DERRICK

[Mr. MARTIN asked and obtained leave to have printed in the RECORD an editorial entitled "Ninety Years After," published in the Oil City (Pa.) Derrick of August 10, 1949, which appears in the Appendix.]

SOLD SHORT—EDITORIAL FROM THE MAGAZINE PARTNERS

[Mr. BUTLER asked and obtained leave to have printed in the RECORD an editorial entitled "Sold Short," published in the magazine Partners of August 1949, which appears in the Appendix.]

PHILIP M. KAISER, ASSISTANT SECRETARY OF LABOR—STATEMENT BY SENATOR O'CONOR

[Mr. O'CONOR asked and obtained leave to have printed in the RECORD a statement prepared by him in tribute to Mr. Philip M. Kaiser on his confirmation as Assistant Secretary of Labor, which appears in the Appendix.]

SMALL WORLD STILL TOO BIG FOR UNCLE SAM TO SUPPORT SINGLE-HANDEDLY

[Mr. MUNDT asked and obtained leave to have printed in the RECORD an item from the Miner County Pioneer, published at Howard, S. Dak., which appears in the Appendix.]

THE WELFARE STATE—ARTICLE FROM NEWSWEEK

[Mr. CAIN asked and obtained leave to have printed in the RECORD an article from the August 15 issue of Newsweek entitled "The Welfare State: Everyone's Feeling Much Better," which appears in the Appendix.]

THE NORTH ATLANTIC PACT—LETTER FROM DR. BYRON B. BLOTZ

[Mr. JOHNSON of Colorado asked and obtained leave to have printed in the RECORD a letter addressed to him by Dr. Byron B. Blotz, relative to his vote on the so-called North Atlantic Pact, which appears in the Appendix.]

NATIONAL CAPITAL PARK AND PLANNING COMMISSION—COMMENTS ON HOOVER COMMISSION RECOMMENDATIONS

Mr. McCLELLAN. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a statement which I have prepared, including comments by the National Capital Park and Planning Commission on the Hoover Commission recommendations as they affect that agency.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR JOHN L. M'CLELLAN, CHAIRMAN, SENATE COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

Senator JOHN L. MCCLELLAN, chairman of the Senate Commitee on Expenditures in the Executive Departments, released today a letter from Mr. A. E. Demaray, vice chairman and acting executive officer of the National Capital Park and Planning Commission, with reference to the recommendations of the Hoover Commission which affect that agency.

Mr. Demaray centers his comments largely on pending legislation prepared to carry out an administration program, which is somewhat at variance with the Hoover Commission's recommendations. It is his contention that wherever the report of the Hoover Commission is in conflict with this carefully prepared legislation, then the provisions of the bills now before Congress should take preference. The bills which affect the National Capital Park and Planning Commission are H. R. 4848, pending before the House Committee on the District of Columbia, and S. 1931, reported favorably by the Senate Committee on the District of Columbia on July 6, 1949.

It is Mr. Demaray's view that the task-force report accompanying the Hoover Commission Reports on Business Enterprises and the Department of the Interior greatly confuses the advances made by this Commission to the District of Columbia and to the Maryland National Capital Park and Planning Commission, and points out that on the other hand, the study of the Bureau of the Budget goes fully into the question of land acquisition and justifies the continuance of the present activities of the Commission with respect to land acquisition.

In concluding his report to this committee, Mr. Demaray objects to the recommendation made by the Hoover Commission that the National Capital Park and Planning Commission be placed under the Secretary of Works for administrative purposes, pointing out that the importance of the development of the National Capital at Washington requires a planning agency, not a public works agency, and that the pending legislation should be approved so that it will continue to have an independent status and report direct to the President of the United States. The Commission also suggests that its land-acquisition program, including its loans to the District of Columbia and metropolitan Maryland, remain unchanged.

The letter from the National Capital Park and Planning Commission follows:

NATIONAL CAPITAL PARK AND PLANNING COMMISSION,
Washington, D. C.

Subject: Report on Hoover Commission Recommendations.

Hon. JOHN L. MCCLELLAN,
Chairman, Committee on Expenditures in the Executive Departments, United States Senate, Washington, D. C.

MY DEAR SENATOR MCCLELLAN: This acknowledges receipt of your letter of July 12, 1949, in which you request a detailed report on recommendations of the Commission on Organization of the Executive Branch of the Government affecting our Commission. Your letter was directed to Maj. Gen. U. S. Grant 3d, as chairman. General Grant's term of office with the Commission expired on June 30, 1949. Since that time he has not been either a member of the Commission or chairman thereof. On June 29, 1949, the Commission elected as its new Chairman William W. Wuster.

First, let me give a word of explanation as to the delay in reporting on the Hoover Commission recommendations. We received from the Bureau of the Budget a request addressed to the heads of departments and agencies to make such a report. At that time, however, the Bureau of the Budget was completing a study of the reorganization of the Commission which was begun under the direction of President Roosevelt and continued under the active direction and support of President Truman. Legislation was being drafted to put the findings of the Bureau of the Budget into effect and so it seemed unnecessary and probably confusing to attempt to comment on the Hoover Commission's recommendations until the legislation approved by the Bureau of the Budget was forwarded to Congress.

This legislation was finally put into bill form and identical bills were introduced in the House of Representatives on May 24 as H. R. 4848 by Mr. MCMILLAN, chairman of the House District Committee and an ex officio member of this Commission and introduced in the Senate on May 25 by Senator MCGRATH, chairman of the Senate District Committee and also ex officio member of this Commission. A hearing was held on S. 1931, favorably reported by the Senate Committee, and is now on the Senate Calendar. I am attaching copy of letter from the Director of the Bureau of the Budget to Chairman MCGRATH showing the personal interest of the President in this legislation, and copies of H. R. 4848 and S. 1931.

We respectfully recommend, thereto, that wherever the report of the Hoover Commission is in conflict with this carefully prepared legislation, then the provisions of the bills now before Congress should take preference.

Appendix Q of the Hoover Commission report makes reference to the bill reorganizing the government of the District of Columbia and makes reference to its land-purchasing

functions. Appendix R, pages 58 and 59, greatly confuses the advances made by this Commission to the District of Columbia and to the Maryland National Park and Planning Commission.

The study of the Bureau of the Budget mentioned before goes fully into the question of land acquisition and justifies the continuance of the present activities of the Commission with respect to land acquisition. Attached hereto is a report of the Bureau of the Budget on this phase of the Commission's activities.

The Hoover Commission recommends that as a public works agency this Commission be placed under the "Secretary of Works for administrative purposes." Because of the importance of the Nation's Capital and the development of Washington and environs and because this is a planning agency, not a public works agency, the legislation drawn by the Bureau and approved by the President leaves it as an independent agency responsible directly to the President of the United States. We therefore urge strongly that the President's preference in this matter be followed.

The latest bill for the reorganization of the government of the District of Columbia introduced by Senator KEFAUVER (S. 1527) and now before the House District Committee, also has certain variations from H. R. 4848 and S. 1931. For your information and guidance, I am enclosing copy of letter presented by representatives of this Commission to the House Committee on the District of Columbia, which is holding hearings on the Kefauver bill, urging certain amendments to the Kefauver bill so as to bring it in line with H. R. 4848.

Summing up, our recommendations are:

1. That the National Capital Park and Planning Commission be retained as an independent agency operating directly under the President,

2. That its land-acquisition program, including its loans to the District of Columbia and metropolitan Maryland remain unchanged, and

3. That wherever there is a conflict between H. R. 4848 and S. 1931 and any home-rule bill, including S. 1527 and recommendations of the Hoover Commission, that the provisions of H. R. 4848 and S. 1931 prevail. This would mean the rejection of the recommendations of the Hoover Commission as found in appendix Q and in appendix R.

Yours very truly,

A. E. DEMARAY,
Vice Chairman and Acting Executive Officer.

NATIONAL CAPITAL HOUSING AUTHORITY—COMMENTS ON HOOVER COMMISSION RECOMMENDATIONS

Mr. McCLELLAN. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a statement which I have prepared, including comments by the National Capital Housing Authority on the Hoover Commission Recommendations as they affect that agency.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR JOHN L. M'CLELLAN, CHAIRMAN, SENATE COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

Senator JOHN L. MCCLELLAN, chairman of the Senate Committee on Expenditures in the Executive Departments, today released a letter from Mr. John Ihlder, executive officer of the National Capital Housing Authority, with reference to the effect recommendations of the Hoover Commission would have on that agency.

Mr. Ihlder commented specifically on a recommendation made by the Hoover Commission in its report on General Services, which suggested that the National Capital Park and Planning Commission, the National Capital Housing Authority and the Commission of Fine Arts should report to the General Services Administrator. It is Mr. Ihlder's contention that the only purpose of this recommendation was that those agencies should report to some responsible part of the executive branch, and expressed concern lest there be costly breakage of the essential day-to-day direct official contacts between the Authority and the Public Housing Administration, Department of Justice, National Capital Park and Planning Commission, the District of Columbia government, and other public agencies with which the Authority has a continuing working relationship.

Mr. Ihlder countered with an alternative suggestion for the establishment of an Office for the National Capital on the staff of the President, for the purpose of reporting and coordination, which Office would perform a most useful function, and would give recognition to the fact that the District of Columbia is a major responsibility of the Federal Government.

The Authority is in general accord with the recommendations contained in the Hoover Commission Reports on General Management of the Executive Branch, but points out that it is limited to a localized operation, reflecting the joint concern and responsibility of the Federal Government and local public agencies in the development of the National Capital, and that, therefore, most of the specific recommendations would have little effect on the agency.

Mr. Ihlder also comments favorably on the recommendations relating to Personnel Management, and points out that the ratio of personnel management to total employees in the Authority is much less than the average indicated in the Hoover Commission report, the Authority having only 1 personnel worker for every 102 employees.

In concluding his report, the executive officer of the National Capital Housing Authority approves the joint cooperative study now under way by the General Accounting Office, the Treasury Department, and the Bureau of the Budget, with a view to effecting budgeting and accounting reforms.

The letter from the Executive Officer of the National Capital Housing Authority follows:

NATIONAL CAPITAL HOUSING AUTHORITY,
Washington, D. C.

Hon. JOHN L. MCCLELLAN,
Chairman, Committee on Expenditures in the Executive Departments, United States Senate, Washington, D. C.

SIR: This Authority is appreciative of the opportunity given by you to comment on the reports and recommendations of the Commission on Organization of the Executive Branch of the Government. The excellent digest and index which were prepared for the use of your committee, and which you enclosed with your letter, facilitate reference and have been utilized in connection with the comments which follow.

Comments on the several reports of the Commission in which this agency has a direct or indirect official interest follow:

1. GENERAL MANAGEMENT OF THE EXECUTIVE BRANCH

The Authority is in general accord with the recommendation that steps be taken to assure creation and maintenance of clear lines of authority among the agencies of the executive branch, through the various means suggested by the Commission.

In this connection, the Authority would point out that, while technically (and legally) an agency of the Federal Government, it operates only within the National Capital region, and so is distinguished from Federal agencies of national scope. Further, the work of the Authority under existing law must be implemented by various types of contracts with the Public Housing Administration and with the Government of the District of Columbia, while maintaining its autonomous status in essentially the same fashion as local public housing authorities in other communities throughout the United States.

The Authority has no comment on the report's recommendations 1 to 11, affecting the organization of the Executive Office of the President. Recommendations 12 to 19 deal with agencies of national scope, as contrasted with localized agencies such as this Authority, which must be evaluated in terms of necessary autonomy unless it is to become merely an instrumentality for demonstrating a Federal program.

The present organization of the Authority reflects the joint concern and responsibility of the Federal Government and of local public agencies in the development of the National Capital. The Authority's policies are determined by its board of Federal and District officials who are appointed (ex officio) by the President; responsibility for carrying into effect approved policies and programs vests in the Authority's executive officer, to whom all staff officers report, and who is responsible, within the United States Civil Service Act and rules, for the selection and appointment of major staff members. It is therefore evident that the Authority is giving practical effect to the Commission's recommendations 19 and 20.

The Authority also has adopted the standard nomenclature proposed in recommendation No. 21, so far as it applies; i. e., division, section, unit.

No comment is offered on recommendations 22 to 27, concerned with Federal field services.

2. PERSONNEL MANAGEMENT

The Authority is in general agreement with the recommendations in this report, while recognizing the necessity for clarification suggested by Commissioner Pollock (p. 47, et seq.).

This agreement bears with particular emphasis on recommendation No. 2 (decentralization of recruiting and examining among employing agencies), recommendation No. 22 (abolition of the present cumbersome and unrealistic system of efficiency ratings) and recommendation No. 24 (procedure for discharge of incompetent employees).

The report refers (p. 6) to overstaffing of Federal personnel offices, and cites one agency in which the ratio of personnel workers to total employees is 1 to 38, while the average is given as 1 to 78. The personnel operations involved in the computation of these ratios do not include pay-roll processing, leave bookkeeping, or maintenance of retirement deduction records.

As an item of information, the Personnel Section of this Authority has four employees, but at least one man-year is occupied by pay rolls, leave records, and retirement records. As the present total employment of the Authority is 308, the Authority has 1 personnel worker for 102 employees.

3. OFFICE OF GENERAL SERVICES

A proposal made by the Commission in connection with its recommended establishment of an Office of General Services was of particular interest to this Authority. This proposal was contained in its recommendation No. 9, which stated that the National Capital Park and Planning Commission, the National Capital Housing Authority, and the Commission of Fine Arts should report to the Director of the Office of General Services. The only reason given for the recommendation was that "these agencies should report to some responsible part of the executive branch."

(This recommendation, as affecting this Authority, was rescinded in a subsequent report of the Commission.)

In connection with this suggestion (and with the Commission's later proposal), the Authority is concerned lest there be a costly breakage of the essential day-to-day direct official contacts between the Authority and the Public Housing Administration, Department of Justice, National Capital Park and Planning Commission, the District of Columbia government, and other public agencies with which the Authority has a continuing working relationship.

The Commission's strictures against the time-consuming, expensive, and confusing practice of "channeling" for channeling's own sake would seem to deny that the Commission would recommend that such contacts by the Authority be made through another agency. The recommendation would seem to contravene the Commission's repeated urgings in favor of organizational simplification, clear lines of responsibility, direct action to the fullest extent feasible.

(In the Commission's subsequent report on Federal Business Enterprises the Commission withdrew the above proposal in favor of a recommendation that the Authority be placed under the Commissioners of the District of Columbia. The proposal gives no intimation of current congressional recommendations, resulting from extensive study, that the Authority be continued as an independent agency of the Federal Government.)

The Authority would suggest as an alternative the establishment of an Office for the National Capital on the staff of the President for the purpose of reporting and coordination. Such an office could perform a most useful function and would give recognition to the fact that the District of Columbia is a major responsibility of the Federal Government.

4. SUPPLY ACTIVITIES

The Commission has provided a valuable service of critical analysis in its report on this subject—particularly in the section entitled "What is Wrong With Federal Supply Operations," which identifies the defects in the present system.

It is assumed that acceptance and implementation of Recommendation No. 5 would result in the centralization of procurement for items in general use, while the purchase of supplies and services peculiar to individual agencies would be made the responsibility of these agencies. Such an arrangement would be of material benefit to this Authority, as its Purchasing Section is required to buy a great variety of household equipment and household repair parts for the maintenance of housing under the management of this agency.

The Authority also would welcome inauguration of standard procedures in property identification and property utilization, as outlined in the report.

5. BUDGETING AND ACCOUNTING

The Authority feels that no comment on this report is indicated at this time. The Vice Chairman of the Commission calls attention to a joint cooperative study of these subjects by the General Accounting Office, the Treasury Department, and the Bureau of the Budget. It would seem advisable to await the outcome of this joint effort.

Respectfully,

JOHN IHLDER,
Executive Officer.

THE LATE ASSOCIATE JUSTICE FRANK MURPHY

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an editorial relating to the late Associate Justice Frank Murphy, published in the Leader, of Bismarck, N. Dak., under date of August 11, 1949.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE PRICE OF PUBLIC SERVICE

News dispatches this week reported that the late United States Supreme Court Justice Frank Murphy had left an estate in Washington amounting to $2,100—and that $1,600 of that sum is due the Washington Hotel, where he made his home.

That report shows in a striking way the price of being a public servant in America.

Justice Murphy was a man who served his country well. He was a fighter for justice, a man who had a deep and abiding hatred for wrong and oppression, and a man of remarkable tolerance and wisdom.

All of those unusual talents he gave to the service of his country, for a rather meager salary, as you can tell from the report of the estate he left.

He could have made far larger sums by offering his great talent and ability to some private legal firm or some big corporation.

Lots of other gifted men have done that very thing. But Justice Murphy was not built that way. He preferred to serve where he thought his services would do the most good—without considering the financial returns involved.

There are undoubtedly a lot of $100,000-a-year Wall Street corporation lawyers who will sneer at Justice Murphy as a "chump" for doing what he did, instead of "making his pile" like the rest of their gang.

But the common people of America won't feel that way. The Leader is certain that the people, like this newspaper, will salute the late Justice for his conduct. He leaves something behind him in the world besides money—the admiration and respect and gratitude of his Nation.

And you can't buy that with any sum of money.

THE HAWAIIAN STRIKE SITUATION—LETTER FROM MANUEL R. GOEAS AND EDITORIAL FROM DEMILLE FOUNDATION BULLETIN

Mr. BUTLER. Mr. President, I seldom present for the RECORD letters I have received, but I am doing so now for I think this one is of special interest and value. It comes from a man who was born in Hawaii, has lived and worked there till now he has reached the age of retirement, and writes me in some detail of his views of conditions in Hawaii. His father came from Portugal to Hawaii and like so many from that country, he became an American citizen. His son, who wrote this letter, appears to appreciate the value of American citizenship. I think by reading his letter Members of Congress can better appreciate conditions prevailing in Hawaii.

I ask unanimous consent to have it printed in the body of the RECORD.

Mr. President, I also ask unanimous consent to have printed immediately following these brief remarks a short editorial appearing in the July issue of the DeMille Foundation Bulletin.

There being no objection, the letter and editorial were ordered to be printed in the RECORD, as follows:

HONOLULU, *July 30, 1949.*

Hon. Senator H. BUTLER,
Washington.

DEAR SIR: Greetings from isolated Hawaii. You have seen Hawaii, and you know the lay of the land.

You know that sugar and pineapples are the industries which make Hawaii. If these industries are wrecked by the unions, then Congress should give Hawaii to China, Japan, or Russia.

This stevedore strike is not a small incident. There is more than wages back of the union demand. This is a strike to gain more power for the few dictators—H. Bridges, J. Hall, Schmidt, and a few others. Our people are having a hard time trying to live on what they earn. Freight rates, as you know, are high, because the wages of seamen are high. I believe in unions, but I believe they are carrying things too far. I must admit there are two standards of pay in Hawaii. The stevedores are earning $1.40 per hour. They were offered 8, then 12, then 14 cents per hour; 8 times $1.54 equals $12.32 per day. Those men can surely live on this wage per day.

I worked for one of the so-called Big Five for 43 years, the American Factors. I retired at the age of 60. My salary was $360 per month. My bonus averaged $70 per month, or $430 per month. I did cost accounting. I worked hard. I saved my money. I do not own an automobile. I own my home, but I had to give up a lot of pleasures, or, as most people call it, good times. I own stock or shares in the American Factors, Kekaha & Co., Olaa & Co., Waialua & Co., Halemano Co., Hawaiian Comm. & Co., Matson Navigation Co., and American President Lines. I own these because I worked and saved my money. I invested so that I could get some income in my old age. There are no Big Five families any more. The Big Five are shareholders like myself and other small people. Those so-called Big Five are just running the big business that is supporting we, the people. If Congress allows the unions to become very powerful, then what is to prevent John Lewis or Harry Bridges from marching on Washington and demanding more than Congress can give them without hurting the people in general.

When a business becomes a monopoly the Federal Government breaks it up. Why can't Congress pass laws that will permit unions to operate in the individual States and Territories, but deny them the right to amalgamate with unions in other States and make people other than those they are striking against suffer, or to bring other unions to increase pressure. These unions are more than monopolies; they are becoming international unions. We all know how much jealousy there is in this world, how some countries would like to bring on chaos in the United States. Many of our so-called Americans would like to help other countries wreck ours.

If the unions keep on demanding higher wages on the sugar plantations, I figure that the sugar and pineapple industries will be wrecked in from 10 to 15 years, then our people will not be able to make a living and the United States Government will lose millions in taxes.

It is true that stevedores on the west coast earn more money but they work less days than Hawaii's stevedores.

This stevedores' strike has forced many people to lose their jobs, about 30,000 people are out of work on that account. Wages have been cut and many small commission merchants have gone out of business.

I shall not attempt to write about communism. If there are Communists here they have come from continental United States.

This was God's country until the unions began demanding more and more money.

The union leaders are threatening to bring pressure on the west coast if they do not gain what they are after here.

What I believe will happen in 25 or 30 years is that a John Lewis or his successor or H. Bridges or his successor, will march on Washington, kick out the President, tell the Congressmen to go home, become a dictator, and punish the Congressmen who voted in favor of legislation against the unions.

Please do not consider this a joke, you Congressmen just give the union leaders

more power and then you and I will be at their mercy.

Last year a friend traveled on a Portuguese steamer in the Atlantic near Portugal. The Portuguese captain said "In a few years there will not be many American ships sailing the ocean carrying on foreign cargo because they pay too high wages to the seamen."

Before the stevedores voted on the 14-cent wage increase, they told me they were going to vote against settlement because the leaders told them to do so. What can you do with people who cannot use a little judgment? They voted against it even though their families were suffering.

Other men have been unloading the ships, and they are glad to earn $1.40 per hour; they are glad to be given the opportunity to work.

May I inform you that many people have left Hawaii, and others will follow who will make their homes on the mainland United States.

I, too, am thinking seriously of selling out and going to the mainland, and possibly to Brazil for a while. I am retired and free to express my opinion on this matter, so please do not think I am influenced by anyone. Even when I was employed by one of the so-called Big Five I was never afraid to say what I wanted.

I shall be pleased to hear that you will do all you can to curb the powers of the unions and business monopolies for the good of the people of America.

My father, an engineer, came here 66 years ago; he became a United States citizen; he helped build up this community; he and I did construction work. I too learned construction work and architecture. All this work was done many years ago. I managed the construction company while employed at American Factors. I speak French, Portuguese, Spanish, and some Italian. My father came from Portugal yet he put his heart and soul in America.

I believe Hawaii is not yet ready for statehood. Harry Bridges will be tried for perjury, and I believe the local employers were right in refusing to deal with him.

Something should be done to save Hawaii's economy. I cannot believe that you and the other Congressmen will permit the unions to paralyze and wreck what we have built.

May God bless you and aid and guide you in your work for the people of America.

Respectfully yours,

MANUEL R. GOEAS.

[From the DeMille Foundation Bulletin]

THE PATTERN TAKES SHAPE

May 11, 1948, Mr. deMille said to the House Labor Committee:

"Today, in those (Hawaiian) islands, the whole labor movement is controlled by one union. That same union controls shipping on the west coast. Its leader has lately united in one international union the sugar workers of the United States, Hawaii, Cuba, Puerto Rico, and the Dominican Republic. The policies of this union, in some respects at least, are sometimes hard to distinguish from those of the Communist Party line. The pattern takes shape. Control shipping, control raw materials, control men through control of their right to work, and you can soon control a nation."

June 28, 1949, the Honolulu Advertiser said:

"The people of Hawaii—450,000 loyal American citizens living in an organized Territory of the United States—are being held in bondage today by Harry Bridges' International Longshoremen's and Warehousemen's Union (CIO). This union is declared by Philip Murray, CIO president, United States Senator HUGH BUTLER, and many others to be Communist dominated. * * * Babies are short of canned milk, food supplies for adults lack many essential items; * * * 42 stores are completely out of stock, 19 have gone out of business. * * * Sugar mills have had to shut down. * * * More than 20,000 persons are jobless. * * * The people of Hawaii are in dire distress."

The DeMille Foundation does not attempt to decide whether Harry Bridges' strikers are entitled to a raise in wages or not. Even if their claim is just, no man or group of men should have power to blockade a half million Americans—or even one—in need of food.

PROGRAM OF THE COMMITTEE ON FINANCE

Mr. GEORGE. Mr. President, if I may be indulged for two or three minutes, I wish to make a statement.

The House Ways and Means Committee has not yet reported to the House the amendments to the Social Security Act. It is obvious that the social security bill could not reach the Senate until the latter part of this month, or perhaps the middle of next month. It will therefore be entirely out of the question to undertake to hold hearings on social security at this session, assuming that Congress will adjourn by the end of September.

The Finance Committee will begin hearings this week upon two important veterans' bills which have passed the House, and those hearings will be concluded. Thereafter it is the purpose of the Finance Committee, if the majority of the committee agree, not to open hearings on any other contested matter at this session of the Congress. It is perfectly obvious that if we continue to grind out wholesale legislation for the calendar we shall never reach a point where we can look for adjournment of this session of the Congress.

PROGRAM FOR CONSIDERATION OF REORGANIZATION PLANS NOS. 1 AND 2

Mr. LUCAS. Mr. President, I wish to advise the Senate with respect to the program for tomorrow. This is a mere reiteration of what I said last week. There may be some Senators present who were not present last week when I advised the Senate that tomorrow we expect to call up Senate Resolution 147, reported by the Senator from Arkansas [Mr. FULBRIGHT] and other Senators. It is a resolution disapproving Reorganization Plan No. 1 of 1949. Under the law, 10 hours of debate are permitted on that measure, but I am hoping that some time today we can reach some sort of an agreement whereby we can have a limitation of debate. If we cannot, we shall probably begin tomorrow's session at 11 o'clock and remain in session continuously for a period of 10 hours, with the possible exception of an hour for dinner tomorrow evening, so that we may complete consideration of Reorganization Plan No. 1.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. McCLELLAN. If we are able to reach some understanding with reference to limiting debate, and save some time, would the Senator then consider a unanimous-consent request that after all debate is concluded we take a recess and not have a vote until Wednesday afternoon, say at 12:15?

Mr. LUCAS. I cannot say that I will enter into that kind of an agreement at this time, Mr. President. We have for consideration both Reorganization Plan No. 1 and Reorganization Plan No. 2. I had hoped that we might conclude consideration of both of them tomorrow. If we cannot do that, we shall have to take them one at a time, Reorganization Plan No. 1 tomorrow, and Reorganization Plan No. 2 the next day. I cannot agree to any unanimous-consent request of that kind at this time.

Mr. McCLELLAN. Mr. President, this is a matter of some importance. Senators would like to be recorded on this question one way or the other. Some have made arrangements to be away tomorrow. If the vote is taken tomorrow night, it is possible that one or two Senators will not be here, whereas they would be here if the vote were taken at 12 o'clock the next day. Out of deference to their situation, I feel that there would not actually be a loss of time greater than that involved in calling the roll.

Mr. LUCAS. That may be true with respect to two Senators; but every time we attempt to accommodate two Senators on a particular day, there are two other Senators who would like to be accommodated on the following day. We can never find a time when all Senators will be present. This situation arises every time we attempt to get a unanimous-consent agreement to vote upon a measure at a certain hour. There is always some Senator who comes to the majority leader and says, "Can you not postpone the vote, because Senator So-and-so is out of town on important business? If you can only put the vote off until tomorrow, he will be back." If we put it off until tomorrow, we find that another Senator has made arrangements to make a speech on that day, and he will be absent. So we can never find a time when it is possible to accommodate all Senators.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. TAFT. I wonder if possibly we could obtain an agreement. I think perhaps Senators on this side of the aisle who are interested in supporting the resolution would be agreeable to a 6-hour limitation of debate on Tuesday, and a vote on Wednesday. In that event we would not be forced into a night session.

Mr. LUCAS. Some Senators who want to vote on Tuesday will probably be absent on Wednesday.

Mr. TAFT. I know of none.

Mr. LUCAS. I know of one Senator on our side of the aisle who was discussing that very question with me before the session began today. The point I am trying to make is that we never can find a time which satisfies every Senator. If we agree to vote on Wednesday, we may preclude the vote of some Senator who is either favorable or unfavorable to the plan; and if we vote on Tuesday, we find the same situation. I thought I had given ample notice almost a week ago for all Senators to be here on Tuesday.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. McCLELLAN. The Senator did say that we would take up the resolution on Tuesday; but there being 10 hours' debate, no Senator had any

notice at that time that we would drive through in a night session to a final vote.

Mr. LUCAS. I have read the RECORD, and the colloquy which I had with the able Senator from New York [Mr. IVES] definitely indicates that if we could not get a limitation of time we would have a night session.

Mr. IVES. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. IVES. Realizing the situation as I do, I suggest to the able Senator from Illinois that he allow the debate on these two plans to proceed, one plan after the other, and then have the vote at the end of the debate on the two plans. That would adequately cover the debate, and allow the vote to be taken at a time when presumably absentees who are apparently going to be necessarily absent, will be present.

Mr. LUCAS. That is a suggestion which I will take under consideration.

INTERIOR DEPARTMENT APPROPRIATIONS, 1950

The Senate resumed the consideration of the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 5, after line 9.

Mr. THOMAS of Oklahoma. Mr. President, I hope the Senate will not assume that I am going to take an undue length of time upon the pending amendment. There are three amendments to which I wish to address myself, namely, the one now pending, the one which will follow it, and the one which will follow the second amendment. I desire to discuss the three amendments together. I shall take only sufficient time to make clear the position of the committee.

I first call attention to some charts and maps which I have had placed on display in the front of the Chamber. The first is a map of the United States showing the number of Authorities that already are in existence, and others that are contemplated. In the northeastern section of the United States an Authority is contemplated, to be developed as soon as the St. Lawrence River improvement has been made.

In the south-central part of the United States we already have the Tennessee Valley Authority, located at the point I now indicate on the map, east of the Mississippi River and south of the Ohio River. That already is in existence.

Then, east of the Mississippi River and south of the Ohio River, all that territory is proposed by the pending amendment to form the Southeastern Power Administration or Southeastern Power Authority. It includes all the land east of the Mississippi River and all the land south of the Ohio River in the United States. If created, it will surround the Tennessee Valley Authority. So, if that Authority is created, covering the entire southeastern area of the United States, we shall have in the center of that Authority the TVA.

Mr. HILL. Mr. President, will the Senator yield at this point?

Mr. THOMAS of Oklahoma. I am glad to yield.

Mr. HILL. Is it not true that the Southeastern Power Authority, so-called, is entirely different from the TVA?

Mr. THOMAS of Oklahoma. Senators may assume that and argue that; but when the arguments have been concluded, I think the Senate will understand that there is no difference whatever; they are one and the same, in effect.

Mr. HILL. Mr. President, will the Senator yield further?

Mr. THOMAS of Oklahoma. I yield.

Mr. HILL. I do not wish to interrupt the Senator's speech; but if he will permit me to do so, I wish to take very sharp issue with him on the last statement he has made. They are entirely different, I am sure.

Mr. THOMAS of Oklahoma. Mr. President, the Senator will have his opportunity on the floor to answer my remarks.

Beginning at the Mississippi River and going west, embracing the States of Louisiana, Arkansas, a part of Missouri, a part of Kansas, practically all of Oklahoma, and practically all of Texas, is the area now covered into what is known as the Southwestern Power Administration. All the territory within the red lines, as now marked on the map, is embraced in the Southwestern Power Administration, or SPA. That covers my State of Oklahoma, and that is why I am somewhat interested in this developing program.

Then, going north from the Southwestern Power Administration, we find the Missouri Valley Authority in the making. I am not sure what will be developed in time, but bills proposing the creation of the Missouri Valley Authority have been introduced.

In the center of the Missouri Valley Authority, which may be created, we find the State of Nebraska, which is an Authority by itself. There are no private power companies, to speak of, in the State of Nebraska; the power companies in that area have been taken over by the State. So in the center of the Missouri Valley Authority territory there is the State of Nebraska with its own private Authority.

Then, going to the far Northwest, to the States of Oregon and Washington, in that territory we have the Columbia Valley Authority. That is known legally as the Bonneville Administration. It embraces the power dams which have been constructed on the great Columbia River and other dams which have been built and other dams which are being built in that section of the United States.

South of the Columbia Valley Authority we have embraced in the State of California what is known as the Central Valley. That will be discussed at a later point in connection with this bill, but not in connection with my remarks.

I have indicated what we have confronting us today in the way of a developing electric empire covering the points where we are developing hydroelectric power.

At this time I wish to call attention to some statements printed on the chart. Secretary J. C. Krug, in his 1948 annual report, at page 51, said:

> We need to develop within the next 20 years at least 40,000,000 kilowatts. The Federal Government probably will need to build at least 30,000,000 of those kilowatts, at a cost of $12,000,000,000 to $15,000,000,000.

Mr. President, there is the outline. Those are the Authorities and those are the areas where the $12,000,000,000 to $15,000,000,000 is proposed to be expended.

Coming down to my particular section of the country, I exhibit to the Senate a map of the State of Oklahoma. In my State there are many thousands of miles of existing electric lines. There are some 47 steam plants in my State of Oklahoma. A number of hydroelectric projects are now being constructed in my State. My State is almost in the center of the Southwestern Power Administration.

The map I now exhibit to the Senate shows in black the existing power lines in Oklahoma. The lines shown in red indicate the ones which are proposed to be built by the Federal Government to distribute the hydroelectric power which has been developed and is being developed in my State.

The third map is a map of Oklahoma and Arkansas, showing the lines which have been built to date by the Government and the lines which are to be completed with the money carried in this bill.

We have one large, major power plant at Denison, which is on the boundary line between Oklahoma and Texas. It has a large lake, called Lake Texoma. The dam is called the Denison Dam, and it produces or will produce a sizable amount of power. It is the only dam in my State now producing power.

In northeastern Arkansas, 500 miles away, there is in production another hydroelectric plant known as Norfork. That plant and the Denison plant are producing power. In past years the Congress has appropriated money for the building of a line from Denison 500 miles to Norfork. The line is practically completed. During the war the necessary materials could not be obtained, so construction was delayed. Now the material is on hand; and by December of this year that line, so I am advised, will have been completed. That is a major, backbone transmission line; and this bill contains money for the completion of that line, and the committee recommends that it be completed.

In addition to recommending that this line, connecting these two major dams, be completed, the committee is recommending the appropriation of money for the building of a line from the main, backbone line in eastern Oklahoma up to what is known as the Fort Gibson Dam, which is a large flood-control project. It is not yet completed, and will not be completed until about 1953. So the committee is recommending money for the purpose of building a connecting line with this main backbone line up to Fort Gibson, at a point near Muskogee, Okla.

Secondly, the committee recommends the appropriation of money to connect this main backbone line with what is known as the Tenkiller Ferry. That is

another hydroelectric project in my State of Oklahoma. So, if the bill as finally passed carries the money which the committee recommend, we shall have this main line completed, and we shall then have a line from main line to Fort Gibson, another line from the main line to Tenkiller Ferry.

In Arkansas, the committee recommends that a line be built from Norfork to Bull Shoals. Bull Shoals is a very large hydroelectric power plant, which will not be completed for two or three years. We plan to have these lines built, with the connecting lines long before the dams come into production. So if the committee recommendations are accepted by the Senate and by the Congress and are approved by the President, we shall have, just as soon as the money can be expended and the work completed, a complete connection with the only two dams we now have, and a complete connection with the only three dams which will come into production within the next 5 years. The committee is of the impression that that is making progress rather rapidly.

Before we begin on another line, I desire to call attention to a few charts. The first chart shows the requests for expenditures already made to the Congress, and requests which are still pending before the Congress. The items are in millions of dollars.

For foreign relief, the request was for $6,709,000,000; for national defense, $14,268,000,000; for veterans, $5,496,000,000; for social welfare, $2,358,000,000; for housing, $388,000,000; for education and research, $414,000,000; for agriculture, $1,662,000,000; for natural resources, $1,861,000,000; for transportation and communication, $1,586,000,000; for finance, commerce, and industry, $108,000,000; for labor, $187,000,000; for general government, $1,224,000,000; for interest on the public debt, $5,450,000,000; and for contingencies, $150,000,000; making a grand total, if the requests are complied with, of $41,858,000,000. I may say that since the chart was prepared, additional requests have come in bringing the total to more than $42,000,000,000.

Mr. KEM. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from Missouri?

Mr. THOMAS of Oklahoma. I am glad to yield.

Mr. KEM. I should like to ask the Senator whether there is any request or any arrangement for payment of any part of the principal of the national debt?

Mr. THOMAS of Oklahoma. We of course hope to pay something on the national debt. The second chart will answer that question. The second chart is marked "United States, fiscal." The figures are in millions of dollars. The facts are, Mr. President, that since 1931, there have only been 2 years in which the Federal budget has been balanced. We balanced the budget in 1930. We did that on tax collections of about $2,000,000,000. We did not spend much money in 1930. The depression was on. Later, the expenses began to climb, but the revenue did not decrease very much. I shall explain the chart briefly.

In 1932, the total receipts of the Federal Government were only $2,005,000,000. The expenditures that year were $4,741,000,000, causing a deficit of $2,736,000,000. In 1940, 8 years thereafter, the war was just breaking. We were spending liberally. The revenues that year were only $5,387,000,000; expenditures, $9,305,000,000; a deficit of $3,918,000,000. At that time the gross debt had climbed to $43,000,000,000. At the end of World War I, we had a total debt of about $26,000,000,000. We had large quantities of goods on hand which were sold and the proceeds applied to the reduction of the national debt resulting from the war. During the years from 1918, after the conclusion of World War I, until 1926, we had fairly good times. The people were fairly prosperous, and, by applying the proceeds of the sales of war property, and by levying rather heavy taxes, we were able to pay on the national debt the sum of about $1,000,000,000 a year. From 1918 until 1926 we reduced the national debt from $26,000,000,000 to about $16,000,000,000. Later, because of conditions, the debt began to increase. The depression increased it somewhat. When the war came on, of course, the debt began to mount. In 1940, just after the World War struck America, we owed $43,000,000,000. In 1941 we owed $72,400,000,000. In 1942, the year in which we entered the war actively, the total receipts amounted to $12,799,000,000. The total expenditures were $34,289,000,000. That caused a deficit of $21,490,000,000, and, as I said, the debt jumped to $72,400,000,000. In 1944, receipts were $44,148,000,000, and expenditures were $95,572,000,000, causing a deficit of $51,424,000,000, in turn causing the national debt to rise to the sum of $201,000,000,000.

Mr. KERR. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the senior Senator from Oklahoma yield to the junior Senator from Oklahoma?

Mr. THOMAS of Oklahoma. I am glad to yield.

Mr. KERR. Did the deficit in 1944, amounting to $51,424,000,000, increase the national debt from $72,400,000,000 to $201,000,000,000?

Mr. THOMAS of Oklahoma. A period of 2 years is involved. I do not show 1941. I skipped from 1940 to 1942, and I then skipped from 1942 to 1944. I do not show the figures for 1943, because I did not want to include too much detail to be explained to the Senate. In 1945, the next year, the receipts were $46,456,000,000; expenditures, $100,397,000,000; causing a deficit for that year of $53,941,000,000, increasing the public debt to $258,700,000,000. In 1946 the total receipts were $43,037,000,000; expenditures, $63,713,000,000; resulting in a deficit of $20,676,000,000, and increasing the public debt to $269,400,000,000. In 1947, when the war was over, the receipts were still $43,258,000,000; expenditures, $42,505,000,000. At the end of the year we had the first balanced budget since 1931, and the balance in the Treasury at the end of that year was $753,000,000. But the debt fell somewhat. It fell to $258,300,000,000.

Last year, 1948, receipts were still high. We collected $42,200,000,000. We spent $32,700,000,000. That left a balance of $8,500,000,000 in the Treasury. That was the second year in which this country has had a balanced budget since 1931.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. LUCAS. May I inquire where the Senator obtained these figures?

Mr. THOMAS of Oklahoma. I obtained them from the Secretary of the Treasury. If the Senator can give me a better authority I should like to have it.

Mr. LUCAS. No. I was anxious to know. I thought the expenditures were greater than $33,000,000,000, and that is the reason I made the inquiry.

Mr. THOMAS of Oklahoma. I am sure the Senator understands why that was. Three billion dollars of that money was taken, by some legerdemain or juggling, and was used in some manner so that the official figures, after $3,000,000,000 was taken out, left only approximately $5,000,000,000 as surplus. At the end of the year we still had a debt of $252,300,000,000.

The next figures are estimated. It is estimated that we shall collect in 1949 approximately $40,000,000,000. We shall expend $42,259,000,000. The estimate was that on the 1st day of July of this year there was a deficit of $1,811,000,000, and we still had a national debt of $252,300,000,000.

Mr. LUCAS. Mr. President, will the Senator further yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. LUCAS. We now have a deficit of $1,811,000,000, and yet we increased the national debt only $66,000,000.

Mr. THOMAS of Oklahoma. That figure will be explained in a moment, and it will be corrected.

For 1950 the best estimate I could obtain was that we hope to collect $40,955,000,000, and we hope to keep our expenditures down to $41,853,000,000.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. CAPEHART. There must be some mistake, because the receipts in 1949 were only $40,448,000,000. We anticipated collecting $40,985,000,000. I do not believe anyone believes we shall collect as much money in taxes as we did up to June 30, 1948.

Mr. THOMAS of Oklahoma. Of course these are estimates. Times will tell. The figures are reasonably correct.

Mr. CAPEHART. In my opinion, the amount will be no more than $35,000,000,000 rather than $40,985,000,000. I appreciate the fact that the Senator got his figures from the Treasury Department.

Mr. THOMAS of Oklahoma. I got them from the Treasury Department and from other data which I think are the best available. If these figures are approximately correct, at the end of the fiscal year 1950 we will be in debt for the year in the sum of $868,000,000, and that will still leave a national debt of $252,000,000,000. Since these figures were secured the national debt has climbed

$2,000,000,000, and that figure, Mr. President, should be increased from $252,000,000,000 to $254,000,000,000.

I shall come to the charts and maps a little later.

We are about to consider, Mr. President, some amendments to the pending bill which, in my opinion, may affect materially the future of our people and the future of our Government.

Mr. DONNELL. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. GILLETTE in the chair). Does the Senator from Oklahoma yield to the Senator from Missouri?

Mr. THOMAS of Oklahoma. Certainly.

Mr. DONNELL. I was called out of the Chamber a few minutes ago, and I had been following with much interest the Senator's statement with respect to the charts. I am wondering whether he put them into the RECORD in that form?

Mr. THOMAS of Oklahoma. At a later time I shall ask permission to put the wording and the figures of these two center charts in the RECORD in connection with my remarks. I cannot put into the RECORD the maps showing the power projects which are already developed or are being developed, and of course I cannot put into the RECORD the maps of the showing the power lines already existent and the power lines requested. I cannot put into the RECORD the maps of the States of Oklahoma and Arkansas showing the lines being constructed and the lines to be constructed if the committee recommendations are agreed to.

Mr. DONNELL. The charts to which I am referring, and which I am pleased to know will be placed in the RECORD, are those entitled "1950" and "U. S. Fiscal."

Mr. THOMAS of Oklahoma. At the close of my remarks I shall ask permission to insert them in the RECORD.

Mr. President, under the guidance of the Constitution, we have traveled the road of rugged individualism and free enterprise for a period of 160 years and today we have arrived at the forks of the road.

One road continues on toward greater freedom, greater prosperity, and a more influential place among the family of nations, and the other road leads off toward regimentation, a loss of national income, a loss of tax resources, and a loss of the leadership of the free peoples of the world.

The question now before us is, Which road shall we take?

The issue on its face involves only a few million dollars, but our action on the few millions involved will determine the choice of the road we shall take tomorrow.

Mr. President, it is altogether fitting and proper that this issue should be considered and decided in this historic room—the oval, half-circular chamber designed and constructed by our fathers for the deliberations and actions of the Senate of the United States.

This—to Americans—ancient Senate Chamber was dedicated to the public service in the year of 1800 and thereafter remained the free forum of the American Government until the year of 1860, when, because of expanded membership, this free forum of necessity was transferred to a larger chamber in the Capitol Building of our Government.

Within these classic walls such patriotic and able giants as Henry Clay, James Buchanan, Thomas H. Benton, Franklin Pierce, John C. Calhoun, and Daniel Webster debated, considered, and decided the early problems which confronted the new democratic Republic.

From 1860 to 1935 this room was the temple of justice of the Supreme Court of the United States.

Today as we debate, consider, and decide the multitude of issues—local, national, and international—which constantly arise before us, we have as our gallery the marble busts of some of the great jurists of the past.

For the record let me call the roll of these distinguished Americans. To my right is Morrison R. Waite, who served as Chief Justice of the United States from 1874 to 1888.

Next is Roger B. Taney, the fifth Chief Justice of the United States.

Then Oliver Ellsworth, the third Chief Justice.

Next is John Jay, who holds the honor and distinction of having been the first Chief Justice of the new Western World Government founded in 1789.

Next to John Jay is John Rutledge, the second Chief Justice. Next to Chief Justice Rutledge is John Marshall, the fourth Chief Justice, and in the estimation of many the greatest of them all. Then there is Salmon P. Chase, the sixth to hold the exalted honor. Next is Melville W. Fuller. Last but not least is the former President of the United States, and later Chief Justice, William Howard Taft.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I am glad to yield.

Mr. ELLENDER. I noticed the Senator overlooked one of the most distinguished of all the Chief Justices, namely, Chief Justice Edward D. White, of Louisiana.

Mr. THOMAS of Oklahoma. The Senator is correct. I apologize to the memory of Chief Justice White. I have a chair in my apartment which was used by Chief Justice White. I found it in the basement of this Capitol, dilapidated, discarded. All that was left was the mahogany, the running gears, and the springs. The canvas and leather were entirely gone. The chair had been discarded.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. In a moment. When I first came to Congress, in 1923, investigating around in the basement of this building, I saw this dilapidated chair. I sought the custodian and asked if I might procure it. He said, "Ever so often we clean out the debris, and if we can get enough out of the stuff that is assembled for discarding to pay for hauling it off, we are glad to do so." I asked the custodian to set this chair aside. I took it down to Woodward & Lothrop's and had it gone over. It was put into fine and proper shape. There was nothing wrong with it except that the leather and the canvas were gone, as I have said.

Mr. President, I now have that chair. It has on it a plaque reciting that it was used in the Chamber of the Supreme Court by Chief Justice White, and the chair remained in that Chamber until 1921.

Now I am glad to yield to the Senator from Tennessee.

Mr. McKELLAR. Mr. President, while the Senator was naming the Chief Justices of the United States, it occurred to me that there appear in this Chamber busts of only 10 of them. There were 3 other distinguished men whose busts are not in this Chamber and should be mentioned while we are numbering the Chief Justices of the United States, 13 in all. One was Harlan Fiske Stone, one was Charles Evans Hughes, two of the most able and distinguished of all our Chief Justices and the thirteenth is the present distinguished Chief Justice of the United States, Fred M. Vinson, one of the finest and ablest of Justices.

Mr. THOMAS of Oklahoma. I thank the Senator from Tennessee for his contribution.

Mr. McKELLAR. There have been 13 Chief Justices in all.

Mr. THOMAS of Oklahoma. It is here in this historic Chamber that we are to debate, consider, and decide whether this Nation shall continue on the road of free enterprise, or shall we be diverted to the road of collectivism, which means the initiation of a program for the nationalization of the industries of our Nation.

Mr. President, history records that some of the great conflicts of the past have had their beginning in, at the time, seemingly trivial and unimportant incidents. Such may be the result of the decision of this hour.

Before proceeding to a discussion of the main issue before the Senate, let me call to attention the present fiscal status of our Treasury, and when I refer to "Treasury" I mean to include the treasuries of our States, our cities, our counties, and our districts, because all are inseparably connected with the financial status of our National Government.

At this point I exhibit to the Senate two charts, one showing the group requests for appropriations for the coming year, and I ask permission to have the world and figures shown on chart No. 1 inserted at this point in connection with my remarks.

The PRESIDING OFFICER. Is there objection?

There being no objection, the words and figures of the chart were ordered to be printed in the RECORD, as follows:

CHART NO. 1.—*United States fiscal status*

[Millions of dollars]

Fiscal year	Receipts	Expenditures	Deficit or surplus	Gross debt
1932	2,005	4,741	−2,741	
1940	5,387	9,305	−3,918	43,000
1942	12,799	34,289	−21,490	72,400
1944	44,148	95,572	−51,424	201,000
1945	46,456	100,397	−53,941	258,700
1946	43,037	63,713	−20,676	269,400
1947	43,258	42,505	+753	258,300
1948	42,200	33,700	+8,500	252,300
1949	40,448	42,259	−1,811	252,366
1950 (estimate)	40,985	41,853	−868	[1] 252,000

[1] Plus.

Our national debt is over $252,000,000,000.

Mr. THOMAS of Oklahoma. Mr. President, in brief, the chart shows that if all the requests for appropriations are met, then the taxpayers of the Nation will be called upon, this year, to pay a total sum of almost $42,000,000,000 in Federal taxes. But this is not all. In addition to Federal taxes our taxpayers will be called upon to pay an additional sum of some $17,000,000,000 to meet their State, county, city, and local budgets. When these tax bills are added, we find the consolidated sum to be almost $60,000,000,000. This $60,000,000,000 is almost twice the value of all the known monetary gold in the entire world today.

The second chart shows the financial status of our Government during the past 17 years. In only two of the years since 1931 have we had a balanced budget.

I ask permission to show, at this point in my remarks, the words and figures shown on chart No. 2.

The PRESIDING OFFICER. Is there objection?

There being no objection, the words and figures of the chart were ordered to be printed in the RECORD, as follows:

CHART No. 2—*1950 estimated expenditures*

[In millions]

Foreign relief	$6,709
National defense	14,268
Veterans	5,496
Social welfare	2,358
Housing	388
Education—research	414
Agriculture	1,662
Natural resources	1,861
Transportation—communication	1,586
Finance, commerce, industry	107
Labor	187
General government	1,224
Interest on public debt	5,450
Contingencies	150
Total	41,858

Mr. THOMAS of Oklahoma. Mr. President, as this debate proceeds I hope Senators will consider and reflect upon the facts as portrayed in the two charts now ordered to be made a part of the permanent records of this Senate.

At this point I wish to refer to another chart now displayed before the Senate. I shall refer to the chart as No. 3.

The wording on this chart is a reproduction of two sentences found on page 51 of the 1948 Annual Report of the Secretary of the Interior. It must be remembered that the Interior Department has supervision over the distribution of power generated at reclamation dams, and also has supervision over the sale of power generated at flood-control dams.

The two sentences are as follows:

> We need to develop within the next 20 years at least 40,000,000 kilowatts. The Federal Government probably will need to build at least 30,000,000 of these kilowatts at a cost of 12 to 15 billion dollars.

Here, in brief, is the recommended public-power policy for the United States.

As we proceed I hope at least three facts may be impressed upon the minds of Senators, as follows:

First. Our national debt is today over $254,000,000,000.

Second. Our current budget contains requests for over $42,000,000,000; and,

Third. The Secretary of the Interior is recommending that we go into the power business to the extent of from twelve to fifteen billion dollars.

The issue before us at this hour is—Shall we comply with the recommendations made and submitted by the Secretary of the Interior?

Mr. President, this issue has nothing whatever to do with either motives or personalities. I shall seek to present the matter from the standpoint of what I consider to be best for all the people of our great country.

Mr. President, I shall try to make clear the issue or issues in detail which are now before the Senate. The first issue is with respect to the creation of a Southeastern Power Authority. I referred to that and showed its location on the map a few minutes ago. The question involved in the pending amendment is whether or not the Senate will approve the committee recommendation which seeks to strike out the paragraph of the bill beginning in line 10 on page 5. If the paragraph remains in the bill a Southeastern Power Authority will be created and an appropriation will be made in the sum of $70,000 to start that Authority on its way.

The second issue is with respect to the amount of funds to be appropriated for the Southwestern Power Authority. That is the Authority which is south of Kansas and west of the Mississippi River. It is dealt with in the next amendment which will come before the Senate. The first issue will be whether or not the Senate will approve the House language which, if approved, will create a Southeastern Power Authority or Administration. As I said, the second amendment will deal with the question whether or not the Senate will accept the committee recommendation, which is a reduction of more than $5,000,000 below the House item suggested for the Southwestern Power Administration.

The third issue is with respect to the creation of a continuing fund or a checking account in the sum of $300,000 for the Administrator of the said Southwestern Power Authority.

Legislative language is contained in the section which, if approved, will authorize the Administrator to "purchase electric power and energy and rentals for the use of transmission lines and appurtenant facilities of public bodies, cooperatives and privately owned companies."

If the language is approved, then the power of the SPA will be expanded to include not only the sale of electricity, but in addition the Administrator will have the legal right to purchase electricity and to rent transmission lines and steam power generating plants. The Administrator has no such power now. That is legislation in the bill inserted by the other body. If enacted, as stated, the power of the Administrator in the southwestern area of the United States will be vastly expanded.

While these three amendments must be voted on separately, yet they are so closely related that I propose to discuss them together.

As I have said, the first amendment, found on page 5 of the bill, proposes to create a Southeastern Power Authority, with an initial appropriation in the sum of $70,000.

The other body of the Congress inserted the provision and the Senate committee recommends that it be stricken from the bill. Later I shall explain why the committee made such a recommendation.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. MAGNUSON. I wonder if the Senator knows whether there was a unanimous report, or what was the division of the vote on the first amendment?

Mr. THOMAS of Oklahoma. Mr. President, the votes in the Senate committee are rarely unanimous. Sometimes they are. But they rarely are. The vote on this amendment was not unanimous.

Mr. MAGNUSON. Does the Senator know how many Senators voted for it?

Mr. THOMAS of Oklahoma. No; I do not have the record.

If the public power program recommended by the committee is approved, then the committee holds and recommends that there is no substantial reason for the creation of a Southeastern Power Authority.

That is, the Authority south of the Ohio River and east of the Mississippi.

However, this section, when reached, will be debated later upon its merits.

Mr. President, because of the importance of the issue that is now before this Senate and, further, because such issue deals, first, with the fundamental principles of the free-enterprise system by and through which our country has become the richest, the strongest, and the most influential Nation of the earth, and, second, because the issue deals with figures, I most respectfully request that I may be permitted to proceed without questions from the floor. However that is not mandatory. I shall be glad to yield if any Senator desires to submit a question.

When I have stated the issue, as I understand it, I shall be glad to yield for questions in order that my position may be made clear.

The issue before the Senate relates to the development and distribution of public power.

The issue is not with respect to legislation but is confined, strictly, to an item of appropriation, yet the issue, in reality, is with respect to what should be the public power policy of the United States.

The pending amendment, on its face, appears to be merely a matter of whether we appropriate the sum of $3,874,020 or the sum of $9,000,000 for the construction, operation, and maintenance of power-transmission facilities in six States—Kansas, Missouri, Arkansas, Louisiana, Texas, and Okahoma—all embraced in the territory allocated to the Southwestern Power Administration.

The other body of the Congress recommended the $9,000,000 and the Senate Committee on Appropriations has recommended that the House sum be reduced to $3,874,020.

In other words, the Senate committee recommends that the House item be reduced by the sum of $5,125,980.

The reduction in this item is recommended along with reductions in other

items in an effort to reduce our total appropriations so as to escape the necessity of having to increase taxes to balance the budget.

The issue raised by the recommended cut has to do with the construction of reclamation and flood-control dams, the development of hydroelectric and steam power, and the building of electric-transmission lines and related facilities.

On this issue I want to make my position clear.

I have been, and am now, in favor of a program for the increased development of hydroelectric power.

I have consistently favored the building of all transmission lines and related facilities which may be necessary to make such power available for the REA cooperatives and Federal and State public bodies.

I have worked to accomplish these two desirable and necessary objectives.

It was my committee that developed and recommended these programs.

In addition, I want the power generated at the public plants made available to the consumers at the lowest possible costs consistent with sound business principles.

Today in the several States covered by the SPA we have the second lowest rates to rural electric cooperatives and governmental bodies in the entire United States.

Only Bonneville affords power at lower rates than the rates announced and approved for the States of Arkansas and Oklahoma. If cheaper rates can be secured, then I want the lower rates.

I am a member of the Cotton Electric Cooperative, operating in southwest Oklahoma. For the first 30 kilowatt-hours of electricity I consume I pay 10 cents per kilowatt-hour. Ten cents per kilowatt-hour means 100 mills per kilowatt-hour, so to a degree I am interested personally in ample power at lower rates.

Mr. President, I came from a rural area. I was not born in a city, or a town, or a village, and not even near a public highway. I first saw the light of day in a wooded area, almost a mile from the nearest public road.

During my early days my knowledge that others lived was by sound of wooden-wheeled wagons slowly traveling over the frozen roads in winter, and by the sight of clouds of dust following those same early-day wagons in the good old summer time.

Mr. President, I know our rural people and I know their way of life. I know of their lack of almost the necessities of existence. I can never forget the early-day lighting systems: The coal oil lamp, the lantern, the candle, the woolen rag in the greasy skillet, and the glowing blaze in the open fireplace.

I know of the early-day roads in Indiana. Uncomfortable in the frozen winter, impassible in the spring thaw-outs, and suffocating in the summer dust.

Because I have been a pioneer in three different States and know the limitations and hardships incident to rural life, I have a definite goal for those who have been and still are deprived of the conveniences of modern-day civilization.

Mr. President, I hope to see the day when every American citizen may have a modern home equipped with cheap electricity, connected with modern telephone service, and located on an all-weather road leading to church, to school, and to market. To attain such a goal I have striven for over 40 years as a legislator in my State and in the Congress of the United States.

At the beginning of this debate, permit me to state that the matter at issue is much broader than appears on the surface.

This issue—the expansion of the Southwestern Power Administration—has been before the Senate on previous occasions.

If this issue is resolved in favor of the House figures; that is, if the Senate recommendation in the sum of $3,874,020 is increased to the House figures of $9,000,000, then the Senate commits itself to a total appropriation of some $31,000,000 to be made available and expended in the territory embraced in the Southwestern Power Administration within the next 3 years.

In the present condition of our Treasury I contend that we cannot afford to commit ourselves to such a program, especially at a time from 3 to 5 years before we have any additional power to transmit.

But, Mr. President, this is not all that is embraced in the pending amendment.

Let me at this point remind those who have been Members of this body for more than one term that in 1944 the Congress passed legislation, approved December 22, 1944, directing that all hydroelectric power generated at flood-control dams be turned over to the Secretary of the Interior for disposal and sale.

In order that the record may be complete, I ask unanimous consent to place in the RECORD at this point, in connection with my remarks, a copy of section 5 of the 1944 flood-control law, which section is all the legislation now on the statute books with respect to the disposition of the hydro power being developed and to be developed at the various public flood-control dams located and to be located throughout the country.

There being no objection, the section was ordered to be printed in the RECORD, as follows:

SEC. 5. Electric power and energy generated at reservoir projects under the control of the War Department and in the opinion of the Secretary of War not required in the operation of such projects shall be delivered to the Secretary of the Interior, who shall transmit and dispose of such power and energy in such manner as to encourage the most widespread use thereof at the lowest possible rates to consumers consistent with sound business principles, the rate schedules to become effective upon confirmation and approval by the Federal Power Commission. Rate schedules shall be drawn having regard to the recovery (upon the basis of the application of such rate schedules to the capacity of the electric facilities of the projects) of the cost of producing and transmitting such electric energy, including the amortization of the capital investment allocated to power over a reasonable period of years. Preference in the sale of such power and energy shall be given to public bodies and cooperatives. The Secretary of the Interior is authorized, from funds to be appropriated by the Congress, to construct or acquire, by purchase or other agreement, only such transmission lines and related facilities as may be necessary in order to make the power and energy generated at said projects available in wholesale quantities for sale on fair and reasonable terms and conditions to facilities owned by the Federal Government, public bodies, cooperatives, and privately owned companies. All moneys received from such sales shall be deposited in the Treasury of the United States as miscellaneous receipts.

Mr. THOMAS of Oklahoma. Soon after this brief section of law was enacted, the Secretary of the Interior prepared and proclaimed an Executive order creating the Southwestern Power Administration. At that time little hydroelectric power was being developed and available for disposal and sale.

Immediately following the enactment of section 5 and the issuance of the Executive order, the Congress appropriated the sum of $140,000 for salaries and expenses in connection with the administration of SPA.

In the same year the sum of $135,000 was appropriated in the First Supplemental National Defense Appropriation Act and, in addition, a continuing fund in the form of a checking account was set up in the Treasury for the benefit of the Administrator of the Southwestern Power Administration. How much money has been expended under the so-called "continuing fund" has not been disclosed to the committee.

In 1945 an additional amount in the sum of $610,000 was appropriated to maintain and support the Interior Department-created SPA.

In 1946 the Congress appropriated an additional $7,500,000 for the support of the SPA.

In 1947 the Congress appropriated $215,000 for the support of the Administration.

In 1948 the Congress appropriated $260,000 for the support of the said administration, and again for the fiscal year 1949 the Congress appropriated a further sum of $260,000 for the support of this administration.

In all, to date, the Congress has appropriated a total sum of $8,895,000 for salaries, expenses, and the construction of a transmission line from the Denison Dam, located on the Red River between Oklahoma and Texas, and the Norfork Dam, located some 500 miles away in northeastern Arkansas.

Mr. President, if this Congress appropriates the amount recommended by the committee in the sum of $3,874,000, when added to the sums heretofore made available the total is some $12,500,000.

If this appropriation is made in the figures recommended by the committee, thereafter when the money has been expended what will we have to show for the sums appropriated?

All we will have to show for the $12,500,000 will be a high line from the Denison Dam to the Norfork Dam, branch lines—one to the city of Walters, in the State of Oklahoma, one to the Fort Gibson Dam; one to the Tenkiller Dam, and one to the Bull Shoals Dam with substations.

This transmission line—500 miles in length and related facilities—will have cost the taxpayers over-all, excluding operating expenses, approximately $25,000 per mile.

In the SPA territory we have over 37,000 miles of electric lines already constructed and in service.

Multiply the number of miles already in existence in these 6 States by the sum of $25,000, and we find the total to be some $925,000,000.

If the Government proposes, first, to build its own steam-power plants; second, to duplicate the existing electric lines; and, then, third, to build additional lines as proposed in the Southwestern Power Administration recommendations then the total cost at present prices will run well over $1,000,000,000.

Obviously this is a part of the over-all program for the nationalizing of electricity and I am unalterably opposed to the nationalization of electricity or any other industry in the United States.

Mr. President, am I justified in my fears that this is the program now being considered by this Congress?

At this point permit me to call the attention of the Senate to what has already happened:

Within less than 2 years after the Southwestern Power Administration was created by Executive order, the Administrator developed and submitted a program for the construction of transmission lines and other facilities for the sale of the hydro power to be developed in the territory allocated to the Southwestern Power Administration.

This program was presented to the Congress in the summer of 1946.

The program presented embraced a network of power-transmission and distributing lines with substations and switching stations covering the States of Oklahoma, Arkansas, and Texas and reaching over into the States of Kansas, Missouri, and Louisiana.

At that time the program was estimated to cost a sum in excess of $200,000,000. That was in 1946.

With recent increased costs, the same program today would cost in excess of $350,000,000. It generally is estimated and accepted that labor prices and the prices of material have increased approximately 6 percent in the past 2 or 3 years, and it is on the basis of that increase that I make this statement.

In 1946 the Administrator of the SPA asked the Congress for the sum of $23,000,000 with which to start construction of the over-all program as outlined and submitted to the Congress; however, after consideration and debate, the Congress allowed only the sum of $7,500,000 of the $23,000,000 requested.

Mr. President, at this point I wish to submit for the consideration of the Senate some charts which are authentic. They are small, and I shall have to pass them around among Senators, in order that the charts may be seen clearly. The first chart shows in black the electric lines already in existence in these six States. The lines shown in red are the ones projected by the Southwestern Power Administration in 1946, for which the cost estimate of $202,000,000 was made. The lines, if now constructed as they are indicated on these plans, would cost an estimated amount of $350,000,000. I pass this chart among Senators, for their inspection.

Mr. President, I opposed that program in 1946. I have opposed the program since. I am opposed to the program now. I am not opposed to having all our people have an abundance of cheap electricity. I am in favor of that. If it were necessary to build these lines at such an enormous expense, I might take a different viewpoint with respect to this issue. But, as I shall show in a moment, this expenditure is not necessary. Not a single dollar of the money above the amount of money recommended for appropriation by the Senate committee is necessary to be spent, save a small amount for administration.

The requests for money with which to start this ambitious program and the objections to such program began in earnest here in the Congress in the summer of 1946.

Since 1946 the appropriations for the SPA to supervise the sale and distribution of power developed at hydroelectric power dams in the Southwest have been in reasonable amounts, but this year the Administrator of the SPA came before the Congress and asked approval of a program to spend some $31,000,000 in the building of transmission and distributing lines in the Southwestern States over a period of the next 3 years.

In other words, Mr. President, having been defeated in 1946, the Administrator now returns and initiates a request to do now what he could not do in 1946. In 1946 he requested only $23,000,000. Now he is requesting $31,000,000.

Mr. McCLELLAN. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). Does the Senator from Oklahoma yield to the Senator from Arkansas?

Mr. THOMAS of Oklahoma. I am glad to yield.

Mr. McCLELLAN. Is the $31,000,000 now requested a part of the over-all $202,000,000 which was the amount for the over-all plan in 1946?

Mr. THOMAS of Oklahoma. The Senator from Arkansas will have to draw his own conclusion as to that. My answer would be that this is the beginning of the construction of the over-all program as submitted to the Congress in 1946.

Mr. McCLELLAN. Let me ask this question of the able Senator: If the fund of $31,000,000 is appropriated, as now requested for the next 3 years, and if the construction is had, would that provide power lines and transmission lines which would be adequate to serve the whole area covered by the Southwestern Power Administration, or would it provide for service in only a portion of the area?

Mr. THOMAS of Oklahoma. It would be utterly impossible to duplicate, by anything like the expenditure of $31,000,000, the present 35,000 miles of electric wires strung over six States and to duplicate the great number of existing steam plants in those States. The proposed expenditure of $31,000,000 is only the beginning. It is the first request for funds to start the construction of this gigantic power empire.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. WILEY. I am very much interested in this situation and in what the Senator calls a duplicating system of transmission lines as proposed by the Southwestern Power Administration. I notice that by lifting the celluloid, or whatever the cover of map is made of, we can see very clearly on the map the present existing lines. I wonder whether in the bill the Senator has been discussing there is any provision which would limit the expenditure to only the lines as to which there would be no duplication, or whether the thought is that there should be duplicating lines and the creation of unnecessary service and unnecessary service outlets, thus calling for unnecessary expenditures.

It seems to me this proposal calls for tremendous duplication. I wonder whether there is any thought that, in this connection, lines might be built to render service to persons who do not now receive electric-power or electric-light service, a service which apparently the present power companies do not provide. I wonder if any such proposal is included in the provisions of the bill or of the amendment.

Mr. THOMAS of Oklahoma. Mr. President, the fault of this whole program lies in the fact that the Congress has not considered and developed a national public power policy. I introduced a bill about 2 years ago suggesting the adoption of a national public-power policy, but for some reason unknown to myself I could get no action upon the bill. So the only law we have today is section 5 of the Flood Control Act of 1944, and all that section does is to order that the power developed at flood-control dams built by the Corps of United States Engineers shall be turned over to the Secretary of the Interior for sale and distribution. It provides that he shall not build unnecessary power lines and that he shall build only such power lines as will make the power available to REA's and to public bodies, with the excess, if any, to be made available for sale to private companies.

Mr. MURRAY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Montana?

Mr. THOMAS of Oklahoma. I am glad to yield.

Mr. MURRAY. I should like to ask the able Senator whether it is not a fact that from the time we developed TVA there has been repeated action in the Congress, with a recognition of the principle that in connection with public dams creating hydroelectric power, preferences should be given to municipalities, rural cooperatives, and public bodies?

Mr. THOMAS of Oklahoma. That is all stated in section 5 of the law just mentioned.

Mr. MURRAY. Has the Senator any objection to the Government giving such preferences?

Mr. THOMAS of Oklahoma. No, I favor the policy.

Mr. MURRAY. The Senator does not advocate, does he, the establishment of a rule which would compel the sale of power direct from the bus bar at the public dams, under programs of the kind

being discussed? The Senator believes in transmission lines, does he not, to carry power into the interior where the load centers exist?

Mr. THOMAS of Oklahoma. We must have transmission lines wherever they are needed.

Mr. MURRAY. The Senator does not oppose that, does he?

Mr. THOMAS of Oklahoma. I am for it.

Mr. MURRAY. That is fine.

Mr. THOMAS of Oklahoma. Yet, Mr. President, this is not the entire picture with respect to the program for the development and distribution of electric power.

On March 28 of this year, the Secretary of the Interior, in its annual report to the President, proposed a $12,000,000,000 to $15,000,000,000 Federal power program to be fully developed in the next 20 years. If anyone cares to examine the report, there will be found on page 51 the language which is shown on the chart, and which has already been read into the RECORD.

This means that the Congress may soon be called upon to appropriate from $500,000,000 to $1,000,000,000 annually with which to build steam power generating plants, transmission lines, substations and related facilities; and from my knowledge of what has already happened, what is contained in the pending bill and the recommendations of the Secretary of the Interior I am convinced that the paramount issue is not the relatively simple amendment to appropriate the sum of $9,000,000 instead of $3,874,020—but instead the issue is the nationalization of electricity in the United States.

Mr. President, as before stated, I am opposed to initiating a program which will, in my opinion, lead to the nationalization of the electric industry or any other industry.

Such a development would be contrary to our free enterprise system and, likewise, contrary to the American way of life.

Such a development is not necessary to accomplish the exact things that our people want and demand.

Our people, and especially those who live in rural areas, want, need, and are demanding an ample supply of electric energy, and they want such energy supplied at the lowest cost consistent with sound business principles.

To such objective I am in complete accord.

The pending issue relates directly to the sale and distribution of power developed, and to be developed, in the territory allotted to the Southwestern Power Administration.

The Administrator of the said SPA is Douglas G. Wright, with headquarters at Tulsa, Okla.

In the Annual Report of the Secretary of the Interior for 1948, the book which is now being passed around, is a chapter prepared by Mr. Wright, and in such article the Administrator makes a recommendation as follows:

> To support the maximum capability from hydroelectric generating projects in the area they must be integrated with fuel-burning generating plants. This can be accomplished by * * * interchanging contracts with private utilities, cooperatives, public bodies, or industrial establishments having fuel-burning generating plants.

Administrator Wright approves of such a policy for the disposal and sale of the hydroelectric energy generated at the publicly owned plants located in the SPA territory.

He lists other plans for the disposal of such energy, but of all the plans listed he has the following to say about the plan just stated:

> The first method would be satisfactory and beneficial to the Government, the companies, and the customers of both systems.

Again, Mr. Wright says:

> Such arrangements would provide for the most economical development of the country's hydroelectric resources to the maximum benefit to all the people.

Mr. President, with such recommendation and conclusion I am in complete accord, and the balance of my argument will be devoted to the support of such plan for the disposal and sale of the hydroelectric energy as authorized in the said section 5 of the Flood Control Act of 1944.

Mr. President, my main objection to the SPA program is that it imposes upon the farmers of my State a concealed mortgage in the sum of $350,000,000 to cover the cost of building an unknown number of steam-generating power plants and thousands of miles of transmission and distributing lines to carry the electricity from the dams and steam plants to the farmers' rural electric coops of Oklahoma and the Southwest.

I have just said that if the SPA program is carried out that a concealed mortgage in the sum of more than $350,000,000 will be imposed upon the farmers in Oklahoma and the adjoining States. Where do I get my figures? The answer is: The plans and specifications are all set forth in the 1945 report on the comprehensive plan of power production and distribution in the territory covered by the Southwestern Power Administration.

Mr. President, at this point, I exhibit to the Senate the plans and specifications for the program which I have been discussing. Here are the detailed plans and specifications outlining the power lines from where they start to where they end, covering more than 10,000 miles, as I remember, of territory in the six States of Kansas, Missouri, Arkansas, Louisiana, Texas, and Oklahoma. The figures which I shall give are taken from this report. The report is entitled "Report on Comprehensive Plan of Power Distribution and Sales From Hydroelectric Projects as Authorized by Flood Control Act of 1944, H. R. 4485, in the Southwestern Region."

On page 102, table No. 4, the cost of transmission lines is estimated to be $125,000,000, and the cost of the steam plants, page 113, table 13, is estimated to be $77,000,000. That estimate was made in 1944. Since that time prices have increased, wages have increased, the cost of wire has increased, the cost of poles and accessories has increased, so that now, in order to get the relative cost of the construction of these lines, we would have to add 70 percent to the figure $125,000,000.

On page 113, table 13, there is found the estimated cost of the steam plant necessary to firm up this hydroelectric power.

In my section of the country we do not have dependable power, such as is obtained on the great Columbia River, in the Northwest. We do not have dependable hydroelectric power as they have in the Northwest, on the Snake River. There are two power systems in the Northwest which do not have any steam generating facilities. They have hydroelectric plants, and hydroelectric plants alone. They do not need steam stand-by plants to firm up the hydroelectric power. They have ample water on each of the days of the year. So those two systems in the far Northwest have no steam stand-by plants.

In 1944, when these estimates were prepared, which were submitted in 1945, the estimated cost of the lines and the steam plants necessary to serve the Southwestern part of the United States, parts of six States, as shown by the small map, was $202,000,000.

As I stated, construction costs are approximately 70 percent higher than in 1944, when the original estimates were made, so that now, to build the SPA system as outlined in the 1945 report, at present prices of materials and labor, it will require an outlay of approximately $350,000,000.

Why do I say that the cost of this program in the sum of $350,000,000 is a concealed mortgage upon the farmers of Oklahoma and the Southwest?

The answer:

First. Section 5 of the 1944 act authorizing the construction or purchase of transmission lines and related facilities provides that the cost of producing and transmitting such electric energy, including the amortization of the capital investment allocated to power, shall be returned to the Federal Treasury in a reasonable period of years.

Second. The Secretary of the Interior, in his annual report for the fiscal year ended June 30, 1948, page 135, Division of Power, says, "The power is to be sold at rates which will cover its cost."

Mr. President, just what is proposed for the farmers enrolled in the 29 coops located in my State of Oklahoma?

I have just quoted the law providing that the costs incurred in building the system must be amortized, which means paid for in power rates charged to the consumers of the power produced and this is not all.

The farmer consumers will be charged with the cost of maintenance, depreciation, management, and operation of the system.

The 11 major electric companies now serving the Southwest employ some 15,000 people.

If the Government builds a competing system to serve the same territory, then the number of employees necessary to operate the system satisfactorily will not be less than the number employed to operate the comparable part of the private systems.

The costs of maintenance and operation of the system have all been figured out.

In exhibit on page 115, table 15, and page 116, table 16, of the plans and

specifications of 1945, we find the estimated cost of operation and management.

The southwestern system was planned to be constructed, starting in 1946.

As the system was to have been built, the cost of operation and management was estimated, and here is an estimate of the cost of operating the system, beginning in 1946. For that year the estimate was $4,715,000.

The cost of management and operation for the year 1947 was $7,062,000.

For 1948 it was $8,420,000, and for 1949 it was $14,867,000; and then, by the year 1965, 20 years forward from 1946, when the system as planned will be completed, the operating, interest, and management costs were to be $43,252,000 a year.

Mr. President, whatever may happen in the future, the opposition to this appropriation in past years has saved the taxpayers of the Nation already these several sums. If the system had been constructed as planned, enough of the system would be created and under operation at this time so that the management costs this year, 1949, would be more than $14,000,000. As I said, whatever may happen in the future, we have escaped, up to this good hour, this enormous drain upon the Treasury.

At present-day prices, these costs would be increased by approximately 70 percent. I have said that the end of 20 years, in 1965, if this system were constructed, the operating and management costs would be $43,000,000 a year. At present-day prices, which are estimated to be 70 percent higher, these costs would be increased to the sum of $73,528,400.

This is the program which confronts us at this hour. If we desire to start upon this gigantic program, we shall have an opportunity when these issues come to be resolved.

Again, Mr. President, who is to pay for the $350,000,000 construction costs and more than $500,000,000 of operation and management costs through the year 1965, if this SPA empire electric system is constructed at today's prices.

This will mean a unit price per kilowatt-hour, at present day costs, of 8.26 mills. That is a cheap rate in some sections of the country, as I shall show a little later. But that would be the cost of power in my section of the country, which is above what is being charged now. In the State of Oklahoma, in Arkansas, Texas, and Louisiana, the REA's are getting the power now for less than 7 mills per kilowatt-hour. They have a standing offer today, which they can accept, for all the power they can use, at a rate of 5 mills per kilowatt-hour. Some have accepted that rate, and those that have accepted the rate of 5 mills per kilowatt-hour today have the second lowest electric rate in the Nation.

As I have said, Mr. President, the question is, Who is to pay the costs? To such a question there is but one answer. The farmer co-op members of Oklahoma and the Southwest are to pay. Someone must pay this gigantic bill. The only ones to pay it will be the consumers of the electric products, and if they do not pay it, then this enormous burden will fall upon the backs of the taxpayers of the United States.

Mr. President, how will the consumers, the members of farmer cooperatives and other consumers of this power, pay this enormous bill in a reasonable number of years?

Under the law each farmer consumer must pay his part of the construction costs and his part of the costs of operation and management in the form of rates in monthly bills for the power that he uses.

At this point I will make it clear, I hope, just what this SPA program means to the farmers of Oklahoma and the Southwest.

First. That portion of the costs of installing hydroelectric machinery at each of the power dams in Oklahoma and the Southwest and that part of the dam allocable to power will be charged in the form of electric rates to the farmers and other consumers of such publicly produced power.

The total cost of this outlay will depend upon the number of dams built and to be built.

Second. The cost of the construction of the necessary steam plants, the cost of the necessary transmission and distributing lines, and the cost of operation and management of the SPA electric empire will likewise be added to the rates to be assessed against the farmers and other consumers of such publicly produced power.

According to the original 1945 plans and specifications, the initial cost, at present prices, will be some $350,000,000. To this sum must be added the annual costs of maintenance, including interest, depreciation, operation, and bureaucratic management in the sum of $18,959,080 through the year 1965.

Third. The costs of the construction, maintenance, and operation of the lines and facilities of the existing electric cooperatives are already fixed and covered by loans from the REA here in Washington.

From the foregoing it is clear that the power rates to be fixed by the Federal Power Commission must take into consideration—

First, the costs of the hydroelectric equipment and costs of maintenance, interest, and operation at the power dams;

Second, the costs of the steam plants, the transmission and distributing lines, and their maintenance, interest, and operation; and

Third, the interest on and the amortization of the several co-op loans and, in addition, the maintenance, operation, and management of the several individual electric co-ops.

Mr. President, electric rates based upon so costly a system must of necessity be high, and if this grandiose electric empire is constructed, then the hope of cheap power rates in Oklahoma and the Southwest is dispelled forever.

Mr. President, the law directs the Federal Power Commission to consider all costs of construction, maintenance, amortization, interest and operation in approving the public-power rates in any given area.

The law further directs that the power rates shall be "consistent with sound business principles."

Since I have been a Member of the Senate I have concentrated my efforts in trying to get funds for the building of flood control and power dams.

To develop the hydropower we must build the dams and these costs we cannot escape.

It has been my subcommittee handling funds for the Corps of Army Engineers that has approved and recommended money for the construction of dams and hydroelectric plants.

To make possible the transmission and distribution of power to the farms of the country, it was necessary, first, to create the Rural Electrification Administration; and, second, to provide such administration with funds for the making of loans to the several cooperatives so that the lines and facilities might be constructed.

It was my Committee on Agriculture and Forestry which developed and recommended and caused to be created the REA system.

Again, it was the subcommittee handling funds for the Agriculture Department, of which I am an ex officio member, that has approved and recommended funds for making the necessary loans.

Again, it is the subcommittee handling funds for the Interior Department, of which I am a member, that is approving and recommending funds for connecting the power dams years before they are completed.

These expenses are necessary and cannot be avoided.

Electric rates based upon the costs of developing hydroelectric power and the costs of the necessary connecting backbone transmission lines, together with the costs of interest, maintenance, and operation, should be reasonably low.

In the Columbia River area of the Northwest, the rates to the co-ops are the lowest in the United States and average some 3.5 mills per kilowatt-hour.

In the Tennessee Valley area the rates to the co-ops average some 5.2 mills per kilowatt-hour.

In the Southwestern Power Administration area, embracing my State of Oklahoma, the rates approved by the Federal Power Commission are some 5.8 mills per kilowatt-hour, and a rate of 5 mills per kilowatt-hour is now being offered by the major power companies to the REA cooperatives located in Oklahoma.

If the SPA plan for steam plants and a vast network of transmission and distributing lines is approved by the Congress, and constructed at the cost of some $350,000,000, with an annual maintenance, interest, and operation cost in the sum of $18,959,080 average estimated through 1965 in the 1945 plan, then the power rates in my section of the country must, of necessity, be vastly increased, and it is this initial cost and the perpetual maintenance, interest, and operating costs that I am opposing here today.

The question may be asked: "How may farmers get the cheap power from the hydro dams unless the steam plants and the transmission lines are constructed?" The answer is: "By embodying the principles of the Texas Power & Light contract into contracts to be made between the Government and the several local electric distributing companies." In the State of Texas, under the provisions of the Texas Power & Light contract, not a single steam

plant and not even 1 mile of extra transmission line has been constructed save a short connection between the power plant at the Denison Dam and the nearest transmission line of the Texas Power & Light Co.

I have just exhibited a map to the Senate. Recheck the map and Senators will see a multitude of red lines indicating the plan originally made for the building of transmission lines over the State of Texas. Because there was developed a contract known as the Texas Power & Light contract in Texas, not a single one of those red lines have matured into a transmission line. Not a single mile of transmission line has been built in the great State of Texas because there is no need for the building of the line. The Denison Dam is only a few miles from a main transmission line belonging to the Texas Power & Light Co. A short connection was made and all the power produced at the Denison Dam was fed into the Texas Power & Light Co.'s existing lines. The contract provides, in brief, that of the power fed into those lines the Government can take out 70 percent and deliver it at any point it sees fit where the Government has commitments.

Meanwhile the Texas Power & Light Co. is buying all the output of that dam and paying for it, as I understand, in excess of 5 mills per kilowatt-hour. The Texas Power & Light Co. transmits the power, and as the Government makes its contracts with REA or with great Army camps and great naval installations, of each of which there are a number in Texas, and with other public bodies to deliver power to any of them, the Government has the right under the contract to take out the power that is needed, deliver it, and fulfill its commitments.

Mr. President, if it has been good and is now good for Texas to have a contract embodying these principles, thus avoiding an expense of from at least $75,000,000 to $100,000,000 in building duplicate lines, why would it not be equally good for my State of Oklahoma, and why would it not be equally good for the great State of Arkansas?

Let me say a word in passing. No State in the Nation has greater possibilities than has the State of Arkansas. Arkansas has everything. It has fine water, fine land, fine products. It has unknown and unmeasured natural resources. The Government is now building in Arkansas a number of power dams. A vast amount of electricity will be produced in that State. That electricity will be connected by a great system covering my State of Oklahoma. Here is Arkansas side by side with Oklahoma.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. McCLELLAN. I appreciate very much the Senator's complimentary reference to my native State and the State which I am honored in part to represent in this body. The Senator is correct that Arkansas is one of the States which has the greatest potentialities for growth and development in the future, and this program of developing hydroelectric power is hastening the day when Arkansas will come into its own. We are very much interested in the program and in the development of the great natural resources which we possess.

I should like to ask the Senator a question in this connection. Let us say the dams are built, and are generating power. Is it not true that in order to secure the maximum benefits of the power thus developed we must have what is termed firm power, power produced by a fuel-burning plant, in order to firm up the central power which is generated at the dams?

Mr. THOMAS of Oklahoma. I am glad to have that question asked. The answer is plain to anyone who has thought about the program. As I stated a moment ago, there are only two rivers, so far as I know, in the United States, where the water is constant. One is the Snake River in the far Northwest. I believe the other river is in the State of Montana, but I am not sure about that. The Columbia River approaches perfection from the standpoint of constancy of water. In the Snake system and Montana River system—but not in the Columbia Basin—it is not necessary to have any steam stand-by plants. The water there is ample. The turbines can be operated 365 days a year with no diminution of the output.

Mr. THYE. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. THYE. Would not the Senator include the St. Lawrence seaway as another source of water which would be constant or uniform?

Mr. THOMAS of Oklahoma. I think the Senator is correct, but I have made no study of that system. I do not know how low the water gets in the St. Lawrence River. Most Senators have visited the great St. Lawrence area. Many, no doubt, have spent some happy times there in their younger days. I have not had the privilege of inspecting even the great fall. On the map yonder can be seen a proposed authority, already existing in the mind of someone, which as soon as the St. Lawrence program is developed will become a reality in that area, to sell the dispose of the power.

As I stated a while ago, in my section of the State the water is not constant. We have heavy flash rains and floods. Great damage is done by the floods. Then we have dry spells. The only way we can have the benefit of power is to build vast dams to stop the floods in the first instance, then to hold a certain amount of water in the dams for the developing of hydroelectric energy. I have seen times in my section of Oklahoma, however, when the drought has lasted so long that the vast rivers were entirely dry. I say "vast rivers." They are considered vast in our section of the country. I have seen dry the Cimarron, the North Canadian, the South Canadian, and even the Red River. Yet we have a large dam at Denison which makes a gigantic lake, one of the finest bodies of water created artificially in the world. The lake is called Lake Texhoma, a combination of Texas and Oklahoma. We have a vast power pool there, a vast power potential. We are installing machinery. As soon as the power line is constructed from Denison to Norfork that power will become available.

But, Mr. President, we cannot depend upon hydropower in my section of the country. Even in the great Tennessee Valley, where they have more rain than we have farther west, we found it necessary to start construction of an electrical steam plant in that area. When the Tennessee Valley Authority was inaugurated there were a number of steam plants throughout the Tennessee Valley. They were getting along fairly well with the then population and the then number of factories. But when cheap power was developed there was a movement of population and industries into that valley. Northern industries, eastern industries, western industries, and even southern industries, seeing the advantage of cheap power, moved into the Tennessee Valley. Now it is a beehive of activity. They are using more power than the hydroturbines produce, because they do not have dependable water at all seasons of the year, and although all the existing stand-by steam plants are being used to their capacity when water is low, still they do not have enough power. So the present Congress appropriated money to start construction of a gigantic steam plant at New Johnsonville, Tenn., an absolute necessity.

If we had known years ago that this development was coming, I am not sure that Congress would have initiated the TVA system. I was in the Senate at that time. The bill was reported from the Committee on Agriculture and Forestry. The famous and distinguished Senator Norris was the author of that bill. The argument before the committee at that time was that the Nation needed a yardstick to ascertain how much it cost to produce power. A bill was formulated, reported, and passed, as a means of creating a yardstick to see what power cost. After the movement was started it spread until today the Tennessee Valley area is soon to be swallowed up and surrounded by the Southeastern Power Administration if the other body has its will. I do not know what will happen; but I prophesy that if the Southeastern Power Administration is developed, immediately a fight will start between the TVA and the Southeastern Power Authority. That, I am trying to avoid.

In my section we must have steam to firm up hydro power. In dry times we have no power in that area. We have steam plants there now, as there were steam plants in the Tennessee Valley when the Tennessee Valley Authority was created. I am hoping that when we develop hydro power in the Southwest people will move into our area and factories will come into our area, resulting in a greatly increased demand for power and making it necessary not only to use every kilowatt of hydro power but to build a vast number of steam plants.

That does not imply, however, that such steam plants must be built by the Federal Government. So long as we keep free enterprise in existence in this country the private power companies can build their own steam plants, and they will build their own steam plants. But if the giant monopoly portrayed in two sentences in a recent report from the Secretary of the Interior comes into being, then the credit of every private

power plant in the Nation will be destroyed. Already in some parts of the country private power companies are finding it difficult to float their bonds and debentures. I have no brief for any power company. I committed myself to the program I am announcing here today, at the dedication of the Denison Dam on the 1st of July 1944. That was before Congress enacted section 5 of the 1944 Flood Control Act. Later in my address I shall insert in the RECORD that part of my Denison Dam dedicatory address referring to power.

Luckily for me, I outlined in some detail the program which I thought should be followed. It is gratifying to me to know that the Texas contract has outlined in detail the principles I asserted in my dedicatory speech at the Denison Dam on July 1, 1944. I committed myself then. I have not changed. I have the same opinion now.

The program which the committee recommends is a program which will serve the best interests of every man, woman, and child in America; and if I fail to show that before I conclude, I shall expect the committee report to be overturned.

Again let me say that if it is good for Texas and good for the Government to forego the building over the great State of Texas of all the red lines shown on the chart, it should be equally good to adopt the same program in the States of Louisiana, Arkansas, Missouri, Kansas, and my own State of Oklahoma. It can be done; and if it is done, future Congresses will not be requested to appropriate vast sums of money to build either steam plants or transmission lines.

There is no request here to build steam plants in Texas. There is no request here to build transmission lines in Texas. If the program favored by the committee and recommended in the committee report is adopted by this Congress, what has happened in Texas will happen all through that area. That is not all, Mr. President. It may happen in some areas outside the Southwest.

(At this point Mr. THOMAS of Oklahoma yielded to Mr. TYDINGS for the consideration of certain routine nominations in the armed forces. Debate ensued, which, on request of Mr. TYDINGS, and by unanimous consent, was ordered to be printed in the RECORD at the conclusion of the remarks of Mr. THOMAS of Oklahoma.)

Mr. THOMAS of Oklahoma. Mr. President, I am about through. The SPA Administrator developed the Texas Power & Light contract, and such contract was approved in Washington. That accounts for the absence of the red lines covering thousands of miles in Texas. There is now no occasion for those red lines. There is no application for money to build those lines. The Administrator at the headquarters at Tulsa, Mr. Douglas Wright, is an estimable and able gentleman and a high-class engineer. He developed this contract, making it unnecessary for the Government to spend a single penny in serving that great State with such hydroelectric power as we are now able to develop.

Mr. CHAVEZ. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). Does the Senator from Oklahoma yield to the Senator from New Mexico?

Mr. THOMAS of Oklahoma. I am glad to yield to the Senator from New Mexico.

Mr. CHAVEZ. In order to be clear in my own mind regarding what happened before the subcommittee and before the full committee, let me say that I believe the Senator from Oklahoma has stated correctly what I had in mind. It appears to me that Mr. Douglas Wright stated to the committee that he was satisfied with the contract with the Texas Power & Light Co.

Mr. THOMAS of Oklahoma. I shall place that in the RECORD in a moment. That is correct.

Mr. CHAVEZ. Very well. If my memory serves me correctly, the committee decided, after hearing the testimony from the other companies that they were willing to make the same kind of contract that was satisfactory to Mr. Wright——

Mr. THOMAS of Oklahoma. The Senator from New Mexico is again correct.

Mr. CHAVEZ. Is it not a fact that all the committee did was to say, in effect, "All right; if the Federal Government gets a contract with the Texas Power & Light Co. that is satisfactory to both the Federal Government and the people of that area, why would it not be well, as long as the other power companies are willing to make the same kind of contract with the Southwestern Power Authority, to give them an opportunity to do so?" Is that correct?

Mr. THOMAS of Oklahoma. The Senator is a third time correct. In fact, he is always correct.

Mr. CHAVEZ. That is very kind of the Senator.

Was it not the attitude of the committee: "All right; let us give these private concerns an opportunity to make the same kind of contract the Southwestern Power Authority would be willing to accept; and if they do not, we can come back in January and take further steps"? Is that correct?

Mr. THOMAS of Oklahoma. The Senator is correct.

Mr. President, the only point discussed by the committee was a plan for forcing through, all over the southwestern area, a contract similar to the Texas contract. It was the opinion of some members of the committee that we should appropriate according to the Southwestern Power Authority figures, and should put the money in the hands of the Administrator. Then the Administrator could have that money to be used as a club over the private power companies; in effect, it would enable him to say to them, "If you are unwilling to sign a contract similar to the Texas contract, we will proceed to build the lines as outlined in our program." On the other hand, if they did sign contracts, that would imply that the Authority would not build the lines, save only the lines regarded as necessary by the Federal Government.

Mr. President, the Congress always has a club in its hands, and it is the largest club in the world.

Mr. KERR. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. KERR. Was not the situation the Senator has described—that of letting the Administrator have in hand the money for the building of the lines if the contract was not negotiated—the same situation which existed in reference to the Southwest Power & Light contract?

Mr. THOMAS of Oklahoma. That is correct. There is no difference between my distinguished colleague and myself. I was a candidate in 1944. I took that position then and announced it, and it is still my position. My colleague was a candidate in 1948. He took his position in 1948, and to his credit he is still insisting that his position is correct. He may be correct; I may be wrong. That remains to be seen.

Mr. CHAVEZ. Mr. President, if the Senator will further yield, I should like to clear the RECORD in connection with this matter, if the Senator from Oklahoma will permit me to do so. I am not opposed to public power. As a matter of fact, I am in favor of public power.

Mr. THOMAS of Oklahoma. I am in favor of more public power.

Mr. CHAVEZ. I am in favor of more public power, too. But if private enterprise is willing to spend money for the distribution of power which the Federal Government provides, I cannot see where we shall be doing anything wrong if we permit private enterprise to make that expenditure, and thus save the money of the American taxpayers, provided, of course, that the ultimate results in the way of distributing public power are accomplished.

I do not like the attitude which seems to prevail in certain quarters, that because we provide public power at the Denison Dam or some dam in Arkansas, Oklahoma, New Mexico, or elsewhere, to be distributed to the people, we should be criticized, or those who believe in public power should be criticized, if, after we find that private enterprise is willing to spend its money to distribute that power, we let private enterprise do so, rather than spend the money of the taxpayers for that purpose.

Mr. THOMAS of Oklahoma. I thank the Senator.

Mr. President, there are some arguments which can be made against the position I am trying to make clear. The argument will be made upon this floor in the next few minutes or few hours that when the Congress decides to deny a part of this appropriation to the Southwestern Power Administration, thus forcing the Administrator to sign a contract similar to the Texas contract, when that times comes there will be a private monopoly, and the private monopoly will cast its greedy eyes about and will proceed to raise rates as high as the traffic will stand. Mr. President, that position is not tenable. Before the Government, for example, can establish a rate in my territory or in the southeastern territory or anywhere else in the United States, the body which produces the power must submit its program to the Federal Power Commission. After hearings and consideration, the Federal Power Commission either approves or disapproves the rate or modifies it. There is not a single public power rate in the United States in

existence today that has not been approved, so far as I know, by the Federal Power Commission. When the Federal Power Commission approves the rate, the rate cannot be raised without the consent of that Commission.

The argument that this will be a monopoly is not tenable. The argument that if and when it gets to be a monopoly, the rate will be raised to the height of the ability of the people to pay, likewise is not tenable, let me say; for I believe I would take my chances in dealing with the head of a public power concern in my home town or my home State in preference to having to come to Washington and deal with some bureaucrat who never was elected to any position, and try to obtain consideration at the hands of a power-mad bureaucrat here in the Government at Washington. As between them, I have made my choice. I think I shall have no occasion to change it.

If I go down to the various departments along Constitution Avenue, I find that the bureaucrats listen to me, but that is about all they do. Were it not for the power which we hold in our hands as Members of the Congress, we would receive no consideration whatever at the hands of some of these nonelected officials presiding at the Capital of our Nation.

Mr. President, I come now to show who is in favor of the program I am trying to explain. Speaker RAYBURN represents the congressional district immediately adjacent the Denison Dam. There is the fine home of the great Speaker of the House of Representatives. Speaker RAYBURN approves of the plan embraced in the Texas power and light contract. In a moment I shall insert his letter in the RECORD.

The Texas Power & Light contract, made and executed in 1947, more than 3 years after I announced my policy at the dedication of Denison Dam, sets forth in detail the plan for the distribution of public power outlined by me in my speech made on July 1, 1944, on the occasion of the dedication of the Denison Dam-Lake Texoma flood-control power project. They are similar, if not identical. Mr. President, at this point I ask permission to insert in the RECORD as a part of my remarks a copy of that part of my Denison Dam dedication speech which referred to the distribution of public power.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

How will this power be distributed?

Public power, as a rule, is produced as a byproduct of flood control, reclamation, and navigation developments.

The Government should not, in my judgment, enter the field of power development in such a manner as to destroy the value of existing power facilities which have served and are serving the wants and needs of the people.

It seems to me that a cooperative plan of power development and distribution may be worked out whereby the people in the cities and on the farms may receive the benefits of such power at reasonable rates.

Such a plan should embrace a program wherein the Government may create the electrical energy and the existing distributing systems may take the current at the point of manufacture and thereby both the Government and the existing systems may profit by such cooperative plan of operation.

Former Senator James P. Pope, now a Director of the Tennessee Valley Authority, has just made the following statement:

"There is no doubt but that this cooperative effort, which makes for efficiency, economy, and better service, is here to stay and will play an increasingly important part in the future development of the public and private power industry."

Unless this policy is adopted the Government will be forced to build stand-by steam plants and in addition will have to build transmission and distributing lines in order to deliver the electricity to the consumers.

The Government is interested in making a success of its flood control, reclamation, and navigation power developments.

The public is interested in securing electricity at a reasonable price.

These two interests can be harmonized and adjusted to the benefit of both the Government and the consumers.

This is one of the problems that must be solved and when it is solved it must take into consideration the injury done by removing property from taxation and then it must give credit to the values which may be created as the direct result of the making available of an abundance of cheap power.

Mr. THOMAS of Oklahoma. Mr. President, after 4 years of hearings and consideration, the committee recommends as follows:

First. That funds be appropriated to construct main transmission lines connecting all power dams in any one region or area; and

Second. That the Secretary of the Interior be directed to make contracts embracing the principles of the Texas Power and Light contract, with the several local distributing companies whereby hydro power may be firmed up by existing systems of steam plants and transmitted over existing systems of lines at rates to to fixed by the Federal Power Commission.

The committee also recommends that ample funds be provided to connect the two dams, the one at Denison, the other at Norfork, in Arkansas. These two dams are now in operation. The committee further recommends that sufficient funds be appropriated to build lines to the three dams, one at Fort Gibson, in my State, which involves building a connection from the main backbone line to Fort Gibson, building a second branch line from the main line to the Tenkiller Ferry Dam, and third, building a dam from the Norfork existing power plant to the Bull Shoals Power Plant to be. Neither of these three dams is ready for production. They will not be ready for from 3 to 5 years, depending upon how rapidly the money is provided. Were it not for the drain upon the Treasury, with ample funds we could rush to completion these three dams and get power much more quickly. But, Mr. President, we are having difficulty now in getting the budget estimates approved by the conference committee. Already a number of the items have been agreed to, and the budget estimates have been substantially reduced.

Mr. President, I desire to explain for a moment the Texas contract. In order to do so, I shall not take the time of the Senate, but I ask that at this point in my remarks the statement of what the Texas contract means, as outlined by Mr. Wright, the Administrator of the SPA, be placed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

DOUGLAS WRIGHT EXPLAINS DETAILS OF TEXAS POWER & LIGHT CO.-SOUTHWESTERN POWER ADMINISTRATION CONTRACT TO HOUSE COMMITTEE DURING HEARINGS ON INTERIOR DEPARTMENT APPROPRIATIONS BILL FOR FISCAL YEAR 1948

We have just completed the negotiation of a contract with the Texas Power & Light Co. which will provide, so far as I know, the first arrangement in this country where a public power operation and a private utility company have contracted with each other for the integration of their systems, the carrying of each other's power and arrangements which utilize all the facilities there.

This contract provides substantially as follows: We deliver to the Texas Power & Light Co. system half the power at Denison, which comprises 35,000 kilowatts of capacity, about 148,000,000 kilowatt-hours of energy—70,000,000 of it primary, the balance secondary—and a reserve unit, when it is constructed, into their system. They propose to allow us to take out of their system at any point, for the service of our customers, 25,000 kilowatts of load at any load factor. Until we take power out, they pay us the value of that power at our rate, and as we take it out the company's payment is reduced to us proportionately as to the amount we have taken out. Thus the Government immediately achieves the full sale of its power and as it sells power to preferred customers, under the Flood Control Act, it withdraws power from the company's and the company's payment to us is reduced. Obviously, the company could not do that without protecting itself from what we might do to their business.

We have worked out three forms of protection that seem to be mutually agreeable. One is that we shall not serve a town over the company's lines where the company is serving retail consumers—and there are some towns down there where the company has part of the town and a municipal operation has the other part. There is no prohibition against our doing this, but we will have to build a line from the Denison Dam to any such customer.

We do not ask the company to carry the power to put itself out of business, which is perfectly fair and reasonable. The Congress can then decide whether or not they want to build a line and serve any customer to which the company will not deliver power.

The second restriction is, if we pick up any customer other than rural cooperatives or federally owned loads, which are now served by the company, we suffer a financial penalty, or a penalty in withdrawal, between what the company would have charged this customer at his rate and what our rate is. That is to see that we do not go and pirate the company's area with their own lines, which also seems fair and reasonable.

The third restriction is that if we take a customer from a utility company in the area around the Texas Power & Light Co., who is interconnected with that company and buying power from him, we lose some right of withdrawal. There is no prohibition against doing it, but the penalty is such that you would think twice before you would do it.

There is enough load of the REA cooperatives and other preferred customers to absorb immediately all the power from the Denison Dam in this area in Texas [indicating]. There are 5,000 kilowatts of Federal load, there are 12,000 kilowatts of REA load, and possibly 10,000 kilowatts of load generated by municipally owned plants. The

power available will be 25,000 kilowatts and you have immediate requirements for at least 27,000 kilowatts.

The company proposes to cancel its existing contracts with the preferred customers and turn them over to Government immediately. That is entirely satisfactory to them.

The arrangements to the north [note: meaning Oklahoma] will probably be somewhat different. I think we can work out arrangements to the north whereby the companies will agree to carry our power to REA cooperatives, and to towns that own their own municipal systems and which generate their own power; possibly also to towns that buy power from them wholesale, but I am not sure.

The operation is beneficial to both because it throws into the company's picture a great deal of capacity, which is very valuable to them on a peaking basis. (Interior Department appropriations bill, 1948, House hearings, pt. 2, pp. 265–266.)

Mr. THOMAS of Oklahoma. Mr. President, after the Texas contract was made, the Southwestern Power Administrator, Mr. Wright, was in Washington, appearing before congressional committees, trying to justify his request for $9,000,000 this year and a balance of $31,000,000 over the next 3 years. I desire to quote some questions and answers taken from the official records of the hearings in the House of Representatives. In part II, at page 57 of the House hearings for this year, Mr. JACKSON, a member of the committee, asked Mr. Wright these questions and received these replies:

The Texas Power & Light Co. is now serving some of the REA co-ops in Texas and other preferred customers?

Mr. WRIGHT. That is right; they are serving them for us under our contracts with the cooperatives.

Mr. JACKSON. It is working out well?

Mr. WRIGHT. Very well.

Later, on page 66, Mr. Wright said:

If we had had a reasonable offer, as in the case of the Texas Power & Light Co., where I thought it was reasonable, it did not make a bit of difference to me what anybody else in the Department of the Interior or anyone else thought. I recommended the Texas Power contract and I stayed with that recommendation, because I thought it was a good, fair deal for both sides.

Then, in part two, at page 1069, Mr. Wright is further quoted as follows:

The type of arrangements we have effectuated with the Texas Power & Light Co. can be used with several companies; as a matter of fact, we have proposed that it be used with both the Oklahoma companies together for the power to be sent north from the Denison Dam.

That means north in my State of Oklahoma.

Mr. President, Mr. Wright approves that form. He developed the contract. He signed the contract. It was approved in Washington. All we are asking is the chance now to enter into contracts similar to that with the great company in the State of Texas.

Mr. CHAVEZ. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from New Mexico?

Mr. THOMAS of Oklahoma. I am glad to yield.

Mr. CHAVEZ. Is it not true that Mr. Wright stated before the committee that he would approve all contracts if they were similar to the Texas contract, but that, until now, the other private concerns there had not submitted the kind of contract that would be similar to the Texas contract, and that was why he had not approved them?

Mr. THOMAS of Oklahoma. That is my understanding.

Mr. CHAVEZ. But is it not also true there was some testimony before the committee that private concerns within the area, that would be either the beneficiaries or the firms served with public power in that particular area, stated to the committee they were willing to sign a contract such as the Texas contract?

Mr. THOMAS of Oklahoma. Again, as always, the Senator is correct, Mr. President.

Mr. McCLELLAN. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Arkansas?

Mr. THOMAS of Oklahoma. I am glad to yield.

Mr. McCLELLAN. Is it not further true that some of those companies have already tendered to the Southwest Power Administrator contracts identical in form with the Texas contract?

Mr. THOMAS of Oklahoma. Mr. President, I have in my brief case, which I am unable to lay my hand on for the moment, a copy of the Texas contract. Each of the 10 companies operating in the Southwest has affixed its signature to the contract, and although I have not seen the letter, I am advised the contract thus signed was forwarded to Mr. Wright, who now has it in his files. The letter contained a recommendation or a statement of willingness on the part of the companies to sign the exact provisions of the Texas contract, with the necessary change of names and dates, or that they will modify the contract in any way consistent with those principles that may be suggested by the Government's agent.

Mr. President, sometime ago a Mr. Clyde T. Ellis, who was at one time a Member of the House of Representatives and was later the organizer of the several REA's of the Nation into one group, and who now is appearing in Washington frequently before congressional committees, urging appropriations, wrote Speaker RAYBURN a letter. I do not have a copy of his letter, but I do have a copy of Speaker RAYBURN'S reply, and from the reply we can gather, I think, the nature of the letter sent to the Speaker by former Representative Ellis. I will say for Mr. Ellis that he is a man of great ability and with a pleasing personality, and is one of the most effective lobbyists who has ever come before a committee of the Congress of which I am a member. He has the facility of having people meet him in Washington at any time. Any time he has an interest in a particular subject great numbers of persons come, not invited, and without the knowledge or consent of Mr. Ellis. In any event, Mr. Ellis wrote Speaker RAYBURN a letter on January 2, 1948, and Speaker RAYBURN replied to Mr. Ellis in the following words:

HOUSE OF REPRESENTATIVES,
Washington, D. C., January 22, 1948.

Mr. CLYDE T. ELLIS,
National Rural Electric Cooperative,
Washington, D. C.

DEAR CLYDE: I have yours enclosing copy of letter that you wrote Douglas Wright with reference to the contract between the Southwestern Power Administration and the Texas Power & Light Co. I have also been told by several Members that you have written them about this contract. I simply have this to say and that is that I was kept informed at all times of the progress of the negotiations between the Southwestern Power Administration and the Texas Power & Light Co. I think I know that the contract was a good thing for the Southwestern Power Administration and rural electrification in the area covered by the contract. Every rural electric cooperative in that area that has been offered a contract with the Southwestern Power Administration since have gladly accepted it and are indeed well pleased with it. With justice to both sides, Southwestern Power Administration and the Texas Power & Light Co. have demonstrated that where both parties want to do the right thing, they can cooperate and work together. We are assured plenty of power to operate our rural electrification cooperatives by mutual exchanges and the Texas Power & Light Co. carries SPA power over their lines at a reasonable rate and SPA carries TPL power at a reasonable rate. I think it is a good contract, not hurtful to the Southwestern Power Administration nor the Texas Power & Light Co., but mutually benefits both in the long run.

I am still quoting from Speaker RAYBURN'S letter to Mr. Ellis—

I do not know any language except the language of candor and I want to say to you that I think your fight on this contract is doing a real disservice, not only to the Rural Electrification Administration, the Southwestern Power Administration, but to public power in general. I think I can qualify as a friend of rural electrification because Senator Norris and I pioneered rural electrification—he, passing the bill to authorize rural electrification through the Senate, and I, passing it through the House—

Speaker RAYBURN is saying this to Mr. Ellis—

Let me suggest to you that all of us who are deeply interested in rural electrification should work together and not go in different directions. I know to do otherwise would cripple and is crippling our program for expansion of this great service to the people.

Sincerely yours,

SAM RAYBURN.

Mr. President, Mr. RAYBURN is not the only official of the Government who approves of this class of activity. On an investigation, exploration, and pleasure trip last fall, the President of the United States made a tour of the West. He is always welcome there. On this tour he visited the great State of Arizona. He stopped at Phoenix, a most pleasant place at which to stop, and, while there, he had occasion to meet a great number of his friends, and in an address to them he said:

You are fortunate here in Arizona that the private utilities and the public-power agencies have shown a fine spirit of cooperation with the Federal Government in the development and transmission of power.

Mr. President, that is being done in Arizona, it is being done in Texas, and,

in a moment, I shall tell the Senator other places in which it is being done. All I am asking is that what is being done in Arizona and other places be accorded to the people of my State of Oklahoma.

The only other gentleman living who has held the exalted office of President is Mr. Herbert Hoover. Not long ago President Truman appointed Mr. Hoover as the head of a commission to consider the structure of our Government. He was requested to submit some recommendations, if he found that recommendations could be submitted, in the hope of improving the affairs and the structure of the Federal Government. In Mr. Hoover's report there is found this recommendation:

> That the Congress consider in each case whether the transmission and distribution of power can be secured under advantageous long-term contracts by selling the power at the generating plant (bus-bar) before deciding to authorize the construction of Government transmission and distribution lines.

Mr. President, no one could possibly accuse Mr. Hoover of being interested in anything other than a recommendation for the best interests of all the people of the Nation, and on this identical issue he recommends that before we begin to build the plants, before we begin to spend the people's money to build competing, duplicating, and unnecessary transmission lines, a survey be made, and if we find we can sell the power and get it to the consumers without the necessity of building steam plants and transmission lines at great expense that at least such a program be considered. That is exactly the program contained in the Texas Power & Light contract. It is exactly the program which, after some deliberation, I determined to be a proper program, and so announced on July 1, 1944, at the dedication of the Denison Dam.

Mr. President, under the program which the committee recommends we will not have to appropriate any money with which to build steam plants. We will use the plants we have. We will not have to appropriate money to build transmission lines. We will use the lines we have, exactly as the steam plants and transmission lines are being used in the State of Texas.

If we take over and destroy the existing electric systems, what will happen? Already the credit of some of these concerns, if not destroyed, is badly injured in certain parts of the United States. If this plan continues in operation for another year, who would want to buy an electric-company bond? No one would, because with the program now sought to be effectuated, the program outlined on the map before the Senate, and already in the process of construction, it will not be long before bonds and preferred stocks and debentures of such companies will be next to worthless.

If these companies are forced out of existence, then they will pay no taxes. They pay taxes now. There are two major companies in my State, and the two together paid taxes last year of $8,161,054. One of the companies paid, of that sum, $3,626,746, the other company paid $4,534,308, making the total I have mentioned.

If the program now before the Senate is continued, and the Government builds the system indicated by the red lines over my State, these two power companies cannot exist. They cannot compete with the Government. The companies would fold up, and the State would not collect the $8,000,000 in taxes. A part of it goes to the Federal Government, and a part to the cities, a part to the State, a part to the counties, and a part to the districts. My State, my counties, my cities, cannot afford to lose that $8,000,000.

Mr. President, that is not all. According to the Edison Electric Institute, all the electric power companies in the country paid in taxes last year $731,000,000. That is almost three-quarters of a billion dollars. Can the Treasury afford to lose that three-quarters of a billion dollars? It would not all go to the Federal Treasury itself, but $308,000,000 of it went to the Federal Treasury last year. More than that, $84,000,000 in miscellaneous taxes charged to these companies went to the Federal Treasury, and $321,000,000 went to the States, counties, cities, and districts. Can these States, these cities, these counties, and these districts throughout the Nation afford to lose almost a half billion dollars in taxes? That is what will surely happen if that power empire is developed, which will mean that the present companies will be forced to close.

Mr. President, the way power is now expanding, in the next few years the present companies, if permitted to operate, will be paying more than a billion dollars in taxes. If they are forced to close that billion dollars will never come to the Treasury of the United States, to the States, counties, and cities.

Just another word or two, Mr. President. I know the people want cheap power rates. They first want ample power, delivered, if not at the front door, at the back door. They want the power, and they want plenty of it. They want the power at the cheapest rates at which power can be secured.

I said earlier in my remarks that my State of Oklahoma has the second lowest rate among the States in the Nation, second only to the power rates charged in the Bonneville area. In the Bonneville Power Administration territory, on either side of the Columbia River, in Washington, Oregon, and adjacent States, energy can be made and is being made at the rate of 3.6 mills per kilowatt-hour, slightly more than three and a half mills. That is the power rate charged by that Administration.

In my State of Oklahoma the REA's are now getting their power at a little more than 6 mills in some areas, and in other areas I think it is a little less than 6 mills. But the power companies in my State have made an offer to the REA's of a flat 5-mill rate. They are solvent. They have made application to the Oklahoma regulatory body, known as the corporation commission. The application has been approved, but has not been announced. In that application they agree to furnish the REA cooperatives the rate of 5 mills per kilowatt-hour. If the rate is approved by the corporation commission, and likewise by the Federal Power Commission—which is necessary, because it is an interstate area—those companies will be bound by the contract which they will make. The rate will be 5 mills per kilowatt-hour during the life of the contract.

Across the line in Texas the rates are a little higher. The rates there are 6.6 mills per kilowatt-hour. In our sister State of Georgia, where power is being developed—and I shall come to that in a moment—the approved rate is 6.7 mills per kilowatt-hour, charged by the Georgia Power Co., with the approval of the Federal Power Commission.

In New Hampshire, in the far northeast, the rate the REA's have to pay is 13.9 mills per kilowatt-hour.

In the great State of Wisconsin there is a gigantic power plant known as Dairyland. It is an REA institution, I am advised, and the rate charged by the REA power plant at Dairyland I am told is 14.6 mills per kilowatt-hour. So the rate in my State is one-third the REA rate in the great State of Wisconsin.

Mr. President, that can be explained. In my State we are most fortunate. We have an abundance of cheap coal. We have an abundance of cheap oil. We have an abundance of cheap gas. The gas wells in the State of Oklahoma when first drilled are uncontrolled and uncontrollable. In the daytime vast flames shoot high into the air and at night they light up the surrounding countryside. I have seen gas wells gushing for more than a year before they could be controlled. My State is underlain with gas. The gas is cheap. Power made by steam generating plants is cheap.

Mr. President, I have stated the rates in the various sections of the country. I shall now place in the RECORD the figures showing what the War Department is paying for its electric power. It is assumed that the contracting authorities and purchasing agents of the War Department are good businessmen. It is assumed they are getting their requirements of power at low rates, or at least at reasonable rates, and I shall now state the figures the War Department is paying.

In the northeastern section of the United States they are paying 14 mills per kilowatt-hour for the Army requirements.

In Maryland, Virginia, and Pennsylvania the rate to the military authorities is 12 mills per kilowatt-hour.

In the Atlantic States, further south, the rate is 7 mills per kilowatt-hour.

In the Fort Sam Houston area in Texas the rate is 9 mills per kilowatt-hour.

At Chicago the rate is 12 mills per kilowatt-hour. San Francisco, 9 mills per kilowatt-hour. District of Columbia, 13 mills per kilowatt-hour.

So, Mr. President, when we remember the rates charged for REA power, and consider the rates paid by the Army, we find that the rates now in force and tendered in the southwestern power area of the United States are the lowest, second only to those of the Bonneville Power Administration.

Mr. President, I support Mr. Wright's Texas power contract. I support the testimony which he gave before the House

committee. I support the viewpoint of Speaker RAYBURN, who approves the Texas contract. I support the viewpoint and the statement made by President Truman at Phoenix, Ariz. I support the viewpoint and recommendation of the only living ex-President of the Nation, Mr. Hoover.

Why am I supporting this program, Mr. President? I am supporting it for the best of reasons. First, the program will enable the Government to get by far the largest amount of revenue of any plan which has been or can be proposed. Why do I make that statement? I make it for this reason: Under these contracts the Government makes the power, and the power companies take not merely the low water power, not the average power, not the firm power, but the power companies take it all. When the water is high they take the dump power. The Government could not sell the dump power to the consumer, because when the flood is gone his power would be gone. But the companies can take that power and put it into their systems. The steam plants can be slowed down while the flood is on, resulting in the saving of money which would otherwise go for gas, coal, and labor. As the water recedes and more power is needed the steam plants are fired up. At all times there is kept a constant, firm flow of power to the consumers of the area. Under this program the Government sells every kilowatt of its power and gets money for it. That is No. 1. That is a sufficient reason, to me at least, for supporting the program I have announced.

But that is not all. By entering the Texas program with the Texas Power Company, the Government saves money. On the one hand, it makes money by selling all its power. On the other hand, it saves money by not having to build any steam plants, by not having to build any transmission lines, by not having to hire a horde of Federal employees to operate the various systems located throughout the United States. That is another reason why I favor the program. It makes money on the one hand. It makes the most money possible for the Government. It saves money, on the other hand, by reason of the fact that the Government is not obliged to spend any money to do unnecessary things.

That, however, is not all, Mr. President. The system provides the consumers with more power. If the consumers, the REA's, and the public power customers, had to depend upon the hydro power, at times they would have no power when the water is low, unless there are steam plants in operation, and at times the power would not be firm and would not be satisfactory. But by feeding the hydro power into the various systems which have steam stand-by plants, the power is immediately made firm and the consumer obtains firm power. That is what he wants. The demand is for firm power. That is what we as a Congress should provide for the people of the United States. The Texas Power contract does that very identical thing.

Then the power which is provided under the Texas Power program will cost the consumers less. Under this program all they would have to pay is their loan to the local REA cooperative. Thereafter they pay the rate the cooperative fixes upon its local members. It is not necessary to pay any interest or amortization charges upon the hundreds of millions of dollars the Government would be obliged to spend to build its own transmission system and to build its own stand-by steam plants. If such system and plants are built someone must pay for them. If they are not paid for by the consumers by way of higher rates, then, Mr. President, they will be paid for by the people of the United States at large.

So, let me reiterate, the Texas Power and Light program, the program I favor, and which I have favored all these years, will result in more money coming to the Government. That is No. 1. It will save the Government untold millions of dollars. That is No. 2. It will give the consumer all the firm power he wants and can use. That is No. 3. Then No. 4: He will get power at the lowest possible rates consistent with sound business principles. What more can Congress provide?

Mr. President, during the hearings before the committee a faithful member of the committee attended most of the sessions. He was the distinguished junior Senator from Virginia [Mr. ROBERTSON]. He heard the testimony. When the testimony was completed he read what had been said. He took time to make an analysis of the testimony. I have a copy of his analysis. With his permission, I ask unanimous consent to have a copy of the analysis prepared by the junior Senator from Virginia inserted in the RECORD at the close of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. THOMAS of Oklahoma. Mr. President, let me make one or two other points before I conclude. I said the Texas Power and Light contract was a good thing. I have said that it should be extended throughout the country. I now report to the Senate that it is being extended throughout the country. In the center of the territory proposed to be created in the Southeastern Power Administration is the Tennessee Valley Authority. The Government is building three great dams in the area embraced in the TVA. One is at Dale Hollow, one is at Wolf Creek, Ky., and one is at Center Hill, Tenn. Those dams are being built by the Army engineers. The dams are flood-control dams, but they also provide power. Under section 5 of the Act of 1944 the engineers are directed to turn all the power these dams generate over to the Secretary of the Interior for distribution and sale. What is the Secretary doing with that power? A contract similar to the Texas contract has been entered into there. The Secretary has made a contract with the TVA whereby all the power which is to be generated at these three dams in the Tennessee Valley will be turned over at the bus bar to the Tennessee Valley Authority. The Tennessee Valley Authority will pay for all the power that is produced. For example, at Dale Hollow, which will be in production late this year or next year, and which will be the first one to come into production, all the power which can be developed will be taken by the Tennessee Valley Authority and paid for. Not a penny will have to be expended there to build a steam plant. Not a penny will have to be expended there for transmission lines. The Tennessee Valley Authority will build the line to the bus bar and take the power and pay for it. Is not that a good proposition? I commend the Government on the one hand for selling it to the Tennessee Valley Authority, and I commend the Tennessee Valley Authority on the other hand for being willing to buy it.

In the southeastern section of the country other power plants will come into operation soon. We shall have the Bugs Island hydroelectric plant. That is on a river between Virginia and North Carolina. That will come into production in 1952. We shall have the Phillpott plant in Virginia, which will come into production in 1952. The Clarks Hill hydroelectric power plant, with a flood-control element, in Georgia and South Carolina, will come into production in 1953. The Jim Woodruff plant in Georgia will come into production in 1953.

In Georgia there is a plant which is now almost ready for production of electric energy. It is the Allatoona plant, located in the great State of Georgia on the edge of the Tennessee Valley domain. That is a flood-control project. Congress has ordered the engineers to turn over all the power developed at the Allatoona plant in Georgia to the Secretary of the Interior for disposition. Because he did not have any money, I presume, and because this authority was not created, all he could do was to make a contract with the Georgia Power Co. whereby the Government sells all the power which can be generated, and the Georgia Power Co. buys it all and is willing to pay for it. They are not going to build any steam plants. They are unnecessary. They are not going to build any transmission lines. None is necessary. The Georgia Power Co. builds the line up to the dams, takes the power, and this is what it pays the Government: First, $510,000 a year, which is the overhead cost. Each year the Government gets $510,000 for the water which is called surplus and is used for making power. In addition, the Georgia Power Co. pays 3½ mills for firm power and 2 mills for the dump, flood, or secondary power. That is what we will get in the way of return from the Allatoona plant in Georgia. That is the Texas Power program in exact duplicate.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. WHERRY. The Senator states that that is the Texas Power contract. It that the Texas contract in principle, or the exact terms of the contract?

Mr. THOMAS of Oklahoma. It is the Texas contract in principle.

Mr. WHERRY. The theory is that the Government itself is selling to the Georgia Power Co., under the principles established in the Texas contract in the two sections which the Senator has already mentioned.

Mr. THOMAS of Oklahoma. That is correct.

Mr. WHERRY. That is the thing which is in question in connection with the Southwestern Power Authority.

Mr. THOMAS of Oklahoma. Exactly so. All I am asking is that the same policy now in force in the Tennessee Valley, whereby the Government sells power from its flood-control dams to the Tennessee Valley Authority, be applied in my State. All I am asking is that the same principles governing the contract between the Government and the Georgia Power Co. with respect to power from the Allatoona Dam be applied in my section of the country.

Mr. WHERRY. Is there any provision, in the event the Georgia Power Co. does not take the electrical energy, under which the Interior Department expects to build transmission lines, or parallel existing lines in that territory in order to distribute electrical energy?

Mr. THOMAS of Oklahoma. Naturally I do not know all the details. I have discussed the matter with those who are supposed to know, and I understand that when the Georgia Power Co. takes all the power it will cost it about 5½ mills, which it will pay to the Government. In turn, the Georgia Power Co. will firm up the power and transmit it, selling it to Rural Electrification Administration cooperatives, Army and Navy camps, public bodies, and other agencies, for 6.7 mills, or practically 7 mills.

Mr. President, to me this is wholly a one-sided issue. As I stated a moment ago, the request is for $9,000,000. That is the House figure. The Senate committee recommends that it be reduced to $3,000,000-plus, saving more than $5,000,000. So when the vote comes it will be on the issue whether we shall approve the Senate committee reduction or disapprove it. A vote "yea" means a vote in favor of the lower appropriation; and a vote "nay" means a vote in favor of the $9,000,000 appropriation.

Mr. WHERRY. Mr. President, will the Senator yield for a further question?

Mr. THOMAS of Oklahoma. I yield.

Mr. WHERRY. Is it not true that it is the understanding at least of the members of the committee that this opportunity should be given the private power companies, and that if they fail, then the issue will arise again next year?

Mr. THOMAS of Oklahoma. I stated a moment ago in answer to a question by the Senator from Nebraska that the Congress always has a club. We have a club just as big as we may want to make it. If the private power companies refuse to cooperate and honestly try to make a satisfactory contract to protect the Government's interest on the one hand and the interest of the consumers on the other, when we meet again, if I am here, I shall be released from my commitment. I shall vote for at least reasonable sums to start the building of any lines which may be necessary to transmit this power to the rural cooperatives and the consumers of the country.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. DONNELL. A little while ago, when the Senator turned the other way, I understood him to say that he did not have his brief case with him, but that there was some assurance of some kind, by way of a signed contract which had been sent to the Government, indicating that the various companies would sign a contract of the same nature as the Texas contract. Did I correctly understand the Senator?

Mr. THOMAS of Oklahoma. The Senator is correct.

Mr. DONNELL. I have in my hand a letter dated July 25, 1949, from R. K. Lane, chairman of negotiations for 10 companies, namely, the Arkansas-Missouri Power Co., the Arkansas Power & Light Co., the Empire District Electric Co., the Gulf States Utilities Co., the Louisiana Power & Light Co., the Missouri Public Service Corp., the Missouri Utilities Co., the Oklahoma Gas & Electric Co., the Public Service Co. of Oklahoma, and the Southwestern Gas & Electric Co. This letter seems to me to be in direct corroboration of what the distinguished Senator from Oklahoma has said. I wonder if he would have any objection to my reading the letter, or will he be kind enough to have it read into the RECORD?

Mr. THOMAS of Oklahoma. I shall be very glad to have it read. It is pertinent.

Mr. DONNELL. May I read it?

Mr. THOMAS of Oklahoma. If that may be done without my losing the floor.

The PRESIDING OFFICER. Without objection, permission is granted.

Mr. DONNELL. I take it the Senator from Oklahoma is acquainted with Mr. R. K. Lane, president of the Public Service Co. of Oklahoma, of Tulsa, Okla.?

Mr. THOMAS of Oklahoma. I am.

Mr. DONNELL. And I assume the Senator regards Mr. Lane's word as being worth while.

Mr. THOMAS of Oklahoma. There is no occasion for me to eulogize anyone from my State. I am for all of them. Mr. Lane is the head of the Public Service Co. of Oklahoma, at Tulsa, Okla. Like a great many others, he came from the backwoods—the sticks. He now holds a responsible position.

Before the Senator reads the letter, I exhibit to the Senate what purports to be an exact duplicate of the Texas contract. While this is a copy, it shows the signatures of the heads of the various power companies operating in the southwestern area of the United States.

I now yield to the Senator from Missouri.

Mr. DONNELL. Does that include all companies operating in that section of the country?

Mr. THOMAS of Oklahoma. It includes 10 companies. The Texas Light & Power Co. has its contract, so naturally the name of that company is not signed.

Mr. DONNELL. Excluding the Texas Light & Power Co., does it include all of them?

Mr. THOMAS of Oklahoma. Yes.

Mr. DONNELL. With the permission of the Senate, I shall read the letter:

WASHINGTON, D. C., *July 25, 1949.*

Hon. FORREST C. DONNELL,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: With reference to appropriations for the Southwestern Power Administration contained in the Department of the Interior appropriation bill, it has been suggested in the testimony of Mr. Douglas Wright Administrator of the Southwestern Power Administration, that the contracts which the private power companies in the area have executed and tendered to the Administrator materially differ from the contract which the Administration has entered into with the Texas Power & Light Co. covering the distribution of hydroelectric power from the Denison Dam on Red River.

In this connection, I am unanimously authorized by the companies submitting these contracts to say that they do not agree that this is a correct statement, and all of these companies now specifically state and make it clear that they stand ready and willing to execute agreements containing the identical provisions of the Texas Power & Light Co. contract with the Southwestern Power Administration.

The companies also want to make it clear that they will construct, maintain, and operate their systems such that they will be adequate to receive the hydroelectric power from the reservoir projects in the Southwest area and to deliver firm continuous power from their systems to the Government for the supply by the Government to its customers, as provided in the above-mentioned Texas Power & Light Co. contract.

Very truly yours,

R. K. LANE,
Chairman, Negotiations for the Southwestern Companies Tendering Contracts.

After the signature of the letter appear the names of the 10 companies I previously read.

Mr. President, will the Senator yield for a further question?

Mr. THOMAS of Oklahoma. I yield.

Mr. DONNELL. I hold in my hand a letter dated July 18, from Mr. Ellis, who was referred to by the Senator from Oklahoma. This is Mr. Clyde T. Ellis, executive manager of the National Rural Electric Cooperative Association. In the letter—and I am perfectly willing to introduce all of it for the RECORD, if that is desired—I notice that the opening paragraph reads as follows:

We feel absolutely certain that when you know the facts you will not be a party to forcing the abominable Texas contract upon us. However, if you go along with certain Senate Appropriations Committee amendments to the Interior bill, that is exactly what you will do. Those amendments will make "slaves" of us. That is what even the power companies themselves said a year ago.

That leads me to ask the Senator, if he will permit me to do so, whether he knows if the letter which Speaker RAYBURN wrote, and which the Senator read, was in response to a letter of similar tenor from Mr. Ellis?

Mr. THOMAS of Oklahoma. I am sorry that I cannot answer that question. Obviously Mr. Ellis sent letters to Members of Congress criticizing the Texas contracts and protesting any approval or semblance of approval of the contract. But further than that, I am not advised.

Mr. DONNELL. I thank the Senator.

Mr. THOMAS of Oklahoma. I thank the Senator from Missouri.

Mr. DONNELL. Mr. President, will the Senator yield for a moment further?

Mr. THOMAS of Oklahoma. I yield.

Mr. DONNELL. If the Senator will permit, inasmuch as we want both sides of this matter to be presented, I think it might be well to insert in the RECORD at this point the letter of Mr. Ellis, together with the papers which accompany it, which are several pages in length and contain an analysis of the Texas contract. Does the Senator from Oklahoma have any objection to having this matter go in at the conclusion of his remarks?

Mr. THOMAS of Oklahoma. I should be glad to have it incorporated in the RECORD following the analysis prepared by the Senator from Virginia [Mr. ROBERTSON] which has been ordered to be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. THYE. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. THYE. Will the distinguished Senator from Missouri make known just who Mr. Ellis is, so that the general public in reading the CONGRESSIONAL RECORD may understand the entire question?

Mr. DONNELL. With the permission of the Senator from Oklahoma, let me state that at the top of the letterhead the following appears:

National Rural Electric Cooperative Association, 1303 New Hampshire Avenue, Washington, D. C., Clyde T. Ellis, Executive Manager.

I understand this Mr. Ellis to be the same gentleman to whom the Senator from Oklahoma referred a few moments ago. I ask the Senator from Oklahoma whether that is correct?

Mr. THOMAS of Oklahoma. The Senator is correct.

Mr. DONNELL. He is the same gentleman to whom Speaker RAYBURN addressed the letter the Senator from Oklahoma has read; is he?

Mr. THOMAS of Oklahoma. The Senator is correct.

Mr. President, since Mr. Ellis is being discussed, let me say that when the hearings were completed in the Senate committee on this bill and when the committee had made its recommendation, Mr. Ellis was not satisfied, obviously; and he immediately prepared a letter and sent it to all the thousands of electric cooperatives in the United States. Incidentally, let me say that Mr. Ellis is a former Member of the House of Representatives and is a resident of my neighboring State of Arkansas. I know him personally; he is a personal friend of mine and is an estimable gentleman of great ability. I have a copy of the letter to which I have referred. It is dated July 18, 1949, and is on the stationery of the National Rural Electric Cooperative Association, at the address just stated by the Senator from Missouri. It reads as follows:

Memorandum to managers and directors of all rural electric systems, NRECA directors, State presidents, secretaries, managers, and editors.

From: Clyde T. Ellis, executive manager.

I shall read the memorandum, Mr. President:

The rural electrification program faces perhaps its darkest hour since it got well under way.

It is the consensus of opinion here that, if the Senate Appropriations Committee gets away with its attempt to force what is known as the Texas contract upon us, the next step will be to effectively deny us the right to generate our own power.

Then up will go our wholesale rates and a thousand Craig-Botetourt attacks upon us will follow.

There is no question but what the Senate committee has capitulated to a well-laid scheme of the power companies to destroy us.

After a bitter committee fight, the Senate Appropriations Committee has adopted amendments to the Interior appropriation bill cutting our reclamation, Bonneville, and Southwestern Power Administration transmission lines and providing that the power companies shall first be given the opportunity to deliver the Government's power to the Government's customers along the line of the Texas contract.

Space does not permit here an analysis of that abominable Texas contract, but most of you know that with all its inadequacies and restrictions it will wreck the program in many States.

The next step would be to deny our systems generation loans until the power companies have been determined to be unwilling or unable to provide our power supply. Our right to generate our own energy is our only bargaining power.

We are mailing this to you on Monday. The bill is scheduled to come up for Senate vote on Wednesday afternoon or Thursday. You've just barely got time to wire both your Senators and get a lot of other people to do the same.

I shall omit the next two lines, and then read the remainder:

We urge you as we have never urged you to do anything before to pass this word to just as many of your neighbors and prominent citizens as you can, and get them to send just as many telegrams as you can to both your Senators, urging your Senators to kill all those Texas contract provisions in the Interior bill (they will know what you mean) and to restore all the transmission lines which the Senate committee cut out. (Please mail us copies.)

Sincerely,

CLYDE T. ELLIS.

Mr. President, a while ago I said that Mr. Ellis is an estimable gentleman and is very effective. That letter or memorandum went all over my State. As a result, I received 150 telegrams. I exhibit to the Senate 54 of those telegrams. I should like to pass them around to Senators. If Senators can find one telegram among them that is not an exact duplicate of the others, then I withdraw my statement from the RECORD—54 telegrams from one small town in my State, each a duplicate from top to bottom, except for the name of the sender. I call that effective propaganda.

Mr. ECTON. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. ECTON. The Senator from Oklahoma might be interested to know that the same thing happened throughout Montana with all the REA's. I suspected that a national propaganda scheme was being developed. I appreciate having the very able Senator from Oklahoma bring it to light, thus informing us about how it all started. I agree that Mr. Ellis has been very effective.

Mr. THOMAS of Oklahoma. I thank the Senator.

Mr. President, although I received approximately 150 telegrams asking me to favor the major program, to change my position, and to vote for the restoration of the entire amounts, I have received from my State more than 1,000 telegrams asking me not to change my position. On the other hand, a newspaper in my State printed a sort of ballot containing about 16 questions and distributed papers containing the ballot throughout the State. Readers of the paper were requested to cut out the ballot, mark the answers to each of the 16 questions, and send the ballot as marked to their Senator. I have received almost 2,500 of the ballots. Of the 2,500, less than 200 are in favor of the Government's entering private business. The remaining 2,000 from my State signified their opposition to the Government's entering any form of private business in competition with private citizens. In addition to the telegrams and ballots I have received, I have a multitude of editorials.

Mr. DONNELL. Mr. President, will the Senator be kind enough to yield for one further question?

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Missouri?

Mr. THOMAS of Oklahoma. I yield.

Mr. DONNELL. As bearing on the willingness or unwillingness of the companies to enter into a contract of the same tenor as the Texas contract, I note at page 1380 and following, of part I of the hearings before the subcommittee of the Committee on Appropriations of the Senate, Eighty-first Congress, a copy of a letter, dated May 2, 1949, from the Public Service Co. of Oklahoma, by R. K. Lane, president, addressed to Mr. Douglas Wright, Administrator of the Southwestern Power Administration, the opening sentence of which reads as follows:

Further confirming our written offer of April 19, 1949, to enter into a contract with Southwestern Power Administration for the cooperative distribution of electric power and energy for reservoir projects within the Southwestern Power Administration area on the terms and conditions of the existing contract between the Administration and the Texas Power & Light Co., we herewith hand you an executed agreement containing all of the terms, conditions, and provisions of the Texas Power & Light Co. contract, insofar as it has been possible to make them applicable to the service area of the Public Service Co. of Oklahoma.

The next sentence reads:

In those instances where it has been necessary to change the wording of the contract to fit the purely local circumstances of our service area, we believe that we have enlarged the rights and privileges of the Administration with respect to the cooperative distribution of the Administration's power and energy to its customers.

He then proceeds to some question of being willing to discuss changes, if Mr. Wright finds that the contract can be improved in any particular.

Mr. THOMAS of Oklahoma. I thank the Senator from Missouri.

Mr. President, this issue is of local interest to every State, every city, every county, every village, and every district. In my State of Oklahoma and in the southwest power area there are 322,000 stockholders of the several public utilities. Great numbers of them live in my State. I must, in passing, give them consideration. If their companies are destroyed, unless they could get out before it was too late, they would lose entirely their investment in the power companies. The companies have 15,000 employees, who would lose their jobs. They would have to get jobs with the Government or with someone else. The pay roll in this area is $38,290,000 a year. That is impressive. At the present time

the companies have power plants and lines under construction in my section totaling $20,000,000. Those are the lines of only two companies in my State. Companies in six southwestern States have current contracts covering power lines and power plants now under construction to cost $40,000,000. The southwestern companies pay into the treasuries of my State and of adjacent States, cities, counties, and districts, more than $30,000,000 a year. As I said earlier, the companies in the six States have together 37,371 miles of transmission lines.

Mr. President, if it should be the policy of the Government to enter upon a gigantic scheme of building power plants and distributing lines, why not let the Government first decide that it will buy the existing power plants, steam plants, and transmission lines? They were built at a time when labor was cheap. The Government could buy those power plants now, and could buy the transmission lines, 37,000 miles of them, for one-half, and even less, what they would cost today. So if it is the desire of this policy-making branch of the Government to enter upon a public-power policy, I suggest we consider the advisability, instead of building steam plants and high-priced power plants at this time, of negotiating with existing companies. If necessary, the Congress could continue with appropriate legislation. It might require legislation; but the Congress makes the laws. We could save half the cost by taking over the existing facilities. If it is to be the policy of the United States to enter upon a public-power program, we can save half of what it would cost now, by taking over plants already in existence. There are 58 steam plants in the southwestern part of the United States, in my territory, which will become worthless if the Government builds competing plants. The power lines will become worthless, if the Government builds competing transmission lines.

So, Mr. President, if it is the desire of the Congress, as the policy-making branch of the Government, to go into the public power business, then as a business proposition I shall certainly recommend that we take over all the existing plants, pay for them, and go into the business in an appropriate way. It will cost a vast sum. The recommendation, as I have shown, is to supplement what we have, in the next 20 years, by an expenditure of from $12,000,000,000 to $15,000,000,000. Not a single penny of that money is necessary if we do all that can be done by spending the money to get ample power and cheap power for the people of the United States. They will get cheaper power under the plan I have suggested than under the other.

Since the issue was raised in my section of the country, in addition to more than 1,000 telegrams and more than 2,500 ballots, I have received a multitude of editorials from the newspapers of my State. There are too many of them to read now, but I have as a sample an editorial which was published in the newspapers at Chickasha, Okla., under date of June 2, 1949. The editorial is short and it is entitled "Better Save This Twelve Millions."

Mr. WILEY. Twelve millions?

Mr. THOMAS of Oklahoma. They are asking for $9,000,000 now, and $31,000,000 in the next 3 years, but, for some reason, the editor understood that the amount was $12,000,000 this year. I read:

> The Government is asking for $12,000,000 to build high-voltage lines all over southeastern Oklahoma. No one can be found outside of the fellows whose jobs depend upon the expenditure of these funds who will claim that this expenditure of funds is needed or necessary. These lines are not needed to give any farmer in this area rural electricity. The promoters of the plan have only thought in mind to socialize the production of light and power.
>
> They intend to completely take over the power business in southeastern Oklahoma, just as they have taken it over in Nebraska and Tennessee. They do not claim that there is any dearth of power or power facilities in private hands in this section. What they want is socialized industry, and the easiest group on which to start is the production and distribution of electrical power. With a mounting Federal deficit, where would be a better place to start economy than by the lopping off of this 12 millions?

Mr. President, they asked for $9,000,000 in the first place, and since we have lopped off $5,000,000, I think it is a fairly realistic compliance with the request contained in this editorial.

Mr. President, I hold in my hand a newspaper article under a London date line of August 6 by the Associated Press. I read just one paragraph from it:

> Laborites, under Prime Minister Attlee, took up the challenge with a promise to pursue their program which already has put railroads, coal mines, air lines, communications, the Bank of England, gas, and electricity under Government ownership.

Suppose the Government should go into the power business. It will either buy or build steam plants. It has got to have fuel. To make steam, it must have coal or oil or gas, and for either oil or gas it must have pipe lines. A demand for fuel of one kind or another would justify a request of Congress to take over the gas fields, the oil fields, and the pipe lines. What would be the next round? To transport coal it would be necessary to follow England's precedent and take over the railroads. Funds with which to finance the transactions must be had. The next step would be to take over the banking system of America. Where would we stop? If that should happen, if it ever does—and I am against it—where would we get $42,000,000,000 in taxes to pay the ever-mounting bills of the Federal Government? Where would the States, the counties, the cities, and the districts get $17,000,000,000 with which to finance their public affairs—a total of $60,000,000,000?

Mr. President, there was a time when England had private enterprise. There was a time when private enterprise paid taxes in England. At that time there was plenty of revenue with which to carry on her form of government. But as industry after industry was nationalized, they ceased to pay taxes. The program was carried on until the time came when practically no one in England was required to pay taxes. Then what happened? England had to have money. Nationalized industries pay no taxes. What did England do? She sent emissaries to America to negotiate a loan of $3,750,000,000. At that time the program had not progressed so far but what it was thought England could still meet any obligations she incurred. But there were no tax sources. The money was soon gone. Then what happened? England tried to borrow more money, but we discovered at different times that if we advanced money, the chances were we would not get it back. So we did not waste the effort; we simply began to give England money. England has not paid back what she borrowed. We did not expect her to pay back what we gave her. That program is still being followed. I voted for the appropriation for England, but I am cataloging and stating that what has happened to England in the past 2 years is now proposed for the great United States of America. If nationalization is undertaken, what will it mean? Nationalization means collectivism; it means nazism, fascism; it means socialism, and, if we carry it one step further, communism. If we nationalize our industries and lose our source of revenue, where will we get the money to operate this great Government? We cannot borrow it. No one is left to loan us money. I am against it.

No harm could be done by the program which is advocated by the committee. It is the only thing that should be done. Build the necessary lines that have been started, and, if lines are neccesary to transmit the power to where it is needed, to private companies, build those lines. I should be willing to vote to build those lines. If the Texas contract is entered into, free enterprise will build all the lines that are necessary, all the steam plants that are necessary; the Government will build the dams, generate the power, and sell it, and thus we shall avoid the expense of duplicating steam plants and transmission lines to firm up all the power in the United States—in the Tennessee Valley, the Southeast, the Northeast, the Southwest, the Northwest, the Columbia River Basin, and central California. People everywhere will have ample firm power. There is now a shortage in some areas, but every effort is being made to fill that shortage. This program will give the people plenty of firm power at much lower power rates to them than they will have if this gigantic system should be installed and operated by the Federal Power Commission.

Mr. President, I apologize to the Senate for the length of time I have taken.

Mr. HAYDEN, Mr. McCLELLAN, and Mr. MURRAY addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Oklahoma yield; and if so, to whom?

Mr. THOMAS of Oklahoma. I yield to the chairman of the subcommittee [Mr. HAYDEN].

Mr. HAYDEN. I desire to make a few comments on the Senator's address.

Mr. THOMAS of Oklahoma. Then, I yield to the Senator from Arkansas.

Mr. McCLELLAN. Mr. President, I wish to call the attention of the Senator to the report with respect to the Central Valley project and the Big Thompson project. We find language in the report to the effect that failure to authorize construction of certain lines, or appropriate for them, is based upon the assumption

that the private power companies will enter into contracts like the Texas company contract, and therefore the appropriation is being withheld. The same language, I note, is not used with reference to the Southwestern Power Administration. There is no statement in the report that the withholding of these lines in the Southwest power area is based on the assumption that such contracts may be entered into. The report does state with respect to the Southwestern Power Administration area that the private power companies in the area manifested a willingness to, or have given assurances, that they would enter into such contract.

It is my understanding that the committee has undertaken to declare a unified public-power policy in these three areas—the Central Valley, the Big Thompson Dam area, and also in the Southwestern Power Administration area. Is there any difference in what the committee is undertaking to do in all these areas with respect to obtaining a general unified policy in the transmission and distribution of electric power?

Mr. THOMAS of Oklahoma. Mr. President, I appreciate the question just submitted by the able Senator from Arkansas. As I said earlier in my remarks, the trouble has been that the Congress has not as yet developed and adopted a Nation-wide public-power policy, and because of that neglect or failure it has forced the Committee on Appropriations to do what it can toward the adoption, or suggestion, at least, of a public-power policy. After 4 years of hearings and much discussion and debate the recommendation made in the committee report is what we think would be a desirable policy to be developed into a national public-power policy.

Mr. McCLELLAN. Notwithstanding the language of the report to which I referred, it was the intent of the committee, that the power policy in these three areas should be uniform and in line with what the able Senator has stated, was it not?

Mr. THOMAS of Oklahoma. That is my understanding, that so far as possible the Texas Power & Light Co. contract should be taken as a set of basic power principles, the application of those principles to be modified to fit the different areas, so that the best possible kind of a contract could be entered into in the several areas.

Mr. McCLELLAN. But the basic principle is to be the same in each of the three areas?

Mr. THOMAS of Oklahoma. That is my understanding, and I am free to state that I think that was the understanding of the committee.

I now yield to the distinguished Senator from Montana.

Mr. MURRAY. Mr. President, the able Senator a few moments ago was discussing the conditions in England which resulted in the nationalization of the various industries there. I should like to ask him if it is not a fact that the nationalization of those industries grew out of the fact that the country had been saddled with monopolies, and that it was because of those conditions that they were compelled to nationalize their industries?

Mr. THOMAS of Oklahoma. The Senator may have some foundation for his conclusion. I am not disputing it; I am not acquainted with conditions in England.

Mr. MURRAY. Is it not a fact that we are seeking in this country today to avoid having a power monopoly fastened on the American people? That is exactly what would happen if an effort were not made on the part of those of us who are urging these programs in different sections of the country to bring low-cost power to the people, to help to develop the natural resources, and at the same time to prevent monopolies.

The other matter the Senator discussed a short time ago, about a great many telegrams being sent in, is an illustration of an old system that has prevailed for many years. It was developed in the first instance by the power monopoly. I remember back some years ago when we were having holding company hearings in Washington, hundreds of thousands of such telegrams came in, and one enterprising messenger boy who was being paid 10 cents a name for every telegram he could get sent went out and got a telephone book and signed the names he found in the telephone book, and made quite a killing.

I do not think anyone is greatly affected by telegrams and editorials such as those referred to. Also let me point out all over the country there are subsidized newspapers which are printing boilerplate editorials designed to influence such legislation. The legislation is to be decided on its merits, and on the facts, and not on mass telegrams and boilerplate editorials.

Mr. THOMAS of Oklahoma. Mr. President, I appreciate the statement made by the distinguished Senator from Montana, but speaking for myself, and myself alone, I would rather deal with a private monopoly whom I can contact freely than to deal with a bureaucratic public monopoly operating out of Washington, or from anywhere else in the United States. If it is monopoly on behalf of the Government or monopoly on behalf of free enterprise, I would take my stand on the side of free enterprise.

Mr. MURRAY. Mr. President, I appreciate the Senator's statement, but it is not always possible to deal directly and freely with the representatives of private utilities, because sometimes there are absentee managements, as in the State of Montana. The Montana Power Co. is owned 90 percent by the American Power & Light Co., a holding company, which is owned by the Electric Bond & Share Co. So we do not have any contacts with the utilities in Montana. They own the newspapers in the State, and, of course, can print editorials proclaiming their views in a very pleasant form.

Mr. THOMAS of Oklahoma. I thank the Senator.

EXHIBIT 1

MEMO ON TESTIMONY BEFORE SENATE APPROPRIATIONS COMMITTEE CONCERNING ITEMS FOR THE SOUTHWESTERN POWER ADMINISTRATION AND THE SOUTHEASTERN POWER MARKETING AGENCY IN THE INTERIOR DEPARTMENT APPROPRIATION BILL

Secretary Krug said the Interior Department now operates more hydro capacity than any other supplier in the world (p. 35).

Discussing the $85,000 requested for the Southeastern Agency, Walton Seymour, Director of the Division of Power, said a contract had been made with TVA for sale of power from two projects in Tennessee and one in Kentucky but the contract still had to be cleared with the Federal Power Commission. Senator Hayden said: "The job (of selling power from these projects) is practically done except that from now on the money will be paid to you and you in turn will account for it and pay it into the Treasury." Mr. Seymour replied: "That is right" (p. 95). Asked about the status of other Southeastern projects, Seymour said that in addition to the three dams on the Cumberland watershed, output of which is being sold to TVA there were the Altoona project in Georgia to be finished in 1950 and with a contract already made with the Georgia Power Co.; the Jim Woodruff project in Florida, Clark Hill on the Savannah River and Buggs Island and Philpott on the Roanoke River, none of which is scheduled to be finished until 1952 (p. 96).

Seymour said the Georgia contract provided for the power company to take the entire output of the project but gave the Government the right to withdraw a substantial amount for delivery to preferred customers. He said no Federal transmission lines are planned in the Southeast now but "it may be necessary for some agency to build transmission lines to some extent to connect every one of these projects. * * * If public bodies and cooperatives want to buy this power and they lie within feasible distance of the projects they have the right under the law to buy the power" (pp. 100–101).

Senator Hayden asked: "If a private power company would make an agreement with you to transmit this power from this Buggs Island Dam to the city, you would make a deal with them and you would not have to build a transmission line?"

"Mr. SEYMOUR. That is right."

"Senator HAYDEN. That would be the ideal way to work it out?"

"Mr. SEYMOUR. Assuming the private line could carry that additional load."

Senator THOMAS recalled that the Southwestern Power Administration had proposed to spend $200,000,000 for a power system and asked if something similar was contemplated for the Southeast. Seymour said: "The requirement is the same in both areas." Senator THOMAS asked if every kilowatt of power the Government projects can produce now cannot be sold without spending a penny for transmission lines and Seymour said he did not think all the power could be sold "in accordance with the requirements of the law" without the addition of some transmission facilities (p. 105).

There was discussion of the contract between the Southwestern Power Administration and the Texas Power & Light Co., under which the Government has the right to transfer power over the company's system and sell it to public bodies and cooperatives. Senator HAYDEN asked: "It has worked out to the satisfaction of both the Government and the Texas Power & Light Co.?" Seymour replied: "Yes, sir, it has worked out very satisfactorily" (p. 108).

Senator CORDON asked how it could make any difference to users of electricity whether it is wheeled into them by a private utility under contract with the Federal Government or brought to them on a duplicating line built by the Government. He asked: "How can he be any better served by the latter than by the former?" Seymour said: "I think each method of service is equally satisfactory if the contractual arrangements are adequate to meet the requirements and if the Government in fact enters into the same contract with the customer, whether the power is supplied over a private company's system or over the Government's own system, as long as the facilities are adequate in both cases" (p. 109).

Replying to questions by Senator ELLENDER, Seymour said that under the Texas contract the Government did not lose control of the amount of power handled by the utility and can dispose of it as it sees fit. ELLENDER then said: "In other words, if a contract can be entered into with the Government for this publicly owned power with private concerns who probably would be willing to extend their facilities in order to carry this electricity, there would be no objection by you or by the purchasers of this electricity?" Seymour said: "That is right, sir" (pp. 111-112).

(In its report the committee reviewed the status of Southeastern power projects and said: "The committee sees no need for setting up another organization, which includes personnel increases of $68,000, to carry on work which is already being performed, and which is of such nature that a separate organization should not be required" (Rept., p. 69).

* * * * *

Testifying for Southwestern Power Administration, Administrator Douglas G. Wright, said its present program contemplates $31,000,000 for transmission systems (p. 1298).

Asked by Senator WHERRY whether if other companies made offers identical in principle with the Texas contract, he would be willing to negotiate with them and handle the business that way rather than through building public lines, Wright said: "I certainly would be very happy to work out that arrangement wherever it will work. * * * I am willing to let the Texas Power & Light Co. pattern work wherever it can work in the area." Meanwhile, Wright said, SPA had gone along with cooperatives which were building their own integrated systems, including generation and now has "contracts for 297,000 kilowatts of Government power, which we won't have to sell these people until 1953. We have gone out and sold this power 4 years before it is here" (p. 1335). He said he had promised to meet with utility representatives immediately after action on the appropriation was completed "to discuss with them any possibility of putting the Texas Power & Light Co. pattern wherever it will be put" (p. 1341).

Discussing competition with private power, Senator GURNEY asked Wright: "Would you build a line in competition with a line that is now serving the load centers that you are aiming at?" Wright: "Yes, if it was necessary to deliver the power there." Senator WHERRY: "At a lower rate?" Wright: "At a lower rate or Government rate." Wright said he could not foresee that this policy would kill private competition because expanding power requirements would continue to create new demand for line facilities (pp. 1352-1353).

Frank M. Wilkes, of the Arkansas Power & Light Co., pointed out that there are no private power companies left in Nebraska or in the TVA area and that similar results were threatened elsewhere by proposd new valley authorities. "That is what we are headed for and we just hope you gentlemen will deny any appropriation here and let us go and see if we cannot join hands with the Federal Government," Wilkes said. "We are ready to go the whole way, we will let the Government take service from our lines and if they want to sell the cooperatives direct and the cooperatives want to buy direct from them, then the Government can do it. We sell it to the Government; the Government can give it to the cooperatives if they want to then" (p. 1360).

R. K. Lane, president of the Public Service Co. of Oklahoma, said the contract which 11 power companies had offered to make with SPA was fundamentally the same as the Texas contract. He said the companies would use power obtained from the Government as peaking power and would firm up the power sold back to the Government. "In selling the power produced by the Government to the companies, as peaking power, they have a little over twice as much power to sell, and they get twice as much money for it, as they otherwise would get," Lane said. "So they would not be sure of the energy to supply their own customers unless they built steam plants. But under the Texas Power & Light Co. contract, which is the same contract we are offering, we firm that power up." Asked by Senator MCCARRAN who absorbs line losses, Lane said: "We do. I will tell you why it is. We want to maintain the integrity of our investment. We don't want to happen to us what happened to all the companies in Tennessee" (p. 1399).

Walter B. Gesell, vice president, Oklahoma Gas & Electric Co., said transmission lines which SPA wants to build would connect with "a proposed supercooperative which plans to build a steam generating plant at Anadarko and high-voltage transmission lines to serve cooperatives which are already adequately served at low rates by the companies. The SPA proposes to lease this plant and these transmission lines, thus also blanketing the west half of the State with a transmission network to be operated by the Interior Department. This latter leased-line plan has not been disclosed in much detail, but the whole program, as contemplated, would create a duplicating transmission network over most of the State" (p. 1405).

C. Hamilton Moses, president, Arkansas Power & Light Co., said: "We hated to sign that Texas contract. It's a pretty hard thing to work down there for years, building up your customers—and our company serves 13 co-ops at 45 points of delivery. * * * But we are saying to the co-ops now that if they don't want to take power from us, we will make an arrangement, if Mr. Wright will, so that they will take either from us at our present points of delivery—the utilities in the Southwestern area will dedicate all of their thousands of miles of line and Mr. Lane says it is 35,000 to take this Government power to those preferred customers all over the area and sell them at a rate equal to or cheaper than the present SPA rate. Our rate is cheaper than the SPA rate" (pp. 1428-1429).

Thomas B. Fitzhugh, attorney representing Arkansas State Electric Cooperative, Inc., in his prepared statement said they opposed the utilities, Texas type contract proposal because: It would give the companies a monopoly of all power from the federally financed projects. REA co-ops and municipally owned systems would have no choice as to their source of power. Towns and cities would be precluded from buying their own distribution systems and later getting power from Government dams. Cooperatives would be precluded from serving within the corporate limits of a city or town served by power companies and both SPA and cooperatives would not be allowed to serve customers who had been served by a private company but the private companies would not be precluded from raiding territory served by cooperatives (p. 1438).

Clyde T. Ellis, executive manager of the National Rural Cooperative Association in his statement said the Texas contract virtually precludes cooperatives from serving rural industries and that it was dangerous because in other States the State regulatory commissions can change the contract terms. (P. 1567.)

The committee approved proposals of SPA for 11 projects including 82 miles of transmission line and involving cash appropriations of $986,115 and contract authorizations of $2,257,906. It disapproved six projects including 282 miles of transmission line involving an estimated cost of $5,177,000. The facilities disapproved all were for the purpose of connecting with either the M. and A. Electric Power Cooperative or the Western Electric Cooperative. The justification showed these as supercooperatives planning to have their own generation facilities and high power transmission lines. (Pp. 1293-94.)

In its report the committee pointed out that the private utility companies had advised the committee they would make the entire transmission and related facilities of their systems available to the Government without charge to the Government's customers for carrying power from the Government's own transmission system to preferred customers and that the companies also had said they would supply all the energy required by the Government in addition to its own production to serve preferred customers. The committee "directs that the Administrator of the Southwestern Power Administration report to the Senate and House Appropriation Committees by January 1, 1950, on progress made on entering into contracts with private power companies in the area where the Southeastern Power Administration operates." (P. 4 of report.)

EXHIBIT 2

NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION,
Washington, D. C., July 18, 1949.

Hon. FORREST C. DONNELL,
United States Senate,
Washington, D. C.

DEAR SENATOR: We feel absolutely certain that when you know the facts you will not be a party to forcing the abominable Texas contract upon us. However, if you go along with certain Senate Appropriations Committee amendments to the Interior bill that is exactly what you will do. Those amendments will make "slaves" of us. That is what even the power companies themselves said a year ago.

Four days before the Interior subcommittee hearing on the Southwestern Power Administration item the word got out that the power companies would make such a last minute move and more than a hundred farmers and representatives of the rural electric systems from Kansas, Missouri, Oklahoma, Arkansas, Louisiana, and Texas came to Washington on their own initiative in protest. Only a few of them got heard. Perhaps not half of them ever got in the committee room.

Our people in Colorado, California, and Idaho on whom the committee would also force the Texas contract had no inkling of such catastrophe until the committee report came out. Certainly no proper hearing on it has been had, even if it is right and proper for an appropriations committee to legislate well-established policy and law out of existence. Such amendments would clearly nullify those provisions of the Reclamation laws, the Bonneville Act and the Flood Control Act of 1944 which give the municipally owned and rural electric systems a chance at the public power without the power companies coming in between with all their inadequacies and enslaving restrictions.

This organization represents more than 2,000,000 farm families in your State and 41 others. I can tell you that they are practically unanimous in insisting that all the transmission facilities as approved by the House, plus a few lines added by the Senate committee, be approved.

Attached hereto is an analysis of that Texas contract.

Attached also are quotations from some of the power company testimony of last year.

Won't you please read these and then do all in your power to help kill those Texas contract amendments and restore the transmission line cuts. Incidentally, I should add that our systems in the Southwest have already guaranteed the repayment of the cost of these lines with interest by contracts already executed with the Government.

Anxiously awaiting your help, I am,

Sincerely,

CLYDE T. ELLIS,
Executive Manager.

THE TEXAS CONTRACT—SUMMARY OF FOLLOWING ANALYSIS

1. The Texas Power & Light Co. contract was negotiated only after Congress had appropriated funds for transmission lines in T. P. & L. territory.

2. Texas Power & Light Co. contract was designed to fit a particular situation, that is to market one-half of the output of one project in a limited market area. It applies to only one-half the output of Denison project to be sold in the area served by Texas Power & Light.

3. It does not follow that a contract arrangement, which will work in a particular and limited situation, will also work when applied to general and unlimited situation. For instance, in the rest of the territory there are areas where no power companies operate or where their transmission facilities are already inadequate. The belated power company attempt to apply the principles of the T. P. & L. contract to the service areas of all of these companies, extending over several States, injects many new problems which did not exist in the Texas situation.

(1) Will the preferred customers absorb all the output of the several projects to be developed during the life of the contract?

(2) If not, what will be done with the remainder of the power? The companies have contended it will overwhelm them. (See analysis of power company testimony.)

(3) Who will secure the benefits to be derived from tying the dams together?

(4) What about the areas where no power company transmission lines exist or are inadequate?

4. What would happen to the present contracts which the cooperatives have with SPA and municipally owned systems? SPA has sold all its power and has none left.

5. The problem of service to municipally owned systems will be far more complicated in the area of the 11 companies than in Texas.

6. In the Texas contract, SPA will deal with one company. Now many companies are involved and the question of individual liability under a joint contract would be a serious one.

7. From an engineering point of view, it is doubtful that such an operating plan as devised for one project as in T. P. & L. contract would be workable for a whole series of projects scattered over a wide area including many different water sheds.

8. The T. P. & L. contract in the rest of the territory would be violation of both the letter and spirit of the law. For instance, it would leave the municipally owned systems out in the cold. The Texas contract clearly sold down the river those municipally owned systems which desire to purchase SPA power.

9. Under power company proposals, the State regulatory bodies could still raise the rates which the power companies would charge to our systems. (Texas has no regulatory body.)

10. What would happen to the rural electric systems on the expiration of such contracts? Would the power companies then apply their recent and past tactics of trying to kill the electric co-ops off, for obviously the co-ops would then be at their mercy.

THE TEXAS POWER & LIGHT CO. CONTRACT ANALYSIS

The Texas Power & Light Co. negotiated the contract with Southwestern Power Administration after Congress had appropriated for transmission lines in T. P. & L. territory. The lines were never built.

The Texas contract arrangement restricts the Government power program to serving only two classes of customers—namely Federal Government loans and rural cooperatives, except under the penalty provisions. It is thus in conflict with section 5 of the Flood Control Act of 1944 which provides the same priority to municipally owned systems. Section 3 (a) (7) controls in this respect and is as follows:

"In the event and so long as the Government delivers power and energy for service to customers now or hereafter supplied (excepting (a) establishments operated by or for the account of the Federal Government and (b) rural electric cooperatives, incorporated under the Electric Cooperative Corporation Act of the State of Texas and serving only customers authorized to be served under said act), the Government shall compensate the company by means of a credit equal to the difference between the cost of such power and energy computed at the lowest then effective rate of the Government and the cost of such power and energy computed at the lowest then effective rate of the company applicable to the service to such customers."

It appears from section 3 (a) (5) that the company would not deliver power off its system for delivery to municipalities owning their own distribution systems, except at the dam and then under the penalty.

The Government cannot afford to serve any customer which, under the contract, would require penalty payments. The Government rate is a cost rate and any penalty would cause the Government to sell below cost and thereby nullify its pay-out schedules. Secondly, only under conditions of a very large load or a customer located near the dam would make it possible for the Government to build a line to serve customers. Furthermore, even though the Government built its own line to a town or municipality now served or which may hereafter be served at retail by the company, it would still have to pay the penalty. So under no condition could these customers be served under the contract.

The Federal power program should assist the development of all phases of the economy of the region—agriculture, commerce, industry, and trade. Under the contract, large segments of the economy are so isolated and restricted that it can receive no assistance from this cheap power. Industry, commerce, and municipalities have most to lose by it. REA's will not benefit, except in some instances, and if the contract saps the virility of the SPA program, as it probably will, they have much to lose.

The Government power program is not free under the contract. It can only move and develop within the narrow framework of the restrictive contract.

Significant provisions of the Texas Power & Light Co. contract

1. The Texas Power & Light contract is a bus-bar sale of power at the dam. The company agrees to purchase 120,000,000 kilowatt-hours of firm energy and available secondary energy from the first unit at the Denison project except that from 5,000 kilowatts reserved for Oklahoma companies. It agrees to pay $59,000 per month less a credit of all power taken out of the company's system by the Government at a rate slightly higher than the SPA rate.

2. After the second unit is installed, the company agrees to take 70,000,000 kilowatt-hours of firm energy and one-half of the secondary energy produced for $52,000 per month less a credit of all power taken out of the company's system by the Government at a rate slightly higher than the SPA rate.

3. After the third unit is installed, the company agrees to purchase 70,000,000 kilowatt-hours firm energy and one-half the secondary energy produced from all three units and also the output of the third unit when not needed by SPA for reserve or to maintain service. The company agrees to pay $6,000 per month additional to the $52,000 stated above for the third unit.

4. The Government is given the right by the company to take out of its system 20,000 kilowatts of power and after the third unit is installed 25,000 kilowatts of power. This power to be firmed up by the company as necessary to meet the customers' needs.

5. The conditions and restrictions under which this power can be withdrawn are as follows:

(a) The Government agrees to make diligent effort to dispose of all its power to preferred customers and will not dispose of power to others as long as it can be marketed to the preferred classes.

(b) The Government agrees not to sell power to other than preferred classes for a period of 18 months.

(c) If at any time the Government sells to other than preferred customers, the company can terminate the contract by giving 3 years' notice.

(d) The Government cannot sell power to any town or municipality in which the company is now serving or may hereafter serve at retail unless it builds a line from the dam to the customers and by paying the company a penalty equal to the difference between their respective rates.

(e) The Government cannot serve any customer on another system interconnected with the company.

(f) The Government cannot serve any customer that is now or hereafter served by the company except by paying the penalty equal to the difference in respective rates except to Federal Government and cooperative loads.

6. The company agrees to provide the necessary facilities for rendering service to the Government's customers except those of excessive cost.

7. The company agrees to relinquish its customers to the Government entitled to receive service under the contract when requested by the customer.

8. The contract is for a term of 20 years subject to termination by giving 6-year notice. After the contract expires or is terminated, what then?

9. There is no State regulatory commission in Texas which could raise the rates to the cooperatives, but the commissions in all the other SPA States (Oklahoma, Kansas, Missouri, Arkansas, Louisiana) could raise the rates.

STATEMENTS OF POWER COMPANY OFFICIALS, SENATE HEARINGS, INTERIOR DEPARTMENT APPROPRIATION BILL, FISCAL YEAR 1949, RE: SPA CONTRACT WITH TEXAS POWER & LIGHT CO.

Testimony of Hamilton Moses, president, Arkansas Power & Light Co. (p. 425)

Senator O'MAHONEY. The Southwestern Power Administration told us this morning, if I understood the testimony correctly, that it had a contract with the Texas Co., which was satisfactory. Would that contract be satisfactory to you?

Mr. MOSES. No, sir. And this chart answers the question.

Texas Power & Light has the Denison Dam to take care. There will be three units in it. About 100,000 kilowatts of power, part of it in Oklahoma and part in Texas, and Texas can absorb that power without hurting them very much. They can easily absorb it in their loads. What would we do in Arkansas absorbing this enormous amount of hydro power (of the several other dams) on the basis of the Texas contract? It would overwhelm us.

Testimony of Frank M. Wilkes, president, Southwestern Gas & Electric Co. (p. 1436)

Personally, I would feel that I was almost criminally to blame should I make such a contract with Southwestern Power Administration for the Southwestern Gas & Electric Co. * * *

When the rural electric cooperatives learned of the fact that the Texas Power & Light Co. and SPA had literally sold them down the river into slavery, they were rather upset.

CONSIDERATION OF NOMINATIONS IN THE ARMED FORCES

During the delivery of the speech of Mr. THOMAS of Oklahoma,

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. TYDINGS. The Senator from Oklahoma is making a very learned and interesting address. I know that he is covering the subject in a very extensive way, and I anticipate that his remarks will continue for some time. Solely in the interest of economy, I am wondering whether he would yield to me for a moment to have some routine nominations in the Army considered.

Mr. THOMAS of Oklahoma. Mr. President, I am accustomed to addressing the Senate. Time does not mean much to me. I am only too glad to yield to any Senator for the transaction of necessary business, provided the record in connection therewith appears at the close of my remarks.

Mr. TYDINGS. I shall ask that that be done.

Unless these nominations are considered at this time, they will have to be printed in the RECORD, which will involve considerable expense. I ask unanimous consent that, as in executive session, certain routine nominations in the Army, Navy, and Air Force reported unanimously today from the Committee on the Armed Services, be confirmed, and that the President be immediately notified. Among the nominations is that of General Bradley to be Chairman of the Joint Chiefs of Staff, General Collins to be Chief of Staff of the Army, Mr. Voorhees to be Under Secretary of the Army, and Mr. Alexander to be Assistant Secretary of the Army.

The PRESIDING OFFICER. Is there objection?

Mr. CHAVEZ. Mr. President, may I ask the Senator from Maryland what is the hurry about Mr. Alexander and the other civilians?

Mr. TYDINGS. For more than a month there has been only one official in the Department of the Army. There are no assistants. I think the exigencies of the case, both at home and abroad, make it necessary for all these nominations to be confirmed at once.

The PRESIDING OFFICER. Is there objection to the present consideration of the nominations, as in executive session? The Chair hears none. Without objection, the nominations are confirmed; and, without objection, the President will be notified forthwith.

Mr. TYDINGS. Mr. President, I ask unanimous consent, in view of the kind permission granted by the Senator from Oklahoma to have his remarks interrupted, that the interruption be printed at the conclusion of his address. I thank the Senator from Oklahoma for his courtesy.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THOMAS of Oklahoma. Mr. President, I am always glad to yield to any request submitted by the senior Senator from Maryland. When I came to the Congress in 1923 I found the Senator from Maryland already there. We served in the House together for 4 years, and we walked—I am not sure that it was in step; he was in step, but I am not sure that I was—from the House to the Senate, on the 4th of March 1927. I am glad that we are both still here.

INTERIOR DEPARTMENT APPROPRIATIONS, 1950

The Senate resumed the consideration of the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes.

Mr. HAYDEN. Mr. President, I wish to comment on the remarks made by the Senator from Oklahoma. So far as the Texas Light & Power contract is concerned, I have no question in my own mind that it is a good contract for both the public utility and the Government. If the other utilities in the area affected are willing to enter into the same kind of contracts, it will be good for them and for the Government.

The difficulty experienced before the committee was, first, that the utilities in the area opposed connecting the several dams. There are some six hydroelectric power developments possible in that area. The nearest local utility wanted to go to the busbar of the particular dam and get the power there. Congress provided the money to connect the dams, because it is obvious that if the power of the six dams is on one transmission line, the Government is going to have more power to sell.

I could not follow the Senator in what appears on the chart before the Senate.

Mr. HILL. Mr. President, before the Senator leaves what he was stating about the other power companies, let me ask him if it is not true that when the Texas Light & Power Co. entered into this contract, the other eight private power companies in that area denounced the contract, said it was a criminal thing to enter into the contract, and have they not for years taken that position? It was only after the House of Representatives put these appropriations in the bill that there was talk about them entering into the same kind of a contract I have mentioned.

Mr. HAYDEN. That was the only difference of opinion there was in the Committee on Appropriations, whether it was advisable to strip the bill of money with which to build any transmission lines, or whether it would be wiser to provide a substantial sum of money, as the House provided, and let the negotiations proceed thereafter. There was money available with which to build transmission lines into Texas at the time the Texas Power & Light contract was entered into, and the transmission lines were not built. That can happen in this instance.

To return to the statement taken from the last annual report of the Secretary of the Interior, of which only an extract appears on the chart, I should like to read what the Secretary did say. He stated:

> We must push ahead as rapidly as possible with the development of all practicable hydroelectric power. We need to develop within the next 20 years at least 40,000,000 kilowatts.
>
> The Federal Government probably will need to build at least 80,000,000 of those kilowatts at a cost of $12,000,000,000 to $15,000,000,000. This program should include the St. Lawrence power and seaway which is needed not only for power, but also for transportation. This second need may soon become paramount in order to bring the newly important iron ore from Labrador and South America to American steel plants.

In other words, Mr. Krug was talking about hydro power; not about all power. Obviously that is true, because I have here a statement by Dr. Raver, the Bonneville Administrator, who stated that—

> In 1947, the generating capacity of all utility systems in the United States was 52.3 million kilowatts, of which 15 million were in hydroelectric capacity, and 1.3 million in internal combustion engines and 36 million steam.

Dr. Raver's statement continues as follows:

> The total undeveloped and economic hydro potential was much greater and was distributed among the 48 States of the Nation and according to the best figures we have been able to get, was 77.1 million kilowatts, of which 28.5 million kilowatts was in the Pacific Northwest, primarily Oregon, Washington, and Idaho, 25.5 million kilowatts are in other States west of the Mississippi River, and 23.1 million in States east of the Mississippi River.

I placed in the CONGRESSIONAL RECORD last Friday a statement from the Federal Power Commission showing the total amount of power of installed capacity in the United States as of 1948, which was 58,000,000 kilowatts, being made up of approximately 15,000,000 of hydro and 40,000,000 of fuel. The estimate of the Federal Power Commission is that by December 1951 there will be 18,000,000 of hydro and 55,000,000 of fuel. In other words, three times as much power is produced by fuel as by hydro. If within the next 20 years we produce the 40,000,000 kilowatts to which Secretary Krug referred, and I hope it will be much sooner, then it is quite certain that by the same time we will produce 100,000,000 to 120,000,000 kilowatts of steam power. The steam power is the power the private utilities generate. The hydro power must come from the great multiple-purpose dams the private companies cannot build or cannot undertake to build.

Mr. President, where I cannot follow the Senator from Oklahoma is when he says that when in this bill we propose to construct some transmission lines and some hydroelectric plants it necessarily follows that we are leading toward socialism, toward statism, toward collectivism, and all that. I cannot follow him at all in that statement, because there is no connection between the two. The Federal Government must continue to develop hydro power at multiple-purpose dams. It has the right under the law, and properly so, to transmit that power in order to serve its customers. But if it develops all the available power, it will not amount to more than one-quarter the power needed in the United States, and, at this moment, when private industry has $22,000,000,000 and the Federal Government has about $2,000,000,000 invested in the generation of power, no one can convince me that this Congress or any other Congress could be persuaded to take over all the private power industry in the United States. I think anyone who held such a belief would be utterly mistaken.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. CORDON. I wonder, however, if the Senator has covered this aspect of the relationship between the power to be generated at the dams, and power to be generated by fuel, namely, that as to hydroelectric power generated at dams where the flow of water is not regular, we have as a result so-called dump power, which is not salable for any continuous use, except as it may be integrated, or, as the term is used, "firmed" by the use of fuel power? Has the Senator taken that into consideration?

Mr. HAYDEN. I have taken that into consideration. That is why I say the Texas Light & Power Co. contract is a good contract; because the Government has unfirmed hydro power, whereas the private utilities have the steam plants which can firm it, and if the two can work hand in hand, can live and let live, it is, as I pointed out in my remarks of Friday, last, to the advantage of the private companies and to the advantage of the Government to do so. But I cannot, as I said, follow the Senator from Oklahoma when he stated that simply because there is in the bill a proposal to construct some transmission lines and hydroelectric plants, that would mean socialism or statism or collectivism or take us down the road to the ruin of private enterprise. I cannot follow that, because there are not enough hydroelectric possibilities in the United States to do it. When the work proposed to be done is completed it will not represent more than one-third or one-quarter of the power generated in the entire country.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. CAPEHART. With the present appropriation and the lines now involved, is it not a fact that there are sufficient transmission lines to serve the people in the region which the appropriation covers, and that the private companies which own the transmission lines are willing to enter into a contract with the Government which will be favorable both to the Government and to the private companies?

Mr. HAYDEN. No; the testimony is to the effect that all the lines needed do not now exist.

Mr. CAPEHART. Did the representatives of the private companies testify that they would build them?

Mr. HAYDEN. Oh, yes. That is the point. The question then is: Somebody must build these transmission lines. If the private power companies, as they have heretofore refused to do, would not transmit the power over their lines, and would not build lines to do it unless they could buy the power at the bus bar, then it is necessary for the Federal Government to construct the transmission lines in order to serve the people. But if an arrangement can be made whereby the private companies, if they have the lines, will use them, or if they do not have them, will build them themselves, that will be a better arrangement for the Government.

Mr. CAPEHART. Does not the Senator believe that where private industries are willing to build the lines or have the lines available, and a contract to that effect which is both fair and equitable to the Government and to the companies, can be entered into, that is the best thing to do?

Mr. HAYDEN. I do not think there can be any question about that. One hand washes the other. If the hydro power which the Government produces can be firmed by steam plants owned by private industry, and the power can be carried over the lines of private industry and delivered to manufacturers, to cooperatives, to those who are preferred customers of the Government, that is a good arrangement. I am not complaining about it at all. That is all we are considering doing in connection with this bill. If, because the power companies would not cooperate, the Government were compelled to build transmission lines, that would not mean that we would be embarking on a program of state socialism, and that the country would be ruined by such a policy.

Mr. CAPEHART. In this particular instance, though, it is not necessary for the Government to build the transmission lines in order properly to serve both the Government and the public.

Mr. HAYDEN. It has been, up to about 90 days ago, necessary for the Government to build these lines. But the House of Representatives having appropriated the money to build them, now the power companies have changed their minds, and they come forward and say they are willing to build the lines.

Mr. CAPEHART. But at the moment it is not necessary for the Government to do it.

Mr. HILL. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. HILL. The Senator from Indiana, I am confident, would not wish to make that statement. He does not know that it is not necessary. Only when the Government and the private power companies sit around the table together can we know whether it is necessary for the Government to build the power lines.

Mr. HAYDEN. That is correct.

Mr. HILL. Is it not true that when the Texas Power & Light Co. contract was entered into the representatives of the Government had the money which the Congress had given them to build the necessary transmission lines?

Mr. HAYDEN. That is correct.

Mr. HILL. In other words they were forearmed. The same man, Mr. Wright, who had given him by Congress, the money to build the transmission lines and who entered into the negotiations, and worked out the Texas Power & Light Co. contract, is ready today to sit down with representatives of other companies and see if he can work out contracts to meet particular situations. Everyone knows that conditions are not exactly the same in respect to every contract. It might be said that a contract can be entered into in the spirit and the purpose of the Texas Co. contract, but the identical language of the Texas Co. contract might not fit some other particular area.

Mr. HAYDEN. As I understand, in the Texas area no municipalities are involved. All that has ever been dealt with was service of electricity to rural electric cooperatives. In the case of a municipality which has taken over local power operations in any of the other areas, there would have to be a somewhat different contract, but the principle is the same.

Mr. HILL. As the Senator said, up until this time the power companies have bitterly fought the Government projects, and denounced the Texas Light & Power Co. contract as criminal. It is only when they sit around the table that we shall know exactly what they will do. Does not the Senator think that when they sit around the table the representatives of the Government ought to sit there forearmed and ready?

Mr. HAYDEN. That is why I feel that the committee should not have cut the appropriation.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. CHAVEZ. I agree completely with the Senator from Alabama that up until 90 days ago the power companies would not even talk to Douglas Wright or the Southwestern Power Authority; but they now come before the committee and say, "We are willing to talk." Possibly it was because they were afraid of Congress. All the Senate committee has done has been to say, "If you can satisfy the Southwestern Power Authority or the Government that you will dig into your pockets and build power lines, go ahead and do it; but if you do not, within the next 5 months we can still act. So keep the faith and make a contract which will be satisfactory to the Government and satisfactory to yourselves."

Notwithstanding that I am for public power, that does not mean that I do not want the private utilities to get a fair deal. I do. There is no necessity of going to the taxpayer and asking him to spend great sums of money unless there is a reason. If it is necessary, in order to deliver the power, to ask Congress for money, I am willing to do it; but if we can force the private power companies to build a particular line, I feel justified in saving the taxpayer that expenditure.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. CAPEHART. In this instance have we not forced them to do it?

Mr. HAYDEN. That is practically what the representatives of the private utilities said. They said, "We never believed that Congress would actually appropriate the money to build these lines, but the House of Representatives did it, and that being the case we have changed our minds, and now we will make a contract similar to the Texas Light & Power Co. contract."

Mr. CAPEHART. We frightened them into doing what we wanted them to do. Why not be satisfied with that and permit them to go ahead?

Mr. HILL. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. HILL. If the Senate concurs with the House and makes this appropriation available, does not the Senator believe that we shall be in a much better position to force the power companies to enter into contracts which will be to the

benefit of the Government and the private power companies as well as the consumers?

Mr. HAYDEN. It worked that way before.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. CHAVEZ. I do not take off my hat to any other Senator so far as public power is concerned, but it works both ways. We have forced private power companies to say, "Now we will behave ourselves. We will make a contract." But, by the same token, if we give the money to a Federal Government agency, it may say, "We want to spend it." That has happened before. Give them some money, and they want to spend it. In my own State certain agencies have been boasting that they had to spend the money before the 1st of July. They do not want to let it go back into the Federal Treasury. I should like to exercise a little caution. Let us have some control over both the private utilities and the Government agencies; and if the Government agencies need the money before the 1st of January, let us give it to them.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the following bills and joint resolution of the Senate:

S. 855. An act to authorize a program of useful public works for the development of the Territory of Alaska;

S. 1949. An act to authorize the lease of the Federal correctional institution at Sandstone, Minn., to the State of Minnesota;

S. 1977. An act to extend the time within which legislative employees may come within the purview of the Civil Service Retirement Act;

S. 2391. An act to authorize the construction, operation, and maintenance of the Weber Basin reclamation project, Utah; and

S. J. Res. 3. Joint resolution to provide that any future payments by the Republic of Finland on the principal or interest of its debt of the First World War to the United States shall be used to provide educational and technical instruction and training in the United States for citizens of Finland and American books and technical equipment for institutions of higher education in Finland, and to provide opportunities for American citizens to carry out academic and scientific enterprises in Finland.

The message returned to the Senate, in compliance with Senate Resolution 153, the bill (S. 51) to amend title 28, United States Code, section 962, so as to authorize reimbursement for official travel by privately owned automobiles by officers and employees of the courts of the United States and of the administrative office of the United States courts at a rate not exceeding 7 cents per mile.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 3825) to amend the Federal Crop Insurance Act.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 2296), to amend and supplement the act of June 7, 1924 (43 Stat. 653), and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. COOLEY, Mr. POAGE, Mr. ABBITT, Mr. HOPE, and Mr. AUGUST H. ANDRESEN were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4177) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1950, and for other purposes; that the House had receded from its disagreement to the amendments of the Senate numbered 7, 7½, 32, 52, 56, and 76 to the bill, and concurred therein; and that the House receded from its disagreement to the amendments of the Senate numbered 11, 13, 46, 54, 63, 74, 77, and 85, severally with an amendment, in which it requested the concurrence of the Senate.

ENROLLED JOINT RESOLUTION SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled joint resolution (S. J. Res. 79) authorizing Federal participation in the International Exposition for the Bicentennial of the Founding of Port-au-Prince, Republic of Haiti, 1949, and it was signed by the Vice President.

INTERIOR DEPARTMENT APPROPRIATIONS, 1950

The Senate resumed the consideration of the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes.

Mr. HILL. Mr. President, the Supreme Court of the United States has spoken of the "great silences of the Constitution." I want to talk today about the great silences of the Interior appropriation bill. What has been left out of this bill is far more revealing than what has been put into the bill.

By careful deletion of certain appropriations the bill would endanger if not change the power policy of the United States Government. Congress has declared over and over again for more than 40 years that public agencies, municipalities, and cooperatives shall be given preference in the sale of public power and that its benefits shall be dispersed on a businesslike basis as widely as possible among the people. Congress has said: This is the people's power and the people shall benefit.

The bill seeks to change this national power policy by denying funds for the construction of public transmission lines from Government dams and even by denying funds for adequate personnel to market Government power. The bill would ignore the public agencies, municipalities, and cooperatives which Congress has declared shall receive preference. It would give private companies first claim to public power. The Government would aid monopoly, not prevent monopoly. And the will of Congress, clearly expressed for nearly half a century, would be reversed.

The public-power policy which this bill seeks to change has its roots in the homestead policy of our country, developed during pioneer days. There were efforts in those early days to have the public lands sold to the highest bidder—to speculators with the most ready cash. Those efforts meant monopoly of the land and the vast resources beneath the land. And those efforts were repudiated.

Our power policy today follows the sound homestead tradition—that the public resources shall be used for the general welfare, to foster business enterprise, to aid the farmer and the workingman, to benefit all the people.

As I have said, this policy is not new, and its application to public power is not new. It was not new when we enacted the Flood Control Act of 1944, for which this bill would provide appropriations. At that time I pointed out that "the power policy of the Federal Government was not developed capriciously. It was hammered out by the Congress in bill after bill relating to the Federal construction of water control and conservation projects and the regulation of interstate streams."

The policy was first stated in an amendment to the Reclamation Act of 1906. It was reiterated in vigorous language in the Raker Act of 1913. In recent years it has been reenacted in the reclamation laws, the Tennessee Valley Authority Act, the Bonneville Act, the Fort Peck Act, and the Flood Control Act of 1944.

Five years ago—in the Flood Control Act—we placed upon the Secretary of the Interior the responsibility for disposing under the power policy of the power produced at water control projects of the United States Army Corps of Engineers. This matter came to the floor of the Senate from the appropriate legislative committee, and it was resolved resoundingly in favor of traditional American policy.

There is a proper procedure for changing our legislative policy, and I commend that procedure to those who feel that our policies are wrong. That procedure, as we know, is to go to the proper legislative committee and ask for changes in the basic law, if need be after hearings and a thorough examination of the entire question. But the American people will not tolerate the dodging of the proper legislative process and a nullification of power policy by the use of stratagems hidden in the details of a complicated appropriation measure.

This appropriation bill does not repeal in forthright language the policy of preference to farmers' cooperatives and public bodies in the sale of public power. The bill does not relieve the Secretary of the Interior of his responsibility for managing Government power properties in accordance with "sound business principles." The bill does not free the managers of the projects of their responsibility to protect the public interest and to carry out our power policy. The laws imposing these responsibilities are left on the statute books. But the bill would deny the funds and the facilities to carry them out. This appropriation bill would say to the Department of the

Interior: "Hang your clothes on a hickory limb, but don't go near the water."

It is my firm belief that to deny the Government's representatives the funds and personnel they need in order to deal with the power companies would be to send them forth naked and unarmed to meet wolves in winter.

The power companies assert here at this last moment that they are prepared to negotiate reasonable contracts. They have professed at this last moment their desire to reach amicable agreements for the equitable distribution and sale of Government power. But the whole history of the struggle for public power has been one of incessant and bitter hostility from the private power companies, of refusal to cooperate, and of determination to destroy public power. The success of their attack on public power through this very appropriation bill warrants caution and vigilance in our dealings with the private power companies.

Little Red Riding Hood can still see the wolf behind grandma's poke bonnet, and Little Red Riding Hood may well exclaim, "Grandma, what big teeth you have!"

Let us take a minor item of $70,000—certainly minute enough in this day of billion dollar appropriations—to show how devious and subterranean are the workings of this bill.

The President requested $85,000 and the House allowed $70,000 for a small organization with very small personnel, to be set up in the southeastern region of the United States to permit the Secretary of the Interior to market the power from dams now under construction and to be constructed by the Corps of Engineers. This item was stricken from the bill.

The denial of this $70,000 would nullify throughout the Southeast the considered policy of Congress that the benefits of public power shall be spread as widely as possible, that to this end preference shall be given to public agencies and cooperatives in the sale of power, that the Federal Government's investment in power facilities shall be handled in a businesslike manner, and that public power shall not be monopolized by special groups.

The denial of the funds would affect the entire Southeast—Virginia, North Carolina, and South Carolina, Georgia, Florida, Alabama, Tennessee, and Kentucky, and adjacent States.

Ultimately, more than 1,600,000 kilowatts of installed capacity producing power benefits valued at nearly $27,000,000 a year would be involved. Eight projects costing $385,000,000 are now under construction, and preliminary engineering has been authorized on other projects costing an additional $300,000,000. Infinite details of negotiation and management are required in order to produce and market this Government power under sound, businesslike principles. The Department of the Interior has already made contracts with the Tennessee Valley Authority and the Georgia Power Co. Other contracts must be negotiated as the projects are completed.

Such contracts require not only negotiation, but management. One cannot sign a contract for power and then forget it. Every contract contemplates a continuous service responsibility. The Government must be fully prepared to carry out its obligations from day to day, week to week, month to month, and year to year. There is firm power to be sold to customers whose entire power requirements are supplied by the Government. There is power capacity which will be used only a few hours a day during peak loads. There is secondary power available for extended periods, but subject to interruption during periods of low stream flow. There is dump power available on a when, as, and if basis, during periods of relatively high stream flow. These components of the Federal hydro power supply must be properly coordinated with the generating facilities of the power systems of the region in order that they may do their full job of adding effectively to regional power supply.

Prompt and proper decisions in the operation of the projects require continuous relationships with management and operating personnel of the power systems of the region, both public and private. If public business is to be carried on in a businesslike manner, an adequate organization for that purpose must be on hand in the region. We cannot depend upon a Washington agency, with other duties, to carry out these regional responsibilities on a catch-as-catch-can basis.

The municipalities and cooperatives, the factories and farms, the thousands of people who have come to rely on Government sources for their power supply have the right to expect responsible management on behalf of the Government. The private power companies who rely upon certain Government sources of power, have a right to expect the same responsible management by the Government.

Congress should receive carefully formulated recommendations for the development of the program in the future. Congress should receive regular reports showing the financial and operating results of the power marketing job. Sound management of the public business requires a responsible agency, devoting full attention to the problem.

From this $70,000 expenditure, the Government will be assured a maximum return on its investment in these multimillion-dollar projects. The people will know that the power generated by Government dams and flowing into homes, farms, and factories is a dynamic force in the economic development of the region and the country.

I have discussed this $70,000 item in detail because it illustrates so clearly how an apparently minor appropriation has so critical and vital a function in carrying out the power policy of the United States. I have discussed the item because it affects my own region and I am familiar with it.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. HILL. I yield to my friend the Senator from Montana.

Mr. MURRAY. I should like to ask the Senator if it is not a fact that without the careful survey and report the Senator has been discussing, the result would be that the projects would be rendered more costly and it would not be so easy to repay the cost.

Mr. HILL. Certainly. That is absolutely correct. In other words, without this agency, small as it is, and although its cost will be little, there would be unbusinesslike and wasteful management of property which belongs to the people of the United States.

Mr. MURRAY. And without that supervision, the Government could very readily be charged with negligence and carelessness in supervising the project. Is not that correct?

Mr. HILL. Yes. Not only could the Government be so charged, but whoever charged it would be justified in making the charge.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. HILL. I yield to my friend the Senator from Washington.

Mr. MAGNUSON. Of course the Senator from Alabama has said that this item affects his district. However, this policy affects all the power-producing districts in the United States. Is it not true that, in effect, we are saying, "We will provide management in some districts where we have spent Government money to build huge dams for the distribution of Government power, but in other districts we will not provide such management."

Mr. HILL. The Senator is absolutely correct.

As the Senator from Montana brought out, and as has been implied by the Senator from Washington, if this power is to be distributed in accordance with laws now on the statute books, and if it is to be distributed in a proper, sound, businesslike, efficient and effective way, there must be provided the personnel with which to do the job.

Mr. MURRAY. The theory is that it is to be produced at the very lowest expense, so it can be distributed at very low cost to the public, is it not?

Mr. HILL. The Senator is entirely right. But, Mr. President, the item of $70,000 is only one of a number of serious omissions in the bill. Taken together, the omissions constitute a major attack on public power policy—through the appropriation route rather than the proper route, which is the legislative route.

As I said in the beginning, those who do not believe in our power policy as laid down in act after act and as confirmed in the Flood Control Act of 1944, should go to the proper legislative committee and undertake to have the legislation changed or modified so as to change or modify the policy according to their views.

Let us examine other omissions and deletions from the bill. There seems to have been a careful elimination of appropriations which the private power companies have disapproved. This has not escaped the attention of others. I should like to quote from an article by Peter Edson, Washington newspaperman, which appeared in the Anniston, Ala., Star of July 27. Mr. Edson, winner of the Raymond Clapper award for outstanding Washington reporting, wrote:

It is when the testimony of private power company officials before the Senate Appropriations Committee is carefully studied that

the 100-percent effectiveness of their opposition to public power shows up.

James B. Black, president of Pacific Gas & Electric, opposed projects to cost over $9,000,000. The Senate committee followed his advice on everything except $2,600,000 to extend a Shasta Dam transmission line on the east side of the Central Valley.

Kinsey M. Robinson, president of Washington Water Power Co., opposed the Bonneville Power Administration Kerr-to-Anaconda, Mont., transmission line. The Senate committee cut it out.

D. C. McKee, president of the Empire District Electric Co. of Missouri, testified in particular "* * * in opposition to a $10,000,000 expenditure out of the $30,000,000 proposed to build the lines designated in the (Southwestern Power) Administrator's report as the Missouri group." So the Senate committee eliminated all Missouri group items.

Hamilton Moses, president of Arkansas Power & Light, gave the committee a table showing what the power companies in his area thought should be approved. The committee followed his recommendations except for two minor construction items of $300,000.

Idaho Power Co. opposed Anderson Ranch switchyards and transmission line projects for $631,000. Out they went.

Public Service Co. of Colorado opposed three transmission lines running into Valmont, Colo., to cost $769,000. Out they went.

Montana Power Co. opposed the Havre-Shelby, Mont., substation and transmission line to cost $1,300,000. Out they went.

Economy could not have been the objective of the deletions. The Department of Interior had asked for a total of $625,000,000. The House approved $536,000,000, including the cost of all the transmission lines and power facilities referred to by Mr. Edson. The Senate committee has raised this amount to $590,000,000. Curiously, it is the appropriations for power development which were eliminated while the Senate committee was increasing the House appropriations.

The bill is a legislative anachronism. It seeks to turn back the clock to the good old days of private-power monopoly. But we cannot and will not turn back the clock. The people today understand and fully support the public-power policy. They know the many benefits of public power and they will not relinquish those benefits.

The people know that the public-power policy is sound business and good government. But the bill does not appropriate funds for the businesslike operation of the Government's power system. The bill would appropriate the people's power for the benefit of the private utilities.

It is sound business for the Government to sell its power to more than one distributor. If the Government does not build transmission lines, or if the agents representing the Government are not prepared if need be to build the lines, the Government is forced to sell its power to the one large private utility in the vicinity that can afford to build a line to the Government's dam. That utility will then have a monopoly. And it can dictate the price it will pay the Government and the price it will charge the people.

Mr. CORDON. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Oregon?

Mr. HILL. I yield to the distinguished Senator from Oregon.

Mr. CORDON. The Senator from Oregon is very much interested in following the Senator's statement, but is somewhat confused as to how he has reached his conclusion that the type of contract which is the only one now in existence, and which is generally termed the "Texas Contract," could result in turning back the clock or in failing to give any preference which the law requires, or in anywise doing anything other than getting public power to the ultimate consumer, with the preferences intact, which the law requires. The Senator from Oregon would be helped greatly in his thinking if there were an explanation of the Senator's view in that regard.

Mr. HILL. The Senator has put his finger on the heart of the matter when he says the Texas Power & Light contract is the only one in existence in all the country. Of the many, many Government projects we have been building through the years, of the many private companies having systems all over the country, it is the sole and only contract up to this time which any private company in the United States has been willing to sign. It is the only single instance. On the other hand, we know that up until about 90 days ago private power companies were denouncing the contract. They said it was "criminal" to enter into the contract, and that the contract was iniquitous. We know their whole record of opposition to entering into any kind of contract such as that of the Texas Power & Light Co. We know their whole record of opposition to our public-power program. So I say to the Senator from Oregon, "Come and join hands. Let us go along with the House; let us provide the money to build these transmission lines." Then the agents of the Government can sit around a table armed with the funds, just as Mr. Wright, who negotiated the contract with the Texas Power & Light Co., was armed. He had the money in his hand, and the Texas Power & Light Co. knew that if they did not arrive at a fair and reasonable contract, Mr. Wright would build the lines. Let us arm our representatives, and, then, so far as I am concerned, I have no objection to our representatives sitting around the table and seeing if they can get fair and reasonable terms which will carry out the power policy laid down in the Flood Control Act of 1944. I hope my distinguished friend from Oregon will join me in this. I think by so doing we shall not only safeguard the power policy laid down in the Flood Control Act of 1944, but we shall have the best chance to get a contract which will bring the most benefits to the people.

Mr. CORDON. Mr. President, will the Senator further yield?

Mr. HILL. I yield further to my friend.

Mr. CORDON. Does the Senator from Alabama agree that the Texas contract is a provident contract and in the public interest?

Mr. HILL. So far as I know—I have not given detailed study to it—that contract is in the public interest for the particular area and particular situation which it serves. I will say to the Senator that I have no objection to entering into a contract which carries out the letter and the spirit of our power policy and which is in the public interest. But though I agree with my friend, I ask him not to be so rosy hued in his optimism as to think that the agents who represent the people of the United States can go unarmed to negotiate these contracts.

Mr. CORDON. Will the Senator further yield?

Mr. HILL. I yield to my distinguished friend from Oregon.

Mr. CORDON. Is the Senator aware of the record, which is, that in the Southwestern Power Administration situation the Administrator, Mr. Wright, asked the Appropriations Committee to recommend and the Congress to grant a very considerable amount of money—as I recall it was $25,000,000; it may have been more—and presented a picture of a complete grid of transmission lines in the Southwest area, and the Senate committee did not recommend the appropriation? As a matter of fact, Mr. Wright was not armed with that vast amount of money, due to the fact that it had not been appropriated to him at the time he negotiated the contract.

Mr. HILL. Mr. Wright was armed with the money he needed when he negotiated with the Texas Light & Power Co. The appropriation had been made. What Mr. Wright needs now is the appropriation which the House of Representatives put into this bill, some $9,000,000, and that is what I am asking the Senator to join me in getting for Mr. Wright.

Mr. CORDON. The Senator will recall that the Senate committee, in its report calling attention to the Texas contract, directed that attempts be made to secure that type of contract from the companies, and directed that a report on the situation be made by the first of the year. The Senate Committee on Appropriations, in taking that view—and the Senator from Oregon also took that view—felt that, inasmuch as a contract which seemed to be sound, in the public interest, and in the interest of economy, so far as we, who were not experts, could determine, had been worked out in that area, and the companies, finding they were face to face with Old Man Necessity—there can be no question about that—had indicated that they were prepared to go along with similar contracts, an opportunity should be given to those companies to prove by their actions what they had said by their words, and likewise an opportunity should be afforded the Government's representatives to act accordingly. The committee felt further that the Congress should have an opportunity at the end of a reasonable period to look into the matter and see if the parties had gotten together, and, if they had not gotten together, to see who was in error. Would the Senator feel that that is a sound approach, under the circumstances?

Mr. HILL. I am afraid the Senator has not heard what I have stated this afternoon, or else I did not make myself

clear. I certainly would not think that was a sound approach. These projects are coming into being and it is the duty of the Secretary of the Interior, under the law, to make disposition of the power. What the Senator proposes, even if the appropriation were finally made, might cause all kinds of delays. The Senator is familiar with what delays mean. We are now considering this appropriation bill, more than 6 weeks after July 1, when that date was supposed to be the deadline. The Senator knows that the Senate of the United States cannot even initiate an appropriation bill; it cannot act until a bill comes over from the House of Representatives. As a practical proposition, knowing the history of appropriations, as I do, this would open wide the door for all kinds of delays for months and months. In the meantime, there is tremendous pressure on the Secretary of the Interior to negotiate some kind of a contract, because water is going to waste over the dam, and there would be loud and raucous protest that the Department of the Interior was permitting the Government power to go to waste.

Let the representatives of the Government enter into negotiations. If the private power companies do not negotiate in good faith what they promise, the Government's representatives will be armed and able to act to protect the public interest and to carry out the Government's power policy for the benefit of the people.

Mr. MURRAY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. LONG in the chair). Does the Senator from Alabama yield to the Senator from Montana?

Mr. HILL. I yield.

Mr. MURRAY. The chief object to be gained through the public-power policy is the low-cost power. The Senator knows what low-cost power has done for Oregon and the Pacific Northwest. In dealing with private utilities, as the able Senator has very well said, the Government must be so armed as to make a good bargain with them. Most of the private utilities are so overcapitalized that it is impossible for them to sell power at rates sufficiently low to develop business in the area. Take, for instance, the Montana Power Co. In an examination and investigation by the Federal Power Commission a year ago, it was found that the company had watered stock to the extent of more than $50,000,000, and it is a small corporation. The companies are all overcapitalized. The Senator knows what the situation was when we were considering the holding-company bill. If we had not had the Holding Company Act in the depression following the 1929 crash, this country would be in a much more dangerous condition than it is in today.

Mr. HILL. The Senator is correct when he says many of the private companies are loaded down with watered stock on which they must make some kind of a return. They have to continue to carry the stock and to provide dividends on it. The investigation by the Federal Power Commission showed exactly what the situation was and what we face when we have to deal with private power companies.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. MAGNUSON. Is it not also correct that at this time, in two instances, the Interior Department is attempting to enter into a contract in Idaho and into contracts in other sections of the Pacific Northwest? In the middle of negotiations the Appropriations Committee knocks out the only weapon the Interior Department could have to deal with the parties. Under those circumstances, what kind of a contract can the people expect?

Mr. HILL. To send our agents out without giving them the funds with which to deal with the companies is like sending out sheep to meet wolves in winter.

Mr. MAGNUSON. Does the Senator agree with me that they denounced the Texas contract as criminal?

Mr. HILL. Not only did they denounce it, they kept on denouncing it year after year. They said it was criminal and declared it to be iniquitous.

Mr. MAGNUSON. I wonder what their attitude will be with regard to attempting to carry it out even after they sign it.

Mr. HILL. If we are to protect the interests of the people, if we are to safeguard the principles of the power policy, we must forearm the representatives of the people with these appropriations when they go in and sit around the table with the representatives of the private power companies.

As a business proposition, it is absurd to put the Government's negotiators behind the eight-ball of a policy that requires them to sell Government power through one private power company. No sane businessman, if he wanted to stay in business, would voluntarily limit himself to a single outlet for the distribution of his product. And no farmer who wanted to get a decent price for his crops would pile them at the side of the road and wait for a chance buyer to come along.

It is good government to develop our rivers for multiple purposes—for navigation and commerce, for flood control and irrigation, and for electric-power production. The multiple-purpose job must be done by the people acting through their Government. It cannot be done by private companies.

It is good government to sell the people's power as cheaply as possible. Cheap power means that more power will be used by more people, and there will be more returns to the Federal Treasury.

TVA—which only the other day added its millionth customer—has taught this lesson. The people of the Tennessee Valley buy and use 10 times as much power as they used before TVA with its reasonable rates. They pay more taxes and buy more goods produced in other States. Last year they bought $50,000,000 worth of electrical appliances alone produced in plants outside the Tennessee Valley. The same story is reflected in the tremendous consumption of low-cost power from the Bonneville and Grand Coulee Dams.

The benefits of cheap power and the benefits of multiple-purpose river development flow from one State and one region into all the States, and contribute to the growth and prosperity and strength of the entire Nation.

Abundant low-cost power means that America can decentralize her industries and manufacturing centers, so necessary in this day of the atomic bomb. Low-cost power means a balance between city and country, between agriculture and industrial production. The day of industrial concentration, with slums and disease and crime, is nearing its end. Cheap electric power is bringing a new day of industry spread through the land.

Power transmission lines are the new highways of this progress. They are the modern roads over which our country continues to advance, the roads over which the underdeveloped regions move to fuller use of their manpower and their resources.

We must provide the funds required to make certain that the power policy of the Nation shall be carried out. American progress will not pay tribute on the private toll roads of monopoly.

REORGANIZATION PLAN NO. 1

Mr. TAFT. Mr. President, I wish to make a brief statement in support of the resolution disapproving Reorganization Plan No. 1, in order that the statement may be in the RECORD, and may set forth the opposition of those of us who think the plan should be disapproved.

I think the statement is particularly necessary because the President of the United States, in addition to his message submitting plans 1 to 7, inclusive, has seen fit to intervene in the legislative process by writing a special letter to the Vice President, which appears in Friday's RECORD. The President disapproves of and objects to the action of the Committee on Expenditures in the Executive Departments recommending rejection of plan No. 1 and plan No. 2. He makes the statement that the important changes which would be effected by these two plans were unanimously recommended by the Hoover Commission, and that their rejection would be a real set-back to the effort to reorganize the executive branch of the Government.

Mr. President, I do not like to leave that statement unchallenged. I wish to state briefly to the Senate the reasons why in my opinion plan No. 1 flies directly in the face of the recommendations of the Hoover Commission, and why its adoption would make impossible for years to come the carrying out of the Commission's recommendations.

We are approving many parts of the Hoover Commission plan. We have passed a bill for the reorganization of the armed services substantially in accordance with that plan. We have passed a bill creating a general service agency. Within 1 or 2 days, and without objection, I think, plans 3, 4, 5, and 6 will be approved. While plan No. 2 is contrary to congressional policy, both of the Seventy-ninth and Eightieth Congresses, it does not controvene the Hoover report. I do not know what action will be taken on it.

Plan No. 1 creates a new Department of Welfare containing all the major functions of the Federal Security Administration. It does not reorganize. It simply makes a department out of the Federal Security Administration, and a Cabinet officer out of the Administrator. Furthermore, it provides that all of the functions of the officers and constituent units of the Department, including those functions conferred expressly by Congress on the Office of Education, on the Surgeon General of Public Health, and on the Social Security Administrator, are transferred to and consolidated in the new Secretary of Welfare. Under this plan he is given every power to direct in every detail all the functions which we have conferred on these various departments.

Section 2 (b) of the plan reads:

All of the functions of the Department of Welfare and of all officers and constituent units thereof, including all of the functions of the Federal Security Administrator, are hereby consolidated in the Secretary of Welfare.

The Secretary is given complete power to set up his Department any way he pleases, to mix welfare, health, and education as he sees fit and to subordinate health and education to welfare to an even greater extent than he can now do as Federal Security Administrator.

I do not know what the position of the Advisory Council may be, but the plan takes all the powers we have conferred on different officers in these fields, and transfers them to one man, who therefore becomes the dictator in the whole field of education, in the whole field of health, and the whole field of welfare.

In view of his public statements and actions, there can be no doubt that he would completely subordinate health and education to welfare. Doctor Parran resigned as Surgeon General and Mr. Studebaker as head of the Office of Education, largely because no independence was left to them in their proper functions. This gives even greater power to the new Secretary, as compared with that which the Federal Security Administration now has.

The Hoover plan recommends a Department of Welfare and Education, but it recommends a separate medical administration and excludes health from the new Department.

It is said, Mr. President, that health can be taken out of the Department later on; that later on a separate medical administration can be created. That is not true, because Mr. Ewing, and therefore, presumably, the President are opposed to it. Mr. Ewing has frankly stated in the letter which he wrote that he is opposed to the creation of a separate medical department. His testimony shows very clearly that he disapproves that part of the Hoover recommendation. He said in his letter:

I am unalterably opposed to the recommendation to transfer the Public Health Service to an independent United Medical Administration and I feel that any plan to consolidate hospital functions at this time would be premature.

Mr. Ewing reiterated that statement in his testimony before the committee. So we know that if we ever create this department Mr. Ewing, the head of it, will be absolutely opposed to setting up any independent medical administration.

Obviously, therefore, no plan is ever going to be submitted setting up any separate medical administration. Obviously, Congress cannot successfully pass a bill setting up such an administration because it can be vetoed, and will be vetoed, if we have once voted affirmatively respecting plan No. 1, and Mr. Ewing has become a Secretary in the Cabinet of the President.

Mr. President, it is said that a medical administration can be set up only by statute and that therefore it was not included in this plan. That in my opinion is absolutely untrue. If the Federal Security Administration can be made a department, without any special reference in the Reorganization Act, then certainly the Public Health Service can be made a separate medical administration to which other functions can then be transferred. I think many Senators did not realize that a new department could be created under the Reorganization Act, but it is admitted that this extreme power was given by that act. But if that power was given, certainly the power was also given to take the Public Health Service out of the Department and set up a separate medical administration.

I might add at this point that, in analyzing the requirements of the Hoover plan, the Budget Commission has listed the things for which legislation was necessary and reorganization plans are necessary. All the important features of the United Medical Administration are covered by reorganization plans. The only substantive legislation required is that defining the beneficiaries entitled to medical care by the Government, which, after all, is something we know could only be done by Congress in any event.

Mr. President, the reorganization plan combines three functions: Health, welfare, and education, which are completely distinct in purpose, in theory, and in practice. At the State and local levels, where the main work is done, they are always separated. Education is usually separated, even from local government in our States, in order that it may be entirely independent. Many States elect a separate director of education. Welfare and health are separate in nearly every State and local government I know of. The Hoover Commission says they should be separate.

Two years ago the Senator from Arkansas [Mr. FULBRIGHT] and I introduced a bill to create a new Department of Health, Welfare, and Education, but only because we did not feel there could be three new separate departments. We carefully provided that each one of these functions be placed in an autonomous section, under a separate Under Secretary, reporting directly to the Cabinet officer, who was not given a whole raft of secretaries and under secretaries. By statute we assigned all matters relating to health to an Under Secretary of Health, all those relating to welfare to an Under Secretary of Welfare, and all those relating to education to an Under Secretary of Education. We put those departments under those Under Secretaries so they could not be shifted around. We gave, as I said, practically autonomous rights to those three departments. The Secretary became a representative of those three groups in the Cabinet of the President of the United States, where I think there ought to be someone to speak for health, welfare, and education.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. FULBRIGHT. Was not that bill in a sense very much like the reorganization bill relating to the armed services, in recognition of the importance of these various services, and in an effort to try to maintain the integrity of the various services?

Mr. TAFT. Yes. I think it is important that the integrity of health, welfare, and education be maintained; I think it is far more important to keep them separate than to keep separate the Army, the Navy and the Air Corps. The latter have exactly the same purpose. The functions of health, welfare, and education to my mind are completely independent and are only grouped because they are functions in which the Federal Government has only a secondary interest. The primary interest is in the States and local governments. They must do the main work of administration in those fields. Since the Federal Government has a secondary interest only, it seemed to us that it might be fair to put them all under one Cabinet officer. We could not have three separate Cabinet officers.

Mr. FULBRIGHT. Mr. President, will the Senator again yield?

Mr. TAFT. I yield.

Mr. FULBRIGHT. If the Congress and those in the administration have seen the necessity for keeping separate the Air Force and the Navy, for example, in order to prevent some admiral, we will say, from dominating the Air Force and thereby the Air Force losing its efficiency, I think even more so that principle is applicable in the field we are now discussing.

Mr. TAFT. The Senator is entirely correct. If authority over all three of these agencies were vested in a Secretary he would, I believe, become the most powerful figure in the Government so far as domestic affairs are concerned.

The Federal Security Administration has increased its expenditures from $743,000,000 in 1946 to $1,500,000,000 in 1950.

The Hoover Commission's task force on public welfare recognizes clearly that the proposed department should be separated and the power centered in the three bureau chiefs. That task force on public welfare, much as they are interested in welfare, came to this conclusion:

In a multifunctional department the bureau chiefs are the real directing heads of actual operations—

In a multifunctioning department, one where there are three entirely separate functions—

especially if the bureaus are engaged in professional or scientific fields. They should be and often are selected primarily on the

basis of their professional attainments and standing. * * *

Our recommendation would be that no steps be taken which would reduce the status and prestige of the chiefs of the professional bureaus in the Federal Security Agency. The positions should attract the best, and opportunity for professional leadership and influence is perhaps the most attractive feature of these positions.

The new Secretary could not be an expert in health, in welfare and in education at the same time. Nor could he properly study and develop the knowledge necessary to cover all three of those fields. He is most likely, of course, to be a man interested in welfare, to whom health and education are entirely subordinated. The new plan does not carry out the purpose of the Reorganization Act. Far from reducing expenditures, it will lead to increased spending. Not one cent of saving will result. If the Federal Security Administration were raised to a department it would be bound to add many officers and increase the cost and expense. Far from increasing the efficiency of the operations of the Government, it would subject all of these departments to political control. It does not group agencies "according to major purposes," in the terms of the Reorganization Act. It does not consolidate agencies for similar functions or abolish a single agency or function. It does not eliminate overlapping or duplication of effort. It contains one rather curious provision making the Federal Security Administrator the Acting Secretary of Welfare for a period of 60 days, receiving the compensation of the Secretary of Welfare. Apparently the Federal Security Administrator cannot wait for confirmation by the Senate. Clearly no man should become Acting Secretary of Welfare until his name has been submitted to the Senate and given consideration. The Reorganization Act does not contemplate that any Cabinet officer act as such without confirmation by the Senate.

The rejection of this plan will not be any set-back to the adoption of the Hoover plan. It will be a warning to the departments that they cannot have their cake and eat it too. I submit for the RECORD a summary of the replies of the various departments to the Committee on Expenditures in the Executive Departments, and ask that it be incorporated in the RECORD at this point as a part of my remarks.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

COMMENTS OF DEPARTMENTS AND AGENCY HEADS ON THE HOOVER REPORT

All departments and agencies of the executive branch have studied the recommendations of the Hoover Commission. The comments of almost 30 departments and agencies have been submitted to Senator MCCLELLAN, chairman of the Senate Expenditures Committee. These comments have been printed or summarized in the CONGRESSIONAL RECORD. The reaction of most of the department and agency heads was very unfavorable. This attitude constitutes a very serious threat to effective reorganization.

In its final report to Congress, the Hoover Commission warned:

"It is natural to expect vigorous opposition to reforms from agencies and groups, each of which approves heartily of reorganizations that do not affect its own immediate interests. The Congress must be prepared to accept this fact and give careful attention to the validity of arguments of those who would seek to escape reorganization, as many have so successfully done in the past." (Concluding Report, p. 47.)

The most vigorous opposition to the Hoover report is represented in the comments of the following departments and agencies:

FEDERAL AGENCY	EXAMPLE OF HOOVER COMMISSION RECOMMENDATIONS APPROVED	EXAMPLE OF HOOVER COMMISSION RECOMMENDATIONS DISAPPROVED
Department of Agriculture.	Two additional Assistant Secretaries and an Administrative Assistant Secretary; increased authority for Secretary to control Department.	Proposals estimated to save $44,000,000 a year, including discontinuance of certain lending activities of Farmers' Home Administration; consolidation of that Administration with Farm Credit Administration; creation of a single departmental regulatory service; prohibition against committees of farmers serving any any capacity other than advisory.
Civil Aeronautics Board.	Increased salaries for Board members and staff assistants.	Separation of regulatory functions and business functions by transfer of latter to Department of Commerce; development of over-all route programs for air transportation by Department of Commerce; payment of air-mail subsidies by open appropriation from tax funds rather than by way of hidden subsidies imposed on the Post Office and mail users.
Civil Service Commission.	Development of standards for department and agency personnel offices if sufficient funds are provided for this additional function; increased salaries for agency heads; sabbatical leave for certain Government employes; Chairman of CSC to be Director of Personnel in the Executive Office of the President.	Mandatory requirement that each department or agency head have director of personnel on his management staff; further decentralization of examining and recruiting personnel.
Federal Deposit Insurance Corporation.	No approval of any Commission recommendation indicated.	Transfer to FDIC to the Treasury Department.
Federal Power Commission.	Salary increases for Commissioners, Board and staff members.	Transfer of power planning functions to Department of Interior; investigation of natural gas resources be given to Interior; increased power for Chairman; supervision by Budget Bureau of publications and statistical activities.
Federal Security Agency.	Transformation of the FSA into a Department of Welfare; higher salaries for top-level officials; increased authority of agency heads over their organizations; transfer of Bureau of Indian Affairs from Department of Interior to FSA.	Transfer of Public Health Service and Federal hospital functions to a United Medical Administration; transfer of functions under the food and drug laws to Department of Agriculture and an independent medical agency; transfer of Bureau of Employees Compensation and Employees Compensation Appeals Board to Labor Department; retention of Railroad Retirement Board as an independent agency; continued administration of educational exchange program by State Department.
Federal Trade Commission.	Increased salaries; greater control over Commission personnel transactions.	Transfer of regulatory functions relating to food products to Department of Agriculture; transfer of drug regulatory functions to a United Medical Administration.

FEDERAL AGENCY	EXAMPLE OF HOOVER COMMISSION RECOMMENDATIONS APPROVED	EXAMPLE OF HOOVER COMMISSION RECOMMENDATIONS DISAPPROVED
Housing and Home Finance Agency.	Increased salaries; transfer of Veterans' Administration home loan guaranty activities to HHFA; greater decentralization of personnel transactions now performed by Civil Service Commission; transfer of Federal National Mortgage Association to HHFA.	Congressional approval of expenditures for capital additions; congressional restrictions on direct loans; placement of housing construction functions in Department of Interior; establishment of a National Monetary and Credit Council; transfer of Office of Housing Expediter to HHFA.
United States Maritime Commission.	Higher salaries for Commissioners and other top-level officials; additional power to delegate authority.	Separation of regulatory and business functions by transferring the latter (ship construction, operation, charter, and sale) to Department of Commerce; development of water route programs by Commerce rather than United States Maritime Commission; determination of minimum wages for seamen removed to Labor Department; establishment of a clear line of authority from the President down to subordinate units of the executive branch.
National Advisory Committee for Aeronautics.	The Commission's personnel management recommendations, including pay raise, and the Hoover report on supply activities and budgeting and accounting.	Transfer of NACA to the Department of Commerce; authority in General Services Agency over specialized procurement.
Reconstruction Finance Corporation.	General approval of the Hoover report on budgeting and accounting, and the report on personnel management recommending higher salaries and greater control over personnel transactions.	Every specific recommendation of the Hoover Commission which applies to RFC; general recommendations concerning charters for Government corporations.
Selective Service System.	No approval of any part of Hoover report indicated.	Transfer of the Selective Service System to the Department of Labor.
Veterans' Administration.	No approval of any part of Hoover report indicated.	Virtually every specific recommendation applying to VA, including: Creation of a veterans' life insurance corporation; transfer of home loan guaranty program to HHFA; transfer of medical functions to an independent medical agency; transfer of hospital construction functions to Interior; and centralization of public buildings management functions in the General Services Agency.

The Hoover Commission predicted that many departments and agencies would bitterly oppose effective reorganization. The power of an entrenched bureaucracy has been strong enough to nullify the reorganization efforts of every President from Taft to Roosevelt. The comments of most of the major departments and agencies show that they will support only the expensive recommendations such as those dealing with increased salaries, additional personnel, and additional powers. They will oppose the money-saving recommendations of the Commission, represented principally in the consolidation of functions scattered throughout the executive branch, and in the discontinuance of certain activities. If the departments and agencies are permitted to take only the plums in the Hoover report, the cost of Government will be increased substantially without any increase in efficiency.

The Hoover Commission warned of the dangers of partial or half-hearted implementation of its recommendations. It is only fair to demand that department and agency heads who seek the benefits of the Hoover report must also accept recommendations which may not advance the interests of their own empire. More than half of the Commission's recommendations require no specific legislation. Accordingly the initial responsibility for resisting the pressures of departments and agencies lies with the President. In the Reorganization Act of 1949, Congress vested in the President extremely broad reorganization authority without any crippling exemptions or exceptions. Unfortunately, the hostile attitude of some departments and agencies toward the Hoover report has already been reflected in the action of the President.

For example, in Reorganization Plan No. 6 of 1949, the President adopted several minor recommendations of the Commission relating to the United States Maritime Commission. The most important recommendation from the standpoint of economy and efficiency was the separation of regulatory functions and business functions. The Hoover Commission recommended that the business of building, operating, chartering, and selling ships be transferred to the Department of Commerce. The transfer of business functions to the Department of Commerce could have been made by the President in accordance with his authority under the Reorganization Act of 1949. Apparently, the objection of the Maritime Commission prevailed.

Reorganization Plan No. 1 of 1949 faithfully carries out Federal Security Administrator Ewing's opinion of these Hoover Commission recommendations which deal primarily with the functions of his agency. The plan converts the Federal Security Agency into a Department of Welfare. It confers on the Secretary of Welfare additional authority over welfare, health, and education activities. The Hoover Commission recommended that certain nonwelfare activities be transferred to other departments or agencies. Mr. Ewing recommended that these nonwelfare activities be retained in a Department of Welfare. They were not disturbed by Reorganization Plan No. 1. Although the President provided in Reorganization Plan No. 2 for the transfer of the Bureau of Employment Security from the Federal Security Agency to the Department of Labor, this recommendation of the Hoover Commission was not opposed by Mr. Ewing.

Some Federal agencies, which by reason of their size or the peculiar character of their work are little affected by the Commission's recommendations, approved the Hoover report. Generally favorable comments were also made by heads of departments which would lose no functions if the Hoover Commission recommendations were adopted.

Mr. TAFT. Mr. President, this summary is very interesting. All the departments in their reports accept the things which they like and reject the things which they do not like. For example, the Department of Agriculture approves these recommendations of the Hoover Commission: Two additional assistant secretaries and an administrative assistant secretary; increased authority for Secretary to control Department. It rejects proposals estimated to save $44,000,000 a year, including discontinuance of certain lending activities of the Farmers Home Administration; consolidation of that Administration with the Farm Credit Administration; creation of a single departmental regulatory service; and prohibition against committees of farmers serving in any capacity other than advisory. It rejects everything that makes any economy. It accepts things that it likes.

The Civil Aeronautics Board approves increased salaries for Board members and staff assistants, but rejects every other proposal of the Hoover Commission.

There will be inserted in the RECORD reports of the various bureaus, in every case saying, "This we like, and that we do not like." So if we accept uncritically the plans which are presented, we shall find that we have picked out those things which are pleasing to the departments, and left out all the things that they do not like. Once they get the things they like, there will be no effort and no interest in carrying out the effective parts of the Hoover Commission recommendations.

We cannot give the departments the things they want and then ever hope to

impose on them those matters which they regard as unpleasant. Even in the State Department bill it will be remembered that they added the assistant secretaries recommended by the Hoover report, but they did not abolish the office of General Counsel and one other office which the Hoover Commission recommended should be abolished.

The General Service Agency takes in the Federal Works Agency, but does not face the problem of setting up a Department of Public Works, which is such a knotty problem.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. LUCAS. Does the Senator from Ohio disagree in any degree at all with the Hoover Commission's recommendations? Does he take everything the Hoover Commission has recommended, and swallow everything that is handed down?

Mr. TAFT. I do not think I would; no. The important point I wanted to make today is that this plan is in violation of the Hoover plan. That is the point I am anxious to make at this time. I shall discuss tomorrow at greater length all the details, and will be glad to answer questions. I am glad to answer questions now.

Mr. LUCAS. I am glad to know that the Senator from Ohio does not agree with everything the Hoover Commission has recommended, yet he is criticizing the administration for disagreeing with the Hoover Commission. At the same time, he tells the Senate and the country that he does not agree with everything the Hoover Commission recommends.

Mr. TAFT. I am delighted to have the Senator point out that the Senate should examine the plans submitted, and should not accept them merely because they happen to be in full accord with the Hoover plan. That is exactly the critical examination which I think we should make of this plan. I am fully in accord with the Senator from Illinois.

Mr. LUCAS. I am in accord with the Senator from Ohio, but the Senator has been using the Hoover Commission's recommendations in his argument to tear down Reorganization Plan No. 1 and other similar plans which have been submitted by the President.

Mr. TAFT. The only reason I have done so is that the President of the United States sent a letter which was inserted in the RECORD, which stated that if we disapprove this plan, just as it is, we shall be discrediting the Hoover plan, and the President could not go forward with it. That simply is not true. My whole purpose in speaking this afternoon is to dispute that statement. I am delighted to have the Senator feel also that the President's position is not correct in that respect.

Mr. LUCAS. I wish to make one or two statements. Now that the able Senator from Ohio has taken the leadership away from the Democratic Party upon this very important issue, and has seen fit to deliver a speech on this important question, I am sure that he has spoken for those who are against Reorganization Plan No. 1. As a result of the speech which he has made this afternoon, it seems to me that we ought to get a limitation of debate when we come back here tomorrow.

Mr. TAFT. I should be inclined to recommend a limitation of debate.

Mr. LUCAS. I am sure the Senator would, after making his principal speech this afternoon, before the reorganization plan is even before the Senate. I am very glad that he has done so, if it will save some time. The Senator from Ohio cannot add very much to what he has said this afternoon, even though he goes into great detail.

Mr. TAFT. I thank the Senator.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. MURRAY. Mr. President, I ask unanimous consent to have inserted at this point in the RECORD, two items which I send to the desk, which will contribute to our thinking on Reorganization Plan No. 1.

The first is a letter by Dr. Mattingly, of Washington, which illustrates some of the irrelevancies which have entered the discussion of this matter. The second is a column by Doris Fleeson which closes on a provocative note. Some of my colleagues may be thinking of voting against the plan at the behest of a misinformed medical society which thinks that by reorganizing the executive branch of the Government on a more efficient basis, we are abdicating our right to legislate on matters of health. Of course, this claim is absolutely unfounded and irrelevant. However, should it be offered tomorrow, I shall watch with interest to see if those espousing that argument show the intellectual consistency to which Miss Fleeson refers. I shall watch to see with what equal promptitude and fervor they move to do away with the medical care now made available to Members of the Senate on terms which must be much more objectionable to medical societies than is Reorganization Plan No. 1.

There being no objection, the letter and article were ordered to be printed in the RECORD, as follows:

WELFARE DEPARTMENT

Ernest E. Irons, M. D., president, American Medical Association, and the editors of the Washington Post take opposing views re the President's Reorganization Plan No. 1 (July 29).

Our AMA wants a Federal department of health headed by a physician of Cabinet rank. The Washington Post advocates coordinating all the Nation's problems of health, education, and social security under a new department of welfare. It would not require the administrator to be a doctor. But it would require him to be an acknowledged expert in all phases of social engineering pertaining to culture and the economics of democratic survival.

Dr. Irons fears the President's reorganization plan will make America over in the bankrupt pattern of the welfare state. He implies that the drift to the welfare state can be avoided. If he so believes Dr. Irons is blind to the tumultuous and irresistible forces of history about him. The welfare state is unavoidable. It is either that or the slave state.

The welfare state is the lesser evil. For this Nation, its mind, heart, and conscience will be determined by the future department of welfare. Our job is to make that conform to democratic ideals and traditions.

The essential characteristic of any welfare state is administrative government. By its very nature it is a denial of representative government. We must revert to a rule of men through the appointive power of our Chief Executive. Theoretically these appointees are exemplary servants of policy. In practice they are a cynical means of paying political debts. Given administrative power they soon conspire to become makers and masters of policy. This is how a political dictatorship would come to power in this country.

If politicians like Mr. Ewing are to be key administrators in the inevitable welfare state let organized medicine be vigilant and resolute in denying his policy-making powers. We do not question Mr. Ewing's skill as an administrator nor that the President is deeply in his debt. We do deny he is an acknowledged expert in all phases of social engineering pertaining to culture and the economics of democratic survival.

THOMAS E. MATTINGLY, M. D.

WASHINGTON.

[From the Washington Evening Star of August 11, 1949]

POWERFUL MEDICINE—COALITION FIGHT ON EWING IMPERILS PLAN TO COMBINE WELFARE ACTIVITIES

(By Doris Fleeson)

Because Oscar Ewing, Federal Security Administrator, loyally supports President Truman's Fair Deal, including the health program, Reorganization Plan No. 1 is in peril.

Plan No. 1 combines all welfare activities in a Department of Welfare. It brings to fruition years of nonpartisan effort which culminated in the Reorganization Commission headed by Herbert Hoover. Mr. Hoover has testified that it is a step in the right direction and substantially in accord with his recommendations.

It is known that Mr. Truman would name Mr. Ewing Welfare Secretary. Obviously, Mr. Ewing could not administer any health program Congress did not first enact and Congress has not yet seen fit to enact one.

Actually the fight on Mr. Ewing represents another bold attempt by a Republican-southern conservative Democrat coalition to dictate personnel or policy to the White House which is has failed to capture in free elections for 20 years.

TAFT ONE OF AUTHORS

Senator TAFT is one of the authors of the resolution to disapprove plan No. 1, the others being Democrats—HUNT, of Wyoming, a dentist; and FULBRIGHT, of Arkansas. Senator TAFT has made tentative attempts to make defeat of plan No. 1 a matter of Republican policy but has been rebuffed, many Republicans feeling it would constitute a repudiation of Mr. Hoover.

Democrats will not even ask the President to withdraw Mr. Ewing's name; they agree with him that Mr. Ewing has earned the post. But they fear the powerful medicine mixed by the American Medical Association against the Truman bill and its defender, Mr. Ewing.

The AMA propaganda is well financed, widespread, and above all, respectable. Southern Democrats can cite it without mentioning that Mr. Ewing, in appointing a colored woman as his special assistant and colored doctors to Federal hospital staffs, is actually practicing the civil-rights plank in the Democratic platform.

Notably Senator HOEY, of North Carolina, is one of four Expenditures committeemen who voted against the disapproval resolution. The others: Republican MARGARET CHASE SMITH and Democrats HUMPHREY and TAYLOR.

Voting to report the plan unfavorably were Democrats EASTLAND, ROBERTSON, and MCCLELLAN, all southerners, and Republicans MCCARTHY, IVES, MUNDT, and SCHOEPPEL. Their argument is said to be that Mr. Ewing

is bound to be Secretary of Welfare and that putting so stout a champion of the Truman program there would give it great momentum.

NOTABLY SUCCESSFUL

Truman appointments are too often vulnerable from the competence standpoint. Mr. Ewing, however, cannot be attacked as a lame duck, a profession liberal, or a Government careerist who never met a pay roll. He is a notably successful New York lawyer, formerly counsel for the Aluminum Co. of America. As former Democratic vice chairman, he did many important and delicate tasks for his party.

Senators, of course, are not against socialized medicine for Senators. They, and Representatives too, enjoy the unremitting attentions of a doctor chosen by them and paid by the taxpayers, Dr. George Calver, whose office is in the Capitol. When they need hospitalization, the taxpayers generously provide completely free treatment by some of the country's finest doctors in the superb Army and Navy hospitals here.

To paraphrase Samuel Butler, Members of Congress would be almost as much horrified at hearing socialized medicine preached as they would be to see it discontinued in their case.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. ELLENDER. Can the Senator tell us what position the Hoover Commission, or any member of it, took as to Reorganization Plan No. 1? Has it taken sides?

Mr. TAFT. I do not believe that the Hoover Commission took any official position. I understand it did not. In effect, it seems to me that the plan which is submitted carries out the recommendations of the minority of the three members of the Hoover Commission. In effect they did not want to set up a separate medical administration. As I see it, this plan simply carries out the recommendations of the minority of the Hoover Commission.

Mr. ELLENDER. The Senator stated a while ago that if we were to give the Federal Administrator Cabinet status, it would increase his power. Can the Senator tell us in what respect?

Mr. TAFT. Under the terms of this plan, which I read:

All of the functions of the Department of Welfare—

If they had stopped there, and continued with the language, "Including all the functions of the Federal Security Administrator, are hereby consolidated in the Secretary of Welfare," it would have been different. They said:

All of the functions of the Department of Welfare and of all officers and constituent units thereof.

That means powers conferred by statute on the Surgeon General of the Public Health Service—powers, for example, to approve plans for the construction of hospitals. Such powers would all be transferred to the Secretary of Welfare. He would pass on those questions individually, unless he chose to delegate the task to someone else.

Mr. ELLENDER. But all those powers are derived from Congress, are they not?

Mr. TAFT. Yes; they are derived from Congress. But Congress thought that the position of Surgeon General in the Public Health Service should be filled by a doctor, and that the powers conferred on him should be exercised by a doctor. We placed educational powers in the head of the Office of Education, who presumably is an educator. Congress did that deliberately.

It is a general principle of the Hoover plan to concentrate power in the top man, and ordinarily I do not object to that principle; but when we have a department made up of three entirely separate functions, then it seems to me obvious that those functions ought to be kept separate by Congress, and ought to be administered by men chosen for the particular purpose.

INTERIOR DEPARTMENT APPROPRIATIONS, 1950

The Senate resumed the consideration of the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes.

Mr. MAGNUSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MAGNUSON. What is the question before the Senate?

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 5, after line 10, in House bill 3838.

Mr. KERR obtained the floor.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. LUCAS. I should like to suggest the absence of a quorum, if the Senator from Oklahoma will permit that to be done. This is the first time the able Senator from Oklahoma has taken the floor since he has been a Member of the United States Senate. It is very unusual, in these days, for a distinguished gentleman like my friend the Senator from Oklahoma to wait this long, and I should like to have all Members of the Senate hear him discuss this very important question.

INDEPENDENT OFFICES APPROPRIATIONS FOR 1950—CONFERENCE REPORT

Mr. O'MAHONEY. Mr. President, before a quorum call is had, unless one should be necessary with respect to the request I am about to make, let me say that the House has just adopted the conference report in the independent offices appropriation bill. I know everyone is anxious to get these appropriation bills passed. I should like to submit the conference report on the part of the Senate conferees, and have it considered, if the Senator from Oklahoma will yield for that purpose.

Mr. KERR. I yield to the Senator from Wyoming.

Mr. O'MAHONEY. Mr. President, I submit the conference report on the independent offices appropriation bill and ask for its immediate consideration.

Mr. TAFT. Mr. President, I wonder whether the Senator from Wyoming would be willing to put that request over until tomorrow. My attention has been called to the fact that the conferees have inserted a long proviso dealing with the whole question of veterans' education in private schools. I question that provision. Offhand it would seem to me to be legislation. I do not know whether the committee of conference has power to do so, but at least I disagree with some of the conclusions and some of the legislation, because it is clearly legislation.

Mr. O'MAHONEY. Does the Senator from Ohio refer to the amendment dealing with aviation training?

Mr. TAFT. If it related to aviation training only, that might be another matter. There was in the bill something about aviation training. But this item applies to all schools for veterans.

For some time we have been having before the Committee on Education and Labor hearings on the whole question of the regulation of privately owned schools, which in some ways constitute an abuse and in other ways constitute a service for the veterans. I should not like to have this conference report go through at this time; at least, I wonder whether the Senator would be willing to have it wait until tomorrow.

Mr. O'MAHONEY. I was just going to say to the Senator from Ohio that if I have in mind the item to which he has been referring, it relates to an amendment offered by the Senator from Oklahoma [Mr. THOMAS] in regard to aviation training and aviation schools. That was a Senate committee amendment. It was adopted by the Senate. The House conferees disagreed, and insisted upon inserting this other material, which is, as I understand it, the complete text of the regulation under which the Veterans' Administration is now operating by authority of law. The Senate conferees agreed, for otherwise the Senate amendment would have been lost.

Let me suggest to the Senator from Ohio that perhaps the best way to proceed would be to allow this particular amendment to go over, but to adopt the remainder of the conference report. Then the Senator could deal with this particular item tomorrow morning, and his objection to this item would not then block consideration of this important privileged report.

Mr. TAFT. Mr. President, can that be done?

Mr. O'MAHONEY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. O'MAHONEY. Would it not be possible for us to consider all of the conference report save amendment No. 74, and allow that one amendment to go over until tomorrow?

The PRESIDING OFFICER. Since the amendment is not embraced in the conference report, that can be done.

Mr. TAFT. Mr. President, let me say that this item is of great importance, I think, because in the subcommittee of the Committee on Labor and Education we have had representatives of the Veterans' Administration before us. A provision which is not in the law has been inserted. It provides that none of this money shall be used to pay the allowances, and so forth, "for any veteran, after the date of the enactment of this

act, to reenter training or change a course, except where such reentry or change of course is based upon the recommendation of the Administration, following advisement and guidance."

They admit it would cost $8,000,000 for them to put on the additional personnel to give that advice and approval or guidance. Certainly that is a substantial change from anything in existing law.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. AIKEN. I should like to add that if this proposed legislation is not approved, then any serviceman who has started a course, but who has dropped it, perhaps to take a job, and now wishes to take up that course again, can do so, unless he was expelled for cause.

Mr. O'MAHONEY. Mr. President, I recognize the importance of the matter. My suggestion is that we approve—if that is possible, and I think it is—all the rest of the conference report, but allow this matter to go over until tomorrow.

Mr. TAFT. That will be perfectly satisfactory.

Mr. AIKEN. I wish to point out that the veterans in the schools are not dependent upon the adoption of this particular provision, which I think clearly is legislation.

Mr. O'MAHONEY. Yes; it is legislation, but it has been approved by the House.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WHERRY. Except for the amendment which will go over, what is left in the conference report for the Senate to act upon?

The PRESIDING OFFICER. There are several amendments.

Mr. O'MAHONEY. About 100 amendments were added by the Senate. Some, comparatively few, the Senate conferees had to surrender. The House has agreed to some, to others with an amendment, and I propose to proceed with all except this one.

Mr. WHERRY. All except this one?

Mr. O'MAHONEY. Yes. The present proposal is to have the Senate agree to all of the conference report with the exception of amendment No. 74.

Mr. WHERRY. So all the amendments we would now approve are Senate amendments, and the House has agreed to concur in them?

Mr. O'MAHONEY. There were some changes. The Senate conferees receded upon some, and the House has receded upon others.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. FERGUSON. Does this amendment include aviation training?

Mr. O'MAHONEY. Yes; this is the one.

Mr. FERGUSON. It has been greatly changed.

Mr. O'MAHONEY. Unquestionably it has.

Mr. WHERRY. I understand that, and I understand that the amendment will go over for further consideration.

Mr. O'MAHONEY. Yes.

Mr. WHERRY. I wish to know if there are points of issue in the other amendments, which might involve considerable discussion such as is contemplated in connection with amendment numbered 74.

Mr. O'MAHONEY. I think not, but I am merely requesting unanimous consent that we may proceed to the consideration of all the other amendments in the conference report, except number 74, and that it may go over.

Mr. WHERRY. Will the Senator from Wyoming explain the amendments?

Mr. O'MAHONEY. Certainly.

Mr. WHERRY. Very well; I have no objection to the consideration of the conference report, except for the one amendment.

The PRESIDING OFFICER. The conference report will be read.

The report was read by the legislative clerk.

(For the full text of the conference report, see House proceedings, pp. 11508–11511.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

The PRESIDING OFFICER. The question is on agreeing to the report.

Mr. WHERRY. Mr. President, I ask the distinguished Senator from Wyoming to give us an explanation—I would not say in detail; but I should like to know if the report includes any amendments containing legislation, on which the conferees on the part of the Senate and the conferees on the part of the House concurred, other than the amendment we have just discussed.

Mr. O'MAHONEY. Mr. President, I think that is the only one which involves any addition of that kind.

The bill was based upon a budget estimate of $8,051,000,000. The total of the bill as passed by the House of Representatives was $7,103,000,000. As the bill passed the Senate, the total was $7,663,000,000-odd. In the conference the amount was reduced to $7,617,739,361.

The principal difference between the Senate version and the House version lay in additional estimates which came to the Senate, but which were not considered by the House of Representatives, the net difference being an increase of approximately $267,000,000, as I remember. The principal increase was in the amount for the national service life insurance—an increase of more than $400,000,000.

Mr. WHERRY. I happen to be on the subcommittee handling that matter, and I appreciate the amendment.

Let me ask the distinguished Senator about the appropriations for the Atomic Energy Commission.

Mr. O'MAHONEY. The Senate provisions were accepted.

Mr. WHERRY. The provisions for fellowships, and so forth, in regard to atomic energy?

Mr. O'MAHONEY. Absolutely; they were accepted just as the Senate wrote them.

Mr. WHERRY. Does the distinguished Senator care to go on with his discussion? I think it is very informative. Those are all the questions I should like to ask.

Mr. O'MAHONEY. I am sure the report conforms to the will of the Senate. I have never known a conference to be more cooperative. The conferees on the part of the Senate felt that the conferees on the part of the House were most agreeable, although they vigorously defended the House version. I wish to compliment Representative ALBERT THOMAS, of Texas, chairman of the conferees on the part of the House, and the other able Members of the House of Representatives who served with him—Mr. GORE, Mr. PHILLIPS of California, Mr. ANDREWS, Mr. CANNON, and Mr. CASE of South Dakota. We had a very pleasant conference, although, as in this instance of amendment 74, the Senate conferees were forced to yield. We felt that the House presented a persuasive case. I think the report generally harmonizes with the will of the Senate.

For example, on the Maritime Commission controversy, the House has receded, and the provisions with respect to the vessels, the *Mariposa* and the *Monterey*, have been disagreed to. The position taken by the Senate was sustained.

There is in the report a direction, however, that the Maritime Commission make an immediate investigation and make a recommendation to the Congress by the 1st of September for action by the appropriate legislative committees.

Mr. WHERRY. Mr. President, I thank the Senator for the explanation. Then my understanding is that what the Senate is taking action on now is everything——

Mr. O'MAHONEY. It is being asked to act on everything except amendment No. 74.

Mr. WHERRY. It is everything except that? How did the Senator refer to the provision on page 63, line 14? Did he use the word "occupation"?

Mr. FERGUSON. "Veterans' training."

Mr. WHERRY. After the word "occupation" insert "which has to do with veterans' training." Is that it? It is a little more than that, I think. How is the Senator going to designate it?

Mr. O'MAHONEY. Amendment 74.

Mr. WHERRY. Amendment 74? It is not the copy I have.

Mr. O'MAHONEY. It is known as amendment 74, and I say to the Senator that the Senate committee recommended an amendment with respect to aviation training; the Senate accepted the amendment; it went to conference, and the House conferees declined to agree to the amendment unless the Senate conferees would agree to additional language. That was done, and the House, now having adopted the modified amendment 74, it is before us, and I think in a perfectly parliamentary way. But of course, I feel there should be a full understanding of the meaning of the conferees' modification of the Senate amendment.

Mr. WHERRY. Does the Senator mind if I propound a parliamentary inquiry on that point?

The PRESIDING OFFICER. This amendment was not in the conference

report. It is an amendment that is still in disagreement.

Mr. WHERRY. That is the point I wanted to make.

The PRESIDING OFFICER. The question is on agreeing to the conference report. Agreement to the conference report does not carry with it action on amendment No. 74, which is still in disagreement.

Mr. WHERRY. There is no objection.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 4177, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES,
UNITED STATES,
August 14, 1949.

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 7, 7½, 32, 52, 56, and 76 to the bill (H. R. 4177) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1950, and for other purposes, and concur therein;

That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment, insert the following: "not to exceed $250,000 for allocation to the Federal Bureau of Investigation as required for investigation of applicants for certain positions involving national security when requested by the head of the department or agency concerned in cases where the department or agency concerned does not maintain its own investigative staff."

That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following: "or for the compensation or expenses of any member of a board of examiners (1) who has not made affidavit that he has not appeared in any agency proceeding within the preceding two years, and will not thereafter while a board member appear in any agency proceeding, as a party, or in behalf of a party to the proceeding, before an agency in which an applicant is employed who has been rated or will be rated by such member; or (2) who, after making such affidavit, has rated an applicant who at the time of the rating is employed by an agency before which the board member has appeared as a party, or in behalf of a party, within the preceding two years: *Provided,* That the definitions of 'agency', 'agency proceeding' and 'party' in section 2 of the Administrative Procedure Act shall apply to these terms as used herein."

That the House recede from its disagreement to the amendment of the Senate numbered 46, and agree to the same with an amendment, as follows: In line 13 of said amendment, strike out the sum "$21,667,500" and insert "$17,500,000."

That the House recede from its disagreement to the amendment of the Senate numbered 54, and agree to the same with an amendment, as follows: In line 10 of said amendment, following the semicolon, strike out the remainder of the line and all of line 11 down to the period and insert in lieu thereof the following: "$100,000: *Provided,* That this appropriation shall be consolidated with the appropriation 'Salaries and expenses, National Archives', and accounted for as one fund."

That the House recede from its disagreement to the amendment of the Senate numbered 63, and agree to the same with an amendment, as follows: In line 4 of said amendment, after the comma, strike out the word "or" and insert "nor"; and in line 7, after the word "budget", strike out the comma.

That the House recede from its disagreement to the amendment of the Senate numbered 74, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment, insert the following: "shall not, in the absence of substantial evidence to the contrary, be considered a vocational or recreational when a certificate in the form of an affidavit supported by corroborating affidavits by two competent disinterested persons, has been furnished by a physically qualified veteran stating that such education or training will be useful to him in connection with earning a livelihood: *Provided further,* That no part of this appropriation for education and training under title II of the Servicemen's Readjustment Act, as amended, shall be expended subsequent to the effective date of this act for subsistence allowance or for tuition, fees, or other charges in any of the following situations:

"(1) For any veteran for a course in an institution which has been in operation for a period of less than 1 year immediately prior to the date of enrollment in such course unless such enrollment was prior to the date of this act;

"(2) For any course of education or training for which the Administrator determines that the educational or training institution involved has no customary cost of tuition until the Administrator and the educational or training institution have agreed upon a fair and reasonable rate of payment for tuition, fees, or other charges for such course. The term "customary cost of tuition" as employed herein and in paragraph 5, part VIII, Veterans Regulation No. 1 (a), as amended, is regarded as that charge which an educational or training institution requires a nonveteran enrollee similarly circumstanced to pay as and for tuition for a course, except that the institution (other than a nonprofit institution of higher learning) is not regarded as having a "customary cost of tuition" for the course or courses in question in the following circumstances:

"(a) Where the majority of the enrollment of the educational and training institution in the course in question consists of veterans in training under Public Laws 16 and 346, Seventy-eighth Congress, as amended, and,

"(b) One of the following conditions prevails:

"1. The institution has been established subsequent to June 22, 1944.

"2. The institution although established prior to June 22, 1944, has not been in continuous operation since that date.

"3. The institution although established prior to June 22, 1944, has subsequently increased its total tuition charges for the course to all students more than 25 percent.

"4. The course was not provided for nonveteran students by the institution prior to June 22, 1944, although the institution itself was established before June 22, 1944;

"(3) For any veteran after the date of enactment of this act to reenter training, or change a course, except where such reentry or change of course is based upon the recommendation of the Administrator following advisement and guidance: *Provided further,* That nothing in the foregoing proviso shall be construed to affect any litigation pending at the date of approval of this act."

That the House recede from its disagreement to the amendment of the Senate No. 77, and agree to the same with an amendment, as follows: In line 1 of said amendment, strike out "Sec. 102. (a)" and insert "Sec. 102–A."

That the House recede from its disagreement to the amendment of the Senate No. 85, and agree to the same with an amendment, as follows: Before the comma at the end of the matter inserted by said amendment, insert the following: "not to exceed $300,000."

Mr. WHERRY. Mr. President, the agreement is that this goes over for further consideration. Is that correct?

The PRESIDING OFFICER. Amendment No. 11 is not one of those in disagreement. Is there any objection?

Mr. HOLLAND. Mr. President——

Mr. WHERRY. I have no objection.

Mr. O'MAHONEY. I now move that the Senate concur in the amendments of the House to the amendments of the Senate, with the exception of amendment No. 74.

Mr. HOLLAND. Mr. President——

Mr. LUCAS. Mr. President, who has the floor? Does the Senator from Oklahoma have the floor?

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. LUCAS. I thought the Senator from Oklahoma yielded about an hour ago.

Mr. KERR. I yielded to the Senator from Wyoming, for the presentation of the conference report.

Mr. LUCAS. The Senator from Oklahoma yielded, then, so the matter could be brought before the Senate at this time.

Mr. HOLLAND. Mr. President, I ask for recognition with respect to that.

I should like to address an inquiry to the distinguished chairman of the conference with reference to the Maritime Commission training program.

Mr. O'MAHONEY. The House conferees accepted the Senate amendment, so everything for which the distinguished and able Senator from Florida contended is in the bill.

Mr. HOLLAND. I appreciate very much the efficiency and courtesy of the distinguished chairman.

Mr. O'MAHONEY. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Wyoming.

The motion was agreed to.

The PRESIDING OFFICER. The Senator from Oklahoma has the floor.

Mr. WHERRY. Mr. President, before the Senator proceeds, will he yield for a parliamentary inquiry?

Mr. KERR. I yield for that purpose.

Mr. WHERRY. All I wanted to ask was this: If there is legislation in the amendment of the House to the amendment of the Senate, unless it shall be defeated, will it be subject to a point of order as being legislation on an appropriation bill?

The PRESIDING OFFICER. An amendment adopted by the House of Representatives, it is the Chair's understanding, would not be subject to a point of order.

Mr. WHERRY. But if the Senate concurred in the amendment of the

House, and it were legislation, would it be subject to a point of order?

The PRESIDING OFFICER. Since it would be legislation inserted by the House, it is the Chair's understanding it would not be subject to a point of order, under the rules of the Senate.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. WHERRY. Yes. I thought the Senate and the House had agreed upon a compromise, and that therefore there was new matter in the amendment.

Mr. O'MAHONEY. There is new matter, but it was stricken, and, as the Chair has announced, since it is an amendment agreed to by the House, the point of order would not lie. But I may say, as the Senator in charge of the bill, that I am perfectly willing to have the matter discussed at an appropriate time, and if the Senate, for any reason, feels it should disagree to the amendment, all we will have to do will be disagree.

INTERIOR DEPARTMENT APPROPRIATIONS, 1950

The Senate resumed the consideration of the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes.

Mr. KERR. Mr. President, first I should like to pay tribute to my colleague from Oklahoma, with whom I find myself in disagreement with reference to the pending legislation. I wish to pay tribute to him as one of Oklahoma's greatest public servants. I wish to pay tribute to him as a great Democrat and a great friend, and to express my regret that while we are together on so many things affecting our State we find ourselves in disagreement with reference to this matter.

Some of the things that have been discussed here today in my opinion should be mentioned briefly. We have heard much about the Nation's budget and about the national debt. Those are matters in which we are all deeply interested, and about which we have grave concern.

Mr. LUCAS. Mr. President, I suggest the Senate is slightly out of order.

The PRESIDING OFFICER. The Senate will be in order. The Senator may proceed.

Mr. WHERRY. Mr. President, since the majority leader has found it necessary to interrupt the distinguished Senator from Oklahoma, I should like to inquire, how long does the majority leader feel the Senate should continue in session this afternoon?

Mr. LUCAS. Perhaps the Senator should address his question to the distinguished Senator from Oklahoma. I do not know how long.

Mr. WHERRY. I do not want to interfere with the duties of the majority leader, but I think an indication of how long the session is to continue this afternoon is in order.

Mr. LUCAS. I submit the Senator should ask the distinguished Senator from Oklahoma, but if the Senator desires to have me ask, I shall be glad to do so. How long does the Senator from Oklahoma expect to speak? I make the inquiry so that I may be able to inform Senators when they can go home.

Mr. KERR. The Senator from Oklahoma will speak approximately 30 or 35 minutes.

Mr. LUCAS. That is, unless interrupted?

Mr. KERR. I may say that any relationship, however, between that and the length of time we shall be in session is purely coincidental.

Mr. LUCAS. I thank the Senator.

Mr. WHERRY. Mr. President, if the Senator will yield for a question. Does the Senator mean tonight, or does he refer to the whole session?

Mr. KERR. That depends upon the questions asked and the controversial matters injected into the discussion from now on.

Mr. WHERRY. I was going to suggest that, inasmuch as this is, as the distinguished majority leader said, the maiden speech of the Senator from Oklahoma, probably a quorum call would be in order, or perhaps, unless the Senator has released his speech, he might prefer to have the matter go over until tomorrow, when we could have a full attendance.

Mr. KERR. I appreciate the consideration of the Senator from Nebraska, but I would not ask for a quorum for the feeble effort I expect to make.

As I was about to say, in considering the fiscal policies of the Government it is well to know that dollars and cents are not the only standard of national wealth. It has been said that a nation loaded with money, but whose resources are dissipated, is a poor nation; but that a nation whose resources are conserved and developed, a nation whose people are trained in heart and hand and mind, is a wealthy nation, though her financial resources alone may be limited. I do not consider that the United States of America is short in any of these regards. I say that programs having to do with the development of the economic resources of the Nation, the conservation and building of the soil, the conservation and use of water, the development of an industrial structure, the development of the people of the Nation to a point where they know how to get the most out of those resources—these things make for a wealthy nation, indeed.

The matter of taxation of utilities has been mentioned. That is a very pertinent subject. It is a subject in which the people are personally interested, because they know that in their rate base is an amount sufficient to pay those taxes, and that in addition to that, their rates are increased as the taxes may be increased. In the final analysis, the people pay the utilities all they pay in taxes, plus 6½ percent.

Much has been said about what this program means to the farmers of Oklahoma. Much of what I say will be with reference to what it means to the farmers of Oklahoma. In that regard, I call attention to the fact that of all the groups in Oklahoma, none is more able to determine for itself what this program means and what it is worth than are the farmers of Oklahoma. They, in the use of their great reserves of good common sense and hard, practical ability, have been here and have addressed themselves to the Senate committee with reference to the program.

Mr. President, with reference to the Southwestern Power Administration, the committee suggests amendments, as has been set forth this afternoon. As I understand, and as I have learned from reading the bill and the report of the committee, there is no matter in the bill before the Senate that involves hundreds of millions of dollars. There is in the bill now pending before the Senate no program that involves more than $9,000,000, with reference to both appropriations and authorizations, but it deals with a part of a program which has, as its over-all objective, the expenditure of approximately $50,000,000. I believe that we not only are entitled to, but should, think of it in that light.

There are four things about which this debate has arisen. One is the transmission line to southeastern Missouri. Another is a transmission line to western Oklahoma; the third is operation and maintenance expenses, and the fourth is the continuing fund.

The committee amendment which deletes the paragraph establishing a continuing fund of $300,000, along with the others, should be rejected by the Senate.

The committee recommended the deletion of the continuing fund on the ground that no law exists authorizing the appropriation.

This continuing fund was intended for the purchase of electric power and the leasing of transmission facilities. The Southwestern Power Administration has had a $100,000 continuing fund for several years. Solely to take care of expanding operations, the House had increased this amount of $300,000.

The committee report directs the Southwestern Power Administration to enter into contracts with private utility companies under which SPA would be required, in effect, to purchase power and lease lines. Mr. President, this is exactly what the committee had said SPA had no authority to do. I will discuss these proposed contracts a little later.

At my request, the Solicitor of the Department of the Interior reviewed the committee's statement and rendered an opinion that the Administration does have the authority to purchase power and lease lines under the Flood Control Act of December 1944. I submit a copy of his opinion, and ask unanimous consent that it be inserted in the RECORD at this point.

There being no objection, the opinion was ordered to be printed in the RECORD, as follows:

UNITED STATES
DEPARTMENT OF THE INTERIOR,
Washington, D. C., July 15, 1949.

To: The Secretary.
From: The Solicitor.
Subject: Scope of the lawful powers of the Southwestern Power Administration.

This responds to the oral request for my comments upon the statement appearing in the report (S. Rept. No. 661, 81st Cong., p. 5) of the Senate Appropriation Committee on the Interior Department appropriation bill for the fiscal year 1950 (H. R. 3838, 81st Cong.) to the effect that "no law exists authorizing appropriations" to the Southwestern Power Administration for "the purchase

of electric power and energy and rentals for the use of transmission lines and appurtenant facilities of public bodies, cooperatives, and privately owned companies."

The statement referred to above was made in explanation of the action of the committee in recommending the deletion from the bill of a provision to increase the amount of the continuing fund established for the Southwestern Power Administration by the First Supplemental National Defense Appropriation Act, 1944 (57 Stat. 611, 621), from the present figure of $100,000 to $300,000, and to expand the purposes for which the money in the fund may be expended so as to include the purchase of electric power and the rental of transmission lines.

The provisions of law which delimit the functions of the Southwestern Power Administration are found in section 5 of the Flood Control Act of December 22, 1944 (58 Stat. 887, 890; 16 U. S. C., 1946 ed., sec. 825a). That section provides for the transmission and disposal by the Secretary of the Interior of electric power and energy generated at reservoir projects under the control of the Department of the Army [1] and not required in the operation of such projects.

The Southwestern Power Administration is the agency utilized by the Secretary of the Interior for the performance of his functions under section 5 of the Flood Control Act of December 22, 1944, within the area comprised of the States of Arkansas and Louisiana, of those parts of the States of Kansas and Missouri lying south of the Missouri River Basin and east of the ninety-eighth meridian, and of those parts of the States of Texas and Oklahoma lying east of the ninety-ninth meridian and north of the San Antonio River Basin. (Departmental Order No. 2135, dated Nov. 21, 1945; 10 F. R. 14527. See Solicitor's Opinion M-34873, dated Feb. 28, 1947.) Hence, the correctness of the committee's statement previously mentioned turns upon the proper construction of section 5 of the Flood Control Act of December 22, 1944.

Insofar as the rental of transmission lines and appurtenant facilities is concerned, the plain language of section 5 seems clearly to authorize the Secretary of the Interior (and the Southwestern Power Administration in the exercise of the Secretary's delegated authority) to enter into such agreements. The section provides that the Secretary may construct or acquire, by purchase or other agreement, transmission lines and related facilities if it is necessary to do so in order to accomplish the objectives stated by the Congress in the enactment of section 5 (emphasis supplied).

It will be noted that the Secretary (or the agency exercising his authority under section 5) is not required to construct the necessary transmission lines and related facilities, but that he may acquire them already constructed, if that is possible and seems advisable. It will also be noted that, in acquiring transmission lines and related facilities, the Secretary is not restricted to acquisition by purchase, but that he may acquire them by any other form of agreement—such as, for example, a rental agreement. Hence, the rental of transmission lines and related facilities by the Southwestern Power Administration, as an agency performing the functions of the Secretary of the Interior under section 5 of the Flood Control Act of December 22, 1944, within a prescribed region, seems to be plainly provided for in section 5.

[1] The section, as enacted, referred to the "War Department," but the name of that agency was subsequently changed to Department of the Army by section 205 of the National Security Act of 1947 (61 Stat. 495, 501; 5 U. S. C., 1946 ed., Supp. I, sec. 181-1).

The second point mentioned by the committee—i. e., the purchase of electric power and energy—appears to involve the construction of that part of section 5 of the Flood Control Act of December 22, 1944, which makes it mandatory that the Secretary of the Interior (and any agency operating under his authority for this purpose) shall, in the distribution of electric power and energy from Army reservoir projects, transmit and dispose of such power and energy in such manner as to encourage the most widespread use thereof at the lowest possible rates to consumers consistent with sound business principles.

The need for the purchase of electric power and energy by the Southwestern Power Administration if it is to accomplish the statutory objective quoted in the preceding paragraph is illustrated by the interchange agreement which the administration has made with the Texas Power & Light Co. In this connection, it may appropriately be noted that the Senate Appropriations Committee referred approvingly to this agreement and indicated that the administration should make similar agreements with other utility companies (S. Rept. No. 661, 81st Cong., p. 4). Under such an agreement, the Southwestern Power Administration puts a quantity of electric power into the system of a utility company, and is entitled to call upon the company to deliver electric power, up to a specified amount, to the administration's customers. During any accounting period, the quantity of electric power received from the company for the Administration's customers may exceed the amount of power delivered to the company by the Administration. In such a situation, funds with which to pay the company for the deficit are needed. This, in effect, is a purchase of electric power from the company. Hence, the approval by the committee of the agreement between the Administration and the Texas Power & Light Co. necessarily involves an approval of the purchase of electric power by the Administration from the company.

It was clearly demonstrated at the hearings on the pending bill before the subcommittee of the Senate Committee on Appropriations that the full capacity of the hydroelectric projects from which the Southwestern Power Administration markets power can be utilized only by integrating their operations with other systems from which power can be obtained—i. e., purchased—for firming purposes. In other words, the purchase of some electric power by the Southwestern Power Administration is necessary if the objective of section 5 of the Flood Control Act of 1944—"the most widespread use thereof at the lowest possible rates to consumers consistent with sound business principles"—is to be effectively attained by the Administration in the distribution of the electric power generated at Army reservoir projects in its region.

I believe that if, in order to obtain the most widespread use of the power generated at the Army hydroelectric projects in its region, it is necessary for the Southwestern Power Administration to purchase electric power from other sources for the purpose of firming up the hydroelectric power, then such purchase is authorized as a necessary means of carrying out a statutory duty which is placed upon the Secretary of the Interior by section 5 of the Flood Control Act of 1944.

MASTIN G. WHITE,
Solicitor.

Mr. KERR. Mr. President, this continuing fund would be necessary for the administration to carry out even the limited plan of operation recommended by the committee itself.

In another item in the same committee print, with reference to the Missouri River Basin, the committee recommended an appropriation of $81,000,000. It then directed that a part of this money be used for the purchase of power.

A study of the break-down of the $1,116,115 to be appropriated under the terms of the committee amendment discloses these startling facts: The $525,000 operation and maintenance fund provided by the House would be reduced to $330,000. This reduction would come at a time when 500 miles of transmission lines are about to be turned over to the Southwestern Power Administration for its operation. These lines would increase the responsibility and requirements of SPA, not decrease them.

The item of $660,000 provided by the House for general plant and equipment would be reduced by the Senate Committee to $100,000. This would make it impossible for Southwestern Power Administration to provide itself with necessary trucks, dispatching boards, tractors, and energized line equipment. Mr. President, these items will be absolutely necessary for the minimum operation of the facilities for which SPA is responsible. I submit a general summary of these items, and ask unanimous consent that it be placed in the RECORD at this point.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

GENERAL SUMMARY OF ITEMS INCLUDED IN GENERAL PLANT AND EQUIPMENT CATEGORY (OPERATING HEADQUARTERS AND SEVEN DEPOTS)

Sixteen cars fully equipped for use on transmission, maintenance, and operation.
Line materials and supplies, such as poles, insulation, cross arms, wire, cables and fittings.
One automotive and machine shop fully equipped for maintenance of transmission equipment.
System lay-out and dispatching boards.
Twelve complete station radio units (200-foot masts).
Recording and telemetering equipment.
Forty-four two-way automotive radio sets and 10 walkie-talkie sets.
Eight carrier communication sets.
Testing instruments, testing boards, relay and meter equipment.
One trailer truck.
Seven line trucks.
Seven pole trailers.
Seven hotstick trailers.
Seven pick-up trucks—4-wheel drive.
Seven light pick-up trucks.
Three stake body trucks.
Three tractor crawler type.
Fourteen portable lighting m. g. sets.
One tractor trailer.
One low-body oil filler trailer.
Three air compressors.
Three portable pumps.
3 jack hammers with drills and tempers.
Transits, levels, calculators, adding machines and miscellaneous engineering equipment.
Miscellaneous tools, furniture, and office supplies.
Storage bins, substation parts, shelving, cabinets, and benches.
Breaker contacts, bushings, gaskets, and fuses.
Stock and index record equipment.

Mr. KERR. Mr. President, on the map before the Senate can be seen a picturization of the program planned by the

Southwestern Power Administration, which was submitted to and approved by the House, but which was rejected by the Senate committee.

Senators can see the 500-mile, $7,000,000 line connecting the Texoma Dam on Red River with the Norfork Dam on the North Fork of the White River in Arkansas.

There is shown the proposed line from Norfork Dam in Arkansas to Essex in southeastern Missouri. It is badly needed to carry power to REA cooperatives in southeastern Missouri and northeastern Arkansas. Many REA lines already built in this area do not now have power available from any source adequately to serve existing customers, or others who want to be served.

The Southwestern Power Administration has already signed contracts with these cooperatives to provide power, if enabled to do so by the Congress. These contracts will make possible the reimbursement to the Government of the full cost of this transmission line, plus interest.

At the same time, the proposed cost of power to these cooperatives would be less than half the amount they now pay for the inadequate quantity they now obtain from the utilities.

The other transmission line, which needs to be built, and for which the House provided funds, runs from Lulu in eastern Oklahoma to Anadarko in western Oklahoma. This line will carry a large block of power to western Oklahoma. The present supply is grossly inadequate. Those purchasing cooperatives have also signed a tentative contract to pay for this power on a basis that will return to the Federal Government, with interest, its investment in these transmission lines.

Mr. President, the appropriations for these two transmission lines were both stricken by the Senate committee. Thus, by a single stroke, the REA program of two vast areas of the Southwest would be denied power to meet the emergency needs of today and tomorrow. The appropriations for Southwestern Power Administration for transmission facilities to serve rural electric cooperatives is necessary.

The committee further eliminated all money requested by the Southwestern Power Administration for a survey of the economic needs of other REA areas. Lines to serve these areas are indicated by the open red lines shown on this map. Not one penny was allowed by the committee to determine the needs in these areas.

Mr. President, there is far more involved in this controversy than mere reduction or increase of the amount of an appropriation. The basic power policy of this Government is involved. The people are keenly aware of the issues we face here today. Let us be no less aware than they.

Senators who have made these proposed reductions would not permit the Federal Government to build transmission lines to carry power created by Government hydroelectric projects to farmers' rural electric cooperatives. Neither would they permit them to serve others designated by Federal legislation as being preferred customers.

If Senators will read the hearings held before the Senate committee, they will find this amazing and astonishing fact: The action of the committee conforms absolutely to the recommendations made by representatives of the electric utility companies, operating in the area of the Southwestern Power Administration.

Mr. Langston Ashford, representing Arkansas-Missouri Power Co., at page 1422, Senate subcommittee hearings on the Interior Department appropriation bill for 1950, said:

> The particular appropriation which we oppose is one for $3,169,000 to build 154 kilowatt line from Norfork Dam to Essex, Mo.

At page 1424 of the same volume, Mr. Byron, vice president of the Missouri Utilities Co., stated:

> My purpose is to oppose this line from Norfork to Essex just covered by Mr. Ashford, which comes into our territory in southeastern Missouri.

The committee followed these recommendations by striking that item from the bill.

Pages 1578 and 1579 of the same volume show two lists of projects submitted by Mr. Hamilton Moses, president of Arkansas Power & Light Co. One list describes "Projects of Southwestern Power Administration which should not be built with public funds." The other begins: "Projects not objected to by companies in the Southwest."

With but few minor variations, the Senate committee followed all the suggestions contained in these two tables. Almost without exception, the items which Mr. Moses says "should not be built" are stricken. The ones "not objected to by the Southwest companies" are permitted to remain in the bill.

On page 1408 of the same volume Mr. Walter B. Gesell, vice president of the Oklahoma Gas & Electric Co., said:

> Operation and maintenance, marketing and administrative expenses do not need the $525,000 requested—$350,000 is probably more than adequate in the fiscal year 1950.

The amount allowed by the Senate committee is $330,000.

Mr. President, I ask unanimous consent to insert in the RECORD at this point in my remarks a table showing, first, detailed items provided for by the House of Representatives; second, the amounts recommended by the private utility companies for the fiscal year 150, and third, the items as approved by the Senate Appropriations Committee.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Allowances by the House of Representatives, the Senate Appropriations Committee, and amounts recommended by the private utility companies, fiscal year 1950

Subprojects	House		Recommended by the private utility companies in Southwest; see Senate hearings, p. 1579		Senate committee	
	Cash appropriation	Contract authorization	Cash appropriation	Contract authorization	Cash appropriation	Contract authorization
1. Old program, administrative, engineering, and overhead	$150,000		$150,000		$150,000	
2. Operation and maintenance	525,000		330,000		330,000	
3. General plant and equipment	600,000		100,000		100,000	
4. Future plans	50,000		50,000		50,000	
5. Miscellaneous construction	227,460		227,460		227,460	
6. Van Buren line, 154-kilovolt	8,200	$24,600	8,200	$24,600	8,200	$24,600
7. Van Buren switching station 154-kilovolt	75,000	225,000	75,000	225,000	75,000	225,000
8. Brown-Russett interconnection (line and substation), 132-kilovolt	236,750	710,250	236,750	710,250	236,750	710,250
9. Extension to substation at Weleetka	40,250	120,750	40,250	120,750	40,250	120,750
11. Wilson, substation, 66-kilovolt	19,275	57,825			19,275	57,825
12. Comanche, substation, 66-kilovolt	22,380	67,140			22,380	67,140
13. Walters, substation, 66-kilovolt	27,280	87,840			27,280	87,840
14. Bull Shoals Dam to a point to connect to 154-kilovolt trunk line from Norfork line	49,200	147,600	49,200	147,600	49,200	147,600
15. Switching station, Southeast Norfork Dam (Bull Shoals), 154-kilovolt	75,500	226,500	75,500	226,500	75,500	226,500
19. Fort Gibson to connect to 154-kilovolt	147,600	442,800	147,600	442,800	147,600	442,800
20. Tenkiller Ferry to 154-kilovolt trunk north of Webbers Falls, Okla., 154-kilovolt	49,200	147,600	49,200	147,600	49,200	147,600
23. Webbers Falls, switching station, 154-kilovolt	8,020		8,020		8,020	
10. Essex, substation, 154-kilovolt	67,975	203,925				
16. Lulu to Lindsay, 132-kilovolt	292,627	685,774				
17. Norfork to Essex, Mo., via Doniphan, Mo., 154-kilovolt	649,654	1,845,846				
18. Doniphan, substation, 154-kilovolt	100,600	301,800				
21. Lindsay to Anadarko, 132-kilovolt	242,400	390,000				
22. Lulu switching station, 132-kilovolt	38,250	114,750				
26. Anadarko, substation, 132-kilovolt	7,918					
27. Comanche to Lindsay, 66-kilovolt line	10,340					
28. Marshfield to Springfield, 154-kilovolt line	8,050					
29. Marshfield to Rolla, 154-kilovolt	27,370					
30. Marshfield substation, 154-kilovolt	9,408					

Allowances by the House of Representatives, the Senate Appropriations Committee, and amounts recommended by the private utility companies, fiscal year 1950—Continued

Subprojects	House		Recommended by the private utility companies in southwest, see Senate hearings, p. 1579		Senate committee	
	Cash appropriation	Contract authorization	Cash appropriation	Contract authorization	Cash appropriation	Contract authorization
31. Rolla substation, 154-kilovolt	$9,408					
32. Lebanon, substation, 154-kilovolt	9,408					
33. Mansfield, substation, 154-kilovolt	9,408					
34. Springfield, substation, 154-kilovolt	14,000					
35. Ardmore to Marietta, 66-kilovolt line	3,760					
36. Russett to Madill, 66-kilovolt line	1,880					
37. Ringling, substation, 66-kilovolt	852					
38. Marietta, substation, 66-kilovolt	1,266					
39. Madill, substation, 66-kilovolt	714					
40. Springfield to Greenfield, 110-kilovolt line	8,140					
41. Russett to Tishomingo, 66-kilovolt	4,136					
42. Tishomingo to Connerville, 66-kilovolt	3,102					
43. Connerville to Lulu via Ada, 66-kilovolt	7,238					
44. Lulu, substation, 132-kilovolt and 66-kilovolt	4,661					
45. Connerville to Sulphur, 66-kilovolt	4,136					
46. Ada, substation, 66-kilovolt	1,128					
47. Connerville, substation, 66-kilovolt	714					
48. Sulphur, substation, 66-kilovolt	714					
49. Greenfield to Lamar, 110-kilovolt line	5,940					
50. Greenfield to Cassville, 110-kilovolt line	13,200					
51. Greenfield, substation, 110-kilovolt	3,138					
52. El Dorado Springs, substation, 110-kilovolt	1,882					
53. Tishomingo, substation, 66-kilovolt	714					
54. Greenfield to Butler, 110-kilovolt line	17,600					
55. Lamar, substation, 110-kilovolt	1,882					
56. Mount Vernon, substation, 110-kilovolt	2,720					
57. Cassville, substation, 110-kilovolt	6,694					
58. Butler, substation, 110-kilovolt	2,720					
Total	4,000,000	$5,000,000	$1,547,180	$2,045,100	$1,616,115	$2,257,905

Mr. KERR. Mr. President, if Senators will examine this table they will find that when the utilities asked that certain items contained in the House bill be stricken, those items were stricken; when the utilities asked that certain items be reduced, they were reduced; when the utilities said they had no objections to certain items being retained, they were retained.

At page 4 of the committee report, we find that the Southwestern Power Administration is directed to enter into contracts with the private utility companies operating in the area for the exclusive transmission of power. The formula for the proposed contracts is to be found in an existing contract between SPA and the Texas Power & Light Co. for the transmission of certain power within the State of Texas.

It has been said by the distinguished Senator from Arizona that there has been a reversal in the policy of the southwestern utility companies with reference to that contract. I would say that that is not an overstatement. Frankly, I have some doubt as to whether there has been a reversal in their objectives or a reversal in tactics. It was not I who said that it was a deathbed repentance, but I would not disagree with such a conclusion if it were suggested.

It reminds me somewhat of the story of Sandy when he was fishing and had with him his Scotch preacher. A storm came up and it looked pretty serious. Sandy said, "Preacher, I'll row if you'll pray, and we'll see if we can make out." So they started for the shore, each one doing his assigned job with all the energy he had. As it got darker Sandy said, "Preacher, pray a little harder. She's lookin' rougher." After a while Sandy thought he felt the front end of the boat touch the sand of the shore, and he immediately said, "Preacher, slow up on them commitments. It looks like we're going to make it." [Laughter.]

On page 1362 of the Interior Department appropriation hearings of this Congress on H. R. 3838, we find the following proposal from Mr. Wilkes, president of the Southwest Gas & Electric Co.:

> We now offer to take the Texas Power & Light Co. contract and under that contract we will buy all the power and energy at dam site, will pay at the rate set by the Federal Power Commission, which will amortize the purchase plus interest over 50 years and will pay all operating costs for the power part of the multipurpose dam.

On page 1428 we find the following question by the Senator from Arizona [Mr. HAYDEN]:

> That being the case, what we would like to know is: Is the Arkansas Power & Light Co. willing to handle that power to those public bodies in the same manner as the Texas Co?

And the following answer by Mr. Moses, president of the Arkansas Power & Light Co.:

> Yes, sir. And I have here, which I have submitted, a written copy of the company's answer to Mr. Wright, and this is a copy of the signed contract.

And now, Mr. President, let me pause to show you a mystery. During the Eightieth Congress this same Mr. Wilkes and this same Mr. Moses went before the same committee with reference to the Interior Appropriation bill for the Southwestern Power Administration.

At that time this same Mr. Wilkes said:

> Personally, I would feel that I am almost criminally to blame should I make such a contract with Southwestern Power Administration for the Southwestern Gas & Electric Co.
>
> These, we feel, were the compelling reasons why the T. P. & L. Co. signed the unfair and iniquitous contract. We are not interested in such a contract at any such cost to our self-respect, our common decency, our customers, our cooperatives, and our stockholders. We do not see any possibility of the 10 companies or any one of the 10 individual companies, being able to justify to its board of directors, to its customers, or to any regulatory body having jurisdiction over it, any such contract. (Pp. 1436 and 1438, Appropriations Subcommittee hearings on H. R. 6705, 80th Cong., 2d sess.)

During the course of one of the hearings, the Senator from Wyoming [Mr. O'MAHONEY] asked the following question of Mr. Moses:

> The Southwestern Power Administration told us this morning, if I understood the testimony correctly, that it had a contract with the Texas Co. which was satisfactory. Would that contract be satisfactory to you?

To which question Mr. Moses made the following answer:

> No sir. * * * What would we do in Arkansas absorbing this enormous amount of hydro power on the basis of the Texas contract? It would overwhelm us. (P. 424, Appropriations Subcommittee hearings on H. R. 3123, 80th Cong., 1st sess.)

Now, Mr. President, I should like for someone wiser than I to explain how the same men, for themselves and others, could scorn with such intense animosity the same contract a year or two ago which they seek to embrace with such ardor today.

What has happened, Mr. President, to the unfair and iniquitous contract of 1948 which would transform it into the lily of the valley in 1949.

What has purged it of its criminal aspects, Mr. President?

What has changed it from a status that would have overwhelmed the utilities in 1947 to one that is so necessary for their prosperity and security now?

How is it, Mr. President, that a contract which shocked their self-respect and common decency in 1948 is held in such high esteem in 1949?

Mr. LUCAS. Mr. President, before the Senator takes up the next point, will he yield?

Mr. KERR. I yield to the Senator from Illinois.

Mr. LUCAS. Does the evidence taken in the hearings disclose why these power magnates changed their minds during the year?

Mr. KERR. My study of the hearings discloses the fact, but not the reason. I shall be glad to yield the floor to the chairman of the subcommittee for the purpose of answering the question.

Mr. HAYDEN. The statement was made by Mr. Moses, of the Arkansas Light & Power Co., that he never had believed, until this time, that Congress would appropriate the money for building the transmission lines. But now that the House committee had recommended the appropriation of money so the Government could build transmission lines unless the Government made some kind of arrangement with the private companies, the private companies were willing to make the necessary arrangement.

Mr. KERR. Mr. President, the evidence in the record shows that the contract the company submitted in response to the request had some 17 major differences from the one that had been signed with the Texas Light & Power Co. My case is not against the contract, Mr. President. My case is with reference to the manner of achieving the development of the power program in the Southwest.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. KERR. I yield for a question.

Mr. FULBRIGHT. I do not quite understand the Senator. Is the Senator in favor of the execution of a contract based upon the principles of the Texas Co. contract?

Mr. KERR. I shall cover that fully in my remarks.

Mr. FULBRIGHT. I thought the Senator just said he was.

Mr. KERR. I said I did not oppose such a basis for a contract. In fact, I favor such a basis. I simply do not believe in sending a representative of the Government into a camp whose whole history has been that of opposition, putting the representative in a strait-jacket and saying to him, "You have got to make a contract on the basis acceptable to these people." I will cover that point rather fully in my statement.

Was the Senator from Arizona getting ready to answer the Senator from Illinois?

Mr. HAYDEN I shall do so a little later.

Mr. KERR. Mr. President, I have studied the Texas Power & Light contract. It serves a worthy purpose in transmitting limited quantities of public power from a limited source to limited service areas. But, sir, I look with the gravest concern upon a proposal to commit the entire present and future production of public power in the great Southwest to the terms of such a contract. A contract with reference to a certain part of the power created by the Government in certain projects on a basis that promotes the Government service for the benefit of the people is one thing. A legislative mandate that every kilowatt of power ever to be produced in that area shall be under a similar contract is another thing.

I greatly favor being in a position to negotiate with private utilities for the sale of surplus power, if any. I greatly favor being in a position to bargain with them for transmission of power where it is in the public interest. But, Mr. President, I am unalterably opposed to giving private utilities an exclusive contract for the entire output of public power.

I am opposed to such an agreement because it creates an unnecessary and unwarranted monopoly, because it would make it more difficult, if not impossible, for "preferred customers" to secure public power as now provided by law. I am against such an agreement. It would cause the Government to be dependent upon private utilities in making the public power program work. And, Mr. President, these utilities are not famous for their desire to make that program work.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. HAYDEN. I wish to read one extract from the testimony of Mr. Moses, as it appears on page 1428 of the hearings:

> Therefore, since they wouldn't make a contract along the lines we thought proper, and since apparently we were not going to get any other contract except the Texas contract—and if we didn't get that we would get competing transmission lines in our area—then we know it means our death. We cannot compete with our sovereign, and we know it.

Mr. KERR. Mr. President, is it in order now for me to ask a question of the senior Senator from Arizona?

The PRESIDING OFFICER. That can be done by unanimous consent.

Mr. KERR. I ask unanimous consent to ask a question of the Senator from Arizona.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

Mr. KERR. I should like to ask the Senator from Arizona if that has the earmarks of an amorous romance or of a shotgun wedding.

Mr. HAYDEN. I am afraid there was a shotgun at least in the closet.

Mr. KERR. Mr. President, if such contracts were made general the utilities would have a profitable monopoly granted and protected by the Federal Government, and that should never be tolerated.

No wonder, Mr. President, there are so many Senators who do not agree with the basic power policy favored by the majority of this committee.

No wonder the House of Representatives does not agree. A majority of that body has clearly shown that it believes the Government should go beyond the bus bar in transmitting electric energy, created by Government projects, to those customers classified as "preferred" by existing Federal legislation.

I believe, Mr. President, that the majority of the Senate will concur in the policy favored by the House of Representatives.

In the past quarter of a century, Congress has inaugurated many wise, far-reaching, constructive laws and programs for the conservation and development of natural resources and promoting the general welfare of the people. High on the list of accomplishments are the programs for the conservation and rebuilding of soil, the conservation and use of water.

One of the most valuable results of the conservation of water is hydroelectric power. One of the greatest chapters of human progress in the history of our Nation has been the development of rural electric cooperatives and through them making electric power available to the farms of the Nation.

Mr. President, rural electrification is the emancipation proclamation for the farm families of America. It has done more to lighten the burden of American farm women than Lincoln did for the generation of slaves whom he freed.

There are more than 1,000,000 farm families in the great area of Kansas, Missouri, Arkansas, Louisiana, Texas, and Oklahoma proposed to be served by the Southwestern Power Administration.

Before the coming of REA less than 2 percent of those farms had electric power. Today in Oklahoma almost 73,000 of the 165,000 farms, or 44 percent, have electric service. Throughout the entire Southwest approximately 50 percent of the farms are presently being served, but Mr. President, there are 500,000 farm homes even now being denied the opportunity for electric lights, washing machines, refrigerators, and a multitude of other labor-saving devices.

When the rural electric cooperatives started business 10 to 12 years ago, it was assumed that 60 kilowatt-hours per farm per month would supply their needs. As of today the average consumption per farm is more than twice that amount.

I should like to have Senators bear that figure in mind. This program was developed by a concept of the Government that some 60 kilowatt-hours per month would serve the farm. It was the figure that was in the minds of the private utilities. It was the controlling fact that kept them out of the field of serving electricity to the farms of the Nation. There has never yet been a time when either the utilities or the Government itself have accurately and sufficiently estimated the future needs of electricity in this country. The fact that they felt that 60 kilowatt-hours per month would serve the average family is an outstanding example of the fact that all estimates have been minimized instead of being adequate.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. HAYDEN. I should like to read another extract from the record. Mr. Moses in testifying before the committee had this to say, as appears on page 1429 of the hearings:

At present, gentlemen, there are about 390 points of delivery at which co-ops are getting power down there now. We are saying to them, "If you want to work out this Texas arrangement that Mr. Wright testified has been going good down there, and that he offered our company 18 months ago, and we would not accept—because we never did think our Government was going to go so far as to put the sovereign in competition with us down there in our area. We just didn't believe you gentlemen up here would ever do it. But apparently the House did it, and we were afraid you folks would."

Mr. KERR. That is not a change of objective, but a change of tactics.

Many farms now use well over 400 kilowatt-hours per month, and a few which are equipped on the basis that the average farmer dreams about, and every one of them plans for, use in excess of 1,000 kilowatt-hours per month each.

The intelligent leaders of these Southwestern rural cooperatives are now preparing for an average of 1,000 kilowatt-hours per farm per month. Mr. President, this will mean that the farm families alone in that area will require approximately 1,000,000,000 kilowatt-hours of electric energy each 30 days.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. LUCAS. In the event the utilities take over a contract with the Government to furnish the power, would they be able to provide what the Senator is talking about in areas such as Missouri, which the Senator pointed out a moment ago, and Arkansas, where it is planned to extend power if the proper appropriations are made?

Mr. KERR. I shall try to cover that question a little later. I believe that at any time the private utilities could have prepared for and met the expanding needs of our area and of this Nation for increasing amounts of electric energy. The Senator asks, Could they do it? The answer is "Yes."

Much has been said here today about the fact that this area has a comparatively cheap rate for electricity. When REA started the rate was four times the amount which was discussed here today. The private utilities could have brought about such a situation on their own. They did not, and they would not; and I think their vision today with reference to the future is just as limited proportionately as it was back yonder 10 or 12 years ago.

In that connection, I have received a letter from Mr. Ansel I. Moore, executive secretary of the M. & A. Electric Power Cooperative, of Poplar Bluff, Mo. The letter is dated July 28, 1949. I should like to read a few lines from it:

In the appropriation, as approved by the House of Representatives, there are funds to build 155 miles of 154,000-volt transmission lines from Norfork Dam to Essex, Mo. We have a contract with the Southwestern Power Administration for 12,500 kilowatts from Norfork and 20,000 kilowatts from Bull Shoals. This line does not duplicate any facilities now existing. The electric distribution cooperative load centers of the M & A area, proposed to be served by SPA's transmission line, will be completely annihilated if funds are not made available and service granted.

Our system studies indicate a tremendous quantity of power necessary.

* * * * *

They (the utilities) do not have the power available, nor do they have the transmission facilities now, or construction contemplated, to meet our needs. For example, note the enclosed photostatic copy of voltage charts for the week of July 2 through July 9, 1949, from our Doniphan power source, as supplied by the Arkansas-Missouri Power Co. In the first place, a 33,000-volt transmission line is as much outdated as a model-T Ford as compared to the 1949 model Ford. As you see, they cannot even give us 33,000 now, much less in the future.

The chart to which he refers and encloses shows that their average receipts on the 33,000-volt line are about 30,500.

So I try to answer the question on the basis of what I believe to be the facts. The private utilities could furnish the power if they had the vision and the purpose. I have never discovered any considerable evidence of either.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. LUCAS. It has always been the position of the Senator from Illinois that so long as the public utilities of this Nation could furnish the power which was necessary not only for municipalities, but farmers as well, neither the REA nor any other Government agency had any right to interfere. But the moment they cannot do that—and it has been demonstrated times without number that they have not been able to do it—then it is time for the REA people to step in, through the Government, and build these lines for the benefit of farmers and others.

In the beginning of the Senator's able address he pointed out two areas, as I recall, one in Arkansas and one in Missouri, where transmission lines presumably will be built some time. They are not now in being. Am I correct?

Mr. KERR. There is one area in Missouri which has no facility serving the area, and one in Oklahoma which has no adequate facility to serve the area.

Mr. LUCAS. My next question is this: Take the Missouri situation, as explained by the Senator. Is there any evidence in the RECORD to show that the public utilities expect to extend their lines into Missouri for the purpose of taking care of that great rural section which needs electricity at the present time?

Mr. KERR. They have told us that their purpose is to build these transmission lines. They have written letters to that effect. One was presented today by the distinguished Senator from Missouri [Mr. DONNELL] and another was referred to by the distinguished Senator from Oklahoma [Mr. THOMAS], in which they said that their purpose was to build transmission lines. They do not say when, or why they have not heretofore been built. Later in my address I shall make some suggestions with reference to what I think is the most desirable way in which to insure the delivery of power to those areas.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. MURRAY. In addition to the matter of being able to render the service, the rates which are charged are an important item.

Mr. KERR. The present rates to the farmers in this area are about 10 or 12 mills per kilowatt. The rate which will be charged if SPA takes its line in will be less than 6 mills.

Mr. MURRAY. That is a very important item.

Mr. KERR. It is a very important item to the consumers.

In this area, REA's have invested approximately $200,000,000. They have borrowed this in the building of their distribution systems. Throughout the area they have a most remarkable repayment record with the Government. In fact, they not only have paid their interest and their maturing installments, but today are well ahead of their repayment schedule.

There may be differences of opinion among Senators as to how the needs for electricity for those farm families should be met, but there is no difference among Senators on the point that the need can and will be met.

Regardless of our differences of opinion as to how that need shall be met, it is a clearly demonstrated fact that there is no difference of opinion on this score within the ranks of those farm families.

Mr. President, it is the avowed purpose of every Senator to serve the people whom he represents. When hearings on these matters were in progress those people came here from the great Southwest by the hundreds. They sent men here who represented hundreds of thousands of them. Without exception they support the position which I now advocate. They, likewise, are against the amendments proposed by the committee.

But, Mr. President, the pages of the committee hearings are literally filled with the testimony of paid representatives and employees of private utilities who oppose this view. But they alone, and none others, came here to oppose the building of these transmission lines by the Government.

Mr. President, as I see the issue, it is crystal-clear and boldly portrayed: Shall we pass this legislation on the basis requested and urged by the people, or shall we submit to control by the private utilities of the public-power policy of this Government?

Shall we comply with the wishes of the people, or shall we conform to the desires of the electric utilities?

Shall we accede to the petitions of the many, or yield to the demands of the few?

Shall we dedicate great projects built with public funds, which are largely self-liquidating, to the service of American citizens? Or shall we, in opposition to the people's desires, place these projects at the disposal of private interests for their financial profit?

If we vote against the amendments, we do not take from any utility any property it now has, nor do we prevent or hinder such utility from acquiring or using any property or right it may seek

to acquire. Those utilities have had the opportunity and the right throughout their entire existence to build the proposed lines, or any others they cared to build. They have that privilege today. The field for their expansion is unlimited and nothing the Government has done or contemplates doing will deny or usurp that opportunity.

They have long claimed that they can produce power cheaper than the Government can. Why have they not done it? Why do they not do it now? Like a dog in a manger, they say "We will not develop the power ourselves to supply this vast unfilled demand, nor do we want the Government to produce that power unless we, and we alone, are accorded the exclusive privilege to distribute it."

The record the Senator from Arizona read, giving the evidence by their representatives, was to the effect, "No; we have not built the lines, we never did intend to build the lines; but if the service is going to be provided somehow by the Government, then, rather than tolerate that, we will build the lines."

Mr. President, it is not my purpose to hamper, impede, restrict, or impair in any way the private electric utilities of my State. I would support any appropriate effort whereby their operations might be expanded and enlarged. I would support any appropriate encouragement for the development of greater reserves and supplies of electric power by them. I would be happy to see that power made available to the domestic and industrial needs of Oklahoma. I do not want to take over the utilities or any part of them—and I want to be equally sure that they do not take over the power policy of this Government or any part of it. Mr. President, they have never implemented the vision of the great need for electric power in Oklahoma, either by the 165,000 farm families of our State, or by an agricultural and industrial economy which has for half a century been retarded in its progress by an inadequate supply of electric power.

Mr. President, if every possible kilowatt of hydroelectric power generated by available projects now built or authorized, or that could be built in Oklahoma, were already being produced, if the full potential flow of vital energy from such projects were even now finding its way into the actual and potential avenues of consumption within our State, all of it would not supply one-fourth of the electric energy required to support and operate our expanding agricultural and industrial economy in Oklahoma.

There is a greater potential demand for electric power within our State than will be supplied by all the development now planned or to be planned, both by the Federal Government and the private electric utilities, in the years ahead.

Mr. President, in that connection I submit for the RECORD a power market survey of the Southwest, compiled by the Federal Power Commission. It shows that when all the projects now in being are in full use and when all the projects planned by the private utilities and the Federal Government are in full use, even so in 1960 there will be a shortage of 25 percent in the amount of power necessary for that great area.

There being no objection, the survey was ordered to be printed in the RECORD, as follows:

Power market survey of the Southwest compiled by the Federal Power Commission (1948 actual, 1955–60 estimated)

AREA I.—MOST OF ARKANSAS, LOUISIANA, OKLAHOMA, KANSAS, WESTERN HALF OF MISSISSIPPI, NORTHERN TEXAS (EXCEPT THE PANHANDLE), AND WESTERN AND SOUTHWESTERN PARTS OF MISSOURI

	1948	1955	1960
Power requirements:			
Capacity (thousands of kilowatt-hours):			
Peak demand	2,970	4,700	5,900
Required reserves (15 percent)	450	700	900
Total	3,420	5,400	6,800
Power supply [1]	3,100	5,600	5,600
Power shortage (area I)	320	+200	1,200
Percent	−10	+3.8	−17.6

[1] Includes 505,200 kilowatt-hours of power in Federal projects.

AREA II.—AREA INCLUDES A PART OF THE SOUTHWEST REGION DESIGNATED IN AREA I AND ALSO OKLAHOMA, EXCEPT PANHANDLE, AND SMALL PARTS OF ARKANSAS, LOUISIANA, AND TEXAS

	1948	1955	1960
Power requirements:			
Capacity (thousands of kilowatt-hours):			
Peak demand	622	920	1,180
Required reserves (15 percent)	90	140	175
Total	712	1,060	1,355
Power supply [1]	650	1,014	1,014
Power shortage (area II)	62	46	341
Percent	8.7	4	25

[1] Includes 170,200 kilowatt-hours of power in Federal projects.

Mr. KERR. Mr. President, I do not speak against any citizen or any commercial or industrial enterprise in my State. I speak, rather, for the 165,000 farm families of Oklahoma. I speak for the rank and file of the more than two and a quarter million people in my State. They realize that their future welfare is in part dependent upon the full development of our hydroelectric possibilities.

Mr. President, we must either appropriate this money and put the Southwestern Power Administration in a position to build its own transmission lines and transport the public power, or we must deny the money, and thereby leave those farm families and others in a preferred status without power or in the position of having to get it the best way they can through private utilities.

Some Senators say, "Let us give the utilities a chance and see if they will do the fair thing." I say: "Let us give the Southwestern Power Administration and the rural electric cooperatives a chance to continue to do the fair thing."

The Texas Power & Light contract was negotiated only after Congress had appropriated money to build transmission lines into its service area. The man who negotiated that contract is still the administrator of the Southwestern Power Administration. Armed with that appropriation, he was able to work out an equitable contract. The same administrator has been trying ever since to make similar contracts with other utilities. They have steadfastly refused to negotiate. They have spurned him and what they have labeled as a "criminal and iniquitous" contract. In spite of this, he has told the committees of both the House and the Senate that it is his purpose to negotiate further equitable contracts wherever possible. It is apparent, however, that until money is appropriated with which to build these transmission lines, he will not be in an equally independent bargaining position to obtain equitable contracts with these other utilities.

As he goes out to negotiate, shall we make him as strong as we can? Or shall we weaken him as much as we can? Would Senators take from him the advantage of freedom of choice, and impose upon him the penalty of accepting the contract as the utilities want it or be unable to transmit power at all?

Southwestern Power Administration and its Administrator are creatures of this Congress. The record of southwestern utilities does not warrant having the Congress put a legislative straitjacket on its Administrator as it sends him out to negotiate with them.

The utilities' record is certainly not one to inspire confidence in their purpose to serve our farm famiiles on a basis that is either acceptable or equitable.

I ask the Senators, Have not these utilities had this chance all through the years? Have the lines been provided when and where needed? Are they now planned or authorized? The rural electric cooperatives for many years have begged these private utilities for this service and for this opportunity, but without avail.

I believe we are fully justified in accepting the position supported and urged by both the rural electric cooperatives and the Southwestern Power Administration. I believe we have a duty to render this service, which, on the basis of the record, is supported and urged by such an overwhelming percentage of the people of the Southwest.

Mr. President, the farm families in Oklahoma are eternally grateful to their Congress for the degree to which rural electrification has been thus far developed. They are impatient, however, for the completion of that program. They have made their will known to their Congress. They were encouraged—yes, they were elated—by the action of the House with reference to Southwestern Power Administration. They saw the dawning of the day when their fondest dreams would be realized.

But they have been shocked by the action of the Senate Appropriations Committee. They cannot believe—they do not believe—that this branch of their Congress will deny them the opportunity for the speedy completion of their program. They cannot believe that their opportunity, promised by the House of Representatives, will be snatched from their grasp by the Senate.

No, Mr. President; they have hope that the Senate by its action will cause that opportunity to ripen into a reality, and I have a profound conviction that their hope is well founded.

I urge the defeat of these amendments.

Mr. LUCAS. Mr. President, will the Senator yield at this point?

Mr. KERR. I yield to the Senator from Illinois.

Mr. LUCAS. In addition to what has been said on this subject by the people of Oklahoma, the people of other sections of the Southwest, and the people of all other sections of the country where the power question is an issue, the Senator well knows that the President of the United States in making his campaign last year in his State and in other States took a very formidable position in respect to what the Government should do regarding power. It was one of the big issues in the campaign, in the Senator's section of the country and in other sections of the country. Does the Senator from Oklahoma agree with me?

Mr. KERR. It was; it was a terrific issue throughout this area. Rural electric cooperatives' representatives boarded the President's train and showed him the detailed budget of the Southwestern Power Administration. He caused the matter to be investigated by the Bureau of the Budget, and then authorized me to say to them that it would be his purpose to include that program in his recommendations to the Congress.

Mr. WATKINS. Mr. President, will the Senator yield for a question?

Mr. KERR. I yield.

Mr. WATKINS. I am not acquainted with the situation in the Southwest. In the States the Senator from Oklahoma has been discussing, are there regulatory bodies, State utility commissions, to regulate the rates?

Mr. KERR. Yes, and they do.

Mr. WATKINS. Do they have any difficulty in getting fair regulations?

Mr. KERR. I think they have a very fair and efficient operation.

Mr. WATKINS. Does the Senator care to comment on the possibility, if the private utilities are permitted to put in these lines, that they would enter into fair competition with the Rural Electrification Administration?

Mr. KERR. The senior Senator from Oklahoma advised the Senate a little earlier today that they were willing to offer and have submitted to the regulatory body in Oklahoma, a 5-mile rate. I know his information in that regard is correct. But I would remind the Senate that that rate is binding no longer than the utility accepts it and the regulatory body imposes it. By the law, that regulatory body is required to permit the utility to charge enough for its service to amortize its investment over a limited period and to have it pay a reasonable return to them, in addition.

Mr. WATKINS. Has anything been done to fix that so-called limited period of time?

Mr. KERR. Offers have been made, but I call attention to the fact that they are not binding. Just a little while before the November election, if I correctly understand the RECORD—and if I make a mistake about it, I ask the senior Senator from Arizona [Mr. HAYDEN] to correct me—the same Mr. Moses who made the statement, in November, that it looked as if there was no other way for them, so they were willing to build these lines, went before the regulatory body in Arkansas and asked for an increase in the rate they were charging to the rural electric cooperatives in that State. My information is—this is not first-hand information, but it comes from what I consider to be a fairly reliable source—that after the November election, the petition was withdrawn.

Mr. WATKINS. What has been the rate fixed as a fair return on the capital investment of the private utilities? What rate has been fixed in the past by the utility commissions in these States?

Mr. KERR. Does the Senator mean what rate they have been permitted to charge for electricity?

Mr. WATKINS. No; I mean the rate of return on their investment.

Mr. KERR. I believe it is a rate which will provide for the amortization of the unrecovered balance of investment of principal, plus 6½ percent or 7 percent annually on the unrecovered portion.

Mr. WATKINS. That is for the State of Oklahoma, is it not?

Mr. KERR. It is approximately that.

Mr. WATKINS. And for Missouri, the other State involved?

Mr. KERR. My answer to that will have to be one of opinion. I think that is about what it is.

Mr. WATKINS. Texas, I understand, is also involved in the matter. Is that true?

Mr. KERR. Generally so.

Mr. WATKINS. Can the Senator tell me what the rate is there?

Mr. KERR. It is in the neighborhood of 7 percent.

Mr. WATKINS. I thank the Senator.

ALLEGED COMMUNIST ACTIVITIES OF CHARLES CHAPLIN

Mr. CAIN. Mr. President, on previous occasions the junior Senator from Washington has called the attention of the Senate to the many services which Charles Chaplin, an alien, has performed for the Communist movement in this country.

I have questioned the reasons why a man who has enjoyed the wealth and hospitality of our country for many years has not bothered to seek citizenship. I have raised the issue of why no action has been taken to deport him to his native country in view of his long record of affiliation with Communist organizations and the commission of acts which are perilously close to treason.

I should like, therefore, to take this opportunity to call the attention of the Senate to the latest offense of Chaplin.

From September 5 to 10 of this year the so-called American Continental Congress for Peace will meet in Mexico City. It is another one of the synthetic peace movements prefabricated in Moscow for the purpose of undermining the United States. The Department of State has officially branded the peace movement as being "Moscow-directed" to provide "an apologia for the Moscow point of view." This Congress for Peace, Mr. President, is the inter-American version of the Cultural and Scientific Conference for World Peace held last March, which was similarly identified as a Moscow-directed front. Among the sponsors listed for the coming Mexican Communist-directed Congress appears the name of Charles Chaplin. Chaplin has been associated with prior Communist peace conferences; he was a sponsor of the New York meeting in March. He was also designated as a delegate to the Communist peace conference in Paris by Frederic Joliot-Curie, the noted French Communist.

I wonder, Mr. President, how far an alien may go in his activities against the interests of the United States before deportation action is taken against him.

NOMINATIONS OF HON. TOM C. CLARK AND HON. J. HOWARD McGRATH—NOTICE OF CONSIDERATION

Mr. LUCAS. Mr. President, I am not going to call the Executive Calendar tonight, but I should like to advise the Senate that the Honorable Tom C. Clark, now Attorney General, has been appointed as one of the Associate Justices of the Supreme Court of the United States, and his nomination is on the Calendar. Also, as Senators know, one of our colleagues, the junior Senator from Rhode Island [Mr. McGRATH], has been nominated to be Attorney General of the United States. In the next day or two these nominations will be considered in executive session.

Mr. WHERRY. Did the distinguished majority leader say when the nominations would be considered?

Mr. LUCAS. No; but it will be within the next day or two. That is the best information I can give the Senator now. We may be able to consider them tomorrow, if we can get a unanimous consent agreement.

LEGISLATIVE PROGRAM

Mr. WHERRY. I was going to ask the distinguished majority leader whether he felt that a unanimous consent request would be in order, provided we concluded debate on plan No. 1, and then carried out the suggestion of the Senator from New York, proceeded to consider No. 2, and voted on both reorganization plans.

Mr. LUCAS. I do not think I could agree to that, I may say to my friend from Nebraska. I think I have given sufficient reasons heretofore in colloquy with various Senators.

Mr. WHERRY. Is it the intention of the distinguished majority leader, unless unanimous consent is obtained between now and the time for a vote, to have the Senate proceed with Reorganization Plan No. 1 with the understanding that at the conclusion of the debate on the floor which has to be within 10 hours, the Senate shall then vote on the plan?

Mr. LUCAS. The Senator is correct.

RECESS

Mr. WHERRY. To what hour does the majority leader propose to recess?

Mr. LUCAS. Mr. President, I am going to move a recess until 11 o'clock tomorrow; then, if we have to take an hour out for dinner tomorrow night, in order to relieve the official reporters, it will be possible to do that. The session will be a long one for them.

Mr. President, I now move that the Senate take a recess until 11 o'clock tomorrow morning.

The motion was agreed to; and (at 6 o'clock and 49 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, August 16, 1949, at 11 o'clock a. m.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 15 (legislative day of June 2) 1949:

DEPARTMENT OF DEFENSE

Gen. Omar Nelson Bradley, United States Army, for appointment as Chairman of the Joint Chiefs of Staff in the Department of Defense.

DEPARTMENT OF THE ARMY

Tracy S. Voorhees, of New York, to be Under Secretary of the Army.

Archibald S. Alexander, of New Jersey, to be Assistant Secretary of the Army.

IN THE ARMY

Gen. Joseph Lawton Collins, United States Army, for appointment as Chief of Staff, United States Army.

TEMPORARY APPOINTMENTS IN THE ARMY OF THE UNITED STATES

The following-named officers for temporary appointment in the Army of the United States to the grades indicated under the provisions of section 515 of the Officer Personnel Act of 1947:

To be brigadier generals

Carter Weldon Clarke, O11682.
Halley Grey Maddox, O12852.
James Clyde Fry, O15023.
William Shepard Biddle, O15180.
Gerson Kirkland Heiss, O15092.

APPOINTMENTS IN THE REGULAR ARMY OF THE UNITED STATES

The following-named persons for appointment in the Regular Army of the United States in the grades and corps specified, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), title II of the act of August 5, 1947 (Public Law 365, 80th Cong.), Public Law 36, Eighteth Congress, and Public Law 625, Eightieth Congress:

To be majors

James M. Brown, MC, O356209.
Jules O. Meyer, MC, O357129.
Anthony W. Miles, MC, O379513.
Sidney Miller, MC.

To be captains

Warren C. Breidenbach, Jr., MC.
Robert C. Butz, MC, O1755622.
Ralph E. Campbell, MC, O1775576.
Hull F. Dickenson, DC, O400639.
Benjamin J. DiJoseph, DC, O1725596.
Albert J. Dimatteo, DC, O1715068.
Howard J. Henry, MC, O1744823.
Harry W. McCurdy, MC, O1725453.
Melton P. Meek, MC, O1735512.
George E. Oldag, MC, O447690.
Charles R. W. Reed, MC, O1785962.
Robert A. Reynolds, MC.

To be first lieutenants

William A. B. Addison, JAGC, O399154.
Sol Balis, MC, O960847.
John W. Barch, MC, O954266.
Tucker A. Barth, MC, O1766611.
Thomas G. Baskin, MC.
Victor D. Baughman, JAGC, O455846.
Alexander H. Beaton, MC.
Marcus R. Beck, MC, O960848.
Robert W. Bell, MC, O962712.
Wilfred B. Bell, DC, O959943.
Robert Bernstein, MC, O1717735.
Anthony L. Brittis, MC, O961448.
Thomas J. Brown, DC, O959929.
Edward L. Buescher, MC, O961688.
Clement E. Carney, JAGC, O1555955.
Harold G. Carstensen, MC, O963950.
Gerald A. Champlin, MC, O958518.
Vernon L. Cofer, Jr., MC, O962725.
Clarence F. Crossley, Jr., MC, O958515.
Roswell G. Daniels, MC, O963576.
Eugene J. Diefenbach, Jr., MC, O960856.
Philip R. Dodge, MC.
John H. Draheim, MC, O960857.
Philip E. Duffy, MC, O965576.
George L. Emmel, MC.
Leroy L. Engles, MC, O965456.
Albert J. Flacco, MC, O964976.
Thomas J. Foley, MC.
Bruce T. Forsyth, MC.
Frank E. Foss, MC, O958513.
Roger J. Foster, MC.
Ralph V. Gieselman, MC.
Thomas T. Glasscock, MC.
Richard Gottlieb, MC, O960861.
John M. Harter, MC.
Charles C. Heath, DC, O964057.
Wood S. Herren, MC.
John A. Hightower, MC.
John H. Hoon, MC, O1996934.
Winston C. Jesseman, MC, O963952.
Richard P. Jobe, MC.
Donald J. Joséph, MC, O1756086.
John M. Kroyer, MC.
Paul E. Lacy, MC, O961442.
Robert M. Lathrop, JAGC, O962513.
Robert R. Leonard, MC, O956165.
Charles W. Levy, JAGC, O569095.
Arthur F. Lincoln, MC, O960866.
Fred Madenberg, MC, O960469.
Nicholas M. Margetis, JAGC, O972255.
Robert H. Marlette, DC, O959930.
Bruce R. Marshall, MC.
Benjamin A. McReynolds, MC.
Herbert Meeting, Jr., JAGC, O370356.
William B. Merryman, MC, O961266.
Richard L. Miner, MC, O958452.
Thomas Morrison, MC, O964458.
George R. Nicholson, MC.
Henry J. Olk, Jr., JAGC, O1845325.
Edwin L. Overholt, MC, O948541.
John A. Palese, MC, O961942.
Paul W. Palmer, MC, O959630.
Charles C. Parker, MC, O954960.
John L. Pitts, MC, O954961.
Robert F. Ransom, MC.
Maurice S. Rawlings, MC.
Robert F. Reid, MC, O964460.
Robert G. Richards, MC, O963265.
Hyman P. Roosth, MC, O963577.
Arthur W. Samuelson, MC, O964980.
William J. Sayer, MC, O958940.
William H. Schlattner, Jr., MC, O958505.
Willis E. Scott, DC, O959934.
Leonard H. Seitzman, MC, O1718449.
Robert L. Sherman, MC, O963955.
Fred H. Slager, MC, O954278.
Edwin S. Stenberg, Jr., MC, O1767534.
William L. Stone III, MC.
John J. Toohey, MC, O961939.
James O. Wall, MC, O960474.
Richard A. Ward, MC, O965832.
Lawrence L. Washburn, Jr., MC.
Richard E. Weeks, MC, 964461.
James A. Whiting, MC.
Dudley E. Wilkinson, MC, O961045.
Louis E. Young, MC.
William B. Young, MC, O960874.
Anton C. Zeman, Jr., DC, O959942.

To be second lieutenants

Jack A. Fullmer, MSC.
Mable L. Jack, ANC, N97947.
Marcile Lansford, ANC, N792111.
Bernice M. Strube, WAC.
Betty C. Washbourne, ANC, N792127.
Betty J. Workman, ANC, N797284.

The following-named persons for appointment in the Regular Army of the United States in the grade of second lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.):

Jack F. Andrews.
John B. Berry, Jr.
Alan W. Blankenship.
Newton C. Brackett.
Henry B. Edwards, Jr., O955559.
Conrad L. Hall.
Martin D. Hecht, O957771.
Robert L. Jeansonne, O948382.
Carroll N. LeTellier, O969234.
Jim F. Rast.
William C. Stribling, Jr.
Edward E. Tourtellotte, O957965.

APPOINTMENT, BY TRANSFER, IN THE REGULAR ARMY OF THE UNITED STATES, WITHOUT SPECIFICATION OF BRANCH, ARM OR SERVICE

First Lt. Eugene Miles Perry, Jr., O56272.

PROMOTIONS IN THE REGULAR ARMY OF THE UNITED STATES

The following-named officers for promotion in the Regular Army of the United States, under the provisions of sections 502 and 510 of the Officer Personnel Act of 1947. Those officers whose names are preceded by the symbol (×) are subject to examination required by law.

To be colonels

Amos Tappan Akerman, O16060.
Alfred Harold Anderson, O28805.
Lewis William Anderson, O50904.
Conrad Stanton Babcock, O16104.
Donald Janser Bailey, O16174.
Frank Troutman Balke, O38592.
Ernest Andrew Barlow, O16116.
James Durward Barnett, O16234.
Raymond Miller Barton, O16185.
Julian Henry Baumann, O16326.
Wilmer George Bennett, O16141.
William Henry Bigelow, O16110.
John Franklin Bird, O16179.
Claude Aubrey Black, O16235.
Lucien Eugene Bolduc, O16137.
Alvin Truett Bowers, O16107.
Claude Franklin Burbach, O16184.
William Lloyd Burbank, O16186.
Luther Gordon Causey, O16336.
Charles Cavelli, Jr., O16165.
Lindsay Patterson Caywood, O50898.
John Loomis Chamberlain, Jr., O16117.
Earl Richardson Chase, O28811.
George Avery Chester, O16345.
Robert Pepper Clay, O16212.
Haskell Hadley Cleaves, O16253.
Joseph Pringle Cleland, O16239.
Hubert Merrill Cole, O16144.
Raymond Cecil Conder, O16131.
Harry Wells Crandall, O13238.
Marcel Gustave Crombez, O16198.
Charles Randolph Currier, O50901.
Joseph Blair Daugherty, O16252.
John William Davis, O16223.
Miles Merrill Dawson, O16079.
James Joseph Deery, O16123.
Pierre Bacot Denson, O16278.
Alfred Boyce Devereaux, O16138.
Samuel Adrian Dickson, O16219.
Wellington Dallas Dillinger, O50902.
Alexander Andrew Dobak, O16203.
Donald Dunford, O16267.
Floyd Ellsworth Dunn, O16261.
Carl Rueben Dutton, O16048.
Ira Kenneth Evans, O16215.
August William Farwick, O16276.
Russell Thomas Finn, O16237.
Benjamin Cobb Fowlkes, Jr., O16087.
Frank Gilbert Fraser, O16090.
John William Gaddis, O16200.
Gerald Edward Galloway, O16043.
John Frederick Gamber, O16115.
Michael John Geraghty, O16263.
Henry George Gerdes, O39513.
George Arthur Grayeb, O16152.
Francis Martin Greene, O28803.
Joseph Claron Grubb, O41393.
Haydon Young Grubbs, O16154.
Harry Herman Haas, O41385.
William O'Connor Heacock, O16093.
Earl William Heathcote, O28800.
Carl Warren Holcomb, O16082.
Ernest Victor Holmes, O16100.
Armand Hopkins, O16083.
Albert Aaron Horner, O16254.
Robert Lee Howze, Jr., O16055.
Raymond Elisha Hoyne, O28804.
John Randolph Jeter, O16342.
Edwin Lynds Johnson, O16158.
Ragnar Edwin Johnson, O28813.
Clifford Allen Kaiser, O28801.
Thomas Joseph Kane, O41386.
Edwin Bascum Kearns, Jr., O16224.
Leo F. Kelly, O50895.
Leland Berrel Kuhre, O16056.

Samuel Mason Lansing, O16277.
Harry Clifton Larter, Jr., O16206.
Nelson Leclair, Jr., O28797.
Ralph Augustus Lincoln, O16097.
Gilbert Edward Linkswiler, O16098.
Leon Jacob Livingston, O39512.
William Eldred Long, O16221.
George Patrick Lynch, O16226.
Alan Francis Stuart Mackenzie, O28806.
Henry Beane Margeson, O16181.
Arthur Lawrence Marshall, O38593.
Milo Howard Matteson, O16127.
George William McClure, O28794.
George Henry McManus, Jr., O16170.
John Meade, O16338.
Harrod George Miller, O16044.
Ray Carl Milton, O41390.
James Wilbur Mosteller, Jr., O16168.
Aubrey Strode Newman, O16099.
Meredith Cornwell Noble, O16169.
Randolph Gordon Norman, O39515.
William Henry Nutter, O16095.
William Wheeler O'Connor, O16348.
Godwin Ordway, Jr., O16208.
Raymond Burkholder Oxrieder, O16042.
George Bateman Peploe, O16246.
Arthur Superior Peterson, O16268.
Frank Andrew Pettit, O16092.
William Everton Pheris, O16202.
Wilson Potter, Jr., O28798.
Branner Pace Purdue, O16149.
Curtis D. Renfro, O16248.
Lewis Ackley Riggins, O16111.
Nicholas Joseph Robinson, O16175.
Walter John Rosengren, O41392.
Harry Earl Rucker, O41381.
Ralph Randolph Sears, O16269.
Theodore Anderson Seely, O16344.
Paul Maurice Seleen, O16139.
Ronald Montgomery Shaw, O16103.
Donald Hubbell Smith, O16334.
Wayne Carleton Smith, O16207.
Leslie Wright Stanley, O38594.
Clyde Eugene Steele, O16159.
×Henry Ewell Strickland, O16140.
Ernest Avner Suttles, O16275.
Samuel Johnson Taggart, O41388.
Percy Walter Thompson, O16315.
Carl Frederick Tischbein, O16119.
Kenneth William Treacy, O16052.
David Henry Tulley, O16075.
Warren Nourse Underwood, O16078.
Charles Howard Valentine, O16325.
Rinaldo Van Brunt, O16225.
Clarence McCurdy Virtue, O16322.
Whitfield Wannamaker Watson, O28802.
William Andrew Weddell, O16340.
Gustavus Wilcox West, O16146.
Henry Randolph Westphalinger, O16130.
Thomas Byrd Whitted, Jr., O16167.
George Kenyon Withers, O16049.
William Holmes Wood, O16135.

AIR FORCE OF THE UNITED STATES

TEMPORARY APPOINTMENT IN THE AIR FORCE OF THE UNITED STATES

The following-named officers for temporary appointment in the Air Force of the United States under the provisions of section 515, Officer Personnel Act of 1947:

To be major generals

George Robert Kennebeck, 47A.
Harry George Armstrong, 209A.
Charles Irving Carpenter, 668A.

To be brigadier generals

Michael Gerard Healy, 188A.
Otis Blaine Schreuder, 198A.
Robert Frederick Tate, 363A.
Roger James Browne, 449A.
Richard Joseph O'Keefe, 566A.
Dan Clark Ogle, 602A.
Albert Henry Schwichtenberg, 665A.
William Henry Powell, Jr., 684A.

UNITED STATES AIR FORCE

APPOINTMENTS IN THE UNITED STATES AIR FORCE

The following-named persons for appointment in the United States Air Force in the grades indicated, with dates of rank to be determined by the Secretary of the Air Force, under the provisions of section 308, Public Law 625, Eightieth Congress (Women's Armed Services Integration Act of 1948):

To be majors

Dorothy Bernstein	Elizabeth Johnston
Bertha Breskin	Beatrice Landry
Frances S. Cornick	Elizabeth L. Muenchinger
Rosalie R. Feldman	
Dixie E. Harmon	Virginia Mynard
Agnes M. Hoffman	Dorothy E. Salipante
Margaret D. Horn	Ilae M. Tucker

To be captains

Mildred R. Bachman	Maimie P. Oliver
Kathleen M. Berry	Mary C. Ryan
Gladys F. Erwin.	Frances E. Scafide
June Everett	Dora E. Skelton
Dorothy M. Foxworth	Doris M. Smith
Marilynn Fritz	Myrl D. Stiles
Messye E. Goins	Beatrice Tarnoff
Margaret Graham	Charlotte E. Temple
Maudie E. Johnson	Edith M. Toffaletti
Genevieve J. Larges	Kathryne M. Walls
Gladys M. Nelson	

To be first lieutenants

Margaret M. Banfill	Doris E. Jordan
Kathleen J. Curtin	Bertha R. Kaeppel
Betty T. Etten	Norma M. Loeser
Elnora L. Garlow	Ruth A. Lucas
Fannie A. Griffin	Mary C. Lynn
Barbara M. Hadley	Ione C. Severson
Jeanne M. Holm	Peggy J. Wier
Helen M. Horvath	Betty L. Woods
Lois C. Jones	Helen C. Wyatt

The following-named persons for appointment in the United States Air Force in the grade indicated, with dates of rank to be determined by the Secretary of the Air Force, under the provisions of section 506, Public Law 381, Eightieth Congress (Officer Personnel Act of 1947):

To be second lieutenants

Carey T. Harrison	Norman C. Kramer
Thomas A. Horst, Jr.	Harold S. Viall.

PROMOTIONS IN THE UNITED STATES AIR FORCE

The following-named officers for promotion in the United States Air Force, under the provisions of sections 502 and 509 of the Officer Personnel Act of 1947. Those officers whose names are preceded by the symbol (×) are subject to examination required by law.

To be captains

Alexander, James Franklin, 12043A.
Anderson, Edmund Beard, 12114A.
Archer, John Henry, Jr., 12013A.
Artwohl, Arpod Julius, 12153A.
×Askwig, Glenn Wesley, 12085A.
×Barney, Robert Orr, 12057A.
Barnum, Charles Colburn, Jr., 12042A.
Beatty, Ibrie Morris, Jr., 12017A.
Black, David Paul, 12052A.
Booth, Raymond Walter Wallis, 12104A.
Borchers, Clyde Raymond, 12124A.
Brenner, Felix George, 12000A.
×Brion, Charles Walter, 12094A.
Bull, Stephen Dwight, Jr., 12066A.
Bunnell, Jerry A., 11990A.
Burnett, John James, Jr., 12071A.
Butler, John Earl, 12182A.
Cabas, Victor Nicholas, 12162A.
Cadwell, Truman Fletcher, 12174A.
Callander, Thomas Joseph, 12063A.
Cameron, Wallace Horace, 12044A.
Carter, Daniel Ralph, 11983A.
Carter, David Lawrence, 12035A.
Cathcart, Leonard Nelson, 12118A.
Chandler, Jack Tabor, 12024A.
Chapman, Albert Vernon, Jr., 12089A.
Clark, Andrew Robertson, 12062A.
Combe, John 3d, 12170A.
Cook, Carl Laverne, Jr., 12019A.
Cooper, William Enos, 12082A.
Crowe, Loyal William, 12021A.
Cruciana, Louis Gerald, 12175A.
Cummins, Daniel George, 12136A.
Cunningham, George Chancellor, 12135A.
Davidoff, Foster, 12150A.
Davidson, Robert Spencer, 12131A.
Dean, Kenneth Cameron, 12014A.
Dennis, John Charles, 12141A.
Dill, Alvin Warnick, 11974A.
×Donohoe, Charles Adolph, 12126A.
Doran, Brendan Joseph, 12083A.
Dornbrock, Richard Carol, 11960A.
Duffy, Robert Aloysius, 11984A.
×Duncan, Kenneth Radcliff, 12098A.
Duval, Joseph Edward, 11989A.
Edwards, Arthur Ralph, 12091A.
Eldredge, Clayton Revis, 11985A.
Elias, Samuel Michael, 12096A.
Elsberry, Joseph DuBois, 12027A.
Erdmann, Orville Leslie, 12028A.
Evanco, Michael, 12065A.
Everett, Franklin Allan, 12180A.
Eyler, Carl Grant, 12122A.
Fachetti, Attilio Thomas, 12100A.
Farmer, Herman Mouzon, 12055A.
Farr, Robert, 12109A.
Farrell, Everett Nicholas, 12003A.
×Fayman, Edward Aaron, 12064A.
×Fernandes, Joe Louis, 12111A.
Fisher, Robert Lee, 12138A.
×Fitzhenry, Oscar Charles, 12031A.
Fitzpatrick, James Thomas, Jr., 12018A.
×Flicek, Jerry Francis, 12113A.
Floyd, John Fletcher, 12074A.
×Ford, Geoffrey, Ralph, 12183A.
Ford, Oscar Creighton, 12086A.
×Foye, Herbert Francis, 12120A.
Frederick Russel Roch, 12148A.
Frederickson, Marshall Vernon, 12069A.
Gardner, Herbert George, 12053A.
×Gates, Edmond Noble, 12080A.
Gates, William Moore, 12115A.
Goddard, Ernest Dale, 12103A.
Gonske, Walter Frederick, 11973A.
Griffin, John Albert, 12049A.
Gunter, Lester Edwin, 12040A.
Haney, Charles William, 12002A.
×Hannah, Harrison Hayden, Jr., 12171A.
Hanson, Edwin Clifford, 12099A.
Hardy, Claude Mayfield, 12127A.
Hardy, Preston Bethea, 11969A.
Harmon, Clifford Winnie, 12056A.
Harris, Carll Truett, 12012A.
Hathaway, Bruce Ray, 11959A.
Heath, Hemphill Vern, 12163A.
Hemmer, Albert Burkett, 11988A.
Henderson, Horace Lynn, 12165A.
Herring, Jack, 12060A.
Hester, Benjamin Franklin, 12011A.
Hewitt, George Emory, 12081A.
Hicks, Charles Kimball, 12130A.
Highley, Lyndell Thomassen, 11977A.
Hiney, John Wakefield, 12105A.
Hogan, Walton Lewis, 12143A.
×Hood, Robert Francis, 12015A.
Hopkins, Charles, Jr., 11962A.
Howard, Herbert Bryan, Jr., 12009A.
Howell, Joseph Virgil, 12088A.
Hughes, Lewis Carroll, 12025A.
James, John Gilbert, 12008A.
×Johnson, Thomas Bennett, 12119A.
Johnston, Wallace Wilson, 12106A.
Jones, Robert Lewis, 11961A.
Keiper, John Alwine, Jr., 12051A.
King, Kave B., Jr., 12006A.
Kinney, William Harris, 11999A.
Knutson, Gerald Percival, 12154A.
Kozul, Thomas Francis, 12001A.
×Kubicek, Garold Bretislav, 12108A.
Lake, James, 12145A.
Lambert, Joseph Richard, 12039A.
Lancaster, Rayburn Dinion, 12022A.
Lasko, Charles William, 12169A.
Laughlin, Harlan Lee, 11993A.
Livesay, Willie Edgar, 11958A.
McElroy, James Thomas, 11994A.
McKay, George Pope, 12029A.
McLain, Mack Arthur, 12030A.
×Marshall, Benjamin Charles, 12129A.
Masden, Gilbert Atherton, 11991A.
Mason, Wallace Ancil, 12045A.
Massey, Holman Cooper, 11998A.
×Mensing, Paul Emil, 12117A.
Miles, James Henry, Jr., 12050A.
×Mills, Jack Walter, 12137A.
Mills, Joe Rose, 12101A.

Moody, Edgar Waldron, 11971A.
Morgan, Emory Claude, 12112A.
Moyers, Brian Kent, 12173A.
Munnerlyn, Billy Joe, 12090A.
Myers, Thomas Lee, 11995A.
Nawrocki, Joseph Carl, 12041A.
Nesbitt, James William, 12032A.
Nicks, Howard Louis, 12134A.
Nielsen, Austin, 11964A.
Nolan, Alson Valentine, Jr., 12095A.
Nordenstrom, Wallace Orville, 12059A.
O'Connor, Henry Michael, 11972A.
Oehme, Vance, 12076A.
Orr, Jack Pershing, 11978A.
×Ott, George Joseph, 12133A.
Owen, Arthur Wellesley, Jr., 12166A.
Packwood, Jack R., 12123A.
Partridge, Robert John, 12107A.
Patton, Gene Murray, 12034A.
×Pearson, Karl Reese, 12097A.
Pebles, Glen Amos, 12159A.
Penn, William Wallace, Jr., 12023A.
Peterson, Sumner William, 11992A.
Phears, William David, 11970A.
Pippin, Theodore Cliffton, Jr., 12157A.
Plascak, Nick, 11966A.
Potter, Dwight Homer, 12151A.
Prien, Kenneth Wegner, 11981A.
×Prochaska, Joseph Robert, 12172A.
Puttkamer, Kenneth, 12075A.
Quayle, Gerald David, Jr., 12078A.
Raeke, Louis Alfred, Jr., 12033A.
Reddrick, Noel Burford, 12046A.
Rehak, Frank, Jr., 11986A.
×Reiter, Jack, 11982A.
Rice, Gale Fauss, 12061A.
Robertson, Everett Earl, Jr., 11987A.
Rosenfield, Joseph Warren, Jr., 12058A.
Ruff, George Florin, 12054A.
×Sanders, Wendell Wilson, 12121A.
Sellers, Virgil Everette, 12179A.
Sharpe, George Moore, 11968A.
Shearer, Richard Eugene, 12161A.
Shelton, Donald Adolphus, 12070A.
Shine, Wilbur Gray, 12158A.
Shipley, Francis Morris, 12016A.
Shoemate, Foy Lee, 12012A.
Smith, Eben Judson, 11963A.
Smotherman, Benjamin Franklin, 12007A.
Stephens, John, 12149A.
Stevens, Arthur Leigh, Jr., 12005A.
Storck, Gordon Fowler, 12125A.
Stulting, Elton Ray, 12144A.
×Sullivan, Leo William, 12184A.
Sweeney, Edward Joseph, 12072A.
Swope, Ira Allen, 12048A.
Tate, John Chiefton, 12156A.
Taylor, Irving Crawford, 12068A.
Thompson, Robert C., 12073A.
Treumann, Manville Giles, 12181A.
Tucker, James Riley, 11979A.
Turner, Arthur Lorenzo, Jr., 12093A.
Uhring, Frank George, 12004A.
Ulrich, Alvin Emil, 12038A.
Vickrey, Charles Ramsay, 11967A.
×Vogler, James Brevard, Jr., 12079A.
Voorhees, Roy Dale, 12167A.
Walker, James Rayburn, 12037A.
Wallander, Robert LeRoy, 11996A.
Ward, Charles Allen, Jr., 12026A.
Warner, Raymond Paul, 12110A.
×Warwick, Stuart Byers, 11976A.
Weaver, Worden, 12010A.
Wicker, Samuel James, 12116A.
Wilcox, Robert Warren, 12176A.
Williams, Jack Edward, 11997A.
Williams, Robert George, 12020A.
×Wilson, Emmett Stone, 12128A.
Wilson, Myrt Purviance, 12178A.
Wilson, Waring Woodrow, 12140A.
Witry, Frank, Jr., 11980A.
Wolf, Gayle Christy, 12164A.
Wood, John Robert, 11975A.
×Wright, Gilbert Graham, 12087A.
Yorston, Alfred, Jr., 12177A.

(NOTE.—These officers will complete 7 years' service for promotion during the month of September. Dates of rank will be determined by the Secretary of the Air Force.)

IN THE NAVY

Admiral Louis E. Denfeld, Chief of Naval Operations for a period of 2 years commencing December 15, 1949.

Capt. Calvin M. Bolster, temporary appointment to the grade of rear admiral in the line of the Navy.

Capt. Ralph J. Arnold, temporary appointment to the grade of rear admiral in the Supply Corp of the Navy.

The following-named officer for permanent appointment in the line of the Navy in the grade hereinafter stated:

ENSIGN

Marder, Martin D.

The following-named officers for permanent appointment in the Supply Corps of the Navy in grades hereinafter stated:

LIEUTENANT (JUNIOR GRADE)

Bandish, Bernard J.

LIEUTENANT

Foley, John A.

The following-named officer for temporary appointment in the Supply Corps of the Navy in the grade hereinafter stated:

LIEUTENANT COMMANDER

Foley, John A.

The nominations of George C. Crawford and other officers for permanent appointment in the Navy, which were confirmed today, were received by the Senate on August 4, 1949, and appear in full in the Senate proceedings of the CONGRESSIONAL RECORD for that day, under the caption "Nominations" beginning with the name of George C. Crawford which appears on page 10770 and ending with the name of Elizabeth J. Stover which appears on the same page.

IN THE MARINE CORPS

The following-named officer for permanent appointment to the grade of major general in the Marine Corps:

William J. Wallace

The following-named officer for temporary appointment to the grade of major general in the Marine Corps:

Ray A. Robinson

The following-named officer for permanent appointment to the grade of brigadier general in the Marine Corps:

John T. Selden

The following-named officer for temporary appointment to the grade of brigadier general in the Marine Corps:

Randolph M. Pat[illegible]

The following-named officer for permanent appointment to the grade of first lieutenant in the Marine Corps:

Thomas R. Burns

The following-named citizens (civilian college graduates) for permanent appointment to the grade of second lieutenant in the Marine Corps:

Tilton A. Anderson	Hans W. Henzel
John G. Belden	Mallett C. Jackson, Jr.
James J. Boley	George C. James
Thomas G. Borden	Edward H. John, Jr.
Calvin H. Broyer	Richard J. Johnson
James W. Burke	David S. Karukin
James Y. Butts	Charles R. Kenningston, Jr.
Ivil L. Carver	Walter C. Land
Andrew B. Cook	Alan M. Lindell
John L. Eareckson	Bernard S. MacCabe, Jr.
William H. Edwards	Byron L. Magness
Clyde L. Eyer	David G. Martinez
Matthew C. Fenton III	John F. Meehan
John C. Gordy, Jr.	Willard D. Merrill
George H. Grimes	John H. Miller
Robert L. Gunter	Edgar F. Musgrove
Arthur J. Hale	Harry J. Nolan
Allen S. Harris	Billy M. O'Quinn
Robert P. Harris	Richard L. Prave
Richard G. Heinshon	E. Richard Rhodes
	Joseph E. Rosky
	Robert L. Scruggs
	Albert C. Smith, Jr.
	Charles S. Smith
	William A. Snare, Jr.
	William F. Sparks
	James W. Stanhouse
	Kenneth R. Steele
	James C. Stephens
	Luther G. Troen
	Henry W. Tubbs, Jr.
	Thomas B. White, Jr.
	James S. Wilson
	John O. Wolcott

The following-named enlisted man (meritorious noncommissioned officer) for permanent appointment to the grade of second lieutenant in the Marine Corps:

John F. McCarthy, Jr.

The nominations of Bernard H. Kirk and 976 other officers for appointment in the Marine Corps, which were confirmed today, were received by the Senate on July 28, 1949, and appear in full in the Senate proceedings of the CONGRESSIONAL RECORD for that day, under the caption "Nominations," beginning with the name of Bernard H. Kirk, which appears on page 10370, and ending with the name of Mary J. Hale, which appears on page 10372.

HOUSE OF REPRESENTATIVES

MONDAY, AUGUST 15, 1949

The House met at 12 o'clock noon.

The Acting Chaplain, the Reverend James P. Wesberry, pastor, Morningside Baptist Church, Atlanta, Ga., offered the following prayer:

O God, whose love is from everlasting unto everlasting, on the threshold of another busy week in our Nation's Capital, we approach Thy throne of grace deeply and painfully conscious of our responsibilities. In an upset and turbulent world, we pause to attune our souls to the will of the Infinite, that we may not spend our energies in vain but dedicate them to the highest good and best interest of our great commonwealth. O Thou Master Musician of the universe, dispel, we earnestly pray, all the discordant notes that would hinder our greatest usefulness, and bring forth out of our lives the grand and beautiful notes of unselfish service, unswerving patriotism, and true statesmanship. We ask this for the sake of Him of whom the ancient prophet rightfully said, "The government shall be upon His shoulder." Amen.

The Journal of the proceedings of Friday, August 12, 1949, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McDaniel, its enrolling clerk, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1267. An act to promote the national defense by authorizing a unitary plan for construction of transsonic and supersonic windtunnel facilities and the establishment of an Air Engineering Development Center.

The message also announced that the Senate insists upon its amendment to the bill (H. R. 2944) entitled "An act to amend the Civil Service Retirement Act of May 29, 1930, as amended, to provide survivorship benefits for widows or widowers of persons retiring under such act," disagreed to by the House; agrees to

the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. JOHNSTON of South Carolina, Mr. FREAR, and Mr. FLANDERS to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 1008) entitled "An act to define the application of the Federal Trade Commission Act and the Clayton Act to certain pricing practices," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MCCARRAN, Mr. O'CONOR, and Mr. WILEY to be the conferees on the part of the Senate.

EXTENSION OF REMARKS

Mr. MCCORMACK (at the request of Mr. PRIEST) was given permission to extend his remarks in the RECORD.

GEN. JOSEPH LAWTON COLLINS

Mr. BOGGS of Louisiana. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. BOGGS of Louisiana. Mr. Speaker, Louisiana is justly proud today that one of her famous native sons has been nominated to the highest post in the United States Army.

With the nomination of Gen. Joseph Lawton Collins, as Chief of Staff of the Army to succeed Gen. Omar Bradley, the Nation has selected an able leader, a brilliant military strategist, and an efficient administrator for this important post. This is the first time in the history of our Nation that this position has been bestowed upon a citizen of Louisiana.

General Collins' well-deserved promotion is being heralded throughout the country, but particularly enthusiastic over the announcement are the people of New Orleans, the General's home town.

Born and reared in New Orleans, he attended Louisiana State University before entering the United States Military Academy at West Point, where he began his notable military career. After being graduated from the Academy in 1917, he became a second lieutenant and saw service in World War I.

In World War II he served in both the Pacific and Atlantic theaters. He commanded the Twenty-fifth Division on Guadalcanal and through the South Pacific campaign. He later became commander of the Seventh Corps in the European theater and led his troops in the capture of Cherbourg. His corps was the first to reach and cross the Rhine.

After victory in Europe he returned to the United States and was preparing for further action in the Pacific when Japan surrendered.

His first postwar assignment was as Director of the War Department's Office of Public Information. He later became Deputy Chief of Staff under Generals Dwight D. Eisenhower and Omar Bradley and more recently was made Vice Chief of Staff.

New Orleans is justly proud of General Collins' promotion to this responsible post, and views with deep satisfaction this latest honor to her native son, knowing that it has come as a result of his brilliant record as a combat commander and his equally noteworthy record made in the discharge of his postwar assignments.

I trust that early confirmation will be forthcoming, as the country is indeed fortunate to have as its Army Chief of Staff a man whose distinguished record, both in war and peace, has reflected so much credit to the Nation.

As a Representative from the city of New Orleans, I am proud to join the many friends of General Collins in extending congratulations and best wishes. Louisiana is proud of her "Lightning Joe."

SPECIAL ORDERS GRANTED

Mr. DAVIS of Georgia asked and was given permission to address the House today for 20 minutes following any special orders heretofore entered.

Mr. LANE asked and was given permission to address the House today for 10 minutes following any special orders heretofore entered.

Mr. BROOKS asked and was given permission to address the House today for 10 minutes following any special orders heretofore granted.

LEAVE OF ABSENCE

Mr. DAVIS of Georgia. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from Georgia [Mr. VINSON] may be given leave of absence for 1 week on account of official business.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

STATEHOOD FOR ALASKA AND HAWAII

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. SMITH of Wisconsin. Mr. Speaker, the bills authorizing statehood for Alaska and Hawaii should be acted upon before this session of the Congress adjourns. This is absolutely necessary for our own national security, and every Member of this House knows it. Selfish political interests should have no place in considering this legislation.

The military authorities are unanimously agreed, Mr. Speaker, that our military defenses in Alaska must be impregnable. It is only a short air jump from bases in Siberia to the North American peninsula in Alaska. Here there is always the constant threat of an airborne invasion. In fact, it must be a considerable temptation to Russia, knowing as she does that Alaska is vulnerable.

Mr. Speaker, the threat is not only to Alaska but our great States of the Northwest—Washington, Oregon, and Montana—are potential targets for air attacks by Russia in the event it successfully attacks Alaska. Then, too, in that area we have a responsibility to defend those provinces in western Canada between the United States and Alaska. The stakes are great, Mr. Speaker, and statehood for Alaska now will ease the tension considerably.

What I have said about Alaska, Mr. Speaker, applies as well to Hawaii. There must never be another Pearl Harbor but we invite one by denying statehood to those fine people out there who are so vital to our important interests in all of the Pacific. Hawaii is the key to that whole situation and with Russian submarines roving in that area, it seems incredible for us to neglect our defenses there. An essential part of that defense is the morale of the people who reside in Hawaii.

Mr. Speaker, there should be no temporizing in this matter; personal animosities and political angles have no place here. Our immediate concern is the establishment of adequate military outposts sufficient to meet the enemy thrusts when they come.

Mr. Speaker, again I urge the immediate consideration of these bills—time is of the essence.

Mr. CANFIELD. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Wisconsin. I yield to the gentleman from New Jersey.

Mr. CANFIELD. I agree with the gentleman wholeheartedly, and I am ever so happy that he made that statement to the House.

Mr. SMITH of Wisconsin. I thank the gentleman.

EXTENSION OF REMARKS

Mr. LANHAM asked and was given permission to extend his remarks in the RECORD.

Mr. EVINS asked and was given permission to extend his remarks in the RECORD and include two editorials.

Mr. DAVIS of Georgia asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

Mr. LANE asked and was given permission to extend his remarks in the RECORD in two instances and include editorials and newspaper articles.

Mr. BROOKS asked and was given permission to extend his remarks in the RECORD and include excerpts.

Mr. ASPINALL asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. SABATH asked and was given permission to extend his remarks in the RECORD in five instances and include newspaper articles.

Mr. ANDERSON of California asked and was given permission to extend his remarks in the RECORD and include two letters.

AMENDING TITLE 28, UNITED STATES CODE, SECTION 962

Mr. CELLER. Mr. Speaker, I ask unanimous consent that the House comply with a request of the Senate, which I send to the desk.

The Clerk read as follows:

SENATE RESOLUTION 153

Resolved, That the House of Representatives be, and it is hereby, requested to return to the Senate the bill (S. 51) to amend title 28, United States Code, section 962, so as to authorize reimbursement for official travel by privately owned automobiles by officers and employees of the courts of the United States and of the administrative office of the United States courts at a rate not exceeding 7 cents per mile.

The SPEAKER. Without objection, the request of the Senate will be complied with.

There was no objection.

SPECIAL ORDER GRANTED

Mrs. ROGERS of Massachusetts asked and was given permission to address the House for 10 minutes today following any special orders hertofore entered.

GEN. J. LAWTON COLLINS

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I join the gentleman from Louisiana in expressing gratitude regarding the appointment as Chief of Staff of Gen. J. Lawton Collins by President Truman. I have known his great ability as a military man. He will also bring to his new work as Chief of Staff kindliness and humanity. He has always been interested in the enlisted men and women as well as the officers. He knows the problems of each. I am glad, too, that the "GI's general," Gen. Omar Bradley, will be Chairman of the Joint Chiefs of Staff Board. Although he will be without a vote, he will bring his great experience, his wise counsel, and help to this important Board. We are most fortunate, in these dangerous times, to have available men of the caliber and experience of General Collins and General Bradley.

EXTENSION OF REMARKS

Mr. JOHNSON asked and was given permission to extend his remarks in the RECORD in two instances and include in one an editorial.

Mr. RICH asked and was given permission to extend his remarks in the RECORD and include an article from the Times-Herald of today entitled "Well, Here Come the British—for More Billions."

AID TO BRITAIN

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, I want all the Members to read the article I have just received permission to print in the RECORD, because it says the British are coming over to America for more billions. The Socialist government there is running through everything they have, and they are coming over here and want us to finance them. Ridiculous. We are in a pretty sad plight in this country when we give them everything they want, to run socialism in Great Britain and that is what we do. We have not 1 cent for socialism as far as I am concerned. The Secretary of State, being born of English parents, came over from Britain in recent years. He has too much feeling for the British. My people came over from Britain, but they came here before the Revolution, and I am wholeheartedly now for the American people. I want America to have the things that are necessary, but if you are going to give everything to those countries abroad that they want, you are going to have nothing left. The first thing you know, we will be sitting high and dry with all of our funds expended and we cannot take care of our own people. We have wasted billions all over the world and to no advantage of our own country. The President wants $1,400,000,000 to arm Europe. Did you ever hear of such a ridiculous procedure? Talk peace and build up war machines in all of these European countries. When you prepare for war you generally get it; if you want peace, talk peace, think peace, and you will have peace. If you want war, prepare for it. Why, oh, why, do we in America want to keep a Socialist government alive? None of it for me. I am against socialism, communism, and every "ism" except Americanism. Wake up, Members of the House, before it is too late. A word to the wise is sufficient.

GEN. J. LAWTON COLLINS

Mr. SMITH of Kansas. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. SMITH of Kansas. Mr. Speaker, I want to call my colleagues' attention to an appointment that President Truman made last Saturday.

From a personal viewpoint I do not know the capabilities of the Chief of the Air Force, nor do I know the ability of Admiral Denfeld, the head of the Navy. All I know about these two men is what I read and hear.

I full well know that personal contact is much stronger in each of us when it comes to evaluating a man.

I will let the newspapers, magazines, and radio give the impersonal biography and accomplishments of our new Chief of Staff of the Army, Gen. J. Lawton Collins. I want to speak of him in a purely personal way.

It was my good fortune to be under the command of General Collins as a commander of a tank destroyer battalion. I served under him from Normandy until we reached the Rhine. I also served with him in the army of occupation in the First World War. We were both in the same division, the Fourth Infantry Division.

In war it is the man that counts and not the machine. To have good men you must have morale. High morale is based on discipline, self-respect, and the confidence of the soldiers in their commanders and their weapons.

The qualities I have just described are the things that exemplify General Collins. Remember his nickname is "Lightning Joe" Collins. He has all the qualities of leadership. He has the drive, the moral courage to get the last ounce out of tired troops. He has that resolution and determination which enables him to stand fast when the issue hangs in balance, as in the dark days of the December bulge in Belgium. In those days he radiated confidence when the Germans were 6 miles from the Meuse.

General Collins creates an infective atmosphere all about him. He radiates an offensive spirit with all he comes in contact.

The right to command is not transmitted merely by orders, it is the fruits of labor and the price of courage.

History has its own way of determining where greatness truly lies and it takes its own time to place its stamp of approval. But, I predict that history will place and rank J. Lawton Collins as one of our great Chiefs of Staff.

To my colleagues and people of America, I want to tell you that in my own humble opinion, your Army is in highly competent hands.

FLOOD CONTROL, LOWER COLUMBIA RIVER VALLEY

Mr. MACK of Washington. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. MACK of Washington. Mr. Speaker, I take this time to express the hope that the Rules Committee will grant a rule during the next few days for this year's river and harbor and flood-control bill so that it may come to a vote in the House in time to make possible its adoption by both the House and Senate prior to adjournment.

Among items in this bill are three authorizing flood-control protective works which have been recommended by the Army engineers for the lower Columbia River Valley. These are all in the area which last year suffered a disastrous flood that took a score of lives and caused property damage estimated at $102,000,000.

The total cost of all three of these proposed flood-protective projects is substantially less than the damage done by last year's one flood.

These protective works are urgently needed to protect the lives and property of the 600,000 citizens of Oregon and Washington who live in the lower Columbia River Valley. Any delay in building these projects may result in these people becoming the victims of another flood disaster.

Also, in this bill is an authorization for the construction of a flood-control and power dam at Albine Falls, Idaho, which

is an important link in developing an adequate power supply on the Columbia. Any delay in starting work on the Albine Falls Dam will prolong the severe power shortage from which residents of the Pacific Northwest are suffering.

EXTENSION OF REMARKS

Mr. POTTER asked and was given permission to extend his remarks in the RECORD in two instances; in one to include an editorial from the Columbus Evening Dispatch entitled "Tables Turned," and in the other an editorial from the Washington Star of August 14 entitled "Comment or No Comment."

Mr. KEATING asked and was given permission to extend his remarks in the RECORD and include a letter.

Mr. HOEVEN asked and was given permission to extend his remarks in the RECORD and include a newspaper editorial.

Mr. NORBLAD asked and was given permission to extend his remarks in the RECORD and include an editorial from the Canby Herald of Canby, Oreg.

Mr. VELDE asked and was given permission to extend his remarks in the RECORD.

OUR SYNTHETIC RUBBER INDUSTRY

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CRAWFORD. Mr. Speaker, I want to commend my colleague from Michigan for his remarks on rubber the other day. We must not forget that the United States, in peace and war, depends on rubber more than on almost any other commodity. Our crops are produced with rubber-tired farm implements; they are moved to market by truck; industry must have rubber belting, hose, and move much of its raw material and finished goods by truck. The health of the Nation requires rubber goods and the mobility of our armed forces, on land, in the air and on the sea, require hundreds of thousands of tons of rubber products.

We built a tremendous synthetic rubber producing industry in World War II. I have seen many of the plants. They represent the best engineering and chemical developments of the Nation, but synthetic rubber, even with all the improvements that have been developed to date, and this includes the so-called cold-rubber, does not do the whole job, we must have natural rubber for about 25 percent of the goods we make. So, I agree with my colleague that we must get along with the stock-piling of natural rubber, particularly now that it is available at reasonable prices and especially, because 95 percent of the natural rubber in the world comes from half way around the globe and from areas that might become dominated by communistic influences.

The Rubber Act of 1948 provided that the wartime patent pooling be dissolved. The administration has been mighty slow in carrying out this mandate, but I am told that any day now the patent-pooling arrangements may be terminated. They should be. Private competitive research is the best incentive I know of.

Naturally, I believe in free, competitive industry and I want to see the synthetic rubber-producing industry which was built and operated by the Government during the last war, transferred to private hands on a fair and equitable basis as soon after new rubber legislation is enacted as possible. But we have got to be sure that this synthetic rubber-producing industry remains a going concern, not necessarily in anything like the total volume we built during the war, but large enough so that there will be continuing research and development by which we will find better rubbers, and so that if this country is ever faced again with an emergency, which requires full operation, we can get producing plants out of stand-by and into operation in a matter of a few months, not in a year.

At the moment, average grades of natural rubber are selling 3 to 4 cents below the price of our synthetic rubbers, and mind you, the Government is not making a big profit of the synthetic rubber business but it is not subsidizing it either. I do not like controls on industry, but sometimes you have to have things you do not like because other important matters require them. In this case, we probably have to have controlled use of synthetic rubber because we have got to keep the industry going. I am told that that the amount of synthetic rubber required to be used has been decreased from time to time and with natural rubber 3 or 4 cents below synthetic, I understand the voluntary use is falling sharply right now. There is no reason it should not. A consumer, particularly in a buyers' market, must use the lowest cost adequate raw material in order to serve the public and not force them to pay more than necessary for the rubber goods that they buy. I understand voluntary consumption has been falling about 4 percent per quarter for the past 9 months or more but that, because natural rubber recently has been as much as 3 to 4 cents below synthetic, I understand that preliminary figures for July compared to June indicate a sharply accelerated reduction in voluntary use of GR–S.

The foreign press has blatantly criticized our continued use of synthetic rubber, but remember, we are using as much natural rubber today as we did before the war. Another point is, world stocks of natural rubber are now less than 6 months of the going rate of consumption and are 100,000 tons lower than they were 10 months ago. Certainly it cannot truthfully be said that our planned synthetic rubber consumption is a major factor in depressing price of natural rubber when stocks have declined 13 percent in 10 months.

Mr. Speaker, I maintain that it would be disastrous, at this time, to consider suspension or removal of controls requiring that some synthetic rubber be consumed. In my opinion, if that were done, and if supplies of natural rubber were ample, our synthetic rubber production and consumption 6 months from now would be negligible for all but certain special rubbers which have definitely proven themselves better than natural rubber in certain products, such as fuel dispensing hose. I maintain that we must require that some synthetic rubber be used, but that the amount be no more than specified in the Rubber Act of 1948, unless our national security viewed internally and on the basis of world economy, both political and social, requires a higher figure.

EXTENSION OF REMARKS

Mr. MITCHELL asked and was given permission to extend his remarks in the RECORD and include an article from the Post-Intelligencer, notwithstanding the fact that it exceeds the limit fixed by the Joint Committee on Printing and is estimated by the Public Printer to cost $195.50.

SUBCOMMITTEE ON GOVERNMENT OPERATIONS OF COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that the Subcommittee on Government Operations of the Committee on Expenditures in the Executive Departments may sit during debate in proceedings under suspension of the rules today.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

EXTENSION OF REMARKS

Mr. WALSH asked and was given permission to extend his remarks in the RECORD and include a letter.

Mr. MILLER of California asked and was given permission to extend his remarks in the RECORD and include a newspaper editorial.

Mr. BECKWORTH asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

PERMISSION TO ADDRESS THE HOUSE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks and include an extract from the report of the other body on the civil functions appropriation bill.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

[Mr. RANKIN addressed the House. His remarks appear in the Appendix.]

APPLICATION OF FEDERAL TRADE COMMISSION ACT AND CLAYTON ACT TO CERTAIN PRICE PRACTICES

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 1008) to define the application of the Federal Trade Commission Act and the Clayton Act to certain pricing practices, with amendments of the House thereto, insist on the House amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. BOGGS of Louisiana. Mr. Speaker, I object.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the calendar.

RESIDENT COMMISSIONER FROM THE VIRGIN ISLANDS

The Clerk called the first bill on the calendar (H. R. 2988) to provide for a Resident Commissioner from the Virgin Islands, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. TRIMBLE. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

BENEFITS FOR ANNUITANTS WHO RETIRED PRIOR TO APRIL 1, 1948

The Clerk called the bill (H. R. 4295) to provide certain benefits for annuitants who retired under the Civil Service Retirement Act of May 29, 1930, prior to April 1, 1948.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. CUNNINGHAM. Mr. Speaker, this bill requires the expenditure of approximately $11,000,000, which is entirely too much to be considered on the Consent Calendar. I am also advised that it is now before the Rules Committee.

I therefore ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

MUSEUM AT KLUKWAN, ALASKA

The Clerk called the bill (H. R. 2012) to authorize the erection and operation of a museum at Klukwan, Alaska.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. FORD. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

ESTABLISHMENT AND OPERATION OF A RARE AND PRECIOUS METALS EXPERIMENT STATION AT RENO, NEV.

The Clerk called the bill (H. R. 2386) to provide for the establishment and operation of a rare and precious metals experiment station at Reno, Nev.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. CUNNINGHAM. Mr. Speaker, this bill is not in accord with the program of the President. I therefore ask unanimous consent that it be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

PRACTITIONERS BEFORE ADMINISTRATIVE AGENCIES

The Clerk called the bill (H. R. 4446) to protect the public with respect to practitioners before administrative agencies.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WALTER. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

REPEALING INDIAN LIQUOR LAWS

The Clerk called the bill (H. R. 3282) to repeal certain acts of Congress, known as Indian liquor laws, in certain parts of Minnesota.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. RICH, Mr. TRIMBLE and Mr. SCRIVNER objected, and the bill was stricken from the calendar.

NATIONAL CEMETERY AT FORT LOGAN, COLO.

The Clerk called the bill (H. R. 4548) to provide for the utilization as a national cemetery of surplus Army Department owned military real property at Fort Logan, Colo.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. FORD. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

AMENDING ROAD ACT OF MAY 26, 1928, AUTHORIZING APPROPRIATIONS FOR ROADS ON INDIAN RESERVATIONS

The Clerk called the bill (H. R. 5232) to amend the Road Act of May 26, 1928 (45 Stat. 750), authorizing appropriations for roads on Indian reservations.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act of May 26, 1928 (45 Stat. 750), an act to authorize an appropriation for roads on Indian reservations, is hereby amended to read as follows:

"That appropriations are hereby authorized, out of any money in the Treasury not otherwise appropriated, for material, equipment, supervision and engineering, and the employment of Indian labor, in the survey, improvement, construction, and maintenance of Indian reservation roads and bridges, and roads and bridges to provide access to Indian reservations and Indian lands, including lands held by the Government for the benefit of the Indians: *Provided*, That moneys appropriated under this authority shall be expended only for projects not eligible for other Government aid under the Federal Highway Act and for which no other appropriation is available.

"SEC. 2. The Commissioner of Indian Affairs is authorized to enter into a contract or contracts with any State or Territory or political subdivision thereof having legal authority so to do for the construction or maintenance of roads and bridges, and may expend under such contract or contracts moneys appropriated by the Congress for such purposes.

"SEC. 3. The Commissioner of Indian Affairs is authorized upon such terms and conditions as he may prescribe to permit the use by any State or political subdivision thereof of any road-building or maintaining equipment, including operating personnel, whenever such equipment and personnel can be made available for such use without interference with its use by the Bureau of Indian Affairs; and the Bureau of Indian Affairs is authorized to utilize any road-building or maintaining equipment, including operating personnel, made available to it by any State or political subdivision thereof, and to make such expenditures as may be necessary for the maintenance and operation of such equipment while in its custody."

Mr. MORRIS. Mr. Speaker, I offer an amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. MORRIS: On page 2, after line 25, add a new section, as follows:

"SEC. 4. Nothing in this act shall be constructed to modify the existing authority of the Bureau of Public Roads to supervise the construction of roads and highways on Indian reservations."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PUBLIC AIRPORTS SERVING NATIONAL PARKS, MONUMENTS, AND RECREATION AREAS

The Clerk called the bill (S. 1283) to authorize the Secretary of the Interior to acquire, construct, operate, and maintain public airports in, or in close proximity to, national parks, monuments, and recreation areas, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. SCRIVNER. Mr. Speaker, I have gone into this bill with both the Department of the Interior and the CAA. I find that the authority asked in the bill is far greater in scope than is necessary to accomplish the purposes they have in mind. A bill could be drawn which would give the Interior Department and the CAA what they desire.

Therefore, I find it necessary to ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

AMENDING FEDERAL AIRPORT ACT

The Clerk called the bill (H. R. 4239) to amend section 6 of the Federal Airport Act.

Mr. FORD. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

AMENDING SECTION 13 OF FEDERAL FARM LOAN ACT

The Clerk called the bill (H. R. 5512) to amend section 13 of the Federal Farm Loan Act, as amended.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 13 of the Federal Farm Loan Act, as amended, is amended by inserting at the end thereof the following new paragraph:

"Twentieth. Subject to regulations and limitations to be prescribed by the Board of Governors of the Federal Reserve System, to obtain advances, for periods not exceeding 1 year, from any Federal Reserve bank operating in its district on promissory notes of

such Federal land bank, secured by the deposit or pledge of consolidated Federal farm-loan bonds of the Federal land banks or United States Government obligations, direct or fully guaranteed. Each such advance shall bear interest at the rate applicable to discounts for member banks of the Federal Reserve system under the provisions of the second paragraph of section 13 of the Federal Reserve Act, as amended, in effect at such Federal Reserve bank when such advance is obtained."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TEMPORARY EMPLOYMENT OF FOREIGN AGRICULTURAL WORKERS

The Clerk called the bill (H. R. 5557) to provide for coordination of arrangements for the employment of agricultural workers, admitted for temporary agricultural employment from foreign countries in the Western Hemisphere, to assure that the migration of such workers will be limited to the minimum numbers required to meet domestic labor shortages, and for other purposes.

Mr. CUNNINGHAM. Mr. Speaker, this bill is on the program of bills to be recognized under suspension today. I therefore ask unanimous consent that it may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

EXTENDING TIME WITHIN WHICH LEGISLATIVE EMPLOYEES MAY COME WITHIN CIVIL SERVICE RETIREMENT ACT

The Clerk called the bill (S. 1977) to extend the time within which legislative employees may come within the purview of the Civil Service Retirement Act.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 3 (a) of the Civil Service Retirement Act of May 29, 1930, as amended, is amended by adding at the end thereof the following:

"Notwithstanding any other provision of this act, any officer or employee in the legislative branch of the Government within the classes of officers or employees which were made eligible for the benefits of this act by the act of July 13, 1937, serving in such position on the effective date of this paragraph, may give notice of his desire to come within the purview of this act at any time prior to January 30, 1950."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONFIRMING ACT 251 OF THE SESSION LAWS OF HAWAII, 1949

The Clerk called the bill (H. R. 5489) to ratify and confirm Act 251 of the Session Laws of Hawaii, 1949.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Act 251 of the Session Laws of Hawaii, 1949, amending Act 101 of the Session Laws of Hawaii 1921, as amended by Act 32 of the Session Laws of Hawaii, 1945, relating to the manufacture, maintenance, distribution, and supply of electric current for light and power within the districts of North and South Hilo, Puna, Kau, and South Kohala, in the county of Hawaii, by extending the franchise to the district of North Kohala, in that county, is hereby ratified and confirmed.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING VETERANS' PREFERENCE ACT WITH RESPECT TO CERTAIN MOTHERS OF VETERANS

The Clerk called the bill (S. 974) to amend the Veterans' Preference Act of 1944 with respect to certain others of veterans.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That (a) clause (5) of section 2 of the Veterans' Preference Act of 1944, as amended, is amended by striking out "(if they have not remarried)" and inserting in lieu thereof "(if they have not remarried, or if they have remarried, they are divorced or legally separated from their husband or such husband is dead at the time preference is claimed)."

(b) Clause (6) of section 2 of such act, as amended, is amending by striking out "(B) the mother was divorced or separated from the father of said ex-serviceman son or ex-servicewoman daughter, and (C) the mother has not remarried." and inserting in lieu thereof "(B) the mother was divorced or legally separated from the father of said ex-serviceman son or ex-servicewoman daughter, and (C) the mother has not remarried or, if she has remarried, she is divorced or legally separated from her husband or such husband is dead at the time preference is claimed."

With the following committee amendment:

Page 2, line 3, strike out the word "legally."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FORT SCHUYLER, N. Y.

The Clerk called the bill (H. R. 210) to authorize the conveyance of a portion of the United States military reservation at Fort Schuyler, N. Y., to the State of New York for use as a maritime school, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War is authorized to convey to the State of New York all that portion of the United States Military Reservation at Fort Schuyler, N. Y., together with all improvements thereon, lying easterly of a line commencing at a point (latitude forty degrees forty-eight minutes twenty-three seconds; longitude seventy-three degrees forty-seven minutes fifty-two seconds) fixed on the south sea wall which is approximately twenty-five and five-tenths feet westerly from an agle in said sea wall and thence running in a northeasterly direction five hundred and ninety-two and five-tenths feet, more or less, to a point on the north sea wall which is approximately one hundred and ninety-six and five-tenths feet westerly from an agle in the north sea wall, said line being the easterly edge of a concrete curb for an eighteen-foot concrete road running in a northeasterly and southwesterly direction.

SEC. 2. Such conveyance shall contain the express provision that if the State of New York shall fail to maintain so much of the military structures and appurtenances presently erected, which formerly constituted the old fort, as a historical monument reasonably available to the public, or if the State of New York shall at any time cease to use the property so conveyed as a maritime school, devoted exclusively to purposes of nautical education or, in the alternative, if the State of New York shall fail to use and maintain the property so conveyed as a public park, title thereto shall revert to the United States.

SEC. 3. Such conveyance shall contain the further provision that whenever the Congress of the United States shall declare a state of war or other national emergency to exist, upon determination by the Secretary of War or the Secretary of the Navy that the property so conveyed is useful or necessary for military or naval purposes or in the interest of national defense, the United States shall have the right to reenter upon such property and use the same or any part thereof for the duration of such state of war or other national emergency.

SEC. 4. The conveyance herein authorized shall not be executed by the Secretary of War until the State of New York shall have relinquished to the United States of America in a manner satisfactory to the Secretary of the Navy, all right, title, or interest that it may have pursuant to any lease or otherwise in that portion of Fort Schuyler Military Reservation which is not herein expressly authorized to be conveyed to said State.

With the following committee amendments:

On page 1, line 3, strike out the word "War" and insert in lieu thereof the words "the Army."

On page 2, line 24, strike out the word "War" and insert in lieu thereof the words "the Army."

One page 3, line 7, strike out the word "War" and insert in lieu thereof the words "the Army."

On page 3, immediately following section 4, add a new section as follows:

"All rights and privileges granted to the United States Coast Guard by the War Department on April 18, 1933, and renewed by the Secretary of the Army for a further 5-year period on June 29, 1948, in connection with the site of Throggs Neck Coast Guard Light Station, and the operation thereof, will be preserved to the United States Coast Guard until such time as the Secretary of the Treasury determines that the operation of Throggs Neck Coast Guard Light Station will at no time be necessary."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TRANSFER OF CERTAIN REAL PROPERTY BY DEPARTMENTS OF THE ARMY, NAVY, AND AIR FORCE

The Clerk called the bill (H. R. 5368) to authorize the Departments of the Army, Navy, and Air Force to participate in the transfer of certain real property or interests therein, and for other purposes.

Mr. ASPINALL. Mr. Speaker, the amount involved in this bill exceeds several million dollars. I therefore ask unanimous consent that the bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

AUTHORIZING CONSTRUCTION AND PRESENTATION OF HOSPITAL TO THE PEOPLE OF ST. LAWRENCE, NEWFOUNDLAND

The Clerk called House Joint Resolution 230 authorizing the Secretary of the Navy to construct and the President of the United States to present to the people of St. Lawrence, Newfoundland, on behalf of the people of the United States, a hospital or dispensary for heroic services to the officers and men of the United States Navy.

There being no objection, the Clerk read the resolution, as follows:

Resolved, etc., That the Secretary of the Navy be, and he is hereby, authorized to undertake the construction at St. Lawrence, Newfoundland, of a hospital or a dispensary, including the acquisition of land necessary therefor, at a cost not to exceed $375,000. An appropriation of not to exceed $375,000 is hereby authorized to effectuate the purposes of this joint resolution.

SEC. 2. The President of the United States is authorized to present such hospital or dispensary to the people of St. Lawrence, Newfoundland, in token of appreciation of the United States of America to the people of St. Lawrence, Newfoundland, of their heroic action in saving the lives of officers and men of the United States ship *Pollux* and the United States ship *Truxton*, wrecked near St. Lawrence in the year 1942.

The resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TRANSFER OF CERTAIN LANDS IN GRAND RAPIDS, MINN.

The Clerk called the bill (H. R. 2015) to authorize the Secretary of Agriculture to convey and exchange certain lands and improvements in Grand Rapids, Minn., for lands in the State of Minnesota, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That with the approval of the National Forest Reservation Commission, as provided by sections 6 and 7 of the act of March 1, 1911, as amended (16 U. S. C. 515, 516), and insofar as applicable, in accordance with the provisions of said act, the Secretary of Agriculture is hereby authorized, in his discretion, to accept on behalf of the United States title to any lands in the State of Minnesota, within the boundaries of the Chippewa National Forest, and in exchange therefor to transfer and convey all or part of the structures and improvements situated on those certain tracts and parcels of land in Grand Rapids, county of Itasca, State of Minnesota, and more particularly described in a deed from the village of Grand Rapids, Minn., to the United States, dated November 3, 1938, and recorded in the office of the register of deeds, Itasca County, Minn., in book 142 of deeds, at page 264. Lands so accepted by the Secretary of Agriculture shall be of a value not less than the value of the improvements transferred and conveyed in exchange therefor and, upon acceptance, shall become parts of the Chippewa National Forest and be subject to laws applicable to lands acquired under the act of March 1, 1911 (36 Stat. 961), as amended.

SEC. 2. The Secretary of Agriculture is hereby authorized to convey, without consideration, by quitclaim deed, to the village of Grand Rapids, Itasca County, Minn., the land, exclusive of the structures and improvements, conveyed to the United States by the deed referred to in section 1 hereof.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENDING BENEFITS OF SECTION 23 OF THE BANKHEAD-JONES ACT TO PUERTO RICO

The Clerk called the bill (H. R. 4090) to extend the benefits of section 23 of the Bankhead-Jones Act to Puerto Rico.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the provisions of section 23 of the act entitled "An act to provide for research into basic laws and principles relating to agriculture and to provide for the further development of cooperative agricultural extension work and the more complete endowment and support of land-grant colleges," approved June 29, 1935 (— Stat. —; 7 U. S. C. 343C) and known as the Bankhead-Jones Act, as added by the act of June 6, 1945 (59 Stat. L. 231), be, and the same are hereby, extended to Puerto Rico in such amounts as are hereinafter authorized without diminution of the amounts authorized for payments to the States and the Territory of Hawaii as provided in section 23 of that act.

SEC. 2. To carry into effect the above provisions for extending to Puerto Rico, to the extent herein provided, the benefits of the said Bankhead-Jones Act, the following sums are hereby authorized to be appropriated: For the first fiscal year beginning after the date of the enactment of this act, $101,090; for the fiscal year following the first fiscal year for which an appropriation is made in pursuance of the foregoing authorization, the additional sum of $100,000; and for each succeeding fiscal year thereafter, an additional sum of $100,000 until the total appropriations authorized by this section shall amount to $401,090 annually, the authorization to continue in that amount for each succeeding fiscal year.

With the following committee amendment:

Page 1, line 8, before the abbreviation "Stat." insert the figure "49" and after the abbreviation "Stat." insert the figure "436."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EAST TAWAS, MICH., LAND EXCHANGE

The Clerk called the bill (H. R. 5601) to authorize the exchange of certain lands of the United States situated in Iosco County, Mich., for lands within the national forests of Michigan, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, subject to approval by the National Forest Reservation Commission as established by section 4 of the act of March 1, 1911 (36 Stat. 961), the Secretary of Agriculture is hereby authorized to exchange the following-described lands for lands of at least equal value situated within the exterior boundaries of national forest within the State of Michigan: Lots 2, 3, 4, 5, 6, and 7 of block 13, all of block 14, lots 1 to 10, inclusive, of block 15, lots 1 to 12, inclusive, of block 16, of Newmans Addition, East Tawas, Iosco County, Mich.: *Provided*, That any lands conveyed to the United States under the provisions of this act shall be subject to all of the laws and rules and regulations applicable to lands acquired under the aforementioned act of March 1, 1911, as amended.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DRY-LAND AND IRRIGATION FIELD STATIONS

The Clerk called the bill (H. R. 5679) to authorize the transfer of certain agricultural dry-land and irrigation field stations to the States in which such stations are located, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. CASE of South Dakota. Mr. Speaker, reserving the right to object, I should like to ask the gentleman from Utah [Mr. GRANGER], whether or not the committee has accepted or will offer an amendment to eliminate South Dakota from the bill in accordance with my discussions with him?

Mr. GRANGER. I may say to the gentleman from South Dakota that we did eliminate the station he appeared before the committee and gave us information about. It was in a different category and it is eliminated from the bill.

Mr. CURTIS. Mr. Speaker, reserving the right to object, can the gentleman inform us as to what States they are located in, or to put it another way, are there any in the State of Nebraska?

Mr. GRANGER. A station at Mitchell, Nebr., is covered by this bill.

Mr. CURTIS. The station in question is located in the district of my colleague the gentleman from Nebraska [Mr. MILLER], who is detained and cannot be here this morning. I do not propose to object to the consideration of the measure, but I am wondering if an objection is later placed in the Senate that will be agreeable to the gentleman's committee.

Mr. GRANGER. That would be very agreeable. I am reasonably sure there is no objection on the part of anybody to continuing this station in Nebraska.

Mr. CURTIS. I thank the gentleman very much.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of Agriculture is authorized, at such times as he deems appropriate, to convey by appropriate conveyances, without consideration, the interest of the United States in the lands, including water rights, buildings, and improvements presently comprising or appurtenant to the following dry land and irrigation field stations, to the States in which such stations are located, when, in the opinion of the Secretary of Agriculture, the transfer of any such station will result in establishing a more effective program in the cooperative agricultural experimental work of the Department of Agriculture and the respective State and the furtherance of agricultural experimental work on a national or regional basis will be better served by such transfer: Huntley, Mont., Mitchell, Nebr., Fallon, Nev., Tucumcari, N. Mex., Lawton, Okla., Hermiston, Oreg., Sheridan, Wyo.: *Provided*, That when any or all of the land, including water rights, comprising any such station in public-domain land,

only the Secretary of the Interior may by patent or other appropriate conveyance transfer such lands to the respective States: *Provided further,* That when any easement necessary to a station conveyed or patented hereunder is on public-domain lands, only the Secretary of the Interior may grant such easements to the State to which the station has been conveyed.

SEC. 2. Conveyances or patents hereunder shall be upon such conditions as in the opinion of the Secretary of Agriculture will assure the use of such station in the cooperative agricultural experimental work of the Department of Agriculture and the respective State. Any such conveyances of the land shall contain a reservation to the United States of all the minerals in the land together with the right to prospect for, mine, and remove the same under such regulations as the Secretary of the Interior may prescribe.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BUFFALO RAPIDS IRRIGATION PROJECT

The Clerk called the bill (H. R. 829) to authorize the Secretary of Agriculture to accept buildings and improvements constructed and affected by the Buffalo Rapids Farms Association on project lands in the Buffalo Rapids water conservation and utilization project and canceling certain indebtedness of the association, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of Agriculture is hereby authorized and directed, within 1 year from the date of this act, to accept, on behalf of the United States, the interest of the Buffalo Rapids Farms Association, a Montana corporation hereinafter referred to as the association, in all buildings, structures, improvements, or alterations therein, constructed, erected, placed, or made by the association on project lands in the Buffalo Rapids water conservation and utilization projects, divisions I and II, hereinafter referred to as the project, situated in the State of Montana and established pursuant to the provisions of the item Water conservation and utility projects in the Interior Department Appropriation Act, 1940 (53 Stat. 685, 719), and designated a project under the act of August 11, 1939, as amended (16 U. S. C. (and Supp.) 590y–590z–11), as provided therein, and, upon the acceptance thereof, the then unpaid balance of the obligations of the association, including unpaid accrued interest, under mortgage notes dated January 19, 1942, March 31, 1942, April 9, 1942, and October 27, 1942, originally in the total amount of $220,000, executed by the association and delivered to the United States pursuant to loan contract numbered A–10–FSA–382–PC–MT–104, dated December 4, 1941, between the association and the United States, shall be deemed to have been fully paid and satisfied, and said buildings, structures, improvements, or alterations therein shall be administered and disposed of by the Secretary of Agriculture as part of the project, in the same manner as though acquired with project lands under the provisions of section 5 (a) of the act of August 11, 1939, as amended (16 U. S. C. 590z–3 (a)).

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SURPLUS PROPERTY FOR INDIAN USE IN NEW MEXICO

The Clerk called the bill (H. R. 5556) to make available for Indian use certain surplus property at the Wingate Ordnance Depot, N. Mex.

There being no objection, the Clerk read the bill, as follows:

Be it enacted etc., That the Secretary of the Army is hereby authorized and directed to transfer to the Department of the Interior, for use by the Bureau of Indian Affairs, that portion of the Fort Wingate Military Reservation, N. Mex., comprising approximately 13,150 acres, heretofore determined to be surplus to the requirements of the Department of the Army. Title to the land so transferred shall remain in the United States for the use of the Bureau of Indian Affairs.

SEC. 2. All contractual rights and all property, right, title, and interest of the United States in and with respect to structures and improvements in Veterans' Temporary Housing Project NM–VN–29166, located on land of the Navajo Tribe of Indians, and known as Wingate Navajo Village, Gallup, N. Mex., are hereby relinquished and transferred to the Navajo Tribe of Indians. After the date of enactment of this act, the provisions of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940 (54 Stat. 1125), as amended, shall not apply to said temporary housing project.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FACILITATION OF THE WORK OF THE FOREST SERVICE

The Clerk called the bill (H. R. 5839) to facilitate and simplify the work of the Forest Service, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. CUNNINGHAM. Mr. Speaker, reserving the right to object, may I inquire of the author of the bill, the gentleman from Utah [Mr. GRANGER], as to the probable cost involved and why there is no report from the Department of Agriculture?

Mr. GRANGER. Mr. Speaker, I may say to the gentleman from Iowa that this bill was passed last year by the House by unanimous consent. If the gentleman will notice in the report he will find the report of the Department of last year on this bill. Of course, we did not ask for another report although we did hold hearings on it. However, the report of last year is in the report.

Mr. CUNNINGHAM. The report is favorable, both from the Bureau of the Budget and from the Department of Agriculture?

Mr. GRANGER. The gentleman is correct.

Mr. CUNNINGHAM. There is no material change between this bill and the bill passed during the last Congress?

Mr. GRANGER. That is right.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provisions of existing law and without regard to section 355, Revised Statutes, as amended (40 U. S. C. 255), but within the limitations of cost otherwise applicable, appropriations of the Forest Service may be expended for the erection of buildings, lookout towers, and other structures on land owned by States, counties, municipalities, or other political subdivisions, corporations, or individuals: *Provided,* That prior to such erection there is obtained the right to use the land for the estimated life of or need for the structure, including the right to remove any such structure within a reasonable time after the termination of the right to use the land.

SEC. 2. That so much of the act of June 30, 1914 (38 Stat. 415, 429, 16 U. S. C. 504), as provides: "That hereafter the Secretary of Agriculture may procure such seed, cones, and nursery stock by open purchase, without advertisements for proposals, whenever in his discretion such method is most economical and in the public interest and when the cost thereof will not exceed $500:", is hereby amended to read as follows: "That the provisions of section 3709, Revised Statutes (41 U. S. C. 5), shall not apply to any purchase by the Forest Service of forest-tree seed or cones or of forage plant seed when the amount involved does not exceed $10,000, nor to any purchase of forest-tree nursery stock when the amount involved does not exceed $500, whenever, in the discretion of the Secretary of Agriculture, such method is in the public interest."

SEC. 3. The provisions of section 3709, Revised Statutes (41 U. S. C. 5), shall not apply to purchases by the Forest Service of (1) materials to be tested or upon which experiments are to be made or (2) special devices, test models, or parts thereof, to be used (a) for experimentation to determine their suitability for or adaptability to accomplishment of the work for which designed or (b) in the designing or developing of new equipment: *Provided,* That not to exceed $50,000 may be expended in any one fiscal year pursuant to this authority and not to exceed $10,000 on any one item or purchase.

SEC. 4. That section 205 of the Department of Agriculture Organic Act of 1944, approved September 21, 1944 (58 Stat. 736, 16. U. S. C. 579a), is hereby amended to read as follows:

"SEC. 205. The Forest Service by contract or otherwise may provide for procurement and operation of aerial facilities and services for the protection and management of the national forests, with authority to renew any contract for such purpose annually, not more than twice, without additional advertising."

SEC. 5. That section 1 of the Act of March 3, 1925 (43 Stat. 1132; 16 U. S. C. 572), is hereby amended to read as follows:

"SEC. 1. (a) The Forest Service is authorized, where the public interest justifies, to cooperate with or assist public and private agencies, organizations, institutions, and persons in performing work on land in State, county, municipal, or private ownership, situated within or near a national forest, for which the administering agency, owner, or other interested party deposits in one or more payments a sufficient sum to cover the total estimated cost or the depositor's share thereof, for administration, protection, improvement, reforestation, and such other kinds of work as the Forest Service is authorized to do on lands of the United States: *Provided,* That the United States shall not be liable to the depositor or landowner for any damage incident to the performance of such work.

(b) Cooperation and assistance on the same basis as that authorized in subsection (a) is authorized also in the performance of any such kinds of work in connection with the occupancy or use of the national forests or other lands administered by the Forest Service.

(c) Moneys deposited under this section shall be covered into the Treasury and shall

constitute a special fund, which is hereby made available until expended for payment of the cost of work performed by the Forest Service and for refunds to depositors of amounts deposited by them in excess of their share of said cost: *Provided*, That when deposits are received for a number of similar types of work on adjacent or overlapping areas, or on areas which in the aggregate are determined to cover a single work unit, they may be expended on such combined areas for the purposes for which deposited, in which event refunds to the depositors of the total amount of the excess deposits involved will be made on a proportionate basis: *Provided further*, That when so provided by written agreement payment for work undertaken pursuant to this section may be made from any Forest Service appropriation available for similar types of work, and reimbursement received from said agencies, organizations, institutions, or persons covering their proportionate share of the cost shall be deposited to the credit of the Forest Service appropriation from which initially paid or to appropriations for similar purposes currently available at the time of deposit: *Provided further*, That when by the terms of a written agreement either party thereto furnishes materials, supplies, equipment, or services for fire emergencies in excess of its proportionate share, adjustment may be made by reimbursement or by replacement in kind of supplies, materials, and equipment consumed or destroyed in excess of the furnishing party's proportionate share.

SEC. 6. That so much of the act of August 11, 1916 (39 Stat. 446, 462; 16 U. S. C. 490), as provides: "That hereafter deposits may be received from timber purchasers in such sums as the Secretary of Agriculture may require to cover the cost to the United States of disposing of brush and other debris resulting from cutting operations in sales of national-forest timber; such deposits shall be covered into the Treasury and shall constitute a special fund, which is hereby appropriated and made available until expended, as the Secretary of Agriculture may direct, to pay the cost of such work and to make refunds to the depositors of amounts deposited by them in excess of such cost," is hereby amended to read as follows: "Purchasers of national-forest timber may b required to deposit the estimated cost to the United States of disposing of brush and other debris resulting from their cutting operations, such deposits to be covered into the Treasury and constitute a special fund, which is hereby appropriated and shall remain available until expended: *Provided*, That any deposits in excess of the amount expended for disposals shall be transferred to miscellaneous receipts, forest-reserve fund, to be credited to the receipts of the year in which such transfer is made."

SEC. 7. The Secretary of Agriculture, under such regulations as he may prescribe and at rates and for periods not exceeding 30 years as determined by him, is hereby authorized to permit the use by public and private agencies, corporations, firms, associations, or individuals, of structures or improvements under the administrative control of the Forest Service and land used in connection therewith: *Provided*, That as all or a part of the consideration for permits issued under this section, the Secretary may require the permittees at their expense to recondition and maintain the structures and land to a satisfactory standard.

SEC. 8. The Secretary of Agriculture is authorized to furnish persons attending Forest Service demonstrations, and users of national forest resources and recreational facilities, with meals, lodging, bedding, fuel, and other services, where such facilities are not otherwise available, at rates approximating but not less than the actual or estimated cost thereof and to deposit all moneys received therefor to the credit of the appropriation from which the cost thereof is paid, or a similar appropriation current at the time the moneys are received: *Provided*, That such receipts obtained in excess of $10,000 in any one fiscal year shall be deposited in the Treasury as miscellaneous receipts.

SEC. 9. The Secretary of Agriculture is authorized, subject to such conditions as he may prescribe, to sell forest-tree seed and nursery stock to States and political subdivisions thereof and to public agencies of other countries, at rates not less than the actual or estimated cost to the United States of procuring or producing such seed or nursery stock, moneys received from the sale thereof to be credited to the appropriation or appropriations of the Forest Service currently available for the procurement or production of seed or nursery stock at the time such moneys are deposited: *Provided*, That the Secretary of Agriculture may exchange with such public agencies forest-tree seed and nursery stock for forest-tree seed or nursery stock of the same or different species upon a determination that such exchange is in the interest of the United States and that the value of the property given in exchange does not exceed the value of the property received: *Provided further*, That no nursery stock shall be sold or exchanged under this section as ornamental or other stock for landscape planting of the types commonly grown by established commercial nurserymen.

SEC. 10. Notwithstanding the provisions of section 7 of the act of August 23, 1912, as amended (31 U. S. C. 679), appropriations for the protection and management of the national forests shall be available to pay for telephone service installed in residences of seasonal employees and of persons cooperating with the Forest Service who reside within or near the national forests when such installation is needed in protecting the national forests: *Provided*, That in addition to the monthly local service charge the Government may pay only such tolls or other charges as are required strictly for the public business.

SEC. 11. Whenever such action is deemed to be in the public interest, the Forest Service is authorized to pay from any appropriation available for the protection and management of the national forests all or any part of the cost of leasing, seeding, and protective fencing of public range land other than national forest land and privately owned land intermingled with or adjacent to national forest or other land administered by the Forest Service, if the use of the land to be seeded is controlled by the Forest Service under a lease or agreement which in the judgment of the Chief of the Forest Service gives the Forest Service control over the land for a sufficient period to justify such expenditures: *Provided*, That payment may not be made under authority of this section for the seeding of more than 1,000 acres in any one private ownership: *Provided further*, That payment may not be made under authority of this section for the seeding of more than 25,000 acres in any 1 fiscal year: *Provided further*, That the period of any lease under this authority may not exceed 20 years.

"SEC. 12. The Secretary of Agriculture, when in his judgment such action will be in the public interest, and under such regulations as he may prescribe, may require any grazing permittee of a national forest to make deposits of money, as a part of the established fee for the use of the range, to cover the cost to the United States of (1) artificial revegetation, including the collection or purchase of necessary seed; (2) construction and maintenance of drift or division fences and stockwatering places, bridges, corrals, driveways, or other necessary range improvements; (3) control of range-destroying rodents; or (4) eradication of poisonous plants and noxious weeds, on such national forest in order to protect or improve the future productivity of the range: *Provided*, That such deposits shall constitute a special fund, without fiscal year limitation, to be available to cover the cost to the United States of such artificial revegetation, construction, and maintenance of range improvements, control of rodents, and eradication of poisonous or noxious plants: *Provided further*, That whenever the Secretary of Agriculture determines that any portion of any deposit is in excess of the cost of doing said work, such excess shall be transferred to miscellaneous receipts, forest reserve fund, as a national-forest receipt of the fiscal year in which such transfer is made.

SEC. 13. That section 5 of the act of March 3, 1925 (43 Stat. 1133; 16 U. S. C. 555), is hereby amended to read as follows:

"Where no suitable Government land is available for national forest headquarters, ranger stations, dwellings, or for other sites required for the effective conduct of the authorized activities of the Forest Service, the Secretary of Agriculture is hereby authorized to purchase such lands out of the appropriation applicable to the purpose for which the land is to be used, and to accept donations of land for any national forest or experimental purpose: *Provided*, That such lands may be acquired subject to such reservations and outstanding interests as the Secretary determines will not interfere with the purpose for which acquired: *Provided further*, That not to exceed $25,000 may be expended in any one fiscal year pursuant to this authority."

SEC. 14. There are hereby authorized to be appropriated—

(a) such sums as may be necessary for the acquisition of parcels of land and interests in land in Sanders County, Mont., needed by the Forest Service to provide winter range for its saddle, pack, and draft animals;

(b) not to exceed $50,000 for the acquisition of additional land adjacent to the present site of the Forest Products Laboratory at Madison, Wis.; and

(c) not to exceed $25,000 for the acquisition of one helicopter landing site in southern California.

Land acquired under this section may be subject to such reservations and outstanding interests as the Secretary of Agriculture determines will not interfere with the purpose for which acquired.

SEC. 15. That section 6 of the act of March 3, 1925 (43 Stat. 1133; 16 U. S. C. 557), is hereby amended by substituting a colon for the period at the end thereof and adding the following: "*Provided*, That when a transient without permanent residence, or any other person while away from his place of residence, is temporarily employed by the Forest Service and while so employed becomes disabled because of injury or illness not attributable to official work, he may be provided hospitalization and other necessary medical care, subsistence, and lodging for a period of not to exceed 15 days during such disability, the cost thereof to be payable from any funds available to the Forest Service applicable to the work for which such person is employed."

SEC. 16. Appropriations of the Forest Service chargeable with salaries and wages shall be available for payment to temporary employees of the Forest Service for loss of time due to injury in official work at rates not in excess of those provided by the United States Employees' Compensation Act, as amended (5 U. S. C., 751 and the following), when the injured person is in need of immediate financial assistance to avoid hardship: *Provided*, That such payment shall not be made for a period in excess of 15 days and the United States Employees' Compensation Commission shall be notified promptly of the amount so paid, which amount shall be deducted from the amount, if any, otherwise available by the United States Employees' Compensation Commission to the employee on account of

the injury, the amount so deducted by the Commission to be paid to the Forest Service for deposit to the credit of the Forest Service appropriation from which the expenditure was made: *Provided further*, That when any person assisting in the suppression of forest fires or in other emergency work under the direction of the Forest Service, without compensation from the United States, pursuant to the terms of a contract, agreement, or permit, is injured in such work, the Forest Service may furnish hospitalization and other medical care, subsistence, and lodging for a period of not to exceed 15 days during such disability, the cost thereof to be payable from the appropriation applicable to the work upon which the injury occurred, except that this proviso shall not apply when such person is within the purview of a State or other compensation act: *Provided further*, That determination by the Forest Service that payment is allowable under this section shall be final as to payments made hereunder, but such determination or payments with respect to employees shall not prevent the United States Employees' Compensation Commission from denying further payments should the commission determine that compensation is not properly allowable under the provisions of the Employees' Compensation Act.

SEC. 17. (a) Section 2 of the act of March 3, 1925 (43 Stat. 1132; 16 U. S. C. 571); the second proviso in section 1 of the act of May 22, 1928 (45 Stat. 699; 16 U. S. C. 581); and section 1 of the act of May 27, 1930 (46 Stat. 387; 16 U. S. C. 573), are hereby repealed.

(b) The second proviso in section 13 of the act of March 1, 1911 (36 Stat. 961, 963), is hereby repealed.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RESERVE LAND FOR SUMMIT LAKE INDIAN RESERVATION

The Clerk called the bill (H. R. 4069) to reserve certain land on the public domain in Nevada for addition to the Summit Lake Indian Reservation.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the southeast quarter, northeast quarter, and northeast quarter southeast quarter section 20, township 42 north, range 26 east, Mount Diablo Meridian, Nev., situated within the exterior boundaries of the Summit Lake Indian Reservation, Humboldt County, Nev., containing 80 acres, be, and the same are hereby, withdrawn from the public domain, subject to valid existing rights heretofore initiated under any of the public land laws, and reserved as an addition to the Summit Lake Indian Reservation for the use and benefit of the Indians of that reservation.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXCHANGE OF INDIAN LANDS IN UTAH

The Clerk called the bill (H. R. 5390) to authorize the Secretary of the Interior to exchange certain Navajo tribal Indian land for certain Utah State land.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of the Interior or his authorized representative is authorized, with the consent of the governing body of the Navajo Indian Tribe, to exchange the surface rights in Naval Tribal Indian land described as the south half southwest quarter section 24; northwest quarter, northeast quarter, southeast quarter, and north half southwest quarter section 25, township 43 south, range 15 east, S. L. B. & M., containing 640 acres, more or less, for the surface rights in land of the State of Utah described as all of section 32, township 43 south, range 16 east, S. L. B. M., all in San Juan County, Utah. Title to the Indian land exchanged shall be transferred by the Secretary of the Interior to the State of Utah by the issuance of a patent in fee. Title to the State lands to be conveyed to the Indians shall be taken in the name of the United States in trust for the Navajo and such other Indians as the Secretary of the Interior may see fit to settle thereon, and shall be satisfactory to the Secretary of the Interior.

SEC. 2. In the event the lands acquired by the State of Utah under the provisions of this act shall be used for airport purposes, members of the Navajo Tribe of Indians shall be given preference in employment in every phase of construction, operation, and maintenance of the airport for which they are qualified, notwithstanding any provisions to the contrary contained in the Federal Airport Act of May 13, 1946 (60 Stat. 170), or any other act of Congress.

With the following committee amendment:

Page 1, line 6, strike out "Naval" and insert "Navajo."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RESERVE LANDS FOR THE GOSHUTE INDIAN RESERVATION

The Clerk called the bill (H. R. 4231) to reserve certain land on the public domain in Utah for addition to the Goshute Indian Reservation.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That all vacant, unappropriated, public domain lands in the following described area, be, and they are hereby, added to the Goshute Indian Reservation, subject to all valid existing rights and claims:

Section 5, 6, 7, 8, 17, 18, 19, 20, 29, 30, and 31, all in township 10 south, range 19 west, Salt Lake base and meridian.

Lots 1 and 2 in fractional section 1 and fractional sections 12, 13, 24, and 25, all in township 10 south, range 20 west, Salt Lake base and meridian.

Lots 1, 2, 3, 4, northeast quarter, and northeast quarter southeast quarter in fractional section 12; lots 1, 2, 3, 4, northwest quarter southeast quarter, and south half southeast quarter in fractional section 13; and fractional sections 1, 24, and 25, all in township 11 south, range 20 west, Salt Lake base and meridian.

Lots 1, 2, 3, 4, 5, and 6 in fractional section 1, and lots 1 and 2 in fractional section 12, all in township 12 south, range 20 west, Salt Lake base and meridian.

The northeast quarter northwest quarter of section 27, in township 12 south, range 19 west, Salt Lake base and meridian.

Upon the termination of any rights to, or appropriation of, any lands within the exterior limits of the area added to the Goshute Indian Reservation by this act, the lands thus released shall become a part of the reservation.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RE TIMBER ON FLATHEAD INDIAN RESERVATION

The Clerk called the bill (H. R. 4509) to amend the Act of February 25, 1920 (41 Stat. 452), and for other purposes.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the second proviso of the act entitled "An act for the relief of certain members of the Flathead Nation of Indians, and for other purposes," approved February 25, 1920 (41 Stat. 452), is amended by striking out "when the merchantable timber has been cut from any lands allotted hereunder" and substituting in lieu thereof "when the first cutting of merchantable timber from any lands allotted hereunder has been completed."

SEC. 2. The right heretofore reserved to the United States in any of the patents for allotments issued under the provisions of said act of February 25, 1920 (41 Stat. 452), to cut and market timber for the benefit of the Confederated Salish and Kootenai Tribes of the Flathead Reservation shall be limited to the cutting of so much of the merchantable timber on such allotments as may be cut during the first cutting operations on such allotments, and when such cutting operations have been completed, the title to the residual timber on such allotments shall thereupon pass to the respective allotees on their heirs or devisees.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LEASING OF RESTRICTED INDIAN LANDS

The Clerk called the bill (H. R. 5098) to authorize the leasing of restricted Indian lands for public, religious, educational, recreational, business, and other purposes requiring the grant of long-term leases.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That any restricted Indian lands, whether tribally or individually owned, may be leased by the Indian owners, with the approval of the Secretary of the Interior, for public, religious, educational, recreational, or business purposes, including the development or utilization of natural resources in connection with operations under such leases, and for those farming purposes which require the making of a substantial investment in the improvement of the land for the production of specialized crops as determined by said Secretary. All leases so granted shall be for a term of not to exceed 25 years, but leases for public, religious, educational, recreational, or business purposes may include provisions authorizing their renewal for an additional term of not to exceed 25 years, and all leases shall be made under such regulations as may be prescribed by the Secretary of the Interior.

SEC. 2. Restricted lands of deceased Indians may be leased under this act, for the benefit of their heirs or devisees, in the circumstances and by the persons prescribed in the act of July 8, 1940 (54 Stat. 745; 25 U. S. C., 1946 edition, sec. 380).

SEC. 3. No rent or other consideration for the use of land leased under this act shall be paid or collected more than 5 years in advance, unless so provided in the lease.

SEC. 4. The act of August 9, 1946 (60 Stat. 962; 25 U. S. C., 1946 edition, secs. 403b and 403c), is hereby repealed, but this repeal shall not be construed to affect the validity of any lease entered into under such act prior to, or within 90 days after, the approval of this act.

SEC. 5. Nothing contained in this act shall be construed to repeal any authority to lease

restricted Indian lands conferred by or pursuant to any other provision of law, except as specifically provided in section 4.

With the following committee amendments:

Page 2, line 4, after the word "purposes" insert "with the consent of both parties."

Page 2, line 7, after the word "leases" insert "and renewals."

Page 2, line 7, after the word "such" insert "terms."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PATENTS HELD BY VETERANS OF WORLD WAR II

The Clerk called the bill (H. R. 4692) to provide for the extension of the term of certain patents of persons who served in the military or naval forces of the United States during World War II.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That any person who served honorably in the military or naval forces of the United States at any time between December 7, 1941, and September 2, 1945—

(a) who is the inventor or discoverer of an invention or discovery for which a patent was granted to him prior to September 2, 1945, the original term of which had not expired prior to said date and which is still owned by him, or who was prior to said date and continuously thereafter the sole owner of a patent for an invention or discovery which had not expired prior to said date; and

(b) who, between December 7, 1941, and the date of enactment of this act, was not receiving or was deprived of income from said patient, or his income therefrom was substantially reduced, as a result of his said service,

may obtain an extension of his patent for the term specified herein, upon application to the Commissioner of Patents within 1 year after the enactment of this act and upon complying with the provisions of this act. The period of extension of such patent shall be a further term from the expiration of the original term thereof equaling twice the length of the portion of his said service between the dates of December 7, 1941, and September 2, 1945, during which his patent was in force.

SEC. 2. (a) The application for extension shall be accompanied by a fee of $30 and shall include a verified statement, accompanied by supporting evidence, of all facts necessary to obtain the extension. The application shall also include a statement of the names of all persons, firms, or corporations, if any, holding at the time of the passage of this act, any right or interest in or under the patent.

(b) In the case of a person, as described in section 1 of this act, who dies, or has died, or who becomes insane or unable to act, which person owned an interest as described in this act in said patent at the time of his death or at the time he was declared mentally incompetent or become unable to act, such application may be filed or proceeded with by his legal representative substantially as provided in section 4896 of the Revised Statutes of the United State, as amended (sec. 46, title 35, U. S. C.), with respect to proceedings in such cases for obtaining a patent.

SEC. 3. On the filing of such application the Commissioner of Patents shall cause an examination thereof to be made and, if on such examination it shall appear that such application conforms, or by amendment or supplement is made to conform, to the requirements of this act, the Commissioner shall cause notice of such application to be published at least once in the Official Gazette. Any person who believes that he would be injured by such extension may within 45 days from such publication oppose the same on the ground that any of the statements in the application for extension is not true in fact, which notice of opposition shall be verified. In all cases where notice of opposition is filed the Commissioner of Patents shall notify the applicant for extension thereof and set a day for hearing. If after such hearing the Commissioner of Patents is of the opinion that such extension should not be granted, he may deny the application therefor, stating in writing his reasons for such denial. Where an extension is refused the applicant therefor shall have the same remedy by appeal from the decision of the Commissioner to the United States Court of Customs and Patent Appeals as is now provided by law where an applicant for patent is dissatisfied with the decision of the Patent Office Board of Appeals. If no opposition to the grant of the extension is filed, or if, after opposition is filed, it shall be decided that the applicant is entitled to the extension asked for, the Commissioner of Patents shall issue a certificate that the term of said patent is extended for the additional period provided therein and shall cause notice of such extension to be published in the Official Gazette and marked upon copies of the patent for sale by the Patent Office, in such manner as the Commissioner may determine.

SEC. 4. (a) Upon the issuance of the certificate of extension, said patent shall have the same force and effect in law as though it had been originally granted for 17 years plus the term of such extension, except as otherwise provided herein.

(b) No patent extended under the provisions of this act shall in any way serve as the basis for any claim by reason of manufacture, use, or sale by or for the United States during the period of extension, and the rights of the United States shall remain in all respects as if such patent had not been extended.

(c) No extension granted under the provisions of this act shall impair the right of anyone who before the passage of this act was bona fide in possession of any rights in patents or applications for patents conflicting with the rights in any patent extended under the act, nor shall any extension granted under this act impair the right of anyone who was lawfully manufacturing before the passage of this act the invention covered by the extended patent, but any such person shall have the right to make, use, and vend the invention covered by such conflicting patent or application for patent, or to continue or resume such manufacturing, during the extension of the patent, subject to the payment of a reasonable royalty for any period subsequent to the date on which the extension of the patent was granted: *Provided, however*, That any licensee under a patent which is extended shall have the option of continuing the license for the period of the extension or any part thereof on the same terms and conditions as contained in the existing license, or of discontinuing said license on the expiration of the original term of the patent: *Provided further*, That in the event an extension is not issued until after the date of expiration of the original term of the patent, any article or device made after said date and before the issuance of the extension, which would have infringed the patent had the patent been in force, may be sold or used after the issuance of the extension without any liability for infringement of the patent during the extended term by reason of such making, using, or vending.

(d) In any action, for infringement after the expiration of 17 years from the grant of the patent and during the period of such extension, the defendant may plead and prove that any material statement of the application for extension required by this act is not true in fact; and if any one or more of such statements shall be found untrue in fact, judgment shall be rendered for the defendant, with costs.

With the following committee amendments:

Page 1, line 9, after the word "date", insert "and which is still owned by him."

Page 2, line 4, strike out the subsection and insert:

"(b) who, between December 7, 1941, and the date of the termination of his service but not later than the date of enactment of this act, was not receiving income from said patent or patented invention or discovery; or whose income therefrom was substantially reduced as a result of his said service or because of the war."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

USE, FOR PUBLIC PURPOSES, CERTAIN LAND IN NEW MEXICO

The Clerk called the bill (H. R. 5620) permitting the use, for public purposes, of certain land in Hot Springs, N. Mex.

There being no objection the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provisions and limitations of section 10 of the act of April 25, 1928 (45 Stat. 1728), and the patent issued pursuant thereto, granting to the State of New Mexico a certain tract of land in Hot Springs, N. Mex., for the erection and maintenance of bathhouses, hotels, or other improvements for the accommodation of the public, the State of New Mexico is hereby authorized to permit the use of any part or the whole of said land for the erection and maintenance of buildings or other structures for public or municipal purposes.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COLLECTION AND DISBURSEMENT OF MONEYS OF SENECA INDIANS

The Clerk called the bill (H. R. 4942) to regulate the collection and disbursement of moneys realized from leases made by the Seneca Nation of Indians of New York, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WHITE of Idaho, Mr. GAVIN, and Mr. O'SULLIVAN objected.

TRANSFER OF LAND, NEW MEXICO

The Clerk called the bill (H. R. 5670) authorizing transfer of land to the county of Bernalillo, State of New Mexico, for a hospital site.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized, if he finds it to be for the best interest of the United States and the Indians of New Mexico, to convey to the county of Bernalillo, State of New Mexico, such portion of the land in the city of Albuquerque, County of Bernalillo, State of New Mexico, now set aside and reserved for the use of the Bureau

of Indian Affairs for hospital purposes as he may find necessary or desirable to enable said premises to be used for the construction and operation of a hospital by the county of Bernalillo, State of New Mexico.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DISCONTINUE DIVISIONS OF THE COURT IN DISTRICT OF KANSAS

The Clerk called the bill (S. 259) to discontinue divisions of the court in the district of Kansas.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 96 of title 28 of the United States Code is amended to read as follows:

"SEC. 96. Kansas constitutes one judicial district.

"Court shall be held at Kansas City, Leavenworth, Salina, Topeka, Hutchinson, Wichita, Dodge City, and Fort Scott."

With the following committee amendment:

Page 1, line 5, strike out line 5 and insert: "§ 96. Kansas.

"Kansas constitutes one judicial district."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXPENSES ALLOWED TO JUSTICES AND JUDGES

The Clerk called the bill (H. R. 2166) to amend title 28, United States Code, section 456, so as to increase to $15 per day the limit on subsistence expenses allowed to justices and judges while attending court or transacting official business at places other than their official station, and to authorize reimbursement for such travel by privately owned automobiles at the rate of 7 cents per mile.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. FORD. Mr. Speaker, reserving the right to object, I would like to ask the author of the bill what the cost of this proposal will be.

Mr. CELLER. I do not know exactly what the cost of this proposal will be. It would depend on the number of judges that are assigned out of their districts, but the cost would be comparatively trifling. It increases to $15 per day the subsistence allowance to judges when they serve out of their home districts and go to distant parts. We cannot tell at this juncture the exact amount of cost. It cannot be much, because not too many judges are assigned away from their official stations, but when they are thus assigned out it would be a great injustice to them to compel them to pay more than the Government allows them for subsistence. Presently it is $10 a day, and they are frequently compelled to pay upward of $15 a day in hotels, particularly in the metropolitan areas like New York, Chicago, and elsewhere.

Mr. FORD. Does it not also apply not only to travel outside of the particular district but travel in the district where there are several divisions?

Mr. CELLER. That is possible, but the $15 per day is a ceiling. It is up to the judge's conscience to indicate exactly what his subsistence allowance is. If he goes within his own district, and his expenses, say, are only $6 or $7, he must so indicate. So, I repeat that the $15 a day is the limit.

Mr. FORD. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the first paragraph of title 28, United States Code, section 456, is amended to read as follows:

"Each justice or judge of the United States and each retired justice or judge recalled or designated and assigned to active duty, shall, upon his certificate, be paid by the Director of the Administrative Office of the United States Courts all necessary traveling expenses, and also his reasonable maintenance expenses actually incurred, not exceeding $15 per day, while attending court or transacting official business at a place other than his official station. Justices and judges may be reimbursed for such travel by privately owned automobiles upon their certificate at the rate of 7 cents per mile in lieu of actual expenses."

With the following committee amendments:

Page 2, line 7, strike out "the" and insert "a."

Page 2, line 8, at the beginning of the line, insert "not exceeding."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to amend title 28, United States Code, section 456, so as to increase to $15 per day the limit on subsistence expenses allowed to justices and judges while attending court or transacting official business at places other than their official station, and to authorize reimbursement for such travel by privately owned automobiles at a rate of not exceeding 7 cents per mile."

A motion to reconsider was laid on the table.

FEDERAL CORRECTIONAL INSTITUTION, SANDSTONE, MINN.

The Clerk called the bill (S. 1949) to authorize the lease of the Federal correctional institution at Sandstone, Minn., to the State of Minnesota.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Attorney General is authorized to lease to the State of Minnesota, upon such terms and conditions as he may see fit, all lands, buildings, equipment, and other facilities of the Federal correctional institution at Sandstone, Minn., not required for use by the Department of Justice. The agreement of the State of Minnesota to protect, repair, and maintain such property and to return it to the Department of Justice in as good condition as when leased, reasonable wear and tear excepted, may constitute the sole consideration for any such lease. Any such lease shall continue in effect until terminated (1) by either party upon not less than 18 months' notice to the other, or (2) by agreement of both parties.

SEC. 2. The Attorney General shall consider any proposals which may be made by the State of Minnesota for the transfer to it of any of the property described in the first section of this act, and shall report the same, together with his recommendations, to the Congress.

SEC. 3. There is hereby ceded to the State of Minnesota, for the duration of any lease of any property to it pursuant to the provisions of this act, the jurisdiction heretofore vested in the United States over such property.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ADMINISTRATION OF INDIAN LIVESTOCK LOANS

Mr. MORRIS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill, H. R. 5097, for the administration of Indian livestock loans, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

Mr. CASE of South Dakota. Reserving the right to object, Mr. Speaker, since this bill has not been on the Consent Calendar long enough to be eligible for consideration on the call of the calendar a few moments ago, will the gentleman explain the purposes of the bill before unanimous consent is given for its consideration?

Mr. MORRIS. Yes; I will be glad to. This involves the expenditure of no public funds. It is for the purpose of carrying on the orderly and expeditious handling of the Indian livestock program. As it is now, when they sell and collect on livestock the funds go into the United States Treasury, whereas the program here would put them into the revolving fund so that the money could be used on other reservations and to help other Indians in the purchase of livestock.

Mr. CASE of South Dakota. The bill relates to what is commonly known as the revolving fund?

Mr. MORRIS. Yes; that is right.

Mr. CASE of South Dakota. That is for the Indian livestock loan fund and when repayments are made, either by individuals or by tribes, it provides for continuing that fund?

Mr. MORRIS. Continuing the fund and carrying on an orderly program. As it is now they either have to trade livestock in kind or have to sell livestock and of course the money is supposed to go into the Treasury of the United States and has to be appropriated to be used, which makes it a cumbersome procedure.

We went into this fully in committee and it was reported out by unanimous vote of the committee. We think this provides for an orderly procedure and we believe it is necessary to carry on a good program to help the Indians rehabilitate themselves.

Mr. CASE of South Dakota. What record is being made in the repayment of these loans?

Mr. MORRIS. I might state to the gentleman that the record that is being made is a most unusual one and a record that I think the whole country should be proud of. If I recall the statistics correctly, and I believe I do, less than one-half of 1 percent of these loans which have been made to Indians, which include this particular program, have failed

of collection, which means that the record of collection is almost 100 percent on these loans.

Mr. CASE of South Dakota. Of course that is an outstanding record. It is important to know the kind of record that is being made, otherwise in the passage of legislation of this kind it would mean that there would be no further congressional review of these funds and the appropriation necessary to increase the amount in the fund.

Mr. D'EWART. Mr. Speaker, will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. D'EWART. This particular bill does not apply to the whole revolving fund, it only applies to that livestock which was acquired under the Government purchasing program during the drought years. That livestock is not now regularly handled under the revolving loan fund. This will provide legislation so that they can be included in the regular revolving loan fund instead of being handled separately.

Mr. CASE of South Dakota. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma [Mr. MORRIS]?

There was no objection.

The Clerk read the bill as follows:

Be it enacted, etc., That all acceptances of cash settlements at prevailing market prices for livestock lent by the United States to any individual Indian, or to any tribe, association, corporation, or other group of Indians, and all sales and relending of livestock repaid in kind to the United States on account of such loans are hereby authorized and ratified.

SEC. 2. Any moneys hereafter received in settlement of such debts or from the sale of livestock so repaid to the United States shall be deposited in the revolving fund established pursuant to the acts of June 18, 1934 (48 Stat. 984), and June 26, 1936 (49 Stat. 1967), as amended and supplemented.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LOS ANGELES RIGHTS-OF-WAY IN PUBLIC LANDS

Mr. POULSON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 5764) to authorize the granting to the city of Los Angeles, Calif., of rights-of-way on, over, under, through, and across certain public lands.

The Clerk read the title of the bill.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized to grant to the city of Los Angeles permanent rights-of-way, 250 feet in width, described in section 6 of this act on, over, under, through, and across public lands of the United States in the counties of Mono, Inyo, and Kern in the State of California, for the purposes of constructing, operating, and maintaining any and all works, structures, roads, and facilities, necessary, convenient, incidental, or appurtenant to the generation, transformation, transmission, distribution, and utilization of electrical energy: *Provided*, That the Secretary of the Interior shall, in his discretion, attach and impose such conditions on said rights-of-way, and promulgate such rules and regulations as he shall deem appropriate, consistent with the use of said rights-of-way for the purposes prescribed in this act.

SEC. 2. Nothing contained in this act is intended to, nor does it, affect any presently existing right of any kind or nature however acquired, nor any valid claim heretofore initiated under the laws of the United States or the State of California, including, but not limited to, the homestead, mining, desert land, and other laws relating to public lands and appurtenances and incidents thereto.

SEC. 3. That the use of the rights-of-way herein authorized shall also be subject to such conditions as are reasonable and necessary, in the opinion of the Secretary of Agriculture to protect the interests of the United States in the management of the national forests.

SEC. 4. That the lands described in section 6 hereof shall be open at all times to exploration, prospecting, discovery, lease, or patent under the mining or mineral leasing laws from time to time applicable thereto insofar as said laws relate to minerals in said lands, and to any uses or disposition of the land or resources, to the extent and in the manner permitted under any of the nonmineral public-land laws of the United States from time to time applicable thereto: *Provided, however*, That all rights so acquired in or to said lands shall be subject to the rights in this act authorized to be granted to the city.

SEC. 5. The rights-of-way by this act authorized to be granted to the city of Los Angeles shall be held by the city for the purposes of municipal power supply, and no assignment, sale, or other disposal of said rights-of-way or interests therein shall be made by the city, except with the approval of the chief officer of the department controlling or supervising the public lands concerned upon a finding by him that such assignment, sale, or other disposal is compatible with the public interest. The chief officer of the department supervising or controlling the public lands concerned is authorized to delegate the powers designated in this or in any other section of this act and may authorize the subdelegation of such powers.

SEC. 6. Lands within the county of Mono, State of California, described as follows:

All those portions of section 21; section 27; section 28; section 34, township 5 south, range 31 east, Mount Diablo base and meridian, lying within the boundaries of a strip of land two hundred and fifty feet in width, the side lines of said strip being parallel with and distant, respectively, seventy-five feet easterly of and one hundred and seventy-five feet westerly of a line described as follows:

Beginning at a point on the north line of said section 21 distant thereon south eighty-nine degrees thirty-five minutes forty-two seconds east one thousand two hundred twenty-six and seventy-five one-hundredths feet from the north quarter-corner of said section; thence from said point of beginning south sixteen degrees twenty-nine minutes forty-nine seconds east three thousand one hundred sixty-two and fifty-eight one-hundredths feet; thence south nine degrees five minutes forty-nine seconds east ten thousand one hundred fourteen and thirty-one one-hundredths feet; thence south six degrees twenty-five minutes twenty-two seconds east two thousand eight hundred forty and sixty-five one-hundredths feet to a point on the south line of said section 34, which is easterly thereon one thousand six hundred twenty-six and ninety-four one-hundredths feet from the southwest corner thereof.

Lands within the county of Inyo, State of California, described as follows:

All those portions of section 3; section 10, township 6 south, range 31 east, Mount Diablo base and meridian, lying within the boundaries of a strip of land two hundred and fifty feet in width, the side lines of said strip being parallel with and distant one hundred and twenty-five feet on each side of a centerline described as follows:

Beginning at a point on the north line of said section 3 which is distant thereon south eighty-nine degrees eighteen minutes fifty-five seconds east two thousand twenty and sixty-two one-hundredths feet from the northwest corner of said section; thence from said point of beginning south five degrees fifty-six minutes ten seconds east five thousand three hundred seventeen and eighty one-hundredths feet to a point in the south line of said section 3 which is westerly thereon four and nineteen one-hundredths feet from a stage in rock mound set to mark the quarter-section corner common to sections 3 and 10, said township and range; thence continuing south five degrees fifty-six minutes ten seconds east three thousand four hundred sixty-nine and fifty-eight one-hundredths feet to a point in the northwest quarter of the southeast quarter of said section 10 which is south five degrees fifty-two minutes three seconds east from the above-mentioned quarter-section corner.

Also all those portions of section 3; section 10; section 14; northeast quarter section 15; northeast quarter section 23; section 24; section 25, township 6 south, range 31 east, Mount Diablo base and meridian; section 31, township 6 south, range 32 east, Mount Diablo base and meridian; south half lot 2 northwest quarter, lots 1 and 2 southwest quarter section 30; section 31, township 7 south, range 33 east, Mount Diablo base and meridian; northwest quarter southwest quarter section 5; section 28, township 8 south, range 33 east, Mount Diablo base and meridian; section 2; section 12; section 13, township 9 south, range 33 east, Mount Diablo base and meridian; section 19; lots 3, 7, 8, south half southwest quarter, southwest quarter southeast quarter section 29; section 32; section 33, township 9 south, range 34 east, Mount Diablo base and meridian; section 4; section 5 (unsurveyed); section 8 (unsurveyed); section 9; section 17 (partly unsurveyed); section 20; section 33, township 10 south, range 34 east, Mount Diablo base and meridian; section 4; section 9; section 28, township 11 south, range 34 east, Mount Diablo base and meridian; section 21; section 27; section 28, township 12 south, range 34 east, Mount Diablo base and meridian; lots 1, 2, 3, 4, 5, 6 northeast quarter, south half southeast quarter, east half lot 1 northwest quarter, southeast quarter southwest quarter, lots 7, 10, 11, 14, 15, section 2; section 11; section 12; section 13; section 14; section 24; section 25, township 13 south, range 34 east, Mount Diablo base and meridian; section 30; section 31, township 13 south, range 35 east, Mount Diablo base and meridian; section 5; section 6; section 8; section 17; section 20; section 28; section 29; section 32; section 33, township 14 south, range 35 east, Mount Diablo base and meridian; section 4; section 9; section 21; section 22; section 27; section 28; section 34; northwest quarter northwest quarter, south half north half, south half section 35, township 15 south, range 35 east, Mount Diablo base and meridian; section 1; section 2; section 12, township 16 south, range 35 east, Mount Diablo base and meridian; lot 2 northwest quarter, lot 2 and south half lot 1 southwest quarter, southwest quarter southeast quarter section 7; southwest quarter section 17; northwest quarter northeast quarter, south half northeast quarter, northeast quarter northwest quarter, southeast quarter section 18; section 20; section 21; section 28; northeast quarter section 33; west half southeast quarter, east half west half, west half northwest quarter, northwest

quarter southwest quarter section 34, township 16 south, range 36 east, Mount Diablo base and meridian; southwest quarter section 2; section 11 (partly unsurveyed); section 14 (partly unsurveyed); section 23 (partly unsurveyed); east half section 26; east half northeast quarter, east half southeast quarter (unsurveyed) section 35, township 17 south, range 36 east, Mount Diablo base and meridian; south half section 1; northeast quarter northeast quarter (unsurveyed) section 2; section 12; section 13 (partly unsurveyed); west half (unsurveyed), west half east half section 24; west half, west half east half section 25, township 18 south, range 36 east, Mount Diablo base and meridian; lots 1 and 2 northwest quarter, southwest quarter section 1; lots 1, 5, 6, 7, section 2; lots 1, 2, 3, 4, southwest quarter northeast quarter, northwest quarter southeast quarter section 11; west half west half section 12; section 13; northeast quarter northeast quarter section 14; section 24; section 25, township 19 south, range 36 east, Mount Diablo base and meridian; west half section 30; section 31, township 19 south, range 37 east, Mount Diablo base and meridian; lots 1 and 2 northeast quarter, southeast quarter section 6; east half section 7; east half section 18; east half section 19; west half section 29; east half section 30; east half section 31; west half section 32, township 20 south, range 37 east, Mount Diablo base and meridian; section 4; section 9; section 14 (partly unsurveyed); section 15; north half northeast quarter section 16; south half section 23; southwest quarter section 24; section 25; east half east half section 26; section 36, township 21 south, range 37 east, Mount Diablo base and meridian; lot 4 section 31, township 21 south, range 38 east, Mount Diablo base and meridian; lots 1 and 2 northeast quarter, east half lots 1 and 2 northwest quarter, southeast quarter, lot 1 southwest quarter section 6; section 7; section 8; section 17; east half section 20; section 29; section 32, township 22 south, range 38 east, Mount Diablo base and meridian; lots 1 and 2, south half northeast quarter, southeast quarter section 5; east half, east half southwest quarter section 8; east half, east half west half section 17; east half, east half west half section 20; east half section 29; east half section 32, township 23 south, range 38 east, Mount Diablo base and meridian; section 5 (partly unsurveyed); section 8 (partly unsurveyel); section 17; section 20; south half southeast quarter section 29; east half section 32 (partly unsurveyed); west half section 33, township 24 south, range 38 east, Mount Diablo base and meridian, lying within the boundaries of a strip of land two hundred and fifty feet in width, the sidelines of said strip being parallel with and distant, respectively, seventy-five feet easterly of and one hundred and seventy-five feet westerly of a line described as follows:

Beginning at a point on the north line of section 3, township 6 south, range 31 east, Mount Diablo base and meridian, which is distant thereon south eighty-nine degrees eighteen minutes fifty-five seconds east one thousand six hundred twenty-six and ninety-four one-hundredths feet from a rock mound set to mark the northwest corner of said section 3; thence from said point of beginning south six degrees twenty-five minutes twenty-two seconds east five thousand three hundred twenty-two and forty-five one hundredths feet to a point on the south line of said section 3, which is westerly thereon three hundred fifty-two and thirty-eight one-hundredths feet from a rock mound set to mark the south quarter-corner of said section 3; thence continuing south six degrees twenty-five minutes twenty-two seconds east two thousand ten and twenty-nine one-hundredths feet; thence south fifteen degrees twenty-two minutes two seconds east one thousand five hundred ninety-five and seventy-nine one-hundredths feet; thence south thirteen degrees fifty-seven minutes twenty-four seconds east four hundred ninety-one and fifty-seven one-hundredths feet; thence south eleven degrees thirty-nine minutes eighteen seconds west seven hundred sixty-five and ninety-three one-hundredths feet; thence south forty-three degrees thirty minutes thirty-two seconds east seven hundred eighty and forty one-hundredths feet to a point on the north line of section 15, township 6 south, range 31 east, Mount Diablo base and meridian, which is distant thereon south eighty-nine degrees forty-six minutes fifty-two seconds east six hundred sixty-three and fifty one-hundredths feet from a rock mound set to mark the north quarter-corner of said section 15; thence continuing south forty-three degrees thirty minutes thirty-two seconds east seventeen thousand three hundred four and sixty-one one-hundredths feet; thence south two degrees forty-seven minutes twenty-four seconds east two thousand one hundred thirty-two and seventy-two one-hundredths feet; thence south thirty-seven degrees thirty-four minutes no seconds east one thousand five hundred seventy-seven and eighty-two one-hundredths feet to a point on the north line of section 31, township 6 south, range 32 east, Mount Diablo base and meridian, which is easterly thereon seven hundred sixty and ninety-two one-hundredths feet from the northwest corner of said section 31; thence continuing south thirty-seven degrees thirty-four minutes no seconds east seven thousand five hundred twenty-four and ten one-hundredths feet; thence south fifty-two degrees forty-eight minutes eighteen seconds east seven thousand six hundred ten and eighteen one-hundredths feet to a point on the north line of section 9, township 7 south, range 32 east, Mount Diablo base and meridian, which is easterly thereon eight hundred twenty-one and sixty-nine one-hundredths feet from the northwest corner of said section 9; thence continuing south fifty-two degrees forty-eight minutes eighteen seconds east one thousand six hundred fifty and fifty-six one-hundredths feet; thence south sixty-six degrees one minute fifty-two seconds east four thousand one hundred ninety-nine and eighty-six one-hundredths feet; thence south forty-five degrees fifty-five minutes thirty-five seconds east eleven thousand four hundred twenty-four and fifty-one one-hundredths feet to a point on the north line of section 23, township 7 south, range 32 east, Mount Diablo base and meridian, which is easterly thereon eight hundred eighty-eight and seventy-five one-hundredths feet from a rock mound set to mark the quarter-section corner common to sections 14 and 23, said township and range; thence continuing south forty-five degrees fifty-five minutes thirty-five seconds east one thousand nine hundred fifty-two and seventy-five one-hundredths feet; thence south sixty degrees thirty-three minutes twenty-three seconds east six thousand four hundred seventy-eight and ninety-six one-hundredths feet to a point on the range line between ranges 32 and 33 east, which is northerly thereon six hundred three and sixty one-hundredths feet from the northwest corner of section 30, township 7 south, range 33 east, Mount Diablo base and meridian; thence continuing south sixty degrees thirty-three minutes twenty-three seconds east four hundred eight and twenty one-hundredths feet; thence south thirty-five degrees thirty-six minutes twenty-nine seconds east four thousand two hundred thirteen and twenty-seven one-hundredths feet; thence south twenty-three degrees thirty-four minutes thirty-nine seconds east eight thousand two hundred twelve and ninety-eight one-hundredths feet to a point on the township line between townships 7 and 8 south, which is one thousand nine hundred seventy-two and seventy one-hundredths feet westerly thereon from a rock mound set to mark the north quarter corner of section 5, township 8 south, range 33 east, Mount Diablo base and meridian; thence continuing south twenty-three degrees thirty-four minutes thirty-nine seconds east one thousand four hundred and eleven one-hundredths feet; thence south thirty-one degrees two minutes six seconds west seven hundred forty-nine and thirty-two one-hundredths feet; thence south seventeen degrees twenty-one minutes fifty-seven seconds east thirteen thousand three hundred ninety and seventy-six one-hundredths feet; thence south twenty-three degrees seven minutes thirty-seven seconds east nine hundred thirty-two and eigthy-six one-hundredths feet to a point on the north line of section 20, township 8 south, range 33 east, Mount Diablo base and meridian, which is westerly thereon one hundred seventy-one and eighty-eight one-hundredths feet from the northeast corner of said section 20; thence continuing south twenty-three degrees seven minutes thirty-seven seconds east fifteen thousand nine hundred thirty-eight and twenty-four one-hundredths feet; thence south thirty degrees forty-five minutes thirty seconds east one thousand four hundred ninety-four and ninety-eight one-hundredths feet to a point on the south line of section 34, township 8 south, range 33 east, Mount Diablo base and meridian, which is easterly thereon one thousand five hundred thirty-two and sixty-four one-hundredths feet from the southwest corner of said section 34; thence continuing south thirty degrees forty-five minutes thirty seconds east four thousand one hundred twenty-two and forty-nine one-hundredths feet; thence south fifty-four degrees fifty-two minutes thirty-eight seconds east two thousand eight hundred fifty-eight and forty-five one-hundredths feet; thence south forty-three degrees forty-two minutes no seconds east one thousand thirty-three and fifteen one-hundredths feet; thence south forty-eight degrees nineteen minutes eighteen seconds east one thousand one hundred forty-four and twenty-five one-hundredths feet; thence south thirteen degrees fifty-three minutes twenty-eight seconds east two thousand eight hundred eighty-nine and eighty one-hundredths feet; thence south twenty-five degrees forty-one minutes eighteen seconds east three thousand two hundred seven and forty-one one-hundredths feet; thence south thirty-nine degrees thirteen minutes fifteen seconds east four thousand three hundred eighty-nine and twenty-eight one-hundredths feet to a point on the north line of section 19, township 9 south, range 34 east, Mount Diablo base and meridian, which is easterly thereon three hundred thirty and five-tenths feet from the northwest corner of said section 19; thence continuing south thirty-nine degrees thirteen minutes fifteen seconds east nine thousand fifty-seven and eighty-nine one-hundredths feet; thence south twenty-eight degrees six minutes forty seconds east nine thousand six hundred forty-nine and eighty-two one-hundredths feet to a point, which is north thirty-three degrees thirty-one minutes forty seconds east one hundred sixty-seven and ninety-three one-hundredths feet from the southwest corner of section 33, township 9 south, range 34 east, Mount Diablo base and meridian; thence south no degrees fifty-two minutes forty seconds west twenty-five thousand two hundred two and fifteen one-hundredths feet; thence south fifteen degrees eighteen minutes six seconds east eighteen thousand six hundred fifty-three and twenty-three one-hundredths feet; thence south two degrees twenty-four minutes nineteen seconds west twenty thousand two hundred ninety-three and seventy-four one-hundredths feet to a point on the township line between townships 11 and 12 south, which is westerly thereon one thousand four hundred sixteen

and seventy-nine one-hundredths feet from a rock mound set to mark the southeast corner of section 33, township 11 south, range 34 east, Mount Diablo base and meridian; thence continuing south two degrees twenty-four minutes nineteen seconds west fourteen thousand nine hundred twenty-four and seventy-seven one-hundredths feet; thence south thirteen degrees forty-two minutes thirteen seconds east sixteen thousand nine hundred ninety-four and seventy-nine one-dredths feet; thence south no degrees eighteen minutes thirty seconds east two hundred eighty-six and sevent; one-hundredths feet to a point on the township line between townships 12 and 13 south, which is easterly thereon two thousand and twenty-one feet from a two-inch iron pipe set to mark the southwest corner of section 34, township 12 south, range 34 east, Mount Diablo base and meridian; thence continuing south no degrees eighteen minutes thirty seconds east nine thousand five hundred thirty-one and seventy-one one-hundredths feet; thence south twenty-three degrees fifty-five minutes forty-three seconds east nineteen thousand six hundred fifty-one and seventy-seven one-hundredths feet to a point on the west line of section 30, township 13 south, range 35 east, Mount Diablo base and meridian, which is southerly thereon one thousand one hundred ninety-four and five-tenths feet from a rock mound set to mark the northwest corner of said section 30; thence continuing south twenty-three degrees fifty-five minutes forty-three seconds east ten thousand two hundred thirty-six and ninety-four one-hundredths feet to a point on the township line between townships 13 and 14 south, which is easterly thereon one thousand four hundred and five feet from the south quarter-corner of section 31, township 13 south, range 35 east, Mount Diablo base and meridian; thence continuing south twenty-three degrees fifty-five minutes forty-three seconds east seven thousand eight hundred twenty-six and four one-hundredths feet; thence south eleven degrees eighteen minutes forty seconds east forty-seven thousand six hundred forty and seventy-two one-hundredths feet; thence south forty-one degrees forty-nine minutes fifty-five seconds east twenty-eight thousand three hundred ninety-two and ninety-four one-hundredths feet; thence south thirty-seven degrees twenty-three minutes twenty seconds east twenty-four thousand twenty-seven and seventy-three one-hundredths feet; thence south four degrees twelve minutes fifty-seven seconds east nine hundred twenty-six and eight one-hundredths feet to a point on the township line between townships 16 and 17 south, which is westerly thereon thirty-three and seventy-two one-hundredths feet from a one-inch iron pipe with brass cap set to mark the south quarter-corner of section 34, township 16 south, range 36 east, Mount Diablo base and meridian; thence continuing south four degrees twelve minutes fifty-seven seconds east eighteen thousand sixteen and eighty-nine one-hundredths feet; thence south ten degrees two minutes ten seconds east thirteen thousand eight hundred ninety-four and sixty-one one-hundredths feet to a point on the township line between townships 17 and 18 south, which is westerly thereon two thousand five hundred and fifty feet from a stake in rock mound set to mark the south quarter-corner of section 36, township 17 south, range 36 east, Mount Diablo base and meridian; thence continuing south ten degrees two minutes ten seconds east seventeen thousand eight hundred eleven and forty-seven one-hundredths feet; thence south eleven degrees thirty minutes forty-seven seconds west fourteen thousand four hundred eleven and seven one-hundredths feet to a point on the township line between townships 18 and 19 south, which is easterly thereon two hundred and fifty-one feet from the southwest corner of section 36, township 18 south, range 36 east, Mount Diablo base and meridian; thence continuing south eleven degrees thirty minutes forty-seven seconds west seven thousand eight hundred twenty and sixty-two one-hundredths feet; thence south twenty-four degrees fifty-three minutes twenty-six seconds east fifteen thousand three hundred sixteen and ninety-three one-hundredths feet to a point on the range line between ranges 36 and 37 east, which is southerly thereon five hundred nineteen and five-tenths feet from the northwest corner of section 30, township 19 south, range 37 east, Mount Diablo base and meridian; thence continuing south twenty-four degrees fifty-three minutes twenty-six seconds east nine thousand three hundred ninety-four and seventy-six one-hundredths feet: thence south three degrees seventeen minutes twenty-one seconds west one thousand six hundred twenty and eighty-eight one-hundredths feet to a point in the township line between townships 19 and 20 south, which is westerly thereon one thousand five hundred and twenty-eight feet from the southeast corner of section 31, township 19 south, range 37 east, Mount Diablo base and meridian; thence continuing south three degrees seventeen minutes twenty-one seconds west thirteen thousand eight hundred forty-four and fifteen one-hundredths feet; thence south eleven degrees thirty-six minutes forty-five seconds east eighteen thousand two hundred sixty-eight and fifty-one one-hundreths feet to a point on the township line between townships 20 and 21 south, which is easterly thereon one thousand two hundred fifty-one and six-tenths feet from the southwest corner of section 32, township 20 south, range 37 east, Mount Diablo base and meridian; thence continuing south eleven degrees thirty-six minutes forty-five seconds east nine thousand nine hundred fifty-three and eighty one-hundredths feet; thence south sixty-two degrees thirteen minutes twenty seconds east twelve thousand nine hundred sixty-eight and thirty-seven one-hundredths feet to a point on the south line of section 14, township 21 south, range 37 east, Mount Diablo base and meridian, which is westerly thereon two thousand two hundred and sixty-eight feet from a rock mound set to mark the southeast corner of said section 14; thence south twenty-seven degrees forty minutes fifty seconds east twenty-nine thousand nine hundred sixty-five and fifty-one one-hundredths feet to a point on the south line of section 8, township 22 south, range 38 east, Mount Diablo base and meridian, which is easterly thereon seven hundred sixty-two and fourteen one-hundredths feet from the southwest corner of said section 8; thence continuing south twenty-seven degrees forty minutes fifty seconds east nine hundred ninety-five and eighty-one one-hundredths feet; thence south twenty-one degrees forty-three minutes twenty seconds east eight thousand nine hundred eighty-four and twenty-four one-hundredths feet; thence south three degrees forty-five minutes twenty-five seconds west eleven thousand eight hundred thirty-eight and fifty-eight one-hundredths feet to a point on the township line between townships 22 and 23, which is westerly thereon one thousand eight hundred and eighty-eight feet from a rock mound set to mark the southeast corner of section 32, township 22 south, range 38 east, Mount Diablo base and meridian; thence continuing south three degrees forty-five minutes twenty-five seconds west fifteen thousand six hundred sixty-nine and fifteen one-hundredths feet; thence south twenty degrees six minutes forty seconds east six thousand two hundred thirty-two and eighty one-hundredths feet; thence south ten degrees fifteen minutes fifty-eight seconds east five thousand one hundred twenty and seventy-six one hundredths feet; thence south twenty degrees three minutes ten seconds west four thousand four hundred twenty and forty-five one-hundredths feet to a point on the township line between townships 23 and 24 south, which is westerly thereon one thousand eight hundred seventy-eight and fifty-five one-hundredths feet from a brass cap in concrete monument set to mark the southeast corner of section 32, township 23 south, range 38 east, Mount Diablo base and meridian; thence continuing south twenty degrees three minutes ten seconds west two thousand four hundred seventy and forty-nine one-hundredths feet; thence south twenty-two degrees seven minutes forty-three seconds east two thousand five hundred thirty and fifty-five one-hundredths feet; thence south five degrees twenty-five minutes twenty seconds east twenty-seven thousand two hundred six and fifty one-hundredths feet to a point on the county line between Inyo and Kern Counties, which is easterly thereon two hundred ninety and twenty-two one-hundredths feet from a 2-inch iron pipe set to mark the southwest corner of section 33, township 24 south, range 38 east, Mount Diablo base and meridian.

Also all those portions of section 14; east half northeast quarter, south half section 22; section 27; west half east half, and east half west half section 34, township 16 south, range 36 east, Mount Diablo base and meridian, lying within the boundaries of a strip of land two hundred and fifty feet in width, the sidelines of said strip being parallel with and distant, respectively, seventy-five feet easterly of and one hundred and seventy-five feet westerly of a line described as follows: Beginning at a point on the township line between townships 16 and 17 south, which is distant thereon south eighty-nine degrees fifty-four minutes three seconds west thirty-three and seventy-two one-hundredths feet from a 1-inch iron pipe with brass cap set to mark the south quarter-corner of section 34, township 16 south, range 36 east, Mount Diablo base and medidian; thence north four degrees twelve minutes fifty-seven seconds west nine thousand seven hundred ninety-seven and ninety-four one-hundredths feet; thence north thirty-seven degrees twenty-seven minutes no seconds east eight thousand six hundred fifty-one and ninety-six one-hundredths feet to a point in section 14, township 16 south, range 36 east, Mount Diablo base and meridian, distant north sixty-three degrees fifty-seven minutes fifty seconds east two thousand eighty-three and twenty-one one-hundredths feet from the southwest corner of said section 14.

Lands within the county of Kern, State of California, described as follows:

All those portions of section 4; section 9; west half southwest quarter section 22; west half section 34, township 25 south, range 38 east, Mount Diablo base and meridian, lots 1 and 2 northwest quarter, southwest quarter section 3; section 10; lots 2, 5, 6, 8, and 9, section 15; southeast quarter section 21; west half west half section 22; northwest quarter section 27; section 28; section 33, township 26 south, range 38 east, Mount Diablo base and meridian; lots 1 and 2 northwest quarter, southwest quarter section 4; lot 1 northeast quarter, southeast quarter section 5; north half northeast quarter south half southeast quarter, east half southwest quarter section 8; east half northwest quarter, southwest quarter northwest quarter, southwest quarter section 17; section 18; section 19; section 20; east half, lot 1 northwest quarter, lot 2 and the north half lot 1 southwest quarter section 30; north half lot 2 northwest quarter, lot 2 southwest quarter section 31, township 27 south, range 38 east, Mount Diablo base and meridian; east half southeast quarter section 36, township 27 south, range 37 east, Mount Diablo base and meridian; section 1; section 12; west half west half section 13; section 14; section 23; section 26; section 34; section 35, township 28 south, range 37 east, Mount Diablo base and meridian; section 2; section 10; section 11; section 15; section 21; section 22; section 28;

lots 1 and 2 section 33, township 29 south, range 37 east, Mount Diablo base and meridian; section 4; west half northwest quarter, southwest quarter section 10; lots "C" and "D" in tract numbered 43; southeast quarter northeast quarter section 21; north half northeast quarter, east half northwest quarter, northeast quarter southwest quarter, lots 3 and 4, section 28; lots 1, 6, 7, 8, and 9, section 32, township 30 south, range 37 east, Mount Diablo base and meridian; northeast quarter section 6, township 31 south, range 37 east, Mount Diablo base and meridian; section 24; section 26; section 34, township 31 south, range 36 east, Mount Diablo base and meridian; section 13, township 31 south, range 36½ east, Mount Diablo base and meridian; southeast quarter section 4; lots 19 and 20 section 8, township 32 south, range 36 east, Mount Diablo base and meridian, lying within the boundaries of a strip of land two hundred and fifty feet in width, the side lines of said strip being parallel with and distant, respectively, seventy-five feet easterly of and one hundred and seventy-five feet westerly of a line described as follows:

Beginning at a point in the north line of section 4, township 25 south, range 38 east, Mount Diablo base and meridian, distant thereon south eighty-nine degrees fifty-seven minutes forty-two seconds west six hundred forty-eight and twenty-nine one-hundredths feet from the northeast corner of said section 4; thence south five degrees thirteen minutes eighteen seconds east thirty-two thousand three hundred eighty-nine and forty-six one-hundredths feet to a point in the south line of section 34, township 25 south, range 38, east, Mount Diablo base and meridian, distant westerly thereon four hundred forty and fifty-two one-hundredths feet from the south quarter-corner of said section 34; thence continuing south five degrees thirteen minutes eighteen seconds east eleven thousand thirty-four and sixty-eight one-hundredths feet; thence south seventeen degrees thirty-five minutes twelve seconds west thirteen thousand three hundred fifty-nine and twenty-one one-hundredths feet; thence south twenty-two degrees thirty minutes forty-two seconds west eight thousand six hundred forty-five and eighty-nine one-hundredths feet to a point in the south line of section 33, township twenty-six south, range 38 east, Mount Diablo base and meridian, distant westerly thereon one thousand four hundred twenty-one and fifty-two one-hundredths feet from the south quarter-corner of said section 33; thence continuing south twenty-two degrees thirty minutes forty-two seconds west eleven thousand three hundred thirty and fifty-seven one-hundredths feet; thence south twenty degrees thirteen minutes thirty-five seconds west twenty-two thousand eight hundred forty-nine and forty-eight one-hundredths feet to a point on the south line of section 36, township 27 south, range 37 east, Mount Diablo base and meridian, distant westerly thereon three hundred thirty-six and fifty one-hundredths feet from the southeast corner of said section 36; thence continuing south twenty degrees thirteen minutes thirty-five seconds west thirty-three thousand six hundred eighty-eight and forty-five one-hundredths feet to a point in the south line of section 34, township 28 south, range 37 east, Mount Diablo base and meridian, distant easterly thereon nine hundred fifty-eight and forty one-hundredths feet from the south quarter-corner of said section 34; thence continuing south twenty degrees thirteen minutes thirty-five seconds west twenty-nine thousand eight hundred fifteen and twenty-three one-hundredths feet; thence south seventeen degrees three minutes thirty-three seconds east three thousand nine hundred twenty-eight and twenty-two one-hundredths feet to a point in the south line of section 33, township 29 south, range 37 east, Mount Diablo base and meridian, distant easterly thereon, one thousand three hundred nineteen and nine-tenths feet from the south quarter-corner of said section 33; thence continuing south seventeen degrees three minutes thirty-three seconds east ten thousand one hundred seventy-four and eleven one-hundredths feet; thence south sixteen degrees thirty-three minutes five seconds west seven thousand one hundred fifty-four and forty-nine one-hundredths feet to a point in the north line of section 21, township 30 south, range 37 east, Mount Diablo base and meridian, distant westerly thereon six hundred seventy-four and ninety one-hundredths feet from the northeast corner of said section 21; thence continuing south sixteen degrees thirty-three minutes five seconds west eight thousand four hundred sixty-five and sixty-six one-hundredths feet; thence south forty-one degrees thirty-four minutes thirteen seconds west ten thousand one hundred twenty-three and twenty-two one-hundredths feet to a point in the north line of section 5, township 31 south, range 37 east, Mount Diablo base and meridian, distant easterly thereon eight hundred nineteen and fifty one-hundredths feet from the northwest corner of said section 5; thence continuing south forty-one degrees thirty-four minutes thirteen seconds west two hundred eighty-two and thirty-two one-hundredths feet; thence south twenty-three degrees fifty-seven minutes thirteen seconds west sixteen thousand seven hundred eighty-six and seventy-eight one-hundredths feet to a point in the east line of section 13, township 31 south, range 36 east, Mount Diablo base and meridian, distant northerly thereon one thousand one hundred seventeen and forty one-hundredths feet from the southeast corner of said section 13; thence continuing south twenty-three degrees fifty-seven minutes thirteen seconds west three thousand four hundred fifty-two and seven one-hundredths feet; thence south thirty-nine degrees thirty-seven minutes thirty seconds west seventeen thousand five hundred eighty-two and eighty-four one-hundredths feet to a point in the north line of section 3, township 32 south, range 36 east, Mount Diablo base and meridian, distant westerly thereon ninety-three and forty-three one-hundredths feet from the north quarter-corner of said section 3; thence continuing south thirty-nine degrees thirty-seven minutes thirty seconds west thirty thousand two hundred seventy-two and twenty-six one-hundredths feet to a point in the west line of section 30, township 32 south, range 36 east, Mount Diablo base and meridian, distant northerly thereon eight hundred forty-two and fifteen one-hundredths feet from the west quarter-corner of said section 30.

With the following committee amendment:

Page 26, line 13, delete comma after word "thereon."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING ACT OF JUNE 7, 1924

Mr. COOLEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 2296) to amend and supplement the act of June 7, 1924 (43 Stat. 653), and for other purposes, with amendments of the Senate thereto, disagree to the Senate amendments and ask for a conference.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. COOLEY, POAGE, ABBITT, HOPE, and AUGUST H. ANDRESEN.

CROP INSURANCE

Mr. COOLEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3825) to amend the Federal Crop Insurance Act, with Senate amendments thereto and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments as follows:

Page 2, line 6, after "Board" insert: "*Provided*, That, except in the case of tobacco, such insurance shall not extend beyond the period the insured commodity is in the field."

Page 2, line 21, after "1950," insert "and continuing through the crops planted for harvest in 1951, 1952, and 1953."

Page 2, line 25, strike out "in which such insurance was provided in the previous year" and insert "specified above."

Page 6, line 19, strike out "and livestock."

Page 6, line 22, strike out "and livestock."

Page 7, after line 19, insert:

"SEC. 11. The expanded program authorized herein shall be instituted beginning with the 1950 crop year, the additional cost for fiscal year 1950 to be financed, pending the appropriation of supplemental funds, from any appropriation available for operating and administering expenses of the Corporation for such fiscal year."

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. HOPE. Mr. Speaker, reserving the right to object, will the gentleman from North Carolina explain the amendments adopted by the other body?

Mr. COOLEY. Mr. Speaker, the bill passed by the House authorized the Crop Insurance Corporation to investigate the feasibility of an insurance program for livestock. The other body eliminated that provision. The other change involved was with regard to the limitation upon insurance. The House had language in the bill which I believe was adopted during the Eightieth Congress, which restricted the insurance to crops while in the field.

We eliminate the words "in the field," in the bill which passed the House. The Senate amendment makes crop insurance available only on tobacco after it leaves the field. On other crops it is limited to the crop while it is in the field.

Mr. HOPE. But it leaves the same restriction as in the present law, except as to tobacco?

Mr. COOLEY. That is true.

Mr. HOPE. And those are the only changes made by the Senate?

Mr. COOLEY. That is correct.

Mr. HOPE. I withdraw my reservation of objection, Mr. Speaker.

Mr. MURRAY of Wisconsin. Mr. Speaker, reserving the right to object, I think it might be well to call attention to some good things which the Eightieth Congress did. Many people have been told that they did not do very much good. Here is one legislative act of many where the Eightieth Congress made a constructive approach. It straightened out this crop-insurance mess. If you will check up, you will notice there is $73,000,000 written off in this noble experiment. The activities of the Eightieth Congress resulted in bringing this crop-insurance waste to a head.

We put a little sense into the program. You can go out and tell your people now that there is a crop-insurance program in operation that has some merit in it. It is now on an experimental basis. It is to be regretted that so many millions of dollars were wasted by the "wasters" before the Eightieth Congress straightened it out.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina [Mr. COOLEY]?

There was no objection.

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

WEBER BASIN RECLAMATION PROJECT, UTAH

Mr. PETERSON. Mr. Speaker, I move to suspend the rules and pass the bill (S. 2391) to authorize the construction, operation, and maintenance of the Weber Basin reclamation project, Utah.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior, through the Bureau of Reclamation, is hereby authorized to construct, operate, and maintain the Weber Basin project to consist of reservoirs, irrigation and drainage works, power plants, transmission lines, and similar works in and near Morgan, Davis, Summit, and Weber Counties, Utah, for the purposes of supplying irrigation water to lands, both new and presently irrigated; supplying municipal, industrial, and domestic water; controlling floods; and generating and selling electric energy to help meet the short supply of power in the area and as a means of making the whole project self-supporting and financially solvent; and for other beneficial purposes (including, but without limitation, the control and catchment of silt, improvement of the general quality of the water, the preservation and propagation of fish and wildlife, and the provision and improvement of recreational facilities), at an estimated cost of $69,500,000, all in substantial accord with the recommendations made in that certain report, dated July 15, 1949, of the regional director, region IV, Bureau of Reclamation, entitled "Weber Basin project, Utah."

SEC. 2. The Secretary is authorized to apportion equitably the costs of constructing, operating, and maintaining (including therein reasonable provision for replacement) the project works herein authorized between, on the one hand, their flood control, recreational, and fish and wildlife purposes and, on the other hand, their irrigation, power, municipal, and other water-supply purposes. The former allocations shall be nonreimbursable and nonreturnable. The latter allocations shall be reimbursable and returnable: *Provided*, That general repayment obligations undertaken pursuant to subsections (c) and (d) of section 9 of the Reclamation Act of 1939 may extend over a period not exceeding 60 years.

SEC. 3. As a condition precedent to construction of any of the irrigation or drainage works herein authorized, there shall be established an organization in the State of Utah with powers satisfactory to the Secretary, including the power to tax property both real and personal within its boundaries and the power to enter into a contract or contracts with the United States for payment of reimbursable costs allocated to irrigation, municipal water supply, and other miscellaneous purposes.

SEC. 4. This act shall be a supplement to the Federal reclamation laws (act of June 17, 1902, 32 Stat. 388, and acts amendatory thereof or supplementary thereto), the provisions whereof shall govern the construction, operation, and maintenance of the Weber Basin project except as otherwise herein provided.

SEC. 5. There are hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, such sums as may be required to carry out the purposes of this act.

The SPEAKER. Is a second demanded? [After a pause.] The Chair hears none.

Mr. GRANGER. Mr. Speaker, I want to take this opportunity to tell the Members of the House that the project proposed in this bill, H. R. 799, known as the Weber Basin project, is the most important single reclamation project yet proposed for construction in the State of Utah, and that it is not confined by my congressional district alone.

This Weber Basin project is located in the center of the most populous section of Utah. It will not only serve the needs of irrigation, but also flood control, municipal water supplies, and recreation, any one of which would warrant the development of this project. This arid section must be irrigated, and the proposed project will provide a full season supply of water for this 100,400 acres of farm lands. The water is there if we will but construct the facilities to regulate and distribute surplus stream flows which fluctuate widely from season to season. Only with additional storage capacity and distribution can the utilization of this priceless natural resource—water—be realized.

The rapidly growing population of the Weber Basin area, where four large, permanent military installations—Hill Field, Utah General Depot, Ogden Arsenal, and the naval supply depot, were established during World War II, has greatly increased the demands for locally produced foods and other agricultural products. The population of this area has increased from 90,000 in 1940 to 127,000 in 1947, which is an increase of 41 percent, and represents 20 percent of the population of the State of Utah. There are in this area large acreages of land suitable for irrigation farming which can supply local demands for food if water is made available. An average of 285,000 acre-feet of water would be provided annually by this project, and of this total supply 245,000 acre-feet would be utilized by irrigation. Hydroelectric energy would be generated to supply project pumping energy during the irrigation season.

I mentioned that this project was important as a flood-control measure, and I know that I need not say more than that Weber Basin is located in a valley with high mountains to the north, the east, and the south. During the winter months, heavy snows cover these mountains and when spring thaws begin, the two rivers, known as the Ogden River and the Weber River, cannot possibly hold the swollen streams, and so yearly spring floods are the result. This precious water rushes out over the lands and carries the topsoil into the Great Salt Lake. You will be interested in knowing that this project provides for further regulation of the flows of the Weber River by means of upstream reservoirs and an offstream reservoir on the east shore of Great Salt Lake. Flood damage along these rivers would be materially reduced by the storage regulation and canal diversions of flood flows.

Of course, with this increased population that I have mentioned, has come a need for increasing dependable supplies of municipal water. Water systems which were planned a decade ago have been overtaxed. Only the above-normal precipitation during the past few years has prevented serious shortages. If we should have a recurrence of extended periods of below-normal precipitation or of extreme drought, the situation would be critical. Of the total supply of water which it is anticipated will be made available by this project, 40,000 acre-feet would be used for municipal purposes in communities in Davis and Weber counties which comprise the new defense area.

While it is estimated that this project will approximate $70,000,000, I hasten to assure my colleagues that the benefits resulting from this project exceed the costs by a ratio of over 3 to 1.

You, of course, will be interested in the allocation of the costs of this project to the various purposes for which it has been planned, and I am glad to make this brief statement in that regard. The allocation of costs to flood control and fish and wildlife would, of course, be nonreimbursable in accordance with present law. Then, too, since recreational benefits are national in scope, the allocation to recreation should be made nonreimbursable by authorization of the project. At the same time, the allocation to irrigation and municipal water would be reimbursable.

It has been estimated that the project revenues from irrigation, municipal water, and power would be sufficient to pay all reimbursable capital costs in 60 years. The irrigators each year could pay their allocation of the operation, maintenance, and replacements costs, and could pay approximately $500,000 toward their allocation of capital costs.

The municipalities could pay costs allocated to them in a 40-year period and, in addition, would pay at the same rate for an additional 20 years to assist in the payment of costs allocated to irrigation.

In this respect, I should like to point out to you that farmers on reclamation projects in Utah have an excellent record of repayment. They are returning to the Government all costs properly chargeable to them and have not defaulted on any payment.

Utah is justly proud of its reclamation activities. You undoubtedly know that modern irrigation, as we know it today, had its beginning in Utah just 102 years ago, when the Mormon settlers first diverted water from City Creek to a little potato patch.

While we are proud of our past, we likewise know the value of irrigation and so we must plan for the future. As I said in the beginning, this project crosses congressional district lines, and its importance also crosses State lines. For, with the ever-increasing population of our Nation, now comes the need for well-watered farms for settlement of veterans and others who seek new lands to cultivate.

Just now we are all thinking in terms of more jobs, and so I want to point out that the authorization of the Weber Basin project will mean not only more food and more homes, but it will also mean more jobs. I do not refer to the comparatively few jobs that will be available to the construction of this project, but rather to the general economics of our Nation. It has been found through a study of national economics that when our western farms prosper, our businessmen of the North, the South, the East, and the West also prosper. Other States will supply some of the materials which go into the construction of this project, and after its completion, the new homes which will be built on newly created farms will make ready markets for other products, and so the cycle goes.

I hope I have given you a glimpse of what this project means to the people of the Weber Basin area, and that I have made clear my opinion that it is a sound investment of Federal funds which will be reimbursable. I do not want to close without mentioning again that the authorization of such projects is a foresighted method of strengthening national security.

Mrs. BOSONE. Mr. Speaker, if the West is going to continue to grow and sustain this growth in population, and if the West is going to remain the important part of the country it is today, reclamation projects are essential and must be ample.

The Weber Basin project is the biggest reclamation project ever introduced for the benefit of the State of Utah. Most of the $69,500,000 it provides will be repaid by the State. And let me say here that Utah does not owe the Government one single penny on reimbursable projects—this fact alone should be sufficient to justify passage of this bill by the House of Representatives.

Upon completion, this great project will reclaim 70,000 acres of new undeveloped lands which will provide homes for an extensive new farm population. In addition, it will supply much needed additional water for 30,000 acres—water not only for irrigation purposes but to quench the thirst and wash the clothes and meet the other culinary needs of the many people who already live in this area and the many others who will be drawn to it.

This great new reclamation project will be a long step forward in the development and progress of Utah.

The SPEAKER. The question is, Will the House suspend the rules and pass the bill?

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A similar House bill (H. R. 799) was laid on the table.

TEMPORARY APPROPRIATIONS

Mr. CANNON. Mr. Speaker, by direction of the Committee on Appropriations, I call up House Joint Resolution 339, amending an act making temporary appropriations for the fiscal year 1950, as amended, and for other purposes, and ask for its consideration in the House as in Committee of the Whole.

The Clerk read the title of the resolution.

The SPEAKER. Is there objection to the request of the gentleman from Missouri [Mr. CANNON]?

Mr. TABER. Mr. Speaker, I object.

Mr. CANNON. Mr. Speaker, I move to suspend the rules and pass House Joint Resolution 339.

The Clerk read the resolution as follows:

Resolved, etc., That Public Law 154 (81st Cong.), making temporary appropriations for the fiscal year 1950, and for other purposes, as amended, is hereby amended by striking out, in section (c) thereof, "or (3) August 15, 1949."

The SPEAKER. Is there a second demanded?

Mr. TABER Mr. Speaker, I demand a second.

Mr. CANNON. I ask unanimous consent, Mr. Speaker, that a second be considered as ordered.

The SPEAKER. Without objection it is so ordered.

There was no objection.

The SPEAKER. The gentleman from Missouri is recognized for 20 minutes, and the gentleman from New York will be recognized for 20 minutes.

Mr. CANNON. Mr. Speaker, again we are before the House with a continuing resolution.

All major appropriation bills had passed the House and been messaged to the Senate before the Easter holidays. Notwithstanding the ample time given for consideration on the other side, there are still pending four general appropriation bills which have not even been considered by the Senate, and two others of the annual supply bills which are now in conference. In response to this situation at the end of the fiscal year the House offered and the Congress enacted a joint resolution similarly extending appropriations to the end of July, July 31, 1949, thinking that all pending bills would be completed and disposed of by that time.

When the second deadline arrived, most of the bills were still undisposed of, and again the House passed a resolution extending the time until August 31, 1949. The Senate amended that to August 15 instead of August 31. We took for granted that indicated an intention to expedite action on the other side and final enactment by the middle of this month and agreed to the amendment.

Now the time has again expired and we have no choice but to pass a third continuing resolution.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. CANNON. I am glad to yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. Will the gentleman tell us to what date this is extended?

Mr. CANNON. It is extended indefinitely. Apparently the Senate wishes to proceed without limitation.

Mr. AUGUST H. ANDRESEN. It could go on, then, for the balance of the Eighty-first Congress.

Mr. CANNON. It is possible that it could, but of course as a matter of fact we may reasonably expect to dispose of all bills in the next two weeks. We could very easily, with proper cooperation, dispose of them next week.

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Speaker, what I wish to know is just how long we are going to continue this practice. I myself am getting fed up with it. There are four important bills over there. Somebody has been sitting on the lid; somebody ought to be forced to get off. We are encouraging a very dangerous practice.

My good friend from Missouri came here before the 1st of July and we made one concession to the other end of the Capitol. Before the end of July he goodnaturedly came and graciously did the same thing over again and another extension was granted. He now comes here a third time with a request for an indefinite extension. And for what purpose and with what effect? The departments may go out and spend all of this money without any restriction from the House. I think it is high time that the House asserted itself. Since it has the right to originate it has some right to tell somebody to get moving or else, and the "or else" is to not grant further extensions. I am getting fed up with it. We are being taken advantage of, and I do not think we should allow it. I think we could force action here in a hurry by refusing at this time to grant a further continuance. Then somebody would act and these bills in proper form would be brought here and enacted. I am sorry I am not in position to raise an objection under the circumstances, but I think somebody ought to be made to understand that we are not going to tolerate this sort of thing because we in this Chamber have respect for the people of the United States.

Mr. CANNON. There is just one correction which might be made in the gentleman's statement. The amount they may spend is not unlimited. The lowest figure in either bill, either the House or Senate bill governs.

It might be added that on this side of the Capitol we have made the most extraordinary record in legislative history, never before have the appropriation bills been handled so expeditiously and effectively as they were by the House this year.

Mr. DINGELL. And that record should not be smeared.

Mr. CANNON. Any responsibility for delay rests elsewhere.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. Is it not also true that this resolution provides that where an item is carried by one House and by only one House that that item shall prevail? In other words, following the line of argument offered by the gentleman from Michigan, the House has a definite responsibility when we are dealing with appropriation and revenue measures. If the other body has passed an item and the House has not approved of it, that item would prevail until such time as action is taken.

Mr. CANNON. In any event, the lowest figure in either bill governs.

I yield to the gentleman from New York [Mr. TABER].

CALL OF THE HOUSE

Mr. CHURCH. Mr. Speaker, I make a point of order that a quorum is not present.

The SPEAKER. Will the gentleman withhold that point of order for a moment?

Mr. CHURCH. I withhold it for the time being, Mr. Speaker.

The SPEAKER. The Chair is very anxious that we get through with the few things that we have to do by a week from next Thursday. If we can accomplish that, it is the purpose of the Chair to try to arrange for us to get away until after Labor Day. Of course, if we are going to have unnecessary points of no quorum raised, and the Chair is not criticizing anybody, we may not be able to take a recess at all.

The gentleman from Illinois makes a point of order that a quorum is not present. Obviously a quorum is not present.

Mr. PRIEST. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 179]

Abbitt	Gwinn	Morton
Allen, Ill.	Hale	Norton
Auchincloss	Hall,	O'Neill
Bailey	Edwin Arthur	Pace
Barden	Halleck	Pfeiffer,
Baring	Hardy	William L.
Bland	Hart	Phillips, Tenn.
Bolton, Md.	Havenner	Plumley
Bolton, Ohio	Hébert	Powell
Breen	Heffernan	Price
Brown, Ohio	Heller	Redden
Buckley, N. Y.	Herlong	Reed, Ill.
Bulwinkle	Herter	Reed, N. Y.
Burke	Hinshaw	Rees
Burnside	Irving	Riehlman
Burton	Jackson, Wash.	Scott, Hardie
Case, N. J.	Jacobs	Scott,
Chatham	Jenison	Hugh D., Jr.
Chudoff	Kearney	Shafer
Clevenger	Kearns	Sikes
Cole, N. Y.	Keefe	Sims
Coudert	Kennedy	Smith, Ohio
Crosser	Kilburn	Spence
Davenport	Kruse	Staggers
Davies, N. Y.	Lesinski	Stanley
DeGraffenried	Lichtenwalter	Taylor
Denton	Lovre	Thomas, N. J.
Dolliver	Lucas	Tollefson
Durham	Lyle	Towe
Eaton	McCormack	Underwood
Elston	McCulloch	Vinson
Feighan	McGregor	Weichel
Fellows	McKinnon	Welch, Calif.
Fogarty	MsSweeney	Whitaker
Gamble	Macy	Wickersham
Gilmer	Magee	Wilson, Ind.
Golden	Martin, Mass.	Winstead
Gordon	Meyer	Wood
Gore	Miles	Woodhouse
Gregory	Miller, Nebr.	Zablocki

The SPEAKER. Three hundred and thirteen Members are present, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

EXTENSION OF REMARKS

Mr. HARVEY asked and was given permission to extend his remarks in the Appendix of the RECORD.

TEMPORARY APPROPRIATIONS

The SPEAKER. The gentleman from New York [Mr. TABER] is recognized.

Mr. TABER. Mr. Speaker, this resolution extends without date a continuing resolution which was passed here in the House before the 1st of July. It will result in making it impossible to have any pressure on the conferees to get a settlement of these appropriation bills and get things cleaned up so that the Congress can recess or adjourn. That is the trouble with this thing. There are about five or six bills hanging that ought to be approved and there is one conference report.

Mr. Speaker, if we pass this resolution the effect will be that the different departments and agencies can go ahead throughout the year and spend up to the amount of the lowest figure in the bill relating to them in either House; if the bill has passed only one House the figure that is contained in that bill will govern. We should immediately get these conference reports through and cleaned up. It is going to be impossible to recess or adjourn this Congress unless we do, and we have got to have the pressure of immediate action and the necessity for it on those conferees to get a settlement. I believe that we can get a settlement that will be more beneficial to the Treasury of the United States if we do not pass this resolution.

On many occasions there have been periods of from 10 days to 2 weeks and I understand in one case 6 weeks when there were no funds available that could be obligated. It will do no harm if we have that situation for the next 3 or 4 days or 10 days; in fact, it will help to get a settlement of these appropriation bills and we will get through. I hope the House will not agree to this resolution.

I reserve the balance of my time.

Mr. CANNON. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Speaker, perhaps something that I may say may be repetitious, at least in substance, of what the gentleman from New York just said, but I think it will be good for us to hear it again in another way. The appropriation bills passed by the House and reposing at the other end of the Capitol if amended while there by committee or by individual action on the floor would then have to be validated as a matter of moral obligation by the House whenever any expenditure or commitment had been made. That to my lay mind, is wrong, because it is unjustified and unnecessary. By any line of reasoning it is indefensible.

The temper of the House, as I sense it, is to force action, prompt and positive. If the departments are going to be inconvenienced, let the fault be placed where it belongs. It will not fall upon the membership of the House which made an all-time record in promptly handling appropriations. Let the Members of Congress, if need be, go without their pay due to these inexcusable delays. Let the chips fall where they may. They have had two strikes already, and I refer to those who have delayed these appropriation bills. Now force them to hit or strike out.

I am not going to make any excuses for somebody else without a sound reason. Let whoever is to blame stew in his own juice. That is my determination at this time and I am not going to vote to grant any additional time to whoever is causing the delay. We in the House are in the clear.

Mr. CANFIELD. Mr. Speaker, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from New Jersey.

Mr. CANFIELD. Does the gentleman recall any instance in any Congress where we have had three continuing appropriation bill delays?

Mr. DINGELL. No; I do not recall three, but I do know that these delays are always caused by too much exertion and time being lost in bowing and talking about nothing. I am getting fed up with the practice.

Mr. BOGGS of Louisiana. Mr. Speaker, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Louisiana.

Mr. BOGGS of Louisiana. I have been informed that the entire ECA program is endangered by this untimely delay.

Mr. DINGELL. Yes, and everything else, too, is jeopardized. There is a very important military bill on the national defense that is endangered. I cannot enumerate all of the bills at the moment which are involved, but everyone is familiar with what they are. They are four or five in number and they ought to be acted upon promptly to become law.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from New York.

Mr. TABER. I will name them.

The SPEAKER. The time of the gentleman from Michigan has expired.

Mr. TABER. Mr. Speaker, I yield the gentleman 2 minutes.

There is the independent offices appropriation bill. The Interior bill has not been passed by the Senate. The military bill has not been passed by the Senate. The third deficiency bill has not been passed by the Senate. The foreign-aid bill is in conference. The civil-functions bill is in conference; no agreement.

Mr. DINGELL. They all ought to be out?

Mr. TABER. They all ought to be out.

Mr. DINGELL. It is no fault of ours that they are not passed and that the bills have not been signed?

Mr. TABER. Not a bit. We have been on the job every minute.

Mr. DINGELL. If there would be less talk and a little more action the bills would be through by this time.

Mr. TABER. That is right and we would not be arguing about them now.

Mr. CHURCH. Mr. Speaker, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Illinois.

Mr. CHURCH. I want to compliment the gentleman. I feel that he, like every other Member of the House, feels that they are not going to vote in favor of this thing. We can delay this and wait at least 3 or 4 days, then maybe we will get some of these things through.

Mr. DINGELL. I think this thing will make somebody move anyway.

The SPEAKER. The time of the gentleman from Michigan has expired.

Mr. TABER. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. ENGEL].

Mr. ENGEL of Michigan. Mr. Speaker, every departmental appropriation bill had passed the House and was on its way to the Senate on April 13, 1949. It was the first time that this was done in the 13 years I have served on the Appropriations Committee.

We had high hopes of adjourning before the 1st of July. The rules of the House prevent me from saying what I would like to say with regard to the delays in the other body in passing these bills. The rules do not prevent me from giving the facts, however.

The civil-functions appropriation bill has been in conference since June 1.

The Department of the Interior appropriation bill passed the House on March 30, was reported to the Senate on June 13, and has not yet passed the other body.

The armed services bill has as yet not passed the other body despite the fact that it passed the House on April 13. Our subcommittee worked hard and for long hours to get that bill on its way. But since April 13 it has been resting more or less peacefully in that other body.

The independent offices appropriation bill passed the House on April 14, passed the other body on August 2, and is in conference.

The foreign-aid bill is in conference.

The third deficiency bill passed the House June 24, was reported to the other body August 5.

I do not want to go home, Mr. Speaker, until these departmental appropriation bills have been passed. It is our duty to stay here until they are passed.

I am not going to vote for a continuing resolution unless a definite date is set limiting the time which it is in force. A continuing resolution without a definite date means that the other body can delay the passage of these appropriation bills until the next session of Congress. I shall vote against any 3-day recesses until and unless these appropriation bills are passed. There is no excuse for them not having been passed now. We have been in session eight long months and these bills have been in the other body for 4 months or more. They have a responsibility as well as we. Until the national defense appropriation bill is passed we do not know whether we are going to have a 58- or a 48-group air force. We do not know what kind of an Army, Navy, or Air Force we are going to have, as to numbers or equipment. Every day we delay the passage of this bill, means that we are hamstringing national defense and the House is not responsible. The civil-functions bill contains all rivers and harbors and flood-control projects as well as maintenance money. Until that bill is passed no one will know how much any project is going to have to expend. In other years we were able to let our contracts immediately after July 1. With conditions as they exist today 3 months or the first quarter of the fiscal year 1950 will have passed without anyone knowing how much a project is going to be given. The engineers do not know how much they are going to have for maintenance. I am hoping we can get together on this bill before a recess. It has been in conference now since the first day of June.

Mr. RABAUT. Mr. Speaker, will the gentleman yield?

Mr. ENGEL of Michigan. I yield to the gentleman from Michigan.

Mr. RABAUT. The gentleman is referring to a definite date, and he wants a definite date established. They have had two definite dates established up to the present time, July 31 and August 15. Today is the 15th of August, so we proceeded along the very line to which the gentleman has referred.

Mr. ENGEL of Michigan. I would give them a definite date and say "This is the last time" and then let them sweat.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. ENGEL of Michigan. I yield to the gentleman from Mississippi.

Mr. RANKIN. As a matter of fact, this resolution will not amount to anything unless the Senate passes it, too, will it?

Mr. ENGEL of Michigan. That is right.

Mr. RANKIN. The Senate is not the only one to blame for holding up this legislation; we know that.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. ENGEL of Michigan. I yield to the gentleman from Pennsylvania.

Mr. RICH. They have had two extensions of time up to this time. If you give them another extension how does the gentleman know that they will agree to have the bills passed by that time?

Mr. ENGEL of Michigan. I do not know.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. ENGEL of Michigan. I yield to the gentleman from Michigan.

Mr. DONDERO. What will happen if the House turns down or refuses to pass this measure?

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. ENGEL of Michigan. I yield to the gentleman from New York.

Mr. TABER. Then the Senate conferees will come to their milk.

Mr. ENGEL of Michigan. I hope they will.

Mr. BREHM. Mr. Speaker, will the gentleman yield?

Mr. ENGEL of Michigan. I yield to the gentleman from Ohio.

Mr. BREHM. This bears out the contention that the Senate is known as the greatest deliberative body in the world.

Mr. CHURCH. Mr. Speaker, will the gentleman yield?

Mr. ENGEL of Michigan. I yield to the gentleman from Illinois.

Mr. CHURCH. Would the gentleman cite any instance where such considerable amounts were involved, where Congress abdicated its power more than it has today by this action, without a definite date?

Mr. ENGEL of Michigan. The War Department, the Navy, the Air Corps, the Veterans' Administration, rivers and harbors and flood-control projects are all depending on the passage of their appropriation bills before they can make definite plans or know where they stand financially. To pass a continuing resolution without a definite date limiting the time it will run, means that we are merely encouraging the other body in delaying the passage of these vital appropriation bills. Again I for one do not want to go home until they are passed.

Mr. CANNON. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. MAHON].

Mr. MAHON. Mr. Speaker, I do not like the idea of having to wait on the other body any more than other Members of the House do, but we are up against a practical proposition. It is not a speculative thing. Unless this resolution is passed, after today certain of the departments will have no funds with which to operate. Like the gentleman from Michigan [Mr. ENGEL] I have been particularly concerned about the Army, the Navy, and the Air Force, because we have worked jointly on that subcommittee to handle that bill. I am not willing to vote today against this continuing resolution because I know it is physically impossible for this bill to be presented to the other body and to pass the other body, and for us to agree in conference, within a day or so. It is not physically possible at this time. In my judgment, the legislation in question should have all been disposed of and sent to the White House, but that is not the fact. We have to vote today on the basis of the facts as they are.

Our military operations are far-flung. They extend around the world. I am not going to paralyze our military operations, hamper military officials to where they cannot spend money or contract money or obligate money to carry on this very vital program in the United States and around the world. I cannot do it. We are going to have to pass some kind of continuing resolution. If the House wants to fix a definite date in the resolution, that is all right with me, but I cannot just vote to leave the Government in utter confusion and chaos by refusing to approve this resolution.

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Michigan.

Mr. DINGELL. If we pass this resolution, the other body will have to act affirmatively on it to make it effective.

Mr. MAHON. There is no doubt the other body will have to do that.

Mr. DINGELL. They can find time to do that; can they not?

Mr. MAHON. Of course.

Mr. DINGELL. Then they can find time to validate the bills we send over there.

Mr. MAHON. They can in the future.

Mr. DINGELL. They can now.

Mr. MAHON. But the mistakes of the other body, if any, have been made. It is certainly too late now completely to rectify them. They have to have some time beyond today to pass these major bills. As one of the conferees on the military bill, I do not feel we should be so rushed for time that we should have to go over there and say, "Yes, yes, we will adopt the bill as written by the other

body and disregard the wishes of the House." We are going to have to stand pat with reference to certain controversial issues that can arise in that bill as in other bills.

Mr. BOGGS of Louisiana. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield.

Mr. BOGGS of Louisiana. Will the gentleman inform the House as to the date when this legislation was referred to the other body?

Mr. MAHON. All of our major appropriation bills——

Mr. BOGGS of Louisiana. I am talking about the bill on which the gentleman is a conferee, the military bill.

Mr. MAHON. I believe the 12th or 13th of April. It has been a considerable time.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Pennsylvania.

Mr. RICH. I cannot understand why the author of this resolution we are now considering comes in here and sets no date. If we handled it twice before by an extension of time, why not set a definite time now? If you do not do that, the thing can run on here until January or next July. It does not seem as if it is good business. I think you ought to set a definite time in this resolution.

Mr. MAHON. I have no objection to fixing a date, but certainly it would take, say, a couple of weeks to go through the legislative mill on the military appropriation bill and come to an agreement on other major bills, and act on the three or four deficiency bills in addition to the others mentioned.

Mr. MONRONEY. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Oklahoma.

Mr. MONRONEY. The gentleman from Texas said he had no objection to fixing a date; in fact, he thinks it is a good idea. That is the fix most of us on this side are in. We do not like to agree to an indefinite time, yet we recognize the impossibility of cutting off all Government funds after today, which might result in a disaster to our armed forces and other Government agencies. Can we not by unanimous consent amend this today to fix a definite date 15 or 25 days in advance, so the Senate will then have a target date at which to shoot?

Mr. MAHON. I think some date might be fixed. I do not think it is essential that it should be fixed. The end result will be about the same. I shall vote for the resolution because I cannot see any other thing to do without leaving important agencies of the Government in utter chaos.

Mr. TABER. Mr. Speaker, I yield 5 minutes to the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Speaker, I shall try to set forth what is embodied in this resolution so we will know exactly what we are voting on.

In the first place, keep in mind that this matter has been brought up under suspension of the rules. The resolution, therefore, is not amendable and requires a two-thirds vote for passage.

Now, the position of the House conferees is not as helpless as it might appear from the remarks made by the gentleman from Texas. When the House goes into conference on an appropriation bill it does not have to say "Yes, yes." The precedents on comity between the two branches suggest that when conferees meet and have reached a stage of disagreement and cannot get anywhere, in the final analysis it is up to the body which has proposed amendments to recede from their position. Appropriation bills originate in the House of Representatives. If the conferees are unable to agree, eventually the House position will prevail. Our conferees do not have to "Yes, yes."

The end of the legislative process is agreement and when the proponent of change cannot win the other to his point, the original position must prevail. But I do not expect any such extreme situation to develop on any of the bills still out. If we fail to pass this resolution, what I expect is that the Members of the other body and the conferees will hear from home, because they want some action on these bills. Give and take will follow and agreements will be reached.

There are five appropriation bills that remain to be finally acted upon at this time. Each one has been at the other end of the Capitol for a long time. This is August 15.

The Interior Department appropriation bill was passed by the House on the 30th of March and went to the other body immediately thereafter. The armed services appropriation bill passed the House on the 13th of April and went to the other body immediately thereafter. The third deficiency appropriation bill, which was supposed to be the final clean-up bill, was passed by the House on the 24th of June and went to the other body. The foreign-aid appropriation bill was passed by the House on the 26th of May and went to conference immediately thereafter. The civil functions appropriation bill was passed by the House on the 29th of March and went to conference immediately thereafter.

It is now August 15, 6 weeks into the new fiscal year, and the Government agencies should be working out their next year's budgets instead of wondering what they will get for the current year.

Mr. Speaker, the other body has had more time to consider these bills than in any other year that I can remember. All of them should have cleared by June 30, the end of the old fiscal year. Unless there is some compulsion or persuasion to require action, this situation will run on and on. If you pass such a resolution as this, providing for an indefinite continuance of old appropriations, nothing is going to happen.

Mr. DINGELL. Mr. Speaker, will the gentleman yield briefly for a question?

Mr. CASE of South Dakota. Yes, I yield.

Mr. DINGELL. If the delay continues then the House conferees will have to say "yes, yes" and that is the maneuver from the other side.

Mr. CASE of South Dakota. If so, it is a mistaken maneuver. But now, turn for a minute to the exact content of the public law which it is proposed to extend by the pending resolution. It provides for continuing appropriations on the basis of last year's figures or the 1950 budget estimates. But there are two provisos and a clause B which determines what this continuing resolution actually does in dollars.

The first proviso says that—

> In any case where the amount to be made available or the authority to be granted under any such act as passed by the House is different from the amount to be made available or the authority to be granted under such act as passed by the Senate, the pertinent project or activity shall be carried out under whichever amount is lesser or whichever authority is more restrictive.

In other words this says that where there are items in both bills, or where there is authority in both bills and the Senate's figure is less or its language is more restrictive, the Senate position would prevail. Why should the House surrender its right to initiate appropriations and the conditions of their expenditure?

The second proviso is that—

> In any case where an item is included in an appropriation act which is passed in only one House and there was an appropriation for it in 1949, such project or activity shall be carried on under the appropriation funds or authority granted by the one House.

Suppose the House had denied funds and the other body included them. In that case the wishes of the other body will prevail while this resolution continues. That is what that amounts to.

Strangest surrender, however, is where the Budget asked for something which neither body approves.

Clause B provides that as to items for which neither House nor Senate has provided, and where there was an appropriation last year, and where there has been a budget estimate, then—of all things—that the budget estimate shall be the appropriation even though neither house has approved it nor included it in its bill.

When we pass these continuing resolutions, we encourage delay and procrastination. Twice already we have given extra time and set up a target date: Once for July 31, and then August 15—now it is proposed that we take that target date out altogether and say "Take as long as you want. If only one body has approved funds, you can proceed on that figure or on the budget estimate. Where neither house has provided an appropriation let the budget estimates prevail."

Mr. HAND. Mr. Speaker, will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. HAND. I imagine the gentleman recalls the resolution originally provided August 31 and it was amended in the other body.

Mr. CASE of South Dakota. Probably because at that time they felt they needed a little compulsion, a target date. How it can be argued that the failure to meet either deadline calls for quitting, I do not see. Let us continue the compulsion of necessity for action and defeat this resolution.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. CRAWFORD. If this resolution is not amendable, how long would it take to bring in another resolution?

Mr. CASE of South Dakota. I am glad the gentleman brought that point up, because let us not be too worried about whether we have any resolution for a few days. Many times we have gone on for 10 days or more without a continuing resolution. We are already past the middle of the month pay-roll period. If there should be a few days that the agencies do not see the money for their next pay roll, it will become clear where delay exists and we will get some action. Somebody will hear from home.

The SPEAKER. The time of the gentleman from South Dakota has expired.

Mr. CANNON. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan [Mr. RABAUT].

Mr. RABAUT. Mr. Speaker, the last speaker, the gentleman from South Dakota, said, "Let us not be in a hurry to pass this resolution." The indirect inference is of course, an indifference to the agencies of the Government whose functions are affected by this legislation. Each time a delay occurs the agencies set up their work for the period of the extension and the taxpayer pays the bill. We have had a demonstration of this in the Deficiency Subcommittee when the housing bill was before us, for funds to implement the bill recently passed. I said, "How long has this been in operation?" "Thirty days." "Well, what are you doing now?" "Well, we have it in operation now for 30 days more."

With every such set-up there is an involvement of bookkeeping and expense to the Government. That is No. 1.

Now, twice we have set a time limit, and today is the dead line on the second time limit. I blame no one in this body for being very provoked at the dilatory tactics of another body. They had their opportunity earlier in the year to limit debate but they preferred to cling to old customs. They are now the victims of their decision and we are the victims with them this year for the delay so effected.

But I see no reason why we should not proceed to pass this resolution, regardless of whether or not we have projects in our individual districts which fact may be somewhat influencing our decisions. The nobility of proper action in this regard was demonstrated today in the Appropriations Committee by the distinguished gentleman from North Carolina, the Honorable JOHN KERR, chairman of the Subcommittee on Deficiencies, when he moved that we proceed to pass this resolution. That was enought for me, and I hope it will be enough for you.

The SPEAKER. The time of the gentleman from Michigan [Mr. RABAUT], has expired.

Mr. CANNON. Mr. Speaker, I must confess that I am not wholly out of sympathy with much that has been said today; but we must be practicable. It is inconceivable that in the absence of statutory funds, we should not pass a continuing resolution and leave the Government stalled and drifting. The far-reaching effects are so serious that it is impossible to catalog them at this time. There is no alternative to a continuing resolution.

If this motion should be defeated, we must then apply to the Committee on Rules, which has until tomorrow to bring in a resolution, which will only require a majority vote.

I might say also, Mr. Speaker, that the indefinite date has its practical value. We have discovered by two experiences that establishing a date is ineffective if we do not have cooperation from the other side. But in addition to that all departments of the Government affected have been for the last 6 weeks living from hour to hour. They have to readjust their schedules after each one of these resolutions; it means a tremendous change and a lot of extra bookkeeping. It creates a disorganizing situation generally, and on the other hand nothing is lost by passing this resolution.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from New York.

Mr. TABER. Is it not a fact that they have to juggle the bookkeeping anyway when conference reports are agreed to?

Mr. CANNON. I never heard that they did any juggling, but may I call the attention of the gentleman to the serious import of the course he proposes.

A few examples may serve to illustrate. For instance, agencies operating hospitals, such as the Bureau of Indian Affairs and the Veterans' Administration, will have patients to take care of with no funds available.

The Veterans' Administration must stop paying veterans' pensions and other benefits, due for periods beginning August 16, as they will have neither the authority nor the funds to make payments.

The Army, the Navy, and the Air Force will have no authority for pay of military personnel, for discharge pay and transportation home of enlisted personnel, or for burial of deceased members of the military forces or for purchase of food. A man whose enlistment has expired and who would be eligible for discharge on August 16 might have to wait at his post of duty until funds are available to pay his fare home.

The Maritime Commission would have no authority to pay the expenses of trainees leaving schools.

The Interior Department and the Corps of Engineers of the Army will be unable to pay contractors' earnings and probably would have to close down some construction projects. These shut-downs would result in added cost to the Government connected with reopening construction. What these claims would amount to it is not possible to measure, but the cost to the Government would be substantial.

The Interior Department will not have cash to employ local personnel for fighting forest fires on the public domain. The loss to the Government and the country of valuable timber, range lands, and other property might be appreciable.

The Economic Cooperation Administration can operate for only 30 days on a liquidation basis and must cease all procurement immediately. Even a few days' lag in procurements would disrupt the schedules and could seriously impair the effectiveness of the program.

These and many other similar problems will arise, to say nothing of the general chaotic condition which will obtain throughout the agencies whose funds are suspended. The cost of sending telegrams and cablegrams all over the world to advise local offices as to the situation will itself be a considerable expense.

Mr. Speaker, but certainly it will relieve the situation and stabilize procedure in all Departments affected if we pass this resolution without a definite date.

So, Mr. Speaker, the practical thing is to agree to this resolution. If we do not pass it today it will be called up tomorrow, or the next day under a rule. Why not pass it now and be done with it and contribute that much to an early adjournment?

The SPEAKER. The question is on the motion to suspend the rules and pass the bill.

Mr. TABER. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 176, nays 145, not voting 111, as follows:

[Roll No. 180]

YEAS—176

Abernethy	Furcolo	Murray, Tenn.
Addonizio	Garmatz	Noland
Andrews	Gary	Norrell
Aspinall	Gathings	O'Brien, Ill.
Barrett, Pa.	Gorski, Ill.	O'Brien, Mich.
Bates, Ky.	Gorski, N. Y.	O'Hara, Ill.
Battle	Gossett	O'Sullivan
Beckworth	Granahan	O'Toole
Bennett, Fla.	Granger	Passman
Bentsen	Grant	Patman
Biemiller	Green	Patten
Blatnik	Hardy	Perkins
Bolling	Hare	Peterson
Bolton, Md.	Harris	Pfeifer,
Boykin	Havenner	Joseph L.
Brooks	Hays, Ark.	Philbin
Brown, Ga.	Hays, Ohio	Poage
Bryson	Hedrick	Polk
Buchanan	Hobbs	Preston
Buckley, Ill.	Howell	Priest
Burleson	Huber	Quinn
Burnside	Johnson	Rabaut
Byrne, N. Y.	Jones, Ala.	Ramsay
Cannon	Jones, Mo.	Regan
Carlyle	Jones, N. C.	Rhodes
Carnahan	Karst	Ribicoff
Carroll	Karsten	Richards
Cavalcante	Kee	Rodino
Celler	Kelley	Rogers, Fla.
Chelf	Keogh	Rooney
Chesney	Kerr	Roosevelt
Christopher	Kilday	Sabath
Chudoff	King	Sadowski
Clemente	Kirwan	Sasscer
Colmer	Lane	Secrest
Combs	Lind	Sheppard
Cooley	Linehan	Spence
Cooper	Lynch	Sullivan
Crook	McCarthy	Sutton
Crosser	McGrath	Tackett
Davis, Ga.	McGuire	Tauriello
Davis, Tenn.	McMillan, S. C.	Teague
Dawson	Mack, Ill.	Thomas, Tex.
Deane	Madden	Thompson
Dollinger	Mahon	Thornberry
Donohue	Mansfield	Trimble
Douglas	Marcantonio	Underwood
Doyle	Marsalis	Wagner
Eberharter	Marshall	Walsh
Elliott	Miller, Calif.	Walter
Engle, Calif.	Mitchell	Welch, Mo.
Evins	Monroney	White, Calif.
Fallon	Morgan	Whitten
Fernandez	Morris	Whittington
Fisher	Morrison	Wier
Flood	Moulder	Wilson, Tex.
Forand	Multer	Yates
Frazier	Murdock	Young
Fugate	Murphy	Zablocki

NAYS—145

Albert	Anderson, Calif.	Barrett, Wyo.
Allen, Calif.	Andresen,	Bates, Mass.
Allen, La.	August H.	Beall
Andersen,	Angell	Bennett, Mich.
H. Carl	Arends	Bishop

Blackney	Heselton	Nixon
Boggs, Del.	Hill	Norblad
Boggs, La	Hoeven	O'Hara, Minn.
Bonner	Hoffman, Ill.	O'Konski
Bosone	Hoffman, Mich.	Patterson
Bramblett	Holifield	Phillips, Calif.
Brehm	Holmes	Pickett
Burdick	Hope	Potter
Byrnes, Wis.	Horan	Poulson
Camp	Hull	Rankin
Canfield	Jackson, Calif.	Rich
Case, S. Dak.	James	Rivers
Chiperfield	Javits	Rogers, Mass
Church	Jenkins	Sadlak
Cole, Kans.	Jennings	St. George
Corbett	Jensen	Sanborn
Cotton	Jonas	Scrivner
Cox	Judd	Scudder
Crawford	Kean	Short
Cunningham	Kearns	Simpson, Ill
Curtis	Keating	Simpson, Pa.
Dague	Klein	Smathers
Davis, Wis.	Kunkel	Smith, Kans.
Delaney	Lanham	Smith, Va.
D'Ewart	Larcade	Smith, Wis.
Dingell	Latham	Steed
Dondero	LeCompte	Stefan
Doughton	LeFevre	Stigler
Ellsworth	Lemke	Stockman
Engel, Mich.	Lodge	Taber
Fenton	McConnell	Talle
Ford	McDonough	Van Zandt
Fulton	McMillen, Ill.	Velde
Gavin	Mack, Wash.	Vorys
Gillette	Macy	Vursell
Golden	Martin, Iowa	Wadsworth
Goodwin	Mason	Werdel
Graham	Merrow	Wheeler
Gross	Michener	Wigglesworth
Hagen	Miller, Md.	Williams
Hand	Mills	Willis
Harden	Murray, Wis.	Wilson, Okla.
Harrison	Nelson	Withrow
Harvey	Nicholson	Wolcott

NOT VOTING—111

Abbitt	Halleck	Price
Allen, Ill.	Hart	Rains
Auchincloss	Hébert	Redden
Bailey	Heffernan	Reed, Ill.
Barden	Heller	Reed, N. Y.
Baring	Herlong	Rees
Bland	Herter	Riehlman
Bolton, Ohio	Hinshaw	Scott, Hardie
Breen	Irving	Scott, Hugh D., Jr.
Brown, Ohio	Jackson, Wash.	Shafer
Buckley, N. Y.	Jacobs	Sikes
Bulwinkle	Jenison	Sims
Burke	Kearney	Smith, Ohio
Burton	Keefe	Staggers
Case, N. J.	Kennedy	Stanley
Chatham	Kilburn	Taylor
Clevenger	Kruse	Thomas, N. J.
Cole, N. Y.	Lesinski	Tollefson
Coudert	Lichtenwalter	Towe
Davenport	Lovre	Vinson
Davies, N. Y.	Lucas	Weichel
DeGraffenried	Lyle	Welch, Calif.
Denton	McCormack	Whitaker
Dolliver	McCulloch	White, Idaho
Durham	McGregor	Wickersham
Eaton	McKinnon	Wilson, Ind.
Elston	McSweeney	Winstead
Feighan	Magee	Wolverton
Fellows	Martin, Mass.	Wood
Fogarty	Meyer	Woodhouse
Gamble	Miles	Woodruff
Gilmer	Miller, Nebr.	Worley
Gordon	Morton	
Gore	Norton	
Gregory	O'Neill	
Gwinn	Pace	
Hale	Pfeiffer	
Hall, Edwin Arthur	Phillips, Tenn.	
Hall, Leonard W.	Plumley	
	Powell	

So (two-thirds not having voted therefor) the motion to suspend the rules and pass the bill was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Fogarty and Mr. Gore for, with Mr. Herter against.

Mrs. Norton and Mr. Hart for, with Mr. Smith of Ohio against.

Mr. McCormack and Mr. McSweeney for, with Mr. Brown of Ohio against.

Mr. Vinson and Mr. Wood for, with Mr. Taylor against.

Mr. Price and Mr. Breen for, with Mr. Dolliver against.

Mr. Baring and Mr. Gordon for, with Mr. Coudert against.

Mr. Gregory and Mr. Heffernan for, with Mr. Hinshaw against.

Mr. Davenport and Mr. Denton for, with Mr. Allen of Illinois against.

Mr. Kennedy and Mr. Magee for, with Mr. Reed of Illinois against.

Mr. McKinnon and Mr. Staggers for, with Mr. Cole of New York against.

Mr. Bailey and Mr. Buckley of New York for, with Mr. Lichtenwalter against.

Mr. Powell and Mr. Kruse for, with Mr. Shafer against.

Mrs. Woodhouse and Mr. Feighan for, with Mr. Hardie Scott against.

Mr. O'Neill and Mr. Jackson of Washington for, with Mr. Hugh D. Scott Jr., against.

Mr. Davies of New York and Mr. Lesinski for, with Mr. Elston against.

Mr. Whitaker and Mr. Jacobs for, with Mr. Meyer against.

Mr. Gilmer and Mr. Irving for, with Mr. Kearney against.

Mr. Burke and Mr. Heller for, with Mr. Riehlman against.

Until further notice:

Mr. Winstead with Mr. Towe.

Mr. Wickersham with Mr. Tollefson.

Mr. Pace with Mr. Auchincloss.

Mr. Abbitt with Mr. Case of New Jersey.

Mr. Worley with Mr. Wolverton.

Mr. Burton with Mr. Reed of New York.

Mr. Stanley with Mr. Martin of Massachusetts.

Mr. Sikes with Mrs. Bolton of Ohio.

Mr. Lucas with Mr. Eaton.

Mr. deGraffenried with Mr. Miller of Nebraska.

Mr. Lyle with Mr. McGregor.

Mr. Durham with Mr. Halleck.

Mr. Redden with Mr. Gamble.

Mr. Rains with Mr. Leonard W. Hall.

Mr. Chatham with Mr. Weichel.

Mr. Sims with Mr. Woodruff.

Mr. Hébert with Mr. William L. Pfeiffer.

Mr. Herlong with Mr. Phillips of Tennessee.

Mr. Bland with Mr. McCulloch.

Mr. Barden with Mr. Gwinn.

Mr. YOUNG changed his vote from "nay" to "yea."

Mr. EBERHARTER changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

PUBLIC WORKS FOR DEVELOPMENT OF TERRITORY OF ALASKA

Mr. PETERSON. Mr. Speaker, I move to suspend the rules and pass the bill (S. 855) to authorize a program of useful public works for the development of the Territory of Alaska.

The Clerk read the bill, as follows:

Be it enacted, etc., That this act may be cited as the "Alaska Public Works Act."

SEC. 2. The Congress hereby declares that the purpose of this act is to foster the settlement and increase the permanent residents of Alaska, stimulate trade and industry, encourage internal commerce and private investment, develop Alaskan resources, and provide facilities for community life, through a program of useful public works.

SEC. 3. The Administrator of General Services (hereinafter referred to as the "Administrator") is hereby authorized to accept applications for public works in the Territory of Alaska from the said Territory or from any city, town, district, or other public body in said Territory (said Territory or other public body submitting an application hereunder being hereinafter referred to as the "applicant"). Each of such applications shall include a statement by the Governor of the Territory respecting the need for the public works requested and the financial ability of the applicant to defray the cost of the public works.

SEC. 4. Whenever the Administrator, with the concurrence of the Secretary of the Interior, given after consultation with such other Federal agencies as have a substantial interest in the public works requested in any such application, concludes that such public works, as requested or as revised by him, will effectuate the purposes of this act and should be provided hereunder, he may include them in the program of public works for the Territory of Alaska.

The Administrator is further authorized to provide, within the limits of the appropriations available therefor, any public works included in such program. The authority to provide public works hereunder shall include the power to acquire, construct, and equip public works, clear and improve sites therefor, improve, extend, alter, rehabilitate, repair, or remodel existing public works, and prepare surveys, drawings, specifications, and contract and other construction documents.

As used in this act, the term "public works" is intended to mean public facilities, such as schools, hospitals, sewer, water, and other public-utility facilities, wharf, dock, and other harbor facilities, bridges, roads, sidewalks, streets, alleys, and other public thoroughfares, college and institutional buildings and facilities (including dormitories and quarters for students, inmates, and employees), libraries, firehouses, and other public buildings, incinerators and garbage-disposal facilities, and other public and community facilities.

SEC. 5. The Administrator, in providing public works for any applicant hereunder, shall enter into an appropriate agreement with the applicant pursuant to which the applicant shall agree, in consideration for such public works, to operate and maintain the public works at its own expense and to pay to the United States at such time or times as may be mutually agreed, a purchase price deemed by the Administrator to be reasonable and in the public interest. Such purchase price shall in no event be less than 25 percent nor more than 75 percent of the estimated cost or the actual cost, whichever is the lesser, to the United States of said public works, as determined by the Administrator, and the aggregate amount agreed to be paid by the applicants under all said agreements shall be sufficient, in the determination of the Administrator, to enable the United States to recover in the aggregate not less than 50 percent of the total estimated cost to the United States of all the public works provided under this act, it being the intent that the Administrator shall ultimately recover and cover into miscellaneous receipts approximately one-half of the total Federal funds expended for the provision of public works under this act. Upon completion of the public works the Administrator shall transfer to the applicant, in conformity with the provisions of said agreement, possession of and all rights, title, and interest of the United States in and to said public works. Any portion of the purchase price remaining unpaid on the date of such transfer, shall bear simple interest at 2 percent per annum from such date to the date of payment.

SEC. 6. To facilitate carrying out the purposes of this act, any applicant hereunder is authorized to enter into agreements with the United States, perform the obligations assumed thereunder, pay to the United States the amount agreed upon for the public works, out of any funds available to the applicant not otherwise appropriated, and, in connection with any project described in any such agreement incur indebtedness, issue general obligation or revenue bonds, levy taxes which shall be uniform upon the same class of subjects, impose special assessments, fix and

collect charges for services rendered by the public works, operate and maintain public works included in said program, acquire by purchase, condemnation, donation, or otherwise such interests in land as may be necessary to provide public works hereunder, and grant to the United States, without reimbursement, any permit, license, or right to use land and other property in the possession of the applicant as may be necessary to enable the Administrator to carry out his functions hereunder. The powers granted under this section shall be in addition to the powers heretofore granted and may be exercised notwithstanding any other provisions of law.

SEC. 7. For the purpose of carrying out this act, any Federal agency having jurisdiction over any interest in land, whether improved or unimproved, necessary for providing public works hereunder may, in its discretion and subject to such conditions as it may determine, transfer jurisdiction thereof to the Administrator upon his request, notwithstanding any other provisions of law, and the Administrator is authorized to acquire jurisdiction over such land and utilize such land for carrying out his functions under this act. The Administrator may also provide public works upon lands of any applicant made available to him for such purpose.

SEC. 8. Except as hereinafter provided, public works shall be provided under this act by the Administrator through the award of contracts in conformity with the provisions of section 3709 of the Revised Statutes. Work estimated to cost less than $25,000, and repairs, improvements, extensions, and alterations to existing public works may be performed by entering into a written contract with any applicant for the performance of such work upon the basis of the United States reimbursing the applicant for its approved legitimate expenditures in connection therewith. Notwithstanding any other provisions of law, applicants are hereby authorized to enter into such contracts with the United States and in performing such contracts are authorized to utilize their officers and employees, equipment, tools, materials, supplies, and other property, to incur necessary debts, and to make necessary expenditures.

SEC. 9. All moneys received by the Administrator under the provisions of any agreement with an applicant shall be covered into the Treasury as miscellaneous receipts.

SEC. 10. In carrying out the provisions of this act the Administrator is authorized to utilize and act through other Federal agencies or through any applicant, with the consent of such applicant, and any funds appropriated pursuant to this act shall be available for transfer to any such agency or for payment to any such applicant in reimbursement for services rendered hereunder. The Administrator may delegate any authority conferred upon him under this act to any officer or unit of the General Services Administration and may prescribe rules and regulations for carrying out the provisions of this act.

SEC. 11. There is hereby authorized to be appropriated the sum of $70,000,000, or so much thereof as may be necessary to carry out the provisions of this act, and for administrative expenses in connection therewith, including the employment of consultants, such as engineers, architects, and other technical experts, in conformity with Public Law 600, Seventy-ninth Congress, except for the rates of compensation which shall be determined by the Administrator, personal services and rental in the District of Columbia, Alaska, and elsewhere, supplies and equipment, travel expenses, transfer of household goods and effects, purchase, repair, operation, and maintenance of motor-propelled passenger-carrying vehicles, printing and binding, purchase and exchange of law-books and other reference books, and such other expenses as may be necessary for carrying out this act.

SEC. 12. The authority of the Administrator under this act to provide public works and to enter into agreements with applicants in connection therewith shall terminate on June 30, 1955, or on the date he obligates for such purposes the total amount authorized to be appropriated hereunder, whichever first occurs.

The SPEAKER. Is a second demanded? [After a pause.] The question is on the motion to suspend the rules and pass the bill.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

OUR TERRITORIAL RESOURCES

Mr. CRAWFORD. Mr. Speaker, wherever western mercantile interests have invaded the "undeveloped" areas of the earth, greatly increased populations have resulted, sometimes with the extermination or absorption of native stocks. Mechanized production and trade has produced this result.

Its social implementation has generally involved what one thoughtful economist, Dr. Melvin Reder, of Stanford University, has called "monetary aggression" in investments. This has brought about what Governor Gruening, of Alaska, has justly complained about as "absenteeism" in both Government and industry.

The population of such Territories, even when developed without conquest as in Hawaii, not only increases but becomes excessively dependent on outside food supplies. This is often true of areas politically independent but economically subjugated; for example, Cuba with a sugar industry largely overdeveloped—from the Cuban angle—by American capital.

A similar course of colonial or quasi-colonial development has characterized the history of the sterling area of the British Empire, and an unpremeditated result of two World Wars has been the displacement, still in process and in conflict with communistic influences emanating from Russia, of sterling by dollar financing of this process.

The dangers of this kind of development can be readily visualized by the throttle hold which a stevedores' union is today exerting on our Hawaiian Territory. Under its primitive culture no such tyranny was possible for Hawaii and its people. What can we do to save our outlying Territories from such extremities?

Isolated by the Communist government of Russia, we provided Berlin with an air lift. For our own Territories, all too similarly and dangerously isolated, we offer no such rescue. Instead, we even withhold the statehood which might enable them at least to look after their own affairs and reduce the controls of absentee government and mercantilism.

There is little sense in any opposition to, or promotion of, "one world" of modern industrialization without a thorough reexamination of the weak spots in a system that has, like Topsy, "jest growed" and is obviously bringing about an impasse in "capitalism" that is begetting proposals to "save free enterprise" by "strengthening" Government control; for example, our own peculiar antitrust laws which an experienced attorney, H. A. Toulmin, Jr., of Dayton, has characterized in a recent Congressional hearing as "the most dangerous to our democracy that any nation has ever enacted in all history."

In view of the current agitation for a world government, a resolution of this and other quandaries in the issues of capitalism versus communism seems essential to prevent such a world-wide movement from developing a bureaucratic "welfare state" such as is evolving before our eyes in the United Nations Organization. Our own system is producing many bad results in our own affairs.

This applies notably to the Territory which borders the great Communist state of Russia with only a narrow strait of water intervening. We need a greater, but not a subjected, population in Alaska; a people who own and operate their own industries as private property which, for their own sake, they will ardently defend against infiltration by interests subversive of what are, we may hope, still American ideas of law and order.

To bring all this as vividly as possible before the Congress and the people, I have asked for an extension of remarks to include a part of Governor Gruening's recent address on Territorial Resources and What They Mean, depicting the "picture of neglect" in Alaska. His good sense is notable, especially when he points out that "there is absolutely no villain in the picture. No one has deliberately tried to injure the Territory or its people or its resources. The defect is in the system." Excerpts from his address follow:

TERRITORIAL RESOURCES AND WHAT THEY MEAN

(By Ernest Gruening)

When Congress, after 17 years of no government, decided to give Alaska a little government, it hastily applied in 1884 the code of the State of Oregon. But as Oregon had a county system and Alaska had none, all reference to county officials and county functions, which are considerable in a code, made no sense, and were inapplicable to Alaska. The Oregon code provided that in order to be a member of a jury you had to be a taxpayer, and since Congress had levied no taxes in Alaska we could have no juries under this code. So justice under the American system was still unattainable in Alaska.

That incredible situation continued with little change until the nineties, when, not through any great governmental urge to improve the situation, but through the accidental discovery of gold in the Klondike and elsewhere in Alaska, a rush of American prospectors indignantly called themselves and their problems to the attention of an inattentive Congress. Only then did some interest in Alaska on the part of our distant lawmakers develop and there was a beginning of legislation. Much of it was inappropriate and there was increasing clamor for more self-government, and, above all, for representation in Congress. In 1906 Congress gave us a voteless delegate. But it was not until 1912 that the unworkable Organic Act of 1884 was replaced by the act of 1912. This, though a substantial improvement, was notable chiefly for the things it forbids Alaskans to do for themselves and reserves

a great part of the authority or responsibility in the hands of the Federal Government. How has that responsibility been exercised?

Now we have often heard that the wonderful purchase of Alaska, made by William H. Seward, at a cost of $7,200,000, or less than 2 cents an acre, was long derided as "Seward's folly." A later, more considered and sounder view refutes these derisive allegations and points out that, apart from its strategic importance, since its purchase Alaska has poured some $3,000,000,000 of natural resources into the national economy and has, therefore, to date yielded more than a 400-fold return on the original investment. When, however, we stop to consider what has happened to those resources there is nothing to be proud of.

We have a great fishing industry, our principal industry. The greatest fisheries in the world, the Pacific salmon, frequent primarily the Alaskan coast. Under Federal policies and facing the impact of a highly acquisitive industry, the salmon runs have so diminished that there is imminent danger of their being almost closed down in one section of Alaska next summer. The most important species of salmon quantitatively, the pink salmon, has been depleted almost to the vanishing point in southeastern Alaska. The canned salmon industry has contributed little during those years except temporary employment and in return has consistently fought the Territorial authorities' efforts to make Alaska economically self-sustaining and to achieve a greater measure of self-government.

Alaska's second industry has been mining and principally of gold. For the vast amount of gold that has been taken out of Alaska in the last 50 years there is relatively little to show for Alaska. For the $200,000,000 worth of copper taken out of Kennicott during a quarter of a century there is merely a hole in the ground.

As for the wildlife resource, control of which Congress has reserved for the Federal Government, Alaska has never been able to secure adequate appropriations to safeguard it properly. Congress allows us only enough to maintain 12 game wardens in a Territory one-fifth as large as the United States.

Now there is a very close relationship between Alaska's natural resources and Government. Ninety-nine percent of Alaska is public domain. Federal executive agencies exercise a substantial domination over all natural resources and the Congress makes available, or not, and often not, the funds which make possible the conservation and development of those resources. I want to say that in reviewing this picture of neglect, and it is a rather shocking one taken over the 82 years since Alaska came under the flag, that it is a striking fact that there is absolutely no villain in the picture. No one in Government has ever lain awake nights trying to work against Alaska and no one has deliberately tried to injure the Territory or its people or its resources.

The defect is in the system—a system whose chief characteristic is absenteeism in every form. We have in Alaska absentee industry control. We have absentee labor control. And we have absentee Government control. It is difficult to say which is most detrimental.

Now when I speak of absentee Government control again I wish to emphasize that I do not criticize any individual or any particular agency, but rather the system. Actually Alaska, as a Territory, is a creature of Congress. The Territory can have its form of government abolished by the Congress at any time. Congress can do what it will to the Territory. That came up very graphically after the Congress enacted the Shipping Act of 1920. This act is known in Alaska as the Jones Act, after its sponsor, the late Senator Wesley Jones, of Seattle.

This act contained a unique discrimination against Alaska. It permitted the use of foreign as well as national shipping in every direction from Pacific coast ports except north to Alaska. The particular discrimination was written into the act with the words "excluding Alaska." That was back in 1920. The Territory was still politically an infant in swaddling clothes. Yet it arose from its crib and, guided by its Territorial attorney general, toddled to court. The Solicitor General of the United States, who defended the Federal Government and the Shipping Act, in his plea to the court said, in effect:

"Yes; this act is discriminatory. We admit it. But Congress can discriminate against a Territory. If Alaska were a State, this discriminatory clause would violate the commerce clause of the Constitution. But Congress can do what it likes to the Territory."

The Supreme Court of the United States so found, Mr. Justice McReynolds delivering the opinion.

I mention that as a typical example of the vital and often detrimental relationship of the distant rulers of Alaska to the Territory and to the people whom they rule.

This may seem surprising to those who are unaware of the long history of neglect and discrimination from which Alaska has suffered and continues to suffer. It is hard for people to believe that conscientious Members of Congress, as the majority of them are, would so act. Why do they? The answer is that Members of Congress, elected to represent the people of the several States cannot and do not adequately represent the people of the Territories. The situation exists because with all allowances and appreciation for the many sympathetic and friendly Representatives and Senators, the committees that have to deal with the Territories are a changing body of men whose interest in any Territory is at best only transitory and secondary to their major interests.

And so in Alaska, where the world has been told for years that we have vast natural resources, the great failure has been in not integrating these resources with the human resources. Without such integration the boast of vast potential stored wealth is not only meaningless, but, if analyzed, a confession of failure.

Of what good are the millions of salmon that return to our shores and up our rivers to spawn, if benefits, measured in human terms, do not likewise come to our shores and up our rivers to our people? The recent boast is that salmon has become a hundred million dollar industry. But no substantial portion of this vast extraction has gone to produce conditions in Alaska that we like to associate with the designation "the American way of life." Impermanence, uncertainty, strife, depletion, characterize man's manipulation of this great natural bounty.

Alaska is a great storehouse of minerals. But in exchange for the more than a billion dollars worth that has been extracted from Alaska's subsoil there is little more than the tangible and tragic residue of ghost towns and ghost camps and the memory of departed families.

Alaska has the greatest reserves of virgin forest on the North Atlantic Continent, but the great trees age and die on the stump. After nearly half a century of Government control of our Alaskan forests this waste continues. After 50 years of so-called conservation we have in Alaska produced no lumber industry, no pulp and paper industry, no recreation industry. The forests remain empty and silent. Their virginity has become spinsterhood. Meanwhile, the forest land is so firmly held by ancient legislation and resistant bureaucracy that it cannot be effectively utilized.

Alaska's potential agriculture, the basis for permanent settlement, has been thwarted on the one hand by obsolete, inapplicable, and unworkable land laws made three-quarters of a century ago for our Western States. On the other hand, the Congress consistently denies Alaska the appropriations due Alaska's land-grant college, the University of Alaska, which would permit the research and agricultural extension work which are enjoyed in the States and are a prerequisite to successful farming, particularly in an area of relatively unstudied climatic, soil, and entomological conditions. Denied likewise has been inclusion under the Federal Highway Act which would come to Alaska automatically with statehood. Without roads it is clear that development and population growth are impossible.

And so I return to the human factor. While in an area three-quarters of Alaska's extent, in Scandinavia and Finland, under comparable physical conditions, dwell 13,000,000 people who have developed a high civilization and a stable economy, all in a free society, a shining example of the integration of material and human resources, in Alaska, after 82 years under the Stars and Stripes, our population has increased by only some 70,000. Those 70,000 are the residue of perhaps 20 times that number who came to Alaska, lived there for a time, found the man-made obstacles too great and returned to the States. As for the 30,000 of native population, Indians and Eskimos, who were in Alaska, at the time of the purchase, their numbers have remained about stationary. The expected and normal biologic increase has been cut by tuberculosis—uncared for by the Federal authorities—and by the man-made frustrations which has discouraged the permanent settlement of all but the most hardy of their white brothers from the States. In other words the human resource in Alaska has been neither conserved nor developed. And so in Alaska, which like Scandinavia and Finland, could become the permanent abode of a million Americans, building in those northern latitudes an inspiring demonstration of the American way of life—a particularly pressing assignment right now in view of our totalitarian neighbors and their great activities just across Bering Strait—we have only the hollow reiteration that Alaska is a great storehouse of natural resources. These resources, I repeat, are meaningless unless the concomitant development of human resources is made the prime consideration, and unless material and human resources in their development are considered one and inseparable.

DEBT OF FINLAND

Mr. RICHARDS. Mr. Speaker, I move to suspend the rules and pass the resolution (S. J. Res. 3) to provide that any future payments by the Republic of Finland on the principal or interest of its debt of the First World War to the United States shall be used to provide educational and technical instruction and training in the United States for citizens of Finland and American books and technical equipment for institutions of higher education in Finland, and to provide opportunities for American citizens to carry out academic and scientific enterprises in Finland.

The Clerk read the joint resolution as follows:

Whereas the Republic of Finland alone among our debtors of the First World War has consistently made payments of principal and interest toward the retirement of its indebtedness to the United States; and

Whereas it is deemed proper, as an act of abiding friendship and good will which the people of the United States hold for the people of Finland, to provide that any further payments on its World War I debt by the Republic of Finland shall be held in a special deposit account for such use as will advance and strengthen the close ties of

friendship which bind together our two peoples: Now, therefore, be it

Resolved, etc., That any sums due or paid on and after the date of enactment of this joint resolution by the Republic of Finland to the United States as interest on or in retirement of the principal of the debt incurred under the act of February 25, 1919, as refunded by the agreement dated May 1, 1923, pursuant to authority contained in the act of February 9, 1922, or of any other indebtedness incurred by that republic and owing to the United States as a result of World War I, shall be placed in a special deposit account in the Treasury of the United States, to remain available until expended. This account shall be available to the Department of State to finance by contract, grant, or otherwise—

(a) studies, instruction, technical training, and other educational activities in the United States and its Territories and possessions (1) for students, professors, other academic persons, and technicians who are citizens of the Republic of Finland and, (2) with the approval of appropriate agencies, institutions, or organizations in Finland, for students, professors, other academic persons, and technicians who are citizens of the United States to participate in similar activities in Finland, including in both cases travel expenses, tuition, subsistence, and other allowances and expenses incident to such activities; and

(b) the selection, purchase, and shipment of (1) American scientific, technical, and scholarly books and books of American literature for higher educational and research institutions of Finland, and (2) American laboratory and technical equipment for higher education and research in Finland, and (3) the interchange of similar Finnish materials and equipment for higher education and research in the United States.

SEC. 2. The Secretary of State is hereby authorized to carry out the purposes of this joint resolution in accordance with the applicable provisions of the United States Information and Educational Exchange Act of 1948 (Public Law 402, 80th Cong.).

SEC. 3. Disbursements from the special deposit account shall be made by the Division of Disbursement of the Treasury Department, upon vouchers duly certified by the Secretary of State or by authorized certifying officers of the Department of State.

The SPEAKER. Is a second demanded? [After a pause.] The question is on the motion to suspend the rules and pass the bill.

Mr. NORBLAD. Mr. Speaker, I urge that the House pass without dissent House Joint Resolution 87 which provides that future payments by Finland on its World War I debt shall be placed into a special fund and used for (a) the education of Finnish students in our schools and (b) to equip institutions of higher learning in Finland with American books and literature and laboratory and technical equipment.

Finland has been the only one of our dozens of World War I debtors who has consistently and constantly made regular payments on its debt. It has been my belief that in view of this fact that we should cancel that debt but I believe that this proposal is a wiser one. This will afford Finnish students the opportunity to study here and learn thoroughly of our ways of life and at the same time help their universities in their country obtain books and equipment from us.

This is but a small tribute of ours to that gallant country and shows to them tangibly our appreciation of their honesty, steadfastness, and friendship. It should help to even further bind the tie of friendship which I hope may always exist.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

By unanimous consent a similar House resolution (H. J. Res. 87) was laid on the table.

AMENDING SECTIONS 7 AND 11 OF THE CLAYTON ACT

The SPEAKER. The gentleman from New York is recognized.

Mr. CELLER. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 2734) to amend an act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914 (38 Stat. 730), as amended.

The Clerk read the title of the bill.

The Clerk read the bill as follows:

Be it enacted, etc., That sections 7 and 11 of an act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914, as amended (U. S. C., title 15, secs. 18 and 21), are hereby amended to read as follows:

"SEC. 7. That no corporation engaged in commerce shall acquire, directly or indirectly, the whole or any part of the stock or other share capital and no corporation subject to the jurisdiction of the Federal Trade Commission shall acquire the whole or any part of the assets of another corporation engaged also in commerce, where in any line of commerce in any section of the country, the effect of such acquisition may be substantially to lessen competition, or to tend to create a monopoly.

"No corporation shall acquire, directly or indirectly, the whole or any part of the stock or other share capital and no corporation subject to the jurisdiction of the Federal Trade Commission shall acquire the whole or any part of the assets of one or more corporations engaged in commerce, where in any line of commerce in any section of the country, the effect of such acquisition, of such stocks or assets, or of the use of such stock by the voting or granting of proxies or otherwise, may be substantially to lessen competition, or to tend to create a monopoly.

"This section shall not apply to corporations purchasing such stock solely for investment and not using the same by voting or otherwise to bring about, or in attempting to bring about, the substantial lessening of competition. Nor shall anything contained in this section prevent a corporation engaged in commerce from causing the formation of subsidiary corporations for the actual carrying on of their immediate lawful business, or the natural and legitimate branches or extensions thereof, or from owning and holding all or a part of the stock of such subsidiary corporations, when the effect of such formation is not to substantially lessen competition.

"Nor shall anything herein contained be construed to prohibit any common carrier subject to the laws to regulate commerce from aiding in the construction of branches or short lines so located as to become feeders to the main line of the company so aiding in such construction or from acquiring or owning all or any part of the stock of such branch lines, nor to prevent any such common carrier from acquiring and owning all or any part of the stock of a branch or short line constructed by an independent company where there is no substantial competition between the company owning the branch line so constructed and the company owning the main line acquiring the property or an interest therein, nor to prevent such common carrier from extending any of its lines through the medium of the acquisition of stock or otherwise of any other common carrier where there is no substantial competition between the company extending its lines and the company whose stock, property, or an interest therein is so acquired.

"Nothing contained in this section shall be held to affect or impair any right heretofore legally acquired: *Provided*, That nothing in this section shall be held or construed to authorize or make lawful anything heretofore prohibited or made illegal by the antitrust laws, nor to exempt any person from the penal provisions thereof or the civil remedies therein provided.

"Nothing contained in this section shall apply to transactions duly consummated pursuant to authority given by the Civil Aeronautics Authority, Federal Communications Commission, Federal Power Commission, Interstate Commerce Commission, the Securities and Exchange Commission, or the Secretary of Agriculture under any statutory provision vesting such power in such commission, authority, Secretary, or board.

"SEC. 11. That authority to enforce compliance with sections 2, 3, 7, and 8 of this act by the persons respectively subject thereto is hereby vested in the Interstate Commerce Commission where applicable to common carriers subject to the Interstate Commerce Act, as amended; in the Federal Communications Commission where applicable to common carriers engaged in wire or radio communication or radio transmission of energy; in the Civil Aeronautics Authority where applicable to air carriers and foreign air carriers subject to the Civil Aeronautics Act of 1938; in the Federal Reserve Board where applicable to banks, banking associations, and trust companies; and in the Federal Trade Commission where applicable to all other character of commerce to be exercised as follows:

"Whenever the Commission, Authority, or Board vested with jurisdiction thereof shall have reason to believe that any person is violating or has violated any of the provisions of sections 2, 3, 7, and 8 of this act, it shall issue and serve upon such person and the Attorney General a complaint stating its charges in that repect, and containing a notice of a hearing upon a day and at a place therein fixed at least 30 days after the service of said complaint. The person so complained of shall have the right to appear at the place and time so fixed and show cause why an order should not be entered by the Commission, Authority, or Board requiring such person to cease and desist from the violation of the law so charged in said complaint. The Attorney General shall have the right to intervene and appear in said proceeding and any person may make application, and upon good cause shown may be allowed by the Commission, Authority, or Board, to intervene and appear in said proceeding by counsel or in person. The testimony in any such proceeding shall be reduced to writing and filed in the office of the Commission, Authority, or Board. If upon such hearing the Commission, Authority, or Board, as the case may be, shall be of the opinion that any of the provisions of said sections have been or are being violated, it shall make a report in writing, in which it shall state its findings as to the facts, and shall issue and cause to be served on such person an order requiring such person to cease and desist from such violations, and divest itself of the stock, or other share capital, or assets, held or rid itself of the directors chosen contrary to the provisions of sections 7 and 8 of this act, if any there be, in the manner and within the time fixed by said order. Until a transcript

of the record in such hearing shall have been filed in a United States court of appeals, as hereinafter provided, the Commission, Authority, or Board may at any time, upon such notice, and in such manner as it shall deem proper, modify or set aside, in whole or in part, any report or any order made or issued by it under this section.

"If such person fails or neglects to obey such order of the Commission, Authority, or Board while the same is in effect, the Commission, Authority, or Board may apply to the United States court of appeals, within any circuit where the violation complained of was or is being committed or where such person resides or carries on business, for the enforcement of its order, and shall certify and file with its application a transcript of the entire record in the proceeding, including all the testimony taken and the report and order of the Commission, Authority, or Board. Upon such filing of the application and transcript the court shall cause notice thereof to be served upon such person, and thereupon shall have jurisdiction of the proceeding and of the question determined therein, and shall have power to make and enter upon the pleadings, testimony, and proceedings set forth in such transcript a decree affirming, modifying, or setting aside the order of the Commission, Authority, or Board. The findings of the Commission, Authority, or Board as to the facts, if supported by substantial evidence, shall be conclusive. If either party shall apply to the court for leave to adduce additional evidence, and shall show to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for the failure to adduce such evidence in the proceeding before the Commission, Authority, or Board, the court may order such additional evidence to be taken before the Commission, Authority, or Board and to be adduced upon the hearing in such manner and upon such terms and conditions as to the court may seem proper. The Commission, Authority, or Board may modify its findings as to the facts, or make new findings, by reason of the additional evidence so taken, and it shall file such modified or new findings, which, if supported by substantial evidence, shall be conclusive, and its recommendations, if any, for the modification or setting aside of its original order, with the return of such additional evidence. The judgment and decree of the court shall be final, except that the same shall be subject to review by the Supreme Court upon certiorari as provided in section 1254 of title 28, United States Code.

"Any party required by such order of the Commission, Authority, or Board to cease and desist from a violation charged may obtain a review of such order in said United States court of appeals by filing in the court a written petition praying that the order of the Commission, Authority, or Board be set aside. A copy of such petition shall be forthwith served upon the Commission, Authority, or Board, and thereupon the Commission, Authority, or Board forthwith shall certify and file in the court a transcript of the record as hereinbefore provided. Upon the filing of the transcript the court shall have the same jurisdiction to affirm, set aside, or modify the order of the Commission, Authority, or Board as in the case of an application by the Commission, Authority, or Board for the enforcement of its order, and the findings of the Commission, Authority, or Board as to the facts, if supported by substantial evidence, shall in like manner be conclusive.

"The jurisdiction of the United States court of appeals to enforce, set aside, or modify orders of the Commission, Authority, or Board shall be exclusive.

"Such proceedings in the United States court of appeals shall be given precedence over cases pending therein, and shall be in every way expedited. No order of the Commission, Authority, or Board or the judgment of the court to enforce the same shall in anywise relieve or absolve any person from any liability under the antitrust acts.

"Complaints, orders, and other processes of the Commission, Authority, or Board under this section may be served by anyone duly authorized by the Commission, Authority, or Board, either (a) by delivering a copy thereof to the person to be served, or to a member of the partnership to be served, or to the president, secretary, or other executive officer or a director of the corporation to be served; or (b) by leaving a copy thereof at the principal office or place of business of such person; or (c) by registering and mailing a copy thereof addressed to such person at his principal office or place of business. The verified return by the person so serving said complaint, order, or other process setting forth the manner of said service shall be proof of the same, and the return post-office receipt for said complaint, order, or other process registered and mailed as aforesaid shall be proof of the service of the same."

The SPEAKER. Is a second demanded?

Mr. GOODWIN. Mr. Speaker, I demand a second.

Mr. CELLER. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER. Under the rules the gentleman from New York [Mr. CELLER] is recognized for 20 minutes and the gentleman from Massachusetts [Mr. GOODWIN] will be recognized for 20 minutes.

Mr. CELLER. Mr. Speaker, I yield myself 5 minutes.

The SPEAKER. The gentleman from New York is recognized.

Mr. CELLER. Mr. Speaker, this bill seeks to plug a loophole in the present antitrust laws. It seeks to amend section 7 and section 11 of the Clayton Act. Those sections invoke the sanction of the law only when there is a merger that substantially lessens competition or creates a monopoly by the purchase of corporate stock. Astute lawyers for years have learned how to evade violations by their clients of section 7 and section 11. Instead of purchasing corporate stock and thereby merging, the larger corporation swallowing the smaller corporation does it by acquiring the assets; by acquiring the accounts receivable, by acquiring the raw material and finished products, by acquiring the real estate, and by acquiring the good will, thereby leaving only an empty husk, a mere shell. They do not have to take over the corporate stock. Sometimes they do, but when the assets are thus acquired and all the properties of the smaller corporation are thus acquired by the larger corporation there is no violation of the law, according to the Supreme Court decisions. The most notable decision in that regard which has hampered the Department of Justice and the Federal Trade Commission in the prevention of mergers by the acquisition of assets in the way I have indicated is the case of *Federal Trade Commission* v. *Western Meat Company* (reported in 257 U. S. 554). There the Court held that where "a corporation had illegally acquired the stock of a competing corporation and had used the control so acquired to transfer to it the assets of such corporation, the authority of the Federal Trade Commission was limited to divestiture of the valueless stock of the former competing corporation."

That loophole was further widened by another decision in the case of *Arrow-Hart and Hegeman Electric Co.* v. *Federal Trade Commission* (291 U. S. 587).

The result of these decisions has so weakened sections 7 and 11 of the Federal Trade Commission Act as to give to the Federal Trade Commission and the Department of Justice merely a paper sword to prevent improper mergers. I think it is like tilting at windmills to attempt to prevent these mergers by such a valueless statute. It is time to stop, look, and listen and to call a halt to the merger movement that is going on in this country. It can be done in major part by passing the Celler bill now before you.

There are today over 3,000,000 units of business in the country. But only 445 corporations or one-eighth of 1 percent of all corporations are reported to own 51 percent of the Nation's gross assets. Because of this loophole that I have mentioned, between 1940 and 1947 more than 2,500 formerly independent concerns disappeared as a result of mergers and acquisitions. Their assets were $5,200,000,000 or 5½ percent of the total assets of all manufacturing corporations. Mergers have reached an all-time high. Two hundred and fifty concerns now control two-thirds of the industrial facilities of the country that were controlled by 15,000 companies before the war. These 250 concerns have already bought up 70 percent of the huge war plants built with Government funds.

Four companies now have 64 percent of the steel business, four have 82 percent of the copper business, two have 90 percent of the aluminum business, three have 85 percent of the automobile business, two have 80 percent of the electric lamp business, four have 75 percent of the electric refrigerator business, two have 80 percent of the glass business, four have 90 percent of the cigarette business, and so forth.

The antitrust laws are a complete bust unless we pass this bill.

Otherwise big business will be hellbent for more and more mergers.

We would be making a mockery of Jefferson's admonition against monopolies. You may remember Jefferson had demanded the restraints against monopolies be inserted into the bill of rights. He failed to have such a provision included therein but his theories against concentrations of industry prevailed nonetheless. Every political party during and since his time has urged restraints against great concentrations of industrial power.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. CELLER. Mr. Speaker, I yield myself three additional minutes.

Mr. Speaker, the Temporary National Economic Committee found that in 1937 one-third of the total value of all manufactured products were produced under

conditions in which the leading four producers of each individual product supplied from 75 to 100 percent of the total output as measured by that value; and that 37 percent of the total value of all manufactured products were produced under conditions in which the largest four producers of each product produced more than half of its total value.

Further development of this kind of concentration must be stopped soon if the word "competition" is to retain any significant meaning.

The Federal Trade Commission is, therefore, eager for legislation of the type undertaken in this bill. The bill proposes that with appropriate exceptions the acquisition by a corporation of either the stock or the assets of another corporation shall be unlawful if the effect may be to substantially lessen competition or tend to create a monopoly in any line of commerce in any section of the country.

The bill squarely recognizes the wisdom of applying the same rule to stock and to assets and of determining the legality of an acquisition by the effect upon competition.

I want to point out the danger of this trend toward more and better combines. I read from a report filed with former Secretary of War Royall as to the history of the cartelization and concentration of industry in Germany:

> Germany under the Nazi set-up built up a great series of industrial monopolies in steel, rubber, coal and other materials. The monopolies soon got control of Germany, brought Hitler to power and forced virtually the whole world into war.

The report continues:

> A high degree of concentration throughout industry fosters the formation of cartels and readily enables a war-minded government to mobilize for hostilities. Such was the history of war preparations in Germany in both World War I and World War II.
>
> This policy was first referred to in the Fourth Principle of the Atlantic Charter, August 14, 1941; it was restated in more detail in mid-1944 by Hon. Cordell Hull, Secretary of State, when, at the direction of President Roosevelt, he set up a branch in the Department of State to formulate a definite United States policy with respect to cartels and other restrictive trade practices and excessive concentration of economic power.

Mr. Walter Lippmann, writing in Fortune magazine several years ago, stated correctly:

> The development of combinations in business, which are able to dominate markets in which they sell their goods, and in which they buy their labor and materials, must lead irresistibly to some form of state collectivism. So much power will never for long be allowed to rest in private hands, and those who do not wish to take the road to the politically administered economy of socialism, must be prepared to take the steps back toward the restoration of the market economy of private competitive enterprise.

All these warnings must make us pause.

What can be said of Germany can likewise be said with reference to Japan and with reference to Italy. In those countries the industrialists because of their tremendous power as a result of constant merging controlled the military and with the military they controlled the government.

I do not want to see my country go the way of Japan or the way of Italy or the way of Germany or even the way of England. There are no antitrust laws in England. The result is there is constant merging, constant concentration of more and more power in the hands of the few. The end result in England was socialism. I want no socialism here. I want no manner or kind of collectivism or totalitarianism. These mergers are usually the forerunners of collectivism and socialism and therein lies the danger.

In view of the fact that there is widespread support, particularly from small-business units and small-business men for this legislation I hope that the necessary two-thirds vote will be cast for this bill. It has been before the Committee on the Judiciary for many years. Party platforms, both Democratic and Republican, advocate the passage of this bill. President Hoover, President Roosevelt, and now President Truman have earnestly requested the passage of the bill by the Congress.

Small, independent, decentralized business of the kind that built up our country, of the kind that made our country great, first, is fast disappearing, and second, is being made dependent upon monster concentration.

It is very difficult now for small business to compete against the financial, purchasing, and advertising power of the mammoth corporations.

Do not make that competition even more difficult by failing to plug this loophole in the Clayton Act.

Bigness does not mean efficiency, a better product, or lower prices.

Buying raw materials or parts by the combines at lower prices is often a matter of sheer power. Suppliers are often compelled to accept what huge companies choose to pay.

Volume of advertising is large in amount and impact but low in proportion to enormous sales.

Great wealth and credit are frequently matters of favor or accident or sheer power.

It seems rather unfair and highly deleterious that a few should control, for example, the steel industry. But, that is the case, because of this very loophole that I speak of. Because of the defect in our antitrust laws which I seek to cure, a few steel combines have garnered scores of small steel plants, small steel suppliers, and have finally controlled steel in toto. Our economy is threatened by a few men in the steel industry, as the result of these mergers and consolidations now permitted. These few men can decide, for example, whether we shall have enough steel to meet our needs to rearm America, to help Europe recover, to keep our workers employed, and who can, nonetheless, continue to expand and merge their already mammoth companies uninhibitably. Are these men infallible? Do they always act in good faith? Human nature being what it is, we must have our doubts on that score. They do indeed have entirely too much power.

The committee on trade regulation and trade-marks of the Association of the Bar of the City of New York adopted a report from which the following conclusion is taken:

> We can see no reasonable basis for excluding assets from section 7 of the Clayton Act but we feel that Congress, when it originally passed the Clayton Act, intended to prohibit all acquisitions and that it was through oversight that asset acquisitions were not included probably because the popular way of merging corporations at that time was through stock acquisition. We see no reasonable basis for distinguishing between stock and assets if the effect may be to substantially lessen competition or to create a monopoly.
>
> We believe that the substitution of substantial evidence for testimony in section 11 will do much to correct the criticism now leveled at findings of the Federal Trade Commission and that the service of the complaint on the Attorney General and his right to intervene will bring about a closer coordination between the Federal Trade Commission and the Department of Justice. While it is true that even should the amendments be enacted the Federal Trade Commission and the Department of Justice will still have concurrent jurisdiction, the fact that the Attorney General will have notice of any proceeding brought under section 7 by the Federal Trade Commission and that he may intervene should, in your committee's opinion, eliminate actions by both the Commission and the Department of Justice for the same offense.

A subcommittee of the House Judiciary Committee has been conducting a study of the growth of monopoly power. Many witnesses—economists, lawyers, publicists, professors—were heard, including some representatives from labor and business.

The witnesses were generally in agreement that the antitrust laws are more or less unsatisfactory in their present form. The most frequent reason given for dissatisfaction was that economic concentration has not been prevented or sufficiently slowed down. Practically all the witnesses recommended the passage of the bill now before us, which would prevent concentrations by acquisition of assets—a type of concentration now exempt from antitrust-law sanctions. The majority of the witnesses expressed the opinion that business concentration is politically dangerous, leading inevitably to increasing Government control. As Attorney General Clark said on July 11, "There is too much recent and tragic world history not to impress upon us the dangers in failing to meet the monopoly problem."

The objection that the suggested amendment would prohibit small companies from merging has strangely enough been put forward by representatives of big business. This would seem almost like "Greeks bearing gifts."

Incidentally, several small business associations interested in the welfare of small business and the maintenance of free enterprise testified very vigorously in support of this bill. No small-business group appeared against it.

There is no real basis for this objection.

In the first place, the present language of section 7 as it relates to mergers by sale of stock is more restrictive than the language in the amended bill. Yet no case has been found where a small corporation had any difficulty or was criticized by the Federal Trade Commission

for selling its business by selling its stock to another small corporation. The small corporations have not had to avoid the present language of section 7 by selling their assets in place of their stock, when they wanted to dispose of their business. Furthermore, the evidence shows that it is only in large acquisitions by large corporations, which would have a tendency to create a monopoly, where resort is had to the device of purchasing assets in lieu of capital stock when a merger is planned. Attention is also called to the list of acquisitions. None of these involve small corporations selling to other small corporations.

Furthermore, the Supreme Court and the Federal courts have not applied the present strict language of section 7, even in cases of stock acquisition, so as to prevent a small corporation from selling its business or of merging with another small business. The Supreme Court has only applied the present language of section 7, even in the case of stock acquisitions, to large transactions which would substantially lessen competition, or tend to create a monopoly. In the case of *International Shoe Company* v. *Federal Trade Commission* (291 U. S. 234), decided January 26, 1930, the International Shoe Co., having a Nation-wide business, purchased the stock of McElwain Co., a smaller shoe company also having a Nation-wide business. As to a part of the business of the two corporations, they were not in direct competition. The Federal Trade Commission sought to order a divestiture of the stock and prevent the merger. The Supreme Court held that the merger was not of sufficient size or importance, even though there was some competition between the two corporations, to substantially lessen competition or to create a monopoly. The Court has this to say:

> Mere acquisition by one corporation of the stock of a competitor, even though it results in some lessening of competition, is not forbidden; the act deals only with such acquisitions as probably will result in lessening competition to a substantial degree, *Standard Fashion Co.* v. *Magrane-Houston Co.* (258 U. S. 346, 357); that is to say, to such a degree as will injuriously affect the public.

See also *Federal Trade Commission* v. *Sinclair Co.* (261 U. S. 463).

The Second Circuit Court of Appeals in the case of *Temple Anthracite Coal Co.* v. *Federal Trade Commission* (51 Fed. (2d) 656), in a case where one coal company had purchased several others in Kentucky, held that section 7 of the Clayton Act was not involved, and cited in addition to the International Shoe Co. case a decision of the Supreme Court in the case of *Standard Fashion Co.* v. *Magrane-Houston Co.* (258 U. S. 346). This is definitely the law of the land.

Mr. GOODWIN. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, in view of the highly controversial nature of this proposal and the fact that the Rules Committee has in previous Congresses refused to grant a rule, I regret that the first opportunity the House has had for consideration on the floor should arise upon a motion to suspend the rule with the consequent limited time for debate. I hope the rule will not be suspended. Any proposal for legislation which grants new and undefined authority to an administrative agency of the Government which could have the effect of radically changing our entire economic system ought not to be brought before the House except in the regular way upon the adoption of a rule providing for adequate debate.

In the past 20 years the Federal Trade Commission has been intermittently recommending that acquisition of assets be made unlawful on the same basis that acquisition of stock is prohibited by section 7 of the Clayton Act. Various bills have been introduced and received committee action. The principal support for these bills has come from the Federal Trade Commission with more or less perfunctory endorsement by the Department of Justice and the Department of Commerce.

H. R. 2734 is said to be designed to close a loophole in the Clayton Act, but the proposal goes much further than that and makes sweeping changes in our substantive antitrust law.

One of the chief indictments against this bill is that it grants to the Federal Trade Commission discretionary power so vague, uncertain, and indefinite as to vest that agency with almost unlimited control over the economic growth of corporations no matter how small, engaging in commerce no matter to how small an extent.

The powers granted in section 7 of the Clayton Act have heretofore had a somewhat narrow application; that is, in the field of stock acquisitions having the illegal effect described. However, if these same powers are given to the commission with respect to asset acquisitions the powers are changed out of all proportion to the change in subject matter. Words and phrases acquire a new and important significance and until there has been a more careful study I feel very strongly that this House should not vote to grant such powers and discretion, without proper standards or safeguards, to any administrative agency.

The bill contains such vague, indefinite, and undefined terms as "any line of commerce," "any section of the country," "to substantially lessen competition," and "tend to create a monopoly." The courts have generally refused to define such terms except with relation to their application to a specific case.

A "line of commerce," for example, may mean a generic or broad line or it may mean a specific or narrow line. In *Van Camp & Sons* v. *American Can Co.* (278 U. S. 245), the Court held in effect that the phrase "line of commerce" meant that segment of commerce wherein the two corporations competed. The percentage of all similar commerce outside the area in question was not of importance.

Equally indefinite is "section of the country." In application this phrase could mean an indefinitely large area or an infinitely small area. It could embrace all of the country or it could mean a small area in a city or town. In *Lukens Steel Co.* v. *Perkins* (310 U. S. 113) the court approved an administrative determination that the word "locality," normally thought of as a much smaller area, could mean an area embracing one-sixth of the United States.

What constitutes "substantial" has not been definitely determined for all purposes by any court, and the rule of reason of the Sherman Act cases has never been applied in Clayton Act cases. The observation in *International Shoe Co.* v. *F. T. C.* (280 U. S. 291), that competition to the extent of 5 percent of all sales is not "substantial" was not only dicta and by a 5-to-3 decision, but the case was decided in 1930, before the present Supreme Court began to expand the antitrust laws.

Such indefinite terms, as well as others in the bill are largely matters of administrative discretion, into which field courts normally refuse to venture. When taken all together these phrases would inject entirely new and indefinite tests of antitrust violations.

The Congress ought not to be called upon to spend valuable time in passing clarifying legislation to prevent disaster to business and industry arising from vague and undefined statutory phraseology. That is what we had to do in the case of overtime on overtime and portal-to-portal pay.

The Commission has asserted that language identical to that in this bill would, in addition to closing the loophole, merely restate the antitrust policy and laws. If the bill does not expand the antitrust laws it is unnecessary. If it does expand the law, then no one can know how far, because of the administrative discretion it bestows.

The proponents in arguing for this legislation by references to closing a loophole would make it appear that it was an oversight when the Congress failed to prohibit asset acquisitions in section 7 of the Clayton Act. But the record will show, I believe, that the limitation to stock acquisitions was deliberate and intentional. As to asset acquisition it was intended that the test should be whether the Sherman Act was violated. The acquisition of corporate assets is normally effected in the open, through negotiations entirely aboveboard after action by the company's directors and sometimes by the stockholders. Gaining control of a corporation by acquiring the stock is often done secretly with little or no opportunity for public knowledge. It was at this latter practice that section 7 was aimed.

The bill is not in the interest of small business. It is this segment of industry and trade which should concern us most. If we are to prohibit consolidations of small and medium-sized companies we will actually benefit the big corporations. By preventing harmless and reasonable mergers among small and medium-sized concerns, this bill by freezing them to their present status of size will foreclose the chance that they may by consolidation or acquisition ever approximate either the size or the efficiency that the big competitors have already achieved. Thus we will hurt small business and help big business.

Many small and medium-sized corporations will sometime want to sell out. This may be for a number of reasons: death, advancing age, sickness, poor business, dissatisfaction with Government

controls, anticipated tax problems, or as often happens in family enterprises, no succeeding member desiring to continue. Usually the only possible purchaser is a company in the same line and usually a competitor. But the competitor will be prohibited from purchasing. The business may have to be junked unless it can be disposed of piecemeal. Certainly it will have to be sacrificed. There will be no good will to sell when the business is closed up. This bill will destroy the market for many small corporations which want to sell out.

The bill is unnecessary. The recent decisions involving the breadth of the Sherman Act clearly provide an adequate remedy for illegal acts and practices complained of by the Commission as being outside their power to attack. In the case of *American Tobacco Co.* v. *U. S.* (328 U. S. 781, par. 1946) the Supreme Court held that economic concentration of any kind which had the power to raise prices or exclude competition could be enjoined, dissolved, or criminally prosecuted, even though its illegal power was never exercised.

There has been an expanding interpretation of the Sherman Act by the Supreme Court for many years until now it seems clear that the Attorney General has the power to apply for an injunction or a criminal sentence or a decree of dissolution in respect of any merger evidencing any monopolistic tendency whatever.

Mr. JENSEN. Mr. Speaker, will the gentleman yield?

Mr. GOODWIN. I yield.

Mr. JENSEN. The gentleman knows that many veterans have gone into business since the war. They have formed corporations among themselves. They have formed small corporations to manufacture certain items, let us say. Would this bill prohibit two of those corporations, for instance, from merging in order to be able to compete with a larger manufacturer?

Mr. GOODWIN. If they are competing with each other in interstate commerce, no matter in how small a degree and no matter how small the businesses may be, and one of these corporations acquires the stock or assets of the other in whole or in part they would be in violation of the law if the Federal Trade Commission should construe the merger as one which would have the effect of substantially lessening competition.

(Mr. GOODWIN asked and was given permission to revise and extend his remarks.)

Mr. CELLER. Mr. Speaker, I yield myself 2 minutes to answer the statement of the gentleman who just spoke.

The gentleman said that this bill would affect the merger of small corporations. In the case of the acquisition of corporate stock, the Supreme Court has held that as presently written section 11 does not affect the acquisition of small corporations. It only affects them where there is a substantial lessening of competition in a given line of commerce. The Supreme Court has held on the question of acquisition of corporate stock the following, in the case of the *International Shoe Co.* v. *Federal Trade Commission* (291 U. S. 234):

> Mere acquisition by one corporation of the stock of a competitor even though it results in some lessening of competition, is not forbidden; the act deals only with such acquisitions as probably will result in lessening competition to a substantial degree—
>
> Citing *Standard Fashion Co.* v. *Magrane-Houston Co.* (258 U. S. 346, 357)—
>
> That is to say—
>
> Continued the Court—
>
> to such a degree as will injuriously affect the public.

When two small corporations get together, that does not substantially lessen competition to such a degree as to permit the Federal Trade Commission to bring sanctions against the merged company or the merging company.

As to veterans who have small establishments, if they want to sell out, there is nothing in the present act and there is nothing in the proposed law, or the bill which we are now considering which would prevent them.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. CELLER. Mr. Speaker, I yield myself another minute.

Mr. JENSEN. Mr. Speaker, will the gentleman yield?

Mr. CELLER. I yield.

Mr. JENSEN. Let us get down to cases. We have, for instance, some men who have gone into the business of manufacturing an article for some automobile concern. Let us say they manufacture a part of an automobile.

Another concern, a like concern, manufactures the same part. Possibly they are in different sections of the country; maybe not far apart, maybe a long way apart. They find there is a larger concern in the country that can manufacture that same part of an automobile at a lower price, because they have better facilities. These two small corporations decide that if they merge their factories, put their factories and their administration heads together, they can compete with this large concern that is taking the business away from them. Is there anything in this bill that will keep them from merging?

Mr. CELLER. No. There is nothing whatsoever that will prevent those corporations—you call them small corporations—from merging. In the first place they are small corporations. Small corporations do not come within the purview of this act. In the case you have indicated there would be an increase of competition—not a suppression of competition. So that they need not have any worry on that score whatsoever. The Supreme Court would not permit the Federal Trade Commission to interfere in a case like that, because they would have no right under either the present law or the bill now before us.

Mr. WILLIS. Mr. Speaker, will the gentleman yield?

Mr. CELLER. I yield.

Mr. WILLIS. It is a fact, is it not, that under this bill it would not even be necessary for the small corporation, desiring to sell its assets to another corporation, to even deal with the Federal Trade Commission or ask permission of the Federal Trade Commission, or make any other kind of report?

Mr. CELLER. That is exactly so. I would say to the gentleman from Massachusetts [Mr. GOODWIN] how would he set up the difference for all practical purposes in the acquisition of stock or in the acquisition of assets? To my mind it is exactly the same. You can acquire corporate stock and thereby run afoul of the law, but if you do the same thing and effect the same result by the acquisition of assets, then you go scot free. That is barbarous, and I am sure that no intelligent Member of the House would want to countenance the continuance of that anomaly. You acquire the assets and leave an empty shell of a corporation. Then you dissolve the corporation whose assets you acquired. And then you have a halo of innocence around your head.

Mr. ELLSWORTH. Mr. Speaker, will the gentleman yield?

Mr. CELLER. I yield.

Mr. ELLSWORTH. I notice the bill deals entirely with the prohibition against acquiring of capital stock of a corporation and says nothing with regard to a corporation's rights to sell to another corporation, which leads me to this question: Does not the passage of this bill leave open for a middleman as an individual to acquire this stock and then resell it as an individual to another corporation?

Mr. CELLER. The answer is emphatically "No." That would be subterfuge and violation of the present law. We do not change the language of section 7. If you will read on page 2, all we do is add the words "assets of another corporation," and add the words "in any section of the country." In truth and in fact, the addition of the words are less restrictive, in a certain sense, than the present wording of section 7, because it must be a substantially lessened competition in any section of the country, whereas the present act in effect reads:

> The acquiring of stock of another corporation engaged in commerce, where commerce is lessened between the two corporations.

In other words, we make it more burdensome for the Federal Trade Commission to prove a violation, under the wording of the proposed bill, than under the present law.

Mr. ELLSWORTH. Will the gentleman yield for another question?

Mr. CELLER. I yield.

Mr. ELLSWORTH. I am thinking of the type of mergers that have taken place over the country, the merger of newspapers in cities or towns where there are two newspapers, and the competition is virtually destructive to each, and ultimately they reach an agreement whereby one will sell to the other. Would this act prevent any such thing?

Mr. CELLER. I think this act might be construed to prevent that kind of merger. In my humble opinion there should be preclusion of merging one newspaper with another where the effect

would be only one newspaper. In any community there should be clash of opinion. We should not have opinion all one-sided. There should be both sides submitted to the populace. Any community formerly supplied with two papers would be at a disadvantage if they combined.

Mr. ELLSWORTH. I would ask the gentleman further: Would such a law preventing one individual or corporation from selling his property, assets, or stock to another be protected by the Constitution or not?

Mr. CELLER. We have a commerce clause and a welfare clause in the Constitution which gives the right to Congress to legislate. No citizen would be prevented from selling his assets or property or stock so long as such sale does not tend toward monopoly or substantially curtail competition in a section of the country. But I cannot see how one can say in one breath: "You cannot acquire a corporation if you take its capital stock" and in the other breath: "You can do it if you acquire its assets." We have a perfect right to legislate along this line. No constitutional rights of the individual are infringed.

The SPEAKER. The gentleman from New York has but 5 minutes remaining.

Mr. CELLER. Mr. Speaker, I yield myself one additional minute.

Mr. KEATING. My question is: Does not the gentleman feel that the clean-cut way to meet the problem posed by the gentleman from Oregon and some of the other questions that have been raised is to repeal the Clayton Act? In other words, that there is no sense in prohibiting the purchase of capital stock by one corporation from another where the effect is to restrain competition substantially or create a monopoly and at the same time permit the purchase of assets for the same purpose?

Mr. CELLER. I thank the gentleman for his contribution. I feel that most of the gentlemen who oppose the bill would like to repeal the Clayton Act in its entirety. That is the import of their argument, it strikes me.

Mr. KEATING. Mr. Speaker, the issue here is very clear. Either we should repeal the Clayton Act entirely or we should amend it to make it effective.

There are those who argue that the Sherman Act is the only antitrust legislation we need. While I disagree, that seems to me a valid reason for opposing this legislation.

On the contrary, if the Clayton Act, adopted in 1914, is to remain on the statute books, we should not permit its purposes to be negated by evasion.

Under the Clayton Act it is unlawful for a corporation to acquire the capital stock of another corporation where the effect of such acquisition is to lessen competition substantially or tend to create a monopoly. This bill seeks to extend the coverage of this act to the acquisition of the assets of another corporation where the same effect is created.

I can see no justification for the legislative frown resting on the one, while an approving smile graces the other. Either both should be permitted or both barred.

The question may reasonably be asked why the statute as originally enacted did not cover both methods of acquisition. The answer is that at the time when Congress enacted the Clayton Act, stock purchase was the device employed for such acquisitions. The purchase of assets method is a relatively new development, legitimately conceived to avoid illegality and expressly sanctioned by Supreme Court decisions. Nevertheless, now that our attention has forcibly been called to the evasion of the underlying purposes of the Clayton Act, our duty is to act, whether that action take the form of repealing the Clayton Act entirely or molding it to enable it to serve its intended purpose. Those who believe that our economic system must be protected from the forces of monopoly cannot blind themselves to the recent trend.

During the period 1940–47, more than 2,500 formerly independent manufacturing and mining companies disappeared as a result of mergers and acquisitions. Most of these disappearances have taken place since 1943. The asset value of these companies which have disappeared amounts to $5,200,000,000, or roughly 5.5 percent of the total of all manufacturing corporations in the country.

There can be little doubt but that as a result of, first, the tremendous centralization of war production and, second, the rising trend of mergers and acquisitions during the reconversion and postwar period, the level of concentration in American industry has risen substantially. And there can also be little doubt that if this trend of mergers and acquisitions continues, small business will ultimately disappear as an important factor in American industry.

There may be in the minds of some a question as to whether this bill is actually directed at one of the principal means by which the concentration of economic power has increased over the years.

Actually, the facts show that the importance of mergers as a means by which large corporations increase their economic strength and power can hardly be discounted. In the two industries for which such highly technical, detailed studies have been made—steel and copper—the evidence indicates clearly that the method of mergers and acquisitions, with which this bill is concerned, is one of the principal means by which economic concentration is increased.

Thus a report of the Federal Trade Commission on the copper industry shows that no less than 70 percent of the long-term growth, that is, between 1915 and 1945, of the three largest copper companies—Anaconda Copper Mining Co., Kennecott Copper Corp., and Phelps-Dodge Corp.—has been due to mergers and acquisitions.

In the steel industry 83.8 percent of the long-term growth—1915–45—of Republic Steel Corp. has been due to this method of mergers and acquisitions. The corresponding figures representing the proportion of their long-term growth due to mergers and acquisitions for the other steel companies are: Colorado Fuel & Iron, 41.8 percent; Bethlehem Steel Corp., 33.4 percent; Youngstown Sheet & Tube, 28.5 percent; and American Rolling Mill Co., 20 percent. Since the figures relate to the period 1915–45, they fail to reflect the greatest consolidation of all time—the formation of United States Steel Corp. in 1901, in which some 170 formerly independent companies were brought together.

These figures should make it abundantly clear that in closing this loophole in the law we are taking action against one of the principal means by which big business makes itself bigger. And we are striking an effective blow for the preservation of small business and the protection of the general public.

In view of the present level of concentration in the two industries which I have cited above, the question may be raised as to whether, in passing this bill, we might be locking the barn door after the horse is stolen. That would be true for those industries in which big business has already swallowed up most of its smaller competitors. As the Federal Trade Commission itself has noted:

> Intensive merger activity can hardly be expected to take place in those industries which have already become so highly concentrated that there remain only a relatively few small competitors still available for purchase. It is difficult, for example, to conceive of any further widespread merger activity taking place in such industries as steel, rubber tires, copper, glass, and many other highly concentrated fields.

But while it is obviously not reasonable to expect further intensive merger activity in those industries in which small business has already been practically eliminated, there are numerous important segments of the economy in which small business is still an important competitive factor, and it is in these areas that the protection afforded by this bill is of the greatest importance. Unless the bill is enacted, there is every reason to believe that, like the steel and copper industries, these traditionally small business fields of which I am speaking will also come under the control of a few large corporations. That this is indeed a very real and positive danger is revealed by the fact that most of the acquisitions during the recent merger movement have actually taken place in what have commonly been regarded as traditionally small business industries.

Therefore, if we are to save the remainder of the economy from the same fate which has already befallen too many of our other important industries—if we are to protect and preserve small business in those fields in which small business is still an active and dynamic force, it is absolutely imperative that we plug this wide open loophole in the antitrust laws by passing H. R. 2734.

Mr. GOODWIN. Mr. Speaker, I yield such time as he may desire to the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. Mr. Speaker, the discussion thus far has shown the futility of attempting to debate a bill of such vast national importance with only 20 minutes to a side. I am sorry that our distinguished chairman has seen fit to invoke the most stringent gag rule in the

House in the disposition of this most important bill. We may take 40 minutes to debate but cannot amend. We must then vote "Yes" or "No" regardless of what the debate develops.

Mr. Speaker, I voted to report this bill to the House in the Eightieth Congress; I voted to report it to the House in this Congress. I reserved the right, as did a number of members of the committee, to oppose or amend it on the floor. We were willing to have the bill come to the floor, be thoroughly debated on its merits, amended if advisable, and then to vote for it as our conscience dictated. We have been denied this usual privilege.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I cannot yield; I have no time.

Mr. Speaker, this subject has been befor the Congress and a matter of argument for possibly 20 years. The published articles, newspaper and trade journal statements, have been prolific. Sincere businessmen, large and small, and capable and truth-seeking lawyers, have given expression to various views down through the years. Extensive hearings in the past have been held before the Committee on the Judiciary and it has always been recognized that a bill of this kind is pregnant with many implications. Naturally the Congress has moved cautiously up to this minute.

There are arguments on both sides of the question and no one is so wise as to speak with finality concerning this most technical subject. In the light of these facts, I protest most sincerely against the method by which the bill is being considered. There are many Members who stated their desire to express their views on this proposal. There are many more Members who have not had the opportunity to study this technical bill and who want to ask questions and receive more information before they are compelled to vote. Yes; there are many Members who want to offer amendments to the bill. Under this strong-arm rule, as I stated above, the 435 Members are given but 40 minutes to debate and then are compelled to vote without even the opportunity of offering a single amendment. It is a question of take it or leave it as is.

This kind of congressional conduct does not make for good legislation. There are times and occasions when this rule serves a good purpose. This fact has been demonstrated by the passage of slightly contested bills this very day. Surely there is adequate time ahead in this session of Congress to bring this bill up in the usual way, and let it stand or fall on its merits.

What I am now saying will be an extension of remarks in the RECORD and not available to the Members before they are compelled to vote. The only advantage of such an extension is that the facts will be before the Senate and our own Members after voting will be able to more fully understand what the effect of this law will be in specific cases affecting, primarily, small-business men and the economic life of small corporations back home. Some of these examples are:

First. A proprietorship, partnership, family owned corporation, or other closely held enterprises could not sell their assets, to any corporation, even though the sale was prompted by a desire to retire from business, to liquidate an estate, or to convert their assets into the stock or assets of another corporation. At the same time, a corporation interested in buying the facilities would be forced to construct new facilities, thus destroying the potential market for the sale of a going concern.

Second. Company "A" is a small family-owned corporation. Its founder and manager dies. The widow wishes to dispose of the business. If it could not be purchased by any existing company in the same type of business, the opportunity to sell would be severely restricted. The business might have to be discontinued, and a willing buyer forced to build duplicating plant and facilities in the same area or community.

Third. Assume that in a certain city there are two small foundries whose total output is negligible in relation to the national output. A merger between these two concerns could be prohibited either as substantially lessening competition between them or tending toward a monopoly in that section of the country.

Fourth. A manufacturer of low-price shoes could not merge with a maker of high-priced shoes because, since either company could decide to add the other line, the effect may be to substantially lessen potential competition between them.

Fifth. A maker of automotive parts could not merge with a maker or supplier of any of his materials since buying out a supplier could deprive his competitors of possible sources of supply and thus tend toward a monopoly. Similarly the maker of parts could not buy out a customer for the same reasons.

Sixth. A maker of electric washing machines buys out a radio manufacturer. Before the merger, the two companies were not competing in any manner. Either could decide to go into the other line, however, and thus compete with the other. This merger could therefore be unlawful since the effect may be to lessen competition.

Seventh. In any one of these instances, the parties might go ahead with the acquisition in the honest conviction that no injury to competition would result. Years later, however, the FTC might disagree and order restoration of the situation existing before the sale or merger. The confusion, hardships, and even losses resulting from such a forced repudiation of contracts is beyond the imagination.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks and give a few illustrations of how this bill may operate.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. GOODWIN. Mr. Speaker, I yield the balance of my time to the gentleman from Tennessee [Mr. JENNINGS].

Mr. JENNINGS. Mr. Speaker, there is no justification nor need for the enactment of H. R. 2734 either on the facts or under the law. The bill we are now considering, if enacted, will amend sections 7 and 11 of what is known as the Clayton Act which was passed by the Congress and approved by the President on October 15, 1914, and which has since been amended and carried into the United States Code, title 15, sections 18 and 21.

By section 7 of the Clayton Act, section 18 of title 15 of the United States Code, it is provided that—

> No corporation engaged in commerce shall acquire, directly or indirectly, the whole or any part of the stock or other share capital of another corporation engaged also in commerce, where the effect of such acquisition may be to substantially lessen competition between the corporation whose stock is so acquired and the corporation making the acquisition, or to restrain such commerce in any section or community, or to tend to create a monopoly of any line of commerce.

This section of the Clayton Act and the United States Code also makes it unlawful for any corporation to acquire, directly or indirectly, the whole or any part of the stock of two or more corporations engaged in commerce where the effect of such acquisition, or the use of such stock by the voting or granting of proxies, or otherwise, may be to substantially lessen competition between such corporations, or any of them, whose stock or other share capital is so acquired, or to restrain such commerce in any section or community, or tend to create a monopoly of any line of commerce.

It is provided that these provisions of the law shall not apply to corporations purchasing such stock solely for investment and not for the purpose of voting same or otherwise using such stock to substantially lessen competition.

H. R. 2734, the bill we are now considering, also makes it unlawful for any corporation, big or little, engaged in commerce to acquire directly or indirectly the whole or any part of the assets of another corporation engaged also in commerce, where in any line of commerce in any section of the country, the effect of such acquisition may be substantially to lessen competition, or to tend to create a monopoly. The proposed act will likewise make it unlawful for any corporation to acquire, directly or indirectly the whole or any part of the assets of any one or more corporations engaged in commerce where the acquisition of such assets may be substantially to lessen competition or to create a monopoly.

It is said by those who favor the enactment of this amendment to the Clayton Act that competing corporations that are engaged in commerce in the same line of business have become cannibalistic. And the charge is made that they are out not only to make money for their stockholders and to manufacture goods for sale to their customers, or to mine coal, iron, and other minerals for their patrons, but that their chief purpose is to kill off, devour, and take over the assets of their competitors, put them out of business, and then through monopolistic practices and the destruction of their competitors increase the cost of their products to the general public.

I do not subscribe to the doctrine that the businessmen of our country are crooks and that those who carry on their

business through the instrumentality of corporations are out to fleece and extort higher and higher prices from their customers.

The authors of this proposed legislation making it unlawful for one corporation to buy all or any part of the assets and property of a competing corporation advance as a foundation and excuse for their proposal to make it unlawful for the owners of a corporation to sell their property to another corporation either for a profit or to prevent their continuing in business at a loss, the fact that within the last 8 years, from 1940 until 1948, 2,062 small corporations have gone out of business or have sold their property and assets to a competing company.

The supporters of this measure are proposing through far-reaching and drastic Federal law to make it impossible for people who have embarked in a mining manufacturing or mercantile business and have put their money into such business and taken the chance and risk of losing it, to sell the property of their company and go out of business.

The 2,062 manufacturing, mining, and mercantile corporations that have gone out of business within the last 8 years either through failure, or through voluntary liquidation, or through the sale of their assets to a competing corporation dwindle to an insignificant and inconsequential number when the fact of their ceasing business is set down alongside the fact that during that same period 100,000 manufacturing, mercantile, and mining corporations have been organized and have gone into business.

The Federal Trade Commission for years has sought the power to forbid the business people of this country the right, when it is to their interest, to sell their corporate property or any part of it.

This proposed act places in the hands of the five members of the Federal Trade Commission the arbitrary power to forbid a corporation to sell its own property to a competitor or to buy from a competitor its property.

In other words, it denies to all corporations the freedom of contract which has always been the very breath and life of corporate enterprise in this country. This power of life and death over the men and women of this country who are doing business through the medium of a corporation is vested in and will be vested in five men, none of whom are necessarily learned in the law and who, under the terms of the Federal Trade Commission Act, are made the accusers, the prosecutors, the judges, the jurors and the executioners of any corporate enterprise that they might conclude has bought from or sold to a competing corporation engaged in commerce the assets of either the purchaser or the seller.

Let us turn to the Federal Trade Commission Act which is carried into the United States Code, title 15, sections 41 to 45, inclusive. By the terms of the Federal Trade Commission Act it is provided that whenever the Commission concludes that it has reason to believe that any corporation has purchased from the stockholders of another corporation engaged in competition with it, or is about to purchase the stock of such corporation, or any part thereof, or if this act we are now considering is passed and becomes the law, that any corporation purchases from another corporation engaged in commerce in competition with it the assets, or any part of the assets of such competing corporation, and that the purchase by it of such shares of stock, or such assets, may substantially lessen competition or tend to create a monopoly, the Federal Trade Commission has the power and it is made its duty to issue and serve upon such corporation a complaint stating its charges and containing a notice of a hearing upon a day and at the place fixed at least 30 days after the serving of such complaint.

Then, if upon the hearing of testimony, the Commission is of the opinion that the corporation is guilty of the charges brought against it, the Commission will issue and have served upon the corporation which it has charged with wrongdoing, an order commanding it to cease and desist from buying either the stock or the assets of a competing corporation and may also issue an order against the persons seeking to sell their stock, or the selling corporation from disposing of its stock by sale.

Should the stockholders or corporation, who have thus been charged, prosecuted, tried, and found guilty and sentenced by the Federal Trade Commission, seek to carry the charges made against it or them into the United States circuit court of appeals, when the corporation thus condemned gets into the said Federal court it will find itself with three strikes against it because the act creating the Federal Trade Commission provides that—

> The findings of the Commission as to the facts, if supported by evidence, shall be conclusive.

In other words, the stockholders who have sought to sell their stock in a corporation which they own and the corporation which seeks to sell its assets, or any part of same, for the benefit of its stockholders, and the corporation which desires to purchase such stock and such assets, after having been prosecuted, tried, convicted, and condemned, and after having perfected their appeal from their condemnation to a United States circuit court of appeals, will find themselves handcuffed to their fate by the Federal Trade Commission's finding of facts which if supported by any evidence, referred to in this act we are considering as "substantial," without a remedy.

The proposed measure is unnecessary and amounts to a denial of that due process of law, that hearing in a court of law, before an impartial tribunal, which is the only protection a citizen of this country has when it is sought to deprive him of his life, liberty, or property.

The fifth amendment to the Constitution provides that "no person shall be deprived of life, liberty, or property without due process of law."

The enactment of the measure we are now considering is unnecessary because under the provisions of the Sherman antitrust law as amended, and under the decisions of the Supreme Court of this country, the Department of Justice of the Federal Government, and the courts of the land, have ample authority and power to restrain, prohibit, and punish every contract, combination in the form of trust or otherwise, or conspiracy, in restraint of trade or commerce among the several States.

I shall not burden this argument with further quotations from the laws against monopolies and practices in restraint of trade.

The Supreme Court of the United States in the 1934 cases of *Arrow-Hart & Hegeman Electric Co.* (291 U. S. 587) did not grant immunity to the violators of the antitrust laws. In the 1930 cases *of Swift & Co.* v. *F. T. C.* and *Thatcher Mfg. Co.* v. *F. T. C.* (272 U. S. 554), it was held:

> The purpose of the [Clayton] act was to prevent continued holding of stock and the peculiar evils incident thereto. If purchase of property [assets] has produced an unlawful status a remedy is provided through the courts.

And we add that it is provided by the express terms of the Sherman Antitrust Act, as amended, passed by the Congress in 1890.

DUPLICATION OF POWER

Recent decisions of the Supreme Court clearly establish an adequate remedy for illegal acts and practices which the Federal Trade Commission claims it wishes to eradicate by the powers it is grasping for under the present act.

In the recent case of *American Tobacco Co.* v. *U. S.* (328 U. S. 781 (1946) the Supreme Court held that economic concentration of any kind which had the power to raise prices or exclude competition could be enjoined, dissolved, or criminally prosecuted, even though its illegal power was never exercised. This interpretation of the Sherman Act makes unnecessary the granting of further powers to the Federal Trade Commission.

The granting of power to the Federal Trade Commission under the proposed act is arbitrary, dangerous, indefinite and uncertain.

Under the provisions of the Sherman Act the person or the corporation that is charged with their violation has his or its day in court. They are not tried and condemned in a kangaroo court. A fair trial is guaranteed. The person or the corporation charged under the Sherman Act is not presumed to be guilty. The Government must make out its case under established rules of testimony by the requisite quantum and degree of proof.

Much is made of the use of the word "substantial" as used in connection with the character of evidence upon which the Federal Trade Commission reaches its findings which are conclusive against the object of its wrath.

What constitutes "substantial" has never been defined by any court of last resort, and the rule of reason of the Sherman Act cases has never been applied in Clayton Act cases.

In the last 8 years, for every one corporation that has gone out of business either through liquidation or sale of its assets to a competitor, 50 new enterprises have gone into business. There is no power existing in this country to require

a legitimate enterprise making reasonable income on its capital stock to sell to a competitor or to anyone else, or to go out of business, unless it wishes to do so.

The great majority of the small business corporations in this country are owned and controlled by a few persons, who are generally the members of one family. As long as the people who own and operate such business concerns are able to do so at a profit, they naturally continue in business. When due to the slackening of trade, or to adverse business conditions, the owners of such business concerns no longer find it profitable to remain in business, the stockholders of the corporation naturally are disposed to sell their assets and cease operations.

This desire to sell the property of a corporation sometimes grows out of the fact that the person who has the know-how, the skill and the ability to conduct the business in a profitable manner dies, and then it becomes desirable for the company to sell its property and go out of business.

In the very nature of things, when the owners and operators of a machine shop or of a furniture factory, or a hosiery mill, desire to sell their property, they seek out and sell it to some company or persons engaged in the same line of business. The operators of a machine shop cannot sell their tools and supplies to people who operate a dry goods store or a jewelry store. A company desiring to sell its assets must sell to someone engaged in the same line of business.

The proposed measure is aimed at the heart of free enterprise in this country. Freedom of initiative, the desire to succeed, the willingness to take a chance, the creative and inventive genius of the American people have built in this land a system of free enterprise that is the envy and admiration of the world.

For the reasons that I have stated, the great majority of the businessmen of this country are opposed to this bill. There are 16,000 members of the National Manufacturers Association. Most of them are little-business men.

The business men and women of this country are alert. They are well informed. They know what is being proposed and what is being done in this Congress. I have not heard from a single one of the thousands of little-business men and women in my district, or in my State, who favor this unnecessary measure.

We now have 4,000,000 people out of work and in many sections of the country business is hanging on the ropes.

This is no time to put more power in the hands of any Federal bureaucrat, unless we wish to follow down the road to further bureaucratic control over the business of the country, and follow in the footsteps of the people of England where free enterprise has been put to death.

Even if the purchase of the assets of one corporation by another corporation continued at the rate at which it has traveled for the past 8 years, that is from 1940 through 1947, it would take over 1,000 years to merge all industrial and mining concerns into one great monopoly envisioned by those who favor this measure.

In my action on this measure I prefer the judgment, the good sense, the success, the good will, and the patriotism of the men and women of this country who are operating our farms, our mines, our factories, means of transportation, and our mercantile establishments to the greed for more and more power of the thousands of bureaucrats here in Washington and throughout the land whose numbers have been constantly multiplying until today they threaten to overwhelm and devour our free economy.

The right to work, to earn, and with those earnings buy property, to own it, to use it, to enjoy it, to invest it, to sell it, and to give it to one's family, is the time-honored badge of free American men and women.

This bill is a dagger aimed at the heart of these rights. I shall, therefore, vote against it.

Mr. CELLER. Mr. Speaker, I yield such time as he may desire to the gentleman from Colorado [Mr. CARROLL].

Mr. CARROLL. Mr. Speaker, for 22 years the Federal Trade Commission has urged that the Clayton Act be made effective by eliminating the loophole which now allows the almost unrestricted use of mergers to increase the concentration of economic power in our economy. Both during the Seventy-ninth and Eightieth Congresses, the House Judiciary Committee approved legislation similar to the bill now before us, and such legislation also was approved by a subcommittee of the Senate Judiciary Committee during the Eightieth Congress. Many hundreds of pages of testimony and documentary evidence showing the need for this type of legislation have been accumulated during a period of years. I need only refer to the monumental study of the growth of monopoly conducted by the temporary National Economic Committee under the able leadership of Senator O'MAHONEY, to the studies made by the House Small Business Committee, to the hearings of the House Judiciary Committee, and to the various reports of the Federal Trade Commission.

Yet, despite the long and impressive record of the need for this type of legislation, this is the first time that a bill on this subject has reached the floor of the House for debate and a vote. We have a historic opportunity today to remedy a major defect which has hampered the operation of our antitrust laws for several decades.

Mr. Speaker, I wish to relate our consideration of H. R. 2734, the bill now before us, to the previous action of the House in passing S. 1008, the so-called basing-point bill, with protective amendments. I believe it is important for the House to understand the relationship between these bills.

In passing S. 1008 with amendments, the House stated in effect that freight absorption is not illegal per se, but that freight absorption cannot be used to violate the antitrust laws. As I understand the bill in the form in which it passed the House, the Government still will be able to act to prevent conspiracies in restraint of trade, unfair methods of competition, and unfair price discrimination. In taking this action, the House has served notice that it does not favor any weakening of our antitrust laws. There now is going on an organized campaign to persuade the House to change this stand, and this question relates closely to the bill now before us. It would be useless for the House to close one loophole in the antitrust law by the passage of H. R. 2734, and then to allow another loophole to be opened up by passage of S. 1008 without the House amendments. As I have stated, the House has made clear by its amendments to S. 1008 that it will resist any attempt to weaken or destroy the Sherman Act, the Federal Trade Commission Act, or the Robinson-Patman Act. Actually, it now is possible to evade the intent of the antitrust laws through the loophole in the Clayton Act which H. R. 2734 is designed to plug.

The inability to prevent one company from acquiring the physical assets of another company obviously has made the Clayton Act ineffective. This loophole has even more far-reaching effects, however, since it makes possible not only the evasion of the Clayton Act, but also the evasion of the Sherman Act and the Robinson-Patman Act.

Let me explain how this occurs. Suppose that the Federal Trade Commission has brought a case against several large companies in a particular industry, charging that they have entered into a conspiracy in restraint of trade. Let us assume that the Commission proves beyond a doubt that these companies have been maintaining an artificially high price for their product through collusion, and that the Commission's contentions are upheld in the courts.

It would seem that in such a clear violation of the antitrust law these companies could be enjoined from continuing their practice of maintaining high prices which injure the consumer. But no—there is a loophole. These firms may merge through the acquisition of physical assets, and after they are merged into one great company, with more economic power and influence than ever, this new company can continue to charge outrageous prices and to eliminate competition through its control of the market. The new company can get away with practices which has been declared in violation of the antitrust law because it has absorbed all of the firms which had entered into the conspiracy—and it is obvious that you cannot conspire with yourself.

It is obvious that so long as mergers cannot be prevented, the growth of monoply and the concentration of economic power will continue.

Mr. Speaker, I am not discussing hypothetical instances. I refer you to the Report of the Federal Trade Commission on the Merger Movement, issued in 1948, in which there is a detailed discussion of how mergers have been used to circumvent the antitrust laws in the steel, cement, white lead, book paper, and other industries. I shall mention only the famous Cement Institute case, which should be familiar to all of the Members

by now. As you know, the Federal Trade Commission issued in 1937 a complaint against nearly all the members of the cement industry, and that the Commission's cease and desist order was upheld by the United States Supreme Court in 1948. During the years in which this case was being adjudicated, mergers took place which substantially increased the degree of concentration in the cement industry. The Federal Trade Commission has commented:

> The action by the Supreme Court in upholding the Commission's order against the cement industry will obviously be nullified insofar as the relationships between the acquired and acquiring firms are concerned, since there will no longer be any occasion for the acquired firms to conspire with their new owners in order to put the basing-point system, or any other pricing system, into effect.

Mr. Speaker, our primary concern in antitrust legislation is the public interest. We know that if there is free competition the public will be protected from unduly high prices and artificial scarcities. We have found that Government regulation is necessary to preserve the freedom of competition. This is no novel theory; after all, the Sherman Act goes back to 1890. Free competition safeguards not only the consuming public; it also encourages small business and the development of new types of business and industry.

Actually, competition protects and aids every element in our population. It keeps prices low and quality high. It allows a man with a new idea to build up a stable and prosperous business. It prevents any individual or firm from assuming excessive power over the economic life of the Nation.

Our problem is to maintain competition. Everyone who has studied this problem knows that competition has been weakened during the past several decades. Actually, we have lost rather than gained ground since the days of the great trust-busting operations. From 1940 through 1947, more than 2,450 independent manufacturing and mining companies went out of existence as a result of mergers. This movement has been especially serious since the end of the war. In industry after industry, three, four, five, or six huge corporations dominate prices, production, and employment.

This movement must be held within bounds. The Government must use its power to preserve the freedom to compete. If this freedom is destroyed, these huge industries may become economic states within the Nation, exercising so much power as to endanger our system of Government. This type of collectivism is as dangerous as any other type, and the Congress has a clear duty to check the further concentration of economic power. We have the opportunity today to make an important step forward in the strengthening of our antitrust laws. I am confident that the House will act in the public interest by passing H. R. 2734 by a large majority.

Mr. CELLER. Mr. Speaker, I yield such time as he may desire to the gentleman from Illinois [Mr. YATES].

Mr. YATES. Mr. Speaker, I am very much in favor of this bill. This bill is long overdue. The purpose of Congress ever since 1890 has been to prevent monopolies. Both parties have made that policy an important part of their platforms. Support for that policy has been almost as basic in American political life as support for the Constitution itself. Ever since 1914 both parties have recognized that it is not enough to strike down monopolies after they have come into existence; that prevention is better than cure; that monopolistic practices must be terminated in their incipiency.

An important part of this preventive action is to avert the lessening of competition which may occur when a corporation acquires control over one or more competitors. A corporation may grow big in several ways. One is to make money and use the profits to expand its operations. When this happens the expansion is an evidence of the concern's success, a result of a kind of vote of confidence which consumers have given the enterprise by trading with it. Another way is to float new security issues in the market and expand with the proceeds. A concern which does this has exposed its prospects to the judgment of investment bankers and investors in competition with other companies which wish to expand. Either of these two ways of expanding may be used by a monopoly; but there is nothing in either of them which creates an inherent probability that competition will be reduced or that the purpose of the expanding corporation is monopolistic.

The third method of expanding, however, is inherently dangerous to competition. It consists in buying out going concerns. A desire to get rid of inconvenient competitors is one of the most probable motives for this type of expansion. And even where the motive does not exist, elimination of one competitor after another and a consequent weakening of competition is the almost inevitable result. When a concern expands by reinvesting profits or floating security issues, nothing in its action prevents others from trying to expand too. When a concern expands by acquiring its competitors, its growth and a reduction of the number and strength of its competitors are two aspects of the same transaction. Hence we do well to look with suspicion upon the buying out of competitors and to give a Government agency the special duty of watching such schemes and stopping them when competition is adversely affected. Yet between 1940 and 1947 manufacturing concerns owning 5½ percent of the assets of all manufacturing corporations disappeared through mergers; and the most common type of case, the Federal Trade Commission has reported, was one in which a large enterprise swallowed up a smaller competitor.

When a monopoly is created by mergers its existence is a violation of the Sherman Act. But a monopoly may not be the result of a single merger. It may grow by accretion, eliminating one competitor after another and increasing its power each time it acquires a competitor's assets. Under section 2 of the Sherman Act we cannot intervene in such a process until the monopoly has been attained or until the purpose to monopolize has become clear. But by this time the acquired competitors are out of business; their properties have been fitted into the operations of the acquiring company; their technology has been blended with that of the acquiring company. The acquiring company has attained a financial strength which enables it to fight an antitrust suit in the courts and before public opinion with many times the men and money the Government can use in trying to dissolve the monopoly. The protection that surrounds property rights has become attached to the monopoly property. The presumption against breaking up a going concern has come to the monopoly's defense. For such reasons this country does not have a record of successes in dissolving monopolistic corporations by Sherman Act proceedings. A few have been dissolved while many more have been born. If we rely on the Sherman Act alone, we shall win some battles, but we shall lose the war.

It is necessary to stop the process of accretion by which monopoly power is attained, and for this reason we must intervene to prevent acquisitions of competitors as soon as competition is injured by the acquisition and long before a Sherman Act proceeding would be justified.

We must also do this for another reason. The greatest danger to competition today is not the growth of single large monopolistic companies in various industries, but the growth of industrial oligarchies in which power over an industry is divided among three or four large concerns. When three or four producers take the places of 20 or 30, the chances are great that price competition will be crippled, that declining markets will be dealt with by restriction of output instead of by price reduction, that the big concerns will adopt a live-and-let-live policy toward each other at the sacrifice of their efficiency and their progress, and that the remaining small competitors will be either bought out or reduced to vassals who meekly follow the large enterprises. We want competition, not business oligarchy. We can't rest on the hope that the courts will interpret the Sherman Act in such a way as to call each of three or four large concerns a monopoly or a combination in restraint of trade. Instead we must prevent the mergers by which these large concerns grow large.

In 1914 Congress thought that such devices for lessening competition had been outlawed; for in the Clayton Act acquisitions of a competitor's stock—the customary way of acquiring control over a competitor at that time—were forbidden where they might have the objectionable effect. But in less than 15 years it became evident that this part of the Clayton Act was a failure. Though the law covered acquisition of a competitor's

stock, it did nothing to prevent acquisition of his assets, no matter what might be the effect upon competition. Thus the only significant effect of the statute was to substitute mergers for stock acquisitions in cases in which competition might be affected. The looser, less permanent method of reducing competition by uniting competitors was forbidden, the tighter, more permanent method remained wide open. The law did not check the monopolistic concentration of economic power; it merely encouraged the use of more effective devices for increasing that concentration.

This hole in the law has reduced the effectiveness of the Sherman Act in coping with conspiracies. In 1899, for example, in the Addyston Pipe & Steel case, the courts condemned a conspiracy among six companies to fix the price of cast iron pipe. Subsequently the defendants merged into what is now the largest manufacturer and distributor of cast iron pressure pipe in the United States. Instead of conspiring in a way which eliminated some of their competition, they got rid of all competition among themselves, and the Clayton Act contained nothing to stop them.

In the years immediately following 1900, the first great wave of industrial consolidation hit this country. The Clayton Act and the Federal Trade Commission Act in 1914 were direct consequences of that wave. In the 1920's, under the Clayton Act and in spite of the policy of section 7 of that act, a second wave of consolidation developed, larger than the first, most of it in the form of mergers which section 7 did not forbid. The Federal Trade Commission applied the remedy we had provided in the law, found it inadequate, and reported the fact to the Congress with a recommendation that the hole in the law be stopped. The Congress did nothing about the recommendation. For 23 successive years the Commission has renewed that recommendation. Children born after the Commission made its first recommendation were old enough to vote in the last election; but still we did not act. Meanwhile the depression of the 1930's put an end to the second wave of industrial consolidation; and since the Second World War a third such wave has developed. During all this period the Congress has never, until today, had an opportunity to vote on a bill to make the policy declared in 1914 really effective. A bill has been reported favorably three times by the Judiciary Committee of the House, twice in sessions of Congress in which there was a Democratic majority and once in a session in which there was a Republican majority, and in the Senate the same bill has been approved once by a subcommittee of the Judiciary Committee. Yet until now we have had no chance to vote on the bill.

We have reiterated our belief in competition; we have condemned monopoly; we have expressed alarm about the drift toward monopoly. But we have not done the single thing needed to enable those who enforce our laws to prevent the monopolistic drift and to preserve the existence of competition. Now we have a chance to do it. Our action on this bill will show whether our support of competition is a seriously intended policy or a mere form of words used for speechmaking purposes.

What is at stake in this bill is nothing less than the future of American free enterprise. Surely none of us doubt that during the 35 years since we enacted the Clayton Act there has been a steady trend toward a greater concentration of economic power. Most of us think this concentration has gone too far already. But even those who look upon our present big enterprises with the greatest complacency cannot doubt that a limit must be set to the further growth of concentration. In 1909 the 200 largest nonbanking corporations owned about one-third of all corporation assets; in 1928 they owned 48 percent; in the early thirties they owned 54 percent. Today they probably own a still larger proportion. If we project the present trends for another 40 years, there will be such a degree of concentration that even the most optimistic cannot expect competition to survive. It is already late to curb this trend; we must not let it grow later. Unless we preserve the competition that still exists we shall soon have no competition to preserve. Big business will have swallowed up little business.

Ever since Karl Marx, Communists have based their belief in the collapse of capitalism upon their prediction that concentration of wealth and power would be carried so far in capitalist countries as to deprive most people of protection from monopoly and to leave them without interest in the survival of private enterprise. European experience has provided that in one respect this prediction is justified—namely, that where competition ceases to be effective, men turn readily to the state for complete protection. If we want totalitarianism to take the place of private enterprise in this country, we can scarcely encourage the process more effectively than by refusing to make our antimonopoly laws effective. The battle of freedom will be lost whenever we are forced to choose between control of economic life by private monopoly and control of it by the state. But the battle can still be won; and a vote for this bill will help win it.

Mr. CELLER. Mr. Speaker, I yield such time as he may desire to the gentleman from South Carolina [Mr. BRYSON].

Mr. BRYSON. Mr. Speaker, as a member of the subcommittee of the Judiciary which has examined the problem of amending sections 7 and 11 of the Clayton Act in order to close the loopholes which have permitted monopolistic mergers, I have heard testimony in the Seventy-ninth Congress, the Eightieth Congress, and in the present Eighty-first Congress as to the merits of the proposed amendment to the Clayton Act. I have consistently supported this bill, and feel that it should be passed by this Congress. My interest in the bill grows out of my ardent belief in a free, competitive American enterprise system. I am opposed to monopoly and the growth of monopoly. I think this bill will go a long way in stemming the present tide toward greater and greater concentration of economic power.

I have a double interest in this matter of monopolistic mergers. In the first place, it is through mergers and acquisitions, that competition is most seriously damaged. It was through mergers and acquisitions that most of the giant corporations of today were created. I feel that the existing concentration of economic power threatens our basic liberties and is detrimental to progress in this country.

My second interest is in the problem of outside control of local enterprises. As a South Carolinian, I find no criticism of outside capital, from the North or from any other area, coming down into our region and constructing new plants and providing employment for our workers. I am opposed, however, to the intervention of outsiders to buy up existing plants which for generations have been owned and operated by Southerners.

I need not go into great detail as to the dangers inherent in such an encroachment on local industry from outside. Let me take the textile industry as an example. In 1945, according to a recent study published by the National Industrial Conference Board—National Industrial Conference Board, Economics of the Cotton Textile Industry, 1946, page 17—there were approximately 17,600,000 spindles in operation in the South. This represented 76.1 percent of the total number of spindles in the entire country. Moreover, it represented an enormous increase in the proportion of the industry located in the South. At the turn of the century there were only 35.7 percent of the spindles located in the South; by 1925 the proportion reached 46.5 percent, and now over three-fourths of the total is within the South. Three Southern States—South Carolina, North Carolina, and Georgia—accounted for 60.6 percent of the total value of the broad woven goods production in 1939; if we may rely upon the number of spindles in place as a proper indication, the importance of these Southern States has increased since that time.

Now, in the early days of the development of the textile industry in the South, the mills were owned by local people, who had a great interest in the development of the community. Let me quote a statement from an authoritative history of the rise of cotton mills in the South, by Broadus Mitchell, of Johns Hopkins University. I quote:

> Nothing stands out more prominently than that the southern mills were conceived and brought into existence by southerners. The impulse was furnished almost exclusively from within the South, against much discouragement from selfish interests in the North, and capital was supplied by the South to the limit of its ability (p. 102).

Lawyers, bankers, farmers, merchants, teachers, preachers, doctors, public officials—any man who stood out among his neighbors, contributed to the development of these mills. Local investors pooled their savings and worked together to develop the mills.

It is true that these locally owned mills from the beginning were under certain pressures from outside interests. For example, they often had to borrow or give stock in their enterprises to machinery manufacturers, in order to foster the construction and expansion of their mills. This left little mark on the form of ownership, however. The large commission houses, located for the most part in the North, also were a source of both long term and working capital for southern mills. The financial dependence of the mills on the commission houses often caused the mills considerable hardship. The manufacture of cotton products continued on a decentralized and competitive basis, particularly in the South, but the selling function was highly concentrated in the hands of a small group of commission merchants. Thus, while the price of cotton goods fluctuated widely, the commission houses' fees remained fixed. In times of stress, when the mill owners found their margins reduced to dangerous levels, they could not seek out new selling agents, because of their financial obligations to their particular selling houses.

This and other difficulties often led the cotton-mill owners to speculate and engage in other practices which were harmful to their long-run interests. However, they did manage to grow and provide employment for local people and develop their local communities. The communities thus represented clear examples of local ownership.

It seems to me there are three important advantages of local ownership, both to the communities involved and to the Nation as a whole.

First. Under local ownership, there is common knowledge and acquaintanceship between workers on the one hand and the mill owners on the other. The families on the side of both labor and management have grown up together in the same town; they have known each other; and they are acquainted with each other's problems. The worker who has a grievance knows who is the actual owner and responsible head of the mill, and he is thus able to bring his grievance to the place of responsibility where action can be taken. Under the outside ownership which has not developed, the actual owner of the mill does not know the workers and they do not know him; he may never even visit the properties to which he holds title; to the workers, ownership is impersonalized, distant, and unapproachable. Obviously, conditions of this type tend to aggravate labor-management difficulties.

Second. Under local ownership, most of the income derived from the operation of the mills remains in the communities in which the mills are located. It is plowed back into those communities in the form of new investments in other factories, shops, and enterprises of one type or another. In other words, under local management the legitimate profits of industry tend to remain at home and promote the well-being of the home town. In contrast, under the new outside ownership, the profits are siphoned off to distant areas, which in the case of the textile industry, usually happens to be New York City—a metropolis which of all communities in the country is least in need of additional supplies of capital. Moreover, large portions of these profits which are drained off to these metropolitan centers are not put to work in the form of new capital investment but are used for such nonproductive purposes as speculation in the stock market, buying useless luxuries, gambling at the race track, paying night-club bills, and engaging in the other frivolities of the cosmopolitan idle rich.

Third. Under local ownership, there are strong social and civic ties that bind the community together. Under outside ownership, these ties are weakened and broken. Merchants and manufacturers do not get together in local organizations for the obvious reason that the owners of the manufacturing firms live elsewhere. Hence the drive for civic improvements of one kind or another generally tends to disappear in towns which have become the victims of outside ownership. If anyone has any doubts on this point, I would like to refer him to a report of the Senate Small Business Committee of the Seventy-ninth Congress entitled "Small Business and Civic Welfare." This study, which was based on a comparison of pairs of comparable big-business and small-business communities—the big-business communities being characterized by outside ownership—came to the following conclusions:

(1) The small-business cities provided for their residents a considerably more balanced economic life than did big-business cities;

(2) The general level of civic welfare was appreciably higher in the small-business cities;

(3) These differences between city life in big- and small-business cities were in the cases studied due largely to differences in industrial organization—that is, specifically to the dominance of big business on the one hand and the prevalence of small business on the other (pp. 1, 2).

Among its findings were the following interesting conclusions:

It was found that the chance that a baby would die within 1 year after birth was considerably greater in big- than in small-business cities; in fact, the chance was almost twice as great in one big-business city than in the comparable small-business city. Public expenditures on libraries (per capita) were 10 times greater and on education (per student) were 20 percent greater in one of the small-business cities studied than in the comparable big-business city; slums were more prevalent—in one case nearly 3 times more prevalent—in big- than in small-business cities (p. 1).

It is through mergers, the problem to which this bill is directed, that so many of the local southern communities have come under the domination of big business—outside northern big business.

Let me cite some figures which were presented before our committee by Mr. Murchison, president of the Cotton Textile Institute. According to Mr. Murchison, during the years 1940 to 1946, inclusive, 164 cotton textile companies engaged in spinning or weaving, or both, changed ownership. These firms owned more than 4,400,000 spindles and more than 88,000 looms or approximately one-fifth of the industry's productive facilities. In other words, in a short period of 7 years, no less than one-fifth of the industry's facilities changed hands as a result of mergers or acquisitions. Such a huge merger movement was bound to affect many southern mills.

Where all this will end, no one knows. But is is interesting to note that so conservative a source as the trade journal Textile World, has stated:

Belief is prevalent that the industry is entering an era of larger mill groups and that consequently fewer men will control the majority of its equipment and its products. Some extremists even forecast that the time is coming when a mere five or six companies will dominate the textile field just as has come to pass in the automobile industry (July 1946, p. 101).

Not only is this growing trend toward outside control of local enterprise damaging to civic welfare, but also it is harmful to the general welfare, as the heads of large concentrated organizations tend to follow the suicidal policy of maintaining prices and cutting production, rather than lowering prices and maintaining production. This is particularly the case in the textile industry, as illustrated by a comment recently made by the textile editor of the Journal of Commerce. I quote:

In the past, most mills have been run with the idea that full production minimized costs and overhead and is more profitable than leaving machinery idle. Mill shutdowns only occurred when production had so exceeded demand that stock lines were filled at every level of distribution, including the mill. * * *

In the postwar years a new policy seemed to be growing among mills and this has borne fruit in the current summer months. This policy was one of quickly curbing output of any item for which a healthy market did not exist. At first this was accomplished by shifting looms from a slow- to quick-moving type of cloth. When the number of desirable types became limited and shifting of looms unprofitable, mills responded by extending vacation periods, cutting down on workweeks, and generally acting to reduce production in less salable items.[1]

In the face of this trend toward more and more mergers which suppress competition, increase the outside control of local enterprise, and cause higher prices and instability of employment, every effort should be made to strengthen our antitrust laws. Foremost among such steps should be the passage of this bill H. R. 2734 to close the loophole in the Clayton Act to prevent monopolistic mergers which substantially lessen competition or tend to create a monopoly.

Mr. CELLER. Mr. Speaker, I yield such time as he may desire to the gentleman from Louisiana [Mr. BOGGS].

Mr. BOGGS of Louisiana. Mr. Speaker, I wish to support H. R. 2734, which is designed to plug the loophole in section 7 of the Clayton Act and enable the Federal Trade Commission to prevent monopolistic mergers, whether effected through the purchase of stock or assets, which substantially lessen competition or tend to create a monopoly.

I believe I can best present my views on this issue in the form of questions and answers.

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[1] Journal of Commerce, August 24, 1948.

First. Question: Will this bill prevent the growth of small firms in order that they may compete more effectively with the giant corporations in their industries?

Answer: It will not have that effect. The bill is aimed at preventing only those mergers which substantially lessen competition or tend to create a monopoly. Obviously, those mergers which enable small companies to compete more effectively with giant corporations generally do not reduce competition, but rather, intensify it. Small business should have nothing to fear and everything to gain from this bill. In this connection, it should be noted that small business organizations which have appeared before the Judiciary Committee on this bill unanimously supported it. None of these organizations opposed it.

Second. Question: Will not the passage of this bill prevent American industry from improving its efficiency?

Answer: In all of the hearings before the House and Senate Judiciary Subcommittees on this bill, going back to 1945, officials of a number of large corporations have been asked specifically whether the recent mergers made by their companies had resulted in increased efficiency. It is rather interesting to note that, universally, these representatives of big business did not know whether efficiency had been increased; they were unable to present any evidence whatever showing that mergers have brought about greater efficiency; and this is not surprising when it is remembered that the Temporary National Economic Committee Monograph No. 13 found that there was no definite relationship between size and efficiency.

Third. Question: If an increase in efficiency is not the purpose behind these acquisitions, why were they made?

Answer: Acquisitions of competing companies take place as a result of many causes.

In the first place, there is the desire to monopolize, to control the market, to eliminate competition. This, of course, is the basic factor which underlies most acquisitions.

Then, too, the large corporations have emerged from the war with immense amounts of funds; as of June 1947 the 78 largest corporations possessed $10,000,000,000 of net working capital, which is sufficient to purchase the assets of nearly 90 percent of the number of all manufacturing corporations. Moreover, this working capital is largely in the highly liquid form of cash and Government securities. In other words, giant corporations are merely putting their money to work by buying up independent companies.

A third reason behind the acquisition drive is the desire of companies with established sales and distribution organizations to round out their lines with additional products.

Fourth, huge corporations, like General Electric, fabricating all kinds of products have been buying out producers of raw materials in order to get hold of critical materials which have been in short supply during most of the prewar period.

Fifth, at the same time producers of raw materials, like United States Steel, have been extending forward into the production of fabricated products in order to secure the higher profit margins of the fabricating industries.

Sixth, some large companies have purchased small firms in order to obtain valuable stocks of commodities. An example of this is the big liquor firms, who have used mergers as a means of obtaining stocks of aged whisky. The Big Four distillers own 75 percent of all the whisky stocks 4 years old and over in the country—enough to prevent any newcomer from entering the business with any chance of success.

Fourth. Question: As a corollary to the last question, why have the small companies sold out?

Answer: In many cases they have been offered very attractive prices by giant corporations. In others, they have been unable to obtain critical materials, supplies, and parts. There have also been threats, intimidations, and unfair practices on the part of large companies.

Let me point to the bakery industry as an example. Extensive studies of the Federal Trade Commission, as well as testimony presented before the House Judiciary Subcommittee, definitely established the fact that the large baking companies do not hesitate to employ the most unethical and unfair practices in order to drive out competitors. They sell bread at prices below cost, use consignment selling, put in all sorts of fancy, unnecessary racks and displays which small bakers cannot afford, in order to force local bakeries out of business. Then, when the local bakeries are eliminated, of course the price goes up.

Fifth. Question: You have mentioned several types of acquisitions which have taken place, can you give us any specific examples?

Answer: Certainly. The largest number of acquisitions have been of the horizontal type, that is, of one company buying out its direct competitors. A good example of this is the acquisition in February 1946 of the Tubese Rayon Corp., which was the eighth largest producer of rayon, by Celanese Corp. of America, which is the third largest producer. Another type of acquisition has been those involving vertical integration. For example, Safeway Stores, Inc., the country's second largest grocery chain, not only absorbed other grocery chains, but has reached back into the manufacturing field and purchased a large number of independent meat packers, a gelatin-dessert manufacturer, a biscuit and cracker manufacturer, a butter plant, and a cheese-processing company. On the other hand, there have been vertical acquisitions which have carried big companies into the field of fabrication and distribution. For example, International Paper Co., world's largest paper producer, bought out its largest customer for kraft board—Agar Manufacturing Co.—and thus expanded into the shipping-container business.

A third avenue of expansion—and this is one of the most detrimental movements to a free enterprise economy—is the conglomerate acquisition. This is the type which carries the activities of giant corporations into all sorts of fields, often completely unrelated to their normal operations. In times such as these, when big corporations have such huge quantities of funds, they are constantly looking around for new kinds of businesses to enter. By this process they build up huge business enterprises which enable them to play one type of business against another in order to drive out competition.

Sixth. Question: Just how extensive has this merger movement been? Has it had any real effect on the economy?

Answer: Between 1940 and 1947 more than 2,500 formerly independent companies in manufacturing and mining disappeared as a result of acquisitions, most of which have taken place since the end of the war. Let me quote from the report of the Federal Trade Commission, The Present Trend of Corporate Mergers and Acquisitions:

> During wartime, there is little incentive for large corporations to acquire small businesses. New facilities which are needed to produce war products are generally supplied by the Government. However, as victory looms in sight, and the elements of competition and control over markets again become important, there occurs a revival of interest in mergers and acquisitions.

Seventh. Question: This figure of 2,500 companies refers to the number of companies bought up. Does it represent any sizable proportion of the economy in terms of productive capacity?

Answer: The assets of the 2,500 companies acquired represent no less than 5.5 percent of the total assets of all manufacturing corporations—a sizable chunk of the economy to be removed from the competitive picture in such a brief period of years.

Eighth. Question: How has the merger movement affected small business?

Answer: The outstanding feature of the movement is the acquisition of small companies by giant corporations. This present merger movement, unlike previous merger movements in our history, does not represent the merging together of big companies. Actually, it is taking the form of giant corporations gobbling up small firms. As proof of that I would like to call your attention again to the figures presented by the Federal Trade Commission. No less than 70 percent of the total number of firms acquired have been absorbed by large corporations, with assets of over $5,000,000. On the other hand, fully 71 percent of the companies bought up have been small firms, with assets of less than $1,000,000. As the FTC report states:

> In short, the figures indicate, conclusively, that the major impetus behind the current merger movement has been the desire of giant corporations to consolidate their wartime gains and to expand the scope of their domination through acquisitions of smaller, independent enterprises.

Ninth. Question: What are some of the industries involved in the recent merger movement?

Answer: The current merger movement has extended throughout most manufacturing industries. The greatest number of acquisitions, according to the Federal Trade Commission, have taken

place in the food, textile and apparel, chemical, nonelectrical machinery, and transportation equipment industries. And a particularly striking feature of the movement is the importance of acquisitions in several of the traditionally small-business industries. More than one-third of the total number of acquisitions took place in only three industries, namely, food, textiles and apparel, and nonelectrical machinery—all predominantly small-business fields. Let me cite three specific examples. The big distillers have bought out virtually all of the whisky-barrel industry. Now, oak barrels are absolutely essential for the aging of spirits and the Big Four have captured the industry so completely that the little distillers are unable to get sufficient cooperage to age their whisky properly, which forces them either to go out of business or to sell their raw spirits to the big companies. Another case is that of the big distillers moving into the winery industry. Within a very short period of time they absorbed nearly one-fourth of the country's wine storage capacity and about 50 percent of all the aging wines. In another field, the giant steel corporations have moved into the small-business field of steel-drum manufacturing, taking over 87 percent of the capacity of that industry. Before the war, production of steel drums was primarily a small business industry with many independent operators. The big steel companies had very little interest in the field—in fact, they controlled less than 10 percent of the capacity. Now the situation is reversed and the big steel companies have nearly nine-tenths of the capacity and the remaining 10 percent is handled by only a few, hardy independents.

Tenth. Question: Why is it necessary to amend this act in order to prevent mergers?

Answer: Congress thought that it had put a halt to mergers way back in 1914 when it passed the Clayton Act. The original purpose of the Clayton Act, as stated by the report of the Senate Committee on the Judiciary on January 22, 1914, was "to arrest the creation of trusts, conspiracies, and monopolies in their incipiency." In other words, "to nip monopoly in the bud." However, it was not long before smart corporation lawyers found a loophole in the law. The law gave the Federal Trade Commission the power to prohibit the acquisition of stock of competing companies where the result would be to substantially lessen competition or create a monopoly, but it said nothing about assets. The reason for the existence of this loophole lay in the fact that most of the mergers that had taken place before 1914 were made by acquisition of stock. In fact, Justice Stone, in his dissenting opinion in the Arrow-Hart and Hegeman case, clearly indicated that the reason that Congress took action to prevent acquisitions of stock was simply that it was the prevailing method. He said that corporate mergers were commonly effected through stock acquisitions, that "only in rare instances" would a merger be successful without advance acquisition of working stock control, that such control was "the normal first step toward consolidation," that it was by that process that most consolidations had been brought about, that this was the first and usual step and that the statute therefore reached the evil of corporate mergers in its most usual form by forbidding the first step. In the early twenties, however, corporation lawyers discovered that, by buying up the assets and not the stock, the provisions of the Clayton Act could be evaded. This practice has continued to this day, with the result that the statute is now a dead letter.

Eleventh. Question: Why do you say it is a dead letter? Cannot the Federal Trade Commission prevent stock purchases of competing companies?

Answer: Yes, theoretically it possesses the power. But whenever it tries to prevent one firm from buying up another through the purchase of stock, it finds that the acquiring company then buys up the assets and thus removes the case from the jurisdiction of the Commission. This is what is known as the switch—from stock to assets. In this connection I would like to cite the recent case where the Commission proceeded against P. Ballantine & Sons, a large brewery, which had brought up the stock of a competing firm in Newark, N. J. While hearings were actually being held in 1945, the counsel for P. Ballantine & Sons walked in and announced that his firm had just bought up the assets of the company. As a consequence, the Commission had to dismiss its complaint. In an even more recent case, the Commission tried to prevent the Consolidated Grocers Corp. from buying up competing corporations. The Consolidated Grocers Corp. had become by 1945 the largest wholesale grocery in the country with annual sales of $100,000,000. It occupied a dominant position in the wholesale grocery trade in numerous important trade areas including Chicago, Baltimore, and other large cities. While the case was being tried, Consolidated Grocers took title to the assets and thus removed the case from the jurisdiction of the Commission. In other words, whenever the Commission, under section 7 of the Clayton Act, moves against a company which buys up the stock of a competing firm, the acquiring firm then proceeds to buy up the assets, and the Commission is powerless to act. Because of this situation, the antitrust laws concerning mergers have become largely a dead letter. The Commission itself has stated in its report:

> In other words, when the Commission tries to prevent acquisitions which take the form of purchases of stock, it usually finds that it is chasing a vanishing will-o'-the-wisp.

Twelfth. Question: Has the plugging of this loophole been recommended previously?

Answer: Indeed it has. Since 1927 the Federal Trade Commission has been recommending that Congress take action which would make the law effective. The Temporary National Economic Committee, after an exhaustive study of the problem, made the following recommendation:

> We propose that the Federal Trade Commission be given authority to be fixed by Congress to forbid the acquisition of the assets and property of competing corporations of over a certain size unless it be made to appear that the purpose and apparent effect of such consolidation would be desirable. The authority given would, of course, relate to capital assets of competitors and not to inventory or stock in trade.

Then, in 1945, companion bills, designed to accomplish this objective were introduced by Senator O'MAHONEY and Senator—then Representative—KEFAUVER. After examining hundreds of mergers in specific industries and issuing a 373-page volume of hearings, the House Judiciary Committee of the Seventy-ninth Congress reported the bill out favorably on March 26, 1945. The bill was referred to the Rules Committee, but unfortunately did not reach the floor of the House during the Seventy-ninth Congress.

Then in the Eightieth Congress, after issuing a 551-page volume of hearings, the House Judiciary Committee again, on June 17, 1947, reported the bill out favorably. And again it failed to reach the floor.

Now in the Eighty-first Congress, the House Judiciary Committee, after issuing a 147-page volume of hearings, for the third time, on August 4, 1949, reported the bill out favorably.

In addition, the President has specifically urged the Congress to pass legislation which would plug up this loophole. In his Economic Report to Congress dated January 8, 1947, the President stated:

> Among the steps to be taken is the extension of section 7 of the Clayton Act to prohibit mergers by the acquisition of assets, as well as by the acquisition of stock control.

Thirteenth. Question: Why should the amendment of the Clayton Act be passed today?

Answer: There has been a growing trend toward economic concentration in the United States during the past half century which has reached the stage at which it constitutes a vital threat to the American way of life. Let me cite some figures prepared by Berle and Means and the National Resources Committee. In 1909 the 200 largest nonfinancial organizations in the United States owned one-third of the assets of all nonfinancial corporations. By 1929 they controlled 48 percent, and their control had risen to 55 percent in the middle thirties. During the war which has just been concluded, the giant corporations increased their economic power enormously. For example, the 100 largest corporations received 75 percent of the war contracts. They operated half of all the new private facilities constructed during the war and three-fourths of all the Government-owned facilities. Moreover, only 68 giant corporations received two-thirds of all the funds for scientific research and development. Through control of production improvements, scientific research, advertising, and the enormous profits which these giant corporations secured during the war, they are in a strategic position to increase their economic power now. A new merger movement, superimposed upon the wartime increases in concentration, is bringing monopoly to

an all-time high. That is the reason why it is so important to halt the trend toward monopoly today. If we do not stop it now, we may as well forget our democratic traditions and our free-enterprise system, because neither can survive under private monopoly. Private monopoly inevitably culminates in some form of Government-controlled collectivism.

Mr. CELLER. Mr. Speaker, I yield the remainder of my time to the gentleman from Texas [Mr. PATMAN].

ANTIMERGER BILL

Mr. PATMAN. Mr. Speaker, I am in favor of H. R. 2734—strongly in favor of it.

There is nothing radical in this bill, nothing drastic. The bill simply fills up a necessary gap in the present law, as construed by the courts.

Under the present law, corporations merged by acquiring stock are subject to certain antimonopoly restrictions.

But if they merge by acquiring physical assets, they are not subject to these antimonopoly restrictions. The curious distinction is due to a Supreme Court decision rendered way back in 1926.

What this bill does is to put all corporate mergers on the same footing—whether the result of the acquisition of stock or the acquisition of physical assets. The antimonopoly restrictions would apply to both types of mergers—not only one type.

Now, as I said before, the distinction limiting the present law to mergers by acquiring stock goes back to 1926.

For over 20 years, the door has been open. Merger has been on the march. Monopoly, or oligopoly, has become entrenched as the statistics show only too well.

The effect of this bill may be much like locking the barn door after the horse has been stolen. It does not apply to existing mergers, which in the meantime have escaped the restraints by the Congress many years ago.

That is another subject which may require further legislation. Existing entrenched bigness is a threat to free enterprise in this country. I am not saying that existing bigness is an evil in itself, but it is a threat. However, as I said before, this bill does not apply to this problem.

This bill does apply to future mergers, to mergers which may be accomplished or sought to be accomplished from now on. To this extent the bill is a good bill, and altogether salutary. It may be a late hour to lock the barn door, but you may be sure that all the horses are not stolen yet.

I understand that this bill, in past versions, has never before gotten to the floor of this House. I congratulate my distinguished colleague, the gentleman from New York [Mr. CELLER] for getting it on the floor today under suspension of rules. I sincerely hope that the bill passes—passes now.

There have been somewhat disingenuous suggestions circulated about that this bill does a disserve to small business, that the bill will prevent mergers of small businesses to meet the competition of big corporations, and so forth.

These false objections do not come from small business itself. They come from the representatives of big business, or from phoney small-business fronts financed by big business. The House Small Business Committee is greatly interested in these phoney small-business fronts.

Let me say to you once and for all: Small business is antimonopoly-minded—hook, line, and sinker. Several small-business associations testified vigorously in favor of this bill. None opposed it. The fact is that small-business corporations never had any trouble whatever with the Federal Trade Commission in connection with stock mergers. It is difficult to see, therefore, how they will have any trouble in connection with mergers accomplished by the acquisition of physical assets. Furthermore, the language of the present bill is carefully drafted so that the prohibition applies only where the effect is to substantially lessen competition and where the effect is experienced in the particular line of commerce and not merely as between the merged corporations.

I am in close touch with national associations throughout the country which believe in small business and are 100 percent for this bill. These are not small-business associations only. They represent organized labor, organized farmers, organized small business, and cooperatives. I have their assurances of support for this bill because of its benefits to small business and to free enterprise in all phases of American economic life.

Merger must be stopped now, or else the big corporations will become so big that there will be nothing left to do except for the Government to take them over—socialism in the United States, as in Great Britain, where they never have had our antimonopoly laws. This is the very thing we all are trying to avoid.

H. R. 2734 must be passed.

Permission having been granted, I am inserting a history of this proposal. It is as follows:

HISTORY OF PROPOSALS TO AMEND SECTION 7 OF THE CLAYTON ACT

Since 1927 the Federal Trade Commission has repeatedly called attention to the loophole in section 7 of the Clayton Act.

The annual report of the Commission for the fiscal year ended June 30, 1927, called attention to the fact that the Supreme Court's decisions in the Western Meat Co., Swift & Co., and Thatcher Manufacturing Co. cases, had practically nullified and destroyed the effectiveness of section 7 of the Clayton Act to accomplish the purpose intended by Congress of preventing mergers and acquisitions of competing corporations in industry and commerce.

Specifically, in the 1927 annual report the Commission discussed, on pages 14 and 15, the effect of the Supreme Court's decisions in the above-mentioned three cases, which had been argued together and had been decided in 1926.

In each of the three cases the respondent corporation had illegally acquired the capital stock of a competing corporation and had then used the voting power so illegally acquired to cause the illegally controlled corporation to sell its assets to the illegally controlling corporation. In the cases against Swift & Co. and Thatcher Manufacturing Co., this use of illegally acquired voting power to acquire direct title to the assets of the former competitor had been completed before filing of the Commission's complaints in the case, whereas in the Western Meat Co. case, the acquisition of direct title to the competitor's assets had not been completed at the time of entry of the Commission's final order. The Commission's orders to Swift & Co. and to Thatcher Manufacturing Co. to divest themselves of the assets so acquired had been upheld by the Circuit Court of Appeals for the Seventh and Third Circuits respectively; and in the Western Meat Co. case, the Circuit Court of Appeals for the Ninth Circuit had originally sustained the Commission's order, but upon rehearing had modified its decision so as to permit Western Meat Co. to acquire direct title to the assets of its competitor through use of the stock so illegally acquired.

The Supreme Court affirmed the original order of the Commission in the Western Meat Co. case, including the Commission's prohibition of acquisition of the competitor's physical assets through ownership of the illegally acquired stock, the Court stating that "the purpose which the lawmakers entertained might be wholly defeated if the stock could be further used for securing the competitor's property." In the other two cases, however, the Supreme Court, by a 5-to-4 vote, set aside the Commission's orders on the ground that the statute conferred upon the Commission no authority to order a dispossession of physical assets even though the assets had been obtained as a result of the illegal acquisition of stock.

After reciting these facts, the Commission went on to say:

> The net result is that a corporation may purchase the stock of a competitor in violation of section 7, and if it can vote the stock illegally acquired so as to complete the acquisition of the physical assets of the corporation before the Commission files proceedings, then the situation is beyond the corrective power of the Commission. There is usually a substantial lapse of time between the Commission's preliminary inquiry and its issuance of a formal complaint, within which offending corporations may take steps to acquire the physical assets of companies whose stock they have previously acquired in violation of law. So far as the Commission is concerned, it as a question whether the effectiveness of the act to fulfill the purpose of Congress has not been materially lessened by these decisions.

The Commission's annual report for 1928 again, page 18, states the difficulties encountered in administration of section 7 of the Clayton Act as a result of the aforesaid and other decisions by the Supreme Court; and it reiterates verbatim its previous statement about the effectiveness of the act to accomplish the purpose of Congress being materially lessened by these decisions. It then goes on to say:

> Since these decisions there have been noted a number of cases where the jurisdiction of the Commission has been defeated by

the corporation having acquired the capital stock of another company, and then converting the assets of the acquired company either before the preliminary inquiry was completed or before the question as to whether the facts warranted action under section 7 had been considered.

The annual report for 1929—pages 59 and 60—repeats the statements made in the 1928 report practically verbatim and then goes on to say that of the 196 acquisition and merger matters disposed of during the year, "50 percent involved acquisitions of assets, so did not fall within the provisions of the act."

The Commission's annual report for 1930—pages 50 and 51—again discusses the difficulty of effective enforcement of section 7 of the Clayton Act as a result of the decisions by the Supreme Court in the aforementioned cases and others which—decisions—states the report, "have limited and in a large measure nullified the application of the act."

The Clayton Act, as construed by the courts—

Says the report, page 50—

applies only to the acquisition of stock and not assets. Because of the court's interpretation, it is possible for a corporation to substantially lessen or wholly eliminate competition between itself and its competitor or between two or more competing corporations engaged in commerce through acquisition of assets. Acquisition of assets, therefore, is now the usual procedure in effecting acquisitions, consolidations and mergers.

Thus the Commission called the attention of Congress to the fact that the purpose of section 7 of the Clayton Act to prevent the growth of monopoly through consolidation of competing enterprises was being defeated not only through the effects of the Supreme Court's decisions in those cases in which the first step in consolidation was acquisition of stock control of competitors but also through direct purchase by one competitor of the assets of other competitors without first purchasing stock control.

With the intensification of the industrial depression during 1931 and 1932 and only partial easing thereof during 1933 and 1934, the number of matters involving acquisitions, consolidations, and mergers fell off to such an extent that possibly the problem did not seem so pressing. In general, during these years the Commission merely continued to repeat the same type of recommendations that it had advanced in previous years.

With the upturn in economic activity in 1935—and a subsequent increase in merger activity—and with the broadening of the loophole in the *Arrow-Heart Hegeman case* (291 U. S. 587, 599, 608) the Commission made a vigorous recommendation for congressional action to close the loophole in the law, stating:

Section 7 now prohibits acquisition by one corporation engaged in commerce of stock of a competing corporation so engaged where the effect may be to substantially lessen competition between such corporations. If the section is to accomplish the general purpose of preventing monopoly, it should be amended to prohibit acquisition of assets, not only indirectly through use of stock unlawfully acquired but also direct acquisition of assets independently of stock acquisition. The Commission therefore recommends that both the direct and indirect acquisition of assets be prohibited where the effects are the same as those already prohibited by the section. Such amendments would also call for an amendment of section 11 to make the procedural remedy as broad as the things prohibited (p. 16).

From 1935 on, the substance of the recommendation has been included in the Commission's annual reports.

The legislative history of bills designed to amend section 7 of the Clayton Act may be briefly summarized as follows:

From 1945 through 1948 companion bills designed to close the loophole in the law were regularly introduced in the Senate and the House of Representatives by Senator JOSEPH C. O'MAHONEY and Senator—then Representative—ESTES KEFAUVER; twice, that is, in both the Seventy-ninth—Democratic—and the Eightieth—Republican—Congresses, the House bill was approved by a subcommittee of the House Judiciary Committee; twice it was approved by the full House Judiciary Committee; and twice it failed to emerge from the House Rules Committee. On the Senate side the bill was approved in the Eightieth Congress on May 17, 1948, by a subcommittee of the Senate Judiciary Committee, headed by Senator WILLIAM LANGER. But, like the House bill, the Senate bill never reached the floor for debate.

In the Eighty-first Congress bills designed to amend the law were introduced on the Senate side by Senator O'MAHONEY, for himself and Senator KEFAUVER; and on the House side by Representatives CELLER and HOBBS. Hearings have been held on the bill before Subcommittee No. 3 on the House Judiciary Committee, and the subcommittee has reported out the bill. It was reported out by the full House Judiciary Committee and it is now the bill H. R. 2734 before us for consideration.

On the Senate side hearings have not as yet been held on the bill nor has a subcommittee of the Senate Judiciary Committee been appointed or designated to hold such hearings.

The body of evidence which has been presented to Congress in support of the bill is voluminous. Principal items in this body of evidence which have been presented to Congress since the end of World War II may be listed as follows:

First. A general report by the Federal Trade Commission issued in 1948, entitled "The Merger Movement: A Summary Report."

Second. A report by the Commission in 1947 entitled "The Present Trend of Corporate Mergers and Acquisitions."

Third. A printed volume of hearings before the subcommittee of the House Judiciary Committee of the Eightieth Congress—Eightieth Congress, first session, hearings on H. R. 515, to amend sections 7 and 11 of the Clayton Act.

Fourth. A printed volume of hearings before the subcommittee of the House Judiciary Committee of the Seventy-ninth Congress—Seventy-ninth Congress, first session, hearings on H. R. 2357, to amend sections 7 and 11 of the Clayton Act.

Fifth. Approximately 700 typewritten pages of transcript of hearings before the subcommittee of the Senate Judiciary Committee of the Eightieth Congress.

Sixth. A printed report of the House Judiciary Committee of the Eightieth Congress, approving the bill—Eightieth Congress, first session, Report No. 596, to accompany H. R. 3736, June 17, 1947.

Seventh. A similar printed report of the House Judiciary Committee of the Seventy-ninth Congress—Seventy-ninth Congress, second session, Report No. 1820, to accompany H. R. 5535, March 26, 1946.

Eighth. Other information consisting of material presented before the Temporary National Economic Committee in the form of printed hearings and monographs as well as other printed reports of the Federal Trade Commission, going back nearly one quarter of a century.

Mr. EVINS. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Tennessee.

Mr. EVINS. May I ask if this specific recommendation has not been made in the annual reports of the Department of Justice and the Federal Trade Commission since the year 1937, if the TNEC antimonopoly committee did not also make a similar report, and if the President in his last economic report did not make a similar recommendation that this legislation be adopted?

Mr. PATMAN. Also, the Small Business Committee during the Seventy-ninth Congress, the Eightieth Congress, and the Eighty-first Congress recommended it, because it is a bad loophole in the antitrust law and should be plugged. A noose is needed instead of a loophole.

Mr. EVINS. Mr. Speaker, I desire to commend the decision of the House Judiciary Committee and the majority members of the committee for their efforts in bringing this bill before the House for action.

This bill, H. R. 2734, embraces the recommendations of the Federal Trade Commission and the Department of Justice to strengthen our antitrust laws—particularly sections 7 and 11 of the Clayton Act. The annual report of the Federal Trade Commission has contained such a recommendation annually since 1937. In addition, at various times, the Antitrust Division of the Department of Justice has recommended the amendment of the Clayton Antitrust Act in the specific regard as is proposed for amendment in the pending bill. President Truman in his special economic report has also made a similar recommendation and, in addition, the Temporary National Economic Committee—the so-called TNEC Anti-Monopoly Committee—recommended in its report, following exhaustive study of antitrust laws, that the Federal Trade Commission be given the power and authority to prevent the acquisition of stock and physical assets of competing corporations through merger where the effect of such acquisition may be to substantially lessen competition and create a monopoly.

I am supporting this bill and hope the measure will pass. I do so for the reason that I feel our antitrust laws should be

strengthened and not weakened. Contrary to the opinion as expressed by statements made by several Members on the floor here today, this bill does not prohibit the merger of two small concerns or competing companies or enterprises. The measure only prohibits those mergers through the acquisition of capital stock and physical assets where the effect of such merger "may be to substantially lessen competition" or create a monopoly. The inhibitions contained in the act are limited to these specific types of cases.

Mr. Speaker, this matter as indicated has been recommended over a period of years. It has been given thorough and exhaustible consideration by the executive branch of the Government, special committees of Congress, and the Judiciary Committee of the House.

It seem to me that unless we block the loopholes in the Clayton Act that we cannot expect effective enforcement of the statute and that there will be a continuation of the many pressures that have been exerted on small business during the recent years of critical shortages. The welfare of small business will be protected by the passage of this legislation.

Reports of the Federal Trade Commission and the Temporary National Economic Committee and Senate Special Committee of the Eightieth Congress To Study Problems of American Small Business all show that big business, especially the large steel corporations, have been channeling sources of supply into their own integrated companies and that small business concerns have been denied available sources of steel supply. This same situation has been shown to exist in other industries. Such concerns have been buying up and acquiring capital stock and physical properties of competing companies and establishing vertical sources of distribution, and the effect of this bill is to prohibit such mergers and acquisitions where the effect of such results in a substantial lessening of competition. This bill would plug existing loopholes and prohibit acquisition of capital stock under the circumstances enumerated.

It seems to me that those of my colleagues who are genuinely interested in small business in our country will support this legislation.

Mr. CELLER. Mr. Speaker, I ask unanimous consent that all Members desiring to do so may extend their remarks at this point in the RECORD on the pending measure.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mrs. DOUGLAS. Mr. Speaker, under permission requested by the gentleman from New York [Mr. CELLER], I wish to include at this point in the RECORD the following remarks:

Mr. Speaker, the bill before us today would amend section 7 of the Clayton Act in order to prevent monopolistic mergers.

What was the basic purpose of the act when it was passed in 1914? I wish to quote from the report accompanying the Clayton Act, issued by the Committee of the Judiciary of the United States Senate, dated July 22, 1914:

> Broadly stated, the bill, in its treatment of unlawful restraints and monopolies, seeks to prohibit and make unlawful certain trade practices which, as a rule, singly and in themselves, are not covered by the act of July 2, 1890 (the Sherman Act) or other existing antitrust acts and thus, by making these practices illegal, to arrest the creation of trusts, conspiracies, and monopolies in their incipiency and before consummation.

Has this purpose been achieved? It has not. That is why this bill is before us today. That is why the Federal Trade Commission has been recommending a bill of this type for almost a quarter of a century.

For my part, I feel that this bill should have been passed long ago. But, unfortunately, although many efforts have been made to make this basic law effective, none of them have been successful.

Mr. Speaker, on two previous occasions, that is in both the Seventy-ninth and Eightieth Congresses, the Judiciary Committee of the House voted this bill out favorably and on both occasions, the bill was killed in the Rules Committee. I believe that it is because of this record of the Rules Committee in consistently killing this legislation, that we are now confronted with the unusual step of taking the bill up under the suspension of the rules.

But to return to my basic question. Has the intent and purpose of the Clayton Act which, I repeat, was "to arrest the creation of trusts, conspiracies, and monopolies in their incipiency," been accomplished?

What are the facts?

Although comparable postwar data are not as yet available, the National Resources Committee found that while the 200 largest nonbanking corporations owned about one-third of all corporation assets in 1909, by 1928 they owned 48 percent of the total, and by the early thirties the proportion had increased to 54 percent. This long-term trend is confirmed by another series prepared by an analyst of Moody's Investment Service, which shows that 316 large manufacturing corporations increased their proportion of the total working capital of all manufacturing corporations from 35 percent in 1926 to 47 percent in 1938.

This long-term rise in concentration is due in considerable part to the external expansion of business through mergers, acquisitions, and consolidations. Thus, in the case of the steel industry, mergers and acquisitions of other companies accounted for one-third of the long-term growth 1915–45 of the Bethlehem Steel Corp.; and two-thirds of the growth of Republic Steel. And in the case of the industry's largest firm, the original formation of the United States Steel Corp., represented the greatest consolidation in history, with more than 170 formerly independent concerns having been brought together at one fell swoop.

Thus, largely due to these mergers, we are today confronted with a situation in the steel industry in which the top three companies—United States Steel, Bethlehem Steel, and Republic Steel—account for approximately 60 percent of the Nation's basic steel capacity. The United States Steel Corp., alone, as of January 1, 1945, owned 57 percent of the Nation's total steel capacity for making rails; 53 percent of the capacity for making sheared and universal plates; 43 percent of the capacity for structural shapes; 42 percent for wire nails and staples; 41 percent for steamless pipe and tubes; 40 percent for reinforcing bars; 40 percent for barbed wire, and similar high percentages for most of the other important steel products.

Much the same situation is true of the copper industry, in which no less than 70 percent of the long-term growth—1915–45—of the three largest companies, Anaconda, Kennecott and Phelps-Dodge has been due to external expansion through acquisitions and mergers.

Here also, largely due to these mergers, these three companies dominate the industry. They control the mining fields almost exclusively. American Smelting and Refining, originally organized to consolidate domestic lead smelters, is the leading copper refiner—with 37 percent of electrolytic capacity—followed by Anaconda—29 percent of capacity—and Phelps-Dodge—22 percent of capacity. Kennecott, the largest copper-mining company in the country, has no electrolytic refineries but is closely associated with American Smelting and Refining through the Guggenheim interests.

Then there are the closely related fields of lead and zinc. The country's largest producer of lead, St. Joseph Lead, accounted for about one-quarter of the domestically produced lead in the 1920's, but increased its proportion to about 40 percent of the total in 1944. New Jersey Zinc is by far the largest producer of zinc and occupies a position in the industry roughly similar to that of St. Joseph Lead in the mining of lead.

In a field of great interest to the housewife, electric appliances, in 1940–41, the latest period for which information is available, General Electric Co., with its subsidiaries and affiliates, was the largest producer of domestic vacuum cleaners, with 21 percent of the total production; the largest producer of electric flatirons, with 22 percent; the largest producer of domestic washing machines, with 13 percent; and the largest producer of electric ranges, with 39 percent.

Then there is the field of agricultural machinery, which is, of course, a matter of vital importance to the farmer. The largest three companies—International Harvester, Deere, and Allis-Chalmers—together accounted for 65 percent, and the Big Six for 80 percent, of the business in 1940, distributed as follows:

	Percent of total sales
International Harvester Co	37.3
Deere & Co	18.8
Allis-Chalmers Manufacturing Co	11.1
J. I. Case Co	5.4
Oliver Farm Equipment Co	4.3
Minneapolis-Moline Implement Co	3.5

The important field of chemicals is also highly concentrated, with the production of industrial chemicals being centralized

in the hands of three giant concerns: E. I. du Pont de Nemours, Allied Chemical & Dye, and Union Carbide and Carbon. When examined from the point of view of individual products, the degree of concentration in industrial chemicals is little short of extraordinary. Thus, in 1945, out of 238 general chemical products surveyed, in the case of 102 the entire output was accounted for by 4, or fewer, companies. Of the 136 products made by more than 4 firms, nearly three-fourths were produced under conditions where 4 companies accounted for 70 percent or more of their entire production.

Besides the industrial basic chemicals the chemical industry includes such consumer products as soaps and drugs. In soap production the leading firms include such old-line establishments as Procter & Gamble, Colgate-Palmolive-Peet Co., and Lever Bros., the American subsidiary of the British firm of Lever Bros. and Unilever, Ltd. The three largest producers of soap products before the war were reported to control about 80 percent of the business, divided approximately as follows:

	Percent
Procter & Gamble	40
Lever Bros	20
Colgate-Palmolive-Peet Co	20

Like most branches of the chemicals industry, the manufacture of drugs, medicines, and related products is highly concentrated, most of the leading corporations having gained their positions through mergers and acquisitions, frequently maintaining their status through cartels, patent and trade-mark agreements. Five of the Nation's 11 largest drug corporations—Rexall Drug, Inc., Bristol-Myers Co., American Home Products, Sterling Drug, Inc., and Vick Chemical Co.—stem from the so-called Sterling group. In 1943, these 5 companies together accounted for 29 percent of the total sales in the drug industry.

If you drive an automobile, you are, of course, interested in the rubber tire industry. In this field, Goodyear, Firestone, United States Rubber, and Goodrich together, have for several years accounted for over 90 percent of the total assets of rubber tire companies. By virtue of long-standing arrangements with the large automobile producers, the Big Four completely dominate the sale of tires and tubes for use as original equipment. It is a well-known fact, for example, that Goodyear sells mainly to Chrysler; Firestone is the chief supplier of Ford; and General Motors is United States Rubber's best customer. Significantly, the Du Ponts are the principal owners of both General Motors and United States Rubber. Replacement tire sales, while more widely distributed, still are dominated by the Big Four.

Even cigarettes are a product of monopoly. The tobacco industry has had a long and lurid history of monopoly and concentration. The old American Tobacco trust, a product of the great combination movement of the 1890's was dissolved in 1911, at which time it controlled 76 percent of the smoking tobacco, 80 percent of the fine-cut tobacco, 85 percent of the plug tobacco, and 96 percent of the snuff. Despite this dissolution, the constituent parts of the old American Tobacco trust still maintain a substantial degree of control.

In its recent decision against the American Tobacco companies, the Supreme Court found the big tobacco companies have, for example, continued to conspire "to fix and control prices and other material conditions relating to the purchase of raw material in the form of leaf tobacco for use in the manufacture of cigarettes." In 1939 the Big Three—American Tobacco, Liggett & Myers Tobacco Co., and R. J. Reynolds Tobacco Co.—produced 68 percent of all domestic cigarettes, 63 percent of all smoking tobacco and 44 percent of all chewing tobacco. By 1947, the predominance of these companies in cigarette manufacture had risen to a point where they accounted for no less than 82.5 percent of the output.

And so it goes. Industry after industry has in effect been taken over by the Big Three, the Big Four, the Big Six, or sometimes by simply the leader. The extent of corporate concentration in American industry is little short of staggering.

Mr. Speaker, today we must recognize that these monopolies are becoming stronger and stronger and the principal means by which they are increasing their power over the country is through the practice which this act is designed to prevent, namely, the buying up of smaller independent companies. Big business is steadily growing bigger through the simple process of swallowing up its competitors, its customers, its suppliers, as well as companies in entirely unrelated fields.

During the current period, 1940–47, more than 2,500 formerly independent manufacturing and mining companies have disappeared as a result of mergers and acquisitions. It should be emphasized that this is a minimum estimate since it is based upon a sample drawn principally from reports of acquisitions of the larger corporations, as published in the leading financial manuals. The asset value of these 2,450 firms amount to $5,200,000,000, or roughly 5.5 percent of the total of all manufacturing corporations in the country during the wartime year of 1943.

Most of the acquisitions in the current movement have taken place during the last 3 years. In this respect the present trend has closely followed the pattern established after World War I. Immediately at the end of both wars merger activity increased sharply. The post World War I movement extended through 1919, 1920, and the early part of 1921, until it was interrupted by the postwar depression. Again in the middle twenties when prosperous conditions had returned, the trend took on new force, reaching all-time heights in 1928 and 1929. In much the same manner, merger activity turned sharply upward with the end of World War II and has continued at a relatively high level.

In appraising the over-all effect of mergers on economic concentration, it must be constantly borne in mind that mergers tend to become cumulative over a period of time. In other words, each year's mergers are superimposed upon a structure of economic concentration which has been built up over many past years.

The prewar levels of concentration on which this current merger movement is being superimposed were carefully measured by the Temporary National Economic Committee which found that there was a better than three-to-one chance that if an individual product were picked at random, it would be discovered that only four producers turned out half of the Nation's production of that item. The chances were one-to-one that the Big Four turned out more than 75 percent of the product, and one-to-two that they turned out 85 percent or more.

Mr. Speaker, the current merger movement has been particularly dangerous in that it has consisted, by and large, of the purchase of small companies by large firms. Here I wish to stress the fact that the mergers which have taken place in recent years have not consisted of the combining together of small companies in order to more effectively compete against their major competitors. Rather, the statistics conclusively demonstrate that the movement has been of big firms swallowing little ones.

Thus, nearly one-third (30 percent) of the companies merged since 1940 have been absorbed by corporations with assets exceeding $50,000,000. Another 40 percent of the total have been taken over by corporations with assets ranging from $5,000,000 to $49,000,000. Hence, more than 70 percent of the total number of firms acquired during this period have been absorbed by larger corporations with assets of over $5,000,000.

The other half of this picture of large corporations taking over small firms, shows that fully 93 percent of all the firms bought out since 1940 held assets of less than $5,000,000, and 71 percent had less than $1,000,000 of assets.

The evidence thus points clearly to the conclusion that as the outstanding characteristic of the current merger movement has been the absorption of small, independent enterprises by larger concerns.

Mr. Speaker, we can hold back this rising tide of monopoly by passing this bill, the character of which is really quite simple. In order to carry out the intent which I have mentioned, Congress in 1914 gave to the Federal Trade Commission power to prevent one company from buying the stock of another if the result were to substantially lessen competition or tend to create monopoly. Unfortunately, Congress, in passing that act, said nothing about assets. Consequently, the law as it now stands provides that the Commission can take action only against acquisitions which take the form of the purchase of stocks. It did not take the smart corporation lawyers on Wall Street long to discover that the intent of the act could be easily circumvented by the purchase of assets rather than or in addition to stocks.

Mr. Speaker, why did Congress fail to include the term assets when it originally passed this bill in 1914?

The report to the Judiciary Committee accompanying this bill clearly sets

forth the answer to that question. Acquisitions of assets were practically unknown when this bill was originally enacted. Nearly all the mergers and consolidations of that day were accomplished through the purchase of stocks. As the report of the Judiciary Committee so clearly points out, acquisitions of stock were at that time indeed the customary and prevailing method of absorbing competitors.

Mr. Speaker, this is really a very simple thing which we are asked to do in this bill. We are merely asked to make effective the intent of Congress expressed 35 years ago. We are asked to eliminate a situation in which a basic statute has sunk into a state of outrageous disrepute. We are asked to redress a condition in which a basic statute enacted by the United States Congress has become nothing but a travesty and laughing stock.

I say that we should either pass this bill or, if we have any respect whatsoever for the laws of the United States and the dignity with which they should be regarded, we should repeal that part of the act dealing with stocks.

Mr. Speaker, I feel very strongly that unless this action and similar steps are taken, the danger of collectivism about which our friends on the other side of the aisle speak so feelingly will cease to be a danger. It will be upon us.

Mr. Speaker, I think that this is a bill which every real, every true and every sincere friend of what is commonly called free enterprise must strongly, enthusiastically support.

Mr. BIEMILLER. Mr. Speaker, I am heartily in favor of H. R. 2734 and strongly urge the House to suspend the rules and pass this bill. For 23 long years large aggregations of wealth have used the loophole in the Clayton Act, uncovered by a Supreme Court decision in 1926, to bring about an even greater concentration of monoply power in direct contradiction of the spirit of our antitrust laws. It is high time we took action to stop these industrial giants from their assault on competitive industry.

Let me present to you, briefly, a picture of the extent of concentration in industry as revealed by the Temporary National Economic Committee in its reports rendered the Congress during 1941 and 1942. The 200 largest nonfinancial corporations, which in 1929 held 48 percent of all the assets of all the nonfinancial corporations, had increased to 55 percent by 1940. Some 316 giant manufacturing corporations, which in 1929 held 40 percent of the working capital of all manufacturing corporations, had increased their share to 47 percent.

This concentration can be much more clearly shown by an examination of the concentration in individual industries and of specific products. Altogether, there were 131 important products in 1937, each of which was valued at more than $10,000,000, in which more than 75 percent of the output was manufactured by four firms. For manufacturing as a whole, about one-third of the total value of products was produced under conditions where the largest four producers of each individual product turned out from 75 to 100 percent of the United States production of those products.

A break-down of the concentration of production of some of the most important products is equally startling:

Percent of production by single companies	
Virgin aluminum	100
Tapered bearings	80
Cinema film	75
Canned soup	66
Incandescent lamps	59
Tinned biscuits and crackers	55
Passengers automobiles and gasoline	45
Farm tractors	43
Corn products, industrial alcohol, trucks, heavy alkali, soap, and asbestos	40
Electric ranges	39
Agricultural machinery	37
Electric water heaters	35
Cheese	33
Dyestuffs	30
Percent of production by two companies	
Synthetic nitrogen	89
Industrial gases	85
Locomotives	80
Sewing machines	78
Synthetic fibers	68
Tire cord fabric	64
Glass containers	56
Beef products	47
Chlorine, drugs, and medicines, and domestic vacuum cleaners	34
Domestic electric flatirons	31

Then came the war, and with it the concentration of economic power rose to even new and greater heights. It is no exaggeration to state that the war superimposed upon an already highly concentrated economy the greatest centralization of economic power which has ever existed in this country. Speed was the watchword of war production, and whether right or wrong, the war agencies felt that the quickest way of getting out war production was through centralizing it in a few large plants.

One hundred of the largest corporations obtained 67 percent of the prime war contracts, 45 percent of the carbon steel, 70 percent of the alloy steel, 81 percent of the aluminum, 79 percent of the copper, 66 percent of the copper-based alloy, operated 75 percent of the Government-owned plants, received 66 percent of the funds provided by the Government to private industry for scientific research and development, and secured the rights to peacetime patents resulting therefrom.

If the 250 largest corporations obtain the Government-owned plants which they operated during the war—as they appear to be doing on the basis of the War Assets Administration's records—they will hold two-thirds of the productive capacity of the country. The aggregate facilities of these 250 giant corporations will be nearly equal to the entire productive capacity of all manufacturing corporations before the war.

It is not necessary to belabor the point concerning the increase in concentration during the war. We all know that it took place. Future historians will undoubtedly debate the question of whether or not it was necessary. The important fact is that it happened.

But the wartime increase in concentration occurred under emergency conditions. Today, those emergency conditions have disappeared. Yet concentration continues its steady march. The Federal Trade Commission recently issued a report which showed that between 1940 and 1947 over 2,500 manufacturing and mining corporations have been absorbed through corporate mergers and acquisitions. Most of these have taken place since VJ-day. The asset value of the independent corporations taken over amounts to no less than 5 percent of the total asset value of all manufacturing corporations—a sizable proportion of the economy to be removed from the competitive scene in so short a period of time.

The Clayton Act, which in 1914 was originally intended by Congress to prevent these monopolistic mergers, has been a dead letter for many years. Only a few years after this law was passed, clever corporation lawyers discovered that although it prevented acquisitions of stock—which at that time was the current and prevailing method of effecting mergers—it said nothing about assets. As a result of Supreme Court decisions, the loophole was enlarged until the law became a nullity. Today, whenever the Federal Trade Commission tries to stop a stock acquisition, the intent of the law is easily circumvented by the purchase of assets.

Moreover, when acquisitions are made in the first instance through the purchase of assets, and no stock is involved in the transaction, the Commission has never had any authority to take action. In other words, the Commission is completely powerless whether or not stock is involved. Yet the intent of Congress in passing the Clayton Act—and I quote from the report of the Senate Committee on the Judiciary of January 22, 1914—was "to arrest the creation of trusts, conspiracies, and monopolies in their incipiency."

The Commission itself has been fully aware of this glaring loophole in the antitrust laws, and since 1927 has recommended that it be plugged. Year in and year out the annual reports come to Congress from the Federal Trade Commission; year in and year out they urge the Congress to take action which would make the present law effective; and year in and year out we do nothing. It is true that lengthy hearings have been held in both Houses of Congress; it is true that voluminous testimony has been taken; and it is true that practically no logical opposition to the bill has developed. Yet action has not been forthcoming.

During the second session of the Seventy-ninth Congress the Judiciary Committee of the House of Representatives held extensive hearings on a bill designed to make the intent of Congress effective.

The small-business organizations strongly supported the bill, as did numerous independent small-business men. The House Judiciary Committee voted to approve the bill, and it was sent to the Rules Committee of the House—where it died.

Again, in the Eightieth Congress, the House Judiciary Committee approved a bill, H. R. 3736, similar to the bill now before us. In a report, No. 596, dated

June 17, 1947, by Representative Gwynne, of Iowa, the majority of the Judiciary Committee stated:

> The history of legislation previously adopted to prevent monopoly, the great increase in recent years of competition-destroying mergers, the damage to small business, the blighting of opportunity for our young people—all cry out for the enactment of legislation to stop the rising tide of monopoly.

The report concludes with these words:

> In adopting the Sherman Act and later the Clayton Act, the Congress, without partisan division, gave expression to a virtually unanimous demand that our competitive economic system be protected against those forces of monopoly which would destroy it. The platforms of both major political parties have consistently carried planks approving the course thus charted. Both President Hoover and the late President Roosevelt recommended tightening up of the Sherman and Clayton Acts. President Truman has specifically recommended this amendment to the Clayton Act.

Again this bill died in the Rules Committee.

Mr. Speaker, I pray that we are not facing another catastrophe. In the Seventy-ninth Congress, we held extensive hearings, the Judiciary Committee approved the bill, but the Rules Committee killed it. In the Eightieth Congress, we again held hearings, the Judiciary Committee again approved the bill, but the Rules Committee would not even give us a hearing. Now, at last, in the Eighty-first Congress—and for the first time in history—the bill is on the floor of the House. I certainly hope that it will not be killed here. Perhaps some may ignore the present onward march of monopoly. Perhaps there may be a few who do not realize that monopoly in industry is growing stronger every minute.

Let me call to your attention the fact that the giant corporations have the financial resources to absorb practically all small- and medium-sized manufacturing corporations in the United States. At the end of 1945, the 62 largest listed corporations held $8,400,000,000 of net working capital which was largely in highly liquid form. With this enormous reservoir of liquid wealth, the 62 giants could purchase the assets of nearly 90 percent of the total number of manufacturing corporations in the United States.

Let me cite a few specific examples of mergers and acquisitions which have taken place in recent years.

Burlington Mills, one of the most active companies in the recent merger movement, has recently announced a proposed consolidation with the May-McEwen-Kaiser Co. The combination of these two firms will establish Burlington Mills as the largest hosiery producer in the country.

Pittsburgh Plate Glass, not only a leading producer of glass, but also a prominent manufacturer of paints, has taken over the Forbes Varnish Co., of Cleveland, a competitor in the paint and varnish field.

National Lead Co. has absorbed the Texas Mining & Smelting Co., the only independent processor of antimony in the country.

General Portland Cement Co. has consolidated with three prominent cement companies, Signal Mountain Portland Cement Co., Florida Portland Cement Co., and Trinity Portland Cement Co.

Swift & Co., the Nation's leading meat packer, which in 1942 made 18 percent of the total sales of all meat packers, announced less than a month ago that it had purchased two competitive meat-packing concerns, Clayton Packing Co. and Johnson Veal & Lamb Co.

Cudahy, fourth largest meat packer, moved into the Southwest to take over Tovrea Packing Co., of Phoenix, Ariz.

McCormick & Co., Inc., which every housewife recognizes as the dominant producers of spices, has taken over A. Schilling & Co., a competitor in spice manufacturing.

Carr-Consolidated Biscuit Co., one of the leading biscuit companies, has taken over a competitor, Laurel Biscuit Co., of Dayton, Ohio.

The American - LaFrance - Foamite Corp., which has just pleaded nolle contendere to an indictment instituted by the Department of Justice on the grounds that it conspired to monopolize the field of fire-fighting equipment, is adding to its sphere of influence by purchasing International Meters, Inc., a sponsor of a twin-meter idea for parking two cars instead of one.

Admiral Corp., like other large radio manufacturers, has reached out to take over a manufacturer of radio cabinets, the Chicago Cabinet Corp.

Shell Oil Co., Inc., has recently purchased the Adkins Oil Associates, of Tulsa, Okla.

United States Rubber Co., third largest rubber-tire manufacturer in the country, has acquired two producers of tire cord fabric—Stevens Manufacturing Co. and Seaboard Mills, Inc., both of Burlington, N. C.

B. F. Goodrich Co., fourth largest producer in the rubber tire industry, has acquired the Transportation Rubber Co., Inc.

Freeport Sulphur Co., world's second largest producer of sulfur, purchased the assets of International Pulverizing Corp.

McKesson & Robbins, Inc., has continued the parade of acquisitions, which has been going on for years in the drug field, by acquiring Gilmore Drug Co. of Pittsburgh, and the Pioneer Atlas Liquor, Inc.

Talon, Inc., which produces probably 90 percent of all the zippers used in the United States, has picked up Wilson Fastener Co. of Cleveland.

United Wallpaper, Inc., leading producer in that field, has just recently purchased two competitors, Superior Wallpaper Co. and Missouri Valley Wallpaper Mills, both located in the middle west.

Finally, as an example of the capture of the productive resources of the South and the West by Eastern interests, the purchase of 11 rice mills in Arkansas, Louisiana, and Texas, and their consolidation into a $15,000,000 corporation, by a group of unknown eastern financiers was announced on May 27. It is of interest to note that the names of the backers of the new concern were withheld.

Let me emphasize that all these mergers took place in the first 6 months of 1947. And these are but a few of the many mergers that took place during this time. I could go on listing them by the hour. In the past 3 years more mergers have taken place in manufacturing and mining industries than in the 7 years immediately prior to the outbreak of World War II in 1939. And the upward trend continues unabated.

Let me also point out that these mergers do not represent the combination of small companies in order to better their position against the larger companies in their industry. On the contrary, they consist predominantly of acquisitions of small companies by large corporations. As the Federal Trade Commission recently showed in its report to the Congress on "The Merger Movement: A Summary Report," 70 percent of the total number of firms acquired between 1940 and 1947 have been absorbed by large corporations with assets of over $5,000,000. The other half of this picture is shown by the fact that fully 71 percent of all the firms bought out since 1940 were small companies with assets of less than $1,000,000. Thus, the power and dominance of big business is growing at the expense of small business.

If we are to prevent collectivism and maintain our democracy and free enterprise we must act, and act quickly. We must strike at the root of this drive toward collectivism which stems basically from monopoly in industry. That means we must plug this wide-open loophole in the Clayton Act, as the House Judiciary Committee has thrice recommended.

Mr. DOYLE. Mr. Speaker, I am in favor of the passage of this bill, which, by its very test does not harm big business which desires to comply with law. It, on the other hand, helps to preserve the American way of life by strengthening the opportunities for small business to stay independent by choice.

While big business is no test by itself only, of whether or not an amalgamation or consolidation of business interests commonly described as a corporation is desirable or legitimate, nevertheless, as the report of the Judiciary Committee clearly shows, there is need of clarification of the circumstances under which legitimate big business can be expected to become bigger, and yet stay within the law. I am one who recognizes that there is merit in the consolidation of common interests and of objectives and of properties, for the benefit of production and for efficiency in operation; together with other manifest benefits, which can and do result from the economic administration and efficiency of American corporations. They have a proper place in our American economic structure.

But, Mr. Speaker, this bill only states that no corporation engaged in commerce should acquire, directly or indirectly, the whole or any part of the stock or other share capital, where in any line of commerce in any section of the country, the effect of such acquisition by the corporation engaged in commerce does substantially lessen competition, or does tend to create a monopoly.

Furthermore, the bill properly provides that no corporation engaged in commerce shall acquire, directly or indirectly, the whole or any part of the stock or other share or capital, or the whole or any part of the assets, of one or more corporations engaged in commerce, where the effect of such acquisition of such stocks or assets on the shelves or in the warehouses or in the fields, or the use of such stock by the voting of or granting of proxies, may be such as to "substantially lessen competition or does tend toward creating a monopoly."

But section 7 of the bill expressly states that it does not apply to corporations purchasing such stock solely for investment. It furthermore expressly provides it shall not prevent a corporation engaged in commerce from causing the formation of subsidiary corporations for the actual carrying on of their immediate business; or, the legitimate and natural extension or branches of such business; or, from the owning or the holding of any part or even of all the capital stock of these subsidiary corporations; when, however, the effect of the formation with subsidiary corporations is not, however, to substantially lessen competition. The struction of branches, nor preventing common carriers from aiding in the construction of branches, nor preventing common carriers from extending its lines, under lawful conditions stated.

Section 11 of the bill, before us, expressly defines the jurisdiction of the Interstate Commerce Commission and the Federal Communications Commission where applicable and in like manner applies to the Civil Aeronautics Authority where applicable and provides penalties and procedures and fair and just hearings can be had and penalties can be assessed.

It very properly provides that the United States Court of Appeals shall have jurisdiction to enforce, to set aside, or to change or to modify any orders of the Commission or the Authority, or the Board makes in terms of penalty, or claim of violation, of any expressed provisions of this bill. This right of review, is exclusively reserved as the jurisdiction of the United States Court of Appeals. I firmly believe this is in best interest of the public and the best interests of sound democracy.

The factual report given us by the distinguished Judiciary Committee of this House, makes it crystal clear that the National Resources Committee ascertained, that while it was true that the 200 largest nonbanking corporations in our Nation owned about one-third of all corporation assets in 1909, the same number of American corporations by 1928, owned as much as 48 percent of the total of all American corporation assets. And, by the early 1930's, the proportion of assets owned, had increased to the injurious figure of 54 percent. Then, the report shows that by an analysis of Moody's Investment Service, it showed that 316 large American manufacturing corporations, increased the proportion of all of the working capital of all the American manufacturing corporations owned between 1926 and 1938, from 35 percent in 1926 to 47 percent in 1938.

Granting that mergers and acquisitions may be one result of an economic situation, it appears to me that the present proportion of the ownership and control of so much of our total American properties, is indicative of a trend which is not for the best interest for the American way of life. In fact, the committee report shows that the total asset value of the American companies which have either voluntary, or otherwise, have been eliminated from the face of large competition through the process of merger or consolidation amounts to more than five billion dollars. This, Mr. Speaker, is between 5 and 6 percent of the total stock of assets of all the manufacturing American corporations.

The Clayton Act does not have application to bankruptcy or receivership cases. It does not prohibit small independent companies from merging. It does not duplicate the Sherman Act. Mr. Speaker, recent decisions of the United States Supreme Court have not made this amendment as set forth in this bill, unnecessary.

Finally, I wish to emphasize and make crystal clear, that this bill only applies to mergers and acquisitions wherein it is clear that such merger and acquisition substantially lessens competition, in the American way of business or trade or tends to create a monopoly. Free enterprise must be free. In other words, illegitimate monopolistic control is not less destructive to the American way of life in the economic than is communism or fascism in the political or social fields.

I believe, Mr. Speaker, that the very great majority of executives of our great American corporations have no desire to do anything that is contrary to our statutary law. I cannot but increasingly feel and believe that there is no enduring security for American big business unless American little business, is also secure from greed and avariciousness from those few persons in American industry and related fields, who would be seeking greater power than is either good for them or good for the country, unless this bill and necessary restraining laws are not only enacted, but are given daily practical enforcement.

Therefore, when we enact this bill, this Congress must give to our Department of Justice and enforcing agencies adequate money with which to protect and preserve free competition on all economic levels in our American way of life.

Mr. HOBBS. Mr. Speaker, when the Clayton Act was passed in 1914, supplementing the original Sherman Antitrust Act, it prohibited a corporation doing business in interstate commerce from acquiring capital stock of a competitor where the effect may be to substantially lessen competition between the corporation whose stock is acquired and the corporation making the acquisition, or to restrain such commerce in any section or community, or tend to create a monopoly of any line of commerce.

But the Supreme Court has held quite properly that this prohibition did not condemn the acquisition of the assets of one such corporation by another.

So under the law as it has stood since that decision, it was a violation of the law if, in restraint of trade, or substantially lessening competition, or tending toward the creation of monopoly, a corporation bought the pieces of paper known as capital-stock certificates, but that it was not against the law for one such corporation to swallow and put out of business another such corporation by buying the assets of such a competitor.

The purpose of this bill is to plug the loophole which has now become a highway to monopoly.

This bill simply says that it shall be just as much against the law for the big boy to kill the little boy by buying him out for an ulterior purpose, either by acquisition of the capital stock or of his physical assets.

Even a casual reading of Report No. 1191, accompanying H. R. 2734, should convince anyone who favors antitrust legislation that this bill should be passed.

A REPLY TO THE NAM CRITICISMS OF THE FEDERAL TRADE COMMISSION REPORT, THE MERGER MOVEMENT: A SUMMARY REPORT

Mr. BYRNE of New York. Mr. Speaker, the National Association of Manufacturers has issued a review and analyses of the Federal Trade Commission's report on the merger movement—The Merger Movement: A Summary Report, 1948. In this review, the NAM states that it did not intend to go into "the merits of the legal proposals with respect to mergers," but addressed itself to "that portion of the report which surveys company acquisitions during the period of 1940 through 1947 for the purpose of indicating a growth of the merger movement and its economic effect." The NAM makes a number of sharp criticisms of the Commission's report.

These criticisms fall into a number of categories: First, the character of the data presented, or not presented, by the report; second, interpretations of the character and magnitude of the current merger movement; third, factors responsible for the merger movement; fourth, the power of big business to buy up small firms; fifth, the effects of the merger movement on the steel-fabricating industries; and, sixth, the general effects of the merger movement on competition.

It is unfortunate that NAM avoided a discussion of the merits of the legal proposals with respect to mergers for the suggested amendment to sections 7 and 11 of the Clayton Act would merely give the Commission the same power in regard to asset acquisitions that it already possesses over acquisitions of stock. This would close the loophole and restore meaning to the statute. The Commission's merger report was directed toward this question. If the NAM would only bear this in mind, many of its criticisms, even if well taken, could be dismissed, for the Commission under the amended Clayton Act could only prevent such acquisitions as would "substantially lessen competition or tend to create a monopoly." In short, if it is the NAM's position that it is in favor of acquisitions which substantially lessen competition or tend to create a monopoly, when made by means of purchase of assets, but not when made by the purchase of stock, it has failed to state it.

The particular criticisms of the merger report will be taken up below. The criticism will be presented first, and the reply to each criticism will follow.

1. DATA PRESENTED BY MERGER REPORT

Criticism: The NAM complains that it is impossible to determine to what extent the properties acquired by various companies represent increasing concentration in the various industries, because data on the assets of acquired firms were not presented in the report by industry groups. "This omission is inexcusable," according to the NAM. The report does not give a break-down of horizontal, vertical, and conglomerate acquisitions except as to their over-all number. And the merger movement, as described by the FTC report, is never clearly related to the long-term trend of mergers throughout American business.

Reply: In order not to place a burden on the firms, the Commission did not send special questionnaires to secure financial data on the companies acquired. Rather, figures were compiled from the financial manuals. As is well known, the financial manuals do not carry asset data for some large companies, many medium-sized companies, and most small concerns. Thus while it was possible to secure enough asset data on the acquired firms to form the basis for an over-all estimate of the assets of the acquired companies, the sample was not large enough to warrant estimates by industry groups.

For the same reason, it was not feasible to estimate the asset break-down for horizontal, vertical, and conglomerate acquisitions. The NAM is in error, however, in stating that the report did not show any break-down except as to their over-all number. On page 31 of the merger report there is a chart showing the total number of acquisitions divided according to type—horizontal, vertical, and conglomerate—for 14 industry groups.

It is difficult to understand the NAM's charge that the merger movement is never clearly related to the long-term trend of mergers, for the very first page of the merger report gives a brief historical review of mergers in American industry; the chart opposite page 18 carries a historical series on mergers and acquisitions for the period 1919 through 1947; and this same chart is based, for the period 1919–39, on precisely the figures from the TNEC report, and so noted in a footnote on the chart, that the NAM uses to compare the recent trend in mergers with that exhibited in earlier years. Far from failing to take cognizance of the historical trend, the Commission emphasized the cumulative effects of mergers on economic concentration, an historical phenomenon which the NAM chooses to completely ignore. The merger report states, page 19:

> In other words, each year's mergers are superimposed upon a structure of economic concentration which has been built up over many past years * * * from 1919 through 1929 more than 7,000 independent firms disappeared as a result of mergers and acquisitions. And by the end of 1947, the total had reached nearly 11,500.
>
> The prewar levels of concentration on which this current merger movement is being superimposed was carefully measured by the Temporary National Economic Committee * * * [which found that] there was a better than 3 to 1 chance that if an individual product were picked at random, it would be found that only four producers turned out half of the Nation's production of that item. The chances were 3 to 1 that the Big Four turned out more than 75 percent of the product and 1 to 2 that they turned out 85 percent or more.

2. CHARACTER AND IMPORTANCE OF CURRENT MERGER MOVEMENT

Criticism: The NAM asserts that on the basis of the number of firms acquired, the acquisitions are exceedingly small in relation to the total number of firms in the manufacturing and mining industries; that the Commission's statements about the disappearance of small business firms are absurd in the light of the upward trend since 1939 in the total number of firms; and that the recent increase in acquisitions is a purely temporary phenomenon brought about by the war and its aftermath.

Reply: The NAM is apparently guilty of selecting figures from the merger report that seem to bolster its arguments and of overlooking figures that alter or disprove its contentions. Although the NAM complains about the lack of asset figures on an industry break-down, it somehow overlooks the over-all figures on the assets of the acquired firms.

The merger report—page 17—states:

> During the current period, 1940–47, more than 2,450 formerly independent manufacturing and mining companies have disappeared as a result of mergers and acquisitions. It should be emphasized that this is a minimum estimate since it is based upon a sample drawn principally from reports of acquisitions of the larger corporations, as published in the leading financial manuals. The asset value of these 2,450 firms amounted to $5,200,000,000, or roughly 5.5 percent of the total of all manufacturing corporations in the country during the wartime year of 1943.

It is true that the total number of business firms in manufacturing and mining has increased despite the merger movement. It is entirely misleading, however, to rely on numbers alone. The fact of the matter is that the overwhelming proportion of the new business firms are very small—probably too small to be fair game for acquisition by larger corporations.

The accompanying table, compiled from data gathered by the Department of Commerce, shows a percentage distribution of the new firms entering the manufacturing business, 1944 through 1948—the longest period available:

Distribution of manufacturing firms in 1944 and new firms started 1944 to 1948, inclusive, according to size of firm

Size (measured by number of employees)	Number of firms December 1944 [1]		Number of new entrants, 1944 to 1948, inclusive [2]	
	In thousands	Percent of total	In thousands	Percent of total
Less than 4	56.4	25.8	176.4	70.4
4 to 7	42.2	19.3	42.4	16.9
8 to 19	47.8	21.9	21.5	8.6
20 to 49	35.3	16.2	7.8	3.1
50 and over	36.7	16.8	2.5	1.0

[1] Source: Bureau of Old Age and Survivors Insurance (published in S. Doc. 206, Economic Concentration and World War II (79th Cong., 2d sess.), pp. 315–316).
[2] Source: Department of Commerce (based on BOASI data).

According to these data, 87 percent of the new entrants employed less than 8 persons; 96 percent of the new firms employed less than 20 persons; and 99 percent employed less than 50. Whereas 45 percent of the manufacturing firms operating in 1944 employed less than 8 workers, 87 percent of the new companies established from 1944 through 1948 had less than 8 workers.

While a substantial proportion of the recent acquisitions have represented relatively small firms being bought up by large corporations, few firms with less than 8 employees are attractive to large corporations.

3. POWER OF BIG BUSINESS TO BUY UP SMALL FIRMS

Criticism: Another example of the specious type of reasoning in the report, states the NAM, is that the financial condition of the 78 largest manufacturing companies put them in a position as of June 30, 1947, to acquire 90 percent of the total number of manufacturing companies in the United States. For example, it is stated that the 78 largest manufacturing corporations have enough net working capital to purchase the assets of 90 percent of all manufacturing companies in the United States. If the 78 corporations were to spend all of their working capital for acquisitions, as suggested by the FTC, then they would cease to operate for lack of current funds to meet pay rolls and other requirements.

Reply: These figures were included in the merger report merely as a yardstick of the potential buying power of the giant corporations. Actually, it is not necessary for a corporation to buy out another concern for cash. It may arrange for an exchange of stock, involving no cash payment, but merely a bookkeeping transaction bringing about the issuance of more shares of the acquiring company's stock. Moreover, if the purchase were to be made in cash, the price would be, presumably, something less than the total assets value, for the cash and other liquid securities of the acquired firm would be deducted before the contract was signed.

Aside from these considerations, the NAM chose to quote the merger report out of context. Immediately following the passage quoted by NAM, the merger report qualified its statement in the following words—page 21:

> Moreover, these large corporations are in a highly liquid position. As of June 1947 the ratio of total current assets to total current liabilities was 3 to 1. The cash and Government securities held by the 78 largest manufacturing corporations totaled more than their current liabilities. Thus, notwithstanding the increase in inventories which had occurred in recent years, these corporations would appear to have a substantial reserve available for the purchase of other companies.
>
> As a bare minimum, these giant corporations could conceivably use their free cash to purchase other companies. As of June 1947, they held a total of $3.1 billion in cash and an additional $2.1 billion in United States Government securities. And since many acquisitions are made without payments of cash, these figures substantially understate the potential power of these large corporations to buy other firms.

Of course, these comparisons are only presented for illustrative purposes, since it is

extremely unlikely that any corporation would ever use all or even most of its net working capital for the purpose of buying up other firms. Net working capital must be used to meet a variety of normal business expenses, including the purchase of raw materials, parts, and supplies of all kinds, meeting the pay roll, etc. Moreover, during recent years, corporations have been drawing heavily on their net working capital for the purpose of financing various forms of international expansion, that is, the building of new plant, equipment, machinery, etc. Nevertheless, there can be little doubt that large corporations already possess sufficient funds to support a high level of merger activity for some time to come.

4. EFFECTS OF MERGER MOVEMENT ON STEEL FABRICATING INDUSTRIES

Criticism: The NAM states:

In the FTC report, considerable emphasis is placed on the fact that a few large companies have a large proportion of the heavy steel drum capacity of the steel industry. Nowhere does the report point out that heavy steel drums and barrels represent only a minute fraction of the steel industry. The implication of the report is that a few large steel companies have acquired a large proportion of the steel output of the country—not measured by total production but by the production of one item.

According to the figures compiled by the American Iron & Steel Institute, in 1947 shipments of steel barrels, drums, and shipping pails, 18 gage and heavier, represented less than 1 percent of all steel shipments.

Reply: The NAM'S remarks on this point are a little awkward and may be confusing to the general reader. The merger report was not discussing the concentration of control within the basic steel industry itself, but rather the effect of the recent vertical acquisitions of the basic steel producers to absorb many of their former customers. The steel drum industry was only one industry cited as examples of the trend. The merger report stated—page 41:

Since World War II the Nation's largest steel producers have extended themselves into such fabricating fields as steel drums, bridge construction, oil-field equipment, wire products, prefabricated housing, as well as many others.

The merger report goes on to point out that whereas prior to the war the steel drum industry was characterized by, in the words of Iron Age, "a large number of highly individualistic entrepreneurs," because of recent acquisitions some 87 percent of the business is now in the hands of the big steel companies, including United States Steel, Bethlehem Steel, Jones & Laughlin, Inland, and Republic.

Taken alone, the steel drum industry does not consume a very sizable portion of the total steel. The big steel companies have not acquired such huge consumers for steel as the large automobile companies, railroads, and so forth. However, the effects on the small business sectors that they have invaded have attracted considerable attention.

The real significance of the forward vertical acquisitions undertaken by the basic steel companies has been pointed out by a report recently issued by Senator WHERRY, of Nebraska, for Mr. MARTIN, of Pennsylvania, then chairman of the Senate Small Business Committee. That report, entitled "Changes in Distribution of Steel, 1940–47," Eighty-first Congress, first session, contained the results of a questionnaire survey submitted to 14 large steel companies, representing 84.7 percent of the Nation's steel capacity, and important producers of those particular steel products which have been in tightest supply. The schedules of the individual companies were tabulated by Price, Waterhouse & Co.

The Senate Small Business Committee report—page 10—found that, for the products surveyed, shipments of the basic steel companies to their fabricating subsidiaries rose from 7.5 percent in 1940 to 8.3 percent in 1947.

The increase was much more pronounced in the case of those particular steel products which constitute the principal raw materials consumed by the fabricating companies that have been acquired—specifically, hot-rolled sheet, cold-rolled sheet, and hot-rolled strip * * * the proportions * * * (of their products) moving to fabricating subsidiaries roughly doubled between 1940 and 1947.

The Senate report concluded:

The substantial increase in the proportion of sheet steel flowing to fabricating subsidiaries does not necessarily mean that the old subsidiaries receive more than their historical quota permitted nor that the new subsidiaries obtained more than they would have secured as independent companies. But it does mean that, the proportion of the Nation's output which moves within what might be called the closed circle of steel-company ownership has been significantly increased, a conclusion which is only an inevitable byproduct of the steel companies' recent acquisitions of fabricating companies.

5. GENERAL EFFECTS OF MERGER MOVEMENT ON COMPETITION

Criticism: According to the NAM, there is a fundamental error in assuming that all acquisitions and mergers reduce competition. Obviously, if there were only two companies in a field, the acquisition of one by the other would eliminate competition. However, if there were three companies—one large and two small—a merging of the two smaller ones might provide formidable competition for the top company. The fanning out of this process of elaboration clearly indicates that more effective units of competition are frequently created by logical combinations of a number of small units which might otherwise fail to be effective as individual concerns.

Reply: The answer to this question was clearly stated in the merger report as follows—page 54:

The Commission takes no position as to whether any individual acquisition or group of acquisitions constitute "a substantially lessening of competition or tendency to create a monopoly." Such a determination can be made only after an examination of the facts on a case-by-case basis.

There are undoubtedly differences between the NAM and the Commission on what constitutes competition, or what contributes to its increase or dimunition. The NAM asserts that mergers and acquisitions frequently intensify competition, but offers no proof. In general, it is not difficult to disagree, and disagree sharply, with the implication of the NAM's statement, which is to the effect that a decline in the number of sellers increases competition. On the contrary, it would seem somewhat more reasonable to believe, as the Commission believes, in the words of the merger report—page 68—that "under competitive capitalism consumers are protected from high prices by the constant rivalry among numerous firms for a greater share of the market. A market which is free and open safeguards the smaller, independent producers in their efforts to offer new and better products."

Mr. BENNETT of Florida. Mr. Speaker, one of the greatest bulwarks against communism in this country is the strength of our antimonopoly laws. This body of legislation helps to preserve the chances of the average man to make a place for himself in business and protects the consuming public from unfair exploitation. But its greatest value lies in protecting our citizenry from domination by business interests so large and monopolistic that the voices of average people cannot be heard in their thunder.

Bigness and monopoly are not restricted to business, nor are their evil effects so restricted. Labor and even our Government, too, can take upon themselves such characteristics. We await some one thinking out and drafting a law to restrict the monopolistic practices of such labor leaders as John L. Lewis and Harry Bridges. We must weigh the evils of big government as against promised benefits in almost all of our major legislative proposals.

H. R. 2734 is designed to eliminate a loophole in the present antimonopoly law and to prevent evasion of the spirit of our present laws against business monopolies. In simple terms this bill provides that not only monopolistic stock purchases shall be outlawed but that monopolistic purchases of assets shall also be banned.

By the terms of H. R. 2734, corporations engaged in interstate commerce are prohibited from acquiring the assets of another corporation engaged in interstate commerce when the effect of such acquisition "may be substantially to lessen competition, or to tend to create a monopoly." This appears to me to be a principle approved by us all, and I hope that we will all give an affirmative vote to this bill.

Before closing, I would like to point out that I have introduced H. R. 5690 and H. R. 5691, both designed to correct other imperfections in our present antimonopoly laws. H. R. 5690 prohibits a manufacturer in interstate commerce or a wholesaler in interstate commerce from offering for sale or selling at retail to consumers where the effect may be substantially to tend to create a monopoly or to lessen competition between the seller and independent retailers to which it makes sales. H. R. 5691 is designed to accomplish the same objective except that in H. R. 5691 it is not necessary for the independent retailer to have been a dealer supplied by the particular manufacturer or wholesaler.

I hope that the Committee on Interstate and Foreign Commerce will soon report out H. R. 5691, or in lieu thereof H. R. 5690, both of which correct weakness in our present antimonopoly laws.

Returning to the bill now before us, H. R. 2734, I want to observe that the imperfection sought to be corrected by this law was discussed widely throughout the country in the campaigns last year. I heard much comment in favor of such a law as the one before us, and none in opposition. I certainly hope that it will be enacted so as to strengthen further our antimonopoly laws.

The SPEAKER. The question is, Will the House suspend the rules and pass the bill as amended?

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. JENNINGS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 223, nays 92, not voting 117, as follows:

[Roll No. 181]

YEAS—223

Abernethy	Flood	McDonough
Addonizio	Forand	McGrath
Albert	Ford	McGuire
Allen, Calif.	Frazier	McMillan, S. C.
Allen, La.	Fugate	Mack, Ill.
Andersen, H. Carl	Fulton	Mack, Wash.
Andrews	Furcolo	Madden
Angell	Garmatz	Mahon
Aspinall	Gary	Mansfield
Barrett, Pa.	Gathings	Marcantonio
Bates, Ky.	Gorski, Ill.	Marsalis
Beckworth	Gorski, N. Y.	Marshall
Bennett, Fla.	Gossett	Miller, Calif.
Bentsen	Granahan	Mills
Biemiller	Granger	Mitchell
Blatnik	Grant	Monroney
Boggs, La	Green	Morgan
Bonner	Gross	Morris
Brehm	Hagen	Moulder
Brooks	Hare	Multer
Brown, Ga.	Harris	Murdock
Bryson	Harrison	Murphy
Buchanan	Harvey	Murray, Tenn.
Buckley, Ill.	Havenner	Murray, Wis.
Burdick	Hays, Ark.	Nelson
Burleson	Hays, Ohio	Nixon
Byrne, N. Y.	Hedrick	Noland
Camp	Heselton	Norblad
Canfield	Hobbs	Norrell
Cannon	Hoeven	O'Brien, Ill.
Carlyle	Holifield	O'Brien, Mich.
Carnahan	Holmes	O'Hara, Ill.
Carroll	Hope	O'Konski
Case, S. Dak.	Horan	O'Sullivan
Cavalcante	Howell	O'Toole
Celler	Huber	Patman
Chelf	Hull	Patten
Chesney	Jackson, Calif.	Perkins
Christopher	Jackson, Wash.	Pfeifer, Joseph L.
Chudoff	Javits	Philbin
Clemente	Jones, Ala.	Pickett
Combs	Jones, Mo.	Poage
Cooley	Jones, N. C.	Polk
Cooper	Judd	Potter
Crook	Karst	Poulson
Crosser	Karsten	Preston
Davenport	Kean	Price
Davis, Tenn.	Keating	Priest
Davis, Wis.	Kee	Quinn
Dawson	Kelley	Rabaut
Deane	Keogh	Rains
Delaney	Kilday	Ramsay
Dingell	King	Regan
Dollinger	Kirwan	Rhodes
Donohue	Klein	Ribicoff
Douglas	Lane	Richards
Doyle	Lanham	Rivers
Eberharter	Lemke	Rodino
Elliott	Lind	Rooney
Engle, Calif.	Linehan	Roosevelt
Evins	Lodge	Sabath
Fernandez	Lucas	Sadowski
Fisher	Lynch	Sasscer
	McCarthy	
Scudder	Teague	White, Calif.
Secrest	Thomas, Tex.	Whitten
Smathers	Thompson	Whittington
Spence	Thornberry	Wier
Steed	Trimble	Williams
Stefan	Underwood	Willis
Stigler	Wagner	Wilson, Tex.
Sullivan	Walsh	Withrow
Sutton	Walter	Yates
Tackett	Welch, Mo.	Young
Taurielio	Wheeler	Zablocki

NAYS—92

Anderson, Calif.	Gavin	Miller, Md.
Andresen, August H.	Gillette	Nicholson
	Golden	O'Hara, Minn.
Arends	Goodwin	Passman
Barrett, Wyo.	Graham	Patterson
Bates, Mass.	Hall, Leonard W.	Rankin
Battle		Rich
Beall	Hand	Rogers, Fla.
Bennett, Mich.	Harden	Rogers, Mass.
Bishop	Hill	Sadlak
Blackney	Hoffman, Ill.	St. George
Boggs, Del.	Hoffman, Mich.	Sanborn
Bramblett	James	Scrivner
Byrnes, Wis.	Jenkins	Short
Chiperfield	Jennings	Simpson, Ill.
Church	Jensen	Smith, Kans.
Cole, Kans.	Johnson	Smith, Va.
Colmer	Jonas	Smith, Wis.
Corbett	Kearns	Stockman
Cotton	Kunkel	Taber
Cox	Larcade	Talle
Crawford	Latham	Van Zandt
Cunningham	LeCompte	Velde
Curtis	LeFevre	Vorys
Dague	McConnell	Vursell
Davis, Ga.	McMillen, Ill.	Wadsworth
D'Ewart	Macy	Werdel
Dondero	Martin, Iowa	Wigglesworth
Ellsworth	Mason	Wolcott
Engel, Mich.	Merrow	Woodruff
Fallon	Meyer	
Fenton	Michener	

NOT VOTING—117

Abbitt	Gwinn	Peterson
Allen, Ill.	Hale	Pfeiffer, William L.
Auchincloss	Hall, Edwin Arthur	Phillips, Calif.
Bailey		Phillips, Tenn.
Barden	Halleck	Plumley
Baring	Hardy	Powell
Bland	Hart	Redden
Bolling	Hébert	Reed, Ill.
Bolton, Md.	Heffernan	Reed, N. Y.
Bolton, Ohio	Heller	Rees
Bosone	Herlong	Riehlman
Boykin	Herter	Scott, Hardie
Breen	Hinshaw	Scott, Hugh D., Jr.
Brown, Ohio	Irving	
Buckley, N. Y.	Jacobs	Shafer
Bulwinkle	Jenison	Sheppard
Burke	Kearney	Sikes
Burnside	Keefe	Simpson, Pa.
Burton	Kennedy	Sims
Case, N. J.	Kerr	Smith, Ohio
Chatham	Kilburn	Staggers
Clevenger	Kruse	Stanley
Cole, N. Y.	Lesinski	Taylor
Coudert	Lichtenwalter	Thomas, N. J.
Davies, N. Y.	Lovre	Tollefson
DeGraffenried	Lyle	Towe
Denton	McCormack	Vinson
Dolliver	McCulloch	Weichel
Doughton	McGregor	Welch, Calif.
Durham	McKinnon	Whitaker
Eaton	McSweeney	White, Idaho
Elston	Magee	Wickersham
Feighan	Martin, Mass.	Wilson, Ind.
Fellows	Miles	Wilson, Okla.
Fogarty	Miller, Nebr.	Winstead
Gamble	Morrison	Wolverton
Gilmer	Morton	Wood
Gordon	Norton	Woodhouse
Gore	O'Neill	Worley
Gregory	Pace	

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. McCormack and Mr. McSweeney for, with Mr. Brown of Ohio against.

Mr. Gordon and Mr. Vinson for, with Mr. Reed of Illinois against.

Until further notice:

Mr. Winstead with Mr. Martin of Massachusetts.

Mr. Wickersham with Mr. Cole of New York.
Mr. Denton with Mr. Weichel.
Mr. Baring with Mr. Wolverton.
Mr. Heller with Mr. Towe.
Mr. Price with Mr. Case of New Jersey.
Mr. Fogarty with Mr. Herter.
Mr. Heffernan with Mr. Halleck.
Mr. Magee with Mr. Taylor
Mr. Hart with Mr. Smith of Ohio.
Mr. Breen with Mr. Shafer.
Mr. Wood with Mr. Riehlman.
Mr. Worley with Mr. Phillips of California
Mr. Hart with Mr. William L. Pfeiffer.
Mr. Gregory with Mrs. Bolton of Ohio.
Mr. Whitaker with Mr. Edwin Arthur Hall.
Mr. Bolling with Mr. Wilson of Indiana.
Mr. Sikes with Mr. Welch of California.
Mr. Sheppard with Mr. Eaton.
Mr. Kennedy with Mr. Hardie Scott.
Mr. Davies of New York with Mr. Hinshaw.
Mr. Feighan with Mr. Allen of Illinois.
Mr. Buckley of New York with Mr. Auchincloss.
Mr. Bailey with Mr. Lichtenwalter.
Mr. Abbitt with Mr. McGregor.
Mr. Barden with Mr. Coudert.
Mrs. Norton with Mr. Gamble.
Mr. O'Neill with Mr. Hugh D. Scott, Jr.
Mr. Chatham with Mr. Reed of New York.
Mr. Burnside with Mr. Dolliver.
Mr. Burton with Mr. Elston.
Mr. DeGraffenried with Mr. Jenison.
Mr. Herlong with Mr. Kearney.
Mr. Hardy with Mr Simpson of Pennsylvania.
Mr. Staggers with Mr. Morton.
Mr. Whitaker with Mr. Lovre.
Mr. Gilmer with Mr. McCulloch.
Mrs. Bosone with Mr. Gwinn.
Mr. Redden with Mr. Plumley.
Mr. Hébert with Mr. Kilburn.
Mr. Stanley with Mr. Fellows.
Mr. Lesinski with Mr. Hale.
Mr. Kruse with Mr. Tollefson.
Mr. Irving with Mr. Rees.
Mr. Jacobs with Mr. Phillips of Tennessee.
Mrs. Woodhouse with Mr. Miller of Nebraska.
Mr. Pace with Mr. Keefe.

Mr. FALLON changed his vote from "yea" to nay."

Mr. GREEN changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

EDUCATION OF IRANIAN STUDENTS IN THE UNITED STATES

Mr. CARNAHAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 5731) to discharge a fiduciary obligation to Iran.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Clerk read the bill as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any funds in the Treasury of the United States not otherwise appropriated, the sum of $110,000, which sum shall be expended by the Secretary of State in his discretion for the education of Iranian students in the United States, in accordance with the obligation of the United States arising out of the agreement contained in an exchange of notes between this Government and the Iranian Government of July 25, July 29, November 9, and November 15, 1924, which agreement settled a claim asserted by the United States.

SEC. 2. The said sum of $110,000 shall be deemed a trust fund received by the Secretary of State under the provisions of the act of February 27, 1896 (29 Stat. 32, title 31,

U. S. C., sec. 547), and shall be expended as therein provided. The said sum shall be deemed to constitute the fund of $110,000 received by the United States from the Iranian Government in four installments between December 24, 1924, and March 29, 1925, pursuant to the afore-mentioned notes, and deposited in the Treasury of the United States on June 24, 1925, which fund shall be deemed, insofar as the same may be necessary, to have been heretofore appropriated as a trust fund under the said act of February 27, 1896, and the Permanent Appropriation Repeal Act, 1934, as amended, section 20 (48 Stat. 1233, 31 U. S. C., sec. 725 (s)). The Secretary of the Treasury shall make payments out of the said fund to or for the account of such persons, in such amounts, at such times, and on such terms, as the Secretary of State or his designee shall certify and the certificates of the Secretary of State or his designee issued hereunder shall be conclusive as to the propriety of payments so made. The expenditure of the said sum by the United States shall constitute full performance of the obligation of the United States to the Iranian Government or any other person arising out of the said notes and shall discharge the Secretary of State and the Secretary of the Treasury with respect to any accountability therefor.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COMMITTEE ON RULES

Mr. SABATH. Mr. Speaker, I ask unanimous consent that I may have until midnight tonight to file a privileged report.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

COMMITTEE ON FOREIGN AFFAIRS

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs may have until midnight tonight to file a report on the bill H. R. 5895.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

EXTENSION OF REMARKS

Mr. CRAWFORD asked and was given permission to extend his remarks immediately following the passage of the bill S. 855, concerning public works for Alaska, and include a statement from the Governor of Alaska.

INDEPENDENT OFFICES APPROPRIATION BILL, 1950—CONFERENCE REPORT

Mr. THOMAS of Texas. Mr. Speaker, I call up the conference report on the bill (H. R. 4177) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1950, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. NO. 1262)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4177) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1950, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 3, 9, 33, 43, 45, 53, and 87.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 5, 6, 8, 14, 16, 17, 19, 21, 22, 24, 25, 27, 28, 31, 34, 35, 38, 39, 40, 48, 49, 50, 55, 57, 59, 62, 64, 65, 68, 69, 70, 71, 73, 75, 78, 79, 80, 81, 83, 84, 88, 90, 91, 92, 93, 94, 95, 96, and 97, and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$3,300,000"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows: In lieu of the number inserted by said amendment insert "two"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$50,000"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$16,000,000"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$301,290,728"; and the Senate agree to same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "purchase (not to exceed twenty), and"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$6,600,000"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$3,700,000"; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$330,000"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$3,650,000"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$315,000"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$385,000,000"; and the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$236,509,000"; and the Senate agree to the same.

Amendment numbered 41: That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$33,500,000"; and the Senate agree to the same.

Amendment numbered 42: That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$1,570,000"; and the Senate agree to the same.

Amendment numbered 44: That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment as follows: In lieu of the matter stricken out and inserted by said amendment insert:

"Salaries and expenses: For necessary expenses of the Office of the Administrator, including personal services and rent in the District of Columbia; printing and binding; services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); expenses of attendance at meetings of organizations concerned with the work of the Agency; payment of tort claims pursuant to law (28 U. S. C. 2672); a health service program as authorized by law (5 U. S. C. 150); $1,200,000."

And the Senate agree to the same.

Amendment numbered 47: That the House recede from its disagreement to the amendment of the Senate numbered 47, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$9,600,000"; and the Senate agree to the same.

Amendment numbered 51: That the House recede from its disagreement to the amendment of the Senate numbered 51, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$43,000,000"; and the Senate agree to the same.

Amendment numbered 58: That the House recede from its disagreement to the amendment of the Senate numbered 58, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$8,500,000"; and the Senate agree to the same.

Amendment numbered 60: That the House recede from its disagreement to the amendment of the Senate numbered 60, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$1,237,500"; and the Senate agree to the same.

Amendment numbered 61: That the House recede from its disagreement to the amendment of the Senate numbered 61, and agree

to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$63,014,174"; and the Senate agree to the same.

Amendment numbered 66: That the House recede from its disagreement to the amendment of the Senate numbered 66, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$425,000"; and the Senate agree to the same.

Amendment numbered 67: That the House recede from its disagreement to the amendment of the Senate numbered 67, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$480,000"; and the Senate agree to the same.

Amendment numbered 72: That the House recede from its disagreement to the amendment of the Senate numbered 72, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$855,000,000"; and the Senate agree to the same.

Amendment numbered 82: That the House recede from its disagreement to the amendment of the Senate numbered 82, and agree to the same with an amendment as follows: In lieu of the matter stricken out and inserted by said amendment insert:

"SEC. 110. No part of any appropriation contained in this title shall be used to pay the compensation of any employee engaged in personnel work in excess of the number that would be provided by a ratio of one such employee to one hundred and fifteen, or a part thereof, full-time, part-time, and intermittent employees of the agency concerned: *Provided*, That for purposes of this section employees shall be considered as engaged in personnel work if they spend half-time or more in personnel administration consisting of direction and administration of the personnel program; employment, placement, and separation; job evaluation and classification; employee relations and services; training; committees of expert examiners and boards of civil-service examiners; wage administration; and processing, recording, and reporting."

And the Senate agree to the same.

Amendment numbered 86: That the House recede from its disagreement to the amendment of the Senate numbered 86, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$22,500,000"; and the Senate agree to the same.

Amendment numbered 89: That the House recede from its disagreement to the amendment of the Senate numbered 89, and agree to the same with an amendment as follows: In lieu of the matter stricken out and inserted by said amendment insert:

"SEC. 203. No part of the funds of, or available for expenditure by, any corporation or agency included in this title shall be used to pay the compensation of any employee engaged in personnel work in excess of the number that would be provided by a ratio of one such employee to one hundred and fifteen, or a part thereof, full-time, part-time, and intermittent employees of the agency concerned: *Provided*, That for purposes of this section employees shall be considered as engaged in personnel work if they spend half-time or more in personnel administration consisting of direction and administration of the personnel program; employment, placement, and separation; job evaluation and classification; employee relations and services; training; committees of expert examiners and boards of civil-service examiners; wage administration; and processing, recording, and reporting."

And the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 7, 7½, 11, 13, 32, 46, 52, 54, 56, 63, 74, 76, 77 and 85.

ALBERT THOMAS,
ALBERT GORE,
GEORGE ANDREWS,
CLARENCE CANNON,
FRANCIS CASE,
JOHN PHILLIPS,
Managers on the Part of the House.

JOSEPH C. O'MAHONEY,
RICHARD B. RUSSELL,
KENNETH MCKELLAR,
ELMER THOMAS,
HOMER FERGUSON,
GUY CORDON,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4177) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1950, and for other purposes, submit the following report in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

Amendments Nos. 1 and 2, relating to the Bureau of the Budget: Strikes out the proposal of the House to fix the salary of the Director at $12,000 per annum, as proposed by the Senate; and appropriates $3,300,000 for salaries and expenses, instead of $3,314,500, as proposed by the Senate, and $2,983,050, as proposed by the House.

Amendment No. 3: Appropriates $300,000 for salaries and expenses, Council of Economic Advisers, as proposed by the House, instead of $340,000, as proposed by the Senate.

Amendments Nos. 4 and 5, relating to the American Battle Monuments Commission: Authorizes the purchase of two passenger motor vehicles, including one at not to exceed $2,500, instead of one, as proposed by the House, and three, including one at not to exceed $2,500, as proposed by the Senate.

Amendment No. 6: Continues available unexpended balances of the Atomic Energy Commission as of June 30, 1949, as proposed by the Senate, instead of continuing available unobligated balances, as proposed by the House. It is the recommendation of the conferees that in the expenditure or commitment of funds or contract authorization provided in the bill, the Commission shall adhere to the program break-down set forth in the budget estimates, after applying reductions made therein by the Congress on a proportionate basis, and that in no event shall the Commission, through transfer, exceed by more than 10 percent the amount allocated under said budget estimates, as revised, for any particular program. It was further agreed that in the event the Commission proposes an increase in the allocation for any program it shall immediately advise the Committees on Appropriations of the House and the Senate, giving details and the reasons for such transfer. The conference committee has noted with concern what appear to be excessive fees for management services being paid by the Commission to management corporations and directs that an immediate effort be made by the Commission to accomplish substantial reductions in such fees or their elimination.

Amendments Nos. 7 and 7½ are reported in disagreement.

Amendment No. 8: Strikes out the proposal of the House to provide salaries for the Commissioners of the Civil Service Commission at $12,000 each per annum, as proposed by the Senate.

Amendment No. 9: Strikes out the provision of the Senate requiring that experts and consultants employed by the Civil Service Commission shall be secured from the Federal service.

Amendment No. 10: Provides $50,000 to the Civil Service Commission for enforcement of the act of July 19, 1940 (54 Stat. 767), instead of $40,000 as proposed by the House, and $60,000 as proposed by the Senate.

Amendment No. 11 is reported in disagreement.

Amendment No. 12: Appropriates $16,000,000 for salaries and expenses, Civil Service Commission, instead of $14,000,000 as proposed by the House, and $16,250,000, as proposed by the Senate.

Amendment No. 13 is reported in disagreement.

Amendment No. 14: Appropriates $5,894,300, as proposed by the Senate, instead of $5,304,870 as proposed by the House, for payment of annuities in connection with the Panama Canal Construction Annuity Fund.

Amendment No. 15: Appropriates $301,290,728 for financing the liability of the United States in connection with the Civil Service Retirement and Disability Fund, instead of $295,553,700, as proposed by the House, and $328,393,000, as proposed by the Senate.

Amendment No. 16: Appropriates $999,000 for financing the liability of the United States in connection with the Canal Zone Retirement and Disability Fund as proposed by the Senate, instead of $899,100, as proposed by the House.

Amendment No. 17: Appropriates $215,000 for financing the liability of the United States in connection with the Alaska Railroad Retirement and Disability Fund, as proposed by the Senate, instead of $193,500, as proposed by the House.

Amendment No. 18: Provides for the purchase of not to exceed 20 passenger-carrying motor vehicles in connection with the activities of the Displaced Persons Commission, instead of 30, as proposed by the Senate.

Amendments Nos. 19 and 20, relating to the Federal Communications Commission: Strikes out the proposal of the House to increase the salaries of Commissioners to $12,000 each per annum, as proposed by the Senate; and appropriates $6,600,000 for salaries and expenses of the Commission, instead of $6,525,000 as proposed by the House, and $6,633,000, as proposed by the Senate.

Amendments Nos. 21, 22, 23, 24, 25, 26, and 27, relating to the Federal Power Commission: Strikes out the provision of the House providing for salaries of the Commissioners at $12,000 each per annum, as proposed by the Senate; authorizes the use of $230,000 for travel as proposed by the Senate, instead of $220,000, as proposed by the House; appropriates $3,700,000 for salaries and expenses of the Commission, instead of $3,650,000 as proposed by the House, and $3,763,000 as proposed by the Senate; strikes out the provision of the House placing a limit on funds available for personal services in the District of Columbia in connection with appropriations for salaries and expenses and flood-control surveys, as proposed by the Senate; and appropriates $330,000 for flood-control surveys instead of $325,000, as proposed by the House, and $337,000, as proposed by the Senate.

Amendments Nos. 28 and 29 relating to the Federal Trade Commission: Strikes out the provision of the House to increase the salaries of the Commissioners to $12,000 per annum each, as proposed by the Senate; and appropriates $3,650,000 for salaries and expenses, instead of $3,450,000, as proposed by

the House, and $3,739,000, as proposed by the Senate.

Amendment No. 30: Appropriates $315,000 for salaries and expenses, Office of the Administrator, Federal Works Agency, instead of $300,000, as proposed by the House, and $325,000, as proposed by the Senate.

Amendment No. 31 relating to Public Works Administration liquidation: Authorizes the use of $20,000 for administrative expenses in connection with Public Works Administration liquidation, as proposed by the Senate, instead of $15,500 as proposed by the House.

Amendment No. 32 is reported in disagreement.

Amendment No. 33: Strikes out the provision of the Senate providing $30,000 for the conservation of securities in connection with Public Works Administration liquidation, as proposed by the House.

Amendments Nos. 34 and 35: Strikes out provisions of the House increasing the salaries of the Commissioners of Public Buildings and Public Roads to $12,000 per annum each, as proposed by the Senate.

Amendments Nos. 36 and 37, relating to Federal-aid postwar highways: Appropriates $385,000,000, instead of $373,491,000 plus an unobligated balance as proposed by the House, and $390,000,000, as proposed by the Senate; and corrects the total of the amount chargeable to the appropriate fiscal year authorization accordingly.

Amendment No. 38, relating to veterans' educational facilities, Bureau of Community Facilities, Federal Works Agency: Strikes out the proposal of the House reducing the limitation on administrative expenses to $3,800,000, as proposed by the Senate.

Amendments Nos. 39 and 40, relating to water-pollution control, Bureau of Community Facilities, Federal Works Agency: Appropriates $200,000 for grants for plan preparation, as proposed by the Senate, instead of $400,000, as proposed by the House; and appropriates $50,000 for administrative expenses, as proposed by the Senate, instead of $100,000, as proposed by the House.

Amendments Nos. 41, 42, and 43, relating to the General Accounting Office: Appropriates $33,500,000 for salaries, instead of $31,743,000, as proposed by the House, and $34,169,000, as proposed by the Senate; appropriates $1,570,000 for miscellaneous expenses, instead of $1,423,800, as proposed by the House, and $1,582,000, as proposed by the Senate; and strike out the proposal of the Senate to provide $800,000 for agency expenditure analysis.

Amendment No. 44, relating to salaries and expenses, Office of the Administrator, Housing and Home Finance Agency. Appropriates $1,200,000 for this office and inserts the language of the Senate amended to eliminate the authorization of funds for purchase of one passenger motor vehicle and the dissemination of the results of research and studies.

Amendment No. 45: Restores the provision of the House, in connection with annual contributions, Public Housing Administration, prohibiting payments in lieu of taxes in excess of the amounts specified in the original contract between public housing agencies and the Public Housing Administration.

Amendment No. 46 is reported in disagreement.

Amendments Nos. 47, 48, and 49 relating to the Interstate Commerce Commission: Appropriates $9,600,000 for general expenses, instead of $9,321,000, as proposed by the House, and $9,621,000, as proposed by the Senate; provides $100,000 for valuations of pipe lines as proposed by the Senate, instead of $35,000, as proposed by the House; and makes available $3,656,039 for work of the Bureau of Motor Carriers, as proposed by the Senate, instead of $3,556,039, as proposed by the House.

Amendments Nos. 50 and 51: Corrects a typographical error by inserting the word "including", as proposed by the Senate; and appropriates $13,000,000 for salaries and expenses, National Advisory Committee for Aeronautics, instead of $38,710,000, as proposed by the House, and $43,610,000, as proposed by the Senate.

Amendment No. 52 is reported in disagreement.

Amendment No. 53: Appropriates $10,000,000 for construction and equipment, National Advisory Committee for Aeronautics, as proposed by the House, instead of $10,100,000, as proposed by the Senate.

Amendment No. 54 is reported in disagreement.

Amendment No. 55: Appropriates $34,900 for maintenance and operation of properties, National Capital Housing Authority, as proposed by the Senate, instead of $31,410, as proposed by the House.

Amendment No. 56 is reported in disagreement.

Amendment No. 57 strikes out the provision of the House increasing the salaries of the Commissioners, Securities and Exchange Commission, to $12,000 each per annum, as proposed by the Senate.

Amendment No. 58: Appropriates $8,500,000 for salaries and expenses, Selective Service System, instead of $4,500,000, as proposed by the House, and $9,000,000, as proposed by the Senate.

Amendment No. 59: Appropriates $1,087,700 for salaries and expenses, National Gallery of Art, as proposed by the Senate, instead of $1,057,700, as proposed by the House.

Amendment No. 60: Appropriates $1,237,500 for salaries and expenses, Tariff Commission, instead of $1,200,000, as proposed by the House, and $1,275,000, as proposed by the Senate.

Amendment No. 61: Provides a total of $63,014,174 for salaries and expenses, Maritime Commission, instead of $62,380,424, as proposed by the House, and $63,054,424, as proposed by the Senate.

Amendment No. 62: Provides a contract authorization of $50,000,000, as proposed by the Senate, instead of $70,125,000, as proposed by the House, for new ship construction including reconditioning and betterment by the Maritime Commission. It is the understanding of the conferees that this authorization and funds provided for new ship construction cover all of the ships requested by the Maritime Commission in the budget submission. Funds for these ships were justified before the Senate and House committees and the budget. It is understood that there will be no curtailment in the number of ships provided for in the bill.

Amendment No. 63 is reported in disagreement.

Amendment No. 64: Provides that funds and contract authority for new ship construction, including reconditioning and betterment, United States Maritime Commission, contained in the Supplemental Independent Offices Appropriation Act for 1949, shall continue available until December 31, 1949, as proposed by the Senate, instead of September 30, 1949, as proposed by the House.

Amendment No. 65: The conferees have examined at length into the situation involving the purchase of the vessels *Mariposa* and *Monterey* by the United States Maritime Commission and feel that is a matter to be left to the sound discretion of the Commission. The conferees are at this time unable to secure any estimate from the Maritime Commission as to what a proper and equitable contract would cost the Government. The conferees, therefore, have requested the Commission to go into the matter immediately and report not later than September 30, 1949, its recommendation with respect to the matter, for consideration by the appropriate legislative committees of the Congress.

Amendments Nos. 66, 67, and 68, relating to operations of the Maritime Commission: Provide $425,000 for maintenance of shipyard facilities, instead of $409,700, as proposed by the House, and $443,700, as proposed by the Senate; provides $480,000 for operation of warehouses instead of $461,550, as proposed by the House, and $501,550, as proposed by the Senate; and provides $7,134,800 for reserve-fleet expense, as proposed by the Senate, instead of $6,534,800, as proposed by the House.

Amendments Nos. 69, 70, and 71, relating to maritime training: Provides $3,065,000, as proposed by the Senate, instead of $1,682,500, as proposed by the House, for personal services; authorizes the transfer of $100,000 to the Public Health Service, as proposed by the Senate, instead of $60,000, as proposed by the House; and provides for the pay of cadet midshipmen and other trainees, as proposed by the Senate.

Amendment No. 72: Appropriates $855,000,000 for administration, medical, hospital, and domiciliary services, Veterans' Administration, instead of $820,673,940, as proposed by the House, and $861,073,940, as proposed by the Senate, the amount provided in the bill containing all additional funds requested for new hospital beds to be put into operation during the present fiscal year according to recent information presented in hearings before the Senate Appropriations Committee. This appropriation also contains additional funds for administrative purposes in connection with the payment of insurance dividends, guidance and counseling work, and other items submitted to the Senate after the bill had passed the House.

Amendment No. 73: Strikes out the proposal of the House that representatives assigned to States in connection with the processing of readjustment allowances, Veterans' Administration, may be assigned to cover more than one State, and inserts the proposal of the Senate requiring that at least one such representative be assigned to and reside in each State.

Amendment No. 74 is reported in disagreement.

Amendment No. 75: Appropriates $467,450,000, as proposed by the Senate, instead of $49,374,000, as proposed by the House, for the National Service Life Insurance Fund.

Amendment No. 76 is reported in disagreement.

Amendment No. 77 is reported in disagreement.

Amendment No. 78: Strikes out the provision of the House that section 107 of the bill shall not be applicable to corporations or agencies subject to the Government Corporation Control Act, as amended. (This subject is further explained in connection with amendment No. 83 of this statement.)

Amendment No. 79: Strikes out the provision of the House relating to the salary of any officer and employee proposed to be increased in the bill as passed by the House.

Amendments Nos. 80 and 81 correct section numbers.

Amendment No. 82: Restores the provisions of the House bill amended to provide that the ratio of employees engaged in personnel work shall not exceed 1 such employee to each 115 employees instead of 1 such employee to each 125 employees, as proposed in the bill as approved in the House.

Amendment No. 83: Inserts the proposal of the Senate relating to the applicability of the general provisions of title I in connection with the Housing and Home Finance Agency, the Inland Waterways Corporation, and the Tennessee Valley Authority.

Amendment No. 84 corrects a typographical error.

Amendment No. 85 is reported in disagreement.

Amendment No. 86: Provides $22,500,000 for administrative expenses, Federal Housing Administration, instead of $21,860,750, as proposed by the House, and $22,860,750, as proposed by the Senate.

Amendment No. 87: Restores the provision of the House authorizing the Administrator of the Housing and Home Finance Agency to relinquish and transfer certain temporary housing provided for veterans and their families under title V of the act of October 14, 1940, as amended.

Amendment No. 88 corrects a typographical error.

Amendment No. 89: Restores the provisions of the House bill amended to provide that the ratio of employees engaged in personnel work shall not exceed 1 such employee to each 115 employees instead of 1 such employee to each 125 employees, as proposed in the bill as approved by the House.

Amendment No. 90: Strikes out the provision of the House relating to the availability of appropriations to the executive departments and independent establishments of appropriations for travel expense for payment of per diem allowances, as proposed by the Senate.

Amendments Nos. 91, 92, 93, 94, 95, 96, and 97 correct section numbers.

AMENDMENTS IN DISAGREEMENT

The managers on the part of the House have authorized the following motions with respect to amendments in disagreement:

Amendment No. 7, relating to the acquisition of land and facilities by the Atomic Energy Commission at Arco, Idaho. The managers on the part of the House will move to recede and concur.

Amendment No. 7½, placing certain limitations on construction projects of the Atomic Energy Commission. It is the understanding of the conferees that the provisions of the last proviso of this amendment do not apply to any construction project the total estimated cost of which does not exceed $500,000. The managers on the part of the House will move to recede and concur.

Amendment No. 11, authorizing the Civil Service Commission to transfer funds to the Federal Bureau of Investigation for certain investigations. The managers on the part of the House will move to recede and concur with an amendment.

Amendment No. 13, relating to appointment of members of boards of examiners, Civil Service Commission. The managers on the part of the House will move to recede and concur with an amendment.

Amendment No. 32, relating to the use of funds for administrative expenses in connection with the city of East Peoria sewage project, Public Works Administration liquidation. The managers on the part of the House will move to recede and concur.

Amendment No. 46, relating to the Office of the Housing Expediter. The managers on the part of the House will move to recede and concur with an amendment.

Amendment No. 52, relating to the acquisition of land by the National Advisory Committee for Aeronautics. The managers on the part of the House will move to recede and concur.

Amendment No. 54, relating to salaries and expenses, war records, National Archives. The managers on the part of the House will move to recede and concur with an amendment.

Amendment No. 56, relating to land acquisition, National Capital Park and Planning Commission. The managers on the part of the House will move to recede and concur.

Amendment No. 63, relating to new ship construction, United States Maritime Commission. The managers on the part of the House will move to recede and concur with an amendment.

Amendment No. 74, relating to the education or training of certain veterans. The managers on the part of the House will move to recede and concur with an amendment.

Amendment No. 76, relating to grants to the Republic of the Philippines for hospitals and medical care of certain veterans. The managers on the part of the House will move to recede and concur.

Amendment No. 77, relating to the use of funds appropriated to the Atomic Energy Commission to confer fellowships. The managers on the part of the House will move to recede and concur with an amendment.

Amendment No. 85, relating to the liquidation of accounts by the Home Owners' Loan Corporation. The managers on the part of the House will move to recede and concur with an amendment.

ALBERT THOMAS,
ALBERT GORE,
GEORGE ANDREWS,
CLARENCE CANNON,
FRANCIS CASE,
JOHN PHILLIPS,
Managers on the Part of the House.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

Mr. THOMAS of Texas. Mr. Speaker, I ask unanimous consent that Senate amendments numbered 7, 7½, 32, 52, 56, and 76 be considered en bloc. They are technical amendments, and have been agreed to by both bodies.

Mr. CASE of South Dakota. Mr. Speaker, reserving the right to object, these are largely changes in the numbers of sections, and things of that sort.

Mr. THOMAS of Texas. That is correct.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read as follows:

Senate amendment No. 7: Page 10, line 6, after the word "responsibility" insert ": *Provided further,* That not to exceed $2,700,000 of the amount herein appropriated may be transferred to the Department of the Navy for the acquisition, construction, and installation, at a location to be determined, of facilities (including necessary land and rights pertaining thereto) to replace existing Navy facilities at Arco, Idaho, which latter facilities are hereby authorized to be transferred by the Secretary of the Navy to the Commission for its purposes."

Senate amendment No. 7½: Page 10, line 14, insert ": *Provided further,* That no part of this appropriation or contract authorization shall be used—

"(A) to start any new construction project for which an estimate was not included in the budget for the current fiscal year;

"(B) to start any new construction project the currently estimated cost of which exceeds the estimated cost included therefor in such budget; or

"(C) to continue any community facility construction project whenever the currently estimated cost thereof exceed the estimated cost included therefor in such budget;

unless the Director of the Bureau of the Budget specifically approves the start of such construction project or its continuation and a detailed explanation thereof is submitted forthwith by the Director to the Appropriations Committees of the Senate and the House of Representatives and the Joint Committee on Atomic Energy; the limitations contained in this proviso shall not apply to any construction project the total estimated cost of which does not exceed $500,000; and, as used herein, the term "construction project" includes the purchase, alteration, or improvement of buildings, and the term "budget" includes the detailed justification supporting the budget estimates: *Provided further,* That whenever the current estimate to complete any construction project (except community facilities) exceeds by 15 percent the estimated cost included therefor in such budget or the estimated cost of a construction project covered by clause (A) of the foregoing proviso which has been approved by the Director, the Commission shall forthwith submit a detailed explanation thereof to the Director of the Bureau of the Budget and the Committees on Appropriations of the Senate and of the House of Representatives and the Joint Committee on Atomic Energy."

Senate amendment No. 32: Page 21, line 6, after the word "year," insert "including not to exceed $1,200 for administrative expenses in connection with the city of East Peoria sewage project."

Senate amendment No. 52: Page 44, line 21, insert "including the acquisition of that part of Wallops Island, Accomac County, Va., not presently owned by the Government, and not to exceed 1 acre in the vicinity of Wallops Island, Accomac County, Va., adjoining land heretofore acquired by the Government."

Senate amendment No. 56: Page 47, line 8, strike out "*Provided,* That not exceeding $25,000 of funds available during the current fiscal year may be used for personal services" and insert "*Provided,* That not exceeding $29,000 of the funds available under the above appropriation during the current fiscal year may be used for regular and part-time personal services of the Commission, excepting services by contract."

Senate amendment No. 76: Page 65, line 5, insert:

"Grants to the Republic of the Philippines: For payments to the Republic of the Philippines of grants in accordance with the act of July 1, 1948 (Public Law 865), for (a) construction and equipping of hospitals, $9,400,000, to be immediately available and to remain available until expended, and (b) expenses incident to medical care and treatment of veterans, $3,285,000."

Mr. THOMAS of Texas. Mr. Speaker, I move that the House recede and concur in the Senate amendments.

The Clerk read as follows:

Mr. THOMAS of Texas moves that the House recede and concur in Senate amendments Nos. 7, 7½, 32, 52, 56, and 76.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 11: Page 2, line 20, after the semicolon, insert "not to exceed $500,000 for allocation to the Federal Bureau of Investigation as required for investigation of applicants for certain positions when requested by the head of the department or agency concerned in cases where the department or agency concerned does not maintain its own investigative staff."

Mr. THOMAS of Texas. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. THOMAS of Texas moves that the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following: "not to exceed $250,000 for allocation to the Federal Bureau of Investigation as required for investigation of applicants for certain positions involving national security when required by the head of the department or agency concerned in cases where the department or agency concerned does not maintain its own investigative staff."

The motion was agreed to.

The SPEAKER pro tempore (Mr. COOPER). The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 13: Page 14, line 12, after "1943" insert ", or for the compensation or expenses of any member of a board of examiners who has not filed an affidavit that he is not, and within the fiscal years 1948 or 1949, has not been, pecuniarily or otherwise interested in any proceeding before any agency (as defined in section 2 of the Administrative Procedure Act), or any other proceeding to which the United States is a party."

Mr. THOMAS of Texas. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. THOMAS of Texas moves that the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following: ", or for the compensation or expenses of any member of a board of examiners (1) who has not made affidavit that he has not appeared in any agency proceeding within the preceding 2 years, and will not thereafter while a board member appear in any agency proceeding, as a party, or in behalf of a party to the proceeding, before an agency in which an applicant is employed who has been rated or will be rated by such member; or (2) who, after making such affidavit, has rated an applicant who at the time of the rating is employed by an agency before which the board member has appeared as a party, or in behalf of a party, within the preceding 2 years: *Provided*, That the definitions of 'agency,' 'agency proceeding,' and 'party' in section 2 of the Administrative Procedure Act shall apply to these terms as used herein."

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 46, page 40, line 25, insert the following:

"OFFICE OF THE HOUSING EXPEDITER

"Salaries and expenses, Office of the Housing Expediter: For expenses necessary to carry out the functions of the Office of the Housing Expediter, including personal services in the District of Columbia; attendance at meetings of organizations concerned with rent control; hire of passenger motor vehicles; printing and binding; purchase of newspapers (not to exceed $10,000); services as authorized by section 15 of the act of August 2, 1946 (5. U. S. C. 55a); not to exceed $5,000 for payment of claims pursuant to section 403 of the Federal Tort Claims Act (28 U. S. C. 2672); and health service program as authorized by law (5 U. S. C. 150); $21,667,500: *Provided*, That as to cases involving the functions transferred to the Office of the Housing Expediter by Executive Order 9841, section 204 (e) of the Emergency Price Control Act of 1942, as amended, shall be considered as remaining in full force and effect during fiscal year 1950."

Mr. THOMAS of Texas. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. THOMAS of Texas moves that the House recede from its disagreement to the amendment of the Senate numbered 46, and agree to the same with an amendment, as follows: In line 13 of said amendment, strike out the sum "$21,667,500", and insert "$17,500,000."

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 54, page 45, line 22, insert the following:

"Salaries and expenses, war records: For expenses necessary for the preparation of guides and other finding aids to records of the Second World War, including personal services in the District of Columbia; arranging, titling, scoring, processing, editing, duplication, reproduction, and authentication of photographic and other records (including motion-picture and other films and sound recordings); printing and binding; a health service program as authorized by law (5 U. S. C. 150); and payment of tort claims pursuant to law (28 U. S. C. 2672); $150,000, of which not to exceed $15,000 shall be available immediately."

Mr. THOMAS of Texas. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. THOMAS of Texas moves that the House recede from its disagreement to the amendment of the Senate numbered 54, and agree to the same with an amendment, as follows: In line 10 of said amendment, following the semicolon, strike out the remainder of the line and all of line 11 down to the period and insert in lieu thereof the following: "$100,000: *Provided*, That this appropriation shall be consolidated with the appropriation 'Salaries and expenses, National Archives', and accounted for as one fund."

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 63: Page 55, line 1, insert the following: "no part of this contract authority shall be used to start any new ship construction for which an estimate was not included in the budget for the current fiscal year, or to start any new ship construction the currently estimated cost of which exceeds by 10 percent the estimated cost included therefor in such budget, unless the Director of the Bureau of the Budget specifically approves the start of such ship construction and the Director shall submit forthwith a detailed explanation thereof to the Committees on Appropriations of the Senate and of the House of Representatives; and, as used herein, the term 'budget' includes the detailed justification supporting the budget estimates: *Provided further*."

Mr. THOMAS of Texas. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. THOMAS of Texas moves that the House recede from its disagreement to the amendment of the Senate numbered 63, and agree to the same with an amendment, as follows: In line 4 of said amendment, after the comma, strike out the word "or" and insert "nor" and in line 7, after the word "budget," strike out the comma.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 74: Page 63, line 7, after the word "occupation" strike out the balance of the line, and the word "recreational" on line 8, and insert "shall not, in the absence of substantial evidence to the contrary, be considered avocational or recreational when a certificate, in the form of an affidavit supported by two corroborating affidavits, has been furnished by a physically qualified veteran stating that such education or training is desired by him for use in connection with his present or contemplated business or occupation."

Mr. THOMAS of Texas. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. THOMAS of Texas moves that the House recede from its disagreement to the amendment of the Senate numbered 74, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment, insert the following: "shall not, in the absence of substantial evidence to the contrary, be considered avocational or recreational when a certificate in the form of an affidavit supported by corroborating affidavits by two competent disinterested persons, has been furnished by a physically qualified veteran stating that such education or training will be useful to him in connection with earning a livelihood: *Provided further*, That no part of this appropriation for education and training under title II of the Servicemen's Readjustment Act, as amended, shall be expended subsequent to the effective date of this act for subsistence allowance or for tuition, fees, or other charges in any of the following situations:

"(1) For any veteran for a course in an institution which has been in operation for a period of less than 1 year immediately prior to the date of enrollment in such course unless such enrollment was prior to the date of this act;

"(2) For any course of education or training for which the Administrator determines that the educational or training institution involved has no customary cost of tuition until the Administrator and the educational or training institution have agreed upon a fair and reasonable rate of payment for tuition, fees, or other charges for such course. The term 'customary cost of tuition' as employed herein and in paragraph 5, part VIII, Veterans Regulation No. 1 (a), as amended, is regarded as that charge which an educational or training institution requires a nonveteran enrollee similarly circumstanced to pay as and for tuition for a course, except that the institution (other than a nonprofit institution of higher learning) is not regarded as having a 'customary cost of tuition' for the course or courses in question in the following circumstances:

"(a) Where the majority of the enrollment of the educational and training institution in the course in question consists of veterans in training under Public Laws 16 and 346, Seventy-eighth Congress, as amended, and.

"(b) One of the following conditions prevails:

"(1) The institution has been established subsequent to June 22, 1944.

"(2) The institution although established prior to June 22, 1944, has not been in continuous operation since that date.

"3. The institution although established prior to June 22, 1944, has subsequently increased its total tuition charges for the course to all students more than 25 percent.

"4. The course was not provided for nonveteran students by the institution prior to June 22, 1944, although the institution itself was established before June 22, 1944.

"(3) For any veteran after the date of enactment of this act to reenter training, or change a course, except where such reentry or change of course is based upon the recommendation of the Administrator following advisement and guidance: *Provided further*, That nothing in the foregoing proviso shall

be construed to affect any litigation pending at the date of approval of this act."

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 77: Page 67, line 1 insert:

"SEC. 102. (a) No part of any appropriation contained in this title for the Atomic Energy Commission shall be used to confer a fellowship on any person who advocates or who is a member of an organization or party that advocates the overthrow of the Government of the United States by force or violence or with respect to whom the Commission finds, upon investigation and report by the Federal Bureau of Investigation on the character, associations, and loyalty of whom, that reasonable grounds exist for belief that such person is disloyal to the Government of the United States: *Provided*, That any person who advocates or who is a member of an organization or party that advocates the overthrow of the Government of the United States by force or violence and accepts employment or a fellowship the salary, wages, stipend, grant, or expenses for which are paid from any appropriation contained in this title shall be guilty of a felony and, upon conviction, shall be fined not more than $1,000 or imprisoned for not more than 1 year, or both: *Provided further*, That the above penal clause shall be in addition to, and not in substitution for, any other provisions of existing law."

Mr. CASE of South Dakota (interrupting the reading of the amendment). Mr. Speaker, I ask unanimous consent that further reading of the amendment be dispensed with and that it be printed in the RECORD; and in this connection I would merely like to point out that it is the amendment which deals with fellowships issued by the Atomic E..ergy Commission and is in addition to the provision with regard to the general loyalty test on salaries, wages, and so forth.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. THOMAS of Texas. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. THOMAS of Texas moves that the House recede from its disagreement to the amendment of the Senate numbered 77, and agree to the same with an amendment, as follows: In line 1 of said amendment, strike out "SEC. 102. (a)", and insert:

"SEC. 102-A."

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment 85: Page 74, line 25, insert "expenses (including personal services) in connection with the termination or liquidation of accounts carried on the books of the corporation."

Mr. THOMAS of Texas. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. THOMAS of Texas moves that the House recede from its disagreement to the amendment of the Senate numbered 85, and agree to the same with an amendment, as follows: Before the comma at the end of the matter inserted by said amendment, insert the following: "not to exceed $300,000."

Mr. THOMAS of Texas. Mr. Speaker, I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. Mr. Speaker, this is the final action in the consideration of the conference report, and with the adoption of this motion House action on the independent offices appropriation bill will be completed.

I merely want to call the attention of the Members of the House to the fact that a very substantial reduction has been made under the budget estimates both in the bill as it passed the House and now in its final form.

The bill as it passed the House carried a reduction of $672,060,277 below the budget estimates. In the Senate the bill passed with a reduction of $387,914,507. In the final action which will be agreed to when this next motion prevails there will be a total reduction in cash and contract authority of $517,414,841 below the budget requests.

That, I believe, both in the dollar reductions and in percentage cuts, leads the list for appropriation bills thus far acted upon.

The result is due to the thorough hearings which our chairman conducted and to the earnest efforts of all concerned, including our very able clerk, William Duvall. We also had very pleasant relations in the conference with the other body and were able to reach agreement on all items in 3 days.

Under permission to extend my remarks I will include this summary of comparative totals:

Final status of appropriations and contract authorization in the independent offices appropriation bill, 1950

Total amount of budget estimates considered	$8,051,343,830
Total amount agreed to by conferees	7,617,739,361
Net reduction in budget estimates	—433,604,469
Amount of contract authority submitted in budget estimates	536,000,000
Amount of contract authority agreed to by conferees	452,189,628
Net reduction in contract authority	—83,810,372
Total cash and contract authority in budget estimates	8,587,343,830
Total cash and contract authority agreed to by conferees	8,069,928,989
Total reduction in cash and contract authority agreed to by conferees	—517,414,841
In House:	
Amount of budget estimates considered	7,775,566,830
Amount included in bill	7,103,506,553
Reduction made in budget estimates	—672,060,277
In Senate:	
Amount of budget estimates considered	$8,051,343,830
Amount included in bill	7,663,429,323
Reduction made in budget estimates	—387,914,507

The SPEAKER pro tempore. The question is on the motion of the gentleman from Texas.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD to indicate my opposition to the Arco project in Idaho.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. MANSFIELD. Mr. Speaker, I am very much disturbed to find, in this report and bill brought before the House, that language has been inserted by the Senate which approves the acquisition of Navy land at Arco, Idaho, by the Atomic Energy Commission and thereby gives approval to the AEC selection of Arco as the site for the nuclear reactor plant.

Mr. Speaker, as it is impossible for me, under the rules of the House, to offer an amendment to the conference report on the independent offices appropriation bill—which includes funds for the Atomic Energy Commission—I will vote against it. I feel that the AEC has entirely too much power and authority and the classic example of this is the way it substituted Arco, Idaho, for Fort Peck, Mont., as the site for the nuclear reactor plant. Therefore, I want to see the Atomic Energy Commission stripped of its unequaled powers by reducing it to a par with other Federal agencies which are subject to congressional checks.

At present, the AEC has blanket authority to do just about anything it wants to do. We should take away its power to put atomic plants where it pleases. I advocate this because the AEC made a mistake when it selected Arco, Idaho, as the site for a nuclear reactor plant over Fort Peck, Mont., which had every advantage to make this plant a feasible one. We, of Montana, feel that decisions of this kind should not be within the hands of one man, a commission, or any other such group but that Congress should pick the sites and approve the project.

The facts, in this particular case, indicate very clearly that the Fort Peck site was the superior one and should have been retained over Arco. The hearings before the Joint Atomic Energy Committee proved by all the rules of logic and common sense, that Fort Peck should have been selected as the location for the nuclear reactor plant. I am voting against this conference report today in protest against the slipshod methods used by the AEC in determining the site of this plant and in the hope that, in the future, Congress will pick the sites and retain the power of final approval.

EXTENSION OF REMARKS

Mr. PHILLIPS of California asked and was given permission to extend his remarks in two separate instances in the Appendix, in one to include an editorial and in the other a quotation.

THE WORK OF THE SUBCOMMITTEES OF THE HOUSE COMMITTEE ON APPROPRIATIONS

Mr. PHILLIPS of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. PHILLIPS of California. Mr. Speaker, in concluding the independent offices appropriation bill I wish to call your attention to the fact that two subcommittees of the House Committee on Appropriations, a total of 10 men have the job of revising and studying approximately 60 percent of the Federal budget. It is a heavy responsibility. Mr. Speaker, the Subcommittee on the Armed Services is one and the Subcommittee on Independent Offices is the other The latter committee has the budgets for approximately 40 agencies, departments, and subsidiary parts of departments and agencies. I wish to take this opportunity to cite the fact that if it had not been for the ability of the chairman of the committee, the gentleman from Texas [Mr. THOMAS] and for the willingness of the other members of the subcommittee to work continuously and as hard as they did it would have been a very difficult matter.

I rise to express my appreciation of the chairman's work and my pleasure in working with the other four members of that subcommittee.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. PHILLIPS of California. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. As I understand it, the House agreed with the Senate in larger estimates for national life insurance?

Mr. PHILLIPS of California. That is correct.

Mrs. ROGERS of Massachusetts. I am very glad of that and also that there was more of an appropriation for hospital beds than appeared in the House bill.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. PHILLIPS of California. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. There was a supplemental estimate which went before the Senate. The Senate figures on national life insurance represented largely the increased deposits in the supplemental estimate.

Mrs. ROGERS of Massachusetts. They will be paid much more quickly, and should be.

The SPEAKER pro tempore. The time of the gentleman from California has expired.

MINORITY VIEWS

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that certain members of the Committee on Foreign Affairs may have until midnight tonight to file minority or separate views on the bill, H. R. 5895.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

GENERAL LEAVE TO EXTEND

Mr. THOMAS of Texas. Mr. Speaker, I ask unanimous consent that all Members may have two legislative days in which to extend their remarks on the conference report on H. R. 4177.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

SPECIAL ORDER GRANTED

Mr. MULTER. Mr. Speaker, I have a special order for today. I ask unanimous consent that that be transferred to tomorrow for 20 minutes after disposition of business on the Speaker's desk and at the conclusion of any special orders heretofore entered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

EXTENSION OF REMARKS

Mr. GATHINGS asked and was given permission to extend his remarks in the RECORD in two instances, in one to include a memorial address delivered at the Arkansas Medical Society meeting and in the other to include an article that appeared in the Southern Medical Journal by Dr. Lowry H. McDaniel entitled "The Doctor's Heart."

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the RECORD in two instances and include excerpts.

Mr. HEDRICK asked and was given permission to extend his remarks in the RECORD and include a statement by Soterios Nicholson entitled "What Is the Future of the World?"

Mr. DONOHUE asked and was given permission to extend his remarks in the RECORD and include an editorial.

COMMITTEE ON RULES

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file two reports.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

SPECIAL ORDER

The SPEAKER pro tempore. Under special order heretofore entered, the gentleman from Georgia [Mr. DAVIS] is recognized for 20 minutes.

(Mr. DAVIS of Georgia asked and was given permission to revise and extend his remarks and to include at the end of his remarks an article appearing in the July issue of the American Bar Association Journal.)

LEGISLATING JUDICIALLY

Mr. DAVIS of Georgia. Mr. Speaker, in the July 1949 issue of the American Bar Association Journal, beginning on page 555, there is an article by Richard C. Baker, associate professor of political science at Drake University, entitled "Legislating Judicially: Should the Power of Judicial Review Be Curbed?"

This is a very timely article regarding instances in which legislative functions have been usurped by the judicial department. The article deals specifically with three comparatively recent decisions rendered by the Supreme Court of the United States.

Usurpation of legislative functions by the judiciary is a practice which has been increasing in recent years. It is a practice which is in conflict with the basic principles upon which our system of government was established. It presents a serious threat to the methods devised by the founders of our Government to protect liberty and freedom through the proper functioning of three separate and independent departments of Government—legislative, executive, and judicial.

The three cases referred to by Professor Baker in his article are only a few of the recent cases in which action amounting to judicial legislation has been indulged in by the Supreme Court. In the 12-year period from 1937 to 1949 at least 30 decisions were rendered by the Supreme Court—and these do not include the three cases mentioned by Professor Baker—each of which overruled a previous decision of the Supreme Court. These 30 overruled decisions had stood for varying lengths of time, ranging from 1 year to 95 years.

In addition to the Court's action in directly overruling established precedents, substantial changes in the law were accomplished without overruling existing decisions, which action amounted to all intents and purposes to judicial legislation.

It is time for the bar of the Nation to take note of this practice. It is time for Congress to take note of it, and time for the people to take note of it.

It is important that adequate protection be afforded from those—whether they be zealots, fanatics, or merely well-meaning judges—determined to force radical doctrines upon an unwilling, but helpless, citizenry. The people of America realized the dangers of this procedure in the thirties when the Executive undertook to pack the Supreme Court with a personnel willing to upset established precedents and to change the meaning of our Constitution. A storm of protest was aroused by the proposal. It is a dangerous thing for judicial appointments to be based upon political considerations and for men to be appointed to the Supreme Court because they are willing to collaborate, through judicial decisions, in the establishment of new political philosophies.

One of the evils of such a system is that it destroys respect for both the courts and the law.

The decision of such a Court have no permanent value as precedents.

Under our system they must be followed until reversed, but there is no real respect for them. They are recognized for what they actually are, not as sound law, but as arbitrary statements of a branch of the Government, which, for the time being, has the power to enforce its will upon the citizens, whether rightly

or wrongly. This sort of judicial action has evoked criticism even from members of the Court. In commenting on the value of such decisions as legal precedents, Justice Roberts made a pertinent and, to my mind, very appropriate statement. This was in the case of *Smith* v. *Allwright et al.* (321 U. S. 649) going up from the Fifth Circuit Court of Appeals—a Texas case—wherein, on page 669, he said:

> The reason for my concern is that the instant decision overruling one announced about 9 years ago tends to bring adjudications of this tribunal into the same class as a restricted railroad ticket, "Good for this day and train only."

Professor Baker in this article points out the need for curbing the misused power of the Court. One possible solution suggested is to deprive the Court of the power to pass upon the constitutionality of legislation, and let the legislative department perform that function.

That is not in keeping with our system of checks and balances. But, neither is the usurpation of legislative functions by the judiciary in keeping with our system of checks and balances.

Certainly, if that plan should be adopted, it would be difficult, if not impossible, for the Congress to reach more erroneous conclusions in interpreting the Constitution than some of those which have recently been announced by the Supreme Court.

The wisdom of the ages is contained in the body of the law. It is, of course, subject to change and modification. It is also appropriate to reexamine, from time to time, decisions construing the Constitution. However, I do not hesitate to say that when the time comes to change existing statutes, these changes should be made by the legislative branch of the Government; namely, the Congress. When the time comes to change existing provisions of the Constitution, that instrument itself provides a definite and distinct method of change by amendment. Such method of change by amendment will reflect the will and desire of a majority of the people. In my opinion, it never was, and is not now, a proper function of the Supreme Court to render decisions the substantial effect of which is to amend the Constitution. The Supreme Court has authority to construe the Constitution—not to amend it.

One of the principal reasons that liberty has survived in America, while perishing in nearly every other section of the world, is that our Government has been a government of laws and not a government of men.

The function of the judiciary is to construe language which needs construction. It possesses no authority to palm off on the people, as the law of the land, the personal views and political philosophies of those who happen for the moment to constitute the personnel of the Court. Such action is directly destructive of our efforts to maintain our Government as a government of laws and not of men.

In an address on July 29, 1949, Donald R. Richberg said to the Virginia State Bar Association at their annual meeting:

> As an active practitioner, and a prospective teacher, of constitutional law I must make a clear distinction between what the law is and what the law ought to be. The Supreme Court is the final arbiter of what the law is. But the people are the final arbiter of what the law ought to be and eventually shall be. If they believe that the National Government should have and exercise greater powers to promote the general welfare, they will find the way to enlarge its authority. If they believe that more local self-government is essential to their liberties and their pursuit of happiness, they will find the way to enlarge the authority of the States and the municipalities.

Members of the bar are usually the first to take notice of any encroachment upon the rights of the citizen, and the first to resist improper use of authority or illegal exercise of powers. It is gratifying that through the State bar associations and the American Bar Association, the attention of the legal profession is being directed to the activities of the Supreme Court. An aroused bar can do much toward requiring the Supreme Court to stay within its proper sphere, even though it may chafe with impatience at the somewhat slower approach of the millenium through constitutional channels.

Professor Baker's article which appeared in the July American Bar Association's Journal is as follows:

LEGISLATING JUDICIALLY: SHOULD THE POWER OF JUDICIAL REVIEW BE CURBED?

(By Richard C. Baker, associate professor of political science at Drake University)

(A recent decision of the United States Supreme Court—*Shelley* v. *Kraemer* (334 U. S. 1 (1947))—declared that restrictive covenants operating against Negroes and other minorities violated the fourteenth amendment, thus outlawing a usage of such covenants which is older than the Constitution itself. Professor Baker uses this, along with the Everson and McCollum cases to demonstrate how the Supreme Court is using its power of judicial review to decide policy questions that are legislative in nature. He suggests that this is inherently undemocratic, and that the Court's power to legislate can be eliminated either by constitutional amendment or by a statute depriving the Supreme Court of its jurisdiction to hear constitutional law cases.)

"Judges ought to remember that their office is jus dicere, not jus dare: to interpret law and not to make law or give law." So wrote Sir Francis Bacon, eminent statesman and philosopher, several centuries ago. The charge is frequently made today that members of the Supreme Court have long since forsaken this injunction, and are now gradually invading the legislative domain. It is alleged that under the guise of construing the Constitution they are in reality creating law. The specific provision which the Justices generally invoke when they undertake to legislate judicially is the vague and nebulous due-process clause of the fourteenth amendment. What they do is to give this section an interpretation which coincides with their own social and economic views.

Among numerous cases recently decided by the Supreme Court, two in particular lend support to the above allegations. One [1] of these concerned the use of tax-supported school buildings for incidental religious purposes; the other [2] dealt with restrictive covenants directed primarily against Negroes. The usages involved in both cases existed long before the Constitution was adopted, were in force when the fourteenth amendment was proposed, and prevailed for seven decades after that amendment was ratified. Furthermore, very few, if any, of our legislatures had seen fit down through the years to change substantially these practices. Of equal significance is the fact that nearly all pertinent court decisions, Federal and State alike, had repeatedly sanctioned them.

But approximately a year ago, the Supreme Court suddenly announced that the further employment of public school property for religious functions was invalid,[3] and that the covenants in question were no longer enforceable by judicial process. In both instances it relied upon the due-process clause as justification for its rulings. The interdiction in the first case came as a distinct surprise to many, for shortly before it was rendered, the Court had upheld the expenditure of tax money to purchase books and furnish transportation for students attending certain sectarian schools.

In the two cases just mentioned, policies of long standing were in issue. What the Court did by its decisions was to reverse those policies. In so doing, it slipped "into the judgment seat of the legislatures"; it became in fact a legislative tertium quid capable of vetoing the work of our duly elected deliberative bodies. Action of this nature by whomsoever exercised smacks of making legislation and not of construing it.

EITHER STATUTE OR AMENDMENT COULD CHECK COURT'S POWER

This perversion of the Supreme Court's judicial power to legislative purposes could be checked either by an amendment to our organic instrument or by an ordinary statute. An amendment could deny the judiciary authority to refuse enforcement of a law on the ground that it is repugnant to the Federal Constitution. A statute could take from the Court its jurisdiction to hear constitutional questions.

The elimination of the Court's power of review would make the Legislature to a large extent the judge of the validity of its own enactments. Such a situation, some contend, should never be tolerated. Lawmakers are naturally biased in favor of their own measures. Moreover, few of them are skilled in the science of constitutional analysis. Then too, they voice the sentiments of only a temporary and perhaps scant majority of voters. The judiciary, on the other hand, is not embarrassed by any handiwork which might be at variance with the fundamental law; its members are well trained in the field of legal interpretation; and it speaks the will of the entire American people as manifested in the Constitution itself.

The foregoing argument would have carried great weight years ago when the Court adhered to the doctrine of stare decisis in reaching its decisions. It then leaned heavily on time-honored legal precedents, and gave little or no heed to the opinions of transient majorities. In recent times, however, the Court has proceeded on the notion that it should disregard the past when expounding the supreme law, and should reinterpret that document in the light of existing conditions and attitudes. Many words and phrases do not have the same connotations which they had a hundred or even 25 years ago, and ought now be given the meaning which the people of this generation attribute to them.

Granted that this later philosophy is correct, one phase of it in particular needs clarification. It is not clear just who are these people whose opinions the Court is supposed to express when it construes the Constitution. Do they constitute a simple, a two-thirds, or a three-fourths majority of the whole population? Or do they consist of the same kind of a majority which it takes to amend our national charter?

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[1] *Everson* v. *Board of Education* (330 U. S. 1 (1947)).

[2] *Shelley* v. *Kraemer* (334 U. S. 1 (1948)).

[3] *Illinois ex rel. McCollum* v. *Board of Education* (332 U. S. 203 (1948)).

Logic would seem to dictate that when the Court overturns well-established rules of constitutional law or passes on issues which have never been adjudicated, it is speaking for an "amending" majority. What the Court says in such a case is in effect this: We believe that if the people today were drawing a new constitution or were adding an explanatory amendment, they would write a provision containing the principles which we enunciate here. By the term "the people" we mean those who, if given the opportunity, would express themselves affirmatively through a two-thirds vote in each House of Congress and by majority votes in each chamber of three-fourths of our State legislatures.

APPLICATION OF THEORY IS IMPOSSIBLE

This theory is easy to state but almost impossible to apply as a practical matter. The main difficulty is that the Court, by the very nature of its office and duties, is poorly equipped for the roll of poll-taker, and hence must necessarily operate in the realm of conjecture whenever it undertakes to gage public opinion. From the isolation of its ivory tower it has scant opportunity for ascertaining whether its rulings represent the feelings of 10, 25, or 90 percent fo the population.

If the Court is to be deprived of its power to expound our highest law, this function must devolve upon someone else. A solution to the problem might be found in pursuing the practice used for generations in such countries as England and Canada. There, as in scores of other lands, the legislature in the first instance determines the scope of its authority, but if it exceeds that authority, it is reprimanded by the voters. Most nations employing this method do not seem to have suffered noticeably for having done so.

The practice of interpreting the Constitution according to the sentiments of a majority of the electorate as expressed through legislative bodies doubtless leaves much to be desired. But this type of opinion does have this much to be said for it: It is not the product of complete guesswork or surmise; nor does it represent a phantom majority which is totally incapable of being measured. On the contrary, it is fairly tangible, and can be calculated with some degree of accuracy.

Constitutional review of legislation is a more complicated matter here than it is abroad. In the first place, we have two sovereignties, National and State, which occasionally war over the distribution of power. When such a conflict occurs, a referee is indispensable, and the Supreme Court is perhaps in this one respect as good an arbiter as can be found. Yet, there is some question whether any Federal tribunal is suited for this task, for it would be, after all, the creature of one of the interested parties. A more equitable way to handle such a dispute might be to confide its determination to an agency controlled equally by both governments.

UMPIRE IS NEEDED FOR CIVIL LIBERTIES

In the second place, under our present system, our people possess certain civil liberties which are protected by the Federal Constitution from infringement by the States. Here again an umpire may be required, this time to keep the States in check. The Supreme Court, so its champions insist, is admirably qualified for this function. But in view of the fact that the Court now formulates its decisions either on the basis of an illusory public opinion or according to its own preconceived ideas of proper social and economic attitudes, it would appear that it has forfeited its claim as the appropriate organ for this purpose. Instead, it would be preferable either to return the safeguarding of civil rights to the States, to which it was originally committed by the fathers, or else entrust it to the care of the National Congress, which is ultimately responsible to the voting public.

Few will question that at times the majority will encroach upon the rights of minorities. But if we sincerely believe in the innate sense of fairness in our people, and feel that they are sufficiently intelligent to govern themselves according to the fundamental principles of justice, we must assume that they will not allow a serious grievance to go unrectified for long. We must take for granted that when they see their countrymen oppressed by unjust laws they will betake themselves to the polls and there in due time make everything right.

By way of recapitulation, it is submitted that if the doctrine of stare decisis is to be the guiding factor in construing the Constitution, the Court's power of judicial review might well be retained. But if our basic law is to be interpreted in the light of present day popular opinion, this same power should be eliminated. Should this second philosophy gain the ascendancy, the lawmakers initially, and the voters finally, ought to determine the validity of legislation.

The SPEAKER. Under previous order of the House, the gentleman from Massachusetts [Mr. LANE] is recognized for 10 minutes.

NO UNITED STATES ARMS FOR BRITAIN TO KEEP IRELAND PARTITIONED

Mr. LANE. Mr. Speaker, there is considerable debate on MAP—military assistance program—the legislation designed to implement the Atlantic Pact and thereby contain Communist aggression.

The Congress is reluctant to make commitments over which it will have no further control. And rightly so. We want a break-down on how this money is going to be used. We do not want any boomerangs or kick-backs. We have no intention of writing a blank check only to find that arms aid employed for purposes which the American public will condemn.

As a specific instance, I have in mind the case of Great Britain. While we consider her to be an ally, and wish to make her defenses strong, we are opposed to the use of such arms as we provide her, to maintain existing wrongs, or to keep subject peoples under imperialistic control.

The six counties of Northern Ireland, called Ulster, by every political, geographical, and moral standard, should be joined to the Republic of Ireland. These counties were unnaturally severed from the entity called Ireland, many years ago. The policy of the British Government is to continue this division by force if necessary, and in defiance of world opinion.

It would be strange indeed, if money siphoned from the pockets of American taxpayers (so many millions of whom trace their ancestry to southern Ireland) was misused to perpetuate an ancient wrong.

It would constitute taxation without representation in a new, devious, and cruel form.

We are wide-awake to this possibility and are determined to avoid it. Any arms aid to Britain must be spelled out in detail to assure us that not one cent shall be used to garrison British troops in Ulster, or to provide them with one plane, one tank, or even one bullet.

Ireland is an island of one people with a common language and a common culture. It cannot be cut in half, and I suspect that the British, in the confidential discussions within their Government, grudgingly acknowledge this fact. With a perversity which bears no relation to modern realities, they cling to the theory of partition. That it is foredoomed to failure, is evident. But the mere prolongation of it is a wrong in which the people of the United States, even by indirection, will not participate.

If we are to rally the forces of free men we must be certain that they are free to begin with. If we do not, the Communists will mock our contradictions and undermine the strength of arms by weakening the morale of those who are supposed to use them in defense of their liberties.

Ireland is not free while partition deprives her of the six counties in the north. Ireland is the symbol of independence, but she has not achieved full independence. No other nation has a greater claim to be a member of the United Nations or the Western Alliance within its framework. We need her Christian faith and her indomitable love of freedom. We need all of it, not half of it. Complete sovereignty is being withheld from her by a nation which professes to be the champion of European democracy. While this condition exists, the over-all cause which we are trying to strengthen and inspire, is weakened by the cynicism and bad faith of Britain. We cannot gloss over this paradox. We cannot take the risk of sending arms to her which may be used to obstruct the unification of Ireland and thereby expose us to the ridicule of the world, because of our naivete.

I believe in the objectives of the Atlantic Pact and of the Military Assistance Program which is calculated to support it with material strength. But we must define its terms with more exactitude, lest these arms be used for ends which would betray that sense of justice and generosity which is instinctive in the American people. We believe in certain defensive measures as a step toward reconstruction and peace. But we insist that the aid we give shall not be used to promote oppression or as an excuse for maintaining an impossible status quo.

We are properly concerned with the dangers of Communist aggression, but what of the age-old aggression of Britain toward Ireland? Part of that wrong has been righted, but as long as Britain—by whatever subterfuge—keeps Ireland divided, part of that aggression continues. It is a situation which we do not condone—and can never encourage. But our attitude is not merely a negative one. The people of the present Irish Republic were aided in no small measure in their struggle for independence by the moral support and financial assistance of millions of their compatriots and sympathizers in the United States. We will not relax as long as Britain has a toehold on the Emerald Isle. The time and effort demanded of us by more critical world problems, will not divert our attention away from a wrong which was old when Russia was scarcely known—an injustice

which will never be rectified until Ireland is completely free.

This is a moral issue on which we will never compromise. In every dealing with the British Government we shall press for the one, decent and fair solution to the Irish question because it is inseparable from the truly democratic aspirations of the American people who learned from their own bitter experience that no nation can exist half slave and half free.

We have given billions to Britain in the hope of helping her to weather the economic problems which threaten her free institutions, and, if this policy succeeds, it will be beneficial to the United States, Britain, and other independent members of the family of nations in the search for the security and progress which depend on a system that will guarantee peace.

However, this cannot be taken to justify expenditures calculated to maintain Britain's grip on a remnant of Ireland.

To avoid any possible misunderstanding, and to make sure that military equipment provided under MAP shall only be used for the larger purposes of combating if need be, or, even better, of discouraging Russian aggression, it is imperative that we clearly designate those uses for which such arms shall not be used.

Not only the transfer of arms from our own stocks, but authorizations for new arms must meet these rigid limitations. There was much deserved criticism, for example, of the fact that the Dutch Government used Marshall plan aid to help its military program against the independence movement in Indonesia. This should put us on our guard when it comes to providing arms for the Atlantic Pact nations. Unless we are most specific, these arms can be used for strange ends, utterly at variance with our broad foreign policy. Such a result would be embarrassing, to say the least. It could place us in a most inconsistent light and so befoul us with contradictions that the world would lose faith in our integrity. Without moral strength, all the money and all the material we authorize for defense of the Atlantic Pact nations will be external only, without the all-important inner strength, or will-to-resist.

Any plan for defense of western Europe is weak that does not include Ireland both as a base covering important air and sea lanes, and as a people who have liberties to fight for.

That important link in the chain of defense is vulnerable while Britain persists in maintaining an artificial cleavage between the Republic of Ireland and Ulster, thereby denying to the people of all Ireland that unity and that complete independence upon which the spirit of a freedom-loving people depends.

It is important that a clause be written into that section of the arms-aid program which applies to Britain, barring any employment of such funds or materials for use in Ulster, for such use could only be construed as a roadblock against the realization of all Ireland's legitimate ambition to be one, as she was in the beginning.

Look at the map before passing MAP. Do not authorize a military assistance program for Britain that establishes a base of imperialism in the six counties of Ulster and thus further delay the inevitable unification of Ireland. Do not permit arms aid to obstruct the evolution of democracy and the liberation of the Irish people.

Draw the line against abuses.

Do not help to fortify Ulster until partition is ended.

The SPEAKER. Under the previous order of the House the gentlewoman from Massachusetts is recognized for 10 minutes.

PSYCHOLOGICAL WARFARE

Mrs. ROGERS of Massachusetts. Mr. Speaker, I am recommending a measure for enactment by the Congress providing for a Department of Psychological Warfare. I am introducing such a resolution.

Psychological warfare is no new thing. It is as old as history; certainly, as old as written history. Joshua at Jericho employed the sounding of horns and the rhythmic chanting of the multitude. It has been successfully used by Caesar, by Napoleon, by Grant, by Sherman; in World War I and in World War II.

In spite of its widely acknowledged effectiveness, psychological warfare techniques have been dropped upon the advent of peace by most nations, with, of course, the outstanding exception of the Soviet Union. Then, when later emergencies arose, it was necessary to rediscover and reactivate. They should have been available immediately upon the outset of these crises.

This pattern of forgetting and rediscovery brings about a wasteful repetition of trial and error. What Mr. Creel learned in World War I was not relearned by Mr. Davis in World War II until after the defeat of Rommel in North Africa.

Many of us believe that psychological warfare, as employed by the United States, is successful when it is operated by an independent civilian agency. Psychological warfare, as employed by the United States, must be a cooperative effort between that civilian agency, the National Military Establishment, and the Department of State. Psychological warfare, as employed by the United States, will be effective if its chief administrator enjoys the support and confidence of the President and the Congress. Psychological warfare, as employed by the United States, can succeed only if its personnel for operations is chosen for loyalty, ability, and experience. And the greatest of these qualifications is loyalty.

Psychological warfare, if employed by the United States, will be effective in proportion to the rising tide of our military victories. Our present concern with psychological warfare is, I believe, the existing state of cold war between the United States on the one hand and the Soviet Union on the other that brought about the universal comparison between the techniques employed. In some phases of peacetime psychological warfare the U. S. S. R. has certainly been found wanting. In other phases this Nation has also been found wanting.

Our State Department has received greater appropriations to carry on peacetime psycholgoical warfare than at any other comparable time in history. Our psychological-warfare agency within the State Department has been seriously hampered because it is not an independent civilian agency. Our psychological-warfare agency has no official spokesman to make clear the policies of this Nation to other nations. Our psychological-warfare agency has no official broadcasting station for foreign lands; no Radio Washington.

While Soviet Russia has Radio Moscow, U. S. S. R., France has Radio Paris, Italy has Radio Rome, and Radio Riga is one of the most powerful Baltic States radios, it is appalling to my mind, Mr. Speaker, that the United States has no Radio Washington, no official radio broadcasting station.

The State Department, through Mr. Block and Mr. Stone, are probing psychological-warfare problems.

The National Military Establishment is also engaged in looking into the psychological-warfare situation.

There, however, is no coordination of presently conducted psychological warfare researches in our country. Congress has not been asked to cooperate or to coordinate.

The remarkable success of psychological warfare secured by Admiral Ellis Zaharias in our war with Japan, World War II, proves what can be accomplished in wartime. It was even put by some that the use of the atomic bomb was unnecessary to secure surrender by the Japanese. I believe war can be averted by peacetime psychological warfare if backed up by an adequate military preparedness.

My resolution will create a special committee on psychological warfare to coordinate the efforts of individuals and agencies now independently investigating the problems of psychological warfare; to study the effectiveness of peacetime psychological warfare within the Department of State, and the possible effectiveness of its operation in an independent agency; to investigate and to study how a civilian psychological warfare agency may more efficiently work with the National Military Establishment toward victory should a national emergency arise; to make recommendations to the Congress of the United States, more particularly to the House of Representatives, regarding the peacetime effectiveness and the wartime activization of a civilian psychological warfare agency.

Mr. Speaker, I ask unanimous consent to proceed on another subject at this time.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

TRANSPORTATION FOR AMPUTEES

Mrs. ROGERS of Massachusetts. Mr. Speaker, 98 Members of the Senate have voted unanimously to report out a bill to provide transportation for amputees.

The House committee during the last session reported such a bill, and I am hoping that on tomorrow the Committee on Veterans' Affairs will report out another similar bill.

Since the very beginning of our country one who had lost an arm or leg was given more compensation and more consideration than any other wounded soldier.

Mr. Speaker, anyone who has had a man or woman in his own family who has suffered an amputation knows there is great distress in the family for that reason. An adjustment has to be made. Anyone who has gone into the hospitals during this recent heat wave and has seen the amputees, anyone who has seen men having difficulty getting about, especially during the heat, with artificial arms and legs realize the great need there is to provide transportation for these most severely wounded war veterans.

Everyone acknowledges that while the veteran amputees are extremely gallant and they are extremely cheerful, there is the psychological handicap that also has to be overcome.

I believe the House in its wisdom will pass the Senate bill and grant this assistance.

Is the House less sympathetic than the Senate in the rehabilitation of these amputees and blind and paraplegics. I believe it will.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. BREEN (at the request of Mr. YOUNG), indefinitely, on account of illness.

To Mr. MILES, for an indefinite period, on account of official business.

To Mr. WORLEY, for 1 week.

To Mrs. WOODHOUSE, indefinitely, on account of official business.

To Mr. MAGEE, for Monday to Thursday, August 15 to 18, inclusive, on account of official business.

EXTENSION OF REMARKS

Mr. FURCOLO (at the request of Mr. PRIEST) was given permission to extend his remarks in the RECORD.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1267. An act to promote the national defense by authorizing a unitary plan for construction of transsonic and supersonic wind-tunnel facilities and the establishment of an Air Engineering Development Center; to the Committee on Armed Services.

ENROLLED BILLS SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 559. An act to confer jurisdiction upon the United States District Court for the Central Division of the Southern District of California to hear, determine, and render judgment upon the claims of the city of Needles, Calif., and the California-Pacific Utilities Co.;

H. R. 631. An act for the relief of Mrs. Dorothy Vicenclo;

H. R. 1137. An act for the relief of J. W. Greenwood, Jr.;

H. R. 1505. An act for the relief of Harry Warren;

H. R. 1604. An act conferring jurisdiction upon the Court of Claims to hear and determine the claim of Breinig Bros., Inc.; and

H. R. 2634. Act act to provide transportation on Canadian vessels between Skagway, Alaska, and other points in Alaska, and between Hyder, Alaska, and other points in Alaska or the continental United States, either directly or via a foreign port, or for any part of the transportation.

The SPEAKER announced his signature to a joint resolution of the Senate of the following title:

S. J. Res. 79. Joint resolution authorizing Federal participation in the International Exposition for the Bicentennial of the Founding of Port-au-Prince, Republic of Haiti, 1949.

BILLS AND JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT

Mrs. NORTON, from the Committee on House Administration, reported that that committee did on the following dates present to the President, for his approval, bills and joint resolutions of the House of the following titles:

On August 10, 1949:

H. R. 1751. An act to transfer a tower located on the Lower Souris National Wildlife Refuge to the International Peace Garden, Inc., North Dakota.

On August 11, 1949:

H. R. 1516. An act to amend the act entitled "An act to reclassify the salaries of postmasters, officers, and employees of the postal service; to establish uniform procedures for computing compensation; and for other purposes," approved July 6, 1945, so as to provide annual automatic within-grade promotions for hourly employees of the custodial service;

H. R. 1619. An act for the relief of Saint Elizabeth Hospital, Yakima, Wash., and others;

H. R. 1679. An act for the relief of Mrs. Skio Takayama Hull;

H. R. 1720. An act to provide for the conveyance of certain land in Missoula County, Mont., to the State of Montana for the use and benefit of Montana State University;

H. R. 1857. An act for the relief of the estate of Josephine Pereira;

H. R. 1993. An act for the relief of Samuel Fadem;

H. R. 2095. An act for the relief of the estate of Kenneth N. Peel;

H. R. 2214. An act to provide for the development, administration, and maintenance of the Suitland Parkway in the State of Maryland as an extension of the park system of the District of Columbia and its environs by the Secretary of the Interior, and for other purposes;

H. R. 2239. An act for the relief of the estate of W. M. West;

H. R. 2253. An act for the relief of the legal guardian of Arthur Earl Troiel, Jr., a minor;

H. R. 2344. An act for the relief of Charles W. Miles;

H. R. 2456. An act for the relief of Charlie Hales;

H. R. 2572. An act to extend to commissioned officers of the Coast and Geodetic Survey the provisions of the Armed Forces Leave Act of 1946;

H. R. 2602. An act for the relief of John B. Boyle;

H. R. 2608. An act for the relief of C. H. Dutton Co., of Kalamazoo, Mich.;

H. R. 2662. An act to grant time to employees in the executive branch of the Government to participate, without loss of pay or deduction from annual leave, in funerals for deceased members of the armed forces returned to the United States for burial;

H. R. 2704. An act for the relief of Freda Wahler;

H. R. 2806. An act for the relief of Paul C. Juneau;

H. R. 2807. An act for the relief of Loretta B. Powell;

H. R. 2869. An act to authorize an appropriation in aid of a system of drainage and sanitation for the city of Polson, Mont.;

H. R. 5287. An act to amend title 28, United States Code, section 90, to create a Swainsboro Division in the southern district of Georgia, with terms of court to be held at Swainsboro;

H. R. 5365. An act to provide for the transfer of the vessel *Black Mallard* to the State of Louisiana for the use and benefit of the department of wildlife and fisheries of such State;

H. R. 5831. An act to exempt certain volatile fruit-flavor concentrates from the tax on liquors;

H. J. Res. 188. Joint resolution to provide for the coinage of a medal in recognition of the distinguished services of Vice President Alben W. Barkley;

H. J. Res. 242. Joint resolution extending for 2 years the existing privilege of free importation of gifts from members of the armed forces of the United States on duty abroad.

On August 13, 1949:

H. R. 1892. An act authorizing the Secretary of the Interior to issue to Lake County, Mont., a patent in fee to certain Indian lands;

H. R. 1997. An act to authorize the survey of a proposed Mississippi River Parkway for the purpose of determining the feasibility of such a national parkway, and for other purposes;

H. R. 2197. An act to authorize acquisition by the county of Missoula, State of Montana, of certain lands for public-use purposes;

H. R. 2740. An act to authorize the establishment of fish hatcheries in the States of Georgia and Michigan; to authorize the rehabilitation and expansion of rearing ponds and fish-cultural facilities in the States of New York and Colorado; to authorize the Secretary of the Interior to undertake a continuing study of shad of the Atlantic coast; and to amend the act of August 8, 1946, relating to investigation and eradication of predatory sea lampreys of the Great Lakes, and for other purposes;

H. R. 4510. An act to provide funds for cooperation with the school board of Klamath County, Oreg., for the construction, extension, and improvement of public-school facilities in Klamath County, Oreg., to be available to all Indian and non-Indian children without discrimination; and

H. J. Res. 208. Joint resolution to amend the joint resolution creating the Niagara Falls Bridge Commission, approved June 16, 1938.

ADJOURNMENT

Mr. PRIEST. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 35 minutes p. m.) the House adjourned until tomorrow, Tuesday, August 16, 1949, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

863. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1950 in the amount of $4,000, for the legislative branch, Architect of the Capitol (H. Doc. No. 307); to the Committee on Appropriations and ordered to be printed.

864. A letter from the Secretary of Agriculture, transmitting a report in accordance with section 3, Public Law 890, Eightieth

Congress, relative to the justification of this Department continuing to hold the alcohol plant at Omaha, Nebr.; to the Committee on Agriculture.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. CANNON. Committee on appropriations. House Joint Resolution 339. Joint resolution amending an act making temporary appropriations for the fiscal year 1950, as amended, and for other purposes; without amendment (Rept. No. 1263). Referred to the Committee of the Whole House on the State of the Union.

Mr. MURRAY of Tennessee: Committee on Post Office and Civil Service. H. R. 5931. A bill to establish a standard schedule of rates of basic compensation for certain employees of the Federal Government; to provide an equitable system for fixing and adjusting the rates of basic compensation of individual employees; to repeal the Classification Act of 1923, as amended; and for other purposes; with an amendment (Rept. No. 1264). Referred to the Committee of the Whole House on the State of the Union.

Mr. KEE: Committee on Foreign Affairs. H. R. 5895. A bill to promote the foreign policy and provide for the defense and general welfare of the United States by furnishing military assistance to foreign nations; with amendments (Rept. No. 1265). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BENNETT of Florida:

H. R. 5983. A bill to provide for the construction of certain Veterans' Administration hospitals, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. FARRINGTON:

H. R. 5984. A bill to approve Joint Resolution 12 enacted by the Legislature of the Territory of Hawaii in the regular session of 1949, relating to the granting of land patents in fee simple to certain lessees under homestead leases; to the Committee on Public Lands.

By Mr. MILLER of California:

H. R. 5985. A bill to provide for retirement of certain Government employees in case of reductions in force; to the Committee on Post Office and Civil Service.

By Mr. SASSCER:

H. R. 5986. A bill to authorize the construction at Suitland, Md., of a building or group of buildings for the servicing and storage of film records; to the Committee on Public Works.

By Mr. SPENCE:

H. R. 5987. A bill to amend the National Housing Act, as amended, and for other purposes; to the Committee on Banking and Currency.

By Mr. BENNETT of Florida:

H. R. 5988 A bill authorizing the transfer of certain lands in Putnam County, Fla., to the State Board of Education of Florida for the use of the University of Florida for educational purposes; to the Committee on Public Lands.

By Mr. KEATING:

H. R. 5989. A bill to require persons who obtain commissions for rendering assistance in the obtaining of Government contracts to register with the Congress, and to establish in the General Services Administration an Office of Contract Information; to the Committee on the Judiciary.

By Mr. SASSCER:

H. R. 5990. A bill to provide for the development, administration, and maintenance of the Baltimore-Washington Parkway in the State of Maryland as an extension of the park system of the District of Columbia and its environs by the Secretary of the Interior, and other purposes; to the Committee on Public Works.

By Mr. WALTER:

H. R. 5991. A bill to promote the exploration, development, and conservation of certain resources in the submerged coastal lands and to provide for the use, control, and disposition of said lands and resources and of lands beneath inland waters; to the Committee on the Judiciary.

By Mr. WALTER:

H. R. 5992. A bill to promote the exploration, development, and conservation of certain resources in the submerged coastal lands and to provide for the use, control, and disposition of said lands and resources and of lands beneath inland waters; to the Committee on the Judiciary.

By Mr. DOUGHTON:

H. R. 5993. A bill to amend the Internal Revenue Code and the Code of the District of Columbia with respect to the taxation of the salaries of employees of international organizations; to the Committee on Ways and Means.

By Mr. CASE of South Dakota:

H. R. 5994. A bill to repeal the excise tax on telegraph, telephone, radio, and cable service; to the Committee on Ways and Means.

By Mr. McDONOUGH (by request):

H. R. 5995. A bill to facilitate standardization and uniformity of procedure relating to determination and priority of combat connection of disabilities, injuries, or diseases alleged to have been incurred in, or aggravated by combat service in a war, campaign, or expedition; to the Committee on Veterans' Affairs.

By Mr. RAMSAY:

H. R. 5996. A bill to protect the national economy from excessive importations of vitrified and semivitrified dinnerware, kitchenware, art pottery, and blown and pressed glassware, and to aid domestic producers of such articles and the employees of such producers; to the Committee on Ways and Means.

By Mr. TALLE:

H. R. 5997. A bill to exempt certain nonprofit religious and charitable organizations from the tax imposed on billiard and pool tables; to the Committee on Ways and Means.

By Mr. DOUGHTON:

H. R. 6000. A bill to extend and improve the Federal Old-Age and Survivors Insurance System, to amend the public assistance and child welfare provisions of the Social Security Act, and for other purposes; to the Committee on Ways and Means.

By Mr. DAWSON:

H. J. Res. 340. Joint resolution to clarify the status of the Architect of the Capitol under the Federal Property and Administrative Services Act of 1949; to the Committee on Expenditures in the Executive Departments.

By Mr. DONDERO:

H. Res. 325. Resolution to authorize the Committee on Armed Services to investigate and study all facts relating to a certain contract for the manufacture of machinery for the Army and the reasons why such contract was not awarded to the lowest responsible bidder; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BRYSON:

H. R. 5998. A bill for the relief of John Sam Smith; to the Committee on the Judiciary.

By Mr. DOYLE:

H. R. 5999. A bill for the relief of Mr. and Mrs. A. C. Lupcho; to the Committee on the Judiciary.

By Mr. FERNÓS-ISERN:

H. R. 6001. A bill to extend the time within which suit may be filed under the Federal Tort Claims Act on the claim of Luis Birriel; to the Committee on the Judiciary.

H. R. 6002. A bill for the relief of Francisco Colchero Arrubarrena; to the Committee on the Judiciary.

By Mr. McMILLAN of South Carolina:

H. R. 6003. A bill for the relief of John E. White; to the Committee on the Judiciary.

By Mr. O'TOOLE:

H. R. 6004. A bill for the relief of Pietro Del Pozzo; to the Committee on the Judiciary.

By Mrs. ST. GEORGE:

H. R. 6005. A bill for the relief of Moszko Wendrovnik; to the Committee on the Judiciary.

By Mr. WALTER:

H. R. 6006. A bill for the relief of Anthony Charles Bartley; to the Committee on the Judiciary.

H. R. 6007. A bill for the relief of Herminia Ricart; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1410. By Mr. BENNETT of Florida: Memorial of the Florida State Legislature, directing the Secretary of State of Florida to memorialize the Congress to complete a four-lane highway from Jacksonville, Fla., to Los Angeles, Calif.; to the Committee on Public Works.

1411. By Mr. SMITH of Wisconsin: Resolution of the General Conference of the German Congregational Churches of the United States of America at its biennial meeting at Billings, Mont., June 15–19, 1949, urging their Senators and Representatives to do everything in their power to change the status of relatives and friends of German extraction who are suffering under the present law because they are being classified as "Volksdeutche" and therefore cannot be helped by the IRO, to that of "displaced persons"; to the Committee on the Judiciary.

SENATE

TUESDAY, AUGUST 16, 1949

(Legislative day of Thursday, June 2, 1949)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Rev. Robert N. DuBose, D. D., of the Association of American Colleges, Washington, D. C., offered the following prayer:

Most gracious God and Father, in whom dwelleth all fullness of light and wisdom, enlighten our minds, we beseech Thee, by Thy holy spirit, in the true understanding of Thy word. May we put our whole trust in Thee only, and so serve and honor Thee that all our lives may glorify Thy holy name and be profitable unto Thee.

We beseech Thee to bless all who give themselves to the service of their country and their fellow men. Endue them with wisdom, patience, and courage to

strengthen this Nation as a great nation in every way. May we ever be conscious of our duties and obligations to the suffering, friendless, and needy.

Be with our country in its decisions of this day. May these United States of America contribute substantially toward bringing unity to God's people. May we make no peace with oppression, and may we reverently use our freedom and power. Help us to employ it in the maintenance of justice among men and nations.

Thou, O Lord, knowest the petitions of our hearts. Hear us we pray. Lighten our darkness, we beseech Thee, O Lord, and by Thy great mercy defend us from all perils and dangers for the love of Thy only Son. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Monday, August 15, 1949, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed the following bills of the Senate, each with an amendment, in which it requested the concurrence of the Senate:

S. 259. An act to discontinue divisions of the court in the district of Kansas; and

S. 974. An act to amend the Veterans' Preference Act of 1944 with respect to certain mothers of veterans.

The message also announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 210. An act to authorize the conveyance of a portion of the United States military reservation at Fort Schuyler, N. Y., to the State of New York for use as a maritime school, and for other purposes;

H. R. 829. An act to authorize the Secretary of Agriculture to accept buildings and improvements constructed and affected by the Buffalo Rapids Farms Association on project lands in the Buffalo Rapids water conservation and utilization project and canceling certain indebtedness of the association, and for other purposes;

H. R. 2015. An act to authorize the Secretary of Agriculture to convey and exchange certain lands and improvements in Grand Rapids, Minn., for lands in the State of Minnesota, and for other purposes;

H. R. 2166. An act to amend title 28, United States Code, section 456, so as to increase to $15 per day the limit on subsistence expenses allowed to justices and judges while attending court or transacting official business at places other than their official station, and to authorize reimbursement for such travel by privately owned automobiles at a rate of not exceeding 7 cents per mile;

H. R. 2734. An act to amend an act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914 (38 Stat. 730), as amended;

H. R. 4069. An act to reserve certain land on the public domain in Nevada for addition to the Summit Lake Indian Reservation;

H. R. 4090. An act to extend the benefits of section 23 of the Bankhead-Jones Act to Puerto Rico;

H. R. 4231. An act to reserve certain land on the public domain in Utah for addition to the Goshute Indian Reservation;

H. R. 4509. An act to amend the act of February 25, 1920 (41 Stat. 452), and for other purposes;

H. R. 4692. An act to provide for the extension of the term of certain patents of persons who served in the military or naval forces of the United States during World War II;

H. R. 5097. An act for the administration of Indian livestock loans, and for other purposes;

H. R. 5098. An act to authorize the leasing of restricted Indian lands for public, religious, educational, recreational, business, and other purposes requiring the grant of long-term leases;

H. R. 5232. An act to amend the Road Act of May 26, 1928 (45 Stat. 750), authorizing appropriations for roads on Indian reservations;

H. R. 5390. An act to authorize the Secretary of the Interior to exchange certain Navajo tribal Indian land for certain Utah State land;

H. R. 5489. An act to ratify and confirm Act 251 of the Session Laws of Hawaii, 1949;

H. R. 5512. An act to amend section 13 of the Federal Farm Loan Act, as amended;

H. R. 5556. An act to make available for Indian use certain surplus property at the Wingate Ordnance Depot, N. Mex.;

H. R. 5601. An act to authorize the exchange of certain lands of the United States situated in Iosco County, Mich., for lands within the national forests of Michigan, and for other purposes;

H. R. 5620. An act permitting the use, for public purposes, of certain land in Hot Springs, N. Mex.;

H. R. 5670. An act authorizing transfer of land to the county of Bernalillo, State of New Mexico, for a hospital site;

H. R. 5679. An act to authorize the transfer of certain agricultural dry land and irrigation field stations to the States in which such stations are located, and for other purposes;

H. R. 5731. An act to discharge a fiduciary obligation to Iran;

H. R. 5764. An act to authorize the granting to the city of Los Angeles, Calif., of rights-of-way on, over, under, through, and across certain public lands;

H. R. 5839. An act to facilitate and simplify the work of the Forest Service, and for other purposes; and

H. J. Res. 230. Joint resolution authorizing the Secretary of the Navy to construct and the President of the United States to present to the people of St. Lawrence, Newfoundland, on behalf of the people of the United States, a hospital or dispensary for heroic services to the officers and men of the United States Navy.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 3417. An act to amend the act entitled "An act to provide for cooperation by the Smithsonian Institution with State, educational, and scientific organizations in the United States for continuing ethnological researches on the American Indians," approved April 10, 1928, and for other purposes; and

H. R. 3825. An act to amend the Federal Crop Insurance Act.

CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hendrickson	Millikin
Anderson	Hickenlooper	Morse
Baldwin	Hill	Mundt
Brewster	Hoey	Murray
Bricker	Holland	Myers
Bridges	Humphrey	Neely
Butler	Hunt	O'Conor
Byrd	Ives	O'Mahoney
Cain	Jenner	Pepper
Capehart	Johnson, Colo.	Robertson
Chapman	Johnson, Tex.	Russell
Chavez	Johnston, S. C.	Saltonstall
Connally	Kefauver	Schoeppel
Cordon	Kem	Smith, Maine
Donnell	Kerr	Smith, N. J.
Douglas	Kilgore	Sparkman
Downey	Knowland	Stennis
Dulles	Langer	Taft
Eastland	Lodge	Taylor
Ecton	Long	Thomas, Okla.
Ellender	Lucas	Thomas, Utah
Ferguson	McCarran	Thye
Flanders	McCarthy	Tydings
Frear	McClellan	Vandenberg
Fulbright	McFarland	Watkins
George	McKellar	Wherry
Gillette	Magnuson	Wiley
Graham	Malone	Williams
Green	Martin	Withers
Gurney	Maybank	Young
Hayden	Miller	

Mr. SALTONSTALL. I announce that the Senator from Kansas [Mr. REED] is absent by leave of the Senate.

The Senator from New Hampshire [Mr. TOBEY] is necessarily absent.

The VICE PRESIDENT. A quorum is present.

COMMITTEE MEETINGS DURING SENATE SESSIONS

On request of Mr. LUCAS, and by unanimous consent, a subcommittee of the Committee on Banking and Currency, and the Committee on Interior and Insular Affairs were authorized to hold hearings during sessions of the Senate.

REORGANIZATION PLAN NO. 1 OF 1949—DEPARTMENT OF WELFARE

Mr. LUCAS. Mr. President, yesterday we discussed Senate Resolution 147. Some time ago I gave notice that on the convening of the Senate today we would proceed to the consideration of Senate Resolution 147.

I have discussed the question of limitation of debate with the distinguished Senator from Arkansas [Mr. MCCLELLAN], chairman of the Committee on Expenditures in the Executive Departments, and the Senator from Nebraska [Mr. WHERRY], the distinguished minority leader. We have more or less agreed upon a time for limitation of debate. I hope that other Senators on both sides of the aisle will cooperate with us. I am now about to make a unanimous-consent request.

I ask unanimous consent that at the hour 6 p. m. today the Senate proceed to vote without further debate upon Senate Resolution 147 disapproving Reorganization Plan No. 1, the time to be controlled by the Senator from Arkansas [Mr. MCCLELLAN] for the resolution, and the Senator from Minnesota [Mr. HUMPHREY] against the resolution.

The VICE PRESIDENT. Is there objection?

Mr. WHERRY. Mr. President, reserving the right to object, I should like to ask two questions.

First, is it the intention of the distinguished majority leader to take a recess until tomorrow after the vote has been taken?

Mr. LUCAS. The Senator is correct.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. WHERRY. As I understand, no amendment can be offered to the resolution. Is that correct?

The VICE PRESIDENT. That is correct.

Mr. WHERRY. So the vote will be on the resolution at 6 o'clock.

The VICE PRESIDENT. It will be voted either up or down.

Mr. LODGE. Mr. President, I should like to make a statement on this subject, of not more than 10 minutes in length. I should like to know whether the allocation of time is still sufficiently fluid so that it will be possible for me to have that much time, or whether all the time has been bespoken.

Mr. WHERRY. Mr. President, I can assure the distinguished Senator from Massachusetts that there will be plenty of time for him; and I think there will be plenty of time for other Senators who wish to discuss the plan.

Mr. IVES. Mr. President, reserving the right to object, I did not quite hear the colloquy which took place in the midfloor section of the Chamber. Probably the question I am about to ask has already been answered.

Am I to understand that immediately following the vote at 6 o'clock on the resolution relating to Reorganization Plan No. 1 we are to continue during the evening with the resolution relating to Reorganization Plan No. 2?

Mr. LUCAS. No. We will take a recess until tomorrow.

Mr. IVES. And continue tomorrow with Reorganization Plan No. 2?

Mr. LUCAS. That is correct. I am hopeful that we can make a similar arrangement tomorrow with regard to Reorganization Plan No. 2. I have been told that possibly we can do so. However, I shall not submit a unanimous-consent request in that connection at this time.

Mr. LANGER. Mr. President, reserving the right to object, I objected the other day to unanimous consent because at that time I was worried for fear we would not get an opportunity to vote on the matter of telephones for the farmers. This morning the distinguished Senator from Oklahoma [Mr. THOMAS], chairman of the Committee on Agriculture and Forestry, advises me that that bill will be reported very soon, and that we shall have an opportunity to vote on it. I wish to thank the Senator from Oklahoma publicly, and to say that I have no objection to the unanimous-consent request.

The VICE PRESIDENT. Is there objection to the request of the Senator from Illinois [Mr. LUCAS]?

Mr. MCCLELLAN. Mr. President, reserving the right to object, I should like to make a brief announcement pertaining to another plan, if I may, before we start this debate.

The VICE PRESIDENT. The resolution is not yet officially and technically before the Senate, and will not be unless this request is agreed to or a motion is made.

Is there objection to the request of the Senator from Illinois [Mr. LUCAS]? The Chair hears none, and it is so ordered.

The Chair makes the observation that the agreement to the unanimous-consent request technically brings the resolution before the Senate. Otherwise it would have to be done by motion.

Mr. LUCAS. I thank the Chair for that observation.

The Senate proceeded to the consideration of the resolution (S. Res. 147) disapproving Reorganization Plan No. 1 of 1949.

The VICE PRESIDENT. Time is now running, to be divided equally.

Mr. MCCLELLAN. Mr. President, before I begin the discussion of the resolution, I wish to announce to other Senators that yesterday the senior Senator from Arizona [Mr. HAYDEN] submitted resolution of disapproval with respect to Reorganization Plan No. 7, which would transfer the Public Roads Administration to the Department of Commerce. Because of legal technicalities and complications which are involved, which the resolution sets forth, the Committee on Expenditures in the Executive Departments, to which that resolution was referred, feels that there is not sufficient time to hold hearings on it, because the time for affirmative action on the resolution will expire Thursday night. Therefore I am undertaking today to have the committee authorize me to report it back to the Senate immediately without recommendation. That will give the Senate the opportunity to discuss it. The legal problems which are involved may be considered, and the Senate can exercise its judgment without recommendation from the committee.

The creation of a Department or of separate departments to administer Federal functions in the fields of health, education, and welfare has long been considered by the Congress. Proposals, beginning with the administration of President Harding in 1923, and continuing up to the time when the pending Reorganization Plan No. 1 of 1949 was presented to the Congress on June 20, have been presented for the establishment of a Welfare Department. In 1932, former President Herbert Hoover recommended the establishment of a Department of Welfare. This was followed by President Roosevelt's Committee on Administrative Management, which in 1937, recommended that such a department be established.

The first major step in this direction was accomplished under Reorganization Plan No. 1 of 1939, which created the Federal Security Agency, into which were incorporated certain activities of the Government pertaining to health, education, and welfare. However, each of these functions retained largely an autonomous status under the general supervision of the Federal Security Administrator. Beginning in 1946, President Truman has repeatedly recommended the establishment of a Department of Welfare, and various bills having this objective in view have been introduced and considered by Congress. The latest of these proposals is Reorganization Plan No. 1 of 1949, which the pending resolution—Senate Resolution 147—disapproves.

The Senate Committee on Expenditures in the Executive Departments in the Eightieth Congress reported favorably Senate bill 140, introduced by the Senator from Arkansas [Mr. FULBRIGHT] and the Senator from Ohio [Mr. TAFT], joint sponsors of the pending resolution of disapproval, which would have established a Department of Health, Education, and Security, embracing all the functions now administered by the Federal Security Agency. There is, however, an important fundamental difference between that bill and the present Reorganization Plan No. 1. Senate bill 140 would have retained an autonomous or independent status for each major function of health, education, and welfare. To accomplish this, the bill provided for Under Secretaries of Health, Education, and Welfare, each to have complete jurisdiction over those important functions, and created special bureaus to which the related services would be assigned under the respective Under Secretaries. Reorganization Plan No. 1 of 1949 would vest all functions and complete administrative responsibility in the Secretary of Welfare, with no recognition whatsoever for the autonomy and independence of each activity.

The Senate Committee on Expenditures in the Executive Departments held hearings on Reorganization Plan No. 1 from July 24 to August 3. This committee had conducted lengthy hearings upon the identical issue during the Eightieth Congress.

Incidentally, when the committee was considering Senate bill 140 in the Eightieth Congress, there was also pending before the committee another bill which embraced practically the same plan that is involved in Reorganization Plan No. 1. The committee had both bills under consideration, and reported Senate bill 140, which differs as I have set forth.

As I just said, the committee had conducted lengthy hearings upon the identical issue during the Eightieth Congress, but all persons interested in the matter were again given full opportunity to reiterate their position, and to express their views in favor of or against the plan. In all, 15 witnesses submitted direct testimony, of which the Director of the Budget, the Federal Security Administrator, and the Veterans of Foreign Wars, among others, favored the plan, and 9, including the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Wyoming [Mr. HUNT], the Senator from Ohio [Mr. TAFT], cosponsors of Senate Resolution 147, and the American Medical Association, opposed the plan. In addition, a total of some 1,768 letters, telegrams, and statements received by the Committee were analyzed during the course of the hearings, some of the most pertinent of which were incorporated in the RECORD. Of the communications received, roughly 1,594 were in opposition

to the plan and approximately 174 supported it, most of the opposition coming from doctors and medical groups.

Reorganization Plan No. 1 does not conform to the recommendations of the Commission on Organization of the Executive Branch of the Government, although the Commission did recommend the establishment of a Department of Welfare. The plan is directly contrary to the Hoover Commission's primary recommendation that the United States Public Health Service, a major component of the present Federal Security Agency, be transferred into a proposed United Medical Administration into which would be consolidated all major Federal activities in the field of national health. This cardinal recommendation of the Hoover Commission, which has the unreserved support of former President Herbert Hoover, is omitted from the plan. Proposed legislation drafted by the Hoover Commission, Senate bill 2008, to establish a United Medical Administration, has been introduced in the Senate by the Senator from Utah [Mr. THOMAS] and now is pending before the Committee on Labor and Public Welfare. Reorganization Plan No. 1 also omits the Commission's recommendations which propose the transfer of the Bureau of Employees' Compensation and the Employees' Compensation Appeals Board from the Federal Security Agency to the Department of Labor, and the transfer of the Food and Drug Administration from the Federal Security Agency to the Department of Agriculture.

Mr. LUCAS. Mr. President, will the Senator yield at this point?

Mr. McCLELLAN. I yield.

Mr. LUCAS. I wish to ask a question. Is it the view of the Senator from Arkansas that the adoption of Reorganization Plan 1 would preclude the Congress from enacting Senate bill 2008, which is before the Committee on Labor and Public Welfare?

Mr. McCLELLAN. Of course, Congress cannot be precluded from acting on any proposed legislation upon which it wishes to act. That is correct theoretically. But in practice, it certainly would be more difficult for the Congress to enact a law transferring from the new department one of its vital component functions, to the transfer of which the head of that department had announced his opposition.

Mr. LUCAS. The Senator from Arkansas will agree with me, will he not, that Senate bill 2008 would create an independent agency to administer public health?

Mr. McCLELLAN. It would. That bill was introduced in line with the Hoover Commission's recommendation.

Furthermore, plan No. 1 gives no consideration to the transfer of the Bureau of Indian Affairs from its present location in the Department of the Interior to the proposed Department of Welfare, as the Hoover Commission recommended, or the transfer of the Employees Compensation Appeals Board from the Federal Security Agency to the Department of Labor.

Mr. Hoover testified before the committee on June 30, 1949, that the seven reorganization plans submitted to the Congress by the President were "steps on the road to better organization of the administrative branch," and that, "insofar as they go," they are substantially in accord with recommendations of the Commission on Organization which he headed.

But, in commenting on plan No. 1, Mr. Hoover specifically emphasized that the Commission had also recommended that all functions of the Federal Security Agency relating to public health be transferred to a proposed United Medical Administration, stating that "under our plan the new department's functions would be limited to education and security." He made it clear that the new Department of Welfare was intended to incorporate only education and welfare activities. As previously pointed out, a bill which would incorporate the Commission's recommendations concerning medical activities is before the Senate Committee on Labor and Public Welfare.

It is contended that creation of the proposed United Medical Administration could not be accomplished by a reorganization plan, but would require a special act of Congress. In connection with this, it must be borne in mind that the Bureau of the Budget in its analysis of the methods of effectuating the Hoover Commission reports, made earlier in this session of Congress, clearly stated that the transfers necessary to incorporate Federal medical activities into an independent United Medical Administration could be effectuated by reorganization plan. If the President can, under provisions of the Reorganization Act of 1949, establish a new Department of Government, such as a Department of Welfare, by reorganization plan it follows I believe that he can transfer already existing functions and consolidate them into an independent administration under statutory limitations as the proposed United Medical Administration, so long as he limits such plan to transfer of existing units, and does not undertake to create new functions.

In brief, Reorganization Plan No. 1 would establish a "Department of Welfare, but not in accordance with the recommendations of the Hoover Commission. It does provide for a Secretary of Welfare, with complete administrative authority over the components of the Department, vests in him power to consolidate the Department's functions, and permits him to delegate such functions at his discretion.

The vesting of this unlimited power in the hands of one man to reorganize those important functions which are of such vital significance to the health, education, and security of every citizen, raises the point upon which most serious opposition to the plan has centered. Section 2 (b) (c) of Reorganization Plan No. 1, which vests in the Secretary of Welfare authority to consolidate and delegate functions as he sees fit, not only destroys the existing autonomy and independence of public health and education, but grants to the Secretary of Welfare such complete control as to give him domination over the administration of those functions, and in the opinion of the majority of the committee would subordinate health and education to welfare under a Secretary of Welfare.

In view of present definite trends of the Government and of certain elements in it in the direction of socialized public health and federally controlled education, action by the Congress on this plan is one of momentous decision. There can be little doubt as to ultimate objective of the Federal Security Agency's policies toward the establishment of a national compulsory health insurance program, which, in my judgment, is a long step toward socialized medicine. There is also little question that the elevation of the Federal Security Agency to departmental status on the basis proposed by Reorganization Plan No. 1, including the Public Health Department, would lend impetus to and greatly augment efforts of high Government officials to force acceptance of this program through the prestige and power of a Cabinet office. Witnesses appearing before the committee in opposition to the plan repeatedly contended that such a step would greatly weigh the scales in favor of the promulgation of those policies. They further maintained that Cabinet status would enhance the influence of the Federal Security Administrator if elevated to Secretary of Welfare. Thus, he would be far more effective in his advocacy of socialized medicine.

The health of the people is of great importance to the Congress and to the Nation. This is as it should be, but neither programs of compulsion nor of subordination will properly safeguard the health of our people. The tendency of the past decade to subordinate health to security cannot but be detrimental to the general welfare of the Nation. Experience has proven that in times of depression equal attention to health, welfare, and education cannot be expected when relief is of uppermost concern, with emphasis placed upon security. There must be a large degree of independence given to the proper functions of Federal components having jurisdiction over health and education. This, undoubtedly, is a major factor in the Hoover Commission's decision that public health should be an independent function. It obviously would lose any degree of independence it now possesses if Reorganization Plan No. 1 is permitted to become law.

Aside from the revolutionary policy changes incorporated in Plan No. 1, no reasonable expectation of economies can be visualized from the conversion of the Federal Security Agency to a Department of Welfare, nor has any concrete proof been presented that greater efficiency will be achieved in the administration of the various functions involved. The President, in transmitting Reorganization Plan No. 1, stated that over a period "it is probable that substantial reductions in expenditures will result * * * but it is not practicable at this time to itemize such reductions." On the contrary, there is greater probability that increased expenditures will result. Certainly in considering the past history of the Federal Security Agency and the President's advocacy of

a generally expanded social-security program, which he has already presented to the Congress, we have a yardstick pointing toward that end.

The present Federal Security Administrator, Mr. Oscar Ewing, testified he had already accomplished certain savings in administration of the Federal Security Agency, and predicted that he could make further savings, provided he were given the powers Reorganization Plan No. 1 would confer upon him as Secretary of Welfare. In response to questions addressed to him by members of the Committee on Expenditures, however, he could give no examples of expected economies except to reaffirm that he was confident he could effectuate them.

It was the conviction of a majority of the members of the Committee on Expenditures in the Executive Departments that the Senate should withhold favorable action upon the plan and adopt the pending resolution of disapproval, until the Congress has had further opportunity to weigh carefully these serious problems which so vitally affect Federal relations with the health, education, and security of all the States, and with all citizens of the Nation.

In reaching this decision the committee carefully considered the evidence presented at the hearings, weighed the arguments advanced by both proponents and opponents of the proposal, and gave full consideration to the recommendations of the Commission on Organization of the Executive Branch of the Government.

The majority's conclusion was based on three primary considerations which may be briefly stated, as follows:

First. Reorganization Plan No. 1 of 1949 does not conform to the recommendation of the Hoover Commission. It omits important aspects of the over-all program covering the reorganization of Federal activities in the fields of health, education, and welfare;

Second. It establishes, by vesting complete control in the Secretary of Welfare, a Federal department dominated by welfare objectives, destroying the independence of functionary units in the fields of health and education, and subordinating them to the domination of welfare programs; and

Third. It would tend to build up rather than remove bureaucratic controls over State activities, while effecting no economies in Government

Although the committee accepted with reservations the point of view expressed by many medical groups that the creation of a Department of Welfare, including health activities, would necessarily promote socialized medicine by giving impetus to the administration's compulsory health insurance program, the majority of its members do feel that this issue is of such grave importance to the welfare of the people that it is imperative that the Congress deliberate thoroughly upon the entire problem of reorganization of all Federal health, education, and welfare activities, and upon all aspects and implications of the proposed program before any such permanent alinement of authority is delegated as is proposed by Reorganization Plan No. 1 if approved. Affirmative action should, therefore, be withheld until the Congress has fully determined upon the merits of all related Hoover Commission recommendations in the fields of activity involved and has formulated an adequate and complete program of reorganization which would eliminate existing objections to the pending proposal.

For these reasons the Senate Committee on Expenditures recommended favorable action on Senate Resolution 147, which expresses disapproval by the Senate of Reorganization Plan No. 1 of 1949.

Mr. President, I have briefly covered the history of this proposed reorganization and have given the Senate the views which brought a majority of the committee to the conclusion that it should recommend to the Senate that the resolution be adopted and Reorganization Plan No. 1 be rejected.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. TAFT. Do I correctly understand that there is now pending in the committee a bill covering the whole field in the manner in which the committee thinks it should be covered?

Mr. McCLELLAN. As to health, that is correct.

Mr. TAFT. Is there not also a plan for a department along the lines of the Fulbright bill?

Mr. McCLELLAN. There is a bill similar to the one the Senator sponsored last year. There has been introduced recently a bill which is now before the Committee on Expenditures in the Executive Departments, and another one dealing with the health aspect of it in accordance with the Hoover Commission's recommendations.

Mr. HUMPHREY. Mr. President, as a member of the Committee on Expenditures in the Executive Departments I took the privilege of submitting to the Senate a minority report to accompany Senate Resolution 147. This minority report outlined the point of view of those of us who believe in Reorganization Plan No. 1 and who reject the resolution sponsored by the majority, Senate Resolution 147.

I have had the privilege of reading the majority report recommending veto action on Reorganization Plan No. 1. I have had the opportunity of studying it page by page and also of looking over the testimony before the Committee on Expenditures in the Executive Departments.

I submit that if we adopt this resolution, endorsed by a majority of the Senate committee, we shall kill the first reorganization plan submitted by the President to carry out the recommendations of the Hoover Commission, a plan to convert the Federal Security Agency into a Department of Welfare. I think this is the issue, Mr. President. The issue before the Senate is whether we are going to have the courage, the fortitude, and the wisdom to adopt the program which has been recommended and which is in substantial agreement with the program of the Hoover Commission, or whether we are going to sidetrack the reports of the Hoover Commission and go backward into a no man's land of confusion, of countless bureaus and agencies within a department. We are either for the Hoover Commission or against it. We are either for the recommendations of the Commission on Reorganization of the Executive Departments, or we are against them.

Mr. President, let me restate what I consider to be the issue. I think it is simply this: Are we to reorganize the Government or not? Are we to support the Hoover Commission or not? If we kill the first plan of reorganization, which is in full accord with the Hoover Commission recommendations, because of the opposition of a lobby on behalf of a very small group which is not even affected by it, except in its own imagination, we shall have offered proof that a democratic government cannot effectively order its own affairs.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. HUMPHREY. I will yield very briefly, for a question.

Mr. TAFT. I have only one question. The Senator has referred to action by a lobby. I should like to know if the Senator is aware that I made some arguments 2 years ago, before any lobby appeared, against the principle of putting all these powers under one secretary, and in spite of the opposition at that time of the American Medical Association to which the Senator refers. I think it is unfair for the Senator to say that the opposition is lobby opposition. My opposition is an opposition on principle, and I am quite willing to attack other bills which would meet the opposition of the same lobby to which the Senator has referred.

Mr. HUMPHREY. Mr. President, I desire to say that from here on I shall yield only for the purpose of a question. I think we must abide by the rules. I have been asked to abide by them.

I merely want to point out that the distinguished Senator from Ohio did make recommendations, but I say, without fear of successful contradiction, that there is a lobby, a very powerful one, which has besieged my office and the offices of other Senators on this particular proposal. It is a lobby against the proposal. The fact is that in 1949 there is a lobby, and it is effective, and I intend to speak about it.

Mr. TAFT. Mr. President, will the Senator yield once more?

Mr. HUMPHREY. For a question only.

Mr. TAFT. Has the Senator received as many telegrams as I have received from the CIO unions, all over the country, in behalf of the plan and against the resolution?

Mr. HUMPHREY. I may say to the distinguished Senator from Ohio that I am not so fortunate as to receive so many communications from the CIO. They seem to have a greater interest in the Senator's point of view than they have in mine. I have received thousands of telegrams and letters on this proposal, but I must confess that most of them have been of the "patent remedy" type, and not by specific prescription. They

are the old "patent remedy" telegrams. One takes his choice in picking them out of the jar of telegrams and sending them where he wants to send them, to his Representative or Senator.

Surely we must have some compelling reason before we take a step so important as is Senate Resolution 147, but I submit that no compelling reason has been offered. If Senators will read the report they will see that the weight of the evidence is heavily against the resolution which would kill this reorganization program. In other words, it is heavily against the resolution we are asked to adopt. I shall go into it in some detail, and I hope that the distinguished Members of the Senate will follow the majority report with me, step by step. But, first of all, I should like to ephasize one cardinal fact.

Nowhere in the majority report do the authors contend that Reorganization Plan No. 1, which the majority asks the Senate to reject, is in violation of any of the Hoover Commission's recommendations. This is important, Mr. President. It seems to me it is a controlling feature in the debate. Certainly one of the principal questions is whether the reorganization plan is or is not in conformity with the Hoover Commission's proposals.

The opponents of this particular plan, however, have sought to give the impression that it does, in fact, violate the Hoover Commission recommendations, and have argued that it should be rejected for that reason.

If it were possible to substantiate that allegation, one might expect to find at least a statement of the case in the report filed by the majority members of the committee which voted out the pending resolution, but Senators will search the majority report in vain to find any substantiation of the feeling of the opponents of the reorganization plan that it is a violation of the Hoover Commission report.

Mr. President, in hundreds of the telegrams I personally have received the authors of the telegrams say, "Support Hoover Commission recommendation. Reject Reorganization Plan No. 1." I have taken the liberty to reply, "I do support the Hoover Commission recommendation. I trust that you will. Therefore, support Reorganization Plan No. 1."

Mr. FULBRIGHT. Mr. President——

The PRESIDING OFFICER (Mr. HUNT in the chair). Does the Senator from Minnesota yield to the Senator from Arkansas?

Mr. HUMPHREY. I yield.

Mr. FULBRIGHT. Has the Senator ever seen the Task Force Report of February 8 on the Federal medical services?

Mr. HUMPHREY. The junior Senator from Minnesota is very familiar with the Task Force Report on the medical services.

Mr. FULBRIGHT. The Senator knows that that report specifically recommends the United Medical Administration to be separate, does he not?

Mr. HUMPHREY. Let me say to my distinguished colleague from Arkansas that the issue is not the United Medical Administration. This seems to be where the confusion comes. The United Medical Administration is a separate proposal unto itself, and we will debate that when it comes before the Senate. The United Medical Administration, as former President Hoover stated, was something to be created by legislation. The point is that the task force report—which was, by the way, a task force report, not a Hoover Commission recommendation, and that needs to be underlined—does not deal with Reorganization Plan No. 1; it deals with a separate issue which is in the Senate Committee on Labor and Public Welfare, which, I may say to the Senator, is exactly where those who are for the United Medical Administration should have gone, instead of to the Committee on Expenditures in the Executive Departments.

Mr. FULBRIGHT. Let us go to the Commission report itself, page 2, recommendation 1, which follows exactly the Task Force Report, and then again to the Commission's report entitled "Social Security and Education, Indian Affairs," in which it recommends the creation of a department in which there is no medical service. I do not understand the Senator's reasoning at all, because the Hoover Commission's report positively does not recommend Reorganization Plan No. 1.

Mr. HUMPHREY I am very happy to reply to the Senator from Arkansas by stating that the Hoover Commission recommends a United Medical Administration, and there is a bill having that objective before the Committee on Labor and Public Welfare.

Mr. FULBRIGHT. But the Hoover Commission does not recommend plan No. 1.

Mr. HUMPHREY. I may say, the Hoover Commission recommendations cover 19 reports. The summary report deals with general observations upon the administrative pattern of government, as do the 18 other specific reports, and points out the necessity for the reorganization of the Department of Welfare. There is not a shadow of doubt that the creation of the Department of Welfare, as is recommended by the President's reorganization plan, is underwritten by the Hoover Commission, with this one exception, to which I shall come, that the Public Health Service would be connected with the United Medical Administration. But I submit to the Senator that the Congress has not created the United Medical Administration, so the issue is, where do we want the Public Health Service? Perhaps it should be put on Guam, perhaps we should give it to the United Nations, but if it is under our Government, we would have to have it under some kind of a department, and the temporary provision is to leave it under the Department of Welfare, which does not in any way obviate the possibility that at a later date it will be transferred to the United Medical Administration, if the United Medical Administration is established. In the meantime, where should we put it? Should we put it under the Department of Labor or the Department of Commerce, or in the Treasury? It was once under the Treasury.

Mr. FULBRIGHT. It is not included in plan No. 1.

Mr. HUMPHREY. The Public Health Service is, momentarily, temporarily, left under the Department of Welfare.

Mr. FULBRIGHT. Why is not the United Medical Administration included in plan No. 1?

Mr. HUMPHREY. The Chairman of the Hoover Commission made the observation, in his testimony before the Committee on Expenditures in the Executive Departments for the creation of a United Medical Service Administration, that it would take legislation to create it.

Mr. FULBRIGHT. The Senator does not believe that, does he?

Mr. HUMPHREY. The Senator does believe it. There may be some doubt in the mind of the junior Senator from Arkansas, but the Senator from Minnesota believes it. Apparently the Senate believes it, because there is a bill before the Senate Labor and Public Welfare Committee to effectuate that purpose.

Mr. FULBRIGHT. The Senator knows that the Bureau of the Budget in their opinion said it could be done by reorganization.

Mr. HUMPHREY. In the report of the Hoover Commission it was recommended that it be done by legislation.

Mr. FULBRIGHT. I do not think the Senator is correct at all. It was recommended that it be done under a reorganization plan. There is no question about the power of Congress to do it by legislation, I do not deny that, but if we are to reorganize and try to follow the Hoover Commission, it should be included as a part of a reorganization plan.

Mr. HUMPHREY. I can see that the Senator loves the use of forensics and debate, and therefore I shall yield to him for the moment for the pleasure we can afford each other.

For the purposes of the argument, working on the assumption of the Senator from Arkansas, let us assume that the United Medical Administration can be created by Presidential reorganization. Then let us wait until it is established, and debate it. The point is that the Department of Welfare was recommended, and it was recommended by every President, with the exception of Calvin Coolidge, since 1923, and the proposal for a Department of Welfare is the issue before the Senate now.

The issue is not the United Medical Administration. That is a fictitious issue. The real issue is the Department of Welfare. If the junior Senator from Minnesota were engaged in a debate on the United Medical Administration, he would have to take part in that at another date, because the problem before the Senate today is simply the issue of the Department of Public Welfare.

Mr. FULBRIGHT. I think the issue is the statement the Senator made that this plan follows the Hoover Commission report. I merely say it does not. That is the issue.

Mr. HUMPHREY. I am happy to have the observation of the junior Senator from Arkansas. We differ and I shall prove my point.

I have asked Senators to look through the majority report and to find a single statement by the majority to the effect that Reorganization Plan No. 1 is not in conformity with the Hoover Commission recommendations. Not one word will be found to that effect.

True, the report points out that plan No. 1 does not effectuate all of the Hoover Commission recommendations relating to the Federal Security Agency. True, it summarizes the allegation made repeatedly by opposing witnesses, several of whom asserted categorically that the plan does not conform. But the majority do not make the same assertion, nor does the Commission suggest that the President has been remiss in failing to carry out the remaining Hoover Commission proposals by reorganization plan. Why? Because evidence before the committee, including testimony by former President Hoover himself, demonstrated conclusively that:

First. Reorganization Plan No. 1 does conform with the Hoover Commission recommendations, and

Second. The most controversial and important of the remaining recommendations affecting the Federal Security Agency cannot be carried out by the President under reorganization plan, but only by special legislation passed by the Congress.

Now let us take up the argument, point by point, as set down in the majority report—bearing in mind as we go along that conformity with the Hoover Commission recommendations is not at issue, so far as the report is concerned, unless the majority wishes to make it an issue. I may say I would beseech, I would ask that the opponents make it an issue, and that we judge the merits of the question accordingly. But I believe the opponents will not make that an issue.

As I mentioned a moment ago, this is a remarkable document. In substance, the argument for rejecting Reorganization Plan No. 1 goes something like this:

After setting forth the provisions of the plan and its legislative history, the report points out that the President submitted Reorganization Plan No. 1 of 1949 in accordance with the Reorganization Act of 1949, which was passed by this Congress 6 or 7 weeks ago. Certainly there is nothing wrong with that. But maybe an argument against the plan will come in a little later. As we continue our consideration we find that up to now there has been no real argument put forth against the plan. Let us proceed.

Next, the report tells us that the plan is the culmination of a long history, which began with the recommendation in 1923 by Warren G. Harding that a Department of Welfare be established. The same recommendation, we are told, was made 9 years later by President Hoover. It was repeated by President Roosevelt's Committee on Administrative Management in 1937. The need for is was reaffirmed by President Roosevelt in 1939 when he established the present Federal Security Agency by reorganization plan. It was recommended by President Truman in 1946, 1947, and 1948. All this has been subscribed to by the distinguished chairman of the Committee on Expenditures in the Executive Departments, the Senator from Arkansas [Mr. McCLELLAN].

All this, Mr. President, is set forth in the majority report, which concludes that we should now reject a proposal to do what every President but one has recommended since 1923. But perhaps a convincing reason for rejecting it will be found as we turn the pages.

Next we are told that the Committee on Expenditures in the Executive Departments reported favorably in 1947 a bill sponsored by the sponsors of the resolution we are now considering, to transform the Federal Security Agency into a Department of Health, Education, and Welfare, and giving to each function a high degree of autonomy. This, the report explains, differs from Reorganization Plan No. 1, which places administrative responsibility in the Secretary of Welfare.

The majority do not say whether they approve of one form of organization or the other, but merely summarize the arguments offered on each side by opposing witnesses. This is not surprising. and I want to bring this clearly to the attention of the Senate—since the form of organization provided in Reorganization Plan No. 1 is in precise and detailed accord with recommendations of the Hoover Commission. No one who heard the testimony in committee or who has read the Hoover Commission reports could reach a different conclusion. By the same token, the form of organization provided in the bill sponsored in 1947 and again in 1948 by the sponsors of this resolution, is in direct and flagrant violation of the most basic principles of executive management laid down by the Hoover Commission. This point will be developed in more detail by one of my colleagues.

Let me quickly summarize the administrative pattern as provided in Reorganization Plan No. 1 as underwritten and wholeheartedly subscribed to by the Hoover Commission. The administrative pattern of the bill sponsored by the proponents of the veto resolution; that is, the bill providing for separate autonomy for health, welfare, and education, is exactly the administrative pattern which the Hoover Commission says is wasteful, inefficient. duplicating, cumbersome, and clumsy. Yet the sponsors of the veto resolution would kill off a plan which would underwrite and which would put into effect the administrative organizational pattern recommended by the Hoover Commission.

In any case, the majority do not contend that Reorganization Plan No. 1 is faulty in this regard, but merely point out that some of the opponents do. So far, we have found no compelling reason to follow the majority's advice. So let us go on.

Next, the report lists the witnesses who appeared for and against Reorganization Plan No. 1, indicating quite clearly that the chief opposition to it, except on the part of the sponsors of Senate Resolution 147, came from the spokesmen for organized medicine.

For some reason, not clear to me, the report fails to mention that the list of witnesses in favor of the plan included a gentleman who only the other day was heralded, on the floor of the Senate, for his patriotic service to this country, the former President of the United States, Herbert Hoover, Chairman of the Commission on Organization of the Executive Branch of the Government. It is true that he testified generally, on all of the first seven plans submitted by the President. But surely it is important for us, in the consideration of plan No. 1, to know that Mr. Hoover said, and I quote him, directly from the hearings:

> I want to say at once that the seven plans are all steps on the road to better organization of the administrative branch. They are, insofar as they go, substantially in accord with the recommendations of the Commission on Organization of the Executive Branch of the Government.

The only interpretation one can place upon that statement is simply this, that the distinguished Chairman of the Commission on Organization of the Executive Branch of the Government felt that these plans represent good forward steps, and particularly Reorganization Plan No. 1, and his statement indicates that he wished it went further, and so does the junior Senator from Minnesota. But to say that one thinks it ought to go further than it now goes, and therefore he will reject it, is to say that he does not believe in what we may call steady progress. It would be the same sort of thing as if people were to say that the need for schools in America today is greater than can be supplied, and that, therefore, since we cannot go the whole way, no forward steps whatever should be taken. I have heard it said repeatedly that we need in this country many school buildings, we need today much money for the support of our schools and we need billions of dollars for a highway program.

Only the other day there was before the Senate for consideration an appropriation for the Public Roads Administration. We could all have voted against it. We might have said, "We need from $25,000,000,000 to $50,000,000,000, according to the road builders of America, for the building of highways, so we are not going to vote for the appropriation of four or five million dollars. That is not enough." What kind of reasoning would that be? That would be the same as saying that, simply because we cannot afford to pay for the building of a new house, we will not undertake to put up sufficient money to make necessary repairs. Or if repairs were necessary to be made, and we did not have sufficient money to make all the repairs, would it not be foolish to say that we would not make as many repairs as we could afford to make, simply because we did not have money enough to make all the repairs? What kind of reasoning would that be?

So long as the step now proposed to be taken is a forward step, and in accordance with the Hoover Commission's recommendations, it is a step worth taking. If it is in conformity with the program laid down by the Hoover Commission, if it has the support of the sponsors of the reorganization movement in the Government, then it appears to me

it is the kind of plan which should be given the helping hand of the Congress of the United States.

Mr. BALDWIN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. BALDWIN. I may say to the Senator from Minnesota that I have been quite confused by the arguments which have been made one way and the other on this question. The Senator states that this is but a step. It seems to me that there is a good deal of question as to the direction in which the step is to be taken. It may not be backward, but it may be in the direction of something we do not want. As I understand from an examination of the task-force report, it was the recommendation of the task force that a United Medical Service be established, which would be independent of the Department of Health and Welfare, as recommended in other portions of the report.

The Senator says that if we take this step now and put the Medical Service in the new department, ultimately, if we want to do it, we can organize it in another way. I submit to the Senator this question: Have not the President and Mr. Ewing indicated already that it would not be their purpose or desire to take that further step in conformity with what the Senator says? In other words, if we adopt the Senator's suggestion and put the Health Service in the new department, while some Senators may feel that it ought to be set up in compliance with the report of the task force, how are we ever going to accomplish that once this step is taken? The President has said in his letter:

> I am unalterably opposed to the recommendation to transfer the Public Health Service to an independent United Medical Administration and I feel that any plan to consolidate hospital functions at this time would be premature.

How does the Senator get around that particular situation?

Mr. HUMPHREY. The junior Senator from Minnesota does not wish to get around it. The Congress can legislate as to where it wants the agencies of Government to go. If we think the Public Health Service ought to be in the United Medical Administration, we must take certain steps. I think we can rely upon the advice and judgment of the Hoover Commission. There does not seem to be any partisan debate as to whether or not Mr. Hoover has done a good job. I think all fair-minded people realize that he has done a tremendous job.

What does he say with reference to the United Medical Administration?

> I do not think the President has ignored the recommendations, because the whole problem of reorganization is so greatly interlocked. For instance, in order to carry out the Commission's recommendations, it is necessary to set up a United Medical Administration in the Government before the health functions in the Federal Security Agency can be transferred. The creation of that agency, I am advised, will require specific legislation before the President could transfer agencies to it.

I shall not debate the point as to what Mr. Hoover said. He has been advised by counsel for the Committee on Organization of the Executive Branch of the Government.

The question which the Senator from Connecticut raises is an important one. Apparently the present head of the Federal Security Agency and the President have stated that they do not believe that the Public Health Service should be transferred to the United Medical Administration. The American Legion and the Veterans of Foreign Wars do not even want a United Medical Administration. But if the Congress wishes to transfer the Public Health Service to the Maritime Commission it can do so. If it wishes to transfer the Public Health Service to the Port Authority, it can do so. We legislate. Congress can put the Public Health Service wherever it wishes to put it, or it can rely on the good will of the President and hope that he will transfer it. If we feel that he will not do it, we should pass the kind of legislation which will take care of the problem.

Mr. BALDWIN. Suppose a Senator believes that there should be a United Medical Administration, and that it should be independent, but that it should not be intermingled with other important activities. Suppose he votes for this particular plan, and the Medical Service goes into the new department. He may hope that, as an administrative act on the part of the administrative department in the Government, the President and Mr. Ewing will set up a separate United Medical Service. We have every indication, from what the President and Mr. Ewing have said, that neither of them believes in that sort of a program. So obviously it will not be done by administrative action.

Mr. HUMPHREY. Mr. President——

Mr. BALDWIN. May I finish?

Mr. HUMPHREY. Mr. President, my time is limited.

Mr. BALDWIN. The Senator has the floor. If he does not wish to yield further, he is not obliged to do so.

Mr. HUMPHREY. I prefer that we have questions. Senators on the other side have a certain amount of time. I want to be fair. I have a very high regard for the Senator from Connecticut, and I should like to allow him to continue with his interrogation; but let it be put in the form of a question.

Mr. BALDWIN. I shall put it in the form of a question at the end.

The other alternative, it seems to me, is that, as the Senator has suggested, we could take legislative action. But does not the Senator realize that if the President is opposed to it, and we take legislative action to put it into effect, the President can veto it, and we shall be faced with the necessity of overriding his veto?

Mr. HUMPHREY. That is a definite possibility. However, I understood that the President was opposed to the Taft-Hartley Act. Congress passed it over his veto. The President appointed the general counsel, and he administers the law. The President of the United States takes an oath of office to uphold the Constitution. If the Congress felt that the Public Health Service should be in the United Medical Administration, I do not think any President would deny that that is where it would be placed.

Mr. BALDWIN. I quite agree with my distinguished friend. But if a Senator believed that there should be a United Medical Service and that it should be independent, by voting in favor of this resolution he could have his point established by majority vote. If he voted to support the plan, and the United Medical Service should go into the new department, then the only way the situation could be changed would be by a two-thirds vote. Are not those alternatives?

Mr. HUMPHREY. Not quite. Let me point out, from the standpoint of the junior Senator from Minnesota, what the alternatives are.

If this reorganization plan is killed, the Public Health Service will still be under the Federal Security Agency. Mr. Ewing is still at the head of that Agency. The Public Health Service will be in exactly the same position it was. If this plan is killed it is no guaranty that there will be a United Medical Administration. That question will be fought out on its merits. While the American Medical Association has learned the art of lobbying, whenever it starts to tamper with veterans' medical care there will be trouble. So if we think we have a tough nut to crack so far as Reorganization Plan No. 1 is concerned, we shall find that this is only a warming-up exercise if we undertake to legislate on the matter of a United Medical Administration.

This proposal does one thing. It says that the Senate is willing to underwrite the basic principles of reorganization. I do not mean the details, but the principles. First, the Commission recommends as a primary objective that—

> The numerous agencies of the executive branch must be grouped into departments as nearly as possible by major purposes in order to give a coherent mission to each department.

Second, the Commission lays down the principle that—

> Within each department, the subsidiary bureaus should also be grouped as nearly as possible according to major purposes.

Third—

> Under the President, the heads of the departments must hold full responsibility for the conduct of their departments. There must be a clear line of authority reaching down through every step of the organization, and no subordinate should have authority independent from that of his superior.

Those are the basic principles of the Hoover Commission report. What we are arguing today is not merely the question of the details of the welfare plan, but whether or not the basic principles of reorganization are to be accepted or rejected. I am for their acceptance.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. TAFT. Does not the Senator feel that the attempt to combine health, welfare, and education, which are completely separate at the local level, is a violation of the basic principles of the Hoover plan?

Mr. HUMPHREY. The junior Senator from Minnesota is unwilling to ren-

der a layman's judgment on that subject. He has read repeatedly from what has been said by those who have been in the field of administration at higher levels than the junior Senator from Minnesota has ever attained. I pointed out what the distinguished former President Hoover had to say. In the twilight of his life he has gained new glory, on the basis of his great contribution toward reorganization. He says that Reorganization Plan No. 1 is the first step in the right direction. I predict that before this debate is over he will say that Senate Resolution 147 is the first step in the wrong direction. That is my considered judgment.

I point out that sooner or later we have to come to grips with the problem of reorganization. I have heard the debates on economy and waste and duplication in Government. I submit there is always waste in Government and there always will be duplication and inefficiency so long as there are 10 captains and 10 chiefs in every department. There cannot be an efficient Government unless there is integrated command. A department head cannot be held responsible unless he has responsibility in fact, as well as in theory. Although some may have disliked some of the political philosophy of former President Hoover, and it is perfectly obvious that the junior Senator from Minnesota has disagreed with his political philosophy, yet no one has ever said that former President Hoover did not understand administration. I happen to think there is something else to Government than administration; but administration helps, and provides for the best use of the resources at our command.

I should like to continue with the majority report. There is much to be said about it. Those who have prepared it and have subscribed to it have done a good deal of hard thinking about the problem before the committee. I know there are honest differences of opinion, and I realize that neither the majority report nor the minority report is one of perfection. I am not asserting that Reorganization Plan No. 1 is everything that I would want it to be. I am only arguing that to my mind and my way of considering it, it is a forward step.

I predict that if we make any progress under the Hoover Commission's recommendations—and pray God that we do—we shall have to inch along, move along step by step.

Mr. TAFT. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. STENNIS in the chair). Does the Senator from Minnesota yield to the Senator from Ohio?

Mr. HUMPHREY. I yield.

Mr. TAFT Does not the Senator think that if we give the departments the things they want, we shall never put into effect the things they do not want? Does not the Senator think we must put the sweet and the sour together, if we are to have both placed in effect?

Mr. HUMPHREY. I have some difficulty in following the observations of the Senator from Ohio in that matter. I gather that he takes the position that a little sugar and a little vinegar must be mixed together, for by putting them together the resultant mixture does not taste so bad, and perhaps it will be accepted. Is that the Senator's point?

Mr. TAFT. No, not at all. My point is that if we give the departments what they want—the higher salaries, the greater status that Mr. Ewing wants, and so forth—but at the same time do not take away the administration of medical matters, we shall never be able to take the medical administration away from this agency. That is my point. In every case, if we are going to get the whole thing through, it seems to me we must do it in one piece, and not do the things that are pleasant for the departments, and then not try to put into effect the things they do not like.

Mr. HUMPHREY. I am sure the Senator from Ohio does not mean that we should do everything in one piece.

Mr. TAFT. I mean as to each department.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. ELLENDER. Yesterday, while the distinguished Senator from Ohio was debating this question, I asked him whether he knew what the position of the Hoover Commission or that of any member thereof was. As I remember, he said he did not know specifically, but that the plan before us carried out the views of three members who were in the minority. I telegraphed former President Hoover this morning as follows:

Hon. HERBERT HOOVER,
Waldorf-Astoria Hotel,
New York, N. Y.:

Would appreciate your views respecting Reorganization Plan No. 1 which creates Department of Welfare with Cabinet status. Senate expected to vote today.

Best wishes,

ALLEN J. ELLENDER,
United States Senator, Louisiana.

With the Senator's permission, I should like to read his answer.

Mr. HUMPHREY. I shall be very happy to receive it.

Mr. ELLENDER. I read the telegram:

NEW YORK, N. Y., *August 16, 1949.*

Hon. ALLEN J. ELLENDER,
United States Senate:

In reply to an inquiry, I yesterday sent the following telegram to Senator MORSE: "Your telegram reached me here. I stated my views fully to the Senate Committee on Expenditures. In brief I supported the President's seven plans as first steps on the long road of reorganization which only can be carried out by further Executive and congressional action if the recommendations of the Commission are to be fulfilled. I likewise supported plan No. 1 and outlined that the further imperative steps recommended by the Commission are the separation of all health and labor agencies from the new department and reorganization of budgeting, accounting, and personnel methods. The Commission did not recommend the term 'Welfare' for the name of the department but inclined to the term 'Education and Social Security.' The recommended reorganization will, of course, not be effective until these further steps are undertaken."

HERBERT HOOVER.

Mr. HUMPHREY. Mr. President, I greatly appreciate the telegram which has just been read by the distinguished Senator from Louisiana. It is one of those welcome telegrams; and the more we can receive, the better off we should be.

Mr. President, I shall continue with the analysis of the majority report.

In addition to Mr. Hoover, witnesses who testified in favor of Reorganization Plan No. 1 represented the President, the American Council on Education, the American Public Welfare Association, the American Pharmaceutical Association, and the Veterans of Foreign Wars. To my personal knowledge, a great many other witnesses, representing almost every organized segment of the population, would have testified for the plan if there had been the slightest indication before the hearings closed that the plan was in danger. But the attack against it was carefully timed. It was not until the very day the hearings were closed that a veritable avalanche of telegrams descended upon the committee and its members, individually, many identical and virtually all supporting the position of the American Medical Association. In the evening of the same day, the veto resolution we are now considering was introduced. I draw no conclusion from that coincidence, but merely call attention to it to explain why the many public-spirited organizations which would have testified if they had known the plan was in danger did not do so. However, many of them did send letters and telegrams to the committee expressing their support.

The majority report states quite candidly that most of the telegrams, letters, and statements received by the committee were sent by physicians, medical societies, and individuals affiliated with the latter, almost all of whom wanted an independent Public Health Service and urged that Reorganization Plan No. 1 be turned down until and unless they get what they want.

The report might have pointed out, of course, that while the majority of individual communications received by the committee were in opposition to plan No. 1, those in favor of it represented the overwhelming majority of the voting citizens of America. After all, adding all the medical societies in the United States together, if every member of every one of them should send a telegram to each Senator, he would have heard from only as many people as live in any one of a score of middle-sized American cities, cities about the size of my sister city of St. Paul, Minn.

The report might also have made known the fact—for it is a fact—that a great many of the communications inspired by the American Medical Association were identical, word for word and period for period. For instance, on one particular day, the Committee on Expenditures received 30-odd identical telegrams, each signed by a different member of one medical society in a medium-sized New Jersey town. The telegram read: "Kill Reorganization Plan No. 1." At about the same time, a flood of telegrams came in from remote hamlets in every part of one State, all urging, in the same words: "Don't make Ewing any bigger,

he's too big already." Each was signed by a different person—not one of whom, I am sure, had the slightest knowledge about Oscar Ewing or his size.

I may say that the issue is not the distinguished head of the Federal Security Agency. We are talking about a long-run principle of Government. We are talking about a Department of Government. Whether one likes or dislikes the head of the Federal Security Agency is not the issue. If we do not like him, if it is the majority opinion of the Senate that he should not be the head of the Welfare Department, then I may say to Senators, when his nomination comes up on the floor of the Senate for confirmation, let us fight it. Let us wait, and not try to muddy up the waters of this debate with the matter of a personality.

Mr. LUCAS. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Illinois?

Mr. HUMPHREY. I am glad to yield.

Mr. LUCAS. In connection with the last statement made by the Senator, as the Senator from Illinois entered the door, I may say practically every telegram I have received from the Medical Society in my State has criticized an individual who they assume is going to head this Department, rather than dealing with the basic issues involved in Reorganization Plan No. 1. As the Senator from Minnesota rightly said, if there are 49 or more Members of the Senate who are willing to vote against Reorganization Plan No. 1 primarily, or secondarily, because of a personality, they can wait for that individual to come before the Senate upon nomination by the President, and then act adversely upon the nomination of Mr. Ewing, if that is the way they feel about it.

Mr. HUMPHREY. I am very happy to have the observation of the distinguished majority leader, because it is my considered judgment that, as he has so well pointed out, with respect to the issue of personality, we have a means of dealing with that. We have a means provided under the Constitution. The President nominates, the Senate confirms. If we do not like the person who is nominated, we do not have to confirm him, we can withhold confirmation. That issue will be debated on another occasion. Perhaps a consideration of that kind may have deterred the majority from listing in their report the organizations which have indicated their support of Reorganization Plan No. 1.

Let us go on to see what organizations supported Reorganization Plan No. 1, other than those I have already mentioned. I have named the Council on Education and the Pharmaceutical Association. And, by the way, as a practicing pharmacist, I am willing to stack up the professional ability of the American Pharmaceutical Association along with the American Medical Association, as to their judgment with respect to what is good for health. The doctor prescribes, the druggist dispenses. Let us go on a little bit further. The Veterans of Foreign Wars, the President of the United States, the former President of the United States, Mr. Herbert Hoover—all of these testified for Reorganization Plan No. 1. Here are a few others: The American Legion, the American Federation of Labor, Disabled American Veterans, American Public Health Association, American Parents Committee, Congress of Industrial Organizations, United Automobile Workers, National Women's Trade Union League, Association of State and Territorial Health Officers. There are many, many more. Certainly, we want to take their wishes into account. I think there can be no doubt whatever that the majority of the people of this country want Reorganization Plan No. 1 to become law. This is clear if you just consider the membership of the organizations that are on record for it, and compare their numbers with the membership of the American Medical Association and the American Dental Association. Of course, I am not inclined to worship the opinion poll as a Delphic oracle, especially when it gets into politics.

I think we have learned a lesson about that. But I call attention to the recent Gallup poll, published just last week, which showed that only 28 percent of the people are opposed to this plan. Twenty percent had no opinion, and 54 percent were for it. On the sheer basis of mathematics, on the basis of the organizations for and against, the proof and the evidence seem to show, let me say, beyond a shadow of a doubt, where the American people stand on Reorganization Plan No. 1. So far, there certainly is nothing in this majority report to indicate that we should follow the advice of its authors and vote for the veto resolution. Having digressed for a moment to fill in a significant gap, let us return to the report itself. Perhaps we shall find an argument yet to support the conclusion it reaches.

Having shown that plan No. 1 was submitted in accordance with the wish of Congress and in line with the recommendations of all Presidents but one since 1923, and having shown that it enjoys extremely broad support and very limited opposition, the majority report, which says we should veto this reorganization plan, then proceeds to summarize the testimony in favor of the plan. It is an eminently fair and candid summary—I shall quote it verbatim—and subscribe to it wholeheartedly.

I may say to my distinguished colleagues, I am not quoting from the minority views presented to the Senate by the junior Senator from Minnesota. I am quoting from the majority report on Reorganization Plan No. 1. What does it say?

1. The functions of health, education, and security now performed by the Federal Security Agency are of sufficient importance to warrant departmental status, and in the interests of the welfare of the people such recognition should be granted without further delay.

There can be no argument, then, about having a duty, so I agree with that.

2. Plan No. 1 would accomplish this by converting the Federal Security Agency into a Department of Welfare, but would neither add to, nor detract from, nor change the statutory functions now performed by the Federal Security Agency. The plan would merely convert FSA into a Cabinet department.

Of course that is all that can be done under the Reorganization Act of 1949. This is well stated, I submit, and it is true.

What is the third observation of the majority report, which asks the Senate to veto Reorganization Plan No. 1?

3. The plan implements a cardinal recommendation of the Commission on Organization of the Executive Branch of the Government for the establishment of a Department of Welfare, which action has been urged by every President (excepting President Coolidge) since President Harding in 1923.

All of that is true.

4. The Federal Security Administrator, under existing statutes, does not have the authority to administer his organization to obtain the most efficient operations. His present authority is only of a general supervisory nature.

I concur in that statement.

What is the fifth observation which the majority report makes?

5. Section 2 (b), (c) of plan No. 1 would give the new Secretary of Welfare the authority the FSA Administrator testified as being essential for efficient administration by investing in the Secretary the power to consolidate functions and, with minor reservations, to delegate functions as he deems necessary or desirable.

This is in line with a major principle of executive management which was stressed time and time again in the Hoover Commission reports as essential to economy and efficiency in the executive branch.

In other words, the right of a department head to delegate functions, to line up the work, and I regard that as one of the cardinal principles of the Hoover Commission report. Then, sixth, what does the majority report say?

6. The holding-company type of organization, such as the Federal Security Agency, of which the Social Security Administration, the United States Public Health Service, the Office of Education, etc., are component parts, in the past has not proved the most satisfactory to discharge those functions.

This is exactly the kind of organization which the Hoover Commission holds responsible for much of the inefficiency, duplication, and waste which all of us are so anxious to eliminate.

Let us move to the seventh observation of the majority report:

The prestige which accompanies a Cabinet officer, or a department of Government, would facilitate more efficient discharge of the functions embraced by the Federal Security Agency, with attendant benefits to the people.

It seems to me that is self-evident.

Then comes the eighth observation:

The Federal Security Agency, by size alone (35,000 employees), and by the scope, importance, and significance of its functions, reserves departmental status.

This I believe is universally recognized and is not questioned by anyone.

I shall, of course, expand on these points, and have already touched upon a few of them. We feel that the logic in favor of Reorganization Plan No. 1 is overwhelming, by the admissions of the majority itself; overwhelming to the point that every single argument of the Hoover Commission, every single argument on the facts of administration, is on the side of Reorganization Plan No. 1. The opposition is confined to one point only, that the President of the United States did not, apparently, do what Mr. Hoover says he cannot do—establish a United Medical Administration and transfer the Public Health Service. So, what the issue is in the minds of some persons is that "If you will not do for the Public Health Service what we think you should do, you cannot reorganize the Government." I submit that is a very narrow-minded approach.

All the eight arguments in the majority report in favor of a Department of Health say that we ought to have a Department of Welfare; that the present system is inefficient; that a Department of Welfare would provide a more effective administration.

The majority report next lists its summary of opposition arguments, the allegation that the function of health, and, to a lesser extent, of education, have been dominated by and subordinated to the function of welfare by the Federal Security Agency, to the detriment of the former. As I pointed out at length, in my minority report, this allegation simply is not true, although opposition witnesses repeated it categorically and matter of factly, as if it were. The fact is that the Public Health Service has grown more in the 10 years it has been a part of the Federal Security Agency than in the previous 140 years of its history.

Speaking of appropriations, the Public Health Service has expanded in that respect 517 percent since it became a part of the Federal Security Agency. The Social Security Administration, on the other hand, has had an increase in appropriations over the same period of 252 percent. This increase has been almost entirely for public-assistance grants-in-aid. The social-insurance programs, however, have remained almost stationary. In the political atmosphere of the past few years, they have been lucky to hold their own.

All the talk about the "welfare state" and "domination" by the "welfare idea" is nothing more nor less than political semantics. It is a trick learned from the Communists, who seize upon good, honest, decent words, such as "democracy" and "people," and prostitute them to their evil ends. What is a better end for any government than the welfare of the people? Let me say, parenthetically and in passing, that I am perfectly willing at some future date to debate with anyone, anywhere, whether we should have a welfare state. It is better to have a welfare state than to have a police state or a state of reaction. What is wrong with the welfare of the people? What is better to strive for than a government of the people, by the people, and for the people? How can a government achieve that end except by promoting the general welfare?

Mr. TAFT. Mr. President, will the Senator yield?

Mr. HUMPHREY. I should prefer not to yield at this time, because my time is running far beyond the extent to which it should.

I submit, Mr. President, and the facts bear out my statement, that the Public Health Service has done a better and a bigger job for the welfare of the people in the past 10 years than in all the rest of its long history. I say that is good. Perhaps, before long, if the Public Health Service continues to grow and expand as rapidly under the Department of Welfare as it has under the Federal Security Agency, I shall be one to insist that it be set up as a Department of Health. Perhaps that time is not far in the future, but the time is not yet. The hysterical propaganda about a "welfare state" and the thoroughly unjustified and unfactual talk about "domination" and "subordination" will not speed the process.

Point No. 3 in the summary of opposition testimony, as set forth in the majority report, is in reality a restatement of point No. 2. Having insisted that the Public Health Service and Office of Education are dominated by the welfare function, the opponents now insist that they would be dominated by the Secretary of Welfare under the form of organization established in Reorganization Plan No. 1.

In other words, if we have a Department of Welfare it is going to contaminate health and education. We shall have a Secretary of Welfare, and of course he will somehow or other submerge and dominate the entire organization.

Mr. President, there is only one way we can hope to achieve the objectives of economy and efficiency in government for which the Congress established the Hoover Commission. We must make the heads of departments and agencies responsible for their operation. But responsibility and authority go hand in hand. We cannot have one without the other. What the opponents of the plan are saying is simply this: "We want economy and efficiency, and we are willing to make the Secretary responsible for it, but we are not going to give him the authority without which he cannot possibly achieve it. We are willing to go along with the Hoover Commission recommendations, but not with the most important one, the one upon which all the others rest. We are not going to give anyone we disagree with any authority at all.

That is the attitude we face, Mr. President, and if it prevails, we might as well throw the Hoover Commission reports away and forget about them.

Point No. 4 argues that the Government's health functions should be set up in a separate department of health or in an independent health agency, and that a physician should be the head of it. The committee agreed that this was out of the question for the present, at least. However, there is nothing to prevent the Congress from establishing such a department or agency at any time it chooses; and the establishment of a Department of Welfare will not affect the freedom of Congress in this respect one iota.

I shall conclude by summarizing my argument.

The opposition to Reorganization Plan No. 1 seems to be based on rather tenuous grounds and some false premises. It is based on the proposition that the plan does not go far enough. There is opposition on the proposition that the health functions of government should not be included in a Welfare Department. Apparently that opposition to Reorganization Plan No. 1 is based upon the idea that a Welfare Department would, somehow or other, subordinate and dominate aspects of government dealing with health. I see no other reason for it, unless it be that those who oppose Reorganization Plan No. 1 do not believe in integrated types of bureaus or departments.

Now let me state what my position is as a member of the Senate Committee on Expenditures in the Executive Departments. First, I believe, along with every other person who has been interested in the creation of a welfare department since 1923, that now is the time to establish it. Every President, with the exception of the late President Coolidge, has implored Congress to establish a Department of Welfare.

Second, I do not believe in the holding company type of the present security agency. I believe it is cumbersome, inefficient, expensive, and wasteful. I submit that the junior Senator from Minnesota has, as his witness for this, the entire Commission on Organization of the Executive Branch of the Government. I believe that a department head should have responsibility for the functioning of his agency, and not only responsibility, but the authority to carry out the functions.

The junior Senator from Minnesota, in urging approval by the Senate of Reorganization Plan No. 1, states, and states it as a conclusive argument, that we in the Eighty-first Congress will be fortunate indeed if we can move ahead a little bit in the program of reorganization. If we can inch along, if we can improve just a little, we will have justified the faith the Congress and the people have placed in the Commission on Organization of the Executive Branch of the Government.

I submit, along with the former President, that all seven plans, and in particular plan No. 1, are in conformity within the spirit of, and aim at the goal and objectives of the basic recommendations of the Hoover Commission report.

Mr. President, this is the acid test. If we yield now before the onslaught of opposition, if we are willing to have the trumpets blare and frighten us away from our citadel of good government, if we are going to let the trumpets outside the Congress of the United States frighten us into believing that somehow or other it is going to upset popular government if we

adopt Reorganization Plan No. 1, then we have lost all hope of reorganization of the other branches of the Government.

Mr. President, I call upon those who have opposed the plan in public to study the facts, and not study emotions, to look at the real situation and not at the imaginary situation. When the realities and facts are considered, there is not a shadow of a doubt in the mind of the junior Senator from Minnesota that Reorganization Plan No. 1 will be accepted, and will be heralded by the Congress.

Mr. President, it seems to me that men of good will can learn a valuable lesson from this debate and from the controversy which underlies it. I can best illustrate what I have in mind perhaps by reference to the man whose name and whose reputation have been so prominently involved. I refer to Mr. Oscar Ewing, the Federal Security Administrator.

Mr. President, this man has been the victim of vicious propaganda all across the country. He has been misrepresented and insulted from coast to coast. And all of this, I am sorry to say, has played a part, at least indirectly, in the debate here today.

The amazing bitterness of this campaign against Oscar Ewing has baffled me. I know him well, and I know that none of the charges or the insinuations that I have heard are true. To anyone who knows him, in fact, they are utterly fantastic.

Oscar Ewing was born in Indiana. He attended Indiana University. He got his law degree at Harvard, where he and the able senator from Ohio worked together on the Harvard Law Review. He sold aluminum during his summer vacations to help pay his way. He taught for a year at the University of Iowa. He served in the First World War as a captain in the fledgling air service. He forged his way up to the very top in the practice of law, as a member of the firm founded by the late Chief Justice Charles Evans Hughes. He became counsel for the giant Aluminum Co. of America, whose kitchen wares he once peddled to Indiana housewives.

In his spare time, he worked to further the cause of the Democratic Party, of which he became assistant national chairman in 1940, and later vice chairman. As a special Assistant Attorney General, he prosecuted the notorious William Dudley Pelley on sedition charges, and also the traitor, Douglas Chandler. And finally, he was appointed Administrator of the Federal Security Agency.

Mr. President, the career I have just outlined is that of a 100-percent American, a poor middle-western boy who made his own way to the top, a credit to himself and his country.

Probably the greatest thing about America is the tolerance our people have for each other's opinions. Without that, this country would be a far less pleasant place.

But that is the very thing which we have seen corroded and damaged here. Until Oscar Ewing became a public advocate of health insurance, not an angry word was spoken of him and he was held in high esteem by men of all persuasions. After that, the thunder and the lightning struck.

But, Mr. President, nothing about Oscar Ewing had changed. He was exactly the same man, with the same ideals, the same character, the same personality, and the same solid record of achievement. Yet such was the lack of tolerance for his opinion on this particular issue, that many of those who disagreed with even his good intentions attacked his motives and attempted to destroy his reputation.

Every citizen of our country should have the basic American privilege to believe whatever he thinks is right, to speak out for his convictions, and to fight for them.

I say, let us never lose this tolerance, Mr. President. It is the most valuable asset we have.

Mr. MURRAY obtained the floor.

The PRESIDING OFFICER. What time will the Senator take in presenting his views?

Mr. MURRAY. About half an hour, or a little more.

The PRESIDING OFFICER. The Senator from Montana will proceed.

Mr. MURRAY. Mr. President, in supporting Government Reorganization Plan No. 1, I make no secret of the fact, and I am sure that it is well understood, that I am not a political bedfellow of the Chairman of the Commission on Organization of the Executive Branch of the Government. I have never been closely associated in political philosophy with Mr. Hoover. I hold a very high respect for him because he is a man of wide experience in economic and political life. He is an honest man—a man of very high integrity and ability, a great American—but I would not accuse him of radicalism or of liberalism to any serious degree. In fact, I regard him as an outstanding symbol of rock-ribbed conservatism. If anything, he was even more conservative in 1932, when, as President of the United States, he appointed a special committee to study the whole subject of the cost of medical care.

I point this out because I want to show my colleagues that nothing has changed since 1932, when President Hoover encountered the same blind, arrogant, petty, and hysterical opposition from the very same people who now seek to ruin the first move that is made to carry out his program for the reorganization of the Government. History is repeating itself.

Let me review Mr. Hoover's earlier encounter with the American Medical Association. Even in 1932, it was evident that most people could no longer afford decent medical care, and that something would have to be done about it. Therefore, President Hoover, with his keen engineering bent for efficiency, appointed a distinguished committee, headed by the late Dr. Ray Lyman Wilbur. Now, Dr. Wilbur was no more radical than President Hoover. He was a doctor of medicine himself, and a past president of the American Medical Association. Like Mr. Hoover, he was an honest and an able man. He and his committee dug out the facts. In their report, they said:

> Human life in the United States is being wasted, as recklessly, as surely, in times of peace as in times of war. Thousands of people are sick and dying daily in this country because the knowledge and facilities we have are inadequately applied.

On the basis of the facts which were uncovered, the Wilbur committee made recommendations, just as the Hoover Commission has done with respect to Government reorganization. Their recommendations were not radical; they merely urged the widespread adoption by doctors of the system of group medical practice, and the extension of voluntary health insurance schemes on as wide a scale as possible.

But what was the answer of the American Medical Association? Why, of course, everyone knows what it was. The AMA Journal smothered Dr. Wilbur and his committee under an avalanche of invective. It called the report "socialism, communism—inciting to revolution."

Then the AMA turned with a vengeance to save the country from Dr. Wilbur's communistic schemes. Then, as now, they were careful not to direct their fire at the President who had set those schemes in motion. Instead, they sniped at the committee he appointed. They lobbied legislation through many of the State legislatures, prohibiting the establishment of any voluntary prepayment plans for medical care that were not controlled completely by the local medical societies. They bluffed and bullied legislation onto the statute books in many States by which only members in good standing with the medical societies could obtain licenses to practice medicine, and then they sought to bar from membership anyone who dared to participate in any plan for group practice. They were finally thwarted in this only after criminal prosecution and conviction in the Federal courts, a conviction which was upheld by the Supreme Court of the United States.

This is the self-same opposition, Mr. President, and the only opposition of any substance, which we face today in attempting to carry out the first plan submitted by the President to effectuate the Hoover Commission recommendations. It is just as unreasoning, just as emotional, just as hysterical, just as arrogant, and just as scornful of the public interest as it was 17 years ago. It is even worse in this case, because their interest is not affected by this plan in any way.

Mr. President, only 11 days ago it was the firm expectation of most Americans that formal establishment of a Federal Department of Welfare would soon be accomplished. There seemed to be almost no opposition to Reorganization Plan No. 1.

To be sure, the American Medical Association put itself on record before the Committee on Expenditures in the Executive Departments as favoring a separate Department of Health with a doctor at the head of it. But this view appeared to be tempered with reason. This seemed strange to those of us who know the AMA, since its record on issues affecting the public welfare has been almost unswervingly irrational. Nevertheless, Dr. James Raglan Miller, chairman of the executive committee of the

AMA's board of trustees and their official spokesman before the committee, appeared to agree that a separate Department of Health would be impossible at this time. Therefore, he said:

> At this time we urge support of the report of the Hoover Commission on this subject, which recommends an independent health agency under which will be assembled all activities concerned with health except those of the armed forces and Veterans' Administration.

He was clearly misinformed about the Hoover Commission recommendation, of course, since it calls for a United Medical Administration which would include primarily the armed forces and Veterans' Administration hospitals, and in which the Public Health Service would be a subsidiary unit. However, this seemed to be unimportant for several reasons.

First, a bill to establish the United Medical Administration in line with the Hoover Commission recommendations already had been introduced by the senior Senator from Utah and referred to the Committee on Labor and Public Welfare. It was to be expected that those who favored that plan would seek to testify before that committee, and to propose any changes they might wish to make in it. It was to be expected that the opponents would appear also and make their objections known, and that all concerned would try to work out in the proper, orderly way an acceptable program. I do not know whether that would be a Department of Health, an independent health agency based upon the Public Health Service, a hospital holding company as recommended by the Hoover Commission, or whether the Public Health Service would be left where it is. But the place to work that out obviously is in the committee that has the bill. That was one reason why there seemed to be no difficulty with Reorganization Plan No. 1.

The second reason, Mr. President—and I want to emphasize this, because I doubt that many Senators are aware of it—the second reason is that the official spokesman for the American Medical Association, in his testimony before the committee, endorsed Reorganization Plan No. 1 of 1949.

Does that surprise Senators? It surprised me at the time, because I have had a great deal of experience with the AMA, and this was the first time I had known ar official spokesman of theirs to speak reasonably and rationally on any issue affecting the public interest. But I took the gentleman at his word.

I do not say that Reorganization Plan No. 1 was the first choice of the American Medical Association. I do not say it was their second choice. But it was their third choice, and their official spokesman, Dr. Miller, said so in so many words.

In view of all that has transpired since then, I know this seems incredible. Therefore, let me quote directly from Dr. Miller's testimony before the Committee on Expenditures in the Executive Departments, on July 22, 1949, one month ago. Remember, Dr. Miller was the official spokesman of the American Medical Association, chosen specifically by the board of trustees to represent the AMA at these hearings. Here is what he said, in summarizing the AMA's position:

> We are still firm in our belief that ultimately a Department of Health is a vital necessity for the Government. Whatever steps are taken, we should like to feel are steps which will not hinder the ultimate development of a Department of Health with Cabinet standing.
>
> The second choice, in our estimation—

I am still quoting directly from the AMA's official testimony—

> The second choice, in our estimation, would be along the lines of the Hoover Commission report; an independent agency grouping together the principal medical services of the Government, not including a few specified in that report.
>
> Failing that—

And I hope Senators will note this carefully—

> Failing that—

The official spokesman of the American Medical Association told the committee:

> The reorganization plan which is being presented here we should like to see accepted, if it is done with the understanding that ultimately it may be much preferable to have the health services of the Government unified in a separate Cabinet department.

Just a moment or two later, the able Senator from Maine [Mrs. SMITH] asked Dr. Miller the direct question:

> Assuming that Congress does not favor the creation of a Department of Health; you would then favor this plan No. 1?

And Dr. Miller, the official spokesman for the American Medical Association, answered:

> I would say we would go along with it and do the best we can.

So it will be seen, Mr. President, there was no reason to believe that there would develop any substantial opposition to Reorganization Plan No. 1. True, several other witnesses, representing various segments of organized medicine, repeated all the half-truths and hysterical bromides with which the AMA has been flooding the country for years. But the AMA itself told the committee that it was willing to accept Reorganization Plan No. 1 and go along with it, merely reserving the right to keep on plugging for a separate Department of Health.

This attitude, together with the supporting testimony by Mr. Hoover, the Director of the Bureau of the Budget, and spokesmen of organizations representing all three of the great fields of education, public health, and social work, all made it seem impossible that we should have a report unfavorable to the plan from the committee which heard this testimony. This feeling, I am sure, was shared by the public, and it was shared by a great many doctors.

But this feeling of assurance, Mr. President, had left out of account something new that has been added to the American Medical Association—something called Whitaker & Baxter.

As the junior Senator from Minnesota has pointed out, all the big guns against this plan were kept carefully muzzled until the very last day of the hearings. It may have been only coincidence, but if it was a plan it was carefully laid and well executed. It would do credit to Machiavelli.

Suddenly, at the very close of the hearings, the AMA changed its signals. A pinch-hitter was sent in, Dr. Francis F. Borzell, speaker of the House of Delegates, the so-called democratic governing body of the American Medical Association. The cloak of Dr. Miller's calm reasonableness was cast aside. Dr. Borzell made it crystal clear that the American Medical Association had no intention of standing behind Dr. Miller's testimony. He made it clear that the American Medical Association was willing and ready to smash any plan for reorganization if, by any remote stretch of a publicity man's twisted imagination, they might do some incidental harm to the President's health program. If, by defeating Reorganization Plan No. 1, they could embarrass the President and Oscar Ewing because of their advocacy of national health insurance, they were out to do it.

A governmental need? More economical operation? More effective and efficient service to the people? While these are consummations as devoutly to be wished by the average doctor as by any other public-spirited citizen, they have never meant very much to the hierarchy of the AMA, and they mean nothing whatever to the chromiumplated publicity firm of Whitaker & Baxter. This is the team which the rulers of the AMA hired at a fancy figure to be their ministry of propaganda and public enlightenment. They are now in command of the biggest, most powerful, and most unscrupulous lobby in America, the $3,500,000 lobby which the AMA set up to tell the doctors, on the one hand, what they are to give, and to tell the American people on the other what they are to get.

In the long run, I sincerely believe that the American Medical Association is digging its own grave, and that in the end every doctor in America will regret the blindness and arrogance their leaders are demonstrating today. But this is of no concern to Whitaker & Baxter. They never miss a trick to keep the iron hot, to justify and perpetuate their six-figure income. They have a good thing.

For their purpose, Reorganization Plan No. 1 looked like an ideal target. As every fuhrer knows, you must always have a target if you are to keep the boys in line, keep them hating, and keep them giving. What difference does it make that Reorganization Plan No. 1 has no more to do with health insurance than with Barnum & Bailey's circus? Oscar Ewing is involved in it, and he is for health insurance. Ask no more questions; that is enough.

Thus, a legitimate, well-planned, and sorely-needed overhaul of governmental machinery is made the target of hate, misrepresentation, distortion, half-truth, and downright falsehood; and the intentions of men of good will are turned into a campaign of personal vengeance directed at one man.

This is the only logical explanation, Mr. President, for the curious chain of events which confronts us. First, the official spokesman for the AMA allays the doubts and fears of those broadly representative groups which support a

Department of Welfare, by mild and temperate testimony in which he endorses the proposal as the AMA's third choice. Most supporting groups, therefore, merely file statements or letters with the committee. They do not testify. Not one important witness testified against the plan, except for the Senator from Ohio [Mr. TAFT], who, on the next to the last day of the hearings, opposes it and expresses the belief, which he has always held, that there is no substantive relationship between the functions of health, education, and security.

Let me make it clear that I do not believe for a moment that the Senator from Ohio was involved in any way in the American Medical Association's lobby strategy. Nor do I believe that the other sponsors of Senate Resolution 147 were involved in it. They have their own reasons for opposing Reorganization Plan No. 1. I disagree with them, but I respect them, and I do not in any way question their motives.

But I do question the motives of Whitaker & Baxter, and of the AMA. Up to the very last day of the hearings, Mr. President, all was quiet on the reorganization front. Then suddenly, on Friday morning, July 29, the final day of the hearings and too late for supporters of plan No. 1 to counter effectively, Whitaker and Baxter fired all their guns. A flash flood of telegrams poured down upon the committee, its members, and upon other selected Senators who, it was thought, might be influential with the committee. These telegrams were as much alike as the propaganda posters placed by Whitaker & Baxter in the doctors' offices, telling us to "keep politics out of this picture."

On the same day Dr. Borzell testified. On the same day Dr. Robert E. S. Young, president of the Association of American Physicians and Surgeons, inserted in the record of the hearings a supplementary statement supercharged with falsehood, misrepresentation, innuendo, and half truth, all calculated to leave the impression that Oscar Ewing was out to establish a dictatorship in America through the medium of the Department of Welfare proposed in Reorganization Plan No. 1. The Association of Physicians and Surgeons is not a professional organization devoted to the science and practice of medicine, as its name might indicate. It is purely and simply a propaganda arm of the American Medical Association which was set up recently as the successor to the National Physicians Committee after that organization had been thoroughly discredited because of a blatantly anti-Catholic, anti-Semitic letter appealing for support.

Since then this campaign has continued unabated, supported by all the power of the richest lobby on record, a lobby which has spent $508,000, by its own admission, in the last 6 months alone. Tomorrow this flood will recede as swiftly as it rose; Whitaker and Baxter will turn the faucet off.

That is the real story, Mr. President, of this attempted coup de grâce upon the Government of the United States.

It is hard to believe that any minority, any privately organized group of American citizens, would look upon the structure of their own Government so cynically, would take the working of that government so lightly that they would seek deliberately to knock out an essential cog of the machinery in order to wreak their petty vengeance upon one man. It is even harder to believe that any group would be presumptuous enough to undertake such a task, or powerful enough to feel justified in giving it a serious thought. But this is not an ordinary lobby. In size it is unprecedented. In financial resources it is unmatched. In arrogance and plain, unadulterated gall it appears to be limitless. Let me give a few illustrations of how it works.

When the American Medical Association lobby saw that the popular demand for a national-health program was spreading through the country, it decided that the time had come to stop it by any means. There was no thought, of course, of meeting the demand, but only of squelching it. Therefore, the lobby levied an assessment of $25 on each of the 145,000 doctors who make up the membership of the AMA's component medical societies.

Not all the doctors contributed. The latest published statistics show that only $2,000,000 of the intended $3,500,000 has thus far been collected. But the AMA is not worried. The others will come through. There are ways to convince them that they should, for their own self-interest. Meanwhile, there are plenty of other sources. A great deal has already been contributed in the form of services and materials from such organizations as the United States Chamber of Commerce, the National Association of Manufacturers, and their respective satellites. These contributions are not gifts. They are a form of exchange, for the AMA has given equivalent value in return, through its opposition to social security, to minimum wages, and to much other proposed legislation which the NAM and the Chamber of Commerce oppose.

Whitaker & Baxter have also let it be known that they are going to take on the whole administration in league with all its other enemies, and already have circularized the doctors in some key areas to contribute to and otherwise support administration opponents in coming elections. Yet the AMA's lobby fund is tax-exempt, on the ground that it is educational.

But this is not all. The AMA sees no reason why its own cash outlays should be limited to $3,500,000. In fact, a resolution was drawn up at the AMA convention this summer in Atlantic City which calls for the payment, beginning in 1950, of regular annual dues to the parent organization of the AMA through its State and county societies, these funds to be earmarked for the lobby. So any doctor who, having paid in his $25 tribute, thinks he is finished with this business, should now be disillusioned. If not, he may be in for a rude shock later.

All of this money is for propaganda. The intention, which is now being carried out, was to plaster the Nation with posters, billboards, broadsides, pamphlets; to din into our ears by radio, and to use all the other techniques by which toothpaste and body deodorants are sold, in order to scare the living daylights out of the American people by painting "red" anybody who dares to suggest that something ought to be done to make decent medical care available to them.

There are many, many doctors in America who do not like the manners of this lobby, who resent the demeanment of their profession in the hands of political hucksters. There are doctors who resent being told that they must give themselves over to the high art of selling insurance and open their offices to the uses of propaganda, handing out throwaways in the manner of quacks in a medicine show. Theer are doctors who believe an evil thing is being done to their profession when it is induced to abandon ethical standards that have stood for generations, until the day when the soapsellers and the press agents were invited to take over.

But these doctors had no vote on the question when the American Medical Association decided to put its fate, and their money, in the hands of the publicity firm of Whitaker & Baxter. That was a decision of the ruling power in the AMA, a small minority comprised mainly of specialists reporting salaries above $50,000 a year, and including a mere handful of busy general practitioners and not one struggling young physician.

The minority is the "old guard" of medicine, and the structure of the AMA is such that they have been able to entrench themselves with tremendous and disproportionate powers. The decisions of organized medicine are their decisions; the voice of organized medicine is their voice. The thousands of hard-working country doctors and progressive young physicians in the cities must accept those decisions quietly. They have no effective choice.

Thus, when Whitaker & Baxter registered themselves as lobbyists in Washington at $9,000 a month, the rank and file of the medical profession could only be nauseated in silence. When Whitaker & Baxter revealed the paid advertising techniques by which they hoped to bribe the Nation's press into editorial opposition to the national health program, the men whose money was to pay the bribe could only dig down, fearful of the many reprisals that could be brought against them by their local medical societies.

Let me give you just one example, Mr. President, which I believe will come as something of a shock to many Senators, as it did even to me—and I am used to this kind of thing. It will not be a surprise to my good friend, the Senator from Minnesota [Mr. HUMPHREY], for it occurred in his State. Last May, the Minnesota State Medical Association met in annual convention. At that meeting the house of delegates passed a resolution which amounted to an open bribe to the press of the State, and was, in fact, an abandonment of ethical standards which the medical profession has held sacred for more than 100 years. The resolution explained that whereas the press resented having to bear the

burden of indirect publicity for the doctors' campaign against the national health program without remuneration, doctors in Minnesota henceforth would be allowed to insert professional cards as paid advertising in local newspapers.

Mr. President, I am sure that we all know what this means. I am sure that all my colleagues appreciate the importance of the time-honored prohibition of doctors' advertisements, as a means of keeping quacks and commercialism out of the practice of medicine, and of protecting the public against the blandishments and false claims of fakers. Yet, so intense has been the pressure on the doctors from their lobby headquarters that they willingly sacrificed the very ethics of their own profession in order to maintain the flow of free publicity in the columns of the press. The possibility that the press might not respond, apparently was not even considered. For the good of America, I hope the honest newspaper publishers of the Nation will reject this bribe and will condemn it for the despicable action which it is. Unfortunately, they have not been quick to do so.

Another example, Mr. President, was the offer by the AMA, about a year ago, of a substantial cash prize to the cartoonist who would submit what the AMA considered to be the best cartoon against national health insurance. Entries were limited to cartoons actually published in the newspapers for which the cartoonist worked. On this occasion the press responded quickly. This was a bribe, not of the press itself, but of the cartoonists; and Editor & Publisher, the trade journal of the press, promptly rebuked the AMA. The contest fizzled out, as a result.

These incredible violations of professional integrity are countenanced because the ethics of medicine have been placed at the disposal of hucksters. I grant that the publicity firm which now determines the public policies of American medicine is zealous enough. Within its own profession of propaganda and lobbying, I think it has earned the honorary degree of D. P.—Doctor of Propaganda. But of the medical profession, of its high ideals, of its very reason for being, it seems not to have gained the slightest conception.

What I have sought to give you, Mr. President, is a little character testimony on the principal witness against Reorganization Plan No. 1. I know the witness intimately. The American Medical Association was my chief opponent in the election last fall. I know their methods. I also know that they have very little influence at the ballot box; in fact, their opposition got me so many votes that I won last fall by the largest majority I ever received. The people of this country simply will not tolerate such arrogance, and I am confident that the Senate will not tolerate it, either.

One other point: In a recent hearing on this question, Mr. Ewing was accused of perpetrating an insult for even suggesting that an attempt was being made by the American Medical Association's lobby to influence a Senate decision. Mr. President, while all of us know the foolhardiness of any person or any group who makes such an attempt, it appears that not all of us know the overweaning arrogance of the organization Mr. Ewing had in mind.

I say that such an attempt has been made on this body, and is still being made. I say that Mr. Ewing's hope that the United States Senate would prove impervious to the raw pressure of that lobby was a hope wisely harbored.

More important, however, than the character and aims of the American Medical Association's lobby; more important than the opinion polls showing popular sentiment running 2 to 1 for a Department of Welfare; more important, even, than the issue of Government reorganization, is the question: What price America? How much money does it take to enable any one special interest to dictate the administrative form of a United States Government department?

To organized medicine, I say that all the money in the world, all the political influence it might exert if every one of the Nation's 180,000 doctors were solidly behind it, would not be enough for that.

If this richest and most powerful lobby in America is able to dictate what we shall do in fashioning one sector of our Government, where will its power stop? If it is permitted to tell the American people that they cannot have a Department of Welfare, why should it not be able to abolish the Antitrust Division of the Department of Justice, as some of its recent allies would like very much to do?

The decision we face, when this issue is brought to a vote, is not whether to affirm the wisdom of placing a Department of Welfare within the ranks of other departments of our Government. That wisdom has been affirmed and reaffirmed. We are asked to decide, rather, whether the Government of the United States can be purchased.

Whence, Mr. President, does the insult come?

Mr. FLANDERS. Mr. President, I wish to speak very briefly on the question of the extent to which Reorganization Plan No. 1 follows the Hoover Commission recommendations. I find that it differs in a number of particulars and to a large extent.

In the first place, the Department of Welfare under Reorganization Plan No. 1 omits one of the bureaus which were assigned to it by the Hoover Commission report. That is the Bureau of Indian Affairs. Furthermore, the Food and Drug Administration, which, under Reorganization Plan No. 1, is left in the Department of Welfare, is by the Hoover Commission report assigned to the Department of Agriculture. Furthermore, the proposed legislation calls for the retention in the Department of Welfare of the Bureau of Employment Compensation, which by the Hoover Commission recommendations was assigned to the Department of Labor. Plan No. 1 also calls for the retention of the Employees' Compensation Appeals Board in the Department of Welfare, and that agency likewise was assigned by the Hoover Commission recommendations to the Department of Labor. Plan No. 1 also calls for the retention in the Department of Welfare of the Division of Industrial Hygiene, which likewise was by the Hoover Commission report assigned to the Department of Labor.

Mr. President, I can see no reasons why the Department of Welfare should have all those agencies carried over bodily into it, when some of the agencies could have been left in the appropriate places in which the Hoover Commission report placed them.

I believe there is something also to be considered in connection with the item which has had the most discussion on the floor up until now. That is the location of the Public Health Service. The point was made by the junior Senator from Minnesota that there was no place in which to put the Public Health Service, that the United Medical Administration had not yet been created, so that, with no place to go, it should be placed under the proposed Department of Welfare. It seems to me, Mr. President, there would be more strength to the argument were it not for the fact that the proposed reorganization plan does set up a completely new department with Cabinet status in the form of a Department of Welfare. It, for the first time in the history of the Government, establishes by administrative action a new department of the Government, with its head a member of the President's Cabinet. If the reorganization plan can accomplish such a radical and hitherto unknown step as this, it seems to me it might well have set up at the same time the proposed United Medical Administration, so that the Public Health Service would have a place to go, to which place the Hoover Commission report assigned it.

That leads me in conclusion to raise a question, which I do not feel I have the legal knowledge or experience in Government to answer. It is the question as to whether it is legally possible to establish by administrative action a new, full-fledged department of the Government having Cabinet rank. I raise that question, Mr. President, and I leave the answer to others more skilled in the law and in governmental affairs.

Mr. LODGE. Mr. President——

The PRESIDING OFFICER. Since it is necessary that time be kept in connection with the debate, the Chair requests the Senator from Massachusetts to state how much time he expects to use.

Mr. LODGE. I expect to take about 10 minutes.

The PRESIDING OFFICER. There is, of course, no limitation.

Mr. LODGE. Mr. President, in the first session of the Eightieth Congress there was passed by unanimous vote in the House and in the Senate, Public Law 162, which created the Commission on Organization of the Executive Branch of the Government. Every Member of the Senate and of the House, Republican and Democrat, voted for it. It was signed by a Democratic President and became a law. Four members were appointed to the Commission by the Speaker of the House, four by the President of the Senate, and four by the President of the United States. Of the 12, 6 were Democrats, 6 were Republicans.

They were men of the highest caliber, as I think is generally recognized. They submitted a report, which is the report of the Commission on the Organization of the Executive Branch, and inasmuch as I was the Senate author of the bill which created the Commission, I feel I would be negligent in my duty if I did not say a few words at this historic moment when we are confronting the first reorganization order to come before us as a result of that report.

I take it there is no question that former President Hoover, the Chairman of the Commission on Organization of the Executive Branch, is in favor of Reorganization Plan No. 1. The telegram which was read into the RECORD an hour or so ago makes that clear, and the testimony in the official record makes it clear. The fact that Mr. Hoover says he regards Reorganization Plan No. 1 as a first step cannot, it seems to me, be twisted into an argument that what it proposes should not be done because it does not at the same time undertake the second step. I think the second step should be taken; I can even agree it would be preferable if the first and second steps were taken together; but I cannot agree with the argument that, because the second step is not undertaken simultaneously, we therefore should not take the first step. If the President and those who are in the majority in Congress are unwilling to take the second step, then the country will know where to put the blame for the failure; but we ourselves should not make the error of refusing to take the first step.

The more one reads the record, the less able he is to find anything in it which indicates any belief on the part of Mr. Hoover that it would be in any way impossible to remove Federal health and medical functions from a department of welfare and set them up in the proposed United Medical Administration, as has been claimed here by those who are opposed to Reorganization Plan No. 1. I think it is worthy of note that when Mr. Hoover speaks on this subject he does not merely speak for himself; he speaks as the spokesman of the Hoover Commission. He speaks as the spokesman of a commission which had the advice and the help of a task force, so-called, on medical services, which included some very distinguished and prominent names in the medical field. I should like to read the names of the members of the task force on medical services:

MEDICAL SERVICES

Chairman: Tracy S. Voorhees, president, the Long Island College Hospital, and special assistant to the Secretary of the Army.

Committee: Dr. O. H. P. Pepper, professor of medicine, University of Pennsylvania; Dr. Hugh Jackson Morgan, professor of medicine, Vanderbilt University; Dr. W. C. Menninger, the Menninger Foundation, Topeka, Kans.; Dr. Ray Lyman Wilbur, Stanford University; Dr. Frank R. Bradley, director of Barnes Hospital, St. Louis, Mo.; Dr. R. C. Buerki, director of hospitals, University of Pennsylvania; Charles Rowley, former trustee of Massachusetts Investors Trust; Henry Isham, president of the board of trustees of Passavant Hospital; Dr. Paul R. Hawley, former Chief Medical Director, Veterans' Administration; Dr. Michael DeBakey, associate professor of surgery, Tulane University, New Orleans, La.; Dr. Allen O. Whipple; clinical director, Memorial Hospital, New York City; Goldwaite H. Dorr, of Dorr, Hammond, Hand & Dawson, New York City, former special assistant to Secretary of War Stimson; Edward D. Churchill, M. D., professor of surgery, Harvard Medical School, Harvard University; Alfred Newton Richards, vice president in charge of medical affairs, University of Pennsylvania.

Secretary: Rear Adm. Joel T. Boone, secretary of the Secretary of Defense's Committee on Medical and Hospital Services of the armed forces.

That is the membership of the task force on medical services which advised the Hoover Commission. I am not undertaking to say they are in favor of every word of Reorganization Plan No. 1, but I think it is very significant that nothing has been heard from any of these men which in any way opposes or seeks to prevent the going into effect of Reorganization Plan No. 1.

Mr. President, I speak with the utmost respect for those who are opposed to the plan. As a matter of fact, I say frankly I see very little to be gained by the charges of lobbying which have been made in the course of this debate. I imagine that some lobbying is being done on both sides. So far as I am concerned, I have received telegrams and letters on both sides. But I get telegrams and letters on both sides of every question. No one in this particular dispute has in any way tried to put any improper or excessive pressure on me. I believe we can make greater headway if we agree that persons on both sides of this issue are acting in good faith and that they are not indulging in any improper tactics.

From reading the list of the physicians who were on the medical task force of the Hoover Commission, it will be seen that very eminent physicians are on both sides of the question.

I should like to read a few excerpts from the testimony regarding Reorganization Plan No. 1 in order to substantiate the contention which I make that the plan is entirely in accord with the recommendations of the Hoover Commission. Here is former President Hoover's statement on the President's reorganization plan, generally:

I might say generally that the task of reorganization of the executive branch proved on investigation to go much further than can be carried out by any delegated authority to the President, and that, while I entirely agree and support these plans, I do want to emphasize the fact that if we are to have real organization, it is going to be necessary in practically every case to have definite legislation of important and searching order.

That question, I think, underlines the point which I have been trying to make, that Mr. Hoover favors this plan and he also favors definite legislation. No one can find any conflict between the two. On the contrary, one is supplementary and complementary to the other.

Here is the recommendation of the Hoover Commission on United Medical Services:

The task force on medical services was instructed to base its original report on the premise that "the Commission will recommend a Cabinet Department embracing health, education, and security." However, in view of the size of the medical operations of the Federal Government and the extreme dissimilarities among the activities which would have composed such a department, the task force was later requested to consider the advisability of placing medical-service functions in a single agency. Its supplementary report very strongly favors a separate United Medical Administration.

Here is a further statement by Mr. Hoover:

In order to carry out the Commission's recommendations, it is necessary to set up a United Medical Service Administration in the Government before the health functions in the Federal Security Agency can be transferred. The creation of that agency, I am advised, will require specific legislation before the President could transfer agencies to it.

There is no inconsistency there. He simply says that we must establish a United Medical Service Administration before we can transfer functions. There is nothing which says that in the meantime we should not transfer these functions to the Department of Public Welfare until the United Medical Administration is established.

In response to a question in the Committee on Expenditures in the Executive Departments as follows:

Does Plan No. 1 ignore the Commission's recommendations?—

Mr. Hoover said:

I do not think the President has ignored the recommendations, because the whole problem of reorganization is so greatly interlocked.

Later on the Senator from Wisconsin [Mr. MCCARTHY] asked this question:

Senator MCCARTHY. Do I understand, then, that your thought is that Plan No. 1 is definitely a step forward, and that when we pass the necessary legislation to make it possible that can be improved to the extent that it will conform substantially to the Hoover Commission's recommendations?

Mr. HOOVER. They can be if the rest of the program is carried out, yes.

The Senator from Louisiana [Mr. LONG] asked this question:

Senator LONG. Do you find any conflicts in the President's plans as submitted with the recommendations of the Commission that you headed?

Mr. HOOVER. No; there are no substantial conflicts. These are steps in the same direction.

Later on the Senator from Louisiana [Mr. LONG] asked this question:

Senator LONG. What I had in mind, for example, is the difference in the proposals here on the organization of the Department of Welfare; that includes various agencies, I believe, that you had not recommended be included in one department. I understand, for example, you had not recommended that these other functions be included with the education and social-security functions.

Mr. Hoover said:

Mr. HOOVER. We recommended that a new agency, for instance, be set up, to be called the United Medical Services, that would embrace the public health and hospital services of the country. That, I am advised, could not be done without a special act of Congress. Therefore, it is no criticism of the President's plan to point out that those bureaus cannot be transferred at the present moment.

In the Washington Post of yesterday there appeared an editorial, a few brief statements in which I should like to cite, and which I think illuminate the whole subject. The editorial is entitled "Reorganization Peril," and it says:

> Failure to approve these important plans * * * would imperil the rest of the reorganization program. "Every special-interest group concerned with the operation of the Government"—

The editorial quotes the President as saying—

> "will be encouraged to try to block further steps toward efficiency and economy."
>
> * * * * *
>
> Critics fear that the establishment of a department of welfare would result in introduction of compulsory health insurance, and that health functions would be assigned to the new department under the direction of the present head of the Federal Security Agency. As a Cabinet member, it is claimed—

We have heard it claimed today—

> It is claimed that official will have a great deal of influence over decisions as to the placement of health, hospitalization, and related governmental activities.
>
> * * * * *
>
> If the Senate were to act on the basis of such fears, the rest of the Hoover program would have hard sledding, for every proposal for strengthening the Government organization is necessarily based on the assumption that the officeholders who are responsible for the execution of the reforms are trustworthy and reasonably competent. If Congress turns down reforms that experts regard as essential simply to keep officials "in their place," wasteful and obsolescent organizational patterns cannot be discarded.

The editorial says, further, that these reorganization plans—

> would not change governmental policies with respect to employment or health matters.

Those matters await legislative action by Congress.

The editorial continues:

> It is absurd * * * to jump to the conclusion that the creation of a department of welfare would limit the freedom of Congress to determine national-health policies.

Mr. President, I am opposed to socialized medicine, which I define as meaning a system which results in lowering the standards of medical care, in lowering the standards of medical education, in depriving a patient of the choice of his doctor, and in establishing a system whereby every "gold bricker" can get space in a hospital, with the result that a really sick person cannot receive care. If that is what is meant by socialized medicine, then I am opposed to it.

I do not happen to know Mr. Ewing, and I certainly hold no brief for him. What I read about him leads me to the conclusion that he has caused a great deal of justifiable uneasiness in the minds of persons who are leaders in the medical professions, many of whom are not unreasonable and stiff-necked, and who are willing to take imaginative and unselfish measures to bring the Government into a helpful relationship with public health. But it occurs to me that if we do not like Mr. Ewing, we have a chance to express our approval or disapproval of him when his nomination comes before the Senate for confirmation. We cannot view the whole question of Government reorganization simply on the basis of whether we like or do not like a particular official.

I think the Presiding Officer remembers very well that early in this session, when we were considering a general legislative power to be given the President to reorganize, on two occasions I objected to the efforts of the Army engineers to use pressure to exclude themselves from the operations of the Reorganization Act. Later, during the winter, I noted in the newspapers the attempts of some interests to see to it that certain financial activities of the Government, the FDIC and the Federal Reserve, I believe, should be exempted from the operations of the law. I objected to that, because I think that if we are to have any reorganization at all we have to reorganize everything, and cannot make exceptions.

Certainly if, as the author of the bill creating the Hoover Commission, and as one who had objected to the making of exemptions for the Army engineers and exemptions for the FDIC and the Federal Reserve, I were now to yield to the fears being expressed it would not only put me in an inconsistent position, which is not very serious for anyone except myself, but it would raise a very great doubt in the minds of citizens all over the country as to whether or not the over-all task of reorganizing the Government had any future at all.

What is at stake here today is really not the public health of the American people. If that were at stake, it would be an utterly vital question, and we should decide it entirely on its own merits, without regard to anything else. But the public health of the American people is not at stake here today. What is at stake is the fate of Government reorganization. Involved in the fate of Government reorganization is the question of the whole future of economical and efficient government in the United States.

We cannot repeat too often that the reason for the downfall of popular government in so many other countries of the world has been that those governments were ineffective and inefficient in meeting the issues of the day, and in translating into effective action the aims of the people. If our free system is to survive, and if we are to continue to have a democratic form of government, the Government has to be made economical, it has to be made efficient. With the people so burdened as they are by taxes, with the burdens of government so enormous as they are, we simply cannot afford to go on carrying a lot of waste. In these times of crisis, when we demand great tasks of the Government and great performance by the Government, we cannot go on having the Government organized in a way which is not efficient. That is what is at stake here today.

Therefore, Mr. President, so far as one Senator is concerned, only a very compelling reason would persuade me to vote against this first reorganization order, and, with all due respect to those who are opposed to it, I do not think that such a compelling reason has been alleged.

Mr. DONNELL. Mr. President——

Mr. McCLELLAN. I yield 20 minutes to the Senator from Missouri.

The PRESIDING OFFICER. The Senator from Missouri is recognized for 20 minutes.

Mr. DONNELL. Mr. President, the plan which is before the Senate for consideration and action today does two things, among others. One of them is to change the name of the Federal Security Agency to the Department of Welfare. The second is to constitute that Department an executive department. There are provisions with respect to who shall appoint the head of the Department, what his salary shall be, what his functions shall be, but I submit that the two fundamental things which are done are merely to change the name to the Department of Welfare, and to constitute it an executive department.

Are there any differences in the functions which are to be performed by this executive department from those which are now performed by the Federal Security Agency? The answer is, "No." The President of the United States, in his letter of transmittal of Reorganization Plan No. 1, said:

> This new Department will perform the functions and conduct the programs now administered by the Federal Security Agency.

The Director of the Budget, referring to the Federal Security Agency, said:

> No functions would be added to it by this particular plan, and no functions would be subtracted from it.

In other words, as Mr. Pace so concisely said, there will be no additional functions, nor will there be any subtraction of functions, after this process of the creation of an executive department, which is a Cabinet position, shall have been effected.

Mr. Ewing, who is now the head of the Department, said in his testimony:

> No new activities or functions are added or subtracted. The Department of Welfare will simply continue to carry on the identical activities now being conducted by the Federal Security Agency, except, of course, as they may be modified by plan No. 2 and other plans that may be subsequently submitted and allowed to go into effect.

Mr. President, we have before us for action by the Senate, as I see it, primarily that to which the Senator from Vermont so concisely and modestly alluded, namely, the creation of a Cabinet office. I wish to address myself very modestly, too, to an attempt to answer the question which the Senator from Vermont placed before the Senate, namely, as to the legality of the creation of a Cabinet office by the proposed reorganization plan now under consideration.

I have in my hand what I may term the fundamental act underlying this plan. That fundamental act is the Reorganization Act of 1949. After setting forth various things in section 3, it says, "Whenever the President, after investigation, finds" it necessary to accomplish one or more of the purposes of section 2 of the act, and his power is then defined. He has no power created by this act except

as defined in section 3. All other provisions of the act are ancillary to that, and his power with respect to the proposed reorganization plan which is here sought to bring about the creation of a Cabinet office is set forth in these simple words:

He shall prepare a reorganization plan for the making of the reorganizations.

Does the making of the reorganizations include the creation of a Cabinet office? What does the word "reorganization" mean as defined in the act itself? Section 8 reads as follows:

For the purposes of this act the term "reorganization" means any transfer, consolidation, coordination, authorization, or abolition, referred to in section 3.

Mr. President, I submit that section 8 does not include the creation of anything. It does not include the creation of an executive department.

The term "reorganization," as I have indicated, means a transfer. Someone may say, "Well, the proposed reorganization plan contemplates and provides for a transfer from the Federal Security Agency to a new Cabinet department of certain functions," Yes, Mr. President, that is true, but before the transfer can be made it must be necessary to create the transferee. True, by a reorganization anything may be transferred from the Federal Security Agency to the Department of the Interior, to the Department of Commerce, to the Department of Labor. They are existing transferees. But before a valid transfer can be made to a new Cabinet department there must first be created that Cabinet department. I submit most earnestly that the Reorganization Act of 1949, Public Law 109, does not give to the President the power to create a Cabinet position.

Mr. HUMPHREY rose.

Mr. DONNELL. Mr. President, I yield with the understanding on the part of the Senator from Minnesota that I have only 20 minutes of time allotted me, and I have quite a considerable amount to cover.

Mr. HUMPHREY. I should like to ask the Senator if he is familiar with the committee report?

Mr. DONNELL. I am, and I shall discuss it.

Mr. HUMPHREY. On pages 7 and 8 of the committee report it is noted that the Reorganization Act of 1945 contained a prohibition against new executive departments being created under the reorganization plan, but then the report went on to say:

At least one agency—the Federal Security Agency—has been established by plan which obviously is of departmental magnitude and importance and should have been designated as an executive department. No good purpose has been served by the old prohibition.

Is it not then true that, in the judgment of the committee as set forth in the committee report, and from an examination of the legislative history, the prohibition against the creation of an executive department had been removed, and that an open invitation was literally extended to the President to do just what has been done? Is not the legislative history quite clear that there were actual proposals for the establishment of a Department of Welfare, which were withdrawn because of the Reorganization Act of 1949?

Mr. DONNELL. I will answer the Senator by saying that I had fully intended to discuss that point, and had marked page 16, which, to my mind, presents very clearly the point to which the distinguished Senator from Minnesota alludes. I want the Senate to hear it. This is from the committee report filed April 7, 1949, by the Committee on Expenditures in the Executive Departments. It says:

The committee rejected the provision contained in section 5 (1) of H. R. 2361—

Which was the bill corresponding to the Senate bill—

prohibiting the creation of new departments. This was in line with the above-outlined position designed to place no restrictions on the President in the submission of reorganization plans, and will—

I call the Senate's attention to this language—

and will permit the submission of reorganization plans calling for the establishment of new departments with Cabinet rank.

It is perfectly clear that that is what was said in the report of the committee. I have no doubt that the Senator from Minnesota is entirely correct in his thought that the committee—or at least whoever drafted the report—had in mind the removal of the prohibition. I may say that every Senator upon the floor realizes that a large proportion of the reports which come to the Senate and are presented by Senators are prepared by members of staffs and not by the Senators and do not necessarily represent the conclusion of the Senators. I am quite willing to agree with what the Senator has said, namely, that the indication is very clear that the committee had in mind that the removal of a prohibition against the creation of an executive department was designed to vest in the President the power to create such an executive department by a reorganization plan.

But, Mr. President, there are many statutes, many acts of Congress which have been defective. I fully realize that a court might sustain the position based solely on the legislative history to which the Senator from Minnesota alludes, and might take the view that in light of that legislative history the conclusion of the court should be that the President does have the power. I am not saying dogmatically that the court would decide as I have laid down what I think is the meaning of the statute. But I nevertheless say that after we read the statute itself which, after all, is what was crystallized after the committee report, what was passed by Congress, what the Senate wanted to do, and presumably did do, there is nothing in the statute, as I read it, which gives the President the power to create an executive department.

Mr. President, I say it is entirely possible that a court might take the view arrived at from a study of the legislative history to which the Senator from Minnesota alludes, and I should not be greatly surprised to see at least some judges take that position. I am not inferring against any judges. I mean the human mind varies, so one person sees one side and the other sees the other. But I undertake to say that to my mind, when I read in the act that—

For the purpose of this act the term "reorganization" means any transfer, consolidation, coordination, authorization, or abolition, referred to in section 3—

the creation of a new department is not encompassed by any of that language. If the Reorganization Act is to be read and construed according to what it says, the answer to the Senator from Vermont is that the President has no power under the Reorganization Act.

Mr. President, in view of the point raised by the Senator from Minnesota and the point raised by me, I submit that it may be reasonably expected that if the reorganization plan shall be adopted, litigation will be absolutely necessary to determine whether or not the President does have this power. That litigation may result favorably to the contention of the Senator from Minnesota. It may result favorably to the contention which I have asserted. But to my mind it is as clear as that 2 and 2 make 4 that no one can say with positiveness today, without the prospect of litigation, that if the plan shall be approved by the Senate of the United States the power will have been validly conferred upon the department so created or undertaken to be created by this particular plan.

Mr. President, what is to be accomplished by this particular reorganization? The President does not tell us.

He says in his letter of transmittal:

I have found and hereby declare that each reorganization included in this plan is necessary to accomplish one or more of the purposes set forth in section 2 (a) of the Reorganization Act of 1949.

Those purposes are set forth on the first page of the act. What are the one or more of the purposes therein set forth that the President had in mind, and why did he not specify what those purposes are which the plan is necessary to accomplish? Will it accomplish a dollar savings? Will it bring about any contribution to the economical administration of the Government? Mr. Pace, the Director of the Budget, said:

Either to state exactly how that will occur or what the dollar savings might be would be both impossible and impracticable.

Then he continues:

It will accomplish no immediate saving.

It is entirely possible that the plan may accomplish some saving. Yet it is very difficult to see how merely turning the agency into a Cabinet Department with precisely the same functions and duties as exist under the existing law, will effect any very great or material saving.

Is it going to accomplish an abolition of duplication? Mr. Pace, Director of the Budget, says:

Specifically I can't specify that duplication does exist.

Mr. President, there may be some good results to be expected from this plan. I have no doubt the President thinks so. But what are they, and what proof does the Senate have that such results will be produced?

The distinguished Senator from Minnesota [Mr. HUMPHREY] took the view—and vigorously and eloquently sustained it to the very best of his ability—that to defeat the plan would be to weaken the first plan to carry out the program of the Hoover Commission. The report of the committee, he says, does not charge that the plan is opposed to the recommendations of the Hoover Commission. To be sure, there is nothing in this report that says in so many words that this plan violates the Hoover Commission report, but I call attention to the fact that on page 6 of the report are these significant words:

> Reorganization Plan No. 1 conforms to recommendations of the Commission on Organization of the Executive Branch of the Government in these aspects only—

I emphasize the word "only" as clearly indicating, as admitted here today, that there are other aspects in which the reorganization plan does not conform to the recommendations of the Commission on Organization of the Executive Branch of the Government. Indeed, it is as clear as the fact that 2 and 2 make 4 that there are important respects in which the provisions of this plan are positively and directly contrary to the recommendations of the Hoover Commission. We had read to us today a telegram from Mr. Hoover. It is true, as Mr. Hoover says, that:

> I supported the President's seven plans as first steps—

I can understand how Mr. Hoover would have done that. I can see how he would not have wanted to place himself in the position of contending that these are not first steps, or in fact believing that they were not first steps. But how faltering they are. Mr. Hoover says in his telegram of today:

> The recommended reorganization will, of course, not be effective until these further steps are undertaken.

We have been told that substantially the main points of the Hoover Commission recommendations have been adopted in this plan. To my mind, some of the main points in the Hoover Commission report have not been complied with in the plan, but on the contrary are directly opposed by the plan. The Commission says:

> In our report on medical services we have recommended a separate United Medical Administration reporting directly to the President.

Again, it states:

> That agency would embrace the major hospitalization, medical research, and public health activities of the Government.

It further states:

> In our report on the Labor Department we recommended the return of several agencies now in the Federal Security Agency to that Department.

I see in the Chamber one of the distinguished members of the Commission who was in the minority on some portions of the report of the Commission. I refer to the distinguished senior Senator from Vermont [Mr. AIKEN], who joined with two other members in stating:

> We agree with the recommendation in the Commission report that the Unemployment Compensation and Employment Service functions should be transferred to the Department of Labor. They are labor functions, not welfare functions.

Turning to page 12 of the report, on social security, we find that the Commission itself—not the task force, but the Commission itself—states:

> We elsewhere recommend the transfer from the present Federal Security Agency of the following: Bureau of Employees' Compensation, to the Department of Labor; * * * Employees' Compensation Appeals Board, to the Department of Labor; * * * Bureau of Employment Security, to the Department of Labor; * * * Public Health Service, to the United Medical Administration; Food and Drug Administration, partly to the Department of Agriculture and partly to the United Medical Administration.

The PRESIDING OFFICER. The Senator has 1 minute remaining.

Mr. DONNELL. Mr. President, may I have 3 minutes additional?

Mr. MCCLELLAN. Mr. President, I yield three additional minutes to the Senator from Missouri.

Mr. DONNELL. I thank the Senator.

If we do not create the United Medical Administration and put the medical services in a separate agency, what will happen? When we pass the legislation which we are told today should be passed in order to make it effective, what will be expected? A veto, which, as the Senator from Connecticut [Mr. BALDWIN] pointed out, will mean the necessity of a two-thirds vote in each House of Congress, as distinguished from a simple majority, in order to pass the legislation.

Why such haste in this matter? Why not comply with the Hoover Commission recommendations? Certainly if a new Cabinet office can be created, according to the contention of the Senator from Minnesota, by such a plan as this, a United Medical Administration can likewise be created, notwithstanding what the Senator from Massachusetts [Mr. LODGE] read as the view of some lawyers. Why not comply with the Hoover Commission recommendations, instead of taking them piecemeal?

It is perfectly clear to my mind that the President of the United States does not believe—I make no criticism of him—in taking out of the Federal Security Agency, whether it be a mere agency or a Cabinet agency, the power over health matters. That may be due to his own belief in compulsory health insurance. It may be due to the fact that Mr. Ewing, who is the head of the agency, and who, under this particular plan, is to remain for 60 days in this office, notwithstanding the fact that the Senate will not have passed upon him, will have certain advantages in the way of the possibility of future appointment as a Cabinet member. It may be because Mr. Ewing is so strongly in favor of compulsory health insurance.

The fundamentals of the Hoover Commission report—at least some of the fundamentals—are not carried out by this plan. Furthermore, in response to the question of the junior Senator from Vermont [Mr. FLANDERS], it was pointed out that there is serious doubt as to the power of the President to create the position of Cabinet officer under the power given to him by the Reorganization Act as it now exists.

Under those circumstances, and in view of the fact that we can take our time to study the recommendations of the Hoover Commission or enact a plan, or the President can present us with a plan which does follow those recommendations, I submit that the Senate should not vote today in favor of approval of Reorganization Plan No. 1.

Mr. HUMPHREY. Mr. President, at this time I yield 20 minutes to the distinguished Senator from Vermont [Mr. AIKEN].

The PRESIDING OFFICER. The Senator from Vermont is recognized for 20 minutes.

Mr. HUMPHREY. May I suggest the absence of a quorum?

Mr. AIKEN. So long as it does not come out of my time.

The PRESIDING OFFICER. It will be out of the Senator's time if it is suggested now.

Mr. HUMPHREY. Mr. President, I yield 25 minutes to the Senator from Vermont, and suggest the absence of a quorum. I think the Senate should hear what the distinguished Senator from Vermont has to say.

The PRESIDING OFFICER. The absence of a quorum is suggested. The clerk will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hendrickson	Millikin
Anderson	Hickenlooper	Morse
Baldwin	Hill	Mundt
Brewster	Hoey	Murray
Bricker	Holland	Myers
Bridges	Humphrey	Neely
Butler	Hunt	O'Conor
Byrd	Ives	O'Mahoney
Cain	Jenner	Pepper
Capehart	Johnson, Colo.	Robertson
Chapman	Johnson, Tex.	Russell
Chavez	Johnston, S. C.	Saltonstall
Connally	Kefauver	Schoeppel
Cordon	Kem	Smith, Maine
Donnell	Kerr	Smith, N. J.
Douglas	Kilgore	Sparkman
Downey	Knowland	Stennis
Dulles	Langer	Taft
Eastland	Lodge	Taylor
Ecton	Long	Thomas, Okla.
Ellender	Lucas	Thomas, Utah
Ferguson	McCarran	Thye
Flanders	McCarthy	Tydings
Frear	McClellan	Vandenberg
Fulbright	McFarland	Watkins
George	McKellar	Wherry
Gillette	Magnuson	Wiley
Graham	Malone	Williams
Green	Martin	Withers
Gurney	Maybank	Young
Hayden	Miller	

The PRESIDING OFFICER. A quorum is present.

Mr. AIKEN. Mr. President, because of the limited time, I shall not be able to yield during the remainder of the time available to me.

I think it has been rather unfortunate that in all the discussion of Reorganization Plan No. 1, considerable more heat than light has been generated. To judge from the talk we have heard about

this plan, one would think it had to do with socialized medicine, compulsory health insurance, or the virtues or lack of virtues which Oscar Ewing may possess.

As a matter of fact, those topics should not enter into the discussion of Reorganization Plan No. 1 at all, for it does not give any new powers to Mr. Ewing. It does not go a single step further toward compulsory health insurance, which I personally believe would be unwise, particularly at this time. Neither does it prevent the Congress from setting up a separate medical and hospital administration, if it so desires.

I have been somewhat disturbed over the interpretations given to the reports and recommendations of the Hoover Commission. As a member of that Commission, it was my privilege to work on the subcommittee which dealt with the very subject covered by Reorganization Plan No. 1, and also with the subject covered by Reorganization Plan No. 2, which will be before the Senate tomorrow.

Although Reorganization Plan No. 1 does not carry out in detail all the recommendations of the Hoover Commission affecting the Federal Security Agency, every change it makes in the present organization of that agency is in strict conformity with the Commission's proposals.

In its report on social security, education, and Indian affairs, the Hoover Commission unanimously recommends the creation of a new department to include most of the activities in the Federal Security Agency which deal with education and social security, plus the Office of Indian Affairs. Plan No. 1 simply constitutes the Federal Security Agency a Department of Welfare. This step is not in any sense in conflict with the Hoover Commission's recommendation, since it does not prejudice any Commission proposals for future transfers into or out of the Department.

Plan No. 1 is in complete conformity with all general principles of executive management laid down by the Hoover Commission in its first report.

The Commission recommends as a primary objective that—

> The numerous agencies of the executive branch must be grouped into departments as nearly as possible by major purposes in order to give a coherent mission to each department.

Plan No. 1 carries out this recommendation by completing the departmental structure of the executive branch, thereby establishing the essential framework within which the purposes of the Reorganization Act of 1949 must be carried out.

The Department of Welfare—and I know there is objection to the name—makes 10 departments of government, which the Hoover Commission considered essential for the grouping of all the activities of the Government except those specifically exempted from departmental inclusion.

The major purpose of the new department is the preservation and development of human resources, a field of Government activity of such importance and magnitude that there is no disagreement that it deserves departmental status.

The Commission lays down the principle that—

> Within each department, the subsidiary bureaus should also be grouped as nearly as possible according to major purposes.

Plan No. 1 carries out this recommendation completely, since the subsidiary bureaus of the Federal Security Agency are clearly grouped in accordance with their major purposes, that is, education, health, social security, and so forth.

The Commission also lays down the principle that—

> Under the President, the heads of the departments must hold full responsibility for the conduct of their departments. There must be a clear line of authority reaching down through every step of the organization and no subordinate should have authority independent from that of his superior.

That is a very vital factor to be followed in establishing good government anywhere.

Mr. McCARTHY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Wisconsin?

Mr. AIKEN. I do not have time to yield. I am sorry, but I only have so much time allotted to me. I should rather finish what I have to say.

The PRESIDING OFFICER. The Senator declines to yield.

Mr. McCARTHY. I wonder whether the Senator will do this: I have 20 minutes' time coming up. I will assign some of my time to the Senator to make up for the time he yields to me. I think this is important. I will give the Senator a part of my time.

Mr. AIKEN. I should rather yield when I have concluded what I have to say, if there is any time provided from any source whatever.

Mr. McCARTHY. Very well. That will be satisfactory. I will give the Senator a part of my time.

Mr. AIKEN. Plan No. 1 carries out this recommendation by providing for a Secretary of Welfare to whom the functions of all officers and constituent units of the Department will be transferred, subject to delegation by the Secretary.

Former President Hoover, I am sure, must be interested in hearing all the discussions and arguments telling what he meant by his various statements and recommendations. But he concurs in the consistency between plan No. 1 and the recommendations of the Commission on Organization. On June 30 he testified on the President's Reorganization Plans before the Committee on Expenditures in the Executive Branch. He stated:

> I wish to say at once that the seven plans are all steps on the road to better organization of the administrative branch. They are, insofar as they go, substantially in accord with the recommendations of the Commission on Organization of the Executive Branch of the Government.
>
> The difficulty with this subject is that the President's authority under the Reorganization Act of 1949 is very limited. In most of these seven cases the full accomplishment of reorganization as recommended by the Commission requires also extensive special legislative action. Either most of the seven plans must be regarded as simply preliminary steps, or must be absorbed, now or later, in full legislation if we are to effect the efficiencies and economies sought by the Commission.

SOME HOOVER COMMISSION RECOMMENDATIONS NOT INCORPORATED IN REORGANIZATION PLAN NO. 1

At least four different Hoover Commission reports deal, in whole or in part, with functions now carried on in the Federal Security Agency.

The report on Social Security, Education and Indian Affairs proposes the creation of a department to include functions of education and social security together with the Office of Indian Affairs, to be transferred from the Department of the Interior.

None of the first seven reorganization plans transfers the Office of Indian Affairs to the new department.

The report on Medical Activities recommends the transfer of the Public Health Service out of the Federal Security Agency and its incorporation in a proposed new hospital agency, the United Medical Administration.

As the Senator from Missouri [Mr. DONNELL] stated a few moments ago, there was a dissenting report on this matter within the commission itself. Messrs, Acheson, Rowe, and myself held that if this department were created, the public health activities which called for much more than medical and hospital services should be left within the Welfare Department, or whatever its name might be. This report on medical activities is not carried out in the first reorganization plan.

These and other reports recommend the transfer of the Food and Drug Administration, partly to the Department of Agriculture and partly to the United Medical Administration, and the transfer of the Bureau of Employment Security, the Bureau of Employees' Compensation and the Employees' Compensation Appeals Board to the Department of Labor.

Plan No. 2 carries out the proposal to transfer the Bureau of Employment Security; the other recommendations are not incorporated in these plans.

In other words, complete reorganization action for Federal Security Agency on the Hoover Commission recommendations involves a half dozen transfers out of or into that agency. These require further transfers for complete action on other affected agencies. In short, those who argue for multiple reorganization actions set up a chain reaction and progressively compound the opposition. This defeats all possibility of reorganization action.

REASONS WHY SOME HOOVER COMMISSION RECOMMENDATIONS ARE NOT CARRIED OUT IN REORGANIZATION PLAN NO. 1

Before the ultimate disposition of all the Government functions can be determined on an orderly and logical basis, it is necessary to establish the essential framework of the departmental structure. This is completed with the creation of the Department of Welfare, a step which does not preclude, but instead will

facilitate, any desirable transfer of functions into or out of such a Department.

Moreover, it is probable that it would require an act of Congress to provide for the complete and effective establishment of a United Medical Administration.

In reply to a question from Senator McCARTHY on the failure of plan No. 1 to transfer the Public Health Service to a proposed United Medical Administration, Mr. Hoover testified:

I do not think the President has ignored the recommendations of the Commission, because the whole problem of reorganization is so greatly interlocked. For instance, in order to carry out the Commission's recommendations, it is necessary to set up a United Medical Administration in the Government before the Public Health Service in the Federal Security Agency can be transferred. The creation of that agency, I am advised, will require specific legislation before the President could transfer agencies to it.

Mr. McCARTHY. Mr. President, I wonder whether the Senator will yield, on condition that I later yield him 5 minutes of my time?

Mr. AIKEN. Again I say, Mr. President, I should like to have the questions wait until the end, so my remarks may have some sequence when they are read in the RECORD.

Mr. McCARTHY. I am sorry.

Mr. AIKEN. A bill to establish a United Medical Administration was introduced by Senator THOMAS of Utah on June 7, 1949. This bill, S. 2008, is now before the Committee on Labor and Public Welfare, where it will receive careful consideration.

In view of the bill introduced by the Senator from Utah [Mr. THOMAS], the proposal for a United Medical Administration is now before the Committee on Labor and Public Welfare, as I have said. So far as I can see there has been no action whatever toward bringing it to the floor of the Senate for action. In my opinion it will be a long time before such a bill is enacted into law. In the meantime we should operate to the best of our ability under the machinery of Government we now have or can create without waiting for that law to be passed.

In view of these considerations, President Truman had either to submit plan No. 1 as he did, or to wait indefinitely for congressional action on medical activities. He is to be commended for pushing ahead to carry out as much of the Hoover Commission recommendations as he has in the plan.

This plan does not, as a great many persons have been led to believe, deal with medical insurance or national medical policy in any way.

Attacks on the plan as leading to the adoption of a program of prepared medical insurance or work are completely without foundation. The plan converts the Federal Security Agency into an integrated executive department, but it in no way adds to or detracts from its functions. The issue of adopting a compulsory prepaid medical insurance program is before Congress, and its adoption or rejection rests with Congress. No Administrator or Secretary can order such a program.

So long as the President is an advocate of medical insurance, his principal officials will support such a program. They will do so, irrespective of the title by which they are known.

This plan will, therefore, neither advance nor retard the development of public policy in the area of health insurance. The spokesmen of organized medicine have, therefore, raised a spurious issue. I make the statement that they have raised it, while, at the same time, I agree with them that compulsory health insurance would not be advisable.

Much has been said about the additional cost of the Department and of economies to be effected by Reorganization Plan No. 1. Neither the President nor the Hoover Commission attempted to specify the savings to be derived from the establishment of the Department of Welfare.

Plan No. 1 does not itself curtail functions, eliminate overlapping, or in any other way bring about automatic savings. I may as well say that now. Most organizations, including plan No. 1, produce economies by making possible future savings through improved programing and reductions in administrative costs. The plan will establish an integrated department whose head will have previously lacking authority to assure that programs are administered effectively and to curtail lost motion.

What can be done in this direction has already been demonstrated by the Federal Security Administrator, in spite of limitations upon his authority. The newly integrated regional offices of the Federal Security Agency will be operated during the 1950 fiscal year at a cost of 8.8 percent, or $581,354, below that of the preceding fiscal year.

As the President pointed out in his message of transmittal, the benefits from improved service and better costs are expected to flow from the plan.

The advocacy of a Department of Public Welfare is nothing new. Its creation has been recommended many times during the past 30 years. These recommendations have been made by Presidents, Members of Congress, special commissions, and nongovernmental groups. Last year I introduced a bill, at the request of the State Association of Boards of Health, I think was the title of the organization, which was almost identical with Reorganization Plan No. 1 as now proposed by the President.

In 1923 President Harding, in a special message to Congress, proposed the establishment of a Welfare Department. A year later a similar recommendation was made by the Joint Committee on Reorganization.

In 1932 President Hoover recommended that the welfare functions of the Government be grouped in one of the then existing departments.

In 1937 the President's Committee on Administrative Management recommended a new Department of Welfare.

That same year the report of the Brookings Institution, made for the Senate Select Committee to Investigate Executive Agencies of the Government, known as the Byrd committee, proposed the establishment of a Welfare Department.

As stated in the testimony of the Director of the Budget, Frank Pace, before the Senate Expenditures Committee, when he testified in support of this Reorganization Plan No. 1:

Altogether, out of eight comprehensive plans for the reorganization of the executive branch developed by responsible officials and agencies within the last 30 years, six have concentrated the functions as to education, health, and welfare in a single department—five of them in a new department devoted exclusively to these activities—and the other two plans have provided a new department in charge of the greater part of these functions.

It is a well-known fact that the reorganization plan that established the Federal Security Agency in 1939 would have created it a department had not such creation of executive departments been specifically forbidden by the Reorganization Act of 1939.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HUMPHREY. Mr. President, I yield to the Senator from Vermont whatever time may be necessary.

Mr. AIKEN. I thank the Senator from Minnesota.

The failure to give these functions their appropriate status at that time was unfortunate, and Reorganization Plan No. 1 will correct this earlier error.

Plan No. 1 is the first vital step—I say, vital step—in carrying out completely the recommendations of the Hoover Commission. Congress adopted the Reorganization Act because it realized that the customary legislative process is not suitable for the expeditious adoption of needed reorganization.

The act provided a cooperative procedure under which the President's power to initiate changes in the organization of the executive branch was increased while the power of Congress to prevent reorganization was preserved.

Plan No. 1 is the first test of the procedure under the 1949 legislation. As such, it is a critical test of the capacity of the President and Congress to work together in the effectuation of the recommendations of the Hoover Commission.

If this plan fails in the face of the Commission's recommendation, the endorsement of the President, and the tacit acceptance of the House, the Senate will alone be responsible for a major set-back in the attempt to bring order and efficiency into the executive branch.

If Plan No. 1, which would have been relatively noncontroversial had extraneous issues been prevented from confusing its purpose, is rejected, the prospect of success for any future plans for the execution of the Commission's more far-reaching recommendations will not be bright.

I wonder if the Senator from Minnesota will permit me to have five more minutes.

Mr. HUMPHREY. I shall be very happy to do so.

Mr. AIKEN. Mr. President, I should like to quote from a statement which one of our colleagues on the Hoover Commission, Representative BROWN, made in

the House last Thursday. Representative BROWN is generally known as friendly to the medical profession. Certainly he is about the last Member of the House who would do that profession any harm. I should like to quote his comment directly from the RECORD. This is what he said:

While perhaps the words have not been spoken, I seem to sense that some here have a question in their minds as to whether President Truman is going through with a thorough reorganization of the Federal Government, and whether he is actually going to do the things recommended by the Hoover Commission. I do not know. But I do know that he told the Commission that he was going to try to carry out its recommendations in substance. He did not pledge himself to do so in every detail, any more than the Congress had. I do know that he has sent messages to Congress, and that he has made many public statements, endorsing the work of the Commission. I do know that there is a great deal of pressure from back home, not only on the Congress but also on the President of the United States, to do something about getting a little efficiency and economy into the conduct of our public business. I do know that the only two living persons who ever served in the White House as President are both for this program. I do know that this Reorganization Plan No. 2 (and let me add here, Plan No. 1 also) was one of the recommendations of the Hoover Commission. I do know that about the only thing we can safely do, as far as this matter is concerned, is to take the President at his word.

I am still quoting from the speech by Representative CLARENCE BROWN:

If he does not keep his word, if he is not a man who keeps his promises, if he does not act in good faith, then I am going to tear the living hide off him in the next campaign. But first of all, I am going to give him a chance to make good on his promises. He is entitled to that. Then, if he does not do the right thing, I will criticize him from one end of this land to the other.

I want to say to any of you who may not think the President is sincere, or who may not believe that he is going through with most of the Commission's reorganization plans, that if you want to give him a beautiful opportunity to get out from under the responsibility of keeping his word, acting in good faith, and doing the things the American people want him to do in connection with the Hoover Commission report, then just vote for this resolution. If you adopt this resolution and reject this reorganization plan, then the President, if he is not sincere—and I do not question his sincerity—can immediately throw up his hands and say to the country, "Well, I tried to reorganize the Government and get a little economy and efficiency into the conduct of public business, but that terrible Congress up on Capitol Hill and the vicious business interests of the country would not let me. There is no use to try further."

Then it is the Congress and you who will take the heat, and not the President of the United States. In my opinion, it is just foolish, asinine, and silly to refuse to give him at least the opportunity to carry out the Hoover Commission recommendations and to go along with them in substance, as he has said he would do. If he fails to do so, then he is the one who will be responsible; but if we refuse to give him that opportunity, he will place the responsibility squarely on us.

We are squarely up against the issue: Do we want to take this first step to reorganize the Government? It is not the whole way, by any means. It is indeed just a step. It goes just a part of the way. Maybe the President will go the rest of the way. Maybe he will not. I do not know. I am not responsible for him. But do we want to take this one step, along with him, and say, "We will go this far with you, Mr. President, and see what you will do about the rest of it. We will give you an opportunity to reorganize the Government, Mr. President. The responsibility is yours. We have given you the machinery to do the job and we have gone along with you thus far"? Or are you going to say right at the beginning, "No, Mr. President, we are going to turn down your Reorganization Plan No. 2 (all of this applies equally to plan No. 1), and if you do not want to do anything else about reorganization, you have a perfect excuse for not doing it"? I say to you, that is the question on which we all must vote.

Mr. President, that ends the remarks of Representative CLARENCE BROWN on the floor of the House of Representatives last Thursday. Mr. BROWN, Representative from Ohio, certainly is far from being radically minded, far from being hostile to the medical profession.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. AIKEN. Just 1 minute more. I wish to conclude by saying that Reorganization Plan No. 1 does not raise the issue of socialized medicine or compulsory health insurance. The issue is not whether Oscar Ewing is a good Administrator or ought to be eliminated from Government service. It is not a question of whether we will go along with the AMA. If Plan No. 1 shall be approved, the essential framework of Government as proposed by the Hoover Commission will have been established. If it is defeated, Oscar Ewing will continue as an Administrator in control of the very same functions of Government which are now under him.

Mr. McCLELLAN. Mr. President, I yield 10 minutes to the Senator from Wisconsin [Mr. McCARTHY].

Mr. McCARTHY. Mr. President, I should like to yield to the Senator from Vermont sufficient time to answer one or two questions, the answers to which I think may be of some benefit to the Senate in making its decision. I shall yield sufficient time to him to respond.

Last year the Senator from Vermont was chairman of the Committee on Expenditures in the Executive Departments, and did much good, intelligent work on S. 140.

Mr. AIKEN. I agree. [Laughter.]

Mr. McCARTHY. Finally the bill was reported unanimously, I believe. The major difference between S. 140, which has been reintroduced as S. 2060, and Reorganization Plan No. 1 is that S. 140 preserved a much greater amount of independence in the three departments, or three subdepartments, namely, health, welfare, and education.

Mr. AIKEN. Mr. President, it was not my impression that there was much difference. The bill as reported by the committee did what the Senator from Wisconson says. I was referring to the bill which I introduced at the request of the State health organizations. The Senator is correct in saying that the bill as reported by the committee preserved a greater degree of independence on the part of education, health, and security.

Mr. McCARTHY. Under an Under Secretary.

Mr. AIKEN. Yes; the Senator is correct.

Mr. McCARTHY. Am I correct in stating that the Hoover Commission goes one step further than we went in Senate bill 140? The Hoover Commission not only says that the department shall have a greater amount of independence under the Secretary, but the Hoover Commission says we will make the United Medical Administration completely independent.

Mr. AIKEN. That is the recommendation of the majority of the Hoover Commission. As I have stated, three members of the Commission, Mr. Acheson, Mr. Rowe, and myself disagreed in part with that recommendation. We agreed that the hospital service should be better coordinated, but we disagreed to the extent of saying that the Public Health Service should be incorporated with the hospital and medical services.

Mr. McCARTHY. Am I correct in stating that if we want to follow the Hoover Commission recommendations we will come much nearer to doing so by taking S. 140, or what is now S. 2060, than taking Reorganization Plan No. 1?

Mr. AIKEN. No, I do not think so. I would not say we could draw a good comparison. The Hoover Commission recommends setting up this tenth department, with Cabinet status, under which the Health Services will be operated until such time as the Congress sees fit to create a separate, independent agency for them.

Mr. McCARTHY. Is the Senator aware of the fact—and I also call this to the attention of the junior Senator from Minnesota—that actually the creation of a medical administration incorporating the major functions relative to medical care, medical research, and public health, could better be established by a reorganization plan than by legislation? I offer as the authority for that the analysis by the Bureau of the Budget, which was made sometime during the spring of this year, I do not recall what month. On page 39 of the analysis are found on the left-hand side the various Hoover Commission recommendations, and on the right-hand side the method recommended by the Bureau of the Budget in putting these parts of the plan into operation. We find that the Bureau of the Budget lists, as the method of the effectuation of this operation, the reorganization plan. I call that to the attention of the Senator because the minority report says that "only the Congress can establish a medical administration." It does not give any authority for that. That legal conclusion has seemed to be completely negatived by the analysis of the Bureau of the Budget.

Mr. AIKEN. I think the fact that the medical fraternity had had a bill introduced to do that very thing would indicate that they believe that legislation is necessary in order to set up the United Medical Administration. I am somewhat rusty on that point, but it is my recollection that there were several reasons which indicated that legislation would be necessary to create that administration. I am not familiar with the details. I have not studied that bill, because I

have felt that its adoption was some distance in the future.

Mr. McCARTHY. As I recall, when we were discussing S. 140, before we very substantially amended it and reported it unanimously, there was a good deal of argument to the effect that, instead of having the three departments grouped under one head, giving the head the unlimited power which Reorganization Plan No. 1 would give him, actually we decided there should be three separate departments, one dealing with welfare, one dealing with health, and one dealing with education. As I recall, the view was that we could not very well create three new Cabinet offices.

Mr. AIKEN. That is correct.

Mr. McCARTHY. What we tried to do in S. 140 was to preserve the autonomy, or the independence, of the head of the Medical Department, of the Welfare Department, and of the Education Department, and at the same time create only one new Cabinet office. So that S. 140 was a compromise, in effect, between Reorganization Plan No. 1, insofar as the Medical Department was concerned, and the Hoover Commission recommendation of a United Medical Administration. In other words, we went half way between Reorganization Plan No. 1, which gives the New Secretary unlimited power over the three agencies, and the recommendation of the Hoover Commission, which was that there should be complete independence on behalf of a United Medical Administration.

Mr. AIKEN. The Senator from Wisconsin is correct. Senate bill 140, reported by the committee, was a compromise bill between the bill which I introduced, which was almost identical with Reorganization Plan No. 1, and the other bill which was introduced, I believe, by the Senator from Ohio [Mr. TAFT] and the Senator from Arkansas [Mr. FULBRIGHT], which would not have gone far enough. I think the plan which the committee reported would probably have been workable, but inasmuch as it was a compromise, and objections were made to it from so many different quarters, as frequently happens in the case of a compromise bill, we were not able to secure its passage.

Mr. McCARTHY. If we should couple the report by the Bureau of the Budget and their suggestion that this particular recommendation of the Hoover Commission could be put into effect by a reorganization plan, with the statement made by Mr. Ewing, who apparently is going to head the new department, to the effect that he opposes the creation of a United Medical Administration, would the Senator agree with me that the combination of these two things indicates that this very important part of the Hoover Commission recommendation never will be put into effect if we adopt Reorganization Plan No. 1?

Mr. AIKEN. It is my opinion that if Reorganization Plan No. 1 should be adopted and the United Medical Administration should be created by the Congress, a bill establishing that Administration would probably be vetoed. It is also my opinion that if a United Medical Administration should be approved by the Congress, whether Reorganization Plan No. 1 is accepted or rejected, it would also be vetoed. That is simply an opinion on my part. I have not consulted with Mr. Ewing or with the President on that subject. But I do not think that would make any difference with respect to a bill passed by the Congress creating an independent medical agency. I have opposed the establishment of an independent medical agency because I have thought our objective was to reduce the number of agencies and to place the responsibility for Government into as few hands as possible, and then hold those in whose hands the responsibility was placed fully responsible for the work of the department. I have frequently thought that if the Congress exercised the power of impeachment oftener we would have better Government. But I realize that in view of the fact that Congress has complicated the departments so we cannot hold anyone responsible, it would be ill-advised to resort to the power of impeachment.

Mr. McCARTHY. I thank the Senator from Vermont very much.

The PRESIDING OFFICER. The Chair announces that 10 minutes allotted the Senator from Wisconsin has already expired.

Mr. McCLELLAN. Mr. President, I yield the Senator from Wisconsin 5 minutes more.

Mr. McCARTHY. Mr. President, in the first place I might say that I have very great respect for the Senator from Vermont. Last year he was the chairman of the Committee on Expenditures in the Executive Departments, of which I was a member, and I know how much time and effort he spent on Senate bill 140. I fear, however—and I call his attention especially to what I am now saying—that he may be drawing certain conclusions based upon erroneous assumptions. I should like to call his attention to some testimony on the part of Mr. Oscar Ewing in view of the statement made by the Senator from Vermont—I believe I am quoting him correctly—to the effect that Reorganization Plan No. 1 will not give the head of the department any more power than the Administrator now has. In connection with that I call attention to Mr. Ewing's testimony at page 118 of the record of the hearings:

> If plan No. 1 is rejected, they will be there tomorrow, and I will be the Administrator. All on earth that this plan proposes is to change this existing organization to a department, and to give it an integrated type of organization as distinguished from the present holding-company type of organization which we now have. In other words, a great many of the statutory powers—

I shall stop at that point. Mr. Ewing, the Administrator, indicates that in his opinion he would receive no more power than he previously had. However, further in his testimony he said:

> In other words, a great many of the statutory powers are vested directly in the bureau chief—in the Surgeon General, the Commissioner of Education, and the Social Security Administrator, and so on.

I think that is the important issue. That is, that as of today he does not have anywhere near the power he would have if we adopt Reorganization Plan No. 1.

I read some questions and answers to bear that out:

> The CHAIRMAN. If I may interrupt. Does that mean now that if this plan goes into effect all of those powers that are now by law vested in the heads of those divisions—the Education and Health Departments, and so on—would then be vested in you, as Secretary of Welfare?
>
> Mr. EWING. That is true. You see these bureaus have a long history, long before the Federal Security Agency was ever created. They were independent bureaus and, consequently, the early legislation necessarily vested whatever powers or authorities were given directly in the heads of those bureaus and agencies.

We should make no mistake about this matter. I call the attention of the Senator from Vermont to the fact that adoption of the plan would result in a very radical change and would vest infinitely more power in the head of this new agency than he has as of today.

I read further from page 120 of the hearings:

> Senator McCARTHY. Mr. Chairman, may I ask one question, please? Is it your thought that the three departments would be more autonomous under the legislation which this Commission had previously reported than they would be under the Presidential Plan No. 1? Do you understand my question, sir?
>
> Mr. EWING. I think I do, Senator. If I do not answer it, you can correct me.
>
> Here is the actual way the thing would work:

I call the attention of the Senate especially to this language:

> Theoretically under the President's plan I suppose the Secretary of Welfare could do most anything he pleases.

Then Mr. Ewing goes on to explain that while this would give him unlimited power over health, education, and welfare, to the extent that he could do anything he pleases, actually he would use good judgment and not exercise that power.

In that connection, I will say that while I think much of the opposition to Reorganization Plan No. 1 is because Mr. Ewing is slated to head that organization, I personally would be wholeheartedly opposed to Reorganization Plan No. 1, no matter who was to head the organization. I do not believe health, education, and welfare are so interrelated that one man should have unlimited power over all three. I will, however, go a step further and say that while I think Senate bill 2060, which is identical with S. 140, provides a good plan for establishing a welfare agency—I introduced the bill and I favor it—I frankly would not be too happy to see such a thing take place if I thought Mr. Ewing was to head the agency.

The PRESIDING OFFICER. The Chair is sorry to announce that the Senator's time has expired.

Mr. McCARTHY. Mr. President, I ask the Senator from Arkansas if I may have another 3 or 4 minutes.

Mr. McCLELLAN. Mr. President, I yield three more minutes to the Senator from Wisconsin.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized for three more minutes.

Mr. McCARTHY. Mr. President, going further on this all-important matter, I believe there is general misunderstanding, in view of the statement made by the Senator from Vermont, respecting this matter. I am afraid a number of Senators feel that all we are doing is, as Mr. Ewing began to say, until he changed his statement under examination—and I quote Mr. Ewing:

All on earth that this plan proposes is to change this existing organization to a department, and to give it an integrated type of organization.

Reading further from Mr. Ewing's testimony on this point:

Senator McCARTHY. May I interrupt there, please, to see if my understanding is correct? Do I understand, then, that if the plan is adopted it will lodge in you considerably more power than you now have?

Mr. EWING. That is correct, Senator McCARTHY. You see, on that there are two schools of thought—as to whether or not you should have the holding-company type of organization which we now have in the Federal Security Agency, or the integrated type of organization.

Senator IVES. Your holding-company type of organization, as I understand it, is somewhat limited. You do not have all of these particular functions that would be under you, under you now, would you, by the holding-company process?

Mr. EWING. Quite so, Senator. All that I have now is supervision and direction.

In closing, let me say that I heartily agree with the general recommendation of the Hoover Commission, and that is that in a department there should be lodged as much power as possible in the head of the department. I think otherwise it is impossible to operate efficiently. However, I believe that when we have a situation such as this, in which the Commission has already recommended that one of the three functions proposed to be put into this Department should not be in that Department at all. Under that particular set of circumstances I think it would be a grave mistake to include in this Department one function which, according to the Hoover Commission, should never be in it, and then give unlimited power over such functions to the head of the Department.

I thank the Senator from Arkansas for giving me additional time.

Mr. McCLELLAN. Mr. President, I yield 20 minutes to my colleague from Arkansas [Mr. FULBRIGHT].

Mr. McCARTHY. Mr. President, if I may impose on the Senator for 10 seconds, let me say that, while I introduced Senate bill 140 as a substitute for Senate bill 2060, I have no pride of authorship whatsoever. I do not claim to have drafted that bill. The bill was very carefully drafted last year by the committee, and reported. It is the Taft-Fulbright bill with amendments. I introduced that bill merely because I thought it was infinitely better than Reorganization Plan No. 1. I only took part in drafting it as a member of the committee.

Mr. FULBRIGHT. Mr. President, that bill has a longer history than that. It was originally introduced, I believe, in June or July 1946. We announced at that time that we were introducing it at the end of the session in order to give those interested an opportunity to study it. Long hearings were held in the spring of 1947. So it has had a very respectable history.

Mr. President, the debate already has quite thoroughly covered many of the principal points, so that what I shall undertake to do is to clarify some of them.

I am opposed to this plan because the administration did not follow either the recommendations of the Senate—and I would call Senate bill 140 a recommendation of the Senate, having received thorough consideration and approval by the committee, and having been reported to the Senate, on the one hand, or the Hoover Commission report, on the other. There were two alternatives, either of which I believe would have been satisfactory, and I think I could support either of them. I have stated that if the administration should choose to submit a plan in conformity with either of those recommendations I thought I might support it.

There is a more recent example of organization of a department similar to the organization provided in Senate bill 140, and that is the reorganization of the armed forces. I think the same idea was involved in Senate bill 140 as was adopted by the Congress in the reorganization of the armed forces. In other words, we sought to recognize the intergrity and interests of the three principal departments of the armed forces. Actually, those departments are much more alike and much more interrelated than are the three principal functions involved in this plan—namely, health, education, and welfare. So if the administration saw fit to approve and accept the reorganization of the armed forces on that basis I am unable to see why it is not willing to accept that basis in this connection.

Much reference has been made to Senate bill 140. I wish to read about a page from the report on that bill. This is from Senate Report No. 242, Eightieth Congress, first session, 1947:

The committee was of the opinion that there should be some definite administrative procedure outlined, as provided in S. 140, in order that proper recognition might be given to the various services to be included in the new Department, and specific provisions have been included in the bill as reported in an effort to eliminate possible discriminations against any of the several fields involved.

That, I think, is the key thought of the report, and of approval by the Senate committee.

Quoting further:

Another provision of that bill to which considerable importance was attached was section 3, which reads, in part, as follows: "These objectives shall be carried out to the fullest possible extent through State and local agencies, public and voluntary, and in such manner as to preserve and protect to the highest possible degree the independence and autonomy of State and local agencies, public and voluntary, in education, health, security, and related fields."

The committee report had this to say of that particular language:

Section 3 of the act provides adequate safeguards to insure State autonomy of operation and control under local supervision and administration of the program in the public interest. This section was recommended and approved by a very large percentage of witnesses who appeared at the hearings.

No similar provision is included in Reorganization Plan No. 1.

It seems to me that there are two extremes to which the reorganization of these functions of the Federal Government could go.

On the one hand, as the various professional groups have advocated in the past, we could establish separate departments for each field, each with Cabinet representation. This is also the method adopted by most, if not all, States There are quite logical arguments for this viewpoint. Each group may feel that its function may be confused with another; for example, that association with welfare activities would give education the connotation of charity and social service. Each group may feel that otherwise it will be subordinated to the will and domination of an administration not fully cognizant of the problems of their own field.

There is no question that that thought concerns a great many of those who are in opposition to this plan.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. McCARTHY. Am I correct in stating that the Hoover Commission recommendation, so far as the Department of Health is concerned, parallels very closely the original Taft-Fulbright bill? Senate bill 140, which is the Taft-Fulbright bill amended, then drops down, we will say, half way between the Hoover Commission recommendation and Reorganization Plan No. 1. In other words, Reorganization Plan No. 1 takes an extreme. The Taft-Fulbright bill, which is, I believe, largely the same as the Hoover Commission recommendation so far as the Department of Health is concerned, takes more or less the other extreme, and Senate bill 140, as amended, went about half way down the line.

Mr. FULBRIGHT. I think that is a fair description of it.

Mr. McCARTHY. I merely wish to make it clear that the original Taft-Fulbright bill is, in my opinion, almost identical with the Hoover Commission recommendation so far as the Department of Health is concerned. There are certain other respects in which it did not come too close to the Hoover Commission recommendation.

Mr. FULBRIGHT. The Hoover Commission definitely recommends a separate United Medical Administration. That was, of course, urged by the medical profession at the time we held hearings on that bill. But we felt that it was not practical or feasible to set up separate administrations at that time, as a practical matter of getting something done.

Mr. THYE. Mr. President, will the Senator yield?

Mr. FULBRIGHT. In a moment.

So we sought to take the middle ground, and to give autonomy within the Department to those three fields.

I now yield to the Senator from Minnesota.

Mr. THYE. I should like to ask the Senator a question. Does he believe that we could ever bring about a reorganization and establish the medical division as an independent agency within the Federal Government if we ever were to carry through Reorganization Plan No. 1, as proposed by the President?

Mr. FULBRIGHT. No; I do not believe so, for very practical reasons. Theoretically it is possible. The Senator from Minnesota [Mr. HUMPHREY] stated, of course, that that is what we could look forward to; but as a practical matter I do not believe we could do it, for this very obvious reason: Express disapproval of such a plan by the proposed head of the new agency, Mr. Ewing, and the President would make it, I think, virtually impossible, at least for the foreseeable future, to achieve that end, even if we attempted to do it.

It is no secret, for example, that the program in the Senate is primarily determined by the executive branch of the Government, not by the Senate. Certainly the power of veto, when coupled with that, would be quite sufficient, certainly so long as the present administration is in power. So I do not think it would be at all feasible to attempt to separate the medical service later on.

Mr. THYE. Mr. President, will the Senator yield again?

Mr. FULBRIGHT. I yield.

Mr. THYE. Were it possible for me to offer an amendment to Reorganization Plan No. 1, I should like to see it amended so as to make it mandatory that a medical professional man would be the director of the new agency created by the reorganization plan. The only reason I would propose such an amendment would be because I know very well that such a reorganization plan could be amended at a later time so as to set up the medical division by itself, and also knowing that then it would not be confronted with a Presidential veto.

But if we were to adopt Reorganization Plan No. 1 as submitted, then if we ever attempted, later on, to take the medical division out of the new department, we first would be confronted with the propaganda, "You must not do this because it is contrary to the Hoover Commission's Reorganization Plan No. 1." So that effort would have a strike against it from the very first.

In the second place, with the great propaganda machine that could be set up within that division, it would be utterly impossible to convince the public that we were not trying to "de-organize" what would be classed as Hoover Reorganization Plan No. 1.

For that reason, I find myself positively of the conviction that I must vote against Reorganization Plan No. 1 in order to safeguard our future action against a possible Presidential veto when we try to take the medical division from under this new agency and set it up under a separate agency, as the Hoover Commission absolutely and specifically states should be done. That is my conviction, and that is the state of thought I have carried for some time.

I have followed the arguments for the reorganization plan very closely. I know that if we were to carry through Reorganization Plan No. 1 and were to permit it to go into effect, the medical division would remain under that new agency for all time to come, because if the new division is given Cabinet status, it never would be possible for the Congress to override a Presidential veto with which the Congress would be confronted if it attempted to place the medical division in another agency.

Mr. FULBRIGHT. Mr. President, I agree with the Senator from Minnesota. That is one of the principal reasons why I am in opposition to this plan.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield for a question.

Mr. ELLENDER. Does the Senator from Arkansas agree with the statement made a few minutes ago by the distinguished Senator from Wisconsin [Mr. MCCARTHY], namely, that Reorganization Plan No. 1 gives unlimited power to the Secretary.

Mr. FULBRIGHT. To do as he pleases with all the functions which now are under the Federal Security Agency.

Mr. ELLENDER. The reorganization plan——

Mr. FULBRIGHT. I have the plan here. The language is very simple. Section 2 is about all there is to it.

Mr. ELLENDER. But the plan does not abolish the laws under which the Public Health Service and other services are now being administered; does it?

Mr. FULBRIGHT. Section 2 (b) of the plan reads:

> All of the functions of the Department of Welfare and of all officers and constituent units thereof, including all the functions of the Federal Security Administrator, are hereby consolidated in the Secretary of Welfare.

As I read that language, it enables him to do anything he wishes to do with the arrangements or the personnel or the administration. I can see no limit to what he could do with those functions.

Mr. ELLENDER. But certainly he could not go beyond the law, under which those services are created.

Mr. FULBRIGHT. After this reorganization plan, as I understand it, goes into effect, it will be the law. Then will it not take precedence over some other law?

Mr. ELLENDER. I cannot agree with that view. The plan does not abolish the laws under which the Public Health Service, the Office of Education and the Social Security Administration are created. All functions and services therein created are retained and——

Mr. FULBRIGHT. Then what will it do?

Mr. ELLENDER. It simply creates a Department of Welfare as an executive department and places under it all the duties and functions now handled and supervised by the Federal Security Agency.

It will do exactly what the Senator attempted to do under Senate bill 140, introduced by him and others during the Eightieth Congress.

Mr. FULBRIGHT. Then it will put into the hands of the Secretary all the powers which now reside in the hands of anyone else within that agency.

Mr. ELLENDER. Let me suggest by way of a question what I have in mind; is it not a fact that under Senate bill 140, "the Under Secretary for Health shall perform such duties concerning health as may be prescribed by the Secretary or required by law"?

Mr. FULBRIGHT. In the bill we undertake to give to each of the three principal departments certain responsibilities which would be required by law, and which the Secretary could not set aside.

Mr. ELLENDER. But the requirement referred to here is already written into the bill. It provides, as I have just stated that the Under Secretaries created shall perform such duties concerning their respective departments as may be prescribed by the Secretary.

Mr. FULBRIGHT. I do not follow the Senator from Louisiana on that point.

Mr. ELLENDER. It is plain to me that under his bill, Senate 140, the Under Secretaries therein created shall perform such duties as may be prescribed by the Secretary. Under the bill, what does the Senator mean when he uses the words "required by law"?

Mr. FULBRIGHT. For instance, we first had a provision that a professional man should be at the head of each division. That provision was later deleted. But that was an example of what we meant when we said the Secretary should not simply put anyone in the position of undersecretary in charge of health, and that he could not take some particular activity out of the Division of Health and make it a part of the Division of Welfare.

Mr. ELLENDER. But the Senator's revised bill did not abolish the existing laws creating the services under discussion. As I understand Senate bill 140, it sought to create three under secretaryships, one for health, one for education, and another for public welfare.

Mr. FULBRIGHT. It is quite similar to what we have done in the case of the armed services, and for the same reasons.

Mr. ELLENDER. And those three Under Secretaries were to be under a Secretary.

Mr. FULBRIGHT. That is correct.

Mr. ELLENDER. The Secretary was to be a Cabinet officer.

Mr. FULBRIGHT. That is correct.

Mr. ELLENDER. In creating each of these Under Secretaries, the bill states:

> The Under Secretary for Health shall perform such duties concerning health as may be prescribed by the Secretary.
>
> The Under Secretary for Education shall perform such duties concerning education as may be prescribed by the Secretary.
>
> The Under Secretary for Public Welfare shall perform such duties concerning social security and public welfare as may be prescribed by the Secretary.

What then is the difference between that plan and the reorganization plan under discussion?

Mr. FULBRIGHT. Of course the Senator from Louisiana does not read the

entire bill. It is obvious that for housekeeping purposes, and so forth, within the Department there would be regulations.

The Senator knows that I am limited in time, and that he will have an opportunity to speak later on. I cannot spend all my time going over that bill.

I yield now to the Senator from Wyoming.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

Mr. FULBRIGHT. I hope the Senator will be very brief.

Mr. HUNT. I assume that the distinguished Senator from Arkansas will be given whatever additional time he may need.

Mr. President, addressing myself directly to the question asked by the Senator from Louisiana, let me call attention to the fact that Reorganization Plan No. 1 in subsection (c) reads as follows:

The Secretary of Welfare is authorized to delegate to any officer or employee or to any bureau or other organizational unit of the Department designated by him such of his functions as he deems appropriate.

In other words, as he wishes.

I read now from the existing law with reference to the Surgeon General. We find in it the language that—

The Surgeon General is authorized and directed to assign to the Office of the Surgeon General, to the National Institute of Health, to the Bureau of Medical Services, and to the Bureau of State Services, respectively, the several functions——

Mr. ELLENDER. The several functions created under that law.

Mr. HUNT. Yes; the several functions of the service.

I understand the specification of subsection (c) to give to the new Secretary of the Department all the authority and functions the Surgeon General now has. I do not see how anything else can be read into it or out of it.

Mr. ELLENDER. The point I was trying to reach, if the Senator will yield further——

Mr. FULBRIGHT. Mr. President, I yield for half a minute; I have only 3 minutes left.

Mr. ELLENDER. The point I have in mind is that the functions described by the distinguished Senator from Wyoming, and performed by the various heads, are the same functions as those which will be performed by the Cabinet officer. The law is not changed in the least. The Secretary created under this plan cannot have and will not exercise greater powers than those now created by the laws under which those services are granted. I fear more or less bogus issues have been created.

The PRESIDING OFFICER. The Chair is informed that an additional 10 minutes has been yielded to the Senator from Arkansas.

Mr. FULBRIGHT. Mr. President, I decline to yield further at this time.

I wish to read one sentence from the hearings on Reorganization Plans 1 and 2. These were the words of the Mr. Ewing, when requested to give his view on this point:

Here is the actual way the thing would work. Theoretically, under the President's plans, I suppose the Secretary of Welfare could do almost anything he pleases.

If that is his interpretation, and inasmuch as he is sponsoring the proposed reorganization, I do not know that there is much room to question what would happen under this reorganization plan.

Mr. President, I wish to tie down a little more specifically certain points which have been made, so that there will be no question regarding what the Hoover Commission report said.

I refer to the task force report on Federal medical services, the supplement to appendix O. It is only two pages long. I shall read one paragraph. This is the recommendation of the task force, dated February 8:

The agency should be headed by a professional career director general. Under the new plan, he should report directly to the President, and should, in the nonmilitary Federal medical organization, be the highest ranking physician in the Government.

The supreme medical importance of the position of the Director General should command, irrespective of all other considerations, the ablest medical and health administrator whose services can be obtained by the Government.

For these reasons, the committee views the present proposal for an independent organization as a significant improvement over the previously submitted plan.

That refers to the previous paragraph, directly proposing the creation of the United Medical Service organization. It had this to say, in the body of the report:

It remains to consider whether such an alternative would be preferable. This question has been fully considered by our committee, and we have reached the conclusion that such an independent organization would be preferable to placing this function in a larger department, as the Commission originally proposed.

In other words, they very positively recommend the independent United Medical Administration.

In the Commission report itself of March 1949, entitled "Medical Activities," we find:

RECOMMENDATION NO. 1

To accomplish these purposes, the Commission recommends the establishment of a United Medical Administration into which would be consolidated most of the large-scale activities of the Federal Government in the fields of medical care, medical research, and public health (in which we include preventive medicine).

I am completely unable to follow the reasoning of the Senator from Minnesota when he says that plan No. 1 follows the Hoover Commission report. It simply does no such thing. To confirm that, let us take the other report, entitled "Social Security, Education, Indian Affairs." This is the report of the Commission, and not of the task force. At page 6, we find:

RECOMMENDATION NO. 1

We therefore recommend that a new department to administer the functions set forth in this report be created and headed by a Cabinet officer.

The report does not mention the medical service at all. It mentions social security, education, and Indian affairs.

It seems to me that possibly some of the proponents of this plan must have misread the report or concluded without having read it that health was included in the body of the report. But it is specifically excluded. The report includes only the three—social security, education, and Indian affairs.

I wish to call the attention of Senators to the original task force report on public welfare, made in January. It is too lengthy to read much of it. I wish only to call attention particularly to the first part of the report. It is a very lengthy document, which was prepared for the Commission by the Brookings Institution. I desire to quote one or two passages from it to give, I think, some feeling of what the attitude of that basic document was. Beginning on page 4, running into page 5, I quote:

1. The four major functions: Health, education, employment, and social security and relief, although interrelated, are essentially independent. The leadership and the fundamental work in each is professional, technical, or scientific. Each is the domain or a distinct profession, although in comparison with medicine, education, and social work, the knowledge and techniques of personnel or employment management (including wage administration and union relations as well as hiring and firing) have achieved only embryonic professional recognition.

Then, later, on page 5:

4. Since at the State level these functions are separate in legislation and administration, it appears that for many years to come, the National Government under a Federal system will have to legislate separately for each of the several functions if it continues to use conditional grants or offset taxes to raise the level of performance with respect to them. It seems extremely dubious that a single multifunctional department at the Federal level could have a single unified program. The departmental program would have to consist of separate programs for health, education, employment, and social security and relief. Both Congress and the State legislatures will presumably have to continue to legislate separately for the several functions.

And then, on page 6:

When the President has to consider substantive issues it would seem entirely possible that he might get more help from several heads of smaller departments than from the head of one big one because one could scarcely master the details in a reasonable period.

That thought runs throughout the introduction, which discusses policy. I quote one other paragraph:

The interests of the Government demand that the heads of the bureaus in health, education, employment, and relief and social security shall be leaders in their respective professions. To be successful they must have a substantial professional following.

On page 7:

In our judgment it cannot be guaranteed that grouping all these agencies under a single department head would result with certainty in effective coordination.

That is the thought all through the report. Again:

For successful Federal-State cooperation a high degree of continuity in Federal administration is essential. One way of insuring such continuity is to reduce administrative discretion at the Federal level to a minimum.

To a greater degree than any other civilian department of the National Government this one will affect the lives of individuals. It

will be providing, directly or indirectly, free public services, distributing social insurance benefits, and giving relief. The political potentialities are obviously great, especially since this Department has no necessary responsibility for raising the funds to pay for the services and the benefits. As already noted, the agencies in the Department have affiliates in the State and local governments that reach to practically every settlement. An intensely partisan, politically minded secretary would have in his hands what might be made a powerful political implement. It may, however, be assumed that the Congress will be aware of this fact and will limit the discretionary authority of the secretary, and possibly continue to vest a considerable measure of the discretionary power in the bureau chiefs.

Those are not my own words. Those are the words of the task force report of January. It is the principal task force document, and those last words express exactly what Senate bill 140 tried to do, and did do, in my opinion. It says further:

It may, however, be assumed that the Congress will be aware of this fact and will limit the discretionary authority of the Secretary, and possibly continue to vest a considerable measure of the discretionary power in the bureau chiefs.

I quote from page 11:

In a unifunctional department it is not unusual for the essential powers to be vested in the head of the department. He may have authority to delegate power to subordinates, to determine internal organization, and to select and remove bureau chiefs. Responsibility and authority may be centered in him. Is such centralization of power desirable in the multifunctional Federal Security Agency?

The entire argument and discussion in this report on public welfare are absolutely and persuasively against Reorganization Plan No. 1.

The PRESIDING OFFICER. The Senator from Arkansas has 1 minute remaining.

Mr. FULBRIGHT. Mr. President, there are several other points to which I wish to refer. One is the reference to the letter sent by the administration with regard to plan No. 1, which seems to me to be responsible for some of the confusion which has arisen in the minds of some Members of the Senate. I quote from the President's letter of August 12, and I am reading from the CONGRESSIONAL RECORD in which it is printed:

This commission, composed of outstanding citizens from both political parties, has made a comprehensive report containing its recommendations. Two of its important recommendations are included in Reorganization Plans No. 1 and No. 2.

To my mind, that is simply a misstatement, because plan No. 1 does not include a very important recommendation of the Commission.

Again, on the same page, the President says:

The important changes which would be effected by these two plans were unanimously recommended by the Hoover Commission.

I think that is a misleading statement. I know, from discussing it with some of the Members of the Senate, that it has brought about a misconception. The fact is that only three members of the Hoover Commission did recommend essentially all of plan No. 1, but the other nine members recommended to the contrary. To say that this was a unanimous recommendation of the Hoover Commission, as I see it, is quite wrong.

The PRESIDING OFFICER. The Senator has been granted five additional minutes.

Mr. FULBRIGHT. Then the President says this:

Nor will acceptance of the plan in any way prevent later action along the lines they desire.

We have already discussed that point. I do not agree with it.

Then the President says:

Every special-interest group concerned with the operation of the Government will be encouraged to try to block further steps toward efficiency and economy.

That kind of a statement, the bringing in of a special-interest group, is unjustified, unless we call Congress a special-interest group, because the committee has very specifically recommended Senate bill 140. I do not consider that a special-interest group is involved simply because there is a difference of opinion. The idea that every time any opposition comes forward it is a special-interest group seems to me to create an emotional atmosphere with regard to a matter which we should be able to consider objectively on its merits.

Mr. McCLELLAN. Mr. President, will my colleague yield to me?

Mr. FULBRIGHT. I yield.

Mr. McCLELLAN. Does the Senator know of any agency of the executive branch of the Government which is not a special-interest group when it comes to getting appropriations or more favorable legislation or more power?

Does not such an agency become a special interest?

Mr. FULBRIGHT. I think it is a very evident fact that in the past 20 years the greatest special interest in this country has been the executive branch of the Government. When we consider the enormous growth and the power which goes with the ability to raise by taxes $40,000,000,000 and the ability to spend it, and the influence which necessarily grows from such ability, there is no longer any special interest in this country which can effectively oppose the executive branch of the Government. I do not mean that statement to be taken personally. When one looks over the world and sees what has happened in other nations in the past 20 years, or if we go back to ancient history, it has always been the executive who has usurped and, in time, eliminated the power of any legislative body. I do not want it to be asserted that I have abused the President or any member of the executive branch as having any deep-laid design. I think it is the inevitable tendency of all executives, including our own, to seek more power. The genius of our Government has been the division of power into three branches. I should like to slow up the process in the executive branch, and I would not want to lend my influence to speeding up the influence or power of the executive branch of the Government.

Mr. McCLELLAN. Has it not almost become a common thing with departments and agencies under the executive branch of the Government that every time any group of citizens, organized in any sort of an association, undertakes to oppose legislation desired by some department of the Government, that group is charged with being a special-interest group? That applies to farmers, housewives, doctors, lawyers, businessmen, or anyone else. I do not know of anyone who undertakes to oppose legislation that some administrative department wants enacted who is not charged with being a member of a special interest.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. McCLELLAN. Mr. President, I yield my colleague five more minutes.

Mr. FULBRIGHT. Mr. President, I should like to have 2 or 3 minutes in which to mention one or two other points.

I believe, as I have said, there has been a misconception with regard to the President's message to Congress. Also, as I recall, the Senator from Minnesota [Mr. HUMPHREY] used a quotation in his remarks, and attributed the language to the committee. Actually those were not the words of the committee which were being quoted; they were the words of the Bureau of the Budget which the committee report had quoted. It is true that the language which was read came from the committee's report, but the language was that of the Bureau of the Budget, which the committee was simply putting in for the information of the Senate. There was no approval of it. I think that is true as evidenced by the following action of the committee. Quite obviously, it is a contradiction to have voted 7 to 3 against plan No. 1, and to have approved the language which the Senator from Minnesota has quoted. I think that should clear up what was apparently a contradiction in the position of the committee.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. FULBRIGHT. Very briefly.

Mr. HUMPHREY. I wonder whether the Senator from Arkansas feels that the telegram which was received from the distinguished former President, wherein he said he supported plan No. 1, is in any way a contradiction of what has been stated.

Mr. FULBRIGHT. I was coming to that in my next point. I wanted to mention his statement to the committee, in which he said:

I am advised that special legislation will be required—

And so forth. Since that time we know his advice was erroneous. The best authorities available indicate that there is no justification for that advice. Theoretically, I think it would be possible to do as Mr. Hoover recommended, but practically, I do not think there is the slightest chance, if plan No. 1 is adopted, that there will ever be any dismemberment of this enormous and powerful agency by way of establishing an independent medical administration.

Mr. HUMPHREY. Mr. President, will the Senator again yield?

Mr. McCLELLAN. Mr. President, will the Senator yield to me?

Mr. FULBRIGHT. I yield to my colleague.

Mr. McCLELLAN. I ask the Senator to read the last sentence in Mr. Hoover's message in which he points out that although he is supporting plan No. 1, it is imperative that the remainder of the recommendations be carried out, which the Senator says he doubts can, from a practical standpoint, be carried out if this plan be adopted.

Mr. FULBRIGHT. Mr. Hoover says in his telegram:

> I likewise supported plan No. 1 and outlined that the further imperative steps recommended by the Commission are the separation of all health and labor agencies from the new department and reorganization of budgeting, accounting, and personnel methods.

I think it is obvious, that you cannot take this step, and then some time later separate these functions.

I may say for the benefit of the Senator from Minnesota that much pressure has been brought to bear on me regarding this matter, and I stated that if we were able to offer an amendment to the plan to make it conform to the Hoover Commission recommendations, I would go along with it. The Senator well knows that we have no choice in this matter, and once this step is taken there is no going back. It would be very simple, I am sure, knowing the persuasive powers of the Senator from Minnesota, to induce the administration to bring in a plan in conformity with the Hoover Commission recommendations, which he has said, I think, he approves and wants to have adopted.

The PRESIDING OFFICER. The time of the Senator from Arkansas has expired.

Mr. HUMPHREY. Mr. President, will the Senator yield for one more question?

Mr. FULBRIGHT. I yield for one more question.

Mr. HUMPHREY. I was quite generous in the early part of my remarks in yielding for interrogations from the opposition to my point of view. I wondered how we were to interpret this telegram, wherein former President Hoover said—and I repeat his statement:

> In brief I supported the President's seven plans as first steps on the long road of reorganization which only can be carried out by further Executive and congressional action if the recommendations of the Commission are to be fulfilled. I likewise supported plan No. 1——

Mr. FULBRIGHT. Go ahead; finish the sentence.

Mr. HUMPHREY. Oh, yes—

> and outlined that the further imperative steps recommended by the Commission are the separation of all health and labor agencies from the new department and reorganization of budgeting, accounting, and personnel methods.

Mr. FULBRIGHT. That is the whole point.

Mr. HUMPHREY. Is it not true that the former President has said, in reference to the issue which is now before the Senate, "I support plan No. 1"? A little later, if we wish to do something else, perhaps he will support that, but we are not talking about eternity, we are talking about today; we are not talking about the future, but about the present. The immediate issue is plan No. 1.

Mr. FULBRIGHT. If the former President were here, faced with the necessity of making a decision which we are compelled to make, I think he would vote as I am going to vote, namely, against the plan, and wait, until next January and the submission of a plan which may be satisfactory.

Knowing something of the Senator's background, in a way, I am quite surprised at his having so little regard for the medical profession outstanding as it has been in its service throughout the year, and efficient as it is today. The only real criticism I could make of the profession is that there are not enough physicians. In quality, they are much the best in the world today, in my opinion, and the criticism that there are not enough of them, to a large extent goes to the educational institutions, and the lack of money. In my State the attempt to keep alive one of the few medical colleges in the South has almost broken us. Several of our neighbor States do not have such schools, and that has brought large pressure and expense on us. To me the basic difficulty with the medical profession is that there is not a sufficient number of adequate high-class medical schools. I was a little surprised at the Senator's not being more sympathetic, and not desiring to improve, let alone tear down, the medical profession.

Mr. HUMPHREY. The junior Senator from Minnesota has the greatest admiration for the medical profession in the practice of medicine. I acknowledge its great standing in the healing art. I believe it is the greatest profession in the world, and I want nothing to jeopardize it. It is quite important that we try to keep the medical aspects of the healing art apart from the political aspects of the healing art. Somehow or other East and West have mixed together in this proposition. So the difficulty is not over medicine, it is over reorganization.

Mr. FULBRIGHT. The Senator knows that in England there is some mixture of politics and medicine.

Mr. HUMPHREY. The Senator from Minnesota does not want to have in the United States the British medicine setup.

Mr. THYE. Will the Senator from Arkansas yield?

Mr. FULBRIGHT. I had better stop. The junior Senator from Minnesota emphasized the point I would bring out. He said there must be some compelling reason for Plan No. 1, and I am unable to find it. It seems to me quite obvious the burden of proof is upon the moving parties in this instance. I think they have completely failed. When we examine the recommendations of the Congress in the past and of the Hoover Commission, neither of which supports this plan, I am quite unable to see how the burden of proof on the moving parties, in this instance the administration, has been fulfilled.

Mr. HUMPHREY. One further question, a very brief question.

Mr. FULBRIGHT. I yield, if I have the time.

Mr. HUMPHREY. I was somewhat intrigued by the apparent feeling on the part of the Senator from Arkansas tnat the former President did not realize some of the difficulties there might be in getting legislation through the Congress. I was wondering whether the Senator from Arkansas was trying to tell the Senate that former President Hoover had no understanding of the legislative process, and how difficult it might be to get legislation.

Mr. FULBRIGHT. I think he has many admirable qualities, but anyone who remembers what went on in 1931 and 1932 will agree that his one great failing was that he was unable to get Congress to do things, some of which should have been done, during the 2 years interregnum when the opposite party was in control of the Congress, and he was completely stalemated. I think it is reasonable to believe that he does not realize the difficulties in Congress. One has to be here quite a while to understand it.

Mr. HUMPHREY. I can understand that. I infer, then, that the former President has not learned anything about the legislative process.

Mr. FULBRIGHT. I do not believe he was thinking about that particular aspect. He was trying to look at the matter objectively, and I do not think that subject was particularly in his mind.

Mr. McCLELLAN. Mr. President, I yield 10 minutes to the Senator from Michigan.

The PRESIDING OFFICER. The Senator from Michigan is recognized for 10 minutes.

Mr. FERGUSON. Mr. President, I take it that in the Senate, as well as throughout the country, there is overwhelming support for the objectives of the Commission on Organization of the Executive Departments. There are many of us, I know, who have pledged ourselves to a faithful pursuit of its recommendations because we recognize that its purposes can be accomplished only if its plan is taken as a whole.

The question with which many Senators are now wrestling is whether or not one's action on Reorganization Plan No. 1 will compromise his support of the Commission's purposes and recommendations.

On June 21, the day after Reorganization Plan No. 1 was submitted to Congress, I addressed the Senate and attempted to analyze it, together with the six other plans which had come before us. My general conclusion with respect to them was that they represented shortcomings rather than deviations from the Commission blueprint, and I expressed my disappointment that a more vigorous attack upon the reorganization problem had not been reflected in them.

At that time I suggested hearings on the various plans, so that their deficiencies might be explored and evaluated. The governing question in those hearings became one of whether or not the shortcomings were so vital as to defeat the Commission's purposes. I have been forced to a conclusion that the shortcomings in plan No. 1 are so vital that its adoption would be inconsistent with the objectives of the Hoover blueprint.

The creation of a new executive department with cabinet status, for certain of the welfare functions of the Government, is not a novel idea and it was supported by the Hoover Commission.

The important contribution of the Commission in studying this matter, however, was a recommendation that in the creation of the new department there be a separation from it of all health and labor agencies.

The reasoning behind that recommendation was clear. It was not desirable that there should be a confusion and possible subordination of functions in giving paramount consideration to the elevation of education and social security functions.

The Commission's recommended designation for the new department, as a Department of Education and Social Security, clearly reflects its purposes.

The present plan does not make the separation of functions which was called for by the Commission. It has become evident that the separations called for, notably in the field of health administration, will be most vigorously resisted.

Because that separation is at the heart of the Commission's recommendations the plan cannot be considered consistent with those recommendations.

It has been submitted, of course, that separation can be made later. But there is no way in which we can now approve the plan contingent upon the separation being made. We must accept or reject the plan as a whole.

Due consideration should nevertheless be given to the contingent possibilities. I think a realistic appraisal of the situation proves that contingency is a remote possibility.

Since, as it has been pointed out, the separation can be accomplished by executive authority, we might have expected that it would have been encompassed in plan No. 1. It was not. Therefore I believe it is fair to say that it will not be accomplished under a reorganization plan.

If it were the President's intention later to direct the separation we could have expected some indication of that fact from him for our guidance at the present time. We have had no such indication. In fact I think the letter which the President addressed to the Vice President and which was read to the Senate, indicates to the contrary. The conclusion must be that the President does not favor the separation of functions contemplated in the Hoover Commission reports.

That conclusion seriously affects the other possibility for accomplishing separation by legislative action. If the President disapproves of the separation in which we believe—in which at least the Senator from Michigan believes—legislation calling for it is subject to his veto and his veto will require a two-thirds vote in both Houses to overcome it.

If by our rejection of Reorganization Plan No. 1 the purposes of the Hoover Commission are in any way retarded Members of the Senate need not let their responsibility weigh heavily upon them. The fact is that in this instance the purposes of the Commission, insofar as the establishment of the new executive department is concerned, are the victims of the President's piecemeal approach to the problem.

I submit that a vote to disapprove Reorganization Plan No. 1 is merely an insistence that the Hoover Commission recommendations be followed faithfully.

To that end a vote against Reorganization Plan No. 1 cannot compromise one's support for the Commission but will be an emphatic recording of one's support for it.

Mr. HUMPHREY. Mr. President, I yield 5 minutes to the Senator from Tennessee [Mr. KEFAUVER].

The PRESIDING OFFICER. The Senator from Tennessee is recognized for 5 minutes.

Mr. KEFAUVER. Mr. President, during the day I have listened very closely to the debate, the pros and cons of this issue as to whether this, the first program of reorganization pursuant to the Hoover recommendations, shall be accepted or rejected and killed by the United States Senate.

Mr. President, we have for a number of years had a great demand in this country that there be a successful reorganization of the executive branch of our Government in the interest of economy and efficiency. The overburdened taxpayers have demanded, and rightly so, that we secure more economy and avoid overlapping and duplication in our governmental structure. The investigations which were conducted very patriotically by former President Mr. Herbert Hoover and a distinguished group of Americans who were well versed with the structure and function of the Government and its various departments, upon which they made their recommendations after a long and tedious task, have brought before Congress and the American people the most complete and comprehensive plan for the reorganization of the departments of our Government that we have ever had.

These reorganization plans represent in my opinion a real hope of saving some money to the taxpayers by way of elimination of duplicating functions, and seeing to it that our departments are streamlined and organized so they can function well. These reorganization plans are our only opportunities of economy unless we drastically abolish agencies and cut down on their functions.

It has been stated in the hearings, and I have not found anything to contradict it, that Reorganization Plan No. 1 would save $581,000 this year, and that next year it would save three-quarters of a million dollars to the Government. As I understand, the savings would come about by reason of having a consolidation of the records, of having a stenographic pool, and by doing away with the overlapping of personnel and functions which we have in the various departments which are actually now under the Federal Security Agency. I fear, Mr. President, that if the proposed reorganization goes by the board it is going to set the pattern, so that the other reorganization plans prepared as the result of the Hoover recommendations are going to lose out. This plan is recommended by Mr. Hoover in every respect except as to the name of the department. He ought to know whether it is worth while, and I have never heard of Mr. Hoover advocating socialized medicine.

Mr. President, if the issue involved were socialized medicine, if I thought the reorganization plan were going to lead to socialized medicine, that it would cause socialized medicine to come to this country or would have any tendency to do so, I would oppose it, and unequivocally so, because I have the highest respect for the medical profession of the Nation and for the great progress that profession has made. I would not favor any step which I thought might be in the direction of socialized medicine. I cannot see that the plan has anything whatsoever to do with socialized medicine.

I saw a chart a few minutes ago, to which I should like to refer. The Office of Public Health Service is now under the Federal Security Administrator. It would be under the Department of Welfare if the new reorganization plan were adopted. The only difference would be that some of the duplication of records and of functions would be eliminated, so that money could be saved, and so that we might have a better Public Health Service. I have joined Representative PRIEST, of Tennessee, and the Senator from Alabama [Mr. HILL], and other Members of the Senate in working for an expanded and a better Public Health Service in the belief that by doing so we might carry some additional service to persons who need it and who do not have funds to pay a private physician, particularly in the field in which the Public Health Service operates. I think a better public-health program would be a deterrent to anything that might lead to socialized medicine. So, Mr. President, it does not make any difference whether the plan is adopted or not; the Public Health Service will be in the same place it is now, and will operate in the same field in which it is now operating.

Mr. President, I take it that if John Jones, whom nobody knew, were thought to be the one who would be appointed Administrator of the Department of Welfare, the opposition to the reorganization plan would vanish. In the first place, no one knows that Oscar Ewing is going to be the Administrator of the new department. No one knows that the President will nominate him. In the second place, it is a matter for the United States Senate to decide, if he is nominated, whether or not he will be confirmed.

In the third place, so long as the President of the United States is insisting upon some national health program, it is unlikely to assume that the President of the United States is going to put in charge of that program someone who is opposed to his policies and principles.

This would be true regardless of whether this department is established or whether a department such as the one recommended by the Senator from Arkansas [Mr. FULBRIGHT] is set up.

It has been thought that an eminent doctor should be placed in charge of a program of this kind, if there is to be a health department. I know of many physicians who would be very capable in such a position, but I think the attention of the Senate should be called to the fact that the chairman of the Committee for the Nation's Health, which has been the principal organization supporting the national health-insurance program, is a prominent physician, twice president of the Massachusetts Medical Society, and that he was for the program which has been proposed by President Truman and which I have always opposed. So if a physician were selected he would unfortunately probably be one who supports the pending health-insurance plan.

It seems to me that, all in all, the report of the individual views of the Senator from Maine [Mrs. SMITH] in expressing her individual opinion summarizes this question about as well as any brief statement I have seen. I wish to read into the RECORD a portion of what the Senator from Maine said:

I would summarize my conclusions less eloquently and more briefly by observing that (1) the plan follows the Hoover Commission recommendations as far as it goes; (2) the issue is not socialized medicine as some would have us believe—were this true I would oppose the plan because I am opposed to socialized medicine; (3) the issue is not one of personalities but rather one of principle—the plan itself is more important than Mr. Oscar Ewing or any other individual; and (4) perfection and unanimous agreement will never be obtained at the outset on any plan of reorganization—but lack of perfection and unanimity should not be permitted to prevent a start on improvement and this plan is definitely a start on improvement.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. KEFAUVER. Mr. President, may I have 2 minutes more?

Mr. HUMPHREY. Mr. President, in view of the shortage of time, I yield 1 additional minute to the Senator from Tennessee.

Mr. KEFAUVER. Mr. President, this matter is bigger than any one individual. It is a matter of efficiency and economy. I know of several department heads whom I do not like. Selfishly, I would not want to see them given any greater power. But, after all, we cannot refuse to appropriate for the departments merely because we do not like the heads of certain departments. We cannot afford not to give them sufficient tools to do their job merely because we do not like them. I think the great issue is whether we are going to follow generally the reorganization program proposed by former President Hoover and his Commission, and try to get more economy and efficiency in our Federal Government.

I greatly fear that if we reject this program, they will all be rejected. I do not believe that this plan has any connection whatsoever with socialized medicine. That is a program which can only be adopted by the Congress of the United States. It can be embarked upon only if the Congress agrees to it. That program has now been defeated, and for the time being, at least, the President admits it.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. KEFAUVER. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks two paragraphs from a very able statement by Representative CLARENCE BROWN of Ohio in support of Reorganization Plan No. 1. We know that Congressman BROWN, Senators HOEY, LODGE, ELLENDER, and others would not support it, if it were derogatory of the welfare of the medical profession.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

I want to say to any of you who may not think the President is sincere, or who may not believe that he is going through with most of the Commission's reorganization plans, that if you want to give him a beautiful opportunity to get out from under the responsibility of keeping his word, acting in good faith, and doing the things the American people want him to do in connection with the Hoover Commission report, then just vote for this resolution, Harry Truman is not dumb politically, and if you vote for this resolution, if you adopt this resolution and reject this reorganization plan, then the President, if he is not sincere—and I do not question his sincerity—can immediately throw up his hands and say to the country, "Well, I tried to reorganize the Government and get a little economy and efficiency into the conduct of public business, but that terrible Congress up on Capitol Hill and the vicious business interests of the country would not let me. There is no use to try further."

Then it is the Congress and you who will take the heat, and not the President of the United States. In my opinion it is just foolish, asinine, and silly to refuse to give him at least the opportunity to carry out the Hoover Commission recommendations and to go along with them in substance as he has said he would do. If he fails to do so, then he is the one who will be responsible; but if we refuse to give him that opportunity he will place the responsibility squarely on us, and on some of our business friends back home who, I am afraid, have not been quite as wise as they have been active. I am growing a little tired of hearing a lot of talk and receiving a lot of letters saying, "We want the Congress to do something about this terrible waste and extravagance. We want some economy in Government." Then, when we try to do something about it the very same folks too often come right back and say, "Yes, let us have economy, but not in the activity we are interested in. Let us get it somewhere else, but do not interfere with what we want."

Mr. HUMPHREY. Mr. President, I yield 5 minutes to the distinguished Senator from Florida [Mr. PEPPER].

Mr. PEPPER. Mr. President, the President of the United States, in Reorganization Plan No. 1, has proposed to make the Federal Security Agency into a Department of Welfare. The plan has already been approved by the House of Representatives. The controversy is now whether the activities dealing with health should be included in the Department of Welfare, or whether they should be set aside in some specially created and constituted health agency.

In the report of the majority, filed by the Senator from Arkansas [Mr. MCCLELLAN] on behalf of the Committee on Expenditures in the Executive Departments, the following appears:

Establishment of a Department of Welfare was first recommended by President Harding in 1923. President Hoover recommended establishment of a Department of Welfare in 1932, as did President Roosevelt's Committee on Administrative Management in 1937. President Truman recommended the creation of a department in 1946, and again in 1947 and 1948.

The Federal Security Agency was established by Reorganization Plan No. 1 under the Reorganization Act of 1939. As expressed in President Roosevelt's message to the Congress, the FSA included "those agencies of the Government, the major purposes of which are to promote the social and economic security, educational opportunity and the health of the Nation."

So I call attention to the fact that President Roosevelt, under reorganization authority provided by the Congress, grouped together the same three agencies, security, education, and health. In other words, President Truman has simply followed the grouping of agencies which President Roosevelt followed under the Reorganization Act of 1939.

Let us see what some of our colleagues have proposed. I read again from the report submitted by the Senator from Arkansas:

Reorganization Plan No. 2 of 1946 transferred additional activities related to welfare to FSA.

The Senate Committee on Expenditures in the Executive Departments in 1947 reported favorably S. 140 (Senators FULBRIGHT and TAFT), which would have established a Department of Health, Education, and Security.

In other words, not only has President Truman grouped the agencies of Security, Health, and Education together into the Federal Security Agency, but two of the distinguished Senators who somehow find themselves opposed to Reorganization Plan No. 1 themselves proprosed to group together the three agencies of Security, Health, and Education in the plan which they proposed under Senate bill 140. The major difference is a minor one. In their bill, S. 140, they provided an Under Secretary for each of the three agencies, while in Reorganization Plan No. 1 three Assistant Secretaries and an Under Secretary are provided.

The House of Representatives has approved Reorganization Plan No. 1. This is the first reorganization plan proposed by the President under the authority of the Congress to come before the Senate for its action.

The people of the country are generally in favor of the Hoover proposals for increased efficiency in our Government. I am not one of those who advocate what I believe to be false economy, namely, the cutting out of functions which are valuable in the public interest. Everyone is in favor of every possible bit of efficiency and of the elimination of overlapping and duplication in the executive agencies of the Government of the United States.

Mr. President, it is not the health provision that is on trial. It is the Senate that is on trial before the country.

Shall the headlines of tomorrow carry the message that the United States Senate repudiates the first effort to save money by efficiency and the proper grouping of agencies under a responsible head, or shall we show the country by our favorable action that we propose to go ahead with the effort to make the executive branch of the Government the most effective agency possible?

Mr. PEPPER subsequently said: Mr. President, I ask unanimous consent that there be printed immediately concluding my remarks some material which I did not have time to finish.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Mr. President, as some of the Senators are aware, this debate was opened yesterday afternoon by the distinguished Senator from Ohio, quite unexpectedly. As you know, and as all of us have known for the past week, the debate was scheduled for today. But the Senator from Ohio opened it yesterday instead, all by himself, with no opposition, but with occasional supporting questions and comments by the distinguished Senator from Arkansas. Both, as you know, are sponsors of the resolution we are debating now, a resolution to kill the first reorganization plan submitted by the President to carry out the Hoover Commission recommendations.

Many of you, no doubt, have seen the reports of the Senator's speech in the newspapers, and perhaps there is no need for me to review it for you. However, having read the report of it in the RECORD this morning, and having admired the impressive newspaper accounts of it, I have concluded that it was a speech of such importance that I should call it especially to your attention. I should hate to think that any Senator interested in this important problem would miss an address of such significance simply because it was delivered without advance notice.

The Senator offered what seemed to me a rather curious explanation as to why he felt compelled to rush into the arena yesterday and speak at a time when there was no opposition, although ample time already had been scheduled for debate today, with both sides represented. He felt called upon, it appears, to rebuke the President of the United States for writing a letter to the Vice President of the United States, expressing the hope that the Senate would allow the first two reorganization plans in pursuance of the Hoover Commission recommendations to become law.

By this act, he said, the President was attempting to intervene in the legislative process. Mr. President, methinks the distinguished Senator from Ohio doth protest too much. While the present incumbent of the White House does enjoy the privileges of the Senate, being a former Member of this body, I am not aware that his privileges include the right to vote. Therefore, he cannot intervene in that way. As for the danger that an expression of opinion by the President might prove irresistably persuasive, either to the Senator from Ohio or to the Senate as a whole—that, Mr. President, is less a danger than a remote and distant hope to be cherished by those of us who agree with his philosophy.

But there is another possibility, and I wonder if this is not what was so disturbing to the Senator from Ohio. In this particular case—and I wish it were true more frequently—the President put into words what actually was the opinion of most of the Members of the Senate, as well as of the vast majority of the American people. Certainly as far as the voters are concerned, there is no doubt whatever that support for these reorganization plans is widespread, very strong, and extremely persistent. And undoubtedly the President's letter, which was printed by the newspapers, struck a high responsive chord among the people who send us here to represent them.

How did the senior Senator from Ohio respond, in his lonely but widely publicized colloquy with the junior Senator from Arkansas? His remarks deserve careful attention, it seems to me, for two principal reasons:

First, because the Senator from Ohio is not only an extremely able man, but because he apparently has assumed the position of foremost spokesman against Reorganization Plan No. 1, which we now have under consideration; and

Second, because the speech he delivered here yesterday revealed, in clear and concise detail, all of the contradictions, the illogic, the insupportable weakness of the whole argument for the veto resolution which we are asked to approve. It proved, better than I can do, the case that has been made by the President, the only living ex-President, and by every witness who testified in committee except for the spokesmen for organized medicine and the sponsors of the veto resolution.

Let us review the distinguished gentleman's speech, point by point.

Categorically and without reservation, he asserts that Reorganization Plan No. 1 "flies in the face of the recommendations" of the Hoover Commission.

I have great admiration for Senator TAFT'S accomplishments, but I submit that Mr. Herbert Hoover is a better authority as to whether any reorganization plan is in conformity with the Hoover Commission recommendations. He testified in committee that Reorganization Plan No. 1, and all the other six plans, were "in substantial accord" with those recommendations, and he urged that all of them be allowed to become law.

Now, Mr. Hoover was well aware that Plan No. 1 does not carry out all of the Commission's recommendations affecting the Federal Security Agency, which is the sole ground on which the Senator's unqualified denunciation rests. Both men are in full possession of the same facts. Yet Senator TAFT suggests a sinister explanation for them: By failing to set up an independent hospital and public health agency as recommended by the Commission, and by failing to transfer the Public Health Service to it, he asserts, as if there were no question about it, that Plan No. 1 actually will "make impossible for years to come the carrying out of the Commission's recommendations."

Mr. Hoover, on the other hand—and after all, he was the Chairman of the Hoover Commission—not only sees nothing sinister, but carefully explains that, according to the best judgment of the Hoover Commission's own lawyers, the President has no authority to establish the United Medical Administration. All of this, Mr. President, is in the published hearings of the Committee on Expenditures in the Executive Departments. Mr. Hoover testified at length there on June 30, 1949. If you will read his testimony, you will see that he took great pains to explain this point and make it clear, restating and repeating it time after time in answer to questions by committee members. It is all summarized in the minority report filed by the junior Senator from Minnesota and concurred in by the junior Senator from Maine. I believe every Senator has a copy of that minority report. You will find several exact quotations from Mr. Hoover's testimony beginning at the middle of page 4 and down to the middle of page 5. As you will see, he made it quite clear that the proposed United Medical Administration could be established only by the Congress, by specific legislation.

But the Senator from Ohio will accept the opinion of no one, apparently, but that of the Senator from Ohio. Completely undaunted, he brushes the chairman of the Hoover Commission aside and passes his own judgment. "That," he said of Mr. Hoover's testimony, "is absolutely untrue."

Then Mr. President, the senior Senator from Ohio reveals a curious and unwonted lack of information on which to base such unswerving opinions in the face of such weighty authority. I must admit that it baffles me, knowing the Senator as I do and knowing the well-deserved reputation he has for precise and accurate information on all subjects. But this is what he says, and it is a very curious remark under the circumstances:

"If the Federal Security Agency can be made a department without any special reference in the reorganization act, then certainly the Public Health Service can be made a separate medical administration to which other functions can be transferred. I think that many Senators did not realize that a new department could be created under the Reorganization Act * * *. But if that power was given, certainly the power was given to take the Public Health Service out and set up a separate medical administration."

Now, that statement comprises two major and incomprehensible errors.

First, it is evident that the Senator did not familiarize himself with the legislative history of the reorganization act, did not read the report which accompanied it from the Committee on Expenditures in the Executive Departments, did not hear the explanation of it which was given on the floor of the Senate by the senior Senator from Arkansas, and did not read, or remember, any of the numerous accounts of it in the press at the time. Otherwise, he would have known that the Senate committee deliberately changed the original reorganization bill, S. 526, so as to eliminate the prohibition against the creation of executive departments by the reorganization plan. Had he investigated, he also would have learned that the President not only did not ask that this be done, but was not at first in favor of it. He would have learned, too, that the Senate conferees prevailed on this point in conference, and that the clear understanding on the part of everyone concerned was that the Senate committee intended that the President should use this means for converting the Federal Security Agency into a Department of Welfare. And he would have learned that on the basis of this understanding, debate already scheduled in the other House on a bill to create such a department was canceled. Finally, he would hardly have made the wholly unfair inference, as he did in his speech yesterday, that the President was somehow "pulling a fast one" on the Senate of the United States. I feel confident of this, for the distinguished Senator, I am sure, would never knowingly employ a false suggestion in order to discredit legislation he opposes.

The second major error also can be explained by a lack of research. The Senator is a very busy man. However, had he read the Hoover Commission report on medical activities, the task-force report on the same subject, and the supplement to the task-force report, he would have spared himself the embarrassment of several errors. It is conceivable, in fact, that he would not have become a sponsor of this veto resolution if he had first looked into all of the facts.

The suggestion that the only step necessary to carry out this recommendation of the Hoover Commission is to establish the Public Health Service as an independent medical administration and transfer other functions to it cannot have been derived from any part of the Hoover Commission reports. The Hoover Commission came to two different conclusions on this subject, neither of which bears the slightest resemblance to the proposal mentioned by Senator TAFT. The Public Health Service is involved in both, to be sure, but the resemblance ends there.

As those who have read the Hoover Commission reports are aware, the Commission at first decided to recommend the establishment of a Department of Welfare almost precisely like the department to be established by Reorganization Plan No. 1, except that the health functions would include not only the present Public Health Service, but almost all of the veterans' and armed forces' hospitals and virtually all the other Government medical activities. The task force made its report, based on this decision, in November 1948, and it was published in January 1949. Then the Commission became embroiled in the whirlpool of medical politics, and finally changed its decision. In conformity with this change of direction, the task force filed a supplementary report, which was published in March. This merely lifted the entire medical function, as arranged in the first report, out of the proposed Department of Welfare and into a proposed United Medical Administration.

According to the lawyers who studied the problem, however, and with whom the Senator from Ohio so confidently disagrees, neither of these proposals could be carried out by the reorganization plan. The reason they give is that the various commissioned and noncommissioned medical corps of the armed forces, the Veterans' Administration, and the Public Health Service could not be organized into a single, united service without entirely new legislation. Each is set up today under separate statutory provisions, with different salary scales, different recruitment systems, different promotion and rating systems, and many other divergencies, all spelled out in law. Yet in chapter XI of the main task-force report, dealing with personnel policies, the very first point to be stressed is that the organization of a single career service is requisite to the project. This could not be organized by executive action, but only on the basis of new legislation.

This, Mr. President, is what Mr. Hoover was talking about when he said it would be impossible for the President to establish the United Medical Administration by reorganization plan. Obviously, he cannot transfer the Public Health Service to that agency until it exists. This is what Mr. Hoover meant when he said—and I will quote him: "It is no criticism of the President's plan to point out that those bureaus cannot be transferred at the present moment."

For my part, I am willing to take Mr. Hoover's word about that.

But my friend, the distinguished Senator from Ohio, is still not satisfied. He has read a letter from the Federal Security Administrator, Mr. Oscar Ewing, to the chairman of the Committee on Expenditures in the Executive Departments, written in answer to the chairman's inquiry, in which he expresses his opposition to the United Medical Administration proposal.

It should be made clear at this point that Mr. Ewing is only one of many who oppose this recommendation, which was the compromise result of a profound disagreement within the Hoover Commission itself. Certainly, he has a perfect right to express an honest opinion, and I can see no justification whatsoever for the attacks that have been made upon Mr. Ewing solely because he made no attempt to evade this issue. Evasion would have been to his advantage. He might have avoided, thereby, some of these unfair, unfounded, and often vicious assaults. Personally, I wish we had more public servants who valued integrity above personal advantage.

I repeat, Mr. President, Mr. Ewing made no effort to evade this issue. He wrote to the chairman of the Senate committee and said he was opposed to the United Medical Administration proposal. He explained why in detail, and I believe that every Member of the Senate would agree that he was right, if they would only read that letter. In any case, they would agree that he has an honest and valid point.

But what is the position, on this same issue, of those who ask us to kill Reorganization Plan No. 1, and who glory in attacking Ewing? The American Medical Association claims to be for the United Medical Administration. The American Dental Association claims to be for it. So does almost everyone else who urges us to vote today for this veto resolution.

But, Mr. President, a bill to create the United Medical Administration was introduced by the Senator from Utah, and has been resting in the Labor and Public Welfare Committee for a long while. It was written by the Hoover Commission lawyers specifically to carry out this recommendation. But has the American Medical Association gone to the Committee on Labor and Public Welfare and asked for hearings on that bill? No. They have not lifted one finger to support the proposal they claim to favor. Nor has the American Dental Association or anybody else.

The fact is that nobody likes the United Medical Administration, but only Oscar Ewing and the veterans' organizations have been forthright enough to say so, and to explain why.

The Senator from Ohio, however, would have us believe that the United Medical Administration is doomed simply because Mr. Ewing is opposed to it. He says so specifically. Then he quotes from Mr. Ewing's straightforward letter and finally tells us: "Obviously, therefore, no plan is ever going to be submitted setting up any separate medical administration." That, of course, is impossible, as I have explained. But Senator TAFT goes on, and tell us that even Congress will not be able to do it. And why? Because, the Senator says, "it will be vetoed if we have once voted affirmatively respecting plan No. 1 and Ewing has become a Secretary in the Cabinet of the President."

With all respect, Mr. President, and with no intention of questioning the distinguished Senator's motives, I must point out that the entire purport of this argument is false. The impression is given—very carefully and deliberately, I should say, if I did not know the Senator so well—that unless we reject Reorganization Plan No. 1, we shall have lost our power to legislate in matters of health. This is both false and preposterous.

Nevertheless, this seems to be the gist of the Senator's argument.

The impression is given that the United Medical Administration would be doomed, that not even the Congress would have the power to save it, if Reorganization Plan No. 1 becomes law. Why? Because this plan would in some mysterious way make Oscar Ewing tremendously powerful. It is made to appear that the United Medical Administration is approved by everyone but Mr. Ewing, and that he would crush it with this strange and mighty power for purely sinister reasons of his own. The same suggestions, the same dark implications, ran through all the testimony against Reorganization Plan No. 1 in committee.

Yet not one of these witnesses who profess such fondness for the United Medical Administration will lift a finger to help it along. And every one of them knows perfectly well that Oscar Ewing has nothing, and can have nothing, to do with killing it. They know that it doesn't stand a chance, because all of the veterans' organizations are firmly opposed to it, and most of the services involved are veterans' services. It is as simple as that. There is nothing sinister, nothing mysterious about it.

But the attack against Ewing goes on.

After reading his speech in the RECORD this morning, I could hardly escape the conclusion that my friend, Senator TAFT, who is normally so meticulous as to facts, had somehow allowed himself to be made the victim of the American Medical Association's propagandists. At least, much of this speech has a very familiar ring. For instance, there is the same old accusation of "dictatorship" and the same well-worn allegation that the former Surgeon General and Commissioner of Education were driven out of the Federal Security Agency by Ewing oppression. They "resigned," Senator TAFT says, "largely because no independence was left to them in their proper function."

The Senator from Ohio can only have been misinformed, for I am sure he would not deliberately repeat such well-known falsehoods. The former Surgeon General, Dr. Parran, did not resign at all. He was not reappointed because he had already served three 4-year terms, and the commissioned officers of the Public Health Service resented such a long tenure at the top. It amounted to a cork in the bottle of promotions. Surely the Senator from Ohio can understand how they felt about that. I seem to recall that the Senator himself was fairly critical when another prominent public figure ran for a fourth term not so long ago.

As for Dr. Studebaker, the former Commissioner of Education, a Senate committee went into that case with a fine-toothed comb, as committees did so readily during the last Congress whenever a real or imagined opportunity arose to harass the administration. And in spite of the fact that Dr. Studebaker and Mr. Ewing were at opposite poles politically, that Republican-controlled committee ended its hearing in complete sympathy with Mr. Ewing. It thought so little of Studebaker's charges that it did not even file a report. Incidentally, Studebaker himself publicly explained his resignation as due to financial difficulties.

So much for the lesser inaccuracies and false impressions.

All of these, Mr. President, seem to me to be parts of the same general structure of misinformation and misrepresentation which has been built up jointly by those who hate the President's health proposals, those who dislike Mr. Ewing for political reasons, and those who will seize any stick to beat the broad social-welfare programs which have been established during the last 16 years.

The Senator from Ohio adds the superstructure on this jerry-built edifice of confusion and discord with his warning cry, which would be merely amusing if it came from a less imposing figure, that Reorganization Plan No. 1 would make Mr. Ewing a dictator in the fields of health, education, and security.

Mr. President, this is perfectly absurd. Does the Senator from Ohio suggest that Reorganization Plan No. 1 will dissolve the Senate and House of Representatives? Is the Senate abdicating its authority? Will not the Senate review whatever appointment the President may propose, and confirm or reject the nominee? And will the Secretary of Welfare not be subject to the same laws and the same regulations and answerable to the same President, Congress, and people as the Secretaries of all the other Cabinet departments?

Is it the purpose of the Senator to frighten us by using such words as "dictator"? I think the Senate of the United States is not the place for that.

On the other hand, if the Senator wishes to debate the merits of Reorganization Plan No. 1 as against the merits of the bill he and the Senator from Arkansas proposed in the Eightieth Congress, as he seemed to suggest he would like to do, that is another matter. That question will be dealt with by my colleagues in due course. They will show that the plan the Senator from Ohio cherishes in preference to this one is in direct violation of all of the basic principles of executive management which were laid down by the Hoover Commission and upon which the Commission based all of its hopes for greater efficiency and economy in Government.

Mr. President, I plead with the Senator from Ohio, and with all other Senators, today to lift this debate to the same high level of nonpartisan, objective dedication to the public good which characterized the work of the Hoover Commission itself. Only in this way can we reach a decision which will be acceptable to the American people.

Mr. HUMPHREY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The Chair is sorry, but the time of the Senator from Florida has expired.

Mr. McCLELLAN. Mr. President, I yield 5 minutes to the Senator from Nevada [Mr. MALONE].

REORGANIZATION PLAN NO. 1

Mr. MALONE. Mr. President, in the first place, a review of the proposed consolidation of departments under Reorganization Plan No. 1 shows that it is not really a consolidation; in the second place it is not a consolidation for economy; and in the third place it does not conform to the recommendations of the Hoover Commission. It is apparent from the plan itself that what it does is to throw these departments together in a haphazard manner, which could cost even more than the departments as they are now operating. In other words, it is not in fact a reorganization in accordance with the recommendations of the majority of the Hoover Commission.

It is with great regret that I oppose Reorganization Plan No. 1, or in fact any of the plans, because the act setting up the Commission on Organization of the Executive Branch of the Government was sponsored in the Eightieth Congress by my own party, and I am sincerely for economy, wherever we think efficiency will be improved or expense reduced, or both.

In throwing these organizations together haphazardly, the educational department is submerged and made to lose stature in the new organization.

Mr. President, in this connection I submit for the RECORD a group of telegrams from my State. I ask unanimous consent to have the telegrams printed at this point in the RECORD.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

CARSON CITY, NEV., *August 12, 1949.*

Hon. GEORGE MALONE,
United States Senator,
Senate Office Building,
Washington, D. C.:

Urge your strenuous opposition to Reorganization Plan No. 1 unless United States Commissioner of Education given greater recognition as administrative official and not placed under domination of an Assistant Secretary. School leaders throughout Nation desire establishment of National Board of Education in accordance with S. 656. Untenable to degrade one of the most important functions of Government, education, by passage of Reorganization Plan No. 1.

Regards,

MILDRED BRAY,
State Superintendent of Public Instruction.

AUGUST 13, 1949.

MILDRED BRAY,
Superintendent of Public Instruction,
Carson City, Nev.:

Reurtel opposing Reorganization Plan No. 1, there seems little chance that any liberalization of the plan could be effected as you suggest. Had not decided definitely relative to Reorganization Plan No. 1 which will be voted on Tuesday. If necessary to oppose the recommendations of the Commission on Organization of the Executive Branch of the Government, it would be with great regret, since we created the Commission in 1947 with great hopes of thinning out and simplifying the complicated mass of Government boards, bureaus, committees, and commission with which Government is infested. We also hoped for some taxpayer relief. Do the educators of our State generally feel as you do about Reorganization Plan No. 1? Is it feasible for you to contact some of them by wire and either have them wire me direct or let me hear from you again with their reaction to the plan? Am leaning heavily on superintendents of schools throughout the State for advice in such matters, since I have known many of them since university days and feel their experience and considered judgment should prevail in such matters.

Regards,

GEORGE W. MALONE,
United States Senator.

STATE OF NEVADA,
DEPARTMENT OF EDUCATION,
Carson City, August 12, 1949.

Hon. GEORGE W. MALONE,
United States Senator,
Senate Office Building,
Washington, D. C.

DEAR GEORGE: Strongly as I believe in many features of the Hoover reorganization plan, I am definitely opposed to Reorganization Plan No. 1 as it is now written, which places the United States Office of Education in a subservient position.

Frankly, GEORGE, education is too important to have the United States Commissioner of Education under an Assistant Secretary. Educators all over the country believe that the United States Commissioner of Education should have a place on the President's Cabinet, and that education, being the most important function of government and the foundation upon which our system of government certainly rests, should be strengthened instead of weakened through congressional action.

I trust that you will give the telegram I sent you earlier today, copy of which is enclosed, your very serious consideration. I hope that you will discuss it, if you have any doubts about the attitude of educators on this subject, with Dr. Edgar Fuller, executive secretary of the National Council of Chief State School Officers. His office is in the National Education Association Building, 1201 Sixteenth Street NW., Washington, D. C.

I am hoping that I shall see you at the Elko State Fair next month.

Cordially yours,

MILDRED BRAY,
State Superintendent of Public Instruction.

WINNEMUCCA, NEV., *August 1, 1949.*

Senator GEORGE W. MALONE,
Senate Office Building,
Washington, D. C.:

Respectfully request you consider my opposition to Truman Reorganization Plan No. 1 giving Cabinet status to Federal Security Agency. For past 12 years have been actively interested in State of Nevada Legislature in medical legislation.

A. V. TALLMAN.

DEETH, NEV., *August 3, 1949.*

Hon. GEORGE W. MALONE,
Senate Office Building,
Washington, D. C.:

Urge your participation in, or, if need be, become the prime mover of Senate initiative to prevent the raising of Oscar Ewing to Cabinet status. If such rise in status is consummated by default, you will have contributed substantially to bring in closer the welfare state. Why not be honest with the people and strive to protect their guaranteed liberty by reducing taxes and making genuine reduction in cost of Government through application of the Hoover Commission recommendations rather than selling them a mess of pottage.

WM. B. WRIGHT.

EUREKA, NEV., *July 13, 1949.*

Hon. GEORGE MALONE,
United States Senate,
Washington, D. C.:

Eureka's Lions Club at last regular meeting July 7 cast motion unanimously urging your support to oppose socialized medicine and free trade on metals. The latter especially is unjust to miners industry of the country if the restored tariff would help bring back producers now shut down.

GILBERT BEGO,
President, Eureka Lions Club.

AUGUST 9, 1949.

GILBERT BEGO,
President, Eureka Lions Club,
Eureka, Nev.:

Re your telegram July 13, oppose Reorganization Plan No. 1 as it is presently constituted and will watch. Also oppose free trade on metals. Letter follows.

GEORGE W. MALONE,
United States Senate.

AUGUST 10, 1949.

Mr. GILBERT BEGO,
President, Eureka Lions Club,
Eureka, Nev.

DEAR MR. BEGO: This is with further reference to your telegram dated July 13 concerning socialized medicine and free tariffs on metals.

As per my telegram to you yesterday, you will note that I am opposed to socialized medicine, and to the Reorganization Plan No. 1 as it is presently constituted.

In connection with the tariff question, I am enclosing herewith reprint from the CONGRESSIONAL RECORD of May 27 and 31 of this year, which contains the flexible import fee bill which I introduced, and discussion in the Senate on this subject. I feel that this would save our mining industry, and would appreciate your reviewing this material, and giving me your critical comments on it.

Sincerely,

GEORGE W. MALONE.

RENO, NEV., *August 2, 1949.*

Hon. GEORGE W. MALONE,
Senate Office Building,
Washington, D. C.:

At a special board of directors meeting of the Reno Lions Club held today the club went on record as being against Reorganization Plan No. 1 and any other measures leading to government by edict rather than by legislative measures.

RENO LIONS CLUB,
GEO. F. HAMILTON,
Secretary.

RENO, NEV., *August 2, 1949.*

Hon. GEORGE MALONE,
Senate Office Building,
Washington, D. C.:

As an individual I am heartily in accord with action taken today by Reno Lions Club, reference Reorganization Plan No. 1.

JAMES POLLARD.

RENO, NEV., *July 19, 1949.*

Senator GEORGE W. MALONE,
Senate Office Building,
Washington, D. C.:

After careful and exhaustive study of Reorganization Plan No. 1 of 1949 we are agreed

to oppose this measure with every democratic weapon at our command. Inevitably this plan would pave the way to final destruction of free enterprise in American medicine and surgery. Oscar Ewing and his aides in whom we have no trust at all would be law, take over the entire American health program. Why ignore the Hoover Commission report if reorganization is of national interest at this time.

R. E. WYMAN, M. D.,
President, Nevada State Medical Association.

NEVADA STATE MEDICAL ASSOCIATION,
Reno, Nev., August 6, 1949.

Senator GEORGE W. MALONE,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MALONE: I have had a letter from Vinton (Muller) telling me that he talked with you about Reorganization Plan No. 1. The Nevada State Medical Association is grateful to you for your stand against this dictatorial and socialistic step.

We are told that the Fulbright Resolution (S. R. 147) will likely come to vote during the week of August 8. We all hope that you will be able to be there to vote for it. The socializers in both parties will be tireless in their efforts to get plan No. 1 adopted.

Again thanking you for your interest and cooperation, I am

Sincerely yours,

ROLAND STAHR.

August 11, 1949.

Dr. ROLAND STAHR, *Secretary,*
Nevada State Medical Association,
Reno, Nevada.

DEAR DR. STAHR: I have your note of August 6, and I intend to support Senate Resolution 147. I have already talked with BILL FULBRIGHT about it. I do not like the Reorganization Plan No. 1 as presently constituted.

I am enclosing copy of an article appearing in the August issue of the American magazine, and would like your reaction to it.

Sincerely,

GEORGE W. MALONE.

RENO, NEVADA, *August 2, 1949.*

Hon. G. W. MALONE,
United States Senator,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MALONE: The following telegram has been sent to Senator JOHN L. MCCLELLAN:

"Object to Reorganization Plan No. 1, effect of which is to give Cabinet standing to Mr. Ewing, Federal Security Administrator."

With best regards,

Sincerely yours,

DOUGLAS A. BUSEY.

August 11, 1949.

Mr. DOUGLAS A. BUSEY,
Reno, Nevada.

DEAR DOUG: I have your note of August 2, and I intend to support Senate Resolution 147. I have already discussed it with Senator FULBRIGHT, and am opposed to Reorganization Plan No. 1 as presently constituted.

Sincerely,

GEORGE W. MALONE.

CHICAGO, ILL., *August 12, 1949.*

Hon. GEORGE W. MALONE,
Senate Office Building,
Washington, D. C.:

Senate Resolution 147 opposes Reorganization Plan No. 1 which would create a Department of Welfare with a secretary of cabinet rank. This plan would place vital health matters including the assaying of drugs under control of nonprofessional and political domination. It differs materially from the Hoover Commission recommendation. The National Association of Retail Druggists numbering 34,000 practicing their profession in every State of the Union and the District of Columbia respectfully requests that you favor Senate Resolution 147.

JOHN W. DARGAVEL,
Executive Secretary, National Association of Retail Druggists.

RENO NEV., *August 1, 1949.*

Senator GEORGE MALONE,
Senate Office Building,
Washington, D. C.:

I have just sent the following telegram to Senator JOHN L. MCCLELLAN.

"I object to Reorganization Plan No. 1 elevating Mr. Ewing the social administrator to Secretary of Welfare as a Cabinet Member would prefer suggestions made by the Hoover Commission."

LOUIS J. CAPURRO, Jr.

RENO, NEV., *August 1, 1949.*

SENATOR MALONE,
Senate Office Building,
Washington, D. C.:

Washoe County Medical Society strongly opposes Truman Reorganization Plan No. 1.

ERNEST W. MACK, M. D.,
President.

RENO NEV., *August 1, 1949.*

Senator GEORGE MALONE,
Senate Office Building,
Washington, D. C.:

Will you please oppose Reorganization Plan No. 1.

JESSE W. SMITH.

RENO, NEV., *August 3, 1949.*

Senator GEORGE W. MALONE,
Senate Office Building,
Washington, D. C.:

Our organization asks your full support of Senate Resolution No. 147 and that you do all you can to defeat Reorganization Plan No. 1 for the best interests of our State and country.

NEVADA STATE PHARMACEUTICAL ASSOCIATION,
RAY W. FLEMING, *President.*

EASTELEY, NEV., *August 2, 1949.*

Senator GEORGE W. MALONE,
Washington, D. C.:

Earnestly request you use your best efforts to defeat Reorganization Plan No. 1; regards.

THOMAS A. SMITH.

LAS VEGAS, NEV., *August 3, 1949.*

Senator GEORGE MALONE,
Senate Office Building,
Washington, D. C.:

The dentists of Clark County respectfully request that you vote in favor of Senate Resolution 147.

DR. QUANNAH S. MCCALL,
Secretary and Treasurer, Clark County Dental Society.

RENO, NEV., *August 3, 1949.*

Hon. Senator GEORGE MALONE,
Senate Office Building,
Washington, D. C.:

As councilor for American College of Radiology representing radiologists in Nevada, I strongly urge voting for Fulbright-Taft-Hunt Senate Resolution 147 in preference to President's Reorganization Plan No. 1, which is detrimental to interests of private practice of medicine. Believe this wire follows similar request made recently by representatives of Nevada State Medical Association.

MORTON J. THORPE, M. D.

LAS VEGAS, NEV., *August 3, 1949.*

Senator GEORGE MALONE,
Senate Office Building,
Washington, D. C.:

We respectfully request that you vote in favor of Senate Resolution 147, introduced by Senators HUNT, TAFT, and FULBRIGHT.

DR. CLIFFORD A. PAIN,
Secretary and Treasurer, Nevada State Dental Association.

RENO, NEV., *August 2, 1949.*

Senator GEORGE W. MALONE,
Senate Office Building,
Washington, D. C.:

In regards to bill 147 I would like to say I personally think it a good thing. Hope that Reorganization Plan No. 1 does not go through. I am very much opposed to it.

Kindest regards.

RAYMOND I. SMITH.

RENO, NEV., *August 9, 1949.*

Senator GEORGE W. MALONE,
Senate Office Building,
Washington, D. C.:

As State of Nevada representative International Chiropractors Association, members request you vote "No" Taft-Hunt-Fulbright resolution regarding United Medical Department creating medical monopoly control key Cabinet position. Further request you wire your position on this vote.

JACK C. BUCHHOLZ, D. C.

AUGUST 11, 1949.

Dr. JACK C. BUCHHOLZ,
Reno, Nev.:

Reurtel August 9 oppose Reorganization Plan No. 1 as it is presently constituted and will watch.

GEORGE W. MALONE,
United States Senate.

AUGUST 13, 1949.

EARL WOOSTER,
Superintendent of Reno Schools,
Reno, Nev.:

We are voting on the President's Reorganization Plan No. 1 on Tuesday with which you are no doubt familiar. I have received wire from Mildred Bray, State superintendent of public instruction, opposing this resolution on ground that it is "untenable to degrade one of most important functions of Government, education, by passage of Reorganization Plan No. 1." Would like your personal reaction to this plan. Regards.

GEORGE W. MALONE.
United States Senator.

WASHINGTON, D. C., *August 11, 1949.*

Hon. GEORGE W. MALONE,
Senate Office Building,
Washington, D. C.:

Personally and on behalf of 8,000,000 members of American Federation of Labor unions and their families concerned with administration of Government agencies dealing with vital matters of education, health, and welfare, urge you to support the President's Reorganization Plan No. 1 to create a Department of Public Welfare in accordance with recommendations of Hoover Commission.

WILLIAM GREEN,
President, American Federation of Labor.

WASHINGTON, D. C., *August 15, 1949.*

Hon. Senator MALONE,
Senate Office Building,
Washington, D. C.:

Strongly urge you give full support to vitally needed Reorganization Plans 1 and 2. Plan No. 1 is necessary to place welfare activities under Cabinet officer in the interest of human need and efficiency. Plan No. 2 is necessary to assure the administration of

employment services and unemployment compensation in a manner which protects the interests of both employers and workers. To accomplish both these objectives we urge you to vote against resolutions immediately due for floor action which reject the President's Reorganization Plans 1 and 2.

NATHAN E. COWAN,
CIO Legislative Director.

RENO, NEV., *August 14, 1949.*

Senator GEORGE W. MALONE,
Senate Chambers, Washington, D. C.:

Favor Government Reorganization Plan No. 1.

EARL WOOSTER.

Mr. MALONE. Mr. President, most of these telegrams are of the same tenor. All but three oppose the reorganization plan, for the principal reason that it would submerge a great department of Government, and would bring together, without a real reorganization, or economy, important unrelated branches of our Government, all under a social security set-up, which will not result in either efficiency or economy, and which will probably prevent any future reorganization contemplated and recommended by the 1948 Commission—now known as the Hoover Commission.

Mr. President, I subscribe generally to the conclusions and recommendations of the Senate Committee on Expenditures in the Executive Departments:

First. The plan does not conform to the recommendations of the Commission on Organization of the Executive Branch of the Government for the establishment of a Department of Welfare, primarily in that it omits the Commission's recommendation relating to consolidation of all major Federal medical facilities, including the Public Health Service, in a proposed independent United Medical Administration.

Second. The functions of health, and education, to a lesser extent, have been dominated by and subordinated to the function of welfare by the Federal Security Agency, to the detriment of the former. The power which accompanies departmental status and the increased prestige which the Secretary of Welfare would gain would augment this existing trend toward subordination of education and health to welfare.

Third. Further, the plan, by virtue of section 2, (b), (c) which vests in the Secretary of Welfare authority to consolidate and to delegate functions, with minor reservations, destroys any degree of independence, or autonomy, the Public Health Service and the Office of Education presently enjoy. The plan actually gives the Secretary of Welfare complete control over all functions of the Department, authorizing him to reorganize them, within statutory limitations, in such a manner as to give the Secretary outright domination over administration of the health, education, and welfare activities of the Government.

Fourth. No economies could be expected to be achieved in the immediate future from conversion of the Federal Security Agency to a Department of Welfare.

Mr. President, if this plan is rejected the President may in his own time reconsider the Reorganization Plan No. 1 and submit a new more workable plan to the Congress at a later date.

A rejection of this specific plan can in no way be considered a rejection of the recommendations of the Commission on Reorganization of the Executive Branch of the Government created by the Eightieth Congress.

We have passed a bill for reorganization of the Armed Services. We have passed a bill creating a General Service Agency, and I know of no plans to oppose plans Nos. 3, 4, 5, and 6.

Mr. McCLELLAN. Mr. President, I yield 20 minutes to the senior Senator from Ohio.

The PRESIDING OFFICER. The Senator from Ohio is recognized for 20 minutes.

Mr. TAFT. Mr. President, I spoke yesterday on this subject comprehensively. I wish to add only one point.

The main question is whether this Reorganization Plan No. 1 is or is not in accordance with the Hoover reorganization plan. Although yesterday the Senator from Illinois properly pointed out that we are not bound by all the details of the Hoover plan and we may properly differ with the Hoover plan in one place or another, yet at the present time I think most Senators wish to approve the Hoover reorganization plan. In my opinion, Reorganization Plan No. 1, so-called, is not in accordance with the Hoover plan. Approval of this reorganization plan would do far more to discredit the Hoover plan and do far more to prevent its ultimate adoption than the rejection of Plan No. 1 would do.

The Hoover reorganization plan contains a great many different features. Apparently the Hoover Commission prepared plans or recommendations or statutes which it sent to the President. The President apparently sent them to the Bureau of the Budget, and the Bureau of the Budget in many cases has rewritten them. In nearly every case the actual plan or proposed statute submitted to Congress covers only a part of the Hoover plan recommendations.

We have to decide whether Reorganization Plan No. 1 is sufficiently in accordance with the Hoover plan so that we should adopt it. Is it substantially in accordance with the Hoover plan or is it substantially in violation of the Hoover plan?

It is said if we reject plan No. 1, that action will in some way discredit the Hoover report. That is the President's argument, namely, that in some way we shall then make it impossible to go on with reorganization.

Mr. President, in the first place, let me call attention to the fact that we already have taken some eight different substantial steps in furtherance of the Hoover plan. We already have approved a Reorganization Act which gives the President of the United States greater power to reorganize, I think, than is given in any other bill the Congress has passed. That was the first step in carrying out the Hoover plan.

In the second place, we passed a bill reorganizing the armed services substantially in accordance with the Hoover plan. That bill has been passed by both Houses of Congress and has been signed by the President.

In the third place, we passed a bill creating a general services agency, which is somewhat in accordance with the Hoover plan, although it does some things which I think are in violation of it and are likely to prevent the ultimate carrying out of other features of that plan. Still, we decided that on the whole it was in substantial accordance with the Hoover plan, and we approved it.

Those are three steps we have taken.

Plans 4, 5, 6, and 7 have been submitted. All of them become law day after tomorrow, if no action is taken by the Congress on them; and so far as I know, no action is proposed to be taken by Congress on those plans.

So, Mr. President, we have taken eight substantial steps in carrying out the Hoover plan.

The one now before us happens to be called plan No. 1; but in effect it is plan No. 9, so far as we are concerned.

Here, for the first time, we encounter a recommendation of the Administration which in my opinion is in violation of the Hoover plan. not in accordance with it. By the plan now before us, a Department of Welfare would be created.

Mr. PEPPER. Mr. President, does the Senator from Ohio care to yield?

Mr. TAFT. I yield to the Senator from Florida.

Mr. PEPPER. Mr. President, if the health agency were not to be incorporated in the Department of Welfare, in what group does the Senator from Ohio contemplate it would be located?

Mr. TAFT. The Hoover recommendation is certainly very definite and clear. The Hoover Commission would create an independent, united medical administration which would combine many other health features of the Federal Government, as well as the Public Health Service and one or two other health services which now are in the Federal Security Agency.

Mr. PEPPER. Mr. President, will the Senator yield further?

Mr. TAFT. I yield.

Mr. PEPPER. The Senator is quite aware, is he not, of the determined opposition of the veterans' organizations to including the veterans' hospitals in such a united medical agency?

Mr. TAFT. Certainly, I am quite willing to admit that the feature regarding a united medical administration is a controversial feature, with which I hope we may be able to deal. But I do not see how we ever shall be able to deal with it. The administration could have avoided that if it had wished to do so. The administration could have put in this plan provision for an independent medical administration. The administration could have proposed the creation, out of the Public Health Service, of an independent medical administration. At least all the noncontroversial things could be transferred to such an administration, and I would hope, some of the controversial things.

Surely the President is preparing to carry out a plan. In this plan he could have created the United Medical Administration, and he certainly could have

put in most of the things recommended by the Hoover Commission. If he wanted to reserve the transfer of one thing, veterans' hospitals perhaps, he could have reserved that, and there would have been no violation of the plan. But it was perfectly possible. I believe very strongly that Mr. Hoover was misled. When he inquired, "Why is not this in accordance with my plan?" he was told, "Oh, we could not do that legally; we could not put that in the plan." Indeed, I think he certainly was misled, according to his own testimony, because if there can be created under this bill a Department of Welfare out of the Federal Security Agency, changing its name and setting it up as a department, certainly it would be possible to take the Public Health Service and set it us as an independent medical administration with an independent head, responsible directly to the President, and it would have been possible to add to it such additional health services from other departments as the President chose to add.

If he had not added all those things that were recommended by Mr. Hoover, I should not be criticizing him. I do not object to taking one thing, if it is in no way going to interfere with the next step. The difficulty with this procedure is that, once we create a department, once we put Oscar Ewing in the Cabinet in charge of this Department, with his definite, determined statement that he is absolutely opposed to a separate medical administration, then I think it will become impossible ever to get such a separate medical administration.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. PEPPER. Mr. President, did not the able Senator from Ohio and the able Senator from Arkansas [Mr. FULBRIGHT], in Senate bill 140, group together social security, health, and education, just as the President has done in plan No. 1?

Mr. TAFT. We did, and for 2 years or 4 years we have been struggling to establish the fundamental principle that health and education shall be practically autonomous in that department. The bill which was recommended by the committee, which we finally approved, was a bill with no overhead organization other than the Cabinet officer himself, but provided, in effect, for a Department of Health, a Department of Security, and a Department of Education, each one under an Under Secretary responsible directly to the Secretary only. Because these three things are completely different in function, there is no logical reason under the Reorganization bill for including them all in one department. But we felt then, and I feel now, that these are matters in which the Federal Government does not have primary responsibility, but the States and localities in all three cases have the primary responsibility, and therefore, since we cannot very well say that each one is important enough to have a Cabinet officer, I was willing to have one Cabinet officer and have the three under him, if they were autonomous, if each of those Departments could operate—a Department of Health under a health man who knew something about health, an Educational Department under a man who knew something about education, and the Security Department under a man who knew something about security.

Mr. PEPPER. Mr. President, if the Senator will yield, I shall not impose but a moment more upon him. Will the Senator allow me one further question?

Mr. TAFT. I have a limited amount of time.

Mr. PEPPER. Under Reorganization Plan No. 1, there is one Under Secretary; then there are three assistant secretaries. Is it not logical and reasonable to suppose that the three assistant secretaries would be relatively and respectively assigned to the three great groups and units namely, social security, health, and education, making up this department?

Mr. TAFT. I do not know what it is reasonable to assume, but I doubt very much if there is any such reasonable assumption. Consider the present set-up of the Federal Security Agency. I turn to the Congressional Directory for that. At page 417 we find that over and above the Surgeon General and the Public Health Service, over and above the Social Security Administration, over and above the Director of the Office of Education, there is the Federal Security Administrator. There is an assistant Federal Security Administrator, Mr. J. Donald Kingsley, a gentleman who certainly has been at least very frequently with Communists; an assistant administrator for program, a commissioner for special services, two assistants to the Administrator, an executive assistant to the Administrator, a general counsel, a director of research, a director of publications and reports, a director of interagency and international relations, a director of Federal-State relations, and a director of field services. This is the staff of the Federal Security Administration, and we can assume there would be a still larger staff if it were created into a department.

The overhead organization completely dominates and supervises health and educational activities, and, because of that, Dr. Parran, resigned as Surgeon General of the Public Health Service, after many years, and Mr. Studebaker resigned from the Office of Education after many years. They resigned because they were completely subjected to and directed in matters of policy by this overhead organization and unable any longer successfully to operate their departments independently.

Mr. PEPPER. Mr. President, is not that inherent in any centralization process? Did not the Secretary of the Navy resign when Congress provided for the unification of the armed services?

Mr. TAFT. Exactly. But armed services are one weapon in war, they are one weapon in peace; whereas health, education, and welfare are completely different in their whole functional purpose and organization. At the local level, in Ohio, at least, we have kept our schools completely separate, even from city and county government. They are independent agencies of government. In most of the States an independent director of education is elected. In every State and city that I know of, welfare and health are completely separate. The two are administered separately, and there is no similarity between them, except the general fact that they are all local services primarily, and the Federal Government is in a secondary role. It seemed reasonable, since there was no primary role, that at least those three services—health, education, and welfare—should have a representative in the Cabinet who would speak for them when the President's advisers gathered around. That was the nature of the bill which the Senator from Arkansas and I introduced.

Mr. THYE. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. THYE. Mr. President, I am wholly in accord with the senior Senator from Ohio in his remarks on this question. I believe the Senator was off the floor earlier in the afternoon when I made the statement that, were it possible for me to offer and obtain adoption of an amendment to the reorganization plan, making it mandatory that a professional medical man be the Cabinet officer, I should then feel more comfortable in voting for Reorganization Plan No. 1, knowing that if the agency was headed by a professional medical man, we might have an opportunity at some future time to amend the Reorganization Act and make possible the adoption of the Hoover recommendation by setting up an independent agency for the medical division of the Federal Government. But if we adopt Reorganization Plan No. 1 as now proposed, I know the President will veto any attempt on the part of Congress at some future time to separate the medical division from the agency having the Cabinet status which we would give it under the reorganization plan. So for that reason, I personally cannot support the pending Reorganization Plan No. 1, knowing full well that we could never at any future time separate the medical agency and establish it as an independent agency, as the Hoover Commission recommends.

Mr. TAFT. Mr. President, I may say that if this plan is rejected, the President will still have the opportunity at any moment to submit another plan. As a matter of fact, the Committee on Expenditures in the Executive Departments is prepared to proceed at once, I understand, to consider the proper working out of this particular situation, including a separate medical administration in the department. I can understand Mr. Hoover's feeling about it. He does not like to criticize the President. He is trying so far as he can to work with the President, but I do not find that Mr. Hoover's recommendations of plan No. 1 is what I would call enthusiastic. He points out particularly:

> The Commission found difficulty as to the name of this new department. It recommended that it be elevated to department status. Some of us felt that the word "welfare" carried unfortunate connotations, including the implication of the objectionable connotation of a welfare state.

Unlike the Senator from Minnesota, he does not like that connotation.

> Under our plan the new department's function would be limited to education and social security. The sentiment of the majority of our Commission seemed to be that

it should be called the Department of Education and Security, rather than the Department of Welfare, although no formal action was taken by the Commission on that point.

I have a very strong feeling that if we once approve the idea of the Budget Bureau, and the administration can pick out those things they like in the Hoover plan and postpone for action later on everything that is difficult, we are never going to consummate the Hoover plan. We are going to have all the features of the Hoover plan which increase salaries, all the features of the Hoover plan which increase powers, all the features of the Hoover plan which provide more personnel to serve under the director, but we are never going to get the part that cuts out anyone; we are never going to get the part that provides any economy whatever.

There is certainly no economy in this set-up. We simply take the Federal Security Administration and boost it into a department of the Federal Government. Mr. Ewing will be Secretary instead of Administrator.

There is one feature of the plan which, in my judgment, is exceedingly dangerous, namely, the sweeping provision that the Secretary shall have all the powers of all constituent agencies of the Federal Security Administration. We gave power to the Surgeon General to approve certain plans. Then we established a hospital board. There is an appeal from the Surgeon General to the hospital board. That board has certain functions and the Surgeon General has certain functions. Under this plan, all those functions are transferred to the new Secretary, and he can redistribute them as he sees fit. He can, as I understand, abolish the advisory board. He has complete power over health, education, and social security. No one can learn enough about all three of those subjects to exercise wisely the power which is granted in this reorganization plan to direct all health activities, all welfare activities, and all education activities. He cannot make himself enough of an expert to do that. It seems to me very evident that Congress is interested in setting up certain health powers and giving them to the Health Department, setting up education powers and giving them to an education department, and setting up other powers and giving them to the Federal Security Administration. This plan, in my opinion, prevents the final carrying out of the Hoover plan to establish a separate medical administration. We may think it is wise or we may not think so, but it is perfectly clear that if we approve this plan we shall never have a separate medical administration. We only encourage the submission to us of plans containing the things the administration likes and rejecting those things it does not like. I read yesterday a list of departments, every one of which is strongly in favor of greater personnel. Every department is in favor of more powers, and every department criticizes and resists any recommendation that may bring about economy or may bring about a consolidation of agencies.

The PRESIDING OFFICER. The time of the Senator from Ohio has been extended 3 minutes.

Mr. TAFT. There is a good deal of evidence in that respect in the plans we have already had presented to us. I pointed out that in the State Department plan there were two new Assistant Secretaries. The President did not abolish the council which the Hoover plan said should be abolished. The council was retained in the reorganization of the State Department.

In plan No. 2 the administration has chosen four or five things to be transferred to the Labor Department. One thing has been administration policy for 4 years and has always been opposed to congressional policy, and that one thing has been transferred without transferring others. I do not think that is the same kind of violation which is involved in this case, because the others can be transferred; but under the establishment which now exists I am absolutely confident that there will never be an independent medical administration unless we provide for it.

What does the Hoover Commission recommend? It recommends a department which includes welfare and education. The plan which has been submitted includes welfare, education, and health. It is certainly an entirely different kind of department, which changes the whole nature of the department recommended by the Hoover Commission.

So, Mr. President, far from its being a repudiation of the Hoover plan, our rejection sets a course of action which will tell the executive department that if it wishes the Congress to approve its plans on the grounds of being Hoover Commission recommendations, the plans must be submitted in accordance with those recommendations, and it cannot use the Hoover recommendations to further particular philosophies of government which the executive department approves.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. HUMPHREY. In view of the Senator's remarks, I wonder if he is familiar with the recent letter from the chairman of the Citizen's Committee, Mr. Robert L. Johnson. I wonder, also, if the Senator is familiar with the telegram read this morning by the distinguished Senator from Louisiana [Mr. ELLENDER] from former President Hoover.

Mr. TAFT. Yes; I am thoroughly familiar with the Hoover statement. He said:

I likewise supported plan No. 1 and outlined that the further imperative steps recommended by the Commission are the separation of all health and labor agencies from the new department, and reorganization of budgeting, accounting, and personnel methods.

Mr. Hoover is not here, and he does not realize the history behind all this. He does not realize that his next step is an impossible step for Congress to take. He does not realize that it could have been put into this plan, because he was told that legally it could not be done. Every lawyer agrees that it could have been done if the administration had wished to do it. He went on to say:

The Commission did not recommend the term "welfare" as the name of the department, but inclined to the term "education and social security." The recommended reorganization will of course not be effective until these further steps are undertaken.

I think Mr. Hoover does not realize that those steps never will and never can be taken if we once approve this plan.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. TAFT. My time has expired.

Mr. HUMPHREY. I shall take a half minute of my time to say that the junior Senator from Minnesota was very courteous and gracious in yielding plenty of time for interrogation, and I hoped that the senior Senator from Ohio would accord me the same privilege. After a direct and, one might say, a dogmatic statement as to what his objections were to Reorganization Plan No. 1, I will take a moment——

Mr. TAFT. I shall be glad to answer the Senator in his time.

Mr. HUMPHREY. The Senator from Minnesota will take 1 minute of his own time at the moment.

The Senator from Ohio has clearly stated that it is impossible to get medical legislation, and, on the other hand, he has criticized the program of the President because he has included an independent health program in the reorganization plan, which adds up to what? If it is impossible to get a united medical administration because of some kind of opposition—and apparently the Senator thinks it is impossible to get this reorganization plan through because of his opposition—how are we going to get any kind of reorganization so long as there is that kind of an attitude, in which the Senator from Ohio himself advocates resisting this moderate plan? Added to what he has already said regarding his opposition to the united medical administration, what do we find? We find what we have found on other occasions. There is something we cannot do now and that we cannot do tomorrow, and, hocus-pocus hicky-mocus, it adds up to nothing.

Mr. President, I ask unanimous consent to have printed in the RECORD a letter which appeared in the Washington Post on August 10, 1949, by Elizabeth Wickenden, Washington representative of the American Public Welfare Association.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WELFARE DEPARTMENT

All over the country today, people working in the fields of health, welfare, and education are experiencing a bitter disappointment because of the action of the Senate Expenditures Committee in recommending against Reorganization Plan No. 1 to elevate the Federal Security Agency to a department of welfare.

It seems most unfortunate that the wholly irrelevant issue of health insurance should be permitted to confuse the simple issue of giving these functions the prestige and recognition of Cabinet representation. No program of health insurance can be undertaken by the proposed department or any other Federal agency unless Congress enacts

a law for that purpose, which is not soon likely. On the other hand the present social insurance and grant-in-aid programs of the Federal Security Agency, widely supported and noncontroversial in character, have reached a scope which leaders in these fields have long felt warranted a regular department at the Cabinet level.

As evidence of this support the following is pertinent: In 1947 the American Council on Education and the National Social Welfare Assembly, central clearinghouse organizations for virtually all national associations in these fields, set up a joint committee composed of a group of distinguished and representative leaders in all areas of health, welfare, and education. Many meetings were held, a careful report was prepared and recommendations made for a combined department as proposed in Reorganization Plan No. 1. Among other things this report recommended that "an executive department of health, education, and security, headed by a Secretary of Cabinet rank, be established at this time by the Congress of the United States" and further "that this objective be accomplished by legislation converting the existing Federal Security Agency into such an executive department and transferring the powers and duties of the Agency and its Administrator to the new Department and its Secretary." This is exactly what Reorganization Plan No. 1 does.

Earlier in 1945 the committee on reorganization of community services of the Woman's Foundation of which Mrs. Agnes Meyer and Dr. Leonard Mayo, vice president of Western Reserve University, served as cochairman likewise recommended "an inclusive Federal department of education, health, recreation, welfare, and social insurance." This committee, likewise, was composed of distinguished representatives in these fields. Many previous proposals had been made going back to the Harding administration.

At the recent hearings on Reorganization Plan No. 1 statements in behalf of the plan were submitted by the following organizations among others: American Public Health Association, American Council on Education, American Public Welfare Association, Congress of Industrial Organizations, American Federation of Labor, American Legion, Family Service Association of America, National Association for the Advancement of Colored People, Council of Social Action of the Congregational Church, American Association of Social Workers, National Federation of Settlements, and Disabled American Veterans.

I have cited these facts as evidence that this proposal for a Department of Welfare represents the historical culmination of long-felt aspiration on the part of an important segment of American life.

It is hoped that the Senate will recognize this proposal as such, and permit the plan to become law, thus giving to millions of Americans the reassurance that the welfare of our own people is a concern of Government on an equal footing with our foreign affairs, our national defense, agriculture, business, labor, natural resources, and law enforcement.

ELIZABETH WICKENDEN,
Washington Representative, American Public Welfare Association.

Mr. LUCAS. Mr. President——

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. LUCAS. Mr. President, one of the most remarkable and amazing statements I have heard on the floor of the Senate in a long time was just uttered by the distinguished Senator from Ohio [Mr. TAFT], when he took Mr. Herbert Hoover, former President of the United States, to task by telling the Senate and the country that Hoover did not realize what he was doing, after putting in month upon month of constant study upon one of the most important reorganization plans which has ever been submitted to the Congress of the United States. Furthermore, if we should judge what the Senator from Ohio has said as being the truth, then the Senator from Ohio is the only lawyer in the country who understands this matter perfectly and properly, and all the lawyers who were around Mr. Hoover's Commission knew absolutely nothing about what they were doing with respect to the one point that is here in issue, namely, the point dealing with the united medical services.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. LUCAS. My time is limited. The Senator made quite a speech, and I am trying to answer it.

I repeat, I am shocked and surprised to find that a good Republican from Ohio would deal with Mr. Hoover in any such manner. I can understand how a Democrat perhaps might take Mr. Hoover apart, but it is a little difficult for me to understand how the Senator from Ohio can do this, in view of the long hours, and the days, and the weeks, and the months, which were spent by this servant of the people in connection with this reorganization plan.

Mr. President, on August 12, Mr. Johnson, who heads the Citizens Committee for the Hoover Report, wrote to the President of the United States. I shall omit the first paragraph of his letter. Mr. Johnson said:

> Analysis shows that plan No. 1 contains two of the six major recommendations of the Commission with respect to the creation of a Department of Welfare. The committee calls attention to the testimony of the Honorable Herbert Hoover before the Senate Committee on Expenditures on June 30 in which he expresses belief that specific legislation might be required to effectuate some of the major provisions omitted by the plan, especially that relating to United Medical Services.

That is the exact position taken by the President of the United States in the submission of Reorganization Plan No. 1. I continue reading from the letter:

> The committee advocates acceptance of plan No. 1 with the understanding that the President and the Congress should move promptly to effectuate the balance of the changes contemplated by the Commission. It was the consensus of the Commission, later expressed in testimony by Mr. Hoover, that in raising the educational and social-security functions of Government to departmental status, the new Department might more properly be called a Department of Education and Social Security.

On this Citizens' Committee for the Hoover Report are outstanding citizens like Hon. Warren Austin; Hon. William L. Clayton; Gen. Charles G. Dawes; Hon. James A. Farley; Hon. John N. Garner; Hon. Allen B. Kline, head of the American Farm Bureau Federation; Hon. Robert P. Patterson; Hon. Harold E. Stassen; Mr. Charles E. Wilson, and others.

Some of the learned and able men of this country are on the board of the Citizens' Committee for the Hoover Report. They undoubtedly had their own lawyers, with whom they conferred when necessary, on each and every one of the reorganization plans which were submitted.

Mr. President, this is in line with the telegram that was sent by the former President of the United States, Hon. Herbert Hoover, today, in connection with the plan.

I like to refer to the minority report submitted by the able junior Senator from Maine [Mrs. SMITH], which says so much in such a few words. She said:

> I would summarize my conclusions less eloquently and more briefly by observing that (1) the plan follows the Hoover Commission recommendations as far as it goes; (2) the issue is not socialized medicine as some would have us believe—were this true I would oppose the plan because I am opposed to socialized medicine.

Mr. President, whether this plan shall be defeated or shall win, it will be an issue on the hustings, so far as concerns many Senators and Members of the House who are attempting to lay socialized medicine at the door of this administration. As is said by the junior Senator from Maine [Mrs. SMITH], if this were an out-and-out socialized-medicine proposition, the Senator from Illinois would not be on his feet arguing for it, because from the time I first became a Member of Congress I have told my constituents consistently that I am unalterably opposed to socialized medicine.

With further reference to socialized medicine, I wish to read what the doctors are telegraphing the Senator from Illinois as a result of the high-powered propaganda machine which has been hired by the American Medical Association. I have here a telegram from a close friend of mine, who is a wonderful doctor in central Illinois. He says:

> DEAR SCOTT: We are strongly opposed to Reorganization Plan No. 1 mainly because it does not correct the faults of Federal Security Agency and replace it with a health department under a physician. It does place almost unlimited power in hands of Federal Security Agency Director who is on record as wanting to socialize our entire economy. We feel this Director cannot be trusted and ask your support in opposing Reorganization Plan No. 1.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. LUCAS. I regret I have not the time. I shall yield some other day when we are talking about another subject in which the Senator and I are interested.

The PRESIDING OFFICER. The Senator from Illinois declines to yield.

Mr. LUCAS. Mr. President, that is the type of propaganda which is being sent to Senators, many of whom for some cause or other, are being lured by the American Medical Association into the position of voting against Reorganization Plan No. 1 because of a confused issue.

I have here another telegram which says:

> Re proposed Secretary of Welfare. Oscar Ewing is a danger to our country.

That is signed by a medical man. And so they go.

The whole issue seems to be whether or not we are going to have Oscar Ewing

as the Administrator of this Department. It has been argued over and over again that if it is possible to get 49 votes to override Reorganization Plan No. 1 it will be possible to get 49 votes to defeat Oscar Ewing, if his name shall be sent to the Senate for confirmation as the head of the new department.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. LUCAS. That would be the time to hit Oscar Ewing below the belt if one desired to do so, and not in connection with a particular plan which has merit.

Mr. President, ever since I have been a Member of Congress there has always been someone wanting to reorganize the executive branch of the Government, and every time, we have found the same group, either in the House or the Senate, throttling the plan.

If the pending plan is defeated, we will know exactly where the responsibility lies. The country will know it in the 1950 campaign. This is certain to be an issue.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. LUCAS. I yield to the Senator from Ohio.

Mr. TAFT. Is the Senator aware of the fact that the Senator from Ohio and other Senators have received telegrams from CIO unions in their States urging the approval of the plan, that their propaganda is just as great here, in effect, as the medical propaganda on the other side?

Mr. LUCAS. I would hope that the CIO would propagandize the Senator from Ohio, because he needs a little of it.

Mr. President, in connection with the United Medical Administration, some of the major recommendations of the Hoover Commission concerning the Federal Security Agency are highly controversial and are the subject of profound disagreement among experts in public administration. Such is the proposal for a United Medical Administration, which is recommended by the Senator from Ohio and others who are opposed to plan No. 1, and who say that the provision for such an agency is the only thing that will ever lead them to vote for a reorganization plan. This recommendation had the unqualified support of only four members of the Hoover Commission. The other eight dissented for one reason or another and three members were in complete disagreement with the plan.

It would have been very unwise for the President to attempt to set up such an independent medical agency as a part of this first reorganization plan. Such a proposal would have been overwhelmed by controversy which would have resulted in the defeat of any proposed reorganization plan.

Had the President sent up what the Senator from Ohio is asking we could have discussed it only 10 hours, which would have been fortunate, but had the 10-hour limitation not been in the law, we would have been here another 3 weeks upon that one question alone. It was a wise course to confine the first plan to those recommendations which had the unanimous support of the Hoover Commission. The recommendations which are extremely controversial were properly withheld until they could be studied more thoroughly by the President and Congress. Such proposals are at this time receiving such study and consideration.

The Senate Committee on Labor and Public Welfare has before it a bill which would create a United Medical Administration. No Senator would expect that committee to report the bill until it had been given thorough study. It should be clear that the President should not submit a similar proposal to Congress until it has been thoroughly considered.

The Commission on Organization of the Executive Branch of the Government recommended that the Federal Security Agency be made an executive department along organizational lines, precisely identical with the President's proposed plan.

The Commission, however, recommended that certain functions now in the Federal Security Agency be transferred to other agencies, and functions in other agencies be transferred to the new Welfare Department. Reorganization Plan No. 1 does not provide for these transfers. These recommended transfers are:

The Commission recommended that the following functions be transferred from the FSA:

First. The Public Health Service is to be transferred to a new organization to be created, the United Medical Administration.

Second. The Bureau of Employees Compensation and the Employees Compensation Appeals Board is to be transferred to the Labor Department.

Third. The Food and Drug Administration is to be transferred in part to the Department of Agriculture, and in part to the new United Medical Administration.

The Hoover Commission also recommended that the Bureau of Indian Affairs be transferred from the Department of the Interior and placed in the new Department of Welfare.

Opposition to this plan is given a certain respectable appearance by being placed on the following grounds:

It is argued that the plan does not carry out all the recommendations of the Hoover Commission relating to the FSA.

That is what the Senator from Ohio [Mr. TAFT] has been arguing today.

It is also argued that "no permanent realinement as proposed under plan No. 1" should be approved until Congress determines whether or not there shall be created a United Medical Administration. This argument is stressed by the Senate committee.

I contend that neither of these objections is valid. The President in his message to Congress recognized that the plan did not go all the way. He stated:

> I am fully aware of the recommendations of the Commission * * *. With respect to the various units of the Federal Security Agency * * * proposals are currently under study, but final conclusions have not been reached with respect to them.

Herbert Hoover in his testimony before the Senate committee firmly supported the President's reorganization plan. He did not believe that any part of his recommendations were jeopardized by the President's action in taking one step at a time.

He stated that the setting up of a United Medical Administration required legislative action, and "Therefore it is no criticism of the President's plan to point out that those bureaus cannot be transferred at the present moment."

Do Senators think he did not have legal advice when he made that statement? Do Senators think he was misled by someone into making that statement? Do Senators believe that the Senator from Ohio is the only Senator who possesses all the legal knowledge in the country upon a question of this nature?

Mr. Hoover pointed out that the President has been very cooperative and there is no reason to assume that the rest of the Commission's recommendations will not be given thorough consideration.

In other words, the fact that the President chose to take one large single step at the outset does not preclude further reorganizations.

Here is a strange thing, Mr. President. I presume the Senator from Illinois received not less than 15,000 letters from the State of Illinois and from other sections of the Nation requesting that I vigorously support the reorganization of Government agencies, as submitted by the Hoover Commission. I replied to each and every writer of such letters that I would do so. I have found, after a careful analysis of the letters, that some of the writers who wanted me to support the reorganization plan from the standpoint of efficiency and economy in Government are now asking me to do just the opposite.

Mr. President, the Hoover Commission was unanimous in its view that a Welfare Department should be created. It was not unanimous as to its functions, and this is important. Every President since Harding has recommended the creation of such a department. We have gone all over the history of reorganization, and every Member of the Senate knows about it.

Mr. President, the House of Representatives contains many Members of great legal ability. One of them is Representative BROWN of Ohio, who, I am told, managed the campaign of the senior Senator from Ohio [Mr. TAFT] for President of the United States last year. He was for Reorganization Plan No. 1. Yet with all the legal talent there is in the House of Representatives, there was little or no objection in the House respecting Reorganization Plan No. 1. The Members of the House usually raise considerably more disturbance about matters of this kind than does the Senate.

No, Mr. President; it is the same old story. Someone wants to defeat the administration in its submission of Reorganization Plan No. 1. Someone wants to defeat the administration because there is a man named Oscar Ewing who a certain doctor says is a danger to the country, who he believes is going to socialize everything. Yet, as Senators know, Mr. Ewing was making a great deal of money as a practicing attorney, one of his clients being the Aluminum

Corp. of America, before he took the position which the Government offered him. I do not think a man of that kind can be socialized overnight, as some Senators seem to believe.

Furthermore, Mr. President, it seems to me that Senators of the United States are being overly severe when they take the position that a person who is involved in connection with the consideration of the plan, is the real issue at stake. The principle, rather than the man, is the real issue, as was so well expressed by the distinguished Senator from Maine [Mrs. SMITH].

Mr. President, if we are ever going to secure reorganization of Government departments, Senators had better begin right now with the approval of Reorganization Plan No. 1. We have now before us the greatest opportunity we have had in a long, long time to do what is necessary to be done to secure reorganization in the executive branch of the Government. In view of the fact that the House of Representatives has passed over Reorganization Plan No. 1, with all the legal talent there is in the House, with all the eminent lawyers there are in the House committees—and they have agreed to do so with little or no opposition—it seems strange to me that the Senate of the United States should be responsible in the eyes of the Nation for repudiating the President of the United States, and repudiating the former President of the United States Herbert Hoover, and for repudiating the Citizens Committee for the Hoover Report, and all the fine men who have done such good work over so long a period in connection with reorganization in the executive branch of the Government.

Mr. McCLELLAN. Mr. President, I yield 2 minutes to the distinguished junior Senator from Maine [Mrs. SMITH].

Mrs. SMITH of Maine. Mr. President, this is the first test on whether the Congress really wants reoganization of our executive branch or not. What we do on plan No. 1 will set the stage for reception of all other plans.

I am for Reorganization Plan No. 1 because, first, the plan follows the Hoover Commission recommendations as far as it goes; second, the issue is not socialized medicine, as some would have us believe (were this true I would oppose the plan because I am opposed to socialized medicine); third, the issue is not one of personalities but rather one of principle—the plan itself is more important than Mr. Oscar Ewing or any other individual or any special pressure group; and, fourth, perfection and unanimous agreement will never be obtained at the outset on any plan of reorganization, but lack of perfection and unanimity should not be permitted to prevent a start on improvement, and this plan is definitely a start on improvement.

The President has asked for the authority. Let Congress grant it to him. Then if the plan fails of its objectives, the responsibility will be that of the President, not of Congress.

Mr. McCLELLAN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hendrickson	Millikin
Anderson	Hickenlooper	Morse
Baldwin	Hill	Mundt
Brewster	Hoey	Murray
Bricker	Holland	Myers
Bridges	Humphrey	Neely
Butler	Hunt	O'Conor
Byrd	Ives	O'Mahoney
Cain	Jenner	Pepper
Capehart	Johnson, Colo.	Robertson
Chapman	Johnson, Tex.	Russell
Chavez	Johnston, S. C.	Saltonstall
Connally	Kefauver	Schoeppel
Cordon	Kem	Smith, Maine
Donnell	Kerr	Smith, N. J.
Douglas	Kilgore	Sparkman
Downey	Knowland	Stennis
Dulles	Langer	Taft
Eastland	Lodge	Taylor
Ecton	Long	Thomas, Okla.
Ellender	Lucas	Thomas, Utah
Ferguson	McCarran	Thye
Flanders	McCarthy	Tydings
Frear	McClellan	Vandenberg
Fulbright	McFarland	Watkins
George	McKellar	Wherry
Gillette	Magnuson	Wiley
Graham	Malone	Williams
Green	Martin	Withers
Gurney	Maybank	Young
Hayden	Miller	

The PRESIDING OFFICER. A quorum is present.

Mr. McCLELLAN. Mr. President, I yield 25 minutes of my time to the distinguished Senator from Wyoming [Mr. HUNT].

Let me say that I understand this is his first time to address the Senate. I know that on this very important issue, in which he is vitally interested, and in which all members of his profession are interested, all of us will enjoy his remarks.

The PRESIDING OFFICER. The Senator from Wyoming is recognized for 25 minutes.

Mr. HUNT. Mr. President, I may say to the distinguished Senator from Arkansas that this is not my maiden presentation to the Senate. I first addressed the Senate regarding the sales tax, about which I am sure all of us know by this time.

Mr. President, for many and various reasons, affecting the health of all the people of the Nation, reasons that are sound and convincing, I have joined with the Senator from Arkansas [Mr. FULBRIGHT] and the Senator from Ohio [Mr. TAFT] in opposition to the President's Reorganization Plan No. 1, and I express my support of the Hoover Commission recommendation and report as transmitted to the President of the Senate on March 5, 1949, above the signature of Herbert Hoover, Chairman.

Mr. President, today we have heard a great debate in reference to whether these two plans differ. The President's plan provides, and I quote exactly:

SECTION 1. Department of Welfare: The name of the Federal Security Agency is hereby changed to Department of Welfare and such Department is hereby constituted an executive department.

SEC. 2. (b) All of the functions of the Department of Welfare and of all officers and constituent units thereof, including all the functions of the Federal Security Administrator, are hereby consolidated in the Secretary of Welfare.

Therefore, the President's plan No. 1 provides that the health services, educational departments, and the Federal Security Agency shall be consolidated into one new department with Cabinet rank and designated the Department of Welfare. There in essence we have plan No. 1—a very direct, plain, simple statement that cannot be misunderstood. I am opposed to it.

The Hoover Commission, in its final report, Task Force Report on Federal Medical Services (Appendix O), and in its report on medical activities March 16, 1949, states:

1. To provide better medical care for the beneficiaries of the Federal Government's medical program,

2. To create a better foundation for training and medical services in the Federal agencies,

3. To reduce the drain of doctors away from private practice,

4. To provide better organization for medical research,

5. To promote a better state of medical preparedness for war—

Then this recommendation is made:

To accomplish these purposes, the Commission recommends the establishment of a united medical administration into which would be consolidated most of the large-scale activities of the Federal Government in the fields of medical care, medical research, and public health.

The report further states:

The task force on medical services was instructed to base its original report on the premise that "the Commission will recommend a Cabinet department embracing health, education, and security." However, in view of the size of the medical operations of the Federal Government and the extreme dissimilarities among the activities which would have composed such a department, the task force was later requested to consider the advisability of placing medical service functions in a single agency. Its supplementary report favors very strongly a separate united medical administration. The agency should be headed by a professional career director general, and he "should report directly to the President."

The Hoover Commission report on social security likewise specifically recommends the establishment of a united medical administration reporting directly to the President. So we have two task forces saying in the Hoover report exactly the same thing, in essence. Nine of the twelve members of the Commission recommended and voted for the task force report for the establishment of a united medical administration.

Mr. President, I have dwelt on this point at some length, in order to make it crystal clear, I hope, that the proposed Reorganization Plan No. 1 is not the recommendation of the Hoover Commission. At this time, let me say that a vote in favor of the resolution submitted by the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Ohio [Mr. TAFT], and myself will not be a vote against the Hoover Commission recommendations, but will be a vote to give the Senate a chance to study the Hoover report recommendations. I have studied them, and I support them. Let me say that there is not even any coincidental or accidental similarity between the Hoover report and plan No. 1, as submitted by the President.

Several times in debate it has been developed that recommendations for establishing a department along the general lines proposed in plan No. 1 have

been urged on the Congress since 1935, and each Congress has seen fit not to accept such a plan. There must be a reason for it. It is my hope that this Congress again will not accept the plan as submitted.

Before entering upon a discussion of the pending resolution, the junior Senator from Wyoming wishes to invite the attention of the Senate to the Reorganization Act passed by this body by a voice vote on June 20, of this year, by that act the Congress gave to the executive branch broad powers to legislate. Probably never in the history of our Government has the legislative branch surrendered its prerogatives, its rights, and its duties, to such a great degree. Every one of the four sections of Reorganization Plan No. 1 of 1949 is, of course, legislation.

After passing legislative functions to the executive department, we proceeded to tie our own hands and to make it extremely difficult to prevent the executive department from making far-reaching changes in all departments of the national governmental structure. We granted to the executive department the right to transfer from one jurisdiction to another all or any departments; to abolish the function of any or all departments; to consolidate; to coordinate; to authorize any officer to delegate his functions; and then, in the same act, we securely tied the hands of the Congress by giving the Congress only 60 days to disapprove such changes—a most unusual provision, existing nowhere else in our legislative processes—and giving the Senate committee only 10 days to conduct hearings and to report to the Senate on any resolution not to approve a reorganization plan.

We then made other special Senate rules. We provided that only a Senator favoring the resolution can move to discharge the committee; debate thereon is limited to 1 hour; such motion cannot be renewed; and debate shall be limited to 10 hours on a resolution not to approve. Therefore the Senate is limited, as never before in its consideration of tremendously important legislation.

Further than that, Mr. President, we have made it impossible to submit any amendments to such a resolution. Apparently, to be doubly sure that the wishes of Congress could not prevail, we, the Congress, provided that a resolution disapproving the recommendations or plans submitted by the executive department must have a favorable vote by a constitutional majority, thus defeating or thwarting the wishes of a simple majority. One other unusual section provides for the appointing of an unnamed Cabinet officer for a 60-day period without the advice and consent of the Senate.

Mr. President, the Congress will, to my way of thinking, on many future occasions, have ample and just cause to regret its hasty, improvident action in depriving itself of vital and necessary legislative prerogatives and, in so doing, giving unprecedented encouragement to a more powerful, centralized, bureaucratic form of government. Recovery of these legislative prerogatives will be extremely difficult, if not impossible.

We often hear the statement, "The bureaus are running the Government." Well, Mr. President, we, the Congress, by passing the Reorganization Act so hastily and without due consideration, have voluntarily given to the Government bureaus more power, prestige, and influence than they have ever heretofore enjoyed.

Senate Resolution 147 resolves that the Senate does not favor Reorganization Plan No. 1, transmitted to Congress by the President on June 20, 1949.

It has long been a practice, and an intelligent practice—I think one could say it has always been the policy—that the Senate follows and approves the actions of its committees. Because of the far-reaching effects of the proposed reorganization of the executive branch of the Government, plan No. 1 and Senate Resolution 147 were given most careful, thorough, and painstaking consideration and study. The committee reported favorably Senate Resolution 147 by a vote of 7 to 4, one of the minority reserving the right to vote with the majority when the resolution came before the Senate.

Some 16 or 18 witnesses testified, witnesses who were in close touch with the subject and thoroughly informed, and who have the greatest interest in plan No. 1. About 30 statements were submitted for committee consideration. At the close of the hearings 1,498 letters, telegrams, and statements had been received by the committee. Several hundred have since been received. Of the 1,498, in round numbers 1,500, 1,404 expressed opposition to the plan and urged favorable action on Senate Resolution 147. Only 94 supported the plan. In other words, of those having a direct interest in the plan, there were 15 opposed to 1 who favored it, and of the 1,500 opposing plan No. 1, almost all favored an independent health agency as recommended by the Hoover Commission.

Mr. President, with only isolated exceptions, 189,000 doctors of the United States oppose plan No. 1; 189,000 doctors, the best trained, most skillful doctors in all the world at any time in all the world's history, doctors who have made this Nation the healthiest of all nations. Our death rate is the lowest. Our life expectancy has risen from 35 years, when we established our Government, to 67 years—the longest life expectancy of any people on the face of the earth. Our workingmen lose from illness an average of only 8 days a year, as compared to 28 days only 49 years ago, at the turn of the century. That is approximately one-half the days lost from work a year because of illness in England and other countries.

Mr. President, these men who have made America the healthiest nation in all the history of the world, these men who know whereof they speak, oppose Reorganization Plan No. 1. Seventy thousand dentists of the United States oppose this plan, and 480,000 nurses oppose it. The hospital association opposes the plan, and 34,000 retail druggists oppose it. This opposition comes from highly intelligent, good, loyal American citizens. It comes from every State in the Union and from all sections of every State, from the crossroads and up the fork of the creek, as well as from our larger cities. Surely there must be, and there are, good and sufficient reasons for this opposition.

The health services of the United States, as expressed through the doctors, dentists, nurses, hospitals, and druggists are of the opinion that if the Government health agency is submerged within a multipurpose department, the health functions would be impeded by considerations pertaining to the other functions of welfare and education in the Department. They feel and they fear—and I share their fear and their thinking—that health and education will be dominated by the welfare idea, welfare thinking, and social-security planning. I might say that is the situation to some extent, at the present time, even though the authority of the present Federal Security Administrator is quite limited as compared with the authority and power which would be vested in the Secretary in event Reorganization Plan No. 1 should be approved.

The health of the people of the United States is so important that appropriations for administration of health services should be clearly identified as such and not associated with or confused with appropriations for administration for social security, welfare, or other social programs.

Mr. President, the supreme medical importance of the position of Surgeon General or Director General of health services of the United States should command, irrespective of all other considerations, the ablest medical and health administrator who can be secured. It is very doubtful that a medically trained person of such qualifications would be available to accept such a responsibility under a lay Secretary, lay administrators, and lay policy-makers. No, Mr. President; the health services of our country should be under competent, qualified medical supervision, as recommended in the Hoover report. Health is such a highly developed, positive specialty, that it should not be considered a subsidiary of, or of secondary importance to, social security and welfare.

Efficiency in the Government's numerous health activities can be greatly enhanced by their close correlation and concentration under a professionally trained administrator.

My mail and telegrams decry and bitterly assail the plan to place vital health matters, including the assaying of drugs, under the control of nonprofessional and political domination, under a Secretary of Welfare, uneducated in the scientific fields he is directed to administer.

The attitude of the present Federal Security Agency and of the Federal Security Administrator, as expressed in his advocacy of socialized medicine, has discouraged to this date many fine young men from entering medical college and subsequently becoming members of the medical profession.

The present Administrator, who, without a doubt, will become Secretary of Welfare if this plan be adopted, who testified in favor of plan No. 1, stated that he would in no way relent—let me repeat that—he would in no way relent his advocacy of a proposed compulsory health program. Yet we have heard today in the debate that socialized medicine is not the issue. I say it is the issue, for, if the Social Security Administrator may become the Director of Welfare, with the prestige of a Cabinet position back of him with thousands upon thousands of employees he will have an opportunity to infiltrate through educational avenues, through health avenues, and through welfare avenues; he will have a source of propaganda unequaled in any other agency in the United States Government at any time in the history of the Nation.

Under the presently existing Federal Security Agency the Administrator does not have authority to delegate functions of agencies under him. He can merely supervise and direct. The question was asked on the floor of the Senate what changes will take place if plan No. 1 shall be adopted. The specific plan sets forth——

The VICE PRESIDENT. The Senator has less than a minute left.

Mr. HUNT. The specific plan sets forth that the Secretary of Welfare is authorized to delegate to any officer or employee or to any bureau or any other organization such of his functions, and so forth. Today the law is that the Surgeon General and the Commissioner of Education may delegate all functions, all the authority, all the power now vested in them, respectively.

The VICE PRESIDENT. The time of the Senator has expired. The Senator from Arkansas has 2 minutes remaining.

Mr. McCLELLAN. Mr. President, I yield that time to the Senator from Wyoming.

Mr. HUNT. Mr. President, the proposed plan No. 1 involves such a large group of persons, such a tremendous appropriation, such great numbers of personnel, that I think only ineffective administration can possibly follow. Four of the largest departments of the Government would pass to its jurisdiction.

On the State level these three services are separate and distinct. We shall meet with refusal by the State departments when attempts are made to bring them into one organization.

Congress has already made great strides toward reorganization. The passage of the Unification Act was a milestone, and it will accomplish more with reference to the saving of money to the taxpayers than all the rest of the plans put together.

Mr. President, this plan is not actually plan No. 1. It is actually plan No. 8. It appears to me that without a question of doubt at least six of the reorganization plans will be looked upon favorably by the Congress. One, or possibly two, may be disapproved. That is a batting average of some 750 percent—and that is pretty good batting average in any man's league.

I say that by supporting Senate Resolution 147 we are not in any sense of the word acting against the Hoover recommendations.

Mr. McCLELLAN. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hendrickson	Millikin
Anderson	Hickenlooper	Morse
Baldwin	Hill	Mundt
Brewster	Hoey	Murray
Bricker	Holland	Myers
Bridges	Humphrey	Neely
Butler	Hunt	O'Conor
Byrd	Ives	O'Mahoney
Cain	Jenner	Pepper
Capehart	Johnson, Colo.	Robertson
Chapman	Johnson, Tex.	Russell
Chavez	Johnston, S. C.	Saltonstall
Connally	Kefauver	Schoeppel
Cordon	Kem	Smith, Maine
Donnell	Kerr	Smith, N. J.
Douglas	Kilgore	Sparkman
Downey	Knowland	Stennis
Dulles	Langer	Taft
Eastland	Lodge	Taylor
Ecton	Long	Thomas, Okla.
Ellender	Lucas	Thomas, Utah
Ferguson	McCarran	Thye
Flanders	McCarthy	Tydings
Frear	McClellan	Vandenberg
Fulbright	McFarland	Watkins
George	McKellar	Wherry
Gillette	Magnuson	Wiley
Graham	Malone	Williams
Green	Martin	Withers
Gurney	Maybank	Young
Hayden	Miller	

The VICE PRESIDENT. A quorum is present. The question is on agreeing to Senate Resolution 147, a resolution disapproving Reorganization Plan No. 1. A yea vote will be in disapproval of Reorganization Plan No. 1, a nay vote will in effect be in approval of Reorganization Plan No. 1. The Secretary will call the roll.

The Chief Clerk called the roll.

Mr. MYERS. I announce that the Senator from Rhode Island [Mr. McGRATH] and the Senator from Connecticut [Mr. McMAHON] are absent on public business.

On this vote the Senator from Rhode Island [Mr. McGRATH] is paired with the Senator from Kansas [Mr. REED]. If present and voting, the Senator from Rhode Island would vote "nay," and the Senator from Kansas would vote "yea."

Mr. SALTONSTALL. I announce that Senator from Kansas [Mr. REED], who is absent by leave of the Senate, is paired with the Senator from Rhode Island [Mr. McGRATH]. If present and voting, the Senator from Kansas would vote "yea," and the Senator from Rhode Island would vote "nay."

The Senator from New Hampshire [Mr. TOBEY] is necessarily absent.

The result was—yeas 60, nays 32, as follows:

YEAS—60

Baldwin	Dulles	Hunt
Brewster	Eastland	Ives
Bricker	Ecton	Jenner
Bridges	Ferguson	Johnson, Colo.
Butler	Flanders	Johnston, S. C.
Byrd	Fulbright	Kem
Cain	George	Knowland
Capehart	Gillette	Long
Chapman	Gurney	McCarthy
Connally	Hendrickson	McClellan
Cordon	Hickenlooper	McKellar
Donnell	Hill	Malone
Martin	Russell	Thye
Maybank	Saltonstall	Tydings
Miller	Schoeppel	Vandenberg
Millikin	Smith, N. J.	Watkins
Morse	Sparkman	Wherry
Mundt	Stennis	Wiley
O'Conor	Taft	Williams
Robertson	Thomas, Okla.	Young

NAYS—32

Aiken	Holland	Magnuson
Anderson	Humphrey	Murray
Chavez	Johnson, Tex.	Myers
Douglas	Kefauver	Neely
Downey	Kerr	O'Mahoney
Ellender	Kilgore	Pepper
Frear	Langer	Smith, Maine
Graham	Lodge	Taylor
Green	Lucas	Thomas, Utah
Hayden	McCarran	Withers
Hoey	McFarland	

NOT VOTING—4

McGrath	Reed	Tobey
McMahon		

The VICE PRESIDENT. On this question the yeas are 60, the nays are 32. A majority of the qualified Members of the Senate, as required by the Reorganization Act, having voted in the affirmative, the resolution of disapproval is agreed to.

Mr. FREAR subsequently said: Mr. President, I ask unanimous consent to have printed in the body of the RECORD at the appropriate place remarks which I had intended to make on Senate Resolution 147.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Mr. President, I would like to associate myself with the remarks made by the distinguished junior Senator from Maine. It is my feeling that this reorganization plan is a long step forward in the right direction. It does not, in my opinion mean that we are to have socialized medicine, which I definitely oppose. In that connection I refer to the testimony of the Federal Security Administrator before the Committee on Expenditures. This very question was asked of Mr. Ewing by the distinguished Senator from Maryland, Mr. O'CONOR. I quote from the testimoney which appears on page 124:

"Senator O'CONOR. You have been the Administrator with the Public Health Service under your supervision and direction for a few years. In your considered judgment would this plan, if adopted, be a step nearer to socialized medicine in the United States, or not?

"Mr. EWING. I give you my word, I do not think it has the slightest bearing on it. I think it unfortunate that here on a matter of governmental organization, a matter of programing has been brought into the picture. The question of whether or not there will be national health insurance will be decided by the Congress."

The distinguished Senator from Maryland further asked Mr. Ewing whether or not the powers which would be vested in the new Secretary of Welfare, if and when the plan was adopted, would make it possible for him to effect socialized medicine in the United States.

Mr. Ewing replied in these words, "Absolutely no. There is not the remotest thought of such a thing by those of us who are advocating this plan."

Mr. President, I should also like to reemphasize that the approval of a Secretary of Welfare will rest with the Senate who may accept or reject whatever nomination is submitted to this body.

We should further realize that the plan does conform in a large measure to the Hoover Commission's recommendations.

We will not achieve the perfect ideal to start with, but adoption of this plan will, I feel certain, give us impetus along the right road.

THE PROPOSED DEPARTMENT OF WELFARE

Mrs. SMITH of Maine subsequently said: Mr. President, I submit for the RECORD the Gallup poll on the proposal for creation of a new Department of Welfare, showing that a majority of American voters favor this proposal. It reads as follows:

THE GALLUP POLL—PLAN FOR WELFARE DEPARTMENT GIVEN MAJORITY VOTER SUPPORT

(By George Gallup, director, American Institute of Public Opinion)

PRINCETON, N. J., August 11.—President Truman's plan to create a Federal Department of Welfare headed by a Cabinet member has a good deal of popular appeal throughout the country.

Creation of such a department was one of the recommendations made by the special commission headed by former President Herbert Hoover for reorganization of Government operations. Last week a Senate committee held public hearings on the plan, but turned in an adverse report to the Senate. A fight over the measure is expected on the Senate floor.

Opinion among a representative cross-section of voters in all the 48 States was sounded on the plan in the following survey by the American Institute of Public Opinion:

"It has been suggested that a Secretary (in the President's Cabinet) be appointed to head a new Department of Public Welfare in Washington which would include such things as social security, public health, and education. Do you approve or disapprove of this?"

The vote:

	Percent
Approve	54
Disapprove	26
No opinion	20

A fairly sharp division of sentiment along party lines was found in the survey. A substantial majority of persons who voted for Mr. Truman last November expressed favorable opinions on the creation of a welfare department.

Among Republicans, sentiment was much more closely divided, as follows:

	Truman voters Percent	Dewey voters Percent
Approve	61	45
Disapprove	20	38
No opinion	19	17

At the Senate committee hearings last week a sharp debate was touched off when Oscar Ewing, Federal Security Administrator, charged that rejection of the welfare plan would "repudiate President Hoover and all the work of his Commission."

This poll indicates that the American public read and took seriously the statement of former President Herbert Hoover when he appeared before my Committee on Expenditures in the Executive Departments, and stated, on June 30 of this year:

Mr. HOOVER. I am very glad to respond to your invitation to discuss these questions with the committee, and I can do so I think very shortly.

I wish to say at once that the seven plans are all steps on the road to better organization of the administrative branch. They are, insofar as they go, substantially in accord with the recommendations of the Commission on Organization of the Executive Branch of the Government.

The difficulty with this subject is that the President's authority under the Reorganization Act of 1949 is very limited. In most of these seven cases the full accomplishment of reorganization as recommended by the Commission requires also extensive and specific special legislative action, one that goes beyond the President's authority under this act. Either most of the seven plans must be regarded as simply preliminary steps, or must be absorbed, now or later, in full legislation if we are to effect the efficiencies and economies sought by the Commission.

Mr. HUMPHREY subsequently said: Mr. President, I ask unanimous consent to have printed in the RECORD a statement by myself pertaining to the reorganization plan.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Mr. President, I have listened with great interest to this debate on Senate Resolution 147 and on the proposal to create a Department of Welfare.

I am in complete agreement with those who contend that the establishment of such a department, as urged by the President, is necessary for the more efficient operation of our Government, and that it follows the basic philosophy and recommendations of the Hoover report.

I am in complete agreement with those who insist that the adoption of the proposal will not limit in any way our freedom to take subsequent action affecting the status of the Public Health Service.

And I resent bitterly the misdirected efforts of a $3,500,000 lobby to defeat this first reorganization plan. This issue has nothing to do with health insurance.

I am also concerned, however, with another factor which so far as been touched upon only in passing. It seems to me that it transcends all of the other questions which have been raised in this debate.

Involved in this controversy, but not immediately a part of it, is a much larger issue, which boils down to the simple question: Which side of the fence are we on?

Do we favor measures to promote the welfare of the people of this country? Or are we against measures to promote the welfare of the people of this country?

I am using the term "welfare" deliberately, for the very word itself acquired a political significance that far overshadows its actual definition. And without question, the fact that the new department is to be called a Department of Welfare lends an intensity to this debate which might otherwise be lacking.

The dictionary defines welfare as "state of faring, or doing well; especially condition of health, prosperity, etc.; negatively, exemption from evil or calamity."

It is unfortunate, of course, that in the minds of many people the word has become associated with the various community social services to aid the poor and the helpless—a wholly restricted meaning which carries with it the aura of charity. But this, certainly, is not welfare as we understand the word. Even in this restricted sense, however, it displays a deplorable lack of social conscience and understanding to argue that health is not or should not be involved in "welfare."

But it is far more unfortunate, I think, that in recent years another and wholly different meaning has become attached to the word. For on the tightening battle front between the Tory conception of government and the Liberal conception of government we have begun to hear a great deal about the so-called welfare state.

The reactionaries have seized on this phrase to express their contempt and scorn for all progressive social legislation. Or perhaps, it would be more accurate to say, their fear of all progressive social legislation. Yet why they should fear it, except out of blindness, I am at a loss to understand, because this kind of legislation, if wisely drawn, is the only hope we have of preserving the system of free private enterprise—and I am in dead earnest about that.

"Welfare state."

The Senator from Minnesota called it political semantics. That is exactly what it is. The phrase is spoken with a curl of the lips, a sneer, a hint of terror, as if "welfare" were a synonym for "police." It is repeated in the same way, with the same inflection and the same sinister insinuation, time after time. And finally, those who themselves conceived the phrase as a means of smearing policies and programs which they know the people want, come to believe the implications they read into it, and even to attribute the phrase itself to us.

But let us not be deceived as to their intentions. Let us not be influenced by semantics. This is the same battle that has been fought in this country ever since it was said, in the preamble to the Constitution, that one of the major purposes of this Government was to "promote the general welfare." Every time, almost without exception, that an attempt has been made to apply that purpose to the people at large and not simply to the rich and the well-entrenched, the same cry has been raised by the same kind of people. Only the phrase change.

The phrase "welfare state" is comparatively new. But the tone of voice is always the same, the purpose is always the same, the philosophy is always the same. Throughout our history, any project of government which involved the spending of the people's money in the interest of the people has called forth the same thunder and the same forked lightning.

Let me read you an excerpt, Mr. President, from a speech by a former high-ranking Government official, Hugh Legaré, Secretary of State under J. Q. Adams—a former Secretary of State—which I think you will agree has a familiar, disturbing ring.

"The Government," this gentleman says, "has been fundamentally altered * * * instead of confining itself in times of peace to the diplomatic and commercial relations of the country, it is seeking out employment for itself, by interfering with the domestic concerns of society, and threatens in the course of a very few years to control in the most offensive and despotic manner all the pursuits, the interests, the opinions, and the conduct of men."

This gentlemen, was a speech delivered in 1828, in an attack against President John Quincy Adams of the Massachusetts Adamses. And his crime was that he had proposed an extensive program of internal improvements for the country, to be financed by the Government out of the sale of public lands. If the term "welfare state" had been in existence it certainly would have been included in that speech.

As for myself, every instinct calls for resentment against this deliberate twisting and distortion of the simple and homely word "welfare," and the implied assumption that anything connected with it is leading this Nation down the road to statism or socialism.

In considering the basic intent and purpose of this proposed Department of Welfare we can well turn to the Constitution of this Nation and read, once again, the phraseology of its magnificent preamble:

"We, the people of the United States, in order to form a more perfect Union, establish justice, insure domestic tranquility, provide for the common defence, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution for the United States of America."

Let me repeat that phrase—the phrase which introduced a brand new light into a world of tyranny and darkness: "To promote the general welfare and to secure the blessings of liberty for ourselves and for our posterity."

Certainly when those words were first put on paper their significance was revolutionary.

The Kings and Czars and Emperors in Europe who read them may well have feared their impact on their own people. They did fear it, and they trembled. For they knew that any real intent to promote the general welfare of a people could lead down one road only—the road to democracy.

And that was precisely the road our forefathers had taken. It is the road we are still following, and I, for one, hope we never turn back.

Since the establishment of the Nation in 1789, the organization of this Government has, by definition, been a welfare state—that is, a state in which the broad interests of the people were considered rather than the narrow interests of their rules or of any ruling class. And the growth and development of that idea is the heart and soul of this Nation's history. It has always involved a struggle between the people and the would-be aristocracy, the Tories.

Alexander Hamilton, that arch conservative, was the first to proclaim the right of Government to take action under this general welfare clause of the Constitution. The National Bank, conceived by him and established by Congress in 1791, was deemed to be a legitimate means for the promotion of the general welfare. This was supported by the Tories, for it was helpful to them.

The proposal advanced by John Quincy Adams, which I have already mentioned, also was justified under the general-welfare clause. So was the establishment of the forerunner of the same Public Health Service which we are now told would be desecrated by mere association with the word, or even the idea of "welfare." That, Mr. President, was in 1798. And its establishment was bitterly fought at that time by the same kind of people and with the same kind of specious arguments that we hear today in opposition to Reorganization Plan No. 1. The Tories saw no advantage in it for them, but only an extra expense.

In the 1850's the construction of our western railroads became a vital necessity for the economic development of the Nation. And Congress set aside some 180,000,000 acres of public lands as a subsidy for this construction—again in the name of the general welfare. In this form, the Tories dearly loved the welfare state.

During Lincoln's administration, the Homestead Act of 1862 and subsequent legislation provided for the free distribution of over 200,000,000 acres of public lands to aid in the settling of the West. But it was also, in many respects, a relief measure, sponsored by Government—a sort of glorified WPA. For its immediate purpose was to give hundreds of thousands of eastern farmers and workers, who were being squeezed by economic forces beyond their control, a chance to stand on their own two feet and make their own way in life under more favorable circumstances. This, too, in the name of the general welfare. Even the Tories did not mind very much, because land was plentiful. Besides, they got all of it they could handle.

The principle of land grants to support education, which was first promulgated by Jefferson in 1789, was widely applied during this period and became the basic factor in the establishment of our free public school system. This the Tories violently protested, and the reverberations of the charges of socialism which were launched against this project are still heard in our present-day debate over Federal aid to education.

Following the Civil War, the emphasis shifted. The immediate focus was on the protection and development of the Nation's industries. Every tariff law passed in the following decades was based on the general-welfare clause of the Constitution. The Tories loved this so much they almost made it a political religion. Socialism? Oh, my, no. This was for the general welfare. This was to protect the workingman. Cynics may contend that it was more for the general welfare of big business. But no reasonable man can deny, in spite of all the excesses and hypocrisies it bred, that the high tariff probably did encourage the tremendous expansion of business and industry which occurred during this period, that it did lay the foundations of our present national strength, and, in that sense, that it did promote the general welfare. I look with a jaundiced eye, however, upon the Tories' pious protestations of concern, in this connection, for any welfare but their own.

Around the turn of the century it became oppressively clear that the welfare of big business was getting out of hand, and that the excesses of private power—of the malefactors of great wealth—had become a definite threat to the general welfare.

The era of trust-busting which followed dramatized this fact. But far more effective was the policy of Government regulation of the railroads, the utilities, and other forms of monopoly, a policy initiated at about the same time and carried through by succeeding administrations, both Republican and Democratic. The welfare state was growing up, stepping in to protect the interests of the individual citizen and to safeguard the competitive position of the small-business man. Here, the Tories were divided among themselves. The extremely reactionary resisted bitterly; the merely conservative approved. The general public applauded.

During this same general period—the latter half of the nineteenth century and the early part of the twentieth—Government at various levels stepped in to promote the general welfare by establishing workmen's compensation systems and local and State health departments, by providing free vaccinations against diphtheria and other communicable diseases, and in many other ways. The Tories always protested. Specifically, every one of these progressive moves was attacked bitterly and battled every step of the way by organized medicine. This controversy today, Mr. President, is nothing new. It is an old, old story.

Even so cursory a summary indicates what a potent force the general welfare clause has been in the peaceful progress of our country along the road to democracy. Each generation has interpreted the clause according to its own needs, to meet it own peculiar problems. The establishment of a Department of Agriculture, a Department of the Interior, a Department of Commerce, and a Department of Labor, the beginnings we have made in providing public health and social welfare services, all have come in response to definite and concrete needs of the people. And all of these functions of Government have contributed, and contribute today, to the general welfare of the people of the United States whose Government this is.

Always, however, in spite of partisan strife and sometimes exceedingly bitter controversy over its interpretation, the phrase to promote the general welfare has always retained its unique American meaning. Until just recently—I think within the last year, if I am not mistaken—no responsible American has ever attempted to tarnish it, to twist and distort it, to give it an un-American connotation.

In all of our history, the phrase has never been employed as an excuse to regiment the people or to extend the authority of Government over their lives, in the sense that this is done in totalitarian countries. Every American knows this. The emphasis has always been upon measures to help the businessman, the farmer, the worker, or just plain John Citizen, to stand on his own two feet in dignity and in freedom and to grapple more effectively with his own problems. Our farm legislation, our labor legislation, our legislation on matters of business and industry, all has been debated, fought over, and passed with this end in view. We have disagreed. We have made mistakes. But the purpose has always been to oil the machinery of what is essentially the American way of life—individual freedom and equality of opportunity in an expanding and improving democratic society

During the past two decades we have had once again to interpret this clause of the Constitution in terms of our own generation, to meet our own needs, to solve our own problems.

No disaster, save war, struck so hard at the Nation as did the great debacle of 1929 and the subsequent depression of the early thirties. Almost overnight we saw our entire economic structure fall apart, and the Nation-wide tragedy of mass unemployment and mass misery is still fresh in the minds of all those who suffered by it, and all those who understood it.

Government moved to take drastic action under the general welfare clause. It was the establishment of the Reconstruction Finance Corporation by President Hoover, in an effort to save the large banks and financial institutions, which first set the process in motion. And all subsequent steps taken by the Roosevelt administration to start the wheels of industry turning again had this same source of authority.

But out of the hunger, misery, and fear engendered by this disaster emerged, by the very force of circumstances, a new and more significant understanding of the problem of the general welfare. And it took shape in the concept of the responsibility of government for the basic well-being of the individual.

I believe it is overwhelmingly clear that this responsibility must be met by government in our time, or that "government of the people, by the people, and for the people" will, despite all our hopes and dreams, "perish from the earth."

This responsibility, Mr. President, can be met in either of two ways, but there is no third alternative.

It can be met as we are now meeting the problem of unemployment, disability, and old age. Because we refuse to expand our system of social insurance sufficiently to enable our people to provide for themselves out of their own production while they are on the job, we have been forced to increase payments for relief out of general taxation until the dole is now much greater by far than the benefits of social insurance. By this means, we are hastening the day when the dole will be demanded and accepted by all as a charge against the general revenues. That, Mr. President, I deplore and fear.

In the same way, we can meet this responsibility as we are today in the field of medical care, providing State medicine out of general taxes for more and more of the population instead of making it possible, through social insurance, for the people to pay their own private physicians and their own private hospitals. This, too, I deplore and fear. For this, Mr. President, is real, honest-to-God socialism, and I do not believe that democracy and freedom can long survive under socialism.

These are the two alternatives: To provide for the needs of the people directly out of the Public Treasury, or to make it possible for the people to provide for themselves. I repeat, there is no other alternative.

The various welfare programs now administered by the Federal Security Agency in the fields of health, education, and social security, are all efforts on the part of Government to meet this cardinal responsibility. We may, and often do, disagree about what we should do in these fields and how we should do it, and whether they are all a part of the same general field or separate and distinct. We shall always have such disagreements,

and they are healthy. But it is not only unhealthy, but decidedly dangerous, Mr. President, for those who oppose these programs to seek to discredit them and their advocates by the reckless use of inflammatory phrases. The problem we face is far too serious to be dealt with by a play on words, by sloganeering.

I am firmly convinced that democracy and private enterprise go hand in hand, that neither can last for long without the other.

I am equally convinced that neither democracy nor private enterprise can survive in any country where the basic needs of a large proportion of the people are left unmet for any considerable period of time. They will be met, Mr. President. Let no one be deceived about that.

Our task is to see that they are met now, within the framework of our free, democratic system of private enterprise, and not to permit that system to be destroyed because of our failure to face this fundamental problem and solve it.

I have all respect for those who believe otherwise, but I am convinced that we are on the right track with programs of health, education, and social insurance on which we have embarked with such hesitant trepidation. What we have done already in these fields, pitifully limited though it is, prevented the complete collapse of our system once and might prevent another and more serious collapse.

What are these programs, Mr. President, to which some refer with such derision and denounce with such bitter venom?

For one thing, we have seen, in the last decade and a half, the establishment of a Nation-wide system of social insurance. It is tragically inadequate because the Congress has refused to improve and expand it. But it helps to protect millions of workers and their wives against the hazards of old age, and provides for widows and children in the event of the death of the family breadwinner. Is this subversive?

We have seen the establishment of a Nation-wide system of job insurance which helps protect the worker against the hazards of unemployment. Is this sinister?

We have seen the establishment of a system of relief, or public assistance, to provide the bare necessities of life to dependent children, the needy aged, and the blind. Is this socialistic?

We have witnessed the development of our Public Health Service to a point where it has become one of the most powerful weapons we possess in the struggle against sickness and disease. Is this to be decried?

We have seen the notable work the Children's Bureau has done in helping to care for mothers and babies and crippled children. Is this dangerous?

We have seen the inauguration of a vitally important Federal-State program for the control of cancer, tuberculosis, venereal, heart, dental, neurological and mental diseases, and other ills of mankind. Is this deplorable?

We have witnessed a tremendous development in the field of medical research, sponsored by Government, which has already proved of inestimable value to our own generation. Shall we denounce this?

On still another front, we have seen the Office of Education grow steadily in stature and influence as it seeks to help the States in their constant effort to improve our public school system. Is this communistic?

Beyond this, we have seen the scope of our vocational rehabilitation efforts increase with each passing year. The protection afforded the people of this Nation, through the administration of the Food, Drug and Cosmetic Act, has taken on greater and greater significance. And in many other related areas of activity there has been tremendous progress.

All these services, now under the jurisdiction of the Federal Security Agency, play a vitally important role in the preservation of our uniquely American way of life. Their purpose is to promote the general welfare.

I, for one, am in favor of the programs the Department of Welfare is designed to administer. I am for their extension to meet the responsibility I feel we must meet if our system is to be preserved for our children. I am always willing to debate these questions and, if it comes to that, to accept defeat as gracefully as possible. I believe in the ultimate wisdom of the people and their Congress.

But even if I opposed these programs and believed they should be eliminated, I would still be in favor of Reorganization Plan No. 1. Whether or not Government is doing what I believe it should do, I still believe it should do whatever it does as efficiently and economically as possible. That, to my mind, is the sole purpose of this reorganization plan, and will be its only effect.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Kent, its enrolling clerk, announced that the House had passed, without amendment, the following bills of the Senate:

S. 555. An act for the relief of Eiko Nakamura;

S. 622. An act for the relief of Isaiah Johnson;

S. 787. An act for the relief of William (Vasilios) Kotsakis;

S. 1026. An act for the relief of Roman Szymanski and Anastosia Szymanski; and

S. 2170. An act for the relief of W. P. Bartel.

The message also announced that the House insisted upon its amendments to the bill (S. 1008) to define the application of the Federal Trade Commission Act and the Clayton Act to certain pricing practices, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. CELLER, Mr. WALTER, Mr. WILLIS, Mr. MICHENER, and Mr. CASE of New Jersey were appointed managers on the part of the House at the conference.

The message further announced that the House had agreed to the amendment of the Senate to the bill (H. R. 3440) for the addition of certain lands to Rocky Mountain National Park, Colo., and for other purposes.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 5086) to accord privileges of free importation to members of the armed forces of other nations.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service:

H. R. 5465. A bill to amend section 4 (e) of the Civil Service Retirement Act of May 29, 1930, as amended; without amendment (Rept. No. 926).

By Mr. McCLELLAN, from the Committee on Expenditures in the Executive Departments:

S. Res. 155. Resolution disapproving Reorganization Plan No. 7 of 1949; without recommendation (Rept. No. 927).

By Mr. HUNT, from the Committee on Armed Services:

S. 1390. A bill to authorize the conveyance to the State of California of easements for the construction, operation, and maintenance of a toll highway crossing and approaches thereto over and across lands of the United States in the vicinity of San Francisco Bay, Calif., and for other purposes; with amendments (Rept. No. 928).

ENROLLED JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, August 16, 1949, he presented to the President of the United States the enrolled joint resolution (S. J. Res. 79) authorizing Federal participation in the International Exposition for the Bicentennial of the Founding of Port-au-Prince, Republic of Haiti, 1949.

EXECUTIVE REPORT OF A COMMITTEE

As in executive session,

The following favorable report of a nomination was submitted:

By Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service:

Twenty-six postmasters.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WILEY:

S. 2443. A bill for the relief of Mrs. Georgette Ponsard; to the Committee on the Judiciary.

By Mr. KNOWLAND (for himself and Mr. DOWNEY):

S. 2444. A bill to authorize an agreement between the United States and Mexico for the joint construction and operation and maintenance by the International Boundary and Water Commission, United States and Mexico, of a sanitation project for the cities of Clexico, Calif. and Mexicali, Lower California, Mexico; to the Committee on Foreign Relations.

By Mr. BREWSTER:

S. 2445. A bill to provide for the taxation of the income of foreign subsidiaries of American corporations; to the Committee on Finance.

MILITARY ASSISTANCE TO FOREIGN NATIONS—AMENDMENTS

Mr. SMITH of New Jersey submitted two amendments intended to be proposed by him to the bill (S. 2388) to promote the foreign policy and provide for the defense and general welfare of the United States by furnishing military assistance to foreign nations, which were referred to the Committees on Foreign Relations and Armed Services, jointly, and ordered to be printed.

HOUSE BILLS AND JOINT RESOLUTION REFERRED OR PLACED ON CALENDAR

The following bills and joint resolution were read twice by their titles and referred, or ordered to be placed on the calendar as indicated:

H. R. 210. An act to authorize the conveyance of a portion of the United States military reservation at Fort Schuyler, N. Y., to the State of New York for use as a maritime school, and for other purposes; and

H. J. Res. 230. Joint resolution authorizing the Secretary of the Navy to construct and the President of the United States to present to the people of St. Lawrence, Newfoundland, on behalf of the people of the United States, a hospital or dispensary for heroic services to the officers and men of the United States Navy; to the Committee on Armed Services.

H. R. 829. An act to authorize the Secretary of Agriculture to accept buildings and improvements constructed and affected by the Buffalo Rapids Farms Association on project lands in the Buffalo Rapids water conservation and utilization project and canceling certain indebtedness of the association, and for other purposes;

H. R. 2015. An act to authorize the Secretary of Agriculture to convey and exchange certain lands and improvements in Grand Rapids, Minn., for lands in the State of Minnesota, and for other purposes;

H. R. 4090. An act to extend the benefits of section 23 of the Bankhead-Jones Act to Puerto Rico;

H. R. 5512. An act to amend section 13 of the Federal Farm Loan Act, as amended;

H. R. 5601. An act to authorize the exchange of certain lands of the United States situated in Iosco County, Mich., for lands within the national forests of Michigan, and for other purposes;

H. R. 5679. An act to authorize the transfer of certain agricultural dry land and irrigation field stations to the States in which such stations are located, and for other purposes; and

H. R. 5839. An act to facilitate and simplify the work of the Forest Service, and for other purposes; to the Committee on Agriculture and Forestry.

H. R. 2166. An act to amend title 28, United States Code, section 456, so as to increase to $15 per day the limit on subsistence expenses allowed to justices and judges while attending court or transacting official business at places other than their official station, and to authorize reimbursement for such travel by privately owned automobiles at a rate of not exceeding 7 cents per mile;

H. R. 5620. An act permitting the use, for public purposes, of certain land in Hot Springs, N. Mex.; and

H. R. 5670. An act authorizing transfer of land to the county of Bernalillo, State of New Mexico, for a hospital site; ordered to be placed on the calendar.

H. R. 2734. An act to amend an act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914 (38 Stat. 730), as amended; and

H. R. 4692. An act to provide for the extension of the term of certain patents of persons who served in the military or naval forces of the United States during World War II; to the Committee on the Judiciary.

H. R. 4069. An act to reserve certain land on the public domain in Nevada for addition to the Summit Lake Indian Reservation;

H. R. 4231. An act to reserve certain land on the public domain in Utah for addition to the Goshute Indian Reservation;

H. R. 4509. An act to amend the act of February 25, 1920 (41 Stat. 452), and for other purposes;

H. R. 5097. An act for the administration of Indian livestock loans, and for other purposes;

H. R. 5098. An act to authorize the leasing of restricted Indian lands for public, religious, educational, recreational, business, and other purposes requiring the grant of long-term leases;

H. R. 5232. An act to amend the Road Act of May 26, 1928 (45 Stat. 750), authorizing appropriations for roads on Indian reservations;

H. R. 5390. An act to authorize the Secretary of the Interior to exchange certain Navajo tribal Indian land for certain Utah State land;

H. R. 5489. An act to ratify and confirm Act 251 of the Session Laws of Hawaii, 1949;

H. R. 5556. An act to make available for Indian use certain surplus property at the Wingate Ordnance Depot, New Mexico; and

H. R. 5764. An act to authorize the granting to the city of Los Angeles, Calif., of rights-of-way on, over, under, through, and across certain public lands; to the Committee on Interior and Insular Affairs.

H. R. 5731. An act to discharge a fiduciary obligation to Iran; to the Committee on Foreign Relations.

ADDRESS BY SENATOR MARTIN BEFORE ANNUAL CONVENTION OF THE AMERICAN LEGION, DEPARTMENT OF PENNSYLVANIA

[Mr. MARTIN asked and obtained leave to have printed in the RECORD an address delivered by him before the annual convention of the American Legion, Department of Pennsylvania, at Pittsburgh, Pa., on August 12, 1949, which appears in the Appendix.]

PENNSYLVANIA'S MINERALS—EDITORIAL FROM THE HARRISBURG NEWS

[Mr. MARTIN asked and obtained leave to have printed in the RECORD an editorial entitled "Pennsylvania's Minerals," published in the Harrisburg News, which appears in the Appendix.]

MERGER WITH THE UNITED KINGDOM—ARTICLE BY RAY CROMLEY

[Mr. WHERRY asked and obtained leave to have printed in the RECORD an article entitled "Merger With the United Kingdom?" by Ray Cromley, published in the Wall Street Journal for August 16, 1949, which appears in the Appendix.]

COMMENT ON SPEECH BY SENATOR NEELY AGAINST THE TAFT-HARTLEY LAW BY THE MONTGOMERY (ALA.) EXAMINER

[Mr. KILGORE asked and obtained leave to have printed in the RECORD an article entitled "NEELY on Taft-Hartley," published in the Montgomery (Ala.) Examiner of August 11, 1949, which appears in the Appendix.]

DEMOCRATIC COMMITTEE TAKES ISSUE WITH POWER SUGGESTION—ARTICLE BY CHARLES LUCE.

[Mr. MAGNUSON asked and obtained leave to have printed in the RECORD an article entitled "Democratic Committee Takes Issue With Power Suggestion," by Charles Luce, published in the Union-Bulletin of Walla Walla, Wash., for July 31, 1949, which appears in the Appendix.]

REORGANIZATION PLANS—ARTICLE BY MARQUIS CHILDS

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD excerpts from an article by Marquis Childs, published in the Washington Post of August 12, 1949, which appears in the Appendix.]

ATLANTIC UNION RESOLUTION

[Mr. KEFAUVER asked and obtained leave to have printed in the RECORD an editorial entitled "Into a Golden Future," published in the Daily Missoulian of Missoula, Mont., of July 27, 1949, which appears in the Appendix.]

THE AIR CORPS AND SECRETARY SYMINGTON—EDITORIAL FROM THE NASHVILLE TENNESSEAN

[Mr. KEFAUVER asked and obtained leave to have printed in the RECORD an editorial entitled "Blasted Rumors," dealing with the B–36, published in the Nashville Tennessean of August 14, 1949, which appears in the Appendix.]

THE POTATO SITUATION

[Mr. BREWSTER asked and obtained leave to have printed in the RECORD a statement prepared by him dealing with potatoes, which appears in the Appendix.]

LEAVE OF ABSENCE

Mr. AIKEN. Mr. President, I ask unanimous consent for leave of absence from the Senate from tomorrow until Wesdnesday of next week, to keep engagements made a long time ago.

The VICE PRESIDENT. Without objection, consent is granted.

RELIEF FOR STRICKEN ECUADOR

Mr. WILEY. Mr. President, I send to the desk a statement which I have prepared on the subject of relief aid to stricken Ecuador. I ask unanimous consent that it be printed at this point in the CONGRESSIONAL RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR WILEY ON ECUADORAN RELIEF

No one need be told about the terrible catastrophe which has visited the unfortunate people of Ecuador. We have read the news stories and seen the pictures of the appalling tragedy which took over 6,000 lives, injured tens of thousands, and made countless individuals and families homeless.

I have just returned from the Statler Hotel here in Washington where a press conference was held on the subject of soliciting American contributions for Ecuadoran relief. I was glad to join in this vital endeavor in order to show that we Americans don't just talk about Pan-American solidarity but that we really act.

I have appealed for funds to be contributed to Ecuadoran Relief, in care of the Pan-American Union, Washington 6, D. C. An information coordinator's office has already been set up at room 1017, Dupont Circle Building, under Mr. David Polland.

We cannot pay too high tributes to the magnificent relief action which has been taken by various organizations already. The American Red Cross has once again demonstrated its always miraculous service abilities—to be on the spot right after disaster occurs with the items necessary to ease human suffering and pain, to prevent epidemics, to feed the hungry. The Pan American Union, the Institute of Inter-American Affairs, the Council of American Organizations, the United States State Department have all cooperated splendidly.

A national Ecuadoran Relief Council will be set up and will be composed of leading citizens of America whose integrity and selflessness in humanitarian endeavors are unimpeachable.

I append the text of three statements distributed at the conference which was just held, including the remarks of our Ambassador to Ecuador, Dr. Simmons, the able Ecuadoran Ambassador to Washington, His Excellency Augusto Dillion, and myself.

STATEMENT BY DR. JOHN F. SIMMONS, AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY

The people of the United States have been profoundly shocked by the terrible earthquake calamity suffered a few days ago by the friendly people of Ecuador. A whole region has been reduced to ruins. This region which I know so well is one of smiling valleys, picturesque towns, intensely cultivated farm land, and rugged Andes Mountains. It is the center of several thriving industries, and the heart of the fruit and vegetable growing section of the country. The shock felt by all of us on learning of the disaster was a very personal one for me.

I am speaking not only as American Ambassador to Ecuador, but also as an ardent admirer of that country where I have been living for two happy years. I speak likewise as a sincere friend of its president, Señor Galo Plaza Lasso, and of the kindly, industrious people of that small nation who, 14 months ago, chose him in an election representing the expressed will of a true democracy.

This catastrophe has stirred the hearts of the other American peoples who cherish warm friendship with the Ecuadoran people and esteem their high intellectual and cultural achievements. This is especially true of those who, like myself, have been privileged to enjoy the cordial hospitality of that beautiful Andean Republic.

In the United States, the prompt response has been immensely heartening. The American Red Cross did not lose a day, did not waste a minute. It has done an amazing job. Its entire organization moved into immediate action on receipt of the appalling news even before the full horror of the situation or the details as to casualties and homeless could be known.

Our United States Air Force planes have brought to the stricken area large quantities of desperately needed medical supplies, emergency communications, and sanitation equipment, blankets, and tents for the homeless. This American air lift carried in 42,000 tons of supplies and brought out hundreds of casualties during its first week of operation. Thanks to these efforts and to the help arriving from other sister republics, emergency relief needs have been promptly met. A magnificent emergency job has been done by Dr. Glenn Curtis, of California, in charge of our health and sanitation project in Ecuador. The Organization of American States and all the member countries of this hemisphere are planning long-term aid, as well, to restore Ecuador.

There was a fearful toll of death; a death which came to many with merciful swiftness; to others, helplessly trapped in the ruins of their homes or in churches with lingering suffering. It is hard to visualize the actual horror of what occurred. The earth seems literally to have opened and swallowed up some villages. Every house was destroyed in Pelileo, a friendly town of 3,500, enclosed by high mountains. Its citizens had recently opened in the town hall an Ecuadoran-American cultural center, an act of spontaneous friendship toward the United States. It had a library of books on the United States; photographs of George Washington and Abraham Lincoln. Several times I visited this center presided over by an Ecuadoran pharmacist devoted to the cause of inter-American friendship. Who knows if he and his little group are still alive? It would be a miracle if they escaped the disaster engulfing their town.

Ecuador is not a rich country nor a powerful one. But when the United States was attacked at Pearl Harbor, Ecuador immediately pledged and gave wholehearted aid to us. The little republic made available two bases for defense of the Panama Canal—one on the mainland, the other in the Galapagos Islands. In every other way in its power, Ecuador continued throughout the war to support the allied cause.

The devastated communities now face the onerous task of rehabilitation. Homes and farmsteads, water supply and power facilities, communications, schools, and churches were destroyed or damaged. The slow, costly work of repairing and rebuilding must be planned and executed. To assist the brave Ecuadoran people in this hour of need, I earnestly trust that we shall contribute generously to the Ecuador Relief Fund, care of Pan American Union, Washington, D. C.

STATEMENT OF AMBASSADOR AUGUSTO DILLON, OF ECUADOR

You have all read in the newspapers about the terrible catastrophe which has befallen Ecuador. The extent of the damage cannot be ascertained with certainty at the present time, and I think I cannot do better than to quote from the special message by President Galo Plaza to the Ecuadoran Congress: "Six thousand dead, one billion sucres, or roughly, sixty-seven million dollars, in material damage, and one hundred thousand people absolutely homeless. This is an unprecedented catastrophe in the history of Ecuador."

After burying the dead and caring for the injured, we are now engaged in Ecuador in providing shelter and clothes for these unfortunate people who, in a few seconds, not only lost their jobs and their homes, but also their worldly possessions.

One big phase of the catastrophe is dealt with. We now confront the task of reconstruction of devastated areas, in order to return to their previous standard of productivity. With the relatively scarce available resources of Ecuador, this seems like a gigantic task and almost beyond our means, but I am confident that, with the grit and determination which the Ecuadoran people have always shown in times of distress, the task, tremendous as it may seem, will, with the help of God, and after long and bitter struggle, be finally accomplished.

AN APPEAL FOR RELIEF AID TO ECUADOR

(Statement by Senator ALEXANDER WILEY, of Wisconsin)

All of us remember the parable of the Good Samaritan. America has always applied the Samaritan principle—of helping unfortunate peoples to help themselves.

Now, a terrible disaster—in Ecuador—has touched you—my fellow Americans—has touched your heart deeply as it has mine.

Let us give generously as the Good Samaritan gave. Let us help house the homeless in Ecuador, feed the hungry, treat the sick, ease the suffering in this earthquake-ridden land.

When America was struck by disaster at Pearl Harbor, Ecuador sprang nobly to our aid. She voluntarily gave us bases for defense. Later, she gave us vital war materials. She has always been our good neighbor. Now, it is our turn to show our neighborliness and Pan-American solidarity.

Ecuador is not wealthy land. Whatever financial contribution you can give will be appreciated.

Send your dimes, your nickels, your dollars to the Ecuadoran Relief Section, Pan American Union, Washington, D. C.

We've aided Europe. Now, let's not forget our good friends in the Western Hemisphere. Let's ease this earthquake tragedy.

I know how many appeals you and I hear and read about. But this is urgent—my friends—desperately urgent.

So, folks, let's dig down into our pockets.

America, as always, will not let a friend down in an hour of need.

It is still more blessed to give than to receive.

FEDERAL COOPERATIVE FOREST PROGRAMS

The VICE PRESIDENT laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H. R. 2296) to amend and supplement the act of June 7, 1924 (43 Stat. 653), and for other purposes; and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. THOMAS of Oklahoma. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. ELLENDER, Mr. HOLLAND, Mr. GILLETTE, Mr. AIKEN, and Mr. THYE conferees on the part of the Senate.

AMENDMENT OF COTTON AND WHEAT MARKETING QUOTA PROVISIONS OF AGRICULTURAL ADJUSTMENT ACT—CONFERENCE REPORT

Mr. THOMAS of Oklahoma. Mr. President, I submit a conference report on Senate bill 1962, to amend the cotton and wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and I ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. The report will be read for the information of the Senate.

The report was read.

(For conference report, see House proceedings of Thursday, August 11, 1949, pp. 11376–11380.)

The VICE PRESIDENT. Is there objection to the present consideration of the conference report?

There being no objection, the report was considered and agreed to.

REORGANIZATION PLAN NO. 7—LETTER FROM DIRECTOR OF THE BUDGET AND OPINION OF THE ACTING ATTORNEY GENERAL

The VICE PRESIDENT. The Chair has received a letter from the Director of the Budget, Mr. Pace, accompanying an opinion by Acting Attorney General Peyton Ford, on Reorganization Plan No. 7. The Chair would like to have Mr. Pace's letter read, and asks unanimous consent that the opinion of the Acting Attorney General be printed in the RECORD, for the information of the Senate.

The legislative clerk read as follows:

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., August 16, 1949.

Hon. ALBEN W. BARKLEY,
President of the Senate,
Washington, D. C.

MY DEAR MR. PRESIDENT: With reference to S. Res. 155 introduced by Senator HAYDEN on August 15, 1949, relative to Reorganization Plan No. 7, now under consideration in the Congress, I would like to advise you that under date of June 20, 1949, the President was advised by the Attorney General that Reorganization Plan No. 7 met with his approval as to form and legality and complied with the provisions of the Reorganization Act of 1949.

The President's attention was called to opposition to plan No. 7 on the grounds referred to in Senate Resolution 155 and he requested a further expression of views from the Department of Justice. In reply the Acting Attorney General transmitted to the President on August 13, 1949, a formal opinion reiterating the view of the Department of Justice that Reorganization Plan No. 7 was in every respect in compliance with the provisions of the Reorganization Act of 1949 and would become effective according to its terms.

With the approval of the President, I am transmitting herewith a copy of the opinion of the Acting Attorney General so that it may be available for consideration by the Congress. To this end may I respectfully request that the opinion be placed in the CONGRESSIONAL RECORD.

Sincerely yours,

FRANK PACE, Jr.,
Director.

There being no objection, the opinion was ordered to be printed in the RECORD, as follows:

AUGUST 13, 1949.

The PRESIDENT,
The White House.

MY DEAR MR. PRESIDENT: You have asked my views as to whether the enactment of the Federal Property and Administrative Services Act of 1949, Public Law 152, Eighty-first Congress, approved June 30, 1949, has affected the validity or effectiveness of Reorganization Plan No. 7 of 1949.

The reorganization plan was transmitted to the Congress on June 20, 1949, pursuant to the provisions of the Reorganization Act of 1949 approved the same date. The plan, in brief, transfers the Public Roads Administration, together with its functions, from the

Federal Works Agency to the Department of Commerce. At the time the plan was submitted to the Congress, the bill which became the Federal Property and Administrative Services Act of 1949 had been passed by the House of Representatives, had been unanimously approved by the Senate Committee on Expenditures in the Executive Departments, and was awaiting final action on the floor of the Senate. That act transfers to the General Services Administration the functions of the Federal Works Agency, including "the Public Roads Administration, which shall hereafter be known as the Bureau of Public Roads." (Sec. 103 (a).)

In your message transmitting the plan, you adverted to the fact that the pending Federal property bill provided a different disposition of the Public Roads Administration from that provided in the plan. To carry out your intention that the Public Roads Administration should be in the Department of Commerce, you specifically provided in section 4 of the plan that, "The provisions of this reorganization plan shall become effective notwithstanding the status of the Public Roads Administration within the Federal Works Agency or within any other agency immediately prior to the effective date of this reorganization plan." The reasons for including this provision in the plan were stated in your message transmitting the plan, as follows:

"In establishing the General Services Administration the Federal Property and Administrative Services bill transfers to the Administration all of the functions and units of the Federal Works Agency. Part of these functions relating to the housing of the governmental establishment clearly fall within the purpose of such an administration. Certain other functions of the Federal Works Agency, however, bear very little real relation to the objectives of the General Services Administration. The congressional committees which have dealt with the bill have frankly indicated that further consideration must be given to the proper location of some of the programs of the Federal Works Agency. The sooner these unrelated programs can be removed from the new agency, the sooner it can concentrate its efforts upon improving administrative services throughout the executive branch and make the contribution to governmental efficiency for which it has been designed.

"Principal among the programs of the Federal Works Agency which are unrelated to the General Services Administration are those of the Public Roads Administration. This agency is primarily engaged in the administration of Federal grants to States for highway purposes rather than in the performance of services for other Federal agencies. Its functions, therefore, do not fall within the field of activities of the General Services Administration. Their inclusion cannot but complicate and impede the development of the General Services Administration in the performance of its intended purpose. This reorganization plan will eliminate such a difficulty.

"Since the Public Roads Administration will be transferred bodily from one major agency to another, it is not to be expected that this reorganization will directly result in any appreciable reduction in its expenditures at this time. However, the plan will make for better organization and direction of Federal programs relating to transportation. Assuming the early enactment of the Federal Property and Administrative Services bill, the plan will also materially simplify the development of the proposed General Services Administration and thereby facilitate improvements in the efficiency of administrative services throughout the Government."

Reorganization Plan No. 7 was thus drawn in contemplation of the fact that the Federal Property Act would probably be enacted at some stage during the 60-day waiting period. After careful consideration in the Department of Justice as to compliance of the plan with every provision of the Reorganization Act of 1949, the plan was approved as to form and legality. It was and is the considered opinion of this department that the plan is valid and will take effect according to its terms.

It has been suggested, however, that plan No. 7 will not take effect upon the expiration of 60 days following its submission. After careful study, the Department of Justice remains of its previous opinion, i. e., that the plan is valid and will take effect.

The objection has been raised that during the 60-day waiting period the Federal Works Agency went out of existence, and therefore that the plan seeks to transfer from a nonexistent agency, the Federal Works Agency, another nonexistent agency, the Public Roads Administration.

The assumption appears to be that by reason of the abolition of the Federal Works Agency nothing remains upon which the President can exercise his power of reorganization. This assumption is untenable. The Reorganization Act of 1949, as was the case with previous reorganization acts, deals primarily with functions and only secondarily with the transfer or abolition of agencies. What is contemplated by Reorganization Plan No. 7 is the transfer of certain functions which at all times have remained in existence; functions which were not in their substance affected by the enactment of the Property Act of 1949. Plan No. 7 calls for the transfer of public roads functions to the Department of Commerce. That is a result which can actually and legally be achieved despite the enactment of the Federal Property Act.

A second objection to plan No. 7 which has been raised is based on an interpretation of the provisions of section 9 (a) (1) of the Reorganization Act of 1949 to the effect that that section was designed to anticipate the case where, following the submission of a reorganization plan, the Congress acted with respect to the agency or function affected in a manner inconsistent with the plan, and to make certain that in that situation the statute would have the same effect as if the reorganization had not been made. Obviously, however, this is a misconstruction of section 9 (a) (1). That section provides:

"Any statute enacted, and any regulation or other action made, prescribed, issued, granted, or performed in respect of or by any agency or function affected by a reorganization under the provisions of this act, before the effective date of such reorganization, shall, except to the extent rescinded, modified, superseded, or made inapplicable by or under authority of law or by the abolition of a function, have the same effect as if such reorganization had not been made; but where any such statute, regulation, or other action has vested the function in the agency from which it is removed under the plan, such function shall, insofar as it is to be exercised after the plan becomes effective, be considered as vested in the agency under which the function is placed by the plan."

Section 9 (a) (1) is clearly intended as a saving provision, designed to keep substantive authority and functions alive despite the fact that the power to exercise such authority or functions is transferred by reorganization plan. Compare, for example, section 305 (a) of the National Security Act of 1947.

It should be noted further that even if section 9 (a) (1) were to be interpreted as dealing with legislation passed between the time a plan is submitted and the time it becomes effective, the second clause of that section would in any event permit a reorganization plan to take effect where the intervening statute "has vested the function in the agency from which it is removed under the plan." In other words, with reference to the situation presently presented by plan No. 7, the second clause of section 9 (a) (1) would, in substance, read as follows:

"Where any such statute [enacted before the effective date of a reorganization plan, i. e., in this instance the Federal Property and Administrative Services Act of 1949] * * * has vested the function in the agency from which it is removed under the plan [i. e., the General Services Administration], such function shall, insofar as it is to be exercised after the plan becomes effective, be considered as vested in the agency [i. e., the Department of Commerce] under which the function is placed by the plan."

As stated above, plan No. 7 provides for the transfer of the public-roads functions to the Department of Commerce and specifically provides that the provisions of the plan shall become effective notwithstanding the status of the Public Roads Administration within the Federal Works Agency or within any other agency immediately prior to the effective date of the plan. In addition, as stated above, your message transmitting the plan clearly set forth the relationship of the plan to the pending Federal property bill and the intention of the plan to effect the transfer of public-roads functions to the Department of Commerce from the General Services Administration in the event the Federal property bill was enacted before the plan became effective.

Plan No. 7, and the message by which it was transmitted to the Congress, must, of course, be read together. Under the Reorganization Act of 1949 the President is required to prepare and transmit a message with respect to each reorganization plan submitted. The message transmitting the plan must be considered an integral part thereof. Reading plan No. 7 and the message together, there can be no question but that the plan transfers the public-roads functions from the General Services Administration to the Department of Commerce.

It has been noted that the second clause of section 9 (a) (1) of the Reorganization Act of 1949 affords strong support for the validity of Reorganization Plan No. 7. Moreover, no provision of the 1949 act has been or can be cited as directly forbidding the type of reorganization proposal which is contained in plan No. 7. The Reorganization Act of 1949 was intended to be a very broad grant of power to the Executive—much broader than had previously been granted by the Congress in the 1945 act. This was in fact requested in your message of January 17, 1949, in which you asked the Congress to pass legislation containing the necessary authority for broad reorganization of the executive branch.

S. 526, which became the Reorganization Act of 1949, was presented to the Senate by Senator MCCLELLAN with the statement that it was designed to provide broader power to the President than had the 1945 act. Senator MCCLELLAN caused to be printed in the CONGRESSIONAL RECORD a comparison of the provisions of the bill with the 1945 act (CONGRESSIONAL RECORD, January 17, 1949, pp. 301–305). From this comparison it appears that one of the principal changes effected by the 1949 act was the omission of section 5 (e) of the Reorganization Act of 1945, which imposed an important limitation upon the President's power to reorganize. Section 5 (e) of the 1945 act provided:

"If, since January 1, 1945, Congress has by law established the status of any agency in relation to other agencies or transferred any function to any agency, no reorganization plan shall provide for, and no reorganization under this act shall have the effect of, changing the status of such agency in relation to other agencies or of abolishing any such transferred function or providing for its

exercise by or under the supervision of any other agency."

This section in the 1945 act clearly restricted the power of the President to submit a plan which would have the effect of undoing recent congressional action, including congressional action taken between the time of submission of a reorganization plan and the time of its taking effect. Parenthetically it may be noted that the 1945 act also contained a section almost exactly similar to section 9 (a) (1) of the 1949 act—proving that that section could not have been intended to have the effect of interfering with the operation of a plan due to the passage of intervening legislation, as has been asserted, since the submission of a conflicting plan would have been forbidden under the 1945 act by section 5 (e).

The Reorganization Act of 1949 contains no such restriction upon the power of the President as was contained in section 5 (e) of the 1945 act. The fact that the Congress omitted this prohibition from the 1949 act is clear indication of its intention to leave the President free to reorganize the executive branch of the Government regardless of legislation enacted prior to the taking effect of a reorganization plan.

There can be no question, therefore, that the day after signing the Federal Property Act of 1949 you could have submitted a reorganization plan undoing the transfers effected by that act, and the Congress would then have had 60 days within which to consider whether or not to disapprove such a proposal. This being so, the only question raised in the present situation is whether the Reorganization Act of 1949 contains any restriction upon the authority of the President to reorganize the executive branch which would prevent his anticipating the passage of legislation then pending in the Congress and submitting a plan providing for the achievement of a particular transfer 60 days later regardless of the passage in the interim of the pending legislation having a different effect. An examination of the 1949 act discloses no such restriction.

To reach a result adverse to the effectiveness of Reorganization Plan No. 7 we would have to conclude that the action of the Congress in passing the Federal Property Act of 1949 in effect repealed the authority given to the President under the Reorganization Act. Implied repeals are, of course, not favored. Nor is there anything to indicate that such a repeal was intended by the Congress. Compare Public Law 216, Eighty-first Congress, approved August 10, 1949.

Reorganization Plan No. 7 was in fact pending before final action was taken by the Congress on the Federal Property Act. When you approved the Property Act you did so after having fully disclosed, in Reorganization Plan No. 7, your intention that the functions of the Public Roads Administration should ultimately be vested in the Department of Commerce. If the Congress disagrees with this result, it possesses power to express its views under the provisions of the Reorganization Act of 1949.

Respectfully yours,

PEYTON FORD,
Acting Attorney General.

REORGANIZATION PLAN NO. 2

Mr. LUCAS. Mr. President, on yesterday and on a previous occasion the Senator from Illinois discussed Reorganization Plan 2, which has been reported adversely by the Committee on Expenditures in the Executive Departments. I advised the Senate that as soon as the Senate disposed of the resolution dealing with the Reorganization Plan No. 1, we would then proceed immediately to consider the resolution dealing with Reorganization Plan No. 2. It was the understanding on last evening that after the Senate had voted today we would take a recess until tomorrow.

I have discussed the question of limitation of debate upon Reorganization Plan No. 2 with the Senator from Nebraska [Mr. WHERRY], the minority leader, and with other Senators. They have agreed that we can limit the time of debate to 4 o'clock by meeting tomorrow at 11 o'clock in the morning. I shall place a unanimous-consent request before the Senate, and I trust that all Senators will cooperate with me in this request.

Mr. President, I ask unanimous consent that on Wednesday, August 17, 1949, at the hour of 4 o'clock p. m., the Senate proceed to vote, without further debate, upon Senate Resolution 151 disapproving Reorganization Plan No. 2, the time to be equally divided between the distinguished Senator from Arkansas [Mr. MCCLELLAN] and the distinguished Senator from Minnesota [Mr. HUMPHREY].

The VICE PRESIDENT. Is there objection?

Mr. WHERRY. Mr. President, will the majority leader yield?

Mr. LUCAS. I yield.

Mr. WHERRY. Would the Senator from Illinois again restate the hour at which the vote is to be taken? It is very difficult to hear in this Chamber.

Mr. LUCAS. I regret that I did not speak more clearly. The request is that on Wednesday, August 17, 1949, at the hour of 4 o'clock, the Senate proceed to vote, without further debate, upon Senate Resolution 151.

Mr. MCCLELLAN. Mr. President, reserving the right to object, and I shall not object if that time is generally satisfactory to other Senators. I will say that I know of no great number of Senators who desire to speak on Reorganization Plan No. 2. I wonder if we can enter into another unanimous consent that immediately after the vote is taken on Reorganization Plan No. 2, the Senate begin consideration of the resolution dealing with Reorganization Plan No. 7, Senate Resolution 155, disapproving of plan No. 7, and that a vote be taken, let us say, at 6:30 tomorrow, so we may dispose of both matters tomorrow. I merely make that suggestion. Does the Senator from Arizona [Mr. HAYDEN] agree to that suggestion?

Mr. HAYDEN. I do not believe more than 1 hour would be required to discuss Reorganization Plan No. 7. It involves purely a legal question. I believe it could be voted on 1 hour after the vote is completed on Reorganization Plan No. 2.

Mr. LUCAS. Mr. President, I should like to secure consent to the first unanimous-consent request if possible, and then I shall make the second request.

The VICE PRESIDENT. Is there objection to the unanimous-consent request made by the Senator from Illinois?

Mr. WHERRY. Mr. President, reserving the right to object, I thought that the hour of 4 o'clock would be satisfactory, and I informed the distinguished majority leader that I felt it would be agreeable. However, it has developed that 5 o'clock would be much better. I am wondering if it would involve too much inconvenience to change the hour to 5 o'clock.

Mr. LUCAS. If objection is to be made, the Senator from Illinois will have to accede to the hour of 5 o'clock.

Mr. WHERRY. I would like very much to have the Senator do so.

Mr. LUCAS. Let us make it 4:30. Perhaps that will accommodate some Senators.

Mr. WHERRY. Five o'clock is really the best time. I want to cooperate with the Senator. The Senator knows that.

Mr. LUCAS. The Senator has been very cooperative.

Mr. WHERRY. If the Senator will make the hour 5 o'clock, I know that it will be satisfactory to everyone.

Mr. LUCAS. Mr. President, I modify my request accordingly.

The VICE PRESIDENT. Is there objection to the modified request? The Chair hears none, and it is so ordered.

REORGANIZATION PLAN NO. 7 OF 1949

Mr. LUCAS. Mr. President, in view of the discussion in connection with the previous unanimous-consent request, I make another unanimous-consent request, as follows:

I ask unanimous consent that on Wednesday, August 17, 1949, 1 hour after the vote is taken upon Senate Resolution 151, the Senate then proceed to vote without further debate upon Senate Resolution No. 155, disapproving Reorganization Plan No. 7 of 1949, the time to be equally divided between the Senator from Arizona [Mr. HAYDEN] and the Senator from Arkansas [Mr. MCCLELLAN].

The VICE PRESIDENT. Is there objection?

Mr. WHERRY. Mr. President, the time was also divided in connection with the previous unanimous-consent request, was it not?

Mr. LUCAS. Yes.

The VICE PRESIDENT. The law provides for a division of the time.

Mr. WHERRY. I have no objection.

The VICE PRESIDENT. Is there objection to the request of the Senator from Illinois? The Chair hears none, and it is so ordered.

PROGRAM FOR CONSIDERATION OF EXECUTIVE NOMINATIONS

Mr. LUCAS. Mr. President, I make this announcement so that all Senators may know that following the vote upon the two reorganization plans, we expect to move to consider executive business and take up the nomination of Mr. Clark, who has been appointed Associate Justice of the Supreme Court, and the nomination of the Senator from Rhode Island [Mr. MCGRATH], who has been appointed Attorney General.

Mr. WHERRY. Mr. President, will the distinguished majority leader tell us now whether or not he intends to keep the Senate in session after the Executive Calendar is taken up, until those nominations are disposed of, or whether he intends to take a recess until the next day?

Mr. LUCAS. I hope to be able to conclude consideration of the two nominations, if possible.

Mr. WHERRY. It will be 6 o'clock or after when the vote is taken on the resolution relating to Reorganization Plan No. 7.

Mr. LUCAS. I understand that the Senator from Michigan [Mr. FERGUSON] is the only Senator who intends to speak against Mr. Clark. May I inquire from the able Senator from Michigan how long he expects to discuss the nomination?

Mr. FERGUSON. About 2 hours.

Mr. WHERRY. In view of the fact that we will dispose of debate on the two resolutions, winding up at 6 o'clock, with a vote which will come after 6 o'clock, really, I ask the distinguished majority leade: if he does not feel it would be wise to take a recess until the next day.

Mr. LUCAS. I do not wish to say at this time. I should like to think over that suggestion. We have a great deal to do, and I think we should stay here tomorrow night for a couple of hours and complete the consideration of the nominations of Mr. Clark and Mr. McGRATH. We may be able to take an hour for dinner. However, these are extremely important nominations.

Mr. WHERRY. One further observation. I agree with the distinguished majority leader. If that is the position he is going to take, if he will make the announcement that we shall have a recess from 6 until 7 for dinner, starting at 7 o'clock and finishing consideration of the nominations, that will be agreeable to us.

The VICE PRESIDENT. All the unanimous requests have thus far been agreed to.

Mr. LUCAS. Mr. President, in order that all Senators may know, I think it is probably the better part of wisdom to advise Senators now that we expect to proceed with the nominations of Mr. Clark and Mr. McGRATH following the disposition of the resolution relating to Reorganization Plan No. 7, with respect to which we have an agreement. Unanimous consent will be requested tomorrow with respect to an hour for dinner.

Mr. MAGNUSON. Mr. President, will the Senator yield for a question?

Mr. LUCAS. I yield to the Senator from Washington.

Mr. MAGNUSON. On the Executive Calendar there are five treaties. Three of them relate to fisheries. The time is running out. They are very important. One of them is the tuna convention. Another is the treaty with Costa Rica. The fishing season is about to begin. I am wondering if tomorrow night, after consideration of the nominations has been completed, we could consider these treaties. I understand there will be no opposition to the three treaties to which I have referred.

Mr. LUCAS. If there is no opposition to them, we can put them through now.

Mr. MAGNUSON. I have heard of none. They are unanimously reported from the Committee on Foreign Relations. They have been on the calendar for some time, and time is running out.

Mr. KNOWLAND. Mr. President, I join with the Senator from Washington in urging that time be found for the consideration of the treaties to which he has referred. I understand that they have been unanimously reported from the Committee on Foreign Relations.

Mr. LUCAS. I think we can reach an agreement.

GEN. JOSEPH LAWTON COLLINS, UNITED STATES ARMY

Mr. ELLENDER. Mr. President, the nomination and confirmation of General J. Lawton Collins to be Chief of Staff of the Army is a fitting honor and reward for a great wartime fighting soldier. He is a worthy successor to those great Chiefs of Staff under whom World War II was fought and its tremendous postwar burdens borne.

There are, to my mind, three things that characterize the brilliant war record of this outstanding soldier. First, he was one of comparatively few who served in both the Pacific and European theaters of war. Prior to his participation in the seizure of Utah Beach in Normandy on D-day, June 6, 1944, he had served on Guadalcanal in the Solomon Islands of the Pacific, taking over from the heroic First Marine Division, and continuing the fighting until the power of the enemy on Guadalcanal was broken.

Second, as commander of the VII Corps, he led the striking spearhead of the First Army through Saint Lo to the capture of Aachen, the fighting in the Ardennes, and the final link-up with Russian forces on the Elbe River.

Third, although his fighting qualities of courage, speed, and determination have caused him to be known as "Lightning Joe" to the men he led, he at the same time exhibited those human qualities of leadership that endeared him to his men. It was not rarely, but frequently, that he visited his front lines to find out for himself the conditions his men were facing, and to give his men opportunity to see that he was always concerned for their interests.

I am proud to say that General Collins comes from Louisiana. He is the son of Jeremiah Bernard Collins, who was born in Ireland and settled in New Orleans in 1877. An uncle of General Collins was Peter Lawton, a prominent and beloved gentleman of that same city. Another uncle, the late Martin Behrman, was mayor of New Orleans. The people of Louisiana join me in congratulating him on his latest success, with the same enthusiasm with which they accorded him a hero's welcome in New Orleans, when in October 1945 they celebrated a Joseph Collins Day.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a biography of General Collins, compiled with the assistance of the Department of the Army.

There being no objection, the biography was ordered to be printed in the RECORD, as follows:

GEN. JOSEPH LAWTON COLLINS, UNITED STATES ARMY, 05247

J. Lawton Collins was born in New Orleans, La., on May 1, 1896. He was the tenth of 11 children, all of whom were born in New Orleans. His father, Jermiah Bernard Collins, left County Cork, Ireland, at the age of 12 and settled in Cincinnati, Ohio. When still a mere boy, at the age of 16, he joined the Union Army, in which he served as a drummer boy for 6 months, until the end of the war. In 1877 he went to work in New Orleans, where he met and later married Catherine Lawton.

General Collins went to elementary and high school in New Orleans. It was at Warren Easton High School that he won a scholarship to Louisiana State University, which he attended for 1 year prior to his entering West Point.

As a boy he gave early indications of the traits which were later to make him famous. He was well known for his physical and moral courage. Among his varied interests were good reading, nature, and music.

His interest in the military and his desire to go to West Point stemmed from his father and particularly from his brother, James Lawton Collins, who had graduated from West Point in 1907 and who, at this critical period of young Joseph's life, was serving as aide to General Pershing in the Philippines. When the family received word from the War Department that young Collins had been selected to enter West Point in the next class they wired this brother in the Philippines for advice. He recommended that his young brother of 17 accept the opportunity, which he did, entering the Academy in 1913 as the "baby" of his class. This brother, James, now retired, served 11 years with General Pershing and rose to the rank of major general.

His typical characteristics while at West Point are described in the Howitzer (year book) as first: Concentration and decision; second, rapid and hearty action. He was graduated from West Point and was commissioned a second lieutenant of infantry on April 20, 1917.

His first assignment was to the Twenty-second Infantry at Fort Hamilton, N. Y., where he served until January 1918. He next was sent to the infantry school of arms which was then at Fort Sill, Okla., and following graduation had tours of 2 months each at Greenpoint, Brooklyn, N. Y., and at Gloucester, N. J., until June 1918, when he returned to Fort Hamilton as supply officer of the Twenty-second Infantry. From July until November 1918, he was an inspector at Syracuse Recruit Camp, New York. Returning to the Twenty-second Infantry he served at Fort Hamilton and at Fort Jay, Governors Island, N. Y., until May 1919.

Promotions came rapidly during this initial period of service. He was promoted to first lieutenant on May 15, 1917; to captain (temporary) on August 5, 1917; and to major (temporary) on September 9, 1918. He sailed for France in May 1919, and commanded a battalion of the Eighteenth Infantry at Coblenz, Germany, until August 1919. With components of the Eighth Infantry he served at Montabaur and Selters, Germany, and in June 1920, was made Assistant Chief of Staff, Plans and Training Division, with the American forces in Germany, serving in this capacity until he sailed for the United States in July 1921. He was promoted to captain (permanent) on June 25, 1919, and reverted to that permanent rank on March 10, 1920. It was in Coblenz, Germany, that he married Gladys Easterbrook, the daughter of an Army chaplain, on July 15, 1921. They were married in the garden of the Kaiser.

For the next 4 years, until June 1925, he served at West Point as an instructor in chemistry. From there he went as a student to the infantry school, at Fort Benning, from which he was graduated in July 1926. Then to another school, this time the field artillery school at Fort Sill, Okla., where he was graduated from the advanced course in June 1927. He then returned to the infantry school as an instructor, where he remained until August 1931.

He was selected for and attended the 2-year course at the command and general staff school at Fort Leavenworth, Kans., from which he was graduated in June 1933. While at Leavenworth he received his promotion to major, on August 1, 1932.

Following graduation, he was transferred to the Philippine Islands for duty with the Twenty-third Brigade (Philippine Scouts) at Fort William McKinley. He later became Assistant Chief of Staff for Military Intelligence in the Philippine Division.

He returned to the United States in June 1936 to attend the Army Industrial College, from which he was graduated in 1937. Next he attended the Army War College. On his graduation in June 1938, he was retained there as an instructor. While there, he assumed additional duties in the Office of the Secretary, War Department, General Staff, Washington, D. C. A promotion to lieutenant colonel came on June 25, 1940, and one to colonel (temporary) on January 13, 1941.

In January 1941 he was assigned to duty as Chief of Staff of the newly organized VII Army Corps, which had its headquarters at Fort McClellan, Ala. The station of the Seventh Army Corps was changed to Birmingham, Ala., in January 1941.

Immediately following Pearl Harbor, General Collins was designated as Chief of Staff to General Delos C. Emmons and flew with him to Hawaii. As chief of staff he assisted in the reorganization of the defenses of the Hawaiian Islands until he was made commanding general of the Twenty-fifth Infantry Division in May 1942. He was rewarded with a brigadier general's star on February 14, 1942. He was further rewarded for his exceptional work during this period by the Distinguished Service Medal, with the following citation:

"J. Lawton Collins, major general, United States Army. For exceptionally meritorious service in a position of great responsibility. As Chief of Staff of the Hawaiian Department during the period December 17, 1941, to May 8, 1942, he revised and amplied the defensive plans of the entire Department and actively supervised the disposition of troops and changes in fortifications. Throughout this period he displayed outstanding leadership, keen intelligence, broad tactical knowledge and unusual energy and contributed greatly to the sound plan of ground defenses of the Hawaiian Department."

For the first 6 months after he got the Twenty-fifth Division, he commanded the south sector of the island of Oahu, including the city of Honolulu and Pearl Harbor.

In December 1942, General Collins took the Twenty-fifth Infantry Division into Guadalcanal and there relieved the First Marine Division. He received his second star (temporary) on May 26, 1942.

Early in January 1943 the Twenty-fifth Infantry Division as part of the Fourteenth Corps under Lt. Gen. Alexander M. Patch, let the attack which drove the Japanese off the island. The next several months were spent in occupation of Guadalcanal in preparation for the New Georgia campaign in which the Twenty-fifth Infantry Division assisted in the capture of the Munda Airport. Following the fall of the Munda Airfield, General Collins led his division in clearing up the remainder of the island of New Georgia while elements of the division captured Valla Lavella.

General Collins' outstanding service during this period is best described by the citations accompanying his decorations:

March 1943. Silver Star: "For gallantry in action on January 11, 1943 at Guadalcanal. To visit the command post of an infantry battalion of the division commanded by him, General Collins walked through some 800 yards of recently captured ground infested with enemy snipers. Upon arriving on Hill 52 to gain better points of observation, he voluntarily exposed himself to intermittent rifle, machine gun and mortar fire without regard for his own personal safety. From there he located an enemy machine-gun nest and personally assisted in placing mortar fire on it and on other areas likely to be occupied by the enemy while bursts of enemy machine gun fire hit many times, but three yards away. His calmness and fearlessness under fire was an inspiration to the officers and men of the infantry regiment in that sector. His example and the word of praise and encouragement with which he continually encouraged the men in the forward unit spurred them on and contributed materially to the success of the offensive operation."

April 1943. Oak Leaf Cluster for Distinguished Service Medal: "For exceptionally meritorious service to the Government in a duty of great responsibility as commanding general of an infantry division on Guadalcanal, Solomon Islands, during the period December 17, 1942, to February 9, 1943. General Collins, by his energetic and inspiring leadership and aggressive tactical employment of his division initiated a sustained offensive against the main Japanese force which materially contributed to the final defeat of the enemy on Guadalcanal. His personal courage and repeated presence with forward elements of his division during combat inspired his troops to sustained effort."

September 1943. Legion of Merit: "For exceptionally meritorious conduct in the performance of outstanding services as commanding general of an infantry division in action against the enemy forces in the Solomon Islands from August 3 to September 5, 1943. Entering the action after a large portion of his division had been committed to combat, General Collins, with excellent military skill and foresight, reorganized his command and initiated an aggressive pursuit of enemy forces disposed to the north of an airfield. Overcoming seemingly unsurmountable logistical and communication obstacles, he rigorously pressed forward over extremely rugged jungle terrain, made junction with friendly forces moving down from the north, and with the combined forces, succeeded in driving the remaining enemy from the island. He then effectively organized the defense of the north coast. His sound tactical judgment, combined with his continued administration of superb and courageous leadership contributed in large measure to the morale and outstanding performance of his troops in combat."

It was on Guadalcanal that he acquired the name, "Lightning Joe."

In December 1943 General Collins was transferred to the European theater where, in February 1944, he was assigned to command the Seventh Corps in England for the invasion of Normandy. He now commanded the same corps of which he had been chief of staff in 1941. His influence still remained and many of the original members well remembered him with respect and affection.

The Seventh Corps landed on Utah Beach on D-day and after a brisk campaign captured Cherbourg, including the German Army and Navy commanders, Von Schlieben and Henneko. On July 25, 1944, the Seventh Corps under General Collins spearheaded the attack of the First Army which made the break-through east of St. Lo and thereafter blocked the German counterattacks at Mortain while the Third Army launched its drive toward Brest and Paris.

Thereafter the Seventh Corps participated in closing the Falaise gap across the Seine in the vicinity of Paris, drove north into Belgium and in rapid succession captured Mons, Namur, and Liege. The corps then broke through the Siegfried defenses in the vicinity of Aachen and later captured Aachen.

When the Germans made their breakthrough in the Ardennes the Seventh Corps was shifted to the south where it assisted in checking the German drive toward Namur and thereafter participated in the counterattack from the north flank of the salient resulting in the capture of Houfflaze.

Shifting again to its position at Aachen, the Seventh Corps then participated in the drive with the First Army to the Rhine, ending in its capture of Cologne. The corps next participated in the exploitation of the Remagen bridgehead and then led the attack of the First Army in its envelopment of the Ruhr, ending with the seizure of Paderborn and a link-up with the Ninth Army.

General Collins then led the corps across the Vezere River, encircled the Hartz Mountains and drove to the Elbe River where it made a junction with the Russian Thirty-sixth Corps.

General Collins' distinguished service and leadership while in command of the Seventh Corps in Europe was acknowledged and well described by the folowing decorations and their accompanying citations:

1944. Second Oak Leaf Cluster to Distinguished Service Medal: "For service in England and France from February 11 to June 26, 1944, as commanding general of the Seventh Corps. He organized and trained his corps for amphibious operations against the European Continent. On June 6, 1944, the Seventh Corps effected a landing on the Cotentin Peninsula and, under his aggressive leadership, drove rapidly through the powerful beach defenses. The beachhead secure, he redeployed his troops and launched an attack toward Cherbourg. In a campaign lasting 20 days, he swept northward in a drive ending in the seizure of Cherbourg. The outstanding leadership, initiative, and superior professional skill displayed by him contributed materially to the success of the entire operation."

May 1945. Oak Leaf Cluster to the Silver Star: "For gallantry in action against the enemy on July 30, 1944, in France. When intense enemy mortar and artillery fire halted the advance of an armored column at the bank of the Seine River, Lieutenant General Collins disregarding his personal safety dismounted from his armored car and quickly estimated the situation. Despite the proximity of bursting shells, he remained fully exposed and directed an aggressive crossing of the river, resulting in the capture of Gavray, France. By his unhesitating action and marked personal courage, General Collins was directly responsible for the continuation of the attack reflecting great credit upon himself and the military service."

August 1945. Oak Leaf Cluster to the Legion of Merit: "By direction of the President, under the provisions of AR–645 as amended, in addition to the Legion of Merit previously awarded, an Oak Leaf Cluster is awarded for exceptionally meritorious conduct in the performance of outstanding services during the respective periods indicated, to J. Lawton Collins, lieutenant general, United States Army, from July 1, 1944, to April 26, 1945."

He was promoted to a lieutenant general (temporary) on April 16, 1945.

Following a short period of occupation of the area around Leipzig, the Seventh Corps was returned to the United States with a view to its participation in the campaign against Japan. After a brief leave of absence, General Collins rejoined the corps at Camp San Luis Obispo, Calif. The collapse of the Japanese resistance obviated the sending of the corps to Japan.

In August 1945 General Collins was relieved from the Seventh Corps and was appointed as Deputy Commanding General and Chief of Staff, Headquarters, Army Ground Forces, Washington, D. C. He held this position until December 1945 when he took over the Office as Director of Information of the War Department. He was relieved as Chief of Information effective July 29, 1947, and announced as Deputy Chief of Staff, United States Army, Washington, D. C., effective September 1, 1947. He was named Vice Chief of Staff, United States Army, effective on creation of that post in place of the old Deputy Chief of Staff position on November 15, 1948. On August 12 he was promoted to the grade of general (temporary).

On August 12, 1949, he was nominated by President Truman to be Chief of Staff of the Army, succeeding Gen. Omar N. Bradley. The nomination was confirmed by the Senate on August 15 and he was sworn in as Chief of Staff, United States Army, on August 16, 1949, at a ceremony at the Pentagon.

The Collinses have three children, a son Joseph Easterbrook, and two daughters, Gladys May and Nancy Katherine. The son graduated from West Point in 1946 and in the same year qualified as a paratrooper at Fort Benning, Ga. It is significant to note that his first assignment was with an infantry company near the border in Korea.

In addition to the decorations previously mentioned, General Collins has received the Bronze Star Medal with Oak Leaf Cluster and the following foreign decorations: Companion of the Order of the Bath (British), Order of Suvorov (second class) (Russian), Croix de Guerre with Palm (French), Legion of Honor, Degree of Officer (French), Order of Suvorov (second class) (second medal) (Russian), Order of Leopold II, Grand Officer (Belgium), Croix de Guerre 1940 with Palm (Belgium).

GREETINGS TO LOYAL ORDER OF MOOSE FROM SENATORS

Mr. NEELY. Mr. President, I ask unanimous consent to have printed in the RECORD a telegram which 14 Members of the Senate who are also members of the Loyal Order of Moose yesterday sent to the sixty-first international convention of that great fraternal order, which is now in progress in the city of San Francisco.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., *August 15, 1949.*

Hon. MALCOLM R. GILES,
Supreme Executive Director,
Care of Moose Convention,
San Francisco, Calif.:

We jointly and severally send the sixty-first annual international convention, Loyal Order of Moose, our warmest fraternal greetings and our sincerest fraternal regards.

We hope that the convention will be thoroughly enjoyed by all its officers and members, and that its deliberations and actions will result in a record-breaking increase in the membership of the Order and a similar expansion of its service to little children at Mooseheart and to the aged at Moosehaven.

With the deepest appreciation of the great contribution the Moose patriotically and habitually make to the promotion of the general welfare and to the protection of the right to life, liberty, and the pursuit of happiness, we are, always,

Fraternally and faithfully yours,

SCOTT W. LUCAS, KENNETH S. WHERRY, CLAUDE PEPPER, ROBERT A. TAFT, WAYNE MORSE, LESTER C. HUNT, HOMER E. CAPEHART, HARLEY M. KILGORE, WILLIAM LANGER, SHERIDAN DOWNEY, HUBERT H. HUMPHREY, FRANCIS J. MYERS, MATTHEW M. NEELY, WARREN G. MAGNUSON.

THE BASING-POINT SYSTEM

Mr. LONG. Mr. President, on Friday last I expressed the opinion that Dr. Corwin Edwards favored the basing-point system and that he considered the concentration of industrial power to be a good thing. This opinion was expressed, based on excerpts from some of Dr. Edwards' writings as reported in the small-business hearings in the House of Representatives. I am advised by Dr. Edwards that this view is not correct, and that he is opposed to the basing-point system. It is further my understanding that he is not in favor of Senate bill 1008, as has been previously reported, and that he shares my view that it would be far better to pass no legislation at all than to pass Senate bill 1008 in its present form. In fairness to Dr. Edwards, I submit for the RECORD, a letter which he has written me to clarify his position; and I ask unanimous consent that it be printed in the body of the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AUGUST 12, 1949.

Hon. RUSSELL B. LONG,
United States Senate,
Washington, D. C.

DEAR SENATOR LONG: The CONGRESSIONAL RECORD for August 11 reports on page 11268 a statement by you that I recently wrote an article in which I say in effect that I favor legalization of the basing-point system and generally speaking that I favor freight absorption; and also that I believe that we should have concentration of American industry for greater and more efficient production, and that big business is better for the country than small business.

On the following two pages you are reported as quoting from an article of mine in the Georgetown Law Journal for January 1949, and as concluding the quotation by a statement that if I were consulted I would advise in favor of a law that would legalize the basing-point system because I believe in big business.

I am sure that you did not intentionally misrepresent me. Nevertheless, these statements contain a basic misrepresentation of my views. I have written no article advocating legalization of the basing-point system and would not favor such an enactment. Far from favoring concentration of control over American industry, I regard such concentration as one of the greatest dangers confronting the country today. I believe that some freight absorption is consistent with and expressive of effective competition but that other freight absorption is a means toward harmful price discrimination and collusive price fixing; and that the task of public policy in this field is to prevent the latter while permitting the former.

I have repeatedly expressed these views in public during the last year. As to basing-point systems, I said in a public speech before the New England Council on September 18, 1948:

"I submit that the Commission's basing-point cases lie directly along the main road of the antimonopoly policy of the United States, that the practices which were found in these cases were injurious in the same way and to the same extent as any other conspiracies to fix prices and as any other discriminations which materially handicap competitors; and that it would be impossible to give legal sanction to these practices without exempting the respondent companies from the FTC Act and the Robinson-Patman Act."

In a subsequent speech before the Chicago Association of Commerce and Industry on October 6, 1948, I said:

"The pattern of price discrimination which injured Chicago in the case of steel has been evident in various degrees in various communities with reference to various products. The pattern of collusive price fixing, which the Commission found in the Cement case and which is also alleged to prevail in the steel industry according to a proceeding now pending in the Commission, has diminished the protections available to the buyer not only in one or two industries but in a number of important industries. The basing-point decisions are landmarks in an effort to preserve a free market in the United States and to give the outlying communities of America a fair chance to participate in our country's economic development. These cases dealt with major industrial evils. The policy underlying them is concerned with similar problems. It need cause no difficulty for businessmen who do not fear price competition and who avoid discriminations which significantly injure competition among their customers."

On June 17, 1949, I spoke on the problem of industrial concentration before the Life Officers Investment Seminar, at Beloit, Wis. I said:

"Broadly speaking, two lines of policy are available in dealing with the concentration of economic power. The first is to accept that concentration as typically natural, inevitable, and perhaps desirable, and to use public authority to regulate its effects where there is danger that they may be objectionable. The second is to oppose concentration and to seek to hold it within relatively narrow limits."

As to the first policy I said:

"At the very least development along these lines would give us an economy subject to elaborate regulation by a state that takes detailed responsibility for the public welfare. At most it might edge us out of the private-enterprise economy into a system of state socialism."

As to the second I said:

"Preservation of our free-enterprise system requires that we choose the other alternative—action to check the concentration of economic power."

I then advocated four types of such action, namely, preventing large enterprises from following policies that tend to destroy their smaller competitors, dissolving great corporate combinations where they have acquired so much power as to be clearly objectionable, preventing types of concentration that are undesirable, and creating an environment more favorable to the rise and growth of small business than that we now have. I concluded this speech with the following passage:

"But if it is true, as most of us believe, that a private-enterprise system is more productive, more progressive, and more consistent with human freedom than one run by the state, then it is also true that all of us, businessmen and Government officials alike, have much to gain from an effort to keep the control of business activity diffused. Unchecked concentration of economic power points toward monolithic private monopoly, and, in the reaction from that, toward monolithic state control."

I am at a loss to understand how my article in the Georgetown Law Journal can be interpreted as a defense of big business or of basing-point systems. The heart of the article is an analysis of the basing-point system as a device by which the small concerns give up their independence in pricing and acquiesce in a system of access to markets which limits the small concerns' chances to grow and facilitates the growth of large enterprises. The last paragraph of the article points out that whatever is substituted for basing-point pricing, the strategic advantage of the large enterprises is likely to be reduced and it states specifically that this is movement in the right direction.

I am confident that your comments during the debate were not intended to do me an injustice. I shall be grateful if you will insert this letter in the CONGRESSIONAL RECORD.

Copies of the full texts of the speeches from which I have quoted are attached hereto.

Yours very truly,

CORWIN D. EDWARDS,
Director, Bureau of Industrial Economics.

THE FARM PRICE SUPPORT SITUATION—EDITORIAL FROM THE FARM JOURNAL

Mr. YOUNG. Mr. President, I ask unanimous consent to have printed in

the body of the RECORD a very able analysis of the farm price support situation, published in the Farm Journal for September 1949.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WASHINGTON, August 9.—Whatever happens in the farm legislative field, you can count with confidence on 90 percent price supports in 1950. There are four possibilities:

1. If Congress extends the present law for another year (the Gore amendment), you'll be getting 90 percent supports.

2. If Congress should adopt the Brannan plan, which no one expects, you'd get what amounts to full parity.

3. If Congress should agree to the Anderson compromise—the plan proposed last week by Senator CLINTON ANDERSON'S subcommittee—you'd get 90 percent, since that is the level provided for the first effective year of the bill.

4. If Congress cannot agree on any new farm bill, the 1948 Hope-Aiken law will go into effect automatically. While this law provides for flexible, 60 to 90 percent of parity supports, it also says that the Secretary of Agriculture can fix support levels up to 90 percent of parity. Secretary Brannan could hardly be expected to cut the Administration's political throat by setting supports any lower.

Why all the fuss, then, since the results are about the same? There is one good reason, a political one.

The Hope-Aiken Act was passed hastily by a Congress in which the majority was Republican. A Congressman hates catchy labels, and anyone who stands up for the Hope-Aiken Act hears himself called a sixty-percenter. Therefore the Hope-Aiken Act must be repealed, at least in name.

Should Congress merely extend the present law another year? That would be simple, but wastes two years of thorough hearings, at which nearly everyone agreed that a new farm program is needed. With 1950 an election year, heavy pressure would be applied to extend it again for 1951, and so on.

No matter how politically appealing, the Brannan plan would be difficult to administer. More important, it is dangerous for farmers to have to depend on a Federal handout every year.

Now comes the Anderson compromise. ANDERSON would adopt the Hope-Aiken modernized parity. He would narrow the flexible price support range to 75 to 90 percent on basic commodities, instead of the Aiken 60 to 90 percent.

He would also allow use of the Brannan payment plan on nonstorable perishables. Such a feature is not inconsistent with the Hope-Aiken Act, and would let Brannan save face.

There remains the big question whether the House and Senate can agree on anything that will pass Mr. Truman's veto. Assuming that they can, Washington expects to see a new law which will accomplish just the two things: (1) Getting rid of the Hope-Aiken label and 60-percent supports; (2) insuring 90-percent supports for 1950.

It should not be assumed that the Brannan plan is dead for keeps. A few days ago the Democratic National Committee announced: "The Democratic Party last week won a victory for American farmers in the House of Representatives when it killed the Hope-Aiken law which provided for a sliding scale of farm supports. The Brannan plan has not been abandoned by the Democratic Party. We are redoubling our efforts to explain the complicated program to the public."

RECESS

Mr. LUCAS. Mr. President, I move that the Senate take a recess until tomorrow at 11 o'clock a. m.

The motion was agreed to; and (at 6 o'clock and 32 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, August 17, 1949, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES

TUESDAY, AUGUST 16, 1949

The House met at 12 o'clock noon.

The Acting Chaplain, the Reverend James P. Wesberry, offered the following prayer:

O Thou Maker and Master of our lives, incline Thine ear unto us, we humbly beseech Thee, as we thank Thee for the noble leaders in this great legislative body who have the love of God and the daring of Thy kingdom in their hearts. We would thank Thee for those who serve with no thought of self, who rather give than receive, who toil without rest and fight without heeding the wounds. For those who know right from wrong and have courage to do right without counting the cost, we thank Thee. Our hearts overflow with thanksgiving for all who sacrificially lay down their lives in the holy warfare for the rights and freedom of the people.

Grant to the people of our land, Holy Father, the sweet peace that comes from the realization that our Nation is richly blessed with such a goodly number of righteous and consecrated leaders, who, by day and night, give of their best to lead our country to nobler ideals and higher achievements. In the spirit of Jesus. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Carrell, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 3417. An act to amend the act entitled "An act to provide for cooperation by the Smithsonian Institution with State, educational, and scientific organizations in the United States for continuing ethnological researches on the American Indians," approved April 10, 1928, and for other purposes.

COMMITTEE ON BANKING AND CURRENCY

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may have until midnight tonight to file a report on H. R. 5987.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

EXTENSION OF REMARKS

Mr. MANSFIELD asked and was given permission to extend his remarks in the RECORD and include two articles appearing in the Christian Science Monitor.

Mr. CHRISTOPHER asked and was given permission to extend his remarks in the RECORD and include an article appearing in the Missouri Farmer.

Mr. DOLLINGER asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

Mr. KEOGH (at the request of Mr. DOLLINGER) was given permission to extend his remarks in the RECORD and include extraneous matter.

Mr. BARTLETT asked and was given permission to extend his remarks and include a resolution adopted by the Alaska Territorial Federation of Labor.

Mr. YOUNG asked and was given permission to extend his remarks in the RECORD and include a letter from a constituent.

Mr. BONNER asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. CAVALCANTE asked and was given permission to extend his remarks in the RECORD and include an article which appeared in the current issue of Capital Comment dated August 13, 1949.

STATEHOOD FOR ALASKA AND HAWAII

Mr. PETERSON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. PETERSON. Mr. Speaker, the Committee on Public Lands reported favorably, some months ago, the two bills, one providing statehood for Alaska and one providing statehood for Hawaii. Extensive hearings were held. It was the considered opinion of the committee that these Territories should be granted statehood. The economics showed their ability to assume the responsibilities of statehood.

After the hearings, the committee, with only one dissenting vote, approved the bills and reported them favorably to the House. Prompt application was made for a rule. It is my feeling that the Congress should act on these bills. A recent poll shows clearly that the majority of the House favors statehood. I filed special resolutions making it in order to bring these bills up under the rules of the House. More than 21 days have elapsed since the filing of such resolutions. I would much prefer to bring these bills up in the orderly way. I am anxious and urging that the Rules Committee do grant a rule, and urging the support of the membership of the House, in order that we may carry out the expressed wishes of so many people, including our own both great political parties.

It is my considered opinion that both Territories are worthy of statehood, an opinion which I reached only after carefully reviewing the testimony and the economics of the situation.

EX-PRESIDENT HOOVER

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include two editorials.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I believe everyone in the United States wished for ex-President Hoover a most happy birthday last Thursday when he reached his seventy-fifth milestone. It was my privilege to know him before, during, and after his term of office, and I have never seen a man more sincerely interested in having people well-fed, well-clothed, and well-housed. His entire life has been one of self-sacrifice and service to others. The true greatness that has come to him is the result of self-endeavor, hard work, and extreme tolerance. At an age when most men are willing to retire and enjoy well-earned relaxation, he is as active as any man one-half his age and has just completed one of the most difficult and arduous tasks of his career, the conduct of the Hoover Commission for the Organization of the Executive Branch of Government. I hope and wish for him years of happiness and success in his great humanitarian efforts.

EXTENSION OF REMARKS

Mr. ANGELL asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

Mr. DAVIS of Wisconsin asked and was given permission to extend his remarks in the RECORD and include an editorial from the Milwaukee Sentinel.

Mr. BURDICK and Mr. PATTERSON asked and were given permission to extend their remarks in the RECORD.

Mr. LODGE asked and was given permission to extend his remarks in the RECORD in three instances and include extraneous material.

Mr. GROSS asked and was given permission to extend his remarks in the RECORD and include a letter.

Mr. HILL asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

WAGE INCREASES

Mr. HARVEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HARVEY. Mr. Speaker, I am taking this opportunity to denounce the imminent fourth-round wage increase in American industry.

It seems to me, Mr. Speaker, crystal clear that big labor and big business are hoodwinking the American consuming public. Surely it is an accepted economic truth that only increased production can reduce prices, raise our standard of living, and put prosperity on sound ground. The proposed fourth-round wage raises constitute a sad, selfish, and short-sighted device that can be of no real benefit to the vast majority of our people.

Viewing the present price and wage situation in this country, I am moved to say that we have more economic sense in the rank and file of the working masses—those in blue jeans as well as white collars; those carrying union cards as well as those who do not—than can be found in the plush offices of union bosses and industrial tycoons.

Another round of wage raises is going to do the country far more harm than good. Most wage earners realize any monetary gain in their pay envelopes will be quickly wiped out by a rise in the price of things they have to buy. While the larger industrial producers will offset their increased production costs by jacking up prices, the average consumer trying to get by on fixed income will be caught again in an economic squeeze play.

The irony of the situation is that large corporate producers like steel are fearful of reducing prices in face of a prospective wage increase, although their profits have been the highest in history. On the other hand, union workers feel they are not getting their fair share of the profits, and since they cannot strike for lower prices, they resort to a demand for more wages.

Steel, of course, best illustrates the fallacy of this futile tug-of-war, because it is basic to our industrial welfare. The cost of steel eventually affects nearly every item we buy. An increase in steel prices immediately increases the cost of automobiles, home appliances and a host of items already priced to such a high point they are meeting buyer resistance.

A fourth-round wage increase will furnish big steel an excuse to raise prices further. This action will usher in another era of price-boosting for the ordinary consumer, and another round of a vicious circle will be completed.

This progressive approach to a boom-and-bust cycle, the very thing this country must avoid, is morally wrong and economically deplorable. Leaders in both big business and big labor should wake up to the serious fact that the faith of the American citizen in the free-enterprise system is at stake.

CHINESE NATIONALIST ARMIES

Mr. LODGE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. LODGE. Mr. Speaker, it has been widely proclaimed and repeated by those who have committed themselves to a do-nothing policy in China that the Chinese Nationalist troops were completely ineffective. Indeed, in his letter to President Truman transmitting the white paper Secretary of State Dean Acheson says on page XIV with reference to the Chinese Nationalists that "its troops had lost the will to fight." He states also that "the Nationalist armies did not have to be defeated; they disintegrated."

While the Secretary of State was thus apostrophizing the difficulties of the anti-Communist armies, the Chinese Communists themselves paid tribute to the effectiveness of the Chinese Nationalist troops in a news release which appeared in the New York Times of July 19 and which is quoted below:

REDS PUT LOSS AT 1,432,900

SHANGHAI, July 19.—The Chinese Communists, who rarely discuss their war losses, said today that the Communist army had lost 1,432,900 men during the past 3 years of fighting.

The Communist New China News Agency put the losses at 243,900 killed, 989,700 wounded, 10,400 captured, and 188,900 missing. The figures were for the period from July 1, 1946, to the present.

Here it is interesting to note the contrast between the above figures and the losses which our armies sustained against the Japanese and the Germans. These losses, exclusive of naval and air force losses, were 948,574.

In other words, the Chinese Nationalist armies inflicted in 3 years greater losses on the Chinese Communist armies than the armies of the United States sustained in fighting the Japanese and Germans in almost 4 years.

In these circumstances it is, let us say, at least open to question when the flat statement is made that the Chinese Nationalist armies have been an ineffective fighting force. Surely an army which causes more losses to the enemy than the Japanese and the German armies were able to inflict on United States troops in almost 4 years of combat can hardly be described as totally ineffective.

I make this statement for the RECORD primarily because it is a statement of incontrovertible fact. I think it important that my colleagues should be informed.

SPECIAL ORDER GRANTED

Mr. ELLSWORTH. Mr. Speaker, I ask unanimous consent that on Thursday of this week, after the disposition of business on the Speaker's desk and at the conclusion of special orders heretofore granted, I may address the House for 1 hour.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

OHIO DRIVE

Mr. JENKINS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. JENKINS. Mr. Speaker, I would not assume and I know it would be impossible for anybody to tell the glories of Ohio in 1 minute. Ohio is great in so many respects that it would take volumes to do her justice. But I can tell you in 1 minute that a few days ago a new thoroughfare was established in Washington which was given the name Ohio. Henceforth Ohio Drive will continue to grow in importance until it will rank at the top in importance. I cordially invite all of you to take a ride on Ohio Drive, Washington's most beautiful drive.

Mr. Speaker, in order that I might have enough time to, in a small way, expand on the beauties and importance of Ohio Drive, I ask unanimous consent that

I may be permitted to revise and extend my remarks in the Appendix of the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Mr. RICH asked and was given permission to extend his remarks in the RECORD and include a statement by Bishop Fred Pierce Corson, of the Methodist Church, Philadelphia, Pa., entitled "The Real Indictment of the White Paper."

SOCIAL SECURITY LEGISLATION

Mr. COOPER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. COOPER. Mr. Speaker, after about 6 months of diligent effort and hard work the Committee on Ways and Means has completed the draft of a bill dealing with social security and amending the Social Security Act. The bill, H. R. 6000, which is a clean bill was introduced by the chairman of the committee on yesterday. The chairman of the committee on yesterday issued a press release giving a very clear and concise statement covering the points included in the bill as well as the principal provisions of the bill. Realizing this is of great interest to all Members of the House, Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include therein a copy of the press release.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

(The matter referred to is as follows:)

COMMITTEE ON WAYS AND MEANS COMBINES SOCIAL SECURITY BILLS

Chairman DOUGHTON, of the House Committee on Ways and Means, announced today that the committee has concluded its work on amendments to titles I, IV, and X of the Social Security Act, relating to public assistance for needy persons over age 65, dependent children, and the blind, and to add a new category of needy persons who are permanently and totally disabled. Amendments would also be made in title V, relating to child welfare. Mr. DOUGHTON stated that the committee had agreed that the public assistance changes should be combined with the amendments relating to old-age and survivors insurance for introduction by him as a new committee bill:

SUMMARY OF PRINCIPAL PROVISIONS OF THE BILL

A. Old-age and survivors insurance

1. Extension of coverage: Old-age and survivors insurance coverage would be extended to add approximately 11,000,000 new persons to the 35,000,000 persons now covered during an average week. The groups added to the system under the bill are as follows:

(a) Nonfarm self-employed persons (other than physicians, lawyers, dentists, osteopaths, veterinarians, chiropractors, optometrists, Christian Science practitioners, and aeronautical, chemical, civil, electrical, mechanical, metallurgical, or mining engineers) whose net earnings from self-employment total $400 or more per year (about 4,500,000).

(b) Employees of State and local governments, if the State enters into a voluntary compact with the Federal Security Agency, provided that such employees who are under an existing retirement system shall be covered only if such employees and adult beneficiaries of the retirement system shall so elect by a two-thirds majority (about 3,800,000).

(c) Domestic servants in a private home whose cash earnings are $25 or more per quarter, and who work 26 days or more per quarter, unless employed on a farm operated for profit (about 750,000).

(d) Employees of nonprofit institutions other than ministers and members of religious orders, but, if the employer does not elect voluntarily to pay the employer's tax, the employee would receive credit with respect to only one-half his wages for the employee's tax which is compulsorily imposed upon him (about 600,000).

(e) Agricultural processing workers off the farm and certain other types of essentially commercial or industrial border-line agricultural labor, including employees of nonprofit agricultural and horticultural organizations and of farm-loan and farm-credit institutions (about 200,000).

(f) Federal employees not covered under any retirement system, except temporary workers, elective officials, dollar-a-year employees, etc. (about 100,000).

(g) Americans employed outside the United States and employees on American aircraft outside the United States (about 150,000).

(h) Employees and self-employed in the Virgin Islands (about 5,000) and, if requested by the Territorial legislature, in Puerto Rico (about 250,000).

(i) Salesmen, taxi drivers, industrial home workers, contract loggers, mine lessees, and other persons technically not employees at common law, who were deprived of status as employees by Public Law 642, Eighteth Congress, the so-called Gearhart resolution (about 500,000).

2. Liberalization of benefits:

(a) About 2,600,000 persons currently receiving old-age and survivors insurance benefits would have their monthly benefit increased on the average by about 70 percent. Increases would range from 50 percent for highest benefit groups to as much as 150 percent for lowest benefit groups. The average primary benefit of approximately $26 per month for a retired insured worker would be increased to nearly $45.

Present primary insurance benefit	*New primary insurance amount*
$10	$25
15	31
20	36
25	44
30	51
35	55
40	60
45	64

(b) Persons who retire in the future would have their benefits computed under the following new formula, with resulting benefits approximately double the average benefits payable today.

(i) Fifty percent of first $100 of average monthly wage, plus 10 percent of the next $200 (based on the maximum wage and tax base of $3,600 per year). This amount would be increased by one-half of 1 percent for each year of coverage, and would be reduced proportionately to take into account the time not spent in covered employment. For example, assume that the worker retired before 1956 and had 10 years of coverage since 1936, and that he had an average monthly wage over his years of coverage of $200 per month. His basic benefit would then be $60 (50 percent of the first $100 of average wage plus 10 percent of the next $100 of average wage or $50 plus $10). The amount coming from the increment is 5 percent of the basic benefit (since there are 10 years of coverage at one-half of 1 percent each) or $3. The primary insurance amount is then $63.

(ii) The minimum primary benefit under existing law of $10 per month would be increased to $25.

(iii) The maximum family benefit under existing law of $85 per month would be increased to $150, but not more than 80 percent of the average monthly wage of the insured person.

(iv) Lump-sum death payments would be made for all insured deaths instead of only for deaths with respect to which immediate monthly survivor's benefits are not payable, as limited by present law.

3. Computation of average wage: The average wage of insured worker would be the average earned in all years of social-security coverage (years after 1949 in which $400 or more was earned in covered employment; prior to 1950 years of coverage will be credited for $200 or more of wages) after either 1936 or after 1949, and before the worker dies or attains retirement age, whichever yields the higher average wage.

4. Eligibility for benefits: In order to qualify for both old-age and survivors insurance benefits under present law, a person must have either (a) quarters of coverage (calendar quarters after 1949 in which $100 or more was earned in covered employment; prior to 1950 quarters of coverage will be credited for $50 or more of wages) in one-half of the number of quarters since 1936 and before age 65; or (b) 40 quarters of coverage. Under the bill a third alternative qualification of 20 quarters of coverage out of the 40-quarter period ending at age 65, or any later date, would be added to enable newly covered groups to qualify more quickly.

5. Limitation on earnings of beneficiaries: The amount a beneficiary may earn in covered employment without loss of benefits would be increased from $14.99 to $50 per month. After age 75 benefits are payable regardless of amount of earnings from employment.

B. Permanent and total disability insurance

1. Coverage: All persons covered by the old-age and survivors insurance program would have available protection against the hazard of enforced retirement and loss of earnings caused by permanent and total disability.

2. Benefits: Permanently and totally disabled workers would have their benefits and average wage computed on the same basis as for old-age benefits, but no payments would be available for dependents of disabled workers.

3. Eligibility for benefits: An individual would be insured for disability benefits if he had both (a) 6 quarters of coverage out of the 13-quarter period ending when his disability occurred, and (b) 20 quarters of coverage out of the 40-quarter period ending when his disability occurred.

C. Veterans

World War II veterans would be given wage credits under the old-age, survivors, and disability insurance program of $160 per month for the time spent in military service between September 16, 1940, and July 24, 1947.

D. Financing of old-age, survivors, and disability insurance

1. Taxable wage base: The total annual earnings on which benefits would be computed and contributions paid is raised from $3,000 to $3,600.

2. Contribution schedule: Employers and employees would continue to share equally,

with their combined rate for the future being as follows (since 1936 the rate has been 2 percent):

Calendar years:	Rate (percent)
1950	3
1951–59	4
1960–64	5
1965–69	6
1970 and after	6½

The self-employed who are covered would pay three-fourths of the above rates.

E. Public assistance and welfare services

1. Extension of State-Federal public assistance programs: Aid would be extended to persons not now eligible for assistance, as follows:

(a) Permanently and totally disabled needy persons would become eligible for State-Federal assistance by the establishment of a fourth category, with the Federal Government sharing in the costs in the same manner as for old-age assistance and aid to the blind.

(b) The mother, or adult relative with whom an eligible dependent child is living, would become eligible as a recipient under the aid to dependent children program, and the Federal Government would share in the costs of the aid furnished such mother or relative.

2. Increase in Federal share of public assistance costs: The bill would strengthen financing of public assistance in all States, and, particularly, would enable States with low average payments to raise the level of payments to needy decipients under the State-Federal program. Federal funds would be made available to the States under the following matching formula:

(a) For old-age assistance, aid to the blind and aid to the totally and permanently disabled: Federal funds will equal four-fifths of the first $25 per recipient plus one-half of the next $10 plus one-third of the next $15 with a maximum of $50 on individual assistance payments.

(b) For aid to dependent children: Federal funds will equal four-fifths of the first $15 per recipient (including one adult in each family), plus one-half of the next $6, plus one-third of the remainder, with maximums on individual-assistance payments of $27 for the adult plus $27 for the first child plus $18 for each additional child in the family. (See tables I and II attached for the extent to which States would be enabled to raise average payments.)

3. Public medical institutions: The Federal Government would share in the costs incurred by the States and localities in furnishing assistance to the needy aged, blind, and permanently and totally disabled recipients in public medical institutions, instead of limiting Federal participation to costs incurred to recipients residing in private institutions as provided in present law.

4. Direct payment for medical care: States would be authorized to make direct payments to doctors or others furnishing medical care to recipients of State-Federal public assistance. Such payments would reduce payments to the recipients to that extent. Under existing law the Federal Government does not participate in the cost of medical care for recipients unless payment for such care is made directly to the recipient.

5. Child-welfare services: Authorization for child-welfare services would be increased from $3,500,000 per year to $7,000,000, for services in rural areas or areas of special need. The use of child-welfare funds would be authorized for purposes of returning interstate runaway children to their homes.

6. Cost: The estimated additional cost to the Federal Government for these public-assistance and welfare services amendments would be $256,000,000 annually.

F. Puerto Rico and the Virgin Islands

Old-age, survivors, and disability-insurance program and Federal participation in public assistance would be extended to Puerto Rico and the Virgin Islands.

TABLE I.—*Old-age assistance and aid to the blind: Amount to which average monthly payments of specified size under present provisions could be increased, and amount of increase under bill, assuming the same average expenditure per recipient from State and local funds*

Present provisions			The bill [1]		
Average monthly payments	Federal funds	State and local funds	Average monthly payments [2]	Federal funds	State and local funds
$20	$15.00	$5.00	$25	$20.00	$5.00
$25	17.50	7.50	$30	22.50	7.50
$30	20.00	10.00	$35	25.00	10.00
$35	22.50	12.50	$38.75	26.25	12.50
$40	25.00	15.00	$42.50	27.50	15.00
$45	27.50	17.50	$46.25	28.75	17.50
$50	30.00	20.00	$50	30.00	20.00

[1] Also applies to permanently and totally disabled.
[2] Assuming that no payments exceed $50, or disregarding any individual excess over $50.

TABLE II.—*Aid to dependent children: Amount to which average monthly payments to families of specified size under present provisions could be increased, and amount of increase under the bill assuming the same average expenditure per family from State and local funds*

Size of family	Average monthly payment [1]				
1-child family:					
Present provisions:					
Total payment	$25.00	$35.00	$45.00	$55.00	$75.00
Federal funds	15.50	16.50	16.50	16.50	16.50
State and local funds	9.50	18.50	28.50	38.50	58.50
The bill:					
Total payment	37.00	51.75	62.50	72.50	92.50
Federal funds	27.50	33.25	34.00	34.00	34.00
Increase in Federal funds	12.00	16.75	17.50	17.50	17.50
3-child family:					
Present provisions:					
Total payment	25.00	35.00	45.00	55.00	75.00
Federal funds	18.75	26.25	31.50	36.50	40.50
State and local funds	6.25	8.75	13.50	18.50	34.50
The bill:					
Total payment	31.25	43.75	63.00	73.00	96.50
Federal funds	25.00	35.00	49.50	54.50	62.00
Increase in Federal funds	6.25	8.75	18.00	18.00	21.50

[1] Assuming that no payments are in excess of amounts subject to Federal participation for Federal matching purposes.

EXTENSION OF REMARKS

Mr. BOGGS of Louisiana asked and was given permission to extend his remarks in the RECORD and include some newspaper editorials.

SPECIAL ORDER GRANTED

Mr. BROOKS. Mr. Speaker, I ask unanimous consent that on today, after the disposition of business on the Speaker's desk and the conclusion of special orders heretofore granted, I may address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

EXTENSION OF REMARKS

Mr. MURRAY of Tennessee asked and was given permission to extend his remarks in the RECORD and include therein an opinion rendered by Judge Holtzoff, district judge of the District of Columbia.

THE WASHINGTON POST HELPS WADLEIGH MAKE TREASON PROFITABLE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, the Washington Post ought to be excluded from the mails.

Any newspaper that will carry the syndicated article of that man Henry Julian Wadleigh, a confessed traitor, and spread it throughout the country, and in that way assist Wadleigh in making money out of his treason, ought to be denied the use of the United States mail.

I heard Wadleigh's testimony before the Committee on Un-American Activities. I cross-examined him and helped to expose his treason.

Now he confesses everything he was charged with, and in order to give him a semblance of respectability, the Washington Post publishes his syndicated statement, and pays him for it in order to try to minimize the offense that he committed in perpetrating treason against the American people at a time when our boys were dying on every battlefield in the world.

I say the Washington Post, and every other paper that carried his syndicated article, ought to be excluded from the mails.

The SPEAKER. The time of the gentleman from Mississippi has expired.

ADJOURNMENT OF CONGRESS

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, the press of yesterday carried an item to the effect that the Speaker advised the Congress would get out of here a little sooner if we did not make so many points of order. I do not know whether he was correctly quoted or not but I do know that I did not see anything in that item to the effect that if we passed all the legislation the administration wanted we would get out of here quicker. It may be that is one of the reasons for keeping us here—to sort of wear us down until we take it.

EXTENSION OF REMARKS

Mr. JENKINS asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. VELDE asked and was given permission to extend his remarks in the RECORD in two instances, in one to include an editorial by the Ithaca (N. Y.) Journal.

GEN. JOSEPH LAWTON COLLINS

Mr. DINGELL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DINGELL. Mr. Speaker, I was privileged to attend the ceremony attendant upon the installation of Gen. J. Lawton Collins as Army Chief of Staff. As the oath was administered by Gen. Omar Bradley, I realized that a prediction which I had made in 1933 to the late Frank Murphy, then High Commissioner of the Philippine Islands, that some day Maj. J. Lawton Collins would become Chief of Staff of the United States Army, had been fulfilled.

Our paths crossed on the way to Manila when I was given an opportunity to appraise the character and the caliber of this young and brilliant Army officer. I invited him to join me on an aerial inspection trip of the Hawaiian Islands. Intuitively I knew that the driving force and the thoroughness in his makeup, based upon an unimpeachable character and sound fundamental military training at West Point, would be crowned with success.

Attending the ceremony, I experienced a thrill and a great satisfaction as I calculated the short span of time of 16 years since then, and I am pleased with the meteoric rise of General Collins who, as Chief of Staff, has assumed direction of the Army. My attitude is buttressed by a legion of friends and observers, who, perhaps, are not in a position to give public expression to their views as regards the deserved recognition accorded the new Chief of Staff.

An eloquent editorial tribute appeared in the Evening Star dated August 16, the day of the ceremony, which tersely covers the high spots of the brilliant record of "Lightning Joe," and I am of the opinion that this editorial comment should become a part of the CONGRESSIONAL RECORD where it may be preserved for posterity and for future reference. General Collins follows a long line of brilliant soldiers, the most recent of whom include such outstanding names as Douglas MacArthur, Malin Craig, George Marshall, Dwight D. Eisenhower, and Omar Bradley.

But as the editorial states "the Army in good hands" should assure the people that the Army's glorious record of the past will be maintained.

The editorial follows:

THE ARMY IN GOOD HANDS

Gen. J. Lawton Collins is well equipped to succeed Gen. Omar Bradley as Army Chief of Staff. At 53, a veteran of both world wars, he is one of the Nation's most distinguished and most likable military leaders. Rich in ability and experience, both as an administrative officer and a field commander, he can be counted upon not merely to keep the ground forces in the best possible condition, but also to make an important contribution to the cause of interservice integration, in which he firmly believes.

In the Second World War, besides doing an excellent job as the War Department's Director of Information, General Collins—whose troops at Guadalcanal nicknamed him "Lightning Joe"—established a record in the South Pacific and Europe that has won him a place of lasting fame in our military history. Colorful and aggressive, he was one of the best and hardest-hitting of American commanders in the European theater, leading his celebrated Seventh Corps through a long series of great victories over the Nazis—seizing Utah Beach in the Normandy landings, freeing Cherbourg, breaking through at St. Lo, cracking the Siegfried Line, capturing Aachen, crossing the Rhine at Remagen Bridge, and going on from there to link up, finally with the Russians at the Elbe.

General Collins will feel anything but strange in his new post. Although primarily a fighting officer, he has also demonstrated outstanding administrative talent. Indeed, since becoming Vice Chief of Staff last October, he has frequently served more or less as the Acting Chief while General Bradley, who is moving up now to become chairman of the Joint Chiefs of the Army, Navy, and Air Force, concentrated on policy-making in connection with the effort to unify the services. General Collins thus will find himself pretty much at home in the big and important task that has been delegated to him. Moreover, being a strong advocate of teamwork and a man whose ideas are not the slaves of traditions which have become obsolete in the atomic age, he has the viewpoint needed throughout our Military Establishment to promote unification.

General Bradley has been such a topnotch Chief of Staff that his successor will have quite a job trying to match his record. But General Collins, by virtue of what he has achieved already—behind the desk as well as on the battlefield—is amply qualified to match it. Certainly, viewed from any angle, his appointment to the post is as reassuring as it is excellent.

PRIVILEGES OF FREE IMPORTATION TO MEMBERS OF THE ARMED FORCES OF OTHER NATIONS

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5086) to accord privileges of free importation to members of the armed forces of other nations, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments as follows:

Page 1, line 3, after "That" insert "(a)."

Page 2, line 14, strike out "SEC. 2." and insert "(b)."

Page 2, line 15, strike out "act" and insert "section."

Page 2, line 18, strike out "SEC. 3. This act" and insert "(c) This section."

Page 2, line 20, strike out "its."

Page 2, line 21, after "enactment" insert "of this act."

Page 2, after line 21, insert:

"SEC. 2. Extension of time for claiming refund with respect to war losses.

"The joint resolution of June 29, 1948 (Public Law 828, 80th Cong.), is hereby amended by striking out '1949' wherever appearing therein and inserting in lieu thereof '1950'."

Page 2, after line 21, insert:

"SEC. 3. Extension of time in the case of discharge of indebtedness.

"Section 22 (b) (9) and section 22 (b) (10) of the Internal Revenue Code are hereby amended by striking out '1949' and inserting in lieu thereof '1950'."

Page 2, after line 21, insert:

"SEC. 4. Verification of returns.

"(a) Chapter 38 of the Internal Revenue Code is hereby amended by inserting at the end thereof the following new section:

"'SEC. 3809. Verification of returns; penalties of perjury.

"'(a) Penalties: Any person who willfully makes and subscribes any return, statement, or other document, which contains or is verified by a written declaration that it is made under the penalties of perjury, and which he does not believe to be true and correct as to every material matter, shall be guilty of a felony, and, upon conviction thereof, shall be fined not more than $2,000 or imprisoned not more than 5 years, or both.

"'(b) Signature presumed correct: The fact that an individual's name is signed to a return, statement, or other document filed shall be prima facie evidence for all purposes that the return, statement, or other document was actually signed by him.

"'(c) Verification in lieu of oath: The Commissioner, under regulations prescribed by him with the approval of the Secretary, may require that any return, statement, or other document required to be filed under any provision of the internal revenue laws shall contain or be verified by a written declaration that it is made under the penalties of perjury, and such declaration shall be in lieu of any oath otherwise required.'

"(b) Sections 51 (d), 145 (c), and 1630 of such code are hereby repealed.

"(c) The amendments made by this section shall be applicable with respect to any return, statement, or document filed after the date of the enactment of this act."

Page 2, after line 21, insert:

"SEC. 5. Reports of Compensation.

"Section 148 (f) of the Internal Revenue Code (relating to reports of compensation of corporate officers and employees exceeding $75,000) is hereby repealed."

Page 2, after line 21, insert:

"SEC. 6. Failure to File Return or Pay Tax.

"Section 1626 (c) of the Internal Revenue Code is hereby repealed, and section 1631 of such code is hereby amended to read as follows:

"'SEC. 1631. Failure of Employer to File Return or Pay Tax.

"'In case of a failure to make and file any return, or a failure to pay any tax, required by this chapter, or both, within the time prescribed by law or prescribed by the Commissioner in pursuance of law, unless it is shown that such failure is due to reasonable cause and not due to willful neglect, the addition to the tax shall not be less than $5.'"

Page 2, after line 21, insert:

"SEC. 7. Returns and Payment of Excise Taxes.

"(a) Section 3310 of the Internal Revenue Code (relating to returns and payment of tax) is hereby amended by adding at the end thereof the following new subsection:

"'(f) Discretion allowed Commissioner:

"'(1) Returns and payment of tax: Notwithstanding any other provision of law relating to the filing of returns or payment of any tax imposed by chapter 9, 9A, 10, 12, 19, 21, 30, 32, subchapter A of chapter 25, or subchapter A of chapter 29, the Commissioner may by regulations approved by the Secretary prescribe the period for which the return for such tax shall be filed, the time for the filing of such return, the time for the payment of such tax, and the number of copies of the return required to be filed.

"'(2) Use of Government depositaries: The Secretary may authorize Federal Reserve banks, and incorporated banks or trust companies which are depositaries or financial agents of the United States, to receive any tax imposed by this title, in such manner, at such times, and under such conditions as he may prescribe; and he shall prescribe the manner, times, and conditions under which the receipt of such tax by such banks and trust companies is to be treated as payment of such tax to the collector.'

"(b) Section 8 of the Second Liberty Bond Act, as amended (31 U. S. C., sec. 771), is hereby amended by striking out 'income and excess profits taxes' and inserting in lieu thereof 'internal revenue taxes.'"

Page 2, after line 21, insert:

"SEC. 8. Delegation of assessment authority.

"Chapter 35 of the Internal Revenue Code is hereby amended by adding at the end thereof the following new section:

"'SEC. 3647. Delegation of assessment authority.

"'The Commissioner, under regulations approved by the Secretary, is authorized to delegate to any officer or employee of the Bureau of Internal Revenue, including the field service, any authority, duty, or function which the Commissioner is authorized or required to exercise or perform under section 3640, 3641, or 3642.'"

Page 2, after line 21, insert:

"SEC. 9. Credit or refund of overpayment of tax.

"(a) Section 3770 (a) of the Internal Revenue Code is hereby amended by renumbering paragraph (5) as paragraph (6), and by amending paragraph (4) to read as follows:

"'(4) Credit of overpayment of one class of tax against another class of tax due: Notwithstanding any provision of law to the contrary, the Commissioner may, in his discretion, in lieu of refunding an overpayment of tax imposed by any provision of this title, credit such overpayment against any tax due from the taxpayer under any other provision of this title.

"'(5) Delegation of authority to collectors to make refunds: The Commissioner, with the approval of the Secretary, is authorized to delegate to collectors any authority, duty, or function which the Commissioner is authorized or required to exercise or perform under paragraph (1), (2), (3), or (4) of this subsection, or under section 322 or 1027, where the amount involved (exclusive of interest, penalties, additions to the tax, and additional amounts) does not exceed $10,000.'

"(b) Section 3772 of such code is hereby amended by adding at the end thereof the following new subsection:

"'(e) Credit treated as payment: The credit of an overpayment of any tax in satisfaction of any tax liability shall, for the purpose of any suit for refund of such tax liability so satisfied, be deemed to be a payment in respect of such tax liability to the collector in office at the time such credit is allowed.'"

Page 2, after line 21, insert:

"SEC. 10. Reports to Congress of refunds.

"(a) Section 3776 of the Internal Revenue Code (relating to reports to Congress of refunds) is hereby repealed.

"(b) Section 3777 of such code (relating to review of refunds and credits by the Joint Committee on Internal Revenue Taxation) is hereby amended by striking out '$75,000' wherever appearing therein and inserting in lieu thereof '$200,000.'"

Page 2, after line 21, insert:

"SEC. 11. Collectors' salaries.

"Section 3944 (b) of the Internal Revenue Code (relating to adjustment and limit of collectors' salaries) is hereby amended to read as follows:

"'(b) Adjustment and limit of salaries: The salaries of collectors may be readjusted and increased under such regulations as may be prescribed by the Commissioner, subject to the approval of the Secretary, but no collector shall receive a salary in excess of the highest scheduled rate of compensation established by the Classification Act of 1923, as amended, or by any law hereafter enacted superseding such act.'"

Page 2, after line 21, insert:

"SEC. 12. Expenses of detection of frauds.

"Section 3792 of the Internal Revenue Code is hereby amended by inserting after the words 'The Commissioner,' the following 'under regulations prescribed by him.'"

Amend the title so as to read: "An act to accord privileges of free importation to members of the armed forces of other nations, to grant certain extensions of time for tax purposes, and to facilitate tax administration."

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. JENKINS. Mr. Speaker, reserving the right to object, I just wish to ask my distinguished chairman if what he proposes to do now is what we passed on in the committee yesterday.

Mr. DOUGHTON. It is what we passed on in committee yesterday. It was unanimously agreed to. These amendments have all been considered by the Committee on Ways and Means. Most of the amendments are administrative changes. There are only two changes that might be considered important. One of those is extending the time for filing war claims, and the other is providing that corporations may have additional time in which to settle their indebtednesses. It was agreed that we would not extend the time for either one of these provisions any further. These extensions have been granted two or three times, and this is the last time that they will be extended.

Mr. JENKINS. And you propose to incorporate that statement in the remarks you are going to make today?

Mr. DOUGHTON. Yes. I ask unanimous consent to extend my remarks at this point, Mr. Speaker. It shows the action of the committee taken yesterday.

The SPEAKER. Without objection, it is so ordered.

Mr. DOUGHTON. Mr. Speaker, all of the Senate amendments have been considered by the Committee on Ways and Means. They are contained in sections 2 to 12 of the bill. With the exception of two amendments, the Senate amendments do not change the tax liability of any taxpayer but are purely administrative and will considerably speed up the work of the Bureau of Internal Revenue in the administration of the tax laws.

Of the other two amendments, one relates to an extension of time for filing war-loss claims. The period has been extended in the past several times, but will expire on December 31, 1949. The Senate amendment grants an additional extension to December 31, 1950. This further time is deemed necessary to enable the staff of the Joint Committee on Internal Revenue Taxation and the Treasury to reexamine the war-loss provision and report to the committee whether in their opinion amendatory legislation is desirable. The Committee on Ways and Means believes that the extension in the Senate amendment for one additional year is warranted under the circumstances but serves notice to all parties interested that it will not approve any extension beyond December 31, 1950.

The other amendment provides an extension of the period in which corporations may retire their indebtedness without recognition of gain or loss. The period for allowing this to be done has been extended in the past, the final date now expiring December 31, 1949.

The Senate amendment extends the period one additional year, that is, through December 31, 1950. The Committee on Ways and Means has no objection to this additional extension which was suggested by the Treasury and the staff of the Joint Committee on Internal Revenue Taxation, in order to make a further study of the indebtedness problem. However, our committee desires to serve notice on all interested parties that it will not approve any further extension of this provision of law beyond December 31, 1950.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina [Mr. DOUGHTON]?

There was no objection.

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

CALL OF THE HOUSE

Mr. HOFFMAN of Michigan. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently no quorum is present.

Mr. PRIEST. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 182]

Abbitt	Hall,	Phillips, Tenn.
Anderson, Calif.	Leonard W.	Plumley
Bailey	Halleck	Powell
Barden	Hart	Price
Baring	Hébert	Reed, Ill.
Barrett, Pa.	Heffernan	Reed, N. Y.
Bentsen	Heller	Rees
Bland	Herlong	Richards
Blatnik	Hinshaw	Riehlman
Bolton, Ohio	Holifield	Rivers
Boykin	Hope	Scott,
Breen	Horan	Hugh D., Jr.
Brown, Ohio	Irving	Shafer
Buckley, N. Y.	Jacobs	Sikes
Bulwinkle	Jenison	Simpson, Pa.
Burke	Johnson	Smathers
Burnside	Kearney	Smith, Ohio
Byrne, N. Y.	Keefe	Stanley
Chatham	Kennedy	Tauriello
Clemente	Keogh	Taylor
Clevenger	Kilburn	Teague
Cole, N. Y.	Kirwan	Thomas, N. J.
Coudert	Lesinski	Tollefson
Davies, N. Y.	Lovre	Towe
Dawson	McCormack	Underwood
DeGraffenried	McGregor	Vinson
Denton	McKinnon	Walsh
Dolliver	McSweeney	Welch, Mo.
Dondero	Magee	Werdel
Eaton	Marcantonio	Whitaker
Elston	Martin, Mass.	White, Idaho
Feighan	Miles	Wigglesworth
Fellows	Morton	Winstead
Fogarty	Moulder	Withrow
Fulton	Murphy	Wood
Furcolo	Norblad	Woodhouse
Gilmer	Norton	Worley
Gordon	O'Neill	Zablocki
Gore	Pace	
Gorski, N. Y.	Pfeifer,	
Gregory	Joseph L.	
Gwinn	Pfeiffer,	
Hall,	William L.	
Edwin Arthur	Phillips, Calif.	

The SPEAKER. On this roll call 308 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

SUPPLEMENTAL APPROPRIATIONS, 1950

Mr. KERR, from the Committee on Appropriations reported the bill (H. R.

6008) making supplemental appropriations for the fiscal year ending June 30, 1950, and for other purposes (Rept. No. 1266), which was read a first and second time and with the accompanying papers referred to the Committee of the Whole House on the State of the Union and ordered to be printed.

Mr. TABER reserved all points of order on the bill.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first individual bill in the calendar.

GUSTAV SCHILBRED

The Clerk called the bill (H. R. 1600) for the relief of Gustav Schilbred.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Gustav Schilbred, of Thief River Falls, Minn., the sum of $510. Such sum shall be in full settlement of all claims against the United States on account of 68 days and 5 hours of annual leave accrued but not taken by the said Gustav Schilbred while employed at an annual salary of $2,100 as patrol inspector in the Immigration and Naturalization Service: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MABEL COLLIVER

The Clerk called the bill (H. R. 3499) for the relief of Mabel Colliver.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mabel Colliver, of Minneapolis, Minn., the sum of $3,000, in full satisfaction of her claim against the United States for personal injuries and expenses, incurred as the result of an accident involving the operation of an ambulance owned by the Veterans' Administration and being operated by Ben Bjerkness, an employee of the Veterans' Administration. That on the 25th day of March 1944, at noon, she was an occupant in the ambulance owned by the Veterans' Administration being operated by said Ben Bjerkness, and through his negligence she was injured by being thrown against the windshield, when said operator suddenly brought the vehicle to a stop at or near the intersection of West Twenty-fourth Street and Blaisdell Avenue South, in Minneapolis, Minn.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Strike out all after the enacting clause, and insert in lieu thereof: "That jurisdiction is hereby conferred upon the United States District Court for the Central Division of the Southern District of California, to hear, determine, and render judgment upon the claim of Mabel Colliver, of Long Beach, Calif. for damages allegedly sustained as the result of an accident involving an ambulance owned by the United States Veterans' Administration at or near the intersection of West Twenty-fourth Street and Blaisdell Avenue, South, Minneapolis, Minn., on March 25, 1944.

"SEC. 2. Suit upon such claim may be instituted at any time within 1 year from the enactment of this act, notwithstanding the lapse of time or any statute of limitations. Proceedings for the determination of such claim, appeals therefrom, and payment of any judgment thereon, shall be in the same manner as in cases over which such court has jurisdiction under the provisions of paragraph twentieth of section 24 of the Judicial Code, as amended."

Mr. TRIMBLE. Mr. Speaker, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. TRIMBLE to the committee amendment: On page 3, line 27, after the words "provisions of" strike out "paragraph 20th of section 24 of the Judicial Code as amended" and insert in lieu thereof "section 1346 of title 28 of the United States Code."

The amendment to the committee amendment was agreed to.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to confer jurisdiction upon the United States District Court for the Central Division of the Southern District of California to hear, determine, and render judgment upon the claim of Mabel Colliver."

A motion to reconsider was laid on the table.

ISAIAH JOHNSON

The Clerk called the bill (S. 622) for the relief of Isaiah Johnson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Isaiah Johnson, of the District of Columbia, (1) a sum equal to the amount of compensation which would have been payable to him for service rendered as an employee of the United States during the period July 1 to July 18, 1945, had such service been rendered as a de jure rather than a de facto employee, and (2) a sum equal to the lump-sum payment for annual leave (a) which had been accumulated by him at the time of the termination of his period of service as a de jure employee of the United States on April 30, 1944, and (b) which would have been credited to the said Isaiah Johnson had his period of service as a civilian employee of the Government of the United States during the period May 1, 1944, to July 18, 1945, been de jure employment, which sums, together with the payments authorized by section 2, shall be in full satisfaction of the claims of the said Isaiah Johnson for compensation for such service rendered by him and for annual leave accumulated by him, both of which were unpaid, because of the failure of the employing agency of the Government to give him notice of his automatic separation from the service of the United States upon reaching the age of 70 under the provisions of the Civil Service Retirement Act then in force: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

SEC. 2. The Civil Service Commission is authorized and directed to recompute the annuity of the said Isaiah Johnson, under the Civil Service Retirement Act of May 29, 1930, as amended, as of the date of his retirement, and, for the purposes of such recomputation, service performed by him as a de facto employee of the United States from May 1, 1944, to July 18, 1945, shall be considered as creditable service in the employment of the United States.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. MARY CAPODANNO

The Clerk called the bill (H. R. 1484) for the relief of Mrs. Mary Capodanno and the legal guardian of Vincent Capodanno.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Mary Capodanno, of Somerville, Mass., the sum of $2,500, and to the legal guardian of Vincent Capodanno, of Somerville, Mass., the sum of $1,500. The payment of such sums shall be in full settlement of all claims against the United States of the said Mrs. Mary Capodanno and on behalf of the said Vincent Capodanno for personal injuries sustained by them, resulting from an accident which occurred on April 8, 1944, when the car in which the said Mrs. Mary Capodanno and the said Vincent Capodanno were riding, was struck by a United States Navy truck at the intersection of Webster Avenue and Prospect Street, Somerville, Mass.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, strike out "$2,500", and insert in lieu thereof "$884.84."

Page 1, line 8, strike out "$1,500", and insert in lieu thereof "$354.93."

Page 1, line 9, after the word "States", insert "and against Francis M. Regan, an employee of the United States."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third

time, and passed, and a motion to reconsider was laid on the table.

GLUCKIN CORP.

The Clerk called the ball (H. R. 3498) for the relief of the Gluckin Corp.

Mr. DEANE. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

MRS. SARAH E. THOMPSON

The Clerk called the bill (H. R. 4563) for the relief of Mrs. Sarah E. Thompson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, as amended (U. S. C., 1940 edition, title 5, secs. 751–791), the death of William Harvey Thompson, a prohibition agent of the Bureau of Internal Revenue, which occurred on or about August 3, 1927, as a result of his being shot by a member of the police department of Tacoma, Wash., on July 27, 1927, while he was collecting evidence to be used in the enforcement of the National Prohibition Act, shall be held and considered to have resulted from a personal injury sustained while in the performance of his duty as prohibition agent. The claim of Mrs. Sarah E. Thompson, dependent mother of the said William Harvey Thompson, on account of his death, shall be considered and acted upon by the Bureau of Employees' Compensation as if such death had resulted from a personal injury sustained while in the performance of his duty as prohibition agent, but only if such claim is filed with the Bureau of Employees' Compensation not later than 1 year after the date of enactment of this act.

SEC. 2. The compensation which the said Mrs. Sarah E. Thompson may be entitled to receive as a result of the enactment of this act shall commence as of the date on which such compensation is awarded by the Bureau of Employees' Compensation.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOE D. DUTTON

The Clerk called the bill (H. R. 5777) for the relief of Joe D. Dutton.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $90, to Joe D. Dutton, of Griffin, Ga. Such sum is reimbursement for the amount of a certain forged post office money order No. 15746, cashed by him while serving as Army mail clerk at Army post office 584, Trier, Germany, on June 16, 1945, for which he was held accountable: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOHN SIDNEY McCAIN

The Clerk called the joint resolution (H. J. Res. 281) to authorize the President to issue posthumously to the late John Sidney McCain, vice admiral, United States Navy, a commission as admiral, United States Navy, and for other purposes.

There being no objection, the Clerk read the resolution, as follows:

Resolved, etc., That the President is authorized to issue posthumously to the late John Sidney McCain, late a vice admiral, United States Navy, a commission as admiral, United States Navy as of September 6, 1945.

SEC. 2. The Secretary of the Navy is authorized and directed to amend the records of the Navy Department so as to carry the said John Sidney McCain as an admiral, United States Navy, to rank from September 6, 1945.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

W. W. STEWART

The Clerk called the bill (H. R. 3864) to return certain lands taken from W. W. Stewart by the United States.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of the Air Force is authorized and directed to donate and convey on behalf of the United States to the estate of W. W. Stewart all the right, title, and interest of the United States in and to all that tract of land lying to the north of relocated State route 337, which was formerly owned by the said W. W. Stewart and which is a portion of the land taken from him by declaration of taking No. 3, civil No. 1717, which was filed on November 7, 1942, in the United States District Court for the District of Maryland under the title of United States against 3,250 acres of land, more or less, in Prince Georges County, State of Maryland, and J. D. Hart et al.

With the following committee amendments:

On page 1, line 4, strike out the words "donate and."

On page 1, line 5, immediately following the name "W. W. Stewart" add the words "for a fair value to be determined by the Secretary."

On page 1, line 7, after the number "337" add the words "consisting of 8 acres, more or less."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to convey certain lands taken from W. W. Stewart by the United States."

A motion to reconsider was laid on the table.

PATENT IN FEE TO LEO FARWELL GLENN

The Clerk called the bill (S. 520) to authorize and direct the Secretary of the Interior to issue to Leo Farwell Glenn, a Crow allottee, a patent in fee to certain lands.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That, upon application in writing, the Secretary of the Interior is authorized and directed to issue to Leo Farwell Glenn, Crow allottee No. 3234, a patent in fee to the following-described lands in the State of Montana: West half west half, section 26; east half east half, east half west half east half, east half west half east half section 27; north half northeast quarter, north half south half northeast quarter, section 34, township 3 south, range 27 east; and the west half southeast quarter section 30, west half northeast quarter, northwest quarter southeast quarter, lots 6, 7, and 8, section 31, township 4 south, range 27 east, Montana principal meridian, containing 880 acres.

With the following committee amendment:

Page 2, line 5, after the word "acres:" insert "*Provided*, That when the land herein described is offered for sale, the Crow Tribe, or any Indian who is a member of said tribe, shall have 90 days in which to execute preferential rights to purchase said tract at a price offered to the seller by a prospective buyer willing and able to purchase."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PATENT IN FEE TO JOHN GRAYEAGLE

The Clerk called the bill (S. 1361) to authorize and direct the Secretary of the Interior to issue to John Grayeagle a patent in fee to certain land.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, upon application in writing, the Secretary of the Interior is authorized and directed to issue to John Grayeagle of Bullhead, S. Dak., a patent in fee to the following-described lands allotted to him in the State of South Dakota: The southeast quarter of section 23, township 21, range 25, the west half of section 23, township 21, range 25.

With the following committee amendment:

Page 1, line 9, after "range 25:" insert "*Provided*, That when the land herein described is offered for sale, the Standing Rock Sioux Tribe, or any Indian who is a member of said tribe, shall have 90 days in which to execute preferential rights to purchase said tract at a price offered to the seller by a prospective buyer willing and able to purchase."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOSEPHINE LISITANO

The Clerk called the bill (H. R. 1485) for the relief of Josephine Lisitano.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $5,000, to Josephine Lisitano, of Boston, Mass., in full settlement of all claims against the United States for the death and conscious suffering of her husband, Charles Lisitano, of Boston, Mass., resulting from wounds inflicted upon Charles

Lisitano, deceased, by a bullet fired from a service pistol by an enlisted member of the naval forces of the United States at Braintree, Mass., on April 20, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WADE H. NOLAND

The Clerk called the bill (H. R. 2854) for the relief of Wade H. Noland.

Mr. LICHTENWALTER. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

MRS. DOROTHY M. EVANS

The Clerk called the bill (H. R. 3081) for the relief of Mrs. Dorothy M. Evans.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Dorothy M. Evans, of Bakersfield, Calif., the sum of $6,500, in full settlement of all claims against the United States for damages sustained on account of the death of her husband, Maurice Gwinn Evans, as a result of personal injuries sustained by him on October 24, 1944, when the automobile in which he was riding as a passenger was struck by an Army truck at the intersection of Kern Island Road and Taft Highway, Kern County, Calif.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 5, strike out "Mrs. Dorothy M. Evans" and insert in lieu thereof "the estate of Maurice G. Evans."

Page 1, line 9, strike out "her husband" and insert the words "the said."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of the estate of Maurice G. Evans."

A motion to reconsider was laid on the table.

CARL C. BALLARD

The Clerk called the bill (H. R. 3863) for the relief of Carl C. Ballard.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Carl C. Ballard, Hugo, Okla., the sum of $25,000. The payment of such sum shall be in full settlement of all claims of the said Carl C. Ballard against the United States on account of total and permanent disability arising from injuries to his right ankle and leg, and to his back and neck, incurred on January 27, 1944, when the automobile which he was operating was struck by any Army ambulance on United States Highway 171, 3 miles north of Leesville, La.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$25,000" and insert "$15,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. The Chair suggests that the next to the last word in the last line of page 1 of H. R. 3863 be changed from "any" to "an."

Without objection the correction will be made.

There was no objection.

W. P. BARTEL

The Clerk called the bill (H. R. 4095) for the relief of W. P. Bartel.

The SPEAKER. Is there objection?

There was no objection.

Mr. TRIMBLE. Mr. Speaker, I ask unanimous consent to substitute a similar Senate bill S. 2170.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the Senate bill as follows:

Be it enacted, etc., That W. P. Bartel, certifying officer of the Interstate Commerce Commission, is hereby relieved of all liability to the United States incurred by reason of the payment of $67.32 to Milford M. Tinsley in March 1943, for traveling and other expenses incurred in connection with a change of official headquarters, such payment having been held by the Comptroller General of the United States to be erroneous because travel was performed prior to the date of the travel order.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 4095) was laid on the table.

J. D. LECKY

The Clerk called the bill (H. R. 4777) for the relief of J. D. Lecky.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to J. D. Lecky, Richmond, Va., the sum of $1,000. The payment of such sum shall be in full settlement of all claims of the said J. D. Lecky against the United States for the assistance which he rendered in connection with the recovery by the United States of $6,810 on account of certain fire-insurance premiums: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. JACK J. O'CONNELL

The Clerk called the bill (H. R. 4889) for the relief of Mrs. Jack J. O'Connell.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That in the payment of the 6 months' gratuity under the act of December 17, 1919 (41 Stat. 367), Capt. Jack J. O'Connell, late of the Air Corps, United States Army, who died on December 2, 1934, shall be considered to have been qualified by examination for and to have accepted appointment to the grade of captain on October 1, 1934, the date upon which he was promoted to the grade of captain: *Provided*, That the amount of any gratuity already paid to the widow of Captain O'Connell shall be deducted from the gratuity paid under the provisions of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BELLE ISLE CAB CO., INC.

The Clerk called the bill (H. R. 5582) for the relief of the Belle Isle Cab Co., Inc.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Belle Isle Cab Co., Inc., of Baltimore, Md., the sum of $1,773.37. The payment of such sum shall be in full settlement of all claims of such company against the United States arising from a collision, on September 12, 1944, in Baltimore, Md., involving a taxicab, owned by such company and operated by its agent, and a United States Maritime Commission truck. A passenger in such taxicab, who was injured in the collision, brought suit in the Superior Court of Baltimore City against such company and the driver of the Government truck. Judgment was rendered against both defendants in the amount of $3,500, plus court costs of $46.75. Due to the inability of the driver of the truck to pay his part of the judgment, such company was compelled to pay the entire sum of $3,546.75. Later such company reduced to judgment against such driver one-half of such amount, or $1,773.37, which judgment is unsatisfied: *Provided*, That no part of the amount appropriated in

this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 2, line 1, after the comma, insert, "truck, and also in full settlement of all judgments held by the Belle Isle Cab Co., Inc., against Dr. Pleasant, the truck driver employed by War Shipping Administration."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GHETEL POLLAK KAHAN, ET AL.

The Clerk called the bill (S. 331) for the relief of Ghetel Pollak Kahan, Magdalena Linda Kahan (wife), and Susanna Kahan (daughter, 12 years old).

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in the administration of the immigration and naturalization laws, the Attorney General is authorized and directed to record Ghetel Pollak Kahan, Magdalena Linda Kahan (wife), and Susanna Kahan (daughter, 12 years old), as having entered the United States on August 21, 1945, for permanent residence. The said Ghetel Pollak Kahan, Magdalena Linda Kahan (wife), and Susanna Kahan (daughter, 12 years old), shall not be subject to deportation by reason of such entry.

With the following committee amendment:

Page 2, line 1, insert a new section:

"SEC. 2. Upon the enactment of this act the Secretary of State shall instruct the proper quota-control officer to deduct three numbers from the quota for Rumania of the first year that such quota numbers are available."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EIKO NAKAMURA

The Clerk called the bill (S. 555) for the relief of Eiko Nakamura.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the provisions of the immigration laws relating to the exclusion of aliens inadmissible because of race shall not hereafter apply to Eiko Nakamura, Tokyo, Japan, the Japanese fiancée of James L. West, a citizen of the United States and an honorably discharged veteran of World War II, and that Eiko Nakamura may be eligible for a visa as a nonimmigrant temporary visitor for a period of 3 months: *Provided*, That the administrative authorities find that the said Eiko Nakamura is coming to the United States with a bona fide intention of being married to said James L. West, and that she is found otherwise admissible under the immigration laws. In the event the marriage between the above-named parties does not occur within 3 months after the entry of said Eiko Nakamura, she shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 19 and 20 of the Immigration Act of February 5, 1917 (U. S. C. title 8, secs. 155 and 156). In the event the marriage between the above-named parties shall occur within 3 months after the entry of said Eiko Nakamura, the Attorney General is authorized and directed to record the lawful admission for permanent residence of said Eiko Nakamura as of the date of her entry into the United States, upon the payment by her of the required fees and head taxes.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM (VASILIOS) KOTSAKIS

The Clerk called the bill (S. 787) for the relief of William (Vasilios) Kotsakis.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of immigration and naturalization laws, William (Vasilios) Kotsakis shall be considered to be the natural-born son of Mr. and Mrs. Nick Canelis, of Billings, Mont., citizens of the United States.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ROMAN SZYMANSKI AND ANASTOSIA SZYMANSKI

The Clerk called the bill (S. 1026) for the relief of Roman Szymanski and Anastosia Szymanski.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the immigration and naturalization laws the Attorney General of the United States shall record the lawful admission for permanent residence of Roman Szymanski and Anastosia Szymanski, his spouse, as of December 22, 1947, the date of their last entry into the United States, upon payment of the required visa fee and head tax. Upon the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct two numbers from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MANUEL URIBE

The Clerk called the bill (H. R. 715) for the relief of Manuel Uribe.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the immigration laws, Manuel Uribe, a national of Spain now residing in Mexico and the husband of Iva Uribe, a citizen of the United States living in Pomona, Calif., shall, upon application at a port of entry into the United States, be admitted for permanent residence without an immigration visa, provided he meets all the other requirements of the immigration laws. Upon his admission into the United States, the Secretary of State shall deduct one number from the quota for Spain for the year in which the admission occurs or from the quota of the first available succeeding year.

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That notwithstanding the provisions of the eleventh category of section 3 of the Immigration Act of February 5, 1917, as amended (8 U. S. C. 136 (e)), insofar as concerns any act or acts of Manuel Uribe, also known as Arquimedes Manuel Uribelarrea-Alvarez, of which the Department of State or the Department of Justice has notice at the time of enactment of this act, the said Manuel Uribe may be admitted to the United States for permanent residence if he is not found to be otherwise inadmissible under the provisions of the immigration laws."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FERNANDO ABOITIZ

The Clerk called the bill (H. R. 5149) for the relief of Fernando Aboitiz.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That (a) Mr. Fernando Aboitiz, a former citizen of the United States, may be naturalized by taking, prior to 1 year from the enactment of this act, before any naturalization court specified in subsection (a) of section 301 of the Nationality Act of 1940, as amended, or before any diplomatic or consular officer of the United States abroad, the oaths prescribed by section 335 of the said act.

(b) From and after naturalization under this act, Mr. Fernando Aboitiz shall have the same citizenship status as that which existed immediately prior to its loss.

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That in the administration of the immigration and naturalization laws the Attorney General is authorized to record the lawful admission for permanent residence of Mr. Fernando Aboitiz, who entered the United States on August 27, 1947, at the port of New Orleans, La., upon payment of the required visa fee and head tax.

"SEC. 2. Upon the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the quota for the Philippine Islands for the first year that such quota number is available."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. HILDA DE SILVA

The Clerk called the bill (H. R. 5375) for the relief of Mrs. Hilda De Silva.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding the provisions relating to illiteracy in section 3 of the Immigration Act of 1917, as amended, Mrs. Hilda De Silva, of Bermuda, four of whose children are residents and citizens of the United States, may be admitted to the United States for permanent residence, if she is otherwise admissible under the immigration laws.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. CLAUDIA WEITLANNER

The Clerk called the bill (H. R. 5539) for the relief of Mrs. Claudia Weitlanner.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Attorney General be, and he is hereby, authorized and directed to record the lawful admission for permanent residence of Mrs. Claudia Weitlanner as of March 24, 1949, the date on which she was originally admitted as a student.

SEC. 2. Upon enactment of this act the Secretary of State shall instruct the proper quota-control officer to deduct one number from the quota for Austria for the first year that said quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. TOSHIKO KEYSER

The Clerk called the bill (H. R. 5851) for the relief of Mrs. Toshiko Keyser.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding the provisions of section 13 (c) of the Immigration Act of 1924, as amended, Mrs. Toshiko Keyser, a Canadian citizen of Japanese descent, who is the spouse of Donald E. Keyser, a United States citizen and an honorably discharged veteran of World War II, shall be admitted to the United States for permanent residence upon application hereafter filed if she is otherwise admissible under the immigration laws.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DICK WALOOK AND ALFRED L. WOODS

The Clerk called the bill (H. R. 587) for the relief of Dick Walook and Alfred L. Woods.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the following, in full settlement of all claims against the United States for reimbursement of the amounts they expended for necessary travel expenses, in addition to any amounts paid to them by the United States for such purposes, in traveling from the places of their discharges, as indicated, from the Army of the United States to their homes: To Dick Walook (ASN 39825588), of Wainwright, Alaska, from Fort Lewis, Wash., to Wainwright, Alaska, the sum of $263.75, and to Alfred L. Woods (ASN 39846592), of Rampart, Alaska, from Fort Richardson, Alaska, to Rampart, Alaska, the sum of $39.85: *Provided*, That no part of any of the sums appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with the claims settled by the payment of such sums, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 11, between the words "To" and "Dick" insert "the estate of."

Page 2, line 2, after the figures "$263.75", strike out "and."

Page 2, line 5, strike out the colon, and insert "and to Edward Kimoktoak (ASN 39825719), of Koyuk, Alaska, from Walla Walla, Wash., to Koyuk, Alaska, the sum of $247."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of the estate of Dick Walook, Alfred L. Woods, and Edward Kimoktoak."

A motion to reconsider was laid on the table.

JACOB BROWN

The Clerk called the bill (H. R. 1024) for the relief of Jacob Brown.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Jacob Brown, Wilmington, Del., the sum of $3,184, together with interest on such sum at the rate of 6 percent per annum beginning on July 1, 1944, and ending on the date of enactment of this act. The payment of such sum and interest shall be in full settlement of all claims of the said Jacob Brown against the United States for restitution of such sum which is the amount he paid on July 1, 1944, for plumbing supplies offered for sale by the United States at a public auction held by the collector of internal revenue at Wilmington, Del. It has been judicially determined subsequent to July 1, 1944, that the United States had no title or interest in said plumbing supplies and that the said Jacob Brown received no title thereto: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, after the figure strike out the balance of line 6, all of line 7, and line 8 down to and including the word "act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

KING V. CLARK

The Clerk called the bill (H. R. 1106) for the relief of King V. Clark.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $10,000 to King V. Clark, of Horse Cave, Ky., in full settlement of all claims against the United States for personal injuries, medical and hospital expenses sustained as a result of an accident involving a United States Army vehicle on the Fort Knox, Ky., reservation, on or about July 13, 1941: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 5, strike out "$10,000" and insert in lieu thereof "$4,500."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FRANK G. MOORE

The Clerk called the bill (H. R. 2075) for the relief of Frank G. Moore.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $5,000 to Frank G. Moore, of Atlanta, Ga., in full settlement of all claims against the United States for personal injuries, medical and hospital expenses, and loss of wages sustained as a result of an accident involving a United States Marine Corps vehicle at the intersection of Sulphur Springs Road, Halethorpe, Md., and Washington-Baltimore Boulevard, on July 21, 1943: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MORRIS TUTNAUER

The Clerk called the bill (H. R. 2266) for the relief of Morris Tutnauer.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Morris Tutnauer, of New York City, N. Y., the sum of $28,365.50, in full settlement of all claims against the United States by said Morris Tutnauer on account of the injuries sustained by him when an automobile being operated by him was struck by a War Department automobile on July 22, 1943, in Queens County, New York City, N. Y., said War Department automobile being operated by a private of the United States Army: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$28,365.50" and insert "$10,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DORIS M. FAULKNER

The Clerk called the bill (H. R. 3769) for the relief of Doris M. Faulkner.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding the provisions and limitations of sections 15 to 20, both inclusive, of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, as amended (U. S. C., 1940 edition, title 5, secs. 765–770), the Bureau of Employees' Compensation is hereby authorized and directed to receive and consider, when filed, the claim of Doris M. Faulkner for compensation under such act, within 6 months from the date of enactment of this act, on account of disability alleged to have been contracted in performance of duty prior to May 31, 1932, while she was employed as a seamstress at the Wahpeton Indian School, Wahpeton, N. Dak.; and the Bureau, after such consideration of such claim, shall determine and make findings of fact hereon and make an award for or against payment of compensation provided for in such act of September 7, 1916, as amended: *Provided*, That no benefits shall accrue prior to the enactment of this act.

With the following committee amendment:

Page 1, line 9, strike out "Bureau of Employees' Compensation" and insert "Federal Security Administration."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CECIL E. GORDON

The Clerk called the bill (H. R. 3810) for the relief of Cecil E. Gordon.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Cecil E. Gordon, of Port Angeles, Wash., the sum of $394.83. Payment of such sum shall be in full settlement of all claims against the United States arising out of the transportation of the household goods of the said Cecil E. Gordon, a civilian employee of the Department of War, from Fort Douglas, Utah, to Fort Worden, Wash., on June 25, 1943: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ELMO SODERGREN

The Clerk called the bill (H. R. 4556) for the relief of the estate of Elmo Sodergren.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the estate of Elmo Sodergren, late of Stockholm, Maine, the sum of $686.62. The payment of such sum shall be in full settlement of all claims of such estate against the United States for payment, under the price-support program, for the 1946 potato crop of the said Elmo Sodergren: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MAX SCHLEDERER

The Clerk called the bill (H. R. 5353) for the relief of Max Schlederer.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Max Schlederer, Arlight, Calif., is relieved of all liability to refund to the United States amounts paid to him for services as postmaster at the Concepcion (Calif.) post office, during the period when he was not eligible to receive compensation from funds appropriated for the Post Office Department because the combined amount of his salary as postmaster and his salary as an employee of the United States Coast Guard at the Point Concepcion Light Station exceeded the sum of $2,000 per annum. Any amounts heretofore credited to him or refunded to the United States by him on account of such unauthorized payment to him shall be repaid to him out of any money available for the payment of postmasters' salaries. In the audit and settlement of the accounts of any disbursing officer of the United States the payment of such amounts for services as postmaster shall be considered to have been authorized.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

KATHERINE H. CLAGETT

The Clerk called the bill (H. R. 4165) for the relief of Katherine H. Clagett.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Katherine H. Clagett, of Harwood, Md., the sum of $675. The payment of such sum shall be in full settlement of all claims of the said Katherine H. Clagett against the United States arising out of services rendered by her to the George Washington Bicentennial Commission, between June 30, 1940, and November 15, 1940, both dates inclusive, in connection with the compilation of the definitive writings of George Washington: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FRED B. NISWONGER

The Clerk called the bill (H. R. 3804) for the relief of Fred B. Niswonger.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Fred B. Niswonger, of Weed, Calif., the sum of $966.64. The payment of such sum shall be in full settlement of all claims of the said Fred B. Niswonger against the United States for reimbursement for the loss of salary which he sustained, for the period beginning February 1, 1946, and ending May 31, 1946, as a result of not being restored to his former position of postal clerk in the United States post office at Weed, Calif., immediately following his honorable discharge from the Army on January 31, 1946. The said Fred B. Niswonger was subsequently restored to such position pursuant to order of the Civil Service Commission: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VIVIAN NEWELL PRICE

The Clerk called the bill (H. R. 3405) for the relief of Vivian Newell Price.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Vivian Newell Price, Franklin County, N. C., the sum of $11,277. The payment of such sum shall be in full settlement of all claims of the said Vivian Newell Price against the United States for personal injuries and property damage sustained by her on September 13, 1941, when the automobile which she was driving was struck by a United States Army truck near the intersection of the old Rockingham-Ellerbe Road and Ellerbe Road in Richmond County, N. C.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$11,277" and insert "$1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third

time, and passed, and a motion to reconsider was laid on the table.

FISHER BREWING CO.

The Clerk called the bill (H. R. 2758) for the relief of the Fisher Brewing Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay to the Fisher Brewing Co., of Salt Lake City, Utah, out of any money in the Treasury not otherwise appropriated, the sum of $3,200, representing the amount paid for four fermented malt liquor stamps of the 800-barrel denomination which were lost between the office of the Collector of Internal Revenue and the office of the Fisher Brewing Co. by the said company: *Provided*, That the Fisher Brewing Co. shall first file in the Treasury Department a bond in the penal sum of double the amount paid for such stamps, in such form and with such surety or sureties as may be acceptable to the Secretary of the Treasury, to indemnify and save harmless the United States from any loss on account of the stamps herein described: *Provided*, That no part of the amount appropriated in the act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney or account of the services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. TRIMBLE. Mr. Speaker, I offer an amendment.

The Clerk read, as follows:

Amendment offered by Mr. TRIMBLE: On page 1, line 7, strike out "eight" and insert "one."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THE HOLY NAME SOCIETY

The Clerk called the bill (H. R. 5319) granting a renewal of patent No. 40,029, relating to the badge of the Holy Name Society.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That a certain design patent issued by the United States Patent Office of date of June 8, 1909, being patent No. 40,029, is hereby renewed and extended for a period of 14 years from and after the date of approval of this act, with all the rights and privileges pertaining to the same, being generally known as the badge of the Holy Name Society.

With the following committee amendment:

Page 1, line 6, strike out "approval of this act" and insert "expiration of Public Law 628, Seventy-fourth Congress, approved May 28, 1936."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GLUCKIN CORP.

Mr. DEANE. Mr. Speaker, I ask unanimous consent to return for immediate consideration to Private Calendar No. 453, the bill (H. R. 3498) for the relief of the Gluckin Corp.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $26,256.52, to the Gluckin Corp., in full and final settlement of all claims growing out of War Department contracts numbered W-669-qm-20513, W-669-qm-23175, and W-669-qm-20380, as amended and modified, for the furnishing of mattress covers and sandfly bars the said sum being the aggregate of the following items: Under contract Nos. 20513, $303.16 for 379 sandfly bars delivered to, inspected, accepted, and retained by the Government but not paid for; under contract No. 23175, $2,089.44 for liquidated damages assessed for delays in deliveries; under contract No. 20380, (a) $6,300 for liquidated damages assessed for delays in deliveries, (b) $2,848.30 for penalties assessed for extra cost on 75,000 units terminated and relet by the Government to others at an increased price (including increased freight cost of $448.30); (c) $12,465.62 for net loss on units manufactured by claimant; and (d) $2,250 for net loss on 50,000 units subcontracted by claimant to others at higher price: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with the presentation of this claim to the proper committees of Congress, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 5, strike out "$26,256.52" and insert "$11,540.90."

Page 2, line 10, strike out beginning with the semicolon down to and including the word "price" on line 13.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MINORITY REPORT

Mr. JACKSON of California. Mr. Speaker, I ask unanimous consent that I may have until midnight tomorrow night to file supplemental minority views on the bill (H. R. 5895) to accompany House Report 1265.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

ROCKY MOUNTAIN NATIONAL PARK, COLO.

Mr. PETERSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 3440) for the addition of certain lands to Rocky Mountain National Park, Colo., and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, line 18, strike out "two" and insert "five."

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

FEDERAL TRADE COMMISSION ACT AND THE CLAYTON ACT

Mr. WALTER. Mr. Speaker, I call up the bill (S. 1008) to define the application of the Federal Trade Commission Act and the Clayton Act to certain pricing practices, with House amendments, and move that the House insist on its amendments, and agree to the conference requested by the Senate.

The Clerk read the title of the bill.

The Clerk read the House amendments as follows:

Page 2, line 15, strike out all after "faith" down to and including "competition)" in line 17 and insert "except where such absorption of freight would be such that its effect upon competition may be that prohibited by this section)."

Page 3, lines 9 and 10, strike out "(other than a discrimination which will substantially lessen competition)" and insert "(if the discrimination is not such that its effect upon competition may be that prohibited by this section)."

Page 3, line 14, after "competitor" insert ", and this may include the maintenance, above or below the price of such competitor, of a differential in price which such seller customarily maintains."

Page 4, line 7, strike out "substantial and probative evidence" and insert "reasonable probability."

The SPEAKER. The question is on the motion offered by the gentleman from Pennsylvania [Mr. WALTER].

CALL OF THE HOUSE

Mr. PATMAN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. PRIEST. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 183]

Abbitt	DeGraffenried	Hinshaw
Anderson, Calif.	Denton	Hobbs
Bailey	Dolliver	Hoffman, Ill.
Barden	Eaton	Holifield
Baring	Elston	Horan
Barrett, Pa.	Engle, Calif.	Irving
Biemiller	Feighan	Jacobs
Bland	Fellows	Jenison
Blatnik	Fogarty	Jennings
Bolton, Ohio	Fulton	Johnson
Boykin	Furcolo	Kearney
Breen	Gilmer	Kee
Brown, Ohio	Gordon	Keefe
Buckley, N. Y.	Gore	Kennedy
Bulwinkle	Gorski, N. Y.	Keogh
Burke	Gregory	Kilburn
Byrne, N. Y.	Gwinn	Lesinski
Chatham	Halleck	Lovre
Clemente	Harris	McConnell
Clevenger	Hart	McCormack
Cole, N. Y.	Hays, Ark.	McGregor
Coudert	Hébert	McKinnon
Cox	Heffernan	McSweeney
Crosser	Heller	Macy
Davies, N. Y.	Herlong	Magee
Dawson	Herter	Mansfield

Marcantonio	Poulson	Tauriello
Miles	Powell	Taylor
Miller, Calif.	Price	Teague
Morgan	Rankin	Thomas, N. J.
Morton	Reed, Ill.	Tollefson
Moulder	Reed, N. Y.	Towe
Murphy	Rees	Vinson
Norblad	Riehlman	Walsh
Norton	Rivers	White, Idaho
Pace	Scott,	Wigglesworth
Pfeifer,	Hugh D., Jr.	Winstead
Joseph L.	Shafer	Withrow
Pfeiffer,	Sikes	Wood
William L.	Simpson, Pa.	Woodhouse
Phillips, Tenn.	Smith, Ohio	Worley
Plumley	Stanley	

The SPEAKER pro tempore (Mr. COOPER). On this roll call 308 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

FEDERAL TRADE COMMISSION ACT AND THE CLAYTON ACT

Mr. WALTER. Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Pennsylvania [Mr. WALTER].

The motion was agreed to.

The SPEAKER pro tempore. Without objection, the Chair appoints the following conferees: Messrs. CELLER, WALTER, WILLIS, MICHENER, and CASE of New Jersey.

There was no objection.

SPECIAL ORDER GRANTED

Mr. WELCH of California asked and was given permission to address the House today for 10 minutes following any special orders heretofore entered.

EXTENSION OF REMARKS

Mr. PHILBIN asked and was given permission to extend his remarks in the RECORD and include a speech.

Mr. DONOHUE asked and was given permission to extend his remarks in the RECORD and include an article.

Mr. VURSELL asked and was given permission to extend his remarks in the RECORD.

COMMITTEE ON RULES

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file reports.

The SPEAKER pro tempore. Is there objection to the gentleman from Tennessee?

There was no objection.

COMMITTEE ON FOREIGN AFFAIRS

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs may have until midnight tonight to file a supplemental report on H. R. 5895.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Michigan [Mr. DONDERO] is recognized for 30 minutes.

MODERN ART SHACKLED TO COMMUNISM

Mr. DONDERO. Mr. Speaker, quite a few individuals in art, who are sincere in purpose, honest in intent, but with only a superficial knowledge of the complicated influences that surge in the art world of today, have written me—or otherwise expressed their opinions—that so-called modern or contemporary art cannot be Communist because art in Russia today is realistic and objective.

The left-wing art magazines advance the same unsound premises of reasoning, asserting in editorial spasms that modern art is real American art. They plead for tolerance, but in turn tolerate nothing except their own subversive "isms."

The human art termites, disciples of multiple "isms" that compose so-called modern art, boring industriously to destroy the high standards and priceless traditions of academic art, find comfort and satisfaction in the wide dissemination of this spurious reasoning and wickedly false declaration, and its casual acceptance by the unwary.

This glib disavowal of any relationship between communism and so-called modern art is so pat and so spontaneous a reply by advocates of the "isms" in art, from deep, Red Stalinist to pale pink publicist, as to identify it readily to the observant as the same old party-line practice. It is the party line of the left wingers, who are now in the big money, and who want above all to remain in the big money, voiced to confuse the legitimate artist, to disarm the arousing academician, and to fool the public.

As I have previously stated, art is considered a weapon of communism, and the Communist doctrinaire names the artist as a soldier of the revolution. It is a weapon in the hands of a soldier in the revolution against our form of government, and against any government or system other than communism.

From 1914 to 1920 art was used as a weapon of the Russian Revolution to destroy the Czarist Government, but when this destruction was accomplished, art ceased to be a weapon and became a medium of propaganda, picturing and extolling the imaginary wonders, benefits and happiness of existence under the socialized state.

Let me trace for you a main artery from the black heart of the isms of the Russian Revolution to the very heart of art in America.

In 1914 Kandinsky, a Russian-born Expressionist and nonobjective painter, who found it safer to live in Germany, returned to Russia, and 3 years later came the revolution. He is the man who preached that art must abandon the logical and adopt the illogical. He dominated a group of black knights of the isms, who murdered the art of the Russian academies. They were Cubists, Futurists, Expressionists, Constructionists, Suprematists, Abstractionists, and the rest of the same ilk. Kandinsky was a friend of Trotsky, and after the revolution founded the Moscow Institute of Art Culture. He was Communist leader in Red art—the commissar of the isms.

Kandinsky remained in Russia until 1921, when the art of the isms began to feel the iron grip of the new art control, the art for the sake of propaganda, the art of social realism. Kandinsky went back to Germany.

The Communist art that has infiltrated our cultural front is not the Communist art in Russia today—one is the weapon of destruction, and the other is the medium of controlled propaganda. Communist art outside Russia is to destroy the enemy, and we are the enemy of communism. Communist art in Russia is to delude the Russian workers.

The art of the isms, the weapon of the Russian Revolution, is the art which has been transplanted to America, and today, having infiltrated and saturated many of our art centers, threatens to overawe, override and overpower the fine art of our tradition and inheritance. So-called modern or contemporary art in our own beloved country contains all the isms of depravity, decadence, and destruction.

What are these isms that are the very foundation of so-called modern art? They are the same old lot of the Russian Revolution, some with transparent disguises, and others added from time to time as new convulsions find a new designation. I call the roll of infamy without claim that my list is all-inclusive: dadaism, futurism, constructionism, suprematism, cubism, expressionism, surrealism, and abstractionism. All these isms are of foreign origin, and truly should have no place in American art. While not all are media of social or political protest, all are instruments and weapons of destruction. To trace the origin, development and history of all these isms is a task too lengthy for the time available to me here, and also beyond the scope of my intention. But I do tag them specifically, as well as generally, as instruments of destruction.

Cubism aims to destroy by designed disorder.

Futurism aims to destroy by the machine myth. The futurist leader, Marinetti, said: "Man has no more significance than a stone."

Dadaism aims to destroy by ridicule.

Expressionism aims to destroy by aping the primitive and insane. Klee, one of its three founders, went to the insane asylums for his inspiration.

Abstractionism aims to destroy by the creation of brainstorms.

Surrealism aims to destroy by the denial of reason.

Let me touch briefly on some of the "isms": The four leaders of the Cubist group were Picasso, Braque, Leger, and Duchamp, but what these reds are today is another matter. The artists of the "isms" change their designations as often and as readily as the Communist front organizations. Picasso, who is also a Dadaist, an abstractionist, or a surrealist, as unstable fancy dictates, is the hero of all the crackpots in so-called modern art. The left-wing critics call him the "gage" by which American modernists may measure their own radical worth, and a dozen years ago it was arranged that he address his disciples in the Red American Artists Congress by international telephone hook-up. But no matter what others call Picasso, he has said of himself: "I am a Communist and my painting is Communist painting."

Concerning the other three, Braque, Leger, and Duchamp, there is variation

only in degree of unbalance. Leger and Duchamp are now in the United States to aid in the destruction of our standards and traditions. The former has been a contributor to the Communist cause in America; the latter is now fancied by the neurotics as a surrealist.

The founding of surrealism is attributed to one Andre Breton. Samuel Putnam, former Red art critic for the Communist publication New Masses, says: "The surrealists are avowed Communists."

In his book, the Politics of the Unpolitical, Herbert Read, English author advocate of surrealism, says surrealism "is actually Communist, though generally anti-Stalinist. They are performing a very important revolutionary function. The particular method they adopt is to so mingle fact and fancy that the normal concept of reality no longer has existence."

There is a book titled "Out of This Century," written by one Peggy Guggenheim, formerly owner of Modern Art Galleries in London and New York, and financial sponsor of Herbert Read. This book is vile, and its further sale has been stopped. In its pages are many truths, carelessly revealed, concerning persons now notorious in modern art. Max Ernst, a surrealist, was formerly married to the author.

According to the printed statement of Peggy Guggenheim, the Museum of Modern Art in New York arranged the flight passage of Max Ernst to the United States, and paid a deposit to hold a reservation for him at Lisbon. This is the same Max Ernst who directed the 1920 Dadaist exhibition in Cologne, where the only entrance was through a public urinal. The approach was but a nonprophylactic dose of the main exhibit. Baargeld, the artist leader of the Dadaists in Cologne, was also leader of the Communist Party in the same district.

Yves Tanguy, a French surrealist, now transplanted to the United States, was a signer of the revolutionary manifesto of the surrealists, and a beneficiary of the largess of the same Peggy Guggenheim.

Matta—Echaurren—a Chilean and an intimate of Max Ernst, has now sunk his taproot deep into America's rich soil. According to the same Peggy Guggenheim, Matta was at one time under scrutiny by our own FBI.

Another surrealist leader in this same disreputable group is Aragon—the Frenchman. He is a well-known Red, in fact, along with Maxim Gorky and Whitaker Chambers, self-confessed Communist, he has been an editor of the publication International Literature, organ of the Soviet International Union of Revolutionary Writers—Citations. Concerning Aragon, the voluble Peggy Guggenheim says:

> One day Rigid Edgwell invited me for dinner and asked me if I would render a great service to the Communist Party. They wanted to borrow my flat for Aragon and a whole convention of Communist writers who were coming to London.

I do not know why Aragon has not been brought to the United States. But if Aragon has been overlooked, such is not the case with Kurt Seligman, the Swiss surrealist, who has been brought over to help pollute American art. He is another intimate of Max Ernst and of Marcel Duchamp, and it is in Seligman's residence that surrealists have gathered in New York City. He has been named as one of three artist judges by the Hallmark Christmas Card Co., of Kansas City, to determine the winner in their $30,000 contest now in progress. This man, must I remind you, is a leader of surrealism, which holds our cultural heritage of religion is an obstacle to be overcome.

A second of the three artist judges is Yasuo Kuniyoshi, presumably a Buddhist, but unquestionably a Red Fronter. These two are a majority of the three artist judges who are going to select the pictures that will be on the Christmas cards of a Christian people for the greatest of all religious holidays.

Others of this surrealist group are Miro of Spain, Masson of France, and Henry Moore of England, the last named being invariably lauded by New York City Communists, The New Masses and International Literature—Communist publications.

Salvador Dali, another Spanish surrealist, is now in the United States. He is reported to carry with him at all times a picture of Lenin.

English surrealists are Barbara Hepworth and Stanley Hayter, the latter now resident in the United States and a member of the American contingent on the Panel of Visual Art of UNESCO.

Add to this group of subversives the following American satellites, and the number swells to a rabble: Motherwell, Pollock, Baziotes, David Hare, and Marc Chagoll. The last named is lauded by Communist publications and is a sponsor of the School of Jewish Studies, cited by Attorney General Tom Clark "as an adjunct in New York City of the Communist Party." At this school Chagoll is associated with some of the old gang, including Minna Harkavy, Louis Lozowick, William Gropper, Phillip Evergood, Raphael Soyer, and Lena Gurr.

Abstractivism, or nonobjectivity, in so-called modern art was spawned as a simon pure, Russian Communist product. Sidney Janis says:

> It was in Russia that this latter absolute form of expression came into being, and its creators were Kandinsky and Malevich.

That you may see clearly the definite, positive link between the Communist art of the "isms" and the so-called modern art of America, let me state that Kandinsky was elected vice president in 1923 of the Société Anonyme, which was established in New York in 1920 by Katherine Dreier, as an international association for the promotion of the study in America of the progressive in art. Nor was the election of Kandinsky a passing fancy or a light gesture. This Communist of the Russian Revolution, ex-teacher of the Moscow Museum of Pictorial Culture and ex-founder of the Russian Academy of Artistic Sciences, served as vice president of this New York organization for many years.

The Société Anonyme, according to the American Art Annual, was first organized as Museum of Modern Art. Katherine Dreier, its president, is an aging but active left-winger, born in Brooklyn, pal of Kandinsky in Germany, a sponsor of Henry Wallace, and an author of several books published by the Société Anonyme, among them one on Burliuk, that Communist patron and teacher of Mayakowsky, the revolutionary poet of Russia, and one on Kandinsky, the commissar of the "isms."

The Société Anonyme has published many other books, including one on Archipenko, the cubist sculptor, Russian-born, Communist-fronter, and one by Louis Lozowick titled "Modern Russian Art." Lozowick was secretary of the John Reed Club, and an editor of International Literature, that organ of communism printed in English in Russia. Lozowick's record of Communist activities is as long as your arm, and he has been delivering a series of lectures titled "Marxian History of Art," as part of his contribution to the battle to destroy our high standards of culture.

It makes little difference where one studies the record, whether of surrealism, dadaism, abstractionism, cubism, expressionism, or futurism. The evidence of evil design is everywhere, only the roll call of the art contortionists is different. The question is, what have we, the plain American people, done to deserve this sore affliction that has been visited upon us so direly; who has brought down this curse upon us; who has let into our homeland this horde of germ-carrying art vermin?

Last year, in 1948, the Museum of Modern Art brought Herbert Read here from England to address the sixth annual conference of the committee on art education, a committee of 1,000 American art educators and teachers, offering their bared breasts for free injections of the evil virus of the "isms," anti-Christian, antisanity, antimorality, and anti-American. This is the same Read who lauds surrealism and abstractionism, both Communist, and avowed instruments to destroy our traditional culture. Read has boasted:

> We in England have announced our adherence to this movement. What I wish to stress now is that surrealism is an application of the same logical method (dialectical materialism) to the realm of art. By the dialectical method we can explain the development of art in the past and justify a revolutionary art at the present time.

What is the relationship between Read's benefactor, this Museum of Modern Art, stated to have been organized in 1929, and the Museum of Modern Art, organized in 1920, alias the Société Anonyme, which bestowed honor and made obeisance to Kandinsky, the commissar of isms, in 1923?

Daniel C. Rich in his article in the Atlantic Monthly has this to say:

> The Museum of Modern Art, opening in 1929, included all types of twentieth century expression and crystallized a number of earlier efforts, of which the Société Anonyme, founded in 1920 by K. S. Dreier and the artists Marcel Duchamp and Man Ray, was probably the most notable.

There you have the record. The Museum of Modern Art, founded in 1920,

officered in 1923, and for years thereafter, by Kandinsky, Russian commissar of "isms," becomes crystallized in 1929 as the present Museum of Modern Art. As an enduring link between the two, Alfred H. Barr, Jr., member of the board of directors of the Société Anonyme, is the director of the present Museum of Modern Art.

The Museum of Modern Art has published a pamphlet by this Herbert Read, titled "Culture and Education in World Order." By so doing it would seem to give approval to Read's expressed conviction, that "our vested interests of great antiquity and power," as represented by our kindergartens, schools, academies, colleges, universities, institutes, and laboratories, "must be left to die a natural death."

The Museum of Modern Art has published and distributed a booklet on Ben Shahn, that proponent of social protest in art, whom we have tagged as a Communist-fronter and member of the John Reed Club, in a previous address. Shahn would seem to be one of the pets of the Museum of Modern Art. Does the museum approve, as well, of the company he keeps? Ben Shahn, Diego Rivera, Jose Clement Orozco, and David A. Siqueiros are among the most outstanding proponents of social protest in art in North America. The three last named are Mexican Communists, but all have been active in the United States. As I have previously stated, Shahn aided Rivera in painting the murals at Rockefeller Center, which were removed as Communist, and unacceptable. Orozco and Siqueiros were delegates to the American Artists Congress—cited as Communist created and controlled—and Shahn was a signer of the call for that same congress. Orozco and Siqueiros read papers before the Congress meeting at the New School for Social Research in February of 1936.

On the 24th of May 1940, a band of 25 Mexican Communist guerrillas, disguised as policemen and led by the famous Mexican painter, David Alfaro Siqueiros, surprised the police assigned to guard Trotsky's house and tied them up. Two squads of gunmen, armed with machine guns, riddled Trotsky's bedroom with cross-fire. The gang of murderers kidnapped Trotsky's personal guard, the American Robert Sheldon Harte and killed him.

Where does "art with a social protest" cross the borderline, if any exists, and become art with a political murder?

How did we ever let this horde of art distortionists, these international art thugs descend upon us? Daniel Catton Rich, director of fine arts, Art Institute of Chicago, explains:

The arrival of a boatload of famous European modernists, just before the war, also vastly stimulated the nonrepresentational * * * the present group of refugees met and influenced American painters * * *. Other modernists * * * had already landed in American universities and art schools, where they set to work busily teaching the precepts of advanced European expression.

In the world of so-called modern art this Daniel Catton Rich pulls a heavy oar. He is director of fine arts, Art Institute of Chicago, and a pupil of Paul J. Sachs, head of the Fogg Museum of Harvard University. Rich sits as chairman on the panel of visual art of UNESCO along with three specimens from the Museum of Modern Art, and Ben Shahn, Sam Lewishon, and William Zorach, which last three have an aggregate of 21 references against them in the reports of the Committee on Un-American Activities.

The maestro of this Rich, Paul J. Sachs, head of the Fogg Museum at Harvard, is an honorary trustee of the Museum of Modern Art, at 11 West Fifty-third Street, New York City.

Thomas Craven, foremost art critic in the United States, refers to the Fogg Museum as "the rendezvous of an effeminate and provincial tribe." Under the administration of Paul J. Sachs it has accepted, nurtured, and exalted the whole school of so-called modern and contemporary art, but more catastrophic than that, the Fogg Museum has trained many of its effeminate elect to be directors of museums throughout our land. These individuals have gone forth predisposed to promote the art of the "isms," and they to a large degree have been responsible for the acquisition at inflated fictitious prices of so-called master works of this hog-scrapple of art that the public does not like, does not understand, and does not want to buy. They blanket our museums of art from Maine to California—and on to Hawaii. Not only do they persist in jamming this art trash down the throats of the public, but they have effectively aided in excluding the works of our real American artists from exhibitions and competitions, by loading the juries against the academic artists—in innumerable instances the committees on invitations are so fixed that the traditional artist is no longer invited to send his paintings. Most of the finest artists that our Nation numbers no longer exhibit at all.

We are now face to face with the intolerable situation, where public schools, colleges, and universities, art and technical schools, invaded by a horde of foreign art manglers, are selling to our young men and women a subversive doctrine of "isms," Communist-inspired and Communist-connected, which have one common, boasted goal—the destruction of our cultural tradition and priceless heritage. Many of our museum repositories of art treasures are now under the guidance of judgments that have been warped, and eyes that are blinded, seeing not the inevitable destruction that awaits if this Marxist trail is not abandoned.

All, or nearly all, of these cultural centers have an upper level of conservatism, substance, extreme respectability and unchallenged Americanism, but these tolerant complacents cover a very active lower stratum of pink busybodies, who squander institutional funds in an orgy of spending to hasten the destruction of the art of our great inheritance.

In my previous addresses on this subject, I have used the word infiltration in describing the present Red element in American art. This is an understatement. Communist art, aided and abetted by misguided Americans, is stabbing our glorious American art in the back with murderous intent.

Among the artists themselves I see two distinct divisions in Communist influence. There are some very able artists, who paint excellently in our established and revered tradition, but who are radical, or Communist, or Communist in sympathy in their ideology. When these individuals are presented for consideration as members of our highest art organizations, many members say, in effect: "I will not vote against a good artist because of his politics." This is evidence of very shallow thinking. In the first place, communism or any near approach to it is not politics. Communism, regardless of the limitations of our present laws, is treason. Why should our highest art organizations have any different standard of membership than our bar associations? The fact that a man knows law is only a bare essential requirement of admission to a bar association. A candidate must pass the strict requirements of the character committee, and it seems to me clearly indicated that in these troubled times, no man shall be admitted to an organization of honor unless he be a man of honor, of good character, and of unshaken allegiance to his Government.

These Marxists of talent, who paint in the academic tradition, are the door openers for the polyglot rabble of subversives who detest and scorn all academic traditions and culture.

In an earlier address, I made reference to the exercise of supervision by our great newspapers of their art departments and art critics. Of course, this simple statement, made with kindly intent, was immediately seized upon and distorted by the neurotic left-wingers in art, as a threat to constitutional guaranties of freedom. Communists and their satellites, when hurt, always "trouble deaf heaven with their bootless cries" about rights under a republic, which they plot to destroy. You can hear them now in the Communist trials in New York City, and you could have heard them in these Halls making identical outcries not long ago. I repeat and now emphasize, that when art becomes a weapon to destroy, when art becomes art with a social or political protest, when art is the art of the isms, it ceases to be free, and having entered the ideological and political field, it is properly subject to the restrictions we have always placed upon politics and political writers in our great and untrammeled press. It has always been the management or ownership which freely determines the political policy of a newspaper, and not the reporter. The place for a Red critic is with a Red publication, and not disguised by the respectability of the company he or she would keep. A Marxist, a champion of the subversive isms in art, has no proper place in the brotherhood of our great Republican and Democratic newspapers.

From every section of this Republic I have received letters from artists, thanking me for the truths I have spoken to them. Among the hundreds are communications from persons whose names are the most distinguished in real American art. Generally, they have implored me to help them in the battle that finds them now so sorely tried. To them I say,

that the things I have revealed here are the truths they have told me, and I stand ever ready to help defend the heritage of the land that has given us all so much; but, ultimately, whether we triumph for American ideals of culture depends upon their willingness to protect what providence and freedom has given them. In their readiness to smite an organized, subversive minority, no matter how deeply entrenched, depends their future and America's welfare.

SPECIAL ORDER GRANTED

Mr. MULTER asked and was given permission to address the House for 20 minutes on tomorrow, at the conclusion of the legislative program of the day and following any special orders heretofore entered.

EXTENSION OF REMARKS

Mr. MULTER asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

The SPEAKER. Under previous order of the House, the gentleman from Louisiana [Mr. BROOKS] is recognized for 15 minutes.

COMMITTEE ON ARMED SERVICES

Mr. BROOKS. Mr. Speaker, I left immediately after the Friday afternoon hearings of the Armed Services Committee of the House of Representatives and went home. I, consequently, did not indulge in the charges and countercharges which were made immediately following the conclusion of these hearings on Friday. The Armed Services Committee, however, has reached a midpoint in its investigations of the B–36 bomber, and I think it is appropriate that I say something in reference to the situation as I see it at the present time.

The hearings thus far have disclosed the formation of the plans and gestation of the B–36 airplane beginning as early as 1939 and continuing progressively to the present time. This testimony has shown imperfections in the plane which have been gradually overcome and doubts which have given way to optimism in the course of this development. The investigation to date has not disclosed competent evidence which would injure the reputation of the Secretary of the Air, Stuart Symington, for honesty, integrity, and ability. There has been and will be no whitewash.

Those who have made charges regarding political or other wrongful influence in the procurement of the B–36 have thus far failed to produce evidence. They have been called upon to substantiate the charges and to date nothing but the statement of two columnists, repeating rumors, and an anonymous letter have been produced. The committee and the counsel have called upon all who have evidence to present it to the committee or its counsel.

I, personally, feel, as was well expressed by my colleague, Congressman GEORGE BATES, of Massachusetts, that the time has arrived when those who make violent charges affecting the honesty of high public officials, such as the Secretary of Air and high officers in the Air Force, should be made to put up or shut up—to come forth with evidence or confess the falsity of their charges.

The committee has further useful work to do. I think we have an obligation to run down the source of the charges—many of them anonymous—which have formed the background and basis of the investigation. The names of all of those who made the charges should be fully exposed and their statements should be carefully investigated.

To date the hearings have shown the B–36 to be a great airplane. With a range in excess of 10,000 miles and a bomb-carrying load for that distance of 10,000 pounds, it is one of the truly great airplanes of history. Former Secretary of War Robert Patterson has taken full responsibility for the placing of the order for the first 100 B–36 bombers a number of years ago, and it appears to me that this action on his part may be one of the many things to which he can point with full pride in the years ahead.

Mr. DOYLE. Mr. Speaker, will the gentleman yield?

Mr. BROOKS. I yield to my colleague, the gentleman from California [Mr. DOYLE], a member of our committee.

Mr. DOYLE. I wish to compliment the member of the Committee on Armed Services on his fine statement. I know he is not only a distinguished Member of Congress but also a very brilliant lawyer. I also am a member of the legal profession. I think it is to say the least a distinct disservice and destructive of American processes for anyone to expect the Congress of the United States to go into a hearing on the basis of anonymous statements and anonymous charges. I think it is a ridiculous situation that the Congress of the United States should be charged with the responsibility of making an investigation upon the basis of anonymous statements. I hope I never have to sit again as a member of the Committee on Armed Services where the charges are anonymous. Furthermore I would think it is also a disservice to put these distinguished members of our armed services on the pan and put them in the witness chair before we first hear the charges of the complaining witness. It is absolutely contrary to all judicial processes that those who make charges anonymously should get the benefit of putting our distinguished members of the armed services on the witness stand first. I again wish to compliment the gentleman from Louisiana.

Mr. BROOKS. I thank the gentleman from California very much. I must say that the gentleman from California has been sitting in on the hearings of the committee. As I have watched him I have observed him pay strict attention to the testimony as it was being adduced. He has taken the work of the committee very seriously and I am indeed complimented that the gentleman agrees with me in the statement which I have made. I believe he is making a very distinguished record as a Representative from the State of California on our committee.

Mr. DURHAM. Mr. Speaker, will the gentleman yield?

Mr. BROOKS. I yield to my colleague, the gentleman from North Carolina.

Mr. DURHAM. I heartily concur in the conclusions reached by the gentleman from Louisiana as to the type of evidence presented to the committee so far. I think it is indeed dangerous to attack a weapon today which this country is absolutely dependent on or at least to a large extent to deliver the atomic bomb. I asked the Secretary of Air a direct question as to whether it was possible to carry out the mission outlined by the Chief of Staff, if and when it had to happen; and if we did not have the B–36 how would we do it? He said it would be impossible to carry out the mission as outlined by the Chief of Staff. There is no doubt in my mind that this plane did go through with some of the troubles that have existed in practically all of the planes. The gentleman from Louisiana and I served on the old Committee on Military Affairs when we were really having trouble and bugs in practically every type of plane that was developed by the Air Force.

However, we were able to win the war by hard work, ingenuity, and the development of planes. I thank the gentleman for making his statement.

Mr. BROOKS. I thank the distinguished gentleman from North Carolina [Mr. DURHAM]. I think he will agree with me that, on the whole, practically every outstanding large plane that we have developed has gone through a period of imperfections, and also uncertainties on the part of the designers and those who studied and sponsored the plane. Certainly the B–36 has gone through that period.

I want to add to what I have already said by saying that when serious charges are brought against a department of Government, and those who have directional charge of that department, it may cause a great deal of disturbance and also expense. Those charges should be founded upon competent evidence, and should be carefully studied before they are presented to the Congress, the country, and the world as serious charges, reflecting upon the honesty and integrity of one of our departments of Government.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. BROOKS. I yield.

Mr. HOFFMAN of Michigan. Without expressing any opinion at all about the merits of this investigation, I wanted to inquire if it is not true that an order or a rule or regulation has gone out that the testimony of those in the service should be sent to some top official to be coordinated, as they call it.

Mr. BROOKS. If the gentleman will read the RECORD, he will be able to read that order.

Mr. HOFFMAN of Michigan. Then, if that kind of testimony is used, do you expect to get any more truth about the matter, if it is all to be coordinated?

Mr. BROOKS. If the gentleman has any competent evidence of any sort that will shed any light, if he knows of anybody who can obtain this evidence that will shed any light on this investigation, it is his solemn duty, his sworn duty, when he raised his hand and took the oath of office in this chamber, to present that testimony to the Armed Services

Committee and give us a chance to reconsider it.

The SPEAKER pro tempore (Mr. COOPER). The time of the gentleman from Louisiana has expired.

SPECIAL ORDER GRANTED

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes after the conclusion of the other special orders today. The answer of the gentleman from Louisiana is no answer at all.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The SPEAKER pro tempore (Mr. COOPER). Under previous order of the House, the gentleman from California [Mr. WELCH] is recognized for 10 minutes.

THE SECRET BOSS OF CALIFORNIA

Mr. WELCH of California. Mr. Speaker, I ask unanimous consent to include in my remarks two articles published in Collier's magazine.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WELCH of California. Mr. Speaker, the last two issues of Collier's magazine revealed to the country and to the world the astounding story of what is referred to as "The Secret Boss of California." The story is well known to many in California.

My legislative career has been a long and fruitful one, not marked by brilliant outbursts of oratory but replete with humanitarian and constructive accomplishments. I served 12 years in the State Senate of California. My early years in that body were during the regime of the Southern Pacific Railroad Co. in its domination of the political polices of that State. I was one of the few men who succeeded in breaking its slate.

I afterward became a crusader under the leadership of the late Hiram W. Johnson in his successful fight to drive this well-entrenched political machine from power and return the State government to the people. Would to God California could have another governor fashioned after Hiram W. Johnson. The need for such leadership is far greater than at any time in the history of that great State. California is the second largest State in the Union in area and perhaps the second largest in population and should have its proper place in the galaxy of States instead of having the question raised—Has constitutional government as it applies to the legislative branch of the State been abrogated as admitted by Governor Warren?

The alarming story published in Collier's quotes Gov. Earl Warren under the following subhead: "Candid reply to a blunt question."

This writer asked Gov. Earl Warren, elected by the majority vote among California's 9,000,000: "Who has more influence with the legislature, you or Artie Samish?"

The Governor replied: "On matters that affect his clients, Artie unquestionably has more power than the Governor.

"Matters that affect Artie's clients include legislation on beer, liquor, motor busses, railroads, cigarettes—and have included banks, building and loan companies, race tracks, chemicals. These are the clients Artie admits to."

The Artie referred to by Governor Warren is Arthur Samish, the principal subject of Collier's story.

In the second and concluding Collier's article, the reporter interviewed Mr. Samish, quote as follows:

How can the people get rid of you and others like you in California, Artie?

"There is one way," Artie replied. "The people must take more interest in the men they elect."

Mr. Samish's reply was most candid. The people must take more interest in the men they elect. California can and must be relieved of this terrible stigma by the election of a governor who will carry into effect the policies laid down by the late Hiram W. Johnson. It will not be done by an attractive-looking, hand-shaking, back-slapping, gutless governor.

"It says in the book," said the college professor, "that we elect a legislature in California to make our laws for us. It says the legislature is responsible to the people. It says also that we elect delegates to political conventions, that we elect attorney generals and mayors and district attorneys.

"Well, let's see. * * * There's a man in California today who holds no public office and is responsible only to the interests who hire him. Yet this man can push laws through the legislature or stop them cold. He named our attorney general. He elected the mayor of San Francisco and he told him who to name for police commissioner. He has the power to make or break governors.

"This man once delivered California's delegates to a Presidential candidate—Wendell Willkie. He is the most powerful nonofficeholder in California."

The professor studied the alert, upturned faces of the 50-odd University of California seniors before him.

"Who is this man?" he asked.

None in the class of 50 knew.

This was not surprising. Few in California know. Had the professor queried the faculty or stopped people on Los Angeles' or San Francisco's streets, maybe 1 in 100 could have named the State's most powerful man.

But the politically sophisticated know.

When Preston Tucker sought permission to sell Tucker Corp. stock in California, his lawyers unerringly led him to 6-foot 2-inch, 300-pound mountain of a man with the sensitive face of a great actor and the forthright mouth of a stevedore.

"I want to get permission to sell stock in this State," Tucker said. "Can you get it for me?"

The outsized man with the shrewd eyes studied the promoter's boyish face, seeking in it a clue to his character and his proposition. Deciding against what he found, the big man said:

"No. I'm not for you, I'm against you. I'm against any lovin' stock pushers going to people's mothers to sell stock. Why, you might sell some of that lovin' stock to my own mother."

The California Division of Corporations turned Tucker down, labeling his promotion, "a fraud upon the purchasers."

When Paul Smith, editor of the San Francisco Chronicle, sought to get a pro-one-world resolution through the California Legislature and made no headway, he telephoned room 428 of the Senator Hotel in Sacramento and asked for Mr. Arthur H. Samish.

Our big man, already described, answered.

"Artie," said Editor Paul Smith, "can you help me get a resolution through, supporting one world and a world federalist union? We're stymied."

"What's one world?" Artie asked.

When the editor explained, Artie said, "Sure, right away."

The resolution was whipped through the legislature promptly. California became the first State to back a national convention favoring American entrance into a world federalist union.

What promoter Tucker and editor Paul Smith knew of Arthur Samish's political power, the Governor of California also had reason to know. Once, when Governor Earl Warren vetoed a bill backed by Samish, the big man lumbered over to the chief executive's office.

"What's wrong with the bill, Governor?" he asked.

When the Governor explained, Samish—who holds no political office—said, "All right, Governor, I'll give you another one."

Soon he tossed another version up to the Governor, in his stride.

Attorney General Frederick Napoleon Howser, too, has reason to know Samish's political heft. When Howser got into political hot water because some of his aides tried to muscle in on the State-wide gambling rackets, he went to Samish, the man who put him in office. Samish, alone, could save his political life. But Howser was in such bad odor politically that Artie thought he was better rid of him.

For 2 hours the attorney general of the sovereign State of California cooled his heels outside Samish's hotel rooms. Allowed in, the attorney general found Samish entertaining some 30 assemblymen and senators at lunch.

"What are you doing here, you lovin' ——!" Samish thundered at Howser. "Don't ever let me see your lovin' face again!"

Howser slunk out, knowing that failure to heal the breach meant he was living on borrowed political time.

Movie tycoons, too, the "yessed" lords of their own domain, acknowledged Samish's higher authority at Sacramento.

When movie producer Cecil B. de Mille, feuding with labor, sought to curb unions with a restrictive law, his lawyer rightly telephoned Samish. But wrongly the lawyer said:

"We'll hold you responsible if this bill doesn't pass."

"No one gives ultimatums to Art Samish," roared Art Samish. "Now, just try and get that lovin' bill through."

Labor had despaired of blocking the measure. But suddenly in an assembly dominated by conservative Republicans 54 votes (out of a possible 80) materialized mysteriously against the antiunion bill. Never in the history of the California Legislature had labor mustered such strength. With a grateful bow toward Samish, an A. F. of L. vice president said:

"This ought to show who controls the State of California!"

The man who "controls the State of California" falls into no easy identifying niche. He is neither labor boss, oil king, press lord, financial nabob, nor rabble rouser of the Huey Long type. You can't even neatly tag him as the Boss Pendergast or Crump or Hague of California.

A SUPERSPECIAL KIND OF BOSS

Not for Artie Samish are the mildewed methods of these political Neanderthalers. He is sui generis—the only one of his kind. An original. Both as a human being and a

political operator. He is a political boss without a party. He bosses both Republicans and Democrats with equal impartiality. One "Samish man," the head of a key legislative committee, derives support from leftist unions. Artie is a political boss without political clubhouses. He has no precinct organizations.

What does he have?

He has what he himself describes as "an endless chain of political strength" whose strongest links are "the little fellows" of the industries that hire him: the 44,000 license holders who sell wine, liquor and beer; the growers of barley and hops; the truckers who haul the stuff; the culinary workers, musicians and other employees of many spots where liquor is served.

"A nucleus of 500,000 people protecting their investment and the livelihood of their kiddies," says Artie. "I weld them together into the damnedest political machine you ever saw. Boy, we can exploit it when we need it!"

But Samish has other strong links in the chain of strength with which he has girdled a great State.

He has campaign money, barrels of it, supplied by clients who ask no accounting. He has—when he marches to the political wars—the use of practically every billboard in California. These again are supplied by obliging clients.

Artie has a political espionage system at the State's capital and beyond, which he describes as "the damnedest gestapo you ever saw."

Samish has the eye of mind detective Polgar for ferreting out human character. He will know quick (as he puts it) what a man wants.

"I can tell if a man wants a baked potato, a girl, or money," says Artie.

He has a master's grasp of the inner workings of the legislature, knows its lawmaking machinery as intimately as, say, Toscanini knows the pieces in his symphony orchestra.

To this chain of strength Samish has forged another link. It is California's board of equalization, a key State agency which his close friends as well as critics will tell you, "is in the palm of Artie's hand" because Artie, the political powerhouse, can see to the election on its four members.

The board of equalization administers the State liquor laws, and grants and revokes licenses. It has important discretionary powers over a wide range of taxes, and over assessments affecting vast corporations as well as sales taxes affecting small merchants. Its potentialities as a political pork barrel are second only to the State legislature. Samish can deliver both the board and the legislature.

All this came about because Samish is a practical man. Starting out as a lobbyist he found an easier way to persuade legislators than the method ordinarily employed.

Lobbyists usually perform the legitimate function of bringing their clients interests to the attention of the lawmakers. Representatives of farmers' groups, teachers, labor, and business interests have a recognized place in the State capitals and Washington. They appear before legislative committees and legitimately try to affect the shaping of legislation.

But Samish, a forthright and logical man, went right to the heart of his lobbyist's problem. The problem: to deliver legislation beneficial to his clients. Why bother with such chancy and indirect methods as marshaling arguments before legislative committees? Why not control the committees themselves?

Although he never got beyond the seventh grade in school and so never took geometry, Artie well knows the shortest distance between two points. The shortest distance to the control of committees and legislation is the control of legislators. Surest way to control a legislator: elect him.

Artie Samish's system worked

CANDID REPLY TO A BLUNT QUESTION

This writer asked Governor Earl Warren, elected by the majority vote among California's 9,000,000:

"Who has more influence with the legislature, you or Artie Samish?"

The Governor replied:

"On matters that affect his clients, Artie unquestionably has more power than the governor."

Matters that affect Artie's clients include legislation on beer, liquor, motor busses, railroads, cigarettes—and have included banks, building and loan companies, race tracks, chemicals. These are the clients Artie admits to.

When someone hires Artie, that customer can expect solid returns.

To his liquor clients Artie simply turned over the lawmaking facilities of an entire State.

"Meet the man who's written every liquor law in the State, good or bad," Artie told this writer, introducing, "one of my lawyers, Emile Hoerchner. He's counsel for the California State Brewers' Institute."

The lawyer blushed his acknowledgment, protesting modestly:

"But the ideas were all yours, Artie."

For his beer clients Artie built, as he himself puts it, "a granite wall." In other States, brewers pay an average of $2.03 per barrel in excise taxes. In California, they pay 62 cents. License fees are nominal there.

"Even when the State was running $70,000,000 deficits and they were hitting up other industries we held our rates at the present level," Artie says. "What more could I do for my clients?"

For a race track client, the famed Santa Anita course near Los Angeles, Samish built a similar wall. It shut out the State from higher pari-mutuel takes and barred new, competing race tracks. Then, because he was miffed, Artie started to pull that wall down. A client scorned gets the works in reverse.

"When I worked for him (Dr. Charles Strub, Santa Anita's executive vice president) I let nothing go through," Artie told me. "Then when Artie quit, everything began to break."

All of a sudden bills materialized to let the State tap additional millions from the track's pari-mutuel machines, to allow the building of competing tracks, to force Santa Anita to drop nonracing investments.

"The fellow wields unlimited power," Santa Anita's bewildered Dr. Strub said of his erstwhile champion, Artie. "If you don't think I'm in trouble," he exclaimed. "Why, I may have to close the track."

But for a banker client Artie once was instrumental in changing the State's banking laws.

To get a bill through under normal procedure usually takes hearings, arguments, public debates, sponsors who are out in the open. Artie openly sponsors nothing. His is the power, not the glory.

"Samish never fronts for anything or anyone," says Samish.

Unlike a Hague or a Crump, against whom voters can occasionally rebel, Artie provides no visible target. How can you beat a man when you don't even know that he's there?

MASTERMIND IN THE SHADOWS

Operating in the shadows, he is so well hidden that it is only by patient and diligent sleuthing that an investigator can find that Samish is the man behind a candidate, the man who is masterminding a drive in the legislature, the man who's backing a referendum that means millions to some private interest, or boosting a spate of laws that will work against a former employer.

Only by cloak-and-dagger detective work, involving the careful tracing of printers' identity marks on campaign literature, could the San Francisco News identify Samish recently as the chief backer of an assembly candidate. Artie, who had spent thousands secretly in the campaign, was indignant at this invasion of his privacy. Besides, it brought about one of those rare events: a Samish defeat—by a hairbreadth 134 votes.

Only the motorbus companies that hire him knew that Artie was the genius who got behind a successful referendum that saves them millions of dollars in taxes yearly in California. Thanks to reforms by the revered Hiram Johnson, the people can vote their own laws directly by approving them at a referendum in a general election. Here's how Artie turned this reform to the uses of his clients:

He plastered the State's billboards with pictures of a giant hog. With the hog went a slogan:

"Drive the hog from the road. Vote 'Yes' on proposition No 2" (the busses' tax proposal).

"Neither the hog nor the slogan had nothin' to do with the tax measure," Artie told this writer. "But nobody likes a road hog. So, of course, the people voted 'Yes' to drive him off the road. Yes, for my tax proposition.

"Who but an S. O. B. like Art Samish would think of a thing like that?" he chuckled, his nose puckering happily in the center of his expressive round face.

Who would? Not the people who read the billboards and thought they were voting to drive a road hog off the road but were really voting low taxes for the bus companies.

Samish rarely makes a political speech (although he can "stimulate 'em, bring 'em to white heat" when he tries). Even more rarely does he get into the papers.

And yet here is what three lifelong friends of Artie's, men whom I saw on Samish's own, earnest request, said of him:

One, a distinguishied corporation lawyer—"Artie is a one-man Tammany Hall."

Another, a great California political strategist—"Is Artie a political boss? Absolutely—he's more. More than any man in California, he can deliver the legislature."

A third, a successful corporation lawyer and the author of a best-seller—"Artie's the real Governor of California. The Governor's only the Mikado. But Artie is the Great Shogun."

The man who is all these things will only describe himself as:

"Who, me? I represent industry. I'm a lobbyist, a public relations man."

This lobbyist label, like the stripe on a zebra, gives Artie protective coloration. It is the secret as to why he remains California's secret boss. The zebra blends and disappears into a jungle backdrop. Artie blends into and loses his true identity as a political boss against similarly lush growth—the lobbying at California's State capital at Sacramento.

So numerous are the lobbyists that they outnumber California's 120 State senators and assemblymen four to one. So influential are they that they are known as the Third House. The name Third House is no exaggeration. In actual power it could be called the First House.

Under the dominance of the Third House, California's legislature has become the grab bag of pressure groups. Two governors, Culbert L. Olson, Democrat, and Earl Warren, Republican, told this writer that the Third House had made a shambles of their administrations. (Olson preceded Warren as California's chief executive.)

Socially, the lobbyists are the elite of Sacramento, ranking with State senators. When assembly speakers leave public office they graduate into the Third House. Three have already done so, one of them, Walter

Little, resigning his speakership to become the lobbyist for the railroads.

In the Third House are many lobbies. They range from oil, railroads, utilities, liquor to cemeteries (there are four cemetery lobbyists), dog defender leagues, race tracks and slot machines. The slot-machine gambling lobby is clandestine but well heeled and powerful.

Against this lobbying background Samish has flourished for more than two decades. The public outcries that were raised against Tweed and Murphy for delivering the legislatures of their day to special interests have remained unuttered in Samish's case.

Modestly, the man who delivers the California Legislature, who has helped name every assembly speaker save one in the last dozen years—who elects mayors, judges, attorney generals—registers himself simply as the "legislative representative of the California State Brewers' Institute." Even the informed San Francisco Chronicle, in a recent profile, was satisfied to describe Samish as "the kingpin California lobbyist," and let it go at that.

But when Artie is in the mood, he can give you a better picture of himself than that. A Collier's photographer was taking routine shots of him to illustrate this article. Patiently, Artie posed this way and that.

Then he burst out:

"You want the real picture? I'll give you something that tells the whole story."

The big man disappeared into his bedroom and soon emerged with a dummy, togged out as a bum, its wooden toes poking from tattered hobo's shoes.

Artie Samish then lowered his round bulk into a chair and fought to control the great good humor that rolled in waves over his billowing belly and up over his jolly, convulsive face. In an elephantine imitation of Edgar Bergen, he plunked the dummy on his lap.

"That's the way I lobby," he said, pointing to the dummy. "That's my legislature. That's Mr. Legislature. How are you today, Mr. Legislature?" he inquired of the dummy.

Artie had another idea.

"If you get a long enough ladder and put it up against the capitol dome, you can take a picture of me unscrewing the gold cupola."

Artie was clowning. But the picture he gave of himself and "Mr. Legislature" is a true one. Ten years before, legislative investigators and a grand jury painted the same picture. Only they weren't so happy over the whole thing.

The investigators described Samish as "California's arch-lobbyist" and quoted him as saying, "I'm the governor of the legislature. To hell with the Governor of the State!"

What is he like, this governor of the legislature," whom nobody elected?

He is an outsized 300-pounder (Artie, as bashful about his bulk as a spinster about her age, admits to being "over 250"). He has a warm, engaging face which, reminiscent of Victor McLaghlen or Wallace Beery, reveals its owner's great gifts for making friends.

"I'm not a bad kid," Artie will say. Or: "You've just got to love me for this," he will declare as he tells of one of his exploits. Or: "We never stop doing nice things for people."

Artie has a filing system for remembering birthdays, anniversaries, a clipping system for learning of illnesses and accidents. This makes him a more redoubtable dispenser of remembrances than Jim Farley at his political zenith.

In one of his warm, outgoing moods, Artie will utter your first name with a rumbling caress. From a grand jury witness stand he almost drove the prosecutor frantic by addressing him continually as, "My dear man!" Over old friends, particularly objects of his benefactions like Tony the newsboy in downtown Sacramento, Artie will purr:

"How are you, doll? how are you, baby?"

In Artie, "the not bad kid," there is a vein of sentiment as broad as he is.

"If you were nice to me when I was a kid, or were nice to my mother, I love you and will do things for you," he says.

MOTHERS COME FIRST

At 52, the father of a family with two grown daughters, and in the full tide of his powers, Artie says:

"All the incentive is gone since my mother died a year ago. You're not dealing with the same Art Samish."

This classic devotion to mother is echoed by other intimate members of Artie's entourage.

Artie's chief lieutenant, companion, and servitor, Frank X. (Porky) Flynn, now in his late forties, did not get married until several years ago. Why?

"My mother was everything to me. How could I marry while she was alive?" says Porky.

Artie chided his liquor-law expert, Emile Hoerchner, a man in his early fifties:

"What'll your mother say about your staying out so late last night, Emile?"

Emile, a self-effacing man, blushed.

"Very devoted to his mother," said Artie. "Never got married."

Artie's chief feminine aide, shrewd Dorothy Ready, didn't marry either.

"She loves her mother," Artie says of his middle-aged office manager. "At her side all the time."

Bill Jasper, another Samish aide, in his forties, is the happy bridegroom of less than a year.

"I had two nieces. Were all the world to me. Couldn't marry until they were provided for," said Jasper.

Artie took me one night to meet Tony, the newsboy, a few blocks from the Senator Hotel. Artie had given the newsboy, who was about 35, a share of a liquor store during the war.

"Tell us about the time you were the president of a bottle shop, doll," Artie said.

"Used to get a check every 2 weeks," Tony said proudly. He paused. "And it would go right to my mother, Mr. Samish. I loved my mother, Mr. Samish."

"There," said Artie, "what more do you need to know about a man?"

Artie, the man of sentiment, is also a figure of Falstaffian fun—a lumbering Puck with an agile brain whose barbs reveal the unfettered inner man.

He sometimes reserves his merriest pranks for the voters. When California's drys succeeded in getting a local-option proposal on the ballot last year, Samish countered with a confusing wet amendment. Voters could vote for both. The trick was that, if they did, one would cancel out the other.

"Never in the history of American politics did two propositions on the same ballot cancel themselves out," chuckled Artie.

Then he told how he turned to his billboards and decorated them with a mother wielding a broom—"the most wonderful mother God ever made."

"Oh, what a mother we had!" Artie relates, mimicking with elephantine grace a mother sweeping out the kitchen. The slogan read:

"Mother says, 'Let's clean them out. Vote "Yes"; No. 2.'"

"The slogan had nothing to do with the amendment—but who won't vote for Mother?" Artie said.

"That's my mob psychology, my mass element," Samish explains.

FUN WITH A GRAND JURY

When a Sacramento grand jury investigated Samish, looking for evidence of legislative corruption, the proceedings became an occasion for more of Artie's fun.

First, he had the law of the State changed so that his grand jury hearings should be open to the public. Then, arraigned on a contempt charge arising out of the public proceedings, Artie reached into his pocket and posted bail—with a $1,000 bill.

On the stand, he noticed something was missing.

"I'm on the witness stand," Artie relates. "The investigators got all sorts of books and records and lawyers. I got nothing. No records. All I got is Art Samish, that's all. I decide I got to have records. Everybody has records, so I got to have records too."

Back in his hotel rooms Artie dug out two big suitcases, filled them with newspapers and a brick or two and locked them with giant padlocks.

"Now, I've got records," he said.

"I had a piano player carry the two suitcases into the grand jury room every day. Now we all had records.

"I put the suitcases in front of me, one on top of the other and drew doodles on a piece of paper. Just like the lawyers taking notes," said Artie, aping with his pudgy fingers elegant Spenserian scrolls. He laughed so hard at this happy reminiscence that tears came to his eyes.

In the middle of the grand jury probe, the district attorney had to run for reelection.

As a final gesture, Artie found a young man just out of law school and backed him for the prosecutor's job—as usual, secretly.

The young man, Alan McDougal by name, walked out of his home one morning and was startled to see the town's billboards placarded with posters urging:

"Honest McDougal for district attorney."

Asked on the grand jury witness stand later whether he had backed young McDougal, Artie told the district attorney (who had beaten McDougal by a fistful of votes):

"If I had had 24 more hours to devote to you personally, you wouldn't be sitting there now as district attorney."

As political autocrat and connoisseur of human frailties, Artie Samish has been accused of doing more to destroy human dignity than any other man in the State.

When a group of tobacco distributors called on him recently to seek his help in passing a law, Samish pointed to one delegate and said:

"I'll have nothing to do with this, unless you get out of here."

"Why, Artie, what have I done?" asked the embarrassed delegate.

"Listen, you," boomed Samish, "I heard what you said about me in Chicago. Now you get out."

The delegate got out. Alone. The rest, impressed by the long arm of Artie's Gestapo and his contempt for human feelings, stayed meekly and made their deal.

THEY TAKE WHAT HE DISHES OUT

Sometimes, as an unsparing debunker, Artie dishes it out with fierce zest. State senators, assemblymen, officials, and industry leaders take it.

Doesn't anyone fight back? No, not openly. But for years anonymous letters, circulated furtively, have accused Artie of such things as using one public official as "his valet and bodyguard," and of seeking to become the national czar of the liquor industry.

Typical of the letters (addressed chiefly to the liquor trade):

"The Octopus still claims you have no guts—and that you are all afraid of his tremendous power. . . . Smash the Octopus!"

Some of the inflammable information in the letters hits so close to home that Samish has confided to friends he fears it comes from his own organization. He spends huge sums on detective agencies seeking to track down the "Octopus" letters.

Sometimes Artie takes the evening air on the piazza outside the Senator Hotel or holds

court in the lobby—after midnight. On these occasions Artie meets no criticism. Clad informally in sleeveless shirt, collar open on a copious breadth of perspiring neck, his round, poll topped by a hard straw hat—Artie receives. A stream of Sacramento figures flows by, some to chat affectionately with the big man, others to seek favors, but all to pay diffident respect. To all Artie is forthright.

To the lieutenant governor, an honest public servant who is wondering about the wisdom of running again, Artie says:

"What do you want that lousy job for?"

And to a knot of legislators Artie gives his opinion of the caliber of the present crop of lawmakers:

"So if you dropped 2 bucks in the rotunda of the Capitol, you'd start a riot," he says.

His scorn for the men who do his bidding is near the surface. At dinner with this writer, Artie, in a gust of humor, motioned to a waiter:

"Hey, Senator," he called.

But his scorn for the men whose bidding he does, the men he calls his bosses, is even fiercer.

"I hate bosses," Artie says. "Put that down. Love those loving bosses," he repeats for emphasis.

NOT WANTED AT SWANKY CLUBS

A middleman in the business of selling privilege, Artie has enriched important interests in California. But the very men who hire him and accept his favors, who make millions from his labors at Sacramento, do not invite Samish to join their exclusive San Francisco clubs. Although Artie's protective intervention at Sacramento has meant millions to the Santa Anita race track, Artie could gain admittance to the track's exclusive boxes only through the use of a friend's tickets. Artie, operating in the political shadows, is socially unacceptable.

But he has become as rich as he is powerful. His wealth is estimated by friends to "run into many millions"—some of it acquired, as Artie says, "by people doing things for me, because they like me." His lucrative oil wells in Indiana, according to Artie, were acquired in this friendly fashion. Mostly, in the money way, Artie can do things very well on his own. He made his first million by age 32.

"When I was still a baby," says Artie.

He got off to this start by shrewdly buying up a bus route which turned out to be the needed link in a subsequent merger. With his native business sense he might well have become an industrial giant had he set his cap in that direction.

During the war Artie struck a blow for the servicemen, and made a buck besides. Noting that servicemen had to pay black-market prices for scarce wartime liquor, he conceived a chain of "military bottle shops" which sold to the military only.

The special allocations of liquor that Artie was able to obtain on patriotic grounds netted a tidy penny and raised anguished cries from competing, short-rationed liquor merchants. Artie explained the stores weren't his anyway. He had given one to "Frances the maid," who cares for his rooms at the Senator Hotel, another to "a piano player," another to Tony the Newsboy.

Artie's lieutenants said he gave away only 5 to 10 percent pieces of the stores.

Besides Artie's business interests, there are his lobbying fees.

The market value of the lobbying services Artie sells? The Santa Anita Race Track paid him $50,000 a year until he quit 3 years ago. To get him back the race track offered $200,000 yearly, but Artie said "No."

Artie owns some palatial establishments in San Francisco and at Los Gatos in southern California. He says:

"I can't spend all I've made."

But for all that, he lives, as he himself says, "A Jekyll and Hyde existence."

"More than anything else, Artie hungers for respectability," two close friends of his told this writer.

This hunger may cause Artie Samish someday to forswear the scene of his triumphs, as he has been hinting the last several years he'd like to do.

A MECCA FOR FAVOR SEEKERS

Meanwhile he doesn't act like a man about to retire. To his hotel rooms, the open-sesame to power in Sacramento, flow the favor seekers, the lawgivers, the law enforcers. Along with their wants and needs each brings to Artie bits of information. For Samish must know in intimate detail what goes on.

"I want to know everything. I want to know what the sons of guns are doing," Artie says.

And so with a professional's devoted regard for detail, he has woven a net of espionage about Sacramento, and California, and beyond, which he describes as "my gestapo."

In New York City this writer experienced how far the Samish eyes can see and how far the Samish ears can hear—all the way from California.

EXTENSION OF REMARKS

Mr. HALE asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

SPECIAL ORDER

The SPEAKER pro tempore. Under the previous order of the House the gentleman from Michigan [Mr. HOFFMAN] is recognized for 5 minutes.

Mr. HOFFMAN of Michigan. Mr. Speaker, I know nothing about this investigation that is being conducted by the Committee on Armed Forces and I know nothing about the merits of the controversy over the B–36. When the gentleman from Louisiana [Mr. BROOKS] was speaking here a few moments ago, in good faith I asked a question the purpose of which was to learn whether or not orders, or directives, rules, or regulations had been issued by anyone in connection with the armed services which hindered the giving of testimony or which required the testimony of those in the services who wanted to give it to be submitted to the "top" for what they call coordination. And how does the gentleman answer me? "Oh," he said, "it was my duty if I had any evidence to present it to the committee." If the gentleman had listened to me he would know that I said I did not have any and that I did not know anything about the controversy. That is the sort of evasive answer I got.

Mr. BROOKS. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield.

Mr. BROOKS. I will say to the gentleman from Michigan that if he feels that I have been short in my answer to him or if the gentleman desires to propound a question I will be glad to answer it.

Mr. HOFFMAN of Michigan. Thanks but—I will answer it in my own way now.

Mr. BROOKS. All right.

Mr. HOFFMAN of Michigan. I did not have any evidence but I was just calling attention to how the testimony that was submitted was said to be handled. The press carried the story that there was an order—and the gentleman says that a copy of it may be found in the RECORD—an order which requires those who are about to give testimony to submit it to somebody in the Department for "coordination." What does coordination mean? In this instance it may mean getting together and telling the same story. You know, that is a rotten way to handle evidence or an investigation. I recall very distinctly when we had the unification bill up that certain admirals who had been down in the Pacific, and certain other officers who were in the Pacific during the war, who were on the ships, who participated in the battles, were gagged, and I use that word advisedly. Finally, Secretary Forrestal came up with an order permitting those officers to testify. Now, if the same thing is happening in connection with this investigation you will not get the truth.

Then, if I understood correctly, the Member complained because the investigation was started on rumors. Well, how in the world did the Teapot Dome investigation get started? On rumors, of course; and I can recall how Senater Wheeler was criticized morning, noon, and night, week in and week out, because he was attacking a member of the administration. That is the way these things come up. And heck is to pay if an administrator, especially an Army officer is questioned. If there is nothing to fear why not let them answer?

To my desk this morning came a letter from an officer who has been sent out to what he called some salt flat in the West. This is from a young man I have known all my life, from the time he was a baby in the crib, right on up to the time he entered the service. He served something like 6 years, including 4 years in the last war. What happened? He wrote something in behalf of a brother officer that was ill advised. He did what I so often do, as well as many other Members of the House, he told his superior what he thought about the situation. What did they do? They sent him out to the salt flats and there he will stick until he has licked somebody's boots, if he ever does. I do not mean to mention his name. I do not care to give his name. He happens to be a grandson of the General Pritchard, who was in command of a Michigan cavalry detachment that aided in capturing Jeff Davis. But that is what some Army officers do. It is a wonder some do not choke on their authority.

Another illustration of conceit is that of somebody down here in the War Department now wants officers to carry swagger sticks. What next? I do not know what they are going to do with them unless they will use them to wave at civilians to get them to bow down and worship the brass.

Mr. BROOKS. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield to the gentleman from Louisiana.

Mr. BROOKS. I may say to the gentleman in answer to the part of his statement which is relevant to the B–36 investigation——

Mr. HOFFMAN of Michigan. I will tell the gentleman how much is relevant.

Mr. BROOKS. Let me answer, if the gentleman will yield.

Mr. HOFFMAN of Michigan. I yield, but not to tell me what is relevant.

Mr. BROOKS. A large part of the testimony was not from Government witnesses. How can the gentleman take exception to the testimony of men like Judge Patterson, who is no longer connected with the Government and would not be influenced one way or the other by any governmental order?

Mr. HOFFMAN of Michigan. I am sorry that I am so ignorant that I cannot make myself clear. I did not, I do not take exception to anyone's testimony. I do not know anything about the testimony that was given. I am talking about this apparent attempt on the part of those higher up to gag those lower down the line. These higher-ups get out an order to coordinate the testimony, which means just one thing to the average fellow in the service. It means fixing up a story.

The SPEAKER pro tempore. The time of the gentleman from Michigan has expired.

INVESTIGATION OF THE B-36 PROGRAM

Mr. BROOKS. Mr. Speaker, I ask unanimous consent to proceed for 3 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. BROOKS. Mr. Speaker, I have high respect for the gentleman from Michigan, for his ability and for his intelligence, but I think he is leaning on a slender rod when he relies on just one mimeographed order issued by the Defense Department suggestion that copies of the testimony to be used be sent to one central office so that the entire testimony for the hearing may be channeled properly to the Armed Services Committee. That is all the complaint that is made to date in reference to the investigation. If that is all of the evidence the gentleman produces may I say that I completely reiterate and reaffirm every word I said today.

Mr. DOYLE. Mr. Speaker, will the gentleman yield?

Mr. BROOKS. I yield to the gentleman California.

Mr. DOYLE. Is it not a fact, however, that the uncontroverted evidence by all the witnesses before the Armed Services Committee shows that all of the testimony was not submitted to the Office of the Secretary of Defense for coordination, that only that part of the testimony was submitted to the Office of the Secretary of Defense which directly bore on that Office, and that none of the rest of the testimony was so submitted?

Mr. BROOKS. That is true. I want to say that hour by hour we interrogated those witnesses. None of that testimony was submitted to anybody. It came from the hearts and minds of the witnesses.

Mr. DOYLE. Is it not true, contrary to what our colleague from Michigan indicates, General Vanderberg testified none of his testimony was submitted; Secretary of Air Symington testified, and all of the other witnesses so testified, except that part which had definite relationship to the Secretary of Defense? So the premise that the order for coordination meant that all of the testimony should be submitted, is found in error and not in fact.

Mr. BROOKS. Furthermore, the charges were predicated upon the action of individuals, many of whom are not connected with the Government at the present time, and none of that testimony is coordinated through any governmental agency.

Mr. DURHAM. Mr. Speaker, will the gentleman yield?

Mr. BROOKS. I yield to the gentleman from North Carolina.

Mr. DURHAM. I am sure that the committee, which has already heard from the able counsel who has been selected on a bipartisan basis has not done anything to the effect of not coordinating what was to come before the committee from the department. I feel like the counsel would have already have brought it to the attention of the committee, and as far as I know they have brought in all of the information that they asked for.

Mr. BROOKS. I thank the gentleman.

I want to conclude by saying this: Again, I say, if there is any evidence to be produced it should be brought in to the committee or its counsel immediately so that it can be examined, and in default of that they ought to "put up or shut up."

EXTENSION OF REMARKS

Mr. BREHM. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a two-column wide article.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted, as follows:

To Mr. WELCH of Missouri, for an indefinite period, on account of official business.

To Mr. DENTON (at the request of Mr. MADDEN) for an indefinite period, on account of illness in family.

To Mr. KEOGH (at the request of Mr. DOLLINGER), for Tuesday and Wednesday, August 16 and 17, on account of official business.

To Mr. RIEHLMAN (at the request of Mr. GAMBLE), for Tuesday and Wednesday, August 16 and 17, on account of official business.

ENROLLED BILLS SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 3417. An act to amend the act entitled "An act to provide for cooperation by the Smithsonian Institution with State, educational, and scientific organizations in the United States for continuing ethnological researches on the American Indians," approved April 10, 1928, and for other purposes.

H. R. 3825. An act to amend the Federal Crop Insurance Act.

ADJOURNMENT

Mr. PRIEST. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 56 minutes p. m.), the House adjourned until tomorrow, Wednesday, August 17, 1949, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

865. Under clause 2 of rule XXIV, a letter from the Director, Chamber of Deputies, Rio de Janeiro, Brazil, transmitting copies of "Annals of the Constituent Assembly" of 1946, sixteenth and seventeenth volumes, was taken from the Speaker's table, referred to the Committee on Foreign Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. KEE: Committee on Foreign Affairs. House Report No. 1265 (pt. II). Supplemental report to accompany H. R. 5895. A bill to promote the foreign policy and provide for the defense and general welfare of the United States by furnishing military assistance to foreign nations. Referred to the Committee of the Whole House on the State of the Union.

Mr. KERR: Committee on Appropriations. H. R. 6008. A bill making supplemental appropriations for the fiscal year ending June 30, 1950, and for other purposes; without amendment (Rept. No. 1266). Referred to the Committee of the Whole House on the State of the Union.

Mr. SABATH: Committee on Rules. House Resolution 293. Resolution authorizing the Committee on Ways and Means to conduct studies and investigations of matters within its jurisdiction, and for other purposes; without amendment (Rept. No. 1267). Referred to the House Calendar.

Mr. SABATH: Committee on Rules. House Resolution 327. Resolution providing for the consideration of and waiving points of order against H. R. 5895, a bill to promote the foreign policy and provide for the defense and general welfare of the United States by furnishing military assistance to foreign nations; without amendment (Rept. No. 1268). Referred to the House Calendar.

Mr. SPENCE: Committee on Banking and Currency. H. R. 5987. A bill to amend the National Housing Act, as amended, and for other purposes; without amendment (Rept. No. 1269). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. KERR:

H. R. 6008. A bill making supplemental appropriations for the fiscal year ending June 30, 1950, and for other purposes; to the Committee on Appropriations.

By Mr. BEALL:

H. R. 6009. A bill to authorize and direct the Secretary of the Interior to grant a right-of-way across certain land owned by the United States; to the Committee on Public Lands.

By Mr. HARRISON:

H. R. 6010. A bill relating to the apportionment of the pension, compensation, or retirement pay of a veteran for the benefit

of his wife where a limited divorce has been granted; to the Committee on Veterans' Affairs.

By Mr. PASSMAN:

H. R. 6011. A bill to amend the Federal Alcohol Administration Act with respect to labeling and advertising certain domestic whisky as aged; to the Committee on Interstate and Foreign Commerce.

By Mr. PATMAN:

H. R. 6012. A bill to provide for the issuance of a special postage stamp in commemoration of Fiorello H. LaGuardia; to the Committee on Post Office and Civil Service.

By Mr. PETERSON:

H. R. 6013. A bill to amend an act fixing the price of copies of records furnished by the Department of the Interior; to the Committee on Public Lands.

By Mr. WHITTINGTON:

H. Res. 326. Resolution authorizing and directing the Committee on Public Works to conduct surveys of certain works of improvement; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mrs. DOUGLAS:

H. R. 6014. A bill for the relief of Conrad R. Fanton; to the Committee on the Judiciary.

H. R. 6015. A bill to legalize the admission to the United States of Arthur Liu McCartney; to the Committee on the Judiciary.

By Mr. HELLER:

H. R. 6016. A bill for the relief of Hirsch Teper; to the Committee on the Judiciary.

H. R. 6017. A bill for the relief of Francesco Carresi; to the Committee on the Judiciary.

By Mr. LICHTENWALTER:

H. R. 6018. A bill for the relief of Lubomir Mikulik and Viliam Krajcirovic; to the Committee on the Judiciary.

By Mr. MANSFIELD:

H. R. 6019. A bill to authorize the Secretary of Agriculture to convey certain land in Montana to George G. E. Neill upon payment of the fair market value; to the Committee on Public Lands.

By Mr. SASSCER:

H. R. 6020. A bill for the relief of Richard H. Sears; to the Committee on the Judiciary.

By Mr. SHEPPARD:

H. R. 6021. A bill for the relief of F. E. Thibodo; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1412. By Mr. SMITH of Wisconsin: Petition of sundry citizens of Broadhead, Wis., and outlying rural communities, protesting against S. 1581, National Health Act of 1949, which would disrupt the effective services now being provided by the Food and Drug Administration and further dismember the Children's Bureau; to the Committee on Interstate and Foreign Commerce.

1413. By Mrs. ST. GEORGE: Petition favoring the prohibition of transportation of alcoholic beverage advertising in interstate commerce and the broadcasting of alcoholic beverage advertising over the radio; to the Committee on Interstate and Foreign Commerce.

1414. By the SPEAKER: Petition of Mr. Walter C. Peterson, city clerk, Los Angeles, Calif., relative to urging that immediate statehood be granted to the Territories of Hawaii and Alaska; to the Committee on Public Lands.

1415. Also, petition of American Urological Association, Atlantic City, N. J., requesting that it be placed on record as being against any form of compulsory health insurance or any system of political medicine designed for bureaucratic control; to the Committee on Interstate and Foreign Commerce.

SENATE

WEDNESDAY, AUGUST 17, 1949

(Legislative day of Thursday, June 2, 1949)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Rev. Robert N. DuBose, D. D., of the Association of American Colleges, Washington, D. C., offered the following prayer:

Lord of life, Creator of all men, regenerate our wills, purify our aspirations, and refine our ambitions that we may be used of Thee. Unbind our spirits that circumstances may never become our master. Give us ingenuity and resourcefulness and, by the pattern of Thy love, make our lives meaningful.

May the vision of the future challenge those of us gathered here in this great lawmaking body and cause us to make strong and yet stronger the resolution which makes for the better way of life.

May these, our leaders, be given wisdom as they face the problem of strife and discord in our own Nation and in our international relations.

In simple faith and trust, in loyalty and self-abnegation, in humility and gratitude, we pray. Amen.

THE JOURNAL

On request of Mr. WHERRY, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, August 16, 1949, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts:

On August 13, 1949:

S. 1323. An act to declare that the United States holds certain lands in trust for the Pueblo Indians and the Canoncito Navajo group in New Mexico, and for other purposes.

On August 15, 1949:

S. 1278. An act to fix the United States share of project costs, under the Federal Airport Act, involved in installation of high intensity lighting on CAA-designated instrument-landing runways.

On August 16, 1949:

S. 1918. An act to authorize the Commissioners of the District of Columbia to appoint contracting officers to make contracts in amounts not exceeding $3,000.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, severally with an amendment, the following bills of the Senate, in which it requested the concurrence of the Senate:

S. 331. An act for the relief of Ghetel Pollak Kahan, Magdalena Linda Kahan (wife), and Susanna Kahan (daughter, 12 years old);

S. 520. An act to authorize and direct the Secretary of the Interior to issue to Leo Farwell Glenn, a Crow allottee, a patent in fee to certain lands; and

S. 1361. An act to authorize and direct the Secretary of the Interior to issue to John Grayeagle a patent in fee to certain land.

The message also announced that the House had passed the following bills and joint resolution in which it requested the concurrence of the Senate:

H. R. 587. An act for the relief of the estate of Dick Walook, Alfred L. Woods, and Edward Kimoktoak;

H. R. 715. An act for the relief of Manuel Uribe;

H. R. 1024. An act for the relief of Jacob Brown;

H. R. 1106. An act for the relief of King V. Clark;

H. R. 1484. An act for the relief of Mrs. Mary Capodanno and the legal guardian of Vincent Capodanno;

H. R. 1485. An act for the relief of Josephine Lisitano;

H. R. 1600. An act for the relief of Gustav Schilbred;

H. R. 2075. An act for the relief of Frank G. Moore;

H. R. 2266. An act for the relief of Morris Tutnauer;

H. R. 2758. An act for the relief of the Fisher Brewing Co.;

H. R. 3081. An act for the relief of the estate of Maurice G. Evans;

H. R. 3405. An act for the relief of Vivian Newell Price;

H. R. 3498. An act for the relief of the Gluckin Corp.;

H. R. 3499. An act to confer jurisdiction upon the United States District Court for the Central Division of the Southern District of California to hear, determine, and render judgment upon the claim of Mabel Colliver;

H. R. 3769. An act for the relief of Doris M. Faulkner;

H. R. 3804. An act for the relief of Fred B. Niswonger;

H. R. 3810. An act for the relief of Cecil E. Gordon;

H. R. 3863. An act for the relief of Carl C. Ballard;

H. R. 3864. An act to convey certain lands taken from W. W. Stewart by the United States;

H. R. 4165. An act for the relief of Katherine H. Clagett;

H. R. 4556. An act for the relief of the estate of Elmo Sodergren;

H. R. 4563. An act for the relief of Mrs. Sarah E. Thompson;

H. R. 4777. An act for the relief of J. D. Lecky;

H. R. 4889. An act for the relief of Mrs. Jack J. O'Connell;

H. R. 5149. An act for the relief of Fernando Aboitiz;

H. R. 5319. An act granting a renewal of patent No. 40,029, relating to the badge of the Holy Name Society;

H. R. 5353. An act for the relief of Max Schlederer;

H. R. 5375. An act for the relief of Mrs. Hilda De Silva;

H. R. 5539. An act for the relief of Mrs. Claudia Weitlanner;

H. R. 5582. An act for the relief of the Belle Isle Cab Co., Inc.;

H. R. 5777. An act for the relief of Joe D. Dutton;

H. R. 5851. An act for the relief of Mrs. Toshiko Keyser; and

H. J. Res. 281. Joint resolution to authorize the President to issue posthumously to the late John Sidney McCain, vice admiral, United States Navy, a commission as admiral, United States Navy, and for other purposes.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the President pro tempore:

S. 555. An act for the relief of Eiko Nakamura;

S. 622. An act for the relief of Isaiah Johnson;

S. 787. An act for the relief of William (Vasilios) Kotsakis;

S. 855. An act to authorize a program of useful public works for the development of the Territory of Alaska;

S. 1026. An act for the relief of Roman Szymanski and Anastosia Szymanski;

S. 1949. An act to authorize the lease of the Federal correctional institution at Sandstone, Minn., to the State of Minnesota;

S. 1962. An act to amend the cotton and wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended;

S. 1977. An act to extend the time within which legislative employees may come within the purview of the Civil Service Retirement Act;

S. 2170. An act for the relief of W. P. Bartel;

S. 2391. An act to authorize the construction, operation, and maintenance of the Weber Basin reclamation project, Utah; and

S. J. Res. 3. Joint resolution to provide that any future payments by the Republic of Finland on the principal or interest of its debt of the First World War to the United States shall be used to provide educational and technical instruction and training in the United States for citizens of Finland and American books and technical equipment for institutions of higher education in Finland, and to provide opportunities for American citizens to carry out academic and scientific enterprises in Finland.

LEAVES OF ABSENCE

On request of Mr. HUMPHREY, and by unanimous consent, Mr. PEPPER was excused from attendance on the session of the Senate today because of public business.

On request of Mr. WHERRY, and by unanimous consent, Mr. BUTLER was excused from attendance on the sessions of the Senate today and to and including next Wednesday.

Mr. LONG asked and obtained consent to be absent from the Senate on Thursday, August 18, and Friday, August 19.

Mr. BALDWIN asked and obtained consent to be absent from the Senate tomorrow, August 18, and Friday, August 19.

Mr. HICKENLOOPER asked and obtained consent to be absent from the Senate tomorrow, August 18.

COMMITTEE MEETINGS

On request of Mr. HUMPHREY, and by unanimous consent, the Committees on Armed Services and Foreign Relations, sitting jointly, were authorized to meet this afternoon during the session of the Senate.

The following order was inadvertently omitted from the RECORD of Tuesday, August 16, 1949:

On request of Mr. O'MAHONEY, and by unanimous consent, the Committee on Interior and Insular Affairs was authorized to meet tomorrow during the session of the Senate.

CALL OF THE ROLL

Mr. WHERRY. Mr. President, I renew my suggestion of the absence of a quorum. I also suggest that inasmuch as we are under a limitation of time, the quorum call be charged to both sides equally.

The PRESIDENT pro tempore. Without objection, that will be done. The clerk will call the roll.

The roll was called, and the following Senators answered to their names:

Cain	Hickenlooper	Neely
Donnell	Holland	Russell
Ellender	Humphrey	Schoeppel
Ferguson	Ives	Taylor
Flanders	Johnston, S. C.	Watkins
Gillette	Kerr	Wherry
Graham	McClellan	Withers
Green	McKellar	Young
Hendrickson	Martin	

The PRESIDENT pro tempore. A quorum is not present. The clerk will call the names of the absent Senators.

The legislative clerk called the names of the absent Senators, and Mr. KEM, Mr. THYE, Mr. WILEY, and Mr. WILLIAMS answered to their names when called.

The PRESIDENT pro tempore. A quorum is not present.

Mr. HUMPHREY. I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDENT pro tempore. The Sergeant at Arms will execute the order of the Senate.

After a little delay, Mr. MCFARLAND, Mr. FREAR, Mr. STENNIS, Mr. CAPEHART, Mr. SPARKMAN, Mr. TYDINGS, Mr. KILGORE, Mrs. SMITH of Maine, Mr. MUNDT, Mr. O'CONOR, Mr. MCCARTHY, Mr. TAFT, Mr. HILL, Mr. HOEY, Mr. THOMAS of Utah, Mr. DOUGLAS, Mr. LUCAS, Mr. MAYBANK, and Mr. ANDERSON entered the Chamber and answered to their names.

Mr. BALDWIN, Mr. CHAPMAN, Mr. DULLES, Mr. FULBRIGHT, Mr. HAYDEN, Mr. JOHNSON of Texas, Mr. MCCARRAN, Mr. ROBERTSON, Mr. SMITH of New Jersey, and Mr. VANDENBERG also entered the Chamber and answered to their names.

Mr. LUCAS. I announce that the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Texas [Mr. CONNALLY], the Senator from California [Mr. DOWNEY], the Senator from Mississippi [Mr. EASTLAND], the Senator from Georgia [Mr. GEORGE], the Senators from Wyoming [Mr. HUNT and Mr. O'MAHONEY], the Senator from Colorado [Mr. JOHNSON], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Louisiana [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Idaho [Mr. MILLER], the Senator from Montana [Mr. MURRAY], the Senator from Pennsylvania [Mr. MYERS], and the Senator from Oklahoma [Mr. THOMAS] are detained on official business in meetings of committees of the Senate.

The Senator from Rhode Island [Mr. MCGRATH] and the Senator from Connecticut [Mr. MCMAHON] are absent on public business.

The Senator from Florida [Mr. PEPPER] is absent by leave of the Senate on public business.

Mr. WHERRY. I announce that the Senator from Vermont [Mr. AIKEN], the Senator from Nebraska [Mr. BUTLER], and the Senator from Kansas [Mr. REED] are absent by leave of the Senate.

The Senator from Maine [Mr. BREWSTER] is necessarily absent.

The Senator from New Hampshire [Mr. TOBEY] is absent because of illness.

The Senator from Ohio [Mr. BRICKER], the Senator from New Hampshire [Mr. BRIDGES], the senior Senator from Oregon [Mr. CORDON], the Senator from Montana [Mr. ECTON], the Senator from South Dakota [Mr. GURNEY], the Senator from Indiana [Mr. JENNER], the Senator from California [Mr. KNOWLAND], the Senator from North Dakota [Mr. LANGER], the junior Senator from Massachusetts [Mr. LODGE], the Senator from Nevada [Mr. MALONE], the Senator from Colorado [Mr. MILLIKIN], the junior Senator from Oregon [Mr. MORSE], and the senior Senator from Massachusetts [Mr. SALTONSTALL] are detained on official business at meetings of committees of the Senate.

The PRESIDENT pro tempore. A quorum is present.

TRANSACTION OF ROUTINE BUSINESS

Mr. HUMPHREY. Mr. President, I ask unanimous consent that Senators be permitted to present petitions and memorials, introduce bills and joint resolutions, and incorporate matters into the RECORD and the Appendix of the RECORD, without debate.

The PRESIDENT pro tempore. Without objection, it is so ordered.

WORLD FEDERATION—PETITION

Mr. MYERS. Mr. President, I present for appropriate reference a petition signed by Roy Stauffer and 17 other citizens of Scranton, Pa., praying for a world federation, and I ask unanimous consent that it be printed in the RECORD without the signatures.

There being no objection, the petition was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, without the signatures, as follows:

SCRANTON, PA., *August 4, 1949.*

The Honorable FRANCIS J. MYERS,
United States Senate,
Washington, D. C.

DEAR MR. MYERS: We in this area believe that the most important problem facing the anthracite region, or any other region in this country, is the problem of securing world peace.

We have studied this problem and believe that the best solution lies in pending legislation in the Senate, in the form of the world-federation resolution introduced in the Senate July 26, 1949, by Senator CHARLES W. TOBEY, with the bipartisan support of 13 Senators.

For your convenience we quote the wording of the resolution, which is as follows:

"Resolved by the Senate (the House of Representatives concurring), That it is the sense of Congress that it should be a fundamental objective of the foreign policy of the

United States to support and strengthen the United Nations and to seek its development into a world federation open to all nations, with defined and limited powers adequate to preserve peace and prevent aggression through the enactment, interpretation, and enforcement of world law."

We, the undersigned, representative of both political parties, urge you to work for an early hearing of this resolution. We urge you, beyond that, to enlighten your fellow Senators concerning the advantage of the stronger world-federation resolution compared to other similar resolutions which might be introduced, and to fight for its passage on the floor of the Senate.

In our opinion, you will be doing a great service to your constituents and to your country.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HUMPHREY, from the Committee on Labor and Public Welfare:

H. R. 3829. A bill to provide assistance for local school agencies in providing educational opportunities for children on Federal reservations or in defense areas, and for other purposes; without amendment (Rept. No. 929).

By Mr. O'MAHONEY, from the Committee on Interior and Insular Affairs:

H. R. 2517. A bill directing the Secretary of the Interior to convey certain land to Palm Beach County, Fla.; without amendment (Rept. No. 930);

H. R. 4073. A bill to provide for the conveyance to the State of New York of certain historic property situated within Fort Niagara State Park, and for other purposes; without amendment (Rept. No. 931); and

H. R. 4208. A bill to add certain surplus land to Petersburg National Military Park, Va., to define the boundaries thereof, and for other purposes; without amendment (Rept. No. 932).

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, August 17, 1949, he presented to the President of the United States the following enrolled bills and joint resolution:

S. 555. An act for the relief of Eiko Nakamura;

S. 622. An act for the relief of Isaiah Johnson;

S. 787. An act for the relief of William (Vasilios) Kotsakis;

S. 855. An act to authorize a program of useful public works for the development of the Territory of Alaska;

S. 1026. An act for the relief of Roman Szymanski and Anastosia Szymanski;

S. 1949. An act to authorize the lease of the Federal correctional institution at Sandstone, Minn., to the State of Minnesota;

S. 1962. An act to amend the cotton and wheat marketing-quota provisions of the Agricultural Adjustment Act of 1938, as amended;

S. 1977. An act to extend the time within which legislative employees may come within the purview of the Civil Service Retirement Act;

S. 2170. An act for the relief of W. P. Bartel;

S. 2391. An act to authorize the construction, operation, and maintenance of the Weber Basin reclamation project, Utah; and

S. J. Res. 3. Joint resolution to provide that any future payments by the Republic of Finland on the principal or interest of its debt of the First World War to the United States shall be used to provide educational and technical instruction and training in the United States for citizens of Finland and American books and technical equipment for institutions of high education in Finland, and to provide opportunities for American citizens to carry out academic and scientific enterprises in Finland.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CHAVEZ:

S. 2446. A bill for the relief of Maria Enriquez; to the Committee on the Judiciary.

By Mr. TYDINGS:

S. 2447. A bill for the relief of Mrs. Maud E. Raymond, widow of Alcide Raymond; to the Committee on Armed Services.

By Mr. LODGE (by request):

S. 2448. A bill to authorize the filling of Tully Reservoir, Mass., for recreational purposes; to the Committee on Public Works.

By Mr. McCARRAN (for himself and Mr. JOHNSTON of South Carolina):

S. 2449. A bill to amend the District of Columbia Teachers' Salary Act of 1947; to the Committee on the District of Columbia.

By Mr. LANGER:

S. 2450. A bill to clarify the provision of section 6 (b) of the act of August 24, 1912, relating to the payment of compensation to Government employees restored to duty after erroneous removal or suspension; to the Committee on Post Office and Civil Service.

S. 2451. A bill for the relief of Abdul Whab; to the Committee on the Judiciary.

By Mr. HOEY:

S. 2452. A bill for the relief of Artemissia Robert Batis; to the Committee on the Judiciary.

By Mr. CONNALLY (for himself and Mr. THOMAS of Oklahoma):

S. J. Res. 128. Joint resolution to authorize the President to lend to the Food and Agriculture Organization of the United Nations funds for the construction and furnishing of a permanent headquarters, and for related purposes; to the Committee on Foreign Relations.

INTERIOR DEPARTMENT APPROPRIATIONS—AMENDMENT

Mr. MURRAY submitted an amendment intended to be proposed by him to the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes, which was ordered to lie on the table and to be printed.

NATIONAL MILITARY ESTABLISHMENT APPROPRIATIONS—AMENDMENT

Mr. KILGORE submitted an amendment intended to be proposed by him to the bill (H. R. 4146) making appropriations for the National Security Council, the National Security Resources Board, and for military functions administered by the National Military Establishment for the fiscal year ending June 30, 1950, and for other purposes, which was ordered to lie on the table and to be printed.

AMENDMENT OF NATIONAL HOUSING ACT—AMENDMENT

Mr. CAIN. Mr. President, on behalf of the Senator from Ohio [Mr. BRICKER] and myself, I submit an amendment in the nature of a substitute intended to be proposed by us jointly to the bill (S. 2246) to amend the National Housing Act, as amended, and for other purposes.

I sincerely invite the attention of the chairman of the Banking and Currency Committee [Mr. MAYBANK], the Senator from Alabama [Mr. SPARKMAN], and the majority leader [Mr. LUCAS] to this proposal and what it seeks to do.

I have already submitted three amendments to S. 2246 and have indicated the wide differences of opinion which exist on the subject matter contained in this bill as it stands on the Senate Calendar at the present time. I have pointed out the uncharted areas and new departures in housing legislation which S. 2246 contains, and I have no further wish to argue those points at this time.

However, I share the concern which the Senator from Alabama [Mr. SPARKMAN] expressed on the floor of the Senate on August 11, when a proposed unanimous-consent agreement concerning a legislative schedule was under discussion. Senator SPARKMAN had this to say, and I quote from page 11247 of the CONGRESSIONAL RECORD:

> I am in complete sympathy with the unanimous-consent request which has been made, but in connection with what the Vice President has said I should like to ask whether the effect of the proposed agreement would not be to arrange a schedule which would become unchangeable except by a later unanimous-consent agreement. My reason for asking the question is that the Senate Committee on Banking and Currency today is reporting a housing bill, to provide for the continuance and the extension, in some respects, of the present Federal Housing Act, and other features which have been asked for by the housing agency. I call attention to the fact that the FHA authority under title 1 and title 6 will expire on the last day of this month. It seems to me that if this agreement does set a fixed schedule of legislation we may be caught in a jam in getting some measure considered by the Senate which we may have to have considered before the time indicated.

The majority leader [Mr. LUCAS] replied as follows:

> With respect to deadlines we have to meet, it would be necessary to secure unanimous consent to lay everything aside to consider legislation that had a deadline, and which we thought was important enough to pass.

Mr. President, the proposed substitute which Mr. Bricker and I are offering will deal very adequately with the expiration dates for titles I and VI of the National Housing Act to which Senator SPARKMAN alluded. It also will increase the authorization of funds for title I, title II, title VI and the Federal National Mortgage Association in exactly the same manner and the same amounts as the corresponding provisions contained in title I of S. 2246. The substitute bill merely extends and amplifies already existing FHA and RFC provisions which are working very well and which the Banking and Currency unanimously agreed to when those sections of S. 2246 were voted on in executive session.

But with the sole exception of the lifting of the 50 percent limitation on Fannie Mae purchases for certain types of mortgages on low cost homes—which is also contained in S. 2246 as it stands on the calendar—no substantive change in existing law is contained. Therefore, it seems only logical to me, in view of the crowded legislative calendar, that this noncontroversial substitute be enacted. In this way, time limitations and absence of adequate funds will not hamper the effective functioning of the Federal Housing Administration and the FNMA at the end of this month. And in this manner a complete study, investigation, and debate of the remainder of S. 2246 can be delayed for a more propitious time.

The PRESIDENT pro tempore. The amendment will be received, printed, and lie on the table.

PRINTING OF REVIEW OF REPORT ON ARKANSAS RIVER AND TRIBUTARIES (S. DOC. NO. 107)

Mr. HOLLAND. Mr. President, on behalf of the distinguished Senator from New Mexico [Mr. CHAVEZ], I present a letter from the Secretary of the Army, transmitting a report dated May 13, 1949, from the Chief of Engineers, United States Army, together with accompanying papers and an illustration, on a review of report on the Arkansas River and tributaries, and I ask unanimous consent that it may be referred to the Committee on Public Works and printed as a Senate document.

The PRESIDENT pro tempore. Without objection, it is so ordered.

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were severally read twice by their titles, and referred, as indicated:

H. R. 587. An act for the relief of the estate of Dick Walook, Alfred L. Woods, and Edward Kimoktoak;

H. R. 715. An act for the relief of Manuel Uribe;

H. R. 1024. An act for the relief of Jacob Brown;

H. R. 1106. An act for the relief of King V. Clark;

H. R. 1484. An act for the relief of Mrs. Mary Capodanno, and the legal guardian of Vincent Capodanno;

H. R. 1485. An act for the relief of Josephine Lisitano;

H. R. 1600. An act for the relief of Gustav Schilbred;

H. R. 2075. An act for the relief of Frank G. Moore;

H. R. 2266. An act for the relief of Morris Tutnauer;

H. R. 2758. An act for the relief of the Fisher Brewing Co.;

H. R. 3081. An act for the relief of the estate of Maurice G. Evans;

H. R. 3405. An act for the relief of Vivian Newell Price;

H. R. 3498. An act for the relief of the Gluckin Corp.;

H. R. 3499. An act to confer jurisdiction upon the United States District Court for the Central Division of the Southern District of California to hear, determine, and render judgment upon the claim of Mabel Colliver;

H. R. 3769. An act for the relief of Doris M. Faulkner;

H. R. 3804. An act for the relief of Fred B. Niswonger;

H. R. 3810. An act for the relief of Cecil E. Gordon;

H. R. 3863. An act for the relief of Carl C. Ballard;

H. R. 4165. An act for the relief of Katherine H. Clagett;

H. R. 4556. An act for the relief of the estate of Elmo Sodergren;

H. R. 4563. An act for the relief of Mrs. Sarah E. Thompson;

H. R. 4777. An act for the relief of J. D. Lecky;

H. R. 4889. An act for the relief of Mrs. Jack J. O'Connell;

H. R. 5149. An act for the relief of Frenando Aboitiz;

H. R. 5319. An act granting a renewal of patent No. 40,029, relating to the badge of the Holy Name Society;

H. R. 5353. An act for the relief of Max Schlederer;

H. R. 5375. An act for the relief of Mrs. Hilda De Silva;

H. R. 5539. An act for the relief of Mrs. Claudia Weitlanner;

H. R. 5582. An act for the relief of the Belle Isle Cab Co., Inc.;

H. R. 5777. An act for the relief of Joe D. Dutton; and

H. R. 5851. An act for the relief of Mrs. Toshiko Keyser; to the Committee on the Judiciary.

H. R. 3864. An act to convey certain lands taken from W. W. Stewart by the United States; and

H. J. Res. 281. Joint resolution to authorize the President to issue posthumously to the late John Sidney McCain, vice admiral, United States Navy, a commission as admiral, United States Navy, and for other purposes; to the Committee on Armed Services.

ADDRESS BY SENATOR MYERS BEFORE ANNUAL STATE CONVENTION OF THE AMERICAN LEGION, DEPARTMENT OF PENNSYLVANIA

[Mr. MYERS asked and obtained leave to have printed in the RECORD the address delivered by him before the annual State convention of the American Legion, Department of Pennsylvania, in the Syria Mosque, Pittsburgh, Pa., on August 11, 1949, which appears in the Appendix.]

EXPANSION OPPORTUNITIES FOR RAILROADS, EXCERPTS FROM ADDRESS BY SENATOR MYERS

[Mr. MYERS asked and obtained leave to have printed in the RECORD excerpts from an address delivered by him on the Labor and Industry Day program of the centennial anniversary observance of Altoona, Pa., which appears in the Appendix.]

PEOPLE ALWAYS REMEMBER THE BAD ONES AND NEVER TELL YOU ABOUT THE GOOD ONES—RETIREMENT OF SCRANTON WEATHER OBSERVER RALPH C. WEST

[Mr. MYERS asked and obtained leave to have printed in the RECORD an article published in the Scranton (Pa.) Times of June 10, 1949, relative to the retirement of Scranton Weather Observer Ralph C. West, which appears in the Appendix.]

HAPPENINGS IN WASHINGTON—BROADCAST BY SENATOR MARTIN

[Mr. MARTIN asked and obtained leave to have printed in the RECORD a broadcast entitled "Happenings in Washington—Program No. 5," made by him on August 15, 1949, which appears in the Appendix.]

UNION OF EUROPEAN STATES—ARTICLE BY DOROTHY THOMPSON

[Mr. FULBRIGHT asked and obtained leave to have printed in the RECORD an article by Dorothy Thompson, entitled "European Order of Sovereign Nations Called As Obsolete As Greek City States," which appears in the Appendix.]

INDIAN CLAIMS COMMISSION—COMMENTS ON HOOVER COMMISSION RECOMMENDATIONS

Mr. McCLELLAN. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a statement which I have prepared, including comments of the Chief Commissioner of the Indian Claims Commission with reference to the Hoover Commission's recommendations affecting that agency.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR JOHN L. M'CLELLAN, CHAIRMAN, SENATE COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

Senator JOHN L. MCCLELLAN, chairman of the Senate Committee on Expenditures in the Executive Departments, released today a letter from Edgar E. Witt, Chief Commissioner of the Indian Claims Commission, with reference to recommendations contained in the Hoover Commission reports which affect that agency.

Commissioner Witt pointed out that the Indian Claims Commission was created as an independent agency reporting direct to the President as a temporary organization limited to an existence of 10 years, from April 10, 1947. He is, therefore, opposed to that section of the Hoover Commission's concluding report amending its recommendations in the report on social security, education, and Indian affairs, to the effect that the "Indian Claims Commission should be attached to the Indian affairs service as an appeal board with independent powers of review on Indian claims."

In explaining the position of the Indian Claims Commission in reference to its disagreement to this recommendation, Commissioner Witt stated:

"This Commission is endeavoring to perform the work of hearing and determining the claims of Indian tribes, bands and other identifiable groups of American Indians, in strict accordance with the provisions of the law under which it was created. It has established and promulgated rules of procedure governing the presentation, hearing and determination of said claims. Many petitions have been filed pursuant to the statute and in compliance with the rules of procedure, and numerous hearings have been held. Rulings have been made on a variety of subjects, a number of claims have been determined, formal opinions have been written and published, and in several instances appeals have been taken from the Commission's decisions to the Court of Claims in accordance with the provisions of the law establishing the Commission. If this Commission's functions are changed to those of an appellate or reviewing body, another establishment necessarily must be created to conduct the proceedings which this Commission shall review. This Commission is now functioning in an orderly manner in the carrying out of the duties with which Congress has charged it, and it is our opinion that no good purpose would be served in making the change recommended in the concluding report above referred to."

The Commission had no specific comments relative to other reports of the Hoover Commission, inasmuch as its activities are restricted to functions which are judicial in character and of a temporary nature, and, therefore, are relatively simple.

The letter from the Chief Commissioner of the Indian Claims Commission follows:

INDIAN CLAIMS COMMISSION,
Washington, D. C.

Hon. JOHN L. MCCLELLAN,
Chairman, Committee on Expenditures in the Executive Departments, United States Senate, Washington, D. C.

DEAR SENATOR MCCLELLAN: Your letter of May 23 has been received together with the enclosed two printed documents based on reports and task-force appendixes of the Commission on Organization of the Executive Branch of the Government. We have noted the request in your letter for a report from this establishment relative to the application of the various recommendations and textual discussions in the Commission reports which affect our establishment either directly or indirectly, and have also noted your statement that you are interested in obtaining our comments relative to prospective implementation of recommendations contained in such reports.

The printed documents above referred to which were enclosed in your letter do not contain any reference to the Indian Claims Commission or any recommendations which appear to affect it.

The Indian Claims Commission is judicial in character and is a temporary organization, limited to an existence of 10 years from April 10, 1947. Public Law 726, Seventy-ninth Congress, chapter 959, second session, by which the Commission was created and established provides that the Commission shall have jurisdiction to hear and determine certain designated claims against the United States on behalf of any Indian tribe, band, or other identifiable group of American Indians residing within the territorial limits of the United States or Alaska.

When the enacting clause of the bill creating the Indian Claims Commission was originally drawn, it contained a provision that "there is hereby created and established an independent agency of the executive branch of the Government, to be known as the Indian Claims Commission." (Hearings before the Committee on Indian Affairs, House of Representatives, 79th Cong., 1st sess., p. 140.)

This was amended by Congress by striking out the above underscored language, with the explanation for this amendment as follows:

"The amendment here suggested would delete language which appears to have no legal significance and is not entirely consistent with the functions of the proposed Indians Claims Commission. The Commission would in effect serve as the agent of the Congress to pass upon the merits of Indian tribal claims, and its final determinations would be embodied in reports to the Congress. Its work would be abjudicatory in character, its procedures would follow those of the legislative courts established by the Congress, and its determinations would not be subject to executive control."

The Indian Claims Commission is a small agency at present, comprising but 11 persons, including the three Commissioners. Its personnel, supply, and accounting activities are relatively simple, and do not appear to require a change from present methods.

The concluding report of the Commission on Organization of the Executive Branch of the Government, submitted to the Congress on May 20, 1949, contains on page 71 the following:

"M. SOCIAL SECURITY, EDUCATION, INDIAN AFFAIRS

"We recommend that the Federal Security Agency be abolished and that a new department of Cabinet rank be created to include the following activities:

* * * * *

"3. A service to include the activities of the Bureau of Indian Affairs to be transferred from the Interior Department. The Indian Claims Commission should be attached to the Indian Affairs Service as an appeal board with independent powers of review on Indian Claims." A footnote states, "This recommendation is made here for the first time and does not appear in any other Commission report."

We respect the services rendered by the Commission on the Organization of the Executive Branch of the Government but we are constrained, respectively, to disagree with this recommendation. This Commission is endeavoring to perform the work of hearing and determining the claims of Indian tribes, bands, and other identifiable groups of American Indians, in strict accordance with the provisions of the law under which it was created. It has established and promulgated rules of procedure governing the presentation hearing, and determination of said claims. Many petitions have been filed pursuant to the statute and in compliance with the rules of procedure, and numerous hearings have been held. Rulings have been made on a variety of subjects, a number of claims have been determined, formal opinions have been written and published, and in several instances appeals have been taken from the Commission's decisions to the Court of Claims in accordance with the provisions of the law establishing the Commission. If this Commission's functions are changed to those of an appellate or reviewing body, another establishment necessarily must be created to conduct the proceedings which this Commission shall review. This Commission is now functioning in an orderly manner in the carrying out of the duties with which Congress has charged it, and it is our opinion that no good purpose would be served in making the change recommended in the concluding report above referred to.

It is the desire of this Commission to cooperate with you and the above comments are respectfully submitted in line with this desire.

Sincerely yours,

EDGAR E. WITT,
Chief Commissioner.

AMENDMENT OF VETERANS' PREFERENCE ACT OF 1944 RELATING TO CERTAIN MOTHERS OF VETERANS

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 974) to amend the Veterans' Preference Act of 1944 with respect to certain mothers of veterans, which was, on page 2 line 3, to strike out "legally."

Mr. TYDINGS. Mr. President, the message which the Chair has laid before the Senate concerns a private bill dealing with a matter upon which the Senate has already acted. One word has been changed by the House, which has no widespread effect. I therefore move that the Senate concur in the House amendment.

Mr. WHERRY. Mr. President, will the Senator explain the amendment in more detail?

Mr. TYDINGS. This is a bill which gives a preference to a widow who has lost her only son in the service of the United States. The House struck out the word "legally," which means if she is separated from her husband, and depending on herself only for support, she gets the preference.

Mr. WHERRY. I have no objection.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Maryland.

The motion was agreed to.

PATENT IN FEE TO LEO FARWELL GLENN

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 520) to authorize and direct the Secretary of the Interior to issue to Leo Farwell Glenn, a Crow allottee, a patent in fee to certain lands, which was, on page 2, line 5, after "acres" to insert a colon and the following proviso:

Provided, That when the land herein described is offered for sale, the Crow Tribe, or any Indian who is a member of said tribe, shall have 90 days in which to execute preferential rights to purchase said tract at a price offered to the seller by a prospective buyer willing and able to purchase.

Mr. O'MAHONEY. Mr. President, this is a House amendment to a Senate bill granting a patent in fee to a Crow Indian. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

PATENT IN FEE TO JOHN GRAYEAGLE

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 1361) to authorize and direct the Secretary of the Interior to issue to John Grayeagle a patent in fee to certain land, which was, in line 9, after "25" insert a colon and the following proviso:

Provided, That when the land herein described is offered for sale, the Standing Rock Sioux Tribe, or any Indian who is a member of said tribe, shall have 90 days in which to execute preferential rights to purchase said tract at a price offered to the seller by a prospective buyer willing and able to purchase.

Mr. WHERRY. Mr. President, reserving the right to object, will the distinguished Senator inform the Senate what this bill is?

Mr. O'MAHONEY. It is a Senate bill to authorize the Secretary of the Interior to issue a patent in fee to an Indian.

Mr. WHERRY. I have no objection.

Mr. O'MAHONEY. Mr. President, I move that the Senate concur in the House amendment.

The motion was agreed to.

ADDITION OF CERTAIN LANDS TO BIG BEND NATIONAL PARK, TEX.

Mr. O'MAHONEY. Mr. President, I submit a conference report on House bill 2877, to authorize the addition of certain lands to the Big Bend National Park in the State of Texas, and I ask unanimous consent for its immediate consideration.

The PRESIDENT pro tempore. The report will be read for the information of the Senate.

The report was read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2877) to authorize the addition of certain lands to the Big Bend National Park, in the State of Texas, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the language inserted by the Senate amendment insert the following: "*Provided, however,* That the aggregate

cost to the Federal Government of properties acquired hereafter and under the provisions hereof shall not exceed the sum of $10,000"; and the Senate agree to the same.

JOSEPH C. O'MAHONEY,
J. E. MURRAY,
CLINTON P. ANDERSON,
HUGH BUTLER,
E. D. MILLIKIN,
Managers on the Part of the Senate.

J. HARDIN PETERSON,
JOHN R. MURDOCK,
KEN REGAN,
FRED L. CRAWFORD,
WM. LEMKE,
Managers on the Part of the House.

The PRESIDENT pro tempore. Is there objection to the present consideration of the conference report?

There being no objection, the report was considered and agreed to.

Mr. WHERRY subsequently said: Mr. President, may I inquire about the nature of the report.

Mr. O'MAHONEY. It relates to the Big Bend National Park in Texas. The Senate amended the House bill so as to provide that the land purchased should not involve more than $10,000; and the conferees on the part of the House accepted the amendment, with a little adjustment.

SALE OF PUBLIC LANDS IN ALASKA

Mr. O'MAHONEY. Mr. President, I submit a conference report on House bill 2859, to authorize the sale of public lands in Alaska, and I ask unanimous consent for its immediate consideration.

The PRESIDENT pro tempore. The report will be read for the information of the Senate.

The report was read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2859) to authorize the sale of public lands in Alaska, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses, as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same.

JOSEPH C. O'MAHONEY,
ERNEST W. MCFARLAND,
E. D. MILLIKIN,
GUY CORDON,
Managers on the Part of the Senate.

J. HARDIN PETERSON,
LLOYD M. BENTSEN, JR.,
FRED L. CRAWFORD,
Managers on the Part of the House.

The PRESIDENT pro tempore. Is there objection to the present consideration of the conference report?

Mr. WHERRY. Mr. President, reserving the right to object, will the distinguished Senator from Wyoming give us a brief statement regarding this matter?

Mr. O'MAHONEY. Yes. The bill authorizes the Secretary of the Interior to sell public lands in Alaska. When the bill came to the Senate, and was referred to the Committee on Interior and Insular Affairs, the committee felt that the proposed grant of authority was a little broader than should be made. So the committee rewrote the bill so as to limit the power to the sale of tracts not to exceed 160 acres in the aggregate. The House has accepted the Senate amendment.

Mr. WHERRY. I have no objection.

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the report was considered and agreed to.

PREMIUM PAYMENTS IN PURCHASE OF CERTAIN GOVERNMENT ROYALTY OIL—CONFERENCE REPORT

Mr. O'MAHONEY. Mr. President, I submit a conference report on Senate bill 1647, to eliminate premium payments in the purchase of Government royalty oil under existing contracts, and I ask unanimous consent for its immediate consideration.

The PRESIDENT pro tempore. The report will be read for the information of the Senate.

The report was read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1647) to eliminate premium payments in the purchase of Government royalty oil under existing contracts entered into pursuant to the act of July 13, 1946 (60 Stat. 533), having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of section 3 proposed to be stricken out by the Senate insert the following:

"SEC. 3. The Secretary of the Interior is hereby authorized under general rules and regulations to be prescribed by him to issue leases or permits for the exploration, development, and utilization of the mineral deposits, other than those subject to the provisions of the act of August 7, 1947 (61 Stat. 913), in those lands added to the Shasta National Forest by the act of March 19, 1948 (Public Law 449, 80th Cong.), which were acquired with funds of the United States or lands received in exchange therefor: *Provided*, That any permit or lease of such deposits in lands administered by the Secretary of Agriculture shall be issued only with his consent and subject to such conditions as he may prescribe to insure the adequate utilization of the lands for the purposes set forth in the act of March 19, 1948; and *Provided, further*, That all receipts derived from leases or permits issued under the authority of this act shall be paid into the same funds or accounts in the Treasury and shall be distributed in the same manner as prescribed for other receipts from the lands affected by the lease or permit, the intention of this provision being that this act shall not affect the distribution of receipts pursuant to legislation applicable to such lands."

And the Senate agree to the same.

JOSEPH C. O'MAHONEY,
ROBERT S. KERR,
GUY CORDON,
Managers on the Part of the Senate.

CLAIR ENGLE,
KEN REGAN,
FRANK A. BARRETT,
Managers on the Part of the House.

The PRESIDENT pro tempore. Is there objection to the present consideration of the conference report?

There being no objection, the report was considered and agreed to.

REORGANIZATION PLAN NO. 2, 1949—TRANSFERRING THE BUREAU OF EMPLOYMENT SECURITY

The Senate proceeded to consider the resolution (S. Res. 151) disapproving Reorganization Plan No. 2 of 1949.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. WHERRY. Does not the unanimous-consent agreement include a provision that the time is to be apportioned equally between the proponents and the opponents of Senate Resolution 151?

The PRESIDENT pro tempore. That is correct.

Mr. WHERRY. May I inquire who is in charge of the division of the time?

The PRESIDENT pro tempore. The Senator from Arkansas [Mr. MCCLELLAN] is in charge of the time for those Senators who favor the resolution and the Senator from Minnesota [Mr. HUMPHREY] is in charge of the time for those who are opposed to the resolution.

Mr. HUMPHREY. I understand the debate is to be concluded in time to vote at 5 o'clock.

The PRESIDENT pro tempore. That is correct.

Mr. MCCLELLAN. Mr. President, I believe there will be 2½ hours at the disposal of each side.

The PRESIDENT pro tempore. The Senator is correct.

Mr. MCCLELLAN. I yield 30 minutes to the senior Senator from New York [Mr. IVES].

The PRESIDENT pro tempore. The Senator from New York is recognized for 30 minutes.

Mr. IVES. Mr. President, because I am speaking against time, and because the thought in my presentation is rather closely knit, I shall not yield for questions until the completion of my prepared address. Then, time permitting, I shall be very glad to yield to such questions as any Senator may desire to ask, and I hope that I may be able to answer any questions which may be propounded.

Mr. President, no question is likely ever to come before the Senate on which the pros and cons seem, at casual glance, to be so evenly matched as would appear to be the case in Reorganization Plan No. 2.

At the outset, it is recognized generally that the United States Employment Service and the Unemployment Insurance Service should be within the same agency of Government. Furthermore, it is recognized that at this particular time everything which can be done appropriately to strengthen and improve the status of the Department of Labor should be done.

It should be pointed out, however, that the recommendations of the Chief Executive contained in Reorganization Plan No. 2 do not constitute the complete transfer of agencies and functions to the Department of Labor as recommended by the Commission on Organization of the Executive Branch of the Government, commonly known as the Hoover Commission. In its report to the Congress the Commission recommended, in addition to the transfer of the Bureau of Employment Security—including the Bureau of Veterans' Reemployment Rights or the Veterans' Employment Service, as it is also termed, the merger of which with the Employment Service itself can be effected within the Federal

Security Agency and without the adoption of any reorganization plan—the transfer of the following agencies:

First. The Bureau of Employees' Compensation—from the Federal Security Agency.

Second. The Employees' Compensation Appeals Board—from the Federal Security Agency.

Third. The Selective Service System, including the appeals boards—independent.

Fourth. Enforcement of labor standards—from contracting departments and agencies.

Fifth. Determination of minimum wages for seamen—from the United States Maritime Commission.

Sixth. Prevailing wage research—centered in the Bureau of Labor Statistics.

Seventh. Certain components of the Division of Industrial Hygiene—from the Bureau of State Services of the Public Health Service in the Federal Security Agency.

With one exception, I agree with these seven recommendations of the Hoover Commission, none of which is included in Reorganization Plan No. 2. Reasons for them are briefly stated in the Commission's own language, as follows:

> There are cogent reasons why these agencies and functions should be transferred to the Department of Labor. They are more nearly related to the problems of labor than those with which they are now associated, and their transfer accords with the Commission's first report, which recommended that agencies be grouped according to their major purpose.

The exception I take to these seven recommendations is expressed in the dissent filed with that recommendation which would place the Selective Service System, including the appeals boards, within the Department of Labor.

It is to be noted, moreover, that in submitting Reorganization Plan No. 2, the Chief Executive not only failed to include a substantial portion of the Hoover Commission's recommendations pertaining to this plan, but he added new provisions not contained in the Commission's recommendations. The Commission did not recommend the abolition of the Veterans' Placement Service Board, but recommended the merger of the functions of the Veterans' Employment Service with the Employment Service of the Bureau of Employment Security, of which it is a part. Furthermore, the Commission made no recommendation concerning the Federal Advisory Council, which is incorporated in Reorganization Plan No. 2.

It seems to me most advisable in instances where only certain portions of a particular recommendation of the Hoover Commission's recommendations are proposed for adoption and others are ignored, that each one of those proposed should be carefully evaluated on its own merit. In this connection, it should be emphasized that on one other occasion the present Chief Executive proposed the transfer of the Employment Service and the Unemployment Insurance Service from the Federal Security Agency to the Department of Labor and the proposal was vetoed by the Congress.

In favor of Reorganization Plan No. 2 is an appealing array of arguments. Former President Hoover himself recommends it, and it constitutes a part of the over-all recommendations of the Hoover Commission, as I have already stated, pertaining to the transfer of agencies to the Department of Labor. The field of Employment Service, alone and of itself, would seem more properly to belong in the Department of Labor than in any other agency of Government; for in theory, at least, the Department of Labor, in fulfilling its statutory obligation to foster, promote, and develop the welfare of the wage earners of the United States and to advance their opportunities for profitable employment, would seem naturally to be the appropriate instrument of Government to administer the placement functions of the Employment Service.

On the other hand, it seems to me that right now the weight of argument favors retention of the Employment Service and the Unemployment Insurance Service in the Federal Security Agency. Reorganization Plan No. 2, as I have indicated, complies only in part with the recommendations of the Hoover Commission, and was not specifically recommended by the task force of that Commission which stated its position as follows:

> The nature of this issue regarding the proper location of the Federal agency administering the Employment Service and unemployment compensation precludes its settlement on a purely factual basis, and in the last analysis this judgment must be exercised by the duly elected representatives of the people.

There is just as good reason, moreover, for keeping the Unemployment Insurance Service in the Federal Security Agency as for placing the Employment Service in the Department of Labor. After all, unemployment insurance would seem to be most definitely a part of our over-all social-security system.

Unemployment insurance constitutes one feature of an almost completely integrated social-security program now lodged in the Federal Security Agency. This agency, which deals with the individual citizen as a human being, is interested in improving health and educational opportunities, and in furthering economic security. It would seem only natural, therefore, that all functions which concern the social welfare of our citizens as individual human beings properly belong in a single agency.

Collectively, and as related to employment, compensation in the event of unemployment, compensation during temporary disability due to accident or sickness, extended disability benefits if provided, old-age insurance, survivors benefits, and assistance for those not eligible for insurance benefits are inevitably closely related and provide in effect such economic security as is thus far available through the instrumentality of our Government. They form, moreover, component parts of what would be a single integrated program.

When we examine further into the issues in dispute in this matter, we can appreciate more fully the weight of the argument in behalf of the retention of the Unemployment Insurance Service in the Federal Security Agency for the time being at least. Unemployment insurance is not merely a system of tax collection and benefit distribution from the funds thus accumulated. It is, and has become more and more, an insurance system which it very properly should be in our free competitive enterprise economic structure.

This fact having been recognized 14 years age, what is known as experience rating was adopted as an important element in unemployment insurance. In brief, experience rating is that mechanism by which the rate of tax or contribution by employers is determined by the employers' record in maintaining stability of employment—the greater the stability, the lower the rate of contribution. This system of graduated tax or contribution consists primarily of a standard requirement of a 3-percent tax on pay rolls paid by employers, one-tenth of which is a fixed charge payable to the Federal Government for administrative purposes, the other nine-tenths of which may be reduced on the basis of experience with respect to unemployment or other factors bearing a direct relation to unemployment risk, as provided in section 1602 of the Internal Revenue Code.

Over the years, experience rating has been adopted in all 48 States of the Union. It has become an established policy in unemployment insurance. It has served as an incentive to employers to provide steady employment. Its use has demonstrated the justification for its existence, although it has become more and more evident that not all plans of experience rating are equally sound. Employers, with few exceptions, favor the principle of experience rating and have come to oppose any move on the part of Government which would seem to threaten its existence.

At the same time, organized labor has not appeared for the most part to favor any form of experience rating. I can appreciate labor's attitude in this connection, for I can well understand labor's apprehension. Labor fears in the first instance that careless operation of or inadequate provisions in any experience rating formula could jeopardize the solvency of unemployment insurance funds. Furthermore, labor feels that chances for liberalizing the benefit provisions in unemployment insurance are less with experience rating than without it. I cannot share labor's apprehension in this latter connection, for the amount and duration of benefits have been increasing rather than decreasing; but I do fully recognize the danger of fund-impairment where formulas or administration are inadequate or inefficient. I am constrained to observe, however, that placing the Unemployment Insurance Service in the Department of Labor can provide no greater assurance regarding the sanctity of the unemployment insurance funds.

Possibly because of these conditions Secretary Tobin has stated that the policy of the Labor Department with respect to the retention or abolition of the experience rating system has not been determined, and that he would not care to give a decision on this matter until—he has—studied the facts more fully. This attitude on the part is understandable, but it nevertheless appears to occasion considerable apprehension among

employers who, in spite of the fact that the Federal Security Agency has advocated the abolition of experience rating, would seem to prefer that the Unemployment Insurance Service remain in the latter agency. I assume that these employers feel that the Department of Labor might be more aggressive and might be able to exercise more influence upon the Congress than would the Federal Security Agency.

Be the situation as it may appear to be, a number of important facts remain which are incontrovertible where the proposed transfer of these two services to the Department of Labor is involved.

First. Rightly or wrongly, employers do fear the consequences of such a transfer. They seem to feel that the status of unemployment insurance itself, and especially experience rating, would be in jeopardy.

Second. Administrative interpretation, applicable to the term "other factors" in section 1602 of the Internal Revenue Code, could virtually eliminate experience rating, or the possibility of an experience rating plan worthy of the name, from nearly every State in the Union. While the law provides that experience rating systems or plans may be established according to general specifications, it leaves with the administrative agency the actual determination of the "factors" to be considered in the establishment of these systems. This broad latitude for interpretation which is thus given to the administrative agency, emphasized as it is by the vast number of regulations which already have been promulgated by the Federal Security Agency in dealing with the matter, indicates the power of determination which the law itself actually vests in the Administrator or the administering agency.

Third. Unemployment insurance, while created principally for the benefit and protection of employees, is of equal concern to management and ownership who constitute its chief contributors. It is the product of partnership between workers, management, and ownership, the primary purpose of which is to protect the workers through cooperative support by management and ownership. In effect and in reality, unemployment-insurance funds belong as much to management and ownership as to the workers themselves.

Fourth. A basic controversy is now taking place in the country with regard to the future status of unemployment insurance. Should it remain as it is, partly in the Federal Government and partly in the States? Should it be operated and administered exclusively by the Federal Government? Or should it be returned wholly to the States? Presumably some States with substantial unemployment-insurance funds would prefer to have this governmental service returned to them; presumably other States, whose funds may be impaired or depleted, would desire that it remain in status quo, or even be taken over entirely by the Federal Government. Thus far there seems to be no predominant opinion in this controversy.

Fifth. Rightly or wrongly, employers seem to feel also that, if the proposed transfer were to be made, the value of the Employment Service would be damaged, due to an ensuing lack of cooperation between the Department and employers where placement is concerned. They believe that in administering the Employment Service, the administrator or administering agency would assume even greater discretion and would be able to exercise even greater control in directing the State systems than would be the case in the matter of Unemployment Insurance. I do not join in or dispute the provocation for this attitude on the part of employers, but as witnesses at the hearing pointed out, the important fact is that the attitude exists and that it might constitute a detriment to the satisfactory functioning of the Employment Service.

Sixth. The placement function in the Employment Service primarily fulfills the purpose of the Department of Labor to advance opportunities for profitable employment, but the fact remains that private employers and not the Department of Labor must provide the employment and that, unless there is a cooperative attitude between employers and the Employment Service, this service cannot function effectively or successfully.

Seventh. Regardless of present dispute or controversy concerning alleged advantages or disadvantages in placing the Employment Service and the Unemployment Insurance Service in the Department of Labor, the indisputable fact stands out that the functioning of these services, located as they have been and are at the present time, appears to have occasioned no reasonable criticism concerning their administration by the Federal Security Agency, and the proposed change seems clearly to be advocated for the main purpose of increasing the functions and activities of the Department of Labor.

Eighth. Placing the Employment Service and the Unemployment Insurance Service in the Department of Labor would undoubtedly enhance the prestige of that Department, but failure thus to act would in no way jeopardize the existence of the Department itself. There may be those who would like to see the Department of Labor abolished, but I have never heard advocacy of such action by any Member of the Congress, and all of us know that any attempt to eliminate the Department of Labor would meet with overwhelming opposition in the Congress.

Ninth. Obvious indications are that the Department of Labor is not now prepared to undertake in full the administration of the Unemployment Insurance Service. Testimony by the Secretary of Labor reveals beyond question that the attitude of the Department toward the status of this particular agency of Government is very much in doubt.

Tenth. There is no indication that the proposed transfer of these services would be conducive in any way to economy in administration. To the contrary, there is evidence that the net cost of administration in such event would actually increase. Clearly, this proposed move cannot be construed as one which should be made in the name of economy.

There may be some who will dispute the accuracy of these 10 statements of fact as I see them to be, but I believe that these statements are substantially correct.

Last year I opposed an Executive order which would have accomplished the results which are sought in Reorganization Plan No. 2. I had felt that this question required further and more intensive study. It seemed to me that the Congress should await the recommendations of the Hoover Commission. I had hoped to be able to support these recommendations wholeheartedly. I have felt that it would be advisable ultimately to place the Employment Service and the Unemployment Insurance Service in the Department of Labor. I have hoped that when the time might arrive for making this transfer, the Department of Labor would be in a position properly to receive these two services and to supervise their functioning.

However, as I have stated, we now find that the Department of Labor, instead of being prepared to receive the Unemployment Insurance Service, contemplates a study of the whole question of unemployment insurance, presumably for the purpose of ascertaining what position the Department should take with respect to experience rating and perhaps with regard to the question of the complete federalization of unemployment insurance itself. In other words, the Department of Labor does not appear to be prepared to assume the responsibility entailed in this proposed transfer.

Moreover, as I have pointed out, Reorganization Plan No. 2 follows only in limited degree the Hoover Commission's recommendations. In fact, the Commission's task force, after careful analysis, appears to have reached no final conclusion beyond advising that "judgment must be exercised by the duly elected representatives of the people."

Furthermore, the Senate's rejection yesterday of Reorganization Plan No. 1 leaves the status of the Federal Security Agency substantially unchanged. And yet, as was indicated during the debate on plan No. 1 and by action already taken by the Senate Committee on Expenditures in the Executive Departments with respect to Senate bill 2060, there is every indication that the Federal Security Agency's status will be changed in a future year, perhaps relatively near at hand. Disapproval of the precise plan submitted by the Chief Executive does not mean at all that there is no general need or desire for reorientation where the welfare and health and education services of our Government are concerned. I feel sure that efforts in this direction will continue, and I feel equally sure that they will result finally in appropriate action of the type indicated.

In the meantime, because of the continuing status of the Federal Security Agency, and because of the presently apparent uncertainty on the part of those in charge of the Department of Labor, and because of the attitude of one of the

chief parties in interest, the employers, and withal, because no question of economy is involved, it would seem only sensible and in the best public interest to continue the United States Employment Service and the Unemployment Insurance Service in their present position in our governmental structure until the controverted issues shall have been satisfactorily resolved.

For these reasons, I shall vote in favor of Senate Resolution 151.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. IVES. I yield.

Mr. VANDENBERG. I have such profound respect for the Senator's views in this area of legislation that I desire to submit two questions to him for my information, first stating that I would do nothing to jeopardize merit rating under any circumstances in connection with unemployment compensation.

Will the Senator indicate to me to what extent State control is autonomous in respect to merit rating?

Mr. IVES. To the extent that any plan or system devised by any State is approved by the Federal Security Agency, as represented in this particular agency by the Social Security Board.

Mr. VANDENBERG. What could happen to any existing merit-rating system which has already been approved?

Mr. IVES. At the present time the Federal Security Agency permits several plans to which the State systems must conform. Were the existing policy or formula to be changed in any fundamental manner, presumably the States would have to conform in carrying out their functions where this policy is concerned.

Mr. VANDENBERG. That brings me to my other question. Could the Department of Labor possibly be any more hostile to merit rating than the Federal Security Agency has demonstrated itself to be?

Mr. IVES. I think probably the Federal Security Agency, in its attitude of opposition to experience rating, has gone as far as it can go. But I should like to bring out this point: we do not know what the position of the Department of Labor might be; we have no idea; but we do know that the Department of Labor's chief interest rests with the worker, as it should. We know that any viewpoint which might be expressed by the Department of Labor presumably would be in favor of the worker, as it should. That being the situation, I doubt that it could be hoped that the attitude of the Department of Labor would be any more favorable toward experience rating than that of the Federal Security Agency. As a matter of fact, I think the employers' attitude in this connection with regard to the Federal Security Agency is founded on the idea that, as nearly as may be possible, the Federal Security Agency itself is a neutral body. It may be prejudiced in this way or that way with regard to the work it is doing, but it is not tied in to any parent group which definitely has a prejudice under the law. That is why, as I see it, presumably a great number of employers are fearful about this possible change.

The PRESIDENT pro tempore. The time of the Senator from New York has expired.

Mr. McCLELLAN. I yield 10 minutes more to the Senator from New York.

Mr. VANDENBERG. Then, Mr. President, if the Senator will yield, I should like to ask a further question.

Mr. IVES. I yield.

Mr. VANDENBERG. Would the Senator concede that a reasonably persuasive argument could be made that we are actually rescuing merit rating when we take it from a nonhostile supervision and turn it over to an institution whose attitude is at least unknown?

Mr. IVES. No; I do not think that could very well be derived from the statement I have made in my presentation. I have thought considerably about that particular point. I think the unwillingness on the part of the Secretary of Labor—I do not like to bring personalities into these matters, but in this particular instance I think I must—to indicate his attitude with respect to experience rating, at the time of the hearing, shows that presumably he is not too favorably inclined. I say that advisedly. After all, he was not appointed Secretary of Labor yesterday. He has been there quite a number of months now. He knows something about labor statutes and labor law. From that experience he has at least some definite knowledge with regard to unemployment insurance and experience rating. If he did not derive it from that experience, he certainly should have derived it from his experience as Governor of the great Commonwealth of Massachusetts. It would really be impossible for any chief executive of any State of the Union within the past 10 or 12 years, at least, not to know what unemployment insurance is and what experience rating is, especially when, as I indicated, all States have experience rating at this time. Consequently, I could only construe his reluctance in that instance as indicating or presumably showing on his part a basic opposition to the idea of experience rating.

Mr. VANDENBERG. I thank the Senator for his very frank statement. I should like to say to him that all my inclinations would be to agree with his point of view respecting leaving the services where they are. I so voted in the Eightieth Congress as did the Senator from New York.

Against that, I find it necessary today to weigh the rival consideration that here is the first highly controversial reorganization plan under the Hoover reports, which, so far as it goes, is in harmony with the Hoover reports. I am sure the Senator from New York recognizes the difficulty encountered by one who wishes to be as loyal as humanly possible to the Hoover reports——

Mr. IVES. I so expressed myself.

Mr. VANDENBERG. Yes, as the Senator from New York himself has indicated—when we have to choose between an argument which is, since it is only an argument, necessarily not conclusive respecting the hazard to merit rating under the proposed change. We have to choose between that and a clear and distinct veto of the first controversial Hoover report which has come before us.

Mr. IVES. Let me answer in this way, because my process of mental effort probably travels somewhat along the lines followed by that of the distinguished Senator from Michigan. I wish to support these Hoover recommendations; but I tried to point out in my prepared statement that where there is a substantial deviation—even though what is presented, insofar as it goes, may constitute a part of the Hoover recommendations—it seems to me very definitely that, separately and of itself, the proposal should be examined on its own merits.

That is what I have done in this case. If all these other proposals had been incorporated in the plan, with the exception of putting Selective Service in the Department of Labor, I presume it very likely that I would favor the plan. Such an arrangement would provide an integrated set-up.

The plan before us is not integrated. It is piecemeal, only in part. Yesterday we rejected plan No. 1. That plan, even though it is not directly connected with the plan now before us, certainly has a very definite bearing where the Federal Security Agency is concerned.

In view of all that, it seems to me it would be just as well for us to delay, for the time being, until some of these differences of opinion and some of these doubts can be removed, so that we can know more definitely what we are doing in making these changes.

Mr. FLANDERS. Mr. President, I hope to get in my question before the hammer strikes.

Mr. IVES. I beg the Senator's pardon. I yield to him now.

Mr. FLANDERS. I should like to ask whether this plan will result in a possible economy, in that the Bureau of Labor Statistics can then take over more completely in this field, with the result that the compiling of the exceedingly important statistical material which comes from this agency or administration can be handled under the auspices of one administration, instead of two at the same time.

Mr. IVES. Very definitely, there is an economy in that respect, but very definitely there is an extravagance somewhere else. As the distinguished Senator from Vermont may recall, last year the Department of Labor, I think, closed 12 of its regional offices. The chances are that the greater portion of those offices would have to be reopened.

A year ago, when this same proposal was before us, some of us went to a considerable extent into the matter of expenditures or cost. My recollection is that, as nearly as we could ascertain, it would cost about $500,000 more to make the transfer that is proposed in this instance. Probably that is the gross figure; and probably, as has been indicated, savings of $150,000 or $200,000, or something approximating those figures could be made. I have conceded that it is neither plus nor minus, and I do not think the question of economy enters even remotely into this proposal.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. IVES. Certainly.

Mr. FERGUSON. The Senator has indicated that the State has the right to draw up a plan of compensation——

Mr. IVES. That is correct.

Mr. FERGUSON. And that it is then submitted to the Federal agency, which has the right to approve or disapprove.

Mr. IVES. That is true.

Mr. FERGUSON. Does that mean that the agency itself has the power now to change or alter the plan drawn up by the State?

Mr. IVES. Presumably, if some of the insurance funds encounter difficulties, as I think some of them will if we run into a serious condition of unemployment, we may find ourselves in a serious condition where the agency will have to change its plans and its set-up, as they are now established; and in this case, although in general the States presumably would not have to repeal their statutes, yet they probably would have to conform.

Mr. FERGUSON. Is there anything in the law which would require that?

Mr. IVES. No; there is nothing in the law, according to my recollection of it, which would force them to repeal those laws.

Mr. FERGUSON. Then, so far as the law at the present time is concerned, are we to understand that the State has an option in respect to controlling experience rating, and so forth?

Mr. IVES. The State has no option at all in controlling it. The State can only submit a plan which has been adopted by its own legislature, which must meet the terms of the statute, under section 1602—and I think, section 1601 of the Internal Revenue Code is also involved to some extent—and finally be approved by the Federal Security Agency.

In that connection I should like to point out that I have with me all or a substantial number of the regulations which have been worked out controlling this very thing. They have been worked out by the Federal Security Agency. They indicate the great latitude of interpretation which can be placed on the term "other factors in the law."

Mr. FERGUSON. The Agency in Washington then has a considerable control over the funds, and a considerable power to dictate how they shall be used in the State? Is that correct?

Mr. IVES. Very definitely.

Mr. DOUGLAS. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from New York yield to the Senator from Illinois?

Mr. IVES. I yield.

Mr. DOUGLAS. Will the able Senator from New York State whether, once a plan has been adopted by a State, the Federal Security Agency has ever asked the State to change its plan?

Mr. IVES. No, not to my knowledge. I do not think it has ever been done. But in all probability, I may say to the distinguished Senator from Illinois, if a situation arises, as it might arise by changing the plans, States might be obliged, in the final analysis, to amend their plans. If a State plan is found to be going to pieces and it becomes necessary to revise the whole set-up, that might easily happen.

Mr. DOUGLAS. But, to date, no such change has ever been ordered; is that correct?

Mr. IVES. That is correct.

Mr. SPARKMAN. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from New York yield to the Senator from Alabama?

Mr. IVES. I yield.

Mr. SPARKMAN. I wonder whether the Senator cares to comment on this: There seems to be a great deal of dissatisfaction with the idea of placing the agency in the Department of Labor; yet is it not true that when the act was originally passed, the agency was placed in the Department of Labor, and, as a matter of fact, over a major portion of the time it has been in operation it has been in the Department of Labor?

Mr. IVES. That is correct. What comment does the Senator want? I have a document which throws light upon the reason for the shift.

Mr. SPARKMAN. If the experience in the Department of Labor has been good thus far, why is a fear so often expressed in connection with placing it back in the Department?

Mr. IVES. Let me merely indicate in the first instance that only the United States Employment Service itself ever was in the Department of Labor. Unemployment Insurance itself never was a part of the Department of Labor. I think that will clear up the point the Senator has in mind. But I call attention to the message of the President of the United States, dated April 25, 1939, at which time he placed the proposal before the Congress regarding the question of the Federal Security Agency, the matter of social security generally, and, as I tried to indicate in my prepared remarks, the need for having all these agencies in one agency of the Government. He said:

> I find it necessary and desirable to group in a Federal security agency those agencies of the Government, the major purposes of which are to promote social and economic security, educational opportunity and the health of the citizens of the Nation.
>
> The agencies to be grouped are the Social Security Board, now an independent establishment; the United States Employment Service, now in the Department of Labor; the Office of Education, now in the Department of the Interior; the Public Health Service, now in the Treasury Department; the National Youth Administration, now in the Works Progress Administration; and the Civilian Conservation Corps, now an independent agency.

He then goes on with further reasons, which I shall not take the time of the Senate to read. What I have read indicates the purpose of an integrated set-up, and, as I indicated in my preliminary remarks, there is certainly just as strong a reason for having the Unemployment Insurance Service in the Social Security Agency as there is for having the Employment Service itself in the Department of Labor. Senators may take their choice. If it is desired to get down to brass tacks in argument, the question can be argued one way just as completely as the other.

Mr. MAGNUSON. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from New York yield to the Senator from Washington?

Mr. IVES. I yield.

Mr. MAGNUSON. Perhaps I misunderstood the Senator from New York. I understood him to say, in answer to a question by the Senator from Michigan, the State must conform to the plan. Is that correct?

Mr. IVES. Absolutely; otherwise the State plan is not approved. I know something about that. I helped set it up in New York State. The Senator has probably had a similar experience. We submitted several plans before we finally got one that held water, because we were trying out something new.

Mr. MAGNUSON. But the reason for all the books which have been brought into the Chamber is the fact that the States took the initiative in submitting plans; is it not?

Mr. IVES. That is correct.

Mr. MAGNUSON. There is no particular rule of uniformity, but the plan, of course, must be approved, and that is why we have this stack of books; is it not? Would the reorganization plan change at all the existing system in that respect?

Mr. IVES. It may or it may not. It would depend.

Mr. MAGNUSON. Then are we not speaking of a fear of a different type of administration?

Mr. IVES. That is exactly what I was talking about in what I had to say. I did not say I shared the fear. I say the fear exists, and there is no way in the world by which we can eliminate it. Only experience can determine whether it is justified or otherwise.

Mr. MAGNUSON. But, using the same argument, we could just as well justify ourselves in saying that it may be improved through the change, could we not?

Mr. IVES. I am not trying to justify ourselves. I am trying to indicate some of the reasons why it is extremely doubtful at this particular time, when this thing is entirely in a process of flux, to make this particular change. If the Senator will recall correctly, I stated earlier in my prepared remarks that ultimately I think some kind of plan must be worked whereby the system can be placed in the Department of Labor. But I doubt exceedingly whether this is the time to do it.

Mr. MAGNUSON. I thank the Senator.

Mr. IVES. If there are no further questions, the Senator from New York thanks the distinguished Senator from Arkansas for allowing him so much time.

Mr. HUMPHREY. Mr. President, the report of the Committee on Expenditures in the Executive Departments and the able presentation by my good friend, the distinguished senior Senator from the State of New York, have, it seems to me, reduced Resolution No. 151 to two very basic issues. The first is whether the Department of Labor can administer the

Bureau of Employment Security impartially. The second is whether greater efficiency and economy can result from the transfer of the Bureau of Employment Security to the Department of Labor. Those are the same two issues that were pointed out by the Brooklyn Institution in its study.

I say these are two issues presented by the opponents of Reorganization Plan No. 2; but I do not believe, Mr. President, there are in fact two issues involved here. I believe there is only one issue, and even it is not the same as the one presented in the committee report. The one basic issue, to my mind, is whether greater efficiency and effectiveness can result from placing the Bureau of Employment Security in the Department of Labor. That is the one major issue.

The transfer proposed by Reorganization Plan No. 2 must first of all be viewed on its merits, consulting facts and not unfounded charges or imputations of prejudice. When the entire record before the committee is examined on this basis, Mr. President, I think the conclusion is inescapable that Reorganization Plan No. 2 is soundly supported by reason and logic and by orderly principles of Government organization. Charges of bias or prejudice on the part of the Department of Labor can then be seen as they really are.

We must look to see what the facts are. They indicate not any prejudice on the part of the Department, but that the charges are actually a reflection of bias existing in the minds of certain groups which have presented their feelings to the committee as a substitute for facts. In the same way, the charge that the Bureau of Employment Security will cost the Government more money when it operates as a part of the Department of Labor shows up on the record as wholly contrary to the uncontradicted evidence before the committee. I intend to address myself to the interrogation from the Senator from Vermont [Mr. FLANDERS] with reference to the use of statistical material and the possibility of any economies which may be effected by the reorganization.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I shall yield for a question. I desire to stay with my prepared text, and yield at the end of my remarks; but I shall be glad to yield now to the Senator from Massachusetts.

Mr. LODGE. In connection with the statement which the Senator has made as to economies to be achieved by Reorganization Plan No. 2, is it not correct that former President Hoover is on record in the hearings as saying, in response to a question, that he believed this transfer would result in economy?

Mr. HUMPHREY. He is on record to that effect.

Mr. President, I propose to review the entire record before the committee on Reorganization Plan No. 2, and from this record I intend to show the truth of every statement I have made concerning this plan.

In 1947 the Eighteth Congress enacted a law to create a Commission on Organization of the Executive Branch of the Government. To my mind, that is one of the finest pieces of legislation ever passed by the Eightieth Congress or by any other Congress. A preliminary purpose of this Commission was to make recommendations for consolidating services, activities, and functions of a similar nature of the executive branch.

The Hoover Commission, despite its popular name, was not a Republican commission, nor was it a Democratic commission. I think it is well to bring out that fact, since we are in the spirit of good-fellowship. It was a truly bipartisan Commission. As is well known, its Chairman was the Honorable Herbert Hoover, our distinguished elder statesman, and its membership was drawn from Members of the Congress in equal numbers from both sides of the aisle, as well as some outstanding citizens in public life.

Another interesting thing about this Commission, Mr. President, is the fact that it included two employers, two very distinguished men with experience in meeting pay rolls. But none of the members of the Commission represented employees or the ranks of organized labor.

I think it is particularly pertinent in the discussion of Reorganization Plan No. 2 that we make note of the fact that the Commission did have in its membership two distinguished gentlemen who were well-known employers, who had to meet pay rolls, who had to deal with the Employment Service, who were affected obviously by the tax for unemployment compensation, who were intimately acquainted, on the practical basis of business experience, with the Department of Labor and the Federal Security Agency; and the record is quite clear that those two employers, along with all their colleagues on the Hoover Commission, supported the transfer of the Bureau of Employment Security to the Department of Labor. I shall point out that this was one of the few recommendations with reference to the Department of Labor that was unanimous.

Mr. IVES. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). Does the Senator from Minnesota yield to the Senator from New York?

Mr. IVES. Would the Senator rather have me ask my question at the end of his remarks?

Mr. HUMPHREY. I would rather the Senator would wait until I complete my remarks, because I am sure there will be many questions Senators will want to ask.

The members of the Hoover Commission spent almost 2 years and almost $2,000,000 studying in detail the organization of the executive branch of the Government. To carry out the great responsibilities imposed upon it, the Commission selected 25 different task forces to make special studies and surveys of the various departments and activities of the Government. The Commission drafted into the service of the Nation some 350 outstanding citizens to serve on the task forces, in almost all cases without any compensation whatever. The Brookings Institution also assisted the Commission in making its study.

A few months ago the Hoover Commission made its report to the Congress. This report contained approximately 318 different recommendations and findings representing its collective good judgment and wisdom. One of the recommendations provided for the transfer of the Bureau of Employment Security from the Federal Security Agency to the Department of Labor. That recommendation was arrived at unanimously, with wholehearted support on the part of Republicans and Democrats. The Commission stated that it made this recommendation because the Bureau of Employment Security carried on activities closely related to the employment and labor functions of the Department of Labor and not closely related to the retirement and old-age-assistance or educational programs of the Federal Security Agency.

The recommendation was made after a very detailed analysis of the Department of Labor and the Federal Security Agency.

Both political parties have made pledge after pledge, year after year, in platform after platform, that they are going to strengthen the Department of Labor. I must say to my distinguished friend, the senior Senator from New York, that we cannot constantly keep making that promise and not do something about it. We cannot constantly say, "Now is not the time." On any issue we can always say that this is not the time; we can always say that we need more information; but, frankly, the information which could be obtained has already been obtained. I submit that when the Congress spends $2,000,000 to obtain information on the reorganization of the Government, when 350 prominent citizens are mustered into Government service, when 318 reports are made, when task forces are sent into the field and exhaustive studies are made, what more information do we need?

As I have said, the Commission stated that it made its recommendation as to the transfer of the Bureau of Employment Security from the Federal Security Agency to the Department of Labor because the Bureau of Employment Security carried on activities closely related to the employment and labor functions of the Department of Labor and not closely related to the retirement and old-age assistance or educational programs of the Federal Security Agency.

I think our colleagues would be interested in what goes on in the State of New York with reference to this matter. I have in my hand a copy of "Labor Laws and Their Administration and Discussion, Bulletin No. 107, Year 1949, of the United States Department of Labor, Bureau of Labor Standards." On page 118, reporting from a conference with Mr. Corsi, who is, I believe——

Mr. IVES. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. IVES. I should like to set the Senator straight on that. Mr. Corsi is the industrial commissioner of New York. I happen to know that Mr. Corsi

favors the plan we are discussing. I respect him very highly, and for him I have a very high regard, but I do not always agree with him.

Mr. HUMPHREY. I appreciate the comment of the distinguished Senator from New York. We do hold many men in high respect with what we do not agree. That is one of the enjoyable phases of American politics. However, I thought I would quote what I am about to read, because I was sure it would have some bearing on the question before us. Mr. Corsi, said:

> We in New York have stuck very consistently through the years, and certainly more so in recent years, to the idea that a State government must have under one roof all government activities pertaining to wage earners as wage earners. That doesn't mean only safety inspection or wages and hours; it means unemployment insurance, employment service, workmen's compensation, labor boards, mediation, and everything else.

It appears to me that this pattern has been pretty well established in most of the States, and I shall bring evidence for this a little later.

Neither the Hoover Commission nor its chairman, former President Hoover, nor anyone else, has claimed that the proposed transfer would sharply decrease the costs of government. In other words, we are not talking about saving billions of dollars by the sort of transfer proposed. The Commission and its chairman were, however, in agreement that the recommended transfer would necessarily increase the effectiveness and the efficiency of Government operations. This was the only claim, and that is why I state that the only issue before the Senate today is whether or not the Bureau of Employment Security can operate more effectively and efficiently in the Department of Labor.

I point out that this is the question which the Senator from Vermont [Mr. FLANDERS] placed before us, and propounded to the Senator from New York. I believe the question of the Senator from Vermont was along this line, "Is it not possible that there would be some increase in efficiency? Is it not possible that there might be some decrease in cost?"

Mr. IVES. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. IVES. I do not care to keep interrupting my distinguished colleague, but in view of the fact that the question was asked of me, I would point out that the Senator from Vermont was indicating a specific function, and asking whether there would not be some savings in that connection; and in that connection there would be.

Mr. HUMPHREY. The junior Senator from Minnesota merely desires to underwrite the very accurate observations of the Senator from Vermont, and to point out by facts, and by the report of the task force what they had to say.

I give my colleagues now references from the task force report on public welfare—appendix P—prepared for the Commission on Organization of the Executive Branch of the Government, January 1949, a paragraph entitled "Statistics of Employment." This is what the task force has to say:

> The separation of the Department of Labor from the present Federal Security Agency presents another difficulty with respect to statistics of employment, current, short-run, and long-run. The importance of these statistics under modern economic conditions is obvious. It can hardly be questioned that better and less costly statistics could be obtained if the Bureau of Labor Statistics, the Employment Service, unemployment compensation, and possibly old age and survivors insurance were in the same department. Then the head of that department could have a thorough study made of the whole problem, preferably in cooperation with the State agencies and with the assistance of the Statistical Standards Unit of the Budget Bureau, and recommend to Congress the arrangements best suited for an efficient and economical system.

Mr. President, I bring this to the attention of the Senate because the task force, which made a close examination, not only says it would be more efficient, but it also frankly says that it would be less costly, and would provide a coordinated type of statistical research.

Immediately after the Reorganization Act of 1949 became effective last June, the President sent to the Congress on June 20, 1949, some seven plans for the purpose of carrying out as many of the recommendations of the Hoover Commission as possible during the present session of the Congress. I believe the President pointed to the fact that 60 days of almost continuous session would be required before the plans could come into effect, and since the Legislative Reorganization Act points toward adjournment at the end of July very little time, it seemed to the President, remained for putting the recommendations into effect this year. Here is the reason, and I believe the only reason, why more plans have not been submitted to the Congress. There is no indication whatsoever that the President disagrees with other recommendations of the Hoover Commission, or that he does not intend to carry out the other recommendations as soon as circumstances permit.

Mr. President, Reorganization Plan No. 2 clearly carries out the recommendation of the Hoover Commission. It not only transfers the Bureau of Employment Security to the Department of Labor but also enables the complete merger of the Veterans Employment Service with the United States Employment Service under the Bureau of Employment Security. I wish to emphasize this point.

Mr. IVES. Mr. President, will the Senator yield?

Mr. HUMPHREY. Let me complete this statement, and we may discuss it at the end of my remarks, because I think my explanation may convince even the Senator from New York.

Mr. IVES. The Senator from New York merely desired to say to the Senator that what he has just suggested can be done now.

Mr. HUMPHREY. The junior Senator from Minnesota was about to make the observation that it can be done under the reorganization plan.

Mr. President, I wish to emphasize that the plan would enable the complete merger of the Veterans' Employment Service with the United States Employment Service under the Bureau of Employment Security. I wish to emphasize this point, Mr. President, because the committee report seems to imply that the plan fails to provide for this merger.

I should like to make my position quite clear. I say the committee report seems to imply that the plan fails to provide for this merger. This implication is, of course, contrary to the provisions of the plan, and I quote from section 1 of the plan, as follows:

> The functions transferred by the provisions of this section shall be performed by the Secretary of Labor or, subject to his direction and control, by such officers, agencies, and employees of the Department of Labor as he shall designate.

Under this provision of the plan it should be perfectly clear to all Senators that the Secretary of Labor has the power to carry out the merger recommended by the Hoover Commission, a merger which both the senior Senator from New York (Mr. IVES) and the junior Senator from Minnesota would agree can be made, and it surely can be made under Reorganization Plan No. 2. All the Secretary of Labor has to do is to place the administration of the Veterans Placement Service in the same officers and employees of the Bureau of Employment Security who administer the United States Employment Service. In this way the recommendations of the Commission will be carried out in full.

The report of the Senate committee also seems to imply that the reorganization plan goes way beyond the Hoover Commission in abolishing the Veterans' Placement Service Board. It must be understood, however, that the merger recommended by the Hoover Commission, that is, of the Veterans' Placement Service with the United States Employment Service, could not in any way be accomplished unless this Board is also abolished. The Veterans' Placement Service Board is now under the chairmanship of the Administrator of the Veterans' Administration and is composed of various executive officers of the Government, including the Secretary of Labor. This Board has the statutory duty to formulate policies for administering the Veterans' Employment Service. This Board is entirely outside of the United States Employment Service and the Bureau of Employment Security. Under these circumstances no complete merger would be possible unless the policy-making functions of the Board were to vest in the same officers of the Government who shape the policies for the Bureau of Employment Security and the United States Employment Service. Under the plan this officer would be the Secretary of Labor, and, therefore, the only way in which the Hoover Commission recommendations may be carried out is by vesting this policy-making function of the Veterans' Placement Service Board in the Secretary of Labor. Such a step would be taken by Reorganization Plan No. 2, thereby hoeing the line to the exact pattern established by the Hoover Commission.

The committee report again seems to imply that Reorganization Plan No. 2 should have included seven additional recommendations for strengthening the Department of Labor. I have previously mentioned that. These recommendations, however, involve not only the Federal Security Agency but at least a dozen other Government agencies and involve issues which are for the most part totally unrelated to the transfer of the Bureau of Employment Security. As I have stated, Mr. President, the President has submitted to the Congress only those issues which the Congress could be reasonably expected to dispose of in the limited time available.

There is no reason to believe that the President has any other intention than to carry out these further recommendations as soon as time will permit.

The Senate committee gave a full opportunity for all individuals and all groups to present their views concerning Reorganization Plan No. 2. As other distinguished Senators who are members of the committee will affirm, there were several days of hearings, many written and oral statements presented to the committee, and a host of telegrams and letters, both for and against the plan. I have gone over most of the record, in fact I would say I have gone over once the entire record of the hearings before the committee, and I am convinced that the evidence strongly supports the position taken by the Hoover Commission.

There was a doubt in the mind of the senior Senator from New York whether unemployment compensation was directly related to the Department of Labor's activities. The junior Senator from Minnesota would like to say that the Employment Service surely belongs in the Department of Labor. The work of the Employment Service is to secure jobs for unemployed. The Unemployment Compensation System is a system set up to alleviate strains, difficulties, and poverty during periods of unemployment. We in America are not working under a system whereby we would attempt to see how many people we could keep on unemployment compensation. The job of the Department of Labor and the job of the Government is not to see how many persons can be kept on a $20-a-week unemployment compensation, but to see how many persons can be kept at work in productive employment.

Furthermore, it should be noted that unemployment-compensation beneficiaries, that is, those who receive the compensation, must be listed with the Employment Service, and there is a direct relationship between the Employment Service activities, which helps to find jobs for the unemployed, and the Unemployment Compensation System's activities, which furnishes some means of sustenance during a period of unemployment while a man is seeking a job.

In preparing the minority report, the junior Senator from Minnesota brought out what the Hoover Commission had to say in reference to the Unemployment Compensation Service and the Employment Service being brought together. I should like to read from page 3 of the minority views on Reorganization Plan No. 2 of 1949. I read as follows:

> The Hoover Commission stated that there were cogent reasons why this agency and certain other agencies and functions "should be transferred to the Department of Labor. They are more nearly related to the problems of labor than those with which they are now associated, and their transfer accords with the Commission's first report which recommended that agencies be grouped according to their major purpose."
>
> More specifically as to the reasons for recommending the transfer of the Bureau of Employment Security to the Department of Labor the Hoover Commission stated:
>
> "It is now generally agreed by both Federal and State officials that it is desirable to integrate fiscal and administrative review of the two State programs under the supervision of the same Federal department. The placement operations are the primary objectives of this dual arrangement. The paying of unemployment-compensation claims is a temporary expedient until the eligible worker can be brought back into the productive labor force."

What the Hoover Commission was pointing out so well, was that no matter what we do with the Bureau of Employment Security, the Unemployment Compensation Service and the Employment Service aspects must be transferred together.

The Senate committee, as I have stated, gave all individuals and all groups a full opportunity to present their views concerning Reorganization Plan No. 2. Perhaps the most outstanding fact presented to the committee is the steady increasing of unemployment facing the Nation today. I am one of those who believe that any sound step which this Congress can take to remedy or alleviate the plight of the unemployed should be taken without delay. Now the testimony was clear, Mr. President, that the primary function of the Bureau of Employment Security is to administer funds for maintaining a Nation-wide system for getting jobs for workers. This business of paying cash benefits for unemployment and supervising the use of funds for this purpose is secondary at best. We all know that the emphasis must be on finding the job for the worker. The primary objective of the Government is to obtain jobs. When we do this we reduce the amount which the employers and the public will have to pay as unemployment compensation. We also help the worker because cash benefits, although they may be necessary, are nevertheless a very poor makeshift for the earnings from a steady job.

What agency of the Government, Mr. President, is most concerned with opportunities for employment. Certainly it is not the Federal Security Agency. That agency primarily deals with the welfare of individuals as such. That agency tries to improve the education of our children. It promotes the health of all our people. It is concerned with the cause and cure or control of cancer. It tries to improve or accomplish methods of taking care of babies and growing children. It tries to prevent poisonous foods and dangerous drugs from injuring the public. It aids in the care of the mentally ill. It gives the States the money to take care of the blind, the aged, and dependent or crippled children. It provides pensions for old people who can no longer work.

None of these functions of the Federal Security Agency has any direct relationship to getting jobs for workers. None of these functions bears any direct relation to working people as wage earners in the great labor force of the Nation. Both the Hoover Commission and the Brookings Institution came to this sound conclusion, and the testimony before the committee supports them. The Hoover Commission said that the Bureau of Employment Security is primarily concerned with getting jobs for workers, and therefore should be placed in the Department of Labor, which is the primary agency of the Government dealing with labor problems and with promoting opportunities for profitable employment.

Let me refer to the experience in the respective States, lest some think we are blazing a new trail, or charging off on some uncharted course. This is from the report of the task force of the Hoover Commission, in reference to this type of integrated agency, where unemployment compensation and employment-service activities are carried on in one agency. The Hoover Commission task force has this to say:

> In the States, the employment security agency is not located in the State welfare, health, or education department, but is either located in the State industrial commission or labor department (15 States), in a department with other labor functions (6 States), or in an independent employment security or unemployment compensation commission (30 States). The States thus either consider employment security as an employment function requiring coordination with other such functions, or give it a separate status. They do not merge it with public assistance, health, or education.

The task force making this particular investigation found that throughout the States, the laboratories of our democracy where the Federal-assistance programs are carried out, the pattern of arrangement is not to have the Bureau of Employment Security with a health, welfare, and education agency such as the Federal Security Agency, but to put it into the labor department of the State or the industrial commission of the State, or a separate compensation division or board. I think that should have some controlling effect upon our thinking as to the soundness of approach of the Hoover Commission.

Let me refer to what the Department of Labor would do. The Department of Labor possesses the necessary specialists, the wealth of information on occupations, on employment trends, on wage rates, on working conditions, on labor legislation, and on other matters essential to employment counseling and placement. In this day and age the Employment Service is not merely a matter of registering for a job. In this day and age of specialization, skilled and semiskilled workers, professional workers and semiprofessional workers, in this day and age of mass production, when people do a particular type of specified,

detailed assignment, the Employment Service activity is a highly specialized activity. It requires facts, figures, and statistical analysis. It requires aptitude testing and job placement. The Labor Department of this Government is equipped by experience, tradition, and practice to perform these essential services.

The various bureaus and functions of the Department of Labor were shown by the testimony to be interdependent with the Bureau of Employment Security. The Bureau of Labor Statistics and the United States Employment Service, for example, must work closely together. The local employment office provides the Bureau with the necessary facts on industrial and occupational opportunities, on characteristics of unemployment, on hiring practices, and on labor-market conditions.

Let me digress for a moment. Here is the Bureau of Labor Statistics, under the supervision of the Secretary of Labor. I ask any person in America to what Bureau the average American citizen, the good, God-fearing, decent American citizen who has no special ax to grind, looks for facts? What Bureau of this Government do the consumers of America look to to find out about the cost of living? What Bureau in the Government is General Motors willing to rely upon in establishing a basis for wage rates with the United Automobile Workers? What Bureau of the Government has been able to command the respect of employers, consumers, and everyone else in this Nation? The Bureau of Labor Statistics, under the direct supervision of the Department of Labor.

There is not one iota of evidence to reveal that there has ever been prejudice or bias in the Bureau of Labor Statistics or in the Employment Service when it was under the Department of Labor.

It is an old Anglo-Saxon principle of law which seems to be forgotten these days that a man is innocent until he is proved guilty. All too often around Washington one is guilty until he proves himself innocent. I do not think it is time to start legislating on the basis that someone is going to be guilty merely because someone says he might be, and make the poor fellow come forward and say, "I am not guilty. Let me prove my innocence." God forbid. Anglo-Saxon law is based upon the concept of a man's innocence; and if you want to prove something on him, you had better prove it, and not merely guess about it, or indulge in rumor-mongering. I think that principle could be very well adopted throughout the Government.

That is the Christian, democratic principle that a man is innocent until he is proved guilty. It seems to me that it would be a good idea to assume that the Secretary of Labor, in view of tradition, experience, practice, and record, is going to be impartial, unbiased, honorable, and decent in administering the Bureau of Employment Security with a sense of integrity and public service in the greatest democracy in the world.

Mr. President, that was not in the script. It has been on my mind for a long time.

As I have said, the local employment office provides the Bureau of Labor Statistics with the necessary facts on industrial and occupational opportunities, on characteristics of unemployment, on hiring practices, and on labor-market conditions. This interrelationship which now exists between the Bureau of Labor Statistics and the Bureau of Employment Security is one which even the blind can see. The Bureau of Employment Security cannot be operated without the activities of the Labor Department, unless we wish to establish another set of bureaucrats. Without this interrelationship, we would have to establish another separate agency to gather its own information.

What we are trying to do is to integrate, coordinate, eliminate duplication, and eliminate waste. This is one of the soundest proposals we have had in the process of Government operation.

The same interrelationship exists with respect to the other bureaus of the Department of Labor, including the Bureau of Apprentice Training. Apprentice training has something to do with employment opportunities and the work force. The same interrelationship exists with respect to the Women's Bureau, the Wage and Hour Division, and the Bureau of Veterans' Reemployment Rights. They are all under the Department of Labor. It seems to me that there is no logical argument why the Employment Service and the Unemployment Compensation Service ought not to be where they justly belong.

I do not desire at this time to go into all the ramifications of these interrelationships, enjoyable as it would be. I believe that these questions are quite thoroughly covered in the minority views which I have presented for the observation and study of the Senate. In my opinion the record before the committee overwhelmingly supports the existence of this close relationship, and I doubt that even those who are opposed to the plan will deny its very real existence.

One would think, Mr. President, that the simple logic of placing the Bureau of Employment Security in the Department of Labor would have made some impression upon the committee and on the Senate. Here we have the Brookings Institution saying in fact that the Bureau is closely related to the functions of the Department of Labor and we have the Hoover Commission not only saying the same thing but also recommending the transfer. In addition to that we have virtually uncontradicted testimony to the same effect before the committee but in spite of all this, concludes that the facts offer no assurances of increased efficiency. I merely wish to point out that ex-President Hoover gave these assurances personally to the committee, as the Senator from Massachusetts [Mr. LODGE] so well stated. Ex-President Hoover said:

> I have the faith that this Bureau placed in the Department of Labor and associated with men who are familiar with the problems of labor, will get more economical handling than it will be as a sort of an orphan in the social security, where there are other and much more dominant activities.

I also wish to quote something else ex-President Hoover said about the relationship of these programs to the Federal Security Agency:

> I do not believe that the grants-in-aid feature of agencies creates special affinity on which to set up organization plans. I do not see any more reason why we should any more confine the agency under discussion to the Federal Security Agency because it is a grant-in-aid than that we should put the highways in the Security Agency because they also are grants-in-aid. In other words, the theory that all the grants-in-aid programs ought to be brought together seems to me to be a feeble basis for administrative organization of the Government.

The Senate committee had the assurances of the President of the United States, the Secretary of Labor, the Administrator of the Federal Security Agency, the Director of the Bureau of Employment Security, who will administer this program in the Department of Labor, and other leading citizens, both inside the Government and in private life. In view of these facts and these assurances, I can hardly believe, Mr. President, that the committee can claim that the record offers no assurances of increased efficiency. These facts clearly contradict any such conclusion of the committee. It seems to me that all this evidence which shows the close coordination that will be possible between the Bureau of Employment Security and the other bureaus of the Labor Department, enabling a close day-to-day working relationship, points unmistakably toward more efficient and more effective use out of every dollar invested both in the Bureau of Employment Security and in the other bureaus now in the Department of Labor.

In spite of all this, however, the committee report expresses the opinion that increased cost would result from the transfer. Mr. President, it seems to me that all we are doing here is picking up a bureau of the Government and moving it bodily from one agency to another. The Bureau will operate with the same appropriations and will carry out the same functions which it now discharges. It will be administered by the same Director and through the use of the same personnel. Under these circumstances, and without any facts in support of the contrary proposition, I fail to see how any reasonable man can contend that it will cost more to operate the Bureau of Employment Security under the Department of Labor than it would where it is now situated, particularly when we can thereby consolidate statistical research. The opponents of this plan seem to base their contention of increased costs upon the need of establishing new field offices, once the transfer is made. The evidence before the committee, however, was to the effect that the Federal Security Agency has 12 offices in the field and the Department of Labor has 12 offices in the field. In every case except one, these offices are in identical cities. Since the personal relationship to the Bureau of Employment Security operations would be transferred under the plan, there seems to be no basis for claiming an increase in the cost of field

operations. The argument presented by the opponents of the plan seems to boil down to an expression of opinion that the whole plan should be tossed aside by the Senate because it might require the Department of Labor to establish one field office in the same city in which the Federal Security Agency now maintains that field office. Upon this basis alone, the opponents seem to feel that the recommendations of the Hoover Commission should be ignored. I can think of no weaker reason, Mr. President, for scuttling a worthy recommendation.

Let us be frank concerning the objections raised to this transfer. These objections cannot be based upon the issues of efficiency or effectiveness or economy in the Government. These objections are wholly based upon a vague and unsubstantiated fear that the Department of Labor would administer the Bureau of Employment Security solely in the interests of workers, and would be prejudiced against the interest of employers. Mr. President, I repeat that I share no such view. Herbert Hoover, Chairman of the Commission, does not share that view. He equally discounts this element of prejudice. I quote from Mr. Hoover's testimony:

I do not think any reasonable employer would have prejudice on that account.

Mr. Hoover was speaking of the transfer of the Agency. Then he said:

In any event, I do not see any differences which will arise in the administration of a bureau wherever it is. I do not believe that an employer ought to have any less confidence in the objectivity of the Labor Department than the Federal Security Agency. If there is such criticism the employer ought to realize that these bureaus placed in the Labor Department will be the more vivid searchlight of public opinion than if in the Federal Security Agency, whose major purposes are not related to the subject.

He went on to say:

I do not believe that the Labor Department is a prejudiced Department advocating one aspect of American life any more than the Department of Commerce. We have to believe that the departments of the Government are going to act on behalf of all the citizens of the country, and that the searchlight of public opinion and the action of Congress will keep them on that track. Certainly I do not like to see a poor administrative structure just because of prejudice.

I reviewed the entire record before the committee, and I can assure the Senate that not one case of bias or prejudice on the part of the Department of Labor in the administration of its various statutory duties was brought before the committee. On the other hand, the Secretary of Labor fully assured the committee that the Bureau of Employment Security will be operated in the Department of Labor in the same impartial manner as it now operates, and by the same impartial personnel, including the present Director, Mr. Goodwin, who now operates it.

While I am on this point, I wish to call attention to one factor of this plan which will give added assurance of impartiality, if such assurance is needed. The Federal Advisory Council, created by the Wagner-Peyser Act to advise as to the employment service, would, under the plan, also advise with respect to all the activities of the Bureau of Employment Security. This Council has the statutory job of fluctuating policies and directing problems relating to employment and insuring impartiality, neutrality, and freedom from influence in the solution of such problems. The Council is composed of 35 men and women, representing employers and employees in equal numbers, and also representing the public. Many of the members of the Council are leading citizens of the United States. The Secretary of Labor stated to the committee that he will use this Council actively when he is shaping his policies on the employment service and in employment compensation functions. I am sure, Mr. President, that the Federal Advisory Council in the Department of Labor, operating as it would be required to do under this plan, should lay at rest these vague fears of partiality on the part of the Department.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the list of members of the Federal Advisory Council, with their proper titles.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

MEMBERS OF THE FEDERAL ADVISORY COUNCIL

PUBLIC REPRESENTATIVES

Dr. William Haber, professor of economics, University of Michigan, Ann Arbor, Mich., Chairman of the Council.

Mr. John J. Corson, circulation director, Washington Post, Washington, D. C.

Mrs. Saidie Orr Dunbar, past president, Federated Women's Clubs, Portland, Oreg.

Dr. Merle E. Frampton, principal, New York Institute for the Education of the Blind, New York City.

Mr. Fred K. Hoehler, executive director, Community Fund of Chicago, Inc., Chicago, Ill.

Mrs. Henry A. Ingraham, former president, national board, YWCA, Brooklyn, N. Y.

Mr. Roscoe C. Martin, bureau of public administration, University of Alabama, University, Ala.

Mr. Ira D. Reid, professor, Haverford College, Haverford, Pa.

Mrs. Anna M. Rosenberg, New York City.

Mr. Max F. Baer, national director, B'nai B'rith Vocational Service Bureau, Washington, D. C.

Dr. Sumner Slichter, professor of economics, Harvard University, Cambridge, Mass.

Dr. Edwin E. Witte, department of economics, University of Wisconsin, Madison, Wis.

MANAGEMENT REPRESENTATIVES

Miss Bess Bloodworth, vice president, the Namm Store, Brooklyn, N. Y.

Mr. Prentiss L. Coonley, business consultant, Washington, D. C.

Mr. John Lovett, general manager, Michigan Manufacturers' Association, Detroit, Mich.

Mr. George Mead, president, the Mead Corp., Dayton, Ohio.

Mr. H. S. Vance, chairman of the board, Studebaker Corp., South Bend, Ind.

Mr. Frank De Vyver, Duke University, Durham, N. C.

Mr. Marion Folsom, treasurer, Eastman Kodak Co., Rochester, N. Y.

Note: At the moment there are two vacancies.

LABOR REPRESENTATIVES

Mr. John Brophy, director, industrial union councils, Congress of Industrial Organizations, Washington, D. C.

Mr. Harry Boyer, president, Pennsylvania Industrial Union Council, Harrisburg, Pa.

Mr. Nelson H. Cruikshank, director, social insurance activities, American Federation of Labor, Washington, D. C.

Mr. James L. McDevitt, president, Pennsylvania Federation of Labor, Harrisburg, Pa.

Mr. H. L. Mitchell, president, National Farm Labor Union, American Federation of Labor, Washington, D. C.

Mr. Paul Sifton, national legislative representative, UAW, Congress of Industrial Organizations, Washington, D. C.

Mrs. Katherine Ellickson, assistant director of research, Congress of Industrial Organizations, Washington, D. C.

Mr. James Brownlow, secretary-treasurer of the metal trades department, AFL, Washington, D. C.

Mr. Joseph M. Rourke, secretary-treasurer, Connecticut State Federation of Labor, Bridgeport, Conn.

VETERANS REPRESENTATIVES

Mr. Robert S. Allen, author, member of American Veterans' Committee, Washington, D. C.

Mr. Lawrence J. Fenlon, chairman, national economic commission, American Legion, Chicago, Ill.

Mr. Omar B. Ketchum, director, national legislative service, Veterans of Foreign Wars, Washington, D. C.

Mr. Millard W. Rice, executive secretary, Disabled American Veterans' Service Foundation, Washington, D. C.

Mr. Edgar Corry, Jr., past national commander, American Veterans of World War II, Washington, D. C.

Mr. HUMPHREY. Mr. President, there is one other point which this argument of partiality completely ignores. It is this: The authority of the Secretary of Labor stems from many different statutes in various fields of activity. For example, he administers the Davis-Bacon Act, the Walsh-Healey Public Contracts Act, the child-labor provisions of the Fair Labor Standards Act, the various statutory provisions creating the Women's Bureau and the Bureau of Labor Statistics, the Veterans' Reemployment Rights defined in the Selective Service Act of 1940, and the Federal Apprenticeship Act. Under all these statutes, the Secretary of Labor must do what the statutes provide. If the Secretary is given responsibility for the Bureau of Employment Security, he must act in accordance with the laws governing that bureau. These laws are the Wagner-Peyser Act, the Social Security Act, and the Federal Unemployment Tax Act. These statutes give the Secretary very little discretion. Under them, his main function is to approve the use of Federal funds for administering State laws. The standards for approving or disapproving a particular State plan for receiving Federal funds are spelled out in the statute itself. These standards, and these standards alone, must guide the Secretary in formulating policies and making determinations with respect to granting assistance to the States.

Mr. President, I am very sorry that at this time the distinguished senior Senator from Michigan [Mr. VANDENBERG] is not in the Chamber, because he asked about the matter of partiality and asked about the authority of the Secretary of Labor and what he could do, for example, with experience-rating systems. I shall point that out. It is crystal clear that the Secretary of Labor must operate

under statutory law. So long as State laws and State operations meet the specific standards prescribed by the Federal law and are approved by the Secretary, Federal aid must be granted to the States.

The Federal law, for example, specifically leaves to the States the question of paying unemployment benefits to strikers. That is in the law. On this point the Secretary of Labor would have no discretion whatever.

Another example arises with respect to the experience-rating system. This is the vital issue. The experience-rating system is a problem which was particularly considered by the business organizations as they testified before the committee. The Federal law is designed to encourage experience-rating systems under State unemployment-compensation laws.

This is how it works. The Federal Unemployment Tax Act provides for a 3-percent tax on employers' pay rolls. All except three-tenths of 1 percent of this tax may be offset by payments made by employers to the State under the State law. In other words, 2.7 percent of this tax can be paid to the State. Three-tenths of 1 percent must go to the National Government for purposes of administration.

In addition the Federal law provides that, even though the payments under the State law do not amount to the total of 2.7 percent, nevertheless the employer shall be allowed credits with respect to a reduced rate permitted by the State law on an experience-rating basis. In other words, the tax can be reduced on an experience-rating basis. The Federal law spells this out clearly. It has definite standards which the State experience-rating system must meet, and when these standards are met, the additional credits must be allowed within the range between zero percent and 2.7 percent. That is left to the States. It is a problem for the State legislatures.

I wish to point out that neither the Federal Security Agency nor the Department of Labor may change the experience-rating system. Neither can legally abolish it. The Congress has written the law, and the Congress alone may change or abolish this protection.

In the minority views, at page 10, we have this to say:

> With regard to experience rating, the testimony was abundantly clear that, for all practical purposes, the State officials can read the provisions of the Federal statute, submit a plan for experience rating, complying with the standards of the statute and that plan must be approved. For example, the Federal Unemployment Tax Act provides for a 3-percent tax on employers' pay rolls. All except three-tenths of 1 percent of this tax may be offset by payments made by the employer under the State law. The Federal law in addition provides that the employer shall be allowed credits with respect to a reduced rate permitted by State law on an experience-rating basis. This is for the purpose of encouraging the experience-rating system. The Federal law spells out clearly defined standards which the experience-rating system must meet. When these standards are met additional credits must be allowed within the range between zero percent and 2.7 percent.
>
> Under the above circumstances it is apparent that no administrative agency can legally abolish the experience-rating system or prevent any State from adopting such a system. The protection for the system has been written by the Congress into the law. Congress alone may change or abolish this protection. Neither the Federal Security Agency nor the Department of Labor may do so.

I am happy to see the Senator to whom I referred returning to the Senate Chamber, and I am going to burden the few loyal colleagues who have remained with me during the discussion to bring this to the attention of the distinguished Senator from Michigan. I am discussing the matter of experience rating, about which the distinguished Senator inquired, and I am sure he is deeply concerned about it. I was pointing out how it operates. I pointed out that the Federal law was designed to encourage the experience-rating system under State unemployment-compensation laws. I pointed out that the Federal Unemployment Tax Act provides for a 3 percent tax on pay rolls, only three-tenths of 1 percent of which goes to the Federal Government, while 2.7 percent can be collected by the State. I pointed out that the State can adjust the tax with employers, on the basis of experience rating. I then went on to point out, from the testimony given before the committee, that neither the Federal Security Agency nor the Department of Labor can change the experience-rating system. Neither can legally abolish it. The Congress has written this into the law, and the Congress alone may change or abolish it. I further stated that the conditions for State compliance with the Federal law are specifically clear-cut under the law. The Secretary of Labor would have very little to say. But I may point out that under the existing system the Federal Security Agency does not approve the experience-rating system. There is no doubt about that. They think the experience-rating systems ought to be abolished.

How about the present Secretary of Labor? What is his record as Governor of Massachusetts? His record as Governor of Massachusetts was not in any way to vitiate the experience-rating system, but to improve it, or at least to defend it. I am sure the distinguished Senator from Massachusetts [Mr. LODGE] will say Massachusetts has a good experience-rating system of unemployment compensation. I think we shall find at least a friendly Secretary of Labor in the present incumbent of that office. But I may say we cannot judge legislation by personalities. Those of us who run for office know how we come and go. Generally, too, those who have been appointed to office know a little about coming and going. What we must think about is whether this is good, sound administrative procedure. It is my judgment it is good, sound administrative procedure.

Mr. LONG. Mr. President, will the Senator yield?

The PRESIDING OFICER. Does the Senator from Minnesota yield to the Senator from Louisiana?

Mr. HUMPHREY. I yield.

Mr. LONG. If concern is evidenced about the experience rating system, would it not be a better idea, rather than hold up a good reorganization plan merely because of the experience rating system, to go ahead, pass a law, and make it clear that any good experience rating system a State wants to put into effect will have to be approved?

Mr. HUMPHREY. I think that is a very good and valid comment.

Mr. IVES. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. IVES. In reply to the statement of the Senator from Louisiana [Mr. LONG], I think the Senator is familiar with the provision in section 1602 of the Internal Revenue Code, subsection 1, which reads as follows:

> No reduced rate of contributions to a pooled fund or to a partially pooled account, is permitted to a person (or group of persons) having individuals in his (or their) employ except on the basis of his (or their) experience with respect to the unemployment or other factors bearing a direct relation to unemployment risk during not less than the three consecutive years immediately preceding the computation date.

In that connection, I should like to ask the able Senator from Minnesota if he does not believe, in the light of that provision in the law which quite obviously leaves full discretion with the administering agency in regard to the interpretation of the act itself and the formulation of plans under the act, that it would be possible for the administering agency to create a formula whereby experience rating as such would virtually cease to exist, insofar as any State of the Union is concerned, which might be operating under it?

Mr. HUMPHREY. No, I do not. I make the observation that I do not, because the law points out quite specifically, at least, one standard which we have to have for an experience rating, namely, the matter of tax reduction, and——

Mr. IVES. The Senator from New York understands that. Those are basic requirements of the law. Then comes this discretion.

Mr. HUMPHREY. "Or other factors."

Mr. IVES. The Senator from New York further understands that insofar as the States themselves are concerned, no State law can be changed by any act of the Congress itself, or certainly by any administrative act, so far as the Administrator is concerned. But here is the catch. Is it not true that in spite of any State law, in spite of any plan which might have been previously formulated and agreed to on the part of the administering agency, a change in plan or in formula which might be established by the administering agency through action by the administering agency in withholding funds—I am now talking about administrative funds—would, in effect, have the result of forcing this, that, or the other State to change its statute if it were to be able to continue the unemployment insurance experience ratings?

Mr. HUMPHREY. I may say in answer to the distinguished senior Senator from New York that what he is posing as a problem could happen to anyone who is the head of an agency. It could happen in the Federal Security Agency.

Mr. IVES. The Senator from New York is not arguing it; he is simply asking the question.

Mr. HUMPHREY. It is the considered judgment of the Senator from Minnesota that if the law pertaining to the experience-rating system is such that it can be tampered with, we should rewrite the law. But this is not the place in which to rewrite it.

Mr. IVES. The Senator from New York points to the regulations.

Mr. HUMPHREY. Those are the regulations of the Federal Security Agency, the very agency which the Senator from New York wants to have establish an experience-rating program. Apparently the senior Senator from New York thinks the way to preserve the experience-rating program is to have administer it the Agency which has already announced that it does not believe in it.

Mr. IVES. Mr. President, will the Senator further yield?

Mr. HUMPHREY. I yield.

Mr. IVES. In that connection, the Senator from New York would like to point out to the Senator from Minnesota that he is not advocating the extension of unemployment insurance in the Federal Security Agency because the Agency does not believe in it, but he would like to ask the Senator from Minnesota if he knows of any instance in which the Federal Security Agency, up to this time, has done anything to destroy any plan of unemployment-insurance rating as established in a State?

Mr. HUMPHREY. I surely do not. Therefore, I may say to my distinguished friend from New York, let us cease worrying. Here is something which the Agency announced it does not like, but yet it has not done anything to destroy it.

Mr. IVES. There happen to be many thousands of employers in the Nation who are worrying about it.

Mr. HUMPHREY. There are some persons who are never so happy as when they are unhappy. There are other persons who enjoy worrying. They conjure up more ghosts and more bogeymen in an hour than a dog can acquire fleas. They have all kinds of problems on their minds. It is impossible for the Senate of the United States to set at rest all the worries of the "ulcer" groups in this country. Some people are bent on having ulcers and dyspepsia. I do not know of anything as a remedy except Bisodol, or something of that nature.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. In view of the fact that the distinguished and able Senator from New York does not share the fears that the Labor Department would be biased, and which instead he merely expressed and passed on to this body, would it not be the judgment of the junior Senator from Minnesota that the great talents of the senior Senator from New York would be better devoted to removing these false fears on the part of employers, rather than merely passing them on to the Senate, and seeking to influence this body by giving them circulation.

Mr. HUMPHREY. I pay a tribute to my esteemed and devoted friend, the junior Senator from Illinois, for his timely observations which always come to my rescue.

Mr. IVES. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. IVES. The Senator from New York would merely like to state that that is one of the chief reasons why the Senator from New York feels that delay should be had at this time so some of us can do the job of removing these fears which exist and getting the differences reconciled and straightened out.

Mr. HUMPHREY. I should like to make the observation that when the Senator talks of delay, I know it is foreign to his character. He is a man of ideals, and he is one who likes to go ahead and get things done. This is like performing a necessary operation which has been recommended by the finest diagnosticians of America. Here is a political surgery job which needs to be done. Dr. Hoover and his staff have looked over the patient. There have been relatives pacing up and down, waiting outside for the diagnosis to be reported. The symptoms have been found, and the head surgeon comes in and says to the family of 150,000,000 Americans, "There seems to be, at long last, something we have found in political medicine that is able to receive unanimous agreement. Every surgeon we have, the two employer surgeons, the Republican surgeons, the Democratic surgeons, the chairman and the co-chairman, all agree that there is an operation which needs to be performed. What is the operation? It is that the Federal Security Agency must lose the Bureau of Employment Security, and that Bureau must go to the Department of Labor. There does not seem to be any doubt that if the operation is performed the patient will survive—not only survive, but he may be even happier." Surely he will not be any more unhappy, and his relatives will not be any more unhappy. So I say to the distinguished Senator from New York, let us not worry about these necessary appendectomies and tonsillectomies.

Mr. IVES. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. IVES. The Senator from New York appreciates very gratefully the tribute paid to him by the distinguished Senator from Minnesota some moments ago, and he tried to express his feeling at that time. However, the Senator from New York would like to point out that, be all of those things as they may or may not be, the fact remains that the Senator from New York has always felt that discretion is the better part of valor.

Mr. HUMPHREY. I should like to concur in that statement. But at a time when there is something necessary to be done, and those who have been called in—and, by the way, called in by the advice and counsel of the Senator from New York; I am sure he voted for it and I am sure he feels as I feel about it, that there is something of such great importance that the matter of partisan politics is set aside—let us go ahead on what the Commission has recommended.

Mr. President, now I wish to conclude, because I have taken more time than I had intended. I wish to summarize by saying that along with this charge of bias on the part of the Department of Labor comes the threat that employers will lose confidence in the Employment Service if it is placed in the Department of Labor. Here, again, there were absolutely no facts to support this serious charge. On the other hand, we have a full record of confidence on the part of employers in both present and prior operation of the Department of Labor. I wish to give the Senate some idea of the scope to which employers now use the Department. One hundred and ten thousand establishments now report employment and pay-roll information each month to the Bureau of Labor Statistics. Between 14,000 and 15,000 retail establishments now report to that Bureau items for inclusion in the Consumers Price Index. Ten thousand establishments are cooperating this year in giving the Bureau of Labor Statistics the information necessary for occupational wage-rate surveys by industry and by community.

I wish to point out that much of this information is confidential in nature. If it were released by the Department of Labor to unions or to competitors, the employers would immediately lose confidence in the Department of Labor and the statistics of the Department would become valueless. Yet ever since the creation of the Department, these statistics have been kept in strictest confidence by the Secretary of Labor and his subordinates.

The Secretary of Labor testified befor the committee that more than 40,000 employers have cooperated with the Department of Labor in establishing more than 40,000 apprentice programs for approximately 250,000 apprentices under training. Is this, Mr. President, evidence of lack of confidence by employers in the Department of Labor?

By the way, that is a wonderful program. I think it deserves a word of tribute. I have watched it in my own State, and it is one of the most marvelous programs I ever hope to witness in the field of what I call practical vocational education.

The most telling facts on this matter of confidence in the Department of Labor are disclosed by the record of the United States Employment Service when it was in the Department of Labor. The official records of the Employment Service show that during the years 1945–48, when that Service was in the Department, employers used the Government placement facilities more than at any other peacetime year since the Wagner-Peyser Act was enacted in 1933. From 1945 to 1948 we did not need an employment service

in order to find people jobs. The employers had dragnets out in front of every door, and if one had even as much as a spark of life left in him, he was pretty sure to get work.

I speak with some intimate familiarity with the Employment Service, and perhaps some sentimentality. I helped develop the program for aptitude testing and vocational training in the Employment Service. I helped perfect programs of placement and job placement, and employer and employee relationships, in the Employment Service. I know that the businessmen of our community had confidence in the ability of the Employment Service to perform its task. The only thing which has destroyed that confidence has been the action of Congress in shifting the Service around here, yonder, and every other place. Let us put it back where it belongs—in the Department of Labor.

When the proposal was made in 1947 to place the Employment Service permanently in the Department of Labor not one employer objected to this plan. I might add here, Mr. President, that the Employment Service was administered in the Department of Labor by Mr. Goodwin, who now is Director of the Bureau of Employment Security, and who will continue to be the Director after the Bureau is transferred to the Department of Labor. Even witnesses who opposed this plan before the committee admitted frankly that Mr. Goodwin administered the Bureau with complete impartiality.

Now, I have stated all of the facts in the record before the committee. I believe that these facts fully support Reorganization Plan No. 2. I believe furthermore, Mr. President, that these facts knock into a cocked hat any claim that the Bureau of Employment Security would not be more effective or more efficient in the Department of Labor. These facts do not present any basis whatsoever for claiming that increased costs would follow this transfer. Above all, Mr. President, the record before the committee should dispel for good this unfounded fear of partiality or bias on the part of the Department of Labor.

I call upon the Senate, in the exercise of its wise and prudent judgment, to concur in Reorganization Plan No. 2, to reject Resolution 151, and to say to the American people that we are going ahead with the Hoover Commission recommendations for reorganization of the executive branch of the Government.

Mr. DOUGLAS. Mr. President——

The PRESIDING OFFICER (Mr. KEFAUVER in the chair). Does the Senator from Minnesota yield to the Senator from Illinois?

Mr. HUMPHREY. I am more than happy to yield.

Mr. DOUGLAS. What is the attitude of the two great veterans' organizations concerning Resolution Plan No. 2?

Mr. HUMPHREY. The Veterans of Foreign Wars and the American Legion, through their respective legislative counsel, testified in behalf of Reorganization Plan No. 2.

Mr. DOUGLAS. So that both the Legion and the Veterans of Foreign Wars are in favor of the plan?

Mr. HUMPHREY. That is correct.

Mr. IVES. Mr. President, will the Senator yield on that point?

Mr. HUMPHREY. I yield to the Senator from New York.

Mr. IVES. The Senator from New York would like to inquire of the able Senator from Minnesota if he does not recall that the chief reason why the two great veterans' organizations favor Reorganization Plan No. 2 is because of the merger which is contemplated under it of the Veterans' Employment Service and the Employment Service itself in the Department of Labor, or in one agency of the Government. In that connection the Senator from New York would also like to ask the Senator from Minnesota if he does not realize, as I know he does, that that merger can be effected now, insofar as those two subagencies are concerned, without any Reorganization Plan No. 2.

Mr. HUMPHREY. It is true that the veterans' representatives were primarily concerned with the matter of the Veterans' Placement Service, and also the Advisory Board. However, I think it should be crystal clear that the Reorganization Act of 1949 does permit this regrouping without any legal difficulties, and there is a special public law setting up the Veterans' Placement Service, and there is special law and regulation setting up the Advisory Board. For them to be consolidated and coordinated without too much difficulty, Reorganization Plan No. 2 would be needed.

Mr. IVES. The Senator understands, does he not, that that can be done, nevertheless, without legislation?

Mr. HUMPHREY. I am not sure of that. I would not want to deny it. I am not trying to duck the issue. If later in the discussion we can get together on this, I shall be glad to look into it. I am not informed on that matter.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Illinois.

Mr. DOUGLAS. Did the Senator from Minnesota receive large numbers of letters from business groups in his State, as many of us did from our States, demanding that we put into effect immediately the recommendations of the Hoover Commission?

Mr. HUMPHREY. Yes, indeed; I received hundreds of them.

Mr. DOUGLAS. Did those letters please the Senator from Minnesota, as they did the junior Senator from Illinois, as indicating an interest on the part of business groups in behalf of efficiency and economy in our Government?

Mr. HUMPHREY. I would say that the junior Senator from Minnesota was highly pleased, because he was for the Hoover Commission recommendations.

Mr. DOUGLAS. The letters demanded speedy action by us upon the detailed recommendations of the Hoover Commission, did they not?

Mr. HUMPHREY. That is correct.

Mr. DOUGLAS. Has the Senator from Minnesota been impressed with the fact that suddenly many of the same groups who only a few weeks ago were demanding that we take affirmative action upon the recommendations of the Hoover Commission are now writing demanding that these recommendations of the Hoover Commission be rejected?

Mr. HUMPHREY. I have been very much impressed, and let me say a bit confused, and at times disappointed, because of that. I have in my office letters from organizations in my own State and in other areas which have besought me as one individual to support, down the line, the Hoover Commission recommendations. They say, "Do not take out your pet project, Senator. Be careful now how you line up." And all at once we get a couple of reorganization plans, and particularly Reorganization Plan No. 2, and now we find that that plan simply should not be approved.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. In other words many of the same groups which a short time ago demanded that the Hoover recommendations be put into effect en bloc are now all demanding that this particular recommendation of the Hoover Commission be not enacted.

Mr. IVES. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. GRAHAM in the chair). Does the Senator from Minnesota yield to the Senator from New York?

Mr. HUMPHREY. I yield.

Mr. IVES. The Senator from New York cannot let the statement just made go by without an observation and a question.

Mr. HUMPHREY. I yield for a question.

Mr. IVES. The Senator from New York would like to ask the Senator from Minnesota if he does not recognize that when the petitions, the recommendations, the appeals came in from civic organizations and businessmen and others, those who made the appeals were talking about the Hoover recommendations themselves as integrated entities. They were not talking about isolated matters that might be collected together. They were not talking about partial plans. They were talking about the over-all recommendations made by the Hoover Commission, were they not? So when Reorganization Plan No. 1 was sent to Congress, since it is a plan which did not follow the Hoover Commission's proposals, and when Reorganization Plan No. 2 came to Congress, since it is a plan which follows only in slight degree the Hoover reorganizational proposals, the Senator from New York would like to ask the Senator from Minnesota if he does not recognize that there is a vast difference between the position taken in the first instance by these groups and the position taken now with respect to these particular reorganization plans?

Mr. HUMPHREY. Mr. President, I assume from the Senator's observation and question that he is satisfied that what actually happened was that the American people were for the Hoover Commission and its activities?

Mr. IVES. And recommendations.

Mr. HUMPHREY. On the broad general basis.

Mr. IVES. That is correct.

Mr. HUMPHREY. I am also assuming, from the Senator's statement, that he believes the people in my neighborhood, in my home city of Minneapolis and State of Minnesota did not know about the reports of the task force, did not know about the reports of the Hoover Commission, for example, respecting the Federal Security Agency or the Department of Labor. When the Senator makes that sort of observation he is dead wrong, because the people who have been writing to me have done so in detail concerning the Hoover Commission reports. They have written to me as though they were experts in this field. In fact, some of the men who wrote me from my State were on the task force in the field.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. LODGE. I should like to suggest this thought to the able Senator from Minnesota. Let us admit that we would prefer it if the first and second steps were proposed in one package. But if that is not done, should not we nevertheless support the first step? Then the responsibility is squarely on the Executive if he does not give us the second step. But if we have turned down the first step, then we have clearly put ourselves in the wrong, it seems to me, and have made it clear that we do not favor the Hoover Commission report, simply because we can get it all in our own way. I ask the Senator from Minnesota if it is not better to get a little bit—half a loaf is better than none—and if we do not follow the precept of half a loaf being better than none do we not put ourselves hopelessly in the wrong?

Mr. HUMPHREY. I commend the Senator from Massachusetts for that observation. The Senator has really tied it all up in one paragraph, and has said exactly what needs to be said. To be sure, I think both the Senator from Massachusetts and I would like to see more of the recommendations which the Hoover Commission made contained in the reorganization plans. As a matter of fact, I was a little disappointed; I thought the President could have gone further. But he did not.

Mr. President, I believe in automobile transportation.

Mr. IVES. Mr. President, will the Senator yield?

Mr. HUMPHREY. I should like to complete the observation I began to make. I should like to have the privilege of having a Cadillac. I believe in automobile transportation. And because I believe in automobile transportation I would not say that I will not drive in a second-hand Ford automobile simply because of the fact that I cannot have a new Cadillac.

Mr. President, we believe in reorganization. We would like to have real reorganization. We know, however, that in 1949 we cannot secure all the reorganization we want. We would like to go further than we are going. But we should not say that we will not take a step forward simply because we cannot go the whole way now. If we took such a position, that would not make any sense. Let us take this forward step, and then say to the President, "We do not want to render lip service only to the reorganizations proposed by the Hoover Commission. Let us get busy and get it all done."

Mr. IVES and Mr. DOUGLAS addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Minnesota yield, and if so, to whom?

Mr. HUMPHREY. I yield first to the Senator from New York. He previously asked me to yield to him.

Mr. IVES. The Senator from New York appreciates the fact that the Senator has yielded to him. The Senator from New York, however, does not quite follow the analogy of the Senator from Minnesota in talking about a Ford and a Cadillac. It seems to me that if we wanted a real analogy with what is now proposed, so far as Reorganization Plan No. 2 is concerned, we might better compare it with lemonade made simply of lemon and water, without any sugar. I believe many of our people feel that all they are getting under this plan is a lemon.

Mr. HUMPHREY. Mr. President, we must be extremely careful as to remarks and observations made respecting various analogies. What I was trying to point out was that we are endeavoring to secure a little part of the whole program that may eventually be presented. I believe we should make an honest effort to take forward steps as quickly as we can.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. Did not the Senator from Massachusetts make a very important point when he implied that if we approve this plan it will give the Executive the courage to go ahead and propose certain further fundamental plans, whereas if we turn this plan down it will be a virtual signal to him that he cannot get anything through Congress?

Mr. HUMPHREY. That is correct.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. LODGE. Will the Senator from Minnesota, as a medical expert, permit me to ask whether it is not true that the juice of a lemon is valuable in preventing scurvy, and the fact that the body politic takes in a little of that, without the sugar, can nevertheless advance the cause; and is not that what the Senator from Minnesota would describe as a placebo?

Mr. HUMPHREY. I may say to the Senator from Massachusetts that my association with the healing art was strictly on the basis of dispensing, not prescribing. Lest I be guilty of any infraction of the rules relating to the healing art, I shall stay only within that field relating to dispensing. But I can make the layman's observation that the lemon juice which the distinguished Senator from New York is talking about is exactly what the Government needs to sort of pucker it up a little bit. Lemon juice at least contains a little of vitamin C which will put a little more life into the activities of government and a little more efficiency as well.

I think it would be a good thing to permit the Senator from Minnesota to desist from any further discussion of Reorganization Plan No. 2. Others of my colleagues desire to discuss it.

Mr. IVES. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. IVES. The Senator from Minnesota would not want to let this particular part of the discussion be dropped at this point with the idea that in this instance we are dealing with scurvy?

Mr. HUMPHREY. I wish to make the statement that the observation in question was made by the distinguished Senator from Massachusetts [Mr. LODGE]. It was simply an analogy, or a symbolic observation. To be sure, inefficiency, waste, duplication, and the kind of things which the Hoover Commission was trying to avoid and eliminate, are political scurvy. I am willing to go along with the distinguished Senator from Massachusetts and say that if we have not the courage to enact the Hoover Commission recommendations when there is so little controversy about them as there is with respect to this one, which is unanimously supported, we are willing to underwrite the kind of political scurvy which comes from waste, inefficiency, duplication, and all the other things that go with it.

Mr. IVES. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. IVES. So long as we have built up the idea of scurvy to a glorified position, the Senator from New York would very much like to ask the Senator from Minnesota if he does not remember that at no time during the hearings did anyone in high authority, either the Secretary of Labor or anyone else who came before the committee, insist or promise, or even hazard a guess that this plan would insure economy or reduce cost. The best we could get out of them was that they thought we might get more efficiency. Nowhere did we find that there was going to be any reduction in actual cost of operation.

Mr. HUMPHREY. Former President Hoover said that we would bring about some economy.

Mr. IVES. He said that we should.

Mr. HUMPHREY. He said that we could and would.

Mr. IVES. He said that we should.

Mr. HUMPHREY. I point out also that the Brookings Institution and the task force said that we could. The Senator from New York may say, "Will you?" I cannot tell the Senator. After all, I think the Secretary of Labor is to be commended for not promising more than he was sure he could deliver.

Mr. IVES. I am not criticizing the Secretary of Labor. I have a very high regard for him.

Mr. HUMPHREY. I am sure that we should both end on that note. We both have a high regard for the Secretary of Labor. I want to say to my good friend, a very able and experienced legislator, as well as administrator, that I am sure he and I both have the same objectives in mind. I have talked with the Senator from New York privately on this

subject. I know that his effort is constructive. I know that he wants to have these recommendations put into effect. It is for the Senate to decide whether or not it should be done now, or whether we need more information.

Personally I think we have sufficient information to make this preliminary move. If it is the judgment of the Senate that we should abide by the evaluation and analysis of the Senator from New York, I am sure that he and I will join at a later date in seeing that this job is done with dispatch and with care. I think the time is now at hand. As has been said, it is a little later than some of us think.

Mr. LANGER. Mr. President, will the Senator yield for a question?

Mr. HUMPHREY. I yield.

Mr. LANGER. Was there any testimony in the hearings that if we adopted the various plans there would be a saving of $3,000,000,000 a year?

Mr. HUMPHREY. I must say that so far as I personally know there have been statements to the effect that there could be savings of that amount. I know of no one who has said that there actually would be such savings. It is my personal opinion that if the Commission's recommendations were adopted, we could make substantial savings.

Mr. LODGE. Mr. President, will the Senator yield for one further question?

Mr. HUMPHREY. I yield.

Mr. LODGE. Did not Mr. Hoover say in the hearings categorically that enactment of this plan would lead to savings? He did not mention a specific amount.

Mr. HUMPHREY. Is the Senator referring to Reorganization Plan No. 2?

Mr. LODGE. Yes.

Mr. HUMPHREY. He categorically stated that it could and would lead to savings.

Mr. President, I shall now take my seat.

Mr. DONNELL. Mr. President, I have listened with much interest to the concluding portion of the address of the Senator from Minnesota. I am sure that I should have listened with equal interest to the earlier portion, but I was not in the Chamber during much of it.

I share with him the great admiration which he has so eloquently expressed for Mr. Hoover and for the Hoover Commission. I am pleased to note the eulogy which the distinguished Senator has given to a former President of the United States who happens to belong to a different political party than that to which the Senator from Minnesota adheres.

I do not in any sense indicate by my opposition—and it will be opposition—to Reorganization Plan No. 2 any lack of appreciation of the fine public service which has been rendered to our Nation by this Commission. However, I feel that the United States Senate is, after all, a body which has some responsibility upon its own shoulders. Therefore, it does not seem to me that merely because a plan shall have been approved—even if approved in toto—by the Hoover Commission, it necessarily follows that the United States Senate, without consideration, without debate, and without argument, should adopt the findings of that Commission.

Mr. President, I was one who was in great doubt as to the advisability of the Congress delegating to the President of the United States the powers of reorganization which enable the President to submit to Congress virtual legislation—yes, in some instances action which I think repeals or may repeal positive statutes of the United States, letting the recommendations of the President become law unless Congress shall, within a limited time, exercise the power of veto over what the President has done. As some Members of the Senate may possibly recall, I expressed myself on two different occasions in the past few years with respect to this question. On two different occasions I presented some views designed to indicate what I thought was the unconstitutionality of the delegation, as I considered it, of legislative power. I pointed out to the Senate at that time, as Senators, of course, realize, that in the report of the Judiciary Committee itself, from which legislation of the type of the Reorganization Act of 1949 emanated in earlier years, the committee itself, time and time again in its report, referred to what was being done as a delegation of legislative power.

I still have very grave doubt as to whether Congress has it within its power to delegate one shred of legislative power to either of the other branches of our Government. I appreciate, of course, that Congress has it within its power to turn over ministerial or administrative duties, to lay down a broad statute and prescribe standards, and leave it to somebody, some officer or series of officers, to determine whether or not a particular action proposed comes within the standards.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. WILEY. I wonder if the distinguished Senator is aware of the fact that when the present Chief Justice of the United States was a Member of the House of Representatives he took exactly the position the Senator has taken, and that a very learned debate took place on the floor of the House in which he took the position that the delegation of power, or the attempt to delegate power to the President to reorganize the departments, was in direct contravention of the Constitution.

Mr. DONNELL. I did not know that; and I am very greatly interested by the information conveyed to me at this moment by the Senator from Wisconsin.

Mr. President, I was about to say that after having presented on two different occasions as well as I could views to the effect that legislation of the type of the Reorganization Act of 1949 constituted an unconstitutional, void delegation of legislative power, and having been defeated by the vote of the Senate upon that question, I finally came to the conclusion that perhaps there are some instances—and I have no doubt there are very many—in which I am wrong and the other man is right. Consequently, while I do not recall whether there was a record vote upon the final passage of the Reorganization Act of 1949, I may say that in pursuance of the thought that the Senate having itself determined—indeed the Congress having determined—that in its judgment it is constitutional to pass such an act, I came to the conclusion that I should either vote for, or certainly should not object to, the Reorganization Act of 1949. I do not recall whether there was a record vote upon the final passage of that measure, but certainly I was not opposed to it.

These thoughts with respect to the constitutionality or absence of constitutionality of legislation of the type of the Reorganization Act of 1949 come to my mind by reason of the discussion of the past few minutes. They come to my mind in view of the point which seems to be so vigorously urged and so strongly argued, to the effect that, the Hoover Commission having taken a particular position, it devolves upon us as Members of Congress to vote favorably to its recommendations. I do not know whether or not there has been a distinct statement to the effect that we should be bound—I assume no one would make that statement—by the recommendations of the Commission. But certainly the point was vigorously made since I returned to the Chamber a few minutes ago, by the Senator from Minnesota. It leads to the reasonable inference that unless there is something grossly wrong with the Hoover Commission report we should act as a rubber stamp to enact its recommendations.

As I indicated at the outset, I yield to no one in admiration for the distinguished Chairman, Mr. Hoover. Nor do I yield to anyone in admiration of the work which has been done by this Commission. Nor do I yield to anyone in my expectation that many of the recommendations of the Hoover Commission will be put into effect by the Congress. But, after all, the Hoover Commission is but an arm of Congress. It has made its recommendations to the Congress; and its devolves upon every Member of the Senate and every Member of the House, as I see it, to consider whether or not those recommendations are sound, and to use his own judgment in making his final vote upon such recommendations.

Reorganization Plan No. 2, which is proposed to us at this time by the President of the United States, provides that the Bureau of Employment Security, which includes both the United States Employment Service and the Unemployment Insurance Service, shall be transferred to the Department of Labor. The reorganization plan has several other points to which I shall make reference only by way of enumeration, for my discussion this afternoon will be confined to the proposed transfer to the Department of Labor of the Bureau of Employment Security, including the two services I have mentioned, the United States Employment Service and the Unemployment Insurance Service. The other features of the plan are that the Veterans Placement Service Board is proposed to be transferred to the Secretary of Labor, and the Federal Advisory Council, which was established pursuant to the act of

June 6, 1933, is proposed to be transferred to the Department of Labor. In addition, there is the final section regarding the transfer to the Department of Labor, for use in connection with the functions transferred by the provisions of this plan, of various personnel, property, records, balances of appropriations, and so forth.

Mr. President, as I have said, I shall speak first on the question of whether it is advisable to have transferred to the Department of Labor the two services included in the Bureau of Employment Security and enumerated in the President's reorganization plan, namely, the United States Employment Service and the Unemployment Insurance Service. Unless some other point arises which I think it desirable to discuss, I shall confine my statement strictly to the proposed transfer of these two Services.

Where have these two Services resided during their history? I should like to establish two parallel columns in the minds of Senators, and place in one column the development of the United States Employment Service, and in the other column the development of the Unemployment Insurance Service. I see now in the Chamber at least three Members of the Senate, friends of mine, who, in recent years, have been governors of their States, and I know they have very clearly in mind the general functions of those two Services, and their general relationship. Doubtless the other Members of the Senate also do, but the three Senators I have mentioned do so particularly because of their close contact with those Services.

I shall first say a few words in regard to where the United States Employment Service has been during its history. It was created by the Wagner-Peyser Act of June 6, 1933, and by that act was established in the Department of Labor. Six years thereafter, Reorganization Plan No. 1 was promulgated by President Franklin D. Roosevelt. It became effective on July 1, 1939, and transferred the United States Employment Service from the Department of Labor—although it had been in that department for slightly over 6 years—to the Federal Security Agency.

I digress at this point to dwell on the significance of the fact that after the experience of more than 6 years of the United States Employment Service, the President and the Congress deemed it advisable to take that Service away from the Department of Labor, in which it is proposed to be placed by the reorganization plan now before the Senate, and place it in the Federal Security Agency.

Mr. THYE. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. THYE. Can the Senator explain why it was transferred?

Mr. DONNELL. I shall come to that in a moment. I shall state what the President of the United States had to say about it.

Mr. President, after the State employment services were taken over by the Federal Government—and every Senator who formerly was a governor will remember when that occurred and will remember the problems which arose, doubtless, in the minds of so many governors as to whether it was proper to transfer State services to the Federal Government—the United States Employment Service was transferred from the Federal Security Agency to the War Manpower Commission, by Executive order of September 17, 1942. Of course it is obvious that it was of the highest importance, the country then being engaged in war, that activities of this type should have been consolidated in the War Manpower Commission.

On September 19, 1945, when the War Manpower Commission was abolished, the Service was returned to the Department of Labor, by Executive Order 9617. Then, Mr. President, effective July 1, 1948, the Service was transferred by Congress, under Public Law 646 to the Federal Security Agency. My recollection is that notwithstanding the fact that congressional action was effective July 1, 1948, in that respect, this Service would automatically have been retransferred to the Federal Security Agency 6 months after the conclusion of the war, I think, under the terms of the War Powers Act. My memory in that respect may be inaccurate. However, it is certain that by the act effective July 1, 1948, Public Law 646, the United States Employment Service was transferred to the Federal Security Agency.

In the other imaginary column which I have mentally drawn up is the history of the Unemployment Insurance Service. That history is much shorter and much simpler. That Service has been in the social-security branch of the Government since the enactment of the Social Security Act of August 14, 1935, and it never has been in the Department of Labor.

So we find—to revert for a moment to July 1, 1948, with the transfer on that date of the United States Employment Service back to the Federal Security Agency—that the United States Security Agency then resided side by side with the Unemployment Insurance Service in the Federal Security Agency. Today both of them are in the Bureau of Employment Security of the Federal Security Agency.

Mr. President, in a very short time I shall answer the Senator from Minnesota. I wish to refer, first, to a statement by President Roosevelt. I do not wish the Senator from Minnesota to think his question will remain unanswered.

The United States Employment Service and the Unemployment Insurance Service should be operated, I submit, in the same agency or department. The report of the Committee on Expenditures in the Executive Departments, filed on August 8, 1949, has this to say, at page 6:

> There was general agreement on the part of all witnesses, both for and against the plan, that the United States Employment Service and the Unemployment Compensation Service, which are the major components of the Bureau of Employment Security, should continue to be operated in conjunction with each other, regardless of any action taken on the plan.

So I shall assume that, with like unanimity of opinion, the Members of the Senate generally speaking will agree that the two Services should continue to be operated in conjunction with each other, regardless of what action is taken on this plan. The question of course which then arises is, should the place in which the two Services shall be operated be the Department of Labor?

Mr. President, I now address myself to the question of the Senator from Minnesota. I have before me the message issued on April 25, 1939, by President Franklin D. Roosevelt, with respect to Reorganization Plan No. 1, the plan which became effective on July 1 of the same year, 1939. In the message of the President occurs language which I trust will answer the Senator. President Roosevelt said:

> I find it necessary and desirable to group in a Federal security agency those agencies of the Government, the major purposes of which—

I underscore mentally, though they are not underscored by the President, the words "the major purposes." He says:

> I find it necessary and desirable to group in a Federal security agency those agencies of the Government, the major purposes of which are to promote social and economic security, educational opportunity, and the health of the citizens of the Nation.
>
> The agencies to be grouped are the Social Security Board, now an independent establishment; the United States Employment Service, now in the Department of Labor; the Office of Education, now in the Department of the Interior; the Public Health Service, now in the Treasury Department; the National Youth Administration, now in the Works Progress Administration; and the Civilian Conservation Corps, now an independent agency.

Continuing, the President said:

> The Social Security Board is placed under the Federal Security Agency, and at the same time the United States Employment Service is transferred from the Department of Labor and consolidated with the unemployment compensation functions of the Social Security Board in order that their similar and related functions of social and economic security may be placed under a single head and their internal operations simplified and integrated.
>
> The unemployment compensation functions of the Social Security Board and the employment service of the Department of Labor are concerned with the same problem, that of the employment, or the unemployment, of the individual worker.
>
> Therefore they deal necessarily with the same individual. These particular services to the particular individual also are bound up with the public-assistance activities of the Social Security Board.

I therefore submit to the Senate and to my friend from Minnesota, who inquired of me a few moments ago, that in this language the President of the United States, I think, stated very clearly his reason for transferring from the Department of Labor to the Federal Security Agency the United States Employment Service, which was then in the Department of Labor.

The Federal Security Agency issued its annual report for 1947. I appreciate the fact that the Federal Security Agency is here testifying in a way for itself, but

I think we are entitled to take into consideration what it says, and I desire to point out what it has to say, which I think bears upon the question at issue. The Federal Security Agency, in its 1947 annual report, at page 93, says:

> It is important, too, that the employment security program continue to function as part of a comprehensive system of social security. Old-age and survivors insurance and unemployment insurance cover largely the same workers and should move in the direction of uniformity of coverage. With uniformity the reporting burden for employers would be simplified and the program made more understandable to workers. * * *
>
> The employment security program also has close relationships with the public-assistance programs. Since both are Federal-State programs, both have been subject to a single set of personnel merit-system standards and, in many ways, a single set of fiscal standards. These devices make for ease and economy of administration and should be continued and expanded.

Mr. President, Congress has had before it on two occasions, when the membership of this body included a very large proportion of those who are now members of it, the question whether the Employment Service should be lodged in the Department of Labor. Also, in one instance, it has had before it the question whether the Federal Security Agency, the Bureau of Employment Security, should be lodged in the Department of Labor. What has Congress decided on these two questions?

In 1947 we had before us Reorganization Plan No. 2, presented to us by the President of the United States, in which it was proposed to lodge the Employment Service in the Department of Labor. I point out, of course, Members of the Senate, that this was objected to, or at least was objectionable, as I see it, on two grounds: one, the ground that the Department of Labor was not the proper repository for the Employment Service; the other, the fact that this involved a division, a separation of the two functions, the Employment Service and Unemployment Compensation. At any rate, the question was presented to Congress in 1947, whether the Employment Service should be placed in the Department of Labor; though in frankness I repeat, if I may, it involved separation of the two functions, and many a Senator may have voted against it who might have voted in favor of the placing of the function in the Department of Labor, had the two Services gone together. But the fact is that, regardless of what may have been the mental processes of Members of the Senate, Congress in 1947, in acting on the President's Reorganization Plan No. 2, declined to lodge the Employment Service in the Department of Labor, involving, as it did—and I repeat it so there can be no question as to a lack of frankness—involving, as it did, the separation of the two divisions of service.

But in 1948, Congress had a somewhat simpler problem. It then had before it Reorganization Plan No. 1 of 1948, which was submitted to it by the President. This plan did not involve any separation of the two functions. The plan involved turning over the functions both of the Employment Service and of the Bureau of Employment Security to the Department of Labor. I take it most of us will recall at least dimly the fact that in 1948 the Congress declined, by disapproving Reorganization Plan No. 1 of 1948, to transfer the United States Employment Service and the Bureau of Employment Security to the Department of Labor.

So we had before us only last year this precise question as to whether the functions of the two services, keeping them together like the Siamese twins, should be transferred to the Department of Labor, a department in which, as I have previously indicated, one of them would be a total stranger, because the Unemployment Insurance Service has never at any time been in that department. Congress declined, only last year, as I say, to approve the transfer of the two services.

What are the functions of those two services? I raise this question not as a matter of historical or factual interest, but in order that it may enable at least myself to determine whether the Department of Labor is the better of the two departments in which to lodge these functions. By use of the word "better" I have no criticism of the Department of Labor. I have a very great regard for the work which has been done by that department. My relationships both with the former and late lamented Secretary Mr. Schwellenbach, and with the present Secretary of Labor, Mr. Tobin, have been very pleasant indeed, and I have enjoyed my contacts with both those gentlemen. But the question arises as to whether the Department of Labor is the Department in which these functions should be lodged from the standpoint of best carrying forward the purposes of the two functions. What are the functions of these two services? I shall not attempt to go into a technical discussion of them. Indeed, I would be in water too deep for me to swim were I to undertake to discuss the complications of the technical operations of the two services.

But President Truman has given to us a very admirable and concise statement himself, which indicates, I think, quite clearly, his concept of the functions of the United States Employment Service. By letter of January 19, 1948, in which the President submitted last year the proposed reorganization plan of 1948, he indicates the functions, as follows:

> The provision of public employment offices which assists workers to get the jobs and employers to obtain labor.

The idea of obtaining jobs for workers and enabling employers to obtain labor from those workers, to the mind of the President of the United States, indicates the function of the United States Employment Service.

I think I should say, in fairness to the President, that in pointing out the functions of the two Services, he has come to a conclusion with which I most respectfully disagree, that the function to which I have referred "belongs under the leadership of the Secretary of Labor." But I was not quoting him with the design of indicating the ultimate conclusion, but rather the question as to what is the function of the United States Employment Service. As its name indicates, the assistance of workers to get jobs and employers to obtain labor, as the President has so clearly indicated, constitutes a very excellent statement of the function.

The President has given us in his same message on January 19, 1948, the following statement which indicates his view as to the functions of the Unemployment Insurance Agency:

> The Bureau of Employment Security in the Federal Security Agency administers the Federal activities relating to the Nationwide unemployment-compensation system. As a practical matter, these functions have proved to be intimately related to those of the United States Employment Service. Under existing State laws, claimants for unemployment compensation must register with the Employment Service before they may become eligible for benefits. In consequence, nearly all States have assigned the administration of those two programs to the same agency.

Thus it is, Mr. President, that the President of the United States not only emphasizes the importance of the assignment of the administration of these two agencies to the same agency, but also what he indicates to be the intimate relationship between the two Services and the duties and functions of the Unemployment Insurance Agency.

To simplify it perhaps a little bit more than does this very carefully worded statement of the President, let me say that if a man requests unemployment compensation, the theory of the law is, as I understand, that he must in some way evidence his willingness to take a job. He will not be given unemployment compensation unless he does evidence his willingness to be employed. I take it we all see the fairness of that. If any other rule were to be followed the unemployment-compensation plan would be but an encouragement to idleness and failure to work. So, obviously, these two Services have the functions, I think, which the President of the United States has indicated.

I now come to the question, Can the task of the two services be best performed in the Labor Department or in the Federal Security Agency? In answer to that question, I think it is fundamental that we should arrive at what is the major purpose to be achieved by the carrying out of the functions of each of these services. What is the major purpose of each of the respective Services? The late President Roosevelt had some ideas on this proposition. I have already quoted from his message of April 25, 1939, and I repeat the language in which he considered that the United States Employment Service of the Social Security Board was among the agencies "the major purposes of which"—and it will be recalled that I emphasized "the major purposes of which" by stating that I was mentally underscoring the words—"the major purposes of which are to promote social and economic security, educational opportunity, and the health of the citizens of the United States."

If it be true, and I think it is, as the President of the United States stated, that the major purposes of these two services are to promote social and economic security, educational opportunity, and the health of the citizens of the Nation, obviously the Federal Security Agency is the appropriate repository of

both of the two services which I am discussing, namely, the United States Employment Service and the Unemployment Insurance Service.

Furthermore, the Congress, by declining to transfer in 1948, as I have previously indicated, these services to the Department of Labor, when presented by the President with a reorganization plan which proposed to transfer to the Department of Labor both these services, evidenced very strikingly and, to my mind, very conclusively, its then opinion, only a year or so old, that the Department of Labor is not the advisable place in which to repose the respective functions.

Why is this, Mr. President? I do not say that there is any less efficiency in one department than in the other. I do not say that the men who are at the head of one department are superior in integrity or in intention to those who are at the head of the other department; but the fact is that in addition to the major purposes of the two branches, the Unemployment Compensation Agency on the one hand and the Employment Service on the other, being, as President Roosevelt indicated, social and economic security, educational opportunity, and the health of the citizens of the Nation—in addition to that fact, let us not overlook the further important fact, which I think has a very important bearing, that the United States Employment service and the Unemployment Compensation Service affect two interests, first, the employer, and, second, the employee; or let me say, first, the employee, and, second, the employer. I do not discriminate in their importance. Consequently, both these services affecting both the employer and the employee, should be administered by a neutral agency, rather than by one created, as in the case of the Department of Labor, with its purpose defined by statute "to foster, promote, and develop the welfare of the wage earners of the United States, to improve working conditions, and to advance their opportunities for profitable employment."

That language is found in the act of 1913, signed, as I recall, by the father of one of the very distinguished Members of the Senate.

The Labor Department has, and very properly so, a trust relationship under which, as the trustee for cestuis que trust, the labor interests, it has the duty of fostering and promoting the welfare of the wage earners of the Nation. I do not mean to say that there is hostility, or that there should be hostility, between management and labor. We have all seen, regrettably, in particular instances, that there has existed such hostility, and I think we all hope for the day, though we may doubt whether it will come, when that hostility may be at least measurably reduced and possibly eliminated to the very greatest extent compatible with human dispositions. But, Mr. President, we find there are those two interests, on the one hand, management, and, on the other hand, labor. Just as I think labor would be fully justified in objecting to placing these two functions of employment and unemployment compensation in the Department of Commerce, I think the representatives of the employer interest likewise have a just ground for objection to placing these functions in the hands of a department which is a trustee for those with whom management deals, and is not a trustee for both. The Labor Department itself has indicated, and very commendably so, I think, its recognition of its duty to act as a trustee for the interests of labor.

I could give various illustrations of that. I mention particularly the fact that in the Department of Labor there are, in addition to the Secretary and the Under Secretary, neither of whom is a member of a labor union, so far as I am informed, two Assistant Secretaries, Mr. Wright, who is a member of the American Federation of Labor, and Mr. Gibson, who is a member of the Congress of Industrial Organizations. There is likewise an Assistant Secretary whose nomination we confirmed only a few days ago, Mr. Kaiser, who I understand is not a member of a labor union. In the Bureau of Labor Standards is Mr. William L. Connally, who, I think, presides over that particular portion of the activities of the Labor Department, who was at one time the president of the Rhode Island State Federation of Labor. I understand that he is now a member of the International Typographical Union, under the American Federation of Labor, and at one time was international representative of the International Typographical Union.

The fact is, as I see it, that management, considering the functions of the employment service and of unemployment compensation in which they have a very great stake and interest, just as labor has a great stake and interest, is entitled to have the apprehension in its own mind as to whether its interests will be as carefully looked after and will be as well conserved as they would be were these two processes confined to and reposed in a neutral agency.

Thus it is, Mr. President, that we find manifested by employers a very real fear of jeopardy, particularly in the matter of experience rating. I heard with much interest and satisfaction what the junior Senator from Minnesota said shortly after I returned to the Chamber, that he understands that Mr. Tobin, the present Secretary of Labor, has indicated his friendship toward the idea of experience rating, and that he did so in his official work, I believe the Senator said, while he, Mr. Tobin, was Governor of Massachusetts. But, as the Senator from Minnesota very appropriately observed in the immediately following sentence or sentences, we are not to judge this reorganization plan by the mere accident of who happens to be at the moment occupying the position of Secretary of Labor.

Mr. President, surrounded as the Secretary is, and doubtless will be, by those who represent labor unions, as I have indicated, a member of the American Federation of Labor, and a member of the CIO, being two of the Assistant Secretaries of Labor, I undertake to say that those who favor the development and progress of the plans looking toward experience-rating provisions may well consider with apprehension, and may justly consider with apprehension, and may hesitate to avail themselves of the services of the Employment Service of the United States, because of the fear of the jeopardy of the experience-rating system.

Mr. President, it was my privilege to read some time back the testimony taken in 1946 in the hearings before the committee in the Seventy-ninth Congress, at page 1215, the testimony of Mr. Abraham L. Zwerdling, the president of the United Automobile Workers of America, CIO, who said:

> We strongly urge this committee to approve the adoption of language in the Social Security Act which will abolish experience-rating provisions in State laws. Such action will eliminate a system which offers a premium to persons who strive to save money by reducing essential benefits paid workers unemployed through no fault of their own.

Mr. Nelson H. Cruikshank, director of the social insurance activities of the American Federation of Labor, in testifying before the House Committee on Ways and Means, at page 1396, said:

> From long experience the American Federation of Labor is convinced that the most desirable single improvement that could be made in the present Federal-State program would be the elimination of the encouragement to the enactment of experience rating provisions in the State laws. This could be done by amending the Federal Unemployment Tax Act of the Internal Revenue Code to remove the additional credit provision for reductions in contribution rates resulting from experience rating.

A report was presented at the thirteenth national conference on labor legislation in December 1946, which report was published by the Department of Labor. Included in that report was this language:

> Those present were mainly labor commissioners and representatives of organized labor.

Again:

> The experience rating provisions in State laws have not proven effective in stabilizing employment but have proven to be powerful incentives to the adding of disqualification and restrictive eligibility provisions to the State laws, and to narrow interpretation of those provisions with the result that many persons in need of protection of unemployment insurance are deprived of their benefits.
>
> The committee recommends that the experience rating provisions be removed from State Unemployment Compensation laws.

So, Mr. President, without at this moment undertaking to espouse or oppose experience rating plans, I submit that those members of the ranks of employers who are fearful of what may happen under such a plan, if there shall be placed in the Department of Labor these two services, the Employment Service and the Unemployment Insurance Compensation, have very just ground for their apprehension, particularly in view of the fact that two of the three Assistant Secretaries of Labor are members of labor unions, and the other gentleman, Mr. CONNALLY, to whom I have referred,

has occupied the exalted position with the labor union which I have mentioned.

It is not strange, therefore, I take it, that we find in the report of the committee, issued on August 8 of this year, this language:

Interpreting the basic statute which established the Department of Labor as a mandate in the interests of one segment of the population only, opponents of Reorganization Plan No. 2 vigorously charged the Department with flagrant bias—

I pause there. I am not in accord with a statement to that effect. I have seen no indication of flagrant bias, but I am saying what the employers feel about it. I continue reading from the report—

pointed out that major labor organizations not only were represented at but dominated its top organization level, and expressed fear that employers would refuse to use the facilities of the Employment Service if it were transferred to the Department. Witnesses further alleged that transfer of the Bureau of Employment Security to the Department of Labor would result in eventual abolition of the efficiency rating system, under which formulas employers may obtain reduction in their unemployment-compensation tax rates if they achieve consistent employment records, pointing to the opposition of the Thirteenth Annual Conference of Labor Officials in 1946, sponsored by the Department of Labor, which adopted a resolution recommending that the experience rating provisions be removed from State unemployment laws, and the consistent opposition of labor organizations to the system since.

So, Mr. President, I respectfully have risen this afternoon to oppose the approval of Reorganization Plan No. 2. The plan, as I have indicated, excludes several things, to only a portion of which I have paid attention. Those to which I have paid attention are the transfer proposed by the plan of the United States Employment Service and the Unemployment Service to the Department of Labor.

I have submitted, first, that while I am most grateful, as we all are, to the Commission and to its distinguished head, Mr. Hoover, for the fine work which has been done by all the members, including the Chairman of the Commission, nevertheless I feel there is a duty on the Members of the Senate which could not be evaded even if we sought to do so. There is a duty on us to exercise our independent judgment on each and every proposal which shall be presented to us.

I have pointed out something as to the history of these respective Services, where they have resided during the period of their existence; the fact that the United States Employment Service has been in one place or another, which is explained entirely by the fact that just before the war it was necessary that the repository be changed from the Department of Labor to the Federal Security Agency, and that during the war the Service was transferred to the War Manpower Commission.

On the other hand the Unemployment Service has been always in the Federal Security Agency, since the Social Security Act of 1935.

I have indicated that both these services are today in the Bureau of Employment Security of the Federal Security Agency.

I have pointed out further that these two services should be operated in the same agencies or departments as to which there is general unanimity of action.

Then I have attempted to discuss the question as to whether the place in which the two services shall be operated should be the Department of Labor. I have pointed out the views of President Roosevelt, which would indicate, as I endeavored to point out as clearly as possible, very positively his views that the proper depository for these functions is in the Federal Security branch of the Government.

I have pointed out the views presented by the Federal Security Agency itself.

I have pointed out, in addition to those facts, the action taken by Congress itself in 1947, when it declined to transfer one of these branches—by itself, it is true, the Employment Service—to the Department of Labor; and that a year later, only last year, Congress declined to transfer the two of them linked together to the Department of Labor, as is now proposed.

I endeavored to discuss also, Mr. President, the functions of the two services as having a bearing on which department they would be most appropriately kept within.

Finally I have discussed the question of whether or not it is desirable from the standpoint of the best service to the Nation at large to place the administration of these functions in an agency which by statute of the United States is made a trustee for one particular group of our people rather than leaving it in an agency which is designed to have the neutrality which it seems to me it is fair for all parties to desire to be possessed by an agency in which these functions are carried out.

Mr. HUMPHREY. Mr. President, I now yield 15 minutes to the distinguished Senator from Utah [Mr. THOMAS].

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. HUMPHREY. I yield.

Mr. WHERRY. Does the Senator from Minnesota believe the debate will continue until 5 o'clock? That is, will all the time be consumed?

Mr. HUMPHREY. On behalf of those of us supporting Reorganization Plan No. 2 I will say that there are two or three more Senators who wish to make their presentations. I do not know how much time the Senator from Arkansas [Mr. MCCLELLAN] expects to use.

Mr. MCCLELLAN. Mr. President, I do not believe I have any more requests for time. I myself may use 5 or 6 minutes of time.

The PRESIDING OFFICER. The Chair recognizes the Senator from Utah.

Mr. THOMAS of Utah. Mr. President, I rise to support the President's recommendation. I find myself following my splendid colleague, the Senator from Missouri [Mr. DONNELL] who when discussing the Constitution, speaks so learnedly, as a lawyer, that I am very fearful even of mentioning the name of the document. I am not a lawyer, and have never argued a constitutional question from the standpoint of the law. As one who has gained his knowledge of the Constitution by having seen it in operation, and having seen what it has accomplished, I cannot refrain from at least saying that my concept of the Constitution is merely that it is a companion of the American people in the accomplishment of their ideals and ideas. It was set up by the people, and it was set up to function for the people. It has done so.

Mr. President, whenever we argue that the Constitution stands in the way of the accomplishment of the people's objectives, then we are indirectly arguing in favor of overcoming what the people wish in a people's government.

Mr. President, the provisions contained in Reorganization Plan No. 2 have, in whole or in part, been subject to consideration by the Congress on numerous occasions, as the Senator from Missouri [Mr. DONNELL] has stated. Last year, for instance, the President submitted the Reorganization Plan No. 1 of 1948 which would have permanently placed the administration of the Federal employment services and the unemployment compensation functions in the Department of Labor. Congress did not accept this plan, primarily on the ground that no basic reorganization of the executive structure should be made until the Hoover Commission had submitted its report and recommendations. After a thorough study, this Commission has unanimously recommended that the Congress take affirmative action and transfer the Bureau of Employment Security to the Department of Labor. Now, these groups who opposed Reorganization Plan No. 1 of 1948 must find another basis for their efforts to emasculate the Department of Labor. These groups now raise their voices to proclaim that the Department of Labor is biased and that it cannot, for some unexplained reason, administer the functions of the Bureau of Employment Security in a fair and impartial manner. Those who are acquainted with the past performances of these groups will quickly recognize that this is the same old song, being sung by the same chorus, with slight variations.

The allegation of the bias of the Department of Labor is a charge which is easily made but one which has never been proved. They who make the charge are never specific and are never detailed, primarily because there is not a shred of evidence that the Department of Labor is biased in the performance of its statutory functions.

It is interesting to note that many of the chambers of commerce of the various States and cities in the country who now express their opposition to this Reorganization plan, were among the first to express their unqualified support for the recommendations of the Hoover Commission a few short months ago. Those of us who have talked to the businessmen of our States about the recommendations of the Hoover Commission know that the overwhelming majority of them want this Congress to take affirmative action in order to place these recommendations into effect. But unfortunately some of these business organizations are staffed with professionals who oppose any constructive measure concerning the Department of Labor, regardless of the consequences of their actions. These professionals began sending telegrams to their membership informing them that

the Department of Labor was going to discriminate against the Nation's businessmen if Congress passed this reorganization plan. The members of the organizations were urged to express these distorted fears to the Members of Congress. Many businessmen were induced to do so; most of them without realizing that the Secretary of Labor would have no administrative discretion to look beyond the law which he administers in carrying out his duties.

Mr. President, in support of the argument that the Department of Labor is not biased, I should like to point out the way in which thousands of businessmen cooperate with the Department each year and how these businessmen turn to the Department every day of the year for information which they use in connection with their business activities. These concrete demonstrations of confidence in the integrity of the Department are a matter of record—cold, hard facts instead of unsubstantiated allegations. The extent to which industry cooperates with the Bureau of Labor Statistics is clearly indicated in the following:

Approximately 15,000 retail establishments report the prices of food, household furnishings, and other items for inclusion in the Consumer's Price Index of the Bureau.

One hundred and ten thousand establishments report to the Bureau of Labor Statistics each month on their pay rolls and employment figures.

This year 10,000 establishments are cooperating in occupational wage surveys.

Eleven thousand establishments submit quarterly reports to the Bureau on accidents; 45,000 other establishments cooperate in the more comprehensive annual studies of accidents; 20,000 contractors are also cooperating in the current study of accidents occurring in the construction industry.

Another example of industry's confidence in the Department of Labor is shown by the fact that corporations like General Motors utilize the Bureau of Labor Statistics Consumers' Index for adjusting the escalator clause in its contract with the United Auto Workers. Contracts based on the escalator clause in the great garment industry also rely on this consumers' index. The record clearly indicates that these reckless charges against the Department by the professionals in business organizations are refuted by the actions of their rank-and-file members.

I should like to go into detail concerning the Consumers' Price Index of the Bureau of Labor Statistics. Thousands of business establishments cooperate with the Bureau of Labor Statistics on a voluntary basis in the surveys and analyses which are necessary in the preparation of this index.

An evaluation of some of the uses of the Consumers' Price Index shows that in the spring of 1947, for instance, the Bureau of Labor Statistics requested comments from the approximately 7,300 individuals and organizations on its monthly mailing list. During the first 8 days after these requests were sent, 1 out of 3 of these users of the index replied with their suggestions and comments. This survey showed that the most important single use of the Consumers' Price Index was in connection with wage negotiations covering over 8,000,000 workers. Over 400 users of the index stated that the escalator clauses in their union-management contracts provided for changes in wage rates in accordance with changes in the Bureau of Labor Statistics' Consumers' Price Index.

The survey showed that manufacturers make a greater use of the index than any other single group. The survey indicated the following percentages of the index were used by various groups:

	Percent
Manufacturers	31.7
Wholesalers and retailers	11.5
Labor unions	9.6
Trade associations	7.7
Local governments	7.9
Research organizations	5.6
All others	26.0

At the present time 12,636 individuals and organizations receive the monthly report of the Consumers' Price Index, as compared with 7,300 in the early part of 1947. Do these facts indicate bias or lack of confidence in the work of the Bureau of Labor Statistics? Quite the contrary; it indicates the complete confidence manufacturers, both large and small, have in the impartiality and integrity of this Bureau.

In 1947, a business research advisory committee was created in the Bureau of Labor Statistics at the request of numerous business organizations. Through their representatives, these organizations stated that the Nation's business had a vital interest in the work carried on by the Bureau of Labor Statistics. The members of this committee are well-qualified experts in particular fields of business problems. The membership of the committee includes such outstanding businessmen as the assistant vice president of the Baldwin Locomotive Works, the chief economist of the Western Electric Co., the vice president and controller of H. R. Macy & Co., the executive vice president of the National Retail Lumber Dealers Association, the president of the American Iron and Steel Institute, the chief economist of the National Association of Manufacturers, the director of economic research of the Chamber of Commerce of the United States, the president of the Cotton Textile Institute, the executive secretary of the National Sand and Gravel Association, the managing director of the National Electrical Manufacturers Association, and the chief economist of the National Industrial Conference Board.

The Commissioner of the Bureau of Labor Statistics utilizes this business research advisory committee in an advisory capacity, on policy as well as technical matters. The Bureau also seeks the advice of the committee concerning the formulation of the Bureau's program for each fiscal year. The Bureau keeps the members of the committee informed on the important details of the studies and analyses which it undertakes. This year the committee has established various subcommittees on construction, productivity, employment, wages, industrial relations, wholesale-price index and consumer-price index. These subcommittees meet and discuss in detail the work of the Bureau. The record, therefore continues to emphasize how employers and business organizations have year after year utilized the services and facilities of the Department of Labor, participated in the activities of its committees, and placed confidence in the impartiality of its data.

Mr. President, I ask those who make allegations of bias against the Department of Labor to produce the facts, the proof, the tangible evidence to sustain their charges. I submit that those who indulge in this pastime cannot produce such evidence, simply because it does not exist.

The Department of Labor is an executive department, an agency charged with the responsibility of administering the acts of Congress. It is directed by officials who swear to an oath of office prescribed by Congress. The allegation that an executive agency of the Government is unfair or biased is, therefore, a very serious matter. I cannot believe that those who make such charges, unsupported by any evidence, realize the full implication of their acts. An allegation of this nature, founded on distortion, vague, and unsupported statements, attempts to undermine our confidence in the governmental structure at a time when we must proclaim faith in our democratic institutions.

Ample assurance is contained in this reorganization plan that the functions of the Bureau of Employment Security will be conducted in the same impartial manner as they are now conducted in the Federal Security Agency. I call attention to the Federal Advisory Council, which was established pursuant to the Wagner-Peyser Act. This Council has by statute the purpose "of formulating policies and discussing problems relating to employment and insuring impartiality, neutrality, and freedom from political influence in the solution of such problems."

By statute, the Council also has the right "of access to all files and records of the United States Employment Service." The Council is composed of men and women who represent employers and employees in equal numbers, and the public. There are 33 outstanding citizens serving on this Council at the present time.

Mr. President, under the provisions of Reorganization Plan No. 2 of 1949, this Council, which at present advises only as to the employment services, will also act in the future on matters relating to unemployment compensation. The representatives of employers and employees on the Council will have, by statute, the authority to check and scrutinize all the actions and policies of the Department of Labor regarding employment services and unemployment-compensation functions. I assure Senators that if there is any prejudicial action on the part of the Department of Labor in the administration of these functions it can be immediately publicized by the representatives of management.

At this point, I believe it would be well to examine the recommendations of the Committee on Reorganization of the Executive Branch of the Government with respect to the Bureau of Employment Security. This so-called Hoover Commission made the unanimous recommendation that the Bureau of Employment Security be transferred to the Department of Labor. This bipartisan Commission was created by Public Law 162 of the Eightieth Congress. It was composed of representatives of the public and of the executive and the legislative branches. It will be noticed that it did not include a single representative of labor, of a labor group, or of any labor organization. Two of the members of the Commission, however, were well-known employers. Both of them joined with the other members of the Commission in unanimously recommending the transfer of the Bureau of Employment Security to the Department of Labor. In commenting upon the desirability of this transfer the Commission said:

It is now generally agreed by both Federal and State officials that it is desirable to integrate fiscal and administrative review of the two State programs under the supervision of the same Federal department. The placement operations are the primary objectives of this dual arrangement. The paying of unemployment-compensation claims is a temporary expedient until the eligible worker can be brought back into the productive labor force. Occupational analysis, testing, reporting, counseling, and placement standards and procedures are the principal functions involved. These are employment functions.

Employment offices and unemployment compensation are more closely related to each other than to retirement or old-age assistance or educational programs. Both are Federal-State programs dealing with labor-force conditions and labor-management relations. These programs have close operating relationships with other employment and labor functions in the Department of Labor—with the Bureau of Labor Statistics, Women's Bureau, the Bureau of Labor Standards, and the Bureau of Veterans' Reemployment Rights. Personnel for these functions all acquire the same basic training in labor and employee relations problems.

In making its task force report to the Hoover Commission concerning public welfare, the Brookings Institution made the following statement:

One method of furthering * * * coordination would be to bring the facilities and resources of all agencies concerned with employment information, employment conditions, and employment processes under a common administrative head. This would be a proper statutory function of the Department of Labor, and adequate devices of congressional supervision and group consultation are available to foreclose any undue influence of either labor or management upon the administration of unemployment compensation.

The report also asserted:

It can hardly be questioned that better and less costly statistics could be obtained if the Bureau of Labor Statistics, the Employment Service, unemployment compensation, and possibly old-age and survivors insurance were in the same department.

This task force report of the Brookings Institution contained no point or fact in opposition to the transfer of the Bureau of Employment Security to the Department of Labor. If there had been any foundation for the charge that the Department of Labor is biased, the Brookings Institution and the Hoover Commission would no doubt have considered and commented upon any such facts. The studies, investigations, and recommendations of the Hoover Commission stand as positive evidence that the Department of Labor has performed its statutory duties with absolute integrity and complete impartiality.

Several bureaus in the Department of Labor work in close cooperation with business. In March of this year, for example, the Bureau of Labor Standards conducted the President's Conference on Industrial Safety. This conference was called by the President in order to aid in the initiation of a program to reduce the enormous toll of industrial accidents and the economic hardships resulting from such accidents. Nearly 1,000 persons came from most of the States, Hawaii, and Canada in order to take part in that program. Management representatives were constituted the largest group in attendance there, constituting 42 percent of all those present. Those business representatives were a cross section of American business, from the smallest corporations to the largest. In contributing their support and cooperation to this program, they found the Department of Labor conducting a program which would result in saving American business millions of dollars each year, through the reduction of industrial hazards and accidents.

During the war the Bureau of Labor Standards utilized the services of hundreds of safety engineers, lent from private industry and paid by private employers, in carrying out its accident-preventior program. An advisory council used in connection with that program was composed of members of management and labor organizations.

Mr. President, Congress is not being asked to assume that the Bureau of Employment Security will be administered in an impartial manner and with due regard for the interests of all groups. The Department of Labor administered the United States Employment Service from 1933 to 1939 and from 1945 to 1948. The record achieved by the Department during those periods stands as convincing proof that the Employment Service was and will be conducted in an honest and efficient manner. The official records show that employers utilized the Employment Service more during each year it was in the Department of Labor from 1945 to 1948 than in any other peacetime year since the creation of the Service in 1933.

Mr. President, the common problems of the employment services and unemployment insurance are primarily concerned with labor placement and the economic hazards of unemployment. In order to give the worker the maximum assistance in meeting such problems, these functions must be properly coordinated in one agency. The Department of Labor is equipped with several of the services necessary to the proper administration of these functions. It has the necessary specialists and the wealth of information on occupations, employment trends, wage rates, working conditions, labor legislation, and other matters essential to employment counciling and placement. In the interest of sound government and of efficient administration, it is necessary that the employment services and unemployment insurance functions utilize the services and facilities of the Department of Labor.

The PRESIDING OFFICER (Mr. HILL in the chair). The Senator's time has expired.

Mr. HUMPHREY. Mr. President, I yield to the Senator from Utah whatever additional time he requires.

Mr. THOMAS of Utah. I thank the Senator.

Mr. President, this reorganization plan places the emphasis in the most logical place. Primary emphasis will be directed toward the improvement of employment services in order to get unemployed persons back to work as rapidly as possible. From the standpoint of the worker, the employer and the public, the primary concern is employment. Although unemployment insurance benefits are essential, the workers' principal need and desire, in the event of unemployment, is a steady job. This objective can be realized by placing the Bureau of Employment Security in the same department with the Bureau of Labor Statistics, where the facts from all over the country are brought into the central offices, where there will be the factual information as to where there are shortages and surpluses in the labor market.

Mr. President, I have concluded that the Bureau of Employment Security will operate more efficiently in the Department of Labor than in the Federal Security Agency; that the recommendations of the Hoover Commission with respect to this transfer are based on sound principles of governmental organization; and that the evidence clearly and unmistakably shows that the Department of Labor will administer the Bureau of Employment Security in a fair and impartial manner. I sincerely urge my colleagues to join in voting to reject the resolution against Reorganization Plan No. 2, and, by so doing, to aid in the rebuilding of the Department of Labor to a position comparable with that of the other great executive departments.

Mr. McCLELLAN. Mr. President, I have no intention of taking considerable time on this issue. In fact, I had thought I would have nothing to say, because I do not regard this reorganization plan as one involving serious, vital, or fundamental issues, as I did Reorganization Plan No. 1, which I opposed. I felt that plan No. 1 involved something fundamental, something having far-reaching implications which ultimately would lead to unhappy consequences; and therefore I felt that plan No. 1 should be defeated.

As to plan No. 2, I see no such issue involved, although I shall vote against the plan because I see in it no economy, no increased efficiency.

The only actual justification and the greatest argument which has been urged in behalf of the plan, which would cause the transfer of these Services back to

the Department of Labor, is that it will build up the Department of Labor.

I served as a member of the Commission on Reorganization of the Executive Branch of the Government. I know just about what the discussions in that body were and the reasons assigned there for the recommendation that this transfer be made. The principal reason given for the proposed transfer was that in recent years the Department of Labor has been stripped of so many of its functions, so the Commission felt, that in order to strengthen the Department of Labor, these Services should be transferred to it.

Mr. President, my vote yesterday for the resolution of disapproval of Reorganization Plan No. 1 does not mean that I oppose the reorganization of the executive branch of the Government. I would have supported plan No. 1 insofar as the establishment or creation of a Welfare Department is concerned. To that, I have no objection. I did object, and I still disapprove and object to the effort which was made in that plan to put the public health services under the control of a Welfare Director, with unlimited power to organize, direct, and supervise them. I did not believe that was in the interest of the health of the Nation, or that an organization of that kind was in fact an effectual reorganization. I think the department in which they are placed makes very little difference to the United States Employment Service and the Unemployment Compensation Service. I do not believe any economy will be effected or any greater efficiency achieved by returning the Services to the Department of Labor.

There is but one objection, so far as I know, to the services being in the Department of Labor rather than in the Social Security Administration or elsewhere. The objection is, as has been stated here, and as the hearings fully reveal, that there is a fear which has been expressed over and over again by employers, that the Services if placed in the Department of Labor will be dominated, as they believe the Labor Department is, by the labor leaders of the country. Therefore, knowing that leaders of organized labor are interested in obtaining abolition of the merit system, they believed the Department would use all its power to accomplish that purpose.

It was further testified by a number of witnesses that for the Service to be operated properly and to be effective in the matter of placing workers who were unemployed, it was imperative there be full cooperation on the part of employers, and that if employers distrusted the agency in which the functions were lodged, or the administrative head of the agency, the employers would not cooperate with the Service, and therefore maximum benefits would not be obtained. That is the principal objection which is made.

It is argued and asserted by many that the fears which have been expressed are wholly unjustified. However unjustified they may be, if we indulge in that assumption, they are in existence; they are definitely present. It was revealed in the hearings, and we have had evidence of it in many ways. So long as the fear continues, until the Department of Labor can ingratiate itself into the confidence of the employers and dispel this fear, it is very doubtful whether the transfer to the Department of Labor will be in the interest of the Services themselves.

As I stated in the beginning of my remarks, I have no deep feeling about this matter one way or the other. Frankly, I see no reason why the Services could not be well performed within the Department of Labor, if the Department should undertake to administer the functions fairly and impartially. I see no reason why they cannot be properly administered in the Social Security Administration, where they are now. I do not see anything to be gained one way or the other by the transfer. The only reason for my voting against the plan is simply the deep and abiding fear which seems to exist on the part of employers who feel that their interest would not be protected, and would not be in the hands of impartial administrators, if the change were made.

Mr. President, I should like to make a further comment about Reorganization Plan No. 1 and the action taken by the Senate yesterday in defeating it. I know it was urged that if the plan were defeated it would mean there would be no effectual reorganization. I do not feel that way about it. I believe every Member of this body honestly wants to see effected a good reorganization, and I believe most of us will cooperate to that end. We did not like the plan, the way it was set up. I note that former President Hoover is quoted in today's New York Herald Tribune. He apparently does not feel as many yesterday predicted, that the failure of plan No. 1 to become effective would doom to failure the whole reorganization scheme. I quote from Mr. Hoover's statement, issued to the press after learning the results of the action of the Senate yesterday. He said:

> This is not a defeat for reorganization. I do not understand that the Senate was opposed to reorganization but disliked step-by-step action.

I think the former President is correct in his summation of the attitude of the Congress, or at least of the Senate. I may be mistaken, but from my own standpoint I think the President will get much better results, and the Congress will be far more inclined to go along and will be able to cooperate better if the reorganization plans are made comprehensive. The President should, if he desires to do so, follow the report of the Hoover Commission. Let him take the report and then lay before the Congress a plan substantially in line with it. But I think he should make it comprehensive so that when we look at the plan we shall know how far we are traveling and whether we are going all the way with respect to the functions and agencies that are involved. If we then do not like the Hoover Commission plan, or if we do not like whatever the Hoover Commission has recommended, the plan can be rejected. But if, looking at the Commission's recommendations, we see but a part of it, and if, as former President Hoover said yesterday regarding plan No. 1, there are other imperative steps which must be taken in order to make it effective, we shall feel that the other steps ought to be included in one plan, so we can see it as an integrated whole and be guided by it. We can then either support it or oppose it.

I hope the plans that may come to us in the future will be more comprehensive in scope, and that, if they are in line with the Hoover Commission recommendation, they will not propose a step-by-step procedure, when the whole reorganization can be effected in one plan. I believe we will make much greater progress if that procedure be followed.

Mr. President, I shall not take further time on this particular plan. It has been pointed out by other Senators that there are seven additional recommendations by the Hoover Commission which might well have been incorporated in this plan, and the whole reorganization in this respect could have been completed and effectuated by this one action.

Mr. President, I introduced the pending resolution of disapproval after the Committee on Expenditures in the Executive Departments had voted disapproval of the plan and at the request of the majority of the committee. I shall vote for the resolution but I have no deep feeling about it.

Mr. HUMPHREY. Mr. President, I should like to yield whatever time is required for the remarks of the Senator from Maryland [Mr. O'CONOR].

The PRESIDING OFFICER. The Senator from Maryland is recognized.

Mr. O'CONOR. Mr. President, I am grateful to my friend, the able Senator from Minnesota, for the allotment of time. I should like to say, before commenting on this particular plan, that I am highly gratified that the Senator from Arkansas [Mr. MCCLELLAN] has expressed himself as he has concerning the results following and the situation resulting from our vote of yesterday in which I joined with him in expressing disapproval of the President's Reorganization Plan No. 1, because I can say, without exaggeration, that no one in the Senate more than the able senior Senator from Arkansas, the chairman of the committee, has labored so earnestly and has so devoted himself throughout, not weeks, but months, in order to bring about the consummation of the over-all program as the result of which, unquestionably, our governmental processes will be the beneficiary.

Mr. President, the vote we are about to take on Reorganization Plan No. 2 of 1949 is of great importance. It may well set a pattern for congressional action with respect to other reorganization plans to follow which are and will be in accord with the recommendations of the Hoover Commission, and which Reorganization Plan No. 1 was not.

It is clear that the Hoover Commission reached conclusions upon which Reorganization Plan No. 2 is based. Desiring to uphold the report of the Commission in its entirety, I shall vote against Senate Resolution No. 151.

Members of the Senate will recall that the Hoover Commission was a creature

of the Congress. It was set up by us to consider the organization of the executive branch of the Government. It was a bipartisan commission of distinguished persons, headed by former President Herbert Hoover and having the present Secretary of State, Dean Acheson, as its Vice Chairman. That Commission, after careful consideration of the subject and of a task-force report prepared by the Brookings Institution, unanimously recommended transfer of the Bureau of Employment Security from the Federal Security Agency to the Department of Labor. There were two outstanding employers among the 12 members of the Commission, and no representatives of labor. Both of the employers on the Commission joined in this recommendation.

I am not satisfied that convincing reasons have been advanced for rejection of this Hoover Commission recommendation and the reorganization plan implementing it.

The Brookings Institution task-force report devoted several pages to a detailed exposition of the close relationship of the Bureau of Employment Security to other bureaus of the Department of Labor. The Hoover Commission concluded that there were "cogent reasons" why this Bureau should be transferred to the Department of Labor. It set forth these reasons clearly and persuasively. I am convinced that the reasoning of the Hoover Commission is entitled to great respect and that the interdependence of the Department of Labor and the Bureau of Employment Security is such that greater efficiency of operation can be effected by this transfer.

This plan has the support of the only living person who has been Chief Executive of the United States. It also has the support of all the agencies which would be affected by the transfer. Representatives of the American Legion and the Veterans of Foreign Wars testified in favor of the plan during the hearings before our committee.

I am sure that many of the objections to the plan are based more on fears than on facts. I am convinced that the Bureau of Employment Security will be operated fairly, efficiently, and economically in the Department of Labor. Were I not satisfied as to these points, I would oppose the plan.

Mr. President, the Employment Service was in the Department of Labor from 1933 to 1939 and from 1945 to 1948. There is no evidence that the Service was not operated impartially and effectively while it was in that Department. There is no evidence that employers and workers could not use the Service while it was operated by the Department of Labor. On the contrary, during the years 1945 to 1948, the Employment Service had more job orders and placements than during any other peacetime years since the Wagner-Peyser Act was enacted in 1933. These facts should dispel any apprehensions with respect to operation of the Bureau of Employment Security in the Labor Department.

It must be borne in mind that any statutory revisions which would be required to change either the merit-rating provisions of current laws, or the extent of unemployment-compensation payments or coverage, would have to be effected by the legislatures of the various States. No authority is given the Secretary of Labor under this plan to make any such substantive changes as some opponents of the plan seem to fear.

To my mind, maintaining maximum employment is one of the biggest problems we face today. I am anxious to see all reasonable steps taken to assure full employment and a high level of prosperity for our people. That is of great importance to us domestically. It is also vital to our fight against those elements who do not want our democratic system to be successful.

There are abundant reasons which might be cited in support of the proposal to place the employment service and unemployment-compensation functions in that agency so that they can best promote job opportunities. As the Hoover Commission noted:

> The placement operations are the primary objectives. * * * The paying of unemployment-compensation claims is a temporary expedient until the eligible worker can be brought back into the productive labor force.

I would therefore put the Bureau of Employment Security in the Labor Department and rely upon that agency to emphasize jobs rather than unemployment-compensation payments.

I shall vote for the transfer because I believe that the Hoover Commission's over-all program is in the interest of efficiency and that its proposals, of which this is one, should enable the Government to provide better services for all our people.

Mr. MAYBANK. Mr. President, I should like to ask the Senator from Minnesota if he will yield in order that I may make a short statement, because the Appropriations Committee is meeting, and I shall have to attend.

Mr. HUMPHREY. I shall be more than happy to yield to the distinguished Senator from South Carolina whatever amount of time it may require for him to make his statement.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. MAYBANK. Mr. President, I assure the Senator from Minnesota that I appreciate his yielding to me. My statement will not be very long.

I favor this plan, Mr. President, because I believe that the Bureau of Employment Security belongs in the Department of Labor. I know all of us are in general agreement that the present economic conditions of the country are sound at the present time. Nevertheless, the fact remains that there now are some three and one-half or four million unemployed workers in this country. This means that there is greater unemployment, perhaps, than at any time during the past 10 years. Certainly there are more unemployed people now than at any time since our entry into the war. While this condition has not reached serious proportions, at the same time it is evident that the Congress must take any practicable steps within its power which tend to reduce unemployment, and to make more effective the facilities of Government which assist workers in getting jobs.

I have been impressed with two outstanding facts presented in the course of this debate. The first is that the Bureau of Employment Security has the primary objective of placing workers in suitable employment. The second is that the Department of Labor, as contrasted with the Federal Security Agency, has as one of its primary functions the promotion of opportunities for profitable employment. It is unmistakable, Mr. President, that these are practically the same functions, and logically they should be joined together in the same agency.

On the other hand, as the distinguished Senator from Minnesota so ably demonstrated, the functions of the Federal Security Agency taken as a whole are, except for the Bureau of Employment Security, almost entirely unrelated to the business of helping workers to get jobs. This agency, as we all know, is concerned with the public health, the public welfare, and public education, in the strictest use of these terms. Except for the Bureau of Employment Security, this agency does not concern itself with employment problems or the operation of the labor market. It has nothing to do with labor-force conditions, with statistics on the occupational outlook, with the training of apprentices for entrance into the labor market, or meeting the problems arising from the employment of women under present-day conditions. None of these functions are carried out by the Federal Security Agency; whereas all of them, and others as well, are carried out by the Department of Labor.

It is almost self-evident that if we should place the Bureau of Employment Security in the Department of Labor we would be contributing to the more effective operation of that Bureau. We would also be contributing to the more effective operation of the present bureaus of the Department of Labor. When we coordinate all of these activities in one department, it seems to me that every one of these activities will benefit from a close day-to-day working relationship with the others.

I do not profess to know, Mr. President, whether or not this will result in any actual saving or decrease in costs of operations, but I can only conclude that not only the Bureau of Employment Security, but also the other bureaus of the Department of Labor, will unquestionably do a better job as a result of this transfer. In this way the taxpayers will get better value out of every dollar spent. In this way the Federal functions designed to help in the placement of workers will be improved. This improvement would logically cut down on the amounts which employers would have to pay by way of unemployment compensation benefits. And as an overall result, I believe that the Department of Labor and the Government as a whole would more fully accomplish their purpose of serving all of the people in our great democracy.

On account of these inescapable facts, Mr. President, I am heartily in favor of Reorganization Plan No. 2 of 1949.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed a joint resolution (H. J. Res. 339) amending an act making temporary appropriations for the fiscal year 1950, as amended, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

H. R. 2440. An act for the addition of certain lands to Rocky Mountain National Park, Colo., and for other purposes; and

H. R. 5086. An act to accord privileges of free importation to members of the armed forces of other nations, to grant certain extensions of time for tax purposes, and to facilitate tax administration.

HOUSE JOINT RESOLUTION REFERRED

The Joint resolution (H. J. Res. 339) amending an act making temporary appropriations for the fiscal year 1950, as amended, and for other purposes, was read twice by its title, and referred to the Committee on Appropriations.

REORGANIZATION PLAN NO. 2, 1949, TRANSFERRING THE BUREAU OF EMPLOYMENT SECURITY

The Senate resumed the consideration of the resolution (S. Res. 151) disapproving Reorganization Plan No. 2 of 1949.

Mr. HUMPHREY. Mr. President, I was hoping that in a very few moments the distinguished junior Senator from Oregon [Mr. MORSE] would be with us, and I am sure he will be. Until he returns to the Chamber, I think one or two observations might be made regarding the two most recent statements which have been presented, the first by the Senator from Maryland [Mr. O'CONOR], the second by the Senator from South Carolina [Mr. MAYBANK].

Particular emphasis has been placed upon the relationship between the obtaining of the job, the placement of the worker on the job, and the insurance which has been set up for the worker in the field of unemployment compensation. I think that may be the key point in the transfer of the Bureau of Employment Security to the Department of Labor. I think that is the key argument, along with the matter of the efficiency and effectiveness which those of us who are supporting the plan believe will be the accomplished end of Reorganization Plan No. 2.

I hope that those who examine the RECORD after these debates have been concluded, and those who have been so kind and so helpful as to stay with us and to meditate and think about the proposal which is before us, will keep in mind that what is being attempted is an honest, conscientious effort to coordinate the activities looking toward work opportunities of a great governmental department which has particular responsibility for the welfare of working men and women. I think it is about time that in this country, and particularly in the Congress, we emphasize that what we need is productive work. Our programs of social insurance are exactly what they are called, programs of insurance against the despair as a result of unemployment and of poverty. No American has ever projected for a moment that the programs for unemployment compensation and social insurance were the answer. The answer to America's need is production; production is possible through employment, employment is possible through the job and the worker being brought together, and the job and the worker are brought together, in this very complex and difficult age in which we live, when we have an agency that is trained in the mechanics of bringing the job and the worker together.

Mr. President, I am now happy to yield whatever time may be needed by the distinguished Senator from Oregon [Mr. MORSE] to present further the case in behalf of Reorganization Plan No. 2.

The PRESIDING OFFICER (Mr. JOHNSTON of South Carolina in the chair). The Senator from Oregon is recognized.

Mr. MORSE. Mr. President, I thank the Senator from Minnesota for allowing me a few minutes to express my support of Reorganization Plan No. 2. In supporting and voting for Reorganization Plan No. 2 this afternoon I feel that I shall follow a very consistent policy in respect to my position on the Hoover Commission plans for the reorganization of the executive branch of the Government. Yesterday afternoon I voted against plan No. 1, and in voting against that plan I feel that I followed a very proper and consistent course of action, because of my conviction that we should try to put into effect the Hoover Commission program whenever we think the facts support the program and not vote for wide divergences from it. After a very thorough study of Reorganization Plan No. 1, I satisfied myself that on the merits of the arguments plan No. 1 could not be reconciled with the recommendations of the Hoover Commission in respect to the reorganization of the medical services of our Government.

I voted against plan No. 1 yesterday afternoon also because I had held a series of conferences with outstanding educational leaders, and they satisfied me, on the basis of the discussions I had with them, that plan No. 1 was not in accordance with the best objectives of the educational groups of the country in respect to the need of a reorganization of the educational services of the Federal Government.

I voted against plan No. 1 yesterday afternoon for a third and equally important reason, namely, that in my judgment it proposed to vest entirely too much arbitrary power in one administrator. In accordance with my political philosophy I fear bigness, I fear vesting great power in individuals, and I was satisfied that the power of arbitrary decision which plan No. 1 would have vested in the Administrator of the Department set up under the plan was greater than I think it is safe to give any man if we are to be constantly vigilant in our protection of the democratic processes.

As I listened to the debate on plan No. 1 and also listened in many conferences to spokesmen for plan No. 1 who represented various groups I became more and more convinced that the plan was particularly desired by those who seek to advance the cause of compulsory health insurance in this country. I am satisfied that the best health interests of our people are not to be found in a system of compulsory health insurance. As a sponsor of one of the proposed pieces of health legislation, S. 1456, which is based upon a voluntary health insurance plan, I necessarily found myself in opposition to plan No. 1 because I decided that the administrative devices contained in it were designed or, at least, could be used to foster compulsory health insurance.

I do not agree that the defeat of plan No. 1 prevents sound reorganization of Government services in the field of health, education and welfare. There is a need for greater efficiency and economy in the operation of Government services dealing with health, education and welfare but I am satisfied those ends can be accomplished much better through a new reorganization plan which avoids the serious defects which I have just mentioned in respect to plan No. 1.

I, too, as the Senator from Arkansas [Mr. MCCLELLAN] has pointed out, am pleased to note that former President Hoover has stated, in a press release of today, that the defeat of plan No. 1 yesterday does not in any way mean the defeat of reorganization plans in the particular fields to which plan No. 1 addressed itself. I am satisfied that the President of the United States, in a spirit of cooperation with the Congress, which characterizes the man, will review the objections which have been made to plan No. 1, and, even though it is not to be expected that he will agree with our particular arguments or objections, will nevertheless recognize that under the American democratic process of give-and-take it is now incumbent upon him to submit to Congress a reorganization of his own reorganization plan in respect to the subject matter of plan No. 1.

I sincerely hope that the next plan which the President will submit to us on this subject matter will be so closely in line with the basic principle of the Hoover report on the same subject matter, that the junior Senator from Oregon will find himself, on the next vote, in support of the position taken by the President of the United States.

I say that, Mr. President, because I think it is due the President of the United States to have some member of the opposition party in the Senate of the United States extend to him very sincere commendation for the leadership he has been exercising in respect to the whole matter of the reorganization of the executive branch of our Government. Differ as I differed with him on plan No. 1, I have not differed with him on most of his other recommendations for reorganization because I think in the main he has followed the proposals for reorganization of the Hoover Commission reports. I think the people of the United States owe a great debt of gratitude to

the President of the United States for the leadership he has extended to them in the whole matter of reorganization of the executive branch of the Government. I certainly think the issue is a nonpartisan one. I think it is a task that should be performed by whoever is in the White House, be he a Democratic or a Republican President. Save and except for my difference with the President yesterday afternoon over plan No. 1, and a possible difference I may have with him over plan No. 7, I think he is doing a grand job in his recommendations for the reorganization of the executive branch of the Government. I believe that as the result of the program he has under way not only will there be a great increase in the efficiency of the executive branch of the Government but in due course of time the American people will reap the benefits of the savings in the cost of administration which will result from the leadership President Truman is exercising in this field.

I am sure, the task has not been easy for him. All Senators know the pressures to which they have been subjected and the objections and the exceptions from various groups, particularly in their home States they have been asked to support, when some particular part of one of the Hoover Commission reorganization recommendations steps on the toes of some particular interest in our States. If that be true of us, what do Senators think the President of the United States has been undergoing in regard to attempts to pressure him in respect to reorganization plans?

I hope I shall always be not only nonpartisan enough, but also fair enough, to give credit where credit is due. I think President Harry Truman is entitled to a very sincere expression of appreciation on the part of the American people for the courageous and forthright way in which he has taken hold of the task of making recommendations for the reorganization of the executive branch of the Government. The difference of opinion we had with him yesterday afternoon over plan No. 1 in no way, in my judgment, should be looked upon by him as any great discouragement in respect to the task which still lies ahead of him. If I know the caliber of his courage correctly, we will find in due course of time another proposal coming to us from the President of the United States in respect to the subject matter of Reorganization Plan No. 1, and it will be in the form of a plan which will so closely follow the major Hoover recommendations in this particular field that those of us who could not support the President yesterday will be able to support him in his next recommendation on this subject.

I turn now, Mr. President, to Reorganization Plan No. 2. I shall support it because I think it will carry out the basic principles of the recommendation of the Hoover Commission that the Bureau of Employment Security be transferred from the Federal Security Agency to the Department of Labor. I am convinced that such a transfer is in the interest of good government organization and efficiency. I do not know whether it will achieve dollar economies; but increased efficiency that would give us more service for every dollar spent is in itself an economy.

This plan came to the Congress with every presumption in its favor. It was recommended by President Truman, a Democrat, and by former President Hoover, a Republican. It was recommended unanimously by the bipartisan Hoover Commission. The heads of the agencies affected have testified in favor of the plan. It was, therefore, with great surprise that I found the Committee on Expenditures in the Executive Departments recommending that the Senate not favor the plan. Because of my great esteem for the members of the committee and because I know they gave long and thorough consideration to the subject, I have reviewed the committee's report with as great care as I am capable of reviewing anything.

I am unable to concur in the distinguished chairman's conclusion that this plan diverges from the recommendations of the Hoover Commission. As I read it, the plan implements exactly the recommendations made by that Commission.

The committee report states that the Hoover Commission recommended merging the functions of the Veterans' Employment Service with the Employment Service of the Bureau of Employment Security but did not recommend the abolition of the Veterans' Placement Service Board. The Hoover Commission found that the Veterans' Placement Board is an "anomalous administrative arrangement" and stated that "the need for its correction is evident." Report on the Department of Labor, page 16. The recommendation for merger of the Veterans' Employment Service with the Employment Service followed this statement. It would appear, therefore, that the abolition of the Veterans' Placement Service Board is fully consistent with the Hoover Commission recommendation.

It should also be noted that representatives of both the American Legion and the Veterans of Foreign Wars testified in favor of the plan.

I wish to say, Mr. President, that during the Eightieth Congress I had the privilege of serving as chairman of the Subcommittee on Veterans' Affairs of the Senate Committee on Labor and Public Welfare. That service gave me an opportunity to make many very careful and intensive studies into questions affecting the administration of veterans' affairs by the executive branch of the Government. It also gave me many opportunities to listen to the testimony and study the recommendations of the representatives of the American Legion and of the Veterans of Foreign Wars, and of the other veterans' organizations. On the basis of that experience, when the representatives of the American Legion, the representatives of the Veterans of Foreign Wars, and the representatives of other veterans' organizations tell the Senate that plan No. 2 has their approval, I say their recommendations are deserving of very careful consideration and are entitled to great weight on the part of the Senate of the United States. I say that because the representatives of those veterans' organizations are thinking in terms not only of the best interests of the veteran, but in the best interests of the administration of the Government. I have heard them say time and time again, both in public discussions before my subcommittee and in private conversations with me, that they are well aware of the fact that it is the veteran, after all, who is going to have to pay a large share of the cost of operating the Government through the taxes of the years to come. When these veterans' organizations come forward with a recommendation in support of plan No. 2, Mr. President, I know that they have in mind their best interest in efficient and economical operation of the Government. Therefore any argument in the course of the debate to the effect that the veterans' interests are not adequately protected under plan No. 2 I think falls to the ground on the basis of the recommendations of the representatives of the American Legion and the Veterans of Foreign Wars who are on record in favor of the plan.

The abolition of the Veterans' Service Placement Board is therefore satisfactory to the major veterans' organizations, as well as to the Government agencies involved.

The report characterizes as "divergence from recommendations of the Hoover Commission" the provision concerning the Federal Advisory Council, incorporated in Reorganization Plan No. 2. It notes that the Commission made no recommendation with respect to that Council.

In my opinion, the provision of the plan respecting the Council is one of our best assurances that the Department of Labor will operate the Bureau of Employment Security fairly and effectively. The Federal Advisory Council is composed of outstanding citizens representing the public, employers, labor, and veterans.

I think that the very creation of this Council under the plan effectively meets the argument of the distinguished Senator from Arkansas [Mr. McCLELLAN] in regard to alleged fears of the Department of Labor on the part of employers. In my judgment the Council will function as a watchdog, so to speak, as a forum to provide a check upon a factual basis of any employer fears which may develop in the future. But I hasten to add that I think the argument about the employers' fears is itself a fear argument, and not entitled to any substantial weight in this debate, in the absence of proof of any basis or justification for the fears. There is none, Mr. President.

We cannot get very far in the reorganization of the executive branch of the Government in the interest of efficiency and economy if every time some group expresses a fear that it may not receive impartial treatment under a reorganization plan, such expression is to be used as a basis for voting against the reorganization plan. As a lawyer, I must ask for evidence. There is no evidence in support of this fear on the part of employers.

One could make the point that this argument of the employers itself manifests a prejudice against labor; but I think that would be an equally unsound argument. We must look at this plan from the standpoint of whether or not the mechanics of it give us reasonable assurance of efficient administration.

The Federal Advisory Council which the Senate committee itself seems to think constitutes a divergence from the Hoover Commission report is in my opinion one of the guaranties of impartial, fair, and efficient administration of the plan. So I urge Members of the Senate not to give any weight to the argument which some speakers have made in this debate, that we should not vote for this plan because certain employers have expressed fears about it.

In respect to another phase of the Hoover recommendation for reorganization affecting the Army engineers, I am hearing, by way of some pretty hot pressures from my State, the argument that, of course, we must do nothing that would in any way encroach upon the jurisdiction of the Army engineers, because of the fear that it might have some detrimental effect upon Government projects being built in the Pacific Northwest by Government engineers. I have said to the people of my State, and I repeat this afternoon, that no such argument, based upon fear or upon plain selfishness, will cause the junior Senator from Oregon to divert one bit from his determination to support the Hoover Commission reorganization plan in respect to the Army engineers. I take this opportunity to tell the people of my State that I have made a thorough study of the Hoover Commission recommendations insofar as they affect the Army engineers, and I am satisfied that there is no basis for the fears expressed to me by the various groups, which apparently have undertaken a crusade to see to it that the Army engineers are in no way affected by any reorganization plan approved by the Senate.

Incidentally, I think the time has come when the Army engineers should be brought under a reorganization plan, in the interest of the efficient operation of the planning and construction of the great Government projects needed in the Pacific Northwest. They are not sacrosanct, and should not be so treated by the Senate. Nor should they be defended on the basis of any such insupportable fear arguments as are being sent to me by certain groups in my State, urging me to oppose any recommendation of the Hoover Commission which affects the Army engineers.

As I have said from the platforms of Oregon, I say from this platform today, that I shall support the Hoover Commission recommendations in respect to the Army engineers. I intend to continue to support the Hoover Commission recomendations in respect to other reorganization plans, in the absence of any clear evidence that such recommendations would result in damage to the efficient and economical operation of our Government. When I am convinced that a Hoover recommendation is not a good one I shall vote against it but the presumption is in favor of the Hoover reports as far as I am concerned.

So in respect to the question of the Federal Advisory Council, the fact that it is to be composed of outstanding citizens representing the public, employers, labor, and veterans commends that phase of the plan to me; and in my judgment is an adequate answer to the committee's argument that the creation of the council itself constitutes a divergence from the Hoover Commission recommendations. There is nothing in the Hoover Commission recommendations which would support the argument that the Commission would be opposed to any such council as the Federal Advisory Council.

Under the Wagner-Peyser Act the council has "the purpose of formulating policies and discussing problems relating to employment and insuring impartiality, neutrality, and freedom from political influence in the solution of such problems." By statute the council has "access to all files and records of the United States Employment Service." Under Reorganization Plan No. 2 this council would advise the Secretary of Labor with respect to the unemployment compensation activities of the Bureau of Employment Security as well as with respect to the Employment Service functions. Those who have expressed fear that the Department of Labor cannot operate the Bureau of Employment Security impartially and efficiently have in the Federal Advisory Council a check on the Bureau's operations and an insurance against bias or inefficiency. I assume that the committee has no objection to that provision of the plan which would permit the Federal Advisory Council to advise concerning all operations of the Bureau of Employment Security and to have access to the files and records of the Unemployment Compensation system as well as the Employment Service.

The report also noted as a "divergence from recommendations of the Hoover Commission" the fact that Reorganization Plan No. 2 does not include seven other recommendations of the Commission concerning the Department of Labor.

I fail to see how this is a divergence from the recommendations of the Commission. It is at best a failure to do the entire job at once. In that respect, I am satisfied by the explanation given to the House of Representatives on August 11, 1949, by the distinguished Representative from Ohio, the Honorable CLARENCE BROWN, who was a member of the Hoover Commission. He stated:

> Mr. Hoover and I realized the President could not send in all of his reorganization plans at once. In fact I believe this particular Reorganization Plan No. 2 is here rather as a side issue, as it were, and that it does not represent the President's complete reorganization plan for the Department of Labor. (CONGRESSIONAL RECORD, Aug. 11, 1949, p. 11303.)

The Hoover Commission brought in some 318 different recommendations and findings. Obviously they could not all be put into effect in a single plan or all at once. The Hoover Commission spent 2 years studying the subject of Government organization and bringing in these recommendations. We have merely 60 days to consider them. Under the circumstances, I am not at all sorry to find the plans coming up in small groups; nor do I consider it a divergence from the Hoover Commission's recommendations to adopt its recommendations one at a time, rather than all at once.

In connection with the failure of plan No. 2 to effect all the recommendations of the Hoover Commission with respect to the Department of Labor, I cannot help wondering how many persons who raised this as an objection to the plan would want transferred to the Department of Labor all the agencies and functions which the Hoover Commission has recommended be transferred to it.

Mr. President, I am satisfied that Reorganization Plan No. 2 is fully consistent with the recommendation of the Hoover Commission and properly implements the Commission's recommendation.

Furthermore, there is no question that the functions of the Bureau of Employment Security are much closer to those of the Department of Labor than to those of the Federal Security Agency. This was clearly demonstrated by the Brookings Institution task force report and by the Report of the Hoover Commission.

The Hoover Commission, adopting the findings of the Brookings Institution—task force report on public welfare, appendix P, pages 440–442—concluded that:

> Employment offices and unemployment compensation are more closely related to each other than to retirement or old-age assistance or educational programs. Both are Federal-State programs dealing with labor force conditions and labor-management relations. These programs have close operating relationships with other employment and labor functions in the Department of Labor—with the Bureau of Labor Statistics, Women's Bureau, the Bureau of Apprenticeship, Wage and Hour Division, the Bureau of Labor Standards, and the Bureau of Veterans' Reemployment Rights. Personnel for these functions all acquire the same basic training in labor and employee relations problems.
>
> The States themselves either place employment security in an industrial commission or labor department, in a department with other labor functions, or organize them independently. In no State are they merged with health, education, or welfare. In addition, more and more States are rewarding employers with good "experience" ratings in providing stable employment. This type of activity ties in directly with the kind of research and planning performed by the State labor agencies and by the Department of Labor, particularly that of its Bureau of Labor Statistics. (Report on the Department of Labor, pp. 13–14.)

In view of the findings of the Brookings Institution task force, what is the opposition to this plan, Mr. President? The report states—Report No. 852, page 7—that the opposition—

> was concerned chiefly with widespread employer distrust of the ability of the Department of Labor to operate either the United States Employment Service or the Employment Compensation Service on an impartial public-service basis.

Although I am sure these fears are real and are expressed in good faith, I do not

believe they are well-founded. I take that position for reasons which I have already set forth in the course of my remarks. Against these fears can be balanced some quite convincing facts. The Secretary of Labor testified before the committee that—

> During the 24 years when the Employment Service was in the Department of Labor employers did use it and on a constantly increasing scale. As a matter of fact, employers used the Employment Service more, as shown by job orders and placements in the official records of the Employment Service in the years 1945 to 1948 when the Employment Service was in the Department of Labor, than at any other peacetime year since the Wagner-Peyser Act was enacted in 1933.

No one was able to refute that statement.

In addition, Mr. Hoover testified before the committee on this subject. He stated:

> I do not believe that an employer ought to have any less confidence in the objectivity of the Labor Department than the Federal Security Agency. If there is such criticism the employer ought to realize that these bureaus placed in the Labor Department will be under the more vivid searchlight of public opinion than in the Federal Security Agency, whose major purposes are not related to the subject.
>
> My own view is that both sides would be better protected.

Mr. President, I agree with that appraisal of the situation by Mr. Hoover.

The report also notes—Report No. 852, page 7—that witnesses alleged that transfer of the Bureau of Employment Security to the Labor Department would result in eventual abolition of the experience-rating system, under which employers may receive reduction in their unemployment compensation tax rates if they achieve consistent employment records. Against these allegations must be weighed certain facts. First, the experience-rating system was created by Federal and State statutes. Only the Congress and the States can change or abolish experience-rating systems. Second, under the Federal Unemployment Tax Act, the Administrator of the program is limited in the exercise of his judgment to approving State statutes pertaining to unemployment compensation, including experience-rating systems. He has quite narrow discretion, as the Secretary of Labor admitted. Third, the Secretary of Labor testified that he has an open mind on the question of experience rating, and does not know what he would recommend to the Congress if he were asked. But a recommendation to Congress and action by Congress would be required. That is the point I wish to drive home in regard to the matter of experience ratings.

Mr. IVES. Mr. President, will the Senator yield on this point?

Mr. MORSE. I should like to conclude my remarks, and then I shall yield. I wish to keep within the time allotted to me.

The Secretary of Labor told the committee that he would consider very carefully the advice of the Federal Advisory Council on this subject. No one denied the Secretary's statement that the Federal Security Agency, on the other hand, has advocated the abolition of the system. Those who wish to see the experience rating system retained consequently have nothing to lose by the transfer of the Bureau of Employment Security to the Labor Department.

There were also allegations that the plan would not achieve economies but would increase costs. This was denied by the Federal officials affected and by the Director of the Bureau of the Budget who assured the committee that there would be no increase in costs for the same workload. I have no facts on which to base a contrary judgment. Nor do I have any reason to believe one is warranted. In fact, the Brookings Institution concluded that by reason of the transfer economies might be made with respect to employment statistics and employment outlook work—task force report, appendix P, pages 20, 413. Mr. Hoover, in testifying before the Senate Committee on Expenditures in the Executive Departments, said:

> I have the faith that this Bureau placed in the Department of Labor and associated with men who are familiar with the problems of labor, will get more economical handling than it will be as a sort of an orphan in the Social Security, where there are other and much more dominant activities.

I think that was a very clear statement of the situation.

Mr. President, I have not been convinced by the arguments against Reorganization Plan No. 2. In my opinion there is no sound basis for rejecting a plan so clearly implementing a logical and well-considered recommendation of the Hoover Commission.

I have carefully considered the objections of those employers who have expressed fears respecting the proposed transfer of the Bureau of Employment Security to the Department of Labor. I honestly believe their fears are, and will be proved, unfounded. In this respect I do not stand alone. Mr. Truman, Mr. Hoover, the other distinguished members of the Hoover Commission, with the exception of the able Senator from Arkansas, and the great majority of the House of Representatives, including Members on both sides of the aisle, share this view. I feel sure it is also shared by the majority of the Senators. I shall expect the Department of Labor to justify the confidence we are reposing in it.

I am satisfied further there is no basis for the fear that the experience-rating system will be damaged by this transfer. In regard to this point, I think the Department of Labor again has the obligation of justifying the confidence we are reposing in it. I take it for granted the Secretary of Labor will read the arguments which have been made in the course of the debate in connection with the experience-rating issue, and I am satisfied that on the basis of the testimony and the attitude taken by the Secretary of Labor at the time he appeared before the committee we are justified in the confidence that he will not make any recommendations in regard to the experience rating with out full disclosure of the pros and cons. It will then be the obligation of the Congress to take such action in respect to experience ratings as it believes the record at that time justifies.

I now yield to the Senator from New York.

Mr. IVES. Mr. President, the Senator from New York would like to ask the able Senator from Oregon whether he does not realize that under the interpretation of the term "other factors," found in section 1602, subdivision (a) (1), of the Internal Revenue Code, the Administrator or the administrating agency could almost wipe out—perhaps not completely—experience rating in any State of the Union?

Mr. MORSE. I have not studied that legal point in as much detail as I shall before rendering a judgment on that point of law. However, I am inclined to think that broad discretion does exist under the existing law.

Mr. IVES. That is exactly correct.

Mr. MORSE. And as the Senator from New York knows, the present Administrator has already expressed opposition to the experience rating.

Mr. IVES. The Senator from New York pointed that out in his remarks this morning. But the Senator from New York would like to ask the able Senator from Oregon whether he does not appreciate that that is the situation, under that particular section of the law?

Mr. MORSE. I do not deny that if some administrator wanted to exercise such an arbitrary discretion, he might have authority to exercise it, but I am not positive on that point as a matter of law. But if some administrator did exercise such discretion as the Senator from New York fears, I think he would very quickly find himself up against a congressional check.

Mr. IVES. There would be no congressional check, unless we were successful in obtaining passage of a bill.

Mr. MORSE. I do not think there is any question about our proceeding to take action if he exercised such arbitrary discretion.

Mr. IVES. The question might remain as to the determination of the Congress in that instance. I think the Senator himself will readily recognize that those matters are very controversial. We know the condition we are in at the present time, for instance, with respect to our calendar. A tremendous amount of damage might easily be done before any action at all could be taken by the Congress.

Mr. MORSE. I do not see that the argument advanced by the Senator from New York is an argument against plan No. 2. His suggestion has to do with a power that he alleges presently exists in the hands of the present Administrator, and which he fears the Administrator might exercise at some time. The Senator from New York ought to introduce a bill checking that discretion but not oppose Reorganization Plan No. 2.

Mr. IVES. Mr. President, the Senator from New York would like to point out that the present Administrator, though he has the authority, has not exercised it. But that does not mean that some Administrator in some other agency of the Government might not desire to do so, and might not dare to do so.

Mr. MORSE. Or that the present Administrator might not do it.

Mr. IVES. That is absolutely correct. There can be no argument about it. The fact still remains that, rightly or wrongly, a large portion of the small-business men of the country—I am not talking about the big fellows; I am talking about the little fellows—are definitely worried because they do not know what the attitude of the Department of Labor may be regarding the matter. They feel reasonably certain as to what may happen, so far as the present agency, the Federal Security Agency, is concerned. Perhaps their idea is not justified in either instance, but that is the way they feel.

Mr. MORSE. I have the greatest respect for the opinion of the Senator from New York on all issues, including this one. I completely disagree with him that the argument he has advanced is a good argument for voting against Reorganization Plan No. 2. It is a good argument in favor of the introduction by the Senator from New York of a bill which would meet the problem which concerns him so much. But I respectfully say that he should not oppose Reorganization Plan No. 2, because he fears that, at some time in the future, somebody might do something he wishes the law would make it impossible for him to do.

Mr. IVES. Mr. President, the Senator from New York would like to point out—and this is where the Senator from Oregon does not understand the attitude of the Senator from New York—that the Senator from New York does not have this fear. But the Senator from New York recognizes that the fear does exist, and it should be taken into consideration in this instance.

Mr. MORSE. No; I understand the Senator's argument. I simply do not think it is applicable to Reorganization Plan No. 2. It is applicable to the need for passing a bill which would prevent the accomplishment of the thing feared, which the Senator has pointed out to the Senate.

Mr. IVES. What would prevent the administering agency from withholding administrative funds? That is where he would exercise it.

Mr. MORSE. I understand the Senator's argument. I do not think it is a very good one in opposition to Reorganization Plan No. 2. We have plenty of checks on the use of funds by the Administrator and if he followed the course last suggested by the Senator from New York, I am sure our Appropriations Committee would take the matter up with the Administrator when he next came before the committee for a new appropriation.

TEMPORARY APPROPRIATIONS FOR THE FISCAL YEAR 1950

Mr. McKELLAR. Mr. President, will the Senator from Oregon yield to me for a moment?

The PRESIDING OFFICER. The time of the Senator from Oregon has expired.

Mr. HUMPHREY. Mr. President, in order to clarify the situation, I believe the distinguished leader of the opposition to the plan is willing to yield a few minutes to an advocate of it.

Mr. McCLELLAN. Mr. President, if the able Senator from Oregon wishes more time, I am glad to yield time to him.

Mr. MORSE. Then I yield to the Senator from Tennessee.

Mr. McKELLAR. Mr. President, from the Committee on Appropriations, I report favorably, without amendment, House Joint Resolution 339, which has been passed by the House, making temporary appropriations for the fiscal year 1950. The joint resolution would permit the payment of Government employees until September 15. I ask unanimous consent for the immediate consideration of the joint resolution.

The PRESIDING OFFICER. The joint resolution will be read by title, for the information of the Senate.

The CHIEF CLERK. A joint resolution (H. J. Res. 339) amending an act making temporary appropriations for the fiscal year 1950, as amended, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the joint resolution?

There being no objection, the joint resolution was considered, ordered to a third reading, read the third time, and passed.

Mr. McKELLAR. Mr. President, I thank the Senator from Oregon and the Senator from Arkansas very much indeed.

REORGANIZATION PLAN NO. 2, 1949—TRANSFERRING THE BUREAU OF EMPLOYMENT SECURITY

The Senate resumed the consideration of the resolution (S. Res. 151) disapproving Reorganization Plan No. 2 of 1949.

Mr. HUMPHREY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. STENNIS in the chair). As the Chair understands, the Senator from Arkansas has further time at his disposal.

Mr. McCLELLAN. I do not care to take any further time.

The PRESIDING OFFICER. The absence of a quorum is suggested. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Anderson	Graham	Lucas
Baldwin	Green	McCarran
Bricker	Gurney	McCarthy
Bridges	Hayden	McClellan
Byrd	Hendrickson	McFarland
Cain	Hickenlooper	McKellar
Capehart	Hill	McMahon
Chapman	Hoey	Magnuson
Chavez	Holland	Malone
Connally	Humphrey	Martin
Cordon	Hunt	Maybank
Donnell	Ives	Miller
Douglas	Jenner	Millikin
Downey	Johnson, Colo.	Morse
Dulles	Johnson, Tex.	Mundt
Eastland	Johnston, S. C.	Murray
Ecton	Kefauver	Myers
Ellender	Kem	Neely
Ferguson	Kerr	O'Conor
Flanders	Kilgore	O'Mahoney
Frear	Knowland	Robertson
Fulbright	Langer	Russell
George	Lodge	Saltonstall
Gillette	Long	Schoeppel
Smith, Maine	Thomas, Okla.	Wherry
Smith, N. J.	Thomas, Utah	Wiley
Sparkman	Thye	Williams
Stennis	Tydings	Withers
Taft	Vandenberg	Young
Taylor	Watkins	

The PRESIDING OFFICER. A quorum is present.

The hour of 5 o'clock having arrived, the Senate will proceed to vote on Senate Resolution 151. The question is on agreeing to the resolution, which reads:

Resolved, That the Senate does not favor the Reorganization Plan No. 2 transmitted to Congress by the President on June 20, 1949.

Mr. HUMPHREY. Mr. President, is it not a fact that a vote "nay" on the resolution is in substance a vote in support of Reorganization Plan No. 2?

The PRESIDING OFFICER. The Senator is correct. The question is on agreeing to the resolution.

Mr. WHERRY. I ask for the yeas and nays.

The yeas and nays were ordered, and the roll was called.

Mr. MYERS. I announce that the Senator from Florida [Mr. PEPPER], who is absent by leave of the Senate on public business, is paired on this vote with the Senator from Kansas [Mr. REED]. If present and voting, the Senator from Florida would vote "nay" and the Senator from Kansas would vote "yea."

I announce further that, if present and voting, the Senator from Rhode Island [Mr. McGRATH], who is absent on public business, would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN], who is absent by leave of the Senate, is paired with the Senator from Nebraska [Mr. BUTLER], who is absent by leave of the Senate. If present and voting, the Senator from Vermont would vote "nay" and the Senator from Nebraska would vote "yea."

The Senator from Maine [Mr. BREWSTER] is necessarily absent. The Senator from New Hampshire [Mr. TOBEY] is absent because of illness.

The Senator from Kansas [Mr. REED], who is absent by leave of the Senate, is paired with the Senator from Florida [Mr. PEPPER]. If present and voting, the Senator from Kansas would vote "yea" and the Senator from Florida would vote "nay."

The result was—yeas 32, nays 57, as follows:

YEAS—32

Bricker	George	Millikin
Bridges	Gurney	Mundt
Byrd	Hendrickson	Robertson
Cain	Hickenlooper	Saltonstall
Capehart	Hoey	Schoeppel
Cordon	Ives	Stennis
Donnell	Jenner	Taft
Dulles	Kem	Vandenberg
Eastland	McCarthy	Wherry
Ecton	McClellan	Wiley
Fulbright	Martin	

NAYS—57

Anderson	Ferguson	Holland
Baldwin	Flanders	Humphrey
Chapman	Frear	Hunt
Chavez	Gillette	Johnson, Colo.
Connally	Graham	Johnson, Tex.
Douglas	Green	Johnston, S. C.
Downey	Hayden	Kefauver
Ellender	Hill	Kerr

Kilgore	Malone	Smith, N. J.
Knowland	Maybank	Sparkman
Langer	Miller	Taylor
Lodge	Morse	Thomas, Okla.
Long	Murray	Thomas, Utah
Lucas	Myers	Thye
McCarran	Neely	Tydings
McFarland	O'Conor	Watkins
McKellar	O'Mahoney	Williams
McMahon	Russell	Withers
Magnuson	Smith, Maine	Young

NOT VOTING—7

Aiken	McGrath	Tobey
Brewster	Pepper	
Butler	Reed	

The PRESIDING OFFICER. On this question the yeas are 32, the nays are 57, and the resolution is not agreed to, not having received the affirmative vote of a majority of the authorized membership of the Senate.

REORGANIZATION PLAN NO. 7, 1949

The PRESIDING OFFICER. Under the order entered into on yesterday, the Chair lays before the Senate, Senate Resolution 155 disapproving Reorganization Plan No. 7 of 1949.

The Senate proceeded to consider the resolution (S. Res. 155) disapproving Reorganization Plan No. 7 of 1949, which is as follows:

Whereas Reorganization Plan No. 7 of 1949, transmitted to Congress on June 20, 1949, provided for the transfer of the Public Roads Administration to the Department of Commerce; and

Whereas there was subsequently enacted the Federal Property and Administrative Services Act of 1949 (Public Law 152), approved June 30, 1949, which abolished the Federal Works Agency and transferred all of its functions to the Administrator of General Services, and which changed the name of the Public Roads Administration to the Bureau of Public Roads and transferred all of its functions to the Administrator of General Services; and

Whereas Reorganization Plan No. 7 thus purports to affect agencies which do not in fact exist; and

Whereas section 9 (a) (1) of the Reorganization Act of 1949 (Public Law 109) provides, in substance, that any statute enacted in respect of any agency or function affected by a reorganization plan, before the effective date of such reorganization, shall have the same effect as if such reorganization had not been made; and

Whereas all doubt should be removed as to whether the above-cited statute has made such reorganization plan ineffective: Now, therefore, be it

Resolved, That the Senate does not favor the Reorganization Plan No. 7 transmitted to Congress by the President on June 20, 1949.

Mr. WHERRY. Mr. President, it is my understanding that under the unanimous-consent agreement previously entered into, Senate Resolution 155 is now being considered by the Senate. Will the Chair please make a statement respecting the division of time?

The PRESIDING OFFICER. Under the order previously entered into debate is limited to 1 hour. The time is controlled by the Senator from Arizona [Mr. HAYDEN], for the proponents of the resolution, and by the Senator from Arkansas [Mr. MCCLELLAN] for the opponents. Under the law the time is equally divided. It is now 12 minutes after 5 o'clock, so debate will continue until 12 minutes after 6.

Mr. HAYDEN. Mr. President, I submitted Senate Resolution 155 because I became firmly convinced that an act of Congress has superseded the reorganization plan, and that if the reorganization plan is not rejected there will be very grave confusion as to the state of the law.

I should like first to discuss the facts. The Congressional Directory shows that each of 27 Members of the Senate has served as governor of his State. I am sure all of them will confirm a statement of facts which I shall now make.

First, that the State highway department is an important, if not the most important public-works agency in any State.

Second, that the 27 Senators are all intimately acquainted with the fact of the close relationship between the Bureau of Public Roads and the State highway departments. That Bureau supervises all the Federal-aid projects in each State. That is to say, if a State submits a Federal-aid project, it must be approved by the Bureau of Public Roads before the work can begin, and then, in order for the State to obtain its share of Federal aid, the Bureau of Public Roads must again approve the construction of the project according to the plans.

Many of the former governors know of their own knowledge that in their States the Bureau of Public Roads actually constructs roads within national parks and in the national forests. They understand, therefore, that it is in truth and in fact a construction agency.

What happened with respect to the particular problem we have before us is this: The Commission on Organization of the Executive Branch of the Government appointed two task forces, one on transportation and one on public works. The task force on transportation recommended a Department of Transportation in the following language:

A Department of Transportation should be established to consolidate Government expenditure, programing, and operating functions into a single executive agency.

Then it recommended that the Office of Highway Transportation be created. This Office should carry out the Federal aid highway program, all Federal highway promotional activities, safety activities involving interstate motor carriers, and the maintenance of a motor vehicle inventory and war requirement estimates.

It further recommended:

(a) Federal aid activities would be transferred from the Public Roads Administration, Federal Works Agency.

The other task force, headed by Robert Moses, of New York, a very eminent engineer, recommended that a Department of Public Works be created, and that the Bureau of Public Roads be transferred to that Department.

The Commission in its report on reorganization of the Department of Commerce, rejected the recommendations of both the above task forces as to the establishment of either a Department of Transportation or a Department of Public Works, and instead made the following recommendation as to the Public Roads Administration:

The Public Roads Administration should be transferred from the Federal Works Agency to the Department.

The report in which the foregoing recommendation is made does not contain any specific data in support of the recommendation. I am convinced that it is based upon the fundamental fallacy that the Bureau of Public Roads is a transportation agency rather than a construction agency.

One does not have to look in the dictionary to know that "transportation" means the movement of things from one place to another. They can move by air, they can move by water, they can move over the land. If it were water transportation, a barge carrying goods could be engaged in transportation. If it were desired to regulate the river so that the barge could navigate it during all seasons of the year, the Corps of Engineers could build a great dam at the headwaters and conserve the floods so as to equate the flow or confine it to its banks by levees. But that would be construction. It would not be transportation.

The same is true of the Bureau of Public Roads. It provides a surface over which transportation may be carried, but does not engage in transportation itself. It is an engineering organization which determines what kind of road should be had, where the road should be located, the degree of curvature, the kind of surface, and many kindred questions. That is construction. In my judgment Mr. Moses and his task force were correct in assigning that work to a proposed works agency.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. CORDON. Can the Senator conceive of any activity which is delegated by law to the Department of Commerce, or which is engaged in by the Department of Commerce by virtue of any power delegated to it, which in any wise is so connected with, associated with, or has any relation to the Bureau of Public Roads as to permit of any integration, combination, or cooperation which would make for economy or efficiency in connection with the sort of transfer proposed in this plan?

Mr. HAYDEN. I cannot conceive of any such arrangement having that effect. Furthermore, the message transmitting this plan frankly confesses that it will not result in economy, which is one of the great objectives of the Hoover Commission.

Having this doubt, I asked the Legislative Reference Service of the Senate to look into the law on this question. I have great confidence in that Service. What stuck me more than anything else was Mr. Boots' comment on section 9 of the Reorganization Act. Section 9 (a) (1) of the Reorganization Act of 1949 reads as follows:

(1) Any statute enacted, and any regulation or other action made, prescribed, issued, granted, or performed in respect of or by any

agency or function affected by a reorganization under the provisions of this act, before the effective date of such reorganization, shall, except to the extent rescinded, modified, superseded, or made inapplicable by or under authority of law or by the abolition of a function, have the same effect as if such reorganization had not been made; but where any such statute, regulation, or other action has vested the functions in the agency from which it is removed under the plan, such function shall, insofar as it is to be exercised after the plan becomes effective, be considered as vested in the agency under which the function is placed by the plan.

Mr. Boots' comment is as follows:

While this provision is hedged about by a great deal of verbiage it would appear that it was designed to anticipate the case where, following the submission of a reorganization plan, Congress acted with respect to the agency or function affected in a manner inconsistent with the plan, and to make certain that in that situation the statute would have the same effect as if the reorganization had not been made.

What actually happened was that at the time this reorganization plan was submitted the House of Representatives had passed a bill creating the Federal Property and Administration Services, abolished the Public Works Administration, transferred the Public Roads Administration to the new agency created by law, and changed its name to the Bureau of Public Roads. That is the situation with which we are faced today.

I have very carefully read an opinion by Mr. Peyton Ford, Acting Attorney General, which was printed in the CONGRESSIONAL RECORD of yesterday, and I should like to submit some comments to the 65 lawyers in the Senate, who should be able to pass upon this question.

I have read the opinion of the Acting Attorney General with respect to the validity and effectiveness of Reorganization Plan No. 7 of 1949. It has not changed my opinion that this plan will not take effect upon the expiration of 60 days following its submission.

The Acting Attorney General lays great stress on the references in the President's message to the then pending Federal Property and Administrative Services Act of 1949 and particularly the President's reasons for including in section 4 of the plan the statement that the provisions of this reorganization plan shall become effective notwithstanding the status of the Public Roads Administration within the Federal Works Agency or within any other agency immediately prior to the effective date of this reorganization plan.

Leaving out of consideration the question as to whether Presidential messages make the law, and particularly whether messages transmitting reorganization plans are—as stated by the Acting Attorney General—an integral part of the plan, it would seem that the argument of the Acting Attorney General serves to emphasize the strength of the opposing argument which he is attempting to meet. That is, with the President's plan before it, and in the same document the President's message—although I would not regard it as an integral part thereof—the Congress saw fit to transfer the Public Roads Administration to an agency wholly different from the agency to which it is transferred under the plan. Every Senator knows that it is an elemental rule of statutory construction that where there is a conflict between two acts of Congress the most recently enacted statute takes precedence. It is so elemental that one Congress cannot bind another Congress that it hardly seems worth mentioning. How, then, can anyone argue that a reorganization plan and its accompanying message transmitted by the President to the Congress can take precedence over a subsequently enacted act of Congress, approved by the President, which is totally inconsistent with such plan?

That is exactly what happened here. The plan was submitted on the 20th of June, and on the 30th of June the new law went into effect.

With reference to the suggestion that the plan seeks to transfer from the nonexistent agency, the Federal Works Agency, another nonexistent agency, the Public Roads Administration, the Acting Attorney General suggests that the Reorganization Act deals primarily with functions and only secondarily with the transfer or abolition of agencies, and then goes on to point out that what is contemplated by Reorganization Plan No. 7 is the transfer of certain functions which at all times have remained in existence. I hesitate to say that the Reorganization Act deals only secondarily with the transfer or abolition of agencies. But in any event the fact remains that the plan transmitted to the Congress is not the plan that would be in effect upon the expiration of 60 days if the argument of the Acting Attorney General is correct. A plan to transfer an agency from the Federal Works Agency to the Department of Commerce is not a plan to transfer that agency from the General Services Agency to the Department of Commerce, any general statement in the plan to the contrary notwithstanding. Congress is entitled to 60 days' consideration of any plan transmitted to it, and the same considerations that might move a Member of Congress to favor a plan to transfer the Public Roads Administration from the Federal Works Agency to the Department of Commerce might not be effective with respect to a transfer from the General Services Agency.

I should be interested to know what the conclusion of the Acting Attorney General would be if instead of transferring the Public Roads Administration to the General Services Agency, the statute, Public Law 152, had split the Public Roads Administration and transferred part of it to the General Services Agency, part of it to the Department of the Interior, and part of it to the Department of Commerce. Could it be contended that the general statement in section 4 of the reorganization plan would have the effect of gathering up these component parts of the Public Roads Administration and bringing them together in the Department of Commerce when Congress had clearly indicated that it wanted only one segment of the agency in that department?

The Acting Attorney General refers to the suggestion that section 9 (a) (1) of the Reorganization Act of 1949 prevents the taking effect of Reorganization Plan No. 7 as based on an obvious misconstruction of that section. He points out that section 9 (a) (1) is clearly intended as a saving provision, designed to keep substantive authority and functions alive despite the fact that the power to exercise is transferred by the reorganization plan. Of course, there is no doubt that that was one purpose, perhaps the principal one, of section 9 (a) (1). But stripped of inapplicable language, the provision states unqualifiedly that any statute enacted in respect of any agency or function affected by a reorganization under the provisions of this act, before the effective date of such reorganization, shall have the same effect as if such reorganization had not been made.

In this connection the Acting Attorney General also refers to the so-called Taft amendment—section 5 (e) of the 1945 Reorganization Act—which reads as follows:

(e) If, since January 1, 1945, Congress has by law established the status of any agency in relation to other agencies or transferred any function to any agency, no reorganization plan shall provide for, and no reorganization under this act shall have the effect of, changing the status of such agency in relation to other agencies or of abolishing any such transferred function or providing for its exercise by or under the supervision of any other agency.

He states that this section in the 1945 act clearly restricts the power of the President to submit a plan which would have the effect of undoing recent congressional action and points out that no such provision is contained in the Reorganization Act of 1949. Of course, a reading of section 5 (e) indicates that it has much broader application than the Acting Attorney General intimates. The 1945 act was approved December 20, 1945; and thus section 5 (e) would prevent the President from changing the status of any agency if since January 1, 1945, Congress had established the status of that agency with relation to other agencies or transferred any function to any agency. Moreover, this section was inserted on the floor of the Senate, and I do not recall that the question as to whether it might cover a part of the field encompassed in section 9 (a) (1) of the 1949 act was analyzed or even debated. The 1945 act contained a similar provision.

The opinion under consideration also suggests that to reach a result adverse to the effectiveness of Reorganization Plan No. 7 would require a conclusion that the action of Congress in passing the Federal Property Act of 1949, in effect repealed the authority given to the President under the Reorganization Act, and suggests that implied repeals are not favored. However, on the other side of the picture, to reach a contrary conclusion would mean that the Congress had done a vain thing when it passed the Federal Property and Administrative Services Act. I do not believe that any such action should be attributed to the Congress in the absence of specific evidence to the contrary.

Finally the opinion suggests that there can be no question that the President the day after signing the Federal Property Act could have submitted a reorganization plan undoing the transfers effected by that act and the Congress would then have had 60 days within which to consider whether or not to disapprove such a proposal. It would seem that if the President wished to effect this transfer that is just the action that he should have taken.

Since I have argued that plan No. 7 would not take effect even though the Senate or the House fail to pass a resolution of disapproval prior to the expiration of the 60-day period after transmittal of such plan, Senators might logically ask me why I propose a resolution of disapproval. My answer to any such query is that I recognize that a forceful legal argument may be made on both sides of the question.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. LODGE. If this whole order is surplus and excess verbiage, why would it not be simpler to have the President withdraw it?

Mr. HAYDEN. It being a proposal recommended by the Hoover Commission, I think the President hesitated to withdraw it once it had been submitted to Congress. He would much prefer to have Congress determine what it will do with it.

That situation is exactly the same, as the Senator very well knows, as the situation with respect to the reorganization plan sent to Congress in connection with the Military Establishment. However, in that act provision was made that the act should take effect, and not the plan submitted. But that language was not in this statute, which leaves the confusion which I have been discussing.

While I personally feel that in view of the passage of the Federal Property and Administrative Services Act of 1949 subsequent to the time plan No. 7 was transmitted to Congress, the plan cannot take effect, I accord to the opinion of the Acting Attorney General the respect to which it is entitled; and I firmly believe that the only way we can clarify the situation at this late date is for the Senate to adopt this resolution of disapproval. If we do not disapprove the resolution and the administration attempts to make the plan effective by transferring the Bureau of Public Roads to the Department of Commerce, the Government will have this situation confronting them in the next 2 or 3 weeks.

In connection with the acquisition through condemnation proceedings for rights-of-way for Federal highways, the Secretary of Commerce will attempt to make the basic discretionary finding which is a statutory prerequisite to the institution of the condemnation proceedings.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. WHERRY. Did I correctly understand the Senator from Arizona to say that the Acting Attorney General was recommending that Congress disapprove the reorganization plan?

Mr. HAYDEN. No; I said the Acting Attorney General was recommending that Congress do not disapprove it.

Mr. WHERRY. Then how does the Senator from Arizona harmonize his position with the opinion of the Acting Attorney General?

Mr. HAYDEN. I do not. I disagree with the Acting Attorney General.

Mr. WHERRY. The Senator from Arizona disagrees with the Attorney General?

Mr. HAYDEN. I do.

I am pointing out the situation we shall be in if nothing is done. As I just said, in connection with the acquisition through condemnation proceedings for rights-of-way for Federal highways, the Secretary of Commerce will attempt to make the basic discretionary finding which is a statutory prerequisite to the institution of the condemnation proceedings. If not in that case, then in the next this authority will be challenged by the private land owner whose property is to be taken under such condemnation proceedings. Whether the courts will feel bound by the action of the Senate in failing to disapprove such plan is problematical. If the courts feel, as I do, that the plan has no legal effect because of the passage of the Federal Property and Administrative Services Act of 1949, the condemnation proceeding will be dismissed, and a chaotic condition will be created which we have now in our power to prevent. Even if the lower courts were to hold that the plan is in effect, there will be inevitable appeals in higher courts until the question is finally decided by the Supreme Court after a long period of litigation.

Therefore, Mr. President, it seems to me that the wise thing to do is for the Senate to reject this plan. Then if thereafter the President wishes to submit a plan which is not complicated by the conflicting legislation which applies to this plan, the Senate can agree to it.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr CORDON. Historically, was not the whole highway policy, adopted many years ago, predicated primarily on the necessity for an interstate, interconnected highway system, valuable primarily for national defense?

Mr. HAYDEN. That is the reason which induced President Wilson to sign the original Federal Highway Act.

Mr. CORDON. As a matter of fact, if we were going to examine the history of the national highway policy, if we were going to consider the basis upon which the major arterial highways have been designated and connected and constructed, and if we were going to insist upon the transfer to some department of what is one of the outstandingly efficient service organizations in the United States Government, it should properly go to the Department of Defense, should it not?

Mr. HAYDEN. Or, conversely, if the reasoning, which I believe to be fallacious, upon which this plan is based is correct, then the Corps of Engineers, since it has just as much to do with transportation as does the Public Roads Administration, should also be transferred to the Department of Commerce.

Mr. CORDON. Exactly. Would it not appear—as I think the Senator has suggested—that in the investigation made by the so-called Hoover Commission, inadequate consideration was given by the transportation section of that Commission to the basic authority and duties of the Public Roads Administration or, as it was formerly known, the Bureau of Public Roads, a construction agency, and in no sense a transportation agency?

Mr. HAYDEN. Yes.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. All time is to be divided between or allotted by the Senator from Arizona [Mr. HAYDEN] and the Senator from Arkansas [Mr. MCCLELLAN].

Mr. LODGE. Mr. President, I should like to ask a question.

Mr. McCLELLAN. I yield 5 minutes of my time to the Senator from Massachusetts.

Mr. LODGE. I still do not understand why the President does not withdraw this order, if it is merely a lot of excess verbiage. If it is excess verbiage, it seems to me the simple thing for him to do is to withdraw the order, and not make Congress go through the procedure of voting on it.

Mr. HAYDEN. I understand that. But if the President did that, he would do two things which he does not want to do: First, such action would be construed as discrediting the Hoover Commission's recommendation.

Mr. LODGE. How could that be?

Mr. HAYDEN. That is to say, having issued an order prior to the enactment of this statute, if the President were to withdraw it now because the statute had been enacted in the meantime, that action could be construed as an abandonment of the project by the President.

The other reason is also obvious: The President does not like to disregard the advice of the Acting Attorney General; and the Acting Attorney General has—in a very strained way, I think—endorsed the proposal that the plan, not the law, be in effect.

Mr. LODGE. Mr. President, the Senator from Arizona is one of the ablest and most lucid Members of this body; but he has not been very lucid in his reply to my question, because I do not think it in any way discredits the Hoover Commission to say that some event which has occurred subsequent to the time when the Hoover Commission made its recommendation, makes its recommendation obsolete. There is nothing insulting or discrediting about that, and I cannot believe that the President has such a mistaken sense of loyalty toward his Attorney General, or Acting Attorney General, that he will fail to withdraw something that is obsolete and that is excess verbiage, and will require us to go through all this procedure and then to vote. I think there must be

something about this matter that does not meet the eye.

Mr. HAYDEN. I say that the only way to remove the inconsistency would be for the President to withdraw the plan. Some good lawyer told me that the President doubted that he had the power to withdraw the order.

Mr. LODGE. We find good lawyers on all sides of questions, of course.

Mr. MARTIN. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield 5 minutes of my time to the Senator from Pennsylvania, if he wishes to have it.

Mr. MARTIN. I simply wish to ask a question. Does the Public Roads Administration do any actual construction, except in public parks?

Mr. HAYDEN. Oh, yes; the Public Roads Administration has supervised the construction of the Inter-American Highway through Mexico to Panama. It is now doing work for the State Department in Turkey and Greece. It supervised the construction of the Alaskan Highway during the war.

As the Senator has mentioned, it does, every year, substantial construction in both the national forests and the national parks, and I believe it does some work on the Indian reservations.

Mr. MARTIN. Mr. President, will the Senator yield for a further question?

Mr. HAYDEN. I yield.

Mr. MARTIN. So far as the relationship with the States is concerned, the Public Roads Administration does not do any construction work; does it?

Mr. HAYDEN. No; the theory of the Federal Highway Act from the beginning has been that the Federal Government would not build any State roads, but it would aid the States. The original act provided that unless a State had a State highway department—and half of the States did not have such departments at that time—it could not get the benefit of Federal aid. The State lets the contract; it lets it in accordance with specifications approved in advance by the Public Roads Administration. Then if the State builds the road in accordance with those specifications, the Public Roads Administration authorizes the making of the Federal payment to the State in the amount due.

Mr. ELLENDER. Mr. President, will the Senator yield for a question?

Mr. HAYDEN. I yield.

Mr. ELLENDER. Assuming that this proposal were legal, does the Senator feel that the Public Roads Administration should be transferred to the Department of Commerce?

Mr. HAYDEN. I do not, because, as indicated by the Senator from Oregon, the purpose of the Department of Commerce is to improve commerce and transportation. The Department of Commerce has nothing to do with the construction of roads.

My contention is that this is a construction agency, not a transportation agency. Therefore it does not belong in the Department of Commerce.

Mr. ELLENDER. So the main objection the Senator has is to transferring the roads agency from where it is now to the Department of Commerce. Is that correct?

Mr. HAYDEN. Exactly so.

Mr. MYERS. Mr. President——

Mr. McCLELLAN. I yield to the Senator from Pennsylvania.

Mr. MYERS. Only in the last moment have we heard anything about the merits of the proposed transfer. There may be real, good, and substantial argument as to the merits of the proposed transfer of the Public Roads Administration to the Department of Commerce, under this reorganization plan. However, the Senator from Arizona has devoted practically all his time to a discussion of the legality of the proposed transfer.

I certainly believe his legal argument is unsound. I base that opinion in large part on the opinion of the Acting Attorney General, addressed to the President, which appears on page 11565 of the CONGRESSIONAL RECORD under date of Tuesday, August 16.

The plan was forwarded to Congress on June 20, as I recall. The act transferring the functions of the Federal Works Agency, including the Public Roads Administration, to the new agency was enacted into law on June 30, some 10 days or so after the plan was sent to us.

The Senator from Arizona bases his legal argument on two premises, and I think both of them are fully and completely unsound, according to the opinion of the Acting Attorney General.

The Senator from Arizona bases his argument on the assumption that by reason of the abolition of the Federal Works Agency, as is set forth in the opinion of the Acting Attorney General, nothing remains upon which the President can exercise his power of reorganization.

The Acting Attorney General says:

> This assumption is untenable. The Reorganization Act of 1949, as was the case with previous reorganization acts, deals primarily with functions and only secondarily with the transfer or abolition of agencies.
>
> What is contemplated by Reorganization Plan No. 7 is the transfer of certain functions which at all times have remained in existence; functions which were not in their substance affected by the enactment of the Property Act of 1949. Plan No. 7 calls for the transfer of public-roads functions to the Department of Commerce. That is a result which can actually and legally be achieved despite the enactment of the Federal Property Act.

So says the acting Attorney General. He then goes on in his opinion to answer the second objection which has been raised to plan No. 7. He states:

> A second objection to plan No. 7 which has been raised is based on an interpretation of the provisions of section 9 (a) (1) of the Reorganization Act of 1949 to the effect that that section was designed to anticipate the case where, following the submission of a reorganization plan, the Congress acted with respect to the agency or function affected in a manner inconsistent with the plan, and to make certain that in that situation the statute would have the same effect as if the reorganization had not been made.

Mr. President, where the Senator from Arizona goes far afield is, I think, that he forgets that in the original Reorganization Act of 1945 there was also another section, called section 5 (e). If that section were still in the law, the Senator's argument might then be a valid one, because section 5 (a) of the 1945 act provided:

> If, since January 1, 1945, Congress has by law established the status of any agency in relation to other agencies or transferred any function—

As I say, Mr. President, that was done in the public law transferring the Public Roads Administration to the new agency.

> If, since January 1, 1945, Congress has by law established the status of any agency in relation to other agencies or transferred any function to any agency, no reorganization plan shall provide for, and no reorganization under this act shall have the effect of, changing the status of such agency in relation to other agencies or of abolishing any such transferred function or providing for its exercise by or under the supervision of any other agency.

But, Mr. President, the Senator from Arizona neglected to advise the Senate that the provisions contained in section 5 (e) was omitted from the 1949 act. Had it been included, his argument might have been valid. Section 9 (a) (1), the remaining section, is clearly intended, as the acting Attorney General stated, as a saving provision designed to keep substantive authority and functions alive, despite the fact that the power to exercise such authority or functions is transferred by the reorganization plan. The acting Attorney General has given some examples.

So, Mr. President, there might be objection to the merits of the transfer, but unfortunately there has been no debate on the merits. The merits, I believe, might be argued. But on the legal question I believe every Senator and every lawyer could well argue that the President has a perfect right through the reorganization plan to transfer the Public Roads Administration to the Commerce Department, despite the fact that the Congress adopted and passed the Federal Property Act of 1949, some 10 days subsequent to the submission of plan No. 7.

I reiterate, we certainly should not reject this plan merely because of the tenuous legal argument advanced by counsel for the legislative committee. I think we should give more thoughtful concern to the opinion of the acting Attorney General. Senators may well differ on the merits of the transfer, I repeat, but it is my firm opinion that the President certainly has every right under the law to send to the Congress Reorganization Plan No. 7, and, within the law, can well transfer the Public Roads Administration to the Department of Commerce.

Mr. McCLELLAN. Mr. President, I yield 5 minutes to the Senator from New Mexico [Mr. CHAVEZ].

Mr. CHAVEZ. Mr. President, I dislike to disagree with the acting majority leader even on legal matters, but I recall, once upon a time, when I was going to law school, our professor said, "If you do not know the answer to a legal proposition, then decide for yourself what it should be." He said, "When you are asked, 'What is the law'? give an answer as to what it should be." In this instance, we have the trained legal mind of the acting majority leader against an ordinary Senator from Arizona.

Mr. MYERS. I thank the Senator.

Mr. WHERRY. Not too ordinary a Senator.

Mr. CHAVEZ. With all due respect to the legal training of my friend from Pennsylvania, I still think there is more good law in the argument of the Senator from Arizona than in the argument of the Senator from Pennsylvania. It is true the discussion has turned to legal matters. I believe the merits of the proposition should be discussed and understood. As I look around at Senators who are kind enough to be listening t the debate, I know they are all in favor of good roads. This is a matter of good roads, purely and simply. It is nothing that has anything to do with legal arguments, either pro or con.

If Senators want good roads to continue, if they want an agency which has made good in this country, if they want the only agency which has the respect of the entire American people, they should leave the Bureau of Public Roads where it is, and where it belongs, to do its work. The Bureau of Public Roads, under the administration of the present Commissioner is known not only nationally but internationally. The Commissioner is respected not only in this country but abroad. If we go to any State in the Union, including Pennsylvania, we find the people are more interested in good roads than they are in any matter of legislation that may be presented to them. Good roads affect the farmer. They also affect the businessmen. They affect everyone in the entire country. The matter is simple. Has any Senator at any time heard the least suggestion that the Bureau of Public Roads as now constituted and directed has wasted a penny of the taxpayers' money? It is purely and simply a construction agency. It has nothing whatever to do with regulating commerce as between the State of Pennsylvania and the State of Ohio. It is interested in constructing good roads in Pennsylvania.

As stated by the Senator from Arizona, while it actually does not go on the ground, nevertheless it sees to it that the agency of the State of Pennsylvania carries out the provisions which Congress placed in the law. When decision is made as to a contribution by the Federal Government, it sees that the specifications are correct. It inspects the materials going into every foot of road.

Mr. President, I venture to say that there is not a Senator present who has as much respect for any other agency or department of the Federal Government as he has for the Bureau of Public Roads. So, why a change, as a matter of merit? Every department coming before the Committee on Appropriations has trouble. I have been a member of that committee for many years. The departments, including the Department of Commerce, have a difficult time selling their ideas. But there has never been one iota of doubt as to the honesty and sincerity of purpose or the honesty of administration of the Bureau of Public Roads.

If there is one Senator who has contributed greatly to the idea of public roads, it is the Senator from Arizona [Mr. HAYDEN]. If there is one Senator who sticks to the administration it is the Senator from Arizona. I succeeded him on the committee of this body which has to do with public roads. I am happy and proud of the fact that this body has selected me as chairman of the Committee on Public Works, which has jurisdiction over public roads. That committee has no politics. It is composed of Democrats and Republicans, but they are interested in public roads, and its members attempt to carry out the basic idea of the Senator from Arizona. The Senator from Arizona is a reasonable, honest, administration man. He tells the Senate that this plan is wrong. He has no ulterior motive, no politics in regard to it, no idea of gaining a few votes somewhere. For 33 years he has led this body and the other body in matters concerning public roads, and he asks the Senate to understand and to realize that this plan is not sound.

I have no reason to know why the President did not withdraw the plan. As a matter of fact, I have no reason to know why he submitted it.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. CHAVEZ. I yield.

Mr. MALONE. I should like to ask the distinguished Senator from New Mexico, this being a Federal highway department which we are asked to transfer to the Department of Commerce, whether the Department of Commerce, which has been a good department, has ever had anything to do with public roads?

Mr. CHAVEZ. It never has had. It controls and regulates transportation, for example, on the Chesapeake & Ohio Railway between here and Chicago, or any other transportation as such; but it never has had anything to do with the construction of a public highway. It is all new to that department.

Mr. MALONE. Mr. President, if the Senator will yield for one further question, has there ever been a breath of scandal or anything derogatory with regard to the Bureau of Public Roads?

Mr. CHAVEZ. It is one agency which stands high before the legislative body and before the American people. There are possibly 24 or more Senators in this body who have been Governors of their States. I asked them whether, while they were cooperating and receiving the benefits of the Federal Government in the construction of roads, they had ever had any difficulty with the Bureau of Public Roads, and the reply was that they had not.

Mr. MALONE. Mr. President, will the Senator yield further?

Mr. CHAVEZ. I yield.

Mr. MALONE. I should like to say to the Senator that at one time I was State engineer of Nevada, and I have just discussed with the head of that department this transfer. Of course they would conform, but they can hardly imagine—and nearly all of them are technical men—dealing with the Department of Commerce, where there is no comparable establishment at all. How would the Department of Commerce conform to this entirely new policy and this entirely new organization?

Mr. CHAVEZ. They will have to make the best of it. They are not in position to conform. They will do it, of course, if we put the responsibility upon them. But the question is, purely and simply, do we believe in good roads? Do we want to continue an honest administration of good roads? Do we want the States to have good roads? Do we want to get the farmer out of the mud? All right. Let us keep the situation as it is.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. CHAVEZ. I yield.

Mr. LODGE. Does the Senator think the Hoover Commission is opposed to good roads?

Mr. CHAVEZ. The Hoover Commission, in its report, did not recommend that the Bureau of Public Roads should not be a construction agency. As outlined by the Senator from Arizona, the task force of the Hoover Commission, headed by Mr. Moses, recommended that it be kept the way it is at this time.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. CHAVEZ. I yield.

Mr. MALONE. In view of the question asked by the Senator from Massachusetts, I should like to ask, inasmuch as it is with great reluctance that I vote against any of the reorganization plans, because in 1947, we initiated that kind of action and we are highly in favor of anything that will bring about greater efficiency and some economy, whether as a matter of fact, the Hoover Commission ever recommended such a thing.

Mr. CHAVEZ. Not that I understand. That is all I care to say.

The PRESIDING OFFICER. The Senator from Arkansas [Mr. MCCLELLAN] is recognized.

Mr. MCCLELLAN. Mr. President, if no other Senator wishes to speak on the resolution, I yield the time back to the Chair.

Mr. MYERS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Anderson	Hickenlooper	Millikin
Baldwin	Hill	Morse
Bricker	Holland	Mundt
Bridges	Humphrey	Murray
Byrd	Hunt	Myers
Cain	Ives	Neely
Capehart	Jenner	O'Connor
Chapman	Johnson, Colo.	O'Mahoney
Chavez	Johnson, Tex.	Robertson
Connally	Johnston, S. C.	Russell
Cordon	Kefauver	Saltonstall
Donnell	Kem	Schoeppel
Douglas	Kerr	Smith, Maine
Downey	Kilgore	Smith, N. J.
Dulles	Knowland	Sparkman
Eastland	Langer	Stennis
Ecton	Lodge	Taft
Ellender	Long	Taylor
Ferguson	McCarran	Thomas, Okla.
Flanders	McCarthy	Thomas, Utah
Frear	McClellan	Thye
Fulbright	McFarland	Tydings
George	McKellar	Vandenberg
Gillette	McMahon	Watkins
Graham	Magnuson	Wherry
Green	Malone	Wiley
Gurney	Martin	Williams
Hayden	Maybank	Withers
Hendrickson	Miller	Young

The PRESIDING OFFICER. A quorum is present. The question is on agreeing to Senate Resolution 155.

Mr. McCLELLAN. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. McCLELLAN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCLELLAN. A vote in the affirmative for the resolution is a vote to reject Reorganization Plan No. 7, is it not?

The PRESIDING OFFICER. The Senator is correct. The question is on agreeing to Senate Resolution 155, which disapproves Reorganization Plan No. 7 of 1949. A Senator who does not favor the plan of reorganization will vote "yea." A Senator who favors the plan of reorganization will vote "nay."

The hour at the end of which the vote would have been taken will expire at 12 minutes past 6. Is there objection to proceeding to vote at this time, 4 minutes after 6 o'clock? The Chair hears no objection.

Mr. WHERRY. Mr. President, the acting majority leader is not on the floor at the moment, and I hope the Members of the Senate will remain after the vote, because a unanimcus consent request will be presented relative to the debate on the nomination of Attorney General Clark, and with respect to the time at which the nomination will be voted on. I see the acting majority leader now in the Chamber, and I may state to him that the announcement was made yesterday by the majority leader that today there would be a recess from 6 until 7 o'clock for dinner, and that we would proceed with the consideration of the nomination after that time.

Mr. MYERS. I think all Senators are aware of the fact that after we conclude the voting on Reorganization Plan No. 7, it is the intention to call the Executive Calendar. There are on the Executive Calendar three treaties which I believe are noncontroversial. Then the noncontroversial nominations on the calendar will be called, and we will then proceed to the consideration of the nomination of Hon. Tom C. Clark to be Associate Justice of the Supreme Court of the United States. I understand that we will be able to secure a unanimous-consent agreement to recess after the nomination is made the pending business, to convene at 12 o'clock tomorrow and to vote on the nomination at 3:30 o'clock p. m. tomorrow. I shall present the unanimous-consent request after the vote on the reorganization plan.

The PRESIDING OFFICER. The yeas and nays have been ordered on Senate Resolution 155, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MYERS. I announce that the Senator from North Carolina [Mr. HOEY], who is absent on public business, would vote "yea," if present.

The Senator from Illinois [Mr. LUCAS], who is absent on public business, would vote "nay," if present.

The Senator from Florida [Mr. PEPPER] is absent by leave of the Senate on public business.

I announce further that, if present and voting, the Senator from Rhode Island [Mr. McGRATH], who is absent on public business, would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN], who is absent by leave of the Senate, has a general pair with the Senator from Nebraska [Mr. BUTLER], who is absent by leave of the Senate.

The Senator from Maine [Mr. BREWSTER] is necessarily absent.

The Senator from New Hampshire [Mr. TOBEY] is absent because of illness.

The Senator from Kansas [Mr. REED] is absent by leave of the Senate.

The result was—yeas 40, nays 47, as follows:

YEAS—40

Bricker	Holland	Morse
Cain	Hunt	Mundt
Chapman	Johnson, Colo.	Murray
Chavez	Johnson, Tex.	Robertson
Connally	Johnston, S. C.	Sparkman
Cordon	Kerr	Stennis
Donnell	McCarran	Thomas, Okla.
Ecton	McClellan	Thomas, Utah
Ellender	McFarland	Watkins
George	McKellar	Wherry
Gurney	Magnuson	Wiley
Hayden	Malone	Withers
Hickenlooper	Maybank	
Hill	Millikin	

NAYS—47

Anderson	Hendrickson	Neely
Baldwin	Humphrey	O'Conor
Bridges	Ives	O'Mahoney
Byrd	Jenner	Russell
Capehart	Kefauver	Saltonstall
Douglas	Kem	Schoeppel
Downey	Kilgore	Smith, Maine
Dulles	Knowland	Smith, N. J.
Eastland	Langer	Taft
Ferguson	Lodge	Taylor
Flanders	Long	Thye
Frear	McCarthy	Tydings
Fulbright	McMahon	Vandenberg
Gillette	Martin	Williams
Graham	Miller	Young
Green	Myers	

NOT VOTING—9

Aiken	Hoey	Pepper
Brewster	Lucas	Reed
Butler	McGrath	Tobey

The PRESIDING OFFICER. On this vote the yeas are 40, the nays are 47. The resolution is not agreed to, not having received the affirmative votes of a majority of the authorized membership of the Senate.

HOFFMAN'S WARNING TO THE 19 MARSHALL PLAN COUNTRIES

Mr. FULBRIGHT. Mr. President, I shall take but 1 minute of the Senate's time. I particularly want to commend Mr. Paul Hoffman for a statement which he made in Paris yesterday to the 19 Marshall plan countries. His statement was made at a meeting of the Organization for European Economic Cooperation in Paris. I desire to read one sentence he is reported to have uttered to that conference. These are the words of Mr. Hoffman:

> I want to say again and again and again to you that now is the time when there must be proof of accomplishment in the direction of genuine cooperation by the European nations to the end that this become as rapidly as possible a single market.

I think that shows that finally, after a year and a half, the ECA has come around to the view that there must be some coordination and unification economically of Europe.

The same article in the Washington Post quotes Mr. Andre Philipp, a Frenchman, of Strasbourg, France, as saying that "discouragingly little progress" has been made under the Marshall plan and that Europe is more divided economically than ever before. But the statement of Mr. Hoffman at least shows that at long last the ECA has come around to the view which I have described; and I assume that our State Department has endorsed that policy.

INDEPENDENT OFFICES APPROPRIATIONS—MOTION TO RECONSIDER

Mr. DOUGLAS. Mr. President, I rise to enter a motion that the Senate reconsider the vote whereby this body agreed to the House amendment to Senate amendment numbered 46 to House bill 4177, the independent offices appropriation bill for 1950. I should like to have the privilege of making a brief statement to clarify the situation, if I may.

Mr. WHERRY. Mr. President, will the Senator yield so that I may ask the majority leader a question?

Mr. DOUGLAS. I yield.

Mr. WHERRY. Would it not be possible at this time to get a unanimous-consent agreement with respect to the nomination of Mr. Clark to be Associate Justice of the Supreme Court, and the nomination of the Senator from Rhode Island [Mr. McGRATH] to be Attorney General?

Mr. MYERS. I do not believe the Senator from Illinois will take very long. Other Senators have taken time.

Mr. DOUGLAS. Mr. President, I shall take not more than 10 minutes.

The parliamentary situation with respect to Senate amendment 46 to H. R. 4177, the independent offices' appropriation bill, seems to be as follows:

Senate amendment 46 would have appropriated $21,667,000 to the Office of Housing Expediter for administrative expenses required to administer the Housing and Rent Act of 1947, as amended most recently by Congress in the Housing and Rent Act of 1949, approved March 30 of this year.

The 1949 act added to the administrative duties of the Office of Housing Expediter. It required him to designate an officer for each area rent office as a small landlord-tenant helper to assist them in obtaining the rights afforded them by the act. It increased the responsibilities of that office by extending the scope of its authority to initiate legal action against violators of the law, directly through action to recover damages for rent overcharges and indirectly by reporting to the Attorney General of the United States cases where there appeared to be grounds for seeking injunctions against violation of any part of the Rent Control Act. It also placed in the Office of Housing Expediter the entire duty of regulating evictions. Under the Housing and Rent Act of 1948, the Housing Expediter had no authority to regulate evictions.

In view of the need for carrying out these and other duties, the Bureau of the Budget approved an amount of $26,750,000 for administrative expenses. The request for that amount was considered by the Senate Committee on Appropriations, which had before it for consideration H. R. 4177, the independent offices appropriation bill. This bill

had been reported from the House Committee on Appropriations on April 11, 1949, and passed by the House on April 14, too early for inclusion of a request for an appropriation for administrative expenses of the Office of Housing Expediter. The Office was in no position to request appropriations for the current fiscal year until passage of the Housing Act of 1949, which was not approved by both Houses until March 30, 1949.

After consideration, the Senate Committee reduced the recommended appropriation by 10 percent to $24,075,000 and included it in H. R. 4177 as Senate amendment 46.

During the debate in the Senate on July 29, 1949, this amount was further reduced on the motion of the senior Senator from New Hampshire [Mr. BRIDGES] to $21,667,000 by the extremely narrow margin of 3 votes, the count being 45 to 42. In other words, after an initial cut of 10 percent, the Senate made a further cut of about 10 percent.

In this form, amendment 46 went into conference and the conferees were unable to reach an agreement. It was reported in disagreement by the conferees in Conference Report No. 1262, dated August 12. In the statement of the managers on the part of the House, the managers stated that they would move to recede and concur in the Senate amendment with an amendment.

Such a motion was made by the gentleman from Texas [Mr. THOMAS] on August 15 and was agreed to without discussion or explanation. The effect of this amendment was to reduce the appropriation from $21,667,500 to $17,500,000, or a further reduction of approximately 20 percent from the preceding figure.

This action by the House was embodied in a message from the House, strangely dated August 14, announcing its action on six Senate amendments to H. R. 4177 on which the conferees were unable to reach agreement. This message was received in the Senate late in the day of August 15 and was acted upon immediately without explanation, although without objection. The distinguished senior Senator from Wyoming [Mr. O'MAHONEY] moved that the Senate concur in the House amendments to the six Senate amendments to H. R. 4177 covered by the message, with the exception of amendment 74 having to do with veterans' educational aids. That motion was agreed to. No discussion was had relative to amendment 46.

I have requested reconsideration of that action as it affects amendment 46 because I would feel remiss in my duties were I not to invite the attention of the Members of this distinguished body to the unfortunate results which would flow from slashing the appropriations for the Office of Housing Expediter to $17,500,000.

For the last fiscal year, appropriations of $22,222,200 were made to that office. Some of that amount was made in the form of deficiency appropriations. In view of the additional duties placed upon the Housing Expediter only a few months ago by this same Congress, I assume it was not the intention of the conferees or of this body that the Housing Expediter engage in a wholesale dismissal of personnel. Since Congress must expect him to execute the duties vested in him, I would guess it was probably the thought of the conferees that he should continue to employ the personnel needed for that purpose until decreases in personnel are made possible by the tapering-off of the areas in which Federal rent controls are still effective. In view of the sizable reduction in appropriations below those approved by the Senate, I gather the conferees must have expected these decreases in over-all duties to occur rapidly as the present date for expiration of Federal rent controls, June 30, 1950, approaches. I assume, and would appreciate being corrected if this is not the case, that should this substantial tapering-off of duties of the Office of Housing Expediter not occur, the Senate committee would entertain a request for such deficiency appropriations as may be justified in the light of conditions as they exist when the current appropriation shall have been exhausted.

I personally feel that despite these assumptions, the amount of $17,500,000 is not sufficient to enable the Office of Housing Expediter to do an adequate job of executing the Federal rent control laws.

I therefore enter a motion to reconsider the vote whereby the Senate agreed to the House amendment to Senate amendment No. 46 to H. R. 4177, the independent offices appropriation bill for 1950.

The PRESIDING OFFICER. The motion will be entered.

EXECUTIVE SESSION

Mr. MYERS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. (Mr. STENNIS in the chair). If there be no reports of committees, the clerk will proceed to state the business on the Executive Calendar.

INTERNATIONAL RECOGNITION OF RIGHTS IN AIRCRAFT—CONVENTION PASSED OVER

Executive E (81st Cong., 1st sess.), the Convention on the International Recognition of Rights in Aircraft, signed at Geneva on June 19, 1948, was announced as first in order.

Mr. MYERS. Mr. President, that treaty is to be passed over.

Mr. CONNALLY. Mr. President, this is a treaty which was handled in the subcommittee by the Senator from Florida [Mr. PEPPER]. It was thoroughly explained to the Foreign Relations Committee, and we think it should be ratified. It is not controversial. No one objected to it.

Mr. WHERRY. Mr. President, I had understood that the treaties to be considered were the remaining treaties on the calendar. Personally I have no objection to this particular treaty, but I should like very much to have an opportunity to consult with one or two Sentors who I know are vitally interested in the recognition of rights in aircraft before the treaty is approved. Would the Senator from Texas consent to allowing the treaty to go over until tomorrow?

Mr. CONNALLY. I shall be obliged to do so if the Senator from Nebraska so requests. There was no opposition in the committee to the treaty.

Mr. WHERRY. I understand that. However, one Senator asked me about the treaties to be considered, and I did not know that this treaty was to be considered. I understood that it was the remaining treaties which were to be considered.

Mr. CONNALLY. Very well.

The PRESIDING OFFICER. The treaty will be passed over.

INTERNATIONAL CONVENTION FOR THE NORTHWEST ATLANTIC FISHERIES

The Senate, as in Committee of the Whole, proceeded to consider the convention, Executive N (81st Cong., 1st sess.), the International Convention for the Northwest Atlantic Fisheries, formulated at the International Northwest Atlantic Fisheries Conference and signed at Washington under date of February 8, 1949, by the plenipotentiaries of the United States of America and by the plenipotentiaries of certain other governments, which was read the second time, as follows:

INTERNATIONAL CONVENTION FOR THE NORTHWEST ATLANTIC FISHERIES

The Governments whose duly authorized representatives have subscribed hereto, sharing a substantial interest in the conservation of the fishery resources of the Northwest Atlantic Ocean, have resolved to conclude a convention for the investigation, protection and conservation of the fisheries of the Northwest Atlantic Ocean, in order to make possible the maintenance of a maximum sustained catch from those fisheries and to that end have, through their duly authorized representatives, agreed as follows:

ARTICLE I

1. The area to which this Convention applies, hereinafter referred to as "the Convention area", shall be all waters, except territorial waters, bounded by a line beginning at a point on the coast of Rhode Island in 71°40′ west longitude; thence due south to 39°00′ north latitude; thence due east to 42°00′ west longitude; thence due north to 59°00′ north latitude; thence due west to 44°00′ west longitude; thence due north to the coast of Greenland; thence along the west coast of Greenland to 78°10′ north latitude; thence southward to a point in 75°00′ north latitude and 73°30′ west longitude; thence along a rhumb line to a point in 69°00′ north latitude and 59°00′ west longitude; thence due south to 61°00′ north latitude; thence due west to 64°30′ west longitude; thence due south to the coast of Labrador; thence in a southerly direction along the coast of Labrador to the southern terminus of its boundary with Quebec; thence in a westerly direction along the coast of Quebec, and in an easterly and southerly direction along the coasts of New Brunswick, Nova Scotia, and Cape Breton Island to Cabot Strait; thence along the coasts of Cape Breton Island, Nova Scotia, New Brunswick, Maine, New Hampshire, Massachusetts, and Rhode Island to the point of beginning.

2. Nothing in this Convention shall be deemed to affect adversely (prejudice) the claims of any Contracting Government in regard to the limits of territorial waters or to the jurisdiction of a coastal state over fisheries.

3. The Convention area shall be divided into five sub-areas, the boundaries of which shall be those defined in the Annex to this Convention, subject to such alterations as may be made in accordance with the provisions of paragraph 2 of Article VI.

ARTICLE II

1. The Contracting Governments shall establish and maintain a Commission for the purposes of this Convention. The Commission shall be known as the International Commission for the Northwest Atlantic Fisheries, hereinafter referred to as "the Commission."

2. Each of the Contracting Governments may appoint not more than three Commissioners and one or more experts or advisers to assist its Commissioner or Commissioners.

3. The Commission shall elect from its members a Chairman and a Vice Chairman, each of whom shall serve for a term of two years and shall be eligible for re-election but not to a succeeding term. The Chairman and Vice Chairman must be Commissioners from different Contracting Governments.

4. The seat of the Commission shall be in North America at a place to be chosen by the Commission.

5. The Commission shall hold a regular annual meeting at its seat or at such place in North America as may be agreed upon by the Commission.

6. Any other meeting of the Commission may be called by the Chairman at such time and place as he may determine, upon the request of the Commissioner of a Contracting Government and subject to the concurrence of the Commissioners of two other Contracting Governments, including the Commissioner of a Government in North America.

7. Each Contracting Government shall have one vote which may be cast by any Commissioner from that Government. Decisions of the Commission shall be taken by a two-thirds majority of the votes of all the Contracting Governments.

8. The Commission shall adopt and amend as occasion may require, financial regulations and rules and by-laws for the conduct of its meetings and for the exercise of its functions and duties.

ARTICLE III

1. The Commission shall appoint an Executive Secretary according to such procedure and on such terms as it may determine.

2. The staff of the Commission shall be appointed by the Executive Secretary in accordance with such rules and procedures as may be determined and authorized by the Commission.

3. The Executive Secretary shall, subject to the general supervision of the Commission, have full power and authority over the staff and shall perform such other functions as the Commission shall prescribe.

ARTICLE IV

1. The Contracting Governments shall establish and maintain a Panel for each of the sub-areas provided for by Article I, in order to carry out the objectives of this Convention. Each Contracting Government participating in any Panel shall be represented on such Panel by its Commissioner or Commissioners, who may be assisted by experts or advisers. Each Panel shall elect from its members a Chairman who shall serve for a period of two years and shall be eligible for re-election but not to a succeeding term.

2. After this Convention has been in force for two years, but not before that time, Panel representation shall be reviewed annually by the Commission, which shall have the power, subject to consultation with the Panel concerned, to determine representation on each Panel on the basis of current substantial exploitation in the sub-area concerned of fishes of the cod group (*Gadiformes*), of flat-fishes (*Pleuronectiformes*), and of rosefish (*genus Sebastes*), except that each Contracting Government with coastline adjacent to a sub-area shall have the right of representation on the Panel for the sub-area.

3. Each Panel may adopt, and amend as occasion may require, rules of procedure and by-laws for the conduct of its meetings and for the exercise of its functions and duties.

4. Each Government participating in a Panel shall have one vote, which shall be cast by a Commissioner representing that Government. Decisions of the Panel shall be taken by a two-thirds majority of the votes of all the Governments participating in that Panel.

5. Commissioners of Contracting Governments not participating in a particular Panel shall have the right to attend the meetings of such Panel as observers, and may be accompanied by experts and advisers.

6. The Panels shall, in the exercise of their functions and duties, use the services of the Executive Secretary and the staff of the Commission.

ARTICLE V

1. Each Contracting Government may set up an Advisory Committee composed of persons, including fishermen, vessel owners and others, well informed concerning the problems of the fisheries of the Northwest Atlantic Ocean. With the assent of the Contacting Government concerned, a representative or representatives of an Advisory Committee may attend as observers all non-executive meetings of the Commission or of any Panel in which their Government participates.

2. The Commissioners of each Contracting Government may hold public hearings within the territories they represent.

ARTICLE VI

1. The Commission shall be responsible in the field of scientific investigation for obtaining and collating the information necessary for maintaining those stocks of fish which support international fisheries in the Convention area and the Commission may, through or in collaboration with agencies of the Contracting Governments or other public or private agencies and organizations or, when necessary, independently:

(a) make such investigations as it finds necessary into the abundance, life history and ecology of any species of aquatic life in any part of the Northwest Atlantic Ocean;

(b) collect and analyze statistical information relating to the current conditions and trends of the fishery resources of the Northwest Atlantic Ocean;

(c) study and appraise information concerning the methods for maintaining and increasing stocks of fish in the Northwest Atlantic Ocean;

(d) hold or arrange such hearings as may be useful or essential in connection with the development of complete factual information necessary to carry out the provisions of this Convention;

(e) conduct fishing operations in the Convention area at any time for purposes of scientific investigation;

(f) publish and otherwise disseminate reports of its findings and statistical, scientific and other information relating to the fisheries of the Northwest Atlantic Ocean as well as such other reports as fall within the scope of this Convention.

2. Upon the unanimous recommendation of each Panel affected, the Commission may alter the boundaries of the sub-areas set out in the Annex. Any such alteration shall forthwith be reported to the Depositary Government which shall inform the Contracting Governments, and the sub-areas defined in the Annex shall be altered accordingly.

3. The Contracting Governments shall furnish to the Commission, at such time and in such form as may be required by the Commission, the statistical information referred to in paragraph 1 (b) of this Article.

ARTICLE VII

1. Each Panel established under Article IV shall be responsible for keeping under review the fisheries of its sub-area and the scientific and other information relating thereto.

2. Each Panel, upon the basis of scientific investigations, may make recommendations to the Commission for joint action by the Contracting Governments on the matters specified in paragraph 1 of Article VIII.

3. Each Panel may recommend to the Commission studies and investigations within the scope of this Convention which are deemed necessary in the development of factual information relating to its particular sub-area.

4. Any Panel may make recommendations to the Commission for the alteration of the boundaries of the sub-areas defined in the Annex.

5. Each Panel shall investigate and report to the Commission upon any matter referred to it by the Commission.

6. A Panel shall not incur any expenditure except in accordance with directions given by the Commission.

ARTICLE VIII

1. The Commission may, on the recommendations of one or more Panels, and on the basis of scientific investigations, transmit to the Depositary Government proposals, for joint action by the Contracting Governments, designed to keep the stocks of those species of fish which support international fisheries in the Convention area at a level permitting the maximum sustained catch by the application, with respect to such species of fish, of one or more of the following measures:

(a) establishing open and closed seasons;

(b) closing to fishing such portions of a sub-area as the Panel concerned finds to be a spawning area or to be populated by small or immature fish;

(c) establishing size limits for any species;

(d) prescribing the fishing gear and appliances the use of which is prohibited;

(e) prescribing an over-all catch limit for any species of fish.

2. Each recommendation shall be studied by the Commission and thereafter the Commission shall either

(a) transmit the recommendation as a proposal to the Depositary Government with such modifications or suggestions as the Commission may consider desirable, or

(b) refer the recommendation back to the Panel with comments for its reconsideration.

3. The Panel may, after reconsidering the recommendation returned to it by the Commission, reaffirm that recommendation, with or without modification.

4. If, after a recommendation is reaffirmed, the Commission is unable to adopt the recommendation as a proposal, it shall send a copy of the recommendation to the Depositary Government with a report of the Commission's decision. The Depositary Government shall transmit copies of the recommendation and of the Commission's report to the Contracting Governments.

5. The Commission may, after consultation with all the Panels, transmit proposals to the Depositary Government within the scope of paragraph 1 of this Article affecting the Convention area as a whole.

6. The Depository Government shall transmit any proposal received by it to the Contracting Governments for their consideration and may make such suggestions as will facilitate acceptance of the proposal.

7. The Contracting Governments shall notify the Depositary Government of their acceptance of the proposal, and the Depositary Government shall notify the Contracting

Governments of each acceptance communicated to it, including the date of receipt thereof.

8. The proposal shall become effective for all Contracting Governments four months after the date on which notifications of acceptance shall have been received by the Depositary Government from all the Contracting Governments participating in the Panel or Panels for the sub-area or sub-areas to which the proposal applies.

9. At any time after the expiration of one year from the date on which a proposal becomes effective, any Panel Government for the sub-area to which the proposal applies may give to the Depositary Government notice of the termination of its acceptance of the proposal and, if that notice is not withdrawn, the proposal shall cease to be effective for that Panel Government at the end of one year from the date of receipt of the notice by the Depositary Government. At any time after a proposal has ceased to be effective for a Panel Government under this paragraph, the proposal shall cease to be effective for any other Contracting Government upon the date a notice of withdrawal by such Government is received by the Depositary Government. The Depositary Government shall notify all Contracting Governments of every notice under this paragraph immediately upon the receipt thereof.

ARTICLE IX

The Commission may invite the attention of any or all Contracting Governments to any matters which relate to the objectives and purposes of this Convention.

ARTICLE X

1. The Commission shall seek to establish and maintain working arrangements with other public international organizations which have related objectives, particularly the Food and Agriculture Organization of the United Nations and the International Council for the Exploration of the Sea, to ensure effective collaboration and coordination with respect to their work and, in the case of the International Council for the Exploration of the Sea, the avoidance of duplication of scientific investigations.

2. The Commission shall consider, at the expiration of two years from the date of entry into force of this Convention, whether or not it should recommend to the Contracting Governments that the Commission be brought within the framework of a specialized agency of the United Nations.

ARTICLE XI

1. Each Contracting Government shall pay the expenses of the Commissioners, experts and advisers appointed by it.

2. The Commission shall prepare an annual administrative budget of the proposed necessary administrative expenditures of the Commission and an annual special projects budget of proposed expenditures on special studies and investigations to be undertaken by or on behalf of the Commission pursuant to Article VI or by or on behalf of any Panel pursuant to Article VII.

3. The Commission shall calculate the payments due from each Contracting Government under the annual administrative budget according to the following formula:

(a) from the administrative budget there shall be deducted a sum of 500 United States dollars for each Contracting Government;

(b) the remainder shall be divided into such number of equal shares as corresponds to the total number of Panel memberships;

(c) the payment due from any Contracting Government shall be the equivalent of 500 United States dollars plus the number of shares equal to the number of Panels in which that Government participates.

4. The Commission shall notify each Contracting Government the sum due from that Government as calculated under paragraph 3 of this Article and as soon as possible thereafter each Contracting Government shall pay to the Commission the sum so notified.

5. The annual special projects budget shall be allocated to the Contracting Governments according to a scale to be determined by agreement among the Contracting Governments, and the sums so allocated to any Contracting Government shall be paid to the Commission by that Government.

6. Contributions shall be payable in the currency of the country in which the seat of the Commission is located, except that the Commission may accept payment in the currencies in which it may be anticipated that expenditures of the Commission will be made from time to time, up to an amount established each year by the Commission in connection with the preparation of the annual budgets.

7. At its first meeting the Commission shall approve an administrative budget for the balance of the first financial year in which the Commission functions and shall transmit to the Contracting Governments copies of that budget together with notices of their respective allocations.

8. In subsequent financial years, the Commission shall submit to each Contracting Government drafts of the annual budgets together with a schedule of allocations, not less than six weeks before the annual meeting of the Commission at which the budgets are to be considered.

ARTICLE XII

The Contracting Governments agree to take such action as may be necessary to make effective the provisions of this Convention and to implement any proposals which become effective under paragraph 8 of Article VIII. Each Contracting Government shall transmit to the Commission a statement of the action taken by it for these purposes.

ARTICLE XIII

The Contracting Governments agree to invite the attention of any Government not a party to this Convention to any matter relating to the fishing activities in the Convention area of the nationals or vessels of that Government which appear to affect adversely the operations of the Commission or the carrying out of the objective of this Convention.

ARTICLE XIV

The Annex, as attached to this Convention and as modified from time to time, forms an integral part of this Convention.

ARTICLE XV

1. This Convention shall be ratified by the signatory Governments and the instruments of ratification shall be deposited with the Government of the United States of America, referred to in this Convention as the "Depositary Government".

2. This Convention shall enter into force upon the deposit of instruments of ratification by four signatory Governments, and shall enter into force with respect to each Government which subsequently ratifies on the date of the deposit of its instrument of ratification.

3. Any Government which has not signed this Convention may adhere thereto by a notification in writing to the Depositary Government. Adherences received by the Depositary Government prior to the date of entry into force of this Convention shall become effective on the date this Convention enters into force. Adherences received by the Depositary Government after the date of entry into force of this Convention shall become effective on the date of receipt by the Depositary Government.

4. The Depositary Government shall inform all signatory Governments and all adhering Governments of all ratifications deposited and adherences received.

5. The Depositary Government shall inform all Governments concerned of the date this Convention enters into force.

ARTICLE XVI

1. At any time after the expiration of ten years from the date of entry into force of this Convention, any Contracting Government may withdraw from the Convention on December thirty-first of any year by giving notice on or before the preceding June thirtieth to the Depositary Government which shall communicate copies of such notice to the other Contracting Governments.

2. Any other Contracting Government may thereupon withdraw from this Convention on the same December thirty-first by giving notice to the Depositary Government within one month of the receipt of a copy of a notice of withdrawal given pursuant to paragraph 1 of this Article.

ARTICLE XVII

1. The original of this Convention shall be deposited with the Government of the United States of America, which Government shall communicate certified copies thereof to all the signatory Governments and all the adhering Governments.

2. The Depositary Government shall register this Convention with the Secretariat of the United Nations.

3. This Convention shall bear the date on which it is opened for signature and shall remain open for signature for a period of fourteen days thereafter.

In witness whereof the undersigned, having deposited their respective full powers, have signed this Convention.

Done in Washington this eighth day of February 1949 in the English language.

For Canada:
STEWART BATES
For Denmark:
B DINESEN
For France:
With a reservation excluding paragraph 2 of Article I
M TERRIN
For Iceland:
THOR THORS
For Italy:
ALBERTO TARCHIANI
For His Majesty's Government in the United Kingdom and the Government of Newfoundland in respect of Newfoundland:
R GUSHUE
W. TEMPLEMAN
For Norway:
KLAUS SUNNANAA
GUNNAR ROLLEFSEN
OLAV LUND
For Portugal:
MANUEL CARLOS QUINTÃO MEYRELLES
ALFREDO DE MAGALHÃES RAMALHO
JOSÉ AUGUSTO CORREIA DE BARROS
AMÉRICO ÂNGELO TAVARES DE ALMEIDA
Cap. frag.
For Spain:
Reserving paragraph 2 of Article I
GERMÁN BARÁIBAR
For the United Kingdom of Great Britain and Northern Ireland:
A. T. A. DOBSON
A. J. AGLEN
For the United States of America:
W. M. CHAPMAN
WILLIAM E. S. FLORY
HILARY J. DEASON
FREDERICK L. ZIMMERMANN

ANNEX

1. The sub-areas provided for by Article I of this Convention shall be as follows:

Sub-area 1—That portion of the Convention area which lies to the north and east of a rhumb line from a point in 75°00′ north latitude and 73°30′ west longitude to a point in 69°00′ north latitude and 59°00′ west longitude; east of 59°00′ west longitude; and to the north and east of a rhumb line from a point in 61°00′ north latitude and 59°00′ west longitude to a point in 52°15′ north latitude and 42°00′ west longitude.

Sub-area 2—That portion of the Convention area lying to the south and west of sub-area 1 defined above and to the north of the parallel of 52°15′ north latitude.

Sub-area 3—That portion of the Convention area lying south of the parallel of 52°15′ north latitude; and to the east of a line extending due north from Cape Bauld on the north coast of Newfoundland to 52°15′ north latitude; to the north of the parallel of 39°00′ north latitude; and to the east and north of a rhumb line extending in a northwesterly direction which passes through a point in 43°30′ north latitude, 55°00′ west longitude, in the direction of a point in 47°50′ north latitude, 60°00′ west longitude, until it intersects a straight line connecting Cape Ray, on the coast of Newfoundland, with Cape North on Cape Breton Island; thence in a northeasterly direction along said line to Cape Ray.

Sub-area 4—That portion of the Convention area lying to the west of sub-area 3 defined above, and to the east of a line described as follows: beginning at the terminus of the international boundary between the United States of America and Canada in Grand Manan Channel, at a point in 44°46′ 35.34″ north latitude, 66°54′ 11.23″ west longitude; thence due south to the parallel of 43°50′ north latitude; thence due west to the meridian of 67°40′ west longitude; thence due south to the parallel of 42°20′ north latitude; thence due east to a point in 66°00′ west longitude; thence along a rhumb line in a southeasterly direction to a point in 42°00′ north latitude, 65°40′ west longitude; thence due south to the parallel of 39°00′ north latitude.

Sub-area 5—That portion of the Convention area lying west of the western boundary of sub-area 4 defined above.

2. For a period of two years from the date of entry into force of this Convention, Panel representation for each sub-area shall be as follows:

(a) *Sub-area 1*—Denmark, France, Italy, Norway, Portugal, Spain, United Kingdom;

(b) *Sub-area 2*—Denmark, France, Italy, Newfoundland;

(c) *Sub-area 3*—Canada, Denmark, France, Italy, Newfoundland, Portugal, Spain, United Kingdom;

(d) *Sub-area 4*—Canada, France, Italy, Newfoundland, Portugal, Spain, United States;

(e) *Sub-area 5*—Canada, United States; it being understood that during the period between the signing of this Convention and the date of its entry into force, any signatory or adhering Government may, by notification to the Depositary Government, withdraw from the list of members of a Panel for any sub-area or be added to the list of members of the Panel for any sub-area on which it is not named. The Depositary Government shall inform all the other Governments concerned of all such notifications received and the memberships of the Panels shall be altered accordingly.

INTERNATIONAL NORTHWEST ATLANTIC FISHERIES CONFERENCE, WASHINGTON, JANUARY 26 THROUGH FEBRUARY 8, 1949

FINAL ACT

The Governments of Canada, Denmark, France, Iceland, Italy, Newfoundland, Norway, Portugal, Spain, the United Kingdom of Great Britain and Northern Ireland and the United States of America, represented by plenipotentiary delegations, having accepted the invitation extended to them by the Government of the United States of America to participate in an International Northwest Atlantic Fisheries Conference; and

The Food and Agriculture Organization of the United Nations and the International Council for the Exploration of the Sea, having accepted the invitation extended to them by the Government of the United States of America to send observers to the said Conference;

Appointed their respective representatives, who are listed below by countries, and by organizations, in the order of alphabetical precedence:

CANADA

Delegate

Stewart Bates, Deputy Minister of Fisheries, Department of Fisheries—*Chairman*

Alternate Delegate

A. W. H. Needler, Assistant Deputy Minister of Fisheries, Department of Fisheries

Advisers

S. V. Ozere, Legal Adviser, Department of Fisheries

F. M. Tovell, Department of External Affairs

Secretary

F. H. Wooding, Information Officer, Department of Fisheries

DENMARK

Delegates

B. Dinesen, Head of Department, Ministry of Fisheries—*Chairman*

A. Vedel Täning, Head of Section, Commission for Denmark's Fisheries and Ocean Research.

Commodore Fritz Hammer Kjølsen, Naval Attaché, Embassy of Denmark, Washington

Laurids Thygesen, Chairman, West-Jutland Fisheries Association

Christian Djurhuus, Member, Local Government, Faroe Islands

Poul Marinus Hansen, Fisheries Biologist to the Administration of Greenland

Niels Bjerregaard, Chairman, Danish Fisheries Association

FRANCE

Delegates

Marius Terrin, Directeur des Pêches, Maritimes au Ministère de la Marine Marchande—*Chairman*

Jean Joseph Le Gall, Directeur de l'Office Scientifique et Technique des Pêches Maritimes

Robert Baudouy, Directeur par interim des Unions Internationales au Ministère des Affaires Etrangéres

Captain Louis J. Audigou, Administrateur en chef de l'Inscription Maritime, Washington

Andre Dezeustre, Mission de la Marine Marchande aux U. S. A., Bath Iron Works Corporation, Bath, Maine

ICELAND

Delegates

Thor Thors, Minister to the United States—*Chairman*

H. G. Andersen, Legal Adviser, Foreign Office

Arni Fridriksson, Director of the Fishery Department, University Research Institute, Reykjavik, Iceland

ITALY

Delegates

Alberto Tarchiani, Ambassador to the United States—*Chairman*

Clemente Boniver, Commercial Counselor, Embassy of Italy, Washington

Gian Vincenzo Soro, First Secretary, Embassy of Italy, Washington

Aldo Ziglioli, Assistant Commercial Attaché, Embassy of Italy, Washington

Salvatore Ippia, First Commercial Secretary, Embassy of Italy, Washington

NEWFOUNDLAND

Delegates

Raymond Gushue, Chairman, Newfoundland Fisheries Board—*Chairman*

Dr. W. Templeman, Director, Newfoundland Government Laboratory

NORWAY

Delegates

Klaus Sunnanaa, Director of Fisheries, Directorate of Fisheries—*Chairman*

Gunnar Rollefsen, Director of Institute of Marine Research, Directorate of Fisheries

Olav Lund, Division Chief, Directorate of Fisheries

Technical Advisers

Finn Bryhni, Norwegian Fisherman's Union

Knut Vartdal, Aalesund Shipowner Association

Eigil Nygaard, Counselor, Embassy of Norway, Washington

Magne Oppedal, Commercial Attaché, Embassy of Norway, Washington

PORTUGAL

Delegates

Rear Admiral Manuel C. Meyrelles, President of the Central Commission on Fisheries—*Chairman*

Dr. Alfredo M. Ramalho, Director, Government Marine Biology Station

Dr. Correia de Barros, Vice-President of Court of Accounting, Treasury Department

Captain Tavares de Almeida, Fishery Department

SPAIN

Delegates

Germán Baráibar, Minister Plenipotentiary and Chargé d'Affaires ad interim, Embassy of Spain, Washington—*Chairman*

Capitán de Navío Alvaro Guitián, Naval Attaché, Embassy of Spain, Washington

José Miguel Ruiz Morales, First Secretary of Embassy, Dirección General de Politica Económica, Ministry of Foreign Affairs, Madrid

Pedro Díaz de Espada, Shipowner, San Sebastian

UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

Delegates

A. T. A. Dobson, Adviser, Ministry of Agriculture and Fisheries—*Chairman*

A. J. Aglen, Fisheries Secretary, Scottish Home Department

Advisers

J. S. Fawcett, Legal Adviser, British Embassy, Washington

S. J. Holt, Scientific Officer, Ministry of Agriculture and Fisheries

Dr. C. E. Lucas, Director, Fisheries Research, Scottish Home Department

P. J. Macfarlan, Assistant Agricultural Attaché, British Embassy, Washington

D. C. Tebbit, Second Secretary, British Embassy, Washington

R. S. Wimpenny, Deputy Director, Fisheries Research, Ministry of Agriculture and Fisheries

UNITED STATES OF AMERICA

Delegates

Wilbert M. Chapman, Special Assistant to the Under Secretary for Fisheries and Wildlife, Department of State—*Chairman*

William E. S. Flory, Deputy Special Assistant to the Under Secretary for Fisheries and Wildlife, Department of State

Hilary J. Deason, Chief, Office of Foreign Activities, Fish and Wildlife Service, Department of the Interior

Frederick L. Zimmermann, Consultant on Fisheries and Wildlife, Department of State

Advisers

Thomas Fulham, President, Federated Fishing Boats of New England and New York, Incorporated

Wayne D. Heydecker, Secretary-Treasurer, Atlantic States Marine Fisheries Commission, New York City

Milton C. James, Assistant Director, Fish and Wildlife Service, Department of the Interior

Captain Harold C. Moore, Coordinator for Interdepartmental and International Affairs, United States Coast Guard, Department of the Treasury

Patrick McHugh, Secretary-Treasurer, Atlantic Fishermen's Union (A. F. L.), Boston, Massachusetts

Richard Reed, Commissioner, Sea and Shore Fisheries, State of Maine

Secretary

Edward Castleman, Office of the Special Assistant to the Under Secretary for Fisheries and Wildlife, Department of State

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS

Observers

Dr. D. B. Finn, Director, Fisheries Division
Dr. J. L. Kask, Chief, Biological Branch, Fisheries Division

INTERNATIONAL COUNCIL FOR THE EXPLORATION OF THE SEA

Observers

A. T. A. Dobson, First Vice-President of the International Council for the Exploration of the Sea

Dr. Alfredo M. Ramalho, Vice-President of the International Council for the Exploration of the Sea

The Conference met at Washington on January 26, 1949, under the Temporary Chairmanship of Wilbert M. Chapman, Chairman of the Delegation of the United States of America.

Under the authority of the President of the United States of America the following officers were designated: Clarke L. Willard, Associate Chief, Division of International Conferences, Department of State, Secretary General of the Conference; Charles I. Bevans, Deputy Assistant for Treaty Affairs, Office of the Legal Adviser, Department of State, Treaty Adviser to the Conference; and Donald J. Chaney, Chief Counsel, Fish and Wildlife Service, Department of the Interior, Technical Secretary of the Conference.

At the opening session the Conference agreed unanimously to accept the staff members of the Secretariat provided by the Government of the United States of America.

Wilbert M. Chapman, Chairman of the Delegation of the United States of America, was elected Permanent Chairman of the Conference at the first session held on January 26, 1949, and Klaus Sunnanaa, Chairman of the Delegation of Norway was elected Vice Chairman of the Conference at the same session.

The general committees established by the Rules of Procedure adopted provisionally at the opening session were constituted as follows:

EXECUTIVE COMMITTEE

Wilbert M. Chapman (United States)—Chairman
Stewart Bates (Canada)
B. Dinesen (Denmark)
Marius Terrin (France)
Thor Thors (Iceland)
Alberto Tarchiani (Italy)
Raymond Gushue (Newfoundland)
Klaus Sunnanaa (Norway)
Rear Admiral Manuel C. Meyrelles (Portugal)
Germán Baráibar (Spain)
A. T. A. Dobson (United Kingdom)
William E. S. Flory (United States)
Arthur C. Nagle—Secretary

COMMITTEE ON CREDENTIALS

Marius Terrin (France)—Chairman
Stewart Bates (Canada)
German Baraibar (Spain)
Charles I. Bevans—Secretary

The following technical committees were appointed under authorization of unanimous votes of the Conference:

COMMITTEE ON DRAFTING

A. T. A. Dobson (United Kingdom)—Chairman
Stewart Bates (Canada)
B. Dinesen (Denmark)
Marius Terrin (France)
H. G. Andersen (Iceland)
Gian Vincenzo Soro (Italy)
Raymond Gushue (Newfoundland)
Klaus Sunnanaa (Norway)
Dr. Correia de Barros (Portugal)
Germán Baráibar (Spain)
A. J. Aglen (United Kingdom)
Wilbert M. Chapman (United States)
Barbara S. Williams—Secretary

COMMITTEE ON BIOLOGY

A. W. H. Needler (Canada)—*Chairman*
A. Vedel Täning (Denmark)
Poul Hansen (Denmark)
Jean Joseph Le Gall (France)
Arni Fridriksson (Iceland)
W. Templeman (Newfoundland)
Gunnar Rollefsen (Norway)
Alfredo M. Ramalho (Portugal)
José Miguel Ruiz Morales (Spain)
Pedro Díaz de Espada (Spain)
S. J. Holt (United Kingdom)
C. E. Lucas (United Kingdom)
R. S. Wimpenny (United Kingdom)
Hilary J. Deason (United States)
Milton C. James (United States)
Howard A. Schuck—Secretary

The final session was held on February 8, 1949.

As a result of the deliberations of the Conference the International Convention for the Northwest Atlantic Fisheries (hereinafter referred to as the Convention) was formulated and opened for signature on February 8, 1949, to remain open for signature for fourteen days thereafter.

The following resolutions and recommendations were adopted and the following statements were received:

I

The International Northwest Atlantic Fisheries Conference

Resolves:

1. To express its gratitude to the President of the United States of America, Harry S. Truman, for his initiative in convening the present Conference and for its preparation;

2. To express to its Chairman, Wilbert M. Chapman, and its Vice Chairman, Klaus Sunnanaa, its deep appreciation for the admirable manner in which they have guided the Conference and brought it to a successful conclusion;

3. To express to the Officers and Staff of the Secretariat its appreciation for their untiring services and diligent efforts in contributing to the fruition of the purposes and objectives of the Conference.

II

The International Northwest Atlantic Fisheries Conference

Resolves:

That the Government of the United States of America be authorized to publish the Final Act of this Conference, the text of the Convention, and to make available for publication such additional documents in connection with the work of this Conference as in its judgment may be considered in the public interest.

III

The International Northwest Atlantic Fisheries Conference

Recommends:

That in establishing and maintaining the International Northwest Atlantic Fisheries Commission the Contracting Governments give careful consideration to the following conclusions reached at the Conference:

1. *Finance:*

The probable cost of the Commission during its first year would be in the region of 40,000 dollars.

This estimate is to some extent based upon the present expenditure incurred by the International Council for the Exploration of the Sea, but it must be recognized that the cost of that organization cannot be used as an accurate guide to the possible cost of the new Commission on account of the rather specific and long-standing nature of its set-up. The precise amount would necessarily depend upon various considerations such as the location and cost of the office of the Commission for which certain facilities might be available either in the United States or in Canada.

2. *Staff:*

(1) It is desirable that the Executive Secretary of the Commission should be a biologist. At the same time it is still more important that he should be a man with great administrative and statistical ability. It should also be understood that after the Commission had begun to function normally it would probably be necessary at an early date to increase the staff by the addition of, for example, a statistician.

(2) The responsibilities of the staff of the Commission shall be exclusively international in character and they shall not seek or receive instructions in regard to the discharge of their functions from any authority external to the Commission. The Contracting Governments should fully respect the international character of the responsibilities of the staff and not seek to influence any of their nationals in the discharge of such responsibilities.

3. *Scientific Investigation:*

(1) In the field of scientific investigations the Commission should be primarily responsible for: (a) arrangement for and coordination of work by agencies, and (b) establishment of working relationships with international agencies. It is important, for the purposes of the Convention, that enlarged and coordinated scientific investigations should be carried out and such investigations in so far as possible should be conducted by agencies of the Contracting Governments or by public or private agencies (e. g., universities or private marine research laboratories). If investigations necessary to the purposes of the Convention cannot be arranged through existing Government, public, or private agencies, they should be undertaken by the Commission, but only in accordance with approved budgets. It is not contemplated that any such investigations conducted by Commission personnel or equipment would include field operations.

(2) The need for thorough consideration of the problems facing the Commission is paramount, and considerable time will be needed for assembling the material required for a determination of those problems. An informal interim committee of biologists might well be asked to assemble such material in advance of the coming into effect of the Convention, and the Government of Canada might take the initial measures to this end.

4. *Statistics:*

It is important, for purposes of the Convention, that improved statistics of the commercial fisheries in the Convention area should be collected and the Commission should have responsibility for the compilation and distribution of the fishery statistics furnished by the Contracting Governments in such form and at such times as the Commission may require.

IV

The International Northwest Atlantic Fisheries Conference

Requests:

That as soon as possible after entry into force of the International Convention for the Northwest Atlantic Fisheries the Depositary Government initiate steps for the holding of the first meeting of the International Commission for the Northwest Atlantic Fisheries

at some place in North America, without prejudice, however, to the determination of the ultimate location of the seat of the Commission.

V

The International Northwest Atlantic Fisheries Conference

Received:

The following joint statement from the French and Spanish Delegations:

"In the course of the Conference the French and Spanish Delegations have requested that the definition of coastal limits in the Convention area be put in said Convention.

"The Conference did not meet their request, considering that any discussion on this subject would lead to a definition of territorial waters and this matter was formally declared by the Conference out of its competence.

"The French and Spanish Delegations had to yield to the above decision.

"Consequently they cannot agree to paragraph 2 of Article I which, in their innermost belief, is a meddling of the Conference in the aforesaid matter."

VI

The International Northwest Atlantic Fisheries Conference

Records:

That, the Italian Delegation, not having received from its Government specific instructions on the text of paragraph 2 of Article I, as embodied in the Second Interim Draft of the Convention, abstained from voting on acceptance of that paragraph.

In witness whereof the following representatives have signed this Final Act.

Done in Washington this eighth day of February 1949 in the English language, the original of which shall be deposited with the Government of the United States of America. The Government of the United States of America shall transmit certified copies thereof to all the other Governments represented at the Conference.

For Canada:
STEWART BATES
A W H NEEDLER
S. V. OZERE
FREEMAN M TOVELL
F H WOODING

For Denmark:
B DINESEN
A. VEDEL TANING
F. H. KJOLSEN
LAUR. THYGESEN
K DJURHUUS
N BJERREGAARD
POUL M. HANSEN

For France:
M TERRIN
JEAN LE GALL
LOUIS J AUDIGOU

For Iceland:
THOR THORS

For Italy:
ALBERTO TARCHIANI

For His Majesty's Government in the United Kingdom and the Government of Newfoundland in respect of Newfoundland:
R GUSHUE
W. TEMPLEMAN

For Norway:
KLAUS SUNNANAA
GUNNAR ROLLEFSEN
OLAV LUND
FINN BRYHNI.
KNUT VARTDAL

For Portugal:
MANUEL CARLOS QUINTÃO MEYRELLES
ALFREDO DE MAGALHÃES RAMALHO
JOSÉ AUGUSTO CORREIA DE BARROS
AMÉRICO ÂNGELO TAVARES DE ALMEIDA

Cap. frag.

For Spain:
GERMÁN BARÁIBAR
ALVARO GUITIÁN
J. RUIZ MORALES
PEDRO DE ESPADA

For the United Kingdom of Great Britain and Northern Ireland:
A. T. A. DOBSON
A. J. AGLEN

For the United States of America:
W. M. CHAPMAN
WILLIAM E. S. FLORY
HILARY J. DEASON
FREDERICK L. ZIMMERMANN
WAYNE D. HEYDECKER
MILTON C JAMES
PATRICK MCHUGH
HAROLD C MOORE
THOMAS A. FULHAM
EDWARD CASTLEMAN

Observers:

For the Food and Agriculture Organization of the United Nations:
D. B. FINN

For the International Council for the Exploration of the Sea:
A. T. A. DOBSON
ALFREDO DE MAGALHÃES RAMALHO

[SEAL] CLARKE L. WILLARD
Secretary General

Mr. GREEN. Mr. President, I was instructed by the Foreign Relations Committee to report favorably this convention and the two conventions following it, all three being international conventions relating to fisheries.

The Committee on Foreign Relations, having heard testimony on the three fisheries conventions referred to it, unanimously recommends that the Senate gives its advice and consent to their ratification.

The objective of these agreements is to conserve the high-seas fisheries in which the United States has an interest. If this objective can be attained, the United States' fish supply will be expanded and the price of fish to the consumer will be reduced. Furthermore, the fishing industry—a great industry—will be promoted, because the diminution of the catch in the Atlantic will be arrested and the expansion of the catch in the Pacific will be further stimulated. Both of these fisheries are now threatened unless regulations are set up. But effective regulations cannot be applied by the United States alone, and international action is called for if all those who fish in these areas are to be covered. Also preliminary to any regulations is adequate knowledge of the fish life to be dealt with. This the conventions aim to supply.

These conventions are modeled upon the successful agreements with Canada under which the depletion of Pacific halibut and sockeye salmon has been arrested and the stocks of those fish increased. Each convention sets up an international commission for scientific investigation in order to arrest and remedy the decline in fish catch and the depletion of fish stocks. The Northwest Atlantic Convention, signed by nine governments in addition to our own, applies to ground fish, and provides for conservation regulations to be applied under certain safeguards. Both the Mexican and Costa Rican conventions are concerned with tuna fish, and tuna-like fish and tuna bait.

Compared with the advantages to be derived, the costs of all three conventions are relatively small. We already are spending $245,000 a year for investigations in the northwest Atlantic, a sum which is less than that spent by Canada for the same purpose. The conventions will not affect this expenditure. They will involve, over and above it, an annual operating cost of $725,000, of which $315,000 will cover new investigations in the northwest Atlantic and $410,000 will be for investigations in the eastern Pacific. Finally, in addition to these figures, there will be an initial cost of $700,000 for capital expenditures for the first 2 years, combined under the tuna conventions.

Since these fisheries together supply the American people with over a billion pounds of food a year, far in excess of the catch of any other nation in these fisheries, the expenses would probably be incurred anyway, even in the absence of the conventions, because the New England banks show an acute decline in commercial fish.

The committee wishes to emphasize that the conventions do not commit this country to any fixed sum. The Congress will determine the extent of our share in passing on the annual appropriation of the State Department and the Interior Department, in which the expenses of the conventions will be included.

Early ratification of the conventions is important; and since the United States has taken the lead in the negotiation of these conventions, its lead in ratification is most desirable. The Committee on Foreign Relations has unanimously reported all three conventions favorably to the Senate.

Mr. President, I have prepared a very much longer statement, giving the details of the respective treaties; but I know the Senate is anxious to take a recess, so I shall not read the statement, but merely ask unanimous consent that it may be printed at this point in the RECORD as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

COMMENT ON THREE MARINE FISHERIES CONVENTIONS NOW BEFORE THE SENATE FOR ADVICE AND CONSENT TO RATIFICATION

Three conventions concerning the marine fisheries of the United States have been concluded and signed this year. These are: (1) Convention between the United States and Mexico for the establishment of an International Commission for the scientific investigation of tuna, signed in Mexico City, January 25, 1949; (2) International Convention for the Northwest Atlantic Fisheries, between the United States and nine other countries (Canada, Denmark, France, Iceland, Italy, Norway, Portugal, Spain, and the United Kingdom), signed in Washington under date of February 8, 1949; and (3) Convention between the United States and Costa Rica for the establishment of an Inter-American Tropical Tuna Commission, signed in Washington, May 31, 1949.

All three of these conventions have been submitted by the President to the Senate with a view to advice and consent to ratification. It is the purpose of these reports to show why the ratification of these conventions would be in the interests of the United States, and to indicate their relation to the over-all high seas fisheries

policy of the United States. The three conventions have certain elements in common, and these common elements are discussed first.

Under customary international law, as applied to fisheries, the high seas of the world have been considered to be a common ground where the fishermen of all nations have an equal right to pursue their trade.

The rapid developments in the techniques of fishing, increased mobility of the vessels, increased demand for the products of the sea, and so on, have created an entirely new situation in regard to the high-seas fisheries. Fishermen are no longer bound by necessity to fish close to their home ports. They now have the mechanical ability to range for thousands of miles in search of their catches.

This new development in world fisheries has created a serious threat to the productive ability of these fisheries. Since under international law no nation can control the activities of the fishermen of another nation on the high seas, no way has been available to prevent overfishing and a wastage of the resources of the sea. It is not practical to restrict the fishing of one group of fishermen on any particular fishing ground without restricting in the same manner the operations of other groups of fishermen on these same grounds.

To meet this situation President Truman issued a proclamation on September 28, 1945, which said in effect the following three things: (1) the United States may establish conservation zones on the high seas for the purpose of protecting its coastal fisheries from overfishing; (2) where only the fishermen of the United States are concerned the United States may do this unilaterally; where the fishermen of other nations are also concerned, the United States may do this in conjunction with such other nations; and (3) the United States recognizes the right of other nations to take similar steps to protect their coastal fisheries.

This proclamation was misinterpreted by several nations, which assumed it to mean that the United States would accept the extension of the sovereignty of those nations over the high seas off their coasts. The United States is strongly opposed to such extension of sovereignty on several grounds. The result of such extension of sovereignty out into the high seas could very well be disastrous to our interests in a number of high-seas fisheries. We have very important fisheries off the coasts of other countries, such as the Grand Banks fisheries in which United States fishermen have participated since the earliest history of our country; the shrimp fisheries in the Gulf of Mexico which were explored and developed by our fishermen; the tuna fishery off the west coast of Latin America which is a most valuable fishery and has been developed exclusively by United States fishermen; the several important fisheries which have been jointly developed by United States and Canadian fishermen off the coast of British Columbia.

To make the United States position crystal clear on this serious question, this Government has stated that the United States would be willing to place its fishermen under the same regulations as the fishermen of any other nation operating in any fishery provided that: (1) the regulations have been shown by scientific investigation to be necessary in order to prevent overfishing, and (2) the United States has an equal voice with any other nation in determing the regulations to be applied.

In one of the areas where our fishermen have operated off the coast of another country, in the Pacific Northwest, there has grown up over the past 25 years a form of joint management of fisheries by the nations involved which is without parallel in the history of nations for the success and amity with which these joint resources are managed. I refer to the management of the halibut fishery of the northeast Pacific by the International Fisheries Commission, and of the sockeye salmon fisheries of the Fraser River by the International Pacific Salmon Fisheries Commission. Both these are joint commissions participated in equally by the United States and Canada. The one has been in operation since 1924, the other since 1932. Each has been singularly successful in meeting the problems of conservation rising in these fisheries.

Similar problems of conservation have now arisen in two high seas fisheries areas in which we share participation with other nations. These are (1) the bottom fisheries of the northwest Atlantic (including the Grand Banks area), and (2) the tuna fisheries off western Latin America. We have sought to apply to these two new areas the lessons which we have learned in the Pacific northwest. The result is the three conventions which are under consideration.

These conventions have certain ultimate aims in common, which have been derived from the successful history of development of the halibut and salmon conventions mentioned above. These are:

1. A joint commission is established whose responsibility will be the management of the fisheries under its jurisdiction.

2. The commission is not given powers of regulation; and no regulation is contemplated until it has demonstrated by scientific investigation that regulation of fishing activity is required in order to make possible the maximum sustained yield from the fisheries.

3. Each nation has an equal voice on all actions taken by the Commission.

4. The fishing industry is assured a voice in the activities of the Commission through an official Advisory Committee.

5. Regulation of fishing activity by the Commission shall be solely for the purpose of making possible the maximum sustained yield from the fisheries.

The International Convention for the Northwest Atlantic Fisheries has the following particular provisions to meet local circumstances:

1. The vast area included under the convention is divided into five panel areas in order to provide as much simplification as possible in the Commission's work. These panels are drawn up on the basis of present biological and hydrographic information to provide reasonably natural units. Provision is made for later modification of the boundaries of these panel areas if new information indicates that to be desirable.

2. The primary unit of action by the Commission is the panel. It is anticipated that representation on the panel will be limited to those countries having a special interest in that particular area by reason of having a coast line contiguous to the area or having a substantial fishery in the area.

3. After an initial 2-year period, adjustment can be made annually in the national composition of the panels. This is with a view of having representation on each panel of nations whose fishermen will be affected by actions of the panel.

4. The primary initial duty of the Commission will be to obtain, collate, and disseminate scientific information necessary for the proper management of the fisheries.

5. A mechanism is provided by which recommendations made by the Commission to member governments can be translated by the latter into regulations which would apply to all the fishermen in the area.

6. All the 10 nations whose nationals participate in the fisheries of the area are signatory to this convention. Provision is made for the adherence at a later date by nations not now included.

The Mexican and Costa Rican Conventions cover the tuna fisheries of the Pacific Ocean, and should be considered as a unit. They were concluded separately because the United States and Mexico have several problems in common regarding the tuna fisheries which have no counterparts in the relations of the United States with the countries to the south of Mexico. For example, the bluefin tuna and the albacore tuna which form the basis of important fisheries off northern Mexico and the United States do not occur south of central Mexico and are, therefore, of no interest to the southern countries. Again, a large fleet of small vessels works out of northern Mexican and southern California ports which present special problems, but their operation does not extend south of central Mexico. In general due to their geographic continuity the United States and Mexico have many joint problems of fisheries management which differentiate their concerns from those of the nations to the south, and make the separate convention highly desirable.

Nevertheless the yellowfin tuna and the skipjack tuna which are the primary species of concern to the Inter-American Tropical Tuna Commission also occur off Mexico as well as the other countries as far south, at least, as Peru.

Consequently, it is of prime necessity that the investigative and other activities of the two tuna commissions intermesh in an intimate manner, and also that the work of the two commissions be integrated with the tuna research being carried out by the State of California, the State of Oregon, and the Federal Government through the agency of the Fish and Wildlife Service of the Department of the Interior.

The United States proposes to insure such integration of work on its part by the following means:

1. The United States Commissioners for the Inter-American Tropical Tuna Commission will be the same persons as the United States Commissioners for the International Commission for the scientific investigation of Tuna.

2. The Advisory Committee to the United States Commissioners will for the most part be the same persons for both Commissions.

3. Provided that the other countries are agreeable, the Director of Investigations for both Commissions will be the same man.

4. Three of the United States commissioners shall be men on the policy-making level of the following three organizations: United States Fish and Wildlife Service, California State Division of Fish and Game, and the Oregon Fish Commission. This will insure the effective integration of all United States effort in this field of work.

With respect to the Costa Rican Convention, other nations as far south as Peru have a concern in the yellowfin and skipjack tuna fisheries. Accordingly, provision is made in that convention for the adherence at a later date of any country whose nationals participate in these fisheries.

The Mexican and Costa Rican Conventions are otherwise substantially similar. Both are modeled closely after the halibut convention which set up the International Fisheries Commission between the United States and Canada in 1924, and has worked much to the satisfaction of these two countries and their fishermen for the past 25 years.

All three of the conventions now under consideration by the Senate have the strong support of the affected industry, labor, boat owners, and management of the official fisheries agencies of the States concerned, and of this Government. To the best of my knowledge there is no opposition of any kind to any one of the three conventions.

Let me add one comment:

Considerable time and effort have been expended by the officials of the State Department and the United States Fish and Wildlife Service in preparing this treaty for ratification by the Senate.

Among those who have worked hard and faithfully and, who I believe, is more responsible than any other individual for arousing interest in the treaty, is Mr. Leonard O. Warner, a special correspondent for the Providence Journal and Evening Bulletin. He wrote a series of very enlightening articles for these papers and we who have lived with the treaty since its inception know of his untiring efforts both in assisting the various Government agencies in its preparation and also in calling to the attention of the general public the advantages of the treaty.

As one who knows of Mr. Warner's great interest in the treaty I wish at this time to extend heartfelt thanks to him for this great service.

Mr. LODGE. Mr. President, as a member of the subcommittee which considered these treaties, I should like to endorse what the Senator from Rhode Island has said, and to say that the subcommittee was unanimous in support of the treaties.

I personally circularized persons with whom I am acquainted whose lifetime has been dedicated to the fishing industry, and I think all are in favor of these treaties. In particular, I think the Atlantic treaty is of great moment to the section of the country from which I come. It may, we hope, lead to the taking of measures which will introduce some real conservation into that important national resource, which now, I regret to say, is very gravely threatened with damage to producers and, of course, consumers alike.

So I hope the treaties will be ratified.

Mr. SALTONSTALL. Mr. President, I wish to join my colleague in saying that these treaties mean much to those of us in Massachusetts, where the fishing industry is so important to our industrial life.

Mr. KNOWLAND. Mr. President, I join in the request for favorable action which has been made by the able Senator from Rhode Island. On the Pacific coast, representatives of industry and labor and representatives of the State Department joined together on this matter. I believe it has universal support. I have heard of no opposition to the Pacific treaty.

Mr. CONNALLY. Does the Senator favor all three of the treaties?

Mr. KNOWLAND. Oh, yes; I favor all three of them.

Mr. MAGNUSON. Mr. President, I, too, wish to support these treaties and wish to add my voice to those of other Senators in their behalf.

I was impressed with what the Senators from the Northeastern States, who are members of the Foreign Relations Committee, have had to say regarding this matter.

The experience which has been had with halibut and other ground fish is now being had in the Pacific Northwest in regard to sockeye salmon. We have found that by establishing there the pattern which already has been established in other fisheries in reference to ground fish, we have been able to revive a great deal of the sockeye salmon fishery.

The ratification of these treaties will mean a great deal to the fishing industry up and down the Pacific coast.

I should like to say that these treaties are not necessarily the work of any one man. It happens that some months ago a group of us attempted to impress upon the State Department the necessity of having someone at a higher policy level represent us in such negotiations with other countries, in contrast to what has occurred in the past in connection with negotiations and conferences regarding fisheries. In such matters in the past representatives of the United States who have gone to international fishery meetings have been representatives from the Fish and Wildlife Service, a subhead of a subdepartment of a subbureau. At those international meetings they have dealt with ministers and cabinet members of other nations. We were somewhat successful in having a change made in that situation. One man in the State Department is largely responsible for that change. He happens to come from the State of Washington. I refer to Dr. Chapman, an eminent scientist in Fisheries.

I am sure that the result of having persons who are on a higher policy level handle these matters in behalf of the United States has not only stimulated the taking of this action, but also will aid the entire fishing industry in the United States in the future.

The PRESIDING OFFICER. The convention is open to amendment.

If there be no amendment to be proposed, the convention will be reported to the Senate.

The convention was reported to the Senate without amendment.

The PRESIDING OFFICER. The resolution of ratification will be read.

The legislative clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive N, Eighty-first Congress, first session, an international convention for the northwest Atlantic fisheries, formulated at the international northwest Atlantic fisheries conference and signed at Washington under date of February 8, 1949, by the plenipotentiary of the United States of America and by the plenipotentiaries of certain other governments.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution of ratification is agreed to, and the convention is ratified.

TUNA CONVENTION BETWEEN THE UNITED STATES AND MEXICO

The Senate, as in Committee of the Whole, proceeded to consider the convention, Executive K (81st Cong., 1st sess.), a convention between the United States of America and Mexico for the establishment of an International Commission for Scientific Investigation of Tuna, signed at Mexico City, January 25, 1949; which was read the second time, as follows:

CONVENTION FOR THE ESTABLISHMENT OF AN INTERNATIONAL COMMISSION FOR THE SCIENTIFIC INVESTIGATION OF TUNA

PREAMBLE

The United States of America and the United Mexican States considering their respective interests in maintaining the populations of certain tuna and tunalike fishes in the waters of the Pacific Ocean off the coasts of both countries, and desiring to cooperate in scientific investigation, and in the gathering and interpretation of factual information to facilitate maintaining the populations of these fishes at a level which will permit the maximum reasonable utilization without depletion year after year, have agreed to conclude a Convention for these purposes and to that end have named as their Plenipotentiaries:

The President of the United States of America:

Walter Thurston, Ambassador Extraordinary and Plenipotentiary of the United States of America in Mexico;

The President of the United Mexican States:

Manuel Tello, acting Secretary of Foreign Relations;

who having communicated to each other their full powers, found to be in good and due form, have agreed as follows:

ARTICLE I

1.—The High Contracting Parties agree to establish and operate a joint commission, to be known as the International Commission for the Scientific Investigation of Tuna, hereinafter referred to as the Commission, which shall carry out the objectives of this Convention. The Commission shall be composed of two national sections, a United States section, consisting of four members, appointed by the Government of the United States of America, and a Mexican section consisting of four members, appointed by the Government of the United Mexican States.

2.—The Commission shall submit annually to the respective Governments a report on its findings, with appropriate recommendations, and shall also inform them, whenever it is deemed advisable, on any matter relating to the objectives of this Convention.

3.—The expenses incurred by each national section for its own personnel, offices and operation, including emoluments, transportation and subsistence, shall be borne by its government. Joint expenses incurred by the Commission shall be paid by the High Contracting Parties in the form and proportion recommended by the Commission and approved by the High Contracting Parties.

4.—Both the general annual program of activities and the budget of joint expenses shall be recommended by the Commission and submitted for approval to the High Contracting Parties.

5.—The High Contracting Parties shall decide on the most convenient place for the establishment of the Commission's headquarters.

6.—The Commission shall meet at least twice each year and at such other times as may be requested by either national section. The date and place of the first meeting shall be determined by agreement between the High Contracting Parties.

7.—At its first meeting the Commission shall select a chairman from the members of one national section and a secretary from the members of the other national section. The chairman and secretary shall hold office for a period of one year. During succeeding years, selection of the chairman and secretary shall alternate between the respective national sections.

8.—Each national section shall have one vote. Decisions, resolutions, and recommendations of the Commission shall be made only by approval of both sections.

9.—The Commission shall be entitled to adopt and to amend subsequently, as occasion may require, by laws or rules for the conduct of its meetings and for the performance of its functions and duties. Such by-laws, rules or amendments shall be referred by the Commission to the Governments and shall become effective thirty days from the date

of receipt of notification unless disapproved by either of the two Governments within that period.

10.—The Commission shall be entitled to employ necessary personnel for the performance of its functions and duties. The appointments shall be distributed equitably between nationals of the United States and Mexico except in special instances in which the appointment of persons of other nationalities is desirable.

11.—Each section of the Commission may appoint its own advisors who may attend sessions of the Commission in their advisory capacity when the Commission so determines. Each section may meet separately with advisors from its own country when it deems such meetings desirable.

12.—Each section of the Commission may hold public hearings within the territory of its own country.

13.—The Commission shall designate simultaneously a Director and an Assistant Director of Investigations, who shall be technically competent and shall be responsible to the Commission. One of these functionaries shall be a national of the United States and the other a national of Mexico. Subject to the instruction of the Commission and with its approval, the Director shall have charge of:

(a) the drafting of programs of investigation, and the preparation of budget estimates for the Commission;

(b) authorizing the disbursement of the funds for the joint expenses of the Commission;

(c) the accounting of the funds for the joint expenses of the Commission;

(d) the appointment and immediate direction of technical and any other personnel required for the scientific functions of the Commission;

(e) arrangements for the cooperation with other organizations or individuals in accordance with paragraph 18 of this Article;

(f) the coordination of the work of the Commission with that of organizations and individuals whose cooperation has been arranged for;

(g) the drafting of administrative, scientific and other reports for the Commission;

(h) the performance of such other duties as the Commission may require.

14.—The Assistant Director shall assist the Director of Investigations in all his functions, and shall substitute for him during his temporary absences. Both the Director and the Assistant Director of Investigations may be freely removed by the Commission.

15.—The official languages of the Commission shall be English and Spanish, and members of the Commission may use either language during meetings. When necessary, translation shall be made to the other language. The minutes, official documents and publications of the Commission shall be in both languages, but official correspondence of the Commission may be written at the discretion of the secretary in either language.

16.—Representatives of both national sections shall be entitled to participate in all work carried out by the Commission or under its auspices.

17.—Each national section shall be entitled to obtain certified copies of any documents pertaining to the Commission except that the Commission will adopt and may amend subsequently rules to insure the confidential character of records of statistics of individual catches and individual company operations. These rules and amendments shall be referred to the Governments in accordance with the procedures of paragraph 9 of this Article.

18.—In the performance of its duties and functions the Commission may request the technical and scientific services of and information from official agencies of the High Contracting Parties and any international, public, or private institution or organization or any private individual.

ARTICLE II

The Commission shall perform the following functions and duties:

1.—Make investigations: (a) concerning the abundance, biology, biometry, and ecology of the yellowfin, bluefin, and albacore tunas, bonitos, yellowtails, and skipjacks (hereinafter referred to as tuna and tuna-like fishes) in the waters of the Pacific Ocean off the coasts of both countries and eleswhere as may be required, and of the kinds of fishes commonly used as bait in tuna fishing; and (b) concerning the effects of natural factors and human activities on the abundance of the populations of fishes to which this Convention refers.

2.—Collect and analyze information relating to the current and past conditions and trends of the populations of the tuna and tuna-like fishes and tuna-bait fishes of the waters of the Pacific Ocean off the coasts of both countries and elsewhere as may be required.

3.—Study and appraise information concerning methods and procedures for maintaining and increasing the populations of tuna and tuna-like fishes and tuna-bait fishes in the waters of the Pacific Ocean off the coasts of both countries and elsewhere as may be required.

4.—Conduct such fishing and other activities, on the high seas and in the waters which are under the jurisdiction of either High Contracting Party, as may be necessary to attain the ends referred to in sub-paragraphs 1, 2 and 3 of this Article.

5.—Obtain statistics and all kinds of reports concerning catches, operations of fishing boats and other information concerning the fishing for tuna and tuna-like fishes and the tuna-bait fishes. The High Contracting Parties shall, if necessary, enact legislation in order to make it obligatory for the boat captains or other persons who participate in these fishing activities to keep records of operations, including the volume of the catch by species and the area in which caught, all of these in the form and with such frequency as the Commission deems necessary.

6.—Publish or otherwise disseminate reports relative to the results of its findings and such other reports as fall within the scope of this Convention, as well as scientific, statistical, and other data relating to the fisheries for tuna and tuna-like fishes and tuna-bait fishes in the waters of the Pacific Ocean off the coasts of both countries and elsewhere as may be required.

ARTICLE III

1.—The present Convention shall be ratified in accordance with the constitutional procedures of each country and the instruments of ratification shall be exchanged at Washington as soon as possible.

2.—The present Convention shall enter into force on the date of exchange of ratifications. It shall remain in force for a period of four years and thereafter until one year from the day on which either of the High Contracting Parties shall give notice to the other High Contracting Party of its intention of terminating the Convention.

3.—In the event of termination of the Convention, property supplied to the Commission by the High Contracting Parties shall be returned to that High Contracting Party which originally provided it. Property otherwise acquired by the Commission, with the exception of the archives, shall be returned to the High Contracting Parties taking into account the proportion in which they shall have contributed to the expenses of the Commission.

4.—At the termination of this Convention the High Contracting Parties shall divide the archives of the Commission as follows: The United States of America shall receive the part in English and the United Mexican States, the part in Spanish. Either of the two countries shall be able to obtain certified copies of any document from the archives of the Commission which is in the possession of the other. These archives may be consulted at any time for this purpose by authorized representatives of the government not having in its possession the archives which it wishes to consult. This paragraph shall be subject to the provisions of Paragraph 17 of Article I of this Convention.

In witness whereof the respective Plenipotentiaries have signed the present Convention and have affixed their seals.

Done in duplicate, in the English and Spanish Languages, at Mexico City this twenty-fifth day of January one thousand nine hundred and forty-nine.

WALTER THURSTON.
MANUEL TELLO.

The PRESIDING OFFICER. The convention is open to amendment. If there be no amendment to be proposed, the convention will be reported to the Senate.

The convention was reported to the Senate without amendment.

The PRESIDING OFFICER. The resolution of ratification will be read.

The legislative clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive K, Eighty-first Congress, first session, a convention between the United States of America and Mexico for the establishment of an international commission for the scientific investigation of tuna, signed at Mexico City, January 25, 1949.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution of ratification is agreed to, and the convention is ratified.

TUNA CONVENTION BETWEEN THE UNITED STATES AND COSTA RICA

The Senate, as in Committee of the Whole, proceeded to consider the convention, Executive P, a convention between the United States of America and Costa Rica for the establishment of an Inter-American Tropical Tuna Commission, signed at Washington, D. C., May 31, 1949, which was read the second time, as follows:

CONVENTION BETWEEN THE UNITED STATES OF AMERICA AND THE REPUBLIC OF COSTA RICA FOR THE ESTABLISHMENT OF AN INTER-AMERICAN TROPICAL TUNA COMMISSION

The United States of America and the Republic of Costa Rica considering their mutual interest in maintaining the populations of yellowfin and skipjack tuna and of other kinds of fish taken by tuna fishing vessels in the eastern Pacific Ocean which by reason of continued use have come to be of common concern, and desiring to cooperate in the gathering and interpretation of factual information to facilitate maintaining the populations of these fishes at a level which will permit maximum sustained catches year after year, have agreed to conclude a Convention for these purposes and to that end have named as their Plenipotentiaries:

The President of the United States of America:

James E. Webb, Acting Secretary of State

Wilbert M. Chapman, Special Assistant to the Under Secretary of State

The President of the Government of Costa Rica:

Mario A. Esquivel, Ambassador Extraordinary and Plenipotentiary of Costa Rica

Jorge Hazera, Counselor of the Embassy of Costa Rica

who, having communicated to each other their full powers, found to be in good and due form, have agreed as follows:

ARTICLE I

1. The High Contracting Parties agree to establish and operate a joint Commission, to be known as the Inter-American Tropical Tuna Commission, hereinafter referred to as the Commission, which shall carry out the objectives of this Convention. The Commission shall be composed of national sections, each consisting of from one to four members, appointed by the Governments of the respective High Contracting Parties.

2. The Commission shall submit annually to the Government of each High Contracting Party a report on its investigations and findings, with appropriate recommendations, and shall also inform such Governments, whenever it is deemed advisable, on any matter relating to the objectives of this Convention.

3. Each High Contracting Party shall determine and pay the expenses incurred by its section. Joint expenses incurred by the Commission shall be paid by the High Contracting Parties through contributions in the form and proportion recommended by the Commission and approved by the High Contracting Parties. The proportion of joint expenses to be paid by each High Contracting Party shall be related to the proportion of the total catch from the fisheries covered by this Convention utilized by that High Contracting Party.

4. Both the general annual program of activities and the budget of joint expenses shall be recommended by the Commission and submitted for approval to the High Contracting Parties.

5. The Commission shall decide on the most convenient place or places for its headquarters.

6. The Commission shall meet at least once each year, and at such other times as may be requested by a national section. The date and place of the first meeting shall be determined by agreement between the High Contracting Parties.

7. At its first meeting the Commission shall select a chairman and a secretary from different national sections. The chairman and the secretary shall hold office for a period of one year. During succeeding years, selection of the chairman and the secretary from the national sections shall be in such a manner that the chairman and the secretary will be of different nationalities, and as will provide each High Contracting Party, in turn, with an opportunity to be represented in those offices.

8. Each national section shall have one vote. Decisions, resolutions, recommendations, and publications of the Commission shall be made only by a unanimous vote.

9. The Commission shall be entitled to adopt and to amend subsequently, as occasion may require, by-laws or rules for the conduct of its meetings.

10. The Commission shall be entitled to employ necessary personnel for the performance of its functions and duties.

11. Each High Contracting Party shall be entitled to establish an Advisory Committee for its section, to be composed of persons who shall be well informed concerning tuna fishery problems of common concern. Each such Advisory Committee shall be invited to attend the non-executive sessions of the Commission.

12. The Commission may hold public hearings. Each national section also may hold public hearings within its own country.

13. The Commission shall designate a Director of Investigations who shall be technically competent and who shall be responsible to the Commission and may be freely removed by it. Subject to the instruction of the Commission and with its approval, the Director of Investigations shall have charge of:

(a) the drafting of programs of investigations, and the preparation of budget estimates for the Commission;

(b) authorizing the disbursement of the funds for the joint expenses of the Commission;

(c) the accounting of the funds for the joint expenses of the Commission;

(d) the appointment and immediate direction of technical and other personnel required for the functions of the Commission;

(e) arrangements for the cooperation with other organizations or individuals in accordance with paragraph 16 of this Article;

(f) the coordination of the work of the Commission with that of organizations and individuals whose cooperation has been arranged for;

(g) the drafting of administrative, scientific and other reports for the Commission;

(h) the performance of such other duties as the Commission may require.

14. The official languages of the Commission shall be English and Spanish, and members of the Commission may use either language during meetings. When requested, translation shall be made to the other language. The minutes, official documents, and publications of the Commission shall be in both languages, but official correspondence of the Commission may be written, at the discretion of the secretary, in either language.

15. Each national section shall be entitled to obtain certified copies of any documents pertaining to the Commission except that the Commission will adopt and may amend subsequently rules to ensure the confidential character of records of statistics of individual catches and individual company operations.

16. In the performance of its duties and functions the Commission may request the technical and scientific services of, and information from, official agencies of the High Contracting Parties, and any international, public, or private institution or organization, or any private individual.

ARTICLE II

The Commission shall perform the following functions and duties:

1. Make investigations concerning the abundance, biology, biometry, and ecology of yellowfin (*Neothunnus*) and skipjack (*Katsuwonus*) tuna in the waters of the eastern Pacific Ocean fished by the nationals of the High Contracting Parties, and the kinds of fishes commonly used as bait in the tuna fisheries, especially the anchovetta, and of other kinds of fish taken by tuna fishing vessels; and the effects of natural factors and human activities on the abundance of the populations of fishes supporting all these fisheries.

2. Collect and analyze information relating to current and past conditions and trends of the populations of fishes covered by this Convention.

3. Study and appraise information concerning methods and procedures for maintaining and increasing the populations of fishes covered by this Convention.

4. Conduct such fishing and other activities, on the high seas and in waters which are under the jurisdiction of the High Contracting Parties, as may be necessary to attain the ends referred to in subparagraphs 1, 2, and 3 of this Article.

5. Recommend from time to time, on the basis of scientific investigations, proposals for joint action by the High Contracting Parties designed to keep the populations of fishes covered by this Convention at those levels of abundance which will permit the maximum sustained catch.

6. Collect statistics and all kinds of reports concerning catches and the operations of fishing boats, and other information concerning the fishing for fishes covered by this Convention, from vessels or persons engaged in these fisheries.

7. Publish or otherwise disseminate reports relative to the results of its findings and such other reports as fall within the scope of this Convention, as well as scientific, statistical, and other data relating to the fisheries maintained by the nationals of the High Contracting Parties for the fishes covered by this Convention.

ARTICLE III

The High Contracting Parties agree to enact such legislation as may be necessary to carry out the purposes of this Convention.

ARTICLE IV

Nothing in this Convention shall be construed to modify any existing treaty or convention with regard to the fisheries of the eastern Pacific Ocean previously concluded by a High Contracting Party, nor to preclude a High Contracting Party from entering into treaties or conventions with other States regarding these fisheries, the terms of which are not incompatible with the present Convention.

ARTICLE V

1. The present Convention shall be ratified and the instruments of ratification shall be exchanged at Washington as soon as possible.

2. The present Convention shall enter into force on the date of exchange of ratifications.

3. Any government, whose nationals participate in the fisheries covered by this Convention, desiring to adhere to the present Convention, shall address a communication to that effect to each of the High Contracting Parties. Upon receiving the unanimous consent of the High Contracting Parties to adherence, such government shall deposit with the Government of the United States of America an instrument of adherence which shall stipulate the effective date thereof. The Government of the United States of America shall furnish a certified copy of the Convention to each government desiring to adhere thereto. Each adhering government shall have all the rights and obligations under the Convention as if it had been an original signatory thereof.

4. At any time after the expiration of ten years from the date of entry into force of this Convention any High Contracting Party may give notice of its intention of denouncing the Convention. Such notification shall become effective with respect to such notifying government one year after its receipt by the Government of the United States of America. After the expiration of the said one year period the Convention shall be effective only with respect to the remaining High Contracting Parties.

5. The Government of the United States of America shall inform the other High Contracting Parties of all instruments of adherence and of notifications of denunciation received.

In witness whereof the respective Plenipotentiaries have signed the present Convention.

Done at Washington, in duplicate, in the English and Spanish languages, both texts being equally authentic, this 31st day of May, 1949.

For the United States of America:
JAMES E. WEBB
W. M. CHAPMAN

For the Republic of Costa Rica:
MARIO A. ESQUIVEL
JORGE HAZERA

The PRESIDING OFFICER. The convention is open to amendment. If there be no amendment to be proposed, the convention will be reported to the Senate.

The convention was reported to the Senate without amendment.

The PRESIDING OFFICER. The resolution of ratification will be read.

The legislative clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive P, Eighty-first Congress, first session, a convention between the United States of America and Costa Rica for the establishment of an Inter-American Tropical Tuna Commission, signed at Washington, May 31, 1949.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution of ratification is agreed to, and the convention is ratified.

CONSULAR CONVENTION BETWEEN THE UNITED STATES AND THE REPUBLIC OF COSTA RICA

The Senate, as in Committee of the Whole, proceeded to consider the convention, Executive D, a consular convention between the United States of America and the Government of Costa Rica, signed at San Jose, on January 12, 1948, which was read the second time, as follows:

CONSULAR CONVENTION BETWEEN THE UNITED STATES OF AMERICA AND THE REPUBLIC OF COSTA RICA

The President of the United States of America and the President of the Republic of Costa Rica, on the basis of that traditional friendship which has always joined the peoples of their respective countries, have agreed to conclude a Consular Convention for the purpose yet further to strengthen this happy relationship through the fostering and development of effective consular representation between the two countries, and, in the premises have appointed as their respective plenipotentiaries:

The President of the United States of America:

Mr. John Willard Carrigan, Chargé d'Affaires ad interim of the United States of America;

The President of the Republic of Costa Rica:

His Excellency Licenciado Alvaro Bonilla Lara, Secretary of State encharged with the Office of Foreign Relations

who, after having communicated to each other their full powers and having found them to be in good and due form, have agreed upon the following:

ARTICLE I

1. Each state agrees to receive from the other state consular representatives in those of its ports, places and cities where it may be convenient to establish consular offices and which are open to consular representatives of any foreign state. It shall be within the discretion of the sending state to determine whether the consular office to which such consular representatives shall be appointed or assigned, shall be a consulate general, consulate, vice consulate or consular agency. The sending state may prescribe the consular district to correspond to each consular office.

2. A consular officer of the sending state shall, after his official recognition and entrance upon his duties, enjoy in the territory of the receiving state, in addition to the rights, privileges, exemptions and immunities to which he is entitled by the terms of this convention, the rights, privileges, exemptions and immunities enjoyed by a consular officer of the same grade of the most-favored nation. As an official agent, such officer shall be entitled to the high consideration of all officials, national or local, with whom he has official intercourse in the receiving state.

3. Upon the appointment or assignment of a consular officer to a post within the territory of the receiving state, the sending state shall notify the receiving state in writing of such appointment or assignment. Such notification shall be accompanied with a request for the issuance to such officer of an exequatur or other formal authorization permitting the exercise of consular duties within the territory of the receiving state. Such request shall not be refused without good cause and the exequatur or authorization shall be issued free of charge and as promptly as possible. When necessary a provisional authorization may be issued pending the issuance of an exequatur or formal authorization.

4. The receiving state may revoke any exequatur, formal authorization or provisional authorization if the conduct of a consular officer gives serious cause for complaint. The reasons for such revocation shall be furnished to the sending state through diplomatic channels.

5. (a) The receiving state shall notify the appropriate local authorities of such state of the names of consular officers authorized to act within the receiving state.

(b) A consular officer in charge of a consular office shall keep the authorities of the receiving state informed of the names and addresses of the employees of the consular office. The receiving state shall designate the particular authority to whom such information is to be furnished.

6. Upon the death, incapacity, or absence of a consular officer having no subordinate consular officer at his post, any other consular officer of the sending state to whom an exequatur, formal authorization or provisional authorization has been issued by the receiving state or any person on the staff of the consular office whose name shall previously have been made known to the authorities of the receiving state pursuant to paragraph 5 of this article, may temporarily exercise the consular duties of the deceased or incapacitated or absent consular officer, and while so acting shall enjoy all the rights, privileges, exemptions and immunities previously enjoyed by such consular officer.

7. A consular officer or diplomatic officer of the sending state, who is a national of that state, may have the rank also of a diplomatic officer or of a consular officer, as the case may be, on condition that permission for him to exercise such dual functions has been duly granted by the receiving state and appropriate recognition in a consular capacity has been granted. In any such case such person's rank as a diplomatic officer shall be understood as being superior to and independent of his rank as a consular officer. The exercise of consular duties by any diplomatic officer shall be without prejudice to any additional personal privileges and immunities which might accrue to such officer by reason of his diplomatic status.

ARTICLE II

1. A consular officer who is a national of the sending state and not engaged in a private occupation for gain in the receiving state, shall be exempt from arrest or prosecution in the receiving state except when charged with the commission of a crime which, upon conviction, might subject the individual guilty thereof to a sentence of imprisonment for a period of one year or more.

2. A consular officer or employee shall in civil proceedings be subject to the jurisdiction of the courts of the receiving state except in respect of acts performed by him within the scope of his official duties. He shall not however be permitted to assert that an act was performed by him within the scope of his official duties in any case where a third party shall have been injured as the result of negligence, for which the officer or employee would be responsible under local law, or had reason to believe that the officer or employee was acting in his personal capacity.

3. A consular officer or employee may be required to give testimony in either civil or criminal cases, except as to acts performed by him within the scope of his official duties, or as to any matter cognizable by him only by virtue of his official status, but the court requiring his testimony shall take all reasonable steps to avoid interference with the performance of his official duties. The court requiring the testimony of a consular officer shall, wherever possible or permissible, arrange for the taking of such testimony, orally or in writing, at his residence or office. A court may not require a consular officer or employee to give evidence as expert witness with regard to the laws of the sending state.

4. A consular officer or employee shall not be required to produce official archives in court or to testify as to their contents.

5. A consular officer of employee who is a national of the sending state and not a national of the receiving state and is not engaged in a private occupation for gain in the receiving state shall be exempt from military, naval, jury, administrative or police service of any character whatsoever.

6. (a) The buildings and premises occupied by the sending state for official consular purposes shall not be subject to military billeting or to expropriation, condemnation, confiscation or seizure, except in accordance with the laws governing the condemnation of property for public purposes and in such case only upon prior payment to the sending state of the full value of the property condemned.

(b). All furniture, office equipment and other personal property located in any building occupied for official consular purposes and all vehicles, including aircraft, used in the performance of the official business of the consular office shall not be subject to military requisition or to expropriation, condemnation, confiscation or seizure.

7. The buildings and premises occupied exclusively as a personal residence by a consular officer or employee who is a national of the sending state and not a national of the receiving state and is not exercising a private occupation for gain in the receiving state shall be afforded comparable protection to that afforded to buildings and premises occupied for official consular purposes, and the personal property of any such consular officer or employee shall be afforded comparable protection to that afforded to the personal property of a comparable nature referred to in subparagraph (b) of paragraph 6 of this article.

ARTICLE III

1. No tax of any kind shall be levied or assessed in the territory of the receiving state by the receiving state, or by any state, province, municipality, or other local political subdivision thereof, in respect of fees received on behalf of the sending state in compensation for consular services, or in repect of any receipt given for the payment of such fees.

2. No tax of any kind shall be levied or assessed in the territory of the receiving state by the receiving state, or by any state, province, municipality, or other local subdivision thereof on the official emoluments, salaries, wages or allowances received as compensation for his consular services by a consular officer of the sending state who is not a national of the receiving state.

3. The provisions of paragraph 2 of this article also apply to the official emoluments, salaries, wages or allowances received by an employee of the consular office of the sending state who is not a national of the receiving state and whose name has been duly communicated to the appropriate authorities of

the receiving state in accordance with the provisions of paragraph 5 of Article I.

4. A consular officer or employee who is a national of the sending state and is not a national of the receiving state, who is not engaged in a private occupation for gain in the territory of the receiving state and who is the holder of an exequatur or other authorization to perform consular duties or whose name has been duly communicated to the appropriate authorities of the receiving state in accordance with paragraph 5 of Article I shall, except as provided in paragraph 5 of this article, be exempt in the territory of the receiving state from all other taxes levied or assessed by the receiving state, or by any state, province, municipality, or other local political subdivision thereof, including taxes or fees levied or assessed on the use or ownership of any vehicle or vessel, including aircraft, or of any wireless, radio or television set or in respect of the driving or operation of any vehicle or vessel including aircraft.

5. (a) The provisions of paragraph 4 of this article shall apply only to taxes in respect of which the consular officer or employee would in the absence of the exemption provided by this article be the person legally liable, and shall not apply to taxes in respect of which some other person is legally liable, notwithstanding that the burden of the tax may be passed on to the consular officer or employee. If, however, a consular officer or employee is entitled to income from sources outside the territory of the receiving state, but that income is payable to him, or collected on his behalf, by a banker or other agent within the territory of the receiving state who is required to deduct income tax on payment of the income and to account for the tax so deducted, the consular officer or employee shall be entitled to repayment of the tax so deducted.

(b) The provisions of paragraph 4 of this article shall not apply to:

(1) taxes levied or assessed on the ownership or occupation of immovable property if such property is situated within the territory of the receiving state;

(2) taxes on income derived from property of any kind situated within the territory of the receiving state;

(3) taxes levied or assessed on that part of the estate of a consular officer or employee which is exclusive of property used by him in the performance of his official duties.

(c) For the purpose of clause (3) of subparagraph (b) of this paragraph any part of the estate of a deceased consular officer or employee which would otherwise be subject to taxation in the receiving state which does not exceed in value two times the amount of the official emoluments, salaries or allowances received by the consular officer or employee for the year immediately preceding his death, shall be deemed conclusively to constitute property used by him in the performance of his official duties.

ARTICLE IV

1. All furniture, equipment and supplies intended for official use in a consular office of the sending state shall be permitted entry into the territory of the receiving state free of all customs duties and internal revenue or other taxes whether imposed upon or by reason of importation.

2. The baggage and effects and other articles imported exclusively for the personal use of consular officers and employees and the members of their respective families and suites, who are nationals of the sending state and are not nationals of the receiving state and who are not engaged in any private occupation for gain in the territory of the receiving state, shall be exempt from all customs duties and internal revenue or other taxes whether imposed by the receiving state, or by any state, province, municipality, or other local political subdivision thereof, upon or by reason of importation. Such exemption shall be granted with respect to property accompanying any person entitled to claim an exemption under this paragraph on first arrival or on any subsequent arrival and with respect to property consigned to any such person during the period the consular officer or employee, for or through whom the exemption is claimed, is assigned to or is employed in the receiving state by the sending state.

3. It is understood, however, (a) that the exemptions provided by paragraph 2 of this article shall be accorded in respect of employees in a consular office only when the names of such employees have been duly communicated in accordance with the provisions of paragraph 5 of Article I, to the appropriate authorities of the receiving state; (b) that in the case of the consignments to which paragraph 2 of this article refers, either state may, as a condition to the granting of the exemption provided in this article, require that a notification of any such consignment be given in such manner as it may prescribe; and (c) that nothing herein shall be construed to permit the entry into the territory of either state of any article the importation of which is specifically prohibited by law.

ARTICLE V

1. The sending state may, in accordance with such conditions as may be prescribed by the laws of the receiving state, acquire by purchase, gift, devise, lease or otherwise, either in its own name or in the name of one or more persons acting on its behalf, the ownership or possession, or both, of lands, buildings and appurtenances located in the territory of the receiving state and required by the sending state for consular purposes. If under the local law the permission of the local authorities must be obtained as a prerequisite to any such acquisition such permission shall be given on application of the sending state.

2. The sending state shall have the right to erect buildings and appurtenances on land, which is owned or held by or on behalf of the sending state in the territory of the receiving state for consular purposes, subject to compliance with local building, zoning or town-planning regulations applicable to all land in the area in which such property is situated.

3. No tax of any kind shall be levied or assessed in the territory of the receiving state by the receiving state, or by any state, province, municipality, or other local political subdivision thereof, on the sending state, or on any person acting on its behalf in accordance with paragraph 1 of this article, in respect of lands and buildings or appurtenances owned or held by or on behalf of the sending state for consular purposes, except taxes or other assessments levied for services or local public improvements by which the premises are benefited. A building, or part of a building, in which a consular office is situated and the rest of which is used as a consular residence is to be regarded as used exclusively for consular purposes.

4. No tax of any kind shall be levied or assessed in the territory of the receiving state by the receiving state, or by any state, province, municipality, or other local political subdivision thereof, on the ownership, possession or use of personal property owned or used by the sending state for consular purposes.

ARTICLE VI

1. A consular officer may place on the outside of the consular office the coat of arms or national device of the sending state with an appropriate inscription designating the office and may fly the flag of the sending state over or by such office. He may also place the coat of arms or national device and display the flag of the sending state on vehicles and vessels, including aircraft, employed by him in the exercise of his consular duties. A consular officer may display the flag of the sending state over or by his residence on the occasions which he considers appropriate.

2. The quarters where consular business is conducted and the archives of the consular office of the sending state shall at all times be inviolable, and under no pretext shall any of the authorities of the receiving state make any examination or seizure of papers or other property in such quarters or archives. When a consular officer is engaged in business within the territory of the receiving state, the files and documents of the consular office shall be kept in a place entirely separate from the place where private or business papers are kept.

3. Official consular correspondence shall be inviolable and the local authorities shall not examine or detain any such correspondence.

ARTICLE VII

1. A consular officer of the sending state, may within his consular district address the authorities of the receiving state, or of any state, province, municipality, or other local political subdivision thereof, for the purpose of protecting the nationals of the sending state in the enjoyment of rights accruing by treaty or otherwise and may register complaints against the infraction of such rights. Failure upon the part of the proper authorities to grant redress or to accord protection may justify interposition through diplomatic channels. In the absence of a diplomatic representative, the principal consular officer stationed at the capital of the receiving state may apply directly to the Government of the receiving state.

2. (a) A consular officer shall, within his consular district, have the right:

(1) To interview, communicate with, and advise any national of the sending state;

(2) to inquire into any incidents which have occurred affecting the interests of any national of the sending state;

(3) to visit, upon notification to the appropriate authority, and have private access to any national of the sending state who is imprisoned or detained by the authorities of the receiving state; and

(4) to assist any national of the sending state in proceedings before or in relations with the appropriate authorities of the receiving state or of any state, province, municipality, or of any local political subdivision thereof.

(b) A consular officer shall be informed immediately by the appropriate authorities of the receiving state when any national of the sending state is confined in prison awaiting trial or otherwise detained in custody within his consular district by such authorities.

3. A national of the sending state shall have the right at all times to communicate with a consular officer of the sending state.

ARTICLE VIII

1. (a) A consular officer of the sending state may within his district:

(1) Authenticate or certify signatures, documents or copies of documents;

(2) prepare, receive, legalize, certify and attest declarations or depositions;

(3) prepare, attest, receive the acknowledgments of, certify, authenticate, legalize and in general, take such action as may be necessary to perfect or to validate any document or instrument of a legal character; and

(4) perform such other analogous services as he is authorized to perform by the laws of the sending state;

(b) A consular officer may perform the services specified in subparagraph (a) of this article whenever such services are required by a national of the sending state for use outside of the territory of the receiving state or by any person for use in the territory of the sending state or are rendered in accordance with procedures, not prohibited by the laws of the receiving state, established

by the sending state for the protection of its nationals abroad or for the proper administration of its laws and regulations.

(c) A consular officer may also, to the extent permitted by the receiving state and in conformity with authority conferred on him by the sending state, perform the services specified in subparagraph (a) of this article in circumstances other than those provided for by subparagraph (b) of this article whenever the rendition of such services shall be deemed to be necessary or expedient.

ARTICLE IX

1. (a) Whenever the local authorities of the receiving state shall learn that a national of the sending state died in a locality subject to the jurisdiction of the receiving state and that there is not in the receiving state any person appointed by the decedent as his executor or as the representative of his estate or entitled to claim the whole or any part of the proceeds of the estate as his heir or next of kin or as a beneficiary under his will, such authorities shall advise the nearest consular officer of the sending state of the death of the decedent.

(b) Whenever the local authorities of the receiving state shall learn that a decedent, irrespective of his nationality or the place of his residence, left in the receiving state property in which a person known to be a national of the sending state has an interest under the terms of the decedent's will or in accordance with the appropriate laws of descent and distribution, or in any other manner, the local authorities shall furnish the nearest consular officer of the sending state with such information as may be needed by him to protect the interests of such national.

2. (a) In any case where a deceased person leaves property in the receiving state and a legal or equitable interest in such property is held or claimed by a national of the sending state, who is not resident in the territory of the receiving state and is not legally represented there by any person, the consular officer of the sending state in whose district the estate of the decedent is being administered or, if no administration has been instituted, the property is situated, shall have the right, except as such right may be limited by Section 3 of this article, to represent such national as regards his interests in the estate or property as if valid powers of attorney had been executed by him in favor of the consular officer. If subsequently such national becomes legally represented in the territory of the receiving state and the consular officer is notified to that effect the position of the consular officer will be as if the powers of attorney had become revoked.

(b) The provisions of subparagraph (a) of this article apply whatever the nationality of the decedent and irrespective of the place of his death.

(c) In any case where subparagraph (a) of this article applies, the consular officer shall have the right to take steps for the protection and preservation of the interests of the person whom he is entitled to represent under subparagraph (a). He shall also have the right, in any such case, to take possession of the estate or the property unless other persons, having superior interests, have taken the necessary steps to assume possession thereof. If under the law of the receiving state, a grant or order of a court is necessary for the purpose of permitting the consular officer to exercise the rights which he is entitled to exercise pursuant to this subparagraph such rights shall be recognized by the courts and any grant or order which would have been made in favor of the person whose interests are represented by the consular officer, if he had been present and applied for it, shall be made in favor of the consular officer on his application.

(d) The consular officer shall be permitted to undertake the full administration of the estate whenever and to the same extent as a person, whose interest he represents under subparagraph (a) of this article, would have had the right to administer the estate if he had been present. If by the law of the receiving state a grant by a court is necessary, the consular officer shall have the right to apply for and to receive a grant to the same extent as the person he represents would have had, if such person had been present and applied for it. The court may, however, postpone the making of a grant of administration to the consular officer (with or without the will annexed) for such time as it thinks necessary to enable the person represented by the consular officer to be informed and to decide whether he desires to be represented otherwise than by the consular official.

3. A consular officer of the sending state may, on behalf of a national of the sending state who is not a resident of the receiving state, receive for transmission to such a person, through channels prescribed by the sending state, any money or property to which such person is entitled as a consequence of the death of any person. Such money or property may include, but is not limited to, shares in an estate, payments made pursuant to Workmen's Compensation laws, or any similar laws, and the proceeds of life insurance policies. The court, agency or person making the distribution shall not, however, be required to make such distribution through a consular officer. If a court, agency or person does make distribution through a consular officer, it may require him to furnish reasonable evidence of the receipt of the money or property by the person or persons entitled thereto. The authority vested in a consular officer by this section shall be in addition to and not in limitation of the authority vested in him by previous paragraphs of this article.

4. Whenever a consular officer shall undertake the full administration of an estate pursuant to subparagraph (d) of paragraph 2 of this article, he subjects himself in his capacity as administrator to the jurisdiction of the court making the appointment for all necessary purposes to the same extent as if he were a national of the receiving state.

5. The provisions of this article shall be subject to any laws of, or regulations issued pursuant to law by, the receiving state providing for, or relating to, war or a national emergency.

ARTICLE X

1. (a) A consular officer of the sending state shall, except as hereinafter provided, have the right to exercise exclusive jurisdiction over controversies arising out of the internal order of merchant vessels of the sending state and over matters pertaining to the enforcement of discipline on board whenever any such vessels shall have entered the territorial waters of the receiving state within his consular district.

(b) A consular officer of the sending state shall have jurisdiction over issues concerning the adjustment of wages of members of the crews of vessels of the sending state which shall have entered the territorial waters of the receiving state within his consular district and the execution of contracts relating to such wages. Such jurisdiction shall not in any case, however, exclude the jurisdiction conferred on the competent authorities of the receiving state under existing or future laws.

2. Notwithstanding the provisions of paragraph 1 of this article a consular officer shall not, except as permitted by the laws of the receiving state, exercise jurisdiction in any case involving an offense committed on board a merchant vessel of the sending state, which offense would be punishable under the law of the receiving state by a sentence of imprisonment for a period of at least one year, or by penalties in excess thereof.

3. A consular officer may freely invoke the assistance of the competent authorities of the receiving state in any matter pertaining to the maintenance of internal order on board a vessel of the sending state which shall have entered within the territorial waters of the receiving state. Upon the receipt by such authorities of the request of the consular officer the requisite assistance shall be given.

4. A consular officer, or a consular employee designated by him, may appear with the officers and crews of the vessels of the sending state before the judicial and administrative authorities of the receiving state for the purpose of observing any proceedings affecting such persons and rendering such assistance as may be permitted by the laws of the receiving state.

ARTICLE XI

1. A consular officer of the sending state shall have the right to inspect within the ports of the receiving state within his consular district, the merchant vessels of any state destined to a port of the sending state in order to enable him to procure the necessary information to prepare and execute such documents as may be required by the laws of the sending state as a condition to the entry of vessels into its ports and to furnish to the competent authorities of the sending state such information with regard to sanitary or other matters as such authorities may require.

2. In exercising the rights conferred upon him by this article a consular officer shall act with all possible despatch and without unnecessary delay.

ARTICLE XII

1. All arrangements relative to the salvage of a vessel of the sending state wrecked upon the coasts of the receiving state may, unless the vessel shall have been attached by a salvor, be directed by such person as shall be authorized for such purpose by the law of the sending state and whose identity and authority shall have been made known to the authorities of the receiving state by the consular officer of the sending state within whose consular district the wrecked vessel is found, or, in the absence of any such person, by such consular officer.

2. Pending the arrival of the consular officer, who shall be informed immediately of the occurrence of the wreck, or of such other person as may be authorized to act in the premises, the authorities of the receiving state shall take all necessary measures for the protection of persons and the preservation of property. Such measures shall, however, be restricted to those necessary for the maintenance of order, the protection of the interests of the salvors and the execution of the arrangements which shall be made for the entry or exportation of the salvaged merchandise. Such merchandise is not to be subjected to any customs or customhouse charges, unless it be intended for consumption in the receiving state.

3. The intervention of the authorities of the receiving state shall not occasion any expenses except such expenses as may be caused by the operations of salvage and the preservation of the goods saved, or which would be incurred under similar circumstances by vessels of the receiving state.

4. If a wreck is found within a port, or constitutes a navigational hazard within the territorial waters of the receiving state, there shall also be observed those arrangements which may be ordered by the authorities of the receiving state with a view to avoiding any damage that might otherwise be caused by the wrecked vessel to the port facilities and to other vessels.

ARTICLE XIII

For the purpose of this convention the term "national" shall be deemed to include any natural person or juridical entity possessing, as the case may be, the nationality of the receiving or the sending state, and the term "person" shall be deemed to include any natural person or juridical entity.

ARTICLE XIV

1. The territories of the contracting states to which the provisions of this convention apply shall be understood to comprise all areas of land and water subject to the sovereignty or authority of either state, except the Panama Canal Zone.

2. The provisions of paragraph 2, Article I, do not confer upon Consular officials and employees of the United States of America those rights, privileges, exemptions, and immunities conferred to Consular officials and employees of one or more of the Republics of El Salvador, Guatemala, Honduras and Nicaragua, by virtue of treaties and other agreements which have been entered into or may be entered into between the Republic of Costa Rica and one or more of the Republics of El Salvador, Guatemala, Honduras and Nicaragua.

ARTICLE XV

1. This Convention shall be ratified and the ratifications thereof shall be exchanged at San José, Costa Rica.

The Convention shall take effect in all its provisions the thirtieth day after the day of exchange of ratifications and shall continue in force for the term of ten years.

2. If, six months before the expiration of the aforesaid term of ten years, the Government of neither State shall have given notice to the Government of the other State of an intention to modify or terminate any of the provisions of this Convention or to terminate the Convention upon the expiration of the aforesaid term of ten years, the Convention shall continue in force after the aforesaid term and until six months from the date on which the Government of either State shall have given notice to the Government of the other State of an intention to modify or terminate the Convention.

In witness whereof, the respective Plenipotentiaries have signed this Convention and have hereunto affixed their seals.

Done in duplicate in English and Spanish, in the city of San José, this twelfth day of January, 1948.

[SEAL] A. B L
Secretary of State Encharged with the Office of Foreign Relations

[SEAL] JOHN WILLARD CARRIGAN
Chargé d'affaires ad Interim of the United States of America

Mr. CONNALLY. Mr. President, this is merely one of the routine consular treaties or conventions, in this case with Costa Rica. There was no question about it and no objection to it. The committee acted unanimously. I hope the Senate will ratify the convention.

The PRESIDING OFFICER. The convention is open to amendment. If there be no amendment to be proposed, the convention will be reported to the Senate.

The convention was reported to the Senate without amendment.

The PRESIDING OFFICER. The resolution of ratification will be read.

The legislative clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive D, Eightieth Congress, second session, a consular convention between the United States of America and the Republic of Costa Rica, signed at San José on January 12, 1948.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution of ratification is agreed to, and the convention is ratified.

CONVENTION ON THE INTERNATIONAL RECOGNITION OF RIGHTS IN AIRCRAFT

Mr. WHERRY. Mr. President, after looking over the report of the Foreign Relations Committee with reference to the first treaty on the calendar, the Convention on the International Recognition of Rights in Aircraft, signed at Geneva on June 19, 1948; after consulting with members of the subcommittee which had the convention under consideration and having knowledge that the full committee unanimously agreed to it, and that it is endorsed by some very important and highly recognized associations, including the American Bar Association, if it is agreeable, I withdraw my objection, and I shall cooperate with the distinguished Chairman of the Foreign Relations Committee in having the Senate proceed to ratify the treaty.

Mr. CONNALLY. Mr. President, in view of the Senator's statement, I hope the Senate will promptly ratify the treaty. There was no objection to it. It was referred to the subcommittee as being of great benefit particularly to the owners of aircraft in the United States.

The PRESIDING OFFICER. Is there objection to the present consideration of the treaty?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the convention, Executive E (81st Cong., 1st sess.), a Convention on the International Recognition of Rights in Aircraft, signed at Geneva on June 19, 1948, which was read the second time, as follows:

CONVENTION ON THE INTERNATIONAL RECOGNITION OF RIGHTS IN AIRCRAFT

Whereas the International Civil Aviation Conference, held at Chicago in November–December 1944, recommended the early adoption of a Convention dealing with the transfer of title to aircraft,

Whereas it is highly desirable in the interest of the future expansion of international civil aviation that rights in aircraft be recognised internationally,

The undersigned, duly authorized, have agreed, on behalf of their respective Governments, as follows:

ARTICLE I

(1) The Contracting States undertake to recognise:

(*a*) rights of property in aircraft;

(*b*) rights to acquire aircraft by purchase coupled with possession of the aircraft;

(*c*) rights to possession of aircraft under leases of six months or more;

(*d*) mortgages, hypotheques and similar rights in aircraft which are contractually created as security for payment of an indebtedness;

provided that such rights

(i) have been constituted in accordance with the law of the Contracting State in which the aircraft was registered as to nationality at the time of their constitution, and

(ii) are regularly recorded in a public record of the Contracting State in which the aircraft is registered as to nationality.

The regularity of successive recordings in different Contracting States shall be determined in accordance with the law of the State where the aircraft was registered as to nationality at the time of each recording.

(2) Nothing in this Convention shall prevent the recognition of any rights in aircraft under the law of any Contracting State; but Contracting States shall not admit or recognise any right as taking priority over the rights mentioned in paragraph (1) of this Article.

ARTICLE II

(1) All recordings relating to a given aircraft must appear in the same record.

(2) Except as otherwise provided in this Convention, the effects of the recording of any right mentioned in Article I, paragraph (1), with regard to third parties shall be determined according to the law of the Contracting State where it is recorded.

(3) A Contracting State may prohibit the recording of any right which cannot validly be constituted according to its national law.

ARTICLE III

(1) The address of the authority responsible for maintaining the record must be shown on every aircraft's certificate of registration as to nationality.

(2) Any person shall be entitled to receive from the authority duly certified copies or extracts of the particulars recorded. Such copies or extracts shall constitute *prima facie* evidence of the contents of the record.

(3) If the law of a Contracting State provides that the filing of a document for recording shall have the same effect as the recording, it shall have the same effect for the purposes of this Convention. In that case, adequate provision shall be made to ensure that such document is open to the public.

(4) Reasonable charges may be made for services performed by the authority maintaining the record.

ARTICLE IV

(1) In the event that any claims in respect of:

(*a*) compensation due for salvage of the aircraft, or

(*b*) extraordinary expenses indispensable for the preservation of the aircraft

give rise, under the law of the Contracting State where the operations of salvage or preservation were terminated, to a right conferring a charge against the aircraft, such right shall be recognised by Contracting States and shall take priority over all other rights in the aircraft.

(2) The rights enumerated in paragraph (1) shall be satisfied in the inverse order of the dates of the incidents in connexion with which they have arisen.

(3) Any of the said rights may, within three months from the date of the termination of the salvage or preservation operations, be noted on the record.

(4) The said rights shall not be recognised in other Contracting States after expiration of the three months mentioned in paragraph (3) unless, within this period,

(*a*) the right has been noted on the record in conformity with paragraph (3), and

(*b*) the amount has been agreed upon or judicial action on the right has been commenced. As far as judicial action is concerned, the law of the forum shall determine the contingencies upon which the three months period may be interrupted or suspended.

(5) This Article shall apply notwithstanding the provisions of Article I, paragraph (2).

ARTICLE V

The priority of a right mentioned in Article I, paragraph (1) (*d*), extends to all sums thereby secured. However, the amount of interest included shall not exceed that accrued during the three years prior to the execution proceedings together with that accrued during the execution proceedings.

ARTICLE VI

In case of attachment or sale of an aircraft in execution, or of any right therein, the Contracting States shall not be obliged to recognise, as against the attaching or executing creditor or against the purchaser, any right mentioned in Article I, paragraph (1), or the transfer of any such right, if constituted or effected with knowledge of the sale or execution proceedings by the person against whom the proceedings are directed.

ARTICLE VII

(1) The proceeding of a sale of an aircraft in execution shall be determined by the law of the Contracting State where the sale takes place.

(2) The following provisions shall however be observed:

(*a*) The date and place of the sale shall be fixed at least six weeks in advance.

(*b*) The executing creditor shall supply to the Court or other competent authority a certified extract of the recordings concerning the aircraft. He shall give public notice of the sale at the place where the aircraft is registered as to nationality, in accordance with the law there applicable, at least one month before the day fixed, and shall concurrently notify by registered letter, if possible by air mail, the recorded owner and the holders of recorded rights in the aircraft and of rights noted on the record under Article IV, paragraph (3), according to their addresses as shown on the record.

(3) The consequences of failure to observe the requirements of paragraph (2) shall be as provided by the law of the Contracting State where the sale takes place. However, any sale taking place in contravention of the requirements of that paragraph may be annulled upon demand made within six months from the date of the sale by any person suffering damage as the result of such contravention.

(4) No sale in execution can be effected unless all rights having priority over the claim of the executing creditor in accordance with this Convention which are established before the competent authority, are covered by the proceeds of sale or assumed by the purchaser.

(5) When injury or damage is caused to persons or property on the surface of the Contracting State where the execution sale takes place, by any aircraft subject to any right referred to in Article I held as security for an indebtedness, unless adequate and effective insurance by a State or an insurance undertaking in any State has been provided by or on behalf of the operator to cover such injury or damage, the national law of such Contracting State may provide in case of the seizure of such aircraft or any other aircraft owned by the same person and encumbered with any similar right held by the same creditor:

(*a*) that the provisions of paragraph (4) above shall have no effect with regard to the person suffering such injury or damage or his representative if he is an executing creditor;

(*b*) that any right referred to in Article I held as security for an indebtedness encumbering the aircraft may not be set up against any person suffering such injury or damage or his representative in excess of an amount equal to 80% of the sale price.

In the absence of other limit established by the law of the Contracting State where the execution sale takes place, the insurance shall be considered adequate within the meaning of the present paragraph if the amount of the insurance corresponds to the value when new of the aircraft seized in execution.

(6) Costs legally chargeable under the law of the Contracting State where the sale takes place, which are incurred in the common interest of creditors in the course of execution proceedings leading to sale, shall be paid out of the proceeds of sale before any claims, including those given preference by Article IV.

ARTICLE VIII

Sale of an aircraft in execution in conformity with the provisions of Article VII shall effect the transfer of the property in such aircraft free from all rights which are not assumed by the purchaser.

ARTICLE IX

Except in the case of a sale in execution in conformity with the provisions of Article VII, no transfer of an aircraft from the nationality register or the record of a Contracting State to that of another Contracting State shall be made, unless all holders of recorded rights have been satisfied or consent to the transfer.

ARTICLE X

(1) If a recorded right in an aircraft of the nature specified in Article 1, and held as security for the payment of an indebtedness, extends, in conformity with the law of the Contracting State where the aircraft is registered, to spare parts stored in a specified place or places, such right shall be recognised by all Contracting States, as long as the spare parts remain in the place or places specified, provided that an appropriate public notice, specifying the description of the right, the name and address of the holder of this right and the record in which such right is recorded, is exhibited at the place where the spare parts are located, so as to give due notification to third parties that such spare parts are encumbered.

(2) A statement indicating the character and the approximate number of such spare parts shall be annexed to or included in the recorded document. Such parts may be replaced by similar parts without affecting the right of the creditor.

(3) The provisions of Article VII, paragraphs (1) and (4), and of Article VIII shall apply to a sale of spare parts in execution. However, where the executing creditor is an unsecured creditor, paragraph 4 of Article VII in its application to such a sale shall be construed so as to permit the sale to take place if a bid is received in an amount not less than two-thirds of the value of the spare parts as determined by experts appointed by the authority responsible for the sale. Further, in the distribution of the proceeds of sale, the competent authority may, in order to provide for the claim of the executing creditor, limit the amount payable to holders of prior rights to two-thirds of such proceeds of sale after payment of the costs referred to in Article VII, paragraph (6).

(4) For the purpose of this Article the term "spare parts" means parts of aircraft, engines, propellers, radio apparatus, instruments, appliances, furnishings, parts of any of the foregoing, and generally any other articles of whatever description maintain for installation in aircraft in substitution for parts or articles removed.

ARTICLE XI

(1) The provisions of this Convention shall in each Contracting State apply to all aircraft registered as to nationality in another Contracting State.

(2) Each Contracting State shall also apply to aircraft there registered as to nationality:

(*a*) The provisions of Articles II, III, IX, and

(*b*) The provisions of Article IV, unless the salvage or preservation operations have been terminated within its own territory.

ARTICLE XII

Nothing in this Convention shall prejudice the right of any Contracting State to enforce against an aircraft its national laws relating to immigration, customs or air navigation.

ARTICLE XIII

This Convention shall not apply to aircraft used in military, customs or police services.

ARTICLE XIV

For the purpose of this Convention, the competent judicial and administrative authorities of the Contracting States may, subject to any contrary provision in their national law, correspond directly with each other.

ARTICLE XV

The Contracting States shall take such measures as are necessary for the fulfilment of the provisions of this Convention and shall forthwith inform the Secretary General of the International Civil Aviation Organization of these measures.

ARTICLE XVI

For the purposes of this Convention the term "aircraft" shall include the airframe, engines, propellers, radio apparatus, and all other articles intended for use in the aircraft whether installed therein or temporarily separated therefrom.

ARTICLE XVII

If a separate register of aircraft for purposes of nationality is maintained in any territory for whose foreign relations a Contracting State is responsible, references in this Convention to the law of the Contracting State shall be construed as references to the law of that territory.

ARTICLE XVIII

This Convention shall remain open for signature until it comes into force in accordance with the provision of Article XX.

ARTICLE XIX

(1) This Convention shall be subject to ratification by the signatory States.

(2) The instruments of ratification shall be deposited in the archives of the International Civil Aviation Organization, which shall give notice of the date of deposit to each of the signatory and adhering States.

ARTICLE XX

(1) As soon as two of the signatory States have deposited their instruments of ratification of this Convention, it shall come into force between them on the ninetieth day after the date of the deposit of the second instrument of ratification. It shall come into force, for each State which deposits its instrument of ratification after that date, on the ninetieth day after the deposit of its instrument of ratification.

(2) The International Civil Aviation Organization shall give notice to each signatory State of the date on which this Convention comes into force.

(3) As soon as this Convention comes into force, it shall be registered with the United Nations by the Secretary General of the International Civil Aviation Organization.

ARTICLE XXI

(1) This Convention shall, after it has come into force, be open for adherence by non-signatory States.

(2) Adherence shall be effected by the deposit of an instrument of adherence in the archives of the International Civil Aviation Organization, which shall give notice of the date of the deposit to each signatory and adhering State.

(3) Adherence shall take effect as from the ninetieth day after the date of the deposit of the instrument of adherence in the archives of the International Civil Aviation Organization.

ARTICLE XXII

(1) Any Contracting State may denounce this Convention by notification of denunciation to the International Civil Aviation Organization, which shall give notice of the date of receipt of such notification to each signatory and adhering State.

(2) Denunciation shall take effect six months after the date of receipt by the International Civil Aviation Organization of the notification of denunciation.

ARTICLE XXIII

(1) Any State may at the time of deposit of its instrument of ratification or adherence, declare that its acceptance of this Convention does not apply to any one or more of the territories for the foreign relations of which such State is responsible.

(2) The International Civil Aviation Organization shall give notice of any such declaration to each signatory and adhering State.

(3) With the exception of territories in respect of which a declaration has been made in accordance with paragraph (1) of this Article, this Convention shall apply to all territories for the foreign relations of which a Contracting State is responsible.

(4) Any State may adhere to this Convention separately on behalf of all or any of the territories regarding which it has made a declaration in accordance with paragraph (1) of this Article and the provisions of paragraphs (2) and (3) of Article XXI shall apply to such adherence.

(5) Any Contracting State may denounce this Convention, in accordance with the provisions of Article XXII, separately for all or any of the territories for the foreign relations of which such State is responsible.

In witness whereof the undersigned Plenipotentiaries, having been duly authorized, have signed this Convention.

Done at Geneva, on the nineteenth day of the month of June of the year one thousand nine hundred and forty-eight in the English, French and Spanish languages, each text being of equal authenticity.

This Convention shall be deposited in the archives of the International Civil Aviation Organization where, in accordance with Article XVIII, it shall remain open for signature.

Argentina El Gobierno Argentino hace reserva de otorgar a sus creditos fiscales la preferencia acordada en su legislacion nacional.
JUAN F. FABRI
GUILLERMO SUAYA
ARMANDO A. IRON
LUIS A. AEREAN
J. DH. OL. (J. DAMIANOVICH-OLIVEIRA)

Belgium
E. ALLARD
P. A. T. DE SMET

Brazil
H. C. MACHADO
TRAJANO FURTADO REIS
A. PAULO MOURA
E. P. BARBOSA DA SILVA
A. S. MARTINS—MAJORAS

China
WU NANJU

Colombia
MAURICIO T. OBREGON

France
HYMANS
H. BOUCHÉ
ANDRÉ GARNAULT

Iceland
AGNAR KOFOED-HANSEN

Italy
PAPALDO

Mexico
ENRIQUE M. LOAEZA REF.

Netherlands
H. J. SPANJAARD
Pour le Royaume en Europe

Peru
J. SAN MARTIN
A. WAGNER

Portugal
HUMBERTO DELGADO
MANUEL FERNANDES

United Kingdom
F. TYMMS
R. O. WILBERFORCE

United States
RUSSELL B. ADAMS

Venezuela
J. LOFEZ H.

Dominican Republic
HANOT D'HARTOY
ad ref.

Switzerland
ED. AMSTUTZ

Greece
P. A. METAXAS
ad referendum

Chile El Gobierno de Chile se reserva el derecho, con relacion a art. 10, inc. (2) del Convenio, de reconocer como derechos preferentes, de acuerdo con el orden establecido en su ley nacional, el credito del fisco por impuestos, tasas o derechos adenados por el propietario o tenedor de la aeronave y devengados en el servicio de esta, y el credito del trabajo por los sueldos y salarios de la tripulacion, por el período que limite la ley nacional.
G. EDWARD D. HAMILTON
RAMON RODRIGUEZ

Ireland
TIMOTHY J. O'DRISCOLL

I hereby certify that the present document is a full, true and correct copy of the Convention deposited in the Archives of the International Civil Aviation Organization.
ALBERT ROPER

The PRESIDING OFFICER. The convention is open to amendment. If there be no amendment to be proposed, the convention will be reported to the Senate.

The convention is reported to the Senate without amendment.

The PRESIDING OFFICER. The resolution of ratification will be read.

The Chief Clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of (Executive E, 81st Cong., 1st sess.) the Convention on the International Recognition of Rights of Aircraft, signed at Geneva on June 19, 1948.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution of ratification is agreed to, and the convention is ratified.

DEPARTMENT OF STATE—NOMINATIONS PASSED OVER

Mr. ELLENDER. Mr. President, may I inquire what is delaying the confirmation of Mr. Butterworth, of Louisiana?

Mr. MYERS. Mr. President, is the Senator addressing his question to me?

Mr. ELLENDER. I ask the distinguished acting majority leader.

Mr. MYERS. The distinguished minority leader has indicated there is objection to the nomination, and has again asked that it be passed over on this call of the calendar.

Mr. ELLENDER. May I inquire who is objecting and what is holding up the confirmation?

Mr. MYERS. I was informed by the minority leader there would be objection to this and the nominations in the Diplomatic and Foreign Service.

Mr. WHERRY. There will be objection.

Mr. MYERS. Therefore, I agreed to pass them over.

Mr. ELLENDER. May I inquire who is objecting?

Mr. WHERRY. Several objections have been made. I think it is unnecessary to give the names. The minority is perfectly willing and ready, whenever the majority leader suggests, to take up the nominations, and is willing to allot time for debate in connection with their consideration.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. MYERS. I yield.

Mr. KNOWLAND. I may say to the Senator from Louisiana, I think this will entail some considerable debate on the whole far eastern policy of the Government. It will probably have to be set when there is considerable time for debate.

Mr. ELLENDER. The nomination of Mr. Butterworth has been before the Senate since June 22. We ought to act on it one way or the other.

Mr. WHERRY. I may say by way of further answer, that because of the accumulation of appropriation bills, and their consideration, there has been an inability to find time to take up the nominations. That is the reason the nominations have not been considered. But the minority is perfectly ready and willing to consider them at any time the majority leader sets them for hearing and debate.

Mr. ELLENDER. I should like to have it noted in the RECORD that I shall take the matter up with the distinguished majority leader with a view to having this particular nomination considered sometime next week.

Mr. WHERRY. That is perfectly agreeable with me.

Mr. MYERS. Mr. President, I suggest we pass over the first two nominations on page 2. We shall probably be able to confirm en bloc the other nominations, and we shall then go back to the nomination of Tom C. Clark to be an Associate Justice of the Supreme Court of the United States.

Mr. CONNALLY. Mr. President, why not confirm the two diplomats nominated for positions in the Foreign Service? They are on the list. So far as I know there is no objection to either of them.

Mr. WHERRY. Mr. President, there has been objection to those two for some time. The same explanation is given in answer to the inquiry of the distinguished Senator from Texas that I gave with reference to the nomination of Mr. Butterworth.

The PRESIDING OFFICER. Objection is heard.

Mr. CONNALLY. The objection I understand comes from the Senator from Maine. He is not objecting to the individuals, but to the rank. His position is, I understand, we should make them all ambassadors or make them all ministers. The Senator from Maine does not seem to be present in the Chamber. Of course, if the minority leader objects, we shall have to let the nominations go over.

Mr. WHERRY. Mr. President, I continue to state to the distinguished Senator from Texas that objection has been filed. The minority is perfectly willing at any time the majority leader desires, to take them up, to debate the issue and either to confirm or refuse to confirm. There is no disposition at all on my part to delay their consideration. The sooner, the better.

The PRESIDING OFFICER. Objection is heard.

PUBLIC HEALTH SERVICE

The Chief Clerk proceeded to read sundry nominations in the Public Health Service.

Mr. MYERS. I ask that the nominations in the Public Health Service be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations in the Public Health Service are confirmed en bloc.

UNITED STATES MARSHAL

The Chief Clerk read the nomination of Alphonse Roy to be United States marshal for the district of New Hampshire.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED STATES COAST GUARD

The Chief Clerk read the nomination of William H. E. Schroeder to be a lieutenant, junior grade.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The Chief Clerk proceeded to read sundry nominations of postmasters.

Mr. MYERS. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

Mr. MYERS. I ask that the President be immediately notified of all nominations confirmed today.

The PRESIDING OFFICER. Without objection, the President will be immediately notified.

SUPREME COURT OF THE UNITED STATES

The Chief Clerk read the nomination of Tom C. Clark to be an Associate Justice of the Supreme Court of the United States.

Mr. MYERS. Mr. President, I suggest that this nomination be made the pending business, and that the Senate recess this evening as in executive session, to convene tomorrow at 12 o'clock. I shall propose a unanimous consent request that a vote be taken upon the confirmation of the nomination at 3:30 o'clock tomorrow. Therefore, Mr. President, I move——

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. MYERS. I am glad to yield.

Mr. MAGNUSON. Mr. President, a parliamentary inquiry. Does the fact that the Senate is in executive session, and will be in executive session tomorrow, in anywise prejudice the position of the pending business, namely, the Interior Department appropriation bill, H. R. 3838?

The PRESIDING OFFICER. It does not.

Mr. MAGNUSON. Is it the intention, after the Clark nomination is disposed of, tomorrow, to resume consideration of the Interior appropriation bill?

Mr. MYERS. That is the understanding.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. MYERS. I am happy to yield.

Mr. CONNALLY. That is not to be understood, I take it, as excluding the nomination of the Attorney General.

Mr. MYERS. No.

Mr. CONNALLY. The Senator inquired whether it is the intention, when we finish consideration of the Clark nomination, to go back to the appropriation bill.

Mr. MAGNUSON. Mr. President, I had in mind also the nomination of our distinguished colleague, the Senator from Rhode Island [Mr. McGRATH].

Mr. CONNALLY. That is satisfactory.

Mr. MYERS. The Senate will still be in executive session.

Mr. President, I first ask unanimous consent that the nomination of Tom C. Clark be made the pending business, as in executive session; that when the Senate recesses tonight it take a recess, as in executive session, until 12 o'clock noon tomorrow; that at the hour of 3:30 o'clock p. m. tomorrow, the Senate proceed to vote on the confirmation of the nomination; and that the 3½ hours' time be equally divided between the Senator from Texas [Mr. CONNALLY] and the Senator from Michigan [Mr. FERGUSON].

The PRESIDING OFFICER. Is there objection to the request?

Mr. CONNALLY. Mr. President, I really suppose the Senator from Nevada [Mr. McCARRAN] should control the time for the proponents. He is chairman of the Committee on the Judiciary. I have no information, and no desire to interfere. I do not think there will be any difficulty about it.

Mr. LANGER. Mr. President, reserving the right to object, in behalf of the Senator from Michigan, the Senate will remember the Senator said he wanted 2 hours. If the Senate convenes at 12, and votes at 3:30, the Senator will not have his 2 hours. I therefore suggest that the nomination be voted on at 4 o'clock.

Mr. CONNALLY. The Senator agreed to it.

Mr. WHERRY. May I suggest to the distinguished Senator from North Dakota, I took up the matter with the distinguished junior Senator from Michigan, and, after considerable discussion with all interested parties, he was agreeable to voting at 3:30. I think that, as one of the contemplated speakers he will be satisfied with an hour and a half.

The PRESIDING OFFICER. Without objection, the unanimous consent agreement is entered into.

AUTHORITY TO SIGN JOINT RESOLUTION

Mr. MYERS. Mr. President, I ask unanimous consent that during the recess of the Senate the President pro tempore be authorized to sign House Joint Resolution 339, extending certain appropriations for the Government.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. MYERS. I yield.

Mr. WHERRY. May I ask the acting majority leader if it is contemplated to hold a Saturday session?

Mr. MYERS. I will say that we shall not have a Saturday session.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. MYERS. I yield.

Mr. MAGNUSON. I should like to ask the Senator from Pennsylvania if that depends upon whether we finish debate on the appropriation bill.

Mr. MYERS. We have not held any Saturday sessions, and I think the consensus is that we should not have a Saturday session this week and that if it is intended to hold such a session, advance notice should be given.

Mr. MAGNUSON. But, regardless of whether we hold a Saturday session, when we start the consideration of the appropriation bill, is it the intention that we shall continue until we finish it?

Mr. MYERS. Definitely.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. MYERS. I yield.

Mr. WHERRY. Mr. President, I should like to ask the distinguished acting majority leader, inasmuch as the unanimous-consent request did not include the nomination of the Senator from Rhode Island [Mr. McGRATH] to be Attorney General, is it also intended that after the vote on the nomination of Hon. Tom Clark the Senate will also consider the McGrath nomination?

Mr. MYERS. The Senate will still be in executive session after we complete the debate on the nomination of Mr. Clark, and it is the intention of the acting majority leader then to dispose of the McGrath nomination.

Mr. WHERRY. Very well.

RECESS

Mr. MYERS. As in executive session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 52 minutes p. m.) the Senate took a recess until tomorrow, Thursday, August 18, 1949, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate August 17 (legislative day of June 2), 1949:

IN THE AIR FORCE

The following officer for appointment to the position indicated under the provisions of section 504, Officer Personnel Act of 1947.

Lt. Gen. Benjamin Wiley Chidlaw, 23A, Air Force of the United States (major general, U. S. Air Force), to be commanding general, Air Matériel Command, United States Air Force, with the rank of lieutenant general, with rank from October 1, 1947.

IN THE NAVY

The following-named officers for permanent appointment in the Civil Engineer Corps of the Navy in the grades hereinafter stated:

LIEUTENANT (JUNIOR GRADE)

Devlin, John G.	Mabbitt, Robert C.
Dill, Allen F.	Perkins, William L.
Fisher, John R.	Ruppel, Henry D.
Hill, James M., Jr.	Stacey, Ernest R.
Kaloupek, William E.	Weaver, Walter A., Jr.

ENSIGN

Ashley, Donn L.

The following-named officer for permanent appointment in the Supply Corps of the Navy in the grade hereinafter stated:

ENSIGN

Hatch, James C.

The following-named officer for temporary appointment in the Supply Corps of the Navy in the grade hereinafter stated:

LIEUTENANT COMMANDER

Sirginson, Arthur W.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 17 (legislative day of June 2), 1949:

PUBLIC HEALTH SERVICE

APPOINTMENTS AND PROMOTIONS IN THE REGULAR CORPS

To be senior assistant surgeons (equivalent to the Army rank of captain), effective date of acceptance

Roger M. Cole.
Stewart R. Panzer
Paul K. Benedict
Winslow J. Bashe, Jr.
Jarvis E. Seegmiller
Richard S. Yocum
Harry S. Wise
Carl F. Essig, Jr.
William W. Quisenberry
William A. Rinn

To be assistant surgeons (equivalent to the Army rank of first lieutenant), effective date of acceptance

Charles H. Lithgow
James V. Maloney, Jr.
Robert D. Sullivan
William E. Ganss
John M. Bishop, Jr.
Werner F. Cryns
Clifford H. Cole
Charles J. Buhrow
Charles L. Fellows
Robert H. Aronstam
John C. Stirling
Lee A. Craig, Jr.
Benjamin M. Primer, Jr.
James W. Osberg, Jr.
Carl F. T. Mattern
James S. Hawthorne
John A. Pierce
Francis Chanatry
Robert L. Brutsche

To be surgeons (equivalent to the Army rank of major)

Gene B. Haber
Louis C. Floyd
Arthur H. Maybay

UNITED STATES MARSHAL

Alphonse Roy, to be United States marshal for the district of New Hampshire.

UNITED STATES COAST GUARD

William H. E. Schroeder, to be lieutenant (junior grade), in the Coast Guard.

POSTMASTERS

INDIANA

Levern C. Fortin, Whiting.

MICHIGAN

Russell R. Farling, Beaverton.
Max R. Day, Carleton.
Asher L. Hyliard, Concord.
Jesse E. Davis, Fremont.
Arthur W. Hamilton, Grand Rapids.
Selena C. Anderson, Omer.
Louis J. Hartel, Oscoda.
Lawrence E. Baugn, Pinckney.
Ernest R. Moser, Richville.
Phyllis J. Speck, Scotts.
Frances L. Lee, Spring Arbor.

MISSOURI

Robert W. Snell, Knox City.

PENNSYLVANIA

Edward W. Sulek, California.
William E. Sheridan, Clarion.
Joseph Jollick, Denbo.
Steve Bogdewic, Jr., Ellsworth.
Earl G. Watt, Enon Valley.
Marie J. Suain, Hazel Hurst.
Lawrence H. McCarty, Monongahela.
Irene B. Rubis, Muse.
David W. Wilson, New Wilmington.
Clifford H. Good, Reamstown.
Nancy P. Phillips, Revloc.
Jessie E. Benedict, Rohrerstown.
Minnie M. Ritter, Shamokin Dam.

HOUSE OF REPRESENTATIVES

WEDNESDAY, AUGUST 17, 1949

The House met at 12 o'clock noon.

The Acting Chaplain, the Reverend James P. Wesberry, pastor, Morningside Baptist Church, Atlanta, Ga., offered the following prayer:

Everliving God, our Father, whose most glorious attribute is holy love, let Thy love flow into our hearts like a mighty river, for Thy word teaches us that "love suffereth long and is kind; love envieth not; love vaunteth not itself, is not puffed up, doth not behave itself unseemly, seeketh not her own, is not easily provoked, thinketh no evil," and that "love never faileth." Give us such a love as this that we may love Thee as Thou dost love us, and that we may love our fellow man, at home and around the world, as we love ourselves. Put us in remembrance, loving Father, as we enter the discussions and debates of the day, that though we "speak with the tongues of men and of angels, and have not love," we are "become as sounding brass or a tinkling cymbal." For this love we pray, in the name of Him who reveals Thy love to us, as nowhere else in all the universe. Through the blood of His cross. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McDaniel, its enrolling clerk, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1232. An act to increase the equipment maintenance allowance payable to rural carriers.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 2296) entitled "An act to amend and supplement the act of June 7, 1924 (43 Stat. 653), and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ELLENDER, Mr. HOLLAND, Mr. GILLETTE, Mr. AIKEN, and Mr. THYE to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1962) entitled "An act to amend the cotton and wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended."

MARGARET MITCHELL

Mr. DAVIS of Georgia. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. DAVIS of Georgia. Mr. Speaker, the untimely passing on yesterday of Margaret Mitchell has caused sadness to millions of people in many lands.

The world knew her as one of the great authors of all time. The people of her native Atlanta knew her not only as a talented writer but as a gentle, kindly, modest, and unassuming friend and neighbor.

She wrote of a people and region which were close to her heart. With her genius, she could have written successfully of other subjects, but she chose to write the story of her own section and the adherence of her people to a cause in which they believed. She was not one to waver in loyalty, and hers was not a spirit to deny kinship with the people she loved because their lot was unhappy or their cause defeated.

As a result of her great book, the people of the South and the North have been bound closer together in bonds of mutual respect and understanding, and all feel equally the great loss sustained through her death.

EXTENSION OF REMARKS

Mr. LANE asked and was given permission to extend his remarks in the RECORD in two instances: in one, to include a letter from a constituent; and in the other, to include another item.

Mr. BARTLETT asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. ZABLOCKI asked and was given permission to extend his remarks in the RECORD and include an editorial from the Milwaukee Journal in tribute to the late Honorable William George Bruce.

Mr. TRIMBLE asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. LUCAS asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the RECORD in three instances and include extraneous matter.

Mr. JAVITS asked and was given permission to extend his remarks in the RECORD in two instances and include extraneous matter.

SPECIAL ORDER GRANTED

Mr. JAVITS. Mr. Speaker, I ask unanimous consent that on Tuesday next, after the disposition of business on the Speaker's desk and the conclusion of special orders heretofore granted, I may address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

"WHERE ARE YOU GOING TO GET THE MONEY?"

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, I want to read a letter I received this morning. It is as follows:

WILLIAMSPORT, PA., *August 16, 1949.*

Mr. ROBERT F. RICH,
House Office Building,
Washington, D. C.

DEAR BOB: This morning I fitted a glass to the eye of Mr. Charles Metzger, Muncy, Pa., whom I believe you know. He is a fine old

gentleman, 79 years of age. This eye has been blind for several years and I did a cataract on it 6 weeks ago, and he now has good vision. The reason I am writing to you is to tell you that after I put the glass in front of his eye and handed him a newspaper to read, believe it or not and much to my surprise, the first line he read was "Where are you going to get the money?"

Now, BOB, if a blind man can see this as clearly as you do and as I do, I think it might be well to read this letter to some of your congressional friends.

Very sincerely,

P. H. DECKER, M. D.

EXTENSION OF REMARKS

Mr. CELLER asked and was given permission to extend his remarks in the RECORD.

Mrs. ST. GEORGE asked and was given permission to extend her remarks in the RECORD and include a speech by Hon. Winston Churchill in the House of Commons on July 20 on the dismantling program in Germany.

CALL OF THE HOUSE

Mr. CANFIELD. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. PRIEST. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 184]

Allen, Ill.	Gregory	Pace
Anderson, Calif.	Gwinn	Pfeifer,
Bailey	Halleck	Joseph. L.
Barden	Hart	Phillips, Calif.
Baring	Havenner	Plumley
Barrett, Pa.	Hébert	Powell
Beall	Heller	Price
Bennett, Fla.	Herlong	Redden
Bland	Hinshaw	Reed, Ill.
Blatnik	Holifield	Reed, N. Y.
Bolton, Ohio	Irving	Rees
Boykin	Jenison	Riehlman
Breen	Johnson	Rivers
Brown, Ohio	Kearney	Sadowski
Buckley, N. Y.	Keefe	Shafer
Bulwinkle	Kennedy	Sikes
Burke	Keogh	Smith, Ohio
Byrne, N. Y.	Kilburn	Stanley
Clemente	Lesinski	Taylor
Clevenger	Lovre	Thomas, N. J.
Dawson	McCormack	Tollefson
DeGraffenried	McGregor	Towe
Denton	McKinnon	Vinson
Dingell	McSweeney	Walsh
Eaton	Magee	Welch, Mo.
Elston	Miles	Whitaker
Feighan	Monroney	Winstead
Fellows	Morton	Woodhouse
Fogarty	Norblad	Woodruff
Gilmer	Norton	Worley
Gore	O'Brien, Mich.	

The SPEAKER. On this roll call 339 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

COMMITTEE ON WAYS AND MEANS

Mr. SABATH. Mr. Speaker, I call up House Resolution 293 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Committee on Ways and Means, acting as a whole or by subcommittee, is authorized and directed to conduct thorough studies and investigations of all matters coming within the jurisdiction of such committee.

SEC. 2. For the purpose of this resolution, the committee, or any subcommittee thereof, is authorized to hold such hearings, to sit and act during the present Congress at such times and places as the committee may determine, whether or not the House is in session, has recessed, or has adjourned, to require the attendance of such witnesses and the production of such books, papers, and documents by subpena or otherwise, and take testimony, as it deems necessary. Subpenas may be issued under the signature of the chairman of the committee and shall be served by any person designated by such chairman. The chairman of the committee or any member designated by him may administer oaths to witnesses.

With the following committee amendment:

Page 1, line 9, after "places" insert "within or without continental United States."

The committee amendment was agreed to.

Mr. SABATH. Mr. Speaker, there is no opposition to this resolution. It merely gives the Committee on Ways and Means the same power that other committees have, namely, the power of subpena, and general investigatory authority.

Mr. MARTIN of Massachusetts. Mr. Speaker, I wonder if the gentleman would explain the resolution, as it was very difficult to hear while the Clerk was reading.

Mr. SABATH. It gives the Committee on Ways and Means the power of subpena the same as six other standing committees have thus far received. There is no opposition to it.

Mr. MARTIN of Massachusetts. For the information of the House, would the gentleman explain what they intend to do with the power.

Mr. SABATH. The amendment merely says, "Within or without the continental United States." That is because the Committee on Ways and Means will be obliged or may be obliged to go outside the continental limits to make various investigations.

Mr. MARTIN of Massachusetts. I am not opposing the resolution, but I would like to know something about it. It is rather unusual for the Committee on Ways and Means to bring in a proposal for this type of investigation. In my long service here I never remembered the committee making such a request.

Mr. YOUNG of Ohio. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. YOUNG of Ohio. I believe I may be able to answer the question of the distinguished minority leader. We have had before the Committee on Ways and Means the Governor of Puerto Rico and also the representative of the Virgin Islands. It is the intention of the chairman of the Committee on Ways and Means to have a subcommittee go to Puerto Rico and to the Virgin Islands and very likely in connection with that, it may be necessary to subpena some witnesses.

Mr. MARTIN of Massachusetts. What are they going to investigate in the Virgin Islands?

Mr. EBERHARTER. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. EBERHARTER. I may say to the distinguished minority leader that since its inception in 1936, insurance features of the Social Security Act have never covered employees in the Virgin Islands. Neither have the public-assistance features of the Social Security Act ever pertained to the Virgin Islands and to Puerto Rico. Those people are citizens of the United States and they have been importuning the Committee on Ways and Means ever since 1935 to give their citizens, who are citizens of the United States, the same rights as citizens here in the States have.

So the committee felt it was necessary to look into the situation down there and see whether it is practicable and wise to include citizens of Puerto Rico and of the Virgin Islands in the benefits of the Social Security Act. That is the reason this resolution is being presented.

Mr. MARTIN of Massachusetts. Then the purpose of the investigation is to see about giving old-age pensions to the Virgin Islands and Puerto Rico?

Mr. EBERHARTER. No, the fact is that the committee is considering giving a sort of limited amount of old-age assistance and a limited amount of old-age and survivors' insurance benefits to the persons in the Virgin Islands and Puerto Rico.

Mr. MARTIN of Massachusetts. Has the committee ever traveled about the United States in its investigation of the problem?

Mr. EBERHARTER. The committee has conducted studies for, I will say, 15 years on that subject all over the United States. I am sure the gentleman from Massachusetts himself knows plenty about the old-age insurance system and survivors' insurance as well as the old-age assistance program.

Mr. MARTIN of Massachusetts. I know, but you never had to travel in the United States to ascertain the facts about the issue.

Mr. EBERHARTER. Yes, I have done a lot of traveling with respect to that subject.

Mr. MARTIN of Massachusetts. But the committee up to this time has never come to the Congress and asked for authority to subpena witnesses?

Mr. EBERHARTER. Well, I think most of the Members who have done investigating of this sort have spent their own money and witnesses have spent their own money, but this time, it is hoped, the Congress is going to be good enough to supply the money for the investigation.

Mr. MARTIN of Massachusetts. I think if there is any committee that really deserves a bit of a vacation and travel, it is the Committee on Ways and Means, so I am not going to object.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. COX. Mr. Speaker, I believe this is the first time that the Committee on Ways and Means has ever sponsored a resolution of this kind. I believe the confidence that the membership of the House has in the committee is assurance that the privilege and right will not be

abused. This, in my opinion, is a measure which the House should accept by unanimous consent.

Mr. SABATH. Mr. Speaker, I believe we all recognize the fact that the Committee on Ways and Means is the most powerful, most influential, and hardest working committee that we have. Under the leadership of the present chairman, the gentleman from North Carolina [Mr. DOUGHTON] I know that when they ask for this power, it will not be abused.

We have heard the evidence before the Rules Committee and we were all of one accord, namely, that this privilege should be accorded to the Ways and Means Committee.

Mr. BOGGS of Louisiana. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. BOGGS of Louisiana. I would like to say to the gentleman, as a member of the Ways and Means Committee, that this resolution was unanimously approved by the Ways and Means Committee, which means that the minority members voted the same as the majority members. This Puerto Rico-Virgin Islands situation is a serious problem and does deserve some attention by the committee.

Mr. SABATH. Mr. Speaker, under the conditions that prevail, I move the previous question.

Mr. MILLER of Nebraska. Well, Mr. Speaker, I asked the gentleman to yield. We have a committee in the House, the Public Lands Committee, which deals with the Virgin Islands and all of the problems connected with the Virgin Islands. I am wondering why the Ways and Means Committee now comes in on the province of the Committee on Territories and Insular Affairs.

Mr. MARTIN of Massachusetts. Of course, we can have a roll call on the previous question.

The SPEAKER. The Chair thought everybody had had their say.

Mr. SABATH. I simply wanted to save the time of the House. That is the reason I moved the previous question.

The SPEAKER. The question is on the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

CALENDAR WEDNESDAY

The SPEAKER. This is Calendar Wednesday.

Mr. HOFFMAN of Michigan. Mr. Speaker, I make a point of order. My point of order is that inasmuch as the House is now sitting in the committee room of the Ways and Means Committee in the New House Office Building and that the Senate has not consented to the action which the House took some time previously, the House is not a competent, legal tribunal, qualified under the Constitution to act. I want to be heard.

The SPEAKER. The Chair is ready to rule. The Chair overrules the point of order.

Mr. HOFFMAN of Michigan. May I not cite the provision of the Constitution?

The SPEAKER. The Chair is ready to rule and has ruled on that question four times. The Chair does not desire to hear the gentleman on the point of order.

Mr. HOFFMAN of Michigan. May I cite the section?

The SPEAKER. The gentleman may extend his remarks to do that.

The Clerk will call the committees.

TEMPORARY APPROPRIATIONS

Mr. CANNON (when the Committee on Appropriations was called). Mr. Speaker, in order to save the time of the House, I ask unanimous consent for the present consideration of House Joint Resolution 339, and I ask unanimous consent that the same be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. RANKIN. Mr. Speaker, I must object to that. The rule provides that this bill be considered in the Committee of the Whole for amendment, whatever the measure is. We have not seen it. There are a great many objections to what we hear is in the bill.

The SPEAKER. Objection is heard.

Mr. CANNON. Mr. Speaker, by direction of the Committee on Appropriations, I call up House Joint Resolution 339.

The Clerk read the joint resolution, as follows:

Resolved, etc., That Public Law 154 (Eighty-first Congress), making temporary appropriations for the fiscal year 1950, and for other purposes, as amended, is hereby amended by striking out, in section (c) thereof, "or (3) August 15, 1949."

The SPEAKER. This bill is on the Union Calendar. The House automatically resolves itself into the Committee of the Whole House on the State of the Union.

Mr. CHURCH. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and thirty-seven Members are present, a quorum.

Under the rules the House automatically resolves itself into the Committee of the Whole House on the State of the Union. The gentleman from Tennessee [Mr. COOPER] will take the chair.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of House Joint Resolution 339, amending an act making temporary appropriations for the fiscal year 1950, as amended, and for other purposes, with Mr. COOPER in the chair.

The Clerk read the title of the joint resolution.

The CHAIRMAN. Without objection the first reading of the joint resolution will be dispensed with.

Mr. RANKIN. Mr. Chairman, I would like to hear the resolution read. I object to dispensing with the reading of the resolution.

The Clerk read as follows:

Resolved, etc., That Public Law 154 (Eighty-first Congress), making temporary appropriations for the fiscal year 1950, and for other purposes, as amended, is hereby amended by striking out, in section (c) thereof, "or (3) August 15, 1949."

The CHAIRMAN. Under the rule, general debate is limited to two hours. The Chair will recognize the gentleman from Missouri [Mr. CANNON] for 1 hour in favor of the joint resolution and later the gentleman from New York [Mr. TABER] for the hour in opposition.

The gentleman from Missouri is recognized.

Mr. CANNON. Mr. Chairman, I yield myself 2 minutes.

The CHAIRMAN. The gentleman from Missouri is recognized for 2 minutes.

Mr. CANNON. Mr. Chairman, this is a routine procedure. There are few if any sessions of the Congress in which we do not run past the close of the fiscal year with some supply bill undisposed of; consequently, in practically every session of Congress we have passed resolutions similar to the pending resolution.

I am certain every Member of the House is thoroughly familiar with the bill and its purport. This is the third time the resolution—identical in every provision with the exception of the date—has been reported out by the Committee on Appropriations and submitted to the House.

It was hoped that it would not be again necessary to submit it to the House but some of the supply bills have not yet been enacted and it is necessary to report it the third time in order to take care of essential expenses of Government pending disposition of the bills which have passed the House but are still pending in the Senate or in conference.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from Mississippi.

Mr. RANKIN. Yes. I wish to ask the gentleman what amendment he proposes to offer to this resolution.

Mr. CANNON. We expect to offer one amendment limiting the extension to September 15, 1949.

Mr. RANKIN. Is that the only change to be made?

Mr. CANNON. That is the only change.

Mr. RANKIN. As far as I am concerned and the Members with whom I have conferred, we have no objection to that.

Mr. CANNON. We are glad to have the gentleman's approval.

Mr. BREHM. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

OHIO PRODUCTS

Mr. BREHM. Mr. Chairman, it has come to my attention that on August 23, 1949, bids will be taken for the construction of the Clinical Center Institute of Health, Bethesda, Md. The construction specifications call for Indiana limestone with an alternate of Ohio gray sandstone.

In the many Federal buildings in and about Washington, D. C., there have been

millions of cubic feet of limestone, granite, and marble used for construction but not a single foot of Ohio sandstone has been used. Many fine examples of Ohio sandstone construction, both public and private buildings, are to be found in many States and yet in and about the Nation's Capital, the products of the State of Ohio are not in evidence. Only during the past few days has there even been a street in Washington bearing the name of the great State of Ohio. This was made possible by the untiring efforts of Congressman THOMAS A. JENKINS, who has been working diligently on this objective for many years.

The very fact that Ohio sandstone is specified as an alternate is assurance of its approval as a satisfactory building stone and as I understand Federal buildings are expected to be truly representative of the Nation's resources. I cannot help but feel that the State of Ohio should be permitted to supply one of its greatest natural products, Ohio sandstone, especially in view of the millions of tax dollars which the citizens of Ohio are compelled to contribute into the coffers of the Federal Treasury.

I understand that this project comes under the direction of Mr. Jesse Larson, Director of General Service Administration and directly under Commissioner W. E. Reynolds, of the Public Buildings Administration. I am not suggesting that the bids be closed to Ohio gray sandstone, but I most certainly hope that this durable and proven material will be taken into consideration and receive an even break in the further letting of contracts.

MINIMUM-WAGE CLARIFICATION

Mr. Chairman, on August 9 the majority leader, the gentleman from Massachusetts [Mr. MCCORMACK], debating the issue of increasing the minimum wage, stated in part—and I quote:

> If the Lucas substitute would be adopted in the Committee of the Whole, and I doubt it, and hope it will not be adopted, there will be a roll-call vote on it in the House. If that should happen, that vote will determine the position of Members for or against the 75-cent minimum wage. No matter how much a Member may think he is hiding the issue, that will be the issue.

Now, Mr. Chairman, just as soon as possible after the gentleman from Massachusetts had made this remark I obtained the floor and stated that if an amendment should be offered to the Lucas substitute increasing the amount from 65 to 75 cents per hour and the amendment carried, that the vote would then come on the Lucas substitute as amended, and that the statement of the gentleman from Massachusetts would be inaccurate.

This is just to call attention to the inaccuracy of the statement of the gentleman from Massachusetts because as every Member of the House knows, an amendment was adopted to the Lucas substitute increasing the rate to 75 cents per hour. Therefore criticism which may be directed against those who voted for adoption of the Lucas substitute must be directed at some other provision of the bill rather than attempting to base it on unfounded grounds that it proposed less than 75 cents per hour. Both the Lucas substitute and the Lesinski bill carried the 75-cent minimum wage before any vote was taken on substituting Lucas for Lesinski.

Mr. TABER. Mr. Chairman, I yield myself 16 minutes.

Mr. Chairman, this resolution and the original so-called continuing resolution represent the most unusual procedure that has ever been presented to the Congress or that has ever been acted upon. I regret that I was not able to be here at the time the original resolution was adopted. It was stated at that time that it was the usual form of continuing resolution when, as a matter of fact, it was not.

Mr. Chairman, let me tell you what can be done under this continuing resolution. It is the most unusual and most arbitrary operation I have ever known to happen. It provides that wherever there have been funds provided for any department, agency, corporation, or other organization or unit in any branch of the Government for the fiscal year 1949 to carry out projects or activities for which a budget estimate for the fiscal year 1950 was transmitted to the Congress prior to July 1, 1949, but for which no provision is contained in any bill pending in Congress on July 1, 1949, that the rate provided for under any corresponding appropriation for the fiscal year 1949 or the budget estimate for 1950, whichever is smaller, may be spent by the agency involved.

Mr. Chairman, this is an abdication on the part of the Congress of its power to appropriate funds. It bypasses the Congress of the United States. It allows items that have not been authorized by law to be spent out of the Treasury, and it allows all sorts of things for which an appropriation has been denied by the Congress to be paid for out of the Treasury. For example, the House of Representatives voted the other day to instruct the conferees representing the House, on motion of the gentleman from Missouri [Mr. CANNON], chairman of the Committee on Appropriations, not to agree to the Senate amendment providing $344,000 for the so-called watchdog committee in the ECA appropriation.

Last year two-hundred-sixty-odd thousand dollars was appropriated, but under this resolution, regardless of the fact that there was nothing in the House bill for this item, and regardless of this instruction, that committee could go on and function and spend money until the ECA law was adopted.

Let me call your attention to other items. A budget estimate was submitted here prior to the 1st of July—and I have a copy of it—requesting appropriation of $25,000,000 to carry on a relief activity in Korea. The Committee on Rules has not reported any rule on a bill authorizing anything of that character. But funds may be spent, nevertheless. Frankly, I think that it is absolutely ridiculous for the House of Representatives or the Congress to attempt to abdicate its appropriating authority and allow activities to continue that have continued, and for which nothing is provided for in the appropriation bills.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Georgia.

Mr. COX. I have asked the gentleman to yield in order to emphasize the point which the gentleman is making. I think the gentleman's statement is worthy of careful consideration on the part of the House. I wonder what amendment, additional to that which the chairman of his committee, the gentleman from Missouri [Mr. CANNON], proposes to offer, would satisfy the gentleman now having the floor.

Mr. TABER. An amendment that would not permit these funds to be used for the purposes set forth in paragraph (b).

Mr. COX. Would an amendment striking paragraph (b) meet the gentleman's objections to the bill?

Mr. TABER. If there were added to paragraph (c), which would except from the provisions of paragraph (c), which is the appropriating language, any expenditures that might be made under paragraph (b).

Mr. COX. Under paragraph (b) is it possible for the expenditures to be made, certainly under approval of the Bureau of the Budget, and in the absence of legislation on the part of the Congress?

Mr. TABER. By either House, if there had been an appropriation, for a similar activity the previous year.

Mr. COX. Then, what sound objection in the mind of the gentleman could be offered against the striking of paragraph (b)?

Mr. TABER. I cannot see any. I have stated repeatedly that I would agree to this resolution, although I think personally that September 15 is longer than we ought to extend it, because it will tend to delay the operations of these conference reports rather than to expedite them, and I think we ought to expedite them just as much as we can so that the Senate and the House may complete their business.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Mississippi.

Mr. RANKIN. What I had reference to a while ago was the time. I have no objection to the passing of a measure of this kind with a limit of, say, 30 or 60 days, which this bill contains, but I am not in favor of delegating the power of Congress to the Bureau of the Budget. It seems to me, according to the gentleman's statement, that some amendment should be introduced and adopted that will insure that we are not delegating the power of the Congress to the Bureau of the Budget or to anyone else.

Mr. TABER. That is just exactly what we have done with this bill.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from New York.

Mr. ROONEY. Is it not the fact that the minority Members of the House Committee on Appropriations approved, without exception, the provisions of subdivision (b)?

Mr. TABER. No; it is not. They were advised—without understanding it, perhaps—that it was the usual continuing resolution, and it is not.

Mr. ROONEY. Is it not the fact that sometime about the 30th of June this matter came before the full Committee on Appropriations and was passed upon by the gentleman from Massachusetts [Mr. WIGGLESWORTH] and the minority members of the committee, was approved, and subsequently unanimously passed by the House?

Mr. TABER. I was not here.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. CASE of South Dakota. The issue is related to the time question. One might agree to a reasonable extension of time or a very limited extension of time because of the legislative situation, to permit an activity to continue, but not indefinitely. These repeated extensions are the root of the evil in the situation.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. TABER. Mr. Chairman, I yield myself five additional minutes.

Mr. ROONEY. If the distinguished gentleman from New York will yield further, may I say that I think the gentleman from South Dakota is sidestepping the issue. We have not been talking about the length of the extension of time. We are directing ourselves to the question as to what are the effects of subdivision (b). No harm has been done under this subdivision up to now, and it has been in operation over 6 weeks. Is that not the fact?

Mr. TABER. I would not say there has been no harm done because I cannot tell about that.

Mr. ROONEY. Can the gentleman tell us what harm has been done?

Mr. TABER. I cannot tell the gentleman that. I should say perhaps considerable harm has been done.

Mr. CASE of South Dakota. If the gentleman will yield further, I would not want the gentleman from New York to be under the misapprehension that I was not speaking with respect to paragraph (b). With respect to that paragraph, the root of the evil is the time element that is involved. Conceivably, if there were legislation pending before the Congress to authorize a program, and the President had submitted a budget request for it and, because of the legislative situation, action had not been taken, you might say, "For a reasonable time, if this is an activity that was in operation last year, we will let you continue under the rate of expenditure of last year," even though there may have been no new legislation either of authorization or of appropriation by either House. But if that is to continue indefinitely, it means that you are substituting for the wishes of the legislative committee which would provide for the authorization of the continuation of that program the judgment of the Bureau of the Budget, and you are bypassing then not merely the Committee on Appropriations but also the legislative committee.

Mr. ROONEY. The situation today, August 17, is exactly the same as it was on the first day of the fiscal year, July 1.

Mr. CASE of South Dakota. Six weeks time then means nothing to the gentleman from New York. The fact that legislative committees have failed to bring before the House or the Senate or been able to pass there certain authorizations for continuing programs which were in existence in fiscal 1949 indicate either that they are not sold on them or that the Congress is not ready to act upon them. That fact of itself means nothing to the gentleman from New York. Six weeks of time is of the essence in this matter.

Mr. TABER. The difference is that this time we know there is a delegation of authority to the Bureau of the Budget. The other time it was not realized. I present no apologies for that. It is a fact. It was extended once with my consent without my calling for the original resolution. I assumed it was the regular continuing resolution. I cannot agree to consent to going ahead with it, with a delegation of appropriating authority to the Bureau of the Budget.

Mr. MARTIN of Iowa. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. MARTIN of Iowa. I would like to ask the gentleman whether or not copies of Public Law 154 are available here on the House floor. I cannot find any reference to it or any inclusion of it in the committee report. I am very curious as to what we are here amending by simply extending the date. I do not find any reference to it in the committee report.

Mr. ROONEY. Mr. Chairman, I am glad to hand the gentleman from Iowa a copy of Public Law 154.

Mr. MARTIN of Iowa. Does the gentleman refer to a copy of the law?

Mr. ROONEY. Yes.

Mr. MARTIN of Iowa. I was just wondering how it happened to be omitted from the committee report.

Mr. TABER. It should have been in the committee report because the House should have been advised of it.

Mr. JACKSON of California. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. JACKSON of California. There is currently pending a proposal to send $150,000,000 7,000 miles from San Francisco to Korea. Do I understand that under the provisions of this proposal, if passed, it would be possible to embark upon that program without the prior legislative approval of the Congress?

Mr. TABER. I understand it has already been embarked upon and that money has been expended. The budget estimates submitted before the 1st of July were for $25,000,000, and the expenditures would be limited to that. In addition to that, the so-called watchdog committee is in a position, if this thing goes through, to use up the $260,000.

Mr. JACKSON of California. I thank the gentleman. I certainly join with him in his opposition to this.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. KEATING. The gentleman has said that this resolution is not in the ordinary form. Does the gentleman know of any precedent in all of our legislative history for the abdication by the Congress of its functions of appropriation to the Bureau of the Budget in the manner intended by this resolution?

Mr. TABER. I do not. I have never heard of such a thing before.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. McDONOUGH. Will the gentleman explain to the House who is responsible for the situation we are now in as a result of which this unusual resolution is before the House for consideration?

Mr. TABER. This third continuing resolution, insofar as it is a continuing resolution, is made necessary by the fact that the other body is taking more time in considering appropriation bills than it has ever taken before. Perhaps that is because the President's budget estimates were about $6,000,000,000 above what they were last year and because it has been necessary to go into them further than they ever did before. Perhaps it has been caused by the long speeches which some of the friends of the President made in the other body on these bills. I should imagine that perhaps both reasons have something to do with the operation. That is no reason why we should not adopt an amendment which will correct that situation when this bill is read for amendment, and I hope that such an amendment will be offered.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. SABATH. I yield.

Mr. COX. I would like to state to the gentleman that the Committee on Rules patiently examined this question. It declined to grant a rule because, as I recall, it was the unanimous opinion of the committee that section (b) should go out, and that a time limit date should be fixed. It was not within the power of the committee to amend the resolution. Therefore, no action was taken and the matter was permitted to ride in the hope that it might be possible for those taking opposite views to come to an agreement whereby consent would be given for the elimination of section (b)—and section (b) unquestionably should go out and a time limit date also should be fixed.

It is my belief, Mr. Chairman, that if that alternate agreement could be reached, the House would accept the resolution by unanimous consent. It certainly would be a tremendous mistake not to fix a time limit date. That has been evident already. Information has come to this House and to the Committee on Rules to the effect that a bad situation would be created at the other end of the Capitol if we should have accepted the resolution in its original form.

In the interest of unanimity and quick action and giving results that would satisfy the need, it does seem to me that those insisting upon the resolution might make the further concession of consenting to letting section (b) go out.

Mr. TABER. Mr. Chairman, it would be entirely agreeable to me if this legislation is amended to September 15 and the operations of section (b) are prohibited. Frankly, I think the passage of a continuing resolution tends to delay consideration of these appropriation bills. The fact that there is no continuing resolution in effect has had a great moral effect on the operations of the appropriation bills in the other body already, and I think they are ready to move in;

but if we give them too much time it is bad, because that does away with the reason for the immediate haste that should be followed through.

Mr. WIGGLESWORTH. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. WIGGLESWORTH. Does not the gentleman think that the work on all appropriations, both in the other body and in conference, could be disposed of in a matter of 2 or 3 days if the proper inclination were there, and make unnecessary the adoption of any continuing resolution?

Mr. TABER. Absolutely. As I said, if the proper amendment be adopted to this resolution, I shall not object to it, although I think September 15 is too distant a date, but I would go along with that if we could get the operations of section (b) eliminated.

Mr. Chairman, I reserve the balance of my time.

Mr. RANKIN. Mr. Chairman, I make a point of order. I was on my feet urging a point of order when the motion was made to go into committee. I make the point of order that this bill is not properly before the House, for the simple reason that the report does not comply with the Ramseyer rule, and therefore the membership is not properly informed as to what had obtained.

The CHAIRMAN (Mr. COOPER). Of course, that point of order would have to be made in the House and not in Committee of the Whole. The point of order comes too late, and the Chair overrules the point of order.

Does the gentleman from Missouri desire to consume further time?

Mr. CANNON. I have only one other speaker on this side. Perhaps the gentleman from New York will consume some more of his time.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Chairman, at the outset I might say that some of us had given consideration to raising the question of the point of order raised by the gentleman from Mississippi [Mr. RANKIN] on the Ramseyer rule, when the matter came up in the House, before we went into Committee of the Whole, but it was my opinion, at least, that that would put us in the position of attempting to block any action whatsoever, and I checked it off as something not to be done, when I learned that an amendment would be offered that would limit this continuing resolution to the 15th of September.

There were two points at issue when this resolution came up the other day. One was the open-end date. The other was paragraph (b). Admittedly, the main objection to the resolution has been considerably modified by the statement of the chairman of the committee that he will offer an amendment to limit the action of this Public, 154, to September 15.

I was told by some Members of Congress that had the other resolution passed this body, it would never have been agreed to over in the Senate, because they recognized that if we had once passed a resolution in the form in which it originally was presented, there would perhaps not be agreement on any additional appropriation bills during the balance of this fiscal year. It could have been argued that there was no need, that the agencies could go on the basis of the funds that they had last year under the terms of the resolution. I was told that one of the outstanding members of the other body took that position. So it would have put us in a situation where those of you who are interested in bills, which have some provision that had not been agreed upon would be limited to the terms of paragraph (a).

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. CANFIELD. Will the gentleman from South Dakota tell us just where in a situation of that kind we find the budget officer of the bureaus and of the agencies downtown who are supposed now to be working on the 1951 bills? Where are they placed?

Mr. CASE of South Dakota. The gentleman has raised a very interesting point. Those of you who are familiar with the way budgets are developed in agencies know that at this time of the year the budget officers of the various agencies are supposed to be working not upon a puzzle as to how much money they are going to have in this fiscal year; they are supposed to have known that before the 1st of July, but at this time of the year they are preparing the program of estimates for their agencies for the next fiscal year. Then they go to the Bureau of the Budget, they have their hearings before the Bureau of the Budget along in September and October. Then the Bureau of the Budget has to have time after that in November to work up the consolidation of the various requests into the President's budget so that it may be ready for the printer in December and come to the Congress in January.

Mr. MARTIN of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. MARTIN of Massachusetts. Does the gentleman from South Dakota think we will get this year's bills through Congress before we have to start on the consideration of next year's bills?

Mr. CASE of South Dakota. It certainly does not look that way at this moment under the resolution as it now stands. As I have said, there were two objections raised the other day: One was the time element; the open-end proposition which would have continued the situation indefinitely for the balance of the ficsal year; the other was this paragraph (b).

I do not personally know just why paragraph (b) was written in the resolution. When the matter was under consideration in the first instance, the clerk of the Committee on Appropriations told me that this was a very difficult resolution to prepare, the most difficult he ever had been asked to write, if I recall correctly. In fact, he said it was pretty hard to encompass what was wanted to be encompassed. I have heard that when the request for the rule was made before the Committee on Rules a very distinguished gentleman asking for the rule said that the necessity for paragraph (b) was that without it the Korean-aid program would stop because no new appropriation had been made for the Korean-aid program, and none was carried in any bill before either House. That apparently is one reason why paragraph (b) was included. I leave it to the judgment of the Members whether any activity, whatever its merits, should be continued simply on a budget estimate if it cannot gain the support of either body of Congress.

Under paragraph (b), also, any other items which were contained in the appropriation bill last year but which have been left completely out of the bill this year in either body could still be continued in the amount of the Budget Bureau's request. Has Congress become so weak and yielding that it is to surrender its appropriation powers to the estimates of some clerk in the Bureau of the Budget—and do it in blank? I hope not.

So it seems to me to be a reasonable proposition to have a September 15 dead line and adopt an amendment which states that paragraph (b) has already expired.

The CHAIRMAN. The time of the gentleman from South Dakota has expired.

Mr. CANNON. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Illinois [Mr. SABATH], chairman of the Committee on Rules.

Mr. SABATH. Mr. Chairman, in view of the objections that were raised relative to there was no time limit in the resolution, and that no explanation was made with reference to section (b) and its actual effect, the Committee on Rules after long deliberation postponed favorable action. In this connection, however, I wish to say that I have been here for many years and I do not feel that the Committee on Appropriations of the House should be criticized, because never before has that committee reported appropriation bills as speedily as it has in this Congress.

Unfortunately, the other body loves to delay. It is unfortunate that a coalition exists in the other body which loves to speak and delay consideration of bills. The Rules Committee was under the impression that if we did not act on the resolution perhaps they may wake up and start doing something and report or agree to some conferences on the various appropriation bills that have been over there for nearly 3 months now.

We do not feel that the Appropriations Committee of the House should be criticized, as I said before. However, I realize that the date in the original resolution was omitted and that there was an indefinite postponement, which would be a dangerous precedent from the point of view of the committee and from my point of view.

I think some real reason should be given for the continuance of section (b). The chairman of the committee has given me a reason which was not given to the Rules Committee when the application was made for a rule. If a condition exists and some important matters need attention and should be attended to, and they might suffer otherwise, and cause delay, I feel there may be some justification for section (b). But we should be

informed how important the contemplated legislation is that will be carried out under this resolution which the chairman of the Appropriations Committee has presented. I am pleased that he has agreed to the date of September 15. That limitation will be helpful and beneficial. Otherwise we feel that the other body would not act at all, and would, in fact, play around and waste time at the expense of the House and at the expense of the country.

I think something ought to be done to control the other body. Of course, we have our own troubles over here. But on the other side filibusters are carried on from time to time which are unjustified and unwarranted, and I think it would be far better for the country if the gentlemen over there would realize the situation and do something beneficial for themselves, for the House, and for the country.

If the gentleman from Missouri will explain section (b) and the underlying reasons for it and why he feels it is necessary, perhaps we may be able to vote with him; otherwise, if it is not properly explained, section (b) ought to be stricken out.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Chairman, I think some Members of the House of Representatives have embarked upon a dangerous practice of criticizing the other body, and I can see very plainly that a part of the criticism which has been directed against the other body will backfire on the House of Representatives when the whole truth is known, and also that it will be mighty bad for America if the two branches of Congress really get to fighting among themselves, because that is exactly what the left-wingers and the radicals of this country and the world would like to have us do. So I hope that we will be more careful from now on in the manner we speak about the other body.

The truth of the matter is that the subcommittee of the Committee on Appropriations of the House were pushed every minute from the day the Eighty-first Congress convened to get these appropriations out in jig time, as I said recently, on the floor of the House, the President's huge appropriation request, generally speaking, were not sufficiently considered in the House. The majority in control has little to crow about or stick out their chests about, when the facts are that we appropriated approximately $4,000,000,000 more in House appropriation bills than did the Eightieth Congress. So, when we start criticizing the other body, I think we better take a good look in the mirror at ourselves.

I am sure a lot of other Members of the House wonder why this resolution ever got out of the full Committee on Appropriations in the form it has. The facts are that too many members of the full Committee on Appropriations did not have full knowledge of the wording of the Public Law 154 which is controlling in this resolution. It was not read in the full committee; read last Monday, nor was it read today. I asked that the resolution be read to the committee this morning but the chairman of the full committee objected. He said I was out of order. Why? Among Members of Congress on committees, we hardly ever follow a set parliamentary procedure. We try to act as gentlemen and be fair with each other. As I said, I asked that this resolution be read and I was refused by the chairman of the full committee the gentleman from Missouri [Mr. CANNON]. So, you do not have to wonder at all why this resolution comes to this floor from the full Committee on Appropriations in the form that it does, because the facts are that there were not enough members of the full committee that knew what they were voting on. Now, that is the story. I am sure, if you will read Public Law 154, you will see that we are, by its provisions, delegating the appropriating authority of the Congress to the Bureau of the Budget to a great degree, and I am not ready to delegate the authority of Congress or of this House of Representatives to any agency of Government, or to the President, or anyone else, for certainly we must not, we dare not. I sincerely hope this House will accept its full responsibility now.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. CANNON. Mr. Chairman, this resolution in its present form has been before the Committee on Appropriations three times, June 29, July 28, and August 15. It was introduced the first time some 6 weeks ago, and every member of the committee had a copy of it. We discussed it for some time, then recessed to answer a roll call in the House, and came back and again discussed it at length. The clerks of the committee sat down with the ranking members of the committee on the other side and went over it comma by comma, so they could not have failed to know what was in it at the time. And it was reported out by the unanimous vote of the committee.

Three weeks later it again came before the committee, and a copy was available for everybody. The gentleman from New York himself discussed the resolution in precisely its present form and voted to report it out. As will be noted, it is a very brief resolution. It covers only one page. There is no difficulty about anyone's understanding it who can read the English language. And the committee and the House twice passed it in its present form with the exception of the date. Why this sudden protest against a law that has worked admirably on each previous occasion.

Now, as to why this particular section was included in the bill, everybody will recall that the first of the current year we recognized the independence of Korea. Up to that time the work in Korea had been paid for out of the GARIOA funds, but when it became an independent country GARIOA, which applies only to occupied territory, was no longer applicable. Consequently, no funds were available for the support of our large establishment in Korea after the 1st of July.

In order to take care of this critical situation, the House Committee on Foreign Affairs reported out a bill to take care of the situation from July 1 on. It is on the calendar but cannot be called up until the rule is granted. Pending its enactment, money had to be made available to take care of the 180 people who were over there and who are still over there. We could not abandon our far-flung organization in Korea at this very critical time. That section of the Orient is the powder keg of the world. We must have representation there. We must do everything there we can to avoid war, or, if war comes, we must be in a position to take advantage of their experience and information. Therefore, we provide in this resolution for the care and safety of the 180 defenseless people over there representing the United States Government and its interests. We cannot abandon them. There is no other way to provide for them. The paragraph which the amendment of the gentleman from New York seeks to strike out covers the hiatus until the bill from the Foreign Affairs Committee becomes a law. If the bill does not become a law, it provides money to liquidate America's Korean organization and bring these people home safely. It is this provision the amendment of the gentleman from New York seeks to strike out. The provision has no other application or effect. Under the terms of the resolution it cannot apply to any other situation. It has been in effect in the last two resolutions without incurring the slightest criticism. Why eliminate it now? And if you do, what will you do with the 180 people representing our Government in this important listening post of the world?

Mr. Chairman, I submit that no single tenable reason has been advanced warranting the abandonment of the American delegation in Korea. There is no other method of supporting them in the interim between the repeal of the paragraph and the enactment of the bill reported out for the purpose by the Committee on Foreign Affairs. If the bill reported by the Committee on Foreign Affairs does not became a law, there is no way of liquidating the agency and bringing our people home.

The substitute should be rejected.

Mr. TABER. Mr. Chairman, I ask that the Clerk read.

The CHAIRMAN. If there is no further time to be used in general debate, the Clerk will read.

The Clerk read as follows:

Resolved, etc., That Public Law 154 (81st Cong.), making temporary appropriations for the fiscal year 1950, and for other purposes, as amended, is hereby amended by striking out, in section (c) thereof, "or (3) August 15, 1949."

Mr. CANNON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CANNON: On page 1, line 6, before the period insert "and insert in lieu thereof 'September 15, 1949.'"

Mr. SCRIVNER. Mr. Chairman, I move to strike out the last word.

I take this time to ask the chairman of the Committee on Appropriations, the gentleman from Missouri [Mr. CANNON], whether or not on June 29, I believe it was, when this continuing resolution was first considered, he did not tell us and if he did not tell the Members of the

House that this resolution was in the usual language?

Mr. CANNON. No, Mr. Chairman, I did not make any such statement. At the beginning of my remarks this afternoon, I said it was "routine." Such resolutions have been offered in every Congress.

Mr. SCRIVNER. Mr. Chairman, I decline to yield further to the gentleman from Missouri.

Mr. Chairman, in view of the reply made by the gentleman from Missouri, I call attention to what we find on page 8689 of the CONGRESSIONAL RECORD of June 29. The gentleman from Missouri [Mr. CANNON] was speaking, and he said:

> So we bring in a continuing resolution, House Joint Resolution 284, which is couched in the usual phraseology.

Mr. Chairman, I yield back the balance of my time.

Mr. CANNON. And it is couched in the usual phraseology, it includes all the usual phraseology ordinarily carried in a continuing resolution.

Mr. TABER. Mr. Chairman, I offer a substitute amendment. The Clerk read as follows:

> Amendment offered by Mr. TABER as a substitute for the amendment offered by Mr. CANNON: On page 1, line 5, strike out the period and add "and insert in lieu thereof the following: 'or (3) with respect to paragraph (b) August 15, 1949, and with respect to paragraph (a) September 15, 1949.'"

Mr. TABER. Mr. Chairman, the effect of the substitute which I have offered would be to extend the continuing resolution insofar as paragraph (a) of the continuing resolution is concerned to September 15, just as the gentleman from Missouri has suggested. It also prohibits the use of the funds that might have been made available by paragraph (b) after August 15, when the original amendment to the resolution expired. If you vote for my amendment, it means that we get rid of that delegation of authority to the Bureau of the Budget which was accompanied by paragraph (b). Paragraph (b), of course, was without authorization of law. Paragraph (b) is just one of the items that almost anything can go along under.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. RABAUT. If we do that, we abandon 180 people in Korea?

Mr. TABER. If we do this, we get rid of this delegation of authority to the Bureau of the Budget.

Mr. RABAUT. I am asking what happens to the people in Korea. You tell that to the House.

Mr. JACKSON of California. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. JACKSON of California. Is there any difference between the 180 people in Korea and the occupation forces in Japan or Germany or Austria, as far as taking care of them is concerned?

Mr. TABER. Yes. We have no authority at the present time in any way existing for the operation in Korea. We do have treaty authority in Japan, which authorizes the appropriation for expenditure of funds.

Mr. JACKSON of California. I assume the 180 people are Army personnel?

Mr. TABER. I assume so.

Mr. JACKSON of California. And the Army has been letting them starve to death—those 180 men in Korea?

Mr. TABER. I do not believe so.

Mr. JACKSON of California. I doubt it very much.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. COX. I have asked the gentleman to yield to see if I understand what his amendment means. As I understand it, the gentleman accepts the amendment offered by the gentleman from Missouri [Mr. CANNON].

Mr. TABER. I do.

Mr. COX. And he adds the additional amendment that has the effect of eliminating section (b)?

Mr. TABER. From this date forward; yes. That is the effect of it.

I hope that this amendment will be adopted and that we will have a cessation of the operation of delegating the appropriating of power of Congress to the Bureau of the Budget.

The CHAIRMAN. The time of the gentleman from New York [Mr. TABER] has expired.

Mr. CASE of South Dakota. Mr. Chairman, I move to strike out the last word.

Earlier, Mr. Chairman, there was a little colloquy between myself and the gentleman from New York [Mr. ROONEY] in which I was trying to make the point that time was of the essence and was a consideration in the original agreement to the resolution. I have here the RECORD for June 29, and at page 8689 I asked the gentleman from Massachusetts [Mr. WIGGLESWORTH] to yield. He yielded; and then I asked:

> Under the resolution as reported, does it carry the amendment limiting it to July 31?
>
> Mr. WIGGLESWORTH. Yes. An amendment was adopted in committee which limits the duration of the resolution until, first, enactment into law of the applicable appropriations act; or, second, the date both Houses shall have acted and failed to make an appropriation; or, third, July 31, 1949, whichever first occurs.

Then the gentleman from Missouri [Mr. CANNON] said:

> Mr. Speaker, on the contrary, no amendment was adopted in the committee. The resolution is as considered by the committee.
>
> Mr. WIGGLESWORTH. The resolution was revised and reintroduced.
>
> Mr. CASE of South Dakota. Will the gentleman from Missouri advise us about the resolution before the House? Does it carry the date July 31, 1949?
>
> Mr. CANNON. Certainly.

My recollection of the original of this whole proposition was that at that particular date I had a meeting of the Committee on Un-American Activities, or some other meeting, which prevented my attendance at the Appropriations Committee meeting that morning. What was first shown to me was the original draft in which there was no date dead line, and it was suggested that there would be an amendment offered. As I understood and as appears from this colloquy I have just read, what happened was that the original draft was revised and corrected, and the resolution that was adopted in committee did carry the date as suggested, although there was originally a draft which did not embody the dates.

Mr. CANNON. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. CANNON. The gentleman recalls that the resolution or a copy of it was provided every member of the committee, and opportunity was afforded to everyone to become familiar with it?

Mr. CASE of South Dakota. I can only speak for myself. Opportunity was afforded me to see this original draft, and I was concerned about the question of a termination date. I was so concerned that I raised the question when the bill came to the floor. I merely cite the RECORD to support the point I made when I was discussing the matter with the gentleman from New York [Mr. ROONEY] earlier, that time was of the essence, and that the agreement or understanding was that this time limit was in there. One might indulge a situation for a little while in order to give some time for legislation to be accomplished, but if something is not accomplished within that time then the dead line should take effect and prevent indefinite continuance.

The CHAIRMAN. The question is on the substitute offered by the gentleman from New York for the amendment offered by the gentleman from Missouri.

The question was taken; and on a division (demanded by Mr. CANNON) there were—ayes 73, noes 51.

Mr. CANNON. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. RABAUT and Mr. TABER.

The Committee again divided; and the tellers reported that there were—ayes 96; noes 65.

So the substitute amendment was agreed to.

Mr. TABER. Mr. Chairman, I ask unanimous consent that the amendment may apply to line 6, which was intended, instead of line 5.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri [Mr. CANNON], as amended by the substitute offered by the gentleman from New York [Mr. TABER].

The amendment, as amended, was agreed to.

Mr. CANNON. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration House

Joint Resolution 339 amending an act making temporary appropriations for the fiscal year 1950, as amended, and for other purposes, had directed him to report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

Mr. CANNON. Mr. Speaker, I move the previous question on the bill and amendment thereto to final passage.

The previous question was ordered.

The SPEAKER. The question is on the amendment.

Mr. CANNON. Mr. Speaker, on that I demand the yeas and nays.

Mr. CASE of South Dakota. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. CASE of South Dakota. Mr. Speaker, the vote will come on the Cannon amendment as amended; that is, the amendment involving the change in date?

The SPEAKER. The vote will be on the amendment reported to the House as adopted by the Committee.

The yeas and nays were ordered.

The question was taken; and there were—yeas 213, nays 114, answered "present" 1, not voting 104, as follows:

[Roll No. 185]

YEAS—213

Abbitt	Dondero	Judd
Abernethy	Donohue	Kean
Addonizio	Doughton	Kearns
Albert	Durham	Keating
Allen, Calif.	Elliott	Kilday
Allen, La.	Ellsworth	Klein
Andersen, H. Carl	Engel, Mich.	Kunkel
	Evins	Lanham
Andresen, August H.	Fallon	Larcade
	Fenton	Latham
Angell	Fisher	LeCompte
Auchincloss	Ford	LeFevre
Barrett, Wyo.	Frazier	Lemke
Bates, Mass.	Fugate	Lichtenwalter
Beckworth	Fulton	Lodge
Bennett, Mich.	Gamble	Lucas
Bentsen	Gathings	Lyle
Bishop	Gavin	McConnell
Blackney	Gillette	McCulloch
Boggs, Del.	Golden	McDonough
Bolling	Goodwin	McMillan, S. C.
Bonner	Gossett	McMillen, Ill.
Boykin	Graham	Mack, Wash.
Bramblett	Grant	Madden
Brehm	Gross	Martin, Iowa
Brown, Ga.	Hagen	Martin, Mass.
Bryson	Hall, Edwin Arthur	Mason
Burdick		Merrow
Burleson	Hall, Leonard W.	Meyer
Byrnes, Wis.		Michener
Camp	Hand	Miller, Md.
Canfield	Harden	Miller, Nebr.
Carlyle	Hardy	Mills
Case, N. J.	Hare	Monroney
Case, S. Dak.	Harris	Morris
Cavalcante	Harrison	Murdock
Chatham	Harvey	Murray, Tenn.
Chesney	Hays, Ark.	Murray, Wis.
Chiperfield	Herter	Nelson
Church	Heselton	Nicholson
Cole, Kans.	Hill	Nixon
Colmer	Hobbs	Noland
Combs	Hoeven	O'Hara, Minn.
Cooley	Hoffman, Ill.	O'Konski
Cooper	Hoffman, Mich.	Passman
Corbett	Holmes	Patterson
Cotton	Hope	Pfeiffer, William, L.
Coudert	Horan	
Cox	Jackson, Calif.	Philbin
Crawford	Jacobs	Phillips, Tenn.
Cunningham	James	Pickett
Curtis	Javits	Poage
Dague	Jenkins	Potter
Davis, Ga.	Jennings	Poulson
Davis, Tenn.	Jensen	Quinn
Davis, Wis.	Jonas	Rankin
Delaney	Jones, Ala	Richards
D'Ewart	Jones, Mo.	Rogers, Mass.
Dolliver	Jones, N. C.	Sabath
Sadlak	Stockman	Wheeler
St. George	Sutton	White, Idaho
Sanborn	Taber	Whittington
Sasscer	Talle	Wigglesworth
Scott, Hardie	Teague	Williams
Scrivner	Thornberry	Wilson, Ind.
Scudder	Van Zandt	Wilson, Okla.
Simpson, Ill.	Velde	Wilson, Tex.
Smith, Kans.	Vorys	Withrow
Smith, Va.	Vursell	Wolcott
Smith, Wis.	Wadsworth	Wolverton
Steed	Walter	Woodruff
Stefan	Weichel	Young
Stigler	Werdel	

NAYS—114

Andrews	Havenner	O'Hara, Ill.
Aspinall	Hays, Ohio	O'Neill
Bates, Ky.	Hedrick	O'Toole
Battle	Heffernan	Patman
Biemiller	Heller	Patten
Boggs, La.	Howell	Perkins
Bolton, Md.	Huber	Peterson
Bosone	Hull	Polk
Brooks	Jackson, Wash.	Preston
Buchanan	Karst	Rabaut
Buckley, Ill.	Karsten	Ramsay
Burnside	Kee	Rhodes
Burton	Kelley	Ribicoff
Cannon	Kerr	Rodino
Carnahan	King	Rooney
Carroll	Kirwan	Roosevelt
Celler	Kruse	Secrest
Chelf	Lane	Sheppard
Christopher	Lind	Sims
Crook	Linehan	Smathers
Crosser	Lynch	Spence
Davenport	McCarthy	Staggers
Davies, N. Y.	McGrath	Sullivan
Dingell	McGuire	Tackett
Dollinger	Mack, Ill.	Tauriello
Doyle	Mahon	Thomas, Tex.
Eberharter	Mansfield	Thompson
Engle, Calif.	Marcantonio	Trimble
Fernandez	Marsalis	Underwood
Flood	Marshall	Wagner
Forand	Miller, Calif.	Welch, Calif.
Furcolo	Mitchell	White, Calif.
Garmatz	Morgan	Whitten
Gary	Morrison	Wickersham
Gordon	Moulder	Wier
Gorski, Ill.	Multer	Willis
Gorski, N. Y.	Norrell	Yates
Granger	O'Brien, Ill.	Zablocki

ANSWERED "PRESENT"—1

Priest

NOT VOTING—104

Allen, Ill.	Gregory	Plumley
Anderson, Calif.	Gwinn	Powell
Arends	Hale	Price
Bailey	Halleck	Rains
Barden	Hart	Redden
Baring	Hébert	Reed, Ill.
Barrett, Pa.	Herlong	Reed, N. Y.
Beall	Hinshaw	Rees
Bennett, Fla.	Holifield	Regan
Bland	Irving	Rich
Blatnik	Jenison	Riehlman
Bolton, Ohio	Johnson	Rivers
Breen	Kearney	Rogers, Fla.
Brown, Ohio	Keefe	Sadowski
Buckley, N. Y.	Kennedy	Scott, Hugh D., Jr.
Bulwinkle	Keogh	
Burke	Kilburn	Shafer
Byrne, N. Y.	Lesinski	Short
Chudoff	Lovre	Sikes
Clemente	McCormack	Simpson, Pa.
Clevenger	McGregor	Smith, Ohio
Cole, N. Y.	McKinnon	Stanley
Dawson	McSweeney	Taylor
Deane	Macy	Thomas, N. J.
DeGraffenried	Magee	Tollefson
Denton	Miles	Towe
Douglas	Morton	Vinson
Eaton	Murphy	Walsh
Elston	Norblad	Welch, Mo.
Feighan	Norton	Whitaker
Fellows	O'Brien, Mich.	Winstead
Fogarty	O'Sullivan	Wood
Gilmer	Pace	Woodhouse
Gore	Pfeifer, Joseph L.	Worley
Granahan		
Green	Phillips, Calif.	

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Brown of Ohio for, with Mr. McCormack against.

Mr. Arends for, with Mr. Priest against.

Mr. Rich for, with Mr. Rogers of Florida against.

Mr. Rees for, with Mr. Murphy against.

Mr. Shafer for, with Mr. Price against.

Mr. Towe for, with Mr. McKinnon against.

Mr. Beall for, with Mrs. Douglas against.

Mr. Halleck for, with Mr. Denton against.

Mr. Riehlman for, with Mr. Keogh against.

Mr. Regan for, with Mr. Magee against.

Mr. Hébert for, with Mrs. Norton against.

Mr. Elston for, with Mr. Hart against.

Mr. Simpson of Pennsylvania for, with Mr. Bailey against.

Mr. Hugh D. Scott, Jr., for, with Mr. Gregory against.

Mr. Allen of Illinois for, with Mrs. Woodhouse against.

Mr. Taylor for, with Mr. Whitaker against.

Mr. Cole of New York for, with Mr. Welch of Missouri against.

Mr. Phillips of California for, with Mr. McSweeney against.

Mr. Short for, with Mr. Baring against.

Mr. Kearney for, with Mr. Breen against.

Mr. Hinshaw for, with Mr. Joseph L. Pfeifer against.

Mr. Kilburn for, with Mr. Powell against.

Mr. Reed of Illinois for, with Mr. Wilson against.

Mr. Macy for, with Mr. Dawson against.

Mr. Gwinn for, with Mr. Lesinski against.

Mr. Clemente for, with Mr. Sadowski against.

Mr. Fellows for, with Mr. Irving against.

Mr. Eaton for, with Mr. Kennedy against.

Mr. Jenison for, with Mr. Blatnik against.

Mr. Reed of New York for, with Mr. Byrne of New York against.

Mr. Morton for, with Mr. Buckley of New York against.

Mr. Plumley for, with Mr. Granahan against.

Mr. Tollefson for, with Mr. Gilmer against.

Mr. Gore for, with Mr. Feighan against.

Mr. Rivers for, with Mr. Fogarty against.

Mr. Bland for, with Mr. O'Brien of Michigan against.

Until further notice:

Mr. Sikes with Mr. McGregor.

Mr. Winstead with Mrs. Bolton of Ohio.

Mr. Pace with Mr. Johnson.

Mr. Wood with Mr. Smith of Ohio.

Mr. Stanley with Mr. Norblad.

Mr. Worley with Mr. Hale.

Mr. Redden with Mr. Anderson of California.

Mr. Deane with Mr. Keefe.

Mr. Rains with Mr. Lovre.

Messrs. CHELF, NORRELL, CROOK, CHRISTOPHER, MORRISON, MILLER of California, HAVENNER, BIEMILLER, DAVENPORT, and GRANGER changed their vote from "yea" to "nay."

Messrs. DAVIS of Tennessee, O'KONSKI, and COOPER changed their vote from "nay" to "yea."

Mr. PRIEST. Mr. Speaker, I have a live pair with the gentleman from Illinois, Mr. ARENDS, who, had he been present, would have voted "yea." I therefore withdraw my vote of "nay" and vote "present."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the joint resolution.

The joint resolution was passed.

A motion to reconsider was laid on the table.

DISPENSING WITH FURTHER CALL OF THE COMMITTEES

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that further call of the committees on Calendar Wednesday today be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. MARCANTONIO. Mr. Speaker, I object.

Mr. PRIEST. Mr. Speaker, I move that further call of the committees on Calendar Wednesday for today be dispensed with.

Mr. MARCANTONIO. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. MARCANTONIO. Mr. Speaker, this is Calendar Wednesday and I submit the motion offered by the gentleman from Tennessee [Mr. PRIEST] is not in order, that it can only be dispensed with by unanimous consent.

The SPEAKER. It would require a two-thirds vote, but the rules provide for dispensing with further call of the committees by motion.

The question is on the motion offered by the gentleman from Tennessee.

The motion was agreed to.

EXTENSION OF REMARKS

Mr. DAVIS of Wisconsin (at the request of Mr. SMITH of Wisconsin) was given permission to extend his remarks in the RECORD and include an editorial.

Mr. CAVALCANTE asked and was given permission to extend his remarks in the RECORD.

MUTUAL DEFENSE ASSISTANCE ACT OF 1949

Mr. SABATH. Mr. Speaker, I call up House Resolution 327 and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5895) to promote the foreign policy and provide for the defense and general welfare of the United States by furnishing military assistance to foreign nations, and all points of order against the said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 1 day, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SABATH. Mr. Speaker, this resolution makes in order the consideration of the Mutual Defense Assistance Act of 1949, which further declares the policy of the United States to achieve international peace and security through the United Nations, the importance of military assistance on the basis of self-help and mutual aid to this end, the priority of economic recovery, the United States policy to achieve control and reduction of arms through the United Nations, and the desirability of the creation of the free countries and free peoples of the Far East, of a far-eastern organization to develop and to protect their security and independence. This bill proposes expending $655,000,000 up to June 30, 1950, and additional sums of $795,000,000.

I assure you, Mr. Speaker, I firmly believe in the policies as above set forth and also the end which they hope to achieve. But unfortunately the policy is misleading, for I cannot condone nor will my conscience allow me to participate in such a program for military assistance because I fear it means preparation for war. Our power, resources and finances, it should be admitted, should be used for peaceful, constructive and practical purposes instead of for war purposes.

IN RETROSPECT

To review briefly, the Congress first passed the lend-lease program which was designed to aid the needy and the starving peoples of the world. In this regard we gave $48,500,000,000. Then we aided Great Britain to the tune of $3,750,000,000 and the cancellation of the $34,000,000,000 she owed us. Our program for war continued with our attempt to defend tyranny in Greece and Turkey and we made sizable appropriations. Up to date, we have appropriated the tremendous sum of $125,000,000,000 for foreign aid since lend-lease not to mention another $330,030,433,084 that we spent on World War II. We appropriated vast amounts under the Marshall plan to rehabilitate and reconstruct the war stricken countries of the world and at the same time provided a form of insurance, so we were told, for our future foreign markets and trade. The last bill which we passed recently, provided for the sum of $5,647,000,000 to rehabilitate Europe and the world. There is a bill presently pending designed to aid Korea, calling for an initial appropriation of $150,000,000, to be followed by a further appropriation of the taxpayers' money of $150,000,000, a grand total of $300,000,000, and who knows where it will cease. I am also informed that a bill is presently being considered that will give Japan $450,000,000.

BANKRUPTCY MUST BE AVOIDED

Mr. Speaker, how much longer can we continue with these billion-dollar appropriations without straining, yes, destroying our very economy? This bill, I fear, is only the beginning of world war III. Unfortunately, due to the great propaganda campaign that is being waged through the media of the press and radio in conjunction with the various internationalists, war profiteers, and lobbyists, a hysteria has been and is being created to fleece us of our peace—the same peace that we so recently fought so hard to preserve at the cost of thousands of human lives. When will it all end? No one can tell, I am sure. Can we finance the entire world and continue to maintain a sound, healthy economic structure at home without bankrupting ourselves and without imposing additional tax burdens on our people? Perhaps if these nations and their people demonstrated that they are willing to help themselves, at least in part, such aid, for constructive purposes only would be justifiable. Yes, Mr. Speaker, it is, indeed, unfortunate that people such as Mr. Hoover, who talk and appeal to the country in the name of economy, are the very same people who are behind these appropriations to aid the rest of the world. How inconsistent can they be?

DILLON-READ AND OTHER PROFITEERS

Have you ever stopped to consider who the people are that urge, advocate, and clamor for our continued assistance to aid the rest of the world? Some of our military gentlemen in very high places, and some of our State Department officials are vitally interested for they feel they will gain advancement if these war programs are effectuated. Not to be forgotten are the huge Wall Street international bankers, such as Dillon, Read & Co. and other financial institutions who are interested in rebuilding the European cartels in an effort to reconstruct fascism at the detriment of our great democracy.

I regret also that President Truman permitted himself to be imposed upon by these brass hats and others in the State Department who thrive upon war—selfish and avaricious people—to whom profits and wealth are of greater importance than the peace and contentment of the American people.

THE MEMBERSHIP HAS THE RIGHT TO PASS UPON THIS BILL

I brought up the rule making this bill in order, but this, per se, does not mean that I approve the bill. I approved the rule because it always has been and shall continue to be my policy to give the membership the right which is theirs and the opportunity of passing upon respective legislation, and I trust you will give due consideration to the sound and able speeches that will be made by the gentleman from North Dakota [Mr. LEMKE], the gentleman from Oklahoma [Mr. MORRIS], the gentleman from South Carolina [Mr. RICHARDS], and others against this dangerous policy we are pursuing by authorizing this billion and a half dollars for war purposes, and not for peace.

WORLD WAR II BROUGHT ABOUT BY THE REPUBLICANS

Mr. Speaker, I had the privilege of serving on the Committee on Foreign Affairs of World War I, at which time I urged and voted for the resolution to declare war because I was convinced the best interests of our great country demanded it. I also urged and advocated that the United States enter the League of Nations. The Republicans, however, in conjunction with the Wall Street international bankers, for purely political and mercenary reasons, respectively, succeeded in defeating the League of Nations. This was unfortunate, to say the least, for this very fact, beyond a shadow of a doubt, brought about and made possible World War II. As I said before, the United States expended over $330,000,000,000 for World War II. Just compare, if you will, the total revenue from all sources received by the Federal Government in the last 10 years, and judge for yourselves how long it will take us

to relieve the burden which now befalls the American taxpayers, not to mention the interest we must pay on the World War II indebtedness.

For the fiscal year ending in—	
1940	$5,387,124,670
1941	7,607,211,852
1942	12,799,061,621
1943	22,281,642,709
1944	44,148,926,968
1945	46,456,554,580
1946	43,037,798,808
1947	43,258,833,189
1948	44,745,542,077
1949	38,235,667,810

Surely we alone financed World War I. We were obliged to finance World War II, and now with this legislation, we are rapidly approaching a third world war and the burden will again be ours.

HAVE WE NOT HAD ENOUGH WARS?

Have we not had enough wars? There is no real evidence on the part of any reliable person to the effect that there is any danger of war between the United States and Russia. Why only a few days ago our Ambassador to Russia had a very amicable talk with Stalin. Conditions between the United States and Russia are reaching a healthy equilibrium, it has been stated by experts.

Mr. Walter Lippmann, noted syndicated columnist, recognizes clearly the futility of attempting a defense of western Europe on the ground, in the day of the atom and the guided missile. In the following words he expresses clearly and concisely a thought which is worthy of the attention of the House:

> The defense of western Europe against the Red Army rests now, and will continue to rest, not on the military-aid program but on the American guaranty which is affirmed and registered in the Atlantic Pact. The American guaranty should be, if our diplomacy is wise and resourceful, an adequate defense. If the American guaranty is not adequate, the small force that western Europe can create will not make it adequate.
>
> The Soviet Union will not be deterred from military aggression by any forces that Norway or France and Britain, or Italy, Turkey, Greece, and Iran, can themselves develop with American lend-lease. The deterrent to war resides in the certainty that aggression anywhere means an immense and total war with the United States. In such a war the United States could and would mobilize the greatest industrial power that has ever existed. The United States could not be defeated by the Red Army. It would be virtually invulnerable to attack. Unless its forces had been foolishly dispersed and committed, it would have enormous striking power and the means to continue the war indefinitely.

The foregoing statements are not the words of fellow travelers or apoligists for Soviet aggression. They are rather the considered opinions of honest Americans who favor the end purpose of the proposed legislation, but like myself stand in open and frank opposition to a concept of collective security which to this time lacks any collective aspects and gives little promise of security.

I voted for all the money that we have given to the European nations, never thinking or realizing that it was to be used for military or war purposes, but rather hopeful that it would be used to rehabilitate, feed, and aid the poor people of the war-torn world—and that is what we were promised, all in the name of peace and the United Nations. Instead, this bill and its appropriation is not being used to aid and rehabilitate the hungry and feed them with bread, but rather to feed them with lead. I am unwilling to appropriate the taxpayers' money to rearm Europe, for I am satisfied that it is absolutely impossible to bring about unity among all the nations of Europe. European people are, basically, proud of their history, traditions, and language, and it is untenable for me, who knows about the factual conditions that exist in these nations, to think for a moment that they can be brought into a world federation. Such thinking on our part merely leads to distrust and friction, that is always difficult to remedy. I fear that this rearmament program may ricochet right back at us. We have, I am sure you will admit, wandered far astray notwithstanding the admonition of the wise Father of our Republic, George Washington, who urged "friendly relations with all, alliances with none."

UNDER THE PRETENSE OF STOPPING COMMUNISM

All this under the pretense of stopping communism. The greatest students and the most profound thinkers who are unbiased, are of one accord, namely, that you cannot stop communism by bribery or by war; communism can be stopped by proving to the world that democracy and our democratic form of government is the best government under which freedom in its absolute sense, liberty, and free-trade are not restricted.

I have frequently stated that after each war, the warring nations sit together at a peace table in order to bring about a peace treaty and iron out their differences. Why cannot this be accomplished before the wasting of millions of dollars occur, and before thousands of lives are taken, not to mention the property damage that results.

General Marshall is quoted as favoring this legislation. But I recollect that General Marshall is also quoted as saying that there is no danger of a war with Russia, and further that a compromise in China should be effected. Had his advice and the advice of others like General Wainwright been taken, the danger of the revolutionary forces—now called Communists—would be nonexistent. General Wainwright said that the Atlantic Pact means war. He was correct when he said that he knew more about wars and battles than the Senators that voted for the pact.

AN OBVIOUS INCONSISTENCY

Mr. Speaker, I submit, why not appropriate a small portion of these tremendous foreign appropriations for reinforcing the United Nations in an attempt to bring about a real and lasting peace with total disarmament and with a view toward improving the living conditions of these people and effecting in the end a genuine adjustment of the differences that may exist among nations.

It is admittedly anomalous to note that the very Members in this body who urge, advocate, and vote for these foreign appropriations are the very ones who vote against an increase in the living-wage level for labor and Government employees. They voted against relief from the high cost of living by supporting and voting for the Gore agricultural bill, that will increase further the cost of living, in lieu of the Pace proposal of recent date; they are opposed to any increase in the salary of postal employees, and they are now ready to oppose the worth-while social-security bill which has been reported by the Committee on Ways and Means after weeks of careful thought and consideration. How inconsistent.

RICHARDS AMENDMENT

Consequently, Mr. Speaker, I shall vote for the Richards amendment because it will give the rest of Europe all the money they can possibly spend, namely, one and a half billion dollars, and if these nations prove and demonstrate that they can actually cooperate and work in harmony helping to bring about peace in cooperation with the United Nations, I am sure that this body will appropriate the balance provided for herein. Of course, do not misunderstand me, for I feel that this bill is unwarranted from every possible point of view. The advocates of this legislation clearly and openly admit that this bill does not and will not stop communism, but, on the contrary, is purely a war measure designed to rearm Europe. We have sacrificed enough in the past century, and we have been bled enough in the past century. Keep in mind the truth of the words uttered by General Sherman when he said, "War is Hell."

Mr. HERTER. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, the rule that is under consideration now is a curious rule in that it does not set the length of time for general debate. It merely specifies 1 day of general debate, which presumably means that the balance of the afternoon or evening will be used until every Member who wishes to speak in general debate on this matter has been heard. I have been advised by the members of the committee that they will gladly stay here as late as anyone wishes to speak on this matter.

The rule has this advantage, that anyone who wishes to speak on this very important matter will have the opportunity today, and the committee tomorrow, when the bill is read under the 5-minute rule, will then feel entirely free to deny individuals the right to extend their time beyond the 5 minutes and thereby shorten debate when amendments are under consideration.

Insofar as the merits of the bill itself are concerned, I personally favor the bill. When the Senate of the United States under our constitutional processes ratified the Atlantic Treaty by an overwhelming vote, this Nation was very definitely committed to an alliance, certain provisions of which carried military implications if not commitments. Under article 9 of that treaty there is to be set up a joint consultative military committee which will have the power to coordinate the defenses of all the participating nations. That committee is only in the process of formation today.

The bill as it has been drafted and reported out of the Committee on Foreign

Affairs has, in my opinion, certain very serious imperfections. In three respects, I am hoping that it will be amended. The first deals with the total amount of money that is appropriated for the Atlantic Pact countries. There it seems to me the amount is obviously excessive in the light of the fact that this joint military committee is not yet in operation, has not yet formulated joint defense plans, and cannot do so for a period of anywhere from 60 days to 6 months. Therefore it seems to me that if we begin with a very modest appropriation and see next year when we come together again the extent to which the actual integration of European military defenses has taken place, we shall be in a much better position then to evaluate the entire effort.

Mr. COUDERT. Mr. Speaker, will the gentleman yield?

Mr. HERTER. I yield to the gentleman from New York.

Mr. COUDERT. Will the gentleman explain to the House why, if it will be several months before an integrated program is set up, it should be necessary at this time to make any authorization or appropriation for arms?

Mr. HERTER. We have undertaken an obligation. We have undertaken to implement that obligation. We have not undertaken to implement it for any given period of time, but there is a question of good faith involved to show that at this time we are not reneging on the implementation of the pact, which was expected by every nation that joined the pact.

The second defect in this bill, as I see it, is that in the statement of policy at the very beginning of the bill it is made clear that the Congress of the United States favors the creation of an Asiatic alliance to preserve the freedom of the peoples of Asia from Communist domination. The wording is not exactly that, but that is the intent of it. However, further in the bill there is no implementation whatever to make that policy possible. I am told that an amendment will be offered, with which I am personally in complete sympathy, to extend military aid to China. If we are going to make provision at all in this bill to combat communism we should make some provision to take care of the limited potentialities that still exist in Asia to fight communism. The third amendment, which I understand will be offered, and which I hope is adopted, is to clarify a definition at the end of the bill. In the definition of the word "equipment" that comes at the very end of the bill there is hidden something which clearly might be misused very seriously, entirely outside of the scope or purpose of this bill.

Under that definition there can be furnished, out of the sums appropriated, whatever amounts the President sees fit for facilities which would set up arms factories in Europe, which would again create arsenals in Europe and which, in my opinion, at this stage of the world's history would constitute a very serious mistake.

Furthermore, that money could even be used for broader purposes. It might be used for the reimbursement of economic losses and other things which are not directly connected with any joint military effort.

This bill has come before the House as a result of a majority vote in committee. However, it was apparent to the Committee on Rules that the Committee on Foreign Affairs was very seriously divided with respect to these provisions. As amendments are offered, I hope that the members will listen to the argument with very great care, because the step we are undertaking today to discuss is one that is a very serious one in our history. We have gone a long way since 1940. We are now embarked upon what is clearly a dangerous course, a course of calculated risks, but one which, in my opinion, we should take in view of the entire world situation.

I hope in the process of taking it we are not going to jump to a point where we will appear ridiculous by overappropriating money which is not necessary and likewise acting inconsistently by taking care of one area of the world and completely neglecting another area of the world.

Mr. HERTER. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Speaker, the key to American foreign policy remains economic reconstruction and economic development. This bill should not and does not change that fundamental proposition. This bill can only be justified if it will create a shield for the continuance of economic reconstruction and development for western Europe and through it for the whole democratic world. The response of the peoples of western Europe to the Atlantic Pact indicates that the free peoples and free nations of western Europe require and deserve a decisive answer to their concern about security while they work out their economic problems with the cooperation of the United States.

The findings and declaration of policy in the bill specify this to be the case, for economic recovery is given first clear priority, and the bill goes further and states that the Congress favors the creation of an organization for far eastern economic cooperation consistent with the Charter of the United Nations to establish for that area a program of self-help and mutual cooperation designed to develop their economic and social well-being, to safeguard basic rights and liberties and to protect their security and independence, and favoring the participation by the United States therein. This represents a proposal to extend the proven policy of economic development as the most decisive answer to communism, to a part of the world where the Communist threat is imminent and pressing.

I consider the determination that the European recovery program is really working to be an important part of the determination as to whether this program should be undertaken. This House has within the past few months authorized appropriations for the European recovery program for an additional year and actually made a multibillion dollar appropriation for that purpose. The record shows that European recovery is proceeding on a stupendous scale and that as a result the Communist tide has been repelled and has receded from France and Italy, where it was the most threatening.

A few excerpts from the report of the Committee on Foreign Affairs on H. R. 3748, the bill to amend the Economic Cooperation Act of 1948, are pertinent to this point as showing the extent of European recovery under ERP:

The rise in industrial output: The conclusion is justified that the expectations of the program were confirmed by Europe's production record in the first year. The total output of factories and mines in the participating countries during the calendar year 1948 was 14 percent above that of 1947, and about equal to prewar. Excluding western Germany, steel output is currently at a rate exceeding the prewar high of 1937 and 25 percent above that of 1947. The coal shortage has eased; although tonnage in the bizone and the United Kingdom remained below that of prewar, production in all other important coal fields in western Europe increased almost to prewar levels. An accompanying chart presents the general picture.

Power and transportation: Rapid recovery in railway transportation and electric-power output has assisted materially in the expansion of production. Total electric-power production in 1948 was 65 percent higher than before the war, and 10 percent above 1947 levels. Railway traffic is one-third greater than before the war, notwithstanding a shortage of equipment and arrears of maintenance and repairs.

The investment record: The investment record justifies the conclusion that economic improvement in Europe is not transitory but permanent. The European recovery program is not a relief program but a recovery program; the record demonstrates also that American assistance has renewed the confidence of western Europe in its own future. Gross investment in all countries for which estimates are available is expected to total roughly the equivalent of $30,000,000,000 in the fiscal year 1948–49—six to seven times the dollars provided by the Economic Cooperation Act. This means that gross investment would approximate 20 percent of the gross national product. This is about equivalent in proportion to the investment rate in the United States in the four highest years in the period from 1921 to 1939—namely, 1923, 1925, 1926, and 1929. It is approximately three times the rate of investment of 1932 in the United States, the lowest year of the period referred to.

Progress in agriculture: Crops in general in 1948 were one-fifth larger than in 1947—admittedly a bad year. The increase in bread grains is particularly striking. The 1948 crop was 41 percent larger than that of the year before, though still below the prewar level. Production of fertilizer in the participating countries was about 25 percent greater in 1948 than it was in 1947. An accompanying chart presents the picture on agricultural production.

* * * * *

Progress toward stability: The testimony before the committee demonstrated that the participating countries, with few exceptions, have made real progress toward attaining internal financial stability. The upward pressure on prices which had been general in 1947 abated somewhat in these countries during 1948. As a result, many practices adopted by these governments to counteract inflationary pressures, such as rationing, allocation, and price controls, could be relaxed. This has been accomplished not solely through increased production. It has been the result

also of wise, and in most cases, difficult fiscal policy decisions.

* * * * *

Illustrations of progress: The full country-by-country story on stabilization is told in the hearings. A few salient points should be noted here. Great Britain's achievements are notable in checking inflationary pressures and providing a budgetary surplus—the keystone to recovery in that kingdom. France has made an encouraging start toward combating inflation, which has plagued the country's efforts toward recovery since the close of World War II. Despite the serious set-back due to the Communist-inspired coal strike of last fall, the government of M. Henri Queuille has dealt courageously and effectively with this problem. In 1948 France levied the highest taxes in its history, and tax rates will be higher in 1949. The French Government has successfully floated an internal loan of 100,000,000 francs (roughly $310,000,000)—the first loan, not a forced loan, successfully floated in France since 1944. Italy has had notable success during 1948 in maintaining the stability of its economy, first achieved in the fall of 1947, after a long inflationary trend, through the courageous adoption of a rigorous deflationary program by the Italian Government. In the United States-United Kingdom occupied areas of western Germany a currency reform was introduced on June 20, 1948, by the military governors which canceled 93½ percent of outstanding reichsmarks. This reform was referred to in testimony as "the greatest single factor influencing the sharp recovery last year" in the bizone.

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D. EXPANSION OF TRADE

Increase in exports: As a result of increasing output and stronger fiscal and trade policies, the volume of exports from the participating countries rose and their ability to pay for essential imports improved considerably during 1948. Over-all exports, for the countries taken as a group, excluding western Germany, were up 20 percent above the 1947 level. For the United Kingdom, exports in 1948 were one-quarter again higher than in 1947. In Italy, exports in 1948 were up almost 50 percent from 1947 levels; in the Benelux countries about 30 percent. In this current fiscal year, the earnings of the ERP countries on exports and "invisibles such as income from the tourist trade" will probably pay for a little more than half of the imports they need from the outside world. In the calendar year 1947 these earnings paid for only 40 percent of imports from the outside. As European production and exports have gone up, Europe's degree of dependence on the United States for assistance has diminished. Accompanying charts illustrate this development.

Narrowing the trade deficit: As European production and exports have gone up, the large trade deficit of the participating countries with the United States has narrowed. During the first 11 months of 1948, imports from the United States declined by $1,000,000,000, as compared with 1947, while exports to the United States increased by $223,000,000. The improvement of Europe's external position has thus been substantial. The total deficit on both capital and current accounts amounted to $7,800,000,000 in 1947, whereas the figure for 1948–49 is expected to be $5,500,000,000. While a heavy drain on European reserves of $2,100,000,000 took place in 1947, the 1948–49 deficit will be met almost entirely from funds under this program and those spent by the Army for civilian relief.

The design of this military aid program is to furnish a shield behind which European economic recovery may proceed with a feeling in the people concerned of confidence and security. As the program is a new one and as the unified plans and direction called for by the bill remain to be developed by the Council and Defense Committee to be organized under the Atlantic Pact, it seems best for Congress rather than the Executive to review the program early next year in order to be sure that it is going as contemplated or to continue it in whatever direction is required. The committee's bill gives this authority to the Executive based on only one condition, "the agreement of the United States with unified plans for the defense of the North Atlantic area." The amendment which my colleague, the gentleman from Pennsylvania [Mr. FULTON] and I will propose gives the Congress the opportunity for another look early in 1950, when it counts by providing authorization only until March 31, 1950, our amendment in no way impairs the program as it uses the very justifications adopted by the committee for the same period. Certainly our executive agencies should have confidence that the Congress will proceed thereafter if the facts are adequate to justify the Executive to proceed. Under our amendment the authorization for appropriation will be reduced under title I of the bill from $1,160,990,000 to $926,230,000, a reduction of $234,760,000.

If the following amendment is adopted, the committee amendment at page 14, line 23, to page 15, line 19, being subsections (c) and (d) of section 409, must be rejected.

The text of the amendment follows:

Strike out all of section 102 to line 23 of the committee amendment and insert in lieu thereof:

"SEC. 102. (a) There are hereby authorized to be appropriated to the President for the period through March 31, 1950, out of any moneys in the Treasury not otherwise appropriated, for carrying out the provisions and accomplishing the policies and purposes of this title, not to exceed $498,130,000; and such further funds shall be available for carrying out the provisions and accomplishing the policies and purposes of this title through June 30, 1950, as are hereafter authorized and appropriated to the President from time to time.

"(b) In addition to the amount authorized to be appropriated under the foregoing subsection (a) of this section, without further legislative authorization, the President is hereby authorized to enter into contracts for carrying out the provisions and accomplishing the policies and purposes of this title in amounts not exceeding in the aggregate $428,100,000 during the period ending March 31, 1950, and there are hereby authorized to be appropriated to the President for expenditure after March 31, 1950, such sums as may be necessary to pay obligations incurred under this contract authorization.

"(c) The authorization in this title is limited to the period ending March 31, 1950, so that the Congress may determine whether unified defense plans under the North Atlantic Treaty, and unified direction and effort have been realized."

The SPEAKER. The time of the gentleman from New York has expired.

Mr. HERTER. Mr. Speaker, I yield the gentleman two additional minutes.

Mr. JACKSON of California. Mr. Speaker, will the gentleman yield?

Mr. JAVITS. I yield.

Mr. JACKSON of California. Would the gentleman add further another category to those who might be opposed to the bill in its present form by including the fact that there are many of us who have supported the foreign-aid programs who are in sympathy with the end purposes of this bill but who also believe that the concept of all ground defense of western Europe is fallacious and dangerous?

Mr. JAVITS. I might say that in substance I join the gentleman in that belief. I would not be for this bill in a reduced amount if I did not feel that the whole $15,000,000,000 appropriation for the defense of the United States is under the Atlantic Pact, including the overwhelming air power made available to all the nations of western Europe and must be integrated with their defense for western Europe.

Mr. BREHM. Will the gentleman yield?

Mr. JAVITS. I yield.

Mr. BREHM. Does the gentleman really believe that a third world war would be possible unless the United States financed that war?

Mr. JAVITS. I think the third world war would be easily possible if the only other great power on earth determined that it could not effect its aims in any peaceful way or by infiltration, but could do it only by aggression, whether the United States financed arms or not. The United States and all other democracies in the world could be inundated should that power make up its mind to do it, unless they had defenses adequate for their security.

Mr. BREHM. In my opinion, we financed World War I, and we financed World War II, and if we get into this program we are financing world war III. Without this program world war III would not come about any more than World War II if we had kept out of it.

Mr. JAVITS. I would appeal to the conscience of any fair-minded citizen of the United States to determine, whether we financed or whether we did not finance, we could have avoided the conquest by Hitler, and in World War I by Kaiser Wilhelm, except by the actual defense which we undertook.

Mr. BREHM. The gentleman is undoubtedly correct but his statement only serves to help prove my point; namely, if Great Britain with our help had not built up Germany, war would not have occurred, because Hitler would never have became strong enough to wage war. After we built up his war machine and it started to move war was perhaps inevitable.

Mr. JAVITS. The gentleman's reply completely begs the question because Hitler came to power in 1933 and did so on a platform to break the Versailles Treaty and expand Germany and re-create her military might. That is exactly what I say with regard to any new threat the free world may face. It is likely to be entirely unilateral.

Mr. SABATH. Mr. Speaker, I yield 10 minutes to the gentleman from Georgia [Mr. COX].

Mr. COX. Mr. Speaker, if I have any exception whatever to the bill that this rule makes consideration in order it is

the amendment striking the title of the bill. Originally the bill was designated as the Foreign Military Assistance Act. The committee amended the bill, calling it the Mutual Defense Assistance Act. I do not like cover-up language.

Mr. Speaker, the issue here raised is of transcendent importance, and in the endeavor to make right decision we need to draw upon our best understanding, for the answer we give to the question presented could determine the success or failure of the Marshall plan and the North Atlantic Pact.

I am not complaining at the reluctance of the people and their representatives to longer give blind support to policies enunciated by the State Department, for I realize that a burnt child dreads fire, but I do insist that suspicion and distrust of the Department should not be permitted to overthrow conclusions dictated by existing conditions and with which the Department might happen to agree.

As to whether the Department intends to bring our foreign policy into a uniform and consistent pattern, and cease sacrificing the interests of our own country when they conflict with those of others, I do not know. Certainly its past performance has earned for it the appellation "Little Russia" which is so often applied, but the force of public opinion is capable of compelling change, and public opinion is in full play.

A thousand reasons could at one time have been given as to why the State Department should be hanged, but it is now contended that the Hissites have been cleaned out. This, however, I do not believe. A leopard cannot change its spots. New personnel is needed.

Mr. Speaker, it is to be regretted that sharp division exists in the Committee on Foreign Affairs, sponsoring the bill we will presently consider. There are those opposing the bill in the form in which it is presented for whom I indulge the warmest affection and merited partiality. Because of their knowledge of the subject involved, their views properly carry great weight and are entitled to earnest consideration. I fear, however, that the position they take will be construed as a softening of the policy of firmness that Congress has been compelled to adopt as regards the aggressions of Russia, and will give comfort to those of divided loyalty or no loyalty at all, and to those who think that in this cold war, in which the safety of the Republic is involved, only moral force should be employed. But I urge that you hear them patiently, for their arguments are very strong and very appealing.

Mr. Speaker, there has never been an instance in all history where the brotherhood of man was so pronouncedly displayed as is to be found in what we have done since the ending of World War II. For the relief of suffering humanity, our bounty has been lavishly poured out all around the globe.

At the end of the war our country stood on top of the world, with power to dictate the future of the whole human family, but the germ of imperialism was not in its blood. Territorial expansion was foreign to her desires. The fashioning of other people's lives was no part of her plans. All she wanted, and all she now demands, is peace and justice for all mankind.

Mr. Speaker, our trust and our indiscriminate charity has led us into serious trouble. Our reliance upon the good faith of Russia has proved to be a losing gamble. We now know that Russia means to rule the whole world, and that unless she is checked she will succeed, and in the task of checking her, greatest responsibility rests upon us. We desperately need, and we must have, all the cooperation from other peoples that we can get.

The North Atlantic Pact represents an effort on the part of western Europe to make common cause with us and the rest of the free powers. If the pact is not implemented as is now proposed, it will fail; and if it fails, the Marshall plan will fail; and if the Marshall plan fails, all will be lost, for, standing alone, we cannot wage a successful contest with the rest of the world organized against us.

So, Mr. Speaker, we have come to the point where we must make sacrifice, not primarily for the relief of suffering humanity in other parts of the world, but sacrifice for our own security and for our own freedom. Our course has been set, and to falter would mean disaster. Let us go forward in the faith that we are right and that God is on our side.

Mr. HERTER. Mr. Speaker, I yield 5 minutes to the gentleman from North Dakota [Mr. LEMKE].

Mr. LEMKE. Mr. Speaker, I am talking today to true Americans—to those who prefer their own country—who will not sell it short. I am not talking to foreign nations or subsidized Americans. I am not talking to the hyphenated, hybrid colony in our midst who would substitute a conglomeration of flags—a mongrel flag—for the Stars and Stripes.

I am speaking to the American citizens—the stockholders of the greatest corporation in the world—the Government of the United States. Each and every one of you is as much interested in the future of that corporation—that Government—as President Truman, his Cabinet, or Members of Congress. As stockholders, you are vitally interested in the management of your corporation—your Government. You know that it is not only your privilege but your duty to advise and criticize that management intelligently and constructively. You also have a right to know the facts.

We are traveling a dangerous road. Congress is lost in the dismal swamps of foreign entanglements and intrigue. It is operating under a foreign—not an American—atmosphere. The internationalists—the barefoot boys from Wall Street—for a profit, and the representatives of foreign governments looking for the taxpayers' dollars, predominate and overshadow all other lobbyists—even the 5 percenters.

Our Government does not know where it is going—but it is on its way. It is knee deep in international politics. It is sailing unknown seas—seas of foreign entanglements. In place of governing ourselves—in place of looking after our own people—we are now trying to govern the world. Hitler failed in this attempt. Stalin will fail and so will we. One worldism has been tried before and always has and always will be doomed.

History is replete with one worlders. The idea of bringing about universal peace and universal government by armed force was tried by Julius and Augustus Caesar, Alexander the Great, Charlemagne, Napoleon, and more recently by Hitler, but it failed.

The very idea of one world government by force means corruption and war. The very words "adequate power" means war. If this power had been adequate in the days of the former one worlders, then the world perhaps would not be worth living in. It would have been subjugation and slavery by force.

We live in an age of international deception. We are influenced by dishonest propaganda over the radio, in the movies and in the metropolitan press, propaganda paid for by international grafters and foreign governments—"give-me Jimmies."

We all want permanent peace, but mere dollars cannot bring about that result. We cannot get it by surrendering our sovereignty. Neither can we get it by bankrupting our Nation. As I listen to some one-world politicians, I wonder whether they are not placing their political welfare above the welfare of their Government. We hope that war will ultimately be abolished, but to jump from the frying pan into the fire is no solution.

We cannot establish permanent peace by destroying ourselves—committing national suicide. Six years ago we were told that if we would give foreigners our domestic market—reciprocal-trade agreements—that then we could avoid rearmament. Later, the same false prophets told us that if we would lavish billions upon other nations—among them Russia and her satellites—we would get lasting peace. The waste and corruption connected with UNRRA has not yet been fully written.

Then came the British loan of $4,400,000,000, and the cancellation of the $34,000,000,000 she owed us. Next came the financing and arming of decaying and grafting governments. This was followed by the Marshall plan and other foreign aid until we not only have bankrupt ourselves, but have already largely depleted our natural resources.

We not only spent hundreds of billions of dollars in winning World War II that other nations started, but from 1941 to 1945, via lend lease and other aid, we gave $48,546,000,000 to other nations. Since 1945, we have given $28,817,000,000 to decayed, and, in many cases, corrupt nations. This includes $2,000,000,000 to China and a pending appropriation of $5,000,000,000 for Europe. In addition, we gave $5,925,000,000 to the monetary fund and international bank, making a total of $83,288,000,000. Now we are

engaged in appropriating billions more in rearming these nations.

Last spring Congress passed the second Marshall plan bill authorizing another gift of the taxpayers' money to Europe of $5,300,000,000. The end is not yet. There will be many more authorizations. It becomes more clear every day that the Marshall plan originated in the fertile brains of the internationalists. The record shows that most of these are more interested in profits out of the taxpayers' pockets than in the future of the Nation.

The second Marshall plan bill provides for the exploitation of European nations by our international manufacturers and bankers. It guarantees these internationalists' investments in Europe to the extent of $300,000,000. This not only against any loss, but in addition guarantees them a profit. This is the first time that our Government guarantees profits on American investments either at home or abroad. Yet this act does it in plain words and without blushing or shame.

Here are a few that profited out of the first Marshall plan authorization. Five hundred and fifty million of the ECA dollars spent in the United States went to Anderson, Clayton & Co. The head of that company is William Clayton, former Under Secretary of State, who used his official position and did more than any other person to get the approval of the Marshall plan in Congress.

Five hundred and sixty-five million dollars went to the Standard Oil Co. of New Jersey. The Rockefellers played an important part in creating a favorable sentiment for the Marshall plan. The Rockefeller interests worked though a committee which spent over $100,000 lobbying in Washington. A few magazines and metropolitan newspapers received $15,000,000 for their part in selling America short—to the lowest bidder.

Now that we have joined and become part of the North Atlantic Pact, the foreign nations signing that Pact are asking for billions for armaments. The total is estimated at $24,000,000,000. These expenditures are not for peace, but for war. General Wainwright was correct when he said that this Pact meant war. He was correct when he said that he knew more about wars and battles than the Senators that voted for the Pact.

We have no objection to the United States of Europe. We do object to being played for a sucker. Ever since World War I, I have advocated a United States of Europe. It was for their own protection, not ours, that I advocated this. The North Atlantic Pact, however, makes us part of the United States of Europe. This for the sole purpose of paying its bills. This pact too was put over by the same internationalists that put over the Marshall plan for a profit.

How much longer can we with less than 6.2 percent of the world's population, possessing less than 7 percent of the world's area, and whose natural resources have already been depleted from over 11 percent of the world's supply to less than 8½ percent, continue to be an international Santa Claus? This in order to enrich a few internationalists with our taxpayers' dollars.

We already owe $663,000,000,000 with future commitments. This is more than all the other nations in the world owe. Every baby from the moment it is born is mortgaged for $4,756. That is the share of the Federal debt for each and every man, woman, and child.

It is true that you have not signed a note or a mortgage, but the Federal Government has a lien on all your property and on all your earnings, and the future earnings of your baby for $4,756. It will collect the lien via income tax and a hundred other unseen, hidden taxes. You cannot, while you live, wear clothes and eat, escape from helping to pay that lien.

The total expenditures of our Government from its birth in 1776 to 1933—157 years—were less than $90,000,000,000. This included the Revolutionary War, the War of 1812, the Mexican War, the Indian wars, the Civil War, the Spanish-American War, and World War I, up to 1933, and, in addition, all the other functions of our Government. Compare this $90,000,000,000 with the over $887,000,000,000 spent in the last 17 years—the Roosevelt global era.

America watch your step. There are some things going on in Washington that are not healthy for our Republic. We are allowing the Government of, for, and by the people to slip away from us. Our Nation is being sold down the river.

Our Uncle Sam has gone delinquent. He is in his second childhood. He has deserted beautiful Miss Columbia and her 150,000,000 sons and daughters. He has become an international philanderer. He is chasing red, pink, green, and off-colored skirts all over the world. He is squandering the wealth that Miss Columbia and her 150,000,000 sons and daughters have created.

Our Nation's visibility is low—the international weather is disagreeable. This is due to the mistakes of our Presidents at Quebec, Tehran, Yalta, and Potsdam. As a result of these mistakes, we have now embarked upon international flirtations. In order to get the billions to pay for this international lunacy, our Uncle Sam has become the greatest extortionist. In order to get the billions that we are dishing out to other nations, the Government is compelled to take 57 cents, on an average, directly or indirectly, out of every dollar you earn on which you pay an income tax.

In addition to the income tax, there is the excise tax and your Uncle Sam makes the ladies pay for their lipstick, face powder, and other cosmetics. If you smoke, Uncle Sam dips in heavily and takes many a puff in taxes. If you drink, he takes many a sip in taxes. If you take a ride on a train, your Uncle takes a ride with you by taking an additional 15 percent in taxes. If you sleep in a pullman, your Uncle sleeps with you and takes another 15 percent.

If your wife buys a fur coat, he pulls out 20 percent of the fur for himself in taxes. If you or your children go to a show, your Uncle enjoys the play with you with a 20 percent-tax ticket. Even the requirements of babies are taxed. Taxes to meet this international squandering are largely responsible for the high cost of living. As long as we continue to squander the Nation's wealth and the Nation's resources abroad, these taxes will continue—will increase.

Let us regain our senses and inform the sponging countries that there will be an end by 1952 to a further betrayal of our Nation. Let us bring home the boys that are now scattered to the four corners of the earth, policing half of the world.

We have plenty for them to do at home. Let us get them back here to restore the integrity of our Nation. What good can these boys do in the American uniform on foreign soil? In place of protecting foreign rulers from their own inefficiency and misdeeds, these boys should be brought back to establish their own homes and families.

National salvation is not a partisan issue. The internationalists have already selected their candidates for 1952. They are being trained—the Democratic candidate in a New York college and the Republican candidate in a Pennsylvania college. America, guard your step. Watch these international profiteers and political manipulators.

The time has come for both parties to again adopt the policy of our forefathers and avoid globetrotting and foreign entanglements. The time has come for my Democratic friends to adopt the doctrines of Thomas Jefferson and Andrew Jackson. The time has come for my Republican friends to adopt the doctrines of George Washington and Abraham Lincoln. When that day comes, it will be a glorious day for the United States of America.

As I listen to the internationalists—the betrayers of our Nation—I am impressed with their suaveness, but astonished at their fallacious arguments. It is the same old story—arm other nations, finance the world, and they will protect us—will save us from war. How do these gentlemen know on which side any of these nations will be in the next conflict?

Anyway, since when have we become so cowardly that we have to arm other nations to do our fighting—Hessians? I deny that that is essential, or for the best interest of our Nation, or for the peace of the world. In the end it means war.

Whenever the day comes that love for our country and patriotism fall so low that this kind of chicanery is necessary, then the Republic that you and I have cherished and loved—the Republic that the world has looked to as a model of justice and decency to all nations—will be dead. Then we will have surrendered all that is sacred and good to the human race.

Mr. SABATH. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Speaker, I oppose the resolution and I oppose the bill. I have been opposing this program consistently since its very inception. In my opposition I have repeatedly stated that this is an insane program and a program for imperialism and war.

We first started with the Truman doctrine to defend tyranny in Greece and

Turkey. We then catapulted the Nation along the path of war with the Marshall plan. Through it we are using money, funds of the American taxpayers, now we are using arms, and I say that if this insane policy is not stopped, next we will be using men.

If we fail to recognize this war program for what it is, then we are either naive or cowardly. I respect the honesty of the viewpoint of the gentleman from Georgia [Mr. Cox]. He has time and time again, in the support of this program, definitely recognized and characterized it as a war program. While I thoroughly disagree with him, I cannot quarrel with his honesty in his defense of this program.

I cannot, however, follow the gentleman from New York [Mr. JAVITS]. To me, his talk of this being a peace program is simply double talk. The only hope for peace is the United Nations. This program bypasses, undermines, and crushes the United Nations. How can anyone call this program one in the interest of peace without tongue in cheek?

This is either a war program or it is not. If it is not, then on what basis can you justify it? You cannot, and any attempt to do so is misleading and dishonest.

The gentleman from Massachusetts [Mr. HERTER] said it is necessary, and he said it is necessary to fight communism. I should like to deal with that argument.

The same argument was made in Italy and Germany. There it was said that armaments and the anti-Comintern pact were necessary in order to stop communism. History has passed judgment on that argument; it passed judgment with the blood of untold millions and the devastation of billions of dollars of property.

It is abhorrent that in the United States today one's patriotism is subjected to attack when one stands up and fights for peace. But let us see how history has passed judgment on those who refused to follow those who promoted the program of the thirties in Italy and Germany to stop communism. Then Mussolini and Hitler said, "Follow me, follow me in this crusade against communism. We use our money and we must use our arms and we must throw our men into this crusade." History has spoken.

Who were the patriots, those who said yes, and those who followed, or were the real patriots those who refused to follow and faced the firing squads and were placed in concentration camps?

Always an apologia has to be spelled out, a rationale must be given in order to justify insane actions, for a program of empire and war. Here for Wall Street aggression the rationale is: "We must stop communism. That is what the monopoly masters of Hitler and Mussolini had them say. To do that we are asked at the same time to close our eyes to the lessons of history, which is really contemporary. We are asked to forget everything—everything that brought about the last World War.

Mr. Speaker, another justification that is sometimes offered by some pseudo liberal friends—and I cannot help so characterizing ladies and gentleman who, to purchase security, take one step forward and two steps backward—as I say another justification which is sometimes offered is that all this is necessary because of imperialism by infiltration. That is the excuse that is given by them for this insanity—imperialism by infiltration must be stopped. Only a pseudo liberal can use this devious excuse.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. SABATH. Mr. Speaker, I yield one additional minute to the gentleman.

Mr. MARCANTONIO. Let us examine this fake argument. What has happened in the countries of eastern Europe is purely of domestic origin. The revolutions in these various countries of Europe were domestic, and to those who now want to extend this insanity to Asia, let me say that the Chinese people and the people of Europe are just as much entitled to their revolutions as we were entitled to ours. There has been no change either in Europe or China brought about with Russian guns or Russian bayonets or Russian airplanes. To the contrary, $3,000,000,000 of American materials have been used to try to stop the Chinese people in their own revolution. In western Europe many billions of our money and quantities of our arms have been used to crush the people's aspirations to overthrow a monopoly capital economy imposed upon them by our Government at the behest of our own monopolists. We are beginning to see the failure ir Europe of this program as it has failed in China. We have stopped Great Britain on its march toward economic reform. The Labor government of England failed in its domestic program because it succumbed to our Marshall plan. A member of the British Commons reported to the American people that what we are imposing upon them through the Marshall plan is a hominy-grit diet, against which some day they will rebel and repeat our Boston Tea Party with a hominy-grit party. Yes; this program of war and imperialism has failed in England. It has failed in France. It has failed in Italy. It has failed all over the world. When will this insanity stop? I know—it will stop when the American people learn the truth.

Mr. SABATH. Mr. Speaker, I yield 5 minutes to the gentleman from Oklahoma [Mr. MORRIS].

Mr. MORRIS. Mr. Speaker, on March 9 of this year, according to an article in the Washington Post, a very distinguished and famous American made a very significant statement. His name is JOHN FOSTER DULLES. In speaking at Cleveland, Ohio, he made this statement, according to the press, which, since it is not very long, I will read. It is as follows:

> JOHN FOSTER DULLES, American delegate to the United Nations, said today he does not believe the Soviet Union plans war, but that it would use its Army if it felt Russian territory threatened. Therefore, he warned against tactics in Scandinavia that would seem to bring an offensive threat to Russian borders.
>
> DULLES delivered the opening address before the third National Conference on Churches and the World Order, attended by 400 delegates, representing 35,000,000 Protestant church members and affiliated groups. The conference is sponsored by the Federal Council of Churches.
>
> The leadership in international affairs that has now passed into the hands of the United States, DULLES said, must be a leadership "of peace, by peace, and for peace."
>
> This leadership must be grounded in faith, for, he added, "nothing would be more dangerous than to have the present great material power of the United States rattling around in the world detached from the guiding direction of a righteous faith."
>
> So far as it is humanly possible to judge, he said, "the Soviet Government, under conditions now prevailing, does not contemplate the use of war as an instrument of its national policy. I do not know any responsible high official, military or civilian, in this Government or any government, who believes that the Soviet state now plans conquest by open military aggression.
>
> "They maintain a great military establishment. They encourage fear of it and allow Communists elsewhere to terrorize by picturing the Red Army on its march. But for actual expansive operations, it has seemed up to now that Soviet leaders counted primarily on the Communist Party and its tactics of propaganda, penetration, sabotage, terrorism, and, where circumstances are propitious, civil war."

I am quoting JOHN FOSTER DULLES, now a very distinguished and honorable Member of the other body.

Here is a statement coming from an international authority, stating that no responsible leader, military or civilian, says that the Soviet Government plans any aggressive military war. Why should we go into a pact like this? I am telling you that in my judgment, for what, if anything, it is worth, this is one of the most dangerous things that we could do, and one of the most stupid things that we could do, and one of the most unnecessary things that we could do for our own defense and the defense of the democracy of the world. As a matter of fact, our whole position in regard to this foreign policy is wrong. In one breath you say that communism is a false and erroneous theory of government. I agree with you a thousand percent in that thought. Yet you turn right around and say that we are going to have to spend billions of dollars to stop it. Do we think that humanity is stupid, that mankind has no sense? Do we think that a false, erroneous, and dangerous ideology or philosophy is going to sweep the world? Do we not know that the finest philosophies, the most logical and feasible programs that have ever been known have never been able to capture the imagination of the entire world? Then why do we think that a false and erroneous and stupid way of conducting government is going to catch the imagination of the world and force itself upon the world?

The SPEAKER. The time of the gentleman from Oklahoma [Mr. MORRIS] has expired.

Mr. SABATH. I yield the gentleman two additional minutes.

Mr. MORRIS. We are not logical in the matter. Take a grand and noble and wonderful thing like the Christian religion. It has not yet captured the imagination of the peoples of the world. A portion of them, yes, and it has been in existence about 2,000 years. Why do we think that communism is going to

do that? Communism was on the run long before the Marshall plan, which included military assistance to Greece and so forth. They talk about that plan stopping communism. It did not do any such thing. Communism stopped itself, because when it began to spread out from the borders of Russia and other people began to experiment with it, they saw that it did not work in practice; that is was not a good thing. Consequently, it began to recede. As bad as it is, when compared with czarism it perhaps is better, but when compared with democracy, it will not come up to democracy's knees, if I may use a rather trite expression. The Russian people had nothing to compare it with but czarism, where they were actually in all kinds of bondage—economical, physical, spiritual, and otherwise. So, consequently, it took hold in that big country, that country where conditions have been deplorable for many, many years. But when it began to spread out beyond the borders of that large country and get into countries that had experienced democracy, the people did not accept it and would not accept it. They will not accept it, and there is no need for spending all these billions of dollars in this kind of program. As a matter of fact, if we continue to do so I think that history will probably call us poor old Sam Quixote, who went out chasing international windmills.

The SPEAKER. The time of the gentleman from Oklahoma has expired.

Mr. SABATH. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. MARCANTONIO. Mr. Speaker, I object to the vote on the ground that a quorum is not present.

The SPEAKER. Evidently a quorum is not present. The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members and the Clerk will call the roll.

The question was taken; and there were—yeas 277, nays 46, answering "present" 2, not voting 107, as follows:

[Roll No. 186]

YEAS—277

Abbitt	Boykin	Christopher
Abernethy	Bramblett	Chudoff
Addonizio	Brehm	Cole, Kans.
Albert	Brooks	Colmer
Allen, Calif.	Brown, Ga.	Combs
Allen, La.	Bryson	Cooley
Andrews	Buchanan	Cooper
Aspinall	Buckley, Ill.	Corbett
Auchincloss	Burleson	Cotton
Barrett, Pa.	Burnside	Cox
Barrett, Wyo	Burton	Crook
Bates, Ky.	Camp	Crosser
Bates, Mass.	Canfield	Cunningham
Battle	Cannon	Curtis
Beckworth	Carlyle	Dague
Bennett, Mich.	Carnahan	Davenport
Bentsen	Carroll	Davis, Ga.
Biemiller	Case, N. J	Deane
Blackney	Case, S. Dak.	Delaney
Boggs, Del.	Cavalcante	D'Ewart
Boggs, La.	Celler	Dingell
Bolling	Chatham	Dollinger
Bolton, Md.	Chelf	Donohue
Bonner	Chesney	Doughton
Bosone	Chiperfield	Douglas
Doyle	Jones, N. C.	Pfeiffer,
Durham	Judd	William L.
Eberharter	Karst	Philbin
Elliott	Karsten	Phillips, Tenn.
Engel, Mich.	Keating	Pickett
Engle, Calif.	Kee	Poage
Evins	Kelley	Polk
Fallon	Kerr	Poulson
Fenton	Kilday	Preston
Fernandez	Kirwan	Priest
Fisher	Klein	Quinn
Flood	Kruse	Rabaut
Forand	Kunkel	Rains
Ford	Lane	Ramsay
Frazier	Lanham	Ribicoff
Fugate	Larcade	Richards
Fulton	LeCompte	Rodino
Furcolo	LeFevre	Rogers, Mass.
Gamble	Lichtenwalter	Rooney
Garmatz	Lind	Roosevelt
Gary	Linehan	Sadlak
Gathings	Lodge	Sasscer
Gavin	Lucas	Scrivner
Gillette	Lyle	Scudder
Golden	Lynch	Simpson, Ill.
Goodwin	McCarthy	Sims
Gordon	McConnell	Smathers
Gorski, Ill.	McCulloch	Smith, Va.
Gorski, N. Y.	McDonough	Spence
Gossett	McGrath	Staggers
Graham	McGuire	Steed
Granahan	McMillan, S. C.	Stefan
Granger	McMillen, Ill.	Stigler
Grant	Mack, Ill.	Stockman
Green	Mack, Wash.	Sullivan
Hale	Madden	Sutton
Hall,	Mahon	Talle
Edwin Arthur	Mansfield	Tauriello
Hall,	Marsalis	Teague
Leonard W.	Marshall	Thomas, Tex.
Hand	Martin, Mass.	Thompson
Hardy	Merrow	Thornberry
Hare	Meyer	Trimble
Harris	Michener	Underwood
Harrison	Miller, Calif.	Van Zandt
Havenner	Miller, Md.	Velde
Hays, Ark	Mills	Vorys
Hedrick	Mitchell	Wadsworth
Heffernan	Monroney	Wagner
Heller	Morgan	Walter
Herter	Morrison	Weichel
Heselton	Moulder	Welch, Calif.
Hill	Multer	Wheeler
Hobbs	Murdock	Whitten
Hoeven	Murray, Tenn.	Whittington
Hoffman, Ill.	Nelson	Wickersham
Holmes	Nixon	Wier
Hope	Noland	Wigglesworth
Horan	Norrell	Willis
Howell	O'Brien, Mich.	Wilson, Ind.
Huber	O'Hara, Ill.	Wilson, Okla.
Jackson, Wash.	O'Neill	Wilson, Tex.
Jacobs	O'Sullivan	Wolcott
James	O'Toole	Wolverton
Jenkins	Passman	Yates
Jensen	Patten	Young
Jonas	Patterson	Zablocki
Jones, Ala.	Perkins	
Jones, Mo.	Peterson	

NAYS—46

Andersen,	Harden	St. George
H. Carl	Hoffman, Mich.	Sanborn
Andresen,	Hull	Scott, Hardie
August H.	Kean	Scott,
Angell	Lemke	Hugh D., Jr.
Bishop	Marcantonio	Secrest
Burdick	Martin, Iowa	Short
Byrnes, Wis.	Mason	Smith, Kans.
Church	Miller, Nebr.	Smith, Wis.
Coudert	Morris	Tackett
Crawford	Murray, Wis.	Werdel
Davis, Wis.	Nicholson	White, Calif.
Dolliver	O'Hara, Minn.	Williams
Dondero	O'Konski	Withrow
Ellsworth	Potter	Woodruff
Gross	Rankin	
Hagen	Sadowski	

ANSWERING "PRESENT"—2

Jackson, Calif. Kearns

NOT VOTING—107

Allen, Ill.	Bolton, Ohio	Davies, N. Y.
Anderson, Calif.	Breen	Davis, Tenn.
Arends	Brown, Ohio	Dawson
Bailey	Buckley, N. Y.	DeGraffenried
Barden	Bulwinkle	Denton
Baring	Burke	Eaton
Beall	Byrne, N. Y.	Elston
Bennett, Fla.	Clemente	Feighan
Bland	Clevenger	Fellows
Blatnik	Cole, N. Y.	Fogarty
Gilmer	McCormack	Rich
Gore	McGregor	Riehlman
Gregory	McKinnon	Rivers
Gwinn	McSweeney	Rogers, Fla.
Halleck	Macy	Sabath
Hart	Magee	Shafer
Harvey	Miles	Sheppard
Hays, Ohio	Morton	Sikes
Hébert	Murphy	Simpson, Pa.
Herlong	Norblad	Smith, Ohio
Hinshaw	Norton	Stanley
Holifield	O'Brien, Ill.	Taber
Irving	Pace	Taylor
Javits	Patman	Thomas, N. J.
Jenison	Pfeifer,	Tollefson
Jennings	Joseph L.	Towe
Johnson	Phillips, Calif.	Vinson
Kearney	Plumley	Vursell
Keefe	Powell	Wa'sh
Kennedy	Price	Welch, Mo.
Keogh	Redden	Whitaker
Kilburn	Reed, Ill.	White, Idaho
King	Reed, N. Y.	Winstead
Latham	Rees	Wood
Lesinski	Regan	Woodhouse
Lovre	Rhodes	Worley

So the resolution was agreed to.

The Clerk announced the following pairs:

Mr. McCormack for, with Mr. Allen of Illinois against.

Mr. Rogers of Florida for, with Mr. Rich against.

Mr. Rees for, with Mr. Reed of Illinois against.

Mr. Kilburn for, with Mr. Johnson against.

Mr. Towe for, with Mr. Smith of Ohio against.

Mr. Murphy for, with Mr. Elston against.

Mr. Patman for, with Mr. Shafer against.

Mr Keogh for, with Mr. Powell against.

Additional general pairs:

Mr. Price with Mr. Arends.

Mr. Winstead with Mr. Cole of New York.

Mr. Gilmer with Mr. Brown of Ohio.

Mr. Bailey with Mr. Phillips of California.

Mr. Kennedy with Mr. Simpson of Pennsylvania.

Mr. Magee with Mr. Hinshaw.

Mr. McKinnon with Mr. Beall.

Mr. King with Mr. Halleck.

Mr. Feighan with Mr. Harvey.

Mr. McSweeney with Mr. Jenison.

Mr. Fogarty with Mr. Fellows.

Mr. Stanley with Mrs. Bolton of Ohio.

Mr. Hébert with Mr. Macy.

Mr. Gregory with Mr. Plumley.

Mr. Redden with Mr. Reed of New York.

Mr. Hart with Mr. Tollefson.

Mr. O'Brien of Illinois with Mr. Anderson of California.

Mr. Regan with Mr. McGregor.

Mrs. Norton with Mr. Morton.

Mr. Pace with Mr. Riehlman.

Mr. Vinson with Mr. Vursell.

Mr. Wood with Mr. Kearney.

Mr. Denton with Mr. Eaton.

Mr. Byrne of New York with Mr. Gwinn.

Mr. Joseph L. Pfeifer with Mr. Latham.

Mr. Breen with Mr. Keefe.

Mr. Hays of Ohio with Mr. Taber.

Mr. Baring with Mr. Norblad.

Mr. Welch of Missouri with Mr. Lovre.

Mr. Sikes with Mr. Jennings.

Mr. CHURCH changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

Mr. KEE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5895) to promote the foreign policy and provide for the defense and general welfare of the United States by furnishing military assistance to foreign nations.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 5895, with the gentleman from Arkansas [Mr. MILLS] in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule general debate will be equally divided and will not exceed one day.

Mr. O'HARA of Minnesota. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. O'HARA of Minnesota. What is meant by the term "one day"?

The CHAIRMAN. The term means one legislative day as terminated by adjournment, from now until the time the House adjourns.

Mr. KEE. Mr. Chairman, I yield myself 10 minutes.

The CHAIRMAN. The gentleman from West Virginia is recognized.

Mr. KEE. Mr. Chairman, I recognize that it is an impossible task for one in a few brief moments to explain carefully, clearly, and succinctly a bill of this character and magnitude. I believe, however, that all of you within the sound of my voice are thoroughly familiar not only with the character of this bill but with what it aims to accomplish, its purposes, and its policies. The bill may be technical in some of its phraseology, but it has been fully discussed in simple language not only on the street but also over the radio and over the television, and on and off the floor of the House and of the Senate; everywhere we have had discussion of our contemplated aid to Europe.

This bill was first introduced in the House on July 25 immediately after the reading of a message from the President urging the action it proposes. It was referred to the Committee on Foreign Affairs, and hearings started on the morning of July 28. Hearings continued through 19 sessions of the committee, 8 of which were executive and 11 were open to the public. Thirty-two witnesses appeared before the committee and were heard at length. And as to some of them, I mean at length.

It cannot be said that your committee on Foreign Affairs did not deal with this important matter earnestly, diligently, and with a sincere desire to arrive at a decision justified by the facts. Hearing continued through 11 days between July 28 and August 11.

In marking up, that is, considering changes in the phraseology and discussing amendments to the bill, the committee held day and night sessions from August 12 through to August 15, on which latter date the bill was reported out. Twenty-nine amendments were approved by the committee.

In passing, it may be noted that witnesses both for and against the measure were heard and given a chance to be heard impartially. No witness applying to be heard was denied the opportunity.

As I have stated, the aims and purposes of the bill are clear.

The measure is designed primarily to augment the forces of the free nations of Europe friendly to the United States, to enable such nations to successfully resist invasion by an unfriendly and aggressive power.

It is not intended that such resistance be made by the invaded nations alone and unsupported. On the contrary, the measure calls for a coordinated, united resistance under unified plans and unified direction.

It is also not intended that the entire burden of this program be borne by the United States Government. Our assistance under this measure amounts practically only to encouragement and helpful support. It is confidently expected, in fact, practically assured that by the time the aims of the program have been accomplished the various participating nations will have contributed from five to six times the sum contributed by the United States. This is indeed a self-help program.

In respect to unity of effort it must be understood that much has already been accomplished in an unprecedented effort to unite the free nations of Europe in the common cause of their defense.

Already there has been accomplished a union under what has been called the Brussels Pact to which five nations are signatories to wit: France, Belgium, Netherlands, Luxemburg, United Kingdom.

Already the Brussels Pact group, together with four other European nations, to wit: Norway, Portugal, Denmark, Italy have become parties to the Atlantic Pact, a positive union for collected and united defense.

It is this union of European free and friendly nations that are eligible for aid under provision of the pending bill.

As has been stated, the nations heretofore named have been brought together for a common and united effort of defense because of one compelling reason. They and their people are now and have for a long time, been living daily under the shadow of a great fear.

That shadow of fear is cast by a nation which we, in order to destroy a bitter and deadly enemy who threatened our very existence as a free people, aided in building up as a world power.

We succeeded in our objective, but failed in our consideration of the future.

With the close of World War II we disbanded our great Army, expecting our European allies to do likewise. We sent home the millions of trained soldiers whom we had armed and trained. We put our ships, tanks, and mobile units into mothballs. We abandoned our bases and airfields. We grounded our planes.

Russia is the one country which continued to maintain her armed strength. There was no demobilization of her armies. At the close of the war, she had 200 divisions of trained men perfectly armed and equipped. As from time to time, she discharged divisions, she created new ones. Today she still has 200 trained divisions equipped with the latest and most modern instrumentalities of death. She is maintaining at this moment the mightiest army the world has ever known.

The nations of Europe and their peoples are living day by day in the shadow of this mighty armed force.

We must not lull ourselves into a sense of false security. Russia is not maintaining this army for the purpose of parades.

Through infiltration, backed by her armed forces and the intimidation of her power, Russia has already absorbed into her capacious maw some 14 or 15 formerly free and sovereign nations of Europe.

Infiltration, while efficient, would not alone be sufficient. In all cases, it was the great fear, the dark shadows of dread of her divisions that brought success to her efforts and put her neighboring countries into chains.

Without power to successfully resist, without equipment for the manpower already available in Europe, without unity of effort, without encouragement in that effort, the free nations of Europe will one by one be certainly the victims of this rapacious and inhuman monster. America would be next.

WHAT THIS BILL DOES

For military assistance to the free nations, this bill would authorize the appropriation of $1,160,990,000 for the nations in the North Atlantic and $211,370,000 for Greece and Turkey; $27,640,000 for Iran, Republic of Korea and the Philippines. A total of $1,400,000,000.

I trust that this measure may be passed, and with no reduction in the amounts proposed to be appropriated.

Mr. CHIPERFIELD. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. VORYS].

Mr. VORYS. Mr. Chairman, this is a difficult bill. There have been divergent views, sincerely and deeply held, within our committee. You will find a report and a supplemental report, and attached to them are four minority reports with a dozen signatures. Our deliberations in committee, however, have been singularly without bitterness, and that I attribtue to the unfailing courtesy and patience and fairness of our beloved chairman, the gentleman from West Virginia, Judge KEE, and I want to pay my tribute to him at this time.

For over 2 years I have been advocating military aid to other countries in ways that would increase our own security and create world peace. I had a military aid title drafted for consideration by our committee on March 17, 1948. On that day the White House arranged for the President to meet with us in our committee room after he finished his speech before Congress on foreign policy. The President never kept the engagement and never explained why, and since that day, I have had no part in developing the military assistance plan which was first revealed to Congress on July 25, 1949, with a demand for prompt action.

The bill that comes from our committee, with about 33 amendments, is a great improvement over the original, but there is still too much, too soon, for Europe and too little, too late, for Asia.

We are the one world leader of the free in defense against the one world potential aggressor. Communist Russia extends into both Europe and Asia in territory, troops, and possible plans for military attack. In Europe there are 150,000,000 people in the 12 countries under the Atlantic Treaty, who want more arms to increase their will to fight, but who are not yet united under an agreed plan for common defense. The bill proposes to give them $1,610,000,000 worth of arms and assistance now. In Asia there are over 150,000,000 people in the south and west of China, an organization we have recognized by treaty for many years, people already fighting Soviet, Communist aggression, but who need arms. The bill recognizes the importance of uniting Asia in its statement of purpose, but provides nothing for China and only $27,640,000 for the rest of Asia.

I hope history is not repeating, but I have the feeling that "this is where I came in." In 1939, 10 years ago, I wrote a paragraph in a minority report—No. 856—Seventy-sixth Congress—on the so-called neutrality bill. It said:

THE PACIFIC SITUATION

We have attempted, without success, to secure consideration and action by our committee on the situation in the Orient. We feel that it is a mistake to try to determine our possible conduct as to future wars in Europe before we determine our conduct as to an existing war. We have let our excitement about what may happen to our remote interests in Europe blind us to what is now happening to our immediate interests in the Pacific, where our treaty rights are being violated and our national interests threatened every day. We feel certain that if we had solved this immediate far eastern problem first, it would have gone far toward solving the rest of our international problems.

When we were attacked in World War II, 3 years later, it was at Pearl Harbor in the Pacific.

We are not in a period of immediate emergency now. As General Bradley said:

We are not impelled by crisis, or desperation, or fear of impending war.

General Marshall said—see hearings, page 77:

The country could not and would not support a budget based on preparation for war.

We are in danger of spreading our resources out too thin in peacetime. That does not mean, however, that we dare ignore our own security in the Asiatic half of the world while we go too fast, too far, in Europe.

The total drain on our economy for the cause of world peace and opposition to world communism is greater, proportionately, than that of any other free country. If we add our proposed foreign aid to our proposed military expenditures, we are spending 10 percent of our national income and over 50 percent of our national budget in this cause. We owe it to the rest of the world, as well as to ourselves, to keep strong here at home. To do this, we must keep our expenditures for defense and foreign aid of all kinds and in each area to the minimum.

On grounds of economy alone we must adopt a policy of military assistance to our allies. Our own security requires ground troops many places in the world. The direct cost of equipping and maintaining one American soldier for one year in Europe, based on pay, allowance, subsistence, medical care, and so forth, is $3,320. A European soldier can be maintained for about one-third of this cost, a Chinese soldier for much less. If we can simply furnish the arms while other nations maintain the troops ready to fight in their cause and ours and to maintain their internal security, we can equalize the burden of common defense.

There are those who believe that our air power alone, with the atomic bomb, is a sufficient deterrent to Russian aggression and a sufficient defense if an attack comes. I am a great believer in great American air power. I started to fly 36 years ago and was naval aviator No. 73, and have a certificate that I flew as a belligerent in the CAP World War II but I know that airplanes must start from somewhere and land somewhere and must be refueled and maintained on the ground and that ground forces are needed to take and hold and maintain these bases all over the world.

We have not yet arrived at push-button warfare. We can do strategic bombing all over the world from bases in our own territory, but it is frightfully expensive, and for tactical air support we need air bases close to any enemy. We promote our own security when we strengthen the ground forces of our friends.

What are the Russian forces? The figures given us in committee are secret, but Walter Trohan, of the Chicago Tribune, said on the Fulton Lewis program August 8: "I have cleared this with high officers. The Red army now has about 50 divisions along the western front from Finland to Turkey, Iraq and Iran. One hundred and fifty divisions more are in reserve. Five thousand of the Soviet air fleet of 19,000 planes are troop carriers. These could drop 75,000 paratroops on England at one time."

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield.

Mr. SHORT. All the military authorities in different countries of Europe and here at home with whom I have talked—and there have been many of them—universally agree that Russia could move to the English channel perhaps within 6 weeks' time. Does not the gentleman from Ohio have certain apprehensions in his heart that should we send large amounts of ammunition and implements of war to these countries of western Europe it would simply be a richer prize for the Russians to knock off; and does he not also think there is some danger perhaps that we would have hurled at us by the Russians as we had hurled at us by the Japanese, some of the very materials that we furnish?

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. CHIPERFIELD. Mr. Chairman, I yield 15 minutes to the gentleman from Ohio.

Mr. VORYS. The gentleman states a risk that we face. If we send the right amount and it is used in the right plan, the danger could be lessened.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I am sorry, I cannot yield to the gentleman because of the limitation of time, but I am going to comment further on the gentleman's wise observation.

Mr. SHORT. We can stay here all night. You have been so very generous in the provisions for debate as provided in the rule. We have all night, but we did not start debate until a quarter to four.

Mr. VORYS. That is correct.

Mr. SHORT. This is a bill involving $1,450,000,000.

Mr. VORYS. It may not involve that much when we get through.

Mr. RICH. Will the gentleman yield further?

Mr. VORYS. I cannot yield further at this moment. I will be glad to yield to the gentleman, if I am not imposing on the Committee too much.

Gen. Pierre Billott, head of the French delegation, United Nations Military Staff Committee, said:

Soviet Russia and its satellites within a few months after mobilization could muster 300 to 400 divisions (equal to 150 to 200 divisions of western strength); an air force of 15,000 to 20,000 planes; moderate naval forces, mainly a submarine fleet spearheaded by Schnorkels.

These figures are in line with the Army estimates published by our committee in December 1947, both as to ground divisions and planes. Obviously, the total aid proposed for Europe would not stop such forces. Secretary of State Acheson, before the Foreign Affairs Committee on July 28, 1949, said:

We do not believe that to discourage military aggression it is necessary to create western European defensive forces which are by virtue of their size capable of successfully resisting an all-out attack. What is required is rather sufficient strength to make it impossible for an aggressor to achieve a quick and easy victory.

Obviously, the proposed program has not been the deterrent to Russian aggression in western Europe since 1945. Our Government has entered into no commitment with any other government or group of nations for the furnishing of any arms whatsoever.

Therefore, there is nothing sacred about the recommended programs either as an absolute minimum, or as guaranteeing security, or as an international obligation.

Regardless of the arms we might send, the only security for western Europe lies in resolute, concerted, agreed defense under plans and an organization prepared and approved in advance. No such plan is now in existence. Within the next 90 days or so, such a plan may come into being under article 9 of the Atlantic Treaty, but we have learned from experience how difficult it is for the nations of western Europe to overcome their rivalries and jealousies and get together, and how ineffective our Government's efforts have been to promote such unity. On the other hand European nations are concerned that after they have taken crucial and possibly irrevocable action together in reliance upon support from us, such support may not be forthcoming.

They know that, no matter what our officials may say or do, material support will not come until Congress acts.

I believe it is necessary for Congress to go halfway now, in order to overcome their concern, but it is also necessary for these countries to meet us halfway this time, to overcome our concern that they will not get together.

By implementing half of the proposed plan at this time, we are showing our good faith, our willingness to go forward. By reserving action on the other half, we will in effect give notice to all of the governments concerned, including our own, to come up soon with an agreed over-all plan. This approach, providing an inducement to greater cooperation, will contribute to the ultimate success of the program, which is not attainable without such unity.

Some of us have urged that the administration prepare a real interim program, such as was devised and carried through so successfully as a preliminary to the Marshall plan. The administration has refused to do this, but has claimed that this permanent law with an authorization for delivery over 2 years is an interim program, and has demanded that it go through as is. Their compromise consists of putting more of it into contract authorization, so that it can never be reviewed by Congress.

I disagree with that compromise, which means that Congress says goodby forever to $1,400,000,000. I want to have Congress, as well as the President, take a look at the agreed program.

Half the amount requested will furnish all necessary aid and provide for the internal security of these nations until an agreed program can be reached. By authorizing half of the 2-year program, we show that we mean business on implementing agreed plans for the united defense for Europe, but that we also mean business when we ask to see what the plan is before we go the rest of the way.

For Europe I am sponsoring and supporting the Richards 50–50 vote in our committee.

For China I have worked with the gentleman from Minnesota [Mr. JUDD] and the gentleman from Connecticut [Mr. LODGE] in drafting and sponsoring the Lodge-Walter bill, which will be presented as an amendment to this bill. It will provide $200,000,000 for military aid to China, using a Statement of Purpose made by Secretary of State Acheson, and providing for administration identical with the Greece-Turkey aid. The amount is estimated by Gen. Claire Chennault and other experts on China as sufficient to prevent, for an interim period, the unification of China by the Communists. It would make possible the revival of the Flying Tigers, using old American equipment, against Chinese Communist forces who to date have had little or no air cover. The amount would have to be spread thin, with American supervision. This assistance would stimulate the Chinese will to resist, just as our arms to Europe would stimulate their will to resist, with this difference: We would be rearming Chinese who have been resisting Communist aggression for years, while we were making up our minds, while in Europe we will be rearming people who have not yet had to face the bloody test of armed Communist attack.

Mr. Chairman, this is not an easy bill for us to consider, because it deals with the hardest questions of our time. It involves more than military logistics. It involves our weighing economic, military, and moral forces here and all over the world and placing them in the balance so as to achieve and maintain peace on earth for men of good will. We must not fail in wisdom or courage.

Mr. COUDERT. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield.

Mr. COUDERT. Did any military witness appearing before the committee testify that this $1,400,000,000 would constitute that sufficiency of defense to slow up and delay invasion of western Europe?

Mr. VORYS. To slow up and delay, yes; but no witness guaranteed that this would prevent the overrunning of Europe.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield.

Mr. SHORT. The gentleman from Ohio has made a very plausible argument for a most difficult and complex piece of legislation, and I congratulate him on the contribution that he has made. If I understood the distinguished chairman of the gentleman's committee, the gentleman from West Virginia [Mr. KEE] he stated in his opening remarks that the western European powers would contribute five times as much as the United States to this program. Could the gentleman tell us just how much England's contribution will be, how much France, or Italy, or Belgium, or Holland, or Luxemburg or Norway will contribute?

Mr. VORYS. The military expenditures of the countries in question will be found in the supplemental report on page 23.

Mr. SHORT. There is nothing in the bill.

Mr. VORYS. Their expenditures are over $5,000,000,000, which is roughly one-third of our military expenditures of $15,000,000,000. But, obviously, the $5,000,000,000 plus that they expend, is roughly five times the proposed $1,400,000,000 we are asked to furnish them. That is the arithmetic of the situation. The details as to what is to go to any country are secret. The over-all expenditures by each country will be found in our report.

Mr. SHORT. Would the gentleman yield just once more at that point? I do not want to trespass or be persistent, but I think this is important enough for some of us on the Armed Services Committee to be enlightened.

Mr. VORYS. As the gentleman knows, I had asked that the Committee on the Armed Services, or a subcommittee of that committee, or representatives of that committee could sit in with our committee on this bill.

Mr. SHORT. I am not at all sorry that we did not get the bill.

Mr. VORYS. I am sorry, anyhow.

Mr. SHORT. But I desire to say to the gentleman that repeatedly throughout this bill, for instance, on pages 4, 5, and 15, the phrase "unified defense plan" occurs. Please tell the Members of this House and the American people what our "unified defense plans" are.

Mr. VORYS. Those plans have not yet been agreed upon because the organization to make the agreement, the defense committee under article 9 of the treaty has not yet been created. But the defense concept upon which it is hoped that they will be based is set forth in the open hearings in the testimony of General Bradley. It provides that we furnish, roughly, the strategic air power and the A-bombs, that we and Britain furnish the naval power, and that Europe furnish the overwhelming part of the ground forces.

Mr. SHORT. So that we really have no unified defense plan in existence now; it is merely an intellectual concept, a theory snatched out of high air; it is etheral, ephemeral, and evanescent; and we have got the cart before the horse in appropriating for a unified defense plan when we really have no unified defense plan in existence. This bill is a shot in the dark.

Mr. VORYS. Somebody had got to start somewhere. It is my idea and that of the gentleman from South Carolina [Mr. RICHARDS] and a number of others, that the way to start is that we go halfway at this time; then they can get going and bring back here their unified plan, and then we may go the other half if they give us evidence of unified effort under an agreed plan.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield to the gentleman from Nebraska.

Mr. MILLER of Nebraska. Is the amount proposed in this bill the final amount that is to be appropriated for this purpose, or is this just a down payment?

Mr. VORYS. This is just to start. We were unable to secure any estimate of what the cost will be. It was hoped by witnesses that ultimately our own defense costs could be lowered, but it is to be noted that we are party to a treaty that lasts for 20 years.

Mr. MILLER of Nebraska. I understand, then, no estimate has been made as to what the ultimate cost will be?

Mr. VORYS. No.

Mr. KUNKEL. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield to the gentleman from Pennsylvania.

Mr. KUNKEL. What we are doing then substantially is to accept a policy in this bill without having the slightest idea of what that policy is?

Mr. VORYS. That is not quite correct. The policy of considering an attack on one of these countries as an attack upon us has already been made. This is a matter of implementing step by step that policy.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mrs. DOUGLAS. Mr. Chairman, I yield 13 minutes to the gentleman from South Carolina [Mr. RICHARDS].

Mr. RICHARDS. Mr. Chairman, I favor the principle of military assistance to the Atlantic Pact nations of Europe.

I favor the purposes of this bill because its purposes are in line with that principle. I have heretofore supported all legislation brought forth by the Foreign Affairs Committee for direct relief for Europe, for rehabilitation, and economic cooperation there, and I shall support here today an authorization for funds to give military help to the Atlantic Pact countries.

I am very sorry to disagree with my distinguished chairman, and maybe the majority of the Democrats on the Committee on Foreign Affairs, but, as I see it, I have a duty and obligation to perform here.

Mr. Chairman, we should remember to start with that you cannot make a soldier fight for his country solely by putting arms in his hands and bullets in his gun. There must be something deeper than that. He must first believe in his country's institutions, he should have confidence in his leaders, and in Atlantic Pact countries he must be convinced of unity of purpose and determination. He has already been convinced that disunity among allies leads to certain defeat.

I once heard a great evangelist say that there is no use in talking to a hungry man about religion, but fill his stomach and he might be converted; and so it is in regard to the will to fight—he must have something to fight for.

I support title II of the bill providing $211,370,000 for military aid to Greece and Turkey. We put our hands to the plow there. We have a successful program going on there and we cannot in reason turn back.

I support here today funds provided in title III for Iran, the Republic of Korea and the Republic of the Philippines amounting to $27,640,000. But, the thing that I cannot swallow in toto is the big money item in title I for military aid to Europe, amounting to $1,160,990,000.

The gentleman from Ohio [Mr. VORYS] said that he would support my amendment to cut that in half. I want to say right here that I feel honored that he has associated himself with my effort, because to my mind there is no better informed man in either the other body or the House in the field of foreign relations. I know of no harder worker; neither do I know of a harder fighter. I should know because we have disagreed heretofore on legislation many times.

I welcome too the support of the two other very able gentlemen, Mr. JUDD of Minnesota and Mr. BURLESON of Texas, who have joined me in expressing minority views.

Now, you may ask the question, "Why do you want to cut this thing in half? What is your basis for that?" I will tell you why. Do not fool yourselves. This is not a 1- or 2-year program. You are embarking upon a long-time program; it may last 5 years or 10 years or 15 years, and it may cost this Nation many additional billions of dollars. The proponents of the plan including the Secretary of State say that this is an interim program, an in-the-meantime program, if you please. In my opinion no interim program of this kind should cover 2 years.

The proponents of this bill seek to get out of this House $1,450,000,000 for a 2-year period. They do not intend to spend but about 50 percent of it this year, but they want contract authorizations that bind the hands of this Congress. I am talking about the power to make contracts for implements and materials, the power that will make the Committee on Appropriations of this House a nullity in the premises, because the Committee on Appropriations will not be able to review the individual items in this thing. The question before the Committee on Appropriations will only be whether or not the Congress is going to honor the obligations of contracts that we have authorized. My contention is that we should not get that far out on a limb. We should not project the planning into the second year. As the gentleman from Ohio said, let them come back to the Congress next year and ask for the other half on the basis of the case they can make out of the success of authorizations for 1 year. Let them show us progress and accomplishment in the field of unification. They cannot stand apart over there, they have to stand together or they will fail. There is no question about that.

We had all kinds of promises out of them before the economic recovery program. They were going to form a customs union, trade barriers were to be torn down, they were going to give and take for economic unity, old jealousies, and rivalries were to be forgotten. But after they received the dollars most of their promises along that line were forgotten.

Now, as to rivalries and jealousies over there, may I mention an example. Take the case of Spain, which nation has not been accepted for membership in the pact. Some of the members over there seem not to like Spain's form of government, therefore Spain is unjustly blackballed.

But may I say that many in this country do not like Great Britain's tendencies toward a socialistic state, but that has not kept us from voting billions of dollars to Great Britain because they were fighting side by side with us in the cold war against communism. Spain has also been waging a battle against communism and she is a natural partner in this pact.

Let me ask you, if this country can give full recognition to Russia, a nation that is arrayed against us on every line in the world why should not full recognition be given to Spain? I will tell you why. It is simply because some of the member governments over there cannot forget some old prejudices, and we are timid about forcing their hand for fear it will jolt the pact.

Everybody knows that in this cold war Spain is a natural enemy of Russia, yet we refuse to let her join hands with us. This is the kind of thing that must be overcome, but I tell you, you will not succeed if you pledge in advance all of this money for a 2-year period. What I propose to do is to authorize half of this money. We endorse this program when we do that. Then let them come back to us and make a case and show us what they have done in the field of unification and cooperation.

If you cut this program, as I propose, to a 1-year program, the authorization will still amount to $580,495,000. Add to that surplus war materials valued at $450,000,000 which can be delivered and for which no charge will be made. Then remember that we have already let European nations have $446,000,000 worth of surplus military supplies for a pittance of $36,000,000. I believe that is about as far as we should go until we can see a little farther down the road.

Mr. COUDERT. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield.

Mr. COUDERT. The distinguished gentleman from South Carolina has made a splendid case as far as he has gone, but I am inclined to think his argument leads to a conclusion far beyond that which he accepts. You make the point that the unification program of defense of western Europe has not even begun—is not even in a formative stage, and that there is nothing yet set up. Therefore, you say, let us reduce the amount requested by half. Do you not really by that argument lead to the conclusion that the whole program of aid should be postponed until January when some further progress has been made in unification?

Mr. RICHARDS. No, I think we should implement the Atlantic Pact by going part of the way now, and then take a look around us for evidence of good faith.

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

Mr. VORYS. Mr. Chairman, I yield 15 minutes to the gentleman from Wisconsin [Mr. SMITH].

Mr. SMITH of Wisconsin. Mr. Chairman, I think we ought to pause for just a moment and invoke an old Biblical injunction: "Think on these things." When you do I am sure you will feel as I do that for this body to give four or five hours in general debate and perhaps another four or five hours tomorrow on this question we are not meeting the responsibilities of the people who sent us here. This, I believe to be the most important question that has faced this country since the days of the Civil War. We are making policies this afternoon, or tomorrow, which are going to be permanent for this country and, in my opinion, it is going to lead to destruction. As you read this bill you will find many references to the United Nations.

I oppose this legislation on three grounds. First, it is in violation of the spirit and intent of the United Nations agreement which this country sponsored. Secondly, it is a military alliance and no different than many others that have ended in failure. Thirdly, in this age of the atomic bomb and jet propulsion, it is militarily indefensible.

The United Nations organization has carried the hope of millions of people, Mr. Chairman, that it would promote peace and security all over the world. And when we examine the bill before us it is clear that this administration is kicking the United Nations out of the

window. I hazard the guess, Mr. Chairman, that passage of this bill will mean the end of the United Nations Organization.

There are many pious references to the United Nations in this bill. In the section setting forth the declaration of policy in this language, speaking of the objectives of our foreign policy:

> To achieve international peace and security through the United Nations so that armed force shall not be used except in the common interest.

Further:

> The Congress hereby finds that the efforts of the United States and other peace-loving countries to promote peace and security in furtherance of the purposes of the Charter of the United Nations require additional measures of support.

There are other pious references to the United Nations, all of which indicate insincerity and double talk. If the United Nations Organization provides a cover for a military alliance, then it has worked a fraud on the people of the world.

Mr. Chairman, it is my position that this military alliance is inconsistent with the United Nations Charter and if adopted will give it the kiss of death. Under article 5 of the North Atlantic Treaty, matters in dispute are not referred to the United Nations but the signatories become the judges in their own case. They divide the problem of aggression and of the aggressor without any standards being laid down or any procedure defined. They are free to act without mediation and become the judges of the adequacy of the United Nations Security Council's actions. This absolutely destroys the real jurisdiction of the United Nations and the principle of third party judgment.

Mr. Chairman, can the United Nations be strengthened by dividing the world in half and arming, in the name of loyalty to the United Nations, one group of members against another member or set of members? That is the most important question the United States must answer if it is honest in its statements about the future of the United Nations. I submit that the Truman doctrine, and this bill is it, is the antithesis of the principles that undergird the United Nations.

I come now to my second point, Mr. Chairman. The history of military alliances is a record of disaster. All of them were predicated on the statement that peace and security was the sole objective. The North Atlantic Treaty and this legislation have that identical premise. One writer has well said that the twentieth-century diplomatic boneyard is littered with dead defense treaties that failed their purpose. Those treaties did not prevent war, nor will this one. The Triple Alliance, the Holy Alliance, the Locarno Pact, the Hitler-Stalin mutual-assistance pact, and many, many others did not accomplish their objectives, and the appalling fact is that they led directly to war. So will this one. Much of this history, Mr. Chairman, has occurred in our lifetime. The inescapable facts are before us. Yet President Truman and the State Department ignore history and advocate armed assistance to Atlantic Treaty countries on the ground that this aid will deter the Russians and the spread of communism.

Was it not immediately before the Second World War that Hitler and Stalin concluded a treaty, the sole purpose of which "was to discourage France and England from fighting"? It did not prevent war.

Before the last war, Britain and France agreed to support Poland in case of attack. Its purpose, too, was to frighten Stalin and Hitler. Britain not only signed a mutual assistance pact with France and Poland but a system of guarantee treaties with Rumania, Greece, and Turkey for the purpose of preventing anticipated German aggression. These powers—Poland with 4,000,000 men and a system of universal military training, France with 8,000,000 in its army and navy, and Great Britain with the biggest navy in the world, did not deter Germany or keep the peace. The military alliance, engineered by Britain and backed by force, did not prevent aggression any more than the Nazi-Soviet agreement kept Britain and France out of war. I might go on and on to cite further examples of senseless treaties that ended in war, but such extension will serve no good purpose. It is merely cumulative.

But, Mr. Chairman, it seems to me there is only one inescapable conclusion that can be drawn from the history of past alliances. It is: There is no real or permanent peace or security in agreements that foster competing armaments. I believe it to be an uncontradicted fact of history that defensive treaties based on arms, made war inevitable. Armaments are always intended to produce a sense of security in each nation. That is the argument advanced today in support of this legislation and the North Atlantic Treaty. We are told that this bill must be passed now, that a month or two of delay may bring disaster. But, Mr. Chairman, what is the need for such speed? I have heard no testimony in open or executive session of my committee from which it can be implied that we face disaster through attack by Russia. Quite the contrary is the fact if we can believe General Bradley. He was quoted in the public press on August 11, as follows:

> The tide of communism is being stemmed in Europe. We are not impelled by crisis, or desperation, or fear of impending war.

Then he suggested that we must move in vigorous consecutive action to establish a "long-range plan of defense."

So we can assume, Mr. Chairman, by what this great soldier has said that there is no good reason to rush this program in the absence of crisis, desperation, or fear of impending war. It is apparent, however, that the State Department by its attitude in this matter is creating a fear complex in the minds of people in this country. Fear leads to suspicion and hatred. And in Europe our conduct gives to the people there a false sense of security, as it is obvious that we do not have the resources to defend every nation that is fearful of attack any place in the world. Then when we fail to meet our commitments, angry accusations follow.

After 1870, according to Viscount Grey, Germany had no reason to be afraid, but she fortified herself with armaments and the Triple Alliance in order that she might never have reason to be afraid in the future. Naturally, France was fearful after 1870 and she entered into a military alliance with Russia. Then Great Britain became fearful when she saw that Germany had started to build a big navy. First she made the Anglo-Japanese alliance and later joined with France and Russia in the Triple Entente. Then Germany became fearful of the nations that encircled her and struck the first blow in World War I, while she still believed her military power was invincible.

And so, Mr. Chairman, the lesson of European history is so very plain. It is that no enduring security can be found in competing armaments and separate alliances. To seek security in them is to distill a devil's brew. Our eyes are open, or are they? It is our solemn duty and responsibility to save future generations from destruction by rejecting this demand to implement a military alliance that is but the prelude to World War III in this new atomic age.

My third and last point, Mr. Chairman, deals with the military situation. It is my position that not one cent should be spent to arm the North Atlantic treaty countries. To do so will invite Russia to attack and justify the charge that American capitalism seeks to control and dominate the economic life of the whole world. She calls it American imperialism. We are not imperialistic, but we are open to the charge.

Now, Mr. Chairman, I yield to no Member of this House in his desire to stop communism. For more than 25 years I have called attention to its threat against liberty and freedom. There is a way to contain it, however, aside from wasteful and uncertain spending abroad and the making of disastrous military alliances.

In the absence of mutual agreements to keep the peace, I submit that the antidote to the menace that threatens free people in this day is the atomic bomb and jet propelled missiles and planes. The plan submitted in this legislation is obviously the mass army concept. We have been told that arms must be supplied to our friends so they can hold the first attacks until another AEF gets there. I do not pose as an expert on military affairs but I have been at the front and have had some schooling in military strategy and from this experience it seems to me that such a plan is militarily indefensible.

Let us look first at the forces that might engage in another European war. In our committee certain military information was presented in executive session and it was said to be a top secret. As usual, the top secret was public information. The very next day the radio listeners knew all about it. Here are some facts. The Red army has about 50 divisions along the western front from Finland to Turkey. This means about 750,000 men. Another 150 divisions or another 2,250,000 men are in reserve. It is the opinion of military experts that if

Russia declared war today, the Red army would control all of Europe and the Middle East in 90 days by virtue of its mass army. It is reported that 5,000 of the Soviet air fleet of 19,000 planes are troop carriers and they could drop 75,000 men to England at one time. This prospect would undoubtedly keep the British air fleet tied up there and it would be of little help to the other pact countries. Our allies are in no position to resist an attack because of the preponderance of Russian strength, nor could we get help to them of any consequence. Shall we then sacrifice these countries and permit them to be overrun and occupied by the Communists? That is not a pleasant picture, but on the other hand, do we want to see London, Paris, Brussels, and the other great cities in western Europe reduced to rubble? European civilization can never survive if there is a repetition of Warsaw or Berlin, but that Europe might survive, must be in air power because massive ground forces with tanks and artillery and mechanized vehicles are vulnerable to air attack. Tank tracks are easily broken by near miss bombs and strafing. Air destruction of fuel immobilizes all vehicles. Control of the air is everything. Our strategy today is in transition. Things challenged as radical departures now will be accepted tomorrow as sound principles. Mr. Chairman, it is quite likely that our allies will not like the concept of air power as the dominant role in defense but they will, in time, understand and ultimately approve. It appears that this is the only concept which America can afford and it is to America that this Congress owes it primary responsibility.

Keeping the peace by air power safely based in America but capable of striking instantly is a modern concept in keeping with American genius and resourcefulness. It lifts itself out of the sordid hates, national and religious and radical prejudices and intrigues of the Old World which knows only balances of power and war.

If we send guns and tanks and planes to the Rhine or Elbe frontiers, the Kremlin clique would have tangible evidence that the capitalistic, democratic, Christian countries are creating the military might to destroy Russia. The Russian people, being patriots, will respond to its defense. Russian armies fought for the two worst governments on earth—the Czar's and Stalin's. They will again fight for their homeland, if their leaders are able to give them a cause.

Our refusal to extend military aid to western European powers would at once throw the complete responsibility for aggressive military action upon Russia. It would make it more difficult for the Kremlin to lead the Russian people into war.

We should advise the Atlantic Pact countries that we possess the strategic striking power to paralyze Russia in case of war. They need provide, from their own resources, only the minimum weapons to insure law and order. It leaves all their energy free for the achievement of economic stability—the best weapon against communism.

Failure to arm Europe, as proposed in this bill, would relieve our taxpayers of occupation. It is, of course, a frightening situation. We must face the facts, however, and admit that there is not much that we can do about Europe in case of attack. When the next war comes it will not be won on the ground, and if this is so, then the billion and a half dollars should not be wasted abroad. It should and must be spent on our defenses at home.

Mr. Chairman, Brig. Gen. Bonner Fellers testified before our committee and he suggested a solution. Let me say that General Fellers is a graduate of West Point and was on General MacArthur's staff in World War II and went with him from Australia to Japan. He is now retired but has maintained his interest in public affairs. I consider him to be an expert in his field and a distinguished patriot. It is his theory that the United States has a powerful deterrent to aggression in our atomic bombs and the long-range bombers. So long as we maintain the lead in bombs and bombers, this war deterrent is likely to continue effective, he says.

Notwithstanding this questionable bipartisan effort to pass this legislation, your attention is called to the fact that the Eightieth Congress approved a 70-group Air Force program, against the very active opposition of Mr. Truman and his party. Now it seems that a cut-back to 48 groups is planned. The $1,450,000 for this initial program—and it is only a starter—plus the $15,000,000,000 defense budget is apt to wreck this country. Of course, I realize that under the Truman spending program the Democrats are more concerned with saving the world than they are the United States.

Mr. Chairman, we assume that the United States will not abandon the western European peoples. We place our principal reliance, however, in air power. This must be our fundamental concept of any defense of the Atlantic Pact countries. Since attempt to hold the Rhine in the face of Russian land forces would be futile, it has been suggested that we might better permit the Red Army to occupy Europe than to suffer the devastation which will surely follow in the wake of tanks and guns and bombs. One more sweep of ground forces locked in combat across Europe would undoubtedly end the present European civilization. I repeat, our principal reliance is the insufferable burden of implementing an erroneous concept for our security.

Russia must be viewed as an entity. If she were blocked by ground forces on one front, it still leaves her free to cross frontiers elsewhere. A containment policy against her is sound provided we do not endeavor to build the strait-jacket with ponderous infantry divisions—possessed of strategic immobility—dedicated to World War I methods of combat. There is an effective means of containment.

In the Orient we have air bases in Alaska, Japan, Okinawa, and the Philippines. We cannot hold bases on the continent, but they are available in England and north Africa. These bases can be defended without bringing on a general engagement with the Red army. From these bases, if we have mastery of the air, air strikes can be unleashed which will destroy Russia's war potential and hold her forces within her borders.

In the meanwhile—since Russia is, psychologically, the most vulnerable country in the world—a full-scale campaign should be launched to carry the truth to the Russian people. Then their demands for a liberal government would keep the Kremlin so busy at home there would be no time for political and military aggression elsewhere.

Mr. HAND. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Wisconsin. I yield.

Mr. HAND. I hesitate to interrupt the very effective statement the gentleman is making but I would like to have the privilege of associating myself with him in the thought he has just expressed. The gentleman could add, I think, a fourth point, and that is the one the gentleman just touched, that this fund which is now proposed, large as it is in our economy, would probably not be sufficient to arm more than two or three divisions. This, it seems to me, is also pure nonsense measured against the figures of the Russian divisions given to us recently by the gentleman from Ohio.

Mr. SMITH of Wisconsin. May I say to the gentleman that we had General Fellers before our committee who gave a very interesting statement. He said that for us to keep a mass army to hold the Rhine, the Elbe, or any other area in Europe would cost at least $24,000,000,000.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Wisconsin. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. It seems to me in reading one of the reports on the bill that the State Department or the Ambassadors would be really directing our Army rather than the military, is that correct?

Mr. SMITH of Wisconsin. It would seem so.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. VORYS. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Wisconsin. I yield to the gentleman from Michigan.

Mr. DONDERO. I wonder if any testimony was given before the gentleman's committee as to what portion Great Britain would contribute to this vast fund of five or six billion dollars to arm western Europe in face of the fact that today the newspapers give us the information that Great Britain is on the rocks and her bonds are selling at 70 cents on the dollar. What information can the gentleman give the House on that matter?

Mr. SMITH of Wisconsin. I am afraid I cannot give the gentleman very much information. They are under the program supposed to spend a certain percentage for their own armies, but I submit they are not going to spend much of their own money unless we give it to them.

Mr. VORYS. The figures are on page 23 of the supplemental report, which gives some information on that.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Wisconsin. I yield to the gentleman from Missouri.

Mr. SHORT. Instead of preventing attack by Soviet Russia, does not the gentleman think the furnishing of arms to the western countries of Europe might provoke or hasten an attack by Russia?

Mr. SMITH of Wisconsin. Absolutely. I think it invites that very thing.

Mr. SHORT. What would be the reaction of the United States or the people in it if Russia should attempt to fortify Canada and Mexico by sending them equipment and materials?

Mr. COUDERT. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Wisconsin. I yield to the gentleman from New York.

Mr. COUDERT. Is this bill not essentially a device to channel additional dollars to western European countries?

Mr. SMITH of Wisconsin. I prefer not to answer that question.

Mr. KEE. Mr. Chairman, I yield 15 minutes to the gentleman from Connecticut [Mr. RIBICOFF].

Mr. RIBICOFF. Mr. Chairman, it had not been my intention to enter into the general debate today. However, I am constrained to discuss the arguments made by my fellow members of the committee, the gentleman from Ohio [Mr. VORYS], and the gentleman from South Carolina [Mr. RICHARDS]. In my short experience as a Member of the House, I have found no two men for whom I have greater respect and regard. Their contribution to our committee in judgment and in patriotism is absolutely superb. Yet so grave are the questions involved before us today that we should discuss the main issue. The main issue that will face this House in the debate on this bill is the cutting of the program involving $1,450,000,000.

The arguments of the gentleman from Ohio and the gentleman from South Carolina are plausible if you proceed upon the premise that what we are doing in this program is merely assisting Europe. The argument fails, however, when we realize that we have involved here today consideration of the very defense of the United States itself.

I think we are indeed remiss if we do not study our history as it has developed in the past few hundred years. All must realize that at the present time, and I dare say the first time in our modern civilization as we know it, there are only two great powers in the world. In the past many, many hundreds of years there were always more than two great powers in the world, and these acted as a buffer or balance of power, if you will, between the other great nations. But, two world wars and devastation have left just two powers in the world, the United States and Russia. Unless we look at the world as we now find it, we will lose not only the peace, but we will lose the great sacrifices that we have made, and we will definitely torpedo the Truman foreign policy which is realistic, which is hard-headed, hard thinking, and carrying this Nation on the road to eventual victory for the democratic forces of the world.

Let us look at the suggestion that this program should be cut to $550,000,000, rather than the entire amount. It is easy to say we are all for economy. I am for economy. It is very easy to make a statement like the gentleman from Ohio, "too much" or "too soon." Yet, is it not rather foolish for this Congress to expend an insufficient amount and for that all to go to waste? Certainly it will not be contended by any of us on the Committee on Foreign Affairs that even the $1,450,000,000 will stop the Russian hordes if they want to start marching. But, is that what we are trying to do? We are trying to say to the people of Europe, "You are no longer neutral; you are on the side of the United States; you are a plus factor. We are going to help you, because by helping you we help ourselves. Keep united, stay firm."

A few short months ago this House voted for our own national defense in appropriations and forward contracting, $15,907,000,000. Why did we vote those funds? For the internal security of the United States? No. That was voted because we recognized that we must keep strong and keep the entire world free from the further advances of communism. This fund of $1,450,000,000 is the absolute minimum amount required to arm a minimum number of European divisions—to keep those divisions as an effective force to build up the situation in Europe against communism.

Mr. HAND. Mr. Chairman, will the gentleman yield?

Mr. RIBICOFF. I yield to the gentleman from New Jersey.

Mr. HAND. How many divisions does the gentleman think that will arm?

Mr. RIBICOFF. I am not ready to state how many divisions that will arm, sir, because I think you must keep in mind that the divisions in Europe will also receive, expended by their own governments, approximately five to six billion dollars. The figures given before the Committee on Foreign Affairs in executive session were of such a nature that I am not free to disclose them on the floor.

Mr. HAND. The money that we supply, I respectfully suggest to my friend from Connecticut, would probably not arm more than three or four divisions and that, I am sure he will agree, is no more than a mere gesture.

Mr. RIBICOFF. If that is a gesture, I will say to the gentleman, what would one-half of that program be?

Mr. HAND. I quite agree with the gentleman.

Mr. RIBICOFF. That would be absolutely useless.

Mr. WILLIAMS. Mr. Chairman, will the gentleman yield?

Mr. RIBICOFF. I yield to the gentleman from Mississippi.

Mr. WILLIAMS. I want to ask the gentleman a question that I think is the crux of this entire problem, and that is, if we send pop guns over there under this program, whether we send half a billion dollars worth or whether we send a billion and a half dollars worth, they are going to be ineffective, are they not?

Mr. RIBICOFF. We are not sending pop guns, sir.

Mr. WILLIAMS. Well, small arms and antiquated weapons.

Mr. RIBICOFF. No. We are sending to those European nations an integrated type of equipment that will fill in with an over-all defense plan in which our military chiefs will have a say to make effective the over-all defense of the Atlantic area, including the defense of the United States as well.

Mr. WILLIAMS. This is the point I was getting to. If we should send small arms or similar weapons they would be of no use anyhow. If we send lethal weapons, do we have any assurance they will not be used against us in the next 4 or 5 years?

Mr. RIBICOFF. Let me say this to the gentleman: This program has another basis to it. This program is intended also to shore up the internal security of Europe. It is intended to shore up the internal security against communistic infiltration and taking over by fifth-column groups. I think small arms under those circumstances are most effective.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. RIBICOFF. I yield to the gentleman from Oklahoma.

Mr. ALBERT. How many times is it contemplated that requests will come back to the Congress in the years to come for further military aid to the Atlantic pact countries?

Mr. RIBICOFF. I would say this program contemplates coming back here a sufficient number of times until the United States is assured its position is predominant in the world and has taught Russia a lesson that she cannot take over any more free nations of the world but must join as a decent member of society under the United Nations and act for world peace. I think that is very, very important.

Mr. RICHARDS. Mr. Chairman, will the gentleman yield?

Mr. RIBICOFF. I yield to the gentleman from South Carolina.

Mr. RICHARDS. Did any witness who appeared before our committee in a military capacity or otherwise say that this proposal is as necessary for the defense of the United States as appropriations for our own armed services?

Mr. RIBICOFF. No; they did not make that statement.

Mr. RICHARDS. In fact, they denied that.

Mr. RIBICOFF. But I would infer that it is a corollary to our military program.

Let me point out something else that is very important. By cutting this program you eliminate from the program approximately $155,000,000 which is intended to rehabilitate the defense plants of Europe and to assist them in supplying arms for themselves in the value of approximately $750,000,000 a year. Therefore, it becomes very important

that this reservoir of arms and materials be sent over and be used in the European nations for their own defense and to add to the over-all armaments program of all the Atlantic Pact nations.

Mr. SADOWSKI. Mr. Chairman, will the gentleman yield?

Mr. RIBICOFF. I yield to the gentleman from Michigan.

Mr. SADOWSKI. Is it not true that at the present time the so-called western countries are expending about $5,500,000,000 for their military program, and this bill will do nothing more than take that $5,500,000,000, which is a burden upon the shoulders of the taxpayers of England, France, and the Benelux countries, and shift that burden onto the taxpayers of America. We will absorb the burden they are now carrying and place it on our American taxpayers.

Mr. RIBICOFF. May I say to the gentleman that there is a strong body of opinion that if the Russian people themselves or if the Russian Politburo were to disarm, there would not be that burden on anyone in the world, but this is not a condition of our own making. All this has been forced on us because of our position of leadership in the world. We cannot shirk that leadership. We have a responsibility. We have accepted the responsibility. We must carry that responsibility through. General Marshall, in appearing before our committee concerning the arms program, stated that if in 1939 this Congress had given the military their requested estimates for national defense, it would have cut short this war 6 months and would have saved $50,000,000,000, and would have saved untold thousands upon thousands of American casualties.

Are we not faced with a comparable situation today when opponents of this program again say too little or too late? Is this Congress going to return to isolationism? Are we ready to cast away the great strides we have made and the potential victory that is ours?

Mr. COUDERT. Mr. Chairman, will the gentleman yield?

Mr. RIBICOFF. I yield.

Mr. COUDERT. Did I understand the gentleman to say that one of the purposes of this appropriation was to protect the internal security of these Atlantic Pact nations?

Mr. RIBICOFF. That is correct.

Mr. COUDERT. Does not the gentleman think it is rather a dangerous proceeding to deliver weapons to countries whose security—internal security—is so uncertain that they need American arms to maintain order at home?

Mr. RIBICOFF. No, I do not. I say that with the state of the world as it is at present, the United States should not hesitate, to save itself and its own institutions, to save and help save the free institutions of our friends who have joined with us in the Atlantic Pact. That is something I am willing to face and which this Congress should be willing to face.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. RIBICOFF. I yield.

Mr. NICHOLSON. Why should we be sending $5,000,000,000 to Europe in the ECA program when they have money enough to raise over $5,000,000,000 for armament? Why should we keep on doing that?

Mr. RIBICOFF. We do that, sir, because the arms program for the defense of Europe is most important to their very lives and sovereignty, and certainly you would not advocate that a municipality take the guns away from its policemen because the municipality is in debt.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. RIBICOFF. I yield.

Mr. JUDD. Is it not also true that the $5,000,000,000 that they are spending for defense is in their own currency, while what we are sending to them under the Marshall plan is in dollars to make up the foreign exchange that they do not have to buy the things in hard currency countries which they must have for their whole economy?

Mr. RIBICOFF. That is correct.

Mr. JUDD. So that what they spend of their own currency for their defense does not increase the load on us as long as it does not require dollars?

Mr. RIBICOFF. I thank the gentleman for his contribution.

Mr. KEE. Mr. Chairman, I yield 10 minutes to the gentlewoman from California [Mrs. DOUGLAS].

Mrs. DOUGLAS. Mr. Chairman, I am supporting the military-aid measure which we are now considering. I believe it to be sound. I think it contributes to the further building of world peace—to our own national security.

Mr. Chairman, the aim of the bill is stated very clearly in our report on page 2:

> The main point to be made about this legislation is that it is a proposal to bring military assistance to bear in support of an undertaking of mutual defense in time of peace.
>
> Military assistance is not novel to the American experience. It was the basis of lend-lease during World War II. It has been widely developed also in time of peace, as shall be shown.
>
> Mutuality in military objectives is certainly no novelty to this Nation. In the form of the direct alliance with France, and the collateral coalition with Spain, it was a decisive factor in the war of the American Revolution. It was a decisive factor also in World War I. It was the pattern of victory in World War II. Now it has entered into the American experience in peace as well as in connection with hostilities. It has been welded into the system of the American Republics. It is the essential ingredient of the North Atlantic Pact.
>
> What is new about this legislation is that it brings into focus in time of peace the two elements—military assistance and mutuality of defense. It does so in a manner entirely consonant with the basic aims expressed in the United Nations Charter and with the goal of economic recovery.

Mr. Chairman, I will try to show why that is so. I address my remarks mostly to those Members who believe, as I do, that an enduring peace can be built—who do not believe that arms can be substituted for bread. If the choice before the Congress was one of arms or bread, I would vote for bread; just as the gentleman from South Carolina [Mr. RICHARDS] has indicated he would.

But, Mr. Chairman, I do not believe that is the choice before us. Indeed, the Foreign Affairs Committee recognizes that economic recovery is essential to international peace and security and must be given clear priority.

Mr. Chairman, we have stated this policy on page 3 of the bill. But we go further. We also recognize that the increased confidence of free peoples in their ability to resist direct or indirect aggression and to maintain internal security will advance such economic recovery as we are making possible through the European recovery program and will support political stability.

At the end of the war the first job was to help rebuild those areas which were utterly devastated. That has been done.

The fact that we must now take measures to insure peace is not discouraging. Rather, it is an acceptance of the facts as they are. The need for common defense can be a unifying force. It certainly was a compelling force in the establishment and the growth of the Union of the States which make up our country. Common defense can be a unifying force in western Europe today.

In working for world peace, past experience must teach us something. The League of Nations failed because it lacked the power to stop aggression. Without an international police force the United Nations is also powerless to maintain peace in the world. There is general agreement on this fact. We have been unable, up to now, despite efforts in that direction, to agree on a general program that would achieve universal control of weapons of mass destruction and universal regulation and reduction of armaments, including armed forces under adequate safeguards to protect complying nations against violation and evasion. Because we have been unsuccessful in these efforts we, therefore, have not been able as yet to set up under the United Nations an international police force to enforce the peace.

The Foreign Affairs Committee believes, and so states in the bill before us, that we should continue to seek for agreements to provide the United Nations with armed forces as contemplated in the charter, and agreements to achieve universal control and reduction of weapons of mass destruction.

In the meantime, we can sit idly by ignoring the potential threat of Russia, or take positive action to maintain order in the world.

The Atlantic Pact and this military-aid program go as far as possible under present conditions.

This is a program to implement collective security. It is not an aggressive program, but a program of defense—a program that can be a pilot plant for a future world police force.

I believe that the proposed military-aid program fits into the positive pattern of our principal actions for world peace.

Under the United Nations Charter the Security Council has the primary responsibility for international peace and security. But the Security Council does

not have exclusive responsibility. That responsibility is shared by all the members of the United Nations. Article 51 of the Charter authorizes the members of the United Nations to act in individual and collective self-defense. And chapter 8 of the Charter authorizes them to form regional organizations. These are supplementary methods for creating the necessary conditions for international peace and security and they are methods within the structure of the United Nations.

We have made this clear in the "findings and declaration of policy" which precede the substantive titles of the bill now before the House. We announce not only to the American people but also to the rest of the world that the Congress of the United States reaffirms the policy of the United States to achieve international peace and security through the United Nations.

Mutuality of security which is the basis of our belief in the need for an international police force is the premise also of the North Atlantic Treaty which has been ratified by the Senate of the United States.

Article 5 of the treaty reads in part:

> The parties agree that an armed attack against one or more of them in Europe or North America shall be considered an attack against them all; and consequently they agree that if such an armed attack occurs, each of them in exercise of the right of individual or collective self-defense recognized by article 51 of the Charter of the United Nations, will assist the party or parties so attacked by taking forthwith, individually and in concert with the other parties, such action as it deems necessary, including the use of armed force, to restore and maintain the security of the North Atlantic area.

That is the agreement we have entered into with the other nations of Europe. I say this is a step forward. We took no such positive action after World War I with the result that there was World War II. Under the United Nations we are permitted to act in self-defense. We are permitted to join organizations to act in self-defense. Under article 5 of the treaty it states further that in case of armed attack all measures taken as a result shall immediately be reported to the Security Council, and such measures shall be terminated when the Security Council has taken measures necessary to restore and maintain international peace and security.

Now, under the Charter of the United Nations, we have a right to do just what we are contemplating in this bill. I believe that instead of sitting still and wringing our hands because we have not been able to come to an agreement that will permit us to cut down arms in the world we should do the next best thing under the rules and regulations that have been set up within the United Nations.

Mr. Chairman, no one can consider this military-aid bill, under any condition, as an aggressive action. We are not increasing the armed forces of Europe. We are simply permitting those armed forces which they now have to become properly equipped, so that they can ward off an attack, if it comes, or ward it off long enough to permit us to come to their aid.

I agree with what has been said here. I do not think anybody in our committee believes that Russia is going to war tomorrow. I do not think so. But the fact remains that the Soviet Union through its foreign policy has done its utmost in the last 4 years to prevent European recovery and by its maintenace of one of the largest peacetime armies in history has deliberately created an atmosphere of fear and danger.

It has been the shadow of this great army hanging over Europe which made necessary the Atlantic Treaty and has prompted the nations of western Europe to ask for military assistance. We know what happened in Czechoslovakia because of the shadow of that army.

We know what has happened in the countries that have gone behind the iron curtain and have come under the influence of Russia. We know that the world Communist movement does exist. If the people in France, say, or the people in Italy feel that they have not enough arms to protect themselves if there were a sudden uprising as there was in Czechoslovakia, with the weight and shadow of this great army in Russia, they would not resist. Russia then, without moving her soldiers, could take over these countries one by one, using the same kind of tactics that they have used in the last 3 or 4 years.

Mr. Chairman the military-aid program is a war deterrent. We must help restore a sense of security to free nations by increasing their own ability and morale necessary to discourage aggression and maintain their independence. This assistance, added to our other forms of aid, can create the conditions of strength and stability without which the United Nations cannot function.

Mr. SADOWSKI. Mr. Chairman, will the gentlewoman yield?

Mrs. DOUGLAS. In just a moment.

I want to emphasize again, and again, and again, the fact that we are working toward a unified defense program. That is why it is different from the old program of competition—of one country against another—this is a unified program of defense, and I hope that gradually we can take more and more of the nations of the world into it, and that finally when Russia sees that we do not move against her, that we are not going to attack her borders, that she too will join us. I think that if we proceed with this unified-defense program we will eventually end up with an international police force.

The CHAIRMAN. The time of the gentlewoman from California has again expired.

Mrs. DOUGLAS. Mr. Chairman, will the gentleman from West Virginia yield me two additional minutes that I may yield to the gentleman from Michigan?

Mr. KEE. I yield the gentlewoman two additional minutes.

Mrs. DOUGLAS. Mr. Chairman, I yield to the gentleman from Michigan.

Mr. SADOWSKI. I wish to ask the gentlewoman one very simple question: We have given Europe UNRRA money and Marshall-plan money; England has been asking for loans on a gratuitous basis and she has taken all she could get. Then we went into the Marshall plan program and through it the United States Treasury was raided and England got what she wanted in an indirect way. She obtained the funds she needed and that she had to have. I give her credit for being smart enough to do it but I do not give ourselves credit for being so dumb as to give it to her. But in an indirect way we gave England what she wanted. Now we come to this arms program. This is another and a further program by which the European countries are seeking to get indirectly that which they cannot get directly, finances for a five and a half billions arms budget which otherwise would have to be borne by the taxpayers of England, France, and of the Benelux countries. They are seeking today to lift that debt off the backs of their own people in those countries and place it on the backs of the American people. It is a $5,500,000,000 debt that the American people will have to pay to meet the European arms program.

Mrs. DOUGLAS. What is the gentleman's question?

Mr. SADOWSKI. My question is this: I believe that this bill is nothing more than a shifting of the debt burden for the arming of European countries from the backs of the European people onto the backs of the American people. I want to ask the gentlewoman if she does not agree that we cannot continue it much longer.

Mrs. DOUGLAS. I may say to the gentleman, as the gentleman from Illinois pointed out a moment ago, the $5,000,000,000 that these countries are spending collectively is in their own currency. They have asked us for assistance in order to obtain certain military articles that they cannot obtain without dollars. And I would point out that a major part of this program is a spare-part program. We have to remember that the countries we are helping, with the exception of Great Britain—and we are giving very little to Great Britain under this program—were occupied by Germany. Germany took everything away from them. They took the cows, the pigs, the plows, the engines, the factories, and everything else. They also stripped western Europe of military equipment. We must not forget that.

Mr. SADOWSKI. Will Germany get any part of this money?

Mrs. DOUGLAS. Not one cent.

Mr. SADOWSKI. I would still be against it even if Germany does not get it. I still do not think our taxpayers should carry the burden of financing the armaments for all of Europe.

Mrs. DOUGLAS. I know how the gentleman feels and I have great respect for his sincerity and his concern for the taxpayers who are already overburdened, but I do not believe this globe can sustain another war. I fear that unless this program is enacted, we cannot guarantee peace. I am not one of those who have lost hope that peace is obtainable.

The Atlantic Treaty and this program sets a new pattern. If we act now, we

will have done something we never did before. We will be taking positive defense action to maintain the peace. I do not believe in making the same mistakes over and over again.

Let me repeat, guns are no substitute for bread. Economic recovery is basic if we are to have peace and security in the world. There are critics of the military assistance program who complain that the program will substitute arms for bread. Such a contention is preposterous. What we do want is to help the peoples of these countries enjoy their bread while they eat it.

At the same time these countries are gaining in their fight to lift themselves up from the slough of economic chaos and despair; they are making almost heroic efforts to correct their military deficiencies. For example, the western union countries are spending $5,500,000,000 a year to build up their defense. In spite of these great efforts they cannot meet their own requirements. Our experts and theirs are agreed on this point. The western European nations cannot take on any additional burden which would modify the original concept of the European recovery program—that by 1952 they shall have sufficient economic strength to maintain decent living standards without extraordinary outside help.

The margin, therefore, for increased military production to correct their serious defensive weakness is small. However, there is some industrial capacity that can be exploited to advantage, such as arsenals and aircraft production lines which do not figure in the civilian economy. There are also some pools of unemployed labor in certain countries which cannot be shifted because of housing shortages. A relatively small but very important amount of dollars from us will permit the use of these marginal facilities and make possible an increased military production that can be fitted safely into the recovery effort. This dollar aid, added to labor, facilities, materials, and funds the military assistance program would supply the European countries, should result in the production of far more equipment than could be produced in the United States with the same expenditure. With our help now these countries can plan and start a gradually increasing program of military production which, as they progress toward recovery, will make them less and less dependent on the United States.

The principal goal that is sought, then, in the military assistance program is to provide western Europe—our first line of defense—with the physical beginning of the means to deter aggression. It will help build up our friends to a point where they can no longer be bulldozed. The nucleus of physical strength they have asked from us will enable the Defense Committee established under article 9 of the North Atlantic Treaty to further the development of unified defense plans for the common good.

The question that poses itself now is how much defensive posture is necessary to build and maintain the peace of western Europe. In this respect we should keep in mind that the objective is to deter aggression by confronting any potential aggressor with adequate defensive power and a determination to resist. Of course, neither the North Atlantic Pact nor the military assistance program propose the maintenance in Europe of a military force capable of itself meeting the mass attack of an all-out war. To maintain a military establishment of that nature would be impossible for the United States and for western Europe. We cannot and we dare not undertake that. The program is an interim measure designed to meet as quickly as possible the present military weakness in Europe that is inviting aggression from without and internal disorder from within. This measure would give to our foreign policy the coordination and the full action necessary to prop up the peace which is now endangered by military weakness by providing strength now where strength is needed.

Military assistance is an action that is demanded by the situation of today. If we fail to act, our foreign policy, that is, the peace we are striving for, will be handicapped and may go by default. Action is indicated today, but we must guard against action for the mere sake of action. The action that is represented in the military-assistance program stems from the urgent requests for assistance that we have received from nations in dire need of our help.

It is quite logical that these nations should turn to us in their need, for we are the only free nation in the world able to help them. The demands that are being made upon us, however, are so numerous that if we are not to defeat our purpose by overextending ourselves we must keep our assistance within our capabilities and within the exigencies of our own security. An overextension in the program has been carefully guarded against. The over-all impact of the proposed assistance on our economic structure, our strategic stock pile, our physical resources and our defenses has been closely examined. The findings from an exhaustive study made by the National Security Resources Board and the National Military Establishment are that we can well afford to extend the contemplated help without fear of adversely affecting our own position.

The program has been in the process of planning for a long time. The timing element that is involved in it is one of its essential characteristics.

We all know that if a grave emergency develops in Europe, the United States will be obliged to act. Our policy line is very clear on this point. But such an emergency would be the war we are trying to prevent and which we must prevent. Our preventive action, as I have already said, is the North Atlantic Treaty. We have joined with the other signatories in building, through self-help and mutual aid, a common defense for the common good. Now our partners in western Europe have turned to us for help. Their appeals rise out of the same conditions that led to the proposal for the North Atlantic Treaty.

In western Europe, less than 5 years ago, millions of American soldiers were fighting to protect the security of the United States. For the second time in less than 30 years American armies were fighting in Europe—and for the same reason. To avert a third world war we must make clear that an attack which threatens the independence of those free nations is an attack upon the United States and that this country will have no choice but to act with all its force to meet it.

Allied victories in 1945 accounted for Hitler and Mussolini, but no sooner had the shooting stopped than the expansionist policies of the Soviet Union created a new threat to the security of western Europe. The misery and exhaustion left by the war were exploited by Communist-inspired minorities and Soviet pressure was applied to states too weak to take defensive action. There was a two-way squeeze: Internal aggression by Communist minorities and external intimidation by the Soviet Union. Again the peoples of Europe saw themselves being picked off one by one by a totalitarian power.

The situations in Greece and Turkey and the disappearance of Poland and Czechoslovakia behind the iron curtain shocked the United States and the free peoples of Europe into action. American military assistance went to Greece and Turkey. American economic aid to Europe was stepped up by the European recovery program, the greatest single venture in our postwar foreign policy. Belgium, France, the United Kingdom, Luxemburg, and the Netherlands signed the Brussels Treaty and began setting up a unified-defense system. Finally conversations between the United States and the western European countries have led to the North Atlantic Treaty and now the military-assistance program.

These actions have built up a momentum of confidence in western Europe and a new determination to remain free. Those peoples now believe that with the assistance we are considering they can make themselves secure against any aggression except the total aggression of a great war. They believe, or are beginning to believe, that a third world war can be prevented from arising in their area. They have set out on a path and they expect to continue along that path. If the military aid they have requested from the United States is given now, it will be given at the timely, the psychological moment when it can add most to the rising momentum toward a self-respecting peace for western Europe and the free world.

It is not enough to hate war. We must love peace with a zeal and passion greater than our hate for war. I for one am willing to take what some Members of the House have called risks in this program. To do nothing is to sow the seeds of war. The plain facts of history demonstrate that. Mr. Chairman, it is far wiser to take risks that can create the conditions for peace than to take the do-nothing risks that can create the conditions for war.

Now, Mr. Chairman, I would like to answer the gentleman from South Carolina and those who support him in his proposal that we cut the program 50 percent.

Mr. Chairman, being a woman, probably my thinking is much more direct than is that of my very distinguished male colleagues. If the program is worth doing, if the program is valid, then it seems to me we must take the advice of our Chiefs of Staff as to what it will cost. I cannot pit my knowledge against General Bradley, and I cannot accept the expert knowledge of the gentleman from South Carolina over that of General Bradley on that point. General Bradley has testified that the program before us is the minimum program for any plan that will be worked out. Since I think this is a necessary program, since I think it contributes to peace, I for one am not going to wreck the program by buying it at the bargain counter.

The CHAIRMAN. The time of the gentlewoman from California has expired.

Mr. VORYS. Mr. Chairman, I yield 15 minutes to the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Chairman, the primary objective of an intelligent nation's foreign policy must always be one thing—the nation's security. There is no justification for this bill, as there was no justification for ERP or any of the other foreign-aid programs on which we have embarked, except as they can be demonstrated as being in the interest of our Nation's security.

How can a nation promote its own security? There are two main methods. One is to try by all legitimate means to prevent the expansion of the power of any nation or group of nations hostile to it. The other is to try by all legitimate means to keep as many nations as possible on its side—and keep them as strong as possible. The job of our diplomacy is to try to keep our side as big and as strong as possible and try by every legitimate means to keep the other side as small and as weak as possible. In a jungle world, such as we now live in, survival depends to a large degree on one thing—the ability to distinguish friend from enemy. That is what this bill endeavors to do.

For many decades our forefathers saw clearly the truth of the above in Asia. They realized that it was imperative to our security that the opposite shores of the Pacific be in the hands of friends and not under the control of some nation hostile to us. That was the key consideration underlying our insistence for almost a century on an independent China—the open door.

We did not see it in Europe. For more than 100 years our policy was "have as little as possible to do with Europe; do not get tied up in any permanent alliances with any nation or nations there." Then we got into two World Wars, in part, because when it came to a show-down we simply could not permit the opposite shores of the Atlantic to come under the control of nations hostile to us and to everything we believe in and stand for. So, we have awakened to the necessity of having friends on our side in Europe. But, oddly enough at the very time we belatedly discovered this on our East, we forgot it on our West. I have never been able to understand why we cannot get a policy that makes sense in both oceans at the same time. At any rate we embarked piecemeal on a program in Europe of trying to build up and keep in our camp the free nations that are basically friendly to us. We began to assist individual nations with loans here and there. But that was an inadequate approach. So we moved on to the Marshall plan, designed to help the economic health of the whole group of nations on the periphery of the Soviet bloc.

I think I was the only Member in Congress who said in March 1948, when we were debating the ERP program, that it could not be justified solely on economic grounds and that it would require in order to succeed a military-assistance program also. We could not expect the peoples involved to go all out in efforts toward recovery, bring back the capital which they had sent abroad for safety and use it to expand their plants, build up their productive capacity, make more jobs for workers until they could have a greater sense of security than they then had. Nobody is going to invest in a project unless he believes he is going to be able to carry it on in security for 3 or 5 or 8 years. So we have now come to the recognition that it is necessary to have a mutual-defense program in Europe if the economic recovery program is to go ahead. Both are necessary if either is to succeed.

In the beginning some argued that ERP would be an alternative to a military program. I never believed that and I do not believe it now. The economic program could not be an alternative to a military program. Rather it is in support of a military program—just as the military-assistance program is in support or defense of the economic program. The primary objective of any government, as I said at the outset, is to maintain the nation's existence, and that requires a sound economy and a sound defense establishment.

Now, for either of these programs to succeed there were two essentials: First, that the nations be willing to make a most vigorous attack, both individual and collective, on their problems, and the other, that they have assistance from the only nation in the world able to give them assistance, the United States. They could not do it without our assistance; and our assistance cannot do it unless they are willing to put all that they have into a genuinely cooperative effort.

Last year in considering ERP some of us on the committee took the position that it was necessary for them to get together into a more closely unified economic set-up if they were to regain economic strength. If after ERP there were to remain 16 or 18 completely separate and independent economic units, western Europe could not recover or even long remain free. So we pressed in committee, and here on the floor, as you will recall, for maximum economic cooperation. Again this spring some of us tried to get in an amendment urging economic unification and even political federation. It was said that would be imperialistic. I disagree. When I tell a patient that he cannot recover unless he is willing to meet the conditions of health, I am not being imperialistic or trying to impose my will on him. Unless he meets those conditions he cannot recover, no matter how much medicine the doctor pours into him. The same is true of the nations in western Europe. I hesitated last year to support full appropriations for ERP until there was greater economic integration. But it was shown that the recipient nations had established a joint economic planning organization, the OEEC, with greater cooperation than ever before; they had Benelux, under which the three Low Countries had agreed to reduce their tariff barriers. They had made great progress. So, it was contended we should go ahead with full support, encourage them, show them our good faith, and then they would develop real economic unification. That was what we did. We gave them the whole works at one time. It was a mistake. From the moment they had all the money for the year the movement toward greater unification and cooperation ceased. In fact, it has been in the opposite direction ever since. The trade barriers within Europe have increased rather than been reduced—the barriers to the development of the expanded intra-European trade which is necessary if the whole area is to recover and become self-sufficient. The barriers are higher and more rigid today than they were when we started ERP.

We must not make that mistake again. That is why I joined my colleague, the gentleman from South Carolina [Mr. RICHARDS], and the gentleman from Ohio [Mr. VORYS], and the gentleman from Texas [Mr. BURLESON] in the amendment to authorize in this bill only half of the money requested for the 2-year program. It is not because I want to wreck the military assistance program; it is precisely because I want it to succeed that I believe we should give only 50 percent of it until the nations involved agree on genuinely unified mutual defense plans.

It is said they cannot determine such plans until they know how much we are to give them; but how can we know how much to give them until they agree on plans for its use to the greatest advantage? What we are saying in the amendment is, "All right, we will move our side of the line ahead 50 percent of the distance, then as you come along with your side of the line, we will go along together." I think it is a positive disservice to the program, not a service, to grant them the whole amount at the start, and leave them without inducement or, if you please, a certain amount of "pressure"—I am not afraid of the word—to move toward the firm cooperation, militarily as well as economically, and politically, which is absolutely essential if the whole project is to increase their joint defensive strength more than it weakens ours.

I think this is a good investment in our security, if it succeeds; but it is not a good investment if it does not succeed. So precisely because I do not want to lose control of the program, as we do lose control if we give them the whole amount before agreements are reached, I believe we should authorize only

the first half at this time. I believe that will help them go ahead toward the unification which everyone admits is essential. I could not blame the leaders of these countries for not going ahead spontaneously and without a little push from us. They are under political and nationalistic pressures the same as you and I are. They also run for office. If they work too boldly toward unification, their political opponents will accuse them of being more interested in other countries than in their own. But they can do it, if they can tell their people it is necessary to get further American help. In fact, it is most unlikely they will get real joint planning unless there are such incentives or inducements or pressures. So our aim is to assist the most far-seeing statesmen of Europe in their efforts to bring their public opinion and their parties to enter into the close economic and military cooperation which is necessary. I believe we can help most toward that end as well as protect our own security and our own economy by reducing the original authorization and taking another look. It is an evidence of our good faith, and it says to them, "To the extent that you move ahead in this direction of unified plans for the common defense of the whole area, we will be prepared to continue assistance that is to everybody's benefit."

Some ask, "Why do this now? Russia is apparently not threatening these countries at the moment." The basic reason is this. Let us face it frankly. We have the atomic bomb and the Soviets still do not have it. The only real deterrent to their taking over western Europe now and the only real deterrent there will be for 5 years, even if we should run this program on this scale every year for 5 years, is our possession of the atomic bomb and the air power to carry it to Russia's war plants and lines of supply. They are not going to move against western Europe as long as they do not have the atomic bomb, because under the pact, that is to move against us and will bring the bomb upon themselves. During this period when we have it and they do not have it, we have a chance to build up the defensive armaments of these countries and get them on their feet on a self-sustaining basis. The Russians will someday have the bomb or bacteriological warfare, or some other weapon of comparable mass destructiveness. If only then do we move to strengthen the defenses, it probably would provoke rather than prevent attack and successful seizure of the arms and plants by Russia. So we have a few months or years in which it is possible to do this job without too grave danger of the equipment being taken over. If we wait and delay until the crisis is upon us, then indeed we will not have any way of saving it. What we put in then may well be taken over and used against us.

In World War I, each nation insisted on its completely separate military organization and command, and we had defeats and defeats. Finally, under the pressures of necessity, we came under one commander in chief, Marshal Foch, and then we had spectacular victories. In World War II we operated at first as separate, individual nations until we got together under one commander, General Eisenhower, and then we went to town. It is not possible to establish a commander in chief of the forces of all these nations in peacetime. It would not be wise, but the five nations in the western union already have worked out a unified defense plan with a committee of the commanders in chief and a chairman who, if war broke out, would probably immediately become the over-all commander in chief for executing the agreed-upon plans.

Under the North Atlantic Treaty just going into effect three other nations have asked for assistance—Norway, Denmark, and Italy. They are included in this program. It has not yet been possible, of course, to work them and ourselves into a unified plan for all nine. The defense committee has not yet been organized. In a few months they should have a unified plan agreeing on a division of effort so that each country will be doing the thing that it can make the greatest contribution in doing. It does not make sense to give this aid to completely and totally separate national military units, each proud and nationalistic and trying to become a well-rounded force with tanks, planes, trucks, rockets, and every other weapon.

We cannot get maximum defensive strength except by a plan for defense of the whole area by all, not defense of each nation by its own forces. That may mean sacrifice of an individual country or units of a country at the time of actual attack, but unless there is such a unified defense plan with agreement on division of effort and on where the defense lines are to be drawn, where they are to make a stand, and how the forces are to be directed, the program cannot succeed. It is to make sure that these nations have an inducement to move in that direction that I believe we must cut this appropriation in half until we see what they do in response to our first move. I believe under those circumstances we can develop real teamwork which will give them security and contribute greatly to our own security and in the long run lessen the drain upon us for the even larger armament expenditures we must make if we stand alone.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield.

Mr. CASE of South Dakota. Is western Germany included, and if not, why not?

Mr. JUDD. Western Germany is not included. You can think of some obvious reasons, of course. Probably the best natural defense line available is the Rhine. That is a sizable barrier, but most of the German armament plants are east of that barrier. I think it is understood that the German economy will contribute basic things, such as coal, steel, chemicals and so forth but not finished armaments.

Mr. CASE of South Dakota. Where is the greatest industrial-producing capacity for armaments in Europe?

Mr. JUDD. The greatest industrial-producing capacity for armaments is in Germany, but unfortunately it is in an area which, because of our retreat from defense barriers further east like the Elbe, could not be kept under our control.

Mr. CASE of South Dakota. Where is the greatest reserve of trained fighting manpower in Europe?

Mr. JUDD. Excepting Russia, it is in Germany; but if we build up armaments there, we will be in danger of losing them all.

Now, Mr. Chairman, before my time is up, I must come back to where I started.

We see today that it is important to our security to have the opposite shores of the Atlantic in the hands of friends. But from 1931 to 1941 we acted as if it did not make any difference to us who was in charge of the far shores of the Pacific. We expressed sympathy for China but sold war materials to Japan until she was strong enough to attack us. One hundred and eight thousand American boys were killed destroying the enemy that we, ourselves, had built up. No sooner was the war over—in fact, before the war was over—we began at Yalta and in the agreements entered into with Russia the process of building up another enemy in Asia. Maybe we can have another war trying to destroy enemies that we, ourselves, have helped build up. It does not make sense, Mr. Chairman. It is madness.

For the second time within a decade we are faced with the prospect of a world war because of failure to appreciate how imperative it is to our own security that the opposite shores of the Pacific as well as of the Atlantic be in the hands of friends, not enemies.

I suspect I can tell you more about the weaknesses and shortcomings of the Chinese Government and some Chinese officials than almost anybody else, including those who prepared the white paper. But that is completely beside the point. It is our problem, not our alibi. The greater the difficulties in helping China keep free from Communist control, the greater the problem it is our job to solve. The point is our own security. The essential fact is that those who are resisting Communist forces in China are on our side and to the extent that we refuse to help effectively those who are on our side, we are intervening in favor of those who are mortally opposed to us.

It has been seriously suggested that we write China off and then try to save the countries on her borders. That is like letting the hub of a wheel be chopped out and imagining we can save or make anything out of the individual spokes, such as Korea, Japan, the Philippines, Siam, Malaya, Indonesia, Burma, and India. How are you going to hold the wheel together if the hub is gone?

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. CHIPERFIELD. Mr. Chairman, I yield three additional minutes to the gentleman from Minnesota.

Mr. JUDD. My concern is not to save any particular persons or parties in China. It is to stop continued Communist conquests in China as we have in Europe. If you are faced with a mortal

enemy and want to survive, you have to assist whoever and whatever opposes that enemy; and you have to oppose whatever and whoever assists that enemy. It is just as simple as that.

There is no easy way to check the tide in Asia. Every day we wait it gets harder. But I believe it can be done—even yet. I know there are millions and millions of people in China, probably more today than there were a year and a half ago, who are opposed to this glacier of tyranny that is sweeping down over them. They will resist it if given moral support, as we gave Greece; and given American advisers and supervisors to help them handle their problems—they do not know how to meet them—military advisers without shackles so that they can advise and train at all levels, including the planning of operations as they have done in Greece; and given a modicum of suitable military supplies and economic assistance. It does not require a great deal at this stage, because the free peoples of China now have a chance to do to the Communists what the Communists did to them before. When the Reds were reduced to twenty or thirty thousand men more than 10 years ago, they got back into a remote area with natural barriers where they had to spend a minimum of their effort on defense and a maximum on building up economic conditions. They did not have to feed the cities. All that was grown or produced could be divided among the people. Their side of the fence became the greener. Many intellectual, idealists, and others, said, "That is good. We will go over to that side."

Now the Communists have got the headaches. They have the cities to feed, the railroads and industries to run. They have the touchy foreign relations to carry on. And the parts of China they have captured are the easy parts. There are 150 million Chinese with a million men under arms behind strong natural barriers where they can spend a minimum of their efforts for defense and a maximum for improving the general conditions of the people. If we will help them do that along the pattern that is succeeding in Greece, there still is, even at this late stage, a chance to build up the free side of the fence until it becomes the greener. There is a real chance to save that great group of people on our side who have never yielded to the Japanese and who will not yield to the Communists if given hope and a chance.

I recognize the cost will be great, but our choice is not between that cost and something less. Our choice is between that cost and something more. However late it is today, it will be still later tomorrow.

What is needed is a reversal of our basic policy toward communism in Asia, as we reversed it 2 years ago in Europe, changing it from appease to oppose. If we make that reversal quickly and with determination in Asia, there is a fair probability that the situation can be pulled together. The risk is greater if we do not make such an effort than if we do. For instance, if we do not, the Communists will be soon at the doors of Hong Kong. One way of getting the Chinese behind them, almost without exception, is for them to get Hong Kong by boycott or attack. They will make that attempt; then we will be up against it. Shall we then help white men shoot Asiatics and unite all Asia against us?

If Hong Kong goes, then Indochina, Siam, Malaya, Singapore, and all the rest go. Then how are France and England and Holland ever going to recover? England's largest source of dollars last year was tin and rubber from Malaya. Our problems in China will be nothing compared to our difficulties then. If we do not give inteligent and effective help to Chinese, on the Greek-aid pattern, so that they can stop Communists there, then I predict that much of the military assistance we contribute supposedly to the defense of the North Atlantic, will have to be used not by us but by the British, Dutch, and French for the defense of southeast Asia. Let us ourselves put it into both Europe and Asia where it will do the most good for their security and thereby for our own.

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. JUDD] has again expired.

Mr. KEE. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. BURLESON].

Mr. BURLESON. Mr. Chairman, I realize it is late and I shall have to hurry.

I want to complement what the gentleman from South Carolina [Mr. RICHARDS] and others have said here.

In the first place, I do not consider the position taken by the gentleman from South Carolina [Mr. RICHARDS] in recommending half the aid proposed under this bill to be a compromise. One-half the aid that will be extended under the amendment which he will offer will be for 1 year. Mr. Chairman, as one who signed a minority view, I wish to make it clear that I am not opposed to the intents and purposes of the proposal before us. However, I believe that we should face the issue more realistically and with common-sense sagacity, and extend initial military aid, withholding additional assistance until there is opportunity to observe the extent and degree of the cooperation attained with the nations involved.

In this respect, cooperation should apply to those nations of western Europe living side by side. In other words, not only should it be determined within a reasonable time the degree of cooperation between those nations and the United States but also between those nations themselves.

It should not be taken as a matter of distrust on our part to first see the proof of such cooperation before the full amount of the proposed military aid be given them. It is a matter of common sense to recognize that the very nature of human intercourse suggests that it is easier to obtain the degree of cooperation necessary before the full bargain is consummated rather than dump the full amount into the laps of the beneficiaries and maintain a hope that it will accomplish all we expect it to accomplish.

There is no immediate proof that the nations concerned, particularly the countries of western Europe, are in any more danger today than they were a year ago. In fact, by reason of ECA they are stronger and in a better position to stand against pressures from the east than they have been since the end of the war. That, however, is not an argument to be projected for any influence against this measure, but I mention it simply to call attention to the fact that we should approach this matter with caution and surround it with the greatest possible safeguards.

We have been gambling with stakes running into the billions with taxpayers' money since the end of the war, and there is every indication in Europe that we are winning against what appeared to be considerable odds. In this program, we continue to take chances, and the preponderance of evidence strongly influences me to believe that we shall also reap dividends abundantly in this undertaking if we reduce to the greatest possible extent the uncertainties which are inevitably involved. Those uncertainties can be reduced by extending interim aid and projecting this program for 1 year within which time the machinery for a unified defense of western Europe can be perfected under article 9 of the Atlantic Pact

You will hear, and have heard, that it is necessary that the full amount of the aid be advanced at this time to build the morals of the nations which face the pressures of eastern communism. Perhaps that is true, but can you imagine any greater assurance and inspiration which could come to those countries than our agreement under the Atlantic Pact?

Initial aid, following the Atlantic Pact, should furnish without uncertainty the morale necessary to maintain strong internal security, and I am convinced that is the most important consideration at the immediate time, and in the foreseeable future. In fact, it appears to be the purpose of the entire program as it is now conceived, rather than to repel an invading force from the east.

Mr. COUDERT. Mr. Chairman, will the gentleman yield.

Mr. BURLESON. I yield.

Mr. COUDERT. I assume the gentleman refers to my question of a moment ago.

Mr. BURLESON. That is right.

Mr. COUDERT. Does the gentleman mean that the Atlantic Pact countries that we are supporting are unable to maintain their own internal security with the $5,000,000,000 worth of arms that they now have?

Mr. BURLESON. I do not mean anything of the sort; I simply mean that they are our friends and that we are supporting them to become stronger through ECA and the other considerations involved.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. RIBICOFF. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. BURLESON. The gentleman from New York [Mr. COUDERT] asked that question a little while ago. Of course, it is for internal security.

It is my belief that the American people have been sold on the purposes of the

Atlantic Pact, but I doubt that they are convinced that such a program as proposed under this measure should be launched with no more information than is now before us. I do not mean to say that our officials and the Congress should not lead in shaping the course of these affairs, but before we do so we should have some idea as to where we are leading, and the citizen who pays the bills should have the opportunity to know something of his investment and should be assured to the greatest possible extent that it is an investment for world peace, and that the dollars of this country are not being wantonly strewn around this world without profit.

Experience has taught us some expensive lessons. Because of the very nature of democracies, we have suffered disadvantages at the beginning of every war. At the beginning of the last war, the British had certain commitments which they were not able to fulfill because of a lack of strength. Comparatively, the United States had strength, but was never committed. The gentleman from Wisconsin referred to the unpreparedness of the democracies at the beginning of the last war. Those two conditions were no deterrent to aggressor nations, and were an invitation to attack. We are now committed, and we are comparatively prepared. We are looking at the world through realistic eyes by having ventured into the agreements under the Atlantic Pact. We can continue to be realistic, both at home in world geopolitics, if we risk only a part of our investments for peace at this time, and view the results in approximately 1 year from now to determine our credits and debits.

Mrs. ST. GEORGE. Mr. Chairman, will the gentleman yield?

Mr. BURLESON. I yield to the gentlewoman from New York.

Mrs. ST. GEORGE. May I ask the gentleman, where is Poland now?

Mr. BURLESON. Poland is the same place as Czechoslovakia and others are.

Mrs. ST. GEORGE. But all of the commitments as to Poland's safety were not carried out; were they?

Mr. BURLESON. They were not carried out because the British did not have the power to carry out her commitments. That is what we are trying to do. We are trying to be committed and we are trying to have the power to carry it out.

The economy of this country cannot be a prime consideration during war, but it must be in peacetime. Our economy is not a prime consideration in preparation for war or preparation for peace, but common sense must apply to both, and when we bypass common sense without regard to economy, we may be draining the lifeblood from that goose which lays the golden eggs, to the point that it may suffer from anemia.

Therefore, I feel it is the duty of this Congress to retain the authority to review the success, in 1 year from now, of arming western Europe with one-half the funds now proposed for 2 years. Long before the end of the next 12 months, we should be able to determine the degree of unity attained between the nations of western Europe and this country, and to know with reasonable certainty that the machinery under article 9 of the Atlantic Pact is turning in the direction of its objectives, and to be able to tell the people of this country that such an investment is for the peace of the world, and particularly for the security of our own Nation.

I shall support this legislation, but I hope it will be for one-half the sum now proposed, and providing that the Congress may again consider additional aid in approximately a year from now, at which time there will be proof of the unity attained with and between the nations which are recipients under the plan.

Mr. VORYS. Mr. Chairman, I yield 15 minutes to the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Chairman, the problem we have here is not a new one. It is part of a continuing problem. If you will look at page 60 of the supplemental report of the Committee on Foreign Affairs of the House of Representatives you will see a chart called Appendix 3 which gives the military assistance rendered by the United States to other countries in the period since the close of hostilities in World War II, exclusive of lend-lease pipe-line operations. That shows that this has been a continuing program since World War II's end; so we are not embarking on a new program.

May I comment on the figure of $15,910,000,000 that the gentleman from Connecticut [Mr. RIBICOFF] referred to as the appropriation for the National Military Establishment for the fiscal year 1950.

The history of that is as follows: Passing the House there was a bill on April 13 of the National Military Establishment which called for an appropriation of $13,272,000,000, as I recall it. There was reported recently to the Senate a $12,731,000,000 appropriation measure. The figure of $15,910,000,000 referred to by the gentleman from Connecticut [Mr. RIBICOFF], actually has in it contract authorizations for future years, so it is not simply for the fiscal year 1950 only. In addition, there are items in that figure involving other military expenditures such as stock piling and atomic energy.

For the purpose of the charts which you see on the stand, we have taken the figure $14,500,000,000 for the year as sort of a median, or a mean figure that can be easily followed, eliminating all of the veterans' benefits and indirect or unusual military expenditures.

I would like to show you some of these charts that I think will explain to you the program and to show you what international organizations we are dealing with so you will have a basic idea who is in them. When these organizations are spoken of you will know what the member countries are.

The countries we cover in this program as defense assistance recipients under title I are the United Kingdom, France, Belgium, Luxemburg, the Netherlands, Italy, Norway, Denmark, Greece and Turkey. The other outside countries that are covered under title III are Iran, Korea and the Philippines.

The countries in the North Atlantic Pact are these: United Kingdom, France, Belgium, Luxemburg, the Netherlands, Italy, Norway, and Denmark. You will note that those countries are all also defense assistance recipients. There are Iceland and Portugal who are in the North Atlantic Pact, but are not defense assistance recipients. In addition to that, Canada and the United States are in the North Atlantic Pact, and Canada is not a defense assistance recipient.

These countries are receiving nothing under this act: Iceland, Portugal, and Canada. They have not requested assistance, and only those countries requesting assistance receive aid under the bill.

Now, you have heard of the formation of the western union. The western union is composed of five European countries that are united for self-protection and mutal defense. The western union countries are: United Kingdom, France, Belgium, Luxemburg, and the Netherlands. All the western union countries are recipients.

Then look at the Marshall plan countries and see the variations: United Kingdom, France, Belgium, Luxemburg, and the Netherlands are also under the Marshall plan. Ireland is a Marshall plan country but is not in this program. You will notice that western Germany, Switzerland, and Austria are Marshall plan countries that are not included in this program.

What is the reason for this program? This chart shows the expansion of Russia. Look how much the Soviets have expanded westward into Europe, which our military men consider vital to our defense:

Estonia, Latvia, and Lithuania were taken over on August 1, 1940.
Yugoslavia March 3, 1945.
Rumania, April 4, 1945.
Bulgaria, September 5, 1946.
Poland, January 6, 1947.
Hungary, May 7, 1947.
Czechoslovakia, February 8, 1948.

That is the western expansion into satellite countries and shows the area of force that has taken over this part of the globe. You see how much or how little is left of Europe after this expansion has taken place.

Let us see what the military organization of the western union is. The gentleman from Missouri [Mr. SHORT] has said there was nothing organized militarily for joint action, and why, then, are we embarking upon this program? You can see by the chart how those five European countries—the Benelux countries and France and Great Britain—have organized themselves already for common defense. To begin with, there is at the top of command a consultative council with a permanent commission. That consultative council is divided into two sections: First, finance and economic; and, second, defense. The defense minister and the finance minister are the two blocks below the consultative council in the chart of organization of western union. Below the finance minister in chain of command is the financial and economic committee. Below the defense minister in chain of command

come the chief of staff in one block on the chart and the military supply board in another block. Between the financial and economic committee block and the chiefs of staff block, as well as the military supply board, you see on the chart dotted lines, which mean "liaison." There is liaison set up among those three groups to correlate their action. Below the chiefs of staff in the chain of command you will notice there are two blocks—permanent military committee and the commander in chief's committee.

It has not yet been decided, according to the United States Chiefs of Staff, just how this organization will fit either under the Atlantic Treaty, under article IX or under the particular joint-defense plan of this bill. Our Joint Chiefs have been abroad working on this problem recently, as you know.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to my good friend, the gentleman from Missouri.

Mr. SHORT. So after all there is not in existence today unified planning. The gentleman from Minnesota [Mr. JUDD], a member of the gentleman's committee, frankly stated that there was no plan in existence at this minute. I notice in the minority views, signed by the gentleman from South Carolina [Mr. RICHARDS], the gentleman from Ohio [Mr. VORYS], and the gentleman from Minnesota [Mr. JUDD], and the gentleman from Texas [Mr. BURLESON], on page 9 they frankly state that they are agreeing upon a plan and program for united defense, which is not in existence, but they say the agreement may come in 90 days and should certainly be reached in 6 months.

Mr. FULTON. The gentleman is exactly right in everything that he quotes. We who were in World War II, and I am sure the good gentlemen know there is quite a difference between a joint military plan, and a unified command, or a unified organization for joint defense. I have been speaking of unification of organization among various countries. The gentleman is referring to joint plans. The gentleman from Missouri is completely correct. There is now no joint plan of defense in which the United States has yet participated, but there is already in Europe a unified organization which is trying to proceed to the formulation of joint defense plans. I might add further there is not yet a unified command. There is simply a unified form of western union organization that has been set up and that will be expanded somehow. As I have said previously, the joint chiefs of staff have not yet said how that joint organization will be integrated, either under article 9 of the Atlantic Treaty or under this particular assistance program.

Mr. SHORT. So there is very little, if any, difference between the gentleman from Pennsylvania and myself.

Mr. FULTON. No difference whatever.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from Minnesota.

Mr. JUDD. Is it not true that there is a defense plan for the western union five? We are not a member of it, and Denmark, Norway, and Italy are not yet members of it. That is the delay. These three nations and ourselves have to be integrated into that common defense plan.

Mr. FULTON. There is a plan now being worked out in the western union in Europe to integrate the forces of the western union countries. It is not yet developed completely because they do not know whether they are getting these weapons under this program yet. It will help them integrate the plan under the western union if we go ahead with this plan.

May I show you the relative military strength of these various groups. At the top is the relative military strength of the Soviet bloc, consisting of Russia, Yugoslavia, Romania, Poland, Bulgaria, Czechoslovakia, Albania, and Hungary. Look at the North Atlantic Treaty recipient country strength just below that, which includes the United Kingdom, France, the Netherlands, Belgium, Luxemburg, Italy, Denmark, and Norway. You can see the great discrepancy in the two potential forces. Without the United States forces being included in this lower group, it is much the smaller of the two.

I want to show you the proportionate distribution of the Red forces among the navy, air force, and army, and of the North Atlantic Treaty recipients as among the navy, air force, and army. There is almost no difference in percentage. There is a slight difference in the percentage of the army. The Russians have slightly more in percent devoted to army. It must be remembered that we are talking of percentage.

The figure that has been given on the floor of Russia's strength today in divisions is not 200 divisions, but should be 210 divisions.

Mr. HAND. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from New Jersey.

Mr. HAND. Does the gentleman think that discrepancy will be made up by a billion dollars' worth of arms?

Mr. FULTON. Under military procedure it takes about $400,000,000 to outfit and supply each division of our size.

So that if we were going to start new divisions, this amount of money does not have any weight in the scale, but if we are filling out deficiencies of presently constituted divisions, for example, with modern type of materials, then it does have a real effect. For example, the types of additional military production in western Europe that we expect under this program, and which we are going to supply her are as follows:

Additional military production that we will help by adding—and I will show you the figures later—are ammunition, artillery and small arms, radar and radio.

Do not underestimate those latter items. That is all I can say to you on this program.

A further listing of items to be supplied are antipersonnel and antitank equipment: Rocket jeeps and rockets, jet aircraft, vehicles, tanks and mine sweepers to defend the coast.

May I point out especially to the gentleman from New Jersey [Mr. HAND] under this particular program the major types of weapons which will be supplied that will answer the gentleman's question.

Mr. HAND. I wonder if the gentleman would answer one brief question at this point?

Mr. FULTON. I would be glad to.

Mr. HAND. Does the gentleman have any information as to how much surplus arms were left in these western European countries of their own, at the termination of World War II? I believe that would have bearing on the necessity of this program.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I would like to answer the gentleman, if I may. If you will look at appendix III on page 60 of the supplemental report of the Committee on Foreign Affairs of the House you will find what has been given by the United States to all these countries of military equipment whether surplus or not, since World War II, exclusive of lend-lease pipe-line operations, which means just what was in the pipe line when the war closed.

Mr. HAND. I am afraid the gentleman missed the point of my question. What arms did Great Britain have, for example, in Italy at the very end of World War II—not what we have given to them since then, but what they had of their own when the war was ended. Their armies then were large and now they are comparatively small in peacetime. What became of their surplus arms that they must have had when the war closed?

Mr. FULTON. There were surplus arms which we had left there which we transferred. They are included in the chart here. As a matter of fact they were not surpluses of good equipment in those countries at the end of the war. If you talk about "excesses" over their current mobilization needs, you then have usable equipment which could be used in the event of an emergency. But if you are talking about surpluses—surpluses technically mean things that are no longer usable in a particular military establishment and which should be thrown away or sold.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. VORYS. Mr. Chairman, I yield one additional minute to the gentleman.

Mr. KEE. Mr. Chairman, I yield five additional minutes to the gentleman.

Mr. FULTON. Mr. Chairman, the reason I have brought these charts here is for the Members to learn, as some of us have had to learn, what the program is about. It is my purpose to bring this program down out of the realm of all this talk about strategy in order to see its practical divisions. For example, here is what we are actually faced with today, and here is what the major items will be in the program which we are going to send to Europe, which any aggressor will be faced with if there is trouble, and I am one of those who hopes that there will not be any trouble.

For example, to Norway there will be sent under this program coastal defense

vessels, aircraft, vehicles such as trucks, and machine gun and small arms equipment.

To Denmark there will also be sent coastal defense vessels, aircraft artillery and machine gun equipment.

To the United Kingdom, that is England and her Dominions, just aircraft, and nothing else.

To the Netherlands there will be coastal defense vessels, tanks, trucks, artillery, and machine gun equipment.

For Belgium and Luxemburg there will also be coastal defense vessels, tanks, trucks, artillery, and machine guns.

For France, in addition there will be these items. Note how the army is stressed—first coastal defense vessels, then planes, tanks, auxiliary equipment such as trucks, artillery, and light arms, machine gun equipment, other army equipment, and so forth.

Note for Italy, what Italy will receive under the program: tanks, artillery, and light arms.

There are no vessels going to Italy and no planes. The program there is limited to ground defense purposes.

Mr. SMITH of Kansas. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield.

Mr. SMITH of Kansas. We had in the European theater 62 divisions, including 42 infantry divisions, 15 armored divisions, and 3 air force divisions. What became of all the equipment that they had?

Mr. FULTON. That is, the United States or the Europeans?

Mr. SMITH of Kansas. The United States had on the shores of Europe that equipment. They all had full equipment and the pipe lines were full at the back. We did not bring any of it home. Where is that equipment?

Mr. FULTON. Of course you know that the war ended almost 5 years ago in Europe and that if we were fighting a war today, the new world war III, you would find the various types of planes and equipment that we used then completely outmoded and pretty well worn out just with regular use. The equipment that we left there was equipment that does not now fit into our forces. We still have forces, as you know, in Austria and the western zones of Germany, but the equipment that is being supplied now and has been made since the war, is much improved. That is one of the troubles with the whole program. We have tried to modernize and standardize our own equipment since the war, but under this program we are going to send some of the less useful equipment. When we take the 210 current divisions of Russia, of which 175 are line divisions, and then match these against the so-called 62 divisions that you spoke of, even if these countries in Europe have the full equipment which we left there, you will find there is a great disparity of forces yet.

Mr. SMITH of Kansas. But that is not the question. The question is, What became of all that artillery, the guns? I am not talking about airplanes. I am talking about machine guns and rifles and ammunition and all that. France was full of it. It was full of spare parts.

Mr. VORYS. If the gentleman will yield, is that not included in the $440,000,000 which was transferred postwar, for approximately $36,000,000, shown in appendix 3?

Mr. FULTON. No; I believe not. He is speaking in addition to that, of what extra there might be. We had a lot more than $440,000,000 worth there. There is no doubt that those countries are keeping up their military establishments. I think that will partly answer your question. You are asking whether these countries kept up what we left with them, as well as what they had previously, after the close of the last war. I believe I can show you by their military expenditures that they are keeping up their equipment. I will read from the report the amounts they have expended for military purposes in proportion to their national income, which I think will surprise some of the people who have not looked into it.

For example, on page 23 of the supplementary report of the Foreign Affairs Committee, it will be seen that America is spending 6.4 percent of her national income on military expenditure.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. FULTON] has again expired.

Mr. KEE. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. FULTON. Great Britain is spending 7.6 percent of her national income for military expenditures. Little Netherlands, 7.7 percent. Italy, for example, is spending 6.3 percent. Turkey is spending 7.9 percent. The Philippines, our good allies, are spending for defense 34 percent of her total national budget. Turkey is spending 40 percent of her national budget for military purposes.

Mr. COUDERT. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield.

Mr. COUDERT. Let me say to the gentleman that if my question has already been answered during my brief absence from the hall, kindly disregard it. Is it contemplated that modern military-equipment factories shall be set up in these European countries?

Mr. FULTON. Yes; by comparison, I will show the Members a chart that will explain later how it will be done.

From this chart that is now before us it will be seen that the American income is $224,000,000,000. The western union over-all national income is $76,000,000,000; and the other recipients' national income is only $14,000,000,000.

As to total Government expenditures: In the United States we are spending $41,858,000,000; all the western European countries are spending $25,955,000,000; and the other countries only $3,290,000,000.

Looking at the military expenditures, our military expenditure for the fiscal year 1950 is about $14,268,000,000; that of the western union is $14,837,000,000; and the other smaller countries included in the program $732,000,000.

The chart I now present will answer the question of the gentleman from New York [Mr. COUDERT] on what is going to happen in Europe as to factories. Here is how the program will be divided up. You will notice that there will be $11,000,000 in the program for administration. Additional military production is set at $155,000,000. That will be performed in this way: Within Europe there are plants that can be put to work producing part of the arms necessary; $141,000,000 of the $155,000,000 that is to go directly to European plants either to expand their facilities to give them additional machinery or to put in new additions to let them help themselves in attaining better and more military production of their own.

Within the $155,000,000 is a special item called indirect impact. Fourteen million dollars is set aside for this indirect impact purpose. When the present military-aid program takes certain factories out of the European recovery program and puts them into the military program it is going to hurt the ECA aid. It has been calculated that the European recovery Marshall plan aid will suffer to the extent of $14,000,000. So, because of the impact of this program of production of arms in Europe on the European recovery program there is an item of $14,000,000 in this program to supplement ECA. One hundred and forty-one million dollars' worth of machinery and equipment goes directly to the European countries for arms production within their borders, and $14,000,000 to Marshall-plan countries to make up for the cut in their economic aid, through diversion of productive facilities to military production.

In addition to these items, there will be military training and financial assistance of $1,284,000,000, making a total program of $1,450,000,000, that was originally submitted by the President and the State Department. The geographical break-down is as follows: $895,000,000 to Europe; and actual aid to Greece and Turkey from their current appropriation of $50,000,000, and contract authority of $505,000,000.

The CHAIRMAN. The time of the gentleman from Pennsylvania has again expired.

Mr. KEE. Mr. Chairman, I yield the gentleman from Pennsylvania five additional minutes.

Mrs. ST. GEORGE. Mr. Chairman, will the gentleman yield for a question?

Mr. FULTON. I yield to my good friend, the gentlewoman from New York.

Mrs. ST. GEORGE. I wish to compliment the gentleman on these extremely instructive charts, and I presume that he knows exactly what is happening in Europe in the matter of arms factories.

Has any step been taken to prevent the shipment of armament factories from the western zone of Germany into the Soviet Union? During March of this year one of the largest armament factories in the western zone was shipped to the Soviet Union.

Mr. FULTON. As the gentlewoman knows, that is a reparations question, and is based on the Potsdam Agreement. Reparations questions are not within this program because the mutual-defense-assistance program does not extend in any respect to western Germany. It does not affect the plants there. They will be under reparations agreements solely. Nor does this program give the German people arms.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from Minnesota.

Mr. JUDD. That $5,000,000,000 is not dollars to them; it is dollars worth of materials to them.

Mr. FULTON. That is correct.

Mr. JUDD. We do not turn over any dollars to them to spend as they please.

Mr. FULTON. That is correct.

Mr. COUDERT. The gentleman's answer was not responsive to my question. What I would like to know is whether there is any understanding as to the part to be played by the European production countries in the production of modern instruments such as tanks, airplanes, and so forth? In other words, it is contemplated that large and important modern factories will be set up in Europe at their expense to be operated by them for the purpose of producing a large part or a substantial part of the arms required for this program?

Mr. FULTON. There is a good bit of the gentleman's question in the "classified" category. I can simply say it is not intended to use the German economy or to supply western Germany with arms under this program.

Mr. LODGE. I would like to add one thing, and that is, none of this $141,000,000 will go to set up any new plants. It will all be used in connection with existing industrial facilities.

Mr. FULTON. The expansion of existing facilities.

Mr. Chairman, to proceed further, here is how the program is divided among the North Atlantic Treaty countries and other countries. The North Atlantic Treaty countries will receive the whole $155,000,000 item we have spoken of. In addition, under this program, they receive $995,000,000, and the other countries receive only $289,000,000. Of the $995,000,000 plus $155,000,000 going to North Atlantic Treaty countries, breaking it down into western union countries and other countries, there is $767,000,000 for the five western union countries and $228,000,000 for the other countries. If you will look at the $289,000,000 item to other countries which I mentioned before, you will see that $261,000,000 goes to Greece and Turkey and just $28,000,000 to the remaining countries—the Philippines, Korea, and Iran.

The deliveries shown on this chart are for the fiscal year 1950 and will show you the speed of the program. On the Foreign Affairs Committee we have divided among ourselves as to how far and how fast to go with the program and whether Congress should be entitled to another look before the expiration of the fiscal year. If you will look at this chart before you now, you will see the estimated deliveries in millions of dollars to the various groups of countries.

You will note the item for administration and additional military production funds of $166,000,000. To break down that figure for you from my previous explanation, you will see that $14,000,000 of it is the "indirect impact" item because of damage to the ECA program, $141,000,000 of it is for plant facilities extension in Europe to increase the arms production program there, and $11,000,000 of it is for administration expenses of the assistance program.

You will notice the deliveries during the fiscal year 1950 under the $1,284,000,000 military equipment, training, and technical assistance figure. Of this amount $538,000,000 will be delivered to the North Atlantic Treaty countries during the fiscal year 1950 and $226,000,000 will be delivered to the non-North Atlantic Treaty countries during that period.

The item of $457,000,000 is the part of the equipment that will be undelivered by June 30, 1951, to the North Atlantic Pact Treaty countries. Sixty-three million dollars is the amount undelivered at the end of the fiscal year 1950—June 30, 1951—to the non-Atlantic Treaty countries.

To divide the program further as to where the deliveries go the first year, the western union countries get $416,000,000 of the $538,000,000 to the North Atlantic Treaty countries, and the other NAT countries get $122,000,000. As to the non-North Atlantic Treaty countries $211,000,000 of this aid goes to Greece and Turkey under the Greek-Turkey Aid Act of 1947, and to the other countries goes $15,000,000. In addition, there is $70,000,000 worth of aid that is going out of prior years' appropriations to Greece and Turkey.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from Idaho.

Mr. WHITE of Idaho. I am interested to know where those charts were prepared. Were they prepared by the Department of State?

Mr. FULTON. Many of these charts were prepared originally in the Department of State and in the Department of Defense, and other charts were prepared at my request through the chairman of the Committee on Foreign Affairs.

Mr. SADOWSKI. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from Michigan.

Mr. SADOWSKI. Does the gentleman have a chart showing which class of taxpayers will pay for all this, whether it will be the workers in the factories or whether it will be the corporations or big business? Who is going to pay for all this or will it be by a national sales tax?

Mr. FULTON. Because the gentleman is speaking so much like my good friend, the gentleman from Pennsylvania [Mr. RICH], I like to hear the question but I cannot yield further.

This last card is a chart showing the percent of Communist strength in selected countries in order to answer the question that came up here, "Are we not just giving it to the countries who will then use it against us if the Communists move in?" You will see how few, in actual Communist Party membership, there are in countries which we are aiding, just 1 or 2 percent in many of them.

The CHAIRMAN. The time of the gentleman from Pennsylvania has again expired.

Mr. VORYS. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN of Michigan. Mr. Speaker, the debate today has been on a very high plane, and those who have previously spoken evidently know a great deal about the subject of which I know very little. In fact, I confess that I have not the slightest knowledge of what those in foreign countries who are in control of the governments of these lands intend to do in the future, either to keep the peace or to make war. I have absolutely no knowledge of their ability to carry out whatever purposes they may have in mind.

It might be well, however, to think a little bit about some of the lessons that experience has taught the world, and one of the lessons I gather from history is that every nation which has extended itself too far, sought to become the dominant world power, has disintegrated—has finally gone to pieces. The gentleman from Missouri [Mr. SHORT] with his knowledge and eloquence might give you a worth-while oration on that subject, that is the way I got it from my school books—nations, like individuals, sometimes overrate themselves. Russia, I think, is doing just that. Let us beware we do not fall into a like error. I have never had the benefit of listening to the representatives of foreign governments or even to those who are in authority in our own State Department. However, I do recall an editorial which appeared in the Chicago Tribune of yesterday and in the Washington Times-Herald of this morning.

It points out how, because we have disregarded Washington's advice to avoid entanglement in the affairs of other nations and, speaking in language that everyone can understand, stuck our nose into the business of almost every other country in the wide, wide world, we now find ourselves committed to participate in every war which may be started for whatever reason by any one of 11 comparatively defenseless and sometimes quarrelsome nations.

That editorial is as follows:

THE FABLE OF THE LAND THAT LOST ITS BORDERS

Once there was a country which knew exactly where it was and knew how it got there. Now it doesn't know where the heck it is. The situation is most strange. A large country has lost its borders and doesn't know how to make them stay put.

This country, which may be described as the land of the free and home of the brave, is a young but great country. It began its life on the Atlantic seaboard and spread westward to the Pacific. All the time it knew its borders. It knew each curve and zigzag in them. Its lands had increased in war and peace. Its preference was for increase by treaty and purchase. Even lo, the poor Indian, was not left wholly to the hijackers.

In this country which has now lost its borders, the earliest wise men had told the people to watch their step, to avoid entangling alliances, to keep out of Europe and keep Europe out of this hemisphere. This was a large order, but for a long time no one questioned the wisdom of this early advice. The peoples of Europe were welcomed. But their rulers had too many wars. They were too much on the get. The idea of staying away from this bunch prevailed until some public characters here thought it would be exhilarating to become global-minded.

What make of automobile did General Washington use, they asked. How many trips did Mr. Jefferson make abroad by airplane? How many submarines did Mr. J. Q. Adams know? The idea seemed to be that the early statesmen should be regarded as old fossils. They didn't know the world. They didn't know that the wise and safe thing was to get in trouble wherever there was trouble. That was the way to keep out of trouble. You fought other peoples' wars so as not to have any of your own. The global-minded were very noble. They took possession of Washington. Our frontiers took a running jump. But don't look now. It's too awful.

Our border in China has been erased. The term is a polite one. The Chinese Communists kicked us out. This sort of thing makes it hard to keep track of your borders. We have a border somewhere in Turkey and another somewhere in Greece, one in Iran, one in Korea, one in the Mediterranean (our sea), and one in England, where our border troops seem still to be posted. There are so many other borders there is only one way of finding out where they are. That is to start at the Treasury and follow the streams of good money. We lay a money main to each new border. The people at the other end come up with barrels.

The morals of this fable are too numerous to enumerate and almost too neat for explication. When we fight a war to end war, we get into a worse and bigger one. There seems to be a screw loose in the idea that the way to keep out of war is to get into it.

A public character who can travel at 300 miles an hour may be just as dumb as one who traveled at 10. He may be dumber.

Permit me now to point out how, here in America, we have already lost two of the "four freedoms" which, it is said, we fought World War II to establish throughout the world. The reference is to freedom of speech and to freedom from want, both of which President Roosevelt, in his message to the Congress on the 6th day of January 1941, said we should guarantee to the whole, wide, wide world.

First, freedom of speech.

Earlier today a point of order was made by me, challenging the right of the House to legislate. When the point was made, the following occurred, and I quote from the record:

Mr. HOFFMAN of Michigan. Mr. Speaker, I make a point of order. My point of order is that, inasmuch as the House is now sitting in the committee room of the Ways and Means Committee in the New House Office Building and that the Senate has not consented to the action which the House took some time previously, the House is not a competent, legal tribunal, qualified under the Constitution to act. I want to be heard.

The SPEAKER. The Chair is ready to rule. The Chair overrules the point of order.

Mr. HOFFMAN of Michigan. May I not cite the provision of the Constitution?

The SPEAKER. The Chair is ready to rule and has ruled on that question four times. The Chair does not desire to hear the gentleman on the point of order.

Mr. HOFFMAN of Michigan. May I cite the section?

The SPEAKER. The gentleman may extend his remarks to do that.

The Clerk will call the committees.

President Roosevelt, in a message to Congress on January 6, 1941, among other things, said—and again I quote:

In the future days, which we seek to make secure, we look forward to a world founded upon four essential human freedoms.

The first is freedom of speech and expression—everywhere in the world.

It has been said that we fought a war to establish the "four freedoms." Now, in all sincerity, I ask, on the occasion in question was there "freedom of speech and expression"?

And again I ask, Was not the Speaker in error when he said: "The Chair is ready to rule and has ruled on that question four times?" Although the issue is not important, I challenge the record on that one.

If a cat may look at the king, may not a Congressman question the accuracy of a statement of the Speaker?

The Speaker was in error in thinking he had ruled four times on that point of order.

Here we are in America, this great Nation where freedom of speech is guaranteed to everybody, and a representative of the people—and I make no claim to qualifications or intelligence or ability, but do suggest that the people of the district are the judge, and if they want to elect me that is their business. Even if I do not know anything, that is their business. But the Speaker said that I could not be heard. What he denied to me is of no importance to me personally, but that he should deny to the Representative of the Fourth Congressional District of Michigan is of moment—the right to speak.

Some folks in this House, I say about half the Members of this House, would feel hurt should the Speaker sit on them in that kind of way. I do not. I will not say that I have been sat on by better men, because I have the highest regard for the Speaker, but I have been sat on by justices of the peace, circuit judges, and even judges of the Federal courts. It never affected me very much. It may be because I am conceited, it may be because my hide is thick. I do not know what the reason is, but anyway, it does not bother me overmuch.

I am only citing that incident to show you how futile it is for us to attempt to regulate the world, other nations; to guarantee freedom of speech and freedom from want and the other freedoms to others throughout the world if we cannot guarantee freedom of speech, freedom from want, right here at home.

Moreover, I desire to state that the point of order was not made merely for delay. Had delay been my purpose, I would have sought recognition on a point of personal privilege or of privilege of the House, which, had it been granted, would have entitled me to at least an hour.

Again, personally, I have no criticism of the Speaker's ruling or of what to some might seem a denial of the right to free speech. I call attention to the incident as an illustration of what happens when the House attempts to legislate under the circumstances which now surround it.

It is extremely difficult to hear what is being said in the House. It is sometimes almost impossible to know what is going on. And certainly it must be extremely irritating not to know the legislative program from one day to another.

As noted the Speaker stated that permission would be granted to extend my remarks. Later, upon request, unanimous consent was given that the remarks heretofore made might be revised, extended, and amplified.

The point of order challenged the legal authority of the House meeting in the hearing room of the House Committee on Ways and Means. It is contended that the House, meeting in the Ways and Means Committee room in the new House Office Building, is not a competent, legal tribunal; that it has no authority to meet and act upon proposed legislation.

The point of order is based upon a subsection of section 5 of article I of the Constitution, which reads as follows:

Neither House, during the session of Congress, shall, without the consent of the other, adjourn for more than 3 days, nor to any other place than that in which the two Houses shall be sitting.

The resolution—House Resolution 271—purporting to give the House authority to meet in the hearing room of the House Ways and Means Committee in the new House Office Building, was adopted by the House on June 28, 1949. That resolution reads as follows—CONGRESSIONAL RECORD, June 28, page 8571:

Resolved, That when this House adjourns on Friday, July 1, 1949, it will adjourn to meet in the caucus room in the new House Office Building on Tuesday, July 5, 1949, and it shall continue to meet there until otherwise ordered.

Resolved, That all rules relating to the Hall of the House shall be applicable to the caucus room.

Resolved, That the Clerk communicate these resolutions to the President of the United States and to the Senate of the United States.

A copy of the resolution was thereafter sent to the Senate but no action was taken by the Senate, giving its consent to the change in the place of the meeting of the House.

At the time the resolution was adopted by the House, that is, on June 28, 1949, the House was meeting in the House Chamber in the National Capitol. That was the "place" where it was meeting.

The resolution purported to authorize the House to adjourn, to meet at another "place," that is, "in the caucus room in the new House Office Building."

The House, since that date, has been holding its sessions in the hearing room of the Ways and Means Committee in the new House Office Building. Certainly, that "place" is a place distinct and apart from the House Chamber in the Capitol Building.

The directory put out by authority of the House, listing the hearing and the committee rooms for the transaction of House business, lists a hearing room for the Ways and Means Committee. That is the room where the House is now meeting.

The same chart carries the words, "Caucus Room (H. O. B.) N. H. O. B."

Even though it be conceded that the hearing room of the House Ways and Means Committee is also designated as

"Caucus Room—N. H. O. B.", it is apparent that the House, when it adjourned on July 1, was sitting in the House Chamber in the National Capitol Building, and that it adjourned to meet in a different "place."

Certainly, the New House Office Building is not the same "place" as the National Capitol Building; nor is the hearing room of the House Ways and Means Committee or the "Caucus Room in the New House Office Building" the same "place" as the House Chamber in the Capitol Building.

A Member of Congress meeting in the caucus room of the New House Office Building on Tuesday, July 5, who recalled that he had left his brief case on the leader's table at the "place" where the House met on Friday, July 1, that is, the House Chamber in the Capitol Building—would not expect to find it in the "caucus room in the New House Office Building." He would not for one moment contend that the "place" where he left his brief case was the same "place" as where he was then sitting—in the caucus room in the New House Office Building.

I am fully aware of the argument that, as related to this question, any "place" in the District of Columbia is, technically and legally speaking, the same "place" as the House Chamber in the Capitol Building. However, the overwhelming weight of legal authority, as will be seen by a casual reading of Words and Phrases, published by the West Publishing Co., is to the effect that, as to courts and legislative bodies, the word "place" cannot be stretched to cover the territorial limits of a city, township, county, or State.

The average citizen would say that it is absurd to even argue that the caucus room in the New House Office Building is the same "place," that is, identical with the House Chamber in the Capitol Building.

I am fully aware, too, of the length to which the Supreme Court of the United States will go to uphold the acts of the legislative or the executive department.

The whole difficulty might easily have been avoided by a joint resolution fixing the place to which each House desired to adjourn and carrying the consent of each to such adjournment.

It is no answer to say that, on a previous occasion, the "place" of adjournment was fixed in the manner employed by the House on June 28, last.

The procedure but illustrates the present policy and trend to ignore or to bypass clear, constitutional provisions.

But let us get back to my statement that World War II did not guarantee to American citizens another of the "four freedoms."

Let us inquire whether individual citizens here in America are free from want. Let me cite a case where a peaceful, law-abiding, industrious, intelligent citizen is in want, and is in want because of the affirmative action of the Federal Government.

In the congressional district which I have the honor and try so hard to represent we have a lady 87 years of age, Miss Hoppe. This woman owns a little piece of land just outside Benton Harbor. When the war came on, they wanted to move foundry workers in there by the hundreds, maybe by the thousands, so they moved them in. Homes sufficient to house the workers were not available, so she signed up and turned over to the Government this little strip of property, from which she derived a small income, for use for a housing project, at $125 a year for the—as she was led to believe—the duration of the war.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. VORYS. Mr. Chairman, we want to hear the rest of this story, so I yield one additional minute to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. The story is not only interesting but it is typical of the situation in which thousands of Americans find themselves because of the refusal of the President and the Congress to declare the war has come to an end. It should be interesting to you who want to give to the people of other countries everything available but as to our own people not only not give them anything but take away all which they—what does the Scripture say? I have forgotten. It runs something like this: To him that hath shall be given and from him that hath not shall be taken away even that which he hath.

Anyway, Miss Hoppe, 87 years of age, owned this little strip of property. The Government took it over. After the war was over, and the fighting has been over now 4 years, she wanted it back. She has been trying to get it back, but she cannot get it back because now Public Housing Administration extends the lease from year to year. She needs something more than that $125 rental. There are a couple of little cabins on the land. She could rent that site for a trailer camp if she could get it. She lacks the means to buy food and clothing. But the Government of the United States, under the fiction that war is still on, deprives her of her property. Oh, yes; who gets the use of it? The people who came in from the outside, who need housing, I admit, but what right has this Government of ours to take from a citizen of the United States in need—she sells Christmas cards on the streets to earn a living. She is not on relief; she will not accept it—her small income in order to benefit some husky worker even if he is out of a job. She tries to get enough to keep body and soul together. And yet great Uncle Sam, who has billions to give abroad, takes from Miss Hoppe, 87 years of age, that which would enable her to live without accepting the charity of her friends.

Will my colleagues who are on the Foreign Relations Committee, who know so much about world conditions, and who can see so far into the future; who have such great, tender, bleeding hearts for all the rest of the world, as they go to bed tonight breathe a silent prayer that in some way Uncle Sam will soon, before Miss Hoppe dies, repent of his hardness of heart, relinquish the property which is rightfully hers, so that the income therefrom will aid her to obtain the food, the clothing, the shelter, of which she is so greatly in need?

Or should I advise her to travel abroad, become a displaced citizen, and so be able to participate in the generosity of the Government which now oppresses her?

Mr. VORYS. Mr. Chairman, I yield such time as he may require to the gentleman from Iowa [Mr. MARTIN].

Mr. MARTIN of Iowa. Mr. Chairman, I have devoted a great deal of time during my life to a study of our national defense problems. I am particularly interested in approaching this problem of foreign military aid from the standpoint of its bearing upon adequate and timely defense for our own country.

Mr. Chairman, to a release of the National Security Organization Task Force of the Commission on Organization of the Executive Branch of Government dated April 14, 1949, is attached an excerpt from the task force report, as follows:

> The Army has stated that it has material sufficient to equip only 18 divisions, although at the end of the war it had 89 fully equipped divisions and great additional quantities of material in the pipe line (vol. II, p. 147).

There is then added the Army comment regarding this point, as follows:

> The Army had on hand at the end of World War II 89 division sets of equipment. The equivalent of 30 division sets has been disposed of by (1) disposition to United States civilian economy, (2) disposition overseas, (3) destruction or demilitarization, (4) transfers to Red Cross and UNRRA, (5) salvaging, and (6) rendering military aid to Greece and Turkey. Since equipment was disposed of by these means, a serious imbalance has resulted in Army stocks. For example, the Army has enough 90-mm. guns for over 200 divisions and only enough motorized road graders, 12-inch moldboard, for 25 divisions.
>
> At the cessation of hostilities, equipment overseas in areas in which occupation troops were or would be deployed in the main was left in place for their consumption. As of January 31, 1948, distribution of the property in overseas areas was as indicated below. This equipment is not readily recoverable in an emergency.
>
> Division sets of equipment:

Alaska	1
Caribbean	1
EUCOM	5
China, USARPAC, MARBO, Japan, Korea, PHILCOM	11
Total overseas commands	18

> There remain, therefore, 41 division sets of equipment for use in an emergency. Of the 41 division sets, the equivalent of 23 is either unbalanced in quantity, obsolescent, or requires overhaul and rebuild. Therefore, only 18 division sets of equipment are definitely available to meet an emergency.

Following the Army's comment is the task-force response, as follows:

> The Army comment confirms the fact that although there were 89 divisional sets of equipment, plus substantial supplies in the pipe line, on hand at the end of the war, there are now only 18 sets "definitely available to meet emergencies." The balance of the Army's comment is an explanation of what happened to the equipment. This information was not supplied to the committee's investigators, although requested.
>
> According to the Army comment, the Army had at the end of the war enough tanks for the armored divisions necessary to support an army of at least 89 divisions. Based on the Army comment, 25,045 tanks presumably covered this requirement. The question arises as to how large an army the 17,875 tanks now on hand would equip.

The Army's fighting equipment at the end of the Second World War may not have been perfect, but its possession today would be of great comfort and value to the peaceful countries of the world. The committee reiterates that the recovery and rehabilitation of misplaced equipment is a subject worthy of attention.

There is certainly no misstatement of the fact by the committee here.

The Washington papers of June 10, 1948, reported a very interesting meeting of the American Ordnance Association that was held in Detroit on June 9, 1948. General Bradley was reported as having spoken of the appalling decay in the Army's combat capabilities and urged an immediate repair, also that contrary to popular belief the Army lacks sufficient balanced stocks of weapons and equipment to tide the Nation through industrial conversion in event of another war.

The news article included also a statement of criticism of the Nation's preparedness by Gen. Joseph T. McNarney, of the Air Forces, that if war occurred today the Air Force combat groups would be composed primarily of planes that were on the drawing boards prior to Pearl Harbor and that several years would be required to tool up for proper production because of the weakened state of the aviation industry.

Because of the importance of these statements and their bearing upon the condition of our own preparedness I secured from the Department of the Army a complete copy of the release covering General Bradley's statement on that occasion. I believe Congress should have General Bradley's complete statement available at the time they are called upon to supply other nations of the North Atlantic Pact with military assistance in the sum of $1,450,000,000 together with additional materials and equipment now called excess but which originally cost $450,000,000.

The complete release is as follows:

ADDRESS BY GEN. OMAR N. BRADLEY, ARMY CHIEF OF STAFF, BEFORE THE AMERICAN ORDNANCE ASSOCIATION, BOOK-CADILLAC HOTEL, DETROIT, MICH., WEDNESDAY, JUNE 9, 1948

At a time when the abundant talents of this great industrial city should be devoted unreservedly to the production of peacetime goods, I am dismayed by the tell-tale events that compel me to speak tonight of weapons—weapons we must have to halt the growing fear of war.

For despite our generous aid in relief and reconstruction, the vacuum that might tempt a military adventure in central or western Europe has involved us in a struggle where power has once again become the arbiter of decision. Therefore, even as we continue to strain toward peace through justice, even as we subscribe to United Nations with the full force of our convictions and with belief in its eventual triumph, we are left with no present-day choice but to arm ourselves if we are to champion its principles as our own. For, if in this period when power politics have clouded the council chambers of nations, we ignore the need for competent military strength, we may be forced to abdicate a share of the leadership we bring to the world. And the abdication of vigorous strong democratic leadership anywhere at this time can only result in strategic gains for those who would oppose us.

However patient, tolerant, and hopeful we may be, it is clearly apparent that the world cannot find peace if half of us abide by the council table while the other half revert to force. Only when force is rebuffed by force and the risk of retaliation, can we hope to demonstrate that international cooperation is not a screen behind which nations may mask their intentions—but that it is instead our best prospective guaranty against world conflagration.

We are in urgent need of time to reconcile these differences that threaten the peace of the world. And preparedness is the price we must pay to purchase this needed time.

As your Army adviser I went reluctantly before Congress on March 25 to recommend an increase in the strength of the Army. For in spite of the alarming dispersal of our forces in occupation duties, in spite of the appalling decay in our combat capabilities, I am readily aware that an increase at this time in military expenditures will not only harass an already overburdened tax system, but that it will absorb critical labor and material needed in the replenishment of the civilian economy. And I am perfectly aware that further Government expenditures, further competition by the military in civilian markets, will heap additional and dangerous inflationary pressures on top these unnatural present conditions.

Yet notwithstanding the critical economic nature of this decision to strengthen our defenses, I could not in good conscience assume responsibility for our share in defense of the Nation, without urging the immediate repair of ground-force effectiveness.

It is not the responsibility of your armed forces to predict, to estimate, or to venture the political or even the military intentions of other states. Rather we are concerned with those military capabilities which could be brought to bear in pursuit of national ambitions. When those military capabilities are overwhelmingly concentrated in the hands of aggressive states and when they pose a threat to the free and peaceable competition of nations in the political and economic arenas of the world, then we feel it our duty to urge that deterrents be mobilized against the possible use of that force.

I am convinced that the clearly expressed determination of the American people to repair the inadequacy of their armed forces has awakened the nations of eastern Europe to full realization of the risks their policies entail. But I am likewise convinced that failure on our part to proceed with resolution in the rearming of our forces could be interpreted only as vacillation or as temporizing in our position.

For that reason if lullabies are to be piped from Europe between the rumble and drums of tension, then the American people must be prepared to discern whether these lullabies mean a change in tempo or in reality a change in heart.

In warfare, ordnance and tactical doctrine go hand in hand, each stimulating the other's development. During the last 3 years, your Army has devoted a share of its annual appropriation to research and the development of test equipment and weapons. Throughout our vast school system, we are constantly exploring tactical doctrine to employ to full advantage the results of this research. Those who would contend that generals always prepare for the last war ignore the unique structure of this American Army school system where thousands of young officers and men are provided avenues for intellectual and scientific inquiry into the techniques and problems of war.

Tactical doctrine, however, must not only absorb and keep pace with the technical advances of American industry, but it must constantly point the way for the design and development of equipment for war. And thereafter, the employment of air, artillery, or armored power by any nation is predicated upon its ability to turn out efficient planes, guns, tanks, and vehicles in such quantities as to assure superiority. Throughout the battle for France, it was not numerical superiority in manpower but the vast superiority of our equipment over that of the German Army which gave us our decisive advantage.

In any contest of power today American industrial might again holds the decisive advantage. If we can employ this dominance with but a token share of its output in ready machines for war, we can demonstrate that whosoever risks war through aggression must also risk destruction beneath the force of this industrial giant. For Detroit alone is worth a score of divisions on any front.

During recent Washington discussions on the size and character of our armed forces, some observers expressed serious doubts on the ability of the separate services to concur in a joint and effective plan for defense. This speculation was unfounded. The Joint Chiefs of Staff of the Armed Forces have agreed upon and devised a plan which could be put into immediate action were we attacked tomorrow.

Like all joint strategic plans for defense, it will be subjected to such continuous changes and revisions as further study may require. We anticipate, however, that this emergency plan for defense will soon be so sufficiently hardened that the civilian-governed Munitions Board may proceed with its industrial mobilization planning.

Contrary to popular belief, the Army does not have sufficient balanced stocks of weapons and other equipment to tide us through industrial conversion in the event of another war. After the defeat of Japan, vast stocks of equipment and matériel were scattered throughout the world. In many instances, the cost of transporting these items back to the United States would have exceeded the cost of procurement. In most theaters, the demand for instant demobilization denied the Army the shipping space that would have been needed for return.

By the end of the war, some of this military equipment had already been outmoded and the rate of obsolescence has accelerated in the last 3 years. The maintenance of vehicles, weapons, and the vast complicated matériel of war burdened the Army with an impossible task. Industry could not be asked to manufacture replacement parts for equipment soon to be junked or outdated. And hundreds of thousands of the skilled and technically trained soldiers required to maintain this equipment were immediately demobilized in response to demand. At advanced bases throughout the world there were facilities only for open storage, and climatic conditions took a costly toll. Substantial portions of stocks had to be disposed of immediately to prevent deterioration and complete loss.

Because demobilization was forced by public opinion into a disorderly rout, the United States not only wrecked the essential pattern of its armed forces, but it discarded and consigned to the junk heap in unmanned bases through the world billions of dollars worth of equipment and supplies. This was the price we chose to pay for expediency, haste, and a quick ticket home.

In addition the urgent need for prompt reconversion of our war economy produced an early and unavoidable demand for release by the Army of trucks, tractors, bulldozers, construction machinery, and a vast variety of tools and equipment. And whenever the Army showed reluctance in relinquishing these essential supplies, it was immediately charged with hoarding to the detriment of our economy at home.

Moreover, the power vacuum in Europe and the unsettled internal conflicts in China resulted in a high priority program of military assistance to our wartime allies. This grant to friendly nations consisted primarily of equipment within or near their borders. But at the same time it materially decreased our reserves for postwar forces.

This rapid depletion of reserve stocks permitted little planned control. As a result, some categories of supply were crippled worse than others. Consequently, the military value of our existing reserve stocks is limited not only by their inadequate overall quantities but likewise by their unbalanced composition.

For example, it is apparent that if we have sufficient reserves of rockets but no rocket launchers, the rocket reserves will be of no use until the production of launchers comes apace our needs.

Even with the best advanced planning of civilian consultants to the Munitions Board, and even with the full cooperation of industry, we shall face an irreducible lag of 1 year or more in the production of munitions in the event of war. Our ability to defend sensitive outposts and to support a limited offensive during that first year of waiting will depend entirely upon our stock pile of equipment reserves. Without this margin of safety, we could conceivably lose a war or certainly prolong a costly conflict—long before our industrial plant could be brought into action.

For the first time since World War II, the United States Army may be in the market for quantities of new equipment during the coming fiscal year. Because these Army equipment purchases will compete with rather than subsidize your normal peacetime operations, we freely recognize that industry may show some compunction in diverting part of its machine to defense production. But because this production is vital to the strengthening of our Nation in this period of unrest, we are confident you will freely undertake your part.

As the range and power of offensive weapons are increased with each passing year, it becomes more and more necessary for us to bank upon strength-in-being rather than upon our potential reserves. Not only will these annual increments in new equipment create a balanced striking force with the power to provide a deterrent to war, but they will also give to American industry the tooling and production experience essential to effective industrial preparedness.

To those of you who produced the magnificent equipment with which we assaulted the coast of France 4 years ago this week, I need not repeat that industry has as great a stake in preventing war as it has in winning one. For 30 years your American Ordnance Association has encouraged the armed forces with its appeal for reasonable military strength for national security. You know as well as I that freedom is at once a powerful and a fragile thing—powerful as a force when used in defense of dignity and the human rights of man—fragile when neglected and permitted to lie fallow.

We have in our lifetime the great opportunity to work for peace—or the chance to lose it again through timidity and inaction.

Mr. Chairman, in addition to giving heed to the above information I think Congress should give heed to the prospective total cost of the foreign aid arms program that will be launched if the bill now before us, H. R. 5895, is enacted into law, Hanson W. Baldwin, the eminent military writer in the New York Times, in that paper dated December 5, 1948, made the statement that—

A lend-lease program of arms and equipment amounting over a 4- or 5-year period to perhaps $15,000,000,000 to $18,000,000,000 is one of the duties expected of the United States when the alliance has been completed.

My question to the proponents of this legislation is whether America can carry out such a program of foreign military assistance and at the same time rehabilitate and construct our own defenses adequately and without dangerous delay.

Mr. KEE. Mr. Chairman, I yield 5 minutes to the gentleman from Arkansas [Mr. TACKETT].

Mr. TACKETT. Mr. Chairman, I realize that opposition to the program under consideration is not popular with this Congress, but I venture to state that such position is very popular with a majority of the people who elected this Congress. The Atlantic Pact doctrine is no world federation with authority to legislate, declare policy, settle international differences, or enforce a decision; but is an agreement between some of the western powers whereby the United States in substance agrees to not only be a world protector, but to participate on behalf of any member who may be attacked by a nonmember regardless of provocation or intimidation by the Atlantic Pact member. It will be argued now that Congress will make the decision as to whether or not we will participate in a conflict between an Atlantic Pact member and a non-Atlantic Pact member; but when the time comes for the decision to be made, the flags start flying, and the music starts playing, we will have become so involved because of the Atlantic Pact and our wild foreign policies that no Member of this House would dare vote not to live up to our agreement to protect the members of this foreign-policy agreement. When the time comes for us to make the decision it will be argued that we cannot afford to make one step in any direction that would indicate our unwillingness to live up to the agreement of 1949 made with the smaller western powers.

Mr. Chairman, this whole foreign protection proposition is a one-sided contract. The United States is to guarantee everything—protection, defense, money, food, clothing, war implements, and even bravery for the assurance of the other country that they will accept our charity.

Let us take the Luxemburg area as an example. The subjects of that area can afford to become very brave with our assurance of protection. They may be just a little bit more anxious for war than we are, and we can easily find ourselves in World War III at the hands of some little country that could be taken over by its neighbor in 15 minutes.

Other than the armaments being given to socialistic England, Russia could take our gifts from all the other membership of the Atlantic Pact in 30 days' time. No one will question that statement. This armament program is just a roundabout method of giving war implements to our enemies.

Mr. Chairman, this bill can be justified upon the theory that it is a part of the great foreign spending program being launched by the United States, and upon no other basis. Surely it will not be brazenly argued that the United States is to support the world. Our people are being taxed to support our people, and not to support foreign nontaxpaying people. England has been using us for a sucker ever since we won our independence. Under our foreign-policy system, we would be better off as subjects of England. That country is carrying on a political socialistic government, doing more for their people with the American dollar than we are doing for our own people.

The proponents of this legislation argue that the measure is justifiable because Russia is preparing for war. No doubt Russia argues that its preparations are in the interest of defense because the United States is preparing for war. Now, let us just use a little bit of common, ordinary judgment. If Russia were making such an agreement with countries upon the American soil, neighboring the United States, as the Atlantic Pact, and was arming our neighboring countries, would we say that Russia was preparing for war or for defense? We have been a peace-loving people and slow about even preparing to defend our democracy. This is the first time in the history of this democracy that we have ever so boldly prepared for war. I favor spending every necessary dollar for defense of this country, but we cannot afford to defend the world.

No person in the United States has any less use for communism or the Russian system of government than I. While serving as district attorney in Arkansas, it was my pleasure to close the first Communist college to ever be established in the United States. I will vote for any measure or go to any extent to remove every Communist from the United States, but I shall not vote 1 penny to satisfy a few greedy people who are anxious to make some more war dollars at the expense of the fine manhood of our country.

Those little European countries that are taking our armament are not going to allow the powder to spoil or the guns to rust. They have never known anything but war, and never expect to have peace. Little countries over there less than the size of the smallest State in this Union cannot speak to their neighbors because of the different tongue. They have entirely different beliefs, and they have been fussing, fighting, and feuding at the least excuse ever since time immemorial, and will continue to do so. Now, we are even paying them to let us become mingled in the feud.

More than half of our national budget is being spent combating a cold war with Russia that is going to get hot by virtue of this bill and other wild foreign policy ideas being advanced at this time. We find it necessary to curtail that portion of the budget that would benefit our own people, in an effort to stick our neck into the troubles of foreigners. Many of our people are without the necessities of life; the disabled due to age, physical incapacities, and mental deficiencies, in this country are to depend upon their relatives, neighbors, and poorhouses. Incidentally, I am not one of those politicians favoring the wild fairy-tale Townsend plan Utopia; we have a poor highway system; the floodwaters are destroying our soil; we do not have sufficient funds to provide adequate public buildings to carry on governmental affairs; we are lacking in many of the essentials to make this country the Utopia that many foreigners believe it to be. We are taxed to the hilt to assist socialistic England

and every other country that wants to use us for what she can get out of us—which is always whatever she wants.

The CHAIRMAN. The time of the gentleman from Arkansas has again expired.

Mr. VORYS. Mr. Chairman, I yield 10 minutes to the gentleman from Connecticut [Mr. LODGE].

Mr. LODGE. Mr. Chairman, much of the background of this legislation has already been capably covered by my colleagues on the Foreign Affairs Committee.

You have heard an able and detailed description, with charts, by the gentleman from Pennsylvania [Mr. FULTON] of the break-down of this military aid. You have heard some opponents of this legislation and some who would like to have it amended. I should like to take up a few of the points which have been raised in opposition, because I think I might be able to throw some light on these questions.

The gentleman who just preceded me, the gentleman from Arkansas [Mr. TACKETT], asserted that the Russians are quite justified in assuming that we are preparing for war against them. The trouble with that theory is that the facts do not sustain it. We conducted the most massive demobilization after World War II that any nation has ever conducted in the history of the world. So it is intellectual legerdemain, it is misleading, and it is a harmful perversion of our peaceful purpose to assert that, in the presence of 210 Russian divisions and 17,000 Soviet aircraft, because we are now taking steps which in prudence we should take to maintain an adequate military posture, therefore we are bent on aggression. That is the attitude which the Russian Communists are taking. That is the propaganda which is being spread by the Communists, that is the Communist line. But surely it has no basis either in fact or in reason.

Then I should like to say something about what has been referred to as a 2-year program. This is not a 2-year program as it stands in the legislation. It is a 10-month program, running to June 30, 1950. So that when one of my distinguished colleagues said that we could come back a year from now and look at this, it appears that a year from now will be too late under this legislation, because the legislation will have expired.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. LODGE. I shall be delighted to.

Mr. JENNINGS. I have profound respect for the gentleman from Connecticut. Does he assure me as his devoted friend that this is a 10-month program, that when the curtain is rung down on this program of arms and aid that we will then desist and everything will be as merry as a wedding bell?

Mr. LODGE. I may answer the distinguished gentleman from Tennessee by saying this: I will not say that this is a 10-month program; I say that the authorization contained in this legislation is for 10 months. I say that the program should be continued or changed as circumstances may dictate and that depends on the imponderables and unpredictables of the future. I think the judge is too wise a man tc depend on gazing in the crystal ball.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. LODGE. I yield.

Mr. WHITE of Idaho. I have not been able to discern from the gentleman's statement so far whether he is for or against the program. I would like for him to inform us whether he is supporting the bill.

Mr. LODGE. I am sorry that I have not been quick enough to satisfy the gentleman. I favor this program; as a matter of fact I favor the full amount subject to the condition which is now written into the bill, and which is to be found on page 5. Under that provision the authorization is divided into two parts. The sum of $498,130,000 will be made available for such purposes by way of appropriations to March 31, 1950, and then a further sum of $157,710,000 for the period from March 31 to June 30, 1950:

Provided, That any assistance to be furnished, or any obligation of funds hereunder, after March 31, 1950, shall be furnished or obligated, only if the President shall have certified to the Congress the agreement of the United States with unified plans for the defense of the North Atlantic area developed by the Council and the Defense Committee under article 9 of the North Atlantic Treaty. Any assistance furnished after March 31, 1950, shall be in accordance with such unified defense plans.

And there is a further provision in section 409 (c) for $428,100,000 of contract authorizations up to March 31, 1950, and then an additional $77,050,000 in contract authorizations from March 31, 1950, to June 30, 1950, if this proviso has been fulfilled.

The purpose of this proviso is to respond to the very natural preoccupation which many of us had that if there should be a D-day in Europe—which God forbid—we do not want to have another debate going on as there was in May 1940. In other words, what this proviso postulates is that there should be a comprehensive logistics, tactical, and strategical plan for the defense of western Europe with specific assignments for each nation and each component unit and command. I know that under article 9 of the Atlantic Treaty it is not going to be possible for the Consultative Council to set up a Defense Committee and arrive at a unified plan right away. Under this provision the nations involved will have 8 months to achieve this desirable objective. But the Western Union Council, comprising some of the most important nations of Europe have already been working on this matter and we have been sitting in as observers of their deliberations. Under the Western Union Council a plan is being worked out both at the advance headquarters at Fontainebleau and in London. So it is my hope that as this plan proceeds, as the Consultative Council is set up under article 9 liaison will be achieved between the Western Union Council and the Consultative Council.

I was so preoccupied about the implications of this program that I addressed a letter to the Secretary of State on July 27, in which I propounded seven questions which I regard as significant. I received his answers today, and I am putting them in the RECORD. But because I think it might be interesting to my colleagues, I should just like to read to you the questions which I asked him. I asked:

Is it the view of the Department of State that the military plan for western Europe should be based on European rather than on national considerations thereby effecting significant economies and furthering the goal of a European federation which is also a principal objective of the European recovery program?

I feel that we must bring this military program forward on a concurrent front with ERP as an integrating federating effort.

My second question was:

Is it proposed that insofar as practical there should be a gradual standardization of arms in the countries receiving military aid from the United States in order to work toward (a) substantial economies in military budgets; (b) a simplification of the problem of rearmament, logistics, and the furnishing of spare parts; (c) greater strategical strength of the nations involved and particularly of "Uniforce"; and (d) a European federation?

Of course, the whole question of standardization is extremely complex because research and improvements are constantly proceeding. Standardization is not something you can achieve overnight. In the first place, it would be uneconomical to do so. In the second place, it is not desirable to have complete standardization because you must have healthy competition in the field of research in order to have the most satisfactory developments in that vital field.

Third. Is it the view of the department that military aid to Korea is more important and urgent with relation to American national security than military aid to China?

Quite obviously it seemed to me that there was a glaring inconsistency there. Surely, if we are supplying arms to Korea for a possible war which they might have with the northern Koreans, surely if we are supplying arms to the Filipinos in the war in which they are now engaged with the rebel Filipinos, there is no reason why we should not supply arms to certain anti-Communist Chinese in the war which they are waging against the Chinese Communists. But this in itself is a vast question which I hope to discuss when I offer my China amendment.

Fourth. Are the nations which are to receive military aid making a military effort comparable to that of the Soviet Union, taking into consideration their relative size and population, their economic strength and the over-all objectives of the European recovery program?

It seemed to me that we had a right to ask this. The question has been asked here this afternoon in a different form. Are the western Europeans making the maximum effort which they should make, given these considerations? We do not want to do anything to harm the European recovery program because that, after all, has demanded a tremendous effort on our part and most of us recognize the desirability of the objectives of that great undertaking.

Fifth. Has the Council of Western Europe, acting under the Brussels Pact, evolved plans which make it appropriate that we proceed at once with the full amount of the military aid requested rather than as has been proposed by some, proceed with an interim aid bill until under the council to be established under Article IX of the Atlantic Treaty there have been developed the comprehensive plans I have spoken about?

The CHAIRMAN. The time of the gentleman from Connecticut has expired.

Mr. VORYS. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. LODGE. Mr. Chairman, I attempted to deal with this question in discussing the condition precedent set forth in section 102 of the bill.

Sixth. Will the military aid to be furnished result within the period of the proposed legislation in a corresponding or substantial reduction of our domestic military budget, as advocated by Dr. Nourse, Chairman of the Council of Economic Advisers? Or will this program be, in his words, "A simple addition to other military plans as they stood before the new alignment"?

It appears that no immediate reduction in our defense budget is considered desirable by the Secretary of State and the Secretary of National Defense. However, an eventual reduction in anticipated as the military aid program evolves.

I am inserting the answer of the Secretary of State to these questions in the RECORD and I suggest to my colleagues, if they have time, to read these answers because I think they will find them illuminating even though they may not seem to all to be entirely satisfactory.

Some people have objected to this program because they say that this military assistance cannot stop an onslaught by Soviet Russia. Of course, that is perfectly true. If there should be a war, if there were an onslaught by Russia even after this legislation had run its course, no one contends that this would enable them to resist indefinitely and so defeat the Russian forces. What this program attempts to do is to buy time, to buy delay, which will enable us to get our power into action. Such a delaying action might even mean the difference between victory and defeat—between the necessity of liberating a conquered Europe and protecting Europe from conquest.

There is the further question, how are we going to make full use of Italy in spite of the limitations of the Italian peace treaty?

In Italy you have a twofold problem. For Italy is a signatory of the Atlantic Treaty and this I believe to be excellent and right. And you have the further fact that the Italian economy suffers tremendously from overpopulation, and that is a tremendous load on the European recovery program. Italy can be most useful under this program without any breach of the Italian Peace Treaty not only because of her armed forces but by using her, in large part, as a repair shop, especially in the north in Milan, Turin, and Genoa where there are large numbers of unemployed skilled workers.

Mr. Chairman, more than half a century ago Lord Bryce wrote that the United States could not indulge its easy optimism had Canada or Mexico grown to be a great power, had France not sold Louisiana, or had England, rooted on the American Continent, become a military despot. "America lives in a world of peace, safe from attack, safe from menace, she hears from afar the warring cries of European races and faiths. For the present, at least—it may not always be so—American sails upon a summer sea."

Lord Bryce's warning came true when the balance of power system was wiped out in World War II. No longer could America afford to rely upon the great nations of the other continents to neutralize each other's power. Only two great areas of military might were left. The strategic objective of the United States—born of the necessities of the new situation—became that of insuring that the whole of the Eurasian land mass, with its vast resources in manpower and economic strength, should not fall into the possession of the one power which might threaten our security. For, should the great Eurasian continent become united against us, we would find ourselves under siege in this hemisphere. We are paying now for the failure of certain people to recognize the dangers and necessities of the new situation. Our leaders have been slow to understand the portentous implications of the postwar conflict.

Mr. Chairman, we are involved in Europe whether we like it or not. We are involved without the Atlantic Treaty. We are involved without this program. We are involved by virtue of the presence of our forces in Germany, Austria, and Trieste. A putative enemy could attack the Western Powers only by attacking us first in Germany and Austria. Accordingly, the only question remaining is: Will we be involved for the protection of our own national security, to our own advantage and in the interest of peace, or will we be involved ineffectively, timidly, and with a vacillating policy which can lead only to calamity?

Mr. Chairman, when the Secretary of State came before our committee he quoted from Mr. Justice Holmes, who said: "The judgment of nature upon error is death." I think the administration has made a great error in China, and I hope that we shall soon go from the area of discussion of a Far Eastern policy into the field of action. But I think that, in spite of certain defects this military-aid program for western Europe is sound. I think it should be approved by the Congress. We must think very deeply about this problem for in truth we live in a dangerous world in which our freedoms—nay, our very lives—are at stake.

Mr. KEE. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. SADOWSKI].

Mr. SADOWSKI. Mr. Chairman, I think this is a good time to ask questions instead of making speeches.

A few years ago, the older Members of Congress will recall, we voted on the last British loan and the second UNRRA appropriation. The President of the United States came to the Congress and said, "These are the last requests we shall make of you. This is as much as our people can stand, as much as the taxpayer can stand. We have a terrifically big debt, a big budget to meet, and we cannot burden our people further. From here on, the assistance that will be given to Europe and to Asia will be on a business basis." They were to get their loans and their assistance out of the World Bank. The International World Bank was set up. The International Trade Organization was set up within the United Nations Organization. That is how we were supposed to help the people of the world. England could not come to America and say, "We want some more free dollars and we want another big gift," because the Congress of the United States would not vote that way. So in comes a package labeled the Marshall plan, under which England gets the biggest bulk of this money, and we are hornswoggled out of these dollars. We still dip into the Treasury of the United States, and England achieves her end indirectly. She did not get her loan directly but she got it indirectly through the Marshall plan. England sold us that package. Churchill was the fellow who really pushed over the deal. He did the job. It was a fine deal for England.

What happens? We go along here, and now comes this Atlantic Pact. What is it? Why should we kid the American people? Why fool the public? Why not tell them the truth? The truth is that the American people do not want, and the United States Congress is not going to dip in here for any more dollars, because we have a big debt to meet. Our people are going to be tax-burdened for many years to come, so we are asked not to dip in directly for additional Marshall plan dollars, but indirectly they desire to shift their armaments burden on to the American taxpayer. This is the means for taking the burden of the arms program of Europe, those few countries of England, France, and the Benelux, which now carry about $5,500,000,000 of tax burden for armament, and swinging this burden over onto the backs of the American taxpayers.

Certainly Russia is not afraid of this program. I agree very much with what the gentleman from Arkansas said, but I do not agree with him when he said that Russia is afraid of this, that this is something against Russia. It is not. This is just another dip into the United States Treasury to implement the Marshall plan, to give them more dough. They know that we are not going to give more money to the Marshall plan because we are fighting about it now. The Senate is going to try to cut down the Marshall plan a billion or so, so England and the other countries know that they cannot increase the Marshall plan dollars, so they have to implement the Marshall plan dollars in an indirect way by the United States giving them arms and taking this burden of taxation off of their people for the arms program and shifting it onto the backs of our own people, the American taxpayer. That is all there is to it, and that is how simple it is.

I do not know how anyone can help but see the picture and know what it is all about. Certainly that is the truth of it.

What will they do with a billion and a half? It has been said that they will purchase our arms, made here, of course, for about 10 cents on the dollar. They are not going to pay dollar for dollar value, but for the billion and a half they will buy about seven or eight billion dollars worth of armament that is now stock-piled in the War Department. That is seven or eight billion dollars that the American taxpayer will have to pay to replace those armaments for our own armies, for our War Department and the Navy, for our own defense program. It will cost our taxpayers seven or eight billion dollars to replace what they are going to take away for a billion and a half. What is the result? The American taxpayers are going to pay seven or eight billion dollars more. The United States News and World Report of last week said that we will have a deficit of $6,000,000,000 to meet next year just before the election. That is wrong. I say it is going to be $7,000,000,000. I said that 6 months ago and at that time many people said that I was wrong.

I said 6 months ago it would be a $7,000,000,000 deficit which we would have to face next year before election. There is only one question that I will have to answer, and there is only one question every Member of Congress must answer to his taxpayers: Who is going to pay the taxes? Which taxpayers are going to pay it? Is it going to be the CIO brothers, the boys who work in the shops? Is labor going to pay this additional $7,000,000,000 tax bill, or can we put it upon the big corporations? Can it be placed upon big business? Who is going to pay this additional tax increase? Is it going to be a national sales tax put upon all the people? Is that the way we are going to raise this $7,000,000,000? Certainly we cannot say that we are going to finance it by deficit financing to carry this on—no. This man TAFT from Ohio—Senator TAFT—he is not a dull fellow, he is a shrewd politician and he is playing a smart game. I am a Democrat, but I have to agree with Mr. TAFT insofar as the kind of politics he is playing right now about this Atlantic Pact. Because the question that every one of us must answer, whether he be a Democrat of a Republican—the people are going to say "Who is going to pay the tax? Where are you going to get this money from? Who is going to pay it, the little fellow or the big fellow? Is big business going to pay, or is the workingman going to pay? What are you going to put this burden on?"

That is the thing I have to face next year and which you have to face. I am going to say, "Look, my friend, I did not vote for all this money. I have been opposing this program. I did not do this to you. I am not responsible for this."

That is what I am going to tell my people. I am going to say the other Members of Congress did it. Of course I am going to do that. I think I will be justified in saying that, because that is exactly the way I have been voting. On one thing I have dissented with my party, and that is on the foreign aid program, because I believe the people of Europe should go to work the same as our people work for every doggone dollar that we get.

Mr. KRUSE. Mr. Chairman, will the gentleman yield?

Mr. SADOWSKI. I yield.

Mr. KRUSE. I listened to the gentleman with a great deal of interest. I respect his views. I, too, differ with my party if, conscientiously, I think they are wrong. I served for 4 years during the last war. I have children who, if we get in another war, may have to fight that war.

Mr. SADOWSKI. Yes, and I have five children.

Mr. KRUSE. Here is what I would like to know, and I ask this in all good conscience. I am as concerned about economy as you and anyone else in the Congress of the United States, but are you more interested in saving the dollars than in trying to get together, whether we are Democrats or Republicans, in attempting to solve in a sensible and sane fashion this problem and to have a program which might prevent another war? We ought to have learned by the lessons of experience. The road we have followed up to now has taken us no place except to war. Surely we should try to learn something from the lessons of experience. But you stand here and talk about dollars. While I respect your views, I thoroughly disagree with you. What are you more concerned with?

Mr. SADOWSKI. Of course, I love America. I love America probably as much as the gentleman who just spoke, and perhaps even more, because my father and mother were immigrants. They came here because they wanted to come here. They came to America. They loved America. The first-generation Americans, I think, probably are more deeply loyal and patriotic than fifth- and sixth-generation Americans.

But let me answer your question. I do not believe you can save America by giving arms all over the world, for instance, giving of arms to South American countries so that they can kill each other and have more revolutions and more fights and the same applies to Europe. I know something about European history. There has been nothing but struggles and fights and revolutions for the last couple of thousand years and the more arms and bullets you give them the more people they are going to kill and the more fights they are going to have, as long as we give them the stuff to fight with.

In South America we have the same situation. But I believe that the solution to the problem is not distributing arms all over the world. I think that America should keep itself strong. I have voted for every phase of our program to make America strong. And in that I believe. But I do not believe you can make America strong by giving away your strength to other people, to other nations. I do not think that is the answer at all.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. VORYS. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. JACKSON].

Mr. JACKSON of California. Mr. Chairman, as one who has been a passenger on the "foreign assistance limited" since he has been a Member of the Congress, I feel that perhaps I can speak with considerable objectivity with respect to the pending legislation. I have voted, out of a feeling of deep conviction, for all of the measures which have been proposed for the alleviation of human suffering and which have been brought before our committee for action. I felt very deeply that the European recovery program was a program which was needed to fill a great void in Europe. I felt that without such assistance freedom and liberty were indeed in jeopardy and in danger of being lost.

I voted for and supported aid to Greece and Turkey because I felt that the national interest and the national security of this Nation were at stake, and I still feel so today with respect to those two countries.

I voted for long-term assistance, interim assistance, and short-range assistance. As a matter of fact, I have been one of the most faithful passengers on the foreign aid train.

However, with respect to title I of the pending bill, I feel that at long last I have arrived at the point where I must reach up, pull the stop cord and get off the train.

I might say at this time that I have the deepest affection for every member of the Foreign Affairs Committee. I believe that when they bring in their diverse views on this legislation that they do so out of a feeling of deep personal conviction and that each believes that what he proposes to do is the thing that should be done in the interest of a strong America in a sound world. Our chairman is a gracious and kindly gentleman and it is not easy to disagree with him, as it is not easy to disagree with the distinguished gentleman from Ohio [Mr. VORYS] or my very good friend and a great American from Connecticut [Mr. LODGE]. But I feel that I, too, have a responsibility to the people whom I represent back in California to do only those things which I can do in good conscience and all honesty.

Perhaps no piece of legislation which has come before the Committee on Foreign Affairs since I have been a member of that distinguished body has had inherent in it the elements of controversy which have surrounded this measure. The truth of this statement is made evident by the fact that no less than 10 members of the committee have filed minority views or supplemental minority views on the subject of military aid. The views vary in degree and they extend from a point of no assistance at all, through various programs which would reduce the amount of aid, across the spectrum to the other extreme, the proponents of which say we should not dot an "i" or cross a "t" in the legislation which we have had under consideration. Those who take the latter position do so, I am sure, quite honestly, and their principal argument is that, after all, we who serve on the committee and I am sure that this is true of every other committee of the House are not experts in such things as military tactics, military

strategy, logistics, and all of the other things that comprise military operations. Therefore, we on the committee, so the argument goes, must necessarily be guided by the recommendations of the governmental agencies and departments who bring their views to us.

I must say that I am not a slave to the doctrine that the military or the diplomatic are infallible or that their decisions and their testimony is not open to question and should not be seriously and very carefully scrutinized by every member of every congressional committee. These agencies have made mistakes in the past. I say this not in a spirit of recrimination. But we can all remember the tragic fate of Gen. Billy Mitchell, who because of his advocacy of air power was court-martialed and left the service in disgrace. We can also remember that due to one of these diplomatic-military decisions the great naval power of this nation lay burning and in ruins at Pearl Harbor not so long ago. No; the decisions of the military and the diplomats' decisions are not infallible. Their opinions should, of course, be given every weight and every consideration; but if after having given them that weight and that consideration and after searching one's soul for an answer we arrive at a different conclusion than that proposed, I consider it our duty to follow conscience and the dictates of reason.

In the first place, I am firmly convinced that the passage of H. R. 5895 will impair the economic recovery of western Europe. There has been the evidence of administration to the contrary; there will be a great many more statements made here on the floor of the House during the course of debate in refutation of that charge. We do know, however, that already some millions of dollars have been set aside in the program to take care of the impairment of the economic recovery program, due to the impact of the proposed arms aid. It is reasonable to expect, in the light of history, that as other arms plants are activated other sums are going to have to be taken from the one and applied to the other. It is not valid, I contend, to say that the arms program and the economic recovery program are one and the same thing and complementary each to the other, because when you need to take matériel when you must take manpower from the economic program and from economic reconstruction and assess them to the making of arms and munitions it is certainly quite another thing.

My principal contention, my principal objection to the bill now pending before the House is not one of philosophical difference; I do not oppose title I because of what the Soviet Union may do or may not do. We can be assured of one thing, and that is that whatever we do is going to be propagandized and is going to be made the most of east of the iron curtain. So that, in itself, does not influence my thinking. My principal preoccupation and a matter of grave concern to me and to many others is the concept adopted by the State Department and the Military Establishment of a ground defense of western Europe, a defense which has never worked in history, which has never stopped the onrush of an aggressor and certainly will not do so in the future. If it is intended that this program is to give us 2 days, or 10 days, or 30 days of grace in order to prepare ourselves better to meet the attack, then let it be frankly stated on the floor of the House; let our allies in western Europe know that they are simply being intended as living sacrifices and that theirs are the breasts which are to be bared to the brunt of an attack. Let us not trip around the edge of this thing; let us make some frank statements. When the Russians drove the German panzer divisions from the gates of Moscow they did it with 500 divisions. At the same time there were 100 divisions on the allied front, of which 63 were American divisions. There is not the military potential in western Europe today to stop a drive to the North Sea or to the English Channel at any time the Russian Army wants to move. They will probably not move until such time as we have constructed $155,000,000 worth of armament plants and have placed in the hands of the allies the balance of the arms and the weapons which we propose to give under this program.

We must remember that the Japanese drive eastward through Burma was speeded by American trucks and jeeps, and with American guns they had captured at Singapore.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. CHIPERFIELD. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. JACKSON of California. Mr. Chairman, we must remember that the Communist hordes that are pressing south through China today are speeded in their efforts by American matériel and guns that they captured. Had we given military equipment and supplies to the democratic government of Czechoslovakia which preceded the present Communist government in power, it is entirely reasonable to assume that American trucks and American guns would today be a feature of Communist parades in Prague exactly as they are half a world away in Shanghai.

There are a great many momentous issues connected with this program. It is a program that should not be adopted in haste. There has been no evidence given, no testimony adduced, which in any way indicates that the Red Army is any more ready to drive westward today than it was a year ago or than it will be a year from now.

My principal objection, I repeat, Mr. Chairman, deals with this antiquated, fallacious, and dangerous concept of a ground defense. The next war, when it comes, will come out of the air. It will come out of the skies with a fury so devastating that it will completely dwarf what happened at Pearl Harbor. It is entirely possible that the next war, if and when it comes, will never see the ground armies locked in combat. That war may be won, for all practical intents and purposes, before the armies slogging toward each other through the mud have succeeded in making contact. Our thinking, to my mind, should be skyward and not mudward.

I favor the Atlantic Treaty and the terms of that document. I certainly do not want to see our allies in western Europe live longer under this constant shadow of dread and fear. I know and I realize that in taking issue with the Joint Chiefs of Staff I am being most presumptous, but I think that they themselves, in their hearts, know the utter fallacy of the politically dictated position. I have talked to other military leaders who were not thought-conditioned over in the State Department, and I have been assured by them that this program is not now, and cannot in the future, hold back any Soviet aggression in western Europe.

At the proper time tomorrow it is my intention to offer an amendment to this measure which I should like to read now as advance notice of what I intend to do. The amendment will strike out everything after the enacting clause and set forth an alternative plan as follows:

> The President is authorized to enter into negotiations with any one or more of the recipient governments, upon request of such government or governments, for the use and occupancy, by elements of the United States Air Force, of airfields, bases, and other air-defense facilities, when in the opinion of the President and the government or governments concerned such use and occupancy is deemed to further the collective security of the North Atlantic area.
>
> Command and direction of any such elements of the United States Air Force so stationed in another country under the provisions of this act, shall remain vested in the United States, but it is the sense of the Congress that air planning for strategic and tactical defense should be integrated and coordinated with the planning of agencies or defense councils which may be hereafter established for joint collective security.

Attached to this will be an appropriation of $250,000,000 to implement it.

I feel, Mr. Chairman, that under the terms of the North Atlantic Treaty we are pledged irrevocably to the use of armed forces if the Soviet Union attacks western Europe. So, this is not a matter of sending our boys overseas, because if the Soviet attacks, our boys are going overseas anyway. But, I say, let us make a straightforward statement. Let us tell the Soviet Union that we have gone backward as far as it is our intention to go. That, I think, is what the American people want to hear more than talk of guns, more than chit-chat bullets, more than conversation of tanks and howitzers and all of the other paraphernalia of ground warfare. Ground arms, I feel, will be lost. If Russia marches, the world will see the attempted evacuation of a continent which will make Dunkerque look like a Sunday afternoon at the beach. Let us be factual, let us be realistic, let us recognize our true responsibilities—for indeed we do have responsibilities. But, if we are to keep men free, we will keep them free through the air and not through the mud.

Mr. VORYS. Mr. Chairman, I yield 5 minutes to the gentleman from North Dakota [Mr. BURDICK].

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield for a parliamentary inquiry?

Mr. BURDICK. I yield.

Mr. NICHOLSON. Can the Chair state when it is likely that we will get through for the day?

The CHAIRMAN. The Chair cannot advise the gentleman of that. That is not a parliamentary inquiry.

Mr. BURDICK. Mr. Chairman, I am greatly handicapped here in speaking on this subject because I have no maps. However, I do not belong to the Committee on Foreign Affairs, so I think I know something about the subject.

As I understand, from living away out in the middle section of the United States, the purpose behind the Marshall plan was to stop communism. Now, that is all it was. It was not to feed the hungry, by giving them something to eat so that they would not embrace communism. But the sole purpose was to stop communism. Those loans to those foreign countries were for the purpose of stopping communism. I would like to see somebody exhibit a chart here to show us what became of the $92,000,000,000 we put into that jackpot since the shooting stopped in Europe. That is what we spent, $92,000,000,000. Now we are starting in on another $92,000,000,000, and we have not accomplished anything.

Why do people want communism in Europe and Asia? I will tell you why, because I have talked to persons who came from there. In Europe and Asia the people are concerned about land, just four letters, l-a-n-d, and if any ism promises the landless a piece of land to live on, they will embrace it, and they do not care what kind of a government gives it to them. Why has MacArthur handled the Japanese so well in Japan? He has just taken those large estates and let the people use them. What happened in Poland? They had more large estates than any nation in the world, and if the Committee on Foreign Affairs does not know that, they can take this down. When the Russians got in there they divided up those estates and gave the farmers a piece of land and a shotgun and a bunch of ammunition and they said, "Now, this is your land. You can live on it and you defend it." I presume that is exactly what happened in China. We spent $2,000,000,000 over there. The gentleman from Minneapolis thinks we ought to spend more, but the only thing we have accomplished in China so far has been to build up one of the finest Chinese Communist armies the country ever saw. If we had put in more money, Communists would have more money at this time.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. BURDICK. Yes, I will be happy to. I referred to the gentleman.

Mr. JUDD. I think the gentleman knows that I have steadfastly opposed the methods by which we have given aid in the past. I am not for more aid to China, I am for starting proper aid to China which we have never yet been willing to carry out there, as we have in Greece, and which is a quite different thing.

Mr. BURDICK. I am very glad to have the gentleman state that. That is my point exactly.

Have we settled anything in Greece? Not a thing. Have we settled anything in Italy. No. The last vote showed 31 percent of all the people of Italy Communist. That is a strange thing, because Catholic people generally are not Communists, and Italy is a Catholic country.

If you want to stop communism, I will go right down the road with you to stop it, because they are the people that follow me around and try to beat me up every time I run for office in North Dakota. I will be glad to put them all out of business. Just see what the Russians are doing, and beat them to it. Give the landless some land and tell them to hold it, and they will stay with you.

We do not feel that pressure here in America, because we do not have the pressure of over population; but they do have it in those countries. Why do you suppose I voted for housing and every movement to help the people out in this country? What did I do that for? Because I knew that was what would make this country strong. Let everybody have a chance to own a home. Forty-six percent of us in the United States do own homes today. You need not be afraid of communism. That is the most senseless scare you could imagine. You just let the people of America have their own homes, and you do not need to fight communism over in Europe, because it will never come over here.

Mr. KEE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. MILLS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5895) to promote the foreign policy and provide for the defense and general welfare of the United States by furnishing military assistance to foreign nations, had come to no resolution thereon.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H. J. Res. 339. Joint resolution amending an act making temporary appropriations for the fiscal year 1950, as amended, and for other purposes.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 974. An act to amend the Veterans' Preference Act of 1944 with respect to certain mothers of veterans.

HOUR OF MEETING TOMORROW

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

EXTENSION OF REMARKS

Mr. CANNON (at the request of Mr. PRIEST) was given permission to extend his remarks in the RECORD and include a tabulation on the civil functions bill.

Mr. BLATNIK asked and was given permission to extend his remarks in the RECORD and include a resolution.

STATEHOOD FOR ALASKA AND HAWAII

Mr. MARSHALL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. MARSHALL. Mr. Speaker, polls and news reports from throughout the Nation indicate that the American people are strong in support of statehood for the Territories of Alaska and Hawaii. Their strategic importance alone is a sound and realistic argument for statehood. At the same time, the tremendous natural resources of these lands can and will be developed under the impetus of statehood. Certainly those people who have carried our way of life to the frontiers of America deserve to be admitted to first-class citizenship in the United States.

The Public Lands Committee, of which I am privileged to be a member, reported to the House two bills, H. R. 331 and H. R. 49, on March 10, to give statehood to Alaska and Hawaii. The committee acted early to give this Congress an opportunity to consider this legislation, and, Mr. Speaker, I feel that the Members of this House deserve an opportunity to vote on this important measure now.

We all realize the importance of these two Territories as bulwarks of our Nation's military defense. We need, also, to realize their importance as the source of numberless natural resources which must be developed not only for the good of Alaska and Hawaii, but for the good of the United States. It is a matter for the Members of this House to decide, and I urge that these two bills be brought before the House at the earliest possible date so that we will have the opportunity of voting statehood for Alaska and Hawaii.

SPECIAL ORDER GRANTED

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. MULTER], who had a special order for today, may have that special order transferred to tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

AUTHORIZING SALE OF PUBLIC LAND IN ALASKA

Mr. PETERSON submitted a conference report and statement on the bill

(H. R. 2859) authorizing the sale of public lands in Alaska.

ADDITION OF CERTAIN LANDS TO BIG BEND NATIONAL PARK, TEX.

Mr. PETERSON submitted a conference report and statement on the bill (H. R. 2877) to authorize the addition of certain lands to the Big Bend National Park in the State of Texas, and for other purposes.

EXTENSION OF REMARKS

Mrs. DOUGLAS asked and was given permission to extend her remarks in the RECORD, and include a report on the acreage allotment provision of the Federal Reclamation Law, notwithstanding the fact that it exceeds the limit fixed by the Joint Committee on Printing and is estimated by the Public Printer to cost $184.50.

GEORGE HAMPTON

Mr. LANE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 1279) for the relief of George Hampton, with an amendment of the Senate thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Page 1, line 7, strike out "$12,361.23" and insert: "$25,000."

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. VORYS. Mr. Speaker, our minority leader asked me to take his place on the floor at this time. I was given to understand that there would be no action on any bills.

Mr. LANE. May I explain to the gentleman that this matter has been cleared with his side. I have taken the matter up with the gentleman from Michigan [Mr. MICHENER]. He told me that it was not necessary to take it up with the minority leader. The matter has been passed unanimously by the House Committee on the Judiciary. There are no objections to it. It has been agreed to and it is simply for the purpose of concurring with the Senate in raising the sum in a private bill for a man injured in the State of Pennsylvania.

However, in view of the circumstances, Mr. Speaker, I withdraw my request.

EXTENSION OF REMARKS

Mr. O'SULLIVAN asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. PHILBIN asked and was given permission to extend his remarks in the RECORD and include a communication.

ELIMINATING PREMIUM PAYMENTS IN PURCHASE OF GOVERNMENT ROYALTY OIL

Mr. ENGLE of California submitted a conference report and statement on the bill (S. 1647) to eliminate premium payments in the purchase of Government royalty oil under existing contracts entered into pursuant to the act of July 13, 1946 (60 Stat. 533).

EXTENSION OF REMARKS

Mr. DAVENPORT asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. WHITE of Idaho asked and was given permission to extend his remarks in the RECORD and include certain press reports.

Mr. JUDD asked and was given permission to extend his remarks in the RECORD in two instances and in each to include extraneous matter.

SPECIAL ORDER GRANTED

Mr. MILLER of Nebraska. Mr. Speaker, I ask unanimous consent that on Monday next, after the disposition of business on the Speaker's desk and the conclusion of special orders heretofore granted, I may address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

EXTENSION OF REMARKS

Mr. VAN ZANDT asked and was given permission to extend his remarks in the RECORD and include an editorial by Hanson W. Baldwin, of the New York Times.

The SPEAKER. Under previous order of the House, the gentleman from New Jersey [Mr. HAND] is recognized for 15 minutes.

ONE-WAY STREET

Mr. HAND. Mr. Speaker, I should like briefly to call attention to the fact that in the current fiscal year the American taxpayer will be asked to dig into his pockets and turn over to the Federal Government over $5,000,000,000 for various foreign-aid programs. The major undertaking, of course, is the European recovery program, of which the lion's share is being given to Great Britain, helping her to maintain her socialistic experiment. Great Britain frequently pays us for our generous assistance by a slap in the face. The latest example is her bilateral commercial treaty with Argentina, a private trade agreement between the two countries to the exclusion of the interest of the United States. This is another illustration of the theme that I have sought to emphasize; that reciprocal trade is not reciprocal, and that our foreign policy is, indeed, a one-way street.

In addition to this primary program, we continue to carry on with imperialistic activities in Greece and Turkey and are spending and will continue to spend hundreds of millions. The military-aid program now being debated, in addition to arming western Europe, also provides additional millions for military equipment for Greece and Turkey. These reckless expenditures will never be terminated until the people themselves awaken to the realities of the situation.

Mr. Speaker, this money does not come from some inexhaustible hoard that is provided here in Washington. It comes out of the pockets of our fellow Americans who pay income taxes, who pay taxes on bread, milk, cigarettes, travel and moving picture theater tickets, handbags, telephone calls, and other so-called luxuries.

The people of New Jersey, for their share of this program, will pay $162,204,000. If this money were allowed to stay in New Jersey, instead of being extracted for the use of Greece, the rest of Europe, and Arabian refugees in Palestine, it could do an immeasurable amount of good at home.

By application of a formula, which I believe to be reasonably correct, we can break down this New Jersey share of the funds and localize them to a point where the problem is brought into sharp focus. We are getting anesthetized when we talk of billions, and we cannot conceive that the money is real, or that it belongs to us; but when we say that the share of the cost of this foreign program alone will cost the people of Atlantic County $4,704,000, the people of Cumberland County $2,109,000, the people of Cape May County $1,135,000, our people will understand that they are chipping in $8,000,000 for their share of the present annual cost of the foreign-assistance program alone. When they realize that $8,000,000 is coming directly out of their pockets in one way or the other, they are in a better position to judge for themselves whether the program is worth it to them.

Localizing this money problem even further, I find that cost allocated to sample cities of my district is as follows:

Atlantic City	$2,903,000
Bridgeton	633,000
Ocean City	195,000

Mr. Speaker, I am informed that the $162,000,000 cost to New Jersey of the foreign-assistance program is more than the entire amount of property taxes levied for the support of all of New Jersey's 566 municipal governments in 1949. It is also more than the entire State budget for fiscal 1949–50. Thus in this one phase of Federal spending alone—for foreign assistance—the people of New Jersey are paying out of their pockets more money in taxes than they pay for their local services including roads, schools, courts and all the hundreds of things which are locally provided.

Moreover, we have to look to the future for a threatened increase in the foreign-relief bill. In commenting on the President's point 4 program recently, the New York Times warned:

It is quite plain that the world's full productive and distributive equilibrium will not be achieved by 1952, and that something bigger will eventually have to take the place of Marshall plan aid.

On June 30, 1949, the House Committee on Foreign Affairs reported favorably on a scheme to give $150,000,000 to South Korea. No one knows who will be next, or for how much.

However, useless it may be, I feel obliged to call attention from time to time to this remarkable chapter in our history, when, and not for the first time either, the great hearted and generous people of this country have allowed

themselves to be the victims of an impractical idealism.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. HOEVEN (at the request of Mr. DOLLIVER), until August 22, on account of official business.

To Mr. BYRNE of New York, for an indefinite period, on account of sickness in family.

To Mr. DINGELL, indefinitely, beginning August 24, on account of official business to attend the interparliamentary conference.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1232. An act to increase the equipment maintenance allowance payable to rural carriers; to the Committee on Post Office and Civil Service.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 3440. An act for the addition of certain lands to Rocky Mountain National Park, Colo., and for other purposes; and

H. R. 5086. An act to accord privileges of free importation to members of the armed forces of other nations, to grant certain extensions of time for tax purposes, and to facilitate the tax administration.

The SPEAKER announced his signature to enrolled bills and a joint resolution of the Senate of the following titles:

S. 555. An act for the relief of Eiko Nakamura;

S. 622. An act for the relief of Isaiah Johnson;

S. 787. An act for the relief of William (Vasilios) Kotsakis.

S. 855. An act to authorize a program of useful public works for the development of the Territory of Alaska;

S. 1026. An act for the relief of Roman Szymanski and Anastosia Szymanski;

S. 1949. An act to authorize the lease of the Federal correctional institution at Sandstone, Minn., to the State of Minnesota;

S. 1962. An act to amend the cotton-and wheat-marketing-quota provisions of the Agricultural Adjustment Act of 1938, as amended;

S. 1977. An act to extend the time within which legislative employees may come within the purview of the Civil Service Retirement Act;

S. 2170. An act for the relief of W. P. Bartel;

S. 2391. An act to authorize the construction, operation, and maintenance of the Weber Basin reclamation project, Utah; and

S. J. Res. 3. Joint resolution to provide that any future payments by the Republic of Finland on the principal or interest of its debt of the First World War to the United States shall be used to provide educational and technical instruction and training in the United States for citizens of Finland and American books and technical equipment for institutions of higher education in Finland, and to provide opportunities for American citizens to carry out academic and scientific enterprises in Finland.

BILLS PRESENTED TO THE PRESIDENT

Mrs. NORTON, from the Committee on House Administration, reported that that committee did on the following dates present to the President, for his approval, bills of the House of the following titles:

On August 16, 1949:

H. R. 559. An act to confer jurisdiction upon the United States District Court for the Central Division of the Southern District of California to hear, determine, and render judgment upon the claims of the city of Needles, Calif., and the California-Pacific Utilities Co.;

H. R. 631. An act for the relief of Mrs. Dorothy Vicencio;

H. R. 1137. An act for the relief of J. W. Greenwood, Jr.;

H. R. 1505. An act for the relief of Harry Warren;

H. R. 1604. An act conferring jurisdiction upon the Court of Claims to hear and determine the claim of Breinig Bros., Inc.; and

H. R. 2634. An act to provide transportation on Canadian vessels between Skagway, Alaska, and other points in Alaska, and between Hyder, Alaska, and other points in Alaska or the continental United States, either directly or via a foreign port, or for any part of the transportation.

On August 17, 1949:

H. R. 3417. An act to amend the act entitled "An act to provide for cooperation by the Smithsonian Institution with State, educational, and scientific organizations in the United States for continuing ethnological researches on the American Indians," approved April 10, 1928, and for other purposes; and

H. R. 3825. An act to amend the Federal Crop Insurance Act.

ADJOURNMENT

Mr. PRIEST. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 39 minutes p. m.), under its previous order, the House adjourned until tomorrow, Thursday, August 18, 1949, at 10 a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

866. A letter from the Chairman, United States Maritime Commission, transmitting a draft of a proposed bill entitled "To authorize the United States Maritime Commission to provide war risk and certain marine and liability insurance; to the Committee on Merchant Marine and Fisheries.

867. A letter from the Secretary of Defense, transmitting a draft of a proposed bill entitled "To authorize attendance of civilians at schools conducted by the Departments of the Army, Navy, and Air Force, and Joint-Service Schools, and for other purposes"; to the Committee on Armed Services.

868. A letter from the Secretary of the Army, transmitting a draft of a proposed bill entitled "For the relief of Mrs. Maud E. Raymond, widow of Alcide Raymond"; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. JENNINGS: Committee on the Judiciary. S. 934. An act to provide for the detention, care, and treatment of persons of unsound mind in certain Federal reservations in Virginia and Maryland; without amendment (Rept. No. 1273). Referred to the Committee of the Whole House on the State of the Union.

Mr. HESELTON: Committee on Interstate and Foreign Commerce. House Joint Resolution 338. Joint resolution to authorize the Administrator of Civil Aeronautics to undertake a project under the Federal Airport Act for the development and improvement of Logan International Airport at Boston, Mass., during the fiscal year 1950; without amendment (Rept. No. 1274). Referred to the Committee of the Whole House on the State of the Union.

Mr. PETERSON: Committee of conference. H. R. 2859. A bill to authorize the sale of public lands in Alaska; (Rept. No. 1275). Ordered to be printed.

Mr. PETERSON: Committee of conference. H. R. 2877. A bill to authorize the addition of certain lands to the Big Bend National Park, in the State of Texas, and for other purposes: (Rept. No. 1276). Ordered to be printed.

Mr. ENGLE of California: Committee of conference. S. 1647. An act to eliminate premium payments in the purchase of Government royalty oil under existing contracts entered into pursuant to the act of July 13, 1946 (60 Stat. 533) (Rept. No. 1277). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LANE: Committee on the Judiciary. S. 377. An act for the relief of Ernest J. Jenkins; without amendment (Rept. No. 1270). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. S. 1834. An act for the relief of the widow of Robert V. Holland; without amendment (Rept. No. 1271). Referred to the Committee of the Whole House.

Mr. KEATING: Committee on the Judiciary. H. R. 2087. A bill for the relief of S2c Joseph T. Sypko; with amendments. (Rept. No. 1272). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ALLEN of Louisiana:

H. R. 6022. A bill to increase the rates of compensation of certain employees of the Department of Medicine and Surgery of the Veterans' Administration, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. BREHM:

H. R. 6023. A bill to provide more efficient dental care for the personnel of the United States Army and the United States Air Force; to the Committee on Armed Services.

By Mr. CARNAHAN:

H. R. 6024. A bill to amend the Federal Alcohol Administration Act with respect to labeling and advertising certain domestic whiskey as aged; to the Committee on Interstate and Foreign Commerce.

By Mr. CASE of South Dakota:

H. R. 6025. A bill to repeal the excise tax on the sale of electrical energy for domestic or commercial consumption; to the Committee on Ways and Means.

By Mr. HERTER:

H. R. 6026. A bill to establish a program of foreign economic development; to the Committee on Foreign Affairs.

By Mr. HORAN:

H. R. 6027. A bill to amend the Tariff Act of 1930, and for other purposes; to the Committee on Ways and Means.

By Mr. JENNINGS:

H. R. 6028. A bill to provide for the establishment of a ferry across the Powell River at or near Lead Mine Bend, Tenn.; to the Committee on Public Works.

By Mr. KEATING:

H. R. 6029. A bill to amend part VIII of Veterans Regulation No. 1 (a) so as to provide entitlement to educational benefits for those individuals who enlisted or reenlisted prior to October 6, 1945, on a same basis as for those individuals who enlisted or reenlisted within 1 year after October 6, 1945; to the Committee on Veterans' Affairs.

By Mr. MOULDER:

H. R. 6030. A bill to amend the Federal Alcohol Administration Act with respect to labeling and advertising certain domestic whisky as aged; to the Committee on Interstate and Foreign Commerce.

By Mr. PHILLIPS of California:

H. R. 6031. A bill to authorize an agreement between the United States and Mexico for the joint construction and operation and maintenance by the International Boundary and Water Commission, United States and Mexico, of a sanitation project for the cities of Calexico, Calif., and Mexicali, Lower California, Mexico; to the Committee on Foreign Affairs.

By Mr. QUINN:

H. R. 6032. A bill to amend section 5 of the Federal Alcohol Administration Act as amended, to provide a definition of the term "age" as used in the labeling and advertising of whisky; to the Committee on Interstate and Foreign Commerce.

By Mr. RANKIN:

H. R. 6033. A bill to provide for a preliminary examination and survey of the Hatchie and Tuscumbia Rivers in Mississippi and Tennessee, for the purpose of determining action necessary to control floods and provide proper drainage in the areas through which such rivers flow; to the Committee on Public Works.

H. R. 6034. A bill to provide for the establishment of a veterans' hospital for Negro veterans at the birthplace of Booker T. Washington in Franklin County, Va.; to the Committee on Veterans' Affairs.

By Mr. CHUDOFF:

H. R. 6035. A bill to amend the National Housing Act, as amended, and for other purposes; to the Committee on Banking and Currency.

By Mr. GRANAHAN:

H. R. 6036. A bill to authorize the construction of a research laboratory for the Quartermaster Corps, United States Army, at a location to be selected by the Secretary of Defense; to the Committee on Armed Services.

By Mr. LANE:

H. R. 6037. A bill to amend the National Housing Act, as amended, and for other purposes; to the Committee on Banking and Currency.

By Mr. BENNETT of Florida:

H. Res. 328. Resolution providing for the consideration of the bill H. R. 4766, to authorize certain construction at military and naval installations, and for other purposes; to the Committee on Rules.

By Mr. COOLEY:

H. Res. 329. Resolution providing for the consideration of Senate Joint Resolution 53, to provide for the reforestation and revegetation of the forest and range lands of the national forests, and for other purposes; to the Committee on Rules.

By Mr. LANE:

H. Res. 330. Resolution creating a Select Committee on Potato Price-Support Program in Aroostook County, Maine; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ENGLE of California:

H. R. 6038. A bill to provide for issuance of a supplemental patent to Charles A. Gann, patentee No. 152419, for certain land in California; to the Committee on Public Lands.

By Mr. HOFFMAN of Illinois:

H. R. 6039. A bill for the relief of Anna K. McQuilkin; to the Committee on the Judiciary.

H. R. 6040. A bill to provide for the naturalization of Leo Battistella; to the Committee on the Judiciary.

H. R. 6041. A bill to provide for the naturalization of Mrs. Annunziata Vittore; to the Committee on the Judiciary.

By Mr. KEATING:

H. R. 6042. A bill for the relief of Mannuel O. Zariquiey; to the Committee on the Judiciary.

By Mr. McCARTHY:

H. R. 6043. A bill for the relief of Anastazia Bolek; to the Committee on the Judiciary.

By Mr. MANSFIELD:

H. R. 6044. A bill for the relief of Anna Russo; to the Committee on the Judiciary.

H. R. 6045. A bill to direct the Secretary of the Army to reconvey certain land to the Missoula Chamber of Commerce, Missoula, Mont.; to the Committee on Armed Services.

H. R. 6046. A bill to reimburse the Missoula Chamber of Commerce, Missoula, Mont., for its expenditures in connection with the acquisition, and conveyance to the United States, of certain land for the enlargement of the Fort Missoula Military Reservation; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1416. By the SPEAKER. Petition of John Jarrett and others, Chambersburg, Pa., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1417. Also, petition of Mary Herzog and others, Blaine, Wash., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1418. Also, petition of Mrs. C. A. Anderson and others, Seattle, Wash., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1419. Also, petition of I. C. Ellis and others, Orlando, Fla., requesting passage of H. R. 2135, and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1420. Also, petition of St. Petersburg Townsend Club No. 1, St. Petersburg, Fla., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1421. Also, petition of Associated Townsend Clubs of Hillsborough County, Tampa, Fla., requesting passage of H. R. 2135 and H. R. 2136, known as Townsend plan; to the Committee on Ways and Means.

1422. Also, petition of Mrs. Mae Clayton and others, Tampa, Fla., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1423. Also, petition of West Palm Beach Townsend Club No. 1, West Palm Beach, Fla., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

SENATE

THURSDAY, AUGUST 18, 1949

(Legislative day of Thursday, June 2, 1949)

The Senate met, in executive session, at 12 o'clock meridian, on the expiration of the recess.

Rev. Ralph Candler John, S. T. M., William Frazer McDowell professor of religion, American University, Washington, D. C., offered the following prayer:

Eternal God, Thou in whose mind a thousand years are as but a day and a watch in the night, we pause midst the rush of this bourne of time and place to acknowledge Thy sovereignty over our lives and to beseech Thy guidance. Our prayer is that Thou wilt help us to share the perspectives of Thy understanding, that small things may appear to be what they are and that great things may have their due share of the resources of our time and talent. We would live, O God, in a manner relevant to the needs of the day which Thou hast given.

Make us to know the benediction of Thy presence. Be with us for direction, for comfort, and for strength. Through Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. McCARRAN, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, August 17, 1949, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the bill (H. R. 1279) for the relief of George Hampton.

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

NOMINATION OF TOM C. CLARK TO BE ASSOCIATE JUSTICE OF THE SUPREME COURT

Mr. McCARRAN. I suggest the absence of a quorum.

Mr. WHERRY. Mr. President, will the acting majority leader yield for a moment? We are working under a unanimous-consent agreement and it is very vital that the full amount of time be allowed to the proponents and the opponents of this nomination. I see the distinguished Senator from Michigan [Mr. FERGUSON] is present now. I am wondering——

Mr. FERGUSON. Mr. President, I hope a quorum call will be waived.

Mr. McCARRAN. I thought the Senator wanted a full Senate.

Mr. FERGUSON. I do, but I assume that the Members of the Senate will be here shortly.

Mr. McCARRAN. Very well.

The PRESIDENT pro tempore. The question is, Will the Senate advise and consent to the nomination of Tom C. Clark to be Associate Justice of the Supreme Court of the United States?

Mr. McCARRAN. Mr. President, may I inquire about how much time the Senator from Michigan expects to occupy?

Mr. FERGUSON. I desire an hour at first.

Mr. McCARRAN. Very well. My understanding is that there is a unanimous-consent agreement to vote at 3:30 p. m., and I understand there is to be an equal division of time.

The PRESIDENT pro tempore. That is correct.

Mr. McCARRAN. The Senator from Michigan wishes an hour at this time?

Mr. FERGUSON. Yes.

Mr. McCARRAN. Very well.

Mr. FERGUSON. Mr. President, in view of the limited time at my disposal, and for the sake of continuity, I should prefer not to be interrupted in the course of my remarks. I hope that at their conclusion I will have sufficient time to yield for any questions which Members of the Senate may wish to address to me.

Article 2, section 2, of the Constitution provides that the President of the United States "shall nominate, and by and with the advice and consent of the Senate, shall appoint * * * Judges of the Supreme Court."

Members of the Senate here and now are being called upon to give their advice and consent to the appointment of Tom C. Clark to be Associate Justice of the Supreme Court. It is a constitutional responsibility, and, as such, it is a solemn responsibility.

No man can find pleasure in standing on the floor of the Senate, and particularly in this room, with all the shades of history which gather here, to oppose the confirmation of any person nominated to the Supreme Court of the United States.

Mr. President, this is the very room in which the Supreme Court of the United States sat for many years. The junior Senator from Michigan was admitted to the bar of the Supreme Court in this very Chamber. He understands the workings and the functions of the Court, and has great respect for it. That is one reason he is taking the floor of the Senate today on the pending nomination.

As I have said, no one can find pleasure in rising to oppose the confirmation of any man nominated to be a Justice of the Supreme Court of the United States. I am nevertheless forced to take that position. My remarks today are delivered out of a sense of duty and public obligation.

If one desires to question a nominee for the Supreme Court, the place assigned for that purpose is the Committee on the Judiciary. In this case such questioning has been denied by a refusal of the committee to permit the nominee to appear before it and to testify and give evidence as to his fitness.

It is a function of the Senate Committee on the Judiciary to obtain the facts for the Senate as a whole, upon which Members may base their advice and consent to an appointment to the Supreme Court.

Regrettably, the committee in this case has not fully performed its function. As a consequence, I can raise only on this occasion the questions which I conscientiously feel should be raised.

The apathy with which this nomination has in general been accepted has been a shock to many people. It is an apathy which can be explained only by the fact that the appointment is so transparently political. It is an appalling thought that the people of the United States may be resigning themselves to a fate of being dictated to by political appointments and that in consequence they feel helpless. Yet that seems to be the prevailing attitude. It may be expressed and is expressed by some in the question, "What is the use? He is going to be confirmed anyway."

Let us in the Senate bear uppermost in our minds, however, that this is not an appointment to political office. It is to the Supreme Court of the United States, the highest tribunal in our system of justice. It is a life appointment.

It is an appointment which rightly is to be distinguished from that to a Cabinet office. Cabinet officers are arms of the Executive. Their terms expire with that of the Executive. Their function is to carry out the policies of the Executive. Any doubts which arise in connection with the nomination of a Cabinet member should be resolved, if possible, in favor of the President, to whom the appointee will be responsible. But the appointment of a Supreme Court Justice is not a matter in which the Executive should enjoy primary responsibility. It is the people's appointment. The President nominates. He appoints only after the advice and consent of the Senate has been given. The Senate in giving its advice and consent is acting for the people.

As a matter of fact, in many States judiciary appointments have been taken out of the hands of the executive and the legislature, and vacancies are filled by a vote of the people. We do not follow that practice in our Federal Government. But the existence of that practice within our governmental framework in this country reflects the basic philosophy that judiciary appointments are people's appointments.

Yet there is an appalling apathy toward them. I speak not only of the present nomination but of appointments to the judicial branch of the Government generally.

In the present case the special committee on the judiciary of the American Bar Association has replied to an inquiry from the Senate committee. A telegram from its vice chairman reads:

> The special committee on the judiciary of the American Bar Association begs to inform you that it does not oppose the confirmation of Hon. Tom C. Clark as an Associate Justice of the United States Supreme Court.

I have no intention to be critical of the American Bar Association. I have hesitated to single out that communication. But unfortunately that communication illustrates something of the apathy with which the present nomination has been accepted by the public at large.

Does that telegram mean that all the members of that committee of the American Bar Association favor this nomination? No. Does it in fact say that the committee endorses the nomination? No. Does it mean that Mr. Clark is qualified? No. Does it mean that he is unqualified? The association does not say that. It merely says that the committee is not going to oppose the nomination. It is merely a resignation to apathy, the apathy of the American people and the Senate of the United States on these nominations to the most important judicial office in the land.

This apathy which I am protesting is a reflection upon each and every one of us. It is moreover a reflection upon the Court itself.

Remember that the Supreme Court is the apex of one of the three coequal branches of the Federal Government. It is the people's tribunal and the defender of the people's rights under our laws. Its function is inscribed on that great building which houses the Court: Equal justice under law. Its function is to defend, in the name of the law, men against men and men against even their Government. It is the supreme inheritor of that concept which has raised western civilization above all others in history; the belief that we shall have a Government of law and not of men.

There can be no place for mere personal or political considerations in deliberations of this kind. Any questions of policy, of a nominee's competency and integrity, automatically acquire such weight, however, that when they arise they should be answered. If there can be no answer they must nevertheless be raised.

It is the privilege of any Member of the Senate to speak out. It is the duty of every Senator to examine the record, and his conscience, before he votes.

As an individual Member of the Senate, my failure to speak out on these vital questions, and particularly on this question, would be something for which I should have to answer to the people of my State, and to the people of the United States.

Until this moment I have withheld all comment on the nomination or the qualifications of Mr. Clark. My reason, as I have indicated, lies in a belief that the proper place to raise questions, so they may be directed personally to a nominee, is in committee.

But I, and any other Senator who might have wished to follow that procedure, was shut off by committee actions. As a matter of fact, by a parliamentary device members of the committee were not even permitted to vote on the question of requesting Mr. Clark's attendance as a witness.

As a result the questions which should properly be answered by an examination of the nominee as a witness can only be raised here. In fairness to Mr. Clark and in all sincerity I regret that fact.

In addition to the questions which I would have directed to the nominee, I have certain conclusions, drawn upon personal experience with Mr. Clark, which are apart from the questions of general interest that conceivably could have been answered by him in direct examination.

These conclusions my conscience also compels me to express at this time.

I believe the action and the procedures of the Senate Judiciary Committee warrant comment at this point. I have already called attention to the manner in which it shut off possible questioning of Mr. Clark and publicly I have called that an outrage to the American people, to this body, and to Mr. Clark himself.

At the opening of hearings on Mr. Clark's nomination the chairman announced that "the order of presentation will be that those communications supporting the nomination or speaking favorably of the nominee will be read into the record."

Such an order would be perfectly proper, except for the fact that there is in the public record of the hearings now available in a stenographic transcript no indication that there was anything derogatory or critical concerning the nominee in the committee file. I understand that within the last hour or so copies of the printed record of the hearings have been delivered.

Only upon a motion made in executive session of the committee was further material from the file ordered printed as a part of the record. I have not seen that material. I am informed, however, that it was of considerable volume. It can be fairly assumed to contain critical or derogatory comment, if it is a cross section of the information and communications individual Senators have received.

If it does contain critical or derogatory information, good procedure dictates that it should have been used as the basis of questioning the nominee, in the interest of all concerned.

The point of major interest at this moment, however, is that that portion of the record has not heretofore been available, because it has just now been delivered to the Committee on the Judiciary. The Senate is in the position of acting without even a complete record of the hearings available for study.

Worthy of comment, too, is the fact that the committee permitted a personal representative of the nominee to sit with it in its executive sessions. I cannot feel that is in the interest of orderly procedure.

Mr. Clark's representative in executive sessions did make it possible for him to report to the nominee that there was pending overnight, following one such session, a motion to request the nominee's attendance as a witness. Knowing that fact, and knowing the nature of the questions upon which such a request was based, and knowing further that those questions would have to remain unresolved if he did not appear, I should think that Mr. Clark himself would have insisted upon an appearance. But he did not, and neither did the committee.

I have said that the whole procedure was not in the public interest, nor to Mr. Clark's benefit. I think that is a fair statement. We have not had a steamroller tactic in this particular case. It has been a guided-missile tactic. The nomination is now before the Senate, and we are about to vote on it.

The open hearings before the committee were confined almost exclusively to representatives of organizations which gave the opposition a left-wing characterization. I personally disagreed with the premises of several of the witnesses, and I so stated by disagreement upon occasion. Nevertheless, there ran through their testimony a thread of just concern for the nominee's attitude on civil rights, whose reiteration raises definite question of principle.

Although I am as sincerely concerned about civil rights, I believe, as any of the witnesses who appeared in opposition to Mr. Clark, I would particularly have wished to question the nominee about what I understand to be his defense of the practice of technical surveillance which he has personally condoned and which could not be done in the Justice Department without his order.

Mr. DONNELL. Mr. President, will the Senator yield for an inquiry?

Mr. FERGUSON. I desire to complete this presentation, because of the limitation of time.

Mr. DONNELL. I was about to ask the Senator what he means by technical surveillance.

Mr. FERGUSON. Technical surveillance is wire tapping. I shall raise that question later.

A great Supreme Court Justice of another day called this technical surveillance or wire tapping "a dirty business." In the same case in which Mr. Justice Holmes made that observation his equally distinguished colleague, Mr. Justice Brandeis, condemned lawbreaking as a device to catch or prosecute lawbreakers by saying:

> Crime is contagious. If the Government becomes a lawbreaker, it breeds contempt for the law.

I would have wished to question Mr. Clark, as the principal law-enforcement officer of the Nation and a prospective Supreme Court Justice, on his reported justification of wire tapping, or technical surveillance, in the face of the Federal Communications Act of 1934 which reads in part as follows:

> No person not being authorized by the sender shall intercept any communication and divulge or publish the existence, contents, substance, purport, effect, or meaning of such intercepted communication to any person.

Without prejudice to Mr. Clark's character or abilities, there is also involved in this appointment a question which I think commands the most thoughtful consideration of every Senator and every citizen, not only in connection with this nomination, but in connection with any nomination to the Supreme Court. That is the matter of going outside the judiciary to select a nominee. It is a question which should carry great weight with all who are concerned with elevating and maintaining the highest standards on the Federal bench.

Approaching the question positively one must certainly ask where better qualified personnel for the Supreme Court could possibly be found than among the experienced judiciary. Approaching it negatively, one must likewise ask himself how the best interests of justice can be served in lower courts if judges are told that as a matter of policy there is no incentive for them to distinguish themselves in their work.

That brings to mind the fact that there is a strong feeling that the courts are established only to try the Government's interest in cases, and that they are really representing the Government when the Government is on one side of the case and an individual on the other. That philosophy is too prevalent. It was brought forcibly to the attention of the Senator from Michigan when he first came to Washington, by reason of the remark of another Senator. I was told that it was understood that a certain lower court judge was to be elevated to the circuit court of appeals. That appointment was not made. Inquiry was made at the White House to ascertain why the district judge was not elevated, as it had been understood he would be. A man was placed in the position purely because of politics. It was stated that the judge of the lower court could not be elevated because he had decided against the Government in an income-tax case.

The Supreme Court and the lower courts of the United States are Government courts, in the sense that the judges are on the Government pay roll. But they are to try issues between individuals, and between individuals and the Government. We are losing sight of that viewpoint in our judiciary. Do we want men trained only in Government? Do we want them only to see the Government's side of a case? Or do we want them to look at the broad issues and the law, and try the issues between man and man and between man and Government? This is a serious problem for the people of the United States.

This whole question has been remarked upon most pointedly by Arthur Krock in the New York Times for August 2. I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a portion of his column.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

> These statistics serve to show that the past concept of what Supreme Court material should be has come largely to be disregarded by Presidents and that Mr. Truman moved within the shadow of a forming tradition when he promoted his Attorney General. This will not diminish the regret of many, including perhaps a majority of lawyers, that men who have had long and distinguished service in the Federal and State courts can hope less and less to extend its benefits to the country on the Supreme Court and realize their most natural and worthy ambition.

Mr. FERGUSON. The point is made with equal force by columnist Thomas L.

Stokes in the Washington Star of August 1:

The designation of Tom Clark to the Supreme Court was frankly disappointing in some quarters which look for judicial distinction and broad understanding of the rare kind as the ideal on the Nation's highest tribunal, though this, admittedly, is by no means the invariable rule. Such attainments can be found in our Nation among other places on our lower Federal courts, where they have been demonstrated by long testing and experience. They have been passed over again, as so often in recent years, until it has become a habit. It does not seem a good habit.

Likewise other editorial comment reflects opinion on this subject.

I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an extract from an editorial in the St. Louis Post-Dispatch of July 29, a Detroit News editorial of July 30 entitled "Judges Overlooked," and an editorial from the New York Sun of July 29.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the St. Louis Post-Dispatch of July 29, 1949]

The choice will dissappoint those who have hoped that the President would promote a judge.

One again the White House has passed by the bench in favor of a Cabinet member who is essentially a politician. Once more high-ranking Federal appellate and State supreme court judges are told in effect that the way to the Supreme Court is not upward through the ranks but from the top at the Cabinet level. Though Mr. Clark is regarded as a good legal technician, the fact remains that his confirmation will establish on the Supreme Court another Justice who has had no judicial experience.

[From the Detroit News of July 30, 1949]

Meanwhile, the Government maintains a great proving ground of judicial timber in the lower Federal courts. There, a genuine talent can assert itself and come to maturity. But President Roosevelt and his successor have conspicuously ignored this wealth of material.

Appointments to the Supreme Court in their time have been made for a variety of reasons, but seldom solely in pursuance of what ought to be the guiding principle on such occasions: That the highest bench in the land deserves nothing but the finest in its personnel.

[From the New York Sun of July 29, 1949]

The designation of Tom Clark stands as a warning and a notice to Federal judges in all minor courts that however great their professional attainments, however brilliant their opinions, however profound their knowledge of the law, however diligent their application to duty, they cannot hope for promotion by the present administration to the highest court in the land. It stands as a reserved-for-politics sign on the bench that should represent the best in judicial learning and experience.

Mr. FERGUSON. But we are here concerned primarily with the qualifications of Tom Clark as nominee to the Supreme Court bench. Questions in this area with respect to legal and judicial competence cannot be readily evaluated. One will draw his own conclusions on question of this kind from the nominee's record and in accordance with one's esteem for the qualifications that should be held by a member of the highest judicial office in the land.

Some newspaper editorial comment, as reflecting public opinion on this point, may be illuminating, however.

At this point I wish to have inserted in the RECORD extracts from an editorial which appeared in the Baltimore Sun of July 30; from a Boston Herald editorial of July 30, entitled "Mediocrity Wins"; from an editorial in the Chicago Tribune, dated August 1, entitled "Disgraceful Appointment"; and extracts from an editorial from the New York Mirror of August 2, an editorial from the Detroit Free Press of August 12, an editorial from the Providence Journal of July 30, an editorial from the Washington Post of July 30, and an editorial from the New York Herald Tribune of August 11, headed "No place for Tom Clark."

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Baltimore Sun of July 30, 1949]

Mr. Clark got his law education at the University of Texas, where he was probably little exposed, if at all, to the philosophical nihilism which has infected instruction at some other law schools. The Attorney General's experience in national politics will at least enhance his knowledge of how actual men really behave in practical affairs. These things, for what they are worth, Mr. Clark brings to the high court.

But the trouble is that this is shockingly meager equipment for a Justice of the Supreme Court in the year 1949.

* * * * *

For let us be clear about the Court's function in our cranky and delicately balanced Federal system. In that system it was conceived as the symbol of justice, of disinterestedness, of something above politics and expediency which could persuade powerful suitors even in their disappointment because they saw in its judgment something more than optical and temporal authority.

Nothing in Mr. Clark's record suggests that he will appreciate how much in the turbulent times ahead it will be necessary for the high court to invite not merely the respect but the reverence of the men and the groups engaged in the great affairs of the time.

Yet in the wise and solemn words of the late Alfred North Whitehead, "Those societies which cannot combine reverence to their symbols with freedom of revision must ultimately decay, either from anarchy or from the slow atrophy of a life stifled by useless shadows."

[From the Boston Herald of July 30, 1949]

Attorney General Tom Clark, who has been designated to fill the vacancy on the Supreme Court, is an amiable, well-meaning man. But he is totally lacking in that distinction which is expected of Justices of the Nation's highest tribunal.

* * * * *

It had been supposed that the President would take his time in making this selection. His two previous appointments to the Court were the result of long and careful consideration and both, when they came, proved to be nonpolitical.

The inappropriateness of the Clark appointment will lead many to wonder if the President feels so secure as a result of his election triumph that he is willing to use the Court as well as the Cabinet as a place for repaying political debts. Mr. Clark, it will be remembered, was one of the few Cabinet officers who went all out in campaigning for the President last year. He has also been helpful to the President in his handling of the Kansas City vote fraud inquiry in 1946.

Experience has taught that unpromising appointees often turn out to be good judges, and vice versa. Mr. Clark's lack of judicial temperament in his present job, his bungling of cases, his preoccupation with speech making and politics, may all be highly misleading. It is regrettable, however, that the President saw fit to pass over so many jurists and lawyers of proven distinction to take this chance.

[From the Chicago Tribune of August 1, 1949]

There must be at least 50,000 lawyers in the United States who know more law than Clark does or ever will. He has had no judicial experience. His record in public office is bad.

[From the Daily Mirror of August 2, 1949]

It used to be that when a Justice was appointed, he was a lawyer of great distinction—Edward White, Harlan Stone, Louis D. Brandeis, Benjamin Cardozo, Charles Evans Hughes, William Howard Taft, etc.

Today, the chief requisite for a Supreme Court appointment seems to be that the individual received a diploma from a law school, held some Government jobs under the New Deal, and needs to be moved out of the way to make room for some other politician's aspirations.

That is not good enough.

Tom Clark has been no better and no worse than his immediate predecessors as Attorney General of the United States. But no one would accuse him of being a great lawyer or an outstanding jurist.

[From the Detroit Free Press of August 12, 1949]

The vital need to keep the Supreme Court in the hands of good men learned in the law does not need stressing.

Yet President Truman names to it a political hack who did dirty work for him, as Attorney General, who is not learned in the law or in common ethics.

[From the Providence Journal of July 30, 1949]

* * * * *

There can be no other explanation of the Clark nomination than politics. Mr. Clark's record as Attorney General offers scant hope that he will be an asset to the high bench. Among the many qualified men available to fill the vacancy left by Justice Murphy, President Truman certainly could have found an individual of broader experience, greater acumen, and more judicial mold than the gregarious Democrat from Texas.

[From the Washington Post of July 30, 1949]

Mr. Clark has many admirable qualities, but he has not been an outstanding Attorney General. His courageous prosecution of John L. Lewis and his zeal in antitrust suits are offset by his careless handling of the Eisler case and his more serious lack of good judgment in advising the President as to his emergency powers under the Constitution. It is highly improbable that his name would have appeared on any list of distinguished jurists such as a conscientious President usually assembles before making an appointment to the Supreme Court. Mr. Truman needs to be reminded that a man's good fellowship has nothing more to do with his qualification to sit on our highest tribunal than has his faith.

[From the New York Herald Tribune of August 11, 1949]

What practically everybody knows is that Mr. Clark is unsuited for the Supreme Court.

Judicial experience, legal knowledge, and philosophic temper are plainly lacking. Special ability and educated discernment are minimum qualifications, but these Mr. Clark has never demonstrated. It may be that he has capacities for growth in a new and awesome field, but why should we take a Supreme Court Justice on speculation?

President Truman, of course, likes his appointee. Both are folksy, friendly, and politically molded. Mr. Clark has been a Truman man all the way, and there was a time when such devoted loyalty seemed little more than its own reward. But the team worked together at all costs, and it was inevitable that ambition would be suitably recognized. Promotion of Mr. Clark to the Supreme Court was strictly a personal selection, a bypass of higher responsibility. This was not an appointment of quality.

Mr. FERGUSON. This cross section of editorial opinion adds up to one conclusion:

The nomination before us is one of purely political motivation.

There is no real evidence of the legal and judicial competence which elementary—at least traditionally elementary—considerations for the character of the Supreme Bench demand.

I have noted, to be sure, observations from certain circles that "the nomination could have been worse," which observations are accompanied by an apparently hopeful expression that on the Bench Mr. Clark will show certain "conservative" tendencies, as though such tendencies by and of themselves constitute a qualification for the Supreme Court of the United States.

Should there be any in this body who might compromise their esteem for the qualifications of a Supreme Court Justice by any such contingent consideration, I wish to read from one of my favorite quotations in the Federalist Papers:

The benefits of the integrity and moderation of the judiciary have already been felt in more States than one. Considerate men, of every description, ought to prize whatever will tend to beget or fortify that temper in the courts; as no man can be sure that he may not be tomorrow the victim of a spirit of injustice, by which he may be a gainer today. And every man must now feel, that the inevitable tendency of such a spirit is to sap the foundations of public and private confidence, and to introduce in its stead universal distrust and distress.

Beyond questions of policy, such as a desire to see the elevation to the Supreme Court of men of proved judicial quality and experience, and questions of an individual's legal competence and judiical temperament, there are involved in the present nomination fundamental questions of integrity.

These are questions which the mutual interests of the public, the Senate, and the nominee demand should be put directly and openly, so that the record will be made clear. These are the questions which, as I have stated before, I should have preferred to raise in that manner, but which can now be raised only in Mr. Clark's absence

In raising these questions, I wish to assure the Senate, I have sought diligently to confine myself to matters which, from personal knowledge or the reliability of a published source, I think have both importance and credibility. I have sought to avoid the petty and I have sought to avoid the incredible.

I might remark that there have come to me recently many reports which, if they contain any veracity, would be vicious condemnations of Tom Clark's character and fitness. These reports have ranged from anonymous telephone calls and the statements of persons who "did not wish to be quoted" to seemingly reliable information giving promise of verification and documentation upon further investigation. But as we are to vote at 3:30 o'clock today, no such further investigation is possible. I have had neither the time nor the inclination to pursue such matters. I wish to confine myself to matters which I would have thought worthy of using as a basis for direct questioning in committee, had there been a chance, and to matters which already are on the public record.

The first of these relates to an investigation conducted by the Senate of the State of Texas in 1937.

I wish to read pertinent portions of the report to the Texas Legislature in 1937 by its investigating committee.

By the way, Mr. President, this Petroleum Council which is mentioned in the report was established by some petroleum interests in Texas in order that—as indicated by the report—certain favors could be done for members of the Petroleum Council, and against the independents and those who were not in the organization.

I shall read portions of the report which are pertinent to this matter. I read now from page 28 of the Texas Senate supplement containing the report:

The record reveals that there was some uncertainty on the part of the directing heads of the Texas Petroleum Council as to the duties of Mr. Tom C. Clark. Some of the witnesses testified that Mr. Tom Clark was selected because of the fact that he was the best suited man for the purpose of bringing about a coordination between the Attorney General's Department and the work of the Texas Petroleum Council.

Mr. Clark appeared before the committee as a witness. The committee was not able to determine from his testimony exactly what duties he performed for the salary of $1,000 a month that was paid him by the council. Mr. Clark testified that while he had appeared in Austin as a lobbyist for the Safeway chain of grocery stores, that his employment by the Safeway chain began before his partnership with the present Attorney General and thereafter it continued, and that employment was enjoyed by the partnership. It was his testimony that he was not employed by the Texas Petroleum Council as a lobbyist before the legislature, but that he had appeared in Austin as a lobbyist in opposition to the chain store tax bill and that so far as he knew the Texas Petroleum Council had engaged in no lobbying activities. It is known that at the time the confiscation law was being considered, other attorneys representing the Texas Petroleum Council were in Austin; that several members of the board of directors were here, but there is no testimony to the effect that the council, as such, financed any lobbying activities before the legislature of the State of Texas. However, the committee was unable to secure the minutes of the Texas Petroleum Council, and the president of the council, Mr. Wheelock, testified that all of his books and records were produced, which consisted merely of the auditor's reports made by public accountants, some correspondence from Tom C. Clark and W. F. Weeks, and expense accounts of Clark, Weeks, and Kilgore.

A little later the following is to be found on page 29:

It seems to the committee that where a former associate of the Attorney General, his former law partner, accepts such employment as did Mr. Tom C. Clark that he should be willing and eager to make a full disclosure to an investigating committee of his financial affairs, especially when his employment followed so closely upon the induction of his partner into a position of such responsibility. It is not the feeling or disposition of the committee to reflect upon the Attorney General or to suggest that there had been any undue influence, but the committee had evidence of a tremendous and startling increase in earnings on the part of Mr. Clark in 1935 over 1934. It was with the idea of clearing up any possible basis for a report that there had been any character of collusion between him and the Attorney General that the committee requested a full disclosure of his financial affairs. Mr. Clark declined to give this information to the committee and his banker refused to bring the records. The committee is unable to draw an accurate conclusion from this action on the part of Mr. Clark. His act in regard to this will speak for itself. At this juncture the committee feels that there exists public necessity for those in public position or closely associated with public officials to stand ready at any time to make a disclosure such as Mr. Clark was called upon to make. It was not the disposition of the committee to make public his private affairs unless they revealed some matter of public interest or involved public welfare or some other act contrary to a sound public policy. If there is any imputation to be drawn from his failure to make that disclosure to the committee, he has no one to blame other than himself. The committee had wholly reliable information that seemed to warrant and justify this inquiry, but they were denied access to records that would either have clarified the situation or made it even more confusing.

It has been said that these questions, as raised by the Texas Senate committee, were fully answered by the action of the United States Senate and its Judiciary Committee in passing upon the confirmation of Mr. Clark as Attorney General in 1945. I should like to ask if any Senator knew about this report concerning Mr. Clark at that time. There are possibly a few Senators who did, but the great majority of them, I am sure, had not heard of it.

I need only point out that the confirmation in 1945 was for a political office, as an arm of the appointing officer, the President. As I stated earlier, any doubts or questions raised in those circumstances are properly to be resolved in favor of the appointing officer, if possible. Of course, it would have been the desire of the junior Senator from Michigan, again for the benefit of the record and for the benefit of other Senators, to have questioned Mr. Clark about this report.

But as I have likewise pointed out, the situation at the present time is reversed. This is not an appointment to political office which we have before us. In the present circumstances only a thorough rebuttal to any doubts and questions arising from the Texas inquiry can be acceptable.

This is also a new Congress, with new members on the committee and in the

Senate. The knowledge of the few Senators on the former committee should not satisfy the Senate as a whole.

I should also have liked to question Mr. Clark concerning his handling of the Gerhardt Eisler case.

The New York Herald Tribune on July 29 remarked that—

> The Eisler case, which placed the United States in the humiliating position of receiving polite lessons in law from an English judge, was only the most striking of Mr. Clark's errors.

And the Washington Post, in an editorial July 30, said:

> His courageous prosecution of John L. Lewis and his zeal in antitrust suits are offset by his careless handling of the Eisler case and his more serious lack of good judgment in advising the President as to his emergency powers under the Constitution.

What happened in the Eisler case? What gross mismanagement could have permitted this criminal to escape to humiliate our law enforcement machinery and allow the criminal at large to taunt Mr. Clark from across the sea by calling him "a fool." And did Mr. Clark in final analysis agree that it was, after all, good riddance? What happened to the bail bond?

The Washington Post editorial I have been quoting from speaks also of "a serious lack of good judgment in advising the President as to his emergency powers under the Constitution."

I think that before any Senator acts to confirm this nomination he should know something about Mr. Clark's fundamental philosophy respecting the coequality of the three branches of our Government.

Does not his advice with respect to the President's emergency powers under the Constitution and his notable failures to cooperate with Congress in its investigating functions create a serious question of public policy with respect to the preeminence of the executive branch of the Government?

In the latter connection I recall particularly the Attorney General's failure to cooperate in the efforts of Congress to evaluate the workings of the Government's loyalty program. Upon specific advice and authority of the Attorney General, files and information were withheld from the Congress with a result that its efforts to weed out subversives in Government employ were brought to a dead halt.

I recall my comment upon the situation at that time. It bears reiteration now, for it is a fundamental issue of representative government and one of the most serious of these times.

I pointed out then that the policy of the executive department in withholding its cooperation from Congress in its essential fact-finding activities was forcing that body into the ridiculous and wholly untenable extremes of legislating in the dark or resorting to its constitutional defense of impeachment, neither of which extremes could I or any other faithful servant of representative government tolerate.

That vital issue of cooperation between the executive and the legislative, upon which the views of any candidate for the highest office of the third coordinate branch should most certainly be made clear, was also raised in connection with the investigation by the House Expenditures Committee into the paroles of four criminals known as Capone gangsters.

The part of the Attorney General in the handling of those paroles is a serious question in itself, and he should be questioned about it.

It is raised in the following account by Edwin A. Lahey in the Chicago Daily News, and other newspapers, of August 4, headed "Clark and the mob's paroles:"

> Just to refresh our recollection:
>
> The leaders of the Chicago mob were indicted in New York in 1943 for two specific crimes. One indictment charged a $1,000,000 shake-down of movie-industry leaders. Another charged that the mob stole another $1,000,000 from the members of the stagehands and movie operators' union, which they controlled.

Those were two serious crimes.

> The gangsters were convicted on the first indictment, and sentenced to 10 years. The second indictment remained on the books.

Some, I understand, were acquitted. I continue reading from the article, as follows:

> In 1947, when the gangsters had served the minimum time required before application for parole could be made, it was necessary that the still pending indictment in New York be cleared up before they asked for their freedom.

In other words, they were serving time for one crime, and there was still pending an indictment for another very serious crime. I continue reading from the article:

> Maury Hughes, an attorney of Dallas, Tex., and a friend of Tom Clark, who also hails from Dallas, was retained by a mysterious stranger, who has never been identified, to straighten out the record in New York. Actually, this was a routine legal assignment, but the mysterious friend of the Capone gang who retained Hughes seemed to make much of it.
>
> This stranger handed Hughes $14,000 in $100 bills outside the Commodore Hotel in New York on the day in April 1947, that the pending indictment against the mob was dismissed. Hughes' little chore in court, which cleared the way for the gangsters' parole applications, had been made simple by an order from Douglas W. McGregor, assistant to Attorney General Clark, to United States Attorney John F. X. McGohey, of New York, to file a nolle prosequi in the second indictment against the gangsters.
>
> The parole applications for the gangsters were then pushed. This job was handled by Attorney Paul Dillon, of St. Louis, who is on intimate social terms not only with President Truman but also with Willie Heeney, a member of the Capone mob, who comes from St. Louis. Dillon was also a social intimate of T. Weber Wilson, former Chairman of the Federal Board of Pardons and Paroles, now dead.
>
> On Federal parole applications, there is a blank in which the prisoner sets forth his own opinions as to why he should be free. Phil D'Andrea, one of the Capone gorillas, who carried a loaded pistol into the Federal court of Judge Wilkerson in Chicago during the trial of Scarface Al, listed the following arguments for granting his freedom:
>
> "The significant change that has occurred within me.
>
> "The awakening as to the true values of life."
>
> To make a long story short, the gangsters were sprung by the Department of Justice headed by Tom Clark.
>
> There are hundreds of men in Federal prison who do not have the connections that the Capone mob has. Many of them wrote letters to the Federal Parole Board after the gangsters hit the street. Most of these letters were very bitter.

What are the true facts in the gangsters' paroles? What was Tom Clark's real part in the granting of those paroles? Did he have knowledge of them? Did he have knowledge of the dismissal of the case in New York, so that the paroles could be granted?

Ed Lahey, who followed the case closely as a distinguished reporter, says:

> The gangsters were sprung by the Department of Justice headed by Tom Clark.

I can see why he drew that conclusion, because the case could not be dismissed without the consent of the Attorney General.

The House Expenditures Committee could affix no responsibility. But in announcing that its investigation had not been concluded, it made pointed reference to a lack of cooperation on the part of the Department of Justice. I read from page 7 of the report:

> The FBI refused to give the committee any information, assigning as its reason that it was an agency of the Department of Justice and that, acting under instructions from the Department, it could not and would not comply with the request.
>
> A request to Tom Clark, head of the Department of Justice, and to the Department of Justice, met with a refusal to furnish such information. No reason was given other than that the information was confidential and that the refusal was in compliance with an executive order issued by President Truman, which was based on a long-established policy of the executive departments dating back to the administration of President Washington.
>
> Subsequently, a report from the Department of Justice by Peyton Ford, Acting Assistant to the Attorney General, was filed with the committee. It did not contain any information of any value. It was negative in character, carried rumor and gossip, and some of the statements given to the Federal Bureau of Investigation and quoted in the report were an obvious attempt to discredit some who had been instrumental in giving publicity to the granting of the paroles.

That is the cooperation which the House says it received in trying to investigate these matters.

Representative Fred Busbey, at whose insistence the Congressional inquiry was undertaken, filed lengthy additional views as a part of the committee report. I quote from his statement at page 32 of the report:

> Statements emanating recently from Attorney General Clark, his subordinates, and his apologists attempt to create the impression that Mr. Clark had no responsibility for freeing the convicts. The maneuvers suggest the thought that this is Mr. Clark's alibi. Instead of meeting the facts the Clark apologists seek to divert attention from his part.

I ask that Mr. Busbey's individual views be printed in full following my remarks.

Mr. CONNALLY. Mr. President, reserving the right to object, let me ask who is Mr. Busbey?

Mr. FERGUSON. He was at the time a Representative in the Congress of the United States from the State of Illinois.

Mr. CONNALLY. Did he appear before the committee?

Mr. FERGUSON. No.

Mr. CONNALLY. Then I object. The Senator continues to talk about bringing persons before the committee. Of course I have not read that article——

Mr. FERGUSON. It is not an article; it is part of the Seventeenth Intermediate Report of the House Committee on Expenditures in the Executive Departments, Eighteth Congress, second session, House Report No. 2441.

Mr. CONNALLY. What is it about?

Mr. FERGUSON. It is about the hearing on the so-called Capone gang paroles.

The PRESIDING OFFICER (Mr. ELLENDER in the chair). Does the Senator yield to the Senator from Texas?

Mr. CONNALLY. I am not asking the Senator from Michigan to yield, Mr. President. I am reserving the right to object. Did not the Senator serve on one or two committees which investigated the Attorney General?

Mr. FERGUSON. Yes. I shall speak about that later.

Mr. CONNALLY. Very much later. However, I shall not object, Mr. President. The Senator has put into the RECORD several other things, so we may as well let this go in without objection.

The PRESIDING OFFICER. Without objection, the individual views of former Representative Busbey will be printed in the RECORD.

(See exhibit 1.)

Mr. FERGUSON. Certainly there is raised in this case a question of Mr. Clark's fitness which should be answered or dispelled before confirming his nomination for the highest judicial tribunal.

There is also a question of Mr. Clark's position on the tidelands oil cases, which I should have liked to explore with him if I had been given the opportunity. The facts of those cases are of course known to all Senators. But one fact, insofar as it relates to Mr. Clark, is outstanding.

The Supreme Court has laid down a clear statement of the law. Congress has not altered that statement. The findings of the Court constitute a clear mandate to the law-enforcement agencies of the Government, and yet there have been no actions brought by the Department of Justice, under Mr. Clark, fully to carry out that mandate.

There is also a question of Mr. Clark's attitude on monopolies. He has been given some attention as an antitrust prosecutor. At the outset, there arises the question of the propriety of his sitting in antitrust proceedings.

But, assuming that he must assuredly disqualify himself in any of the 160-odd actions which he is credited with instituting, should they come before the Supreme Court, does that fact alone not impose a burden upon the judicial process.

This feature of his nomination is commented upon in a St. Louis Post-Dispatch editorial from which I have inserted portions in the RECORD, but I should like to read another part of it:

> The choice will disappoint those citizens who, as litigants, will find that Tom Clark cannot participate in many decisions.
>
> As Attorney General, Mr. Clark has already filed more than 160 antitrust suits, whereas the average per Attorney General has been 42. Though Mr. Clark has won a substantial number of consent decrees, many of these suits are pending. In time a large number will go before the Supreme Court. As a Justice, Tom Clark will have to absent himself even more perhaps than any of the several Attorneys General and Solicitors General raised to the high Bench in recent years. This will mean more 4-to-4 divisions.

But I have further questions regarding Mr. Clark's true position as a trustbuster. Do the facts really bear out his reputation in this respect? Perhaps a comment by Lowell Mellett, Washington Star columnist, on May 26, 1946, has significance. He said:

> When Mr. Arnold departed to become a judge, Mr. Clark was put in charge of the division. Within a short time he was shifted by Attorney General Biddle to another division and the reason generally given in the Justice Department was that Mr. Clark was letting the fires die down in the Antitrust Division.

Mr. Ed Harris, in a St. Louis Post-Dispatch article of August 7 which graphically and objectively reviews the Attorney General's record in office covers his antimonopoly record as well. He said:

> In his 4 years as Attorney General, Clark has had his ups and downs, but he is proud of his record. Trustbusting being popular with the public, it may be significant that a bulky publicity release issued on the fourth anniversary of his stewardship takes pains to point out that under Clark 160 antitrust cases were started, contrasted with an average of only 42 for each of his predecessors since adoption of the Sherman Act in 1890. It will be recalled that Truman campaigned last year in part on a vigorous antimonopoly platform, and those who are so crass as to impute political motives to many of Clark's actions are quick to point out that the number of antitrust cases filed surged last year as the election drew near.

The real question is, did Tom Clark, the trustbuster, let the fires go out in his antimonopoly activities until it was politically expedient and politically popular to create a contrary impression?

Finally, I would have wished to question Mr. Clark regarding his basic attitude toward the laws of the land.

The following United Press dispatch, dated September 14, 1948, would have been the basis of my questions:

[From the New York Herald Tribune of September 15, 1948]

TRUMAN AND CLARK CRITICIZE HATCH ACT—DISLIKE BAN ON POLITICS BY FEDERAL EMPLOYEES

WASHINGTON, September 14.—President Truman and Attorney General Tom Clark joined today in polite but pointed criticism of the Hatch Act, which prohibits political activity by Federal employees.

The occasion was a meeting of United States district attorneys with the Chief Executive. Mr. Clark, introducing the President, said the Hatch Act ought to be called "the hatchet act because it works as an ax on us in Government."

"Even with the Hatch Act there are a lot of things that can be done and you can be assured they will be done," Mr. Clark said.

Attorney General Tom Clark said, "Even with the Hatch Act there are a lot of things that can be done, and you can be assured they will be done."

Mr. President, why do I raise that question here? As I have said, I would have liked to question Mr. Clark himself as to his attitude on the basic laws of the land. What I have been saying is material because the order in the Attorney General's Office is and has been that there can be no examination by the FBI in regard to any of the Corrupt Practice Acts or any of the civil rights cases without a specific order of the Attorney General. Nor can the United States attorneys in the local districts make investigations without the consent of the Attorney General, and such consent can even limit the number of witnesses who can be examined. That is why it is very significant to consider this statement made by Mr. Clark to the district attorneys who were meeting in Washington, "Even with the Hatch Act there are a lot of things that can be done and you can be assured they will be done."

> As in his condonance of "technical surveillance" in the face of the statute, Attorney General Clark advises his subordinates that "a lot of things can be done," notwithstanding the purpose of the act which would take those subordinates out of the realm of political activity.

The PRESIDING OFFICER. The Chair reminds the Senator that his hour is up.

Mr. FERGUSON. I yield myself another 15 minutes.

The PRESIDING OFFICER. The Senator may proceed.

Mr. FERGUSON. Mr. President, where is that precious respect for the law which distinguishes the Supreme Court of the United States from other legal systems in a statement like that? We should have the answer before we pass upon this nomination. This is doubly important as I have stated, since no vote-fraud case or civil-rights case could be investigated by the FBI or local district attorney without the consent of Clark, the Attorney General, and then only as he directed.

These are all questions of record which should be directed to Mr. Clark in the public interest and which can now only be directed to his appointment.

I come now to the account of another case. It is an account based on intimate knowledge and acquaintance. It is an account which my conscience commands must be placed in the record at this time.

This is an account of the Kansas City vote-frauds case, a general history of which is familiar to most Members of the Senate. In order that the record may be complete, however, I ask that the minority report of the Senate Committee on the Judiciary on Senate Resolution 116 of the Eightieth Congress be printed in full following my remarks.

The PRESIDING OFFICER. Is there objection?

Mr. MYERS. Would the Senator agree that there be printed also the majority report?

Mr. FERGUSON. Yes. I ask that both the reports be inserted.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibits 2 and 3.)

Mr. FERGUSON. Mr. President, the pertinent facts in the Kansas City vote frauds case are that in August of 1946 a primary election was held in the State of Missouri. The contest for the Democratic nomination to the House of Representatives in the Fifth Congressional District, which includes a part of Kansas City, received Nation-wide attention. The contestants there included Roger Slaughter, the incumbent, and Enos Axtell. The President of the United States, Harry Truman, was a resident of Missouri and publicly announced his interest in the contest by what was widely termed a "purge" effort against Slaughter and in favor of Axtell, who also was a favorite of the notorious Pendergast machine in Kansas City. Axtell was shown on the face of the returns to have received the nomination.

Immediately thereafter reports of flagrant vote frauds in the Kansas City primary were reported to the Federal Bureau of Investigation, and in succeeding weeks the reports became current and eventually the city council of Kansas City petitioned the Attorney General of the United States and others to institute an investigation of all election law violations in the primary.

Meanwhile the Kansas City Star had undertaken a vigorous private investigation—the FBI not undertaking it—but the Kansas City Star and the House Committee on Campaign Expenditures also undertook an investigation upon a complaint of one of the defeated primary candidates—again not the FBI—because it was under the sole domination of Tom C. Clark, and could not act until he gave the order, and then could act only as he gave the order, as I shall set forth later.

On October 11, 1946, the Attorney General directed the FBI to make a preliminary investigation into the matter, and I underscore the words "preliminary investigation." This authorization was restrictive in nature and the report submitted by the FBI as a result amounted only to a summary of data developed by the Kansas City Star and the Kansas City election board. In other words, they obtained only the records of the reporters of the Star, and interviewed six people.

A synopsis of the report was submitted to three Federal district judges. The Attorney General claims it was submitted to the judges for them to determine whether there was a basis for calling a grand jury. The judges denied they were asked that question, but the Attorney General used this as one of the excuses to close the file. After it was decided there was not a basis for grand jury action, the Attorney General directed that the matter be closed.

In May of 1947, a subcommittee of the Senate Judiciary Committee conducted a preliminary investigation of the matter pursuant to its consideration of a Senate resolution which called for a full investigation, "with a view to ascertaining whether the Attorney General of the United States and officers of the Department of Justice have properly performed their duties with respect to the investigation and prosecution of any violations of law which may have occurred in connection with said primary election."

In the meantime, a State grand jury returned 81 indictments against 71 individuals and on May 27, 1947, it issued its final report, which stated its belief that a type of election fraud had been perpetrated which could only have occurred through collusion and conspiracy, that being the basis of Federal intervention in such matters, and urged the Department of Justice and the FBI to reenter the investigation.

On the same date, and a day before the Senate subcommittee inquiry was to begin, the vault door to the room in the Jackson County Courthouse in Kansas City, where the ballots were stored, was blown open with explosives and all the ballots and other papers which could have been used as evidence in the prosecution of persons indicted by the State grand jury as well as in any Federal investigation, were stolen.

The following day the Attorney General instructed the FBI to investigate the theft of the ballots and 2 days later he ordered the FBI to make a full investigation of the alleged election frauds occurring in the primary of August 6, 1946, in the Fifth Missouri District, but that was only after he had been summoned before the Senate Committee on the Judiciary.

As of the present time no arrests or indictments have been made in connection with the ballot thefts although a few minor indictments have been brought under Federal law for election frauds.

A fact stands out and should be answered, as to why the Attorney General, after complaint was filed by the Senator from Missouri [Mr. KEM], and after the investigation had been begun by the Senate Committee on the Judiciary, the Attorney General of the United States started an intensive investigation of the election of the Senator from Missouri, questioning all contributors to his campaign. Why was that action taken against the Senator from Missouri after he filed a complaint? A fair question would have been: Was it to intimidate other Senators not to question the Attorney General's actions?

The Senate Judiciary Committee failed to approve the resolution for a full investigation of the Kansas City affair and a motion on the floor of the Senate to discharge the committee from further consideration of the resolution was filibustered to death at the end of the first session of the Eightieth Congress.

As chairman of the subcommittee which conducted the preliminary study of the matter, however, I arrived at certain definite conclusions. These conclusions now reflect directly upon the fitness of Mr. Tom Clark, who was the Attorney General at the time of the Kansas City vote frauds and investigations, for the high office of trust for which he is presently being considered.

I will state those conclusions:

First. The Attorney General positively restricted the FBI in its investigation of the case and in so doing prevented the probable apprehension of any persons guilty of violating the election laws.

The Attorney General told the committee that there were only four categories which the FBI could not investigate without Attorney General's consent and then only as directed. In other words, the Attorney General came before the committee and said there were only four categories of activities to which he had to give his consent before the FBI could consider them; yet it was found in a later investigation by the Senate Investigating Committee that there are 22 such categories. What are they? They should be on record. They are as follows:

Antiracketeering.

Antitrust.

Bribery. The FBI cannot make an investigation into such cases without the consent of the Attorney General, and then only as he directs.

Conditional release and parole violators. Did that apply to the Capone gang?

Departmental applicants.

Eight-hour-day law.

Extortion.

Federal Corrupt Practices Act.

Federal Escape Act.

Federal Regulation of Lobbying Act. There cannot be an investigation made by the FBI of a lobbyist unless the Department of Justice approves it.

Fraud against the Government.

Hatch Act—the very act under which he said certain "things can be done."

Interstate transportation of strikebreakers.

Kick-Back Racket Act.

July panel investigations.

Labor-Management Relations Act of 1947.

Railway Labor Act.

Applications for executive clemency and restoration of civil rights.

Illegal wearing of the Gold Star button.

Alleged criminal offenses by highly placed Government or public officials. Think of it. The FBI must secure the consent of the Attorney General before it can investigate alleged criminal offenses by highly placed Government or public officials.

War Labor Disputes Act.

Civil rights and domestic violence: Election laws.

The inconsistency of the Attorney General in his treatment of the Kansas City case made manifest by an instruction to the FBI on November 27, 1946, that, notwithstanding the fact that there had been no such complaints or independent revelations of probable law violation as has been offered in Kansas City, an unrestricted investigation of possible election frauds should be made in neighboring Wyandotte County, Kans.

The facts are briefly these: The investigation of possible election frauds was made in a county in the State adjoining Missouri. Mr. Clark and the administration were not so vitally interested in that case. A full and complete investigation was immediately ordered in Wyandotte County, Kans., and that only on the complaint of one man.

Second. In closing its files on the Kansas City case in January 6, 1947, the Department of Justice stated that a thorough investigation of the case had been made. This was contrary to the Attorney General's knowledge that the FBI investigation has been limited by his own instructions.

Third. The synopsis of the FBI report which was shown to the three judges was itself incomplete and inaccurate. They have revealed that in any event tney did not anticipate their opinion concerning the calling of a grand jury at that time could be used as a reason for not continuing the investigation. One judge, when later given an opportunity to review the information upon which the synopsis was presumably based, said it would be evidence of a conspiracy to defraud voters and that he thought the experts in the Department of Justice would have followed such leads if they were properly exercising their duties. Another judge said "this review indicated fraud and someone ought to investigate it further." The failure to continue the investigation must be attributed to the Attorney General, who had limited the inquiry in the first instance.

Fourth. The order of May 30, 1947, to conduct a full investigation into the matter was a confession of dereliction in connection with the earlier handling of the case. I submit that the mere theft of the ballots or the holding of a Senate hearing could not have made a Federal offense out of that which was not considered a Federal offense before those events.

Fifth. In communications to a Member of the United States Senate, who was seeking information as to the progress of the investigations, the Attorney General was deliberately misleading and deceitful beyond any explanation except bad faith in the discharge of his official responsibilities. In response to two letters from Senator KEM, of Missouri, the Attorney General wrote, on January 22, 1947, that "lengthy and detailed investigations into the charged irregularities" had been made, and on February 10, 1947, that "the Federal Bureau of Investigation at my instance conducted a full investigation into the charges of fraud in this primary." The record shows that the investigation was not "full and detailed," as Mr. Clark stated, and that no such "full investigation" as he reported had been made at that time.

My personal interest in the conduct of the Kansas City vote frauds case did not cease with the failure to obtain action on Senate Resolution 116 of the Eightieth Congress, or the failure to discharge the Judiciary Committee from further consideration of that resolution.

The Senate investigating subcommittee in 1948, under the chairmanship of the junior Senator from Michigan, looked further into the Kansas City case. An extensive investigation was conducted. The results of that investigation have not heretofore been revealed because of a subcommittee rule requiring unanimous consent before undertaking public hearings on any matter, and that unanimous agreement was not obtained in the subcommittee with respect to these further hearings up to the time the junior Senator from Michigan ceased to be a member of that committee at the beginning of the present session.

Such a determination by a body of a previous Congress cannot be binding upon a subsequent Congress, however, and the present question, because of its importance, requires that pertinent information, obtained in that investigation should now be given to the Senate in order that its Members may pass upon the fitness of a nominee to the Supreme Court.

In consideration of those facts, the testimony taken in that investigation has been made available to Senators on the Committee on the Judiciary in order that they might inquire as to whether or not it has a bearing upon the fitness of the Attorney General who was in charge of the Kansas City vote fraud investigation for an appointment to the Supreme Court of the United States.

These are the questions I would have put to Mr. Clark, based on that record.

Why, on July 23 or 24, 1947, did Tom C. Clark, the Attorney General of the United States, instruct an agent of the FBI, the Attorney General being the superior officer of that agent, in the manner shown by the following testimony of Mr. D. M. Ladd before the subcommittee? I shall quote Mr. Ladd. Mr. Ladd made a memorandum of the conversation he had with Tom C. Clark:

> When I took the file of the Kansas City case to the Attorney General's office yesterday, he indicated that he did not think the committee was entitled to the file. He asked about the subsequent volumes in connection with the current investigation of the election fraud, specifically as to whether there were contained therein intra-Bureau memoranda. I advised him that there were, and he stated he certainly did not think that the committee should be entitled to these, and suggested that it might be desirable to include all such material in a separate administrative file.
>
> I talked to Mr. Tolson concerning this, and he concurs with me in suggesting that we go through the latter sections of the Kansas City file and remove everything except reports, correspondence to and from the Department, and put all intra-Bureau memoranda and other similar administrative data in a separate subsection, and that hereafter in filing material in the Kansas City election file this same procedure be followed. If you approve, this will be done immediately.

The PRESIDING OFFICER. The Senator has used an hour and 15 minutes.

Mr. FERGUSON. I will take another 5 minutes.

The Attorney General also indicated that arrangements should be made so that in the event of a call from Congress the Attorney General would have to approve the delivery of the files.

A committee of the great Senate of the United States was investigating the Attorney General's office in a case which involved him. He instructed the man who had charge of that file to strip certain papers from the file so that the committee would not receive those papers. When the committee went to the Department of Justice to examine the file, what did it find? Among the files of the Attorney General's office it found a file from which certain papers had been removed, and the serial numbers of those remaining in the file altered in a manner such as to deceive the committee. Only by the use of bright lights as a detecting device was the committee able to see that erasures had been made on those remaining, and thus confirm that certain papers had been taken from the file.

That is a record of the man who would become an Associate Justice of the Supreme Court, the Court which once sat in this room, the protector of the rights of the people.

When the subcommittee did investigate and asked for the files, they were not given the entire files, but certain papers, very material to the issue, were stripped from the file, and the serial numbers were changed on the file to make it appear that the file was in regular order and complete and all the papers there when presented to the committee. Only upon the discovery of certain erasures of certain numbers was it possible to discover the fraud perpetrated upon the subcommittee. Mr. Clark, as Attorney General of the United States, was responsible for this by reason of his instructions to an agent of the FBI. The Director of the FBI, J. Edgar Hoover, was, in the opinion of the junior Senator from Michigan, not responsible for the action taken in connection with the files in view of the specific instructions from his superior, Attorney General Tom C. Clark.

It was also the desire of the Senator from Michigan to ask the Attorney General of the United States, after he had specifically permitted tapping wires in the Kansas City matter, and after the stealing of the ballots, why the records in his office show that of four men whose wires were permitted to be tapped the wires of the one generally thought most likely to have knowledge of what had gone on were not tapped. That is a very pertinent question. It should have been asked, and it should have been answered.

The Attorney General calls wire tapping "technical surveillance." I should also have asked the Attorney General whether or not it was true that he personally told a newspaper correspondent that, in connection with the Kansas City case, he had caused the wire of that newspaper correspondent to be tapped.

Mr. President, I have no desire to injure any man. I have no desire to oppose the appointment of Tom Clark to the Supreme Court of the United States for any reason except in what I sincerely and humbly believe to be the public interest.

I cannot know what weight my statements or my opinions may have in shaping the judgment of other Senators.

I can only say that I have considered it a duty of my office to speak as I have spoken and that I shall likewise consider it my duty to vote against confirmation of the nomination of Tom C. Clark to be Associate Justice of the Supreme Court of the United States.

EXHIBIT 1

ADDITIONAL VIEWS OF FRED E. BUSBEY

Late last August the attention of this committee was directed to the release from Federal prison of four Chicago men, notorious as leaders of the Capone gang. In Chicago we were told it is a matter of common

knowledge that the Capone gang is an organization of outlaws who have amassed great wealth and tremendous political power through the use of threats, violence, money, and guns at elections in which thousands of persons have been denied the freedom of the ballot.

The men had been convicted of a gross crime—extortion of more than $1,000,000 from legitimate concerns whose business could be ruined by the gangsters who had obtained control of an international labor union. They were sentenced to 10 years' imprisonment for this crime.

In addition, they were indicted a second time at New York City on a charge of using the mails to defraud the members of the International Alliance of Theatrical and Stage Employees, the union they had seized by what they call muscle. The indictment said they took more than $1,000,000 from the workers who belonged to this union.

These men, Paul Ricca, Charles Gioe, Phil D'Andrea, and Louis Campagna, were granted paroles as soon as they had served one-third of their sentences. Paroles are legal at this time, but under orderly administration of the criminal laws they are seldom or never granted to confirmed criminals or repeaters. Parole, in theory, is for the first offender, or the young criminal who may be rehabilitated and made into a useful citizen. These men were middle-aged, and according to all reports, were steeped in crime.

Rumors were rife in Chicago that the Capone gang had paid upward of $500,000 to effect the release from prison of the men said to be of high rank in the underworld. It was being said in Chicago that some Government officials had been corrupted by the gangsters' money.

In view of these reports, the following telegram was sent to United States Attorney General Tom C. Clark:

CHICAGO, ILL., *September 8, 1947.*

Attorney General TOM C. CLARK,
Department of Justice,
Washington, D. C.:

The people of the United States are entitled to and demand a full explanation regarding the parole from Federal prison of Paul Ricca alias DeLucia, Louis (Little New York) Campagna, Philip D'Andrea, and Charles Gioe.

These men by their records were four of the most notorious criminals in the history of Chicago. The Department of Justice went to considerable difficulty and great expense in convicting them of a major crime. Because of their records as proven in court it was assumed that they would not get early and secret paroles.

I demand that you make public all records immediately involving the parole of these four men. In order that the people may know whether the public is being properly protected by your Department I respectfully ask the answer to the following questions:

1. Did you as Attorney General approve or disapprove of the paroles?

2. Did the four convicts give as part of their parole applications full and accurate data on previous arrests?

3. Did they agree to make any restitution of money extorted from the film industries?

4. Did they pay income tax on the extortion money?

5. Who checked the statements of the convicts with departmental records and gave them official approval?

6. What recommendations did Mr. Fischer, the Chicago parole official, make and what did he report regarding the past activities of these four gangsters?

7. Was any outside influence used on Parole Board members or other employees of the Department of Justice?

8. Were you as Attorney General advised in advance that the men were to be released?

Your cooperation and immediate attention will be appreciated.

FRED E. BUSBEY,
Member of Congress, Third Illinois District.

The following Saturday, Attorney General Clark replied by telephone and was asked to have the Federal Bureau of Investigation make a thorough investigation of all the circumstances surrounding the paroling of these four criminals. Notwithstanding the fact that such an investigation was ordered, to this day members of this committee have been unable to get even a hint of its results, nor what was learned from interviewing 275 or more witnesses.

Soon after the Attorney General's attention was called to the stories of corruption affecting his Department, the chairman of this committee, the Honorable CLARE E. HOFFMAN of Michigan, assigned a subcommittee to start an investigation of its own, and to hear witnesses, seeking to throw all possible light on any reason there may have been for men of such reputation—men who were branded by judge and prosecutor as menaces to society and confirmed criminals—to receive the great gift of freedom from the United States Government.

In addition to the release of these men on parole, this subcommittee has considered several related incidents, including the following:

1. The four were transferred from one Federal prison to another after the warden of the Atlanta prison had protested in these words: "It is quite evident that money is being paid to obtain the transfer of these men to Leavenworth."

2. In order to make the men eligible for parole, the indictment charging the four with using the mails to defraud was dismissed with the knowledge and consent of the Attorney General.

3. Income-tax liens gainst two of the gangsters, which might have been a bar to their parole, were reduced from approximately $670,000 to $128,000 and the Treasury Department accepted the smaller sum in full settlement of the income tax of two men whom a former Attorney General of the United States had proclaimed to be boss and treasurer of a national crime syndicate, the notorious Capone gang.

Among the men who testified before the committee and admitted a prominent part in the release of the convicts on parole were the following:

1. Paul Dillon, a lawyer of St. Louis, Mo., who boasted that he had managed the St. Louis campaigns for the United States Senate of Mr. Harry Truman, now President of the United States, and who told the committee he was paid $10,000 for his service in making one appearance before the Parole Board, and nothing for having obtained the prison transfer of the four men.

2. Maury Hughes, lawyer of Dallas, Tex., who said he has known and been friendly with Attorney General Clark since Mr. Clark was 10 years old; that he was paid $15,000 for obtaining the dismissal of the mail-fraud indictment against the men seeking parole; that he never talked to Mr. Clark about the matter but did talk to three of Mr. Clark's closest assistants.

The parolees, themselves, appeared before the committee. They were evasive, tricky, shifting, dodging, and extremely careful about the answers they gave.

Obviously they were striving to avoid giving the subcommittee any information about anything; and they were successful. The parolees were almost insolent in their persistence in trying to prevent Members of Congress from extracting the truth.

Each of the parolees had a lawyer at his elbow, whispering in his ear, as he testified before this subcommittee. There was an attitude about them that was almost defiant. Their lawyers aided in their efforts to becloud the record.

The two men, Ricca and Campagna, reputed to be the present bosses of the Capone syndicate, had the effrontery to tell the subcommittee they did not know who furnished the $128,000 with which their tax liens were settled.

This subcommittee encountered opposition and practically no help from various branches of the Government of the United States in its efforts to learn why our Government acted as it did in reference to the four convicts. In fact, this subcommittee has reason to believe efforts were made to hamper it in its work. Help from the Federal Bureau of Investigation was denied us. We were refused data on what its agents had learned in the questioning of the 275 persons who may or may not have known something of importance about the paroles. Obviously there are men in high places in our government who do not want Congress to uncover the secrets of the Capone gang paroles.

It may well be that when the facts are ascertained there will be persons who should be indicted, prosecuted, and punished for malfeasance in office.

Two Parole Board members faced the subcommittee and made a pretense of justifying their conduct. The third member of the Board which granted the paroles is dead.

The whole structure of the Federal system of law enforcement is jeopardized by this parole. The parole system is under suspicion. If men of the caliber of Paul Ricca, Louis Campagna, Charles Gioe, and Phil D'Andrea are deemed worthy of parole, there is no reason for keeping others in prison.

We have heard of the political power of this gang. There has been testimony about a "vote delivery" being made as partial payment for the paroles.

Either the Parole Board was right or wrong in freeing these men. If it was right, then our whole Federal parole system needs overhauling. If they were wrong, they were wrong for one of the following reasons:

1. Out of ignorance or misplaced sympathy which should not be part of the make-up of a member of the Parole Board.

2. For political reasons, which, if they existed, have not yet been fully disclosed.

3. On orders which could come only from a person or persons to whom they considered themselves obligated or as having the right to issue such orders.

4. For money or other reward or remuneration.

We have suspicions, and rightfully so. When professional criminals are given clemency, suspicion is ordinarily aroused. In this case convicts declared by a former Attorney General of the United States to be the head men of a national gang of ruthless criminals were treated with extraordinary kindness by the Federal Parole Board.

The present Attorney General, Mr. Clark, knew the kind of men with whom he and his subordinates were dealing. He was head of the Criminal Division of the Department of Justice when these men were prosecuted in New York in the fall of 1943.

As Attorney General, Mr. Clark was the keeper of these men after they went to prison as they were sentenced to the custody of the Attorney General of the United States. He was acting in such capacity of keeper of these convicts when they were transferred from Atlanta to Leavenworth in 1945.

Mr. Clark, by virtue of his position, selected two of the members of the Board of three which granted the paroles in question. He appointed Fred S. Rogers, of Bonham, Tex., to the Parole Board in January 1947—7

months before the men were released. Mr. Clark appointed Mr. B. K. Monkiewicz, of New Britain, Conn., to the Parole Board in June 1947—2 months before the prison delivery.

This committee has made a diligent search to date for evidence regarding any possible cash payments. Our activities brought about what appeared to be an effort to mislead us. A seeming counterattack which had for its apparent object the smearing of certain persons who had nothing to do with letting the four convicts out of prison was launched. We were handed a false scent. A hue and a cry was raised against Mr. Harry A. Ash, an official of the State of Illinois, who eventually resigned. He and several other Illinoisans were targets in the falsescent campaign of which Maury Hughes, of Dallas, Tex., was a prime mover. The chairman of the Parole Board, Mr. Daniel Lyons, joined in an attack on Mr. Ash.

Mr. Hughes, apparently, was interviewed by FBI agents on or about October 6, in Washington. How or why the FBI agents happened to interview him is far from clear, because he had operated completely in the dark until then. Hughes' name did not appear of record anywhere in the transaction that resulted in the collection of a $15,000 fee for "services rendered" to Ricca, Campagna, Gioe, and D'Andrea. Unless Hughes volunteered to talk to FBI agents, there seems to have been no reason why they would seek him out, unless they knew something unknown then to any member of the congressional investigating committee, which linked Hughes to the paroles.

Mr. Hughes testified that on the night of October 5, 1947, he was at a night club in Chicago and heard a conversation at a neighboring table in which he was the subject of the talk. In his testimony, Mr. Hughes said that four men, who were drinking, were discussing the recent paroles given the Capone gangsters and blaming him "that Texas s. o. b." for the releases. He testified the men were using his name. After he had given that testimony at a committee hearing in Washington, its credibility was challenged and the statement was made that up to that time, and for 2 weeks thereafter, the name of Maury Hughes did not appear in any newspaper in connection with the Capone gang paroles.

Mr. Hughes, according to Mr. Peyton Ford's alleged report to us on the FBI investigation, told the FBI agents that the drinkers at the next table in Chicago named Ash and three prominent men affiliated with the Republican Party as being responsible for the freedom of the gangsters. He said that Mr. Ash and the three others were in a plot to put the blame on the Democratic administration, according to the drinkers at the Chicago night club.

If Mr. Hughes told the FBI agents of the part he played in the release of the gangsters, collecting $15,000 for his services, the summary of the FBI reports made no mention of that fact to this committee. It was not until long after the connection of Mr. Hughes with the dismissal of the indictment in New York had become public property that the FBI interview with Mr. Hughes was officially admitted.

That Mr. Hughes, who has been a close friend of Attorney General Tom Clark for many years, and Parole Chairman Daniel Lyons, who had been pardon attorney in the Attorney General's office for many years, both launched an attack on Harry Ash at the same time may be significant.

It is significant, also, that on the day the committee voted to send two Members of Congress to the Atlanta and Leavenworth prisons for data and records concerning the incarceration and paroling of Ricca, Campagna, Gioe, and D'Andrea that Mr. Peyton Ford ordered a grand jury investigation of the matter to be started in Chicago.

Representative Dorn, of North Carolina, and myself, on visiting the prisons, learned that the required records had been subpenaed for the grand jury at Chicago, and that witnesses whom we wanted to question had been called to Chicago. At Leavenworth the committee members were advised that the records were impounded and the testimony of prison officials was suppressed.

The committee was hampered in being unable to question Tony Accardo, who had visited the convicts in prison eight or nine times, due to an indictment having been voted against Accardo and Eugene Bernstein, the attorney who paid the Government $128,000 in behalf of Ricca and Campagna, and didn't know where the money came from. The committee had not questioned Bernstein under oath, prior to his indictment, and was not able thereafter to question him about matters that came to light after the first hearings in Chicago when he gave voluntary testimony.

What, if anything, the FBI learned about the operations of Accardo and Bernstein was not revealed to us in the document that came from Mr. Peyton Ford—a document we termed insulting to the intelligence of the Congress. It contained no information and was built around the smear attempt against Mr. Ash and several of his friends.

Months of inquiry force the conclusion that Mr. Ash was an innocent victim of a willingness on his part to be of service to his State and Nation in looking after one of his boyhood acquaintances who was about to be let out of prison on parole. Persons interested in keeping blame from those who actually did let the four men out of prison sought to make a scapegoat or whipping boy of Mr. Ash. In this they have not succeeded because no blame whatsoever attaches to him for the obvious miscarriage of justice in the clemency extended to the Chicago gangsters.

As further proof of my contention that Mr. Harry Ash was singled out for political purposes to be discredited because he was a Republican, I cite the following facts:

Mr. Ash did not communicate with the Parole Board asking that these four gangsters be paroled, but merely offered to act as parole adviser to Charles Gioe in an effort to rehabilitate him in society; while on the other hand, the other three parole advisers, Dr. Walter Lawrence, for Louis Campagna; Mr. John Tiberia, for Phil D'Andrea; and the Reverend C. Marzano, for Paul De Lucia, not only agreed to act as parole advisers, but also wrote letters to the Parole Board asking for their release. At no time did Mr. Daniel Lyons bring any of these three names into the testimony, let alone singling them out for special attention like he did Mr. Harry Ash.

The attack on Mr. Ash and some of his associates caused this committee to waste a great amount of time. We have been unable to go into many phases of conditions in Chicago which may have had more than an incidental relation to the freeing of the men. The fact that a Federal grand jury was supposed to be making a complete and thorough investigation of the same subject caused us to wait to see what it produced.

Therefore, we made no inquiry regarding the statement that the money paid on the tax liens against Ricca and Campagna came from slot machines permitted by the authorities to be operated in Cook County for some weeks prior to the election of November 4, 1946, at which we were told, friend of Ricca, Campagna, Gioe, and D'Andrea were responsible for "herding" thousands of Italian-Americans to the polls, to vote as ordered by "the Capone syndicate."

The fact that Mr. Bernstein and Mr. Accardo were indicted was due to evidence obtained by this committee at its Chicago hearings in September 1947. When Mr. Peyton Ford ordered the grand jury inquiry in Chicago, the committee deferred further inquiry along that line.

It is noteworthy, we believe, that since that time, early in November, no other person or persons were indicted in connection with the investigation. Mr. Accardo and Mr. Bernstein have now obtained a continuance so that their trial has been postponed until sometime next November, a year after they were accused of conspiracy in connection with the illegal visits made to the prison.

This committee furnished the evidence for the only indictments resulting so far. This committee has been willing at all times to do its part in getting at the truth about this seeming miscarriage of justice. It is the opinion of the undersigned that this inquiry should be continued until every possible lead has been run down and we are able to say, positively, that money was or was not paid for these paroles to persons other than those already named. Likewise, this committee should see to it that proper punitive measures are adopted, when all the story is told. The guilty should be punished.

The Federal Government should not condone such a flagrant abuse of power as these paroles which, if we had not acted, might have destroyed respect for law and order in the minds of countless thousands or millions of our people. Congress must continue to show the way.

This committee has the right to believe that, on the basis of evidence adduced by us, the paroles should be revoked and the four men returned to prison.

After that, the committee should pursue an intense investigation to fix responsibility and ascertain what additional money was paid for these paroles, and to whom.

In order to pursue such investigation effectively there should be in the future better cooperation between the Department of Justice, the Federal Bureau of Investigation, the grand jury in Chicago, and our committee. The people are entitled to know the facts and full truth about the granting of these paroles, and this committee should not cease its efforts until all possible leads have been thoroughly investigated. There should be no more suppression of facts or evidence, and no further secrecy. The public is entitled to this, and no less.

Statements emanating recently from Attorney General Clark, his subordinates, and his apologists, attempt to create the impression that Mr. Clark had no responsibility for freeing the convicts. The maneuvers suggest the thought that this is Mr. Clark's alibi. Instead of meeting the facts the Clark apologists seek to divert attention from his part. Mr. Clark and his cohorts, by attacking the Chicago Tribune and its reporter, Mr. James Doherty, seek to create the inference that this is a matter of politics, and not an inquiry into what appears to have been a gross miscarriage of justice. Regardless of what has appeared in any newspaper, it is a fact that—

1. The Parole Board set free four men who had committed a grievous crime and who were notorious criminals.

2. The Parole Board is under Mr. Clark's control. He personally appointed two of the three men who freed the Chicago gangsters.

3. Mr. Clark paved the way out of prison for the gangsters by approving the dismissal of the mail-fraud indictment against them in New York.

4. Mr. Clark's friend, Maury Hughes, acted for the convicts.

5. President Truman's friend, Paul Dillon, acted for the convicts.

6. Mr. Clark, as superior to the head of the Federal prison system had a responsibility for the prison transfer of the men for which "it is quite evident that money is being paid," according to Warden Sanford.

7. Mr. Clark, as superior to the head of the Federal prison system, did not prevent Tony Accardo, gangster, from visiting the convicts in prison

8. Mr. Clark, after the convicts were paroled, was responsible for the order of secrecy that sought to prevent the public from learning what had happened.

9. Mr. Clark's friend, Maury Hughes, and his subordinate, Daniel Lyons, started the smear campaign.

10. Mr. Clark defied Congress and also refused to allow Mr. Hoover, head of the FBI, to give the congressional committee any information or help.

If Mr. Clark's claim that he is the victim of attack by a newspaper is his only response to this committee's request for help, and its complaint that he refused such help, it may be comforting to him—but only to him.

It should be said here, too, that Mr. Clark's control of the grand jury investigation at Chicago has been of no help to this committee. Let Mr. Clark show by some affirmative action that he is trying to bring out the truth in this investigation, instead of labeling himself the poor innocent victim of the hatred of a newspaper.

The inference of Mr. Clark and his friends that I am a party to any political attack on him appears to be only a subterfuge or alibi.

Mr. HARDY, a minority member of the committee, contends in his report that the President did not refuse to furnish the committee with information collected by the FBI; that the refusal was merely a routine procedure of the Department of Justice.

Whether the President has surrendered his prerogatives to others I have no way of learning. I do know that, on the 2d of October and again on the 4th of October 1947, the chairman of the committee addressed a letter to "The President, the White House," which was a request that the President issue an Executive order "permitting and authorizing the Department of Justice, the Federal Bureau of Investigation, and the Treasury Department to make available to the committee certain information needed in investigating the granting of paroles to Paul Ricca, Philip D'Andrea, Charles Gioe, and Louis Campagna.

But don't take my word for it. Read the letters, which are as follows:

OCTOBER 2, 1947.

The PRESIDENT,
The White House.

MY DEAR MR. PRESIDENT: Mr. Douglas McGregor of the Attorney General's office today advised Mr. William Young of our committee which is investigating the facts and circumstances in connection with the granting of paroles to Paul Ricca, Philip D'Andrea, Charles Gioe, Louis Campagna, and which is also investigating the activities of the Parole and Pardon Board, that he could not and would not give us information contained in the records which has to do with the granting of pardons.

In that connection he gave Mr. Young a copy of a letter from Frank Murphy, then Attorney General, dated March 28, 1939, also a memorandum prepared on the same date by Golden W. Bell, then Assistant Solicitor General.

Mr. Young was also handed a copy of the "Rules Governing Petitions for Executive Clemency—Department of Justice" issued by Tom C. Clark, Attorney General, and approved by you on January 19, 1946.

Inasmuch as some members of our subcommittee and of the committee are interested in ascertaining the basis for the granting of certain pardons and particularly a pardon granted to Frank Boehm in which Paul Dillon, I am advised, appeared as his attorney, this information is sought.

Mr. Young also requested that he be permitted to examine the files in connection with the pardoning of certain individuals who were prosecuted and convicted in connection with certain election frauds in Kansas City.

Will you kindly advise whether this information is to be made available to our subcommittee or the committee?

Faithfully yours,

CLARE HOFFMAN, *Chairman.*

OCTOBER 4, 1947.

The PRESIDENT,
The White House.

MY DEAR MR. PRESIDENT: A subcommittee of the House Committee on Expenditures in the Executive Departments is investigating the facts and circumstances surrounding the granting of paroles to Paul Ricca, Philip D'Andrea, Charles Gioe, and Louis Campagna.

The parolees named above were convicted of a conspiracy to obtain, by unlawful means, from a certain industry something like a million dollars.

The testimony already taken indicates that each had an income from a source other than legitimate business.

There is in the possession of the Bureau of Internal Revenue, information bearing upon the question as to whether the paroles were obtained by fraud and misrepresentation.

The Federal Bureau of Investigation has been, and is, making an investigation in connection with the granting of these paroles. Speaking yesterday with a representative of the Federal Bureau of Investigation, authorized to talk with the attorney in charge of the files in the Internal Revenue Bureau which contains the information the committee is seeking, the chairman of the committee was advised that it was doubtful if the information could be made available without an executive order, this notwithstanding the authority conferred upon the committee by section 105 of title 5, United States Code, section 101 of Public Law 601, section 121 of the Reorganization Act, and House Resolution 118, adopted the last session of Congress.

While not conceding the right of the Treasury Department, the Federal Bureau of Investigation or the Department of Justice to deny this information to the committee, to avoid delay and multiplicity of inquiries, this is a request that an executive order be issued permitting and authorizing the Department of Justice, the Federal Bureau of Investigation and the Treasury Department to make available to the committee investigating the above matters any and all information collected or in the possession of the agencies and departments named, so that the committee may ascertain the facts and make its report to the full committee which is charged with making a report to Congress.

Faithfully yours,

CLARE E. HOFFMAN, *Chairman.*

OFFICE OF THE ATTORNEY GENERAL,
Washington, D. C., October 15, 1947.

Hon. CLARE E. HOFFMAN,
Chairman, Committee on Expenditures in the Executive Departments, House of Representatives, Washington, D. C.

MY DEAR MR. CHAIRMAN: Your letters of October 2 and October 4, 1947, addressed to the President, have been referred to this Department for consideration and reply. The requests contained therein, and the application thereto of established legal principles, have received careful study.

With reference to your letter of October 2:

You mention that your committee is investigating paroles which were granted to Paul Ricca et al. For your information, may I point out that all duties having to do with the parole of United States prisoners are vested by statute in the Board of Parole, which acts independently of the President and the Attorney General.

You have requested that your committee be permitted to examine certain pardon files which are in the custody of the Department of Justice. May I respectfully call to your attention two letters by the Attorney General, one dated August 13, 1921, addressed to the chairman of the Committee on the Judiciary of the United States Senate and the other dated March 9, 1922, addressed to the Presiding Officer of the Senate. These letters are cited in the two memoranda dated March 28, 1939, to which you refer in your letter. They clearly show that under constitutional authority, the pardoning power vested in the executive branch is not amenable to control by either of the other branches of the Government, nor is the executive branch, in the exercise thereof, answerable to them. In this connection, I may also refer you to the principles and authorities given below.

With reference to your letter of October 4, 1947:

The substance of your letter is a request that the reports of investigative agencies of the executive departments be made available to your committee. Such reports have long been held to be of a confidential nature. I believe your attention has already been called to the opinion of the Attorney General, dated April 30, 1941, addressed to the Honorable Carl Vinson, chairman of the House Committee on Naval Affairs, setting forth the principles by which this Department must be governed with reference to the inviolability of the confidential character of investigative reports. Bound by these principles, the Department has constantly and consistently declined to allow access to such reports to the Congress or committees of that body. The decisions of the United States courts have continuously recognized the propriety of this position. And with reference to the necessity of preserving the integrity of the three great branches of our Government—legislative, executive, and judicial—free of encroachments by one upon the other, I may refer you also to an opinion of the Attorney General rendered in 1937 (39 Op. A. G. 61).

Similarly, Attorney General Mitchell, in volume 37, Opinions of the Attorney General, page 56, dated January 24, 1933, in advising President Hoover, said:

"Since the organization of the Government, Presidents have felt bound to insist upon the maintenance of the executive functions unimpaired by legislative encroachment, just as the legislative branch has felt bound to resist interference with its powers by the Executive. * * * Each President has felt it his duty to pass the Executive authority on to his successor unimpaired by the adoption of dangerous precedents."

In view of the foregoing, I feel certain that you can readily see the reasons why we cannot turn over to your committee the investigative reports or files you seek and also why we cannot advise the issuance of an Executive order to that end, although it remains our desire to cooperate with and be of assistance to the Congress and its committees at all times.

With kind regards,

Sincerely yours,

PHILIP B. PERLMAN,
Acting Attorney General.

It is rather significant that typewritten copies of the minority report supposedly prepared by Hon. PORTER HARDY, Jr., a minority member of the subcommittee, were released to the press by Mr. Leo Cadison, public relations official of the Department of Justice. Usually minority reports are released by the minority members. I leave it to those who read this report as to whether or not they think the minority report was written by Mr. HARDY or someone in the Department of Justice.

Various newspapers are to be commended for the assistance and publicity given this

investigation. The Chicago Tribune is entitled to special mention for having assigned a man in the person of James Doherty to devote all of his time to this case since September of last year. Mr. Doherty has been intimately acquainted with the operations of the Capone gang for many years and much of the evidence brought out at our hearings is due to information and leads obtained through him. The committee, Congress, and the public should be very grateful, indeed, for the service rendered society by Mr. Doherty's splendid cooperation in the investigation of the parole of these four convicts.

Special mention should also be given Lt. William Drury and Capt. Tom Connelly, and the Chicago Herald-American who gave the committee valuable assistance, and they should be commended for their services by Congress and the public. Also Mr. Theodore Link, of the St. Louis Post-Dispatch, who gave us help and is deserving of our appreciation. In addition, Mr. Edwin Leahy, of the Chicago Daily News, who covered the original trial and conviction of these four men in New York City has assisted the investigation materially.

The chairman of the committee, the members of the subcommittee who cooperated, and all who aided in the pursuit of facts pertaining to the granting of these paroles and our endeavor to ascertain whether or not money was paid in connection with the paroles and who may have received it, have earned the appreciation and gratitude of all law-abiding and patriotic citizens. Notwithstanding the fact that many obstacles have been thrown in our way in our efforts to do our duty, I heartily recommend that the committee continue its investigation until it is thoroughly satisfied it has done everything possible to uncover any and all pertinent facts surrounding the granting of these paroles.

FRED E. BUSBEY.

EXHIBIT 2

KANSAS CITY VOTE FRAUD—MINORITY REPORT TO FULL COMMITTEE (ON S. RES. 116)

STATEMENT OF HOMER FERGUSON, SENATOR FROM MICHIGAN, CHAIRMAN OF THE SUBCOMMITTEE ON SENATE RESOLUTION 116

Senate Resolution 116, which was referred to the Senate Committee on the Judiciary reads in part as follows:

"*Resolved,* That the Committee on the Judiciary, or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete study and investigation concerning the failure of the Attorney General of the United States and the Department of Justice to act with respect to alleged irregularities in the Democratic primary election held in the Fifth Congressional District for Missouri on August 6, 1946, with a view to ascertaining whether the Attorney General and the officers of the Department of Justice have properly performed their duties with respect to the investigation and prosecution of any violations of law which may have occurred in connection with said primary election. The committee shall report to the Senate at the earliest practicable date the results of its study and investigation, together with such recommendations as it may deem advisable."

At a Judiciary Committee meeting on May 26, 1947, the above resolution was considered and referred to a subcommittee to consider this measure and to make a preliminary study of the subject matter.

As directed, preliminary public hearings were held on May 28, June 5 and 6 by your subcommittee, at which the following witnesses, among others, were heard: (1) Attorney General Tom C. Clark, (2) FBI Director J. Edgar Hoover, (3) Federal Judges Reeves, Ridge, and Collet, and (4) District Attorney Sam Wear.

As a result of these preliminary hearings, the following facts were developed:

The election

The primary election in Missouri was held on August 6, 1946, at which time candidates were to be nominated by each political party for various State offices, as well as for United States Senator and Representatives in Congress. In the Fifth Missouri Congressional District, constituting part of Jackson County, Mo., which in turn includes most of the city of Kansas City, Mo., there were three candidates for the Democratic nomination for Representative in Congress: Roger Slaughter (the incumbent), Enos Axtell, and Jerome Walsh. Axtell was shown on the face of the returns to have received the Democratic nomination for Representative in Congress from that district.

In the Fourth Missouri Congressional District, which includes the remainder of Jackson County and the remainder of the city of Kansas City, Mo., there were two Democratic candidates, and C. Jasper Bell was shown on the face of the returns to have received the Democratic nomination for Representative in Congress from that district.

Reports of fraud

On August 12, 1946, the Kansas City office of the Federal Bureau of Investigation received an anonymous telephone call, alleging that there were flagrant vote frauds in the primary election at Kansas City. This information was transmitted to FBI headquarters in Washington, D. C., and by FBI Director Hoover to Assistant Attorney General Thereon C. Caudle on August 14, 1946 (p. 49). The FBI was advised by Caudle, on September 5, 1946, that no investigation was warranted by reason of said anonymous telephone call (p. 49).

On September 16, 1946, Ludwick Graves, chairman of the Kansas City Board of Election Commissioners, called Sam Wear, United States district attorney for the western district of Missouri, and asked him if he would be willing to confer with the board because there was some suspicion there might be some election fraud (p. 483). The following day, Wear did talk to the board of election commissioners and then he, Wear, conferred by telephone with the Department of Justice, probably Caudle (p. 486), concerning the request of the board of election commissioners for aid of the Government in connection with rumored irregularities in the recent primary election in Kansas City, Mo. (p. 484). Pursuant to the information received by telephone, on September 18, 1946, Wear wrote a letter to the members of the election board, in which he stated:

"If you or any other reputable men could furnish any substantial evidence indicating any fraud, that the Department of Justice would immediately turn the matter over to the Federal Bureau of Investigation and have a complete and full investigation made. * * * from the assurance of the Department of Justice, I am confident an immediate full investigation will be made" (pp. 484, 485).

A copy of the entire letter is identified as exhibit 1, and attached hereto.

On October 7, 1946, the City Council of Kansas City, Mo., passed a resolution requesting the Attorney General of the United States, the United States district attorney, and the prosecuting attorney of Jackson County, Mo., "to proceed immediately and promptly with an investigation of all violations of election laws at the primary, August 6, 1946, to the end that all persons guilty of violating either the Federal or State laws, or both, be prosecuted in appropriate courts" (p. 132).

A copy of this resolution was sent to Attorney General Clark, Washington, D. C., and to United States District Attorney Wear at Kansas City, Mo.

Investigation by Kansas City Star

The Kansas City Star, a newspaper in Kansas City, Mo., became convinced that there were election irregularities in the primary election. It assigned 2 of its reporters to supervise a private investigation and employed 32 former servicemen to make an examination of the poll books and to interrogate election officials and voters. One thousand three hundred and twenty-seven persons were interrogated, and many news reports, articles, and editorials appeared in the Kansas City Star reporting the information concerning election frauds disclosed by the investigation.

House Committee on Campaign Expenditures

Jerome Walsh, one of the defeated candidates for nomination for Representative in Congress, registered a complaint with the House of Representatives Special Committee on Campaign Expenditures. Two investigators were sent to Kansas City. The evidence obtained by them and by the Kansas City Star was turned over to the Attorney General with a report which in part stated:

"The investigators obtained a sufficient quantity of evidence concerning improper methods of counting, coercion, and fraudulent procedures to justify the committee's referring the entire report to the Attorney General."

The members of this committee, a majority of whom were Democrats, were as follows: J. PERCY PRIEST, Tennessee (Democrat), JOHN E. FOGARTY, Rhode Island (Democrat), OREN HARRIS, Arkansas (Democrat), CARL T. CURTIS, Nebraska (Republican), and FRANK FELLOWS, Maine (Republican).

When the committee's report was delivered to the Attorney General it consisted of several envelopes containing detailed data of voting irregularities in different precincts of Kansas City. One of these envelopes, marked "Exhibit (5)," contained the following memorandum attached thereto:

"Campaign Expenditures Committee, House of Representatives. This file contains evidence of five serious offenses:

"1. Impersonation of voters.

"2. Illegal ballots cast.

"3. Ballots counted by unauthorized person, the machine precinct captain.

"4. A conspiracy to induce voters to take false oaths of assistance.

"5. Many violations of the Missouri election laws."

A second envelope, marked "Exhibit (6)," contained the following memorandum attached thereto:

"Campaign Expenditures Committee, House of Representatives. Fifth precinct, second ward.

"This file contains good evidence that the Democratic precinct workers and election officials conspired to vote the names of individuals who were not expected to vote that day. It also contains proof that votes were paid for."

Attention will be directed to items 3 and 4 on exhibit (5). Item 4 refers specifically to a conspiracy and item 3 refers to the counts of ballots by unauthorized persons including a machine precinct captain. This could only have happened as a result of an agreement or conspiracy.

Investigation by FBI

During the course of the investigation by the Kansas City Star, various articles published in that newspaper were sent to the office of Attorney General Clark by the United States district attorney in Kansas City. Caudle advised the FBI on October 2, 1946, that "if investigation was desired, the Bureau would be so informed" (p. 49). This directs attention to the fact that the FBI was not to make any investigation in this case until instructions were received from the Attorney General.

On October 11, 1946, the Attorney General, by memorandum, instructed the FBI to conduct a preliminary investigation of the allegations of the complainants in this case. The pertinent parts of this memorandum are as follows:

"A study of the material at hand indicates possible violation of sections 51 and 52, title 18, United States Code. It is accordingly requested that a preliminary investigation be undertaken along the lines indicated below. * * * reports of the investigators indicate that persons, first, are officially listed as having voted while claiming that they did not vote; or, second, are officially listed as not having voted while claiming they did vote; or, three, appeared at the polling place and found that their names had already been voted. These latter irregularities indicate a violation of section 51 for if the charge can be substantiated they would have amounted to a conspiracy to deny to qualified voters their federally secured right to vote for a candidate for Federal office, to have that vote counted as cast, and to have all legitimate ballots honestly and accurately counted free of dilution or falsification and fictitious ballots" (pp. 3, 4).

A copy of this memorandum in full is identified as exhibit 2 and attached hereto.

It is observed from a reading of the entire memorandum, that this authorization limited the witnesses to be interviewed to persons designated in the memorandum. Those designated included no person suspected or accused of crime, included no person having first-hand knowledge of possible violations, and included only those who obviously had only hearsay knowledge. It is observed that the persons to be interviewed are of only two classes; first, members of the board of election commissioners and, second, employees of the Kansas City Star. All other witnesses are excluded.

On October 17, 1946, the FBI started its investigation and concluded it on October 24, 1946 (flyleaf of FBI report). The significant fact will here be noted that it was not until this latter date, October 24, 1946, that District Attorney Wear actually received official information of the preliminary investigation, in the form of a copy of the memorandum dated October 11, 1946, from the Attorney General to the FBI. Seven men were assigned to the investigation. A total of six persons, those specifically named in the memorandum from the Attorney General, were interrogated and the FBI made an examination of the evidence of election irregularities obtained by the investigators of the Kansas City Star. A report consisting of 355 pages was prepared. Although the FBI might have, under the instructions received from the Attorney General, interviewed the 32 former servicemen employed by the Kansas City Star, the 2 Kansas City Star reporters were interviewed and these 2 men made available all material which had been obtained by the 32 former servicemen as a result of their interviews with voters in Kansas City, Mo. (FBI report, p. 4).

On October 23, 1946, FBI Agent in Charge Brantley, in Kansas City, Mo., talked by telephone to J. M. Mumford, assistant to D. M. Ladd, who is Assistant Director of the FBI, concerning the FBI preliminary report. Following that conversation Mumford prepared a memorandum to Ladd, which was, in part, as follows:

"Mr. Brantley was also instructed that the copy he sends to the United States attorney, Wear, should have a cover letter specifically and carefully pointing out that its contents do not constitute the result of an investigation but, pursuant to the specific instructions of the Attorney General, are merely a summary of the data developed by the Kansas City Star and the election board and turned over to the Bureau for the consideration of the Attorney General and the United States attorney.

"This procedure is being followed in an effort to prevent the possibility of our reports being cited as the result of investigation proving that further investigation or prosecution is not justified" (pp. 199, 200).

When this memorandum came to the attention of FBI Director Hoover certain portions of it had been underscored in red. He personally drew a line and wrote in ink:

"Were we so restricted by Department orders?" (p. 200).

He testified that he did this because—

"I sensed the necessity of meticulously following whatever the Department had instructed" (p. 62).

He was satisfied that the FBI was so restricted.

On October 24, 1946, FBI Agent Brantley in Kansas City, Mo., transmitted a copy of the FBI report to United States District Attorney Wear with a covering letter (except for caption and closing) reading as follows:

"I am transmitting herewith a copy of the report of Special Agent H. C. Boswell in the above case, dated October 24, 1946.

"I desire to advise that this report does not reflect the results of an investigation by special agents of the Federal Bureau of Investigation, and it should in nowise be considered as such. It does, however, contain information furnished us by members of the Kansas City Election Board, and information developed by investigators for the Kansas City Star. The limitations indicated herein are imposed in the instructions received by the Bureau from the Department respecting this case" (p. 56).

A copy of the FBI report was sent by FBI Agent Brantley to the FBI headquarters in Washington, which report was in turn transmitted to the Attorney General with a memorandum dated October 25, 1946, which called the attention of the Attorney General to the fact that interviews were had by the FBI with only the six persons named in the memorandum dated October 11, 1946, and that representatives of the Kansas City Star "advised that their investigation and canvass did not cover congressional and senatorial candidates to determine alleged fraud and election irregularities" (p. 184) except in a recent test check in one ward. The memorandum concluded as follows:

"You will note that only the specific investigation requested in your memorandum has been conducted, and I shall appreciate your advising me as soon as possible whether any further investigation is desired" (pp. 58, 185).

This memorandum from FBI Director Hoover to the Attorney General points out and conveys the same message as in the cover letter from Brantley to Wear, and it clearly advised the Attorney General that the FBI had completed its investigation according to instructions and would not proceed further unless it received further instructions. The Attorney General has supervision of the FBI and, if he had been of the opinion that any additional persons should have been interviewed by the FBI, he could and should have so directed. However, the Attorney General considered the investigation to be "thorough" (p. 126). This unquestionably shows that both the FBI and the Attorney General placed the same interpretation on the memorandum and both concluded that it had been fully complied with.

Preparation of synopsis of FBI report

Shortly after the receipt by District Attorney Wear of the FBI report, he prepared, in conjunction with one of his assistants, a 23-page synopsis entitled "Review of Report of Federal Bureau of Investigation, Dated October 24, 1946—Alleged Election Irregularities." This review or synopsis is not complete and is inaccurate. For example, in the FBI report, on page 68, relating to alleged election irregularities in precinct 10 of ward 1, appears a copy of a statement of Estella R. Carter.

In the review or synopsis where the evidence pertaining to this precinct and ward is summarized, there is no mention of a statement of Estella R. Carter or of the the contents of her statement. The contents of this statement were material. Commenting on it, Federal District Judge Albert L. Reeves stated that he perceived in it "a concert of action which would be in the nature of a conspiracy" (p. 411), and that he was inclined to think that there was enough in that statement to submit to a grand jury, to ask for an indictment (p. 413). District Judge Albert A. Ridge stated that while the statement "in and of itself" was not sufficient to submit to a grand jury to ask for an indictment, "there is a pattern revealed here of suspicion" (p. 432). He further stated, referring to this statement, that "There was suspicion that might require some other investigation" (p. 435). District Judge J. C. Collet indicated that he thought the "statement would call for further investigation" (p. 470).

It appears that there consistently was omitted from the synopsis reference to language used in the statements obtained by the Kansas City Star that would give rise to the probability of a conspiracy to miscount ballots, to deny a person the right to vote, or to permit or cause persons to vote who were not entitled to vote, and that numerous statements were inaccurately or incorrectly summarized by District Attorney Wear. Attached hereto and identified as "Exhibit 3" are three statements taken from the report of the FBI, from which the synopsis was made, and following each statement is the summary appearing in the synopsis prepared by Wear referring to that particular statement.

Use of the synopsis

The FBI report contained a flyleaf on which it was stated:

"Representatives of Kansas City Star state their investigation and canvass did not cover congressional and senatorial candidates to determine alleged fraud and election irregularities except in a recent test check in precinct 5, ward 2, where Kansas City Star investigators reported 14 affidavits from persons stating they voted for Roger Slaughter for Representative in Congress as contrasted with official count furnished in file of Kansas City Star of 6" (p. 81).

The same information was called to the attention of the Attorney General by FBI Director Hoover in his memorandum dated October 25, 1946 (p. 184). Attorney General Clark testified that he added the underlining shown above. In the preface of the synopsis of the FBI report it is stated that the two reporters of the Kansas City Star—"stated to the agents (five) that they made no canvass or investigation to develop information concerning fraud or irregularities which may have occurred in the United States congressional race—" and it is also stated that—"It will be observed that the information as to each precinct is incomplete, general in most instances and inconclusive as far as furnishing any certain basis for the prosecution of anyone under the provisions of section 51, title 18, United States Code" (pp. 85–86).

In spite of this, District Attorney Wear submitted a copy of this synopsis to each of the three Federal judges in Kansas City, Mo. Hon. Albert L. Reeves, Hon. J. C. Collet, and Hon. Albert A. Ridge, for an opinion whether there was evidence shown in the synopsis to justify the judges calling the Federal grand jury into session. Judge Reeves, a member of the Federal bench in excess of 24 years, stated that he could not recall ever having before been asked by a district attorney whether certain evidence should be submitted to a grand jury. Each judge was told

that a copy of the FBI report was available to him, but none read it or looked at it because they relied on the accuracy of the synopsis, and also because they did not believe that it was the proper function of a Federal judge to pass on the sufficiency of the evidence of that stage. The judges were unanimous in their opinion that the evidence shown in the synopsis did not warrant calling the grand jury into session at that time. However, all three judges testified that they either thought or assumed that the investigation would continue; that they did not know of any limitation upon the duty or authority of the FBI to make a full investigation; and that they were not asked and offered no opinion that additional investigation should not be made. Judge Reeves stated that in his opinion the statements obtained by the Kansas City Star that he heard read at the hearing would be evidence of a conspiracy to defraud voters (p. 400), and that he thought the experts in the Department of Justice would have followed such leads if they were properly exercising their duties (p. 409). Judge Collet stated that "this review indicated fraud and someone ought to investigate it further" (p. 464).

The judges never anticipated that their opinion, that there was insufficient evidence shown in the synopsis to warrant calling a grand jury at that time, could be used as a reason for not continuing the investigation by the FBI. The three judges all testified that they were never asked concerning the advisability of impounding the ballot boxes. (Since the close of the hearings before this subcommittee, District Attorney Wear "requested the Federal court to impound primary ballots and election data pending the report of the FBI and possible grand-jury action."—Kansas City Star, June 12, 1947.) In spite of this, District Attorney Wear wrote, on December 19, 1946, to the assistant to the Attorney General, Douglas W. McGregor, in part, as follows:

"I have had a long conference with our three district judges and have gone over the matter with them fully. They are unanimous in their opinion that there is not enough evidence to warrant them calling a grand jury to investigate the alleged frauds.

"I am submitting this to you so that you can have the benefit of how our three judges feel about the matter and the conclusion they have reached" (pp. 472–473).

The Attorney General informed the subcommittee that the reason he did not look into the conspiracy angle further last fall was "because the United States attorney and three Federal judges, and the Department, including the section head, and the Assistant Attorney General, the head of the Division, and the office of the assistant to the Attorney General, unanimously told me that there was not any evidence sufficient for a grand jury, for impounding the ballots, or for having further investigation" (p. 172).

Attorney General restricted investigation by FBI

The Attorney General and FBI Director Hoover both testified that the FBI had authority to make a full investigation in any case on its own initiative except in the following four classes: civil-rights cases, antitrust cases, war labor dispute cases, and election cases. District Attorney Wear added a fifth, or what is known as the criminal-flight case. In these classes of cases the FBI takes no action until directed by the Attorney General, and then takes only the specific action directed. It was testified that in election fraud cases it is now the usual procedure for the Attorney General to order the FBI to make what is termed a "preliminary" investigation in which only the complainants are interrogated. The purpose of the preliminary investigation was stated to be to determine if there were reasons disclosed justifying the making of a "full" investigation, in which case every facility of the FBI would be made available to determine if there had been a violation of Federal law. It is noted that at the time of the election fraud investigation by the FBI following the 1936 election in Kansas City, Mo., there were no restrictions by rule of the Attorney General limiting the authority of the FBI to make only the investigation specifically directed and authorized by him. In that case the FBI conducted a full and complete investigation immediately following the election and, as a result thereof, more than 250 persons were convicted in the Federal courts of illegal conduct in connection with that election. Thereafter, in 1941, the Attorney General imposed the restrictions now in force on the FBI in making investigations in this class of cases. In the instant case, acting on the instructions of the Attorney General, the FBI made only a preliminary investigation. The facts disclosed by this preliminary investigation clearly indicate to this subcommittee that there was evidence of numerous violations of Federal law. The three Federal district judges each testified that statements in the FBI report contained indications of conspiracy and that additional investigation appeared to be warranted. District Attorney Wear thought and advised the Attorney General that there were "a few things here that I thought might be investigated a little further" and that "there were probably a couple (affidavits) that would probably bear further investigation" (p. 508). Even in view of Wear's recommendation and although Attorney General Clark stated to this subcommittee that "* * * if anything showed up that the district attorney thought should be investigated, they would investigate further" (p. 31), on January 6, 1947, the investigation, on the orders of the Attorney General was stopped. Instead of using the preliminary investigation for its stated purpose, an inaccurate and incomplete synopsis of it was made and presented to the three Federal district judges for the purpose of determining if there was evidence disclosed in said synopsis to justify the calling of a grand jury at that time. The material available to the Attorney General established beyond any reasonable doubt abundant evidence of every element of a Federal crime. Attention is directed to the fact that the evidence of conspiracy in the material obtained by the Kansas City Star and made available to the Attorney General was there by accident because investigation was not directed along this line. This fact should have caused the Attorney General to have desired some investigation on this phase. No investigation as to the existence of a conspiracy was made by the FBI and none was ordered or permitted by the Attorney General. This subcommittee cannot justify (*a*) the failure of the Attorney General to cause such investigation to be made; or (*b*) the use of the report of the preliminary investigation as a report of a full investigation.

The Attorney General testified that it was "always" done, and that it was the "customary" procedure to order a preliminary investigation, and for the Attorney General to name the persons to be interviewed and to list the information to be obtained (p. 7) when complaints were received concerning election frauds.

Wyandotte County, Kans., borders Jackson County, Mo., and contains the city of Kansas City, Kans., which is considered a part of the metropolitan area of Kansas City, Mo. On November 23, 1946, the United States district attorney at Topeka, Kans., received a letter from Carl V. Rice, of Kansas City, Kans., in which it was claimed that frauds had been discovered in the recent general election in Wyandotte County, Kans.; that a county candidate had admitted that election records had been changed; and that in some precincts the total votes counted exceeded the number of voters. The letter stated that an investigation pertaining only to county officials was being conducted by the State's attorney for Wyandotte County. A request was made that the Department of Justice immediately investigate the election to determine if there had been violation of Federal laws. By telegraph a copy of the Rice letter was sent to the Attorney General on November 25, 1946, by the United States district attorney, with a request that he be directed how to proceed in this matter. It is now pointed out by the committee that in this Wyandotte County case there had been no investigation made such as made by the Kansas City Star and the complaint came from only one individual. The Attorney General sent a telegram to the United States district attorney on November 27, 1946, as follows:

"Lineation November 25, Department is today requesting FBI to investigate Wyandotte County election frauds under your direction to determine possible violations of 18 United States Code 51. Copy of authorizing memorandum follows."

The FBI was furnished a copy of the telegram from the district attorney and the above reply, and was instructed to make an investigation limited only as shown in the following instructions:

"Investigation of the charges set out above is desired to determine whether the vote for Federal candidates was nullified or diluted as a result of tampering, altering of ballots and stuffing of ballot boxes in violation of section 51, title 18, United States Code.

"It is requested that you conduct your investigation under the direction of the United States attorney."

In this Wyandotte County case the Attorney General did not instruct the FBI what witnesses only were to be interrogated. The FBI was told to make an "investigation of the charges" and the discretion as to what persons should be interrogated was left to the highly trained and expert agents of the FBI.

On December 3, 1946, FBI Director Hoover advised the Kansas City office of the FBI, in part, as follows:

"In accordance with the Department's request, you are instructed to conduct an immediate and thorough investigation and to submit a report."

Attorney General closes investigation

On January 6, 1946, by memorandum to the FBI, Assistant Attorney General Caudle ordered the file in the Kansas City election frauds case closed.

The memorandum set out at length the conclusions of the Attorney General's office, and, in part, stated:

"No evidence was uncovered to indicate a conspiracy to violate section 51, title 18, United States Code, nor is there evidence to indicate that the election judges, clerks, or anyone else, knowingly violated the Federal law. * * * No evidence is offered that anyone conspired to miscount or falsify ballots in violation of section 51, title 18, United States Code, despite the admittedly improper method of counting the ballots employed in many of the polling places.

"The investigation in this case was thorough, and we concluded that there was no certain basis for the prosecution of anyone under section 51, title 18, United States Code, for election-fraud conspiracy. This conclusion is further supported by the detailed memorandum of the United States Attorney Wear, based on the FBI report above mentioned, and submitted with his letter of November 1, 1946, to assistant to the Attorney General McGregor.

"In a supplementary letter of December 19, 1946, Mr. Wear stated that he has gone over this matter with the three judges of the western district of Missouri in a lengthy conference, and they are unanimous in this opinion that there is not enough evidence

to warrant their calling a grand jury to investigate the alleged frauds.

"Accordingly, we are closing our file, and informing you that no further investigation is desired."

The entire memorandum referred to above is identified as "Exhibit 4" and attached hereto.

Additional evidence found in files of Attorney General

Attorney General Clark delivered to this committee his official file in this matter. In it, labeled "Office memoranda," are 28 typewritten sheets of paper, each containing a summary of the evidence pertaining to election irregularities in a specific precinct. Near the bottom of almost all of these sheets are the folowing words: "Possible Federal violations—." Following this phrase appears a number or the word "None." The total of the possible Federal violations noted in the file is 173.

Attention is directed to the fact that in the memorandum from the Attorney General to the FBI directing a preliminary investigation it is stated that reports "indicate that persons first, are officially listed as having voted while claiming that they did not vote; or, second, are officially listed as not having voted while claiming they did vote; or third, appeared at the polling places and found that their names had already been voted. These latter irregularities indicate a violation of section 51."

In the above-referred-to file of the Attorney General the summaries indicate that there were 159 persons who were listed on the election records as having voted, but the evidence indicates that they did not vote; that there were 10 persons who claimed they did vote, but the election records failed to so show; and that 14 persons were not permitted to vote when they went to the polls because their names had been voted.

One page 57 of the report of the FBI it is noted that in precinct 10 of ward 1, the investigators for the Kansas City Star interviewed 121 voters of the total of 295 shown to have voted by the poll book or the 287 shown to have voted by the voting list. In the files of the Attorney General the result of the recount of ballots in this precinct by the State grand jury discloses that Axtell had been given six votes too many, Slaughter four votes too few, and Walsh three votes too few. If all the voters had been interviewed, and the same ratio of illegal votes were found, the total would have been approximately 56. There was an error of 13 in the counting, and if the same ratio were carried through, there would be a total error of 69 in the precinct. The error in this one precinct apparently is approximately 26 percent.

Numerous statements were furnished to the Attorney General by the Kansas City Star, which indicated that the election officials and others counted the ballots by stacking them into three piles of what was supposed to consist of "straight machine" ballots, "mixed" ballots, and Republican ballots. The Attorney General testified that "the agreement to count the votes that way would not be a violation of Federal law," but "if it included a miscount of votes it would be" (p. 259). In the file of the Attorney General there appears the report of the result of the recount of the ballots in seven precincts by the State grand jury, as follows:

	Official count	Grand jury count	Difference
Roger Slaughter	53	118	65
Jerome Walsh	59	185	126
Enos Axtell	1,651	1,456	195

It is particularly noted that in the memorandum of the Attorney General closing the files in this matter and directing no further investigation by the FBI, it is stated that the "investigation in this case was thorough." This obviously is an inaccurate statement. FBI Director Hoover stated that the investigation was "thorough insofar as the instructions received from the Criminal Division were concerned" (p. 68), but the instructions of the Attorney General prevented it from being a thorough investigation of the alleged violations of Federal law. Mention is made frequently in this memorandum that there is no evidence to indicate conspiracy.

It is appropriate to point out that there is evidence in the file to indicate that the investigators for the Kansas City Star made no effort to discover evidence of a conspiracy, and that the FBI investigators, within the limits of their authority, could interrogate no person, in order to obtain the original evidence of acts of conspiracy, who was present in the polling booths on election day or who likely would have reason to know of a conspiracy.

On April 29, 1947, Turner L. Smith, Chief, Civil Rights Section, sent an interoffice memorandum to Assistant Attorney General Caudle, concerning an editorial that appeared in the Kansas City Star. Smith wrote:

"If it can be established, as charged in the editorial, that certain election officials conspired to permit false votes to be cast, or conspired to make false returns, this, of course, becomes a Federal offense where a congressional candidate is involved. * * * If this can be established as a fact and responsible persons identified, we have a Federal case.

"The trouble about answering this editorial is, to date we don't have enough facts to go on."

It appears that no attempt was made by the Attorney General to obtain the original evidence of the truth of many allegations that conspiracy in violation of Federal law existed, and that as late as April 29, 1947, the Chief of the Civil Rights Section admitted that there were not sufficient facts available upon which an opinion could be based.

Nevertheless as early as January 1947, it was stated by the same department that sufficient facts were at hand for them to come to the conclusion that no evidence of conspiracy existed. This is set forth in the following section:

Senator Kem requests Attorney General to take action

On January 14, 1947, Senator JAMES P. KEM, of Missouri, wrote the Attorney General requesting "a detailed report of what you have done and expect to do to bring to justice all those guilty of the violations of the statutes enacted by the Congress."

On January 22, 1947, the Attorney General replied to Senator KEM that—

"The Criminal Division has carefully considered all information and material submitted by the House Investigating Committee to Investigate Campaign Expenditures for 1946 and the Federal Bureau of Investigation, which conducted lengthy and detailed investigations into the charged irregularities. Information compiled by the Kansas City Star upon which was predicated the original complaint to the Department has also been thoroughly analyzed.

"It is our conclusion that no basis exists for prosecution of anyone for violation of the Civil Rights Statutes."

A copy of this letter was sent to District Attorney Wear and he approved it (pp. 116, 527).

On February 10, 1947, Attorney General Clark wrote a second letter to Senator KEM, a portion of which is as follows:

"As I previously advised you, the Federal Bureau of Investigation at my instance conducted a full investigation into the charges of fraud in this primary. A careful and thorough review of the results of this investigation has been made and no evidence of a Federal violation was established."

It is noted that the Attorney General stated that, at his instance, the FBI had made a full investigation of the alleged vote frauds in Kansas City, Mo., when in truth and in fact, at his specific direction, the investigation made was something less than full, and he had specifically directed that a full investigation not be made.

In the opinion of the chairman of this subcommittee, the replies of the Attorney General were phrased in such language as are likely to mislead a Senator of the United States. In answer to an official inquiry, the Attorney General assured Senator KEM of Missouri, that the investigation was "lengthy and detailed." It was not. The Attorney General also wrote Senator KEM that the—

"Federal Bureau of Investigation, at my instance, conducted a full investigation into the charges of fraud in this primary."

No such full investigation was conducted.

State grand jury

Subsequent to the time that the Attorney General closed his files in this case and informed the FBI that no further investigation was desired, a State grand jury returned 81 indictments against 71 individuals. On May 27, 1947, the State grand jury made its final report, a portion of which is as follows:

"In our investigation it was revealed that in some precincts ballots were deliberately miscounted and false returns made of the election results to the election commissioners. We also discovered wrongful, illegal, and wholesale marking of ballots, vote buying and bribery, and illegal participation of party workers who were not polling officials in the counting of votes, gross negligence, carelessness, and indifference on the part of judges and clerks in the performance of their duties.

* * * * *

"The grand jury subpenaed the ballots, tally sheets, poll books, and other records from the election commissioners and recounted the ballots in certain precincts. Miscounts of shocking proportions were revealed. A significant fact is that where a sizable miscount of votes was found the count invariably was in favor of one factional slate of Democratic candidates. In not one instance in which a consequential miscount was found was the miscount in favor of a candidate other than the candidates upon that particular factional slate.

"The grand jury recommends further investigation including a complete recount of all ballots in the race for the Democratic nomination for Representative in Congress for the Fifth District of Missouri, by the proper authorities. It is our belief that Roger C. Slaughter, in this race was deprived of the nomination by a fraudulent miscount of votes and by other types of fraud.

* * * * *

"Our investigation revealed that in certain precincts the names of some registered voters were voted by impersonators and in some instances payments were made to the impersonators. This type of fraud can only be perpetrated by collusion and conspiracy.

* * * * *

"Our investigation and indictments further reveal that improper and unauthorized persons were wrongfully permitted by the precinct officials to handle ballots and count votes, and otherwise participate in the preparation of the official returns as certified to the election commissioners. In certain precincts watchers and challengers, usually precinct captains, unlawfully and wrongfully took charge of the ballots after the polls closed and after the ballot boxes were opened through collusion with, or intimidation of polling officials. In all precincts where this

was permitted there was a wide discrepancy between the official returns as certified by the polling officials and the true count as determined by the grand jury.

* * * * *

"In our investigation of vote frauds we have confined our efforts, of necessity, largely to a recount of the ballots. The grand jury strongly stresses the fact that in an investigation of vote frauds and irregularities the great majority of the fraud can only be substantiated and proved by a thorough, scientific examination of the ballots and records by competent scientific methods by trained men. There were definite indications of conspiracy and irregularities requiring such expert services bearing on the identity of handwriting, pencil marks, fingerprints, etc. It is a matter of general knowledge that the Federal Bureau of Investigation, United States Department of Justice, has such expert examiners and facilities to carry on such an investigation. We strongly urge that the United States Department of Justice and the FBI enter this investigation."

Ballots are stolen

On the night of May 27, 1947, less than 24 hours after the report of the State grand jury, from which the above quotations were taken, was made public, and less than 24 hours before the beginning of the hearings before this subcommittee, the vault door to the room in the Jackson County courthouse in Kansas City, Mo., where the ballots were stored, was blown open with explosives and all or substantially all the ballots which could be used as evidence in the prosecution of persons indicted by the State grand jury were stolen. These stolen ballots have not been recovered. On May 28, 1947, the Attorney General ordered the FBI to investigate the theft of the ballots, and on May 30 the Attorney General ordered the FBI to make a full investigation of the alleged election frauds occurring at the primary election held August 6, 1946, in the Fifth Congressional District in Missouri. Newspaper reports indicate that the FBI investigation has twice since May 30 been enlarged to include other areas in Missouri. FBI Director Hoover stated to this subcommittee that—

"There is no question, now that the ballots, or some of them, at least, have been stolen, that our investigation will be seriously handicapped; and it will probably require much longer time to conclude and will not be as complete as it would have been if we could have had the examination of the ballots for our investigation" (p. 131).

Recommendation

The chairman recommends that the preliminary study by this subcommittee warrants the following action:

(1) Senate Resolution 116 be reported favorably to the Senate, without amendment; and

(2) A full and complete investigation by the Senate Committee on the Judiciary be authorized and conducted.

EXHIBITS

EXHIBIT 1

SEPTEMBER 17, 1946.

Hon. LUDWICK GRAVES,
Hon. RICHARD C. JENSEN,
Hon. WILLIAM DAVIS,
Hon. JOSEPH R. STEWART,
Members of the Board of Election Commissioners, Jackson County Courthouse, Kansas City, Mo.

GENTLEMEN: I want to thank you and have you understand that I appreciate very much your calling me into conference yesterday at your office, seeking my advice and the aid of the Government in connection with rumored irregularities in the recent primary election in Kansas City, Mo.

Immediately after the conference I communicated with the Department of Justice in Washington and was advised by that Department that while they could not act upon unsupported rumors, that if you or any other reputable men could furnish any substantial evidence indicating any fraud, that the Department of Justice would immediately turn the matter over to the Federal Bureau of Investigation and have a complete and full investigation made.

I will be glad to confer with you at any time and if any new developments occur which are indicative of evidence of the violation of any Federal statute, I will be glad to have you advise me and from the assurance of the Department of Justice, I am confident an immediate full investigation will be made.

Respectfully,

SAM M. WEAR,
United States Attorney.

EXHIBIT 2

OCTOBER 11, 1946.
TCC:WJH:mab
72-43-23

Director, Bureau of Investigation.
The Attorney General.
Unknown subjects: Kansas City, Mo.
Primary election, October 6, 1946.
Election laws.

Reference is made to Assistant Attorney General Caudle's memorandum of October 2, 1946, in the above-captioned matter. As indicated in that memorandum, United States Attorney Wear at Kansas City, Mo., on September 25, 1946, forwarded to the Department investigative reports of the Kansas City Star, indicating election irregularities during the August 6 primary in the following four precincts of the Fifth Congressional District: Fourteenth ward, first precinct; nineteenth ward, second precinct; tenth ward, first precinct; first ward, twenty-fifth precinct.

These reports were submitted to the United States attorney by the Kansas City Board of Election Commissioners, who requested that he take steps to initiate an investigation of alleged violations of Federal law in the contest in the Fifth Congressional District. Since that time Mr. Wear has forwarded clippings of articles from the Kansas City Star, reporting these same and additional irregularities in the above-mentioned district. Mr. Wear has informed us that the Star investigation is continuing and the irregularities have been uncovered in some 26 precincts in addition to the 4 on which he submitted material.

A study of the material at hand indicates possible violations of sections 51 and 52, title 18, United States Code. It is accordingly requested that a preliminary investigation be undertaken along the lines indicated below. While many of the irregularities charged amount at most to violations of State law, such as assistance by election officials to voters in marking ballots without filling out necessary oaths of assistance, improper selection of election officers, improper methods of tallying and counting ballots in the absence of a showing of actual miscounting, nevertheless reports of the investigators indicate that persons (1) are officially listed as having voted while claiming they did not vote, or (2) are officially listed as not having voted while claiming they did vote, or (3) appeared at the polling place and found that their names had already been voted. These latter irregularities indicate violations of section 51, for if the charges can be substantiated they would amount to a conspiracy to deny to qualified voters their federally secured rights to vote for a candidate for Federal office, to have that vote counted as cast, and to have all legitimate ballots honestly and accurately counted, free of dilution by false or fictitious ballots. Possible violations of section 52, title 18, United States Code, are indicated if election officials, acting under "color of law" in officiating at a primary election which is an integral part of the State's electoral process, either alone or with others perpetrated denials of the rights mentioned above.

It is, therefore, requested that the following persons be interviewed and such information elicited from them as will determine (1) the identity of qualified voters who were deprived of the right to vote for a Federal candidate and (2) the identity of persons with their official position, if any, who stuffed ballot boxes with false or fictitious ballots or failed to count ballots for Federal candidates honestly or accurately; together with all circumstances surrounding the violations: (1) Ludwick Graves, Richard C. Jansen, William Davis, Joseph R. Stewart, members of the board of election commissioners, Jackson County courthouse, Kansas City, Mo.; (2) Ira B. McCarty and John P. Swift, reporters for the Kansas City Star, who have written articles on the above-described matters, and such other of the Star employees as participated in the Star investigation.

Please give this investigation your special attention and submit reports to me as promptly as possible. Please conduct your investigation in cooperation with the United States attorney at Kansas City, Mo., and furnish him copies of your reports.

EXHIBIT 3

SEPTEMBER 22, 1946.

"My name is Ida Shoats. I live at 627 East Fourteenth Street, Kansas City, Mo.

"I was a Democratic judge in the nineteenth precinct of the second ward on August 6, 1946.

"I know that the way the ballots were counted and tallied was as follows: All of the judges separated the Republican and Democratic ballots. Then the Democratic judges counted and arranged the Democratic ballots into straight-machine ballots and split ballots and the Republican judges counted the Republican ballots. We finished counting and tallying all votes in about 2 hours, to the best of my knowledge. Many voters came in and said they wanted to help and that they wanted to vote the straight Democratic ticket. If they said this we voted them or marked their tickets or ballots for the machine-backed candidates. The other Democratic judge marked the ballots; I didn't as I worked on the books. This was my first time working in this precinct although I've worked in other precincts in other elections.

"To the best of my knowledge these statements are true.

"IDA SHOATS.

"Witness:
"J. P. SWIFT, Jr.
"DWIGHT M. SMITH, Jr."

Ida Shoats, a Democratic judge (267), made a statement which does not indicate there was any intentional misconduct by the judges.

(The following is the last sentence in the summary of the evidence pertaining to precinct 19, ward 2:)

"There appears to be no substantial evidence of an election-fraud conspiracy in this precinct."

EXHIBIT 4

KANSAS CITY, MO., *September 24, 1946.*

"My name is Louise Foster. I live at 1007 Vine, Kansas City, Mo. I was a Republican challenger in the fifth precinct of the second ward in the primary election on August 6, 1946.

"I was on the inside of the polling place at 1006 Vine from about 6 a. m. until about 3 p. m. I saw that the Democratic judge, Marchese, I believe, was acting in a manner

that to me seemed wrong. On many occasions during the day, I would estimate in case of at least one-half of all the Democratic voters that came in the polls, Marchese would ask the voters name, then Marchese would take the ballot and mark it to suit himself and put in the box. The voter had no chance to vote himself. Marchese marked the ballot and asked no questions of the voter after hearing his name. I saw that Marchese never had the voter fill out an oath of assistance.

"In one case I became suspicious of the way Albert Cecils, of 915 Pasco, acted when he came to vote. So I checked later, and found that Albert Cecils, the real one, had been dead long before the primary election. I remember objecting to the Democratic judges before Cecils voted and either Marchese or Willie Costellow, said 'We know him, let him pass.' I remember that during the day several persons came in to vote and could not remember their names. They would go back outside and return immediately and say their names and vote. I believe they were not the real voters and were prompted by someone outside. In all these cases the Democratic judge marked the ballots and the voters had nothing to do with it. I remember that one of these voters came in and said 'My name is Daily.' She couldn't remember her last name and went out and came back saying 'Daily Goodspeed; I live at 1021 Paseo.'

"About 2:30 p. m. I went across the street to my home to get something to eat. I stopped in the doorway and looked across at the polling place. I saw the Democratic precinct captain, 'Jack,' hand some money in folded bills, to a voter just coming out of the polls. I know this man was a voter. I saw that Ollie Harris, the other Republican challenger, who substituted for me, following after this voter and she told me she wanted to ask him how much 'Jack' gave him. She was prevented because Jack ran down and told the voter to go on, 'that that was all right.'

"After the election, I went around the precinct to check to see if all the voters actually lived in the precinct. The following I know voted as I checked them off my list at the time they voted. What follows their name is what I was informed by inquiry at the residence.

"Walter Rattler, 1414 East Twelfth, moved 6 months ago.

"Joseph Harper, 1115 Lydia; moved 1 year ago.

"Jewell Harper, 1115 Lydia; moved 1 year ago.

"Alice E. Walker, 1115 Lydia; moved away January 1946.

"Dennis, Ace, 1123 Lydia; moved since November 1945.

"Ida Mae Shields, 1108 Vine; moved February 1946.

"I know from observing the conduct of the poll, where I served as Republican challenger, that it was not conducted honestly due to the fact that the voters did not cast, mark, or vote their ballots in over half of the votes cast, as this was done by the Democratic judge, Marchese.

"LOUISE FOSTER.

"Witness:
"DWIGHT M. SMITH, Jr.
"R. A. ERICKSON."

Louise Foster, a Republican challenger, made a statement to the newspaper investigators relating some instances of what appeared to be persons attempting to vote the names of oher persons. She claimed that one of the Democratic judges marked over half of the ballots.

"George L. Numer states that he is 57 years of age and is a postal clerk at the United States post office at Kansas City and has been such since 1911.

"Affiant states that in the last primary election on the 6th day of August, 1946, he was one of the judges in the tenth precinct of the second ward in Kansas City, Jackson County, Mo. The voting place being at 1013 East Thirteenth Street.

"Affiant states that the other judges in this voting precinct were Nathan Price, William Holmes, and Ruth E. Leamer, and the clerks were Thelma Bennett and Walter Blair.

"Affiant states that he worked as ballot-box judge.

"Affiant states that during the day when voters entered the voting headquarters that Nathan Price would frequently ask the voters if they desired help in marking their ballot and, in many instances where the voters indicated the desire for such help, Nathan Price would mark the ballot as he saw fit without asking the voter for whom he or she desired to vote.

"Affiant states that during the day Ruth E. Leamer, one of the ballot judges, would say to the voter 'Do you want a Democratic ballot?' and would not ask the voter which ballot they wanted, and, as the day progressed, would frequently just hand the voter a Democratic ballot without asking them anything about how they desired to vote.

"Affiant states that repeatedly during the day the Democratic precinct captain would come into the voting headquarters, and when the polls closed he stayed in the headquarters. I do not recall the name of the precinct captain.

"Affiant states that after the polls closed supper was brought in and that, while the others were eating, he and his precinct captain counted the number of ballots to see that they tallied and then counted the votes on the Democratic ticket for candidates for United States Senator and gave the total number of votes for each of the candidates for United States Senator to the clerks and that he and the precinct captain then counted the Republican ballots and counted the number of votes for each candidate on the Republican ballots and gave the numbers to the clerks.

'Affiant states that as soon as this was completed, the precinct captain stated 'We will not count the Democratic votes for the other candidates because it will take too long,' and the ballots were then turned over to William Holmes, who fastened them together and put them in a sack and the Democratic ballots for candidates other than United States Senator were never counted.

"Affiant further states that he makes this statement of his own free will and that he has been apprised of and knows that any statements herein contained are subject to use against him.

"GEORGE L. NUMER.

"Subscribed and sworn to before me, a notary public, this 21st day of August 1946.

"CARL E. ENGGAS, *Notary Public.*

"My commission expires October 19, 1949."

There is a statement by one George L. Numer, Republican judge, who says that the votes on the Democratic ticket for candidates for United States Senator were counted but as to the other candidates they were not counted. He must mean "Representative" instead of "Senator." He also claims that Nathan Price, Democratic judge, would assist voters in marking their ballots and would often mark them as he [Price] saw fit, without asking the voter for whom he or she desired to vote.

EXHIBIT 5

JANUARY 6, 1947.

The Director, Federal Bureau of Investigation.

Theron L. Caudle, Assistant Attorney General.

Unknown subjects; Election irregularities in Primary election; election August 6, 1946, Kansas City, Mo.

Election laws.

Reference is made to your memorandum of October 25, 1946, and report of Special Agent Boswell, dated October 24, 1946, in the above-entitled matter.

A carefully study of the report indicates that irregularities attending the primary held in the Fifth Congressional District of Missouri in Kansas City on August 6, 1946, amount to violations of State law at most. Only the following two instances of irregularity were found to concern directly the congressional race. In the fourth precinct, first ward, investigators from the Kansas City Star secured statements from three persons who claimed that they voted for Walsh, one of the candidates for Democratic nomination for Representative from the Fifth District, while the official tally credits Walsh with only one vote. No evidence was uncovered to indicate a conspiracy to violate section 51, title 18, United States Code, nor is there evidence to indicate that the election judges, clerks, or anyone else knowingly violated the Federal law. In the fifth precinct, second ward, Star investigators submitted statements of 14 persons who claimed that they voted for Slaughter, also a candidate for the same nomination, while the official total credited him with only 6. Here, too, there was no evidence of conspiracy. It is also noted that the members of the board of election commissioners, who initially requested United States Attorney Wear to investigate the conduct of the primary, informed Bureau agents that they had no information on the following matters:

Allegations of contributions to individuals to vote or not to vote; the changing or destruction of ballots after they were cast; election officials knowingly allowing persons to intimidate registered voters; election officials knowingly permitting repeaters to vote; election officials intentionally counting illegal ballots; election officials counting votes not actually cast; election officials knowingly permitting false registrations. The same officials also informed Bureau agents that they had no information with respect to any possible ballot-box stuffing during the primary election except for the information concerning five voters who contended that they had not actually voted and who, after complaining to the election officials, were permitted to vote. Here, too, there was no evidence to indicate conspiracy or election fraud.

We have further given careful consideration to the file submitted by the Special Committee to Investigate Campaign Expenditures for the House of Representatives. The file consists of a report dated October 28, 1946, of J. Raymond Hoy and Arthur T. Allen, investigators for the committee, and affidavits and statements gathered by them and attached to the report as exhibits A through M. The committee's investigation was predicated upon a complaint from Jerome Walsh, a defeated candidate for the Democratic nomination, that excessive campaign expenditures have been made, and upon the same Kansas City Star, material which formed a basis of the original complaint to the Department and which is fully set out in the above-mentioned report of Special Agent T. Boswell. The committee investigators directed much of their attention to the question of campaign expenditures which entails no violation of the Federal Corrupt Practices Act, since that act specifically excludes primaries from its operation (sec. 241, title 2, U. S. C.). Irregularities in the method of counting ballots were uncovered, but these are, at most, violations of State laws which set out the manner of counting "straight" and "split" ballots and the persons who shall count ballots. No evidence is offered that anyone conspired to miscount or falsify ballots in violation of section 51, title 18, United States Code, despite the admittedly improper method of counting ballots employed in many of the polling places.

The investigation in this case was thorough and we conclude that there is no certain basis for the prosecution of anyone under section 51, title 18, United States Code, for election fraud conspiracy. This conclusion is further supported by the detailed memorandum of United States Attorney Wear, based on the FBI report above-mentioned and submitted with his letter of November 1, 1946, to assistant to the Attorney General McGregor. In a supplementary letter of December 19, 1946, Mr. Wear stated that he has gone over this matter with the three judges of the western district of Missouri in a lengthy conference and that they are unanimous in this opinion that there is not enough evidence to warrant their calling a grand jury to investigate the alleged frauds.

Accordingly, we are closing our file and informing you that no further investigation is desired.

KANSAS CITY VOTE FRAUD—REPORT TO THE FULL COMMITTEE [ON S. REC. 116]

Your subcommittee, to whom was referred the resolution (S. Res. 116) to investigate the nonaction of the Department of Justice in connection with the alleged irregularities in the Democratic primary election in the Fifth Missouri Congressional District on August 6, 1946, having considered the same, report unfavorably thereon to the full Committee on the Judiciary and recommend that the resolution do not pass, but that it be indefinitely postponed by the full committee.

CONCLUSIONS

It is the conclusion of the subcommittee that the investigation proposed by Senate Resolution 116 would be fruitless and productive of no good result; that it would duplicate without reason the activities of other agencies; that it would amount to political harassment; and that for these and other good reasons the proposed investigation is wholly unjustified.

STATEMENT OF WILLIAM LANGER, SENATOR FROM NORTH DAKOTA

Because of the grave importance of the charges against the Attorney General of the United States reflected in this resolution, I have read the testimony with unusual care. Certain facts stand out with startling clarity. One is that the Attorney General has been terrifically burdened as an aftermath of the war. The record shows that there are about 100,000 cases a year in the Department of Justice for his supervision (R. 74). As a result the Attorney General must of necessity place Assistant Attorneys General in charge of the various divisions, including the Criminal Division, which had charge of prosecuting election frauds including the Kansas City election.

The head of any governmental department is properly held responsible for the actions of his department and for the efficiency of his assistants; but, having been myself attorney general for the State of North Dakota during the period of World War I and experienced with the duties of attorney general in a single State both during and after the war, I can well understand the multitudinous and varied matters that project themselves into the office of the Attorney General of the United States.

It is with this background that we must consider the approach of the Kansas City case to the attention of the Department of Justice. Because of the possible involvement of the President of the United States, the Attorney General must have known how highly important this election was—not only to the Republican and Democratic Parties, but to the people of the country at large. In my opinion, for such reason it would have been the part of wisdom for the Attorney General to have undertaken charge of that complaint himself rather than to have delegated the authority to an assistant, even though the latter course would have been in conformity with the usual practice. The record shows (p. 53) that the policy followed by the Attorney General was established by former Attorney General Robert Jackson on the recommendation of the Honorable Maurice Milligan, the United States district attorney at Kansas City, who himself in 1936 prosecuted the Pendergast machine for election frauds and who prosecuted Pendergast himself for income-tax violations (F. 53). Mr. Milligan, under Attorney General Murphy, was responsible for the adoption of the policy which required specific authority from the Attorney General and the initiation of a preliminary investigation where vote frauds were claimed in violation of Federal statutes (R. 54, 65). The Department of Justice followed that practice in this case. In my opinion, however, for reasons stated, the Attorney General should have himself taken personal charge of this investigation. However, I can readily conceive that during these months there were many problems facing him—strikes (including the legal proceedings involving the mine workers), important litigation involving billions of dollars (such as the notable Tidelands suit), lynchings in the South, serious immigration problems, important war-assets investigations, claims against the Government—that he could have in all honesty felt were so important to the people that they required his general supervision to the same extent as that required by violation of Civil Rights Statutes, including election irregularities.

From the Attorney General's testimony (R. 74, 75), he evidenced the fact that in his judgment this case should be handled as any other, regardless of the individuals or personalities involved.

In addition to the foregoing, the State of Missouri was undertaking a serious investigation of its own through the county grand jury which returned indictments against 78 persons because of these self-same election irregularities. Criticism has been leveled at the Attorney General because the Department of Justice did not step in and seize the ballots, some of which were stolen. Had he done so, the charge might well have been made that the Department of Justice was trying to get physical possession of the ballots for sinister purposes by impounding them and preventing their use by the county grand jury.

The Attorney General did order the Federal Bureau of Investigation to make a preliminary investigation; and, unquestionably that being a preliminary one, was subject to the same type of instructions as has been given in all other election cases. The testimony of J. Edgar Hoover, Director of the Federal Bureau of Investigation, so states (R. 50–55). Here are his words:

"Mr. HOOVER. No; I would not consider that in any way out of line, because that has been the practice in practically all of the preliminary investigations of election frauds. We have received many cases where they outline specifically whom to interview and exactly what steps we are to take.

"Senator FERGUSON. Under these instructions?

"Mr. HOOVER. Under these instructions. That is correct."

In a communication of June 18, 1947, addressed to the subcommittee, Mr. Hoover has set forth his views specifically. His impartiality and integrity are well known to all the Senate and to the American people. He would know better than perhaps any other whether there was partiality or favoritism or deliberate disregard of duty on the part of the Attorney General of the United States. He states in his letter:

"I think that in all fairness both to the committee and to the Attorney General, I should elaborate upon the specific items which appear to be in issue."

He says:

"The fact that we were ordered to make a preliminary inquiry in this case was not unusual. In the summer of 1941 Mr. Maurice Milligan, who you will recall prosecuted the original Kansas City vote fraud case in 1936, as a special assistant to former Attorney General Robert H. Jackson, instituted the policy that unless advised to the contrary in election fraud cases, preliminary inquiry was to be made only upon departmental instructions, after which the facts were to be submitted to departmental attorneys who would study the facts for decision as to further action. This same policy is followed in other classes of cases."

He further states:

"I think in all fairness I should make the observation that in the years the present Attorney General, Tom C. Clark, has been associated with the Department of Justice, I have had the opportunity of working with him in innumerable cases and I am glad to state that he has not in any way taken any action to prevent any investigation being conducted to its logical conclusion."

In determining whether more investigations should be undertaken, let us look at the record. At the present time there have been instituted the following investigations in the Fifth Congressional District in Kansas City, Mo.:

1. An investigation by the Kansas City Star with 2 experienced reporter-investigators and over 30 assistants. They have interrogated more than 8,000 people.

2. An investigation by a committee of the House of Representatives.

3. An investigation by the grand jury of Jackson County, Mo., which has returned 78 indictments.

4. An investigation under the direction of Richard K. Phelps, who was a former United States attorney in the western district of Missouri, and was chief assistant to Maurice Milligan in the prosecution of the Kansas City vote fraud when 250 persons were convicted.

5. A Federal special grand jury has been summoned to inquire into this matter. This committee has already taken the testimony of J. Edgar Hoover, Director of the Federal Bureau of Investigation; Daniel Milton Ladd, assistant director; Attorney General Tom C. Clark; Sam M. Wear, United States attorney, Kansas City, Mo.; Albert J. Reeves, Albert Ridge, J. Collett, all United States district judges for the western district of Missouri; and Allen Stokka, an employee in the office of Senator KEM.

It is difficult to overemphasize the importance of maintaining our elections free from fraud and corruption. However, I cannot in good conscience hold that the foregoing will not fully insure adequate protection of all civil rights, including those guaranteed under our Federal constitutional statutes to our citizens.

I can, therefore, see no need for further expense and effort.

I have always favored State law enforcement where the interests of the citizens could be adequately protected.

In addition, I have the strongest belief in the integrity and the honesty of the Attorney General of the United States. All of the testimony presented in this record has not changed that opinion. Had his work allowed it, I believe that he could have better served the people by giving more of his personal attention to the direction of this matter, but I can better understand his difficulty in not so doing, considering the other burdens he bears in the performance of this high office, especially in these unusual times.

I have never willingly confused criticism of a man's judgment with questioning his integrity.

I think that at no time in our history is it more important to refrain from unjust criticism, especially involving charges of lack of integrity, than today. Not only do I feel that another investigation added would produce no good; I fear it would do harm. There are stern duties facing the Attorney General

of the United States in protecting the people from other wrongs. I refer particularly to protection against plundering cartelists, racketeers, and their brethren.

The Attorney General some months ago brought to his side a new Assistant Attorney General, John F. Sonnett, who has announced for the first time since the passage of the Sherman Antitrust Act of 1890 that corporations and individuals that violate the antitrust laws are going to be arrested and prosecuted in the same manner as other criminals. This, to my mind, is one of the very important duties resting upon the Department of Justice. It has been the failure of all Attorneys General, Republican and Democratic, since 1890, to sternly enforce antitrust laws and to seek terms in prison for those involved therein. This lack of law enforcement has led to abuses in the formation of billion-dollar trusts, cartels, and monopolies.

These for a long period have borne down and burdened the American people. Never was it more important than today that these antitrust laws be rigorously and effectively enforced. We owe this to all our citizens, to the veterans returning from the war to start businesses of their own, and to others who have suffered by having competition stifled in private enterprise to such an extent that it has made it almost impossible for a small-business man to hope to compete with these vast aggregations of wealth. If our entire way of American life is to be preserved, these duties must be performed, and I have full confidence that the Attorney General will carry them out faithfully, vigorously, and effectively. It is strange, indeed, that immediately after he, for the first time in the history of the United States, as Attorney General announced that these monopolists and cartelists would be prosecuted and jailed when found guilty that he should be harassed by an investigation of this type. Nothing would give more comfort or more smug satisfaction to the heads of these giant cartels and combinations than to see the efforts of the Attorney General of the United States thus diverted from them, while they continue their practice to the detriment of millions of wage earners and millions of housewives trying to squeeze out an existence on a budget rapidly diminishing from day to day.

There are many people, according to the views expressed by the Senator from Nevada, who will feel that a continuation of such investigation and pressing of these charges are political and that those that make them have an eye to the election just around the corner, that they are made more to influence election results than to contribute to the common welfare of the people.

The Attorney General has demonstrated that he is no respecter of persons, parties, or groups.

He has proved his mettle. Witness his impartial record, whether sending prominent men of his own party to jail or battling for the common people by sternly enforcing all laws, civil and criminal, whether saving billions of dollars in oil lands or protecting the rights of the humblest citizen, regardless of race, color, or creed.

Finally, other issues facing us are of such vast importance, the people of the United States expect the undivided attention of their Senate to solve them. With the whole world prostrate, with the eyes of millions of starving people in other countries looking anxiously and hopefully to us for help and guidance, with the President of the United States confronted with one bewildering public problem after another, with the whole system of economy and our way of life being challenged here and abroad and perhaps being weighed in the balance—in these very critical days, I cannot faithfully under my oath ask this Government to expend its energy, time, and money on an investigation of this sort.

If we ever could have risked the danger of being charged with playing politics—even risk the danger of being suspected thereof—we cannot do so now. The perilous times in which we live demand nothing less than our very best. We are compelled by a common interest of survival to stand shoulder to shoulder and make our Government succeed. We certainly must not discourage those bearing these heavy burdens. For such reasons, I regret—very sincerely regret—the necessity of differing with one of my colleagues in voting against this resolution.

STATEMENT OF PAT MCCARRAN, SENATOR FROM NEVADA

Having concurred in the report of the majority of the subcommittee, I also concur generally in the statement of my colleague, the Senator from North Dakota.

In further support of my position, I submit the following discussion of the record in this matter, together with my personal findings and conclusions.

I. SUBCOMMITTEE HEARINGS PURSUANT TO SENATE RESOLUTION 116

The subcommittee to whom was referred Senate Resolution 116, first met on May 28, 1947. Subsequent meetings were held on June 5 and 6. Evidence was taken with respect to the Department of Justice's handling of complaints concerning the primary election in the Fifth Congressional District, Kansas City, Mo., held on August 6, 1946.

In the course of these hearings a number of witnesses appeared and testified in reference to the subject matter, among whom were: J. Edgar Hoover, Director, Federal Bureau of Investigation; Daniel Milton Ladd, Assistant Director of the Federal Bureau of Investigation; Attorney General Tom C. Clark; Sam M. Wear, United States attorney, Kansas City, Mo.; Albert J. Reeves, Jr., Albert A. Ridge, and J. Caskie Collet, United States district judges for the western district of Missouri; and Alden A. Stockard, an employee in the office of Senator KEM, appearing in the dual capacity as assistant to Senator KEM and as a witness in these proceedings.

In addition to the testimony of these witnesses, a number of interoffice communications between the divisions, the United States attorney, and the Federal Bureau of Investigation, all of the Department of Justice, were introduced in evidence. A report compiled by the Federal Bureau of Investigation, consisting of 355 pages and legal memoranda, and briefs covering same were received. The subcommittee also reviewed the investigation of this matter by the Special Committee to Investigate Campaign Expenditures of the House of Representatives, 1946.

II. CONCLUSIONS

1. The jurisdiction of the Federal Government over election irregularities committed in connection with primary elections for candidates for Federal office has been limited since 1894, when the Federal election statutes were repealed. Since that time it has been the duty primarily of the several States to deal with such problems, and Missouri, among others, has statutes covering the primary election irregularities indicated by this evidence. The State authorities are currently conducting prosecutions under State law upon these irregularities.

2. The Federal statutes do not provide for Federal enforcement with respect to irregularities in elections in the following situations:

(a) They do not make it a Federal crime to accept or pay a bribe in connection with a primary election, or to conspire to do so (*United States* v. *Bathgate*, 246 U. S. 220).

(b) They do not cover a private individual who, without conspiring with others, votes in the name of another person, living or dead, or otherwise votes falsely, stuffs a ballot box, or otherwise commits or aids the commission of election irregularities (*United States* v. *Mosley*, 238 U. S. 383; *United States* v. *Classic*, 313 U. S. 299; *United States* v. *Saylor*, 322 U. S. 385).

3. In dealing with the numerous election irregularities complaints which have been received by it in the past, the Department of Justice, since 1940, has consistently and properly followed a policy of conducting preliminary investigations to ascertain whether enough evidence of violation of Federal statutes appears to warrant full investigation. The Criminal Division of the Department of Justice, after receiving orders from the Attorney General that this matter be investigated, followed the regular policy in such matters. The evidence clearly establishes that the initial instructions of the Criminal Division for investigation were entirely proper and called for a preliminary investigation, typical of instructions given to the Federal Bureau of Investigation by the Department of Justice in prior election irregularity cases. Conclusive evidence that the Department's investigation of this matter was not improperly limited and further that the Attorney General has never prevented any investigation from being conducted to its logical conclusion, is furnished by the letter of the Director of the Federal Bureau of Investigation to the chairman of the subcommittee, under date of June 18, 1947, clarifying portions of his testimony. The letter in part reads:

"I think in all fairness I should make the observation that in the years the present Attorney General, Tom C. Clark, has been associated with the Department of Justice, I have had the opportunity of working with him in innumerable cases and I am glad to state that he has not in any way taken any action to prevent any investigation being conducted to its logical conclusion."

4. In conducting this investigation, agents of the Federal Bureau of Investigation interviewed all members of the election commission and the chief investigators of the Kansas City Star from whom were procured approximately 1,400 statements based upon 8,000 interviews which had been conducted by some 30 or 40 investigators of the Kansas City Star. In addition to the 355-page report by the Federal Bureau of Investigation, dated October 24, 1946, covering the above, the Criminal Division of the Department of Justice had the benefit of the report of the Special Committee To Investigate Campaign Expenditures for the House of Representatives, 1946, which had conducted an independent investigation. Thus, it is clear that the investigation in this case went far beyond the usual preliminary investigation conducted in this type of case.

5. The three United States district judges at Kansas City were furnished by United States Attorney Wear with a comprehensive report of the results of the preliminary investigation and were advised that the Federal Bureau of Investigation report was available to them and asked whether a grand jury investigation was warranted. After thorough consideration and during December 1946, they each testified, they advised the United States attorney that they were unanimously of the opinion that there was insufficient evidence for presentation to a grand jury. These judges testify to their confidence in the United States attorney at that time and now.

6. After thorough review of the files in the entire matter by the United States attorney, the Civil Rights Section of the Criminal Division, and the Assistant Attorney General in charge of the Division, it was concluded by each that no violation of Federal law was disclosed. Accordingly, in conformity with the usual practice in the Department of Justice, the Assistant Attorney General

in charge of the Criminal Division, on January 6, 1947, informed the Federal Bureau of Investigation that no further action was warranted, and that therefore no further investigation was desired.

7. In view of the theft in May 1947 of some of the ballots, the Attorney General personally ordered a full investigation of the theft and of the election irregularities, which investigation the Federal Bureau of Investigation is currently conducting. The State authorities had the opportunity to use the expert services of the FBI in connection with these ballots prior to the theft and failed to take advantage of it. It would have been improper for the Federal Government to have taken the ballots from the State officials, in whose custody they were, and who were using them in the State investigation. It is presumed, however, although some of the ballots have been stolen, the results of the State grand jury investigation with all of the information gathered as a result thereof, will be made available to the Federal grand jury in Kansas City when it meets. In the event that evidence of a conspiracy is obtained, this secondary evidence developed before the State grand jury in conjunction with the evidence of conspiracy, if any, developed before the Federal grand jury, would be sufficient for successful prosecution under Federal law.

8. The Attorney General appointed on June 17, 1947, Richard K. Phelps, a former Assistant United States attorney in the western district of Missouri as a special assistant to the Attorney General with full and complete authority to prosecute any Federal law violations arising out of the alleged irregularities in the primary of August 6, 1946, in the Fifth Congressional District, Kansas City, Mo. Mr. Phelps, as a prominent member of the United States attorney's staff, was active in all of the prosecutions of the so-called Pendergast election cases which resulted in the conviction of some 250 persons, including the one against William J. McMahan. He handled all of the cases on appeal. The Attorney General has requested Mr. Phelps to confer immediately with the Federal judges in the district relative to the summoning of a special grand jury to inquire into the matter. Mr. Phelps is authorized also to engage such assistants as he may require, either inside or outside the Government. He will devote his entire time to the assignment.

9. It is concluded that the Department of Justice and the Attorney General throughout this matter have acted promptly, in good faith and in the public interest, and have properly discharged their duties with reference to the subject matter of the aforementioned resolution.

III. FINDINGS

1. Scope of the Federal law relating to election irregularities and policy of the Department of Justice

The jurisdiction of the Federal Government over election irregularities committed in connection with primary elections for candidates for Federal office has been limited since 1894, when the Federal election statutes were repealed. Since that time it has been the duty primarily of the several States to deal with such problems, and Missouri, among others, has statutes covering the primary election irregularities indicated by this evidence. The State authorities are currently conducting prosecutions under State law based upon these irregularities.

At the present time it is a Federal criminal offense to conspire to deprive a person of any right secured to him by the Constitution or laws of the United States (18 U. S. C. 51). It is also a criminal offense for any State or Federal official, acting under color of law, to deprive a person of any right secured to him by the Constitution or laws of the United States (18 U. S. C. 52). These two provisions, which are known as the Civil Rights Statutes, have been held by the Supreme Court to be applicable to the right to vote for a candidate for Federal office (*United States* v. *Moseley*, 238 U. S. 383).

The Federal Statutes, however, do not provide for Federal enforcement with respect to irregularities in elections in the following situations:

(a) They do not make it a Federal crime to accept or pay a bribe in connection with a primary election, or to conspire to do so (*United States* v. *Bathgate*, 246 U. S. 220).

(b) They do not cover a private individual who, without conspiring with others, votes in the name of another person, living or dead, or otherwise votes falsely, stuffs a ballot box or otherwise commits or aids the commission of election irregularities (*United States* v. *Mosley, supra; United States* v. *Classic*, 313 U. S. 299; *United States* v. *Saylor*, 322 U. S. 385).

In dealing with the numerous election irregularities complaints which have been received by it in the past, the Department of Justice, since 1940, has consistently followed a policy of conducting preliminary investigations to ascertain whether enough evidence of violation of Federal statutes appears to warrant full investigation.

The practice of the Department of Justice has been for attorneys of the Civil Rights Section of the Criminal Division of the Department to screen such complaints carefully before requesting the Federal Bureau of Investigation to conduct even a preliminary investigation. After such screening, and before final determination to expend large sums of money and to involve large numbers of highly trained investigative employees in an investigation of this difficult and controversial type, a preliminary investigation would be directed for the purpose of ascertaining whether or not there existed a probability of establishing a violation of Federal law.

It is necessary for the Department of Justice to maintain a consistent national policy with reference to such civil rights cases, since (1) Federal jurisdiction is based on very tenuous statutes (secs. 51 and 52 of title 18 U. S. C.); (2) there are ever present difficulties when Federal authority is invoked in the regulation of State and local affairs; (3) there would be unnecessary expenditure of money and time in conducting further investigation if the preliminary investigation does not indicate the probability of violation of Federal law; and (4) the full investigation by the Federal Bureau of Investigation of all complaints regarding State primary and general elections would place a substantial if not impossible additional burden upon the resources of the Department of Justice.

Mr. Hoover testified that this policy of preliminary investigation and review has been followed in War Labor Disputes Act cases, war frauds cases, and in antitrust cases, as well as in civil rights cases (R. 51). The policy has been of long standing, having been followed in civil rights cases since 1940 (R. 52).

The necessity for this practice, which had been established when Mr. Justice Murphy was Attorney General, is clear from the testimony of Attorney General Clark, who pointed out:

"And I would like to say this: Take this year, up to June 1. We had 9,356 complaints like these, elections and cases involving civil rights.

"Last year we had fifty-thousand-some-odd. So it would be impossible if we used all the FBI men, the 3,200 of them, to just investigate these matters, to have a full investigation of every complaint that we get" (R. 118–119).

2. The investigation directed by the Department of Justice

About the middle of September 1946, United States Attorney Sam M. Wear of the western district of Missouri, Kansas City, conferred with members of the Jackson County Election Board, at their request, concerning rumored irregularities in the primary election held in August 1946 (R. 483). He communicated with the assistant attorney general in charge of the criminal division, and was advised, and so informed the board that if "substantial evidence" of the violation "of any Federal statute" were received, a "full investigation" would be made by the Department of Justice (R. 481–486).

Thereafter, United States Attorney Wear, pursuant to request of the election commissioners, met with two investigators for the Kansas City Star, who furnished information of irregularities in some wards and advised they were conducting a continuing investigation. This information Mr. Wear analyzed and forwarded to Washington with newspaper clippings (R. 494). This was done in order to inform the Department of Justice exactly what the Kansas City Star investigation showed (R. 498).

This information was furnished to the Assistant Attorney General in charge of the criminal division of the Department of Justice in September and early October 1946 (R. 524).

The Attorney General was informed of this matter in early October 1946 and directed that it be investigated (R. 77).

On October 11, 1946, a memorandum prepared by the Criminal Division of the Department of Justice was forwarded, in the name of the Attorney General, to the Director of the Federal Bureau of Investigation, a copy of which has been furnished to the subcommittee (R. 4, 32).

This memorandum outlined possible violations and requested that a "preliminary investigation be undertaken along the lines indicated below." The memorandum then stated (R. 78, 500):

"It is, therefore, requested that the following persons be interviewed and such information elicted from them as will determine, (1) the identity of qualified voters who were deprived of the right to vote for a Federal candidate, and (2) the identity of persons with their official position, if any, who stuffed ballot boxes with false or fictitious ballots or failed to count ballots for Federal candidates honestly or accurately; together with all circumstances surrounding the violations; (1) Ludwick Graves, Richard C. Jansen, William Davis, Joseph E. Stewart, members of the board of election commissioners, Jackson County Courthouse, Kansas City, Mo.; (2) Ira B. McCarty, and John P. Swift, reporters for the Kansas City Star, who have written articles on the above-described matters, and such other of the Star employees as participated in the Star investigation.

"Please give this investigation your special attention and submit reports to me as promptly as possible. Please conduct your investigation in cooperation with the United States attorney at Kansas City, Mo., and furnish him copies of your reports."

On October 16, 1946, a teletype was sent by the Federal Bureau of Investigation to the special agent in charge at Kansas City, which read as follows (R. 1.):

"Election irregularities in primary election, August 6, Kansas City, Mo., election laws.

"Confirming telephone conversation today, re above cases, Department has advised that investigative report of Kansas City Star indicate irregularity in following four precincts of Fifth Congressional District, namely, fourteenth ward, first precinct; nineteenth ward, second precinct; tenth ward, first precinct; and first ward, twenty-fifth precinct. Possible violations of sections 51 and 52, title 18, indicated. Department requests preliminary investigation along lines indicated below, advising that while many of irregularities charges amount at most to violations of State law such as assistance by

selection officials to volunteers in marking ballots without filling out the necessary oaths of assistance, improper selection of election officers, and improper methods of tallying and counting ballots, nevertheless reports of Kansas City Star indicate that persons officially listed as having voted while claiming they did not vote, or officially listed as not having voted while claiming they did vote, or appeared at the polling place and found that their names had already been voted.

"These later irregularities indicate violation of section 51 in that it may be found that there was a conspiracy to deny to qualified voters their federally secured rights to vote for a candidate for a Federal office, to have that vote counted as cast, and to have all legitimate ballots honestly and accurately counted, free from any dilution by false or fictitious ballots.

"Possible violations of section 52 is election officials acting under color of law either alone or with other perpetrated denials of the rights mentioned above.

"Department requests that the following persons be interviewed and such information elicited from them as will determine, first the identity of qualified voters who were deprived of the right to vote for a Federal candidate and, second, the identities of persons with their official position who stuffed ballot boxes with false or fictitious ballots or failed to count ballots for Federal candidates honestly or accurately, together with all circumstances surrounding the violations.

"Persons to be interviewed are: Ludwick Graves, Richard C. Jansen, William Davis, Joseph E. Stewart, members of the board of election commissioners, Jackson County Courthouse; Ira B. McCarty and John P. Swift, reporters for the Kansas City Star, who have written articles on the above-described matters; and such other of the Star employees as have participated in the Star investigation.

"You are instructed to immediately assign a sufficient number of experienced and thoroughly qualified agents to this investigation to insure completion at earliest possible moment. This case to receive your personal supervision.

"Daily teletypes are to be submitted setting forth progress being made. Expedite submission of report and furnish copy to U. S. A."

3. The preliminary investigation ordered was entirely consistent with usual practice and not restricted by the Department of Justice

The Director of the Federal Bureau of Investigation testified concerning the directions for investigation, dated October 11, 1946:

"I would not consider that in any way out of line, because that has been the practice in practically all of the preliminary investigations of election frauds. We have received many cases here that outline specifically who to interview and exactly what steps we are to take (R. 55).

* * * * *

"This is what we would call a preliminary investigation or inquiry, typical of what we have made in dozens of election-fraud cases" (R. 65).

It is apparent from the foregoing that the Criminal Division suggested investigation to the Federal Bureau of Investigation, along the lines indicated in the memorandum of October 11, requested that interviews be conducted to ascertain what voters rights were impaired, and who impaired them, together with all circumstances surrounding the violation, and specifically requested that the election commissioners and principal investigators for the Kansas City Star be interviewed and such other of the Star employees as participated in the Star investigation.

Had the memorandum been followed literally it would have involved the interview of some 40 persons. Mr. Hoover testified the circumstances were such, however, that the Federal Bureau of Investigation determined that it was only necessary to interview six. The reason for this, he stated, was the fact that the individuals interviewed, the four election commissioners and the chief investigators of the Kansas City Star, had in their possession the accumulated evidence of the other persons. This evidence consisted of approximately 1,400 affidavits and statements based upon approximately 8,000 interviews (R. 80).

In compliance with the instructions of the Department and the later teletype of October 16, 1946, the Kansas City office of the Federal Bureau of Investigation assigned seven agents, who worked intensively on the investigation for 12 days (R. 526.)

The evidence shows that while this preliminary investigation was in progress and until October 23, when it was completed, no one suggested that the investigation had been restricted.

On October 23, however, Mr. Mumford assistant to Mr. Ladd, who in turn is an assistant to Mr. Hoover, at Washington headquarters of the Federal Bureau of Investigation, being advised that the Kansas City investigation was about to be reported by that office to the Department, instructed the special agent in charge at Kansas City to inform the United States attorney there that the contents of the report were not the results of an investigation but, pursuant to specific instructions of the Attorney General, were merely a summary of data developed by the Kansas City Star and election board. This procedure, Mr. Mumford said, was to be followed to prevent the possibility of the FBI report being cited as the result of an investigation proving that further investigation or prosecution would not be justified.

This action by Mr. Mumford was taken without the prior knowledge of either Mr. Hoover or Mr. Ladd, and was based upon Mr. Mumford's interpretation on the October 11, 1946 memorandum prepared by the Criminal Division which Mr. Hoover has characterized as typical and in accord with usual practice in all such cases.

Mr. Mumford wrote a memorandum in this connection to Mr. Ladd on October 23, 1946, which later came to Mr. Hoover's attention. He by written note inquired whether the Federal Bureau of Investigation had been so restricted (R. 23). Mr. Ladd responded by memorandum to the Director, dated October 25, 1946, discussing the Criminal Division's October 11 memorandum and stating that specific investigation was therein requested and had been performed (R. 27). This was not completely in accord with the Department's memorandum since only the named individuals had been interviewed and none of the Star investigators, except the two chief investigators, had been interviewed. The reason for this has been previously mentioned but was not set forth in the memorandum to the Director at the time.

It is apparent that the Director of the Federal Bureau of Investigation did not share the fears of Mr. Mumford as to any possible misrepresentation or misuse of the Federal Bureau of Investigation report and found no facts indicating that the report would be used later as a whitewash. The record states:

"Senator FERGUSON. Now, there is one thing in there, to which I should like to call your attention. This is from Mumford, now, to his superior, Ladd:

" 'This procedure is being followed in an effort to prevent the possibility of our reports being cited as a result of investigation proving that further investigation or prosecution is not justified.'

"Did you get any facts to indicate that these men thought that these reports would be used later to whitewash the Attorney General's office?

"Mr. HOOVER. Most certainly not."

The United States attorney at Kansas City was given a letter on October 24, 1946, along with the FBI report of that date, covering the preliminary investigation, which letter stated that the report did not reflect an investigation by the FBI and that the limitations indicated were imposed in the instructions received by the Bureau from the Department (R. 56). This letter was never furnished to the Criminal Division of the Department of Justice or to the Attorney General. Nor was Mr. Mumford's memorandum brought to the attention of either the Criminal Division or the Attorney General.

On October 25, 1946, there was forwarded to the Criminal Division the FBI report of October 24, 1946, consisting of some 355 pages, with a cover memorandum that only the specific investigation requested had been conducted and requesting advice as to whether any further investigation was desired (R. 58). Thus, the Criminal Division of the Department was not advised that the Federal Bureau of Investigation did not regard the activities covered in the report as an investigation by the Federal Bureau of Investigation or that those activities were thought to have been restricted. Nor was the Attorney General so advised.

Conclusive evidence that the Department's investigation of this matter was not improperly limited and, further, that the Attorney General has never prevented any investigation from being conducted to its logical conclusion, is furnished by the letter of the Director of the Federal Bureau of Investigation to the chairman of the subcommittee, under date of June 18, 1947, clarifying portions of his testimony. The letter reads:

JUNE 18, 1947.

Hon. HOMER FERGUSON,
United States Senate,
Washington, D. C.

MY DEAR SENATOR: Since reviewing my testimony before your committee on the Kansas City election situation, comments have been made indicating that portions of my testimony have been misinterpreted and I think that in all fairness both to the committee and to the Attorney General, I should elaborate upon the specific items which appear to be in issue.

As you recall, the departmental instructions ordering the preliminary inquiry specified specific persons to be interviewed and stated that in addition other employees of the Kansas City Star were to be questioned. As I pointed out in the latter part of my testimony, the some 30 Kansas City Star investigators were not interviewed inasmuch as we had secured their statements from other employees of the Kansas City Star and it was not believed by the agents conducting the inquiries that any purpose would be served in personally contacting these investigators whose statements were incorporated in our report. However, at the very beginning of my testimony, I indicated to the committee that we had interviewed only the specified persons and had not gone beyond this inasmuch as we were not instructed to do so. As indicated, this was later clarified and the testimony as revised, deleting the phrase "and no one else" on page 58, and the phrase "we were not told to interview them" on page 66, expresses the true facts in the matter.

The fact that we were ordered to make a preliminary inquiry in this case was not unusual. In the summer of 1941 Mr. Maurice Milligan, who you will recall prosecuted the original Kansas City vote-fraud case in 1936, as a special assistant to former Attorney General Robert H. Jackson, instituted the policy that unless advised to the contrary in election-fraud cases, preliminary inquiry was to

be made only upon departmental instructions, after which the facts were to be submitted to departmental attorneys who would study the facts for decision as to further action. This same policy is followed in other classes of cases.

With regard to the Mumford memorandum referred to before the committee, I wish to advise that I used the word "restricted" in my longhand note on the memorandum as a definitive term of my own to determine whether the Bureau's inquiry had been limited to specified interviews. I did not intend my inquiry as an indication that I had any question in my mind that an ulterior motive had actuated the Attorney General or the Department of Justice with respect to the scope of the preliminary inquiry ordered under the established policy.

I think in all fairness I should make the observation that in the years the present Attorney General, Tom C. Clark, has been associated with the Department, I have had the opportunity of working with him in innumerable cases and I am glad to state that he had not in any way taken any action to prevent any investigation being conducted to its logical conclusion.

I trust that the foregoing may be helpful to you and the members of your committee in clarifying any misinterpretation which may have arisen with respect to my testimony.

With expressions of my highest esteem and kind personal regards,

Sincerely yours,

J. EDGAR HOOVER.

4. The Federal Bureau of Investigation report and evidence submitted

The October 24 report supplied by the Federal Bureau of Investigation to the United States attorney at Kansas City and to the Department of Justice in Washington set forth the results of interviews with the two Star investigators and the four election-board members and covered the information in the possession of the Kansas City Star and the election board. In addition thereto the Department of Justice had also been furnished the files and report of the Special Committee To Investigate Campaign Expenditures for the House of Representatives, 1946. That committee during a lengthy investigation had interrogated 37 witnesses at Kansas City.

The information submitted to the Department of Justice through the Federal Bureau of Investigation included, in addition to interviews of the two chief investigators of the Kansas City Star and the four election commissioners of Jackson County, Mo., a detailed analysis of their files. The two chief investigators, who had some 30 to 40 other investigators working for them, submitted to the Federal Bureau of Investigation the results of some 8,000 interviews, approximately 1,400 statements, which had theretofore been prepared for and signed by voters or nonvoters, and statements of witnesses purportedly having knowledge of certain facts which occurred during the August 6, 1946, primary. These statements or digests of the same were incorporated in the Federal Bureau of Investigation's report to the United States attorney and to the Attorney General.

There is in evidence in this record a sample copy of the instructions which had been given to the investigators of the Kansas City Star to guide them in obtaining evidence (R. 71). These were detailed instructions and directed that special effort be made to obtain evidence from voter for Slaughter or Walsh. They read in part:

"Seventh precinct, second ward: This is a precinct in Judge McKissick's ward, where the count was probably bad. Also, it is very likely that they voted the names of people who didn't show at the polls, had moved away, or had died * * *. Try hard for affidavits of those who voted for Slaughter or Walsh (each congressional candidate), get oral statements, and make notes where you can't get them to sign. Don't press too hard. If, in your first few calls you find some McElroy and O'Hern voters, change tactics and work for those. Five such affidavits from each team will do the job."

The wide scope of this investigation, as reflected in the FBI report, was pointed out by the Attorney General in his testimony:

"Senator LANGER. The only question I wanted to ask you was this: Did you do as much in this investigation you have had, even with election cases, or did you do less?

"Mr. CLARK. We did more, sir. We had a more thorough investigation here, reflected by this 355-page report that was sent to me, than any preliminary investigation, I will wager, since I have been in the Department of Justice, for 10 years. I can give you the numbers, Senator, of many cases that the boys took down, where it was asked that the FBI investigate specific matters by interrogating specific persons in elections, and in civil rights" (R. 118).

5. Consideration of evidence by United States attorney and three Federal judges

Upon receipt of the FBI report of October 24, United States Attorney Wear and his assistant, Thomas Tello, separately reviewed the evidence contained therein. Assistant United States Attorney Tello, whose previous experience in election irregularity prosecutions included active participation in the 1936 Kansas City vote-fraud cases was instructed to examine the report and prepare an analysis of it (R. 505). This he did (R. 506). In the view of United States Attorney Wear the analysis was done "fairly and conscientiously" (R. 507).

The United States attorney furnished a copy of this analysis, consisting of some 23 pages, to Federal District Judges Reeves, Ridge, and Collet, the three Federal judges for the district, and advised each that the FBI report was available to them. After examination each was of the opinion that the evidence was insufficient to warrant grand jury proceedings.

In this connection the judges testified:

"Senator FERGUSON. And did you read that synopsis?

"Judge REEVES. Yes, sir.

"Senator FERGUSON. From that synopsis, were you asked to determine whether a grand jury should be called?

"Judge REEVES. I was.

"Senator FERGUSON. What was your answer?

"Judge REEVES. That it did not indicate violation of Federal law (R. 362).

* * * * *

"Senator MCCARRAN. Now, the FBI report was placed before you?

"Judge REEVES. No, Senator, it was not. It is my recollection that I did not see it. It was made available to me.

"Senator MCCARRAN. It was made available to you?

"Judge REEVES. Yes; I think it was made available, if I wanted to see it. I had the greatest confidence in Mr. Wear; and have yet.

"Senator MCCARRAN. Did you consult with the other judges on the matter of calling the grand jury?

"Judge REEVES. Yes, sir; I did.

"Senator MCCARRAN. And did you confer with them together, in your chambers?

"Judge REEVES. We did, Senator.

"Senator MCCARRAN. What was the opinion of the other judges?

"Judge REEVES. The same as mine, Senator; that there was no factual basis for a grand jury, in this report here.

"Senator MCCARRAN. At that time, I take it, you were naturally considering whether or not a Federal law had been violated.

"Judge REEVES. That is correct, Senator.

"Senator MCCARRAN. You were not, and could not be, concerned with the matter as to whether or not a State law had been violated.

"Judge REEVES. No, Senator.

"Senator MCCARRAN. It was the unanimous opinion of yourself and the other judges of that district you are sitting here now, that no Federal law had been violated, sufficient to warrant the calling of a grand jury?

"Judge REEVES. That is right, Senator; that is, there were no facts stated here that warranted it.

"Senator MCCARRAN. No facts stated there that warranted it. And you did not go beyond that, to bring in the FBI report, although the FBI report was, you knew, available to you at that time?

"Judge REEVES. We did not. The other judges may have, but I do not think they did; I don't think any of us asked for it.

"Senator MCCARRAN. But you knew it was available to you?

"Judge REEVES. Yes, Senator; we knew that (R. 374–376).

* * * * *

"Senator LANGER. I was interested in your observation of a moment ago when you said you had every confidence in the district attorney, Mr. Wear. That is right; is it?

"Judge REEVES. Yes, sir; I have.

"Senator LANGER. And has anything occurred at all in this matter to change your mind on that?

"Judge REEVES. No, sir.

"Senator LANGER. And as far as you know, there has been no attempt made of any kind to deceive you or any of the other judges in this matter?

"Judge REEVES. Not so far as I am concerned, and I think that is true as to the other judges.

"Certainly, Mr. Wear has not; he never does.

"Senator LANGER. There was no reason that you or the other judges could not get the FBI report if you wanted it?

"Judge REEVES. That is right. Mr. Wear told us it was available to us.

"Senator LANGER. And if you got that report and read it, and went over these affidavits that have been described, you could have called a grand jury if you wanted to?

"Judge REEVES. Well, we could have, Senator, at our discretion, under the statute.

"Senator LANGER. Mr. Wear said to you, 'Now, gentlemen, the FBI reports are available to you if you want them,' and if you had taken them and read them and become convinced that there was a conspiracy to violate a Federal law, you could have called a grand jury if you wanted to, you and the other three judges.

"Judge REEVES. Yes, sir; we could have done that.

"Senator LANGER. As a matter of fact, one of the three judges could have called a grand jury; is that not right?

"Judge REEVES. That is right (R. 377–378).

* * * * *

"Senator MCCARRAN. Judge Reeves, there could be any amount of violation of State law, and yet no violation of a Federal law, is not that true?

"Mr. REEVES. That is true, Senator" (R. 423).

United States District Judge Ridge and United States District Judge Collet testified to the same effect (R. 424, 458). The judges clearly understood, as the analysis submitted by United States Attorney Wear showed on its face, that the information therein contained came from the election commissioners and the investigators for the Kansas City Star. As Judge Ridge testified:

"Senator FERGUSON. But you assumed, I take it, that when this synopsis was given to you, that it was a true picture of the entire investigation or full investigation of the FBI.

"Mr. RIDGE. No, I did not, Senator; because the first page there told me that it

was not that; that it was a limited investigation" (R. 431).

The latter two judges also shared the conclusion reached by Judge Reeves. As Judge Ridge said:

"Senator McCARRAN. The fact that a number may have been indicted for violation of a State statute does not itself carry weight with you to the effect that a Federal grand jury should indict for a Federal violation.

"Mr. RIDGE. To this hour no concrete evidence has been submitted to me that would warrant the calling of a Federal grand jury, Senator" (R. 455).

On December 19, 1946, the United States Attorney wrote the assistant to the Attorney General, informing him of these conferences with the judges and stated they were unanimously of the opinion that there was no ground for a grand-jury investigation.

During the course of these hearings reference was made to the affidavits or statements of certain persons, who had been interviewed by investigators of the Star, which had not previously been read by the three Federal judges. It was asserted that these statements, such as the statement of the one Estella Carter, were either not expressly mentioned or were inadequately summarized in the analysis which had been prepared in United States Attorney Wear's office and submitted to the Federal judges.

The fact is that each of the Federal judges testified that they knew the FBI report itself, containing such statements, was available, that each judge was confident that United States Attorney Wear was honest and frank with the judges, and that appropriate reference to the important statements was made in the analysis. Moreover, after listening to these affidavits during the course of these hearings the Federal judges were still of the view that none showed a violation of Federal law. Thus, Judge Reeves testified:

"Senator McCARRAN. In other words, assuming that the facts stated therein were true, it would not have been a violation of the Federal statute.

"Judge REEVES. I did not notice anything in the letters that would indicate a violation of the Federal statute; that is, in itself, Senator (R. 398).

"Senator McCARRAN. You have already stated to me that taken by themselves, the letters read here this morning did not, so far as you were able to discern, from hearing them read, constitute a violation of a Federal statute.

"Judge REEVES. Not within themselves, Senator" (R. 400).

* * * * *

"Mr. REEVES. Maybe I should say that I find some serious violations of the State law, and I perceive in that a concert of action which would be in the nature of conspiracy, but I would be doubtful as to whether or not upon this letter [Estella Carter] alone there was testimony that would show an offense under that statute, that is, section 51 (R. 411).

* * * * *

"Senator McCARRAN. Is there anything in there that indicates the violation of a Federal act?

"Mr. RIDGE. None at all" (R. 434).

6. Analysis of evidence and action by Criminal Division of Department of Justice

Following the analysis of the evidence by United States Attorney Wear, and his recommendations and his report of the unanimous opinion of the three Federal judges, the Civil Rights Section of the Criminal Division of the Department of Justice thoroughly analyzed the 355-page Federal Bureau of Investigation report of October 24, 1946, which included the approximately 1,400 afore-mentioned affidavits and statements, and the report of the Special Committee To Investigate Campaign Expenditures for the House of Representatives, 1946, and all other files relating to this matter.

The Civil Rights Section found that the irregularities in connection with the primary held in the Fifth Congressional District of Missouri in Kansas City amounted to violations of the State law of Missouri and that there was evidence directly relating to only two instances of irregularities concerning the congressional race:

With respect to the fourth precinct, first ward, statements from three persons indicated that they had voted for Walsh, one of the candidates for the Democratic nomination, whereas the official tally credited Walsh with only one vote. The Civil Rights Section found no evidence indicating a conspiracy in this connection, or that the election judges, clerks, or anyone else knowingly violated the Federal law.

In the second instance involving the congressional race, relating to the fifth precinct, second ward, 14 persons had submitted statements claiming that they had voted for Slaughter, also a candidate for the Democratic nomination, whereas the official tally credited him with six votes. The Civil Rights Section found no evidence indicating a conspiracy in this connection.

The Civil Rights Section of the Criminal Division, in addition to reviewing the information contained in the Federal Bureau of Investigation report which had been supplied to the Federal Bureau of Investigation by the Kansas City Star, also reviewed the information contained in that report which had been supplied by the members of the board of election commissioners. The only affirmative information from such officials related to five voters who contended that they had not actually voted and who after complaining to the election officials had been permitted to vote, but the Civil Rights Section found no evidence of conspiracy in connection with these incidents or any election violation.

In addition to its review of the Federal Bureau of Investigation report, the Civil Rights Section of the Criminal Division also carefully considered the file submitted by the Special Committee to Investigate Campaign Expenditures for the House of Representatives, 1946. It was found that that committee's investigation was directed largely to the question of campaign expenditures, a matter outside of the Federal jurisdiction, since the Federal statutory provision relating to such expenditures specifically excludes primary elections from its scope (sec. 241, title 2, U. S. C.). Certain irregularities in the method of counting ballots were referred to by that committee, which were found at most to constitute violations of State laws regulating the manner of counting ballots. The Civil Rights Section found no evidence that anyone conspired in this connection to miscount or falsify ballots.

In view of its findings, and after consideration of the findings of United States Attorney Wear that no Federal violation appeared, and in view of the fact that the preliminary investigation in this matter was thorough, and having given due weight to the fact that the three Federal judges at Kansas City were of the view that a grand jury was not warranted, the Civil Rights Section reported to the Assistant Attorney General in charge of the Criminal Division that there was no evidence of violation of Federal law and therefore no further investigation was warranted.

Upon review of this matter by the Assistant Attorney General in charge of the Criminal Division, he approved the conclusions reached by his assistants of the Civil Rights Section of the Division, by United States Attorney Wear, and by the Federal judges, and on January 6, 1947, informed the Federal Bureau of Investigation that no further investigation was desired (R. 10).

On April 22, 1947, after having been advised by the United States attorney at Kansas City, Mo., that the State grand jury was at that time investigating the Kansas City election, the Attorney General issued, through the Criminal Division of the Department of Justice, a memorandum directing the Federal Bureau of Investigation to be alert in reference to the investigation being conducted by the State grand jury in Kansas City, Mo., and stating in the event there was disclosed in the progress of these investigations by the State grand jury any evidence of interest to the Department of Justice which might in anywise indicate a violation of Federal law, that further consideration be given to the question of reopening the initial investigation. In response to that memorandum the Federal Bureau of Investigation, on May 22, 1947, made a report which advised of the counting of the ballots in certain precincts by the State grand jury and incorporated this significant paragraph:

"No information has been developed in contact with Mr. Kimbrel, the prosecutor of Jackson County, as to evidence independent of the count made by the country grand jury as to any conspiracy existing to violate Federal election laws."

7. Theft of ballots, and action by the Attorney General

While the hearing before the subcommittee was in progress word was received from Kansas City, Mo., on May 28, 1947, that some of the ballot boxes then in the hands of the State authorities had been stolen. The Attorney General, who was present at the hearing, immediately directed the Federal Bureau of Investigation to fully investigate the same.

Thereafter, at the request of the Attorney General, the Federal Bureau of Investigation reported to the Attorney General that two of the three judges were presently of the opinion that a full investigation should be had in view of the theft of the ballots, and he, thereupon, on May 30 also ordered a full investigation of the election irregularities. These investigations are now in progress.

Mention has been made during the hearings of the fact that the expert services of the Federal Bureau of Investigation would have been valuable in connection with a scientific examination of the ballots, prior to their theft.

It is noted that Mr. Hoover testified that in March 1947, while the ballots were in custody of the State officials, and several months prior to the theft, the Federal Bureau of Investigation advised the State prosecutor that expert examination of the ballots would be made at Washington, and the prosecutor stated that if he needed to have such examination he would let the FBI know. But the FBI heard no further from the State prosecutor in connection with this (R. 146).

Further, it is important in this connection, as developed by Senator LANGER during the hearings, that the ballots were in the custody of State authorities during an investigation being conducted by them, that the State authorities were responsible for the safety of the Government to have interfered with the State government by seizing the ballots then in the custody of State officials (R. 452, 477).

Lastly, the State prosecutions, and the pending Federal investigation of election irregularities, will not be prevented by the theft of the ballots, since only some were stolen and the testimony of the grand jurors who counted the stolen ballots may be used, if the ballots are not recovered, as secondary evidence of their content (R. 510).

8. Appointment of special prosecutor by Attorney General on June 17, 1947

Attorney General Clark appointed on June 17, 1947, Richard E. Phelps, a former United States attorney in the western district of Missouri, as a special assistant to the Attorney

General with full and complete authority to prosecute any Federal law violations arising out of the alleged irregularities in the primary of August 6, 1946, in the Fifth Congressional District, Kansas City, Mo.

The special prosecutor selected by the Attorney General is fully qualified to handle this matter and has been given full and complete authority by the Attorney General to do so. It is clear, therefore, that the further investigation of this matter by the Federal Bureau of Investigation and the Department of Justice, with the assistance of a grand jury, will be in the hands of a fully qualified prosecutor responsible directly to the Attorney General, and that prompt investigation and prosecution of any Federal violation which may be discovered will be had.

IV. RECOMMENDATIONS

In view of the conclusions and findings reached, it is hereby recommended—

(a) That the Judiciary Committee of the Senate be advised that the Department of Justice and the Attorney General, throughout this matter, have acted promptly, in good faith and in the public interest, and have properly discharged their duties with reference to the subject matter of Senate Resolution 116.

(b) That the Judiciary Committee of the Senate be advised that the regulation of elections and the detection and prosecution of irregularities in elections has been primarily the duty of the several States, and that this subcommittee does not believe that any extension of Federal jurisdiction and further abridgment of States' rights and duties in this connection is warranted by reason of the evidence developed in these hearings.

(c) That Senate Resolution 116 be disapproved.

The PRESIDING OFFICER (Mr. STENNIS in the chair). The Senator has 22 minutes left.

Mr. McCARRAN. Mr. President, do I understand that the opponents have 22 minutes?

The PRESIDING OFFICER. Yes.

Mr. McCARRAN. I yield 10 minutes to the Senator from Maryland [Mr. TYDINGS].

Mr. CONNALLY. Mr. President, the Chair said that the Senator had 22 minutes left. He had only an hour and a half to begin with.

The PRESIDING OFFICER. He had an hour and 42 minutes to begin with.

Mr. McCARRAN. Each side had an hour and 42 minutes.

The PRESIDING OFFICER. Each side had an hour and 42 minutes.

Mr. TYDINGS. Mr. President, I am not familiar with the facts adduced by the committee in support of or in opposition to the pending nomination; but I wish to use this opportunity for a few moments to recall one other contest, which occurred in the Eightieth Congress concerning a nomination to high judicial office, and to present the record of the nominee on that occasion since his nomination was confirmed.

In many respects I was shocked by the attitude of those who opposed this nomination. The nominee was Mr. Philip B. Perlman, who had been nominated Solicitor General of the United States.

There was submitted to the subcommittee headed by the junior Senator from Michigan [Mr. FERGUSON] a list of some 70 cases in which Mr. Perlman had represented one party or the other—not in the district courts of Maryland, not in the United States district courts, but in the Supreme Court of the United States, the United States Circuit Court of Appeals, and the highest court in the State of Maryland. As I have said, the list included some 70 cases—an impressive record. In the face of those facts it was asserted over and over again, in the bitterness of the last night of the Eightieth Congress, that Mr. Perlman had not been identified with the trial of cases in the highest courts of the land. Moreover, for weeks, that information was in the hands of the investigating committee headed by the junior Senator from Michigan, and was not even placed in the record.

On the floor of the Senate, on the last night of that session, the senior Senator from Maine [Mr. BREWSTER] had the effrontery first to say that this man was unfit to hold the high office of Solicitor General of the United States, and then to offer to make a trade which would permit his confirmation assuming that a certain resolution pending in connection with an election probe would be allowed to go through as a part of the deal.

This so outraged the sense of fairness and the judicial mind of the eminent Senator from Missouri [Mr. DONNELL], as the RECORD will show—and I have it before me—that he said that it was a most outrageous proceeding; that Mr. Perlman's nomination should be considered on its merits, and not made the measure of a political deal.

The Senator from Maryland, then in the minority, was placed under the injunction of not being able to rise and refute these false allegations and assertions lest the Senate adjourn before a vote was taken. He had to sit silently in his seat and see this whole tirade, which was beneath the dignity and standing of the United States Senate, smeared forever upon the RECORD of the Senate.

Let us see what the record has been since the 70 cases which Mr. Perlman tried in the United States Circuit Court of Appeals, in the Supreme Court of the United States, and in the highest court in Maryland, which were ample justification of his legal attainments. Let us see how he has performed as Solicitor General. I asked Mr. Perlman to send the record to my office, which he did about 3 weeks ago. I was waiting for this opportunity to correct the unjust accusations which were spread on the RECORD in the last night of the Eightieth Congress. I have prepared this statement based upon the record which Mr. Perlman has furnished me.

Last year about this time, I called the attention of the Senate to the record made by Solicitor General Philip B. Perlman, of Maryland, during his first term before the Supreme Court as the law officer of the United States Government.

I did this in view of the fight made by the junior Senator from Michigan [Mr. FERGUSON] and the senior Senator from Maine [Mr. BREWSTER] to prevent and defeat his confirmation.

I now desire to call the attention of the Senate to Mr. Perlman's record during the past term of the Supreme Court. He appeared in that Court 13 times. Twelve of the cases he argued have been decided, and one has been removed from the docket without decision. Of the 12 cases decided, there were 11 decisions in favor of the Government and but one against—a very impressive record.

The cases successfully argued by Mr. Perlman during the last term included the opposition by the Government to the effort to have the Supreme Court inquire into the legality of the conviction of the Japanese war criminals convicted by the International Court at Tokyo; the conviction of Carl Marzani, former State Department employee, for making false statements as to his Communist affiliations; the case involving the constitutionality of the act giving the residents of the District of Columbia and the Territories the right to maintain suits in other Federal jurisdictions; the cases involving the right of the Government to sue Louisiana and Texas to determine paramount authority over the submerged lands in the marginal sea, the so-called tidelands cases; and a case reversing a large judgment by the Court of Claims against the United States in favor of a railroad's claim for additional compensation for carrying mail.

In addition to his 13 arguments in the Supreme Court, Mr. Perlman argued a case in the United States Court of Appeals for the District of Columbia, appearing at the request of and on behalf of all the 12 judges of the United States District Court for the District of Columbia.

During the 1947 term in the Supreme Court, Mr. Perlman argued 12 times before that body. One case was not decided in that term; and of the 12 others, he was successful in 8. The total for the two terms shows 25 appearances, and 23 decisions, in which he was successful in 19 and lost but 4.

The Solicitor General, with but few exceptions, has charge of all Government litigation in the Supreme Court, reviews all briefs, and determines who shall argue each case. During the 1948 term just ended, out of 91 decisions, the Government views prevailed in 71 cases and were rejected in but 20. In 1947, the result was 51 successes out of 69 cases, the unsuccessful ones numbering 18. During the two terms, out of 160 cases decided on the merits, the Government's views prevailed in 122 cases, and were rejected in but 38 cases.

Mr. President, these are facts. These are not wild assertions or calumnies as to collusion, fraud, near fraud, or influence. These are facts, and they testify more eloquently than any Senator will be able to argue as to the character and legal ability of Philip B. Perlman.

During the 1948 term just ended, the Solicitor General, in addition to the cases before the Supreme Court, handled more than a thousand matters involving decisions as to whether or not to file petitions for certiorari, whether or not to file appeals from the district courts, and a variety of motions and other miscellaneous matters, including the conduct of the Government's case before the special master appointed by the Supreme Court to make recommendations as to the determination of the boundary questions in

the California tidelands case. The care and discrimination exercised in deciding what cases the Supreme Court should be asked to review is indicated by the fact that out of 62 petitions for certiorari acted upon, 50 were granted, and but 12 were denied.

On May 9 last, the Solicitor General personally took the whole assignment in the Supreme Court, and argued all three cases scheduled for that day.

Mr. President, I do not pretend that the nomination now before the Senate is on all fours with the matter I have just discussed, but I am somewhat disappointed when the eminent junior Senator from Michigan tells of the intrigues, and so on, which went on, whereas when one of his colleagues, the senior Senator from Maine [Mr. BREWSTER], offered to barter the confirmation of the nomination of Mr. Perlman, when it was pending on the last night of the session, as the RECORD shows, the Senator from Michigan did not then rise to denounce that conduct. In other words, the Senator from Maine offered us the proposition that he would vote to confirm the nomination of Mr. Perlman, notwithstanding all the assertions that had been made about him, if a resolution offered by the Senator from Missouri [Mr. KEM] were adopted as a part of the trade. The eminent Senator from Missouri [Mr. DONNELL] had the courage, the fairness, and, I may say, the complete mental integrity, for which I shall never forget him, to rise and denounce that proposal, and to say that the Senate should consider each of these propositions on its own merits. He saved the day, in my opinion, because he rose above any pettiness. But his was the only voice that was raised in that way; he was the only one among those who were interested in this whole matter who acted in that way.

Therefore, Mr. President, when I hear a review made of matters similar to those we heard discussed before, and when I think about the trade which was offered on the floor of the Senate the last night of the session, I take such statements with a little more salt than I would have taken them if we had passed on each of these matters as we should, without reference to any deal or trade on the floor of the United States Senate.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an editorial appearing in the St. Louis Star-Times for June 27.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SOLICITOR GENERAL PERLMAN MAKING GOOD, SO SCALP KNIVES ARE SHEATHED

(By Harry D. Wohl)

WASHINGTON.—The scalp knives that were bared for Philip B. Perlman a couple of years ago are sheathed today. For Perlman has demonstrated by victory in court that he is more than well equipped for his job as solicitor general of the United States.

Perlman, whose confirmation was blocked for months by Senator HOMER FERGUSON, Republican, of Michigan, has a perfect score so far in this term of the United States Supreme Court. Of the 13 cases he has argued personally, opinions have been handed down in 10. All have been in favor of the Government.

During the previous terms of the court, Perlman argued 12 cases personally. Eight opinions were in favor of the Government, three were against it, and one case was held over for reargument. Of 69 cases handled through the Department of Justice that term and decided by the court, the Government was successful in 51. That, it is said, is as good as the Government has ever done.

The Solicitor General, under the direction of the Attorney General, represents the Government before the Supreme Court. He is not required to go into court himself, but may assign members of his staff to do the arguing. Perlman, however, seems to love to get deep into the details of a complicated case, then demonstrate his talents before the high tribunal. Few of his predecessors have made as many personal appearances.

In an accomplishment rarely equaled, Perlman argued the whole assignment before the court one day last month. During a 4-hour session he argued three cases. One involved the Federal Communications Commission; the other two dealt with the Government's right to sue Louisiana and Texas in the tidelands oil dispute.

When the tall, graying Perlman, who is 59, goes before the court, he wears a cutaway and striped trousers. Although he can lash out dramatically when the occasion requires, he customarily speaks in clear, restrained tones. He uses words like building blocks, each carefully chosen to cement into the structure he is rearing.

Perlman is a worker enamored of his work. When other men go home from their day's work, Perlman, a bachelor, comes to his second wind.

Perlman was named Solicitor General by President Truman on January 31, 1947. Senator FERGUSON, chairman of the Senate Judiciary subcommittee dealing with the matter, delayed for 3½ months before opening hearings. That was in the last week of the first session of the Eightieth Congress. Senator FORREST DONNELL, Republican, of Missouri, voted for Perlman's confirmation. The full Judiciary Committee voted 10 to 1 for confirmation.

FERGUSON had scoured Maryland to find something detrimental to Perlman. Then, still trying to block Perlman, FERGUSON and Senator OWEN BREWSTER, Republican of Maine, attempted, by filibuster, at 4 o'clock in the morning on the last day of the congressional session to prevent action. But Perlman was confirmed.

Perlman says he still doesn't know the reasons for what he terms Ferguson's "vendetta."

Attorney General Tom Clark inscribed an old print—a birthday gift:

"To Phil Perlman, Solicitor General of the United States, of whom I am most proud for his outstanding accomplishments in protecting, maintaining and enlarging the concept of individual rights under our American system—from his friend Tom Clark."

Perlman had argued for the Government that racial restrictive covenants, including one that came to the court from St. Louis, were unenforceable. The court gave a 6-to-0 decision for the Government. Perlman also argued that the Rent Control Act was valid—and won. His victory in the case involving the validity of the postwar Renegotiation Act meant that the Government could collect legally more than $10,000,000,000.

Intense application is habitual to Perlman. It started years ago. While a reporter on the Baltimore American, he took political economy and English at Johns Hopkins University. While on the Baltimore Star he studied law at the University of Maryland.

In 1910 Perlman moved over to the Baltimore Evening Sun, working with such men as H. L. Mencken and Frank R. Kent. In 3 years he was city editor. In 1917 he went to the Maryland State law department under Attorney General Albert C. Ritchie. In 1920, when Ritchie became governor, Perlman was named secretary of state.

Then Perlman served as city solicitor of Baltimore, as general counsel of the Baltimore Housing Authority, as special counsel for the Baltimore Transit Co., as special counsel for the Home Owners' Loan Corp., and in other capacities too numerous to list. He is on the boards of four art museums, on the board of the Associated Jewish Charities of Baltimore, and is one of the founders of the Baltimore Symphony Orchestra.

In 1932 Perlman was a delegate to the Democratic National Convention in Chicago and handled publicity for the Franklin D. Roosevelt campaign in Maryland. He was active at subsequent conventions.

Occasionally Perlman goes to his farm in Baltimore County to ride horseback or to relax with his fine collection of early American furniture.

He doesn't stay away from his work very long. He wants to make good at the job. Oh, yes, he has made good; but Phil Perlman wants to do even better than good.

Mr. McCARRAN. Mr. President, I yield 20 minutes to the junior Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas is recognized for 20 minutes.

Mr. JOHNSON of Texas. Mr. President, the junior Senator from Texas does not pose as an expert on the qualifications essential to Supreme Court Justices. If I were to do so, I would be venturing into uncharted seas, guided solely by my own passing preferences, opinions, and prejudices. That I refuse to do.

Except for the fundamentals of age and citizenship, specific qualifications for the personnel of the three branches of our Government—legislative, executive, and judicial—are not stated in the Constitution. The authors of that document wisely reasoned that qualifications are elusive, intangible standards, better entrusted to the judgment and experience of succeeding generations than to the rigidity of inflexible Constitutional law. Representative democratic government differs from aristocratic monarchial government on this fundamental principle.

Under our system, men to whom high office is entrusted are judged on their individual merit by their contemporaries. Because of this, it is not necessary in this great Nation of ours for a man to acquire a certain margin of wealth, a specific quantity of property, or even a designated amount of formal education to qualify for service in a position of public trust. Such standards are wholly inconsistent with our democratic principles.

Furthermore, in those instances, such as this, where the Senate is required to give its consent to appointments made by the Chief Executive, it is not our obligation to sponsor other men as candidates. The privilege of selection is not mine, nor is it that of the junior Senator from Michigan. The Senate's proper duty is confined to a judgment of the nominee himself. I say this for the purpose of emphasizing that we cannot cloak our prejudices or our partisanship, pro or con, in the robes of nonexistent tradition,

and pretend that the judgment we exercise is any judgment except our own. There is no law, there is no tradition which compels or authorizes any of us to say that a justice of the supreme court must meet these qualifications or those qualifications. There is no such convenient and expedient route of retreat from the great responsibility of resting our decision solely upon the character and the capabilities of the nominee himself.

Today we are here to judge Tom Clark, nothing else. We are not here to determine the philosophy of the highest court of the land, as the junior Senator from Michigan indicates he would like to do. It is not properly within the province of the legislative body to add to or subtract weights from the scales of justice. We are here only to preserve the integrity of the court, not the composition of the court. Integrity is the sole tradition with which we should concern ourselves, for traditions are often treacherous.

I speak now because I know Tom Clark. I think I know him well. He is and long has been one of my closest friends, and of that friendship I am enormously proud. Because I know him, I feel no compulsion to argue the merits of the man's character and capacity which, to those who know him, are unquestioned. The case for Tom Clark does not need to be proved on the floor of the Senate of the United States; it has been clearly and permanently established by Tom Clark's own deeds in the service of the Nation. I could not add to that record, nor can critics detract from it.

The nomination of Tom Clark has evoked some curious and disturbing suggestions and reasonings. I shall examine some of them. I have no wish to quarrel or debate here with honest opinions thoughtfully reached. I do not wish however to pass by without acknowledgment the growth of concepts which I believe are ill-founded and ill-considered.

I shall deviate for a moment to refer to some of the statements made by the junior Senator from Michigan. I do not expect to refer to the innuendos and the implications and the mud which were brought before the Judiciary Committee of this body by Communists, crackpots, and their coconspirators. But while a Member of this body, an eminent Senator from a sovereign State, spent more than an hour asking this body to refuse to consent to the nomination of a great man who has served his country well, I attempted to enumerate the reasons the Senator gave to the judicious Members who listened to him.

As I wrote them down, the Senator's first criticism was that he did not have an opportunity personally to interrogate the nominee; that he was not afforded the right to have the nominee for the Supreme Court brought before him to answer his questions. Whatever criticism may properly be directed to that point, none of it should fall upon the shoulders of Tom Clark. It is my understanding that the Judiciary Committee, composed of the Senator's colleagues, by a vote of 9 to 2, voted to report Tom Clark's nomination to this body. I am informed, although I have been a Member of the Senate but a very short time, that the request of the Senator from Michigan came late in the hearings, after many hours of testimony had been taken, rehashing old charges which the Senator himself had investigated day after day, month after month, in a Republican Congress with a Republican majority, with Republican votes, charges which finally the Committee on Expenditures in the Executive Departments rejected by a vote of 11 to 1.

I am informed that in the only case in recent history when the Judiciary Committee has requested that a nominee for the Supreme Court appear before it, the nominee appeared, just as I am sure Tom Clark would have welcomed an opportunity to appear if nine Members of this body had not voted to report the nomination to the Senate. But when the last nominee appeared he presented a statement to the Judiciary Committee. I shall only read it in part, because my time is limited. He said:

> I, of course, do not wish to testify in support of my own nomination. Except only in one instance involving a charge concerning an official act of an Attorney General, the entire history of this committee and of the court does not disclose that a nominee to the Supreme Court has appeared and testified before the Judiciary Committee. While I believe that a nominee's record should be thoroughly scrutinized by this committee, I hope you will not think it presumptuous on my part to suggest that neither such examination nor the best interests of the Supreme Court will be helped by the personal participation of the nominee himself.
>
> I should think it improper—

Evidently the great majority of the Judiciary Committee agreed.

> I should think it improper for a nominee no less than for a member of the court to express his personal views on controversial political issues affecting the court. My attitude and outlook on relevant matters have been fully expressed over a period of years and are easily accessible. I should think it not only bad taste but inconsistent with the duties of the office for which I have been nominated for me to attempt to supplement my past record by present declarations.

Therefore, Mr. President, I repeat, it may be an error was committed in not summoning the Attorney General to appear before the junior Senator from Michigan, but, if so, the error is chargeable to nine of his colleagues, not to the Attorney General.

On the next point, the Senator from Michigan makes much of a political investigation we had in the State of Texas in 1935, some 14 years ago. I know nothing about the investigation at the time. It has received much more prominence during the Eightieth Congress and during the hearings on this nomination than it ever received in Texas. But I was informed that during the Eightieth Congress the Judiciary Committee had brought before it material which attempted to question Tom Clark's conduct, and to indicate the Texas Senate had found something wrong with his law practice in 1935 and 1936. I have been informed, and I have read the record, that the Senator from North Dakota [Mr. LANGER] stated in committee hearings, I believe, at page 67 of the record, that the Judiciary Committee went into that charge thoroughly in 1945.

I am informed that Tom Clark has served under four or five distinguished Attorneys General, and that when he first came to the Department, his political enemies brought to the attention of the Attorney General the same old charge, as read here this morning, prepared by a member of the committee, and the FBI was asked to investigate it.

Tom Clark subsequently was appointed to a minor legal position. He served under Attorney General Cummings, Attorney General Jackson, Attorney General Murphy, and Attorney General Biddle. In the case of every job to which he was assigned, it was found that he was too big for the job. He was promoted by each and every one of those Attorneys General during the course of time, as he was elevated to Assistant Attorney General in charge of the Antitrust Division, and to Assistant Attorney General in Charge of the Criminal Division. The FBI made its regular reports, and, as I say, none of those reports indicated that Tom Clark had done anything morally wrong or anything legally or ethically wrong.

But when I saw some of the testimony, some of the sly references, and some of the smear, dirt, and mud thrown into the hearings in an attempt to reflect on Tom Clark and his lovely family, I did not go to the attic or down to the basement or through the back door. I asked who was chairman of the Texas Senate investigating committee. I learned, as the junior Senator from Michigan could have learned, if he wanted the facts, that the chairman of that investigating committee sits as an honored Member of this Congress, only a few steps down the hall in the other body. So I sought him out yesterday and asked him to give me any facts he had concerning the investigation of Tom Clark's conduct 14 years ago. I have here a letter which he addressed jointly to the two Senators from Texas. That letter is as follows:

> CONGRESS OF THE UNITED STATES,
> HOUSE OF REPRESENTATIVES,
> *Washington, D. C., August 17, 1949.*
>
> Hon. TOM CONNALLY,
> Hon. LYNDON B. JOHNSON,
> *United States Senators,*
> *Washington, D. C.*
>
> DEAR SENATORS: In response to your inquiry concerning the findings of the Texas State Senate General Investigation Committee during the years of 1935 and 1936, I am glad to give you my recollection of the findings. I served as chairman of this committee during those years.
>
> Certain rumors were reported to the committee concerning the activities of Hon. Tom C. Clark, then a practicing attorney at Dallas, Tex. The committee did investigate these rumors. I am pleased to be able to advise you in response to your inquiry that such investigation developed nothing which in my opinion justifies any criticism, either moral or legal, against Mr. Clark. About all that was shown was that he was a successful lawyer and enjoyed a far better than average practice at that time.
>
> While he has necessarily made certain enemies through the discharge of his duties as Attorney General, it seems quite clear that his present critics are simply trying to produce a ghost where there is no substance to their charges. My investigations and my

observations throughout the years convinced me that Mr. Clark possesses both the legal and moral background to make an outstanding Justice of the Supreme Court.

Very sincerely,

W. R. POAGE,
Congressman, Eleventh Texas District.

Prior to his coming to Congress, the people of Mr. POAGE'S area had honored him with service in the State house of representatives, promoted him to the State senate, and for seven terms he has served in the Congress of the United States. So he who wants the facts has them, without going from the basement to the attic to find them.

I recognize that the criticism voiced against this nomination before the Judiciary Committee came, primarily, from sources long since discredited by their own deeds and words, as sterile, intellectually barren mimics. They speak because they must speak, they act because they must act, they do not think because they must not think. I am not concerned about the opinions these sources express.

I wish to make it clear that I am talking about the original group, which I characterize generally as crackpots and Communists and fellow conspirators.

My great concern is for the opinions expressed by men who have retained their personal liberty and intellectual integrity, but who, unwittingly, forfeit those values because of prejudices or because of mental laziness which compels them to evaluate issues in terms of convenient, adaptable stereotypes. When men who have retained their independence of intellect are willing to content themselves with stereotyped thinking, then I fear we are misusing the freedom of thought which we are determined to preserve in the present conflict of philosophies.

The charge has been made, for example, that this appointment is improper because Tom Clark has been a conspicuously loyal member of his party. Personally, I fail to see the impropriety of loyalty to a chosen political faith. Expediency may have its rewards and vacillation may have its opportunities, but, to me, these traits are unwise and unwanted among members of the Court. If a man possesses sufficient conviction, courage, and consistency to remain loyal to the principles of a political faith—in adverse times as well as favorable times—then such a man, in my opinion, is a reassuring choice for a judicial position.

The PRESIDING OFFICER. The Senator has 1 minute remaining.

Mr. JOHNSON of Texas. Will the Senator from Nevada yield me five additional minutes?

Mr. McCARRAN. I yield five additional minutes.

Mr. JOHNSON of Texas. Furthermore, I believe it is a tedious, arbitrary, and peculiarly unjustifiable argument to contend that the President, in the intests of impartial justice, should strive to assure a certain amount of bias and partiality on the Court. I cannot concede that the President of the United States should use the appointive powers of his high office to assure the advocacy of a Republican Party point of view or a Democratic Party point of view in the deliberations of the highest court of the land. The Supreme Court is not the property or the province of our political parties; but it would soon become so if the President, whoever he might be, should yield to these incessant demands that one party or another be assured of a certain number of advocates on the Court.

When thinking men fall victims to the belief that the Supreme Court, like Congress, should be judged by the apportionment of votes, then I must conclude that such men are misconceiving the purpose of the Court and are misusing their intellectual liberty. They are not judging the nomination now before us; they are simply exposing their own prejudices and arguing that the Court should be created in their own image.

I hope that the Senate will never fall into the error of such ways by perverting the powers of confirmation to usurp the independence and integrity of the Court. Such a course would be a far greater threat to the Republic than could be any one individual appointment of a loyal American.

Some may feel—and some have said—and the Senator from Michigan has indicated—that vacancies on the Supreme Court should be filled by promotion from the lower courts. The logic and necessity for such a course eludes me. Quite often, if not always, judges on the lower courts are chosen primarily for their regional or local prominence. The luster and sanctity which enshrouds such judges often are measured by their consistent espousal of a sectional viewpoint. It seems much more logical to me to place on the Court men of outstanding national service which has afforded them the opportunity to grasp a national viewpoint rather than a sectional or local viewpoint. Charles Evans Hughes, for example, was such a man; his rich experience in national affairs enhanced his service as a justice. McReynolds, Brandeis, Sutherland, Butler, Stone, and Roberts—these justices came to the Court through the avenue of public service, not up the ladder of judicial promotions. The quality of their service certainly was not diminished by their broad and useful experience.

Mr. President, after all, why have we, through custom and through law, surrounded the Supreme Court with provisions for security, stability, and immunity which are enjoyed by no other public servants? We have done so in the belief that such provisions will enable men of capacity to rise above their antecedents and serve the cause of justice impartially and without intimidation. In the ordinary course of events, men do not reach such a pinnacle of security and immunity. This aura of security and immunity has been created as a challenge, designed to nurture and develop the highest degree of wisdom and impartiality that a man can impart. This condition was not conceived as a reward or as a cloak of protection to give a man free rein in expounding some preconceived concept of justice or philosophy.

Tom Clark has shown himself to be a man who responds to challenges with courage, with honesty, and with real ability. Because I know Tom Clark, as a man and as a public servant, I am confident that he will be equal to the challenge and will grow in stature as he meets and masters this new challenge. I know that Tom Clark will not prostitute this challenge by carrying to the Court fixed opinions and preconceived concepts of justice.

This is my judgment of Tom Clark; I am here for no other purpose. I have no desire to remake the Court in the image of my own preferences and my own philosophy; I do not conceive that to be a proper part of my duty here.

I have no desire to apportion the prejudices of the Court among various groups or parties according to some numerical balance. I prefer to place my trust in men who are unburdened with prejudice and who will dispense justice on the basis of the law and the facts rather than on the basis of the plaintiff's reputation.

For this duty and this responsibility I know of no happier selection that could have been made than the nomination of Tom Clark. I commend him to the Senate. I know he will serve the cause of justice well.

Mr. McCARRAN. Mr. President, I yield 10 minutes to the Senator from North Dakota [Mr. LANGER].

Mr. LANGER. Mr. President and fellow Senators, I do not rise to the defense of Tom Clark, because in my opinion he needs no defense. Since I have been a Member of this body I have been for Republicans and Democrats who were nominated for office when I thought they were good men, and I have been against them when I thought they were not. I spoke for 3 hours against Mr. Stettinius, who later became Secretary of State.

What we are interested in today is the facts. In March 1945, Mr. Clark was nominated to be Assistant Attorney General to have charge of the antitrust division. I was tremendously interested in that nomination. Up to that time there had not been even a pretense that the criminal provisions of the Sherman antitrust law and the Clayton Act should be enforced. I demanded that Mr. Clark appear. I call the attention of every Senator upon this floor to the fact that one week's notice was given that Mr. Clark would appear before the Committee on the Judiciary on the 22d day of March 1943, prepared to answer any questions. Frankly, although I had never met him, I was opposed to him.

There were present at that meeting the then Senator from Indiana, Mr. Van Nuys, the Senator from Texas [Mr. CONNALLY], the Senator from Arizona [Mr. MCFARLAND], the Senator from Michigan [Mr. FERGUSON], the then Senator from West Virginia, Mr. Revercomb, the then Senator from Connecticut, Mr. Danaher, the then Senator from New Mexico, Mr. Hatch, the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Wisconsin [Mr. WILEY], the Senator from Nebraska [Mr. WHERRY], the Senator from West Virginia [Mr. KILGORE], the then Senator

from Vermont, Mr. Austin, the Senator from Nevada [Mr. McCARRAN] and the present speaker.

We examined Mr. Clark all forenoon. We did not get through with the examination, so we arranged to examine him further in the afternoon. In the afternoon we met again in special session. There were present at that time the then Senator from Indiana, Mr. Van Nuys, the Senator from Texas [Mr. CONNALLY], the Senator from Arizona [Mr. McFARLAND], the Senator from Michigan [Mr. FERGUSON], the then Senator from West Virginia, Mr. Revercomb, the then Senator from New Mexico, Mr. Hatch, the Senator from Nebraska [Mr. WHERRY], the Senator from West Virginia [Mr. KILGORE], and myself.

The then Senator from Connecticut, Mr. Danaher, the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Wisconsin [Mr. WILEY], the then Senator from Vermont, Mr. Austin, and the Senator from Nevada [Mr. McCARRAN] did not attend.

Again we interrogated Tom Clark on his fitness and as to his integrity, to ascertain whether or not he should be confirmed as Assistant Attorney General to head the Antitrust Division. When we got all through, on the motion of the distinguished senior Senator from Texas [Mr. CONNALLY], Mr. Clark was unanimously recommended for confirmation.

Two years went by and in June 1945 Tom Clark was nominated to be Attorney General. I wanted to find out for sure whether, as Attorney General, he would enforce the criminal parts of the Sherman Antitrust Act, and the record shows that I again demanded that he appear personally. Mr. Clark appeared on June 13. At that time there were present the Senator from Nevada [Mr. McCARRAN], the Senator from Wisconsin [Mr. WILEY], the Senator from North Dakota [Mr. LANGER], the Senator from Michigan [Mr. FERGUSON], the Senator from Wyoming [Mr. O'MAHONEY], the then Senator from New Mexico, Mr. Hatch, the then Senator from Oklahoma, Mr. Moore, and the then Senator from Utah, Mr. Murdock. Again we went into the minutest detail about the Texas matter, just as we did the first time. I did most of the interrogating myself, and I was so merciless that I was cautioned by one of the Senators. I wanted to know why a man who had made five or six thousand dollars before his law partner was elected attorney general of Texas would be making sixty or seventy thousand dollars a year or two later. Mr. Clark gave us the name of every single client from whom he had received more than a thousand dollars. He also told of the work he did to earn his fees.

At that time every opportunity was given to every single Senator on the Judiciary Committee to interrogate him, to ask him about any employment he had, or about anything else. When all got through, he had made such a good impression that the record shows when the motion was made by myself and other Senators to report the nomination he was unanimously for the second time recommended, with the unanimous approval of the committee.

Mr. President, it seems to me that when a man has twice submitted himself to the Committee on the Judiciary, when he has twice voluntarily come forward and said, "You can examine me as to anything from the time I was born," and when it is found there is nothing new in the entire record, with one exception——

The PRESIDING OFFICER. The Senator's time has expired.

Mr. LANGER. May I have 1 minute more?

Mr. McCARRAN. I yield further time to the Senator.

Mr. LANGER. As I was saying, there was nothing new with one exception, namely, the matter of wire tapping, and when I read the Yale Law Review, and later the letter from J. Edgar Hoover, Director of the FBI, I became satisfied that Mr. Clark had done nothing illegal in the matter of wire tapping and that had been done exactly by all his immediate predecessors.

So, Mr. President, I intend to vote for the confirmation of the nomination of Tom Clark to be Associate Justice of the Supreme Court of the United States and I predict that he will be an outstanding, honest, capable, fearless, and liberal Judge and one of whom the common people of the United States will be proud.

Mr. McCARRAN. I yield 6 minutes to the Senator from Pennsylvania.

Mr. MYERS. Mr. President, the Committee on the Judiciary held public hearings on three consecutive days last week. It is a matter of public record that the nomination was supported by hundreds of letters and telegrams, including communications from past presidents of the American Bar Association, Federal and State judges, distinguished educators, labor leaders, and prominent citizens in every walk of life. The communications in opposition were almost without exception from groups which most of us would regard as of subversive or at least dubious character, or from persons knowns to be connected with such groups. Not one new fact was brought out. Not a single charge was made which merited further investigation. Following these public hearings, the committee held an executive session at which nine members of the committee voted to report the nomination favorably. The motion was made by a member of the Republican Party and support for the motion was bipartisan. Two Senators opposed the motion. But nine Senators voted to confirm, because they evidently felt that the nomination was a good one and deserved confirmation and, second, that no useful purpose would be served by holding further hearings.

We have been told that the hearings should not have been concluded without testimony from the nominee himself. That is a subject which has been passed on by the Judiciary Committee, and should be left to the best judgment of that committee. Mr. Clark advised the chairman of the Judiciary Committee that if his presence was desired he would be glad to attend and testify before the committee. But the question whether or not he should be called was decided by the committee itself. It was their determination that testimony from the nominee was not necessary. In reaching this conclusion they were acting in line with the vast body of precedent. Under our system of government the advice and consent of the Senate is required to every major appointment whether in the judicial or the executive branches of the Government. That is as it should be. The requirement of the Senate's advice and consent has been through the years a most healthy check on the appointive power. But this body has always recognized that appointments to the Supreme Court of the United States fall into a special category. The Senate has the duty of considering with the utmost care the integrity and fitness of the appointee. But the Senate should not ask a nominee to our highest court to come forward and support his own nomination, nor should it ask him his views on questions which he may be called upon to consider when and if he becomes a member of the Supreme Court. It is best to let testimony as to his past record come from his friends and enemies, and to allow him to maintain silence on the great issues which may come before him for decision. In pursuance of this tradition nominees to the Supreme Court have almost never been called before the Judiciary Committee for questioning. Only a few cases in the entire history of our country may be cited to the contrary. But even then the questioning brought out nothing that was not already known, and served only to delay the confirmation of nominees who later were confirmed, and whose records on the Court subsequently justified their nomination and confirmation. There is no occasion to ask Tom Clark any questions. His official acts are well known. In the last Congress every charge against him that could possibly be alleged was minutely investigated by those hostile to him, and after exhaustive investigation no report of criticism was filed in either House. What better testimonial could there be to the fitness of Tom Clark to become an Associate Justice of the Supreme Court of the United States?

The one thing that is good about the affair is that out of the mass of misrepresentations, of innuendoes, insinuations, and in some instances I might say almost falsehoods which have characterized it from beginning to end, there emerges the figure of Attorney General Clark, straight and true, his stature as a capable, honest, and conscientious public figure enhanced, his character unsullied and his record unblemished. He has triumphed over his enemies. They have failed to besmirch him.

When those closest to him throughout these attempts to ruin him and destroy the record of his great achievements as the head of the Department of Justice were infuriated at the unfair methods used against him, he remained calm and unruffled, certain that the truth would prevail. In this, as in other things, he has demonstrated that he possesses the

knowledge, the wisdom, and temperament not only to sit on the Supreme Court of the United States, but to become, as his judicial experience ripens, one of the greatest of the Justices of that Court.

Mr. FERGUSON. Mr. President, the Senator from Missouri [Mr. DONNELL] desires to speak at this time.

The PRESIDING OFFICER. How much time does the Senator desire?

Mr. DONNELL. Twelve minutes, Mr. President.

The PRESIDING OFFICER. The Chair will indicate to the Senator when 1 minute remains of his time.

Mr. DONNELL. Mr. President, the vote of the Senate Committee on the Judiciary on the motion of the Senator from North Dakota [Mr. LANGER] to recommend confirmation of the nomination of Mr. Clark occurred on August 12. On that day I issued a statement which I desire to read into the RECORD, as it sets forth the facts surrounding my vote in opposition to that motion:

By my negative vote, on the motion made by Senator LANGER to recommend confirmation of the nomination of Hon. Tom C. Clark to be an Associate Justice of the Supreme Court of the United States, I was not expressing opposition to such confirmation.

Senator LANGER'S motion was a substitute for a motion previously made by myself. I did not favor adopting his motion in place of the one which I had made. The only means by which I could voice my opposition to defeat of my own motion was to vote against the Langer motion.

The motion which I had offered was one by which:

1. Certain letters and telegraphic messages in opposition to the confirmation of the nomination would have been required to be read in an open meeting to be held by the committee, in which meeting representatives of the press would, if they cared to be there, be among those persons present.

2. The members of the committee would, at a public hearing, have had the opportunity to ask questions of Mr. Clark.

That portion of my motion which would have required the reading, in an open meeting, of certain letters and telegraphic messages in opposition to the confirmation arose from the fact that there had previously been read in open meeting, attended by representatives of the press, numerous letters and telegraphic messages in favor of such confirmation, and also one from the Vice Chairman of the Special Committee on the Judiciary of the American Bar Association by which last-mentioned message the chairman of the Senate Committee on the Judiciary was informed that said committee of the American Bar Association does not oppose the confirmation.

I think that inasmuch as messages favoring, and the one just mentioned by which the American Bar Association Committee informed the Senate committee chairman that the American Bar Association does not oppose, confirmation had been thus publicly read, it would have been only fair that there should, with equal publicity, have been read those letters and telegraphic messages in opposition to the confirmation which my motion would have required to be so read.

I understood from the chairman of the Senate Committee on the Judiciary that all letters and messages were ordered to be placed in the record but I think that, in addition to the making of such an order, it was important that the same public reading of adverse communications should occur as was carried out in the case of communications favorable to confirmation and as in the case of the above-mentioned message from the vice chairman of the previously mentioned committee of the American Bar Association.

That provision in my motion which would have enabled members of the Senate Committee on the Judiciary to ask questions of Mr. Clark in open hearing was based on my view that such members and the people of the United States should be permitted to have Mr. Clark's statement with respect to any subjects on which committee members might desire to interrogate him. Various points, both for and against confirmation, had been presented in open hearings. I think it important both to Mr. Clark and to the people of the Nation that they know what Mr. Clark might say with respect to any of such points and to such other matters, if any, as to which any committee member might think it desirable to question him.

So important did I consider the principles embraced in my motion that I was not willing to abandon them. To have voted in favor of Senator LANGER'S motion would have been to vote in favor of such abandonment. I accordingly voted against his motion but I informed the committee, after casting my vote, that said vote did not indicate that I was either for or against the confirmation of the nomination.

I think the committee should have followed the procedure specified in my motion.

Mr. President, some of the matters as to which I think it would have been important to interrogate Mr. Clark were:

First. His views on what is called technical surveillance, or, in other words, wire-tapping.

Second. Methods used with approval of Mr. Clark in the determination of what organizations are to be included in lists of subversives.

Third. In connection with the investigation of the conduct of the Department of Justice with respect to the alleged irregularities in the Democratic primary election in the Fifth Missouri Congressional District, August 6, 1946, whether suggestions were issued by Mr. Clark to Mr. D. C. Ladd of the FBI on July 23 or 24, 1947, to the effect that it might be desirable to include certain material in a separate administrative file, and if so, the reasons for the issuance of such suggestions to Mr. Ladd, of the FBI.

Fourth. The subject of inquiry which was made in the Texas Legislature as appeared in the Senate Journal of January 25, 1947, and the matter relative to the increase in the income which has previously been referred to today in the arguments.

Fifth. The participation by Mr. Clark, if any, concerning the Capone gangster paroles.

Sixth. His conduct with respect to the Kansas City investigation.

Two members of the Judiciary Committee requested, or at least by their votes upon the motion showed their desire for, the opportunity to question Mr. Clark. In the statement which was issued to the press I have given my reasons for the action which I took on that date.

Today we are asked to vote on the nomination of Mr. Clark on what I consider to be incomplete evidence. I wish to say in connection with Mr. Clark first, that I personally like him very much indeed. Second, his courtesies to me have been numerous. Third, to my mind his ability is very great. I have observed Mr. Clark, particularly in connection with the matter of the tidelands situation, the question as to who should own the so-called tidelands, and I have been very much impressed with his alertness and participation, and the views he has expressed. However, in view of the fact that we are today asked to vote on this nomination on incomplete evidence, as I see it, I have concluded that I shall vote against the nomination of Mr. Clark.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. CONNALLY. The incompleteness of evidence to which the Senator referred was not Mr. Clark's fault. The committee cut that off.

Mr. DONNELL. I appreciate the fact that the committee was the body which did that. Nevertheless, I think we are today called upon to vote on incomplete evidence. To my mind the appropriate procedure today would be to recommit the nomination to the Committee on the Judiciary, although I judge that is parliamentarily impossible. I realize that by my own consent yesterday I concurred in the course of action to be taken today. To my mind the proper course of action would be to recommit the nomination to the Judiciary Committee for further examination and study, and the examination of Mr. Clark. Were it in order, I would certainly move to do so at this time.

Mr. FERGUSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. FERGUSON. Under the existing parliamentary situation is it in order to move to recommit the nomination to the committee?

The PRESIDING OFFICER. The unanimous-consent agreement specifically provides that there shall be a vote on the nomination. The Chair therefore holds that a motion of the kind mentioned would not be in order.

Mr. FERGUSON. Mr. President, I ask unanimous consent that the unanimous-consent order be changed so as to permit a motion to recommit the nomination to the committee.

The PRESIDING OFFICER. Is there objection?

Mr. McCARRAN. I object.

Mr. McKELLAR. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. DONNELL. Mr. President, let me say——

Mr. McCARRAN. Mr. President, we are operating under a time limit.

Mr. DONNELL. I do not think I have exhausted my time.

The PRESIDING OFFICER. The time of the Senator from Missouri has not expired.

Mr. DONNELL. Let me say to Members of the Senate that if this nomination should not be confirmed this afternoon, it is my purpose then to move to recommit it. I do not know whether even then such a motion would be in order, because I assume the procedure with respect to the nomination would have been exhausted. I submit to the Chair a parliamentary inquiry. In the event confirmation should be refused,

would it be in order to move that the entire subject matter be referred to the committee, or would the procedure have been exhausted at that time?

The PRESIDING OFFICER. The Chair holds that that question could arise only in connection with a motion to reconsider the vote on the nomination.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. MAGNUSON. The Senator has listed four or five reasons why he is opposed to this nomination. Among them he has cited lack of sufficient evidence as to the subjects which he has mentioned. I ask the Senator whether or not it is true that, with respect to the five or six subjects mentioned by the Senator, there are complete printed records which have been made public. For example, I believe that in 1938 the Committee on the Judiciary itself considered the so-called Texas legislative matter. The record is available. The question of the Kansas City vote frauds was gone into. I know that I participated in several of those hearings. The subject of paroles is also a matter of public record in the Department of Justice, and the record is available in the committee files. I wonder if the Senator could not read that evidence, which is all available.

Mr. DONNELL. Let me answer the Senator in this way: In the first place, I have assigned only one reason for opposing the nomination of Mr. Clark, namely, the fact that we are asked to vote on the nomination on the basis of incomplete evidence. I have cited approximately six illustrations of points on which I think the evidence is incomplete. The record with respect to some of those points may be available. So far as I know, such matters as the views of Mr. Clark with respect to wire tapping are not a matter of public record.

The PRESIDING OFFICER. The time of the Senator from Missouri has expired.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Nevada yield to me for a unanimous consent request?

Mr. McCARRAN. Mr. President, does the Senator from Michigan wish to assign time?

Mr. FERGUSON. Not at this time.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield to me for the purpose of making a unanimous consent request?

Mr. McCARRAN. I yield.

Mr. JOHNSON of Texas. I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a statement released by the Department of Justice on March 31, 1949, with reference to wire tapping, and the policy of the Deparment throughout the years in that connection.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Attorney General Tom C. Clark announced today that there is no justification for the criticism made earlier today by certain officials of the Americans for Democratic Action and the American Civil Liberties Union concerning the policies and practices of the Department of Justice with respect to wire tapping.

The Attorney General further pointed out that after joint conferences some 2 weeks ago between officials of the Department and members of the Senate and House Judiciary Committees, section 5, the wire-tapping provision, of the internal security bill (S. 595), was by agreement eliminated entirely from the provisions of the internal security bill. The Department does not intend to press for this section and the committees were so advised at that time.

The Department of Justice has not violated section 605 of the Communications Act of 1934, Mr. Clark stated. The policy followed today has been followed for many years and was established by the highest authorities in the executive branch of the Government. It has been scrupulously followed by the Department of Justice and the Federal Bureau of Investigation.

The statutes and the decisions of the courts, including the Supreme Court, concerning wire tapping do not prohibit the tapping of wires, but rather the divulging or publishing of information and use of it as evidence when obtained by wire tapping.

The late President of the United States, Franklin D. Roosevelt, on May 21, 1940, in a memorandum to the then Attorney General, Robert H. Jackson, approved wire tapping when necessary in situations involving national defense.

President Roosevelt, again in a letter dated February 25, 1941, which was given wide circulation, in response to a congressional inquiry, outlined policies followed by the FBI when he said:

"I do not believe it should be used to prevent domestic crimes, with possibly one exception—kidnaping and extortion in the Federal sense.

"There is, however, one field in which, given the conditions in the world today, wire tapping is very much in the public interest. This Nation is arming for national defense. It is the duty of our people to take every single step to protect themselves. I have no compunction in saying that wire tapping should be used against those persons, not citizens of the United States, and those few citizens who are traitors to their country, who today are engaged in espionage or sabotage against the United States."

The views of Supreme Court Justice Robert H. Jackson, when Attorney General, on wire tapping were expressed in a letter he sent to the chairman of the House Judiciary Committee on March 20, 1941, as follows:

"A short time ago a small child was kidnaped in California. There was reason to expect that demands would be made upon the parents by telephone. If the voice making such a call were recorded, preserving its accents, its peculiarities of speech, and its exact words, it would be a scientific means of identification not subject to the faults of hearing or of memory which so often make identification weak. * * * Of course, I directed Mr. Hoover to put a recording device on that line."

Former Attorney General Francis Biddle advised the press on October 8, 1941:

"The stand of the Department of Justice would be, as indeed it had been for some time, to authorize wire tapping in espionage, sabotage, and kidnaping cases when the circumstances warranted."

The policies of the Attorneys General concurred in by the former Chief Executive of the United States have continued to be the policies of the Department of Justice and have been clearly and publicly stated. There has been no concealment of the fact that wire tapping has been used in limited cases with the express approval in each individual instance of the Attorney General.

There has been no new policy or procedure since the initial policy was stated by President Roosevelt and this has continued to be the Department's policy whenever the security of the Nation is involved.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a letter from Joe L. Hill, ex-State senator, of Texas, and a member of the investigating committee previously referred to.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SEPTEMBER 22, 1941.

Mr. W. H. CLARK, Jr.,
Attorney at Law,
Dallas, Tex.

DEAR MR. CLARK: As a member of the senate general investigating committee which made an investigation of the operation of several State departments in the years 1935–36, I am pleased to confirm to you in this manner that such investigation and the evidence thereat constituted in my opinion no basis for any charge or complaint, either moral or legal, against the conduct of your brother, Tom C. Clark.

Very respectfully yours,

JOE L. HILL.

Mr. McCARRAN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCARRAN. Must the side which has time to assign either assign or relinquish its time?

The PRESIDING OFFICER. The Senator's inquiry is, Shall the Chair force them to assign or relinquish time?

Mr. McCARRAN. Either assign or relinquish the time entirely.

The PRESIDING OFFICER. The Chair has no control over the disposition of the time. It belongs to the parties, by unanimous consent.

Mr. McCARRAN. I ask the Senator from Michigan, then, to assign time. It is his turn to assign time.

Mr. FERGUSON. Mr. President, I do not understand that the unanimous consent agreement says anything about taking turns in the assignment of time.

Mr. McCARRAN. The time was to be divided equally.

Mr. FERGUSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. FERGUSON. How much time has the junior Senator from Michigan?

The PRESIDING OFFICER. The junior Senator from Michigan has 10 minutes.

Mr. FERGUSON. How much time has the Senator from Nevada?

The PRESIDING OFFICER. The Senator from Nevada has 54 minutes.

Mr. McCARRAN. Mr. President, I yield 5 minutes to the Senator from Connecticut [Mr. McMAHON].

Mr. McMAHON. Mr. President, I thank the Senator from Nevada for yielding 5 minutes to me. I do not believe I shall speak that long—not because I could not speak for 5 minutes about a friend of mine whose nomination to our highest Court is before us for consideration, but because his overwhelming confirmation is assured.

I have known Tom Clark for about 15 years. I was in the Department of Justice as Assistant Attorney General when he came to work there. He did not come

to a high position. He was a worker in the ranks. By his diligence, intelligence, and devotion to duty he rose in that organization until he became Assistant Attorney General, and later Attorney General of the United States. His nomination to the highest Court of the land is a natural development of the distinguished career which he commenced in the Department of Justice.

Tom Clark is a calm man. He is a friendly man. In all the years I have known him I have never known him to do a selfish or petty thing. I have always found him thoughtful. I have found him devoted to his duty. I have found him to be courageous. When he was under attack—and men who occupy high offices are frequently under attack, for motives good and otherwise—he behaved like a gentleman of courage. He maintained his equanimity because he had justified confidence in his own integrity.

He has been fair and judicious in the offices which he has occupied; and I predict that his career on the bench will demonstrate that he will be a fair and judicious judge.

I was happy to hear the Senator from Missouri [Mr. DONNELL] pay tribute to his ability. The Senator from Missouri is no easy judge of lawyers, as Members of this body know.

Mr. President, I could continue further. I merely wished to place myself on record in plain and unmistakable terms.

I thank the Senator from Nevada, and I surrender the remainder of my time.

Mr. McCARRAN. I yield 3 minutes to the Senator from Tennessee [Mr. KEFAUVER].

Mr. KEFAUVER. Mr. President, I am glad to have this opportunity to say a word in behalf of a great public servant, an outstanding lawyer, and a friend. The life, character, and work of Tom Clark, whose nomination to the Supreme Court is being considered here today deserves high commendation and unanimous approval.

During the 10 years I had the pleasure of serving in the House of Representatives, I was a member of the Committee on the Judiciary. During that time there were three different Attorneys General of the United States—Mr. Jackson, Mr. Biddle, and Mr. Clark. During that time I had the opportunity to serve on many subcommittees of the Judiciary Committee which were considering proposed legislation in which Mr. Clark was interested, and with respect to which he was called upon to report and to give the viewpoint of the Department of Justice.

To my mind Mr. Clark is a very able, conscientious lawyer. As has been stated by the distinguished Senator from Connecticut [Mr. MCMAHON], I think Mr. Clark is a courageous man. I have always observed that when any issue came before the House Committee on the Judiciary, regardless of the sectional viewpoint or of any peculiar interest which Mr. Clark may have had by virtue of the fact that he came from the Southland, he always took the national viewpoint and he did this courageously. He has made an excellent Attorney General.

It is true, as has been stated, that Mr. Clark has taken an active part in politics. But, Mr. President, when did active participation in politics disqualify a man from holding this great and high position? I have always thought it was to a man's credit to take a part in politics; to assert himself, to say where he stood on important issues, and to take a part in issues which were before the public. Yes, Mr. President, interest in political matters is a credit to any citizen. No one can say that Mr. Clark has ever made a policy decision to favor a friend or a political ally. He has enforced the laws fairly and fearlessly.

It has been said that Mr. Clark is a friend of President Truman. Why should not the President appoint a man in whom he has confidence, a man who, as he knows, and as I do, will decide cases in that high Court judiciously, courageously, and from the national viewpoint. Mr. President, I commend and compliment the President upon his selection of a friend in whom he can have full and complete confidence.

It has been my pleasure to know Mr. Clark socially. It has been my observation that by disposition and nature during his service he has endeavored to maintain the closest possible cooperation and understanding between the Congress and his Department of the Government, the closest I have known in my service in the Congress. He has always maintained a friendly contact between the House, the Senate, and his Department of the Government.

Mr. Clark is a man of calm and judicial temperament. He is able, upright, and honest. He is a hard worker and is by birth, training, and experience imbued with those qualities of Americanism which have made our country great. I predict that he will make one of the great Justices of the highest Court of our land.

Mr. McCARRAN. Mr. President, again I call upon the opposition to the nomination to assign time.

Mr. FERGUSON. The Senator from Nevada has 50 minutes remaining, and the junior Senator from Michigan has 10 minutes.

Mr. McCARRAN. Very well.

Mr. CONNALLY. The only difference is that he has already had his.

Mr. McCARRAN. Well, it seems not.

Mr. McKELLAR. Mr. President, will the Senator from Nevada yield 2 minutes to me?

Mr. McCARRAN. Very well; I yield 2 minutes to the distinguished senior Senator from Tennessee.

Mr. McKELLAR. Mr. President, I have known Mr. Clark only since he has been Attorney General, but I think I have never known a more delightful, attractive, fine man than Attorney General Tom Clark. He is able, he is kindly and judicially minded, and in every way qualified and fitted to occupy this exalted position. I have had a great deal of business with him since he has been Attorney General. He has succeeded in turning me down more often than perhaps any other Cabinet officer I have ever known to do. Not only has our friendship not been disturbed by his actions in turning me down, but it has become stronger and better all the time. In my judgment it takes a real man to do that.

He is a lawyer of distinguished ability. He is a graduate of the University of Texas, with both academic and law degrees. He has made a wonderful success as an attorney. He stands as high personally as any man. He is the very soul of honor. He is courageous. In my judgment he will make one of the best Justices of the Supreme Court of the United States, and that is the greatest court in all the world at this time. Its history, prestige, and honor will not be lessened when Tom Clark takes his place in that body.

Mr. KEFAUVER. Mr. President, will the distinguished Senator yield for a question?

Mr. McKELLAR. Certainly.

Mr. KEFAUVER. I wish to call the Senator's attention to the fact that among all the letters and telegrams on this subject, some of which are from persons who do not know anything about the matter, and some of which are from persons who are crackpots or what not, many of the important telegrams and letters are printed at the back of the hearings. I call the Senator's attention to page 343 of the hearings, and ask him if he knew that the Tennessee Bar Association endorsed the appointment of Attorney General Clark to be a member of the Supreme Court of the United States.

Mr. McKELLAR. I did not know that until——

The PRESIDING OFFICER. The Senator's time has expired.

Mr. McKELLAR. Mr. President, will the Senator from Nevada permit me to have a minute further?

Mr. McCARRAN. Very well.

Mr. McKELLAR. I did not know that the Tennessee Bar Association had endorsed Tom Clark for this appointment, until the Senator from Texas first called my attention to it a moment ago. I thank my colleague for his confirmation.

I wish to congratulate the Tennessee Bar Association for its endorsement of Mr. Clark. I think nothing is plainer than our duty to confirm his nomination by an overwhelming vote this afternoon. I am sorry some of my good friends here have seen fit to oppose him. I hope they will withdraw their opposition, and that this body will add to its great honor, just as the Tennessee Bar Association has done, by unanimously confirming the nomination of Mr. Clark for this high office. He is justly entitled to be unanimously confirmed. I believe he will make a great Justice of the Supreme Court of the United States.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD communications on this subject from the Bar Association of Tennessee.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

KNOXVILLE, TENN., *August 11, 1949.*

PAT MCCARRAN,
Committee on Judiciary,
United States Senate:

As vice president, Bar Association of Tennessee, recommend confirmation Tom Clark, Supreme Court.

JOHN H. DOUGHTY.

NEW YORK, N. Y., *August 11, 1949.*
Senator PAT MCCARRAN,
Committee on Judiciary:
For the Tennessee lawyers I wholeheartedly endorse the appointment of Attorney General Clark.

W. RAYMOND DEMNEY,
President, Bar Association of Tennessee.

Mr. McCARRAN. Mr. President, I assign 15 minutes to myself.

The PRESIDING OFFICER. The Senator from Nevada is recognized for 15 minutes.

Mr. McCARRAN. Mr. President, in order that the Senate may know and may fully understand what transpired in the Judiciary Committee, it will do no harm to devote a minute or two to that matter.

The nomination of Tom C. Clark came to the Senate and was immediately referred to the Committee on the Judiciary. Pursuant to the rule of the Judiciary Committee, a notice was published in the CONGRESSIONAL RECORD 1 week in advance, notifying the Senate, the House, and all members of the public who might be concerned, that on Tuesday of the following week public hearings would be held on the nomination. On the day and at the hour assigned, there was before the committee a concourse of people ready to testify. We called for their names and their residences, and asked them when they could best appear. The chairman of the committee read nearly all the letters and telegrams supporting the nomination. Then he called upon, one by one, those who saw fit to oppose the nomination. For a part of 3 days and 1 night we continued with those hearings, until all who cared to be heard were heard, so far as we know. We called upon any others who might care to be heard. No one responded. We then called an executive meeting of the committee, to ascertain what the committee wished to do. After a discussion in the late afternoon, a motion was made by the Senator from Missouri [Mr. DONNELL]. It was a double motion. One part of the motion was that the chairman of the committee read aloud in public all letters, telegrams, and other communications which he had received against the nominee. The other part of the motion was that Mr. Tom Clark should be requested to come before the committee for interrogation. Later, the Senator from Missouri divided the motion. The matter was discussed at length that afternoon. The chairman thought it best that members of the committee sleep on the proposition and take their time to consider it. I suggested that the matter go over to an hour certain the following day. The hour was selected by the members of the committee. On the following day the full committee assembled, as I recall, at the hour of 10 o'clock. But before adjourning that night, the Senator from North Dakota [Mr. LANGER] offered a preferential motion, which was that the committee vote to conform. Then, when the committee was about to adjourn, the Senator from North Dakota drew the attention of the Chair to the fact that his motion would be the pending question the following day.

On the following day, when the committee assembled, the discussion turned on the motion of the Senator from North Dakota. It was a preferential motion, a substitute for the motion of the Senator from Missouri. There was considerable discussion, during which the Senator from Michigan [Mr. FERGUSON] stated he wished to bring before the committee the records and files of the Kansas City case and other matters which he thought should come before the committee, and the Senator from Missouri [Mr. DONNELL] made suggestions as to what he might want to bring before the committee if Mr. Clark were brought before it. After discussing those subjects at length, the Chair put the question on the preferential motion of the Senator from North Dakota. As I recall, the vote stood 9 to 2, which disposed of the entire matter.

The Chair again, of his own accord, placed in the record, he having made known to the committee that he would do so, all the files, all the letters, and other communications which had been received. Those have been printed, and they are on the desks of the Senators.

Mr. President, perhaps it might be considered that the chairman of the Committee on the Judiciary would be opposed to Mr. Tom Clark. Only a few months have passed since Tom Clark and the chairman of the Judiciary Committee, on an entirely different matter, had, to use the language of the street, a rather serious run-in. But one could not come out of that situation without admiring the courage and determination of Mr. Tom Clark. I was opposed to the policy which has been adhered to by every administration since I have been in the Senate, of refusing to allow Members of Congress to go into the files of the FBI. Mr. Clark has adhered constantly, as did his successors, to the idea that Members of Congress could not go into the files of the FBI. It became a matter of controversy between Mr. Clark and myself. One cannot but admire an opponent who meets him toe-to-toe, looks him in the eye, and opposes him in some particular matter. I emerged from that contest admiring Mr. Clark even more than I had before.

Mr. President, regarding the matters which have been brought up in the Senate against Mr. Clark, growing out of what are termed the Kansas City cases, let me say that during the Eightieth Congress, while I was the ranking minority member of the Committee on the Judiciary, I sat for days and days and days with the able Senator from Michigan while he called witness after witness before the subcommittee and while hearings were conducted. Finally, when the Senator was satisfied with the hearings he called an executive meeting of the subcommittee for the purpose of writing a report. He submitted a report against Mr. Clark. Mr. President, the vote of his own committee was against him. The adverse report was then submitted to the full committee, and again the vote did not approve the report. The matter was brought to the floor of the Senate, it will be recalled, where no action was taken.

In the second session of the Eightieth Congress the able Senator from Michigan took the matter from the Judiciary Committee to the Committee on Expenditures in the Executive Departments. There, for days, as I am advised, the matter was considered. I shall stand corrected, if I am in error, but I am advised that in the Committee on Expenditures in the Executive Departments there was but one vote against Mr. Clark or to hold public hearings.

Mr. FERGUSON. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Nevada yield to the Senator from Michigan?

Mr. McCARRAN. I yield for a question.

Mr. FERGUSON. I should merely like to advise the Senator that that is not the fact.

Mr. McCARRAN. Very well, I stand corrected, if that is not the fact. It is the advice I have had. At any rate, it will be admitted that, after long hearings in both sessions of the Eightieth Congress, neither the Committee on Expenditures in the Executive Departments nor the Committee on the Judiciary saw fit to report anything condemnatory of Mr. Tom Clark.

That is not all, Mr. President. It is not all, by any means. Mr. Tom Clark has been before the committee of which I happen to have been a member since I have been in the Senate. He has been before that committee before on two occasions, once when he was nominated to be Assistant Attorney General, in charge of the Antitrust Division, and again when he was nominated to be Attorney General. In both instance the Committee on the Judiciary, after going into the matter of the career of Mr. Clark and his official acts—indeed, after going into his private life, if you please—reported favorably on the nomination of Mr. Tom Clark.

If this were something new, if Mr. Tom Clark were springing up out of the woods, so to speak, unheard of before, Senators might hesitate to confirm his nomination. But the Senate of the United States, through its committees, its Judiciary Committee, on the one hand, and its Committee on Expenditures in the Executive Departments, on the other, have had Mr. Clark on the griddle, to use the vernacular of the street, time after time. He has come out first, best, and clean on every occasion.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield for a question.

Mr. LANGER. Is it not a fact that on both occasions when he appeared before our committee he received unanimously the vote of every Republican and every Democrat on the committee?

Mr. McCARRAN. The Senator is correct. I may add, he received the vote of the able Senator from Michigan [Mr. FERGUSON] on at least one of those occasions; I think, on both of them.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. McKELLAR. I do not recall that Mr. Clark, as the head of the Department of Justice, ever appeared before the Senate Appropriations Committee seeking more money for his Department. Other Senators who are members of that committee may recall that he was before it. I do not think he was, and I think it is greatly to his credit.

Mr. McCARRAN. The Attorney General may not have been before the Appropriations Committee of the Senate. As a rule, he takes the appropriations given him by the House.

Mr. McKELLAR. That is correct.

Mr. McCARRAN. Let me draw the attention of the Senate to another matter, namely, the propriety of bringing a nominee for the Supreme Bench before a committee. Only three nominees for the Supreme Court have ever appeared before the full Judiciary Committee. They were, in order, Mr. Justice Stone, Mr. Justice Frankfurter, and Mr. Justice Jackson. While Mr. Stone's nomination was pending he wrote to the late Senator Walsh that he intended to present a case against former Senator Burton K. Wheeler before a grand jury in the District of Columbia, seeking an indictment. Mr. Wheeler was then under indictment in Montana. The Senate was much exercised about this stand, and the committee called Mr. Stone to question him about his announced intention to seek an indictment of a United States Senator.

When Mr. Frankfurter appeared before the commitee he told the committee he would not make a statement. He said that he did not think it proper for a judicial nominee to take any part in the proceedings with respect to the confirmation of his nomination.

Mr. Jackson was called by the committee because the Senator from Maryland [Mr. TYDINGS] insisted, as a matter of personal privilege, that he be questioned as to why he had not proceeded against Drew Pearson for statements which Pearson had made against the Senator from Maryland.

On only those three occasions has any nominee for the Supreme Court of the United States been called before the Judiciary Committee in the history of that committee, so far as we know.

Mr. President, I hope that there is no innuendo cast against the acts of the Judiciary Committee by reason of the vote which was taken. It was taken in order; it was taken in the parliamentary situation at the time the chairman called for any objection to his ruling that the motion was a preferential motion and should be put. There was nothing else for the chairman to do. A record vote was taken, and it now stands on the records of the Judiciary Committee.

The PRESIDING OFFICER. The time of the Senator from Nevada has expired.

Mr. McCARRAN. I assign myself five more minutes.

In every case in which Tom Clark has been called upon by his country to serve, he has served with distinction, so much so that his career has been one of promotion from the category of a humble practitioner in his native State to, at this time, the zenith of the ambition of any man who is a member of the bar, namely, a member of the Supreme Court of the United States.

We know that committee after committee has refused to turn him down when he was nominated for high office. Committee after committee has said he was entitled to be promoted, and was entitled to be Attorney General of the United States. Shall the Senate of the United States now say that when he has reached the pinnacle of his career by reason of his ability he shall not have that career filled out so that his country may have the benefit of his courage, his clear-sightedness, and his ability? His ability is established. What more do we want? If there was anything in the Kansas City cases, it certainly would reflect upon the committees of the Senate to say that they had not brought it out. But no committee has, up to this time, brought out any report condemnatory of Tom Clark.

I say to my colleagues that I never saw a more zealous, more ambitious, more determined prosecution than that which was conducted by the able Senator from Michigan [Mr. FERGUSON] in the Kansas City case. If Senators do not think the Senator from Michigan goes to the bottom of things and digs up everything there is to be dug up, then they do not know the Senator from Michigan as I do, because I have served with him on subcommittees. He is not only an able prosecutor, but he is an ambitious prosecutor, and he put forth everything he had in his ability to try to find something upon which the committee, of which he was a member, and which was under the control of the dominant party at that time, could bring a resolution condemnatory of the action of Tom Clark. The committee did not do it. The Senate did not do it. I hope the Senate of the United States, following the example of the Judiciary Committee, which went into this matter zealously and carefully, will vote in his favor. The best meeting of the committee I have ever had since I have been chairman of it was during the hearings on Tom Clark. There is not a thing that can be said against Tom Clark, excepting that he fearlessly prosecuted those who should be prosecuted, and that he fearlessly put the law into full force and effect.

It is said that there is something besmirching his character, growing out of the parole of gangsters. The parole of prisoners from a Federal penitentiary does not rest with the Attorney General of the United States; it rests with the Parole Board, a legally constituted Board. That Board passed on the parole. Its record is one which can be looked into by anyone.

The same is true with reference to the establishment of subversive organizations in this country. One may read the record of Tom Clark, and it will be found in every case that he carried out the law and the Executive orders wherever they should have been carried out.

Tom Clark and I have had our differences. One who differs must admire his adversary. I admire Tom Clark immensely. I hope his nomination will be confirmed by a unanimous vote.

Down deep in the heart of my good friend from Michigan I think there is lurking a feeling that he, too, would like very much, if he could, to make the vote unanimous, because it should be unanimous. The Senator from Michigan is too big, too powerful, and too able a man to let his personal feelings enter into this question in any sense of the word. I should like to see him stand on the floor of the Senate today—and if he will, I think he will stand as a tower of strength in this country—and say, "I join in the confirmation of the nomination of Tom Clark."

Mr. President, I yield 5 minutes to the Senator from Arkansas.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. McCLELLAN. Mr. President, I shall vote for the confirmation of Mr. Clark for the high position to which he has been named by the President. I shall do so without any reluctance. I shall do so gladly. Of all the members of the President's official family, of all those who are at the head of agencies and departments of Government in Washington, I have had no more pleasant association than I have had with Tom Clark. There is no one in Government in whom I have more confidence with respect to ability and integrity than I have in Tom Clark.

I had not felt it necessary to say anything; I assumed that his nomination would be confirmed practically unanimously. I rose only to make the statement that I would support him, and because I understand some reference has been made in debate to the action of the investigation subcommittee of the Committee on Expenditures in the Executive Departments regarding an investigation conducted in executive sessions in connection with the Kansas City election case. I was a member of that subcommittee, the senior member on the minority side. The subcommittee was composed of seven Senators. Immediately after the Reorganization Act went into effect and the committee was constituted, request was made to investigate the Kansas City election frauds. This committee was constituted after the Judiciary Committee had carried on its investigation for some time and had voted adversely and had refused to make unfavorable recommendation. Therefore we were requested to go back over the ground and cover it again. After holding executive hearings for some time—I do not remember how many meetings there were, but there were quite a number—the question came up as to whether anything had been uncovered in the executive sessions to warrant holding public hearings. That was debated by the subcommittee, composed of four members of the Republican Party and three members of the Democratic Party. After a full debate in the subcommittee, the subcommittee voted 5 to 2 against holding public hearings. There were three Democratic

votes and two Republican votes. An appeal was taken to the full committee from the decision of the subcommittee. I am not positive about the vote in the full committee, but I know the full committee sustained the action of the subcommittee. Therefore no public hearings were held.

I can say from the record that, in spite of all the effort made in these executive hearings, nothing was developed which warranted public hearings. There was nothing developed further of any substantial nature than what had already been rehashed in the press as a result of the investigation conducted by the Committee on the Judiciary.

Therefore, Mr. President, I shall vote for the confirmation of Tom Clark without any hesitation, without any reluctance whatsoever. I believe he will grace the Court. I believe he will distinguish himself there, just as he has in other positions of public trust.

I join with the Senator from Nevada; I should like to see the vote made unanimous. Tom Clark has earned it. He merits this recognition. He has met his responsibilities. He merits the continued confidence of the Senate of the United States and the people of the United States.

Mr. McCARRAN. Mr. President, I assign 10 minutes to the Senator from Michigan.

Mr. FERGUSON. The Senator from Michigan does not desire 10 minutes at this time.

Mr. McCARRAN. I respectfully suggest that the affirmative should have the right to close the debate. The Senator should assign the time or take the time at this moment.

Mr. FERGUSON. The Senator from Michigan does not desire to take or assign the time at present.

Mr. McCARRAN. Mr. President, how much time has our side?

The PRESIDING OFFICER. The Senator from Nevada has 16 minutes, the Senator from Michigan has 10 minutes.

Mr. MAGNUSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Washington will state it.

Mr. MAGNUSON. Under the unanimous-consent agreement for a vote at 3:30 o'clock, is there any reason why we should not vote prior to 3:30, or must the vote be taken at that exact time?

The PRESIDING OFFICER. The definite agreement was that the vote would be taken at 3:30 o'clock. The Parliamentarian advises the Chair that another unanimous-consent agreement, to vote prior to that time, can change the order.

Mr. McCARRAN. Mr. President, I yield to the Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. CONNALLY. Mr. President, it is a most unusual procedure, it seems to me, after the Senator from Michigan takes all the time he wants, for him to put on a sit-down strike and deny the proponents of the nomination the right to close the debate. I think that is most unusual. Here in the Senate we have rules and things of that kind, but we also have codes of conduct toward each other which signify fairness, good will, and the like. I am surprised that such a consideration does not obtain at the moment.

Mr. President, I do not wish to take much of the time of the Senate on the question of the nomination of Tom C. Clark to be an Associate Justice. I have known Mr. Clark for a good many years. He comes of a distinguished family. His father, a resident of Dallas, Tex., was a great lawyer. He was an especially great trial lawyer. The deceased brother of Tom Clark, an older brother, was a very able lawyer. He was killed in an airplane accident near Nashville, Tenn., some years ago.

Tom Clark is a graduate of the University of Texas, in the literary or academic department. He is also a graduate of the law department of the University of Texas. Prior to going to the University of Texas he spent 1 year at the Virginia Military Institute, which is well known for its scholarship and training.

Mr. Clark was at one time an assistant district attorney in Dallas County, having charge of civil matters, matters before commissioners courts, civil cases affecting the district attorney's office, injunctions, and cases of the kind. He made a very exceptional record.

Mr. Clark was assistant to Hon. William McCraw, who some years afterward became a candidate for Governor of our State. Prior to that he was attorney general of Texas.

In the great catalog of crimes Mr. Clark is alleged to have committed, something like a grand jury indictment under nearly all the articles of the penal code, one of the charges was blown out of the water, namely, that after William McCraw became attorney general of Texas, Tom Clark, who had been his former partner, had exerted undue influence on the attorney general of Texas and had made a great deal of money, or, at any rate, had increased his income. That was investigated. There was a State senate investigation. My colleague has referred to that already, but I wish to refer to it again for a moment.

I hold in my hand the original letters signed by Joe L. Hill. Joe L. Hill was a State senator, very active in this investigation, which was very largely political. McCraw was candidate for Governor, and some of the other candidates' friends were seeking to discredit him. I wish to read what Joe Hill, who was the prosecutor in this investigation, said. The letter is addressed to W. H. Clark, Jr., who was the brother of Tom Clark, and who, as I said a while ago, was killed in an airplane accident near Nashville.

DEAR MR. CLARK: As a member of the senate general investigating committee which made an investigation of the operation of several State departments in the years 1935 and 1936, I am pleased—

The letter was written in 1941, prior to the appointment of Tom Clark as Attorney General—

I am pleased to confirm to you in this manner that such investigation and the evidence thereat constituted, in my opinion, no basis—

No basis, Mr. President. Not any kind of a basis; not a political basis, not a flimsy basis, not an odorous basis from an odorous source—

no basis for any charge or complaint, either normal or legal, against the conduct of your brother, Tom C. Clark.

Mr. President, my colleague has already read to the Senate a letter from Representative POAGE, who sits at the other end of the Capitol, who was the chairman of the committee in question, and in it he said there was nothing shown to the discredit of Mr. Clark. Clark was a private citizen. He was simply a lawyer. No basis was shown to the committee for any charge of any wrong having been done by Mr. Clark, either morally or legally. Yet that old charge is drawn across the Senate Chamber as a reason why the nomination of Tom Clark to be Associate Justice of the Supreme Court should not be confirmed.

I am reminded that Mr. Clark has been before the Senate Committee on the Judiciary on several occasions. He was first before that committee of the Senate when he was appointed Assistant Attorney General on March 22, 1943. Who voted to confirm his appointment? The record I have is that he received a unanimous vote. Is that correct, I ask the Senator from North Dakota?

Mr. LANGER. That is correct.

Mr. CONNALLY. He received a unanimous vote in the Committee on the Judiciary for appointment as Assistant Attorney General in charge of antitrust prosecutions. Senators who voted favorably were the late Senator Van Nuys of Indiana, the senior Senator from Texas, the Senator from Arizona [Mr. MCFARLAND], and the junior Senator from Michigan [Mr. FERGUSON]. The junior Senator from Michigan was on the Committee on the Judiciary, and when Tom Clark was appointed Assistant Attorney General to prosecute trusts, the junior Senator from Michigan voted for his confirmation. He did not vote against confirming him. He did not say, "What about that situation down there in Texas?" He did not say, "What about this, and what about that, and what about the other?" He voted to report favorably his nomination to be Assistant Attorney General.

O, Mr. President, Tom Clark must have done many things between that time and the time he was appointed Attorney General. Let us see when that happened. He was before the Committee on the Judiciary on June 13, 1945, when he was appointed Attorney General. Who voted to report his nomination favorably? The Senator from Nevada [Mr. MCCARRAN], the Senator from Wisconsin [Mr. WILEY], the Senator from South Dakota [Mr. LANGER], and the Senator from Michigan [Mr. FERGUSON]. The junior Senator from Michigan voted to report his confirmation favorably as Attorney General in 1945, when rumors and stories were flying around concerning all these terrible crimes he had committed. Why did the Senator not vote against Tom Clark and stop him right there? Well, the Senator did not vote to do so, and I am very glad he did not.

Mr. President, Tom Clark was originally appointed to the Department of

Justice as an attorney, not as an Assistant Attorney General, but as an attorney. They have such positions in the Department. I know about that appointment, because I recommended him for the position. He was appointed and came to Washington and assumed a very humble and more or less obscure position in the Department of Justice. But he did not stay in that position. As soon as his abilities and his character became known to his superiors he was promoted. Most Senators know Joe Keenan, who used to be in the Department of Justice. Something like a month or two months after Mr. Clark was appointed, Mr. Keenan came to me voluntarily and said to me, "I want to thank you for recommending young Clark to the Department." He said, "He is one of the most capable men who has come to us in a very long time." He did not come in there with considerable pressure behind him or a great deal of political influence or anything of that kind.

I have another letter in my hand. In 1943 I wrote Mr. Biddle a brief note suggesting the availability of Mr. Clark to head the Antitrust Division. General Biddle answered under date of January 19, 1943, as follows:

DEAR SENATOR CONNALLY: I appreciate your expressing in a letter what you said to me on the telephone on Saturday about the availability of Tom Clark to Thurman Arnold's position. Tom is really first rate and has been doing a good job in everything he is undertaking. I do appreciate your—

And so on and so on—

(Signed) FRANCIS BIDDLE.

Tom Clark was subsequently appointed to head the Antitrust Division. I thought he was a good man for that position. Attorney General Biddle thought he was a good man for it. The junior Senator from Michigan thought he was a good man for it, because he voted to confirm him to that position. There was almost unanimous agreement respecting Tom Clark's availability for the position.

Mr. President, of course, later on Tom Clark made a distinguished record in the position of Assistant Attorney General. He prosecuted a great many cases.

Mr. McCARRAN. I suggest the Senator from Texas take as much time, from that which is left to the proponents, as he wants to.

Mr. CONNALLY. As I understand, I have 16 minutes. I should like to have some time to answer the junior Senator from Michigan after he shall have concluded. It is bad enough to have slop thrown all over my friend Tom Clark. I do not want any thrown on myself, if I can help it.

Mr. President, this Texas matter I believe can be forgotten, because nothing came of it whatever. Tom Clark's income was made the subject of attack. He went before the committee of the legislature and explained every large fee he had received. It seemed to have made some persons mad that a lawyer should have been able to make a good and honest living. Among his fees was a contingent fee of several thousand dollars in connection with an oil case. The fee was contingent. He did not receive the money until after his partner, McCraw, had become attorney general. But he had bought out his partner when his partner was elected attorney general. Clark then took over the assets and paid his former partner a fixed sum, so that fee went to him, of course.

He received another fee in a title case, a land case. His fee was $15,000. He explained that to the committee.

Some mention was made on the floor of the Senate by the junior Senator from Michigan about the Petroleum Council. There was an organization in Texas called the Petroleum Council. That council employed Mr. Clark as one of its attorneys. It employed other attorneys. He was one of the attorneys for the council. There was nothing illegal about it. He was not charged with any crime. It was to the interest of that organization to look after violations of the "hot oil" law. It wanted to prosecute hot oil operations, because they hurt the price of oil. When there is illegal production and operation, it adversely affects the price of oil.

Mr. Clark explained all these fees to the committee, and there was not a blemish on any of them implying dishonor or illegality. They were legitimate.

He received another fee of $10,000, which he reported and explained. There was also a $5,000 fee from an estate, which the court approved by formal order. And yet the implication was that the money which he received was money which he used to influence his former partner.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. McCARRAN. Mr. President, has the time of the proponents expired?

The PRESIDING OFFICER. It has.

Mr. FERGUSON. Mr. President, I am glad to yield 5 minutes to the Senator from Texas.

Mr. CONNALLY. Mr. President, I do not care for 5 minutes unless I have the last 5 minutes. I thank the Senator from Michigan very much. I wish he were as considerate of the present Attorney General, and the prospective member of the Supreme Court, as he is of me.

Mr. McCARRAN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Michigan [Mr. FERGUSON] has the floor.

Mr. McCARRAN. I suggest the absence of a quorum.

Mr. FERGUSON. I decline to yield at this moment. I wish to say a few words.

Mr. McCARRAN. The Senator from Michigan has not yet addressed the Chair, and does not have the floor.

The PRESIDING OFFICER. The Parliamentarian advises the Chair that the Senator from Michigan has 10 minutes more.

Mr. CONNALLY. He had yielded 10 minutes, but he was not recognized.

Mr. FERGUSON. Mr. President, it is my understanding that the Senator from Nevada does not have time within which to suggest the absence of a quorum.

The PRESIDING OFFICER. The Chair is advised by the Parliamentarian that under the agreement the Senator from Michigan has the floor for 10 minutes.

Mr. FERGUSON. Mr. President, the Senator from Michigan merely wishes to review a few facts at this time.

It has been said here that the Senator from Michigan has on two previous occasions voted for Mr. Clark, to be Assistant Attorney General, and to be Attorney General. That is correct. The matters before the Senator from Michigan at that time, and the offices for which Mr. Clark was nominated, were such that the Senator from Michigan was not convinced that at that time he should vote against him. But he is firmly convinced now. There is no question in his mind as to his duty at this time, considering the matters now before him and the nature of the office to which Mr. Clark has been nominated. These matters have arisen since the time Mr. Clark became Attorney General.

It has been said that the Senator from Michigan could have corresponded with Mr. POAGE, a Representative in Congress from Texas. That would have been rather idle, because the report itself states:

The committee as originally composed consisted of W. R. Poage, chairman, T. J. Holbrook, W. B. Collie, Tom DeBerry, and Joe L. Hill. Due to the fact that W. R. POAGE was elected to Congress and had to leave the State before the drafting of the entire report was completed, he did not participate in the drafting of the oil and gas section of the report, nor was he present when this portion was adopted by the committee.

It is also indicated by a letter from Mr. Hill that nothing was wrong. Mr. Hill, as chairman, has since submitted the report, which has gone into evidence.

There were other more serious matters which took place after Mr. Clark assumed office as Attorney General. It was clear to the Senator from Michigan that he had a right to request the appearance of Mr. Clark before the committee. It is not a usual thing for a member of a Senate committee to do so. But the junior Senator from Michigan was not the only member of the committee who requested it. The Senator from Missouri [Mr. DONNELL] also desired to ask questions of the appointee. As I say, it is unusual. Still, it appears from the RECORD that the Senator from Maryland [Mr. TYDINGS], who has made an argument today in favor of Mr. Clark, was given the privilege of bringing before the committee Mr. Jackson, and he was permitted to question Mr. Jackson, although the Senator from Maryland was not a member of the Committee on the Judiciary.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. TYDINGS. I wish to say to the Senator from Michigan that the reason the Senator from Maryland made that request was that Mr. Jackson had taken some part in a case in which the Senator from Maryland was directly interested, and in the opinion of the Senator from

Maryland had frustrated the workings of justice.

Mr. FERGUSON. I have read the Senator's address to this distinguished body.

Mr. TYDINGS. On the occasion when Mr. Jackson was before us, there was involved a personal matter in which the Senator from Maryland was interested, and which he wished to call to the attention of the Judiciary Committee in connection with some action by Mr. Jackson.

Mr. FERGUSON. I understand; and the able Senator spent considerable time on this floor opposing Mr. Jackson.

Mr. TYDINGS. I am still opposing him.

Mr. FERGUSON. It is not an unusual thing for a Senator who has convictions to oppose the nomination of a man to the United States Supreme Court. The Senator from North Dakota [Mr. LANGER] opposed Mr. Rutledge upon this floor. So it is not unusual.

It is in fact fitting. I go back to the Constitution. The Constitution provides that the President may nominate and, only with the advice and consent of the Senate, appoint. That is the crucial point here. The Constitution requires Members of the Senate to give their advice as well as consent prior to an appointment. I realize that the Committee on the Judiciary has seen fit to report the nomination by a vote of 9 to 2. But I am talking about the practice. And I wish to comment upon what sometimes happens in committees. I am familiar with what happened in the Committee on Labor and Public Welfare.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. TAFT. I wish to say that I think it is an outrage that the Judiciary Committee refused, at the request of a member of the committee, to call a nominee before the committee. In every committee of which I have been a member the committee always accorded the right to any member of the committee to call a man before the committee in order that he might be questioned. I think the procedure is exactly like that of which I complained in the Committee on Labor and Public Welfare, when we were denied even the opportunity to offer an amendment to the repeal bill which was before that committee. I think it is a procedure in committee which is utterly unjustified.

If I were ever the chairman of a committee I would insist than a man nominated by the President of the United State should be compelled to come before the committee to be questioned by any member of the committee. I think the action of this committee was arbitrary and outrageous; and I think that alone justifies a vote against Mr. Clark to be a member of the Supreme Court.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. McCARRAN. What would the Senator from Ohio do if a preferential motion were made? Would he put the motion or not?

Mr. TAFT. I would rule the motion out of order. In my opinion, before a motion is made to report a bill or a nomination, all the preliminary matters should be disposed of first. In my opinion any member of the committee should have the right to offer an amendment to a bill or to offer an amendment relating to procedure before the committee, before a vote is taken on the question of reporting a bill or a nomination.

Mr. McCARRAN. What would the Senator do, then, if the committee overruled his action?

Mr. TAFT. I would criticize the committee, as I am now criticizing the committee.

Mr. McCARRAN. Very well; but do not criticize the chairman for putting the motion.

Mr. FERGUSON. Mr. President, I think the record is clear that the chairman of the Judiciary Committee voted for the motion to report the nomination to the Senate, and therefore did not see fit to support the members of the committee who were requesting the right to examine the nominee.

Mr. President, these are serious charges that I bear against Tom Clark. This man, as Attorney General, ordered the stripping of files, and he directed the furnishing to a committee of the Senate a file which did not have all the papers in it. Yet Senators are not permitted to ask questions about it. The file was changed, and the Attorney General knew it. Serial numbers were changed; yet we are denied the right to question the man whose nomination is now before us. That is why I say that this procedure is not steam-rollering. It was a guided missile which sent the nomination to the Senate. The Senator from North Dakota made the motion in good faith, but he knew that his motion took precedence.

When the Senator from Missouri suggested that he would withdraw his motion and would offer it as an amendment to the other motion, in order to get a vote on the question of calling the nominee before the Senate, that was denied; and the committee immediately voted on the motion to report the nomination, and the nomination was reported to the Senate.

Mr. McCARRAN. Was any appeal taken from the ruling of the chairman of the committee?

Mr. FERGUSON. No appeal could be taken.

Mr. President, this matter is not a personal one with the junior Senator from Michigan. His conscience dictates that he take this position.

I say to the Senator from Nevada that, according to my conscience, I cannot do other than I have done on this floor today. I want the Senator from Nevada to understand that the junior Senator from Michigan is entirely sincere in this matter.

The PRESIDENT pro tempore. The hour of 3:30 p. m. having arrived, all time has expired.

The question is, Will the Senate advise and consent to the nomination of Tom C. Clark to be an Associate Justice of the Supreme Court of the United States?

Mr. FERGUSON and other Senators requested the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. MYERS. I announce that the Senator from California [Mr. DOWNEY] is necessarily absent.

The Senator from North Carolina [Mr. HOEY], the Senator from Illinois [Mr. LUCAS], and the Senator from Rhode Island [Mr. MCGRATH] are absent on public business.

The Senator from Louisiana [Mr. LONG] is absent by leave of the Senate.

The Senator from Idaho [Mr. TAYLOR] is detained on official business.

I announce further that if present and voting, the Senator from California [Mr. DOWNEY], the Senator from North Carolina [Mr. HOEY], the Senator from Illinois [Mr. LUCAS], the Senator from Rhode Island [Mr. MCGRATH], and the Senator from Louisiana [Mr. LONG] would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN] and the Senator from Nebraska [Mr. BUTLER] are absent by leave of the Senate. The Senator from Vermont and the Senator from Nebraska have a general pair.

The Senator from Connecticut [Mr. BALDWIN], the Senator from Iowa [Mr. HICKENLOOPER], and the Senator from Kansas [Mr. REED] are absent by leave of the Senate. If present and voting, the Senator from Iowa [Mr. HICKENLOOPER] would vote "yea."

The Senator from Maine [Mr. BREWSTER] and the Senator from New Hampshire [Mr. TOBEY] are necessarily absent.

The Senator from Wisconsin [Mr. MCCARTHY] and the Senator from Kansas [Mr. SCHOEPPEL] are detained on official business.

The result was announced—yeas 73, nays 8, as follows:

YEAS—73

Anderson	Holland	Morse
Bricker	Humphrey	Mundt
Bridges	Hunt	Murray
Byrd	Ives	Myers
Cain	Jenner	Neely
Capehart	Johnson, Colo.	O'Conor
Chapman	Johnson, Tex.	O'Mahoney
Chavez	Johnston, S. C.	Pepper
Connally	Kefauver	Robertson
Cordon	Kerr	Russell
Douglas	Kilgore	Saltonstall
Dulles	Knowland	Smith, Maine
Eastland	Langer	Smith, N. J.
Ecton	Lodge	Sparkman
Ellender	McCarran	Stennis
Frear	McClellan	Thomas, Okla.
Fulbright	McFarland	Thomas, Utah
George	McKellar	Thye
Gillette	McMahon	Tydings
Graham	Magnuson	Wherry
Green	Malone	Wiley
Gurney	Martin	Withers
Hayden	Maybank	Young
Hendrickson	Miller	
Hill	Millikin	

NAYS—8

Donnell	Kem	Watkins
Ferguson	Taft	Williams
Flanders	Vandenberg	

NOT VOTING—15

Aiken	Hickenlooper	McGrath
Baldwin	Hoey	Reed
Brewster	Long	Schoeppel
Butler	Lucas	Taylor
Downey	McCarthy	Tobey

So the nomination was confirmed.

Mr. CONNALLY. Mr. President, I ask that the President be notified forthwith of the confirmation of this nomination.

The PRESIDENT pro tempore. Without objection, the President will be notified forthwith of the confirmation.

Mr. O'CONOR. Mr. President, I ask unanimous consent to have printed in the RECORD following the vote on the confirmation of the nomination of Mr. Clark a statement prepared by me, which, except for the limitation of time, I would have delivered.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The most vigorous opposition to the confirmation of Attorney General Clark as a Justice of the Supreme Court has come from Communists and from their fellow travelers. Our Judiciary Committee held sessions for 3 days and every witness who presented himself to be heard was given full opportunity to state facts and opinions.

I came away convinced that there was no basis for any protest against his appointment by any right-thinking, loyal citizen. On the contrary, every word that was uttered, when analyzed, proved that Tom Clark has made one of the greatest of the Attorneys General in the history of this Nation, that he has been conscientious and fearless, and has conducted the affairs of the Department of Justice so as to merit the gratitude and the praise of the American people.

The President's loyalty program, for instance, was condemned bitterly by some of the witnesses, and the Attorney General was singled out for criticism. That program was a gigantic undertaking. It is designed to make as certain as possible that subversive elements are removed from Government service. The Government not only has a right but it is its duty to see to it that its employees are loyal to it and to the Constitution and laws of this country. The program is not perfect. Nobody could expect it to be. Maybe some mistakes have been made and more will be made in the future. But nobody produced proof that Attorney General Clark was responsible for any of the mistakes.

What did appear was that he carried out the plans drafted by the best qualified persons whom the President could obtain, and that the Attorney General did his utmost to make sure that constitutional rights and privileges were safeguarded, that there were no witch hunts, and that within limited facilities he has achieved remarkable results in the preservation of the Nation's internal security.

Tom Clark has been both vigilant and vigorous in the effort to preserve our free institutions of Government against those who would infiltrate our democracy with foreign ideologies. Those who came to condemn him proved to me, and I believe to other members of the committee, that the Attorney General has never received the recognition he deserves for his great services, not only as a protector of the Bill of Rights but also for giving increasing vitality to the rights of all people guaranteed by our Constitution.

The character of the witnesses in opposition before the Judiciary Committee is a badge of honor which Attorney General Clark is entitled to wear for all the world to see. All of these critics do not appear to be vicious. They are uninformed and misguided, the dupes of others more clever and more designing. But some of them, of course, know exactly what they are doing and why. They are against every fine, upright, able public servant who strives to maintain and preserve our form of government.

Much stress is laid upon the fact that the Attorney General was not summoned before the committee. Apart from the fact that every member of the committee is thoroughly acquainted with Mr. Clark and his work, because in the everyday functioning of our committee almost continuous communications and conferences are carried on by the committee or its staff with the Justice Department, yet another fact should be kept in mind. It is not the usual practice to examine nominees for the Supreme Court of the United States.

The Senator who sought to question Attorney General Clark summoned no witnesses before the committee, and filed no information which might be a basis for inquiry. Nothing new was said involving any acts of the Attorney General which had not been investigated time and again by previous Senate committees. Nothing new, except the detailed information supplied by opposition as to how careful and vigilant he has been to protect this country and particularly the Government service from subversive influences.

The critics of other days who thought, or said they thought, he was not vigilant enough must be confounded by the testimony of the opposition witnesses.

I hope the Senate will proceed to confirm this great public official as a justice of the Supreme Court by an overwhelming vote.

NOMINATION OF J. HOWARD McGRATH TO BE ATTORNEY GENERAL OF THE UNITED STATES

The PRESIDENT pro tempore. The clerk will will state the next nomination on the calendar.

The Chief Clerk read the nomination of J. HOWARD MCGRATH, of Rhode Island, to be Attorney General of the United States.

The PRESIDENT pro tempore. Is there objection to the nomination?

Without objection——

Mr. GREEN. Mr. President, I wish to pay a brief tribute to my colleague.

My association with Senator McGRATH, whom the President has nominated as Attorney General of the United States, dates back many years. He succeeded me as chairman of the Democratic State Committee in Rhode Island in 1930. He later was appointed by President Roosevelt as United States attorney for the district of Rhode Island, and held that office for many years, until he resigned in 1940 to accept the democratic nomination for Governor of Rhode Island. Because of that resignation, many of his friends in Rhode Island refer to him as the first victim of the Hatch Act.

It was my happy privilege to nominate Senator McGRATH for Governor at the State convention in Rhode Island in 1940 and to work actively for his election to the State's highest office. His successful administration won the admiration and respect of the people and he was reelected in 1942 and again in 1944.

It was only at the request of President Truman that he resigned the governorship to come to Washington to accept his appointment as Solicitor General of the United States. That he again made good is shown by the high praise given him by the President in accepting his resignation to be a candidate for the United States Senate from Rhode Island. The President at that time said in part, "the superior character of your work entitles you to take rank among the most eminent of your predecessors as a peer of your contemporaries in the legal profession." This, indeed, is high praise, especially coming from the President of the United States.

As Solicitor General of the United States, Senator McGRATH had the invaluable experience of conferring with Members of the United States Senate, of both parties, on matters referred to the Department of Justice. Many Senators have personally told me of their admiration for him and have spoken freely of his excellent service as Solicitor General. Senator McGRATH has again served Rhode Island well in the United States Senate.

This long and varied record of public service shows that he has the ability, the courage, the personality, and the training to make an excellent Attorney General. We in Rhode Island, are proud that the President has selected a native of our State to be the Attorney General. By this selection I lose a close, like-minded colleague here. Rhode Island loses one who has represented it well here. Our country, however, gains by his accepting the position of Attorney General, in which high office we are confident he will again render outstanding patriotic service.

The PRESIDENT pro tempore. Is there objection to the confirmation of the nomination of Mr. McGRATH as Attorney General of the United States? The Chair hears none; the nomination is unanimously confirmed, and without objection, the President will be immediately notified.

Mr. FLANDERS. Mr. President, I am delighted that my old friend, the Senator from Rhode Island [Mr. McGRATH], becomes the new Attorney General. I also wish to say I believe his predecessor, Mr. Clark, will make an excellent judge. I voted against his confirmation because it was the only way I could find in which to express my dissatisfaction with the procedure of the Committee on the Judiciary. I want that on the record. My dissatisfaction is profound, indeed, and I regret it had to be expressed in that way.

Mr. CONNALLY. Mr. President, will the Senator yield for a question?

The PRESIDENT pro tempore. Does the Senator from Vermont yield to the Senator from Texas?

Mr. FLANDERS. I yield.

Mr. CONNALLY. In other words, is the Senator from Vermont punishing Mr. Clark for what he considers to be the misdeeds of the committee?

Mr. FLANDERS. I have taken similar action on more than one occasion.

Mr. CONNALLY. I did not ask about previous occasions.

Mr. FLANDERS. I found no other way of expressing dissatisfaction than by action of this kind. When I feel as deep dissatisfaction as I do, I am going to express it by the only means at my command.

Mr. CONNALLY. I am not asking the Senator what he may have done elsewhere. The Senator can tell about what he has done. But now, on the floor of the Senate, the Senator is vetoing the appointment of Mr. Clark, because the Senator does not like something which the committee did; is that not true?

Mr. FLANDERS. Mr. Clark——

Mr. CONNALLY. Is that true or not?

Mr. FLANDERS. I did not veto it. No, it is not true.

Mr. CONNALLY. The Senator did his best to veto it.

LEAVE OF ABSENCE

Mr. MAYBANK. Mr. President, I ask unanimous consent to be absent from the remainder of the session of the Senate this afternoon and tomorrow. I remained in the Chamber in order to have the pleasure and privilege of voting for the distinguished Attorney General.

The PRESIDENT pro tempore. Without objection, leave is granted.

LEGISLATIVE SESSION

Mr. MYERS. Mr. President, I move that the Senate proceed to the consideration of legislative business.

The motion was agreed to, and the Senate proceeded to the consideration of legislative business.

ENROLLED JOINT RESOLUTION SIGNED DURING RECESS

Under authority of the order of the Senate of the 17th instant,

The PRESIDENT pro tempore announced that on today, August 18, 1949, he signed the enrolled joint resolution (H. J. Res. 339) amending an act making temporary appropriations for the fiscal year 1950, as amended, and for other purposes, which had previously been signed by the Speaker of the House of Representatives.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

PROHIBITION OF LIQUOR ADVERTISING—PETITION

Mr. CAPEHART. Mr. President, on July 23, 1949, I received a letter from Anna Nancy Thomas, director of the department of legislation of the Grant County Woman's Christian Temperance Union, of Marion, Ind., enclosing a petition signed by 2,521 citizens in that community, remonstrating against the transportation of alcoholic-beverage advertising in interstate commerce and the broadcasting of alcoholic-beverage advertising over the radio. I ask unanimous consent that the letter, my reply thereto, and the petition be appropriately referred and printed in the RECORD.

There being no objection, the letters and petition were referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed in the RECORD, as follows:

MARION, IND., *July 23, 1949.*

Hon. HOMER E. CAPEHART,
United States Senator from Indiana,
Senate Office Building,
Washington, D. C.

DEAR SENATOR CAPEHART: Enclosed please find 2,521 signatures of Grant County community citizens to petitions to your honor for relief from an intrusion into the sacred precincts of our homes, where we are trying to bring up a generation of citizens that will be an honor and a bulwark to the State.

We cannot accomplish this as long as the liquor interests are allowed to steal into our homes through radio and press, distorting the minds of our unsuspecting citizens of tomorrow in favor of the use of beverage alcohol.

Please consider this petition as an even twenty-five-hundred-signature appeal, tossing out the 21 names, to more than offset any duplication of names we may have overlooked. You may be hearing from other parts of Grant County within the coming months. We thank you for previous favors.

We hope this appeal gets notice in the CONGRESSIONAL RECORD, and at as early a date as is convenient for you to get it there.

Very truly yours,
DEPARTMENT OF LEGISLATION, GRANT COUNTY WOMAN'S CHRISTIAN TEMPERANCE UNION,
ANNA NANCY THOMAS, *Director.*

PETITION

To our Senators and Representatives in Congress:

We respectfully request that you use your influence and vote for the passage of a bill to prohibit the transportation of alcoholic beverage advertising in interstate commerce and the broadcasting of alcoholic beverage advertising over the radio. The most pernicious effect of this advertising is the constant invitation and enticement to drink. The American people spent $9,640,000,000 for alcoholic beverages in 1947 as compared with $7,770,000,000 in 1945. During the same period there was a corresponding increase each year in crime, juvenile delinquency, broken homes, deaths and injuries due to intoxicated drivers, in the number of alcoholics and also of habitual or heavy drinkers. There is every reason why this waste of money and of human values should not be increased but rather greatly decreased.

JULY 26, 1949.

ANNA NANCY THOMAS,
Director, Grant County Women's Christian Temperance Union,
Marion, Ind.

DEAR FRIEND: I am happy to have the opportunity to reply to your letter of July 23, which was designed to express the views of the 2,500 petitioners concerning the problem of liquor advertising.

During the Eightieth Congress, I was a member of a Senate subcommittee whose duty it was to study the problem of curtailing liquor advertising.

We conducted a series of hearings at which witnesses both for and against such legislation appeared and presented their respective arguments.

In addition to studying the original legislative proposal of curtailing liquor advertising, the committee also studied the problem from the angle of misrepresentations in the ads and also the complaint that advertisements of a distasteful nature were becoming more and more prevalent in magazines and newspapers.

In the course of this study, which continued for many weeks, the question of constitutionality was raised. You know, of course, that the constitutionality of any proposed legislation is a basic requirement. The committee was advised that Congress would be without the constitutional power to deny the advertisement of a legal product, whether it be liquor, bread or shoes.

This turn of events prompted the committee to study the possibility that certain liquor advertisements might be in violation of fair trade regulations. This was gone into thoroughly with the result that while no violations had occurred beyond the department's caution notices, the liquor and beer interests did leave the feeling that they had been sufficiently impressed by the investigation to volunteer more acceptable forms of advertising.

I can agree with you and the petitioners that liquor advertising has, in many instances, gone far beyond the realm of good judgment, but as long as the product is legal and the advertising material remains within the fair trade regulations, I am of the opinion that no legislation can be enacted which will prohibit the advertising.

We have evidence of many newspapers throughout the country which refuse to accept liquor and beer advertising. That is the prerogative of the owner of the newspaper.

At the earliest opportunity, I shall be very happy to have published in the CONGRESSIONAL RECORD your appeal on this matter.

Sincerely,

HOMER E. CAPEHART.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CHAPMAN, from the Committee on Armed Services:

H. R. 1437. A bill to authorize the composition of the Army of the United States and the Air Force of the United States, and for other purposes; with amendments (Rept. No. 933).

By Mr. McMAHON, from the Joint Committee on Atomic Energy:

S. 2372. A bill to amend the Atomic Energy Act of 1946; with an amendment (Rept. No. 934).

By Mr. HAYDEN, from the Committee on Rules and Administration:

S. Res. 95. Resolution to amend rule XXIX by requiring committee reports on measures repealing or amending a statute to show changes in existing law; without amendment (Rept. No. 935).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. TYDINGS:

S. 2453. A bill to authorize attendance of civilians at schools conducted by the Departments of the Army, Navy, and Air Force, and Joint-Service schools, and for other purposes; to the Committee on Armed Services.

By Mr. CHAVEZ:

S. 2454. A bill for the relief of Arcadio Cardenas, also known as Alcadio Cardenas; to the Committee on the Judiciary.

By Mr. WILEY:

S. 2455. A bill for the relief of Bogdan Wasiel; to the Committee on the Judiciary.

PURCHASE OR LEASE BY AMERICAN CITIZENS OF MINERAL LANDS IN LABRADOR

Mr. BRIDGES submitted the following resolution (S. Res. 156), which was referred to the Committee on Foreign Relations:

Resolved, That it is the sense of the Senate that the President request the Secretary of State to enter into negotiations with the Canadian Government with a view to determining whether an agreement may be reached with such Government whereby citizens of the United States might purchase or lease mineral lands in Labrador, or participate in developing the mineral deposits in such lands.

STRATEGIC AND CRITICAL ORES, METALS, AND MINERALS—AMENDMENTS

Mr. McCARRAN. Mr. President, I submit for appropriate reference two amendments intended to be proposed by me to the committee amendment in the nature of a substitute to the bill (S. 2105) to stimulate exploration for and conservation of strategic and critical ores, metals, and minerals, and for other purposes.

This bill is still pending before the Senate Interior and Insular Affairs Committee; and I have reason to believe that committee action will be forthcoming in the immediate future.

So that the Senators may know what my proposals comprehend, I shall refer

briefly to what I believe my amendments will hope to accomplish in aiding and assisting the Nation's oppressed metal-mining industry.

This Congress is considering a number of mine-aid measures with several taking the price-incentive approach and others the conservation-aid method. The mining industry itself has not for the most part been in agreement with administrative agencies of the Government as to a well-defined and acceptable policy in regard to mines producing strategic and critical metals, namely, copper, lead, zinc, tungsten, manganese, quicksilver, and antimony.

Because of this situation and the urgency for passage of some type of legislation that will aid the mining industry, it appears that S. 2105 is the only assistance measure that will be approved by the administrative agencies and the Congress this year. My personal feeling is that this bill leaves much to be desired. By means of a mineral-conservation board set up with the Secretary of the Interior as its chairman, the metal price structure will be determined in Washington by an administrative officer. Authority will be centered in a single board.

I further understand that S. 2105 has been approved by the Department of the Interior and the Bureau of the Budget as an acceptable compromise mine-conservation-aid bill. The Interior Department Secretary classes the bill as "the best measure yet presented for providing a system of incentives to encourage private industry to explore for and to conserve deposits of strategic and critical mineral resources or other essential mineral resources."

I cannot altogether agree with this viewpoint. However, because of the many important measures still awaiting consideration by the Senate and the announced opposition of the administrative agencies to other mine price-support legislation and the urgent need for some type of assistance for the faltering metal-mining industry, I must support this bill.

Under this bill as it now stands, I feel that the small mining man will be shunted aside by the major mining concerns. Since I do not feel that the administrative agencies will approve mandatory provisions for the inclusion of small mines in receiving governmental contracts of purchase, in my amendments I have tried to spell out what I believe a small metal mine is. I have tried to impress on the proposed mineral conservation board that small mines should come in for Federal assistance.

In the Western States, we have thousands of small properties that have closed down, have curtailed operations, or are awaiting congressional action on an aid bill. It is essential that these properties be maintained on a stand-by status and that they receive assistance in seeking new mineral reserves, which are so vital to our national security—a fact the last war proved beyond any doubt.

Exploratory work would be expedited by direct-cost payments while the conservation of strategic and critical metals would be aided by governmental contributions to costs. No provision is included for a net profit for the producer in the bill as it stands.

In my amendment I have defined a small base metal mine to mean "a mine producing lead, zinc, or copper ores, or ores containing a combination of such metals, or a project for the exploration for such ores, if the average estimated monthly production thereof in metal content of lead, zinc, and copper combined does not exceed 120 tons."

I have further provided that Federal assistance in the case of a project for exploration with respect to a small base-metal mine shall be provided on a basis of a dollar for dollar with the operator putting up $1 to every $1 provided in Federal funds, or a ratio of not less than 1 to 1. I have further declared that exploration in the case of a small base-metal mine will include all work preparatory to production and all underground work other than stopping. To further assist the small miner, who is so important to the economy of the West, I am urging that in the computation of costs adequate allowance shall be made for depreciation and depletion.

Our domestic mining industry is in a desperate condition, largely because of present reduced tariff rates and heavy purchases of cheaply produced foreign metals. Our small mines are the core of the mineral industry, and it is for the small mining man that I urge favorable consideration of my views.

Some weeks ago 21 other Senators from the Western States joined with me in the sponsorship of S. 2320, a measure designed to aid the producers of the top wartime strategic metals—tungsten, manganese, antimony, and quicksilver. This plan is based on a formula allowing current tariff receipts on imported metals to be divided among domestic producers in proportion to their production of each metal.

It seems highly improbable that committee action will be forthcoming on this measure before this session ends. However, it is my intention to seek favorable consideration of this legislation early in the next session at a time when its many advantages can be explained in greater detail.

I ask unanimous consent that the amendments be printed in full in the RECORD.

The PRESIDENT pro tempore. The amendments will be received and referred to the Committee on Interior and Insular Affairs, and, without objection, printed in the RECORD.

There being no objection, the amendments were referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

On page 9, line 20, change the semicolon to a colon and add the following proviso: *Provided*, That in the case of a project for exploration with respect to a small base metal mine, such ratio shall be not less than 1 to 1.

On page 15, line 19, change the period to a semicolon and add the following: "and in the case of a small base metal mine, includes all work preparatory to production, and all underground work other than stoping."

On page 16, following line 7, insert the following new subparagraph:

"(g) 'Small base metal mine' means a mine producing lead, zinc, or copper ores, or ores containing a combination of such metals, or a project for exploration for such ores, if the average estimated monthly production thereof in metal content of lead, zinc, and copper combined, does not exceed 120 tons."

In line 8, strike out "(g)" and insert "(h)."

On page 9, line 13, change the semicolon to a colon and add the following proviso: *Provided*, That in the computation of such costs, adequate allowance shall be made for depreciation and depletion.

EXCHANGE OF CERTAIN NAVAJO TRIBAL INDIAN LAND—HOUSE BILL PLACED ON THE CALENDAR

Mr. O'MAHONEY. Mr. President, there has been sent to the Committee on Interior and Insular Affairs House bill 5390, an act to authorize the Secretary of the Interior to exchange certain Navajo tribal Indian land for certain Utah State land. I find on examination that the bill is identical with Senate bill 2140, which is now on the Calendar of the Senate, Calendar No. 919.

Therefore, on behalf of the Committee on Interior and Insular Affairs, I ask unanimous consent that the committee may be discharged from further consideration of House bill 5390, and that it may be placed upon the calendar for consideration when the Senate bill is reached on the calendar.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

FIRST ANNIVERSARY OF THE REPUBLIC OF KOREA—STATEMENT BY PRESIDENT SYNGMAN RHEE

[Mr. TYDINGS asked and obtained leave to have printed in the RECORD a statement by President Syngman Rhee, of the Republic of Korea, on the first anniversary of the proclamation of the Republic, August 15, 1949, which appears in the Appendix.]

RECORD OF THE FIRST SESSION, EIGHTY-FIRST CONGRESS—EDITORIAL FROM THE NEW YORK JOURNAL AMERICAN

[Mr. BRIDGES asked and obtained leave to have printed in the RECORD an editorial entitled "Mr. Truman's Congress" from the New York Journal American, which appears in the Appendix.]

PRIVATE ENTERPRISE REGAINED—ARTICLE FROM NEWSWEEK

[Mr. BRIDGES asked and obtained leave to have printed in the RECORD an article entitled "Private Enterprise Regained," from Newsweek of June 27, 1949, which appears in the Appendix.]

ALLEGED CONVERSATION REGARDING POSTMASTER APPOINTMENT AT TACOMA, WASH.

[Mr. CAIN asked and obtained leave to have printed in the RECORD an excerpt from the Merry-Go-Round column, published in the Washington Post relative to a conversation alleged to have taken place between him and Senator MAGNUSON, which appears in the Appendix.]

ACCOMPLISHMENTS OF TURKEY

[Mr. CAIN asked and obtained leave to have printed in the RECORD a broadcast from Istanbul on July 25, 1949, by Henry J. Taylor relative to what Turkey has done as a nation, with limited assistance which the United

States has provided, which appears in the Appendix.]

LEAVES OF ABSENCE

Mr. ROBERTSON asked and obtained consent to be absent from the session of the Senate tomorrow.

Mr. CAPEHART asked and obtained consent to be absent from the session of the Senate tomorrow.

Mr. THYE asked and obtained consent to be absent from the sessions of the Senate beginning Friday, August 19, until Thursday morning of next week.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. TYDINGS, the Committee on Armed Services was granted permission to meet during the session of the Senate next Monday afternoon.

INTERIOR DEPARTMENT APPROPRIATIONS, 1950

The Senate resumed the consideration of the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes.

The PRESIDENT pro tempore. The clerk will state the pending committee amendment.

The LEGISLATIVE CLERK. On page 5, after line 9, it is proposed to strike out:

Salaries and expenses, southeastern power marketing: For expenses necessary to carry out the provisions of section 5 of the Flood Control Act of 1944 (16 U. S. C. 825s), as applied to the area east of the Mississippi River, for marketing power produced or to be produced at multiple purpose projects of the Corps of Engineers, Department of the Army; purchase (not to exceed two) and hire of passenger motor vehicles; services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a); and printing and binding; $70,000.

Mr. HAYDEN. Mr. President, I desire to submit a unanimous-consent request. The pending amendment relates to what is commonly called the Southeastern Power Authority. The debate has been about the Southwestern Power Authority. The Southwestern Power Authority amendments are technically four in number. One of them is on page 6, line 13, to strike out "$4,000,000" and insert "$1,616,115"; in line 14, to strike out "$525,000" and insert "$330,000"; and in line 21, to strike out "$5,000,000" and insert "$2,257,905"; and on page 7, to strike out, after line 3, to and through line 22. I ask that those four amendments be voted upon en bloc.

The PRESIDENT pro tempore. Is there objection to the request?

Mr. HILL. Mr. President, reserving the right to object, I do not see the distinguished junior Senator from Oklahoma on the floor at this time, but I understand the request is perfectly agreeable to him.

Mr. HAYDEN. It is agreeable to everyone I have talked to. I ask that we temporarily pass over the amendment on page 5, and that the vote, when it is taken, be upon the four amendments, en bloc.

The PRESIDENT pro tempore. Is there objection?

Mr. WHERRY. Mr. President, reserving the right to object, it is my understanding the unanimous-consent request applies first to the amendment on page 5, to strike out after line 9 to and through line 19.

Mr. HAYDEN. I ask that that be temporarily passed over.

Mr. WHERRY. Am I correct in understanding that all the amendments which are to be voted upon en bloc pertain to what is known as the Southwestern Power Authority?

Mr. HAYDEN. That is correct.

Mr. WHERRY. Is it agreeable to vote on all those, including the amendments on page 6, in lines 13 and 21?

Mr. HAYDEN. The amendments are on page 6, in lines 13, 14, and 21.

Mr. WHERRY. The fourth amendment is, on page 7, to strike out after line 2, to and through line 22; is that correct?

Mr. HAYDEN. The amendment proposes to strike out the text beginning in line 3; that is correct.

Mr. WHERRY. Mr. President, I have no objection.

AMERICAN FOREIGN POLICY WITH RELATION TO CHINA

Mr. KNOWLAND. Mr. President, there has recently come over the United Press ticker the following statement:

Secretary of State Acheson, in a letter to Representative JOHN DAVIS LODGE (Republican, Connecticut), asked for approval to remove doubts about the sincerity and stability of United States foreign policy.

LODGE wrote Acheson asking him if arms aid to Korea—one of the nations which would share in the program—was more important to national security than aid to China.

Acheson replied that if military assistance to China would be made effective at this time, it would be more important. But he said the administration is firmly convinced that more aid to China is impractical at this time.

Mr. President, I wish to have that appear at this point in my remarks.

I wish to have printed, also, an editorial from the Washington News, headed "General MacArthur's white paper." Also a copy of an article which appeared in the Washington Star of August 16, by Dorothy Thompson, entitled "State Department Officials Involved in China Policy Should Be Removed," and an editorial which appears in Life magazine now on the newsstands, under date of August 22, 1949, entitled "What Next for Asia"? In addition, Mr. President, I wish to have printed at this point in my remarks a copy of a letter which I addressed to the Secretary of State, under date of August 6, 1949, pointing out that inasmuch as the Chiefs of Staff did not visit the Far East as they had visited Europe, General MacArthur and Vice Adm. Oscar B. Badger be summoned to give testimony before the combined Committees on Foreign Relations and Armed Services, so that the benefit of their views might be had, rather than merely having brought to the committee attention a white paper which was biased in support of our "wait until the dust settles" policy. Furthermore, Congress has the right to get the testimony of competent witnesses, rather than being limited to those supplied by the Department involved. I wish to have printed a copy of a letter dated August 9, 1949, which was signed by 10 members of the combined committees now handling the arms implementation bill, together with a copy of a report dated August 12, from Tokyo, in which General MacArthur stated the reasons why he did not feel he could come back to the United States at this time. I wish to quote briefly from this article, and then read a part of his message.

In the article to which I have referred, General MacArthur is quoted as follows:

"Needless to say, it is difficult for me to ignore the heart-warming and friendly overtures to return to my native land, for which it is only natural for me to long just as would anyone else in my circumstances," the general said. "But an impelling sense of duty in a position of highly critical responsibility leaves me with no other recourse."

"It is my understanding that both President Truman and the Secretary of Defense have made it clear that my return in such circumstances is a matter for the exercise of my own judgment in the light of considerations bearing upon the national interest as I evaluate them," MacArthur added.

MacArthur said the Army Department already had on file his views on "the strategic potentialities of the area embracing my Far East command." * * * "There is little that I could add to it," he added.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

[From the Washington Daily News of August 8, 1949]

GENERAL MACARTHUR'S WHITE PAPER

In declining an invitation to come home and give Congress his views on the China situation, Gen. Douglas MacArthur remarked pointedly that his ideas concerning Pacific policy were "fully on file with the Department of the Army."

The general's views are known to conflict with those of the State Department, so his unwillingness to become involved in a public controversy with the administration is understandable. But his previous recommendations can speak for themselves and he is willing to stand on that record.

The Joint Chiefs of Staff should be called upon to produce and comment on the MacArthur file, for vital questions of national security are involved.

In a cable to the House Foreign Affairs Committee almost a year and a half ago, General MacArthur disposed of most of the confusion revealed by the State Department's 1,054-page white paper in two paragraphs. He said:

"The international aspect of the Chinese problem, unfortunately, has become somewhat beclouded by demands for internal reform. Desirable as such reform may be, its importance is but secondary to the issue of civil strife now engulfing the land, and these two issues are as impossible of synchronization as it would be to alter the structural design of a house while the same was being consumed by flame. The maintenance of China's integrity against destructive forces which threaten her engulfment is of infinitely more concern. For with the firm maintenance of such integrity, reform will gradually take place in the evolutionary processes of China's future.

"The Chinese problem is part of a global situation which should be considered in its entirety. Fragmentary decisions in disconnected sectors of the world will not bring an integrated solution. * * * It would be utterly fallacious to underrate either China's needs or her importance. For if we embark upon a general policy to bulwark the frontiers of freedom against the assaults of political despotism, one major frontier is no less important than another, and a decisive breach of any will inevitably engulf all."

Contrast the calm, penetrating logic of this reasoning with the State Department's fumbling 1,054-page alibi on the same subject.

[From the Washington Evening Star of August 16, 1949]

ON THE RECORD—STATE DEPARTMENT OFFICIALS INVOLVED IN CHINA POLICY SHOULD BE REMOVED

(By Dorothy Thompson)

The headlines have been kind to the white paper on United States-Chinese relations, summarized in Dean Acheson's letter. The New York Times headline: "U. S. Puts Sole Blame on Chiang Regime."

Dean Acheson's letter does not do that, but it marshals every rationalization for a catastrophic failure, with bland assurance that the American people will dismiss it and continue to trust. But it is the policy followed by the State Department, and its Far Eastern Division, which has failed according to its own confession.

POLICY NOT ITS OWN

And whatever one thinks of the Chinese National Government, it cannot be blamed for the failure of a policy which was not its own.

The responsibility rests with Dean Acheson's department, and those subordinates whose activities led to such a disaster obviously should be removed from office. For either the responsible persons deliberately contributed to bring about this catastrophe from sympathy with the Soviet Union, and a secret desire for a Communist solution, or they are intellectually incompetent.

Every policy will fail if the assumptions on which it is based are erroneous. Mr. Acheson's letter reveals that every major assumption on which the State Department's policy was based was fallacious. These were basically three:

(1) That a prime object of our policy should be to bring Russia into the struggle against Japan in time to be of real value in the prosecution of the war.

(2) That for this purpose it was necessary to remunerate Russia at the cost of China.

(3) That the Chinese Communists were not Russia puppets but simple agrarian reformers.

ASSUMPTIONS UNJUSTIFIED

None of these assumptions was justified.

(1) When the secret agreement was made at Yalta, reestablishing for Russia substantially the position she had occupied there prior to 1904, Japan was already defeated—without the atomic bomb—and had, according to unpublicized rumors, already made peace overtures via Russia.

(2) Anyone with knowledge of Russian far eastern policy should have known that Russia would never permit a China solution to which she was not a party, and that therefore, at the appropriate moment for her own interests, Russia would certainly enter the far eastern war to protect those interests.

(3) That China's Communist leaders had played an outstanding role in Comintern policies since the Russian revolution and had never been repudiated by Stalin, was known to every student of the Comintern.

What has happened in China has logically followed from these erroneous assumptions. And if the persons responsible for them had a feeling of honor they would resign.

[From the magazine Life of August 22, 1949]

WHAT NEXT FOR ASIA?—IF WE QUIT CRYING OVER SPILT MILK, WE STILL HAVE A CHANCE

Well, State Department, what now? After writing off China, as we did in the white paper, do we just sit by and let all of Asia go to the Communists—or do we get busy?

The question has to be answered in a hurry, or the Communists will answer it for us. In Asia the clock is ticking very fast these days. Unless we have the intelligence and courage to move quickly, the moment for action will have passed.

The Asiatic leaders recognize the crisis and are steaming with impatience. President Elpidio Quirino of the Philippine Republic has been visiting in Washington, talking up a Pacific pact and warning the United States that it must not "tarry too long" in shaping up a new Asia policy. China's Chiang Kai-shek and President Syngman Rhee of Korea have issued a joint statement calling for a conference on Pacific union to be held at the Filipino city of Baguio. Even the Dalai Lama of Tibet has announced his opposition to communism. These Asiatic leaders are trying to save a situation; meanwhile the United States has been going to ridiculous extremes to save its face.

In the white paper our State Department proved to its own satisfaction that Chiang Kai-shek and his Kuomintang party were the sole engineers of China's collapse. We had nothing whatever to do with it. The fact that we dealt Manchuria and Dairen to Stalin without asking China's permission had nothing to do with it. Our efforts to foist a Communist coalition on Chiang had nothing to do with it. We were blameless.

Maybe so. At the moment it hardly matters. Let us grant, for the sake of argument, that Chiang's government was hopelessly corrupt and inefficient from the start. Let us grant that north and central China were both doomed to become Communist, and that Canton's fall is as inevitable as the moon's pull on the tides. The fact still remains that we must forge a new policy for Asia. We must still contain the eastward sweep of communism on some periphery unless we are prepared to be contained by communism ourselves.

The real tragedy of the State Department's white paper is that its preparation occupied a great deal of important time, energy and brains that might better have gone into the business of creating a new policy for the future. Korea, the Philippines, Australia, India, Pakistan and southeast Asia—all are critically concerned with coming events while we, the most powerful nation on earth, set up a wailing-wall to bemoan the past. True, we have appointed a blue-ribbon policy board under Ambassador-at-Large Philip Jessup to assess the situation and come up with suggestions from time to time. Boards of this sort, as someone once complained, are apt to be "long, wooden and narrow." And even granting that Dr. Jessup and his mates will come up with something breath-taking after due deliberation, this still does not absolve the State Department from its responsibility for an interim program which will give sense, direction, and hope to our Pacific policies right now.

What would constitute a sound, hope-building interim program? One, we could declare it our intention to use our naval and air power to hold all key coastal and offshore positions in Asia—from Japan to Singapore. Two, we could start conversations looking to a coordination of United States, British, Dutch, French, and Portuguese policy in Asia. Three, we could react warmly and creatively to Quirino's idea of a Pacific pact and a Pacific union of non-Communist Asiatic and Australasian states. Four, we could throw our money, both public and private capital, into development (not exploitation) of industry in India, Indonesia, and elsewhere. Five, we could state that we intend to use our power and moral influence to help all Asiatic peoples to be self-governing as soon as possible. Six, we could offer some limited military help and advice to all areas under active or imminent attack by Communist-led forces, such as south China and Indochina.

In a world in which power alone seems to talk, some of these points might be laughed off as mere moralizing gestures. But a good moral position is usually conducive to noble action at some later stage, and a direction must be set before feet can begin moving in unison.

We are all for having the Jessup committee doing some solid study and some solid thinking. But we owe it to non-Communist Asia to have an active policy in effect as of now. We should have had a program ready for statement to President Quirino on the date of his arrival in Washington—it bodes no good for the future to greet a potential ally with the diplomat's version of the brush-off. Since we missed the psychological moment with Quirino, it is doubly important to make amends in time for the visit of India's Pandit Nehru, who will be in the United States in October.

Pandit Nehru (Life, January 24) is Asia's greatest statesman and diplomat, a man with vast qualities of courage and leadership. He heads a nation of some 320,000,000 people, most of whom regard him with a devotion that almost amounts to reverence. If we can find the right formula for joining our strength with his, the future of Asia and the world will become much brighter.

Our program should be ready no later than the day Nehru sets foot on United States soil. The Communists presumably are out to get Nehru; unless he knuckles under to Moscow's wishes he may be made the Chiang Kai-shek of India during the next historic period of Comintern vilification and character assassination. We owe it to ourselves and to all of non-Communist Asia to put heart into Nehru for the ordeal that lies ahead. Even more, we owe it to the world to put heart into ourselves. North and central China, even Canton may be beyond immediate salvage. But the rest of Asia, the whole round sweep of peripheral Asia, can still be held for freedom even as western Europe and the Near East have been held. It cannot be saved, however, if we continue to sit on our hands and contemplate the past.

AUGUST 6, 1949.

Hon. DEAN ACHESON,
Department of State, Washington, D. C.

DEAR MR. SECRETARY: In view of the fact that our Chiefs of Staff are now visiting the European countries and will obviously not have time to make the same sort of visit to the Far East, I strongly urge that our responsible commanders in the Far East, Gen. Douglas MacArthur and Vice Adm. Oscar C. Badger, be brought home for the purpose of giving testimony before the combined Foreign Relations and Armed Services Committees on the far-eastern phases of a problem which is global in character.

As a member of the Armed Services Committee I urgently request that this be done immediately so that the benefit of their views may be had prior to final action by the combined committees on the bill in question.

Sincerely yours,

WILLIAM F. KNOWLAND,
United States Senator.

AUGUST 9, 1949.

Hon. LOUIS JOHNSON,
Secretary of National Defense, Washington, D. C.

DEAR MR. SECRETARY: In view of the fact that our Chiefs of Staff have visited various European countries and are not likely to have the time to make the same sort of visit to the Far East, we strongly urge that our responsible commanders in the Far East, Gen. Douglas MacArthur and Vice Adm. Oscar C. Badger be brought home for the purpose of giving testimony before the combined Foreign Relations and Armed Services Committees on the far-eastern phases of a problem which is global in character.

We urgently request that this be done immediately so that the benefit of their views may be had prior to final action of the combined committees on Senate bill 2388, "to promote the foreign policy and provide for the defense and general welfare of the United

States by furnishing military assistance to foreign nations,".

Sincerely yours,

WILLIAM F. KNOWLAND, STYLES BRIDGES, H. ALEXANDER SMITH, BOURKE B. HICKENLOOPER, WAYNE MORSE, ALEXANDER WILEY, HARRY F. BYRD, LEVERETT SALTONSTALL, RAYMOND E. BALDWIN, CHAN GURNEY.

MACARTHUR REFUSES TO COME TO UNITED STATES—REJECTS BID TO TESTIFY ON CHINA

TOKYO, August 12.—Gen. Douglas MacArthur today refused to return to the United States for talks on China because of an impelling sense of duty in Japan.

Replying to a request that he testify before Congress, General MacArthur pointed out China was outside the area of "my command, responsibility or authority."

But he said he was deeply appreciative of the honor bestowed on him when certain distinguished Members of the United States Senate asked that he be returned.

VIEWS ON FILE

"Needless to say it is difficult for me to ignore the heart-warming and friendly overtures to return to my native land, for which it is only natural for me to long just as would anyone else in my circumstances," the General said. "But an impelling sense of duty in a position of highly critical responsibility leaves me with no other recourse."

"It is my understanding that both President Truman and the Secretary of Defense have made it clear that my return in such circumstances is a matter for the exercise of my own judgment in the light of considerations bearing upon the national interest as I evaluate them," MacArthur added.

MacArthur said the Army Department already had on file his views on the strategic potentialities of the area embracing my Far East command." * * * "There is little that I could add to it," he added.

VOTE TODAY

In the Senate, however, a special 25-man committee considering the military aid program was scheduled today to vote on a proposal to invite General MacArthur home to testify on the Far East in the hope it would result in aid for China as well as Europe.

How the general would react to such an official invitation is unknown though from his above statement it would seem likely he also would reject it.

In another development, it was revealed today the State Department's review board on China will solicit the views of Lt. Gen. Albert C. Wedemeyer. Others to be invited include Gen. George C. Marshall, Maj. Gen. Claire Chennault, Congressmen, and private citizens.

Mr. KNOWLAND. Mr. President, following those letters and at the suggestion of the Secretary of National Defense and others that the proper way to proceed would be by resolution of the combined committees considering the arms implementation bill, the committee, by a vote of 13 to 12, passed the following resolution:

Resolved, That through the chairman of this combined Foreign Relations and Armed Services Committee of the Senate the Secretary of National Defense be informed that the committee desires to have the views of Gen. Douglas MacArthur and Admiral Oscar C. Badger on the far-eastern aspects of the pending arms implementation bill and their views of what developments in the Pacific area will have on our own national defense; be it further

Resolved, That if not incompatible with our national interests that General MacArthur and Admiral Badger both be requested to personally appear before the combined committees at the earliest possible date.

Following the passage of the resolution, under date of August 12, the able and distinguished chairman addressed a letter to Secretary Johnson, enclosing a copy of the resolution, and indicating the roll-call vote of the committee. I ask that that letter be made a part of my remarks at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AUGUST 12, 1949.

Hon. LOUIS JOHNSON,
The Secretary of Defense,
Washington, D. C.

MY DEAR MR. SECRETARY: The Committee on Foreign Relations and the Armed Services Committee today approved by a vote of 13 to 12 a resolution offered by Senator KNOWLAND, regarding the possible appearance of Gen. Douglas MacArthur and Admiral Oscar C. Badger before the combined committee. A copy of the proposal is enclosed.

As chairman of the combined committee, I transmit the resolution to you for your consideration and whatever action you may deem appropriate.

Sincerely,

TOM CONNALLY, *Chairman.*

Yeas: Vandenberg, Wiley, Smith of New Jersey, Hickenlooper, Lodge, Russell, Byrd, Bridges, Gurney, Saltonstall, Morse, Baldwin, Knowland.

Nays: Connally, George, Thomas of Utah, Tydings, Pepper, Green, McMahon, Fulbright, Chapman, Johnson of Texas, Kefauver, Hunt.

Mr. KNOWLAND. Mr. President, I ask to have incorporated in the RECORD as part of my remarks a copy of a telegram which was sent by Hon. Louis Johnson, Secretary of Defense, to General MacArthur and Vice Admiral Badger.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

AUGUST 15, 1949.

Gen. DOUGLAS MACARTHUR,
Vice Adm. OSCAR C. BADGER:

Last week when I was testifying before the Joint Armed Services and Foreign Relations Committees of the Senate, the following discussion took place:

"Senator BRIDGES. I wonder if you would consider the bringing back of Gen. Douglas MacArthur and Vice Adm. Oscar C. Badger, our naval commander in the Far East, so that we might have some information upon the very critical situation in the Far East in relation to any amendments that might be offered to the bill and aid to other countries.

"Secretary JOHNSON. Any request of either or both of the committees for the return of anyone in the Military Establishment I shall be very happy to pass on to them.

"Senator BRIDGES. When you say 'pass on to them,' Mr. Secretary, just what do you mean by that? Assuming the Armed Services Committee—I am not a member of the Foreign Relations Committee—should vote to request the presence of General MacArthur and Admiral Badger here, 'pass on,' we have had experience with General MacArthur before, and General MacArthur has taken the position that he had to be ordered back, that an invitation was not sufficient. At the request of a committee, one of these individual committees here, would you order him home?

"Secretary JOHNSON. I would first consult with the President about that. If one of the men you asked for gave very cogent reasons why he could not return, as I understand General MacArthur did in the instance you refer to, before ordering him back I should then come back to the chairmen of the two committees and talk to the President, and maybe all of us would talk with him. * * * I have the highest opinion of General MacArthur. * * * I would not order him back if he indicated, on your request, that he would not come back, until I had talked to the two chairmen and the President."

Since the committee hearing to which this testimony was given, the joint committees, by a vote of 13 to 12, have requested that I inform you "that if not incompatible with our national interests that General MacArthur and Admiral Badger both be requested to personally appear before the combined committees at the earliest possible date." Following is the text of a letter which I have today received from Chairman Connally of the joint committees with respect to the resolution from which I have just quoted:

"MY DEAR MR. SECRETARY: The Committee on Foreign Relations and the Armed Services Committee today approved by a vote of 13 to 12 a resolution offered by Senator KNOWLAND regarding the possible appearance of Gen. Douglas MacArthur and Admiral Oscar C. Badger before the combined committee. A copy of the proposal is enclosed. As chairman of the combined committee, I transmit the resolution to you for your consideration and whatever action you may deem appropriate.

"TOM CONNALLY,
"Chairman."

The resolution reads as follows:

"Resolved, That through the chairman of combined Foreign Relations and Armed Services Committee of the Senate, the Secretary of National Defense be informed that the committee desires to have the views of Gen. Douglas MacArthur and Admiral Oscar C. Badger on the Far Eastern aspects of the pending Arms Implementation Bill, and their views of what developments in the Pacific area will have on our own national defense; be it further

"Resolved, That if not imcompatible with our national interests that General MacArthur and Admiral Badger both be requested to personally appear before the combined committees at the earliest possible date."

Let me have your comments on this letter and on the resolution enclosed with the letter as soon as possible.

LOUIS JOHNSON.

Mr. KNOWLAND. I also ask, Mr. President, that there be printed as a part of my remarks a letter dated August 15, 1949, addressed to the chairman of the combined Foreign Relations Committee and Armed Services Committee by Secretary Johnson; also a letter dated August 16, 1949, addressed to the chairman of the combined committees referred to by Secretary Johnson, which says, in part:

MY DEAR MR. CHAIRMAN: I am attaching a copy of a message I have just received from General MacArthur. You will note that at the outset of his message General MacArthur states: "For the reasons set forth in my public statement of August 11 I believe I can best serve the national interest by remaining at my post of duty here."

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

THE SECRETARY OF DEFENSE,
Washington, August 15, 1949.

Hon. TOM CONNALLY,
Chairman, Combined Foreign Relations and Armed Services Committee of the Senate, United States Senate, Washington, D. C.

MY DEAR MR. CHAIRMAN: Your letter, with the enclosed copy of a resolution which your joint committee adopted by a vote of 13 to

12, reached me this morning. I immediately sent the text of your letter, together with the text of the resolution, to General MacArthur and Admiral Badger.

As soon as I have received replies to my message, a copy of which I attach, I will communicate with you further.

With warm personal regards, I am,

Sincerely yours,

LOUIS JOHNSON.

AUGUST 16, 1949.

Hon. TOM CONNALLY,
Chairman, Combined Foreign Relations and Armed Services Committee of the Senate, United States Senate, Washington, D. C.

MY DEAR MR. CHAIRMAN: I am attaching a copy of a message I have just received from General MacArthur. You will note that at the outset of his message, General MacArthur states: "For the reasons set forth in my public statement of August 11 I believe I can best serve the national interest by remaining at my post of duty here."

The full text of the message from General MacArthur is attached.

Admiral Badger has sent in a message which reads in part as follows: "On account conditions in China believe can best serve national interest remaining here until properly relieved which will make my arrival Washington about September 6."

I am forwarding the information to you promptly upon its receipt as I said I would do in the letter which I sent you yesterday.

With warm regards, I am,

Sincerely yours,

LOUIS JOHNSON.

Mr. KNOWLAND. Mr. President, I have a cable from General MacArthur with which I think the Members of the Senate should be familiar. It reads as follows:

TO SECRETARY OF DEFENSE:

For the reasons set forth in my public statement of August 11, I believe I can best serve the national interest by remaining at my post of duty here. This statement was as follows: "I could not help but be deeply appreciative of the honor reflected in the desire expressed by certain distinguished Members of the United States Senate that I proceed to Washington to give my views for consideration by the Congress on the issue of United States arms aid to the Government of China. I believe, however, that during this moment critical events in the Far East, the interests of the American people are better served by my remaining at my post here, especially in view of the fact that the focal point of inquiry (China) is under the direct jurisdiction of the Joint Chiefs of Staff acting through a naval commander and has never been within the area of my command, responsibility or authority. Furthermore, on March 3, 1948, I forwarded on request my general views on this subject to the Chairman of the House Committee on Foreign Affairs. My specific views with respect to the strategic potentialities of the area embracing my Far East command are fully on file with the Department of the Army. There is little that I could add to either. While it is, of course, unnecessary for me to confirm my complete loyalty and devotion in the implementation of any directives or views of the Government with reference to my movements and duties, it is my understanding that both the President and the Secretary of Defense have made clear that my return in such circumstances is able matter for the exercise of my own judgment in the light of considerations bearing upon the national interest as I evaluate them.

Needless to say, it is difficult for me to ignore heartwarming and friendly overtures to return to my native land for which it is only natural for me to long just as would any one else in my circumstances. But an impelling sense of duty in able position of highly critical responsibility leaves me with no other recourse.

MACARTHUR.

Mr. President, in addition to that, I think it is important for the Senate of the United States to have this information, which while it was revealed to the Foreign Affairs Committee of the House of Representatives some time ago, may not be fresh in the minds of Members of the Senate. This body is soon to be called upon to meet this very critical situation.

The administration has presented a bill to the Senate calling for $1,400,000,000 in arms implementation. If the situation is of such critical nature, as indicated by General MacArthur and Admiral Badger, that they cannot return at this particular time, then there is something fundamentally wrong with the State Department policy which allocates to the entire Pacific area one percent of the total amount of the arms implementation program.

Even during the period of the war, when our leaders had to determine at which place they would put their emphasis, they did not abandon the Pacific area. They supplied our military and naval leaders in that area with such supplies as they could until eventually they could build them up with the support to which they were entitled, and to which that area of the world was and is entitled.

If China falls to communism—and apparently the late dispatches today indicate that Fuchow has fallen, or is about to fall—Communists may overrun all of Asia. The Secretary of State has indicated in his white paper he is apparently ready to write China off and he repeats it today. All of Asia, with its billion people, is jeopardized. If all of Asia goes behind the iron curtain, the strategic balance of power in the world will be upset. It is clear that such an event will adversely affect the peace of the world, and the national defense of the United States.

General MacArthur could not return, he has informed us to give testimony before the two important combined committees of the Senate, and I certainly do not question his judgment, if that is his determination. But he has in a press dispatch, he has in a message to the Secretary of Defense, indicated that his views on the importance of the Pacific area are on record and he still stands on those views.

I was handed by the Secretary of Defense this morning a copy of the summary of General MacArthur's views with regard to the situation in China, and I read:

SUMMARY OF GENERAL MAC ARTHUR'S VIEWS REGARDING THE SITUATION IN CHINA

1. On March 1, 1948, the Honorable CHARLES A. EATON, chairman of the Committee on Foreign Affairs, House of Representatives, asked General MacArthur to comment on, (1) The importance to world peace and to the United States of maintaining a free and independent China friendly to the United States, and (2) Measures, economic and otherwise, necessary or best suited to achieve those ends. General MacArthur replied in a message of March 3, 1948, summarized as follows:

"(a) He has no representatives in China and personally has not been to China for many years, therefore he is not in a position to render authoritative advice on the myriad details which the query encompasses."

Mr. MAGNUSON. Mr. President, will the Senator yield? I dislike to interrupt the Senator, because he is talking about an important matter, but there are many of us who believed that we were going on this afternoon with very vital and important Interior Department appropriation matters. I should like to inquire whether the Senator is going to speak much longer, and if he is, we might have to change our plans about what we intend to do.

Mr. KNOWLAND. I do not expect to consume altogether more than 10 or 15 minutes of the time of the Senate, but I am discussing a very important matter; and I may say that I am also interested in the Interior Department bill, as is the able Senator from Washington.

Mr. MAGNUSON. We are trying to adjust our time as best we can.

Mr. KNOWLAND. The summary of General MacArthur's views regarding the situation in China continues:

However, a friendly, independent, peaceful and free China is of profound importance to world peace and to the position of the United States. Underlying all issues in China is the military problem and until it is resolved, little can be expected toward stabilizing China regardless of the extent of outside aid. Once the military problem is resolved, however, China's resiliency will provide the basis for a rapid recovery.

(b) The Chinese problem is part of a global situation, and United States policy toward China should be directly connected with United States policy against the assaults of political despotism elsewhere in the world. It would be fallacious to underrate China's needs or her importance. Because of past ties in Europe, it is United States tendency to underemphasize the importance of the Far East. The hope for progress of future American generations, as well as the threat to their way of life, lies in the advance of the Asiatic races. Reform in China should be subordinated to the maintenance of China's integrity against destructive forces which threaten its engulfment and which is of infinitely more immediate concern. Again, if China's integrity is maintained, reform will gradually take place in the evolution of China's future.

(c) Aid to China, additional to surplus supplies, should be measured in equitable relationship to any global aid determined upon by the United States. In deciding upon such aid, the United States should not underrate the strategic importance of a free and peaceful China, or ignore China's impoverishment and fatigue as a result of many years of war. Further, the United States should accurately assess China's potential in the stability and advancement of our future standard of life, and should recognize the long and friendly relationship existing between the United States and China.

(d) On the other hand, we should not commit our resources beyond what we can spare, either sapping our national strength or causing jeopardy to our own security. Finally, it would be illogical to extend assistance beyond hope of reciprocal repayment through contribution, in one form or another, to human progress.

2. In November 1948, the Department of the Army asked General MacArthur for his estimate of the situation in China, to include

probable future developments and their impact upon the Far East. His reply, dated November 20, 1948, is in two parts. The first part is a top secret strategic estimate, which is not summarized here. The second part can be summarized as follows:

(a) General MacArthur states that he is in no position to furnish first-hand information on internal conditions in China. However, his broad general views on the importance of a stable and friendly China were expressed in a message of March 3, 1948, to the Honorable CHARLES EATON from which extracts are repeated. A summary of the complete message to Congressman EATON is in paragraph 1 above, and need not be repeated here.

Mr. President, I wish to reiterate that the March statement of General MacArthur is a white paper which has far more weight with the Nation than the one issued by the State Department. Here is one of our leading commanders, a man who saw the United States retreat out of the Philippines, and then had to lead the fight back the hard way. He is probably our best informed soldier on the entire Pacific area. He has not once, not twice, but three times, said that in his judgment the national security of the United States may well rest upon what happens in the Far East and in China. The Senate and the administration in my opinion should not and dare not ignore the white paper issued by this competent American military commander.

If we cannot get before the committees of the Congress of the United States, charged with the responsibility of determining a grave matter of national policy, the witnesses to whom we are entitled, if we are not able to have the facts we believe we should have in framing a national policy of far-reaching moment, then the State Department and the Department of National Defense have an obligation forthwith either to send MacArthur himself, to send General Wedemeyer, to send General Bradley, or to send General Collins, or someone else who will command congressional confidence to get up-to-the-minute information on this important strategic area of the world. The State Department needs factual information as much as Congress.

Mr. President, in my judgment the Senate dare not take the responsibility of allowing the iron curtain to be lowered by the State Department, denying to the Congress of the United States information to which we are entitled as a coequal branch of the Government of the United States. So far as the aid-to-China program is concerned, this a matter which will be presented to the Senate combined committees which are hearing the matter, and I hope they will adopt the amendment. If the committee does not adopt the amendment, a minority report will be issued, and the issue will be brought to the floor of the Senate.

Mr. President, this is something which cannot be side-stepped, it is something which cannot be solved by a whitewashing white paper.

Mr. President, when, as is indicated by what I put into the RECORD at the beginning of my remarks, the Secretary of State on this very day indicates that the State Department has closed its mind and that no aid can be given to Nationalist China, when they have appointed as the chairman of their fact-finding committee Mr. Jessup, whom they then bring into the State Department to issue the white paper, it is very difficult for either the Congress or the country to have confidence that we are going to get an impartial report. I think it is high time the Congress of the United States insist on obtaining the information to which it is rightfully entitled.

INTERIOR DEPARTMENT APPROPRIATIONS, 1950

The Senate resumed the consideration of the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes.

Mr. HAYDEN. Mr. President, I should like to have action on the unanimous-consent request which I have made.

The PRESIDENT pro tempore. Is there objection to the unanimous-consent request made by the Senator from Arizona, that the Senate consider the four amendments dealing with the Southwestern Power Administration en bloc? The Chair hears none, and it is so ordered.

The four amendments agreed to be considered en bloc, are as follows:

On page 6, line 13, after the word "expended", to strike out "$4,000,000" and insert "$1,616,115"; in line 14, after the word "exceed", to strike out "$525,000" and insert "$330,000", in line 21, after the word "exceed", to strike out "$5,000,000" and insert "$2,257,905"; and on page 7, after line 2, to strike out:

"Continuing fund, power transmission facilities: All receipts from the transmission and sale of electric power and energy under the provisions of section 5 of the Flood Control Act of December 22, 1944 (16 U. S. C. 825s), generated or purchased in the southwestern power area, shall be covered into the Treasury of the United States as miscellaneous receipts, except that the Treasury shall set up and maintain from such receipts a continuing fund of $300,000, including the sum of $100,000 in the continuing fund established under the Administrator of the Southwestern Power Administration in the First Supplemental National Defense Appropriation Act, 1944 (57 Stat. 621), which shall be transferred to the fund hereby established; and said fund of $300,000 shall be placed to the credit of the Secretary and shall be subject to check by him to defray emergency expenses necessary to insure continuity of electric service and continuous operation of the facilities, and to cover all costs in connection with the purchase of electric power and energy and rentals for the use of transmission lines and appurtenant facilities of public bodies, cooperatives, and privately owned companies."

Mr. THYE. Mr. President, I ask unanimous consent to offer an amendment to House bill 3838. The amendment is as follows:

On page 25, line 22, after the word "transfer" insert a colon and the following: *"Provided further,* That unobligated balances of any specific authorizations in appropriations for prior years for school facilities in public school districts of Minnesota, appropriated in accordance with Public Law 804, Seventy-sixth Congress, or Public Law 231, Eightieth Congress, may be transferred to any other such authorizations."

The sum involved is $64,000. It affects four school districts. The Indian service and the State Educational Department of Minnesota have found that the four school districts do not need the funds and that the funds would be relinquished by the four districts. There are, however, four additional school districts in the State which have appropriations, but the appropriations are inadequate. If the $64,000 could be transferred to the other four school districts in Minnesota, which is agreeable to the Indian service and to the State educational department, it would meet the estimated building cost of the four school districts in question.

Mr. HAYDEN. Do I understand the Senator to say that the amendment involves no additional appropriation of money, but simply a transfer from one school district to another?

Mr. THYE. That is correct.

Mr. HAYDEN. And does the Senator ask unanimous consent that the amendment be considered at this time? If the Senator does, I shall be glad to accept it on behalf of the committee, and take it to conference.

Mr. THYE. I should like to have the amendment considered at this time.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 25, line 22, after the word "transfer" it is proposed to insert a colon and the following: *"Provided further,* That unobligated balances of any specific authorizations in appropriations for prior years for school facilities in public school districts of Minnesota, appropriated in accordance with Public Law 804, Seventy-sixth Congress, or Public Law 231, Eightieth Congress, may be transferred to any other such authorizations."

The PRESIDENT pro tempore. Without objection, the amendment offered by the Senator from Minnesota is agreed to.

Mr. WHERRY. Mr. President, I should like to ask the distinguished Senator from Arizona, who is in charge of Senate bill 3838, and who no doubt knows which Senators desire to speak on the series of amendments under consideration, which are to be voted upon en bloc, whether it is his intention that the vote be taken on the amendments en bloc tonight?

Mr. HAYDEN. I hope that can be done. I understand the Senator from Oregon [Mr. CORDON] desires to comment on the amendments. There are one or two other Senators who desire to speak on the amendments.

Mr. WHERRY. I have just spoken to the distinguished Senator from Oklahoma [Mr. THOMAS] and from what he said I believe the Senate will have to remain in session longer than 6 o'clock if a vote is to be taken on the amendments en bloc.

Mr. HAYDEN. So far as I know, four Senators desire to address the Senate with respect to this matter. We should be able to finish with the amendments by about 6 o'clock.

Mr. WHERRY. I realize that is about as close as the distinguished Senator can come to an approximation of the time required.

Mr. HAYDEN. I understand no Senator desires to deliver an extended address on the subject.

Mr. CORDON rose.

Mr. HAYDEN. Mr. President, I yield to the Senator from Oregon.

Mr. CORDON. Mr. President, whenever the Senator has concluded I desire to obtain the floor in my own right.

Mr. HAYDEN. I yield.

Mr. CORDON. Mr. President, I desire to take a little of the time of the Senate to discuss the problem involved in the amendments to the Interior Department appropriation bill respecting funds to be furnished the Southwestern Power Administration and the Southeastern Power Administration. The remarks which I shall make shall be somewhat applicable also to the Bonneville Power Administration's request for funds, insofar as that request goes to funds for use in the construction of transmission in the State of Montana.

The two cases, that of the Southwestern Power Administration and the Southeastern Power Administration on the one hand and the Bonneville Power Administration on the other hand, are not identical in all respects. They do, however, have certain aspects wherein they are identical. The situation in the Montana area, however, will be developed only as it is incidental to my discussion with respect to the Southwestern Power Administration and the Southeastern Power Administration.

I am impelled, Mr. President, to discuss the matter solely because I feel that the Senate itself is not advised as to what is the real matter in issue. It is not a matter of dollars, as requested in the appropriation bill, or in any appropriation bill which has been before the Congress in connection with any of the multiple-purpose dams in the United States.

I differ with some of my colleagues in this respect. I do not think the question is one of whether we shall have socialized power in the United States or power by private industry in the United States. That question may arise in areas where the volume of power to be created by dams is of such magnitude as in itself to create the question; but as to its being an over-all national question, frankly I cannot see it.

I am interested only in having the Senate understand exactly what it is that we are dealing with in this appropriation bill. The question should not be before the Senate in an appropriation bill. I believe I voice the opinion of every member of the Appropriations Committee when I say that we do not want it in an appropriation bill. We have been compelled to deal with it. The sooner it can be taken out of the consideration of the Appropriations Committee and put where it belongs, as an independent, substantive legislative proposition to determine a national policy in the field of publicly generated power, the better off, certainly, the Appropriations Committee will be, and the better off the people of the United States will be.

But, Mr. President, the question is before us in this appropriation bill, whether it should be or not; and, however ill-equipped we are to do it, we must to some extent determine a national legislative power policy in our vote on this appropriation. We do it only to this extent, however: Our vote here does nothing more than withhold action which might be ill-advised, until such time as considered action can be directed by the Congress. To that extent we must determine a policy question when we vote on these amendments.

The number one misunderstanding in connection with the power problem is as to the character of the thing we develop at multiple-purpose dams when we install generating capacity. True, we all know that it is hydroelectric power. But, Mr. President, there are innumerable kinds of hydroelectric power. The term covers hydroelectric power with different characteristics, having different uses, subject to handling in different ways. Unless we can get a picture, first, of the complexity of the subject, certainly we are in no position to pass judgment upon the method of its ultimate distribution and destination.

Let me first make this unqualified statement: The hydroelectric energy which is generated and will be generated at the flood-control dams in the southern part of the United States and the southeastern part of the United States is not the type of electrical energy which is generated at a plant built for the purpose of generating electric energy. When we build a plant to generate electricity, we control the output of current. We apply heat to make steam, and apply steam to turn generators; and we can control the amount of current output. When we do that, we can determine the volume of current which is available for a useful purpose. When we attempt to create electric energy in dams the primary purpose of which is not to corral water to generate electricity, but to corral water to stop the damage of floods, we are dealing with a different thing than when we generate electricity under controlled conditions by a plant built for that purpose.

In the flood-control multiple-purpose type of dam there must be installed generating capacity far in excess of the amount of generating capacity which would be needed at that point if the water to be used could be so allocated as to make a continuous daily flow throughout every day in the year. There must be a capacity far in excess of the amount of current which can be created and dependably usable if the Government is to have a maximum recoupment from its investment.

Mr. KERR. Mr. President, will the Senator yield for a question?

Mr. CORDON. I yield.

Mr. KERR. Is the excess capacity required in the generating plant or in the storage facilities?

Mr. CORDON. It is not a question of where it is required. It is a question of where it is. If firm power is desired, there must be an excess of water behind the dam which can be released continuously through the generators over a period of time until the water is recouped.

Mr. KERR. I understand that, and I agree. I thought the Senator said that in order to have a steady flow of water there must be an excess in the generating capacity.

Mr. CORDON. I said just that, and I shall now explain it.

To get the full utilization of all water behind a multiple-purpose dam, there must be installed in generating facilities at the dam not only the capacity necessary to take care of the normal continuous flow, but also the additional capacity necessary to take care of floodwaters which are backed behind the dam, and which must be taken out of the dam as rapidly as possible in order that, for purposes of containing floodwaters, it may be an empty reservoir. If there is not that excess generating capacity, it is not possible to get the maximum amount of electricity out of the water.

Getting down to an application of this proposition to these dams, in all—I say advisedly "all"—the reports of the engineers who studied this question in the Southwest and the Southeast, and who submitted their reports on flood control to the Congress, which body approves projects for construction—in every one of those reports which has come to my attention the engineers have stressed the fact that the repayable portion of cost allocated to power could be met only if the maximum power were sold as peaking power.

I stated at the beginning of my remarks that there are a number of kinds of electricity. Electricity is all the same. The difference is in the way it flows over the line, the amount which is available, and the continuity of availability. The engineers have stressed the point that the power must go to low load-factor uses, or it cannot take care of the allocated portion of repayment which it must take care of if the benefits incident to each structure are to equal the cost. Time after time the engineers have called attention to that principle. I have some random quotations, and I can furnish them for every one of the projects.

With respect to the Norfork Dam in Arkansas, in House Document No. 290, Seventy-seventh Congress, page 27, among other things appears this:

> The proposed initial installation of 60,000 kilowatts would permit the transmission of 58,000 kilowatts of prime capacity for serving peak loads. * * *
>
> The prime power from the proposed Norfork Dam could best be used in serving peak loads.

With respect to the Table Rock and Bull Shoals Reservoirs, in the White River in Arkansas and Missouri, House Document No. 917, Seventy-sixth Congress, page 54, contains this statement:

> The hydroelectric development proposed by the district engineer in his report would best serve peak power needs. In order to attain full utilization of its output, the development should connect with some major system or systems in order that it may best serve low-load-factor markets. The power installations proposed in the report and the transmission system to connect with load centers are designed with this in view.

Mr. President, as to the Whitney Dam, in Texas, the following statement appears in House Document No. 390, in the Seventy-sixth Congress, at page 38:

> In estimating the power possibilities at the Whitney Dam site, it was assumed that the Possum Kingdom Dam * * * would

be in operation for the production of power. * * * It was further assumed that the power installation at Possum Kingdom would be made and operated to provide for the delivery of the maximum amount of prime power on a 25-percent load factor.

At page 7, the following statement appears:

It is assumed further that the Whitney plant would operate on the peak of the load, at a load factor possibly as low, ultimately, as 10 percent.

Mr. President, I wish to try to simplify this problem. What is meant in the quotations I have just read, as I understand them—and I am not in any way an electrical engineer—is that where there is use of electric power 24 hours a day, there is a necessity for firm power; where there is a necessity, at certain times during the day, for electric power over and above the amount which must be continuously supplied, there is a necessity which can be met only by having a reserve of power equal to the very height of the necessity. That is prime-demand power or prime-peaking power.

Then there is the power use which can accommodate itself to the availability of power. The power used then is whatever may be left over or may be available, and is termed "interruptible or dumping power."

The purpose the engineers had in mind was the building of these dams with power-generation equipment included, and with the use of that power to its maximum usability, namely, as prime-peaking power and dump power.

Let me add at this point that a careful study of the dams in the southwest, southern, and southeastern areas indicates that of the maximum installed capacity in those dams—meaning the maximum amount of power which could be generated at any given time if all the generating capacity were operative—from 10 percent, as a low, to 25 percent, as a high, is the total amount of prime, dependable, firm power that is available or can be made available without outside fuel generation.

Mr. President, that amount of firm power, if sold as firm power, could not guarantee that the cost of construction, maintenance, and operation allocated to power would ever be met. That cost can be met only if the power generated is used for the purpose for which it will bring the highest return, namely, as peak power.

In view of the little I know about the matter, if I made the foregoing statements and stopped there, I would feel that anyone might well honestly differ with me and perhaps might say that I did not know what I was talking about or that at least my statements should not be taken at 100 percent face value. So I shall not rely merely upon my own statements. I now read from page 727 of the hearings on the Interior Department appropriation bill for 1947, where Mr. Douglas Wright, then, and now, Administrator for the Southwestern Power Administration, was testifying before the subcommittee on Interior Department appropriations, of the Senate Appropriations Committee. The question under consideration was what was needed to be done in that area both in the interest of the Government—because the Government had put out the money for construction—and in the interest of the people whom the Government desired to get the full benefit of this power. For the first time, so far as I was concerned—I do not know the situation in which my colleagues then found themselves—I learned that the greater portion of all the power which is available at dams which are constructed primarily for flood control is not salable power, as it comes from the generators, because it is not continuous power, but is interruptible. At that time the Senator from Arizona [Mr. HAYDEN] had the following colloquy with Mr. Douglas Wright:

Senator HAYDEN. Right at that point, can not you furnish them with firm power, as needed, unless you have steam plants?

Mr. WRIGHT. We cannot unless the utility companies will sell me off-peak steam that they cannot sell to anybody else. I could then.

Senator HAYDEN. I am just asking that. You could not enter into a contract with the city of Springfield, in the State of Missouri, to supply them with energy unless you had a steam plant?

Mr. WRIGHT. That is right; and I would like to say this, on that statement: I could not do it and use anything like the full capacity of these dams. In other words, if I sold the energy to Springfield, there would be two or three units at the Norfork Dam that would never turn. The dams are designed to be used as peaking units.

Mr. President, I think I can rest on that as my authority for the first and major premise in this short discussion. Those dams and their installations will create peaking power—very valuable, very usable, very salable; but in order to achieve the highest return for that power and the greatest benefit to the users of that power, steam-generated, controlled power must be added.

Mr. KILGORE. Mr. President, will the Senator yield at this point for a question?

Mr. CORDON. I yield.

Mr. KILGORE. Is it not a fact that a steam plant is a wasteful means of producing peak power, as compared to a hydro plant?

Mr. CORDON. There is no question about that.

Mr. KILGORE. In other words, when using a steam plant for that purpose, the steam pressure must be maintained or must be built up.

Mr. CORDON. The two—hydro and steam—represent the perfect combination, unquestionably, or at least I am so advised.

Mr. KILGORE. In other words, in order to have a proper balance?

Mr. CORDON. Yes.

Mr. MAGNUSON. Mr. President, will the Senator yield at this point, because he is making a very able attempt to explain the situation.

Mr. CORDON. I yield.

Mr. MAGNUSON. When the Senator is speaking of a combination of the two, and the type of dam, I am sure he does not mean to convey the impression that all power pools and all types of dam present a problem similar to the one under discussion. This applies to the Southwest; does it not?

Mr. CORDON. That is correct.

Mr. MAGNUSON. We have in our area an entirely different problem, do we not?

Mr. CORDON. That is correct. The problem is one which arises where the intervention of the generator is not in a river with a constant flow and a constant volume of flow. When we have that, we have just as certain and firm power as we have when the power is generated with steam. But here the waters must be corraled when the flash floods come. After that has been done, the water must be released in order that the next flash flood may be corraled, and so on. The result is power in variable amounts throughout the year. I thought I had made it clear that I am referring only to the southern and the southeastern areas, where our primary job was to protect the country from floods, and where our secondary problem was to get as much out of what we spent as we could, and that was in the incidental creation, sale, and use of power.

I now come back to the big question, which is the policy question before the Congress. I undertake to say there will be no question with reference to this statement, which I make categorically: There must be steam power used in connection with the power from the dams, if the value of that power in its ultimate is to be achieved. How are we to get the steam power? Mr. President, I hold no brief for private utility companies. On the other hand, I am not witch-hunting with respect to private utility companies. They have had in many respects a bad and odoriferous record. They have at the same time served an outstandingly useful purpose. Neither do I have any brief for a fanatical public-power servant of the United States. I believe there is a common ground in common sense and reason wherein we may get the greatest value out of public hydroelectric power and save the greatest value out of the public utilities operating in the areas where the power is being created.

How shall we function, however, at this minute, in connection with the pending bill? What problem confronts us in the Appropriations Committee, and what should be our answer to it? I think it is perfectly clear, Mr. President, we must start with the major premise that in the Southwest power area and in the Southeast power area and wherever we are depending on flood-control dams for power, we must contrive to tie the peak power with a backlog of controlled steam-generated power.

Mr. President, I refer now to the trouble we have on the Appropriations Committee. The law of the United States is silent as to whether its servants have the right to go into the business of building auxiliary or backlog steam-power plants in every case, except in the Tennessee Valley Authority, where authority was given I believe last year to begin the building of such a plant. The hydroelectric energy generated by the plants built by the Army engineers has its disposition directed by section 5 of the Flood Control Act of 1944. At the risk of too much delay, I think I shall read a part of it, but in order to

minimize delay only a part of it. It has been placed in the RECORD before. Perhaps I should read it all, so it may be in the RECORD at this point, and so that anyone who wishes to look over what little I have to say, if it has any value, may have it before him. It is as follows:

SEC. 5. Electric power and energy generated at reservoir projects under the control of the War Department and in the opinion of the Secretary of War not required in the operation of such projects shall be delivered to the Secretary of the Interior, who shall transmit and dispose of such power and energy in such manner as to encourage the most widespread use thereof at the lowest possible rates to consumers consistent with sound business principles, the rate schedules to become effective upon confirmation and approval by the Federal Power Commission. Rate schedules shall be drawn having regard to the recovery (upon the basis of the application of such rate schedules to the capacity of the electric facilities of the projects) of the cost of producing and transmitting such electric energy, including the amortization of the capital investment allocated to power over a reasonable period of years. Preference in the sale of such power and energy shall be given to public bodies and cooperatives. The Secretary of the Interior is authorized, from funds to be appropriated by the Congress, to construct or acquire, by purchase or other agreement, only such transmission lines and related facilities as may be necessary in order to make the power and energy generated at said projects available in wholesale quantities for sale on fair and reasonable terms and conditions to facilities owned by the Federal Government, public bodies, cooperatives, and privately owned companies. All moneys received from such sales shall be deposited in the Treasury of the United States as miscellaneous receipts.

I call attention again to the only portion of this section which is applicable here, and the only provision, so far as I know, in the law of the United States that has any application to our situation:

The Secretary of the Interior is authorized, from funds to be appropriated by the Congress, to construct or acquire, by purchase or other agreements, only such transmission lines and related facilities as may be necessary in order to make the power and energy generated at said projects available in wholesale quantities.

That is the only authority granted to any administrative officer in connection with the handling of the surplus hydroelectric power from flood-control dams. He is authorized to construct or acquire necessary transmission lines and related facilities. We must read into the term "related facilities" the words "additional controlled steam-generation plants" if we are to go forward beyond the sale of electricity as it comes from the dam and over the lines.

I call attention to that, Mr. President, for this reason. When I opened my remarks I called attention to the fact that the Members of the Senate were not advised as to what they were up against. We were compelled to vote on a matter with reference to which we were not fully advised, and all of the facts available indicated, and definitely, in my opinion, proved beyond any doubt, that we shall never be able to go forward in a sound and orderly way with the program of handling surplus hydroelectric energy if the Congress does not turn its attention to the main question at hand and establish a sound public-power policy wherein there is spelled out what the administrative officers of the Government shall and shall not do.

When this matter reached the Senate it was a recurring thing. We had it in 1945, 1946, 1947, 1948, and now again in 1949. The first plans of the Southwest Power Administrator contemplated the construction of steam plants in order to get the full value out of the electricity. We were asked for money, in the first instance, for a rather ambitious plan of transmission lines. The amount asked for was never appropriated. Portions of it were appropriated. Down through the years some of us felt that we should require our officials charged with the handling of hydroelectric power to use all available facilities before spending Government money in building new facilities. We felt that the power had a natural use in connection with the steam power being generated in that area by private utilities. We felt that the Government, with all its power, could require a contract with such utilities as would guarantee in every respect every value that section 5 of the Flood Control Act or section 9 of the Reclamation Act of 1939 envisioned and established for the people of this country. I still hold that view.

When the subject came up again this year, with respect to the several items in that area, I say very frankly to my colleagues that I followed the lead of the one member of the committee who I had found over the years was keeping abreast of it and had information as to what was happening on the ground. I refer to my colleague, the senior Senator from Oklahoma. I am not too much concerned with the items in this bill with respect to Southwest power and Southeast power as such. I am concerned only——

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. CORDON. I yield.

Mr. RUSSELL. The Senator says he is not concerned with the items of Southwest power and Southeast power. But, in my opinion, the Senator has made the finest argument for restoring this small item to enable the Administrator to market the power which the Government has in the Southeast. There are a number of dams, and it seems to me that the Administrator would have to have some assistance to enable him to deal with prospective purchasers of the power.

Mr. CORDON. I say to the Senator that unless the Power Division of the Interior Department has sufficient personnel and sufficient information to do that which is necessary to negotiate such contracts and make them absolutely foolproof and perfectly clear, to give to the people of those areas everything the Government intended to give them, I will agree 100 percent with my colleague that money must be made available. My understanding with reference to it—and I can be wrong—is that in that area we have not yet reached the point where the matter of contracts is emergent and immediate.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. CORDON. I yield.

Mr. THOMAS of Oklahoma. I am of the opinion that the Senator from Oregon is slightly incorrect. The record shows that there are three dams being built within the interior of the Tennessee Valley. The record shows that the Government, acting through the Power Division of the Interior Department, has already made a contract with the Tennessee Valley Authority whereby the power to be developed from the three dams will be sold to the Tennessee Valley Authority, and the Tennessee Valley Authority will pay for the power and feed it into its system, and then resell it and redistribute it.

I do not wish to transgress on the good State of Georgia, but the record further shows that in the State of Georgia the Allatoona Dam will come into production late in December or early in the coming year. Moreover, the record shows that the Power Division in Washington has already made a contract with the Georgia Power Co. whereby the Government will sell to the Georgia Power Co. all power to be produced at the Allatoona plant. That is done through the office in Washington. There is only one dam at a time coming into production. There is quite an office in Washington. It has already made contracts, and I do not see why it cannot make future contracts. In Georgia, as the Senator knows, the Government receives $510,000 a year as a lump sum for the water that is let through the Allatoona Dam. In addition to the $510,000 a year, the Government receives 3½ cents per kilowatt-hour for the firm power and 2 cents for the dump power. But there is no agreement as to any particular amount of power from that dam. By controlling the water under the contract, they let the water down as they see fit, and let it down so that it can run through and generate some power perhaps at the Allatoona plant, then it goes on down the river and through the Georgia plants and there develops additional power.

That is the situation, and it is possible for the Division of Power here in Washington to make a contract with the Tennessee Valley Authority satisfactory to both sides, it is possible to make a contract with the Georgia Power Co. satisfactory, as I understand, because the Federal Power Commission has already approved the contract, and it will be in existence as soon as it is approved here. I am not sure it has yet been approved by the high authorities in Washington. I am not taking any particular stand with reference to the George situation or the southeastern power situation, but I think the record shows what the facts are at this time.

Mr. RUSSELL. Mr. President, I can see a vast difference between a contract that is entered into between the Interior Department and the Tennessee Valley Authority, and the situation which obtains at the other dams which are coming into production at an early date in the southeastern area. Of course, the Interior Department and the Tennessee Valley Authority are rather kindred

souls. They have a complete understanding of the operation, and as proof of that, the TVA for a long time has dealt with the Secretary of the Interior, and a number of other people who have to deal with power in the Interior Department have likewise dealt with the TVA, and whatever may be said about the TVA, at least it is quasi-governmental department. When we are dealing at arm's length with a private utility, it is an entirely different proposition.

So far as the Allatoona Dam is concerned, I understand contracts have been negotiated, but that dam does not produce a great deal of power; it is more of a flood-control proposition, and the power is incidental. There is very little firm power developed at Allatoona Dam.

There is coming in, however, one of the greatest power projects, producing more power, for the money expended, than any other project under construction east of the Mississippi River, anyway, namely, the project at Clark Hill, on the Savannah River. It seems to me that the Interior Department have asked for a very reasonable amount to enable them to study all the ramifications of the disposal of this power, splitting it down from firm power to the prime power, and then to the waste power, and all other powers. If we are dealing with something that is going to run into millions of dollars a year, that is going to be returned to the Treasury of the United States, $70,000 is a very small investment to make sure that we have all the facts at our command before we undertake to deal with the private power companies, or anyone else, for that matter. I think it is a very reasonable amount the Interior Department has requested, and in my judgment—and I may say I am completely persuaded by the argument made by the Senator from Oregon—Congress would do well to appropriate this modest amount. It will be returned manyfold by putting complete information at our control and disposal when we do enter into the contracts.

Mr. CORDON. Mr. President, I say again that I am not on my feet making any plea for or against these items, and I say that particularly with reference to the one in the southeastern area, involving, I believe, $70,000. I sat through the hearings, and I do not have sufficient information as to whether in fact the money asked for is necessary, in addition to the funds which normally are appropriated to the Interior Department and its Power Division. It is, for the purposes of my argument, of not too great moment as of this time. The problem I have been trying to get before the Senate, on which I should like to see affirmative action taken, is the over-all and so much greater question. Shall we as a government go into the business of generating hydroelectric power separate and apart from our dams? It is a matter which should be determined before this committee is called upon to recommend the appropriation of a single dollar leading toward that end, because the authority does not now exist. At least at the time the 1944 Flood Control Act was passed the feeling was very strong it should never exist, and, so far as I am concerned, I am opposed to it unless it is absolutely necessary.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. CORDON. I yield.

Mr. MAGNUSON. Did we not somewhat resolve that policy in the Johnson steam-plant matter?

Mr. CORDON. To the extent of the Tennessee Valley Authority it was resolved, there is no question, but we must not overlook the fact that the Tennessee Valley Authority not only produces the power and transmits the power, but distributes it.

Mr. MAGNUSON. Is the Senator of the opinion that the authority of the Bonneville Administration would be so limited that it would not be allowed to construct a steam plant as an appurtenance thereto if we needed it, as we do not?

Mr. CORDON. In my opinion, it is without that authority.

Mr. HILL. Mr. President, will the Senator from Oregon yield?

Mr. CORDON. I yield to the Senator from Alabama.

Mr. HILL. As I have gotten the burden of the Senator's argument—and if I am in error I desire to be corrected—it is that the Government-generated power, at certain points, at least, has to be firmed up, and that the best way to firm it up is from a steam plant or other facilities of the private utilities. Is that correct?

Mr. CORDON. Through a steam plant, whether it is owned by a private utility, the Government, a cooperative, or what not.

Mr. HILL. The Senator referred to the testimony of Mr. Wright, and, as I recall, he quoted some questions asked him about Springfield, Mo. Has the Senator had occasion to go into this subject since 1947, at the time Mr. Wright testified?

Mr. CORDON. The Senator has been on the Committee on Appropriations every year since that time.

Mr. HILL. I understand that, but that does not answer the question, with all deference to the Senator. Has the Senator, since Mr. Wright was before the committee in 1947, gone into the question of firming up the power, how the firming up might be accomplished, and as to whether anything has happened since 1947?

Mr. CORDON. Of course, as to whether the Senator from Oregon has been endeavoring to follow the hearings in this matter, and advise himself, I can only say that to the extent of his limited ability he has.

Mr. HILL. There is not a more diligent Member of the Senate than the Senator from Oregon, and I pay tribute to his great diligence and his indefatigable work, but that still does not answer my question as to whether or not the Senator has since 1947 gone into the question of how the power at these Government plants might be firmed up.

Mr. CORDON. Mr. President, I think perhaps I can answer the Senator. First, the answer is in the affirmative. The power from these dams may be increased somewhat by integrating the dams themselves. After that increase has been made it can only be increased by controlled steam power.

Mr. HILL. What I want to know is, has the Senator gone into the question as to whether or not there might be some steam power to firm up this Government power, other than steam power belonging to private utilities.

Mr. CORDON. Mr. President, the Senator has asked the question in such a way that my simple mind can understand it. The Senator from Oregon is fully advised of the fact, and the record discloses the fact, that in various areas public cooperatives, REA's, PUD's, and what have you, have built steam-generating plants. There are applications now pending before the Administrator of REA for millions of dollars with which to build more steam plants. The Administrator of the Southwestern Power Administration has had funds, and seeks them in this bill, for the purpose of purchasing power, from such sources, to the extent he can, for the purpose of firming up his power. There is in Virginia at this time a grave question as to whether another steam plant, costing up around $20,000,000 shall be built.

The point I wish to make is that the law with reference to the Federal Government's activities does not contain this authority, and whether as a policy it should is one of the main questions to be considered before the Congress, and it should be determined without delay.

Mr. HILL. Will the Senator yield further?

Mr. CORDON. I yield.

Mr. HILL. Does the Senator know that at this time the Missouri-Arkansas REA Cooperative has under construction a steam plant for the very purpose of firming up some of the power?

Mr. CORDON. I do not know about that particular one. I know there are some not only under construction, but already constructed and operating.

Mr. HILL. The one to which I particularly refer is now under construction for the purpose of firming up Government power. Does the Senator know that the city of Springfield, Mo., to which he referred, has a 25,000-kilowatt steam plant?

Mr. CORDON. I know that.

Mr. HILL. And that they are now preparing to double its capacity in order that they may firm up that power?

Mr. CORDON. Yes; I am familiar with that situation.

Mr. HILL. And that the Sho-Me Co-op of Missouri, which owns all the electric facilities in 10 or 15 counties of southern Missouri, has a steam plant capacity of from fifteen to twenty thousand kilowatts, which they propose to firm up?

Mr. CORDON. I am not familiar with that, but I do know the progress and the trend, Mr. President. I think unquestionably the main fight at this time on the provision of the bill we are discussing has its genesis in the organization headed by Mr. Ellis, for the sole purpose of guaranteeing to his group the generation of hydroelectric power by steam, and using the small peaking volumes that may be available from the

Government as a vehicle on which to ride. I know that quite well.

Mr. President, let me get to the main question in the bill, which is: What are we going to do with reference to the power the Government generates? And what shall we do with reference to our directions to those who administer our laws? That is something which is not contained in any statute, but it ought to be.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. CORDON. Yes.

Mr. MAGNUSON. The Senator has very ably stated that the real question here is not so much the amounts involved as the question of policy, particularly in the Southwest and the Southeast. The bill contains another matter which comes a little closer to the Senator and myself, and to the areas we represent, namely the Kerr-Anaconda line.

Mr. CORDON. I shall touch on that in a few minutes. I wish the Senator would withhold his question on that for a moment.

Mr. MAGNUSON. I was wondering if in respect to that line a question of policy is involved rather than the amount of money.

Mr. CORDON. I think that is correct.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. CORDON. I yield.

Mr. WATKINS. I noted what the Senator said with reference to the Tennessee Valley and that there the Congress had made a decision with reference to establishing a policy in respect to construction of a steam plant. Did I correctly understand the Senator to say that that was a matter of policy?

Mr. CORDON. My statement was that with reference to the Tennessee Valley we had granted the money to do the job, and as to the TVA, I intended to say it was a matter of policy.

Mr. WATKINS. Mr. President, will the Senator yield further?

Mr. CORDON. I yield.

Mr. WATKINS. I should like to make the observation that, so far as the Senator from Utah is concerned, I voted for the appropriation for the steam plant in the TVA on the theory that the plant was necessary to help make good the enormous investment the United States had made there.

Mr. CORDON. As I did.

Mr. WATKINS. I did so simply on that practical ground, and not on the principle of deciding the policy that the United States should go into the business of creating electrical energy by steam plants. That was incidental, and so far as I was concerned, it was not a question of deciding a major policy.

Mr. CORDON. Mr. President, the Senator from Oregon is in agreement with his colleague from Utah. That was a decision, so far as I was concerned, which was limited to the only authority of its kind in the United States at this time. So far as the Pacific Northwest is concerned I hope the Tennessee Valley Authority will continue to be the only one of its kind. I am not prepared to commit the United States to that kind of an over-all policy.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. CORDON. I yield.

Mr. JOHNSON of Texas. I wish to inquire of the distinguished Senator from Oregon how much is carried in the bill for steam-plant facilities.

Mr. CORDON. So far as I know, nothing, but the necessity for the steam is perfectly clear. I believe that without question. The necessity will either have to be met by the Government going into it directly, or indirectly through the public bodies, or it will be met by that type of a contract which I believe can be made that will permit the use of the peaking power by the utilities in the area, and that will guarantee the highest amount of power that could come from those dams to be available anywhere in their area of service, and made available at the lowest price the Government itself could produce it at that place. I believe that can be done. If I did not think it could be done I should not have gone along with this report.

Mr. President, we have all these questions involved in the 9 or 10 distribution companies in the Southwestern Power Administration. I have sat in hearings on this matter for years. I know now that agreement has almost been reached, and that contracts similar to the Texas company contract have been offered by the utilities of the Southwest. I have looked at them. I submit there is plenty of room for argument, plenty of room for negotiation. I am satisfied, however, that those companies, faced with the knowledge that the Congress of the United States is committed to see that the full value of the hydroelectric energy from its dams shall be made available to the people of the United States in the service areas of those dams, will be willing to go along or at least will feel that they must go along with sound workable contracts following the pattern of the contracts with the Texas company.

Mr. President, differing, as the circumstances may require, I believe that type of contract can be made, and that it will result in economy from the standpoint of the Government and economy from the standpoint of existing capital investment and efficiency, from the standpoint of distribution and a better utilization of the Federal power by those who desire to organize in public bodies. That is my approach to this problem, and the reason I shall support the program, so far as the action taken with respect to the Southwestern Power Administration is concerned.

Mr. President, with reference to southeastern, I frankly say that the testimony before the committee left me without that knowledge I should like to have had as to whether the particular sum in question must be had in order to negotiate the contract that should be negotiated, and until the proof is there I shall vote "no."

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. CORDON. I yield.

Mr. SPARKMAN. I was interested in what the able Senator had to say with reference to the southeastern situation. Does the Senator recall that the testimony before his committee was to the effect that power would come into being in the southeastern area during 1950 to the extent of $1,000,000, and that by 1953 it would be stepped up to $10,000,000?

Mr. CORDON. I do not recall the amount.

Mr. SPARKMAN. If the Senator would like to have me do so I shall read it from the record to him.

Mr. CORDON. I shall be glad to have the Senator place it in the RECORD later. I will take the Senator's word for it.

Mr. SPARKMAN. That is in the record of the hearings. If that is true, does not the Senator agree that in keeping with the statement he has just made, $70,000 would be a very reasonable amount to be used to look after the interests of the Federal Government in the proper marketing of that power?

Mr. CORDON. Mr. President, this is the situation. The dams have been under construction for several years. We have had a power division in the Department of the Interior all that time. Studies have been going on coincidentally with the construction of the dams. The Federal Power Commission has been operating in the same area and considering like problems in connection with its operations. Frankly, I believe that if the Interior Department does not have the information that is necessary at the present time to enable it to make the contract, then it has been remiss in its duty, and I would hesitate to leave it with the authority to spend further money for the same useless end.

Mr. HILL. Mr. President, will the Senator yield?

Mr. CORDON. I yield.

Mr. HILL. Is it not true that it is not merely a question of having the information? Not only must the contract be carefully negotiated, but it must be serviced, managed, and overlooked. There must be someone to represent the Government of the United States, to insure that the contract is properly carried out.

Mr. CORDON. Whenever the situation reaches that point, I shall be glad, as a member of the Appropriations Committee, to give proper consideration to the question of the funds necessary for servicing that or any other contract.

Mr. HILL. Mr. President, will the Senator further yield?

Mr. CORDON. I yield.

Mr. HILL. I will say to my good friend that that is just exactly the situation. We have now arrived at that point. The testimony shows that the power will come from those dams this fall.

Mr. CORDON. Mr. President, I am yielding for a question. I may say that the testimony indicated to me that the purpose was to make the studies which I say should have been made. There has been time enough to make them.

Mr. HILL. Mr. President, will the Senator further yield?

Mr. CORDON. I decline to yield further at this time. It is after 5 o'clock, and I had intended to speak for only 40 minutes. I wish to conclude.

I now revert to the Pacific Northwest. There was an item with respect to the

Bonneville Administration, for funds to construct a transmission line from Kerr Dam to Anaconda. I identify it because it happens that the committee took the same position with reference to that line that it has taken with reference to the others, namely, that the power company in that area and the Government, through the Bonneville Administration, should endeavor to negotiate a wheeling contract similar to the Texas contract, and so save duplication of lines or additional heavy capital investment. That seemed to me sound then. It seems to me sound now.

If that contract, or a contract of that character, cannot be worked out, and the Congress is advised that there are differences which cannot be surmounted and that a sound contract cannot be executed and placed in operation, the Senator from Oregon will be found in the van of those asking for whatever funds are necessary to market the Government's power in a sound manner so that the public, which is entitled to its values, can have it. But until we have tried that, the Senator from Oregon will oppose any further excursion into the field of useless duplication of transmission lines or duplication of steam-generating plants.

Mr. HAYDEN. Mr. President, so far as I know, there are three Senators who wish to speak on the bill. I was hopeful that we might obtain unanimous consent for a limitation of time. So far as I know, there are two other Senators on the Democratic side who desire to be heard on the bill. Each of them tells me that he would like to speak for not more than 20 minutes.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. McCARRAN. I do not know whether the Senator includes me in the number, but I certainly wish to be heard, and I hope it will be possible to be heard tomorrow. I think my presentation will require 20 or 25 minutes.

Mr. HAYDEN. Under those circumstances, I wonder if it would be possible to obtain an agreement to vote on this group of amendments en bloc at 2 o'clock, say, tomorrow afternoon?

Mr. WHERRY. Mr. President, the Senator knows that I have endeavored to work with him in arriving at a unanimous-consent agreement. At this time I believe it would be inopportune to present the request. However, I feel confident that if the request is made tomorrow at the beginning of the session, that can be done. As I understood, the distinguished Senator felt that a limitation of 20 minutes on each amendment would be proper.

Mr. HAYDEN. We are to vote en bloc on these amendments. From the inquiries which I have made, I have learned that three or four Senators wish to speak on the amendments.

Mr. WHERRY. That applies only to the first block of amendments.

Mr. HAYDEN. Yes.

Mr. WHERRY. I think the Senator is doing a constructive thing in attempting to reach a unanimous-consent agreement. However, I believe that it would be impossible to obtain it at this time. I believe that if the request is renewed tomorrow, there will be a possibility of getting a limitation of time, so that we may vote on the amendments.

Mr. MAGNUSON. Mr. President, as I understand, the Senator from Arizona is endeavoring to dispose of the so-called Southwest power amendment.

Mr. WHERRY. There are four of them.

Mr. MAGNUSON. Several Senators are interested in a number of items, such as the Central Valley and the Kerr projects. They will come up for discussion tomorrow after these particular amendments are disposed of, and we shall have plenty of time to discuss them.

Mr. SPARKMAN. Mr. President, I do not know whether the proposed time limitation which the Senator has suggested would be sufficient to take care of all Senators who wish to speak. The Senator from Arizona stated that, so far as he knew, only two or three Senators wished to speak on this particular item in the bill. No one has approached me. I wish to be included in the allocation of time. I bear in mind that there are other items in the bill. While it may be true that the Southwest power situation does not affect my particular area or my particular interests as much, perhaps, as do some of the other items, yet there is a central purpose running all the way through the bill and affecting every one of the various items. I should not like to waive my opportunity to discuss the situation generally in order to reach a vote on the first set of amendments. It seems to me that the vote on the first set of amendments may very well be the most important vote in connection with the entire bill, because I think it may very well set the pattern for the whole bill. I certainly wish to be included in whatever allotment of time is made.

Mr. HAYDEN. Mr. President, I have found from experience in the Senate that when a limitation is placed upon the time a Senator may occupy, we reach a vote quite soon. That is one way of doing it. Another is to fix a definite hour for a vote. My preference is to fix a limitation of time upon each Senator. In that way any Senator who wishes to speak has the opportunity, but he does not take all day to do it.

Mr. WHERRY. Mr. President, I am quite satisfied that if the unanimous consent request is presented tomorrow, an agreement will be possible, if the time for each amendment is fixed at not more than 30 minutes. I believe that such an arrangement would be acceptable so far as the minority is concerned. I believe that if the request is presented tomorrow there will be no doubt about it. One Senator who is interested is not present.

As I understand, the unanimous consent request applies only to the first four amendments, which are to be voted upon en bloc, and has no bearing upon other amendments. If a time limit of 30 minutes for each amendment were set, I believe that would be satisfactory. That would give each Senator, if he chose, an hour and 20 minutes to speak on the four amendments.

Mr. HAYDEN. No.

Mr. WHERRY. Does the Senator propose to treat all four amendments as one amendment in limiting the time?

Mr. HAYDEN. The amendments are to be voted upon en bloc. There will be only one roll call. The amendments all relate to one subject, the Southwest Power Administration. I had understood, from the extended debate we have had, that the subject had been quite well exhausted. We are discussing one subject. We are to vote on the four amendments en bloc. The mere fact that there are four amendments does not mean that there should be four times as much talk.

Mr. WHERRY. I agree that when the vote is taken it will be upon the four amendments en bloc. I should like to know now if the distinguished Senator wishes to limit the time on all four amendments. Does the Senator mean that he wishes to limit the time on all four amendments to 30 minutes for each Senator?

Mr. HAYDEN. Yes.

Mr. WHERRY. That is a little different from the suggestion which was presented to me, but I still think we can work out a unanimous-consent agreement tomorrow.

Mr. McCARRAN. Mr. President, will it be possible for the Senate to continue with its work on Saturday, in view of the circumstances? Will not the leadership agree to do that?

Mr. HAYDEN. I am sorry, but I think I read in the RECORD the statement that there is no intention on the part of the leadership to have the Senate meet on Saturday. I confess that the subcommittee has had this matter under consideration for months, and it has been before the Senate for weeks; and if we are ever to get out of Washington, we must pass this bill.

Mr. McCARRAN. Is there any good reason why we cannot work on Saturday?

Mr. HAYDEN. So far as I am concerned, I am perfectly willing to do so.

Mr. McCARRAN. I think we should.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. MYERS. That question was asked yesterday of the Senator from Illinois [Mr. LUCAS], I believe. He indicated that a number of Members of the Senate had approached him and had suggested that they hoped we would not have a Saturday session.

After he left the Chamber, and when I was acting majority leader, the question was asked on the floor of the Senate. A number of Senators said to me privately that they had made engagements, and that if we were to work on Saturday, they hoped they would be given more advance notices. Therefore I announced that we would not have a Saturday session.

I think many Senators already have made plans to absent themselves on Saturday, in order to keep engagements which were made many months ago; and they now have confirmed those engagements, because of the fact that the announcement was made.

If we intend to complete our program, I think we should have Saturday sessions

in the future. But I believe the notice should be given very early in the week, so that Senators may make their plans accordingly.

It is only because that announcement was made and because many Senators have made their plans, that I hesitate now to change the program and have a Saturday session.

Mr. McCARRAN. Then cannot we work tomorrow night? Is there anything to prevent us from working tomorrow evening until 10 or 11 o'clock on a bill so important as this one?

Mr. HAYDEN. If we could get a vote on one amendment, I think that would encourage us to move along. Tomorrow, after conferring with the minority leader, I shall renew the request for a unanimous-consent agreement.

Mr. President, I inquire if any Senator desires to address the Senate at this time on this bill?

Mr. McCARRAN. Mr. President, is there any reason why we cannot go on at this time and reach a vote?

Mr. MYERS. Mr. President, there is no reason whatsoever, except no advance notice of a night session has been given.

But I understand that the Senator from Arizona has just asked whether any other Member of the Senate wishes to address himself on this subject at this time. No Senator seems prepared to speak now.

Mr. WHERRY. Mr. President, several Senators have spoken to me in this connection. I believe the Senator from Arkansas [Mr. McCLELLAN] wishes to address himself to the bill, but he is not in the Chamber now.

Mr. HAYDEN. The Senator from Alabama [Mr. SPARKMAN] wished to discuss this matter.

Mr. WHERRY. Certainly if there is a desire to have a Saturday session, that will be all right with me. But yesterday the majority leader said there would be none. It is perfectly agreeable to me to have a Saturday session or a night session; but if we are to have night sessions, I think announcement should be made in advance, so that it will be understood that we shall have them. That is the only suggestion I have to make. But if it is desired that we continue in session tonight, a night session will be agreeable to me.

Mr. MYERS. Mr. President, I cannot allow that statement to go unanswered. It seems to me that the minority leader did not urge a Saturday session, but simply asked if there would be one, and he seemed very happy to hear that there would not be one. It seems to me that no Senator has urged that there be a Saturday session.

Mr. WHERRY. Mr. President, not only have I urged time and time again that we hold Saturday sessions, but I have urged that we expedite the program as much as possible. I have attempted to obtain unanimous-consent agreements without number to expedite the program. I feel that we should do so now.

But if we are to have night sessions, I believe they should be announced in time to permit Senators to attend.

If the majority will state as a policy that they want Saturday sessions to be held, I can assure the distinguished acting majority leader that the minority will cooperate.

I understood several weeks ago that we were to have two night sessions a week. That was tried one night and then abandoned.

If we are to have two night sessions a week, that will be all right with me. If we are to have Saturday sessions, that will be all right with me. I am satisfied that the minority will be tickled to death to cooperate with the majority to expedite the program. Certainly it has bogged down.

Mr. McCARRAN. Mr. President, would it inconvenience either the majority or the minority if we were to meet tomorrow morning at 10 o'clock and continue then on this measure? It seems to me that we can make time somewhere here, certainly.

Mr. WHERRY. Mr. President, if the Senator would suggest that the Senate meet tomorrow at 11 o'clock, I should be glad to agree. Because of committee hearings, it is a little difficult for Senators to attend a session of the Senate earlier than that.

Mr. McCARRAN. Very well; then let us meet at 11 o'clock tomorrow.

Mr. WHERRY. But I wish to point out that the majority leader attempted that twice this week; and, believe it or not, the second time we met at 11 o'clock in the morning we did not obtain a quorum until 11:45. It is obvious that we do not gain time if there are going to be committee meetings in the morning and if the Senate also attempts to meet at 11 a. m. My feeling is that if the Senate is to meet at 11 o'clock in the morning, we should cut out the committee hearings. I offer that as a constructive suggestion.

But I shall be glad to be here at 11 o'clock, regardless of whether it takes 45 minutes or 50 minutes to obtain the attendance of a quorum.

Mr. MYERS. Mr. President, we appreciate the cooperation of the minority leader. In connection with the unanimous-consent agreement which has been proposed or referred to this afternoon, let me say that I hope that tomorrow nothing will dissuade the Senator from Nebraska from agreeing to reduce the time on these amendments from 30 minutes to perhaps even 20 minutes.

Mr. WHERRY. I am sure the distinguished Senator believes, with me, that the proper procedure is to have an advance understanding regarding the time of the session.

Mr. MYERS. I understand that. I am simply stating that I hope full cooperation will be given in order that the proposed unanimous-consent agreement in regard to further debate on the amendments which have been referred to this afternoon will be entered into, just as today we had a unanimous-consent agreement to take the vote on the Clark nomination at 3:30 p. m.

NOMINATION OF TOM C. CLARK—PERSONAL STATEMENT

Mr. LANGER. Mr. President, this afternoon, while the Senate was considering the Clark nomination, the distinguished senior Senator from Ohio [Mr. TAFT] took occasion to say that the motion I made in the Judiciary Committee was outrageous. He repeated that statement several times.

I wish to say that the Senator from North Dakota is one Senator in the Republican Party whom the senior Senator from Ohio is not running. I feel entirely capable of making any kind of motion I wish to make at any time either in committee or on the floor of the Senate without having the Senator from Ohio attempt to reprimand me for it. Mr. President, in view of his interview yesterday in which he said the Republican Policy Committee could not make a statement at that time, I wish to say they do not even tell what they stand for. The people do not know whether they stand today for telephones for the rural farmers or whether they stand for liberalizing the FHA or whether they stand for the REA. In other words, the Senator from Ohio announced, as Chairman of the Republican Policy Committee, that they stand for nothing at this time. Well, Mr. President, that is what they have been standing for for quite a long time, and that is not the kind of leadership that appeals to the Senator from North Dakota.

I simply wish to make it crystal clear that my conscience is absolutely at ease so far as the preferential motion I made in the Tom C. Clark nomination committee consideration is concerned. I listened to the witnesses who came before the committee. We would have had to hold hearings in the committee for the next 3 or 4 months if we had investigated fully each one of the organizations in question. Every one of the societies that Mr. Clark listed as subversive would have had its representatives before the committee saying that their societies were not subversive, and they would prove they were not.

I do not know whether they were subversive or were not subversive. As a matter of fact, I have spoken at meetings held by some of those organizations. But certainly the time when we were considering the nomination of Mr. Clark was not the time to ascertain whether those societies were or were not subversive and I am perfectly willing to let them appear at any Senate investigation and be heard. Personally, I think that some of them are not subversive.

Also we had testifying before the committee the head of the Communist Party and the lady who is the national secretary of the Communist Party. They had a perfect right to be there. I heard every word of their testimony. But at that time, when we were considering the nomination of Mr. Clark, we were not deciding whether the Communist Party was right or was wrong.

Suffice it to say that so far as the Senator from North Dakota was concerned, twice—once when I was violently opposed to confirmation of the nomination of Tom C. Clark as assistant attorney general to head the Antitrust Division—we had him appear before our committee, and we went into the alleged Texas matter in the greatest detail.

His nomination was reported favorably by unanimous vote. Two years later, we considered this same matter the second

time when he was nominated for Attorney General. He gave an accounting, as I stated before, this afternoon, of every single fee of $1,000 or more which he received, and I was entirely satisfied. As I say, I listened carefully to all the testimony. I did not miss a single second of it.

I think it comes with exceedingly ill grace for the distinguished senior Senator from Ohio, when he knew nothing about what had taken place in the committee, when he did not attend a single meeting, to come along and try to dictate to nine fellow Senators, among them the distinguished senior Senator from Wisconsin who was chairman when the Republicans were in control, and to say that the action was outrageous. Perhaps, Mr. President, the senior Senator from Ohio wants to run every committee of the Senate. Perhaps he will say of all the committees, if they take a certain kind of action, that it is outrageous. He may do it, if he wishes, Mr. President, but, I repeat, so far as the senior Senator from North Dakota is concerned, every time he does it he will be met by at least one protest upon this floor. I repeat, here is one Republican Senator who is not taking orders and is not going to be subservient to the senior Senator from Ohio, or to any one else. My vote is my own—no one will ever dictate how it shall be cast. I am here representing the people of my State, and I am here to do it honestly, efficiently, and in accordance with my oath as a Senator. I think the people of the State of North Dakota will approve the action which was taken today. I think the chairman of our committee, the senior Senator from Nevada [Mr. McCARRAN] was eminently fair. For three long days he sat conducting the hearing. He did not cut off a single witness. He let them talk as long as they wanted to talk, and he then said, "Is there anyone else who wants to testify?" There was no one else. We then went ahead and considered the motion of the distinguished Senator from Missouri [Mr. DONNELL]. I did not see any sense in wasting weeks listening to witnesses in an investigation that already had twice been gone over so far as the honesty and integrity of Mr. Clark were concerned. There were no charges of corruption, no charges of dishonesty, and what was alleged as sufficient grounds to bar Mr. Clark we did not consider relevant at all.

I say this, Mr. President, so the RECORD may be crystal clear, and that the people of the country may know exactly where the farmer-labor branch of the Republican Party stands.

RECESS

Mr. MYERS. I move that the Senate stand in recess until 11 o'clock tomorrow morning.

The motion was agreed to; and (at 5 o'clock and 42 minutes p. m.) the Senate took a recess until tomorrow, Friday, August 19, 1949, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate August 18 (legislative day of June 2), 1949:

UNITED STATES PUBLIC HEALTH SERVICE

The following-named candidates for promotion in the Regular Corps of the Public Health Services:

Senior surgeons to be medical directors (equivalent to the Army rank of colonel):

Ralph L. Lawrence	Sidney P. Cooper
Ernest E. Huber	Waldemar C. Dreessen
William H. Gordon	Noka B. Hon
Edwin G. Williams	Otis L. Anderson
Gerald M. Kunkel	Mason V. Hargett
Harold D. Lyman	Cassius J. VanSlyke
John D. Lane, Jr.	Erwin W. Blatter
Chapman H. Binford	Victor H. Vogel
John A. Trautman	Thomas B. McKneely
Joseph A. Bell	William G. Workman
Edward C. Rinck	Robert K. Maddock
Gordon A. Abbott	Alfred B. Geyer

Surgeons to be senior surgeons (equivalent to the Army rank of lieutenant colonel):

Emanuel E. Mandel	Thomas F. Crahan
James G. Telfer	Raymond F. Kaiser
Dale C. Cameron	Glenn S. Usher
Leo D. O'Kane	James V. Lowry
John A. Lewis, Jr.	John P. Turner
Jack L. James	Michael L. Furcolow
Leon S. Saler	Robert T. Hewitt
Thomas A. Hathcock, Jr.	Aaron W. Christensen
	Francis T. Zinn
Randall B. Haas.	Max R. Kiesselbach
Charles G. Spicknall	Robert R. Smith
Vernam T. Davis	Weldon A. Williamson
Harold T. Castberg	Harald M. Graning
Terrence E. Billings	Karl Habel
James R. Shaw	Robert L. Zobel
Lewis H. Hoyle	Murray A. Diamond
James Watt	Robert D. Wright
Edgar B. Johnwick	Joseph S. Spoto
Lawrence W. Brown	William Ford
Francis J. Weber	Waldron M. Sennott
Thomas R. Dawber	Benjamin Highman
Theodore F. Hilbish	

Dental surgeon to be senior dental surgeon (equivalent to the Army rank of lieutenant colonel):

William C. Neaf

Senior assistant dental surgeon to be dental surgeon (equivalent to the Army rank of major:

Peter J. Coccaro

Senior sanitary engineers to be sanitary engineer directors (equivalent to the Army rank of colonel):

Carl E. Schwob	Vincent B. Lamoureux
Ellis S. Tisdale	
Omar C. Hopkins	Maurice LeBosquet Jr.
Mark D. Hollis	

Sanitary engineers to be senior sanitary engineers (equivalent to the Army rank of lieutenant colonel):

Frank E. DeMartini	Vernon G. Mackenzie
Gordon E. McCallum	Duncan A. Holaday

Pharmacists to be senior pharmacists (equivalent to the Army rank of lieutenant colonel):

Guy H. Trimble
J. Solon Mordell

Senior assistant pharmacists to be pharmacists (equivalent to the Army rank of major):

Ernest J. Simnacher
Carmen A. Carrato
Boyd W. Stephenson

Scientist to be senior scientist (equivalent to the Army rank of lieutenant colonel):

Martin D. Young

Dietitians to be senior dietitians (equivalent to the Army rank of lieutenant colonel):

Fonda L. Dickson
Clare B. Baldauf

Senior assistant dietitians to be dietitians (equivalent to the Army rank of major):

Janet E. Eley
Myrtle M. Morris
Engla J. Anderson

IN THE ARMY

The following-named officers for appointment in the Regular Army of the United States to the grades indicated under the provisions of title V of the Officer Personnel Act of 1947:

To be major general

Maj. Gen. Harry John Collins, O7320, Army of the United States (brigadier general, U. S. Army).

To be brigadier generals

Brig. Gen. Samuel Davis Sturgis, Jr., O9325, Army of the United States (colonel, U. S. Army).

Maj. Gen. Isaac Davis White, O15080, Army of the United States (colonel, U. S. Army).

Maj. Gen. Carter Bowie Magruder, O15155, Army of the United States (colonel, U. S. Army).

Maj. Gen. William Frishe Dean, O15453, Army of the United States (colonel, U. S. Army).

Maj. Gen. William Howard Arnold, O15558, Army of the United States (colonel, U. S. Army).

Brig. Gen. George Winfered Smythe, O15816, Army of the United States (colonel, U. S. Army).

The following-named officers for temporary appointment in the Army of the United States to the grades indicated under the provisions of section 515 of the Officer Personnel Act of 1947:

To be brigadier generals

Col. Louis Huber Renfrow, O160948, Army United States (colonel, Dental Corps Reserve).

Col. Earle Standlee, O16530, Medical Corps, United States Army.

Col. William Edward Shambora, O16540, Medical Corps, United States Army.

IN THE NAVY

The following-named (civilian college graduates) to be ensigns in the Navy, from the 3d day of June 1949:

Douglas LaC. Barker	William E. Jennings
Boyd C. Bartlett	James C. Johnson
George A. Benson	Charles A. Kiselyak
Robert B. Bernhardt	Robert M. Laske
Philip Blau	Leon D. Lewis
William W. Bowers	Guy M. Lyons
Paul A. Brandorff	George P. Markovits
George G. Brooker	Donald E. Moore
Marvin N. Brown	Bert Myatt, Jr.
Benjamin J. Brzenski, Jr.	William E. Orr
	David B. Pendley
Raymond F. Carmody	Rodger G. Powell
Malcolm S. Carpenter	Gerrie P. Putnam
Milton J. Chewning	George C. Rann
Thomas C. Clay	David E. Russell
Robert V. Coleman	John C. Sargent
Frank W. Craddock	John T. Scogin III
Benjamin A. Cragin	Charles E. Shumaker
Anthony J. Davey	Wayne J. Spence
Roger E. Davis	Edward F. Striegel
William W. DeWolf	Bernard K. Thomas, Jr.
Harry A. Edwards	Edward W. Waller
Walter L. Edwards	Kirk C. Wilkins
Charles G. Erb	James R. Williford III
Robert W. Fraser	Beau R. Wilson
Donald H. Hagge	John M. Wolff
Charles R. Holman	Charles M. Woodworth
Donald P. Holt	John H. Wygal
David L. Jarvis	

The following-named (civilian college graduates) to be ensigns in the Supply Corps of the Navy, from the 3d day of June 1949:

Walter "J" Buzby II
Robert T. Carter
Warren H. Stark
John R. Tawes

The following-named (civilian college graduates) to be lieutenants (junior grade) in the Chaplain Corps of the Navy:

Ralph W. Below
Bradford W. Long
Ambrose T. McGinnity

Donny A. Myrio (civilian college graduate) to be a lieutenant (junior grade) in the Dental Corps of the Navy.

The following named to be ensigns in the Nurse Corps of the Navy:

Nieves Arano
Virginia B. Brown
Arlys A. Casterton
Lena J. Chionchio
Joan Dandes
Roma B. Dunkman
Winifred LaV. Fritsche
Gwendolyn L. Glazier
Marchetta Harper
Dorothy R. Harrell
Shirley M. Hilliard
Martha A. Price
Marie F. Shea

The following-named officer to the grade indicated in the line of the Navy:

LIEUTENANT

William Laliberte

The following-named officers to the grades indicated in the Medical Corps of the Navy:

COMMANDERS

Eugene T. Foy
John J. Goller

LIEUTENANT COMMANDERS

Henry J. Fregosi
Richard E. Kelley
Peter G. Kroll
Newell Nay

LIEUTENANTS

Vincent A. Balkus
Alexander C. Hering
Donald W. Robinson
Merrill E. Speelman

LIEUTENANTS (JUNIOR GRADE)

David J. Greiner
Henry Santina
William C. Sharp, Jr.

The following-named officers to the grades indicated in the Dental Corps of the Navy:

LIEUTENANT

Edward W. Moore

LIEUTENANTS (JUNIOR GRADE)

Bert E. Eldred
Victor P. Knapp
Algie M. Mansur

The following-named officers to the grade indicated in the Medical Service Corps of the Navy:

LIEUTENANTS

Aldo Bartolomei
Chester "D" Moss
Paul R. Young

The following-named officer to the grade indicated in the Nurse Corps of the Navy:

LIEUTENANT (JUNIOR GRADE)

Helen M. Hartigan

Carll T. Gleason to be a lieutenant in the Navy, for limited duty only, in lieu of lieutenant in the Navy, for limited duty only, as previously nominated and confirmed, to correct spelling of name.

James L. Thompson to be a lieutenant (junior grade) in the Navy, for limited duty only, in lieu of ensign in the Navy, for limited duty only, as previously nominated and confirmed.

Frederick J. Cadotte to be a lieutenant (junior grade) in the Supply Corps of the Navy, for limited duty only, in lieu of lieutenant (junior grade) in the Supply Corps of the Navy, for limited duty only, as previously nominated and confirmed, to correct spelling of name.

Byron F. McElhanon to be a lieutenant (junior grade) in the Supply Corps of the Navy, for limited duty only, in lieu of lieutenant (junior grade) in the Supply Corps of the Navy, for limited duty only, as previously nominated and confirmed, to correct spelling of name.

Martti O. Mattila to be a lieutenant (junior grade) in the Supply Corps of the Navy, for limited duty only, in lieu of lieutenant (junior grade) in the Supply Corps of the Navy, for limited duty only, as previously nominated and confirmed, to correct spelling of name.

Harlan L. Bowman to be a lieutenant (junior grade) in the Civil Engineer Corps of the Navy, for limited duty only, in lieu of lieutenant (junior grade) in the Civil Engineer Corps of the Navy, for limited duty only, as previously nominated and confirmed, to correct spelling of name.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 18 (legislative day of June 2), 1949:

SUPREME COURT OF THE UNITED STATES

Tom C. Clark to be an Associate Justice of the Supreme Court of the United States.

DEPARTMENT OF JUSTICE

J. HOWARD MCGRATH, to be Attorney General of the United States.

HOUSE OF REPRESENTATIVES

THURSDAY, AUGUST 18, 1949

The House met at 10 o'clock a. m.

The Acting Chaplain, the Reverend James P. Wesberry, pastor, Morningside Baptist Church, Atlanta, Ga., offered the following prayer:

Almighty God, before whom the centuries sob in ceaseless warfare, gladden our hearts once again with the light which shone 'round about Bethlehem and bring us back to the beautiful dream of universal peace about which the angels sang.

Calm the storms that beat within our breasts. Speak peace to our disturbed minds and troubled hearts. Guide our decisions that war may be averted and peace preserved.

Look with gracious favor upon all who strive for peace. By some miracle of divine grace, may the nations be united in bonds of international friendship.

Hasten the day, O God of all nations, when men shall beat their swords into plowshares and their spears into pruning hooks, and the kingdoms of earth shall become the kingdom of God. In the name of the Prince of Peace. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McDaniel, its enrolling clerk, announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 520. An act to authorize and direct the Secretary of the Interior to issue to Leo Farwell Glenn, a Crow allottee, a patent in fee to certain lands; and

S. 1361. An act to authorize and direct the Secretary of the Interior to issue to John Grayeagle a patent in fee to certain land.

The message also announced that the Senate agrees to the reports of the committees of conference on the disagreeing votes of the two Houses on the amendments of the Senate to bills of the House of the following titles:

H. R. 2859. An act to authorize the sale of public lands in Alaska; and

H. R. 2877. An act to authorize the addition of certain lands to the Big Bend National Park, in the State of Texas, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1647) entitled "An act to eliminate premium payments in the purchase of Government royalty oil under existing contracts entered into pursuant to the act of July 13, 1946 (60 Stat. 533)."

THE CIVIL FUNCTIONS APPROPRIATION BILL, 1950

Mr. RANKIN. Mr. Speaker, I offer a preferential motion. I ask unanimous consent that it be read, printed in the RECORD, but that action under it be suspended until the pending bill is disposed of, that it be in order following the disposition of the pending bill.

The SPEAKER. The Clerk will report the motion.

The Clerk read as follows:

Mr. RANKIN moves that the managers on the part of the House, who were appointed by the Speaker for a conference with the Senate on H. R. 3734 be, and they are hereby, instructed to agree to and accept the following amounts as compromise amendments on the various projects involved in said conference:

Construction

Project	Amount to which House conferees are instructed to agree
CONSTRUCTION	
Alabama:	
Tennessee-Tombigbee waterway	$1,000,000
Demopolis lock and dam, Warrior system	1,000,000
Alaska:	
Nome Harbor	701,000
Wrangell Narrows	343,000
Arkansas:	
Arkansas River and tributaries:	
Bank stabilization, Little Rock to mouth	600,000
Bank stabilization below Dardanelle	500,000
Morrilton cut-off	250,000
California:	
Crescent City Harbor	481,000
Monterey Harbor	45,520
Sacramento River	1,700,000
San Diego River and Mission Bay	2,200,000
Connecticut:	
Mianus River (Cos Cob Harbor)	79,500
New Haven Harbor	250,000
Pawcatuck River, R. I. and Conn	68,500
Delaware:	
Harbor of refuge, Delaware Bay	120,000
Indian River Inlet and Bay	320,000
District of Columbia: Potomac River, north side of Washington Channel	375,000
Florida:	
Intracoastal Waterway, tributary channels:	
Okeechobee-Cross Florida Waterway	300,000
Jim Woodruff lock and dam, Apalachicola River	7,500,000
St. Andrew Bay	125,000

Construction—Continued

Project	Amount to which House conferees are instructed to agree
CONSTRUCTION—continued	
Florida—Continued	
St. Johns River, Jacksonville to ocean	$900,000
Tampa Harbor	500,000
Georgia: Savannah Harbor	450,000
Illinois:	
Illinois waterway: Mouth to mile 291	250,000
Mississippi River between Ohio and Missouri Rivers:	
Chain of Rocks	9,000,000
Regulating works	750,000
Mississippi River between Missouri River and Minneapolis (exclusive of St. Anthony Falls)	750,000
Iowa:	
Missouri River, Kansas City, Mo., to Sioux City, Iowa	2,500,000
Mississippi River between Missouri River and Minneapolis. (See same project under Illinois.)	
Kentucky:	
Cumberland River, Ky. and Tenn.: Cheatham lock and dam	1,400,000
Ohio River, Ky., W. Va., and Ohio, open channel work	250,000
Louisiana:	
Calcasieu River and Pass	900,000
Intracoastal Waterway, Apalachee Bay, Fla., to Mexican border (New Orleans district)	2,500,000
Pearl River, La. and Miss	1,250,000
Waterway from Empire to Gulf of Mexico	500,000
Maine:	
Cape Porpoise Harbor	45,500
Josias River	33,500
Portland Harbor	206,000
Maryland:	
Baltimore Harbor and channels	650,000
Chester River	16,400
Honga River and Tar Bay	42,000
Massachusetts:	
Boston Harbor	400,000
Fall River Harbor	800,000
Menemsha Creek, Martha's Vineyard	72,700
Michigan:	
Port Sanilac Harbor	360,000
St. Marys River:	
Power plant	1,700,000
Navigation features	1,000,000
Traverse City Harbor	325,000
Minnesota:	
Baudette Harbor	24,500
Hastings, small-boat harbor at	34,270
Mississippi River between Missouri River and Minneapolis. (See same project under Illinois.)	
St. Anthony Falls	1,717,000
Two Harbors (Agate Bay)	1,000,000
Mississippi:	
Pearl River, Miss. and La. (See same project under Louisiana.)	
Gulfport Harbor and Ship Island Pass	496,000
Missouri:	
Missouri River, Kansas City to the mouth	2,250,000
Mississippi River between Ohio and Missouri Rivers. (See same project under Illinois.)	
Mississippi River between Missouri River and Minneapolis. (See same project under Illinois.)	
Missouri River, Kansas City to Sioux City. (See same project under Iowa).	
Montana: Missouri River at Fort Peck	2,500,000
Nebraska: Missouri River, Kansas City to Sioux City. (See same project under Iowa.)	
New Jersey:	
Newark Bay, Hackensack and Passaic Rivers	800,000
New York and New Jersey channels	1,260,000
Shark River	150,000
New York:	
Buffalo Harbor	550,000
Dunkirk Harbor	350,000
Great Kills Harbor	114,500
Hudson River	100,000
Hudson River Channel	400,000
New York Harbor, entrance channels and anchorage areas	412,000
New York and New Jersey channels. (See same project under New Jersey.)	
North Carolina: Stumpy Point Channel	32,500
Ohio:	
Cleveland Harbor	1,500,000
Ohio River open channel work. (See same project under Kentucky.)	

Construction—Continued

Project	Amount to which House conferees are instructed to agree
CONSTRUCTION—continued	
Oregon:	
Columbia River at Bonneville	$1,250,000
Columbia and lower Willamette Rivers below Vancouver, Wash., and Portland, Oreg	150,000
Coos Bay	850,000
Depoe Bay	400,000
McNary lock and dam, Columbia River, Oreg. and Wash	35,000,000
Umpqua River	100,000
Yaquina Bay and Harbor	35,000
Snake River, Oreg. and Wash. (See same project under Washington.)	
Pennsylvania:	
Monongahela River, locks 2	3,500,000
Schuylkill River (culm removal)	400,000
Rhode Island:	
Harbor of refuge at Point Judith and Point Judith Pond	160,000
Providence River and Harbor	190,000
Pawcatuck River, R. I. and Conn. (See same project under Connecticut).	
South Carolina:	
Shipyard River	300,000
Winyah Bay	400,000
Tennessee, Cumberland River, Ky. and Tenn. (See same project under Kentucky.)	
Texas:	
Clear Creek and Clear Lake	54,700
Galveston Harbor	175,000
Houston Ship Channel	800,000
Intracoastal Waterway, Apalachee Bay, Fla., to the Mexican border (Galveston district): Harlingen, channel to	550,000
Sabine-Neches waterway	750,000
Trinity River	687,000
Virginia:	
Bransons Cove, Lower Machodoc River	28,600
Norfolk Harbor	500,000
York Spit Channel	400,000
Washington:	
Chief Joseph Dam, Columbia River	5,000,000
Grays Harbor and Chehalis River	650,000
Columbia River at Bonneville. (See same project under Oregon.)	
Columbia and lower Willamette Rivers, Wash. and Oreg. (See same project under Oregon.)	
McNary lock and dam, Columbia River, Oreg. and Wash. (See same project under Oregon.)	
West Virginia:	
Morgantown lock and dam, Monongahela River	2,800,000
Ohio River open channel work. (See same project under Kentucky.)	
Wisconsin:	
Ashland Harbor	45,000
Port Wing Harbor	20,000
PLANNING	
Alabama:	
Alabama-Coosa Rivers, Ala. and Ga	200,000
Upper Columbia Lock and Dam, Ala. and Ga., Chattahoochee River	200,000
Arkansas:	
Arkansas River and tributaries, Arkansas and Oklahoma	500,000
Overton-Red River waterway, Arkansas and Louisiana	50,000
California: Halfmoon Bay	75,000
Florida: New River	10,000
Illinois: Calumet-Sag Channel	100,000
Kentucky: Dover Lock and Dam	116,000
Michigan:	
Au Sable River	8,000
Hammond Bay Harbor	22,000
Harrisville Harbor	24,000
Point Lookout Harbor	20,000
Texas: McGee Bend Dam, Angelina River	200,000
Virginia: Norfolk Harbor, disposal area	50,000
Washington: Lower Monumental lock and dam, Snake River	225,000
OTHER ITEMS	
Maintenance	53,000,000
Operating and care	22,000,000
Examinations and surveys	1,200,000
Contingencies	1,300,000
Removing sunken vessels	300,000
Survey of northern and northwestern lakes	310,000
Prevention of debris in New York Harbor	360,000
California Debris Commission	15,000
Salaries, Office, Chief of Engineers	575,000
Printing for River and Harbor Board	40,000
River and Harbor Board expenses	440,000
Beach Erosion Board expenses	600,000

Construction—Continued

Project	Amount to which House conferees are instructed to agree
OTHER ITEMS—continued	
Work under sec. 3, River and Harbor Act, Mar. 2, 1945	$300,000
Transfer to U. S. Geological Survey	200,000
Transfer to Fish and Wildlife Service	1,200,000
CONSTRUCTION	
Arkansas:	
Bayou Bodcau Reservoir, Ark. and La. (see Louisiana).	
Blakely Mountain Reservoir	2,300,000
Blue Mountain Reservoir	35,700
Bull Shoals Reservoir, Ark. and Mo	12,777,500
Carden's Bottom drainage district No. 2	270,000
Conway County levee districts Nos. 1, 2, and 8	96,000
Conway County levee district No. 6	11,000
Crawford County levee district	300,000
Little Rock to Pine Bluff	333,000
Narrows Reservoir	3,460,000
Nimrod Reservoir	59,500
Norfork Reservoir, Ark. and Mo	744,100
Red River levees and bank stabilization below Denison Dam, Ark., Tex., and La	520,900
West of Morrilton	595,300
California:	
Cherry Valley Reservoir	520,900
Farmington Reservoir	1,700,000
Folsom Reservoir	3,100,000
Isabella Reservoir	2,350,000
Los Angeles County drainage area (exclusive of Whittier Narrows Reservoir)	6,500,000
Merced County stream group	175,000
Pine Flat Reservoir	7,000,000
Sacramento River and major and minor tributaries	600,000
Whittier Narrows Reservoir	4,000,000
Colorado:	
Cherry Creek Reservoir	900,000
John Martin Reservoir	100,000
Connecticut:	
Hartford	70,000
Norwich	290,000
Florida: Central and southern	1,500,000
Georgia:	
Allatoona Reservoir	6,750,000
Clark Hill Reservoir, Ga. and S. C	13,000,000
Macon	240,000
Idaho:	
Heise Roberts area	250,000
Lucky Peak Reservoir	3,000,000
Illinois:	
Coal Creek drainage and levee district	547,000
Columbia drainage and levee district	372,100
East St. Louis and vicinity	520,900
Farm Creek reservoirs	1,860,200
Grand Tower drainage and levee district	669,700
Mounds and Mound City	450,000
Prairie du Rocher and vicinity	700,000
Preston levee and drainage district	200,000
Reevesville	100,000
Rosiclare	250,000
Wood River drainage and levee district	425,000
Indiana:	
Cagles Mill Reservoir	2,500,000
Cannelton	250,000
Delphi	80,000
Indianapolis (Fall Creek section)	750,000
New Albany	1,600,000
Iowa:	
Chariton River, Mo. and Iowa. (See Missouri.)	
Coralville Reservoir	2,455,500
Dry Run	355,000
Little Sioux River	372,100
Missouri River agricultural levee. (See Kansas.)	
Kansas:	
Fall River Reservoir	250,000
Hulah Reservoir, Okla. and Kans. (See Oklahoma.)	
Kanopolis Reservoir	218,000
Kansas City, Mo. and Kans	5,000,000
Missouri River agricultural levees, Kansas, Missouri, Iowa, and Nebraska	5,952,700
Kentucky:	
Ashland	744,100
Covington	1,041,700
Dale Hollow Reservoir, Tenn. and Ky. (See Tennessee.)	
Dewey Reservoir	900,000
Hawesville	650,000
Louisville	4,092,500
Maysville	744,100
Newport	2,200,000
Russell	185,000

Construction—Continued

Project	Amount to which House conferees are instructed to agree
CONSTRUCTION—continued	
Kentucky—Continued	
Taylorsville	$45,000
Uniontown	120,000
Wolf Creek Reservoir	15,030,700
Louisiana:	
Aloha Rigolette area	500,000
Bayou Bodcau Reservoir, Ark. and La.	360,000
Jonesville	105,000
Lake Pontchartrain	540,000
Mermentau River	1,500,000
Red River levees and bank stabilization below Denison Dam. (See Arkansas.)	
Shreveport	325,000
Maryland:	
Cumberland, Md., and Ridgeley, W. Va.	744,100
Savage River Reservoir	1,265,000
Massachusetts:	
Adams	350,000
Birch Hill Reservoir	40,000
Holyoke	240,000
North Adams	350,000
Riverdale	450,000
Tully Reservoir	130,000
Michigan:	
Mount Clemens	270,000
Red Run	500,000
Minnesota:	
Red Lake and Clearwater Rivers	1,116,100
Red River of the North, S. Dak., N. Dak., and Minn.	744,100
Missouri:	
Chariton River, Mo. and Iowa	400,000
Clearwater Reservoir	60,000
East Poplar Bluff and Poplar Bluff	85,000
Kansas Citys, Mo. and Kans. (See Kansas.)	
Missouri River agricultural levees. (See Kansas.)	
Norfolk Reservoir, Ark. and Mo. (See Arkansas.)	
Perry County levee districts 1, 2, and 3	744,100
Nebraska:	
Harland County Reservoir	11,250,000
Missouri River agricultural levees. (See Kansas.)	
Missouri River, Kenslers Bend, Nebr., to Sioux City, Iowa	380,000
Omaha	1,500,000
New Hampshire: West Peterboro Reservoir	330,000
New Mexico:	
Conchas Reservoir	35,000
New York:	
Almond Reservoir	200,000
Arkport Reservoir	30,000
East Sidney Reservoir	800,000
Elmira	1,475,000
Hoosick Falls	350,000
Mount Morris Reservoir	4,836,600
Olean	744,100
Portville	520,900
Syracuse	600,000
Whitney Point Reservoir	290,000
North Carolina: Buggs Island Reservoir, Va. and N. C.	15,500,000
North Dakota:	
Baldhill Reservoir	210,000
Garrison Reservoir	27,500,000
Homme Reservoir	475,000
Mandan	36,000
Oahe Reservoir, S. Dak. and N. Dak. (See South Dakota.)	
Red River of the North. (See Minnesota.)	
Ohio:	
Burr Oak Reservoir	1,150,000
Cincinnati	650,000
Delaware Reservoir	900,000
Dillon Reservoir	1,277,600
Ironton	215,000
Massillon	1,860,000
Muskingum River reservoirs	1,550,000
West Fork of Mill Creek Reservoir	1,041,700
Oklahoma:	
Canton Reservoir	165,000
Denison Reservoir, Tex. and Okla.	650,000
Fort Gibson Reservoir	12,000,000
Fort Supply Reservoir	116,500
Great Salt Plains Reservoir	31,000
Hulah Reservoir, Okla. and Kans.	4,248,000
Polecat Creek	900,000
Tenkiller Ferry Reservoir	5,500,000
Wister, Reservoir	77,500
Oregon:	
Cottage Grove Reservoir	140,000
Detroit Reservoir	9,500,000
Dorena Reservoir	2,500,000

Construction—Continued

Project	Amount to which House conferees are instructed to agree
CONSTRUCTION—continued	
Oregon—Continued	
Fern Ridge Reservoir	$190,000
Lookout Point Reservoir	9,500,000
Milton Freewater	640,000
Willamette River (bank protection)	450,000
Pennsylvania:	
Conemaugh River Reservoir	7,400,000
East Branch Clarion River Reservoir	2,100,000
Punxsutawney	730,000
Sunbury	1,600,000
Wilkes-Barre-Hanover Township	340,000
Williamsport	1,700,000
South Carolina: Clark Hill Reservoir, Ga. and S. C. (See Georgia.)	
South Dakota:	
Fall River Basin	372,100
Fort Randall Reservoir	23,000,000
Gavins Point Reservoir, Nebr. and S. Dak. (See Nebraska.)	
Missouri River, Kenslers Bend, Nebr. to Sioux City, Iowa. (See Nebraska.)	
Oahe Reservoir, S. Dak. and N. Dak.	2,000,000
Red River of the North. (See Minnesota.)	
Tennessee:	
Center Hill Reservoir	6,300,000
Dale Hollow Reservoir, Tenn. and Ky.	570,000
Memphis, Wolf River and Nonconnah Creek	360,000
Texas:	
Belton Reservoir	1,488,200
Benbrook Reservoir	3,500,000
Denison Reservoir, Tex. and Okla. (See Oklahoma.)	
Garza Little Elm Reservoir	2,232,300
Grapevine Reservoir	3,500,000
Lavon Reservoir	2,604,300
Red River levees and bank stabilization below Denison Dam. (See Arkansas.)	
San Angelo Reservoir and floodway	3,900,000
Texarkana Reservoir	5,000,000
Whitney Reservoir	10,500,000
Vermont: Union Village Reservoir	540,000
Virginia:	
Bluestone Reservoir, Va. and W. Va. (See West Virginia.)	
Buggs Island Reservoir, Va. and N. C. (See North Carolina.)	
Galax	600,000
Philpott Reservoir	2,400,000
Washington:	
Mill Creek	320,000
Mud Mountain Reservoir	400,000
Tacoma	500,000
West Virginia:	
Sutton Reservoir	1,000,000
Bluestone Reservoir, W. Va. and Va.	1,350,000
Cumberland, Md., and Ridgeley, W. Va. (See Maryland.)	
Parkersburg	1,265,000
Point Pleasant	1,450,000
Snagging and clearing	1,000,000
Emergency bank protection	1,000,000
Sec. 205 projects	1,000,000
PLANNING	
Arkansas:	
Millwood Reservoir	200,000
Water Valley Reservoir, Ark. and Mo.	150,000
California:	
Black Butte Reservoir	95,000
Hogan Reservoir	50,000
Salinas River	50,000
San Joaquin River and tributaries	45,000
Success Reservoir	60,000
Terminus Reservoir	60,000
Colorado: Trinidad	25,000
Hawaii: Hanapepe River	20,000
Illinois: Henderson River	45,000
Indiana:	
Levee unit 5, Wabash River	50,000
Mansfield Reservoir	40,000
Vincennes	40,000
Kansas: Pioneer Reservoir, Kans. and Colo.	75,000
Louisiana: Mooringsport Reservoir, Tex. and La.	65,000
Massachusetts: Barre Falls Reservoir	10,000
Minnesota: Aitkin	25,000
Missouri:	
Carthage	8,000
Joanna Reservoir	75,000
Meramec River Reservoirs	25,000
Pomme de Terre Reservoir	50,000
Table Rock Reservoir, Ark. and Mo.	125,000
Nebraska: Miner's Bend, Nebr. and S. Dak.	15,000

Construction—Continued

Project	Amount to which House conferees are instructed to agree
PLANNING—continued	
New York:	
Lake Chautauqua and Chadakoin River area	$19,000
South Plymouth Reservoir	50,000
Watkins Glen	10,000
North Carolina:	
Reddies No. 1 Reservoir	40,000
Reddies No. 3 Reservoir	30,000
Ohio: Reno Beach—Howard Farms	6,000
Oklahoma:	
Boswell Reservoir	100,000
Bradens Bend	35,000
Eufaula Reservoir	150,000
Pennsylvania:	
Allegheny River Reservoir, Pa. and N. Y.	45,000
Bear Creek Reservoir	90,000
Prompton Reservoir	65,000
Shenango River Reservoir, Pa. and Ohio	50,000
South Carolina: Hartwell Reservoir, Ga. and S. C. (See Georgia.)	
Tennessee:	
Rossview Reservoir, Tenn. and Ky.	30,000
Three Islands Reservoir	50,000
Texas:	
Canyon Reservoir	150,000
Ferrell's Bridge Reservoir	75,000
Mill Creek	25,000
Vermont:	
Ball Mountain Reservoir	90,000
North Hartland Reservoir	85,000
Washington: Colfax	25,000
West Virginia: Wheeling-Benwood	75,000
OTHER ITEMS	
Preliminary examinations, surveys, and contingencies	5,000,000
Maintenance of completed work	4,000,000
Salaries, Office, Chief of Engineers	725,000
Emergency repairs	1,000,000
Transfer to U. S. Geological Survey	440,000
Transfer to U. S. Fish and Wildlife Service	120,000
Flood control, Mississippi River and tributaries	67,000,000
Flood control, Mississippi River and tributaries, emergency fund	500,000
Flood control, Sacramento River	3,600,000

Mr. RANKIN (interrupting the reading). Mr. Speaker, I ask unanimous consent that further reading of the motion be dispensed with, but that it be printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi that further reading of the motion be dispensed with?

There was no objection.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain what this is about?

Mr. RANKIN. Yes. In the Appendix of the RECORD will be found a list of projects to be undertaken under the civil functions bill. I am simply moving to instruct the managers on the part of the House to accept that list, with a small amount for construction of the Tennessee-Tombigbee inland waterway.

Mr. MARTIN of Masssachusetts. It is to include particular projects that are in the list?

Mr. RANKIN. As printed in the RECORD yesterday.

Mr. MARTIN of Massachusetts. And is it agreeable to the whole committee?

Mr. RANKIN. I think it will be, but I will withhold it for the time.

Mr. MARTIN of Massachusetts. I imagine it would be, but in the interest of orderly procedure I would like to know whether the committee is for it.

Mr. RANKIN. I think the committee will go along with me.

Mr. Speaker, I ask unanimous consent that further proceedings under the motion be suspended until the bill H. R. 5895 is disposed of.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

EXTENSION OF REMARKS

Mr. ALLEN of Illinois asked and was given permission to extend his remarks in the RECORD and include a speech by Mr. Walter Trohan in regard to the B–36's.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the RECORD and include excerpts.

Mr. MASON asked and was given permission to extend his remarks in the RECORD and include two excerpts.

Mr. HEFFERNAN asked and was given permission to extend his remarks in the RECORD and include a letter that appeared in the New York Times by one of his constituents.

Mr. HEDRICK asked and was given permission to extend his remarks in the RECORD and include a statement he has prepared in tribute to the Greek people.

Mr. SUTTON asked and was given permission to extend his remarks in the RECORD.

GEORGE HAMPTON

Mr. LANE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 1279) for the relief of George Hampton, with Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 7, strike out "$12,361.23" and insert "$25,000."

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

MODERN ART

Mr. McCARTHY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. McCARTHY. Mr. Speaker, the RECORD of Tuesday carries certain remarks of the gentleman from Michigan [Mr. DONDERO] which sounded a warning of another threat to the American way of life, the danger to it from the subversive, destructive forces of foreign art forms and art works. Americans and American art must be protected from these.

This foreign art, according to the gentleman from Michigan, is "stabbing our glorious American art in the back with murderous intent." "It makes little difference where one studies the record," he continued, "whether of surrealism, dadaism, abstractionism, cubism, expressionism, or futurism. The evidence of evil design is everywhere; only the roll call of the art contortionists is different."

The gentleman then proceeds to an oversimplified analysis of the various schools. Cubism, he asserts, is subversive, and wholly to be rejected because of its use of "designed disorder." Certainly I do not believe that cubism is the ideal art form; neither can I accept that it must be completely and finally dismissed because of its "designed disorder." Any Member of the House, I am sure, will admit that "designed disorder" can accomplish desired results, on occasion. I do not accept the "machine myth" of futurism, but certainly there is adequate reason to protest the increased mechanism of our lives. Dadaism is to be rejected because it uses ridicule. Are we to shut our eyes to the follies of mankind and reject an art form simply because it uses, perhaps in extreme, a critical device which is almost as old as the arts? Are we to reject abstractionism because it calls on the artist as well as the student of art to go beyond the obvious and the superficial in order to arrive at meaning, much as we may resent having to exercise our minds in order to master the form? Is surrealisms to be outlawed because it asserts and attempts to show graphically that many of the actions of modern men are unreasonable?

The gentleman from Michigan does not leave us much. Is America to be made safe for and by Norman Rockwell, James Montgomery Flagg, Petty, and Varga? Is America to be made safe by the suppression of every expression of social criticism by the smothering of every new approach either to the understanding of problems or the presentation of them? Let us judge each work of art in itself, rather than in terms of school in which it is classified, or in terms of our feelings about the artist. Certainly I would not want a special minister of art, or agency, such as the gentleman's proposal would make necessary, or a congressional committee, to determine the political views of every artist before he could buy paint or canvas or exhibit his paintings. The works of the great religious painters of the past are no less true and great because some of the painters themselves led immoral lives. Progress in art and in culture generally is the result not only of internal growth but of accretion from other cultures. The history of art especially is a history of international exchange. That exchange has generally been marked by protest, by charges of revolution, of destruction, of subversion. Italian painters who adopted style or method from the Flemish were un-Italian. Flemish who copied or modeled their works on the works of Italians were certainly un-Flemish. Now, anyone in America who adopts or who uses an art form developed by an artist of another nation is un-American.

Gentlemen, it is time to stop. We cannot reject every modern art form simply because it is different from that with which we are familiar. We cannot reject every work of art which expresses social protest. We cannot reject the work of artists simply because we do not share their political, philosophical, or religious beliefs.

TITO'S STEEL MILL

Mr. MILLER of Nebraska. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. MILLER of Nebraska. Mr. Speaker, why is a communistic country entitled to buy a steel mill in the United States? This is potential war material and yet we find the Secretary of State, Mr. Acheson, strongly supporting the sending of the steel mill to Tito, on the grounds that the plant is vitally needed in this communistic country's recovery program.

Mr. Speaker, is there any difference between the type of communism practiced by Tito, and that of Stalin? Are we trying to contain communism, or are we taking a risk whereby the steel made in the plant will some day be taken over and hurled back at this country from high-flying airplanes? Within the last 3 years, it was this same communistic country that shot down our flyers; restricted free speech; persecuted religion; and indeed, today is following the party line 100 percent. It seems that our State Department profits nothing by past lessons. It was at their insistence that Japan be supplied with steel and scrap iron right up to the time of Pearl Harbor.

Mr. Speaker, I am amazed at Mr. Acheson and his left-wing followers, who now suggest that not only a steel mill be made available to this communistic country, but that a loan might also be considered. I wonder just how long before the same left-wing group in the State Department will be advocating sending potential war material, or making a loan to communistic China. Are they really trying to contain communism? They frown upon Franco of Spain getting any assistance, and yet that is the one country in Europe which is 100 percent against communism.

Mr. Speaker, the policy of the State Department is muddled and confused. It makes neither rhyme nor reason.

CALL OF THE HOUSE

Mr. RICH. Mr. Speaker, I make a point of order that a quorum is not present.

The SPEAKER. Obviously a quorum is not present.

Mr. PRIEST. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 187]

Anderson, Calif.	Hébert	Plumley
Bailey	Herlong	Powell
Barden	Hinshaw	Price
Baring	Hoffman, Ill.	Rabaut
Bentsen	Holifield	Ramsay
Bland	Horan	Reed, Ill.
Bolton, Ohio	Irving	Reed, N. Y.
Breen	Jackson, Calif.	Rees
Brown, Ohio	Johnson	Regan
Buckley, N. Y.	Judd	Riehlman
Bulwinkle	Keefe	Rivers
Burke	Kennedy	Sabath
Byrne, N. Y.	Keogh	Sasscer
Carroll	Kilburn	Secrest
Case, S. Dak.	LeFevre	Shafer
Celler	Lesinski	Short
Chatham	Lovre	Sikes
Chiperfield	McCormack	Sims
Clemente	McDonough	Smathers
Clevenger	McGregor	Smith, Ohio
Cole, N. Y.	McGuire	Smith, Va.
Davis, Tenn.	McKinnon	Stigler
Dawson	McSweeney	Taylor
DeGraffenried	Mack, Ill.	Thomas, N. J.
Dingell	Macy	Tollefson
Eaton	Magee	Towe
Elston	Miles	Underwood
Feighan	Morton	Vinson
Fellows	Moulder	Walsh
Fogarty	Murphy	Welch, Mo.
Gamble	Norblad	Whitaker
Gilmer	Norton	Wigglesworth
Gore	O'Neill	Winstead
Gregory	Pace	Wolcott
Hall, Edwin Arthur	Pfeifer, Joseph L.	Wood
Halleck	Phillips, Calif.	Woodhouse
Hart	Pickett	Worley

The SPEAKER. Three hundred and twelve Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

MUTUAL DEFENSE ASSISTANCE ACT OF 1949

Mr. KEE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 5895) to promote the foreign policy and provide for the defense and general welfare of the United States by furnishing military assistance to foreign nations.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 5895, with Mr. MILLS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. On yesterday general debate was concluded. The Clerk will read the bill for amendment.

The Clerk read as follows:

That this act may be cited as the "Foreign Military Assistance Act of 1949."

With the following committee amendment:

Page 1, line 3, strike out "Foreign Military" and insert "Mutual Defense."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

FINDINGS AND DECLARATION OF POLICY

The Congress of the United States reaffirms the policy of the United States as expressed in Senate Resolution 239, Eightieth Congress, to achieve international peace and security through the United Nations so that armed force shall not be used except in the common interest. The Congress hereby finds that the efforts of the United States and other peace-loving countries to promote peace and security in furtherance of the purposes of the Charter of the United Nations require additional measures of support. These measures include the furnishing of military assistance essential to enable the United States and other nations dedicated to the purposes and principles of the United Nations Charter to participate effectively in arrangements for individual and collective self-defense in support of those purposes and principles.

The Congress recognizes that economic recovery is essential to international peace and security and must be given clear priority. The Congress also recognizes that the increased confidence of free peoples in their ability to resist direct or indirect aggression and to maintain internal security will advance such recovery and support political stability.

With the following committee amendment:

Page 1, strike out lines 6 to 10 and on page 2 strike out lines 1 to 16 and insert the following:

"The Congress of the United States reaffirms the policy of the United States to achieve international peace and security through the United Nations to insure that armed force shall not be used except in the common interest. The Congress hereby finds that the efforts of the United States and other countries to promote peace and security in furtherance of the purposes of the Charter of the United Nations require additional measures of support based upon the principle of continuous and effective self-help and mutual aid. These measures include the furnishing of military assistance essential to enable the United States and other nations dedicated to the purposes and principles of the United Nations Charter to participate effectively in arrangements for individual and collective self-defense in support of those purposes and principles. The Congress hereby expresses itself as favoring the creation by the free countries and the free peoples of the Far East of a joint organization, consistent with the Charter of the United Nations, to establish a program of self-help and mutual cooperation designed to develop their economic and social well-being, to safeguard basic rights and liberties and to protect their security and independence, and as favoring the participation by the United States therein.

"The Congress recognizes that economic recovery is essential to international peace and security and must be given clear priority. The Congress also recognizes that the increased confidence of free peoples in their ability to resist direct or indirect aggression and to maintain internal security will advance such recovery and support political stability.

"The Congress reaffirms the policy of the United States to seek agreements to provide the United Nations with armed forces as contemplated in the Charter and agreements to achieve universal control of weapons of mass destruction and universal regulation and reduction of armaments, including armed forces, under adequate safeguards to protect complying nations against violation and evasion."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE I

NORTH ATLANTIC TREATY COUNTRIES

SEC. 101. In view of the anticipated establishment of the Council and the Defense Committee under article 9 of the North Atlantic Treaty and in recognition that an immediate increase in the basic defensive armed strength of the parties to the treaty is essential to their ability to play their part in any plans for the common defense of the North Atlantic area which may be developed under the treaty, the President is hereby authorized to furnish military assistance to such nations as are parties to the treaty and have heretofore requested assistance. Any such assistance furnished under this title shall be consistent with the common defense of the North Atlantic area, and shall be furnished so as to further the development of defense plans of the Council and the Defense Committee under article 9 of the North Atlantic Treaty.

With the following committee amendments:

Page 4, line 8, strike out "the parties to the treaty is essential to their ability to play their part in any" and insert: "the western European area will increase the effectiveness of."

Page 4, line 15, after the period strike out the balance of line 15 and all of lines 16 to 20 and insert the following: "Any such assistance furnished under this title shall be in furtherance of the common defense of the North Atlantic area, and shall be so furnished as to further the development of unified defense plans of the Council and the Defense Committee under article 9 of the North Atlantic Treaty and to realize unified direction and effort."

The committee amendments were agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Page 5, line 1, section 102, "There are hereby authorized to be appropriated to the President for the period through June 30, 1950, out of any moneys in the Treasury not otherwise appropriated, for carrying out the provisions and accomplishing the policies and purposes of this title, not to exceed $1,160,990,000."

With the following committee amendment:

Page 5, line 1, after the period, strike the balance of line 1 down to and including the period on line 6 and insert "There are hereby authorized to be appropriated to the President for the period through June 30, 1950, out of any moneys in the Treasury not otherwise appropriated, for carrying out the provisions and accomplishing the policies and purposes of this title, not to exceed $498,130,000, which shall be available for such purposes through the period ending March 31, 1950, and a further sum of $157,710,000, which shall be so available for the balance of the period ending June 30, 1950: *Provided*, That any assistance to be furnished, or any obligation of funds hereunder, after March 31, 1950, shall be furnished or obligated, only if the President shall have certified to the Congress the agreement of the United States with unified plans for the defense of the North Atlantic area developed by the Council and the Defense Committee under article 9 of the North Atlantic Treaty. Any assistance furnished after March 31, 1950, shall be in accordance with such unified defense plans."

Mr. RICHARDS. Mr. Chairman, I offer a substitute amendment.

The Clerk read as follows:

Amendment offered by Mr. RICHARDS as a substitute for the committee amendment: Page 5, line 6, after the period, strike out the entire line through line 23 and insert in lieu thereof the following: "There is hereby authorized to be appropriated to the President to carry out the provisions of this title for the period through June 30, 1950, not to exceed $580,495,000."

Mr. RICHARDS. Mr. Chairman, my amendment proposes to cut the original authorization from $1,160,990,000 to one-half of that sum. Now, what the committee amendment does is to cut the original request 40 percent in title I and then put it back in on page 13 of the bill by contract authorization provisions.

I do not think that the author of the committee amendment, which passed by a very close vote, will deny what I say. I am not responsible for the confusion in regard to the committee amendments. I am trying to clear up that confusion and simplify the issue. By the amendment that I have proposed we cut the fund in half. It was originally proposed that $1,470,000,000 would be authorized for the fiscal year 1950 to cover a 2-year interim program. It is generally admitted that this may be a long-range 10- or 15-year program. The committee amendment proposes a 2-year program and provides the funds for it. It is proposed that about one-half of it be spent the first year, the fiscal year 1950. I propose that this Congress authorize no more than one-half of it now, and when they come back here next year and report to the Congress as to what progress has been made in the field of unification, standardization, and cooperation in Europe, we will consider their case on the basis of achievement. Everyone understands that those three elements are essential in any defense plan against communism if it is going to be a success.

The plain issue, may I reiterate, is whether or not this Congress is going to authorize now only a 1-year program. In frankness I must say that if my amendment carries, when we get to page 14, where appears the language of the Lodge amendment, which was adopted by a close vote in committee, I will offer a companion amendment to cut out subsections (c) and (d) so that title III will be in line with the amendment I am now offering.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from Tennessee.

Mr. JENNINGS. If the gentleman's amendment is adopted and this proposed appropriation is cut in half, in addition to that, under this bill will this Government have the power to give to the various nations of Europe certain weapons of war we now have on hand?

Mr. RICHARDS. Yes.

Mr. JENNINGS. Does anybody know what they originally cost?

Mr. RICHARDS. Under the provisions of the pending bill this Government can give over $400,000,000 of surplus material to these countries, and it will not take a dollar out of this authorization.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from Pennsylvania.

Mr. RICH. Is this authorization for this year only, or does the gentleman expect it to continue for any number of years; and if so, how many?

Mr. RICHARDS. This proposal is for 2 years, and they say it is an interim program. An interim program is an in-the-meantime program. The long-range program is going to be a many-year program. They are going to be coming here to Congress for years for funds to implement this program.

Mr. RICH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this bill is probably one of the greatest projects to consider you have embarked upon since I have been a Member of Congress. Its implications are tremendous. You prepare for war yet you talk peace. I have seen the Congress start out on a great number of plans in the last 10 or 15 years entirely foreign to what our forefathers had in mind when they founded this country of ours. I have read and listened to the reading of George Washington's Farewell Address every year since I have been in Congress. He told us to keep out of foreign entanglements. I have seen the New Deal administration come into power and I have seen us do the most ridiculous and I might say asinine things in the last 15 years that I have ever known any nation to perform. Now you, not me, are starting out to arm all the nations that have joined the North Atlantic Pact, to arm the nations in Europe rather than our own. I think it is the most disgraceful piece of work the Congress ever dreamed of doing. You talk peace yet you prepare others for war. It is not right, just, or honest. Whose program is it? Who concocted such a program? Who is assuming the responsibility? The President, the Foreign Affairs Committee? I do not think it has been the Congress that has dreamed this up. I know it is not. This legislation has been sent down here from the White House, even before the Congress had a chance to act upon it through our congressional committee. I would like somebody to find out who is behind all this warmongering program. States say he wanted $1,400,000,000 even before the ink on the North Atlantic Pact Why did the President of the United was dry? Even the Committee on Foreign Affairs did not know about it.

Why are you considering this ill-timed and ill-advised legislation here today? Why, it makes me shudder when I see that we are going into a new low on American foreign policy, when you start to arm these foreign nations and assume the responsibility as a nation to arm these countries over there. If you had a little better intelligence, it seems to me we would keep our own country in a good condition so that we could protect anybody any place over the world if we wanted to.

We talk peace, peace, peace—and we want peace. But when you go out and arm these nations under the nose of some other nation that we think might become an enemy of ours, is that the way to get peace? Certainly it is not. You are bringing on war to our people again. It is tragic.

I think every man here has a responsibility to his own conscience, and for mine I do not want any of this arming foreign countries. If I wanted to talk peace, and I certainly want peace, I would do it in an entirely different way than arming other nations for war. That means war eventually—you will find it out to your sorrow.

Why is our Committee on Foreign Affairs talking about peace and then want us to go over and arm all those foreign countries? It just does not make sense to me. Prepare for war and you eventually get war.

You Members have to determine for yourselves what kind of leadership you are going to have. If you are going to have this kind of leadership, then I do not want any of it for mine. I do not propose to have anybody try to jam legislation of this kind down my throat and the people I represent. Brother, you are on the right track when you try to cut it down, but are not cutting it down far enough. We ought to cut it all out.

Let me ask you: how are you going to get peace by arming these foreign countries? You say you do not know whether it is for this year or next year, but it is a long-range program. A 20-year program of war preparation for foreign countries at the expense of Americans. Are we going to assume the responsibility of arming these countries. This $1,400,000,000, which is required to arm these countries, means $10 for every man, woman and child in your district. It means more than $3,000,000 for the people I represent to arm foreigners. I am not going to obligate spending $3,000,000 for my district's share in this thing to arm these foreign countries without consent of our people. I want them to say whether I should spend their money so foolishly. We may not be fools but we do the things fools would do.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. JAVITS. Mr. Chairman, I offer an amendment to the substitute amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. JAVITS as an amendment to the substitute offered by Mr. RICHARDS: Strike out in the Richards' substitute, the words "June 30, 1950, not to exceed $580,495,000" and insert "March 31, 1950, not to exceed $498,130,000; and such further funds shall be available for carrying out the provisions and accomplishing the policies and purposes of this title through June 30, 1950, as are hereafter authorized and appropriated to the President from time to time. The authorization in this title is limited to the period ending March 31, 1950, so that the Congress may determine whether unified defense plans under the North Atlantic Treaty and unified direction and effort have been realized."

Mr. JAVITS. Mr. Chairman, first let me explain to the Committee the exact purport of this amendment in terms of the bill. I hope the Members will give me their attention, because in fairness in voting on this question you must follow the details of the bill. You will note that the figure I have inserted in lieu of the figure proposed by my colleague, the gentleman from South Carolina [Mr. RICHARDS] is $498,130,000 as contrasted with his figure of $580,495,000.

However, I point out to the committee that the provision for contract authorization, to wit, the committee's plan for this appropriation, is contained not on page 5 but on page 14, line 23, to page 15, line 19. When we get to that part of the bill—I have not done it now in order

to avoid complications and points of order to the amendment which I have proposed—it is my intention to offer at the proper time in substitution for the contract authorization which the committee has authorized of $505,150,000, contract authorization in the amount of $428,100,000. In short, the amendment which I offer, taking cash and contract authorization together, would provide $926,230,000 for title I, as contrasted with $1,160,000,000 in the aggregate, offered by the committee, both in cash and contract authorizations, a saving of some $234,760,000.

The fundamental difference between my amendment and the committee approach—incidentally, I may say that my amendment failed by the narrowest of margins, a margin only slightly more than that by which the amendment of the gentleman from South Carolina [Mr. RICHARDS] failed—my amendment seeks to confine the authorization for appropriations and for contract authorizations to the period to March 31, 1950, only. It provides that thereafter, instead of the Executive having absolute authority, as he is given by the committee amendment, to go ahead and put up the rest of the $234,760,000, once we have joined in the defense plans of the Atlantic Treaty powers, the Executive would have to come back to the Congress in order to get new authorization and new appropriation.

It is the Congress rather than the Executive which would have the second look when it counts. That is the fundamental difference.

Although I am sympathetic to Mr. RICHARD'S approach, I think it is faulty in that it proceeds on no assumption of what a program should be. I have taken the justifications which the committee has taken. The committee after long deliberation and long discussion with the Department of Defense and the State Department have taken the justifications for this sum of $926,000,000 up to March 31, 1950, as being what is required for that period, to go ahead and make this whole program feasible. The difficulty with the meat-ax cut, the 50 percent blanket cut, is that you go ahead without any relation as to whether that makes a balanced 2-year program feasible or not. The point I have raised in my amendment, and it is stated in so many words, is that this $234,000,000 we are cutting off because the Congress, not the Executive, but we in the Congress, want another look at this program early in 1950, to determine whether the unified defense plans have been made, whether there is going to be unified direction of these plans, whether the world situation dictates that we ought to go ahead with this whole program under conditions as they exist at that time. We are committing ourselves to a balanced program in the very terms asked for by the Government departments concerned, just so long as they can go forward without the interruption, which would come when the Congress adjourns, then the Congress will have a second look and decide whether we want to authorize or whether we want to appropriate.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield.

Mr. CRAWFORD. Will the gentleman refer, please, to page 5. There we have listed $480,130,000 and $150,710,000. On page 15 we have two items aggregating $505,150,000, all of which totals $1,650,000,000, which the gentleman has referred to as being carried in this bill.

Mr. JAVITS. That is right, but the $1,160,000,000 figure I am trying to reduce relates only to title I of this bill.

The CHAIRMAN. The time of the gentleman from New York [Mr. JAVITS] has expired.

Mr. BATTLE. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. BATTLE to the committee amendment: On page 5, line 11, strike out "$498,130,000" and insert in lieu thereof "$398,130,000."

Mr. BATTLE. Mr. Chairman, the Mutual Defense Assistance Act is designed as a peace offensive. This program breaks away from the wait-and-see-Europe-overrun-again policy. It takes the initiative in encouraging freedom loving nations to dare to resist Russia and all aggressor nations. In recognizing that there is no such thing as isolationism, through this program the United States further assumes the roll of leadership in world affairs. We are promoting the internal security of the European nations involved. We are making possible mopping-up action against local Communists. This program would serve as a deterrent to the Red Army should it move westward, giving America time to deliver the A bomb before these civilizations of Europe could be destroyed.

This is not a crisis program. But it is a very serious program. We are attempting to prevent war on an elementary level on the theory that Russia will not attack a group of strong, well-prepared nations.

It is a sobering thought to realize that Russia has never demobilized. She now has the greatest peacetime army in the history of the world. She has never quit producing war materials. The Russians still are using slave labor in war plants. Russia's war-making capacity is second only to her demonstrated intention of world domination—although admittedly at this time there is less danger of Russia overrunning Europe than at any time since the end of World War II. We have before us a program for advanced preparation because of the capabilities of Russia should she decide to strike.

The Mutual Defense Act is a dangerous program, there is no doubt about it. But the alternatives appear to be more dangerous. One alternative would be appeasement. But there is no peace in appeasement. Another alternative would be pacifism; dictators make slaves out of pacifists. Then there is the fiction of isolationism. But this is physically impossible in this modern age when we can fly around the world in just a few hours. I and many others long to see the time come when we can have a limited world government capable of enforcing law and order, but this is not within our immediate reach. Moral rearmament is another worthy goal but we are a long way from obtaining it. Until we get it, we must do something to fill the breach.

Mr. Chairman, in evaluating the program, about all we can be assured of is that it has a reasonable chance of success. Of course, there is the danger of cracking our own economy. In addition to the $250,000,000,000 debt, we find ourselves faced with the unhappy prospect of deficit financing.

How far can we go? This is about the limit in Europe in my opinion. We are in the terrible position of not being able to stop and yet we can't go much further at this pace.

The Mutual Defense Act now being debated encourages a Pacific alliance with our participation. This would necessitate further appropriation and additional arms.

As a new member of the Foreign Affairs Committee, I am cautious about going against a program designed for peace, because that is my main objective. However, I am going to work next year to combine all of our many and varied foreign-aid programs into one program, and to gradually reduce the over-all expenditures.

I have studied the military-aid program under consideration from all angles and I am convinced we can save $100,000,000 without destroying its effectiveness. The amendment which I have introduced would reduce the arms to Europe aid $100,000,000, reducing the total expenditure from $1,450,000,000 to $1,350,000,000. Those members who want this program to go on and yet feel that some fat can be trimmed out, can conscientiously vote for my amendment.

Mr. VORYS. Mr. Chairman, I rise in opposition to the amendment.

Brethren, now you have seen everything: You have four amendments pending, and that is all that can be pending until at least one is disposed of. It indicates the uncertainty and the divergence of views among those who have studied this problem; so I hope you do not laugh at us, but that you will sympathize with us.

Mr. Chairman, let me give a brief analysis of these amendments.

First, the committee amendment takes four different bites at the thing—two on March 31 and two on June 30. First, there are two bites on page 5. Then you have to turn over to page 15, where it is again March 31 and June 30. It is a half-and-half amendment. You can only pass on half of it at this time.

With the authorizations and contract authorizations, if you adopt the committee amendment the Congress says good-bye forever to $1,400,000,000, the total amount requested. There is a catch in there, that if the President makes a certificate about this agreement over there why, then, the money goes for good. If the President makes a certificate that he has agreed to whatever they have done, no matter what they have done, it is good-by forever to $1,400,000,000.

The Javits amendment, if broken down, has only two halves to it, page 5 and page 15. It totals $926,230,000.

The Battle amendment takes a $100,000,000 crack at the first half of the Javits amendment. It is the smallest in amount of all of them.

The Richards amendment, which I sponsor and support, it is a very simple proposition. We are going to cut the program in half. We are going 50–50. It will require knocking out this contract authorization later. It is $75,445,000 less than the Lodge amendment at this point. It is a little more than the Battle and the Javits amendments. But if you vote for this one, and if the gentleman from South Carolina will later offer an amendment to knock out all of this trick language on page 15, then you have a simple proposition. You will have cut the authorization in two.

Here is what you can do under the Richards amendment. It will furnish in new and excess and reserve stuff $1,030,995,000, in cost to the American taxpayer, of materials and assistance; or, to put it another way, it will furnish 6 months of what they want to deliver of excess, reserve and new, and over $200,000,000 for administration and for other things that they feel they need after that time; or, here is another thing it will do, since it has no limitation; they can spend it any way they want. There is no attempt to put controls in this amendment.

If you pass this one they will be back here. They will be back here with their plans, explaining their unified plans, what they intend to do, and Congress can then act.

Mr. Chairman, it will be said that this $1,400,000,000 is a minimum, that generals and cabinet officials have said so. Do you ever remember a program that come down here that was not labeled a minimum by those who proposed it? How could they come here any other way? They have to say, and no doubt they feel, it is a minimum. Last fall the armed services presented to the Budget a $22,000,000,000 military defense program. They said it was a minimum. However, the President cut it to $15,000,000,000 and Congress has cut it to $15,000,000,000. The generals are taking their orders, based on that amount.

Mr. Chairman, we are not in a time of emergency, we are not "impelled by crisis, or desperation, or fear of impending war," as General Bradley has stated. We are getting ready for the long pull. Let us cut this thing in half by adopting the Richards amendment and have them come back here. Then we will be watching the taxpayers' dollars and we will know what is going on over there.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield to the gentleman from Illinois.

Mr. ARENDS. There will be a limitation of 1-year amendment to be offered later?

Mr. VORYS. The Richards amendment leaves in June 30, 1950, the 1-year proposition.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield to the gentleman from New York.

Mr. JAVITS. Is it not a fact that the difference between the Richards amendment and my amendment is that the Richards amendment is a cut by the gentleman from South Carolina [Mr. RICHARDS], whereas my amendment accepts the programing which the Government departments have outlined for this program, and both come back to Congress?

Mr. VORYS. The Richards amendment is an arbitrary cut. May I say that we are under wraps here as to the discussion of figures that have been given to us in secret, but we have obtained two or three different sets of figures, and, as far as I am concerned, the Richards amendment is based on sound figures.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. HERTER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HERTER. Could the Chair enlighten us as to the order in which the Committee will vote on the amendments that have been proposed?

The CHAIRMAN. The Chair will be glad to advise the gentleman.

The first vote will occur on the Battle amendment to the committee amendment. The next vote will occur on the Javits amendment to the substitute. The next vote will be on the substitute offered by the gentleman from South Carolina [Mr. RICHARDS]. The last vote, of course, will occur on the committee amendment or the committee amendment as amended.

Mr. HERTER. Do I understand that the Javits amendment is to the substitute and not to the committee amendment?

The CHAIRMAN. The Javits amendment is to the substitute.

Mr. RIBICOFF. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the real issue in this bill has been stated by the amendment offered by the gentleman from South Carolina [Mr. RICHARDS] just backed up by the gentleman from Ohio [Mr. VORYS]. I think this House should realize that to a starving man, a half a loaf is better than none, but if he needs a whole loaf to keep him alive, it is just plain not enough. Now, Mr. Chairman, the question is: Are we going to offer our partners in the Atlantic Pact a half a loaf when not only their safety and security but that of the American people are at stake? I say that we will brand ourselves as reckless of the well-being of our own Nation if we offer half a loaf when we have the need and the ability to provide a whole loaf. The minimum needs of the Atlantic Pact nations for their joint security against aggression have been painstakingly studied out, and the Joint Chiefs of Staff have put their expert approval on that estimate. Shall we now take it upon ourselves to do such a foolhardy thing as to arbitrarily—I say arbitrarily—cut that necessary minimum in half? I say no: We must not and shall not commit such such an act of folly. This Congress should face squarely up to their problem and provide the whole loaf by voting the full amount the administration is reasonably requesting in the military assistance program.

The gentleman from South Carolina [Mr. RICHARDS] states that this is an interim program. However, this amendment makes no provision for coming back. We all recognize, and it has been proved to this Congress, that this program will take a considerable period of time. When we are dealing with trying to make effective a minimum force in Europe, we certainly know, and our common sense tells us, that we must plan ahead. You cannot equip half a division and have that division effective. If you want an effective division, you must equip it completely.

Further, keep in mind that this year we have voted $15,910,000,000 in actual funds or authorizations for our national defense. The national defense of this country contemplates the defense of Europe, too. This House should realize that as we make Europe stronger, as we make it more effective, as we put more Europeans in the field to take their part in joint defense of our interests, we will cut down the necessity to continue the back-breaking burdens of national defense. Therefore we cannot shirk our duty. We must be realistic.

The approach of the able gentleman from South Carolina [Mr. RICHARDS] and the able gentleman from Ohio [Mr. VORYS] is not realistic. They take a meat ax and hack the cow in two without any consideration for our own welfare and national defense.

Mr. COX. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, using the words of the great bard, I would say, "Go to your bosom, knock there, and ask your heart what it doth know" and it will tell you that war is being waged upon us—a cold war though it may be, but war nevertheless—and it behooves us to give manifestation of the kind of stuff of which we are made. I do not know what the southern membership of this House is going to do about this bill, but I do know that when the welfare of the Nation is involved, reliance upon them is confidence well placed. You will find evidence of this in the vote on the draft act taken on September 7, 1940. Of the 110 Members from the South, 106 voted for the act. In courage and loyalty they never fail the flag. With them appeasement has ended. To fail to pass this bill carrying the full amount set up in the bill would be construed as appeasement.

Mr. O'HARA of Minnesota. Mr. Chairman, I move to strike out the last word and ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. O'HARA of Minnesota. Mr. Chairman, I shall support each one of these amendments to reduce the amounts of appropriations on the theory that petty larceny is always less objectionable than grand larceny, and I state frankly that I shall certainly oppose and vote against this bill.

Mr. Chairman, as I have been sitting here I have made a few notes as to how many bills of various kinds we have had from the Committee on Foreign Affairs for this or that purpose, always with the high ideal that they were either for our defense or for keeping us out

of war. I just ran through a few of them that I could remember.

In 1941 we had lend-lease. Then we had UNRRA, Bretton Woods, aid to Greece and Turkey, aid to China, then the Marshall plan, now ERP, and now the Mutual Defense Assistance Act. The next chapter will probably be World Federation, which will be the socialistic paradise to which we can look forward.

I think this is indeed a most serious occasion. There is no question that this policy in this bill is a warlike act upon which we are embarking. Whatever your reasoning may be, you cannot deny that we are saying to the Soviet Republic, "This is war." Whether you want to call it a cold war or a hot war or any other kind of war, it is entering into war through the back door. There can be no question about that. What would be our reaction if Soviet Russia were to come over to this continent and take this same action with reference to Mexico or our neighbor to the north, Canada?

What sort of a confused, half-secret, inside business is this we are getting into? Are we reasoning frankly and honestly with ourselves, or are we being misled by double talk? What are we doing? How much can the economy of this country stand? How much can the natural resources of our country stand? How much can the overburdened taxpayers stand on this sort of a hit-or-miss proposition?

Mr. WILLIAMS. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield to the gentleman from Mississippi.

Mr. WILLIAMS. I think the gentleman will agree with me when I say that in my opinion the cuts in this program that have been offered by members of the Committee on Foreign Affairs constitute nothing more nor less than an attempt to apologize for having brought this monstrous legislation before us.

Mr. O'HARA of Minnesota. I do not think there is any question about it.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield to the gentleman from Illinois.

Mr. CHURCH. How much can the dollars, the wages of the wage earners of America, stand in reduction because of these continued expenditures? Dollars are depreciating every day.

Mr. O'HARA of Minnesota. As my colleague from Mississippi has suggested, this expresses the reluctance, even the disfavor, with which the members of the committee themselves look upon this program. It emphasizes the very fact that they themselves are certainly not sold upon the program. We do not know what the unified plan is going to be. It would be just like handing one of our Members a pair of boxing gloves and saying, "Here, we want you armed. Go out and fight Joe Louis." As a Member said yesterday, you cannot get these people to fight simply by giving them the arms, unless they have the will to fight. Look at what happened to China, and all the war equipment which was given or sold to them under the program of aid to China. What has become of that equipment? It is largely in the hands of the Communists.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield.

Mr. MILLER of Nebraska. As I understand it, from the statement of members of the committee, the amounts in the bill are rather mysterious as to who is to get what and when.

Mr. O'HARA of Minnesota. The gentleman is correct.

Mr. MILLER of Nebraska. In other words, a few of the members of the committee have been told in secret something that they cannot tell the rest of the Congress, or the country-at-large, and yet we are asked to legislate in the dark, without knowing where or how much or when.

Mr. O'HARA of Minnesota. The gentleman is correct. More hush-hush secret diplomacy.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. KILDAY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I endorse the policy and the program of military assistance such as is proposed by this bill. I wish the parliamentary situation had been such that the bill could have been referred to and considered by the Committee on Armed Services. I want to make it clear, however, that I believe our Speaker properly referred it to the Committee on Foreign Affairs under the rules of the House and especially under the precedents of lend-lease legislation some years ago which also went to the Committee on Foreign Affairs.

I want it understood what I am about to say is on my own responsibility entirely and not as representing the Committee on Armed Services. I do not know how the individual members of that committee may stand on this subject. But I do believe that, had it come before our Committee on Armed Services, we could have brought to bear upon it some of the experience gained through the prosecution of the war and some ideas of our own about how long it takes to raise and equip armies. Some of the representations made could have probably been analyzed better by those with rather long experience on questions of armed service.

Mr. Chairman, I shall support the Richards amendment. In saying that, I want to make this point—the Richards amendment is an arbitrary cut, but on the other hand, the figure which has been brought in by the committee is just as arbitrary. Until such time as a unified defense plan has been formulated, nobody knows what it is going to cost. In voting for the Richards amendment we will endorse the program and the policy of this military-assistance program. On the other hand we will limit the appropriations to the fiscal year 1950. It is all for our own national defense, and on no other theory could I support it. Bearing that in mind, let us remember that last year we had a very bitter fight on this floor in adding $822,000,000 to the military defense budget for the purpose of instituting a 70-group program for our Air Force. This year our Committee on Appropriations added $800,000,000 to the President's budget for the purpose of carrying on our own 70-group air program.

At the present time that stands in this situation: The Senate committee has eliminated from the bill the $800,000,000 which we added in the House to continue the 70-group program. Should the Senate affirm that action an attempt to restore the amount will be made in the House. The simple question is, If we are going to save $600,000,000 here for the fiscal year 1950, where would you rather have that money? Where would you rather have it for the purpose of the defense of the United States—in the hands of people who have not yet united, and people on whose side they will fight we do not know, or would you rather have it in the hands of our American Air Force manned by American men who you know will defend America?

Mr. CASE of South Dakota. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, we cannot consider this bill in a vacuum. The House did not pass upon the North Atlantic Pact, but the North Atlantic Pact is a reality, subscribed to by the United States and approved by the body of the Congress which is charged under the Constitution with ratifying agreements.

The debate here ought not to proceed as if we here were choosing whether we would have this alinement with certain North Atlantic powers. That is a settled issue. If the illustration used by the gentleman from Minnesota [Mr. O'HARA] were to be carried further we would be in this position, that we would be calling upon somebody to stand out there with naked fists, without any equipment whatsoever, to hold the line for us, and saying to him, "Hold the line. If you get into trouble, call us for help, but we are not going to put any implements in your hands to hold that line at the outset."

The North Atlantic Pact is an accomplished reality. The question comes whether or not these people whom we have told to hold the line for us, whether we will let them have any equipment or not. That is the situation. That is why I think something of this sort has to be passed.

With respect to the question of whether or not we should here attempt to dictate where this material should be deployed, I would like to sit in on that myself. I am as much an amateur strategist as the next man, but for the sake of personal knowledge of it, or to satisfy my own ego as to my wisdom in saying where it should be deployed, I am not willing to tell a potential enemy where that material is going to be deployed. I would rather forego having my personal ego satisfied for the sake of keeping the information from a potential enemy.

I am not concerned with who is President or who is Chief of Staff in this matter. They are the people who, if we were engaged in a hot war, would be determining where this material would be deployed. I think we have to trust them in this instance.

I am going to support the Richards amendment, because I think there is much in the logic that we should ask those people who are out there on the

line to do something themselves too, because this is their struggle also. This is their independence that is involved. I want to see them give evidence of doing their part too.

So, I am going to support the Richards amendment, but I am going to vote for the legislation, because we cannot consider this in a vacuum. We cannot ask those people to hold the line with nothing in their hands. That would be dangerous for us as well as dangerous for them.

The CHAIRMAN. The time of the gentleman from South Dakota has expired.

Mr. DURHAM. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think this is probably one of the most serious questions that has come before this body for some time. I think it is just as important as the days of the draft, which the gentleman from Georgia mentioned.

I dislike to find myself in disagreement with my good friend from South Carolina [Mr. RICHARDS], and also my good friend from Texas [Mr. KILDAY], a member of the Armed Services Committee. I think we should try to evaluate this on the basis of the defense of this country solely. That is what I have tried to do as a member of the Armed Services Committee. Having had experience over the last 11 years on that committee, I am convinced it is just as important a part of our national defense as it was in the days when we transferred the destroyers, when England was fighting with her back to the wall. If you do too little too late, you will regret it. The cost of it is, of course, in the minds of the American people and in the minds of all of us today. But, after all, today world conditions are what they were in Napoleon's time and on down through history—the Kaisers, the Hitlers, and all the rest of them. It has been in the minds of the men who controlled the land masses of Eurasia historically to control the world by force. Any man who has studied history knows that to be the fact, that some day he would rule the world who rules the land mass of Europe. That is what you have got to fight in Europe. You are going to have to fight it for a long time to come. We are a part of the people of the world who have fought this idea down through the centuries so that we could remain a free people. England, France, Belgium, and other nations have had to go to war for this reason. We have accepted the obligation, and we must carry it out. I, for one, hardly believe that the amount carried in the bill today is enough for equipping the Atlantic Pact signers; equipping air corps, equipping tank corps, equipping any factor of defense today is expensive, and certainly we do not want allies who, as the gentleman who just preceded me said, are weak because of lack of things we may be able to furnish. We have accepted the obligation by endorsing the Atlantic Pact to carry that out. Let us not here today back off. I am sure the Members from the West, North, and the South, as the gentleman from Georgia has so well said, are not going to desert this Nation today in this critical hour. I hope, Mr. Chairman, the membership will vote down this amendment and vote for the full amount recommended by the committee. I believe if world war III comes we can win it, but better still I believe world war III can be prevented, and this measure is before us for that purpose of preventing another world conflict.

Mrs. DOUGLAS. Mr. Chairman, I rise in opposition to the amendments.

Mr. Chairman, I rise in opposition to all three amendments. I think we ought to approve the full amount that has been asked by the State Department, the Secretary of Defense, the Joint Chiefs of Staff, and former Secretary of State, Gen. George Marshall.

The gentleman from Texas, [Mr. KILDAY], who is a member of the Armed Services Committee, has endorsed the cut contained in the amendment offered by the gentleman from South Carolina, [Mr. RICHARDS]. If the premise of the gentleman's argument were valid, then I, too, would endorse the amendment offered by the gentleman from South Carolina. But it is not valid. The gentleman from Texas [Mr. KILDAY] said that we ought to save this money from the European program and put it into our own defense. The implication is that we are going to be bombing Europe in another 6 months—that war is inevitable. We on the Foreign Affairs Committee do not believe that war is inevitable. We offer this bill because we believe it will prevent war.

To further strengthen our own armed forces is not going to make up for the pitiful lack of defense in western Europe today.

I repeat, war is not inevitable. No one who appeared before our committee stated that it was. The Secretary of State, the Secretary of Defense, and the Chiefs of Staff all testified that they did not believe that war was inevitable. The North Atlantic Defense Alliance and the military-aid program have been worked out by the State Department and the Military Establishment to insure us against another war. The military-aid program before the House is the basic minimum for the defense of western Europe, for the peace of the world, and for our national security.

The gentleman from Ohio [Mr. VORYS] says we do not need the full amount because there is no immediate emergency. The gentleman from Texas [Mr. KILDAY] says we do not need the full amount because there is an emergency and we ought to use the money proposed here for our own armed forces. They cannot argue it both ways. The point is that the situation is serious but it is not an emergency situation. And we do not want to see it develop into an emergency situation.

I said yesterday that perhaps because I am a woman, I think a little more directly than some of my distinguished male colleagues. If this program is necessary to insure peace, then I think we ought not to be hunting for it on the bargain counter. I for one accept the views of the Secretary of State, the Secretary of our defense, Mr. Johnson, that of our Chiefs of Staff, and of Gen. George Marshall on what is needed from the United States at this time for the defense of western Europe. Every single one of these men came before this committee and said this was the minimum program necessary. I wish to quote what General Marshall had to say in connection with this question:

> I am of the opinion that this legislation is highly important and should be passed without delay. I am informed that the progress already made by the organization setup of the western union has been excellent and that, as a matter of fact, much more has been accomplished than I, at the time I referred to, anticipated.
>
> I think that the situation in effect resolves itself into several factors for your consideration. First is the matter of how much matériel should be authorized for issue to these European nations; how much money is needed to make good the deficiencies in that matériel; what types of eequipment and how much money is needed otherwise to implement the program.
>
> The second consideration it seems to me relates entirely to timing. If I may be permitted to digress for purposes of illustration, I would like to refer to my own personal experience on official duty in connection with much the same situation some years ago. I have always felt that, if the military requirements as stated by us in the fall and spring of 1939 could have, even to a modest degree, been met at that time by the action of Congress, we would have whittled away at least 6 months of the duration of the war with, we will say, a saving of hundreds of thousands of American casualties and $50,000,000,000 more or less.
>
> I am not speaking personally of personnel matters, but later on—and quite early considering normal circumstances—the Congress and the Nation took very decided action with relation to the Selective Service Act, which was one of the great determining factors in meeting the black cloud that was threatening to overwhelm almost the entire world. But I am talkng about our cautious and delayed approach to the matter of matériel. Any of those who were closely associated with our dilemma of matériel poverty in 1942 would require little persuasion, I think, to bring them to the feeling of the importance of timely action in connection with the present legislation.
>
> In those days, I felt that $100,000,000 then would have the same effect that $1,000,000,000 did later on. So to my mind the timing is of very great importance.

I would like to repeat those words of General Marshall, "Timing is of very great importance." Those who are favoring this cut are in favor of the program. None of them have spoken against the program. They are willing to give the money asked for but they want to give it in two installments. Two installments mean that you delay the defense of Europe by 1 year. The second installment might come too late. I for one think we must not run that risk.

Secretary Acheson had this to say about the military-aid program:

> There is no purpose of making those forces comparable in any way to the forces of the Soviet Union or any other possible aggressor. But the purpose in later years will be to make them adequate, to do a holding operation until the forces of all the democratic countries can be brought in to hold an aggressor.
>
> It is thought in the first place that that will have a preventive action to prevent war, because it will force on an aggressor a general mobilization, with the knowledge that, while he may think he can win, at any rate he is not going to win by a surprise move; he is not going to win before the

forces of the free countries can be brought into play. And that is the purpose of this legislation. And also, if he does make the mistake and starts the war, the future development will be such that whatever breaks through the strategic bombing of the United States Air Force can be contained, can be held in western Europe.

Mr. Chairman, this program that we are considering today is in direct response to urgent pleas for help. The bulk of our aid is to go to those peoples who have joined us in the North Atlantic Alliance. They have taken their stand. They are telling the world they will fight to protect life, limb, and liberty against any nation that would launch a war of aggression.

When these peoples made their urgent pleas to us they requested certain types and quantities of arms and equipment. Some of those requests were coordinated with each other. Others came to us on an individual basis. Our own experts have gone over those requests with a fine-tooth comb and not only reduced them as to quantity but limited them as to type for each country. As it stands today, the aid that this bill proposes is the minimum below which our experts believe it would be unsafe to go.

This defensive power we want to create in western Europe, Mr. Chairman, is something that is within our means at comparatively small cost.

Mr. Chairman, all amendments to cut this program ought to be defeated.

The CHAIRMAN. The time of the gentlewoman from California is expired.

Mr. KEE. Mr. Chairman, I ask unanimous consent that all debate on the committee amendment and all amendments thereto close in 20 minutes, the last 5 minutes to be reserved for the committee.

Mr. JENNINGS. Mr. Chairman, I object.

Mr. KEE. Mr. Chairman, I ask unanimous consent that all debate on the amendment to the substitute and the amendment to the committee amendment close in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

Mr. VORYS. Mr. Chairman, reserving the right to object, there are now four amendments pending. As I understand it, that is all that can pend at one time. Is the request that the debate on all four pending amendments close?

The CHAIRMAN. Permit the Chair to advise the gentleman from Ohio that the gentleman from West Virginia has asked unanimous consent that debate close within 20 minutes on the amendment to the Richards substitute and the amendments to the committee amendment known as the Battle amendment and the Javits amendment. Is there objection?

Mr. MARTIN of Massachusetts. Mr. Chairman, reserving the right to object, when are we going to vote on the Richards amendment?

Mr. KEE. My request will leave debate open on the Richards amendment.

Mr. MARTIN of Massachusetts. When does the gentleman contemplate having a vote on the Richards amendment?

Mr. KEE. Mr. Chairman, I contemplate leaving debate open on the Richards amendment.

Mr. MARTIN of Massachusetts. That is a clear answer.

Mr. KEE. I will make a subsequent request when the debate ends on the other amendments.

Mr. MARTIN of Massachusetts. Has the gentleman any idea what he is going to do?

Mr. KEE. I will ask at that time, according to the circumstances, that we close debate on the Richards substitute.

Mr. MARTIN of Massachusetts. What is the idea of closing it on these two amendments, then?

Mr. KEE. To get them out of the way entirely and proceed.

Mr. MARTIN of Massachusetts. Well, I am perfectly willing to get those out of the way.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

Mr. JAVITS. I object, Mr. Chairman.

Mr. KEE. Mr. Chairman, I ask unanimous consent that all debate on all amendments, including the Richards substitute, close in 30 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

Mr. RICHARDS. I object, Mr. Chairman.

Mr. KEE. Mr. Chairman, I ask unanimous consent that all debate on the pending amendments including the Richards substitute, and all amendments thereto, close in 1 hour.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

Mr. RICHARDS. I object, Mr. Chairman.

Mr. JENNINGS. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I rise in support of the Richards substitute. If that substitute is adopted there will be available to carry out the program of the President, as embodied in this bill, $580,495,000, plus more than half a billion dollars worth of war supplies, and by that I mean weapons of war and ammunition.

Now, let us be realistic about this matter. I do not profess to be a prophet and shall not enter the role of prophecy, nor do I claim to be an expert on military affairs. But, I do say that if it can be made possible, with due regard for the safety of our country and its solvency, that I desire to support this measure if it is held within due bounds.

My reasons for taking this action are: The Atlantic Pact is an accomplished fact, and in addition to that, by article VI of the Constitution of this country, because it is a treaty which we have entered into, it is a part of the law of the land. I quote the language of article VI of the Constitution of the United States:

> This Constitution, and the laws of the United States which shall be made in pursuance thereof; and all treaties made or which shall be made, under the authority of the United States, shall be the supreme law of the land.

Now we are face to face with a situation for which the Members of this House are not responsible. Russia has made this action necessary. I am not here to indulge in warlike talk. The enactment of this measure will not create any danger for Russia. This country has no intention of waging aggressive war on Russia. It is my opinion that no nation a party to the Atlantic Pact, has any warlike designs upon Russia. If war comes it will come as the result of Russia's purpose to dominate and communize the world.

The question is, will we give the parties to this pact who live in Europe within the shadow of Russia's millions of lands troops and her tremendous air armament the will and the courage to fight? To enact this measure says to our European friends—we mean to stand up for our own liberty and for the freedom of the free peoples of the earth with whom we have joined forces against any nation who makes war on any party to the treaty we implement by this measure.

It is my deliberate opinion that if we say to our allies by enacting this measure that if they are attacked we will come to their assistance as we are obligated to under the Atlantic Pact. We say it in language expressed in this nearly $600,000,000 in money and this most likely $1,000,000,000 worth of military supplies. By this measure we assure ourselves of allies who will have the courage and the will to fight if they or we are attacked.

What have we done in support of our allies over there and in our own defense? We all know that we have invested in the victory we won $300,000,000,000. There is a difference between $600,000,000 in money and a billion and a half dollars in money. We could lose the so-called cold war by becoming insolvent.

Russia so far has won the cold war. She is virtually in possession of China and in position to overrun Asia.

This Nation dare not repudiate its treaty obligations while Russian communism engulfs the world, and we are left alone surrounded by the 2,000,000,000 people of Europe, Asia and Africa, when they shall have fallen under the enslaving might of a brutal totalitarian power.

Mr. HAYS or Arkansas. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am reluctant to impose my views upon the committee because there are Members who are much better informed as to the details of this plan. I am supporting the bill. I do it because I believe this is a crucial period in the life of mankind and ideals which we cherish are at stake. And, because I still have faith in the moral solvency of what remains of free Europe, I am willing to place arms in their hands to defend freedom.

I am moved by some of the things that my friends, the gentleman from Pennsylvania [Mr. RICH], the gentlewoman from New York [Mrs. ST. GEORGE], and others say when they speak of our love of peace and urge that this is inconsistent with that attitude. Yet, I believe there is a moral basis for what we are doing in arming these nations and implementing the Atlantic Pact. For there are things we love more than peace. We love freedom more than peace and we love justice more than peace. While this sounds rather abstract I hope it is not unrelated

to the whole issue. The question is whether or not we believe in these values enough to exert force when they are threatened. We have to be tough sometimes, and this is one of those times when peace-loving people have to be firm even though it involves us more in the unwarranted charges of threatening peace. It is because we do love liberty and justice that we would arm those who we believe share our devotion to the free way of life—those who constitute the first defense against aggression.

One thing that gives me concern is the amendment by my friend, the gentleman from South Carolina, for I do not want our action to be ineffectual. But I am convinced, upon reflection, that his amendment is a good one and I am going to support it. I do it, trusting not my own opinions so much as I do his and the opinions of the gentleman from Minnesota [Mr. JUDD], and the gentleman from Ohio [Mr. VORYS], and the gentleman from Texas [Mr. BURLESON]. While I deeply respect those committee members who differ with them, it seems to me that the four gentlemen I mentioned have brought us a well-considered minority report and that we can still do the thing that we set out to do under the Atlantic Pact. In authorizing less than the full amount, the Congress would indicate to the pact members that we expect them to exert themselves more vigorously in developing a unified defense of their interests and ours. That is the crux of the whole problem.

If I did not believe in the moral solvency of free Europe, as I said, and in their will to resist aggression, I would not believe in giving them anything. But under the Richards amendment there would be the assurance that if the western European nations do make progress in coordinating their activities and achieving a greater degree of unity in this interim period, next year we will be prepared to provide more substantial aid. Is that not the spirit of the Richards amendment? Without a high degree of cooperation we would dissipate resources.

Mr. TACKETT. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield.

Mr. TACKETT. If Russia were doing exactly what we are doing, and if Russia were over here arming our neighbors, would you think they were making preparations for defense or for war?

Mr. HAYS of Arkansas. The gentleman knows I respect his views, but it is impossible to draw sound conclusions from that analogy. Our purposes are obviously so different from Russia's. I wish it were possible for us, by merely declaring our peaceful purposes, to induce Russia to cease aggressions. I can only hope that as we arm ourselves and assist those who are our natural allies, if aggression spreads over the rest of the world, I can only hope that we will be prepared to defeat such aggression. I am not condemning the Russian people; they are victims. The thing I condemn is the spirit of aggression and the cruel ideas which overtook them.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield.

Mr. COX. I wonder if gentlemen who are opposing this bill find nothing in what Russia has done or is doing which indicates a will to overrun and sovietize the entire world.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield.

Mr. VORYS. If the United States were gobbling up its neighbors the way Russia is, and if Russia then intervened to save the world for freedom—that is, if the situation were reversed, I would say that Russia under such circumstances would be helping the cause of world freedom.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. JUDD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, first, may I comment on the attempt just made to draw an analogy between what we are doing in Europe under this bill and what Russia would be doing if she were sending arms to our Latin-American neighbors. The analogy simply will not stand up. If we were going into European countries against their will, subverting their governments, imposing our will, establishing a police state, and so forth, then they would have a right to accuse us of threatening their security. But the United States is going into those countries at their urgent request, to rescue them from the great threat they face. It is not a threat to anyone.

If, on the other hand, we were subjugating and imposing our will on Mexico, Canada, or various Latin-American countries, then Russia would be justified in measures like this to assist those countries build up their defense against our threat. There is no valid analogy between the two situations as the attempt has been made to give us the impression there is.

Mr. Chairman, I think no one who has been in Congress the last two or three terms will accuse me of trying to wreck any foreign-assistance program. I suspect some of you may have been threatened with apoplexy when you read that from the beginning of these hearings I have questioned the wisdom of making this authorization all in one lump sum, before a plan had been agreed upon as to just how the money is to be used. This is the first time I have ever voted to cut one cent from a foreign-aid program. Several times in committee in the past it has been my vote, against that of other members of my own party and for the administration's position which has prevented cuts in previous programs. So I think I am in a somewhat unique position when I come to you in favor of the amendment of my friend from South Carolina [Mr. RICHARDS].

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield.

Mr. HARRIS. The gentleman is very familiar with our foreign policy, having given it serious study over a long period of time. I respect his views and certainly the thorough study he has given the question. The gentleman heard the testimony in this matter—$1,450,000,000 must have been arrived at in some manner.

Mr. JUDD. That is right.

Mr. HARRIS. Could the gentleman tell the membership how that was arrived at?

Mr. JUDD. I wish I could, but I am not permitted to.

Mr. HARRIS. Will the gentleman answer this question, then? Did the committee receive information, confidential or otherwise, that $1,450,000,000 was the minimum requirement under a plan that has already been entered into?

Mr. JUDD. No. We did not receive such testimony. First, no plan has already been entered into. That is the reason why we should not go the whole way until one has been developed and agreed upon. Second, there obviously could be no minimum requirements. The bill includes the amounts the Military Establishment proposes as desirable, but those before us did not say this is absolutely essential to our security. They said if this program meant cutting a dollar from our own defense budget, they themselves would oppose it. They said it is like taking out insurance. They do not expect any attack in Europe in the next year. It is not an emergency. It is not believed that Russia has any early designs on western Europe, but that if they should have any such plans it would be advantageous, of course, for us to have built up western European armaments and presumably its defensive strength. That is as far as our witnesses ever went.

Hence there is no minimum program which to go below would wreck. It would delay the full program, and that is all. And that is what I think ought to be done. Delay the full program until we know that they are willing to do the things together that are as necessary for the program's success as it is for us to make our contributions.

Mr. HARRIS. Will the gentleman yield further?

Mr. JUDD. I yield.

Mr. HARRIS. Is it the position of the gentleman and others who signed the minority report, that you want to give, say, $500,000,000 for 1 year, and then see if the other countries will aid in carrying out their plan and responsibility, and, if not, then say, "Kick the whole thing overboard"?

Mr. JUDD. That is right.

Mr. HARRIS. Is that not a very dangerous policy to pursue?

Mr. JUDD. No. Because if they will not do their part, the aid we give will only weaken us and not strengthen them adequately. I am prepared to raise the amount next year even above present requests if it is shown they are doing a good job. I do not say this amendment will save the United States a dollar of money in the end. That is not the reason I am supporting the cut. I hope and pray that they will do such a good job that we should spend the full amount next year, and perhaps more, as the best way to help our own security. The reason I support this amendment is because I am convinced that it is in the interest of the program and not against the program. One hears all the time an unfounded opinion expressed around here that to cut some portion of a program will

wreck it. There are occasions when to cut down the amount that you give to people who have been compelled to live on bounty for too long a time is a service to them and not a disservice. If I thought that this cut would harm rather than help European security, and by that, American security, I would vote against the cut. I am for the principle of the program as I was for the principle of ERP. I think developments show that we hurt rather than helped that program and the cause of European recovery when we voted our whole contribution before others had developed the unity necessary for the success of the program.

Mr. ROOSEVELT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I wish for a moment to discuss the question of European cooperation. This subject divides itself into two phases, one military, the other economic. The gentleman from Minnesota [Mr. JUDD] knows, as I do, that the military organization of Europe is well under way. Had he listened, as I am sure he did, to the gentlewoman from California [Mrs. DOUGLAS] he would have heard General Marshall's testimony repeated, in which General Marshall said that he was surprised by the rapidity with which the European nations were getting together, especially the western union nations, in a unified military plan.

The other real problem of unity in Europe is an economic one, one concerned particularly with tariff barriers. I submit that for us to sit down here and cut a military-aid program in order to force them to get together in reducing the tariff barriers is the wrong approach. We should have cut down ECA; in fact, I think we did cut down ECA. I was not here when the hearings were held on that bill, but ECA is the right method by which to approach and to force economic unity of the western European nations, not the military-aid program.

One of the other major arguments against this bill is that we are being imperialistic by sending military aid to the western free European nations, and the parallel is drawn of Russia coming over here to Mexico or Central America. Mr. Chairman, we have never started wars; but when attacked we have fought defensive wars to defend the freedom of the world. Mr. Chairman, we have not invaded South America; we have not taken over Mexico; we are not a dictatorship. Today the imperialism and the aggression in the world come from one source only, a dictatorial source; it comes both by armed force and by infiltration, and it comes from Russia.

Mr. Chairman, this program is not a warlike move; this is a move to prevent war by helping the western free countries at least to have some confidence in their own defense, living under the shadow of the great bear in the East. I have been in Europe twice in the last 8 months, and I can assure you that we sitting here in the United States can with but difficulty appreciate and understand the fear that is in the heart of every western European citizen, the fear of invasion, the fear of being taken over by infiltration from within.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. In 1 minute. I cannot yield until I complete this other point.

I oppose all these amendments which cut down this aid program.

I want to remind you of the failure to reinforce Guam in 1938. If we had built up Guam, the Pacific situation might have been different.

I want to remind you of the passage of the Selective Service Act in September 1941, only 3 months before Pearl Harbor, when many of us here were on active duty in the armed forces already. That act was passed by one vote in the House of Representatives.

Mr. Chairman, it is all too easy to proceed with too great caution. This last war cost us in the neighborhood of $330,000,000,000 in 4 years. If we should spend $1,500,000,000 a year for the next 220 years we would have spent just what we spent in the last war. However, I do not feel that we will have to spend this money for the next 220 years, for Russia will soon learn that the free peoples of the world do not want to be communized and dictated to from Moscow, and that we, the free peoples of the world, although we will never wage aggressive war, will forever remain determined and prepared to defend our freedom and our way of life. When Russia has learned this, she will then join the other peaceful nations of the world in solving our international problems through peaceful means and reducing the armaments of the world by international agreements guaranteed by international inspection.

Mrs. DOUGLAS. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. I yield to the gentlewoman from California.

Mrs. DOUGLAS. I asked General Bradley:

> Do you feel that this military program is basic to any final plan to be worked out for Europe?
>
> General BRADLEY. I think it will contribute to it. All of the equipment provided in here will fit certainly for any plans of defense set up. You will notice that two-thirds or three-fourths of it have already been worked out in consonance with the plan.

Mr. ROOSEVELT. I thank the gentlewoman from California.

Mr. WILSON of Indiana. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. I yield to the gentleman from Indiana.

Mr. WILSON of Indiana. The gentleman has referred to an act which passed the House by one vote. I recall very distinctly that that argument along with many others was presented to the effect that it will keep us out of war. Yes, we passed the Selective Service Act, we passed the Lend-Lease Act, we passed all of those measures which kept us out of war. Now the gentleman says if we pass this one it may keep us out of war.

Mr. ROOSEVELT. I simply say in response to that if we had not had the selective service we might have lost the last war.

These gentlemen who are here attempting to cut down this program are, in effect, stating that their military judgment is superior to that of our trained military leaders, men who, in the last war, proved that they were the greatest military leaders in the history of the world. Men like General Marshall and General Bradley have testified before the committees of the Congress that this program, if it is to be effective, must not be whittled down. They have termed this a minimum program. I prefer to trust the military judgment of Generals Marshall and Bradley than the military estimates of my colleagues in the House of Representatives.

One last point. On my recent trips to Europe, I became very much aware of an underlying fear among our friends in the free countries of western Europe. I was often asked how long will America stick by its international bipartisan foreign policy and how soon will America revert to its old isolationism. Gentlemen, if we cut this program in half today, we will be striking fear and doubt into the hearts of our valiant friends who are so courageously striving against economic chaos and communism and to restore peaceful stability and freedom to their countries.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. CUNNINGHAM. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, this has been a hard decision for me to make but I have resolved it to my own satisfaction. A great American once said, and I shall endeavor to quote him exactly: "Our country, may she always be in the right, but our country right or wrong."

I believe it was Stephen Decatur who made that statement.

I can extend that to the foreign policy of the United States in the following statement: "Our foreign policy, may it always be the right foreign policy, but our foreign policy, right or wrong."

The United States has become a signatory to the North Atlantic Pact. It is now one of its members. Therefore, our participation in the North Atlantic Pact is a part of our foreign policy. This House had nothing to do with that, of course. Under the Constitution that rested with others. But we have every right to assume that the Members of the other body as well as the State Department and the President did what they believed to be the right thing for America when they took us into that Atlantic Pact. We have no right to question their sincerity. Therefore it is now a part of our foreign policy.

We cannot have two foreign policies, nor can we have a divided foreign policy any more than we can have a divided America or two different parts of our country set-up. We must be all-out for our foreign policy if we wish to protect America, whether it be right or wrong, and I am not saying whether it is right or wrong. However, it is our foreign policy, therefore it is our duty to support it.

I can think of nothing that would lend greater comfort to the enemies or the potential enemies of America than to see us have a divided foreign policy, having one of our groups going one way and another a different way. I am a Scotchman by descent and I do not like to spend money any more than anyone else.

It hurts me to see a dollar unnecessarily wasted. But I cannot think of dollars when the welfare of my country is at stake and I associate the welfare of my country with the foreign policy established by my own country, whether that foreign policy be right or wrong.

However, I see nothing in the Richards amendment that is contrary to this foreigng policy or that would be a division of the foreign policy. By adopting the Richards amendment we can go full steam ahead with that foreign policy already adopted and support it in the best interests of America.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. CUNNINGHAM. I yield to the gentleman from Pennsylvania.

Mr. RICH. How many times in the last 6 or 8 years have we changed our foreign policy?

Mr. CUNNINGHAM. I do not know, but that has nothing to do with this matter because this is a part of our foreign policy today. We cannot have two foreign policies in our country at the same time if we want to survive.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. CUNNINGHAM. I yield to the gentleman from Minnesota.

Mr. JUDD. Is it not true that the philosophy of the Richards amendment is not to proceed with caution or with parsimoniousness or by economy but to proceed with wisdom along the course that is necessary if the program is to succeed?

Mr. CUNNINGHAM. Exactly.

Mr. JUDD. We are trying to keep some control so that it is possible to make sure to the maximum degree that it will succeed.

Mr. CUNNINGHAM. Exactly, and in full support of our foreign policy.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. CUNNINGHAM. I yield to the gentleman from Pennsylvania.

Mr. RICH. In the last 6 or 8 years we have started out with no less than half a dozen different foreign policies, and every time you take one up you follow that with a second and a third one, and you run up against a lot of difficulties and things we have already done, like the United Nations. Are you going to try to compare that with this legislation?

Mr. CUNNINGHAM. I am not going to, but we now have but one foreign policy, and until that foreign policy is changed by the Government, which has the right by the Constitution to change it, there is only one thing for us to do in the best interest of America.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. CUNNINGHAM. I yield to the gentleman from Tennessee.

Mr. JENNINGS. This is implementing a pact with force. The United Nations has not got as much as a constable or a deputy sheriff or a pop gun.

Mr. CUNNINGHAM. What would the United States look like if, when our proper authorities had made us a part of the pact, we did not back it up as we are supposed to do under that pact?

Mr. KUNKEL. Mr. Chairman, will the gentleman yield?

Mr. CUNNINGHAM. I yield to the gentleman from Pennsylvania.

Mr. KUNKEL. Do we not already have at least two foreign policies; one in the east and one in the west?

Mr. CUNNINGHAM. I hope we do not, but at least we ought to be headed in one way.

Mr. WHITE of California. Mr. Chairman, will the gentleman yield?

Mr. CUNNINGHAM. I yield to the gentleman from California.

Mr. WHITE of California. The gentleman says that he would follow the foreign policy that has been set down. As a matter of fact, is it not our duty to formulate the foreign policy, and is that not what we should be doing now?

Mr. CUNNINGHAM. No; it is not the duty of the House of Representatives. It is the duty of the Senate, and the State Department, and the President, under the Constitution.

Mr. WHITE of California. We do part of the job, though.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. KEE. Mr. Chairman, I ask unanimous consent that all debate on the pending amendments and all amendments thereto close in 1 hour.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. KEE. Mr. Chairman, I would like to amend that to have the last 5 minutes for the committee.

Mr. WILSON of Indiana. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. WILSON of Indiana. There were a certain number of us on our feet when the unanimous-consent request was propounded. After the time was limited, about twice as many people got on their feet to be recognized.

The CHAIRMAN. The Chair is endeavoring to ascertain those Members who desire to speak, and has no disposition to violate any rights of freedom of speech.

Mr. WILSON of Indiana. Further pressing my point of order, is it in order after the time is limited for others to get the time that we have reserved for ourselves? I would like to object under the present situation.

The CHAIRMAN. Permit the Chair to answer the gentleman. If the gentleman from Indiana will ascertain and indicate to the Chair the names of the Members who were not standing at the time the unanimous-consent request was agreed to, the gentleman will render a great service to the Chair in determining how to answer the gentleman.

Mr. RICH. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. RICH. That is not the duty of the gentleman from Indiana. That is the duty of the Clerk.

The CHAIRMAN. The gentleman from Pennsylvania and the Chair both understand that, but apparently all Members do not. The Chair is endeavoring to do the best he can to ascertain those who desire to speak under this limitation of time. Now permit the Chair to ascertain that.

Mr. HOFFMAN of Michigan. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN of Michigan. Will the Chair, with the assistance of the Clerk, advise me how many Members have asked for time, and how much time each Member will be allotted?

The CHAIRMAN. Each of the Members whose names appear on the list will be recognized for 2 minutes, there being 30 Members on their feet at the time and debate having been limited to 1 hour.

Mr. WHITE of California. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WHITE of California. Is it in order to move that the time be extended, in view of the fact that so many Members have requested time?

The CHAIRMAN. It would now require unanimous consent, in view of the fact that debate has been limited.

Mr. WHITE of California. Mr. Chairman, I ask unanimous consent, in view of the fact that so many Members have requested time and that debate has been limited to such a short time for each speaker, that the time be extended to 2 hours.

Mr. KEE. Mr. Chairman, we have already announced fully the reasons why debate should be limited to 1 hour on the pending amendments. In 2 minutes each Member can very well express his position on the question of the amount. I am constrained to object.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Chairman, where is the United Nations, where is the Bretton-Woods agreement, where is the Yalta agreement, where is the Dumbarton Oaks Conference, where is the $92,000,000,000 we have spent already in European aid, Marshall plan, ERP, and so forth, arming, children's aid, and displaced persons, and so forth. All aid for other countries.

Let me read briefly from a letter that came to me recently:

> As I see it, we have no right to pass a huge debt on to future generations who have no voice in the matter. They may have even more serious problems requiring a large sum of money.
>
> Billions in money and materials have already been given away. It is doubtful that we have any more friends. Experience teaches that it is hard to stop a program once started. Europe will forever be looking for a hand-out, and when not forthcoming, friendship ceases.
>
> To the wreckers of this great country I can only say, remember the great Solomon Empire (1st Kings), the great Babylonian Empire, the Netherlands Empire, the Napoleonic Empire, the Roman Empire, the Spanish Empire, and lately the British Empire. Where are they today? And to think there are men in Washington who try to make believe this country is so rich with unlimited resources that we will be at the top forever.

Where have these empires gone? Where are you taking America? We

thought we had a great, honorable country, one that we loved, one that we cherished and supported. But I say to you, if there ever was a time when you were giving this country away, you are doing it now in trying to arm countries in the name of peace. It is anything but sound, wise, and sensible. I think you ought to consider more carefully than you are the fact that we are entering upon something now that is only going to kill the United Nations. How many years we have stood here glowing over the fact that we were trying to make a world order out of the United Nations. Instead of strengthening the UN you kill it. I say the President, the Foreign Affairs Committee, and the State Department do not know what they are doing, they have more ideas than a dog has fleas, they are changing their course all the time. Let us review them all and do it soon to save America.

Here you are trying to burden our country under an arms agreement that is going to last 20 years and you are only getting our country into war more deeply as every day goes by and you do it in the name of peace.

Oh, wake up, America, and change our course before we have a great bust.

America is in terrible danger. Keep ourselves strong, sound, and solvent. Keep our noses out of other people's business and look after America. Do as George Washington advised us, Keep out of foreign entanglements.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. NICHOLSON].

Mr. NICHOLSON. Mr. Chairman, I am going to vote to cut this in half. I am going to vote against the whole proposition because I do not believe that we should declare war on anyone. There has been a great deal said about the Atlantic Pact. We have put our Nation in a position where, if anybody attacks one of these European countries, we again are going to have our children slaughtered and pay the bills of the war as well as the bills of the wars to come. Mr. Chairman, I think it might be well for some of the Members of Congress to go home and talk to their people on the streets and ask them if they want their children to be slaughtered as they were in the last war.

Mr. MORRIS. Mr. Chairman, will the gentleman yield?

Mr. NICHOLSON. I yield.

Mr. MORRIS. Will we not by passing this legislation permit some trigger-happy ruler of a foreign nation to declare war for us instead of declaring war by congressional action should the need ever arise?

Mr. NICHOLSON. There is always that possibility. The history of Europe, way back to the days of Rome, has been fighting—fighting amongst themselves or fighting each other. That is the history of Europe. All we are doing here, Mr. Chairman, is what the gentleman from Ohio [Mr. VORYS] said—giving them arms so that they will have the will to fight. They will have the will to fight as long as the United States backs them up.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. MARTIN].

Mr. LEMKE. Mr. Chairman, will the gentleman yied.

Mr. MARTIN of Iowa. I yield to the gentleman from North Dakota.

Mr. LEMKE. Mr. Chairman, I ask unanimous consent to yield my time to the gentleman from Iowa [Mr. MARTIN] and further ask unanimous consent to extend my remarks in the RECORD at the conclusion of the gentleman's remarks.

The CHAIRMAN. Is there objection to the requests of the gentleman from North Dakota?

There was no objection.

Mr. MARTIN of Iowa. Mr. Chairman, it is going to be rather hard to boil down some 35 years of experience and study of national defense to discuss this in so brief a time as we have available today. I deeply appreciate the generosity of the gentleman from North Dakota in giving me his allowance of time. I regret deeply that there is one factor of great importance that should be considered here, namely, that military problems and policies involved here were not referred to the Committee on Armed Services at any time. Those problems and policies are matters with which the Committee on Armed Services is especially familiar. I spent 8 years on that committee. I am not on the committee now, so I think I can say, without personally boasting, that the Committee on Armed Services should have had a chance to review some of the problems that you are trying to solve here, from a military point of view. I placed in the RECORD of yesterday, and you will find it there, some statements by competent authorities on the subject. If you want your hair to curl a little bit, just read the statements I placed in the RECORD. They are authentic releases by General Bradley himself and the National Security Organization Task Force of the Commission on Organization of the Executive Branch of Government. The statements will be found on pages 11685–11686.

There you can read that the Army today states it has matériel sufficient to equip only 18 divisions, and then you can read General Bradley's statement wherein he says:

> Contrary to popular belief, the Army does not have sufficient balanced stocks of weapons and other equipment to tide us through industrial conversion in the event of another war.

And that it would take us a year to mobilize our industrial know-how and facilities to produce what we might need.

I think we should give the Armed Services Committee a chance to look over this program and to weigh it out.

Listen to this. This is a statement reported as having been made by an Army official in a news article reporting proceedings of the American Ordnance Association in Detroit. I quote from the Washington Evening Star of June 11, 1948:

> By being unbalanced we mean, for instance, that we have sufficient artillery but no prime movers to pull that artillery. Similarly, we have plenty of antiaircraft guns, but no modern fire-control equipment.

Please understand that fire-control equipment does not relate to a city fire department.

> We have weapons of great technological advances and design, but no ammunition for the use of this equipment in either training or in combat. Examples of this type of unbalance are manifold and these are but a few pertinent examples.

Now many proponents of adequate national defense are trying to get a 70-group air force, and because of the great expense involved Congress has found it necessary, thus far, to deny our Nation that force that is so important in the defense of our land. Here you go along and shovel out billions, and nobody has told me yet what the end is going to be in this march of dishing out our equipment to all lands. There is nothing more devastating to the morale of the armed services than to see a general leap on his horse and ride off in all directions. There is nothing more devastating to morale than to know that you do not have the weapons that you need. There is nothing more devastating than to know that you do not have concentrated reserve forces to support your attack. Every commander knows that he should never employ all of his reserves unless there is a complete, final decision in the immediate offing. Once you scatter your reserves before such final test is imminent you become extremely vulnerable and subject to untimely exhaustion. Under present world conditions you would be yielding yourselves to the very plan that Russia would like to have you follow. There is nothing more dangerous to your own position and strength than to scatter your substance to the four winds. I have given you proof, if you will just read the statement I placed in the RECORD yesterday. Those are authentic statements. Please stop, look, and listen before marching squarely into the jaws of total defense impotency and total unpreparedness for our own land.

I vigorously oppose sending this military matériel to other nations until we have had the opportunity to secure the study analysis and the views of our Committee on Armed Services of the impact of the program covered in the bill, H. R. 5895, now under our consideration.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. LEMKE. Mr. Chairman, I am against this bill—a bill for foreign military assistance. I expect to vote for all crippling amendments and then against the cripple. This bill is an illegitimate child. It has neither an American father or mother. It is an imported creature borne in the fertile brains of the internationalists—the war profiteers. Its father is Mars, the Roman god of war. Its mother is Minerva, the goddess of war. If we pass this illegitimate offspring, it means world war III.

I am amazed and astonished that some of my friends, who know as well as I do what they are about to do, try to ease their conscience by saying that we are in it and we have to go through with it. A few of these friends were honest enough to admit that this is an act of war. Others say that it is an established policy and that we must blindly accept that policy, right or wrong.

That is the height of folly. Surely no Member of this House is so spineless as to say that he must blindly follow blind

leadership. To do so, knowing that it is national suicide—knowing that in the end it will destroy our Nation—is a betrayal of the people who elected us.

Such arguments are not the arguments upon which this great Nation of ours was established. Such lack of courage would never have given birth to this Nation. The Tories would then have been successful and the United States of America would never have been born.

Our foreign policy is not the prerogative of the President and the Senate. Our foreign policy belongs to all the people of this Nation. It belongs to every man and woman who stands under the Stars and Stripes. It is the responsibility of every Member of this House as much as it is the responsibility of the President and every Senator.

I repeat that the time has come to do our duty and stop blindly following blind leadership. The time has come for each and every individual Member of this House to vote his honest convictions. This is not a partisan issue. This is an issue that affects every man and woman and unborn generations. It is the individual problem of each and every one of us. Clear your conscience and vote "no" on the final passage of this bill.

The argument that it is not the responsibility of this House to express its honest convictions on our foreign policy is absurd. The argument that we are in it and must go through with it is equally absurd. Such erroneous reasoning cannot be justified. Neither is it fundamentally correct. It is never too late to stop blindly following an evil road—a road that leads to hell and war—a road that will destroy us as a Nation.

It is never too late to get back on the straight and narrow path—the path that made this Nation the most powerful on earth. It is never too late to protect this Nation from the folly and the confusion that we have been wallowing in for the past 17 years.

Suppose that those who advocate going through with it because we are in it, should happen to find themselves in bad company—in the company of desperadoes. Would they be justified in saying that they would have to go through with it because they were in it? I am sure that no Member of this House would feel justified with such a lame excuse.

The time has come for us to be intellectually honest with ourselves. If you feel that you are in bad company—the one worlders—that your course is wrong, then get out of that company, change your course, defend the America that you and I know, and part company with the internationalists that are heading us for world war III.

If you have been an innocent victim and have helped to bring about this dangerous situation, then have the courage to correct your mistake and acknowledge your error publicly. Let the world know that you have seen the light. You owe this to yourself as well as to your Nation.

It is never too late for any of us to correct mistakes. We have all made them. It is no crime to err. That is but human. However, it is wrong to continue in error when you know you are wrong.

It is never too late to be intellectually honest with ourselves and with our Nation. Let us wash our hands of all foreign entanglements and intrigue—of this ignorant foreign policy of trying to rule the world.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. McDONOUGH].

Mr. McDONOUGH. Mr. Chairman, I recognize this is perhaps one of the most important and vital questions that the Congress will have to pass on during this session. It is serious with me. I favor the cut, but I doubt the wisdom of the whole plan. An event has occurred within the past 24 hours that we should think seriously about. The State Department has granted a permit to Tito, the communistic dictator of Yugoslavia, to obtain a steel mill from the United States. Am I presuming too much when I say that the State Department, through this action, is making this arms pact necessary? That by giving Tito the right to obtain an American-made steel mill, which can be converted into an arms and munitions production plant, that this arms pact will then become not only necessary now but more necessary in future years.

I think that Tito, the Communist dictator, is the most dangerous man in the world next to Stalin. Here we are taking a communistic sinner, Tito, and trying to make him into a democratic saint. It was Tito that only three short years ago shot down our planes and killed our American flyers, and we are saying to him through our State Department, we think you have reformed, we think you have broken with Stalin.

You can have a permit to obtain an American-made steel mill because we think you are breaking the iron curtain for us.

Are we so naive as that? I think we ought to give a lot of thought to what that means in connection with the granting of funds to arm western Europe, because we will have to use the funds if Tito uses this steel mill to make munitions. And we have no control nor assurance that he will not. Is the State Department, by granting a permit for a steel plant in Yugoslavia, making the arms program necessary now and in the future?

We do not know if they are going to use it to make munitions or not. Are we trying to make a democratic saint out of the Communist sinner Tito? Can we so quickly forget that it was only a short time ago that Tito was shooting down our American planes and our flyers after World War II was over?

Tito is playing Stalin's tune and we are dancing to it.

Tito is the most dangerous man in the world and we are being made to look like puppets by playing along with him.

The State Department now appears sold on what it calls the "reformation of Tito." Only time will tell how honest a reformation this is. If the State Department is wrong we may regret this action which now allows the Yugoslavs an American made steel plant which can be used to produce arms and munitions which may be fired against our own men in the event of world war III, which God forbid.

Are we not wise enough to see that the approval of the steel mill for Tito is just a clever plan to make this arms pact, this military aid necessary.

The administration must do everything it can to justify its program even if it is wrong.

Let us not be deceived by this clever plan. Let us mind our own business.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. WHITE].

Mr. WHITE of California. Mr. Chairman, one of the gentlemen arguing for the dishing out of this military equipment to Europe today made the point that a military program without the economic would be futile, and the economic without the military would be futile. I think the gentleman is exactly correct. Let me emphasize the fact that you cannot fight communism with bullets and dollars; you have got to fight it with a better system. Sending this money and military equipment over there would just hold the thing off temporarily, because the same cause will always produce the same effect. I am not a military expert, but I have spent my life studying economic conditions, and I tell you that you cannot prevent a depression in Europe; you cannot even prevent one in this country unless you take certain measures that are being advocated at this time. But we know they cannot take these measures in Europe because they cannot raise enough food and fiber to feed and clothe their people over there, particularly in England. So a depression is coming over there and when you have a depression you have a fertile field for communism. I do not care how much armament you send over there, it may finally be used against us. I hope you remember that in years to come. So I say, Mr. Chairman, I am against this bill. If you want to arm anybody, arm our own country, as the distinguished gentleman from Texas [Mr. KILDAY] said; put the arms over here where we will know they will be used by our own people for our own defense. Do not forget what occurred in the First and Second World Wars when in each we had different sets of allies. That same thing might happen again.

I am against this bill to give a billion and a half dollars worth of arms to people who can be swayed either way in future years by subsequent economic trends.

The CHAIRMAN. The Chair recognizes the gentleman from Nebraska [Mr. O'SULLIVAN].

Mr. O'SULLIVAN. Mr. Chairman, I am heartily in favor of this bill, H. R. 5895, in its entirety and shall oppose all amendments thereto.

After having listened yesterday to the splendid argument of the gentleman from Pennsylvania [Mr. FULTON] and his explanation of the various factual charts he presented to us, I am at a loss to understand how any Member of this body could fail to be for this very necessary legislation.

The plea has been made that the legislation is not a brotherly act toward Russia and will provoke ill will and probably eventual war with Russia just the

same as any attempt by Russia to arm our unfriendly neighboring countries, if we ever had such, would cause ill will and probable war on our part. This argument is not sound because we, the United States of America, have not armed ourselves to the teeth and set up the largest peace army the world has ever known as Russia has done. Neither have we previously forcibly swallowed up independent nations and carried on world-wide infiltration methods and propaganda endeavors to press our form of government on a morally rebellious people as Russia has done and continues to do. This bill is neither insane nor crazy as one of our perhaps misguided Members proclaimed, but on the contrary, it is the best persuader I know of, just as persuasive as my old friend Zach Bardwell's two holstered six-shooters were in Kansas when I was a boy. I looked at his flashy armament in amazement. I observed that the ends of the holsters were open; that the points of the gun by a swivel arrangement could be directed forward toward a would-be attacker without the guns being removed from the holsters; that the holsters around the trigger guards were trimmed away so as to give easy access to the triggers of the double-action Colt revolvers; and that old Zach had made every preparation to shoot from the hips out of the holsters. I then asked Zach, "Are you fixing to kill somebody?" With a broad smile on his face he said that he did not carry them to kill or harm or terrorize anyone but that he carried them because they were the two best persuaders he had ever known. I say this program is a fine persuader to Russia and its ignoble leadership. The shotgun or rifle behind the door or the revolver or pistol in the holster, as every pioneer westerner well knows, sometimes is the greatest persuader for peace in the world. To be fore-armed has never been held to be bad military judgment and to fore-arm your ally and friend likewise is not bad military judgment.

My colleague, the gentleman from California [Mr. WHITE], with whom I have previously talked this matter over, is of the opinion that the legislation which we are now considering does not follow the Zack Bardwell theory that a ready weapon in the hands of the weaker person is conducive to peace rather than hostility, and offers the observation that this legislation would amount to putting your own gun under your far-away neighbor's bed. With that conclusion I cannot agree. This legislation in reality, contemplates that we give not our own weapon away but that we give a gun, or our surplus gun to our hard-pressed, fear-stricken neighbor who is in grave danger of an attack from a brutish, conscienceless, enslaving, liberty-destroying, religion-effacing, bloodthirsty demon, parading as a human being. What such an entity may or will think about this legislation is of very little concern to me. In fact, I hope Russia and its brutal ruling clique does not like it at all. I shall take my stand always directly opposite to this show of devilish force and never knowingly do anything to please "It" and I use "It" in this reference advisedly, because "It" is the neuter gender of all morality, decency, and humanity. What the monster Russia, and antichrist Stalin, and his equally unholy ilk want, I am irrevocably against, until Russia, as a government, becomes human or is a bad memory only, and Stalin and his demon-possessed gang are either dead or reformed by proper exorcisms.

This is a real and necessary defensive measure for the United States of America and it will help other presently decent-thinking nations to defend themselves also against the coming Russian onslaught, if that is what Russia, in its insane folly, is preparing for.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN of Michigan. Mr. Chairman, in the 2 minutes granted me it is impossible to answer the gentleman from New York [Mr. ROOSEVELT], to whom I just listened with a great deal of interest as he told us that our security, our national existence, were now threatened by a great, powerful, imperialistic nation, Russia.

May I ask where was the gentleman from New York [Mr. ROOSEVELT] around 1933, when Russia, by the New Deal administration, was taken out of its swaddling clothes? Where was the gentleman, and what criticism did he have to make when those in Russia were murdering other Russians? Where was he when Russia, an outcast in the family of nations, was, by the then New Deal administration, readmitted as one of the family of nations? When the attempt was made to cloak Russia with a mantle of respectability, where was the gentleman from New York, and what protest did he make when Russia, the outcast, the weak and the powerless, was, through their policies, built up into this great, warlike, imperialistic nation which he now seems to feel will not only destroy us but the rest of the world as well?

The words of the song which I now hear him sing from the floor of this House are the same which we heard just prior to World War II. They are the same as those which we have been hearing since the war was over, though the music is that of Mr. Truman.

Some think, and some have charged, that World War II was planned to save, and did save, the New Deal from political defeat. I cannot subscribe to that thought, for I cannot believe that any American would be so lacking in Christianity that he would maneuver us into a war to further the interests of any political party.

And again, it is being charged that the present administration is following a similar course. Whatever may be the intent of the present administration, it is apparent that the course it is following, as its natural result, will involve us in world war III.

If the gentleman from New York [Mr. ROOSEVELT] fears Russia today because it is an imperialistic nation, where was he, I ask, and what did he do when the administration was formulating our policies in conferences at Tehran, Yalta, and Potsdam, each of which added to Russia's power, strengthened her international position?

In its international policies the country followed the internationalists, the one-worlders, others who are willing to surrender a part of our national sovereignty. And what has been the result? Our young men fought and won a war. Ever since, we have been pouring out billions of dollars, doing things which make a third world war almost inevitable. Now it is proposed to dump additional billions of supplies and munitions of war into the front yard adjoining the Russian frontier, where, if war comes, we will find our fighting men on the receiving end of the destructive weapons which we now ship abroad.

The gentleman from Iowa [Mr. MARTIN] yesterday and again today, pointed out the utter folly of distributing our means of defense all over the world, thus making ourselves vulnerable to attack. The advice of the internationalists, of those who formulated our bipartisan foreign policy, has made our present condition worse than it otherwise would have been. Their policies have weakened us, have made war more certain. If they do not end in disaster, it will only be because the good Lord fights on our side.

I have faith in the courage, the endurance, of our people sufficient to make me believe that if we will arm for defense, cease bleeding ourselves white, quit mixing in the internal affairs of other nations, we will be in no danger from any other power or combination of powers.

Who got us into this situation? I can go along with the gentleman from Iowa [Mr. CUNNINGHAM], whom I admire so greatly, whose judgment I respect, in believing that a foreign policy, once established, should be followed; but I cannot go along with a policy similar to that which has existed heretofore that got us into World War I, that got us into World War II, and which is bound to get us into world war III. I cannot go along, I say, with a policy which is a proven failure; which I honestly and sincerely believe will bring us to the end of our existence as a nation.

We are spreading out too much all over the world. We are mixing into everyone's quarrel. This policy would commit us to fight in every war into which any one of the 11 bankrupt and sometimes quarrelsome nations might plunge us.

In the Appendix to the RECORD, as an extension of my remarks, I include the broadcasts of Walter Trohan, chief, Chicago Tribune Washington Bureau, on the Fulton Lewis, Jr., radio program relative to the cost of rearming Europe under the North Atlantic Pact, delivered over the Mutual Broadcasting Co. network August 8 to 17, 1949, as distributed by Women Investors Research Institute, Inc. The first series of these broadcasts were printed in the Appendix of the RECORD by the gentleman from Wisconsin [Mr. SMITH] on August 15 and 17. I include the remainder today.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. TAURIELLO].

Mr. TAURIELLO. Mr. Chairman, I rise in support of the Richards amendment. I feel that this is a common-sense approach to the handling of the arms problem. I do not believe we should

write a blank check and say to those who are going to handle the expenditure of the money: "Here, go out and spend it." I feel if half of the figure we are being asked to vote for here today will take care of us for 1 year, then we should vote for half of the amount requested, and, if necessary, continue the program the following year. Then they can come back to the Congress and ask for more money.

I subscribe to the program of preparedness; I subscribe to the program of helping these friendly nations, but I do not subscribe to the program of spending money in such a way that we do not have any control over it at all. The best evidence that these figures are padded is the fact that the President himself saw fit to cut the amount asked by the Military Establishment from $22,000,000,000 to $15,000,000,000.

Mr. WHITE of California. Mr. Chairman, will the gentleman yield?

Mr. TAURIELLO. I yield to the gentleman from California.

Mr. WHITE of California. I wonder if the gentleman paid attention to one of the Members a moment ago who said that a pistol on the hip was a good persuader. He likened that to the present situation. I submit that what we are doing here is not carrying a pistol on our hip, but we are putting it over under our neighbor's bed and sending arms over there that ought to be kept here.

Mr. TAURIELLO. I think the gentleman from California is correct. We must begin to think in terms of the American taxpayers, who are already overburdened with heavy taxes. They are the ones who should be considered when we are asked to spend billions of dollars.

I maintain that the United States cannot continue in the roll of feeding and arming the entire world. We cannot continue to dissipate our resources without weakening our economic structure to the detriment of our country and our people. I believe in helping these friendly European nations economically and with arms, but I am also of the firm belief we must make our Nation so strong so that no unfriendly nation will dare to attack us. Let us give these European countries who are friendly and members of the Atlantic Pact every possible aid within reason, and I believe the Richards amendment does this. If more moneys are needed in the future to continue this arms program the Congress will always be ready and willing to give it.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. CHATHAM].

Mr. CHATHAM. Mr. Chairman, I do not think it has been brought out here, although it has been published in the newspapers and over the radio, that the political climate in Europe has enormously improved in the last year. A year ago the Italians faced a crisis in that socialism and communism might take over that country. The French were in trouble with the Communists.

Today, mainly through our economic help and the support we have given to Europe, the political climate is much better. There is hope everywhere. Mr. Hoffman has made speech after speech; Mr. Harriman has come back and said that we just cannot realize the improvement in the hope of the people and realize the way they are going to work; we cannot realize what improvement there has been in western Europe.

It has also been testified that communism has been stopped along certain lines. The iron curtain is not open, but we know from many different directions that there is trouble behind the iron curtain. Western Europe is becoming more prosperous, the people are working harder and they are more hopeful. The iron-curtain countries are becoming dissatisfied.

Russia understands facts. A dictatorship understands force. By giving this aid to our western European allies, we further strengthen their right arm and we further strengthen their hopes.

I support completely the committee bill. I think we should have it. Our President has asked us to support it. Our military authorities have asked for it, and I think we should go down the line and build up these nations and do everything we can.

I remember very well, many years ago, a quotation by a minister on Navy day in North Carolina. He quoted the Bible, I quote: "When a strong man, armed, keepeth his palace, his goods are in peace."

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

The Chair recognizes the gentleman from New Jersey [Mr. CANFIELD].

Mr. CANFIELD. Mr. Chairman, the Senate Appropriations Committee recently voted to reduce by $275,000,000 the funds, already voted by this Congress in an appropriation measure signed by the President, for the stock piling of critical or strategic materials our country must have in the event of war. For the life of me, I cannot understand how any such action can be reconciled with the purposes of the bill before us. We are not promoting the defense of America and the liberty-loving peoples of other nations by tampering with these funds. Stock piling is the number one item in any defense program. I cannot believe that the Senate will endorse the action of its committee and again I desire to warn the House that in effecting economies, and many can be right now, we must not gamble in this way.

Mr. Chairman, I ask unanimous consent to yield the balance of my time to the gentleman from New York [Mr. KEATING] when he is recognized to address the House.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. KEATING].

Mr. HESELTON. Mr. Chairman, will the gentleman yield?

Mr. KEATING. I yield to the gentleman from Massachusetts.

Mr. HESELTON. Mr. Chairman, I ask unanimous consent to yield the time assigned to me to the gentleman from New York [Mr. KEATING].

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. KEATING. Mr. Chairman, under the parliamentary situation which we face, it is necessary for me to discuss now an amendment to the Richards amendment which I propose to offer at the appropriate time. I am precluded from doing so now since it is not in order until after the disposition of the Battle amendment. In view of the limitation of debate, however, I shall not have an opportunity to be heard when my amendment is later submitted.

I favor the Richards amendment. I share the view that we should not embark on the extensive program envisioned in this bill until the countries of western Europe agree upon a definite plan and program for a united defense and have demonstrated that they intend to do their full share. Such an agreement, we are told, may be consummated in 90 days. If it comes into being at all, it is bound to be an accomplished fact within 6 months. I am convinced that the authorization embodied in the amendment of the gentleman from South Carolina is entirely adequate to tide over until we see just where we are going and how far.

In my judgment, however, the Richards amendment, commendable as it is, does not sufficiently protect the already overburdened American taxpayers who must foot the bill for this expenditure.

For the words in his amendment, "There is hereby authorized to be appropriated to the President," I propose to substitute "There is hereby authorized to be expended by the President from any moneys appropriated by the National Military Establishment Appropriation Act of 1950." In other words, the purpose of the amendment is to provide that any sums which we here authorize shall be taken from the National Military Establishment budget of nearly $16,000,000,000 rather than be piled on top of that already staggering figure.

The title of the act that we are considering is the "Mutual Defense Assistance Act of 1949." The purposes of the act are stated to be to promote the foreign policy and provide for the defense of the United States. The only basis for supporting this bill at all, is, as stated by the gentleman from Texas [Mr. KILDAY] because it is essential to the defense of our own country.

Our defense expenditures now consume almost 40 percent of our total budget. I yield to no one in the vigor of my advocacy of adequate national defense. Yet surely there is some point dollar-wise beyond which we cannot go. After all, our strongest weapon is a sound and healthy economy.

If, however, our military leaders feel, and it may be the fact, that the best use of the defense dollar can be made by allotting a portion of it for the purpose of arming our friends across the Atlantic, then this bill amended in the manner I suggest would give them the opportunity so to provide.

Our military leaders have said this program is essential for our national defense. If it is better to spend a certain

amount of the armed services' budget for the purposes set forth in this bill than for maintaining some navy yard or some military post in the continental United States or some overseas installation, then this would give the authority to make this decision to those best qualified to do so.

Mr. SMITH of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. KEATING. I yield.

Mr. SMITH of Wisconsin. The military people tell us, and so do the State Department people, that this is an interim program, and there is no saying where it is going to stop. Are we going to stop at the end of this period and say, "This is all you are going to have," or are we going to go on and on and on?

Mr. KEATING. That would be a problem for the future, as I see it. I must say to the gentleman, however, that one reason I propose to support the amendment to reduce the immediate authorization is my conviction, based on the admissions of those in high authority, that this is not yet a thoroughly coordinated program.

The adoption of the amendment I have suggested to the Richards amendment would mean that for the ensuing fiscal year, 1950, any sum allotted for the purposes envisioned in this bill would come out of the national defense establishment appropriation. It seems to me that is a sound approach to this problem. Indeed, any other approach means that we are deceiving the taxpayers of this country and involving those who must foot the bill for additional sums intended to be for our own national defense, but not honestly appropriated and denominated by us as just exactly what they are in fact.

Justification for this bill rests alone in its essentiality for our national security. If such justification be lacking, the entire measure should fall. If it be present, our action here should reflect our recognition of the fact that we are manning our own defenses.

Whatever we do here, whether it be the program handed to us as a bare minimum, or half that program, is of comparatively little military value. Its efficacy, if any, rests largely on its moral effect. Even in that field, it is the American guaranty registered in the Atlantic Pact, already ratified so overwhelmingly, that furnishes assurance to western Europe of a deterrent to any military aggressor from the East.

Under this pact, by virtue of our Constitution a part of the law of our land, we guarantee to respond instantly to aggression against any one of the signatories. If this American guaranty will not halt aggression, it is not likely that an arms program superimposed on our already binding commitments will avail much.

On the other hand, having launched on the foreign policy embodied in the Atlantic Pact, it would be tragic for the peace of the world if either those who have joined with us or those potentially alined against us, were to infer from any action we might now take that we did not mean business and were not sincere when we put our names to the document. For that reason, if a modest expenditure will stiffen the backs of those who share our aims and purposes, my inclination is to support such a measure.

The decision is a difficult one. Error in supporting this program when it should be defeated would be unfortunate; error the other way, catastrophic.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. REDDEN].

Mr. REDDEN. Mr. Chairman, the debate on this bill has been very interesting. Many of the Members seem to favor the policy set forth in the bill, but oppose the amount approved by the committee and by those in charge of our military operations.

Some have referred to the expenditures of this country in our aid programs to Turkey, Greece, and various European nations. While I realize that the so-called Marshall plan has been expensive and that our entire aid program has involved vast sums of money, today we seem to overlook one thing—that the purpose of all this expenditure was to maintain peace in the world, and I should like to call to the attention of the membership that America is still at peace. I should like to emphasize also that the purpose of this legislation is to further the cause of peace and to assure its continuation.

This country has adopted the philosophy enunciated in the Atlantic Pact, which means that we have assumed a responsibility greater than ever before in the preservation of world peace. We have embarked upon this course with our eyes open as the best conceivable policy of security. In the interest of that policy and of that peace we cannot now turn back. Whatever the cost is, it will be cheap in comparison to another world struggle.

I believe we should either vote the full amount approved by the committee, or admit that the whole program is wrong and vote it down. I hope that the amendments are all defeated.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. VELDE].

Mr. VELDE. Mr. Chairman, I take this time to call to the attention of the Members, and especially the Members from Illinois, the attitude of the American Legion of Illinois on this problem. It is expressed in the following resolution:

SPECIAL NATIONAL DEFENSE

Whereas it is realized that the signing of the Atlantic Pact obligates the United States of America to assist the cosigners of the pact to rearm to the point where an effective military, naval, and air force is in being, in order to discourage any possible threats of invasion by a would-be aggressor; and

Whereas it is acknowledged that such help must be undertaken in the immediate future to render the pact operative as a security measure: Be it nevertheless

Resolved by the delegates (who represent 26,000 veterans and voters in Illinois) to the thirty-first annual convention of the American Legion, Department of Illinois, in regular meeting assembled in Chicago, August 5–8, 1949, That they are of the firm conviction that the act recently submitted by the Chief Executive to the Congress of the United States is both premature in its request for funds, and too broad in proposed powers to be granted to the Chief Executive in times of nonbelligerency; and be it further

Resolved, That this convention places itself on record as opposed to the passage of the Foreign Military Assistance Act of 1949, as presented, until a coordinated plan of defense for the several signatories, with participation in the common defense on an equitable basis of manpower and funds, can be established; and be it further

Resolved, That this convention is unalterably opposed to granting the Executive Department such dictatorial powers in times of nonbelligerency as are requested in the aforementioned act, without prior approval of the Congress of the United States to meet a specific emergency, such dictatorial powers being contrary to the best interests of National defense, to economy in Government expenditures, and to good constitutional practice; and be it further

Resolved, That copies of this resolution be sent immediately to the two Senators and to the several Representatives from Illinois in the Congress of the United States; and be it finally

Resolved, That copies of this resolution be sent within 2 days after the close of this convention to all the Departments of the American Legion for their information and consideration.

This resolution was passed unanimously at our thirty-first annual Department Convention held in Chicago, August 5 through 8, 1949.

WM. C. MUNDT,
Department Adjutant.

I call your attention to this resolution particularly because it is a little unusual on the part of the American Legion to oppose legislation which purports to be in the interest of defending our country against aggression. It indicates that they are thoughtful about the financial condition of our country. It indicates they have great foresight and are considering America and our need for defense on the home front first. It indicates, too, that they are worried about the dictatorial powers which will be given to the President in the expenditure of this money. I shall go along with the resolution that has been adopted by this great body of fighting men and oppose the bill. I shall also support the Richards amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. FLOOD].

Mr. FLOOD. Mr. Chairman, as a Member of the Committee on Appropriations, I have made it a practice not to talk on bills which might come before us later for our consideration. However, there seems to be generally a departure from that today and I will join in that departure.

I may say there is a marked difference of opinion as to what best should be done. That is a healthy thing. However, this equation can only be ultimately resolved as to who is right or wrong, by war. That is the only answer as to who has the right answer in this diverse opinion. Certainly the vast majority of opinions expressed today are in favor of some kind of favorable action. The difference of opinion, fortunately, is only as to "how much." I do not believe this is the kind of opinion which, under the circumstances, should be left to laymen, either in or outside this forum. If the

only difference of opinion as to the Richards amendment or some other amendment is: Should it be so many hundred million dollars—then I believe that the expert opinion of expert professional judgment should resolve a professional equation and not amateur strategists of various naval or military rank, even though I am an admiral of the navy of Nebraska, through the courtesy of the gentleman from Nebraska [Mr. STEFAN].

I cannot agree, Mr. Chairman, to reduce this amount. There is no margin for error here today.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. WERDEL].

Mr. WERDEL. Mr. Chairman, I ask unanimous consent that my time may be granted to the gentleman from South Carolina [Mr. RICHARDS].

The CHAIRMAN. Without objection it is so ordered.

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Chairman, the mutual defense assistance program that we are talking about here today is a serious business. I am sorry there are not more Members on the floor listening to this discussion because it affects everyone in his personal security, and the security of your children and your family for possibly the next 20, 50, or 100 years. Military assistance is necessary to implement any treaty. If we Members of the lower House of the American Congress leave the Atlantic Treaty standing high and dry, without any aid at this time, we will certainly be letting down our allies of the last war and letting down the hopes of the peoples of Europe, who are looking ahead to peace.

The people who want to cut this program drastically seem to be allied with the ones who want to defeat the program completely and have previously been, in a great many instances, in the isolationist camp. The Richards-Vorys amendment, if adopted, cutting this program practically in half, is the meat-ax approach to the program. If we cut the program practically in half, we are hitting the cow exactly in the middle with an ax.

General Bradley, General Marshall, and Mr. Hoffman in charge of the ECA, all have endorsed the program in full as being vitally necessary, not only for our own defense, but to hold what safety and security we have gained in Europe under the Marshall plan.

The Javits amendment carries the program in full until March 31, next year. It is the only amendment which permits the Congress to have a second look. Because I feel the Congress should have a second look, I am voting for the Javits amendment, because it will assure until March 31, 1950, the full program as planned but will give Congress a chance to reexamine the program when it reconvenes in the next session.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. FULTON] has expired.

The Chair recognizes the gentleman from New York [Mr. COUDERT].

Mr. WHITE of Idaho. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WHITE of Idaho. When a gentleman does not consume the time allotted to him, what becomes of that time?

The CHAIRMAN. The time is yielded back to the committee, if it is not used by the Member for whom it is reserved.

The Chair recognizes the gentleman from South Carolina [Mr. RICHARDS].

Mr. COLMER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. COLMER. The gentlemen for whom time was reserved, not responding when they are called, is it in order for someone else to ask for that time?

The CHAIRMAN. Time was allotted among the Members who were standing at the time the time was fixed. When they do not use the time it is yielded back to the committee.

Mr. MICHENER. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman was not on his feet at the time the time was fixed.

Mr. MICHENER. I am making that motion in keeping with the ruling just made by the Chair. The time is fixed and the House agrees to vote at a certain time. The time is allocated according to the Members on the floor.

The CHAIRMAN. Without objection, the Chair will recognize the gentleman from Michigan [Mr. MICHENER] for 2 minutes.

There was no objection.

Mr. KEE. Mr. Chairman, I object to the reassigning of time to others.

The CHAIRMAN. The gentleman's objection came too late in the case of the gentleman from Michigan [Mr. MICHENER]

Mr. ABERNETHY. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and fourteen Members are present, a quorum.

Mr. CANFIELD. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CANFIELD. Mr. Chairman, is it not true that the chairman of the Committee on Foreign Affairs in submitting his request for the limitation of time specifically reserved a certain amount of time for the committee; and that, therefore, no other time can be allowed to the committee?

The CHAIRMAN. The Chair did not put that request because the time had been fixed for 1 hour without the reservations being included.

Mr. CANFIELD. May I ask whether or not a specific reservation of time for the committee was contained in the request submitted by the gentleman from West Virginia [Mr. KEE]?

The CHAIRMAN. It was not agreed to by the House.

Mr. KEE. Mr. Chairman, I make the suggestion that if the time be given back to the committee I would be glad to yield these gentleman the extra time.

The CHAIRMAN. The gentleman from West Virginia misunderstood the Chair. The time is yielded back to the Committee of the Whole, not to the Committee on Foreign Affairs.

Mr. COLMER. Then, Mr. Chairman, I ask unanimous consent that the time be allotted to the chairman of the committee.

The CHAIRMAN. Permit the Chair to understand which chairman the gentleman refers to.

Mr. COLMER. I refer to the chairman of the Committee on Foreign Affairs.

Mr. MARTIN of Massachusetts. Mr. Chairman, I think the time should be equally divided.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

Mr. BOGGS of Louisiana. Mr. Chairman, I object.

Mr. MARTIN of Massachusetts. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MARTIN of Massachusetts. Mr. Chairman, I would like to know what the agreement was; I would like to have the agreement read.

The CHAIRMAN. The agreement entered into a short time ago was that debate on all the pending amendments, the committee amendment, the amendment to the committee amendment, the Richards substitute, and the amendment to the Richards substitute, should close in 1 hour. Thirty Members were on their feet seeking recognition. The Chair has recognized as many of them as were present for 2 minutes each.

Mr. MARTIN of Massachusetts. The motion definitely stated that the time limit was 1 hour?

The CHAIRMAN. Yes; the motion stated 1 hour.

Mr. MARTIN of Massachusetts. Then I would like to inquire how we can vote before that hour is up.

The CHAIRMAN. If no one demands time the vote could be taken in less than an hour.

Mr. MARTIN of Massachusetts. It would depend on the way the motion was phrased.

The CHAIRMAN. The Chair interprets the limitation to mean not to exceed 1 hour.

Mr. MARTIN of Massachusetts. That is all right, if that was the motion.

Mr. VORYS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. VORYS. As I understand, due to yielding by unanimous consent, the gentleman from South Carolina [Mr. RICHARDS] has 4 minutes, and the gentleman from Texas, our beloved Speaker, has how much?

The CHAIRMAN. The gentleman from Texas now has 2 minutes.

Mr. BROOKS. Mr. Chairman, I desire to yield my time to the gentleman from Texas [Mr. RAYBURN].

The CHAIRMAN. Without objection, the gentleman's time will be so allocated.

There was no objection.

Mr. JENKINS. Mr. Chairman, I demand the regular order.

The CHAIRMAN. The regular order is being proceeded with.

Mr. SMITH of Wisconsin. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SMITH of Wisconsin. Mr. Chairman, when does the time expire by the clock?

The CHAIRMAN. In 14 minutes.

Mr. McDONOUGH. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. McDONOUGH. Is the time being consumed now to bring about order out of chaos taken out of the time limit ordered by the committee?

The CHAIRMAN. As far as the Chair is concerned the Chair will state that this does not constitute chaos, and the time now being consumed is not running against the limitation.

Mr. COLMER. Mr. Chairman, I ask unanimous consent that I may use the 2 minutes reserved for the gentleman from New York [Mr. COUDERT] and the gentleman from California [Mr. DOYLE] at this time.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. COLMER. Mr. Chairman, I was detained elsewhere when time was allocated and I regret to have to resort to this rather unusual procedure, but with your forbearance for just a moment I would like to say what is in my mind for whatever it may be worth.

I realize that this is a very important and a very serious matter, but I cannot bring myself to believe that every line and every figure that is arrived at downtown in the departments of this Government and transmitted through some subhead up here to the House is sacred and therefore not debatable or amendable.

Mr. Chairman, permit me to say to you and my colleagues here today, who are confronted with this problem, that there are two theories in this strife-torn world among men who profess to know something about the world situation. One of these theories is that Stalin, like Hitler, and others before him, has set out to become another dictator of the world by force of arms. The other theory is that Stalin, like Hitler, Alexander the Great, Kaiser Wilhelm and other would-be world dictators, has set out to become the dictator of the world in his age, but that he proposes to accomplish this by the ideological crusade of communism. The proponents of the latter theory feel that through the medium of the spread of communism and through the destruction of the economies of his so-called enemy countries, and by subsequent infiltration, he will accomplish the same and without risking a show-down by a show of arms.

Some of you will recall that, as chairman of the Post War Economic Policy Committee, I, together with a half dozen other Members of this House, made a study of European conditions, including a study on the spot of Russia's objectives, in the weeks immediately following the end of hostilities in the late war. We came back convinced to a man that Russia expected to conquer the world through the destruction of the economies of other countries, through world chaos, and by infiltration. At that time we called upon the President and the State Department and insisted upon a firm policy in dealing with Russia. I think I can say, with all due modesty, but, nevertheless, factually, that our little group were the original proponents of a firm policy in dealing with Russia, which policy was finally, but, belatedly, adopted by the administration.

I might add, further, that since that time I have discussed this matter, in an off-record manner, with many prominent men in both the military and State Departments of our Government. I have yet to find the first one who does not believe that our conclusion was a correct one, and that Russia still expects to obtain its objective of world communism through these methods rather than to risk their all in a war.

If this be true, we must ever be on guard to see that we do not play into Stalin's hands by overstraining our own economy in an effort to help our friends across the sea and thereby bring about economic chaos in America, making it ripe for infiltration and communism.

I shall always remember what General Eisenhower told me in Frankfort, Germany, when, in the summer of 1945, in discussing this matter, he said: "A hungry belly does not care what form of government it lives under."

Now, therefore, Mr. Chairman, it seems to me, as one who does not set himself up as a person of superior wisdom in this most important matter, but, as one who has had an opportunity to make some study of it, that this and other matters affecting the future security of our people must be considered most carefully and that we must proceed with caution.

While I am convinced that Russia has no idea of anything like immediate warfare, I realize that we cannot afford, with prudence, to rely entirely upon that theory; for I am, also, convinced that if we should permit ourselves and our friends across the sea, to become indifferent and weak, Stalin and his cohorts would not hesitate to resort to arms if it was thought that their end could be accomplished without too much sacrifice by force of arms.

Therefore, I am constrained, rather reluctantly, I confess, but, nevertheless, constrained to the belief that it is necessary, for our own protection and to insure that World War II was not fought in vain, and to avoid the mistakes of the past, that we help those countries over there who are trying to help themselves, to prevent them from falling easy prey to the Soviet Republic. But, again, I realize and am firmly convinced that we should say to our friends overseas: "We are willing to help you provided you will help yourselves."

I am against that philosophy so prevalent in some circles that we must do everything over there that is to be done. Therefore, I propose to support the so-called Richards amendment, which says, in effect, to these friendly countries of Europe: "We are going to make available to you half of the funds set out in this bill at this time for strengthening your defense against the potential enemy. At the end of a year or two, if you have demonstrated to us by your cooperation, by your sacrifices, that you really mean business in making yourselves strong enough to resist this potential enemy, both spiritually, as well as militarily, we will make the other half available."

If I understand the testimony of our Army experts, all of the money called for in this bill could not be profitably expended in the first year, anyway. Does it not, therefore, follow that the prudent, the cautious, the safe course for us to pursue is that outlined by the able gentleman from South Carolina [Mr. RICHARDS]?

In this connection, Mr. Chairman, I should like to point out that I have great confidence in the gentleman from South Carolina, Congressman RICHARDS, even as I am sure that you do.

An appeal has been made here to patriotism. I challenge any Member of this House to impugn the patriotism of the gentleman from South Carolina, DICK RICHARDS, a man who has experienced war himself. The gentleman from South Carolina, DICK RICHARDS, knows what war is. In 1917 he stood on the battlefields of France, and saw his own close comrades shot down and their lifeblood ebb slowly away.

The gentleman from South Carolina, DICK RICHARDS, has served for 17 years as an outstanding member of the Foreign Affairs Committee of this House. He stood in the forefront, side by side, with those of us who tried to prepare this country for World War II when less courageous Members were voting against the draft and other preparatory measures because they were not politically popular at that time.

The gentleman from South Carolina, DICK RICHARDS, is a man of sound judgment. He is prudent. He has the courage of a lion in a fight for his convictions. He is a man who can be trusted. He has thought this thing through, and I shall follow his leadership in this fight.

Mr. Chairman, I appeal to my colleagues to adopt this amendment, and then, at a future date, our military and State leaders can come back to Congress in the light of experience and subsequent developments, and tell us whether they need these additional funds.

Nothing can be lost thereby. Much can be gained.

Mr. BOGGS of Louisiana. Mr. Chairman, I ask unanimous consent that the time allocated to the gentleman from New York [Mr. ROONEY] and the time allocated to the gentleman from Pennsylvania [Mr. SCOTT] be allocated to me.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. BOGGS of Louisiana. Mr. Chairman, I dislike very much to disagree so completely, so wholeheartedly and so unanimously with my distinguished friend and colleague the gentleman from Mississippi [Mr. COLMER]. I had not intended to take the floor in this debate, but I have listened to the arguments that he just advanced, and I think that they deserve further attention and must not go.

In the first place, as I understood the arguments advanced by the gentleman, he said that he could not understand why, in the interests of the security of our country, we must follow every line and every colon and every paragraph dictated by some lesser official in some department downtown. What are the facts in this situation? Has this policy been dictated by some lesser official? To my knowledge it has not. As a matter of fact, every man charged with responsibility for the security of the United States of America has testified for this program as enunciated by the committee.

In addition to that, the men who have the responsibility—and I think it is important that we bear that in mind—the men who have to make the decisions, upon whose shoulders rests the security of the United States of America, as well as General Marshall, who served this country as Chief of Staff and later as Secretary of State, support this program.

Let us move on a moment and talk about some of the other arguments. For, example: The one which goes this way: "Well, we can dribble this out; let us do it piecemeal; let us be cautious; let us be careful and then look at it again at some future date." I remember the war. In every newspaper, on every radio, on every platform we heard, "Too little, too late." We hear it again today.

Members of the House, it seems to me that if we are going to cripple this program—and that is what the Richards amendment means—if we are going to cripple this program before it begins, then let us be honest with ourselves and not do it at all. Here we have a challenge. It is the same challenge that this Nation has faced since Hitler rose to power in Germany in 1933. It is the same challenge issued by Mussolini in Italy and Tojo in Japan when they were in power.

The United States of America, Members of the House, is the most powerful, the most influential, nation on the face of the earth, and the question presented here is purely and simply this: Are we to exercise that power for the promotion of the peace of the free peoples of the world? Are we to integrate all the power of the free peoples of the world or are we to tell the people who signed the Atlantic Pact just a few months ago that we did not mean what we said; that we were kidding with them, and that when the time came to deliver on the commitment we were absent and found wanting?

Mr. Chairman, I trust that the Richards amendment will be decisively defeated.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. KEE. Mr. Chairman, in view of the fact that 4 minutes time has been assigned to two Members, I ask unanimous consent that the distinguished Speaker be permitted to proceed for four additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

Mr. MARTIN of Massachusetts. Mr. Chairman, reserving the right to object, I just do it for the purpose of asking the Speaker whether he wants this extra time.

Mr. RAYBURN. I think enough time has been allotted to me.

Mr. KEE. Mr. Chairman, I withdraw my request.

The CHAIRMAN. The Chair recognizes the gentleman from Georgia [Mr. WHEELER].

Mr. WHEELER. Mr. Chairman, I regret that my beloved colleague from Georgia [Mr. Cox] earlier today implied that our patriotism was to be determined by our vote on this measure. I believe that serious questions as to the wisdom of passing this measure has nothing to do with patriotism. Some of the most patriotic men in America will cast a negative vote on this measure in the firm conviction that the program provided by this measure will be ineffective and wasteful of our resources.

I, for one, believe that the expenditure of the amount authorized by the pending measure on the expansion of our Air Force would be more effective in fighting the forces of communism in Europe and the rest of the world.

Mr. Chairman, I ask unanimous consent to yield the balance of my time to Mr. RAYBURN.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. COX. Mr. Chairman, I ask unanimous consent to yield my time to Mr. RAYBURN.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia:

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from South Carolina [Mr. RICHARDS].

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from Minnesota.

Mr. JUDD. On the question that has just been raised, is it not true that every Government witness before our committee admitted, when asked, that this program, while expected to be helpful, is secondary to our own plans for the defense of our country?

Mr. RICHARDS. That is 100 percent correct.

Mr. JUDD. It has been stated that these European countries cannot make a plan until they know how much we are going to give them. Is it not also true that we cannot intelligently decide how much to give them until they have a plan? The gentleman's amendment resolves the stalemate by providing them the first year's assistance while we and they work out a plan together.

Mr. RICHARDS. That is a correct statement.

Mr. Chairman, I understand that in a few minutes our beloved Speaker will come down from his chair with all the prestige of his high office, with the great magnetism of his personality, and with all the logic he can squeeze out of his support of this bill, and try to stampede those of our ranks who might have weak knees by his persuasive eloquence.

My Speaker, whom I admire, has on some other occasions come down into the well of this House, as is his right, and, as a 100-percent party man, urged the Democratic membership of this House as a matter of party loyalty to go along with proposals of the administration 100 percent. And I must say that his percentage of success has been great.

I have just heard, too, the able gentleman from Georgia, my dear friend [Mr. Cox], express the hope that none of the southern Members would "fly the coop." Whatever may be said of southern Members here, I do not believe anybody here, remembering the experiences of the years preceding the last war, during it and since, would dare impugn the patriotism and motives of those who come from south of the Mason and Dixon's line no matter how they vote on this question.

If weakness there be in the position that Members from the South sometimes take in matters of party politics, it is the weakness of sometimes bolting across party lines when the welfare of our country is involved and when they believe their party is wrong. If that be weakness then to be strong is despicable.

Mr. Chairman, I do not come before you today asking you to cut this program in half in order to scuttle the whole program, as it has been insinuated is my purpose. To the contrary, I support the principle and purposes of the program. My amendment comes from one who has supported every move to arm this country before the last war and during the war, and who has supported every move and every proposal of the Administration to give military and economic aid and relief to stricken Europe to date.

Not once have I deviated. But, Mr. Chairman, the time has now come when we should stand up on our hind legs and insist that nations overseas banded together with us under the Atlantic Pact be satisfied with a 1-year program of military aid until they prove to us that like the "Three Musketeers," they are "All for one and one for all," before the financial stability of our country is further weakened. So far as I am concerned, I would be willing to vote money to our own leaders in the field of national defense before definite plans have been made because it has been demonstrated what our leaders in the military field can do. But I am not willing to vote a 2-year supply of money on the supposition that European nations will do what they are supposed to do.

Mr. LODGE. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. LODGE. Mr. Chairman, in the last days of the first session of the Eighty-first Congress it is important that we should bear in mind the dire happenings in other parts of the world which affect our national security and which involve the welfare and happiness of succeeding generations.

While the administration attempts to lull the American people into a false sense of security by pointing to the absence of recent Communist gains in western Europe, the Communists in China are consolidating previously won positions and are extending their tyrannical sway by every means within their grasp.

I recognize that no effective legislative action will be taken at this session. However, I think it important for the record to apostrophize the gathering storm in the Far East.

Accordingly, I am inserting a copy of an article by Maj. Gen. Claire Lee Chennault entitled " 'Hold Em! Harass 'Em! Hamstring 'Em!'—The Chennault Plan," which appears in the October issue of Reader's Digest:

"HOLD 'EM! HARASS 'EM! HAMSTRING 'EM!"—THE CHENNAULT PLAN

Maj. Gen. Claire Lee Chennault flew from China to Washington recently with a plan to stop the Communist drive in China. The father of the legendary Flying Tigers has seen as much of China in the last 10 years as any living American. Here is the Chennault plan—by the man whom grateful Chinese call the best-loved foreigner since Marco Polo.—J. P. McEvoy.

A lot of people say it's too late to stop the Communist drive in China. They say it doesn't matter anyway because the Chinese are great individualists and eventually will absorb the Communists, just as they swallowed up the Mongols and Manchus. They say Chinese Communists are different; every war lord will be another Tito who won't take orders from Moscow. Finally, they say we should let the dust settle and then do something if we can afford it, for after all, how much money can American taxpayers pour down the rat holes of the world?

I say it is not too late, but we have precious little time left. The Chinese may swallow up the Communists but not in your lifetime or mine. Right now the Communists are going places and we'd better stop them. World War II started in Asia (when the Japanese invaded Manchuria) and it could have been stopped there for a fraction of what we later spent in dollars and lives.

Will the Communist leaders turn into Chinese Titos? Wishful thinking. The other day Communist dictator Mao Tse-tung proclaimed, "We belong to the anti-imperialistic front headed by the U. S. S. R." He should know.

People who have never fought and flown all over China as I have don't realize that World War III is building up there now—and fast. Can we stop and contain the Communist drive in Asia, as we have stopped it in Europe? If we can, world war III may be averted, for Russia has watched Germany go down to disastrous defeat twice in a two-front war and I doubt if she will make the mistake of starting something so long as her Communist China flank is not secure.

But we have no time to lose. The Chinese Communists have already swallowed up the richest and most populous provinces—half of the country, two-thirds of the people. They are disciplined and ruthless. Any opposition will be mercilessly exterminated. Oriental fatalism has little regard for human life. They won't hesitate to liquidate half the population of a rebellious province. The survivors will do what they're told. The Oriental masses have known no such despotic disciple since the days of Genghis Khan.

If the Communists are not stopped they will roll over the rest of China. Once on the border of Indochina, nothing could stop them from taking over that country. Siam will follow, then Burma—then it will be India's turn. Malaya, the Dutch East Indies and the Philippines would be as helpless to resist as would Cuba and Mexico if a great hostile power conquered the United States. If Communists could control these countries, we could not sit back while they built them up into powerful allies of Russia against us. We would have to fight for our very existence.

The Chinese Communists can be stopped where the Japanese Imperial Army was stopped—and that army was far stronger and infinitely better equipped than any the Communists have in China. This line is a formidable natural barrier of mountains and desert that runs 1,500 miles from the southern border of Mongolia to the South China Sea. The Japanese Army couldn't breach it. Behind this line are 150,000,000 Chinese, for the most part hardy mountaineers with a tradition of defending their provinces against invaders. In the extreme northwest are the Mohammedan provinces of Ningsia, Kansu and Chinghai. Their leaders have kept all this country free of Japanese and Communists. In their long march in 1926 the Communists tried to settle in Kansu but were driven out after fierce fighting. South of these provinces is the rich basin of Szechwan. Ringed by impassable mountains, this huge province, larger than Germany, more populous than France, has never been taken by conquest since before Kublai Khan.

Yünnan occupies the most important strategic position in Asia at this time, with its long frontiers bordering on Burma and French Indochina. It is high mountain country that can be defended easily and could seal off the Communist advance. Kweichow, a high, rugged province, can be defended. Finally, guarding Free China's access to the sea are the provinces of Kwangsi and Kwangtung, areas with a firm tradition of independence and resistance to invasion. The Chinese in this vast area don't want communism. They are ably led and can hold this line indefinitely if we give them arms, aid, and trade.

I know every rice paddy, every road, every river in this part of China. I know by experience what can be done with a small, determined, efficient fighting force against apparently hopeless odds. They said the Flying Tigers wouldn't last 3 weeks in combat against the Japanese, yet with 250 men and $8,000,000 we smashed the Japanese air force over China and kept bombs off Chinese cities for the first time in 3 years. Later, our small air force, supplied by air lift over the Hump and operating from fields behind this line, sunk millions of tons of Japanese shipping and prevented the Japanese from consolidating their gains and conquering China.

The Chinese Communist armies are as overextended now as the Japanese were. They are as vulnerable to hard-hitting air power. The same kind of imagination and daring is called for today. A free China can hold them, harass them, hamstring them. Their communications can be cut, transportation snarled, bridges blown, roads wrecked, harbors and rivers mined, rail traffic paralyzed. Then the Communists could build up neither industrial power nor military might.

A small air task force for ground cooperation would add immeasurably to the effectiveness of the defense. The Communists have no combat air force, yet—and only a few planes for transport and liaison. Five hundred foreign fliers, an international group of Flying Tiger skill—British, American, French, Polish, Filipino, and others, added to the Free China fighters—would stop the Communists at a minimum of expense.

There would be no question of trying to reconquer Communist China. It's too late for that and it isn't necessary. Some people I have talked to in Washington criticize this plan. They say it isn't big enough. What they want is a cosmic pan-Asiatic project, with a lot of allies and combined chiefs of staff and battle maps and 19 carbon copies of everything. They miss the point. And they'll miss the boat. A determined machine-gun squad can hold a mountain pass against a small army. Free China has the mountain pass and can hold it without a cosmic plan that would inevitably include a Grand Canyon of a rat hole.

I believe the combined economic and military program would cost from one hundred to two hundred million dollars annually. The exchange of Chinese products—principally raw materials—for American manufactured goods would compensate for a good share of this outlay. Naturally any military and economic aid would be accompanied by competent American personnel to see that our help is used for the purpose intended. China will accept such supervision.

I have explained this holding plan in great detail before congressional committees and to many of our highest military and economic leaders. I have had no serious criticism from the military except that some think it should be bigger. Financial experts who know China agree with me that this plan would make it possible for Japan to trade with a free China, for then she could get the supplies she needs from Formosa and Hainan and the rich provinces behind the free Chinese wall, taking home tin, wolfram, antimony, bristles, rice, aluminum, coal, fish, tea, iron, timber, tung oil, furs, hides, eggs, feathers, and sugar.

All of these are needed by the Japanese to feed their people, build up their industries and take them off the neck of the American taxpayers. Many of these items are needed by the United States. And all of this territory requires enormous quantities of steel, machinery, cotton, oil, and consumer goods to develop its resources and industries and build a higher living standard.

If this reservoir of natural resources and potential consumer markets is gobbled up, then Japan will be forced to trade with Communist China and the pressure to go Communist will be impossible to resist. Hainan and Formosa must also be held, for if they go into Communist hands our communications with Japan and the Philippines will be cut and they, too, will be untenable and lost.

It is not too late—yet. And fortunately we can afford it—now. The military aid required for holding this zone is not great; most needed are rifles, machine guns, bazookas, light mortars, and pack artillery with ammunition. Some motor transport and signal communication equipment will be required. We have large store of surplus and obsolescent war equipment available in the Pacific islands which would go far toward arming the resistance of non-Communist China. A small air force could inflict tremendous damage.

But if we wait until the Communists have consolidated their tremendous gains in China, they will engulf the rest of Asia, develop her immense resources, indoctrinate and mobilize her vast manpower—and then we will have no choice We will have to fight for our very lives.

Mr. SABATH. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SABATH. Mr. Chairman, as I stated yesterday when I brought up the rule providing for the consideration of this bill, I did so because I was instructed

so to do by the majority of the Committee on Rules and because I felt that the Membership have the right to pass upon this—to my mind—unwarranted legislation which I fear is pointed toward war.

I have listened with a great deal of attention and interest to the speeches of the gentleman from South Carolina [Mr. RICHARDS], the gentleman from Oklahoma [Mr. MORRIS], and the gentleman from North Dakota [Mr. LEMKE], and also the gentleman from New York [Mr. MARCANTONIO], and I was tremendously impressed. I cannot help but feel that it is a grave mistake to permit this hysteria created by the press, war profiteers, and Wall Street internationalists, to involve us in another world war. If I thought for a moment that this bill and the appropriation contained therein would safeguard our interests and stop the spread of communism, I would unhesitatingly vote for the amount called for in this bill, and even more. However, Mr. Chairman, I am alarmed over the fact that this bill admittedly will not stop the spread of communism or tend to disarm Europe; it really is a measure that tends to encourage war and force us into world war III. I wonder whether the gentlemen who have labeled this bill a "Mutual Defense Act" have read title I and section 411, among others. Here the President "is hereby authorized to furnish military assistance to such nations as are parties to the treaty and have heretofore requested assistance." Section 411 (a) states, "the terms 'equipment' and 'materials' shall mean any arms, ammunition of implements of war." To be sure, this is a war-provoking measure that can very well ricochet right back at the United States.

Mr. Chairman, I wish it were possible to appoint a committee composed of 15 true-blue outstanding Americans who are not in the slightest way associated with the State or War Department or any ammunition corporation, men who have no ax whatsoever to grind—no ulterior motives or purposes—and who only have the interests of our great country and peace at heart, to make an investigation and report to the Congress and the country on their disclosures as to whether or not we are in danger of foreign aggression. If this were done, not only I, but every loyal American who loves our country would follow their recommendations even if it means a greater appropriation than that called for herein.

Not only is an effort being made to pass this $1,500,000,000 bill, but I understand that some gentlemen will try to amend the bill to include an additional $500,000,000 for the defunct and corrupt Chinese Nationalist Government. All this, notwithstanding the fact that the State Department and all those who are thoroughly familiar with the Chinese situation agree that the Chinese situation is absolutely hopeless. Instead of appropriating $500,000,000 or any money whatsoever, we should instead follow the British policy of attempting to obtain friendly relations with the Chinese people, as such, which will prove its worth and value in every possible way in the future years.

Consequently, I shall support the Richards amendment as approved by the other distinguished Members of the Committee on Foreign Affairs because I have implicit faith and confidence in their judgment, for I know they have a sincere and profound interest in our country's well-being.

Mr. CHIPERFIELD. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. CHIPERFIELD. Mr. Chairman, the avowed purpose of H. R. 5895 is to provide for the defense of the United States by furnishing military assistance to foreign nations. It is commonly called the military assistance program or MAP. It raises the gravest issue with which the Congress may ever be confronted. The future of America may depend upon this decision.

While the House of Representatives had no voice in the Atlantic Pact it is now the established law of the land and we cannot escape its implications.

I therefore wish to emphasize that I support the end purpose of this proposed legislation but I am convinced that the plan of military assistance under title I of this bill would constitute an inadequate and short-sighted discharge of those responsibilities.

If, after hearing the witnesses both for and against this bill, I was convinced it had even a reasonable chance of making this country militarily secure, I would of course support it. But in my judgment this is not the case. The exact opposite result might well prevail.

Under the program it is proposed to give to the Atlantic Pact countries the vast bulk of nearly $2,000,000,000 of military supplies, principally for arming ground forces.

Is it contended that this will give these European countries an adequate defense establishment so as to enable them to successfully defend themselves against an aggressor? Not at all. It is openly admitted that at best it would be but a delaying action.

Why do I say this? Because it is not intended under this program to increase the armed strength of Europe by creating new divisions or units but merely to more adequately equip the personnel and units now in being.

The known military strength of Russia is so far superior to the known strength of the Atlantic Pact countries that they would be in a hopeless position so far as preventing Russia from overrunning them completely in a very short period of time.

Would this program change this picture? Certainly only slightly during the next 2 years as it will take that long to arm existing forces which everyone admits are totally inadequate to do the job.

During this period our help would amount to about one-fifth of the program the Atlantic Pact countries intend to carry out for themselves.

Let us, therefore, suppose a certain point could be reached in western Europe 40 days after D-day when the attack began. If our added strength amounted to only one-fifth, this would probably delay the aggressor an additional 8 days or so. Certainly this factor would not be much of an inducement or incentive to increase the will of those countries to fight.

It has been reliably estimated to equip a division from inception to combat readiness costs about $400,000,000. One billion four hundred million would therefore increase the fighting force in the Western Hemisphere by only about three or four divisions.

How inadequate this aid would be was pointed out by Walter Trohan, a noted news correspondent, on the Fulton Lewis program August 8:

> I have cleared this with high officers. The Red Army now has about 50 divisions along the western front from Finland to Turkey, Iraq and Iran. One hundred and fifty divisions more are in reserve. Five thousand of the Soviet air fleet of 19,000 planes are troop carriers. These could drop 75,000 paratroopers on England at one time.
>
> General Fellers testified:
>
> To present even discouragement to the Red Army would require a peacetime garrison of at least 60 divisions or $24,000,000,000 for the entire force.

So this program would provide nothing more than a token of our willingness to carry on the added expense in the future. This is but the initial step. The first bite of the cherry. We will be required to carry on with additional huge appropriations in the years to come as new equipment is needed and the equipment under this program deteriorates or becomes obsolete. The impact on our economy would be terrific. In all the testimony before us no one was able to tell us the over-all cost of adequately arming Europe or how long such a program would last.

Under this program it is proposed to spend $141,000,000 to manufacture arms in Europe. It is not too fantastic to conceive that these factories and military supplies might possibly fall into the hands of Russia and be used against us.

As I stated in supplemental minority views, together with Hon. LAWRENCE H. SMITH of Wisconsin, and Hon. DONALD L. JACKSON of California, I believe there is an alternative course of action rather than trying to arm mass ground forces:

> As bows and arrows were supplanted in warfare by the catapult, and as that weapon in turn gave way to rude howitzers and cannon, so must the concept of rifles on the Rhine make way for the modern weapons of today. Tomorrow's war, if it comes, will come with a devastating fury that will dwarf Pearl Harbor. It will come out of the skies in an hour, and it may be won or lost while the ground forces plod toward each other through the mud or await the impact of ground battles in foxholes and gun emplacements. The new war will lay waste the productive capacity of a continent, its factories, its marshaling yards, lines of communication, the transport, the bridges, and the highway, without which no army can move very far for very long. Western Europe can be made a shambles from the air before the enemy ever comes within cannon range, if he does. This can happen and probably will unless this Nation acts in its efforts to maintain the peace.

It is not the desire of the undersigned to appear as prophets of doom. We believe that there is an answer to the serious issues posed by the sincere desire of the United States to join with its allies in common defense and collective security. We differ from our colleagues on the committee only to the extent that our concepts are at variance. We are no less anxious to insure the peace and help our friends than are those who propose other approaches.

We must create a climate free from fear in western Europe, a climate which will enable our allies to complete in peace the economic recovery of their lands. It is our belief that such a climate can best be created in the air and not in a foxhole. In the words of General Fellers we feel that the answer to aggression is to be found.

Fortunately—

He writes—

there is a brighter side to the picture. The United States has a powerful deterrent to aggression. It is our atomic bombs and the long-range bombers which can deliver them. This, and not our ground and sea forces, is the one threat which impresses Stalin. Russia's eternal allies, distance, winter, and the manpower are impotent against air power. From World War II, air power emerged as the greatest striking force known to warfare. So long as we maintain the lead in bombs and bombers, this war deterrent is likely to continue effective.

Under article 9 of the Atlantic Pact it is contemplated that there shall be a Defense Council which would work out a unified integrated defense program for western Europe but this has not been done up to the present time. Therefore I do not feel we should authorize all of this program for the arming of these countries until such a joint program is worked out.

We know that the quality and leadership in Europe is torn with internal dissension. Unless we have the binding assurance that our equipment and arms are used for the over-all defense of western Europe and not just for the defense of individual countries it would not be effective even for a delaying action.

When lend lease was before our Foreign Affairs Committee, the majority report on January 30, 1941, said:

It is the considered view of your committee, insofar as human minds can evaluate the situation, that the probable effect of the bill will be to keep us out of war rather than to get us into it.

On the other hand the minority report which I signed said this of lend lease:

The oldest and last constitutional democracy surrenders its freedom under the pretext of avoiding war, with the probable result that the newest dictatorship will soon go to war.

At that time the majority said lend lease was a peace measure, the minority said it was a war measure. Within less than a year, lend lease became a war measure just as the minority had predicted.

I hope I am wrong but it seems to me this morning is provocative and will increase the calculated risk of war rather than decrease it.

It seems to me that it is impractical to try to contain communism in western Europe if we are to do nothing about the spread of communism in the Far East. The white paper on China seems to me to be an apology for an apology.

This brings to mind another minority report which I signed 10 years ago and to which my colleague from Ohio [Mr. VORYS] referred yesterday:

THE PACIFIC SITUATION

We have attempted, without success, to secure consideration and action by our committee on the situation in the Orient. We feel that it is a mistake to try to determine our possible conduct as to future wars in Europe before we determine our conduct as to an existing war. We have let our excitement about what may happen to our remote interests in Europe blind us to what is now happening to our immediate interests in the Pacific, where our treaty rights are being violated and our national interests threatened every day. We feel certain that if we had solved this immediate Far Eastern problem first, it would have gone far toward solving the rest of our international problems.

So, again unless we solve the situation in the Far East we may find history repeating itself.

As I have said, in my judgment the concept of dividing Europe by vast ground armies is untenable. I therefore am going to support an amendment by the gentleman from California [Mr. JACKSON] which would authorize the President to enter into negotiations with the recipient countries under this bill, for the use of occupancy by elements of the United States Air Force of airfields, bases, and other air defense facilities when, in the opinion of the President, such use of occupancy would further the collective security of the North Atlantic area and ourselves; and that the command and direction of these forces should remain vested in the United States.

I am opposed to dividing the world into two armed camps and entering into a devastating arms race. I am opposed to abandoning the principles of the United Nations. Most of all I want to prevent a gigantic Dunkirk.

Mr. HARRIS. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HARRIS. Mr. Chairman, as has been so eminently stated by several this is one of the most important pieces of legislation to be determined by this Congress. In considering this legislation we must keep uppermost in our minds our own national defense and the future security of the United States.

We have here a decision to make on implementing the Atlantic Pact, providing for the mutual defense among the nations participating in that agreement. The question is, Will we, by implementing the nations of western Europe, promote the foreign policy and provide for the defense and general welfare of the United States by furnishing military assistance and shipping arms providing for mutual defense?

As I see it, Mr. Chairman, we cannot afford to make a mistake. Realistically, we all know we are fighting a cold war. Four years after the greatest struggle in all the history of mankind peace has not been agreed to. We are still in a national emergency and technically a state of war.

This is not a program for economic rehabilitation as the Marshall plan. This is to provide mutual assistance, encouragement, and the know-how for an adequate military program in these western European countries to successfully prevent infiltration of the communistic stalking from Russia backed up with 200 divisions composed of 3,000,000 men.

It is a well-known fact that following the First World War, the United States failed to contribute to the establishment of a peace that would prevent future wars. We took the isolationist or pacifist attitude. I do not know what would have finally resulted had we taken a different position at that time but I have a feeling it could not have been nearly so devastating.

We cannot, and no Members of this House will forget so quickly we taxed our resources to more than $350,000,000,000 in this great tragedy, had a million casualties among the finest of the youth of our land and several hundred thousand losing their lives for the cause of freedom and democracy.

Who is it here that could see another world conflict would not completely destroy our economy and yea, even worse, almost destroy civilization. I feel, Mr. Chairman, there are some in this world that would be willing to risk the destruction of civilization to impose their own philosophy on mankind.

At the time we provided Marshall-plan funds in the last Congress for western Europe, it was the hope, the sincere hope, that this would be sufficient. To have failed would have meant certain delivery of those nations to the hands of the Communists. We know what the result has been and the Communists, though determined as they were, could not take over and seize control of these nations and by our action we have thus preserved the democratic principles as ours in direct conflict with the Communist ideology. Even so, we saw that in certain other nations an economic-recovery program would not be sufficient. We saw that in Greece and Turkey—the necessity of going further—and provided a military program for those two nations because of the Communist impact. That was military assistance, mutual aid. Who among you would say that program was not a desirable one and has not thus far accomplished its purposes?

The Atlantic Pact and this mutual-assistance program did not develop overnight. It has been long considered. Five nations met yonder in Brussels months ago, considered their defenses, the necessity of building their defenses and entered into a mutual agreement in accordance with the provisions of the United Nations Charter.

These and other nations were drawn together later and considered the necessity of mutual assistance in view of the attitude of Communist Russia. To be sure we are told these nations have

made marvelous progress in rehabilitating their differences. But the time has come they need something else and that is what this implementation program is designed to accomplish. All of these angles were discussed and debated by the nations themselves and in the Senate of the United States in approving the treaty within recent days.

These hearings revealed that every responsible leader in charge of our military and foreign policy programs say this is necessary for the general welfare of our Nation.

They tell us that $1,450,000,000 is needed as minimum requirements. The nations involved, they say, will provide five or six times that amount because they realize the needs perhaps even more than we. They feel the pressure of the communistic power stalking toward them day by day. I, too, am concerned about the economy of our Nation. I, too, am concerned about the extent of the program but in heaven's name we know that whatever it might be it will be a drop in the bucket to what would happen if we were to ever come to world grips again. One billion one hundred and sixty million dollars for the next 2 years is a calculated risk as stated by the gentleman from Massachusetts [Mr. HERTER], which in my opinion we could well afford to take. If it will prevent a war there is no way to estimate its value. I believe the definite stand and positive actions of this Nation will prevent a war and preserve our way of life and free and democratic principles. This to me means everything. To maintain the freedom and these principles, the price sometimes is very, very high.

I do not want to see our sons called to the battle front again, cities destroyed from the air or civilization completely destroyed or set back for a thousand or more years. It is a serious problem that taxes the courage of every American citizen.

We can do no less than to take whatever steps and positive actions that would bring us to the objectives of peace and avoid the devastating consequences of another conflict.

I am supporting this legislation, Mr. Chairman, because in my opinion to follow a definite course at this time will be an invitation to this great Communist power that we are weakening. We must show strength, our courage and our power because they know nothing else. It would be a tragic blow to these nations we have tried so hard to rehabilitate since the war should we fail them now. It would be an even more tragic blow to our future security, to everything in which we believe, if we in any way show signs of weakness. I fully believe, Mr. Chairman, by constant and determined effort we can and will ultimately bring peace to the world.

Mr. MORTON. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. MORTON. Mr. Chairman, I am opposed to the pending legislation. Many Members of this House are opposed to this legislation, each for his own reason. My own reasons are at variance with those of most of my colleagues who along wtih me will vote "no" on the final passage of this bill. I therefore take this time to explain my position and in my humble way develop the logic that has led me to a negative conclusion. It is not easy to oppose this bill but my conscience gives me no choice. I was not a Member of the Congress when the House of Representatives continued the draft of men for the armed services by a margin of just one vote. I was at that time on duty with the Navy and therefore acutely aware of the historic importance of that scant one vote margin. Many critics and commentators will draw a parallel, false but effective, between this vote today and that vote 8 years ago. Mr. Chairman, this is for me a very hard "no."

I do not oppose this bill for reasons of economy. There is no price tag on the security of our country. I am alarmed about the carefree, slaphappy spending orgy on which this Congress has embarked, but in the present instance I am not motivated by a desire to preserve what is left of our precious national treasure. For that reason the lure of the Richards amendment which cuts the immediate cost of this program in half is lost on me.

I am not opposed to this legislation because I have any concern for the feelings of the gentlemen in the Kremlin. My record clearly shows that I have never been one to appease Russia. During the past 3 years, I have consistently voted for all legislation designed to contain communism and thereby discourage Russian aggression. In supporting such programs, I voted for both military and economic assistance to those countries which, along with our own great nation, represent the hope of free men everywhere. I expect to support similar legislation in the future, but the bill now before us, in my judgment, does not contribute to that broad program.

My opposition to this bill does not mean that I have turned isolationist nor that there is any isolationism in my heart. Here, again, the record speaks for itself. My first active interest in politics came during the spring of 1940. I worked hard at that time as a supporter of Wendell Willkie who was seeking the Republican nomination for President. I was attracted to Mr. Willkie because of his views on international affairs. In that critical year, he brought to millions of Republicans the leadership which we sought in burying the isolationist ghost.

I believe that the final hope of world peace lies in the United Nations. I believe that the North Atlantic Pact is a necessary step along the path to world peace. I further believe that the implementation of that pact through mutual military assistance is likewise necessary. This assistance, however, can only be effective if properly planned. Throwing a billion dollars around with no integrated military defense program is, in my opinion, completely absurd.

I do not oppose this program because I have lost faith in the military alliance as a factor in world security. It is true that the twentieth century has proved the graveyard of alliances and mutual defense pacts. But let us remember that our great Nation has never been a part of these shattered and broken alliances. Let us also remember that when most of Eurasia is in the hands of a few ruthless men without Christian conscience, a defense alliance becomes inevitable.

I oppose this program because it is pouring money down a rat hole. How will this money be spent? What will be the military mission of the recipient nations? Will we equip three Belgian divisions? Will the British furnish the air power for these divisions? Will the Italian Navy be rebuilt? What job will be given to the Dutch or the French or the Norwegians? No one knows; no one can tell us; there is no plan.

We are told that our frontiers today are on the Rhine and in the Olympus Mountains, in the China Sea and latitude 38. If this be true, let us guard these frontiers. We are spending some $16,000,000,000 on our Military Establishment to keep this Nation secure and safe from a foreign attack. Let us spend this 16 billion or another 16 billion on these new frontiers. Let us not lull ourselves into a false sense of security by squandering a billion dollars in small arms to supplement some local constabulary.

We are told that if we do not pass this measure, our friends in Europe, the cosigners of the North Atlantic Pact, will feel that we have let them down and that our signature to that treaty was merely an idle gesture. Surely our friends must know us better. If it is necessary to convince them of our intent, let us pass an authorization bill for not just one billion, but for two, five, or ten billions of dollars. Let us then provide that when the Armed Services Committees of the House and the Senate, the Foreign Affairs Committee of the House and the Foreign Relations Committee of the Senate are satisfied that realistic and coordinated plans have been drawn, the funds will then be appropriated. That surely would be an expression of faith and would show not only our friends but our potential enemies that we meant what we said when we signed the North Atlantic Pact.

If Russia should mobilize and decide to march, she would move with hundreds of divisions and all of the arms sent to Europe under this program would be in Russian hands in a matter of days. The divisions which we might arm in western Europe are not deterring Russia nor will they in the future. I am not at all sure that Russia wants war, but if she wants to fight, she is being withheld by the American Air Force and the atomic bomb.

It is time for the American people to recapture the look of the eagle in matters of military preparedness. Throwing this billion dollars into Europe today makes just as much sense as buying the same amount of B–17's, and no responsible military official in this country would make such a recommendation.

Let us delay action on this program. Let the military leaders of the nations involved develop a plan designed to insure our mutual security. Then let the Congress take appropriate action to discharge the responsibility of this country in the implementation of that plan. Common sense can lead to no other conclusion.

The CHAIRMAN. The Chair recognizes the gentleman from West Virginia [Mr. KEE].

Mr. KEE. Mr. Chairman, I take this opportunity to explain the action of the Committee on Foreign Affairs and the position of some of the members in respect to the amount of the appropriation to be authorized by the pending measure.

It has been intimated that there was a very grave difference of opinion within the Committee on Foreign Affairs. As a matter of fact, this bill was voted out by a very substantial majority of the membership of the committee. I am not at liberty to tell you what that majority was. We had honest differences of opinion in the committee as to the amount to be authorized. So far as that opinion has been expressed by the members, there were only three members of the committee who were opposed to this bill in its present form, and are opposed to it now in toto. There were seven members who signed minority reports. Those seven members announce in those reports that they are in favor of the principles of the bill. In other words, as I take that announcement, they are in favor of the principle of the legislation. They are in favor of the policies expressed in the bill. They are in favor of aid to Europe as provided in the bill. The only difference between those Members and we who believe in giving a full and complete measure of aid to the people of Europe, is that they disagree with the administration; they disagree with all of the military officials who appeared before our committee; they disagree with the naval officers; they disagree with the leaders of the air forces; they disagree with the Secretary of State; they disagree with that grand man, George C. Marshall, who was before us and insisted that this bill be passed without amendment.

Mr. LARCADE. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. LARCADE. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I do not question the sincerity of any of my colleagues, and I respect their opinions. However, I reserve the right to make up my own mind and determination on not only the legislation before us today, but also in any and all instances.

Mr. Chairman, I yield to no one as to my patriotism and love of country, and like all other patriotic Americans, I want to do all that is possible to protect and perpetuate our country so that our people may live in peace, security, and maintain the standard of life to which this country is accustomed, and, likewise, I would be happy to see the rest of the world do the same; however, I want to save my country first.

It is not necessary for me to reiterate my position in regard to all of the foreign-aid programs and the billions which have been appropriated therefor without avail as my record speaks for itself.

I have consistently disagreed with the State Department and the military in most of these programs which have cost the American taxpayers nearly $100,000,000,000 since the end of World War II.

Mr. Chairman, I have said time and again that the resources of this country are limited, as everyone knows, and that we are unable to continue to shovel billions of our resources in the futile efforts to support the balance of the world in these programs with the idea of avoiding another war.

It has been pointed out that it is now clear to any informed realist that not one objective of the United States foreign policy since 1945 has been achieved.

Past experience shows that as fast as we have poured arms into Europe and Asia these arms have fallen into the hands of those for whom they were intended to be used against, and if the situation in western Europe is analyzed, it is my opinion that if we would furnish the arms to be provided for in this bill, and if Russia decided to attack western Europe, these arms would immediately fall into the hands of Russia.

It has been estimated that Russia has under arms on the east-west line more than 750,000. About 2,250,000 are under arms as a strategic reserve behind the line, and that 500 divisions—7,500,000 men—could be put in the field, among which it is estimated that Russia has 40 armored divisions. Russia is credited with having 19,000 planes of all types, including 4,000 transport planes, 5,000 front-line tactical planes, and 10,000 miscellaneous planes.

If the appropriation sought under this bill is authorized and made available for arms under this plan, I wonder how long, even if the recipients would use the arms, would it take Russia with the military strength stated—how many hours—to engulf western Europe—arms and all. This would be money wasted.

Mr. THOMPSON. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. THOMPSON. Mr. Chairman, the arguments pro and con in the present discussion concerning the security of the United States have a very familiar ring.

In the days following the First World War those of us who were old enough and thoughtful enough to be concerned about it will remember very well the appalling manner in which our Army was whittled away and our Navy scuttled. Those of us with the temerity to suggest that we might one day again have need for civilian soldiers were hooted at when we asked for funds with which to train Reserve components for our armed forces.

I recall vividly the attitude of my own first Congress, the Seventy-third, which even then, with war so evidently in the making in Europe and Asia, wanted to save a penny here and there by taking it away from the armed services.

The first speech I ever made on the floor of this House was in behalf of the Air Corps. This little force was called upon to fly the mail in the winter of 1933–34. Many a fine young flier crashed and was killed that winter trying to fly through foul weather, without even having a radio with which to tune in on the beam. I recall a gentlewoman who is still a Member of this House asking why it was that our military planes were not equipped with radios as were the commercial planes of that day. I answered her question in this first speech of mine and told her that it was because the Congress would not appropriate sufficient funds.

I was the author of a bill that year designed to carry out General MacArthur's recommendations to increase the Army of the United States to his irreducible minimum of 165,000 men. This measure became law in 1935. At the time it was introduced the combat forces of the United States could have been seated in the Yankee Stadium.

The years went on and war kept coming ever closer. There was no doubt in the mind of any military man, nor of any student of foreign affairs, that war in Europe was inevitable, and that this country would surely be drawn into it; and yet it was only by a slim margin in Congress that our merchant ships were armed, and kept armed, in the year before Pearl Harbor. It was by a one-vote margin that selective service was continued just a few months before the Japs attacked us.

I venture to say that we could turn to the CONGRESSIONAL RECORD of any of those debates and find the same arguments that we are listening to today. In reasoning with the pacifists of those days and with the patriotists who would not extend their patriotism to include their pocketbooks, we used to point out the analogy between the great military minds and our family doctors. By long habit, we were accustomed to calling in their professional services only when we got in trouble. The doctors struggled hard to persuade us to come around every few months to be checked over so that they could keep us in good health and by comparatively minor expenditures of money, and with little inconvenience to us they could keep us from getting sick. That is all the military men asked. They appealed to us in the same manner, saying in effect what the doctors had said: "Let us advise you in time of peace when all is well; it will not cost you as much to spend a little money on preventive defense medicine and save the terrific hospital bills which might otherwise result. This doctrine is as sound in matters of national defense as in keeping your health good and your body sound."

So this has been a day of memories. Some of you thought you were saving money when you did not fortify Guam, remember? Some thought it to be cheaper to withhold the armaments from merchant ships. Some of you wanted to save on the selective service. The pattern unfolded all too quickly and now you are asking us to contribute to the unfolding of an identical pattern.

Personally, I shall follow the advice of the keenest military minds in the United States. I shall do so in the belief that the ultimate cost to my country will be far less than it might be if we again quibble and chisel at the expense of our national security.

Mr. PHILBIN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. PHILBIN. Mr. Chairman, let me say in the first instance that I sincerely approve of the objectives of this legislation to block aggressive designs by Russia in western Europe and to promote prodemocratic morale among the nations and peoples of that area.

I am fully convinced of the urgent need for our Nation to be constantly alert and adequately prepared for any aggressive measures against the relatively helpless democratic-minded nations of Europe, and against our own ultimate security.

I willingly admit that this measure in its broader effects may well result in buttressing the morale of the European democratic bloc. It also may well be that to a marked extent up to this time, the Marshall plan has been helpful in this regard and also in bringing about a measure of economic recovery and resistance to the ideology of communism. Recent elections in Europe would seem to indicate that the people when given an opportunity to express themselves by the ballot are turning against communism and casting their lot unmistakably with democracy and the free way of life.

To what extent this trend has been influenced by Russian aggression in other parts of the world and the policy of infiltration in certain European nations would be extremely difficult precisely to appraise. These events have been unquestionably great contributing factors to the reawakening of European peoples and the rebirth among them of definite and persistent democratic ideas.

It is unquestionably true also that these people have been considerably influenced by the lamentable developments in Great Britain where the regimented economy of the labor government has conspicuously failed to solve the great, underlying, economic, and social problems of the people, and have brought England virtually to the brink of disaster. It is almost impossible to believe that within the short space of a few years the once great and powerful British Empire, ravaged by war, radicalism, and eternal dissension should have been reduced to the status of a third-rate power and the people of the homeland visited with such unspeakable hardship and privation.

These facts have undoubtedly changed the thinking of millions of people of the rank and file in Europe and caused them to veer away from collectivism and the Communist ideology. They have seen for themselves the dire results socialism and communism bring in their wake.

The objection to this bill is that it does not provide sufficient strength of arms to enable the beneficiary nations to stave off Communist attack if it should come. The military resources provided by this bill are wholly inadequate to stop Russia from military aggression. The arms contemplated as a defense would be like setting up popguns against cannon and are, in my opinion, and in the opinion of outstanding military experts, wholly inadequate as a bar against Russian aggression. This is, indeed, Operation Popgun.

Frankly, I should like to hear a clearer and a broader expression of views by our own military experts on this question. I am a little impatient every time that legislation designed to block Communist aggression, economic, political, or military, is brought to the House to see our leading military figures, small in number, but powerful in influence, brought into the breach to give testimony in support of particular political aims which some in the Congress may be seeking to further. I am not at all satisfied that we have had as complete an expression as we should have from our own military men, and particularly from our experts of the Air Corps, concerning the feasibility and adequacy of the puny measures provided by this bill to erect a solid and impassable front against the colossal military machine that stems from the Kremlin.

It is said that this assistance if not militarily effective in the real sense, will suffice to cause the delay which, in turn, will give us opportunity to mobilize our own forces once that war becomes inevitable. In the light of military opinion which I have had, this view is entirely untenable and I cannot subscribe to it. I should like to know of a single competent military expert in our own Government or elsewhere, who is not of the opinion that should war start in the near future, or even after this program has been fully implemented, that the huge and massive Russian Army with its potential of 500 divisions within 90 days and with its millions of immediately available effective men under arms, with its 40 armored divisions, and with its 19,000 airplanes, could not almost without effort sweep relentlessly across the face of western Europe, occupy the Channel ports, and sterilize not only every aircraft base on the western European Continent, but in the British Isles as well.

It is entirely fatuous to believe that if war results, and I am not contending here that it will, though I am dealing with possibilities and potentialities, that we would have any advance notice of its commencement. There is no question in my mind—and my opinions are based on available, competent, military testimony—that if it so willed the Russian Army in a very short space of time could move across and occupy practically all of the nations embraced by the Atlantic Pact and the military-assistance program. Our own Department of Defense has definite time tables on these tactical developments should they come. We must remember, too, that in this aggression the Red army would have the assistance of its satellite states and Communist fifth columns of size, significance, and power in almost every single one of the countries involved where truly Trojan horses stand patiently by, ready at a given signal to disgorge the enemies of democracy. On this point let me read very briefly the opinion of an outstanding French general, Pierre Billotte, head French military adviser to the United Nations who certainly knows this situation:

> To put up resistance with any real hope of success the least Europe would require is 100 divisions, extremely mobile, equipped with the most powerful antitank weapons and supported by ultramodern air power—at least 10,000 tactical and 2,000 strategic planes. * * * Reduced to financial terms, no less than $100,000,000,000 investment, spread over several decades, is indicated.

There is one answer to this situation, my friends, from the American standpoint and it does not lie in this kind of a piecemeal, ineffectual program for the alleged benefit of foreign countries. In the first place any arms, military strength, or air power which we provide in defense of democracy and America should be kept under the control and direction of our own military leadership. Otherwise, in some circumstances, our own weapons may be turned against us. This is not a calculated risk; it is a foolhardy and unwarranted risk. If the occasion demands it, we should strengthen our own armed forces, and not the armed forces of foreign nations. We should strengthen our own Air Corps above all and bring into being a fleet of supertranscontinental and intercontinental strategic bombers and other suitable modernized aircraft capable of carrying atomic bombs and other effective explosives to the very heartland of the enemy. We should perfect our guided-missiles program. This, in my opinion, will be the most effective answer to the threat of Russian aggression and the most satisfactory way to defend the United States, and the other democracies, should that become necessary.

Not long ago the House Armed Services Committee reported H. R. 4766, a bill to authorize certain vital construction at our own military and naval installations. This bill, which covers all our armed services, provides for building up our own installations and air bases and research centers and hospital facilities and special weapons projects, not only inside, but outside the continental United States, in Alaska, and the Pacific areas. It is indeed an irony, and I am speaking mildly, that this measure for building up our own defenses and bringing them to a state of reasonable efficiency should be sleeping peacefully in this Congress without action by the Rules Committee and the House at a time when this measure

calling for arms assistance to foreign nations is brought to the floor for a favorable decision. Let me point out that we also substantially cut our own stock-piling appropriations which are designed to accumulate vital strategic materials.

In that connection let me emphasize the situation respecting our Alaskan defenses. I can do this best by quoting briefly from a recent wire received from Gov. Ernest Gruening, of Alaska, and I quote:

Word that Congress is deferring action for this session on the $137,738,712 defense authorization for Alaska appears to us unbelievable. I can state categorically that Alaska is defenseless and that the Territory could be taken tomorrow by a minor scale airborne invasion. While the Congress has just approved a $5,797,000,000 appropriation for Europe to check the advance of communistic totalitarianism across the Atlantic three to four thousand miles away, it denies less than 2½ percent of that sum in authorization for the long-overdue defense construction of American territory just 54 miles across Bering Strait from our police state neighbor. Instead of having made Alaska impregnable, a bulwark for the United States and the Western Hemisphere, the Congress, if it fails to make this authorization, is perpetuating Alaska instead as America's Achilles heel. Alaska was the only part of America invaded by the enemy in World War II. Shall this happen again? To allege that this authorization is merely deferred to the second session of the Eighty-first Congress misses the entire point. Given the seasonal conditions in Alaska and the working organizations now created such deferment will mean the loss of at least a year and a half in military construction which should have been completed by now and which even if completed would give Alaska far less in the way of defenses than we ought to have for national safety. Postponement is moreover the height of wastefulness. It will mean that all work will have to be stopped, organizations disbanded, the construction crews shipped back to the States and recruited all over again if and when Congress decided to act, probably not until June 1950. There has been complaint in Congress over the high cost of construction in Alaska. Here is precisely the reason. Military construction urgently demanded by the Army, Navy, and Air Force was interrupted when the Eightieth Congress failed to make the necessary appropriations. It apparently is happening again in the Eighty-first Congress. Those who are responsible for this action are incurring a great risk and a tragic responsibility. If there is another Pearl Harbor, and this time it will be a far more serious disaster than in 1941, it shall not be said that no warning has been given.

Is there any Member in this Chamber earnestly desirous of defending the United States of America who is not impressed by the woefully weak, inadequate condition and status of our present Alaskan installations and facilities? Can we possibly justify spending over a billion and a half dollars to arm other nations when the front door to our own Nation located only 54 miles across Bering Strait from Russian territory is so inadequately defended, or, indeed, for all practical purposes not defended at all?

I think there can be only one answer to that question and that is that the Congress move at once to pass our own military construction bill and take immediate measures to set up adequate, invulnerable defenses in Alaska.

I am not one of those who believes that war is imminent. Whether it is ultimately inevitable because of the attitude of Russia, because of the deep-seated, increasingly bitter clash between communism and democracy, I am not prepared to state. I do not speak in the spirit of the jingoist or the warmonger. Nor am I an appeaser. I am intensely and sincerely interested in peace and I am anxious to strive for peace as eagerly and as militantly as some seem to be striving for war. I should be willing that our country should inaugurate fresh measures to effect a world-wide disarmament program and to look forward to some international arrangement to utilize atomic energy and power for the benefit of humanity rather than for its destruction. But it takes two to make such a bargain and so long as the great powerful Russian dictatorship by its overt acts of infiltration and conspiracy carried out and conducted upon a world-wide front shall remain unreceptive to the overtures of the democratic world for peace and brotherhood on earth, our Nation is given no choice.

We must be prepared against every eventuality and we must take into account every military possibility. We cannot gamble as we have heretofore until another Pearl Harbor shakes us out of our lethargy, because this time the visitation of world war will come like a bolt from the blue. It will come without warning. It will come on a broad front. It will come with crushing power accompanied by internal troubles and dissension, revolution, and rebellion generated by Godless communism such as this Nation and the world has never before witnessed, and unless we are fully prepared and ready for it we will be completely overwhelmed and conquered even before we have time to get into action. Then in truth the lamp of liberty will go out and the darkness of slavery will envelop us.

These are some of the considerations, Mr. Chairman, which lead me to question the validity and the efficacy of this bill. I do not believe it has been sufficiently considered. I do not believe it can accomplish the purposes it claims. I do not think that it is in the interest of the Nation or our national defense. I do not think it can adequately assist those we are seeking to assist. It moves toward war. I think it should be referred back, not to the Committee on Foreign Affairs, but to the Committee on Armed Services which has abundant resources, facilities, and background materials for studying its provisions and implications, and for bringing to this House a more definite and more realistic program, linked to and coordinated with our own national defense, on land, sea, and in the air to cope with the great dangers which confront us in this modern world.

Clearly this Nation cannot indefinitely bear the great financial burdens of feeding, developing, arming, and equipping these foreign nations. We cannot and should not assume the responsibility for putting into their hands military weapons and supplies which if they are not used against each other may eventually be used against us and which in no event are equal to the great task of staying the military power of the Soviets.

If necessary, let us find some additional, more feasible way of building and promoting the morale of our fellow democracies in Europe which represent whatever Christian civilization and culture is left in Europe. But let us find the best practicable way of accomplishing this end, and of maintaining an adequate defense not only for them, if the challenge comes, but for ourselves, and if we possibly can do it, endeavor to work out means by which this troubled world may once again walk in the path of peace.

Mr. RAYBURN. Mr. Chairman, I have taken the well of the House many times before I was ever an official of the House of Representatives. I have taken it once in a while since I have been an official of the House of Representatives, because I am still a Member of the House of Representatives.

There has never been a time when I have asked you to listen to me when I have appealed to passion or prejudice, and today I shall seek to appeal to your reason and not to your weak knees, as suggested by the gentleman from South Carolina [Mr. RICHARDS]. I do not place the estimate upon you that you would agree with me on any other ground except the exercise of the good common sense that you have, and not from any weakness in the knees, or in your heads, either.

My mind goes back a little while. I was here during the First World War and between the wars. I challenge the patriotism of nobody. I never did. I think every man and woman in this House loves the United States of America with unfailing devotion. I have heard some speeches—I think I have heard as much of this debate as I have heard of any debate—urging the same caution, the same hesitation, the same "wait a while" that I listened to in 1938, 1939, 1940, and even into 1941, when practically all the rest of the world was aflame with war. Why raise an army? Why extend the draft? You know, by one vote we failed to take down our Army just a few weeks before Pearl Harbor. Somebody said one time, "When you prepare for war you have a war." That has not been our experience. We were attacked by Germany in 1917 because we were weak. We were attacked by Japan in 1941 because they knew we were weak. I sat in the White House one morning with a group of men. President Roosevelt said, "Hitler knows we are weak. Japan knows we are weak. The warlords of Japan are in Berlin this morning. Hitler is trying to convince them that he has the war won. If he convinces them, they will attack us." They attacked us in 6 weeks. They might have done a great deal more to us if they had known how desperately weak we were. They might have come to the Pacific coast, and we had little there to defend that coast.

I am not speaking for Europe—England, as somebody said, with its socialistic government. I speak for the United

States of America, because I want a battle front somewhere in this world except within the borders of the United States of America. Unless we are willing to take the advice of the greatest leaders, or as great leaders as this country or any other country has ever had in all the tide of time—they know more about it than I do. They say this is necessary; this is necessary for the defense of the United States of America, not only the defense of Europe. We must have allies.

They talk about Russia. There is more talk here about communism, both in the Congress and out. That is constant. But it is a funny thing that when we start to do something about it according to the idea of some of us, those who speak the loudest against communism are found wanting.

I want to read to you a great sentence from a great man, Omar Bradley, who testified for this program, not half a loaf, but the whole loaf. He said:

Our rise to leadership must be attended with such courage and circumstance as will ever give it first rank in the history of great actions.

I never read a greater statement than that. Gen. Omar Bradley thinks this is necessary. The man who ran the armies during the Second World War, General Marshall, one of the great men of this or any other time, thinks this whole amount is necessary. I fear not to follow their advice; I am afraid not to give them and to the United States and to our potential allies what they think is absolutely necessary for our safety and for the safety of the democracies of this earth.

The United States has been challenged by leadership. We must accept it, or the world will not be a fit place in which to live.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama [Mr. BATTLE] to the committee amendment.

Mr. JAVITS. Mr. Chairman, I ask unanimous consent that each of the amendments be read just before the vote is taken.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The Clerk will again read the amendment for the information of the Committee.

The Clerk read as follows:

Amendment offered by Mr. BATTLE to the Committee amendment: On page 5, line 11, strike out "$498,130,000" and insert in lieu thereof "$398,130,000."

The CHAIRMAN. The question is on the amendment.

The amendment was rejected.

Mr. KEATING. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. KEATING. I wish to inquire whether this would be the appropriate time for me to offer an amendment to the Richards amendment.

The CHAIRMAN. Does the gentleman desire to offer an amendment to the Richards substitute?

Mr. KEATING. Yes; to the Richards substitute.

The CHAIRMAN. That would not be in order at this time.

The question recurs on the amendment offered by the gentleman from New York [Mr. JAVITS] as an amendment to the substitute offered by Mr. RICHARDS, which the Clerk will read for the information of the Committee.

The Clerk read as follows:

Amendment offered by Mr. JAVITS as an amendment to the substitute offered by Mr. RICHARDS: Strike out in the Richards substitute, the words "June 30, 1950, not to exceed $580,495,000" and insert "March 31, 1950, not to exceed $498,130,000; and such further funds shall be available for carrying out the provisions and accomplishing the policies and purposes of this title through June 30, 1950, as are hereafter authorized and appropriated to the President from time to time. The authorization in this title is limited to the period ending March 31, 1950, so that the Congress may determine whether unified defense plans under the North Atlantic Treaty and unified direction and effort have been realized."

The question was taken; and on a division (demanded by Mr. JAVITS) there were—ayes 5, noes 178.

So the amendment was rejected.

Mr. KEATING. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. KEATING. Would this be the appropriate time to offer an amendment to the Richards amendment?

The CHAIRMAN. This is the appropriate time, if the gentleman wishes to offer his amendment.

Mr. KEATING. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment to the Richards amendment offered by Mr. KEATING: Strike out the words "There is hereby authorized to be appropriated to the President" and insert in lieu thereof: "There is hereby authorized to be expended by the President from any moneys appropriated by the 'National Military Establishment Appropriation Act, 1950.'"

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. KEATING] to the Richards amendment.

The question was taken; and on a division (demanded by Mr. KEATING) there were—ayes 79, noes 161.

So the amendment was rejected.

The CHAIRMAN. The question now recurs on the Richards substitute, which the Clerk will reread.

The Clerk read as follows:

Amendment offered by Mr. RICHARDS as a substitute for the committee amendment: Page 5, line 6, after the period, strike out the entire line through line 23 and insert in lieu thereof the following: "There is hereby authorized to be appropriated to the President to carry out the provisions of this title for the period through June 30, 1950, not to exceed $580,495,000."

The question was taken; and on a division (demanded by Mr. RICHARDS) there were—ayes 182, noes 142.

Mr. KEE. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. KEE and Mr. RICHARDS.

The Committee again divided; and the tellers reported that there were—ayes 172, noes 137.

So the substitute amendment was agreed to.

The CHAIRMAN. The question recurs on the committee amendment as amended by the substitute amendment.

The committee amendment as amended was agreed to.

Mr. JACKSON of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JACKSON of California: After line 23, page 5, add a new section, 103, as follows:

"The President is authorized to enter into negotiations with any one or more of the signatory governments, upon request of such government or governments, for the use and occupancy, by elements of the United States Air Force, of airfields, bases, and other air-defense facilities, when in the opinion of the President and the government or governments concerned such use and occupancy is deemed to further the collective security of the North Atlantic area.

"Command and direction of any such elements of the United States Air Force so stationed in another country under the provisions of this act, shall remain vested in the United States, but it is the sense of the Congress that air planning for strategic and tactical defense should be integrated and coordinated with the planning of agencies or defense councils which may be hereafter established for joint collective security."

Mr. KEE. Mr. Chairman, I reserve a point of order against the amendment.

Mr. JACKSON of California. Mr. Chairman, as I have stated so often in committee, and as I stated on the Floor of the House yesterday, I am in full accord with the end purpose of this legislation. I feel sincerely and very deeply that we do have an obligation, an obligation not only to maintain to the best of our ability, peace throughout the world, consistent with our financial ability to do so, but also to raise such obstacles throughout the world to possible aggression that aggressors will stay the use of armed force through fear of rapid and effective retaliation. I have not been able to bring myself to a belief that ground defense of western Europe is feasible or in any way practicable. It has long been my feeling, and it remains so today, that in the hour that Soviet Russia decides—which God forbid she ever should—to march westward to the English Channel and the North Sea, she will roll almost as fast as her mechanized divisions move. Instead of thinking only in terms of what will happen after the attack comes, we should be directing our attention and our energies to the prevention of that attack.

I believe that the provisions of this legislation are moving us toward a possible atomic war in an oxcart. It will be said with respect to my amendment that the President already has the power to do these things; that he has the power to negotiate for such bases, but many of us feel that he should have a clear mandate from the Congress of the United States to go ahead and initiate discussions for the use and occupancy of bases when, in his opinion and in the opinion of the Government or governments concerned,

such use and occupancy will further the purposes of this act, and further the maintenance of peace. I do not know that he has statutory authority to do it, but I propose with this amendment to give him such authority, because if we are to defend the peace, we must, of necessity today, in this day of the atom, defend it in the air and not on the ground.

I think the other provisions of the amendment are self-explantory. The control, direction, and command of such units as may be stationed abroad will still remain vested in the United States. I do not think any Member of this body would want to relinquish control of our air elements.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. JACKSON of California. I yield.

Mr. KEATING. Do I understand correctly that the amendment offered by the gentleman would not increase the over-all amount authorized to be appropriated under this bill?

Mr. JACKSON of California. That is exactly the case. It does not entail any additional authorization.

Mr. BATTLE. Mr. Chairman, will the gentleman yield?

Mr. JACKSON of California. I yield.

Mr. BATTLE. Is it not a matter of fact that Russia is armed to the hilt at the present time?

Mr. JACKSON of California. I think there is no question about that.

Mr. BATTLE. And is it the purpose of the gentleman's amendment to put some teeth into this legislation?

Mr. JACKSON of California. Absolutely. I think the time has come when we must decide one of two things, either that Russia intends to fight or that she does not. If she intends to fight, we are going to need such bases. If she does not, it is not going to be any more expensive to maintain such bases there than it is at home.

Mr. O'HARA of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. JACKSON of California. I yield.

Mr. O'HARA of Minnesota. If we are to have this program, I agree with the gentleman's proposition, because the war will be fought in the air, and, of course, we will be doing the fighting. Does the gentleman agree with that?

Mr. JACKSON of California. I do.

Mr. FLOOD. Mr. Chairman, will the gentleman yield?

Mr. JACKSON of California. I yield.

Mr. FLOOD. I have in mind the gentleman's reference, stressing our air power in connection with this program. If and when the situation would arise that Russia would occupy western Europe from the North Sea to Bordeaux, would the gentleman tell European citizens of those nations today that with our Air Force we will drop bombs on Belgian, French, and Spanish and British cities?

Mr. JACKSON of California. I think we undertake no greater commitment in the Air Force program than we do in committing ourselves to furnishing tanks, trucks, guns, and other military equipment. I consider that under the terms of the North Atlantic Treaty we are obligated, for better or for worse, to the use of armed force.

The CHAIRMAN. The time of the gentleman from California has expired.

Does the chairman of the committee withdraw his point of order?

Mr. KEE. Yes, Mr. Chairman, I withdraw the point of order.

Mr. JUDD. Mr. Chairman, I ask unanimous consent that the gentleman from California, who is offering a very major amendment, one of the half dozen which will be offered to the entire bill, be allowed to proceed for five additional minutes, regardless of what they think.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

Mr. KEE. I regret, but I can make no exception.

Mr. JUDD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I ask unanimous consent that my time be given to the gentleman from California.

Mr. DINGELL. Mr. Chairman, I object to that procedure.

The CHAIRMAN. The gentleman from Minnesota is recognized for 5 minutes.

Mr. JUDD. Mr. Chairman, there are only half a dozen major amendments to the bill we are considering, and the gentleman from California [Mr. JACKSON] is now offering one of them, an amendment which is a serious and carefully considered proposal to strengthen this program. It seems to me extremely short-sighted to refuse to allow him to have a few more minutes to explain it. If the gentleman from California will ask me to yield, I will yield to him.

Mr. JAVITS. Mr. Chairman, will the gentleman yield for a question?

Mr. JUDD. I yield.

Mr. JAVITS. I think that the proponents of the amendment should make it very clear that the Commander in Chief, the President, has this power. I hope the gentleman, for the benefit of the membership will say exactly why, therefore, he feels that it is desirable to spell it out in this statute, and I consider that the central matter in trying to decide whether to be for or against the amendment. Personally, I am against it; but I think that the House should have the benefit of the gentleman's explanation.

Mr. JACKSON of California. I wish to say to the gentleman from New York, as I tried to state yesterday, and again today, that I feel that without air bases, without air-defense facilities, and without all of the things that will enter into the next war we will be totally unable to carry on from nearby bases any considerable operations against the supply lines, against the marshaling yards, against the transport, against the communications, against all of the things which an army must have in order to move.

You do not build air bases for the heavy equipment of tomorrow's war overnight. If we really intend to implement our obligations under the Atlantic Treaty, let us make our aid effective, and I do not believe it is possible to stem aggression on the ground unless we also are in a position to deliver devastating blows in the first hour of any possible aggression.

Mr. JUDD. Is it not true that the gentleman's program does not take a single thing away from the program provided in the rest of the bill? It merely adds to it?

Mr. JACKSON of California. In my considered opinion, it is the only thing that would lend sufficient coherence to the measure as it stands at this time to make me even seriously consider voting for the bill.

Mr. KEE. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield.

Mr. KEE. How does the gentleman from California provide for the construction of the airports? Out of what funds?

Mr. JACKSON of California. First of all, I would say to the gentleman from West Virginia that this is merely a negotiating proposition at the present time. First of all you have to obtain the right or the lease or the mutually satisfactory arrangements under which you are going to use the bases you obtain. I think that is the first step, but I think it is a very important step in the right direction at this time.

Mr. JUDD. Is it not true that what the gentleman is doing here is just loading a second barrel? We hope nothing will happen, but we do not want to go into another test of power without every possible advantage on our side. Therefore, the gentleman is properly trying to get us into a position where, if ever needed, we can strike hard and fast and with the utmost effectiveness at the places where threat of devastating attack by our air power is the most certain means of deterring Russia from moving into western Europe; and that is her armament-producing plants, deep in Russia, and her supply lines leading from those factories to the front?

Mr. JACKSON of California. The gentleman has expressed my opinion entirely.

Mr. JUDD. I voted against the gentleman's proposal when it was offered in the committee because it was proposed as a substitute for the whole title, but now that the gentleman has submitted it as an addition to the bill and to strengthen the bill I will, of course, be for it. It cannot do any harm and it can do a lot of good.

Mr. JACKSON of California. I want to comment on the question of the gentleman from West Virginia. There are tremendous balances of counterpart funds which have been deposited in separate accounts under the ECA program which might very well be diverted to the labor and matériel costs of any program.

Mr. KEE. That would necessitate an agreement on the part of all those nations.

Mr. JACKSON of California. This whole program is going to require agreement. If we do not get agreement, we do not get anywhere.

Mr. KEE. I am simply calling attention to that. The gentleman from Minnesota mentioned the fact he voted

against the proposal in committee. One of the reasons he voted against it was the committee advice at the time that the President already had the power under existing statute.

Mr. JUDD. Yes, but the main reason was that it eliminated other provisions of the bill.

Mr. KEE. And it was unnecessary to incorporate any provision of this kind in the bill.

Mr. JUDD. I do not know whether it is necessary or not; I would rather vote for it and be sure.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. WHITE of Idaho. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I should like to take this opportunity to speak for a moment on a few of the fundamental principles of humanity.

On the 22d day of February every year we gather together with solemnity and ceremony to listen to the reading of the Farewell Message of George Washington. We then adjourn so that we may better consider the merit of that advice.

Let me read to the Members of the Committee at this time a few lines from that great message, under the philosophy of which we have attained our present preeminent position among world powers:

Toward the preservation of your Government and the permanency of your present happy state, it is requisite, not only that you steadily discountenance irregular opposition to its acknowledged authority, but also that you resist with care the spirit of innovation upon its principles.

As a very important source of strength and security, cherish public credit. One method of preserving it is to use it as sparingly as possible, avoiding occasions of expense by cultivating peace.

The nation which indulges toward another an habitual hatred, or an habitual fondness, is in some degree a slave.

So likewise, a passionate attachment of one nation for another produces a variety of evils. Sympathy for the favorite nation, facilitating the illusion of an imaginary common interest, in cases where no real common interest exists, and infusing into one the enmities of the other, betrays the former into a participation in the quarrels and wars of the latter, without adequate inducements or justifications. It leads also to concessions, to the favorite nation, of privileges denied to others, which is apt doubly to injure the nation making the concessions.

Against the insidious wiles of foreign influence (I conjure you to believe me fellow citizens), the jealousy of a free people ought to be constantly awake; since history and experience prove, that foreign influence is one of the most baneful foes of republican government.

Europe has a set of primary interests, which to us have none, or a very remote relation. Hence, she must be engaged in frequent controversies, the causes of which are essentially foreign to our concerns. Hence, therefore, it must be unwise in us to implicate ourselves, by artificial ties, in the ordinary vicissitudes of her politics, or the ordinary combinations and collusions of her friendships or enmities.

Why, by interweaving our destiny with that of any part of Europe, entangle our peace and prosperity in the toils of European ambition, rivalship, interest, humor, or caprice?

Mr. Chairman, that was good advice then, it is good advice today. Of course, it may be said by a good many Members on this floor that that message is 170 years old and that conditions have changed and that we should not take our first President's advice too seriously, although, as I said, we have largely reached our present position as the leading nation of the world under the creed, under the philosophy enunciated in that famous Farewell Message of George Washington.

But let me read you something that is thousands of years older than that, something which is still current and good today. I refer to the Ten Commandments:

THE TEN COMMANDMENTS

1. I am the Lord thy God. Thou shalt not have strange gods before me.
2. Thou shalt not make unto thyself any graven image or any likeness of anything that is in the heaven above, or that is in the earth beneath, or that is in the water under the earth.
3. Thou shalt not take the name of the Lord thy God in vain.
4. Remember the Sabbath day to keep it holy.
5. Honor thy father and thy mother.
6. Thou shalt not kill.
7. Thou shalt not commit adultery.
8. Thou shalt not steal.
9. Thou shalt not bear false witness against thy neighbor.
10. Thou shalt not covet thy neighbor's house, thou shalt not covet thy neighbor's wife, nor his manservant, nor his maidservant, nor his ox, nor his ass, nor anything that is thy neighbor's.

Mr. Chairman, it seems to me that we promised, when we went into this last war, that we were going to strive for peace. But we are going in the wrong direction; we are traveling on the wrong road; we are not striving for peace. We are preparing for war, and we are sending forth instruments of death in this program that is before the House today.

The sweetest music and the sweetest song I ever heard is a Christmas carol sung on the eve before Christmas, "Peace on earth, good will to men," and I wish that there would be a little more of that feeling and that spirit exhibited by our Government and the men that make our policy.

The CHAIRMAN. The time of the gentleman from Idaho has expired.

Mr. WADSWORTH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the amendment offered by the gentleman from California [Mr. JACKSON] raises to my mind a very delicate question. As I understand, the intent of this bill is that the United States shall furnish to these people in Western Europe the equipment and matériel in order that they may use that equipment as their own for the strengthening and protecting of their defenses. Under the Pact, of course, we are under obligations to come to their defense militarily in the event that any one of them is attacked.

I was struck, if you will let me say so, Mr. Chairman, by a certain phrase found on page 4 of the bill in lines 12, 13, 14 and 15, and I invite the attention of the Chairman of the Committee on Foreign Affairs to the language which reads:

The President is hereby authorized to furnish military assistance to such nations as are parties to the treaty and have heretofore requested assistance.

The question arose in the hearings before the Committee on Rules as to whether or not that would not be an authorization for the President to send armed forces to one or more of these countries, that is, troops of the United States, be they air forces or ground forces or naval forces. We were assured by the members of the Committee on Foreign Affairs that that was not the intent of the bill; that a provision found later on in the bill would, if searched out and interpreted reasonably, develop the fact that the assistance to be given was really meant to be confined to matériel and equipment, tools, machinery, weapons, and so forth.

It has been my purpose to offer an amendment to clarify that word "assistance," but the amendment offered by the gentleman from California would, if adopted, in effect express approval by the Congress of the President of the United States, should he send troops before any attack is made, and before there is any aggression. It seems to me that that is a rather extraordinary step for the Government to take.

Mr. WILLIAMS. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield to the gentleman from Mississippi.

Mr. WILLIAMS. If the gentleman will turn to page 12, section 407, subsection (b) he will note this language:

Notwithstanding the provisions of Revised Statutes, 1222, personnel of the armed forces may be assigned or detailed to noncombatant duty with any agency or nation, for the purpose of enabling the President to furnish assistance under this act.

Mr. WADSWORTH. That is what it says.

Mr. WILLIAMS. But this means, if I interpret it correctly, that they could send American soldiers over there to dig ditches for those people if they so desired those services.

Mr. WADSWORTH. It seems to me that the gentleman's interpretation is rather stretched. The noncombatant service to be performed by a member of the military service who may be sent over there by the President is to advise, to coach, as technicians. It is not to perform combatant service or potentially combatant service. It is purely related to peacetime functions.

I doubt very much, Mr. Chairman, that we should insert in this bill a provision which, if inserted, would certainly express the intent and perhaps the desire of the Congress, that we would begin sending troops over there right away.

Mr. JACKSON of California. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. JACKSON of California. May I say to the gentleman that we already as a matter of fact have such forces in England, Germany, and Austria. I do not know that they are there in a combatant capacity. They are there as police troops. Certainly the idea of my amendment would be an extension of that police authority even further.

Mr. WADSWORTH. May I remind the gentleman from California that the

troops we have in occupied Germany, Austria, Trieste, and Japan are there as a result of the terms of surrender.

Mr. JACKSON of California. What about England?

Mr. WADSWORTH. My understanding is that the element of the Air Force that has been in England has been serving as a base for the conduct of the airlift to Berlin, to repair the planes which were not performing military duty but rather a peacetime traffic duty.

Mrs. DOUGLAS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the gentleman from New York is exactly right in his reason for opposing the amendment which has been offered by the gentleman from California [Mr. JACKSON]. The amendment of the gentleman from California [Mr. JACKSON] would authorize the sending of American troops to Europe.

This amendment was discussed in our committee, and military men who came before the Foreign Affairs Committee were questioned on this amendment. They do not want it in the bill. Moreover, there is nothing to be gained by including it in the bill. The President has such authority now. The only purpose it will serve is to hand the Communists a propaganda club with which to beat us over the head. Surely we have to take the advice of experts in such matters. It is interesting that the gentleman who offered this amendment voted for the cut——

Mr. JACKSON of California. That is correct.

Mrs. DOUGLAS. The gentleman would establish United States bases in Europe but he does not want to provide arms to hold those bases in case of war. It is all very confusing to me.

Mr. JACKSON of California. If the gentlewoman will yield, may I say that as far as the infallibility of military testimony is concerned, it was not infallible at the time they booted Billy Mitchell out of the air service because he advocated air power. I do not think it is any truer today. I think, of course, their arguments have a great deal of worth, but not so far as their being gospel truth is concerned.

Mrs. DOUGLAS. The gentleman has repeatedly referred to Billy Mitchell. I hope the gentleman is not identifying himself with Billy Mitchell. I only say that we had a pretty good Air Force in the war, the best in the world. If I have to take advice on a program of this kind, I must take the advice of those men who are specialists and not amateurs in this field.

Mr. KEE. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. DAVIS].

Mr. DAVIS of Wisconsin. Mr. Chairman, I rise in support of the amendment offered by my colleague, the gentleman from California.

I do so, stating very frankly at the outset that I intend to vote against the bill, whether or not the amendment offered by the gentleman from California is adopted. I do so because even if this amendment is adopted in the form it has been presented, it will not be a substitute for title I of this measure. I find I cannot agree with the concept of title I of this bill. I cannot see how the placing of rifles in the hands of some Frenchmen or Belgians is going to strengthen their morale or make them capable of defending their country. If this is all we are going to do, say, "Now, here is your rifle, go out and defend yourself and be the expendable few until the American air forces can get there," then we are not going to accomplish anything. I think this concept, if we are to simply provide the surpluses of our arms and equipment to Europeans in order to strengthen their morale or their will instead of providing the matériel to actually combat the forces of Russian aggression, we are just kidding ourselves and kidding these Europeans. To me it speaks of a Maginot line complex. It seems to me that the Jackson amendment does contain a reasonable and practical alternative to the committee-sponsored concept of a ground defense for western Europe. I had hoped that the gentleman would present it in a form so that it would be a substitute for the committee-sponsored concept. This is not true, but in any case I do urge the committee to support the Jackson amendment as a realistic and sensible approach to this problem. I shall vote for this amendment, but as I said, because it has not been presented as a substitute for Title I and cannot therefore replace it, I shall be compelled to vote against the bill.

I consider it ill-advised for the House to consider a measure of such basic and vast implications with so little opportunity for us to examine the one-way street to which this is the entrance. There can be no turning back once we have started. There has been general admission that this ground defense program is only a beginning. A billion and a half dollars to stop the land forces of Russia with other land forces? Ridiculous! Twenty billion in 10 years? Fifty billion in 20 years? Is that our commitment?

This is called a Mutual Defense Assistance Act. Yet there is no mutuality about it. There should be, but we are today asked to approve a unilateral grant months before the Council and Defense Committee provided for in the North Atlantic Treaty have begun to operate. Is or is not this program to implement the North Atlantic Treaty? We have had conflicting answers from those who ought to know.

Mr. Chairman, I support the concept of the Jackson amendment. I reject the concept of a ground defense for western Europe underwritten by American funds.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. HUBER].

Mr. HUBER. Mr. Chairman, I share the deep concern of Members of the House in the legislation that is pending. However there is one thing I am just a little bit fed up on and that is member after member of the Foreign Affairs Committee getting up in the Well of the House and saying, "Well now, if you had heard the secret testimony which was given to us in executive sessions of our committee you would feel differently about this legislation."

I recall during the war we had a number of meetings in the Coolidge Auditorium of the Congressional Library with the heads of the armed services. General Marshall, Admiral Halsey, and others came there and laid the cards on the table. They said, "Ladies and gentlemen, here is what we are confronted with."

This is crucial legislation affecting the future of our country. I do not see any reason in the world why we could not have similar meetings and lay the cards on the table. There is no reason in my opinion why that could not be done. I am just as willing to trust the good sense and judgment of members of the Committee on Agriculture, Ways and Means, Veterans, or any other committee because as the Speaker of the House so eloquently said a short time ago—all Members of the House are good patriotic Americans. I think meetings like that could be arranged.

Mr. BREHM. Mr. Chairman, will the gentleman yield?

Mr. HUBER. I yield.

Mr. BREHM. Does the gentleman not recall that 24 hours later we read all that information in the newspapers?

Mr. HUBER. Surely if 27 Members can be trusted we can trust the remaining Members.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. HUBER. I yield.

Mr. JUDD. I agree thoroughly with what the gentleman has said. In committee, I tried to get the idea across that at least 90 percent of what was told us could and should be told to the whole House and to the whole country. How can anyone expect either the House or the people to support a program which they are not permitted to understand?

Mr. HUBER. Then we should stop all this talk about secret testimony.

Mr. JUDD. Most of it is the information which the people should have if we ask the people to support this legislation.

Mr. HUBER. Then we should all be told the facts and given full information.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. HUBER. I yield.

Mr. VORYS. The gentleman may have noticed on those charts which were presented to the committee by our colleague, the gentleman from Pennsylvania [Mr. FULTON] yesterday there was a white space at the top. That was where the word "secret" was taken off. If the gentleman can tell me any worldly reason why those charts should ever have been secret, I would like to hear the reason.

Mr. HUBER. Well, the members of the Committee on Foreign Affairs should see that the cards are layed upon the table and that every Member of this House has all the facts, and we should

not be expected to vote for or against any measure because of secret facts given to one of our committees in executive session.

The Chair recognizes the gentleman from Michigan [Mr. POTTER].

Mr. POTTER. Mr. Chairman, I have supported our foreign-aid program and our national defense program ever since I have been in Congress. I am glad I have done it. But I am getting off the State Department bus. I do not pretend to be an expert on foreign affairs. I am getting a little tired of having these experts' names thrown into our faces as if their words cannot be questioned. You cannot convince me that by sending a billion and a half dollars' worth of small arms to the western European countries that you are going to deter Russia. I assume that is whom we are defending against. If a billion and a half dollars will do the trick, then we are misled about the strength of Russia.

Mr. DAVIS of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. POTTER. I yield.

Mr. DAVIS of Wisconsin. The same experts who have been telling us right down to the last dollar how much it will take, are the same experts, substantially, who told the American people when they submitted their budgets to the Budget Bureau last year that we could not get by for less than $30,000,000,000 for our own national defense.

Mr. POTTER. The President did not put too much stock in our military experts then, did he?

Mr. WILLIAMS. Mr. Chairman, will the gentleman yield?

Mr. POTTER. I yield.

Mr. WILLIAMS. Was not this the same Foreign Affairs Committee, was that not the same General Marshall who testified before the Foreign Affair Committee, and is this not the same crowd that told us 4 months ago that if we would send food over there we would not have to send weapons?

Mr. POTTER. That is absolutely right. Russia could have and can now march to the Channel any time she wants to. But she did not and will not do it. Russia will not do it because she is afraid of retaliation by air. That is our great defense—our means of immediate retaliation. Certainly a billion and a half dollars of ground-troop weapons will not stop Russian aggression.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

The Chair recognizes the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Chairman, we are not dealing in this amendment with anything fanciful. We are dealing with a very practical situation that exists. The House has just voted about $600,000,000 for the purposes specified in the bill. The question is whether this amendment should be tacked onto it.

It has already been made clear that the President can make these agreements. All we do when we write this amendment is to put into the mouth of every Communist propagandist in Europe, which he will expand and expand and expand, the fact that the United States, by direction of the Congress, is now to be engaged in the policy of establishing bases and military imperialism, and that everything that the same propagandists have been saying about us for the last 2 years has now, he will say, have been conclusively proven by a declaration of the Congress of the United States itself.

Furthermore, this amendment is completely unnecessary. The Commander in Chief can contract for bases, the Commander in Chief has done it. All we are doing is "sticking our fingers into the eyes of our friends," if we insist on writing this amendment into this legislation. I agree fully with the concept of air power. Everyone has said that this program is meaningless unless you add to it the air power of the United States, as indeed you do and as indeed you must do.

Mr. JACKSON of California. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield.

Mr. JACKSON of California. Certainly the gentleman, for whom I have the greatest respect, is not naive enough to believe that any action taken by the Congress is going to alter Communist propaganda?

Mr. JAVITS. I reciprocate for the gentleman the great respect he has spoken of. But there is no reason why we should underline and emphasize the very exact thing they have claimed. Everyone who has read their stuff knows what they have been emphasizing. This simply emphasizes it, if we pass this amendment.

The CHAIRMAN. The time of the gentleman from New York has expired.

The Chair recognizes the gentleman from West Virginia [Mr. KEE].

Mr. KEE. Mr. Chairman, I will not use the time allotted to me. All I want to say about this amendment is to emphasize what the gentleman from New York [Mr. WADSWORTH] has said to the House; that is, that this proposed amendment would authorize the sending of American troops to Europe, to all of the countries involved in this program. That is something we do not want to do.

I also wish to emphasize what the gentleman from New York [Mr. JAVITS] has said; that is, that the only effect this amendment will have, insofar as benefiting anybody is concerned, will be to benefit the Russian Communists who will use it as propaganda, claiming that we are engaged in locating our bases all over Europe for the purpose of attacking Russia, and not for the purpose of defense. I want to also emphasize what has been stated repeatedly: That if air bases are necessary, we have plenty of provisions on the statute books today to authorize the President and other officials of this Government to negotiate for air and other bases wherever and whenever they may be needed.

I hope the amendment will be defeated.

The CHAIRMAN. The time of the gentleman from California has expired; all time has expired.

The question is on the amendment offered by the gentleman from California [Mr. JACKSON].

Mr. RANKIN. Mr. Chairman, I ask unanimous consent that the amendment may again be read by the Clerk.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. JACKSON of California: After line 23, page 5, add a new section 103, as follows:

"The President is authorized to enter into negotiations with any one or more of the signatory governments, upon request of such government or governments, for the use and occupancy, by elements of the United States Air Force, of air fields, bases, and other air-defense facilities, when in the opinion of the President and the government or governments concerned such use and occupancy is deemed to further the collective security of the North Atlantic area.

"Command and direction of any such elements of the United States Air Force so stationed in another country under the provisions of this act, shall remain vested in the United States, but it is the sense of the Congress that air planning for strategic and tactical defense should be integrated and coordinated with the planning of agencies or defense councils which may be hereafter established for joint collective security."

The CHAIRMAN. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. JACKSON of California) there were—ayes 40, noes 80.

So the amendment was rejected.

Mr. WADSWORTH. Mr. Chairman, I ask unanimous consent to return to section 101 of title I that I may offer a clarifying amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read, as follows:

Amendment offered by Mr. WADSWORTH: On page 4, line 13, after the word "assistance" insert: "as hereinafter provided"; and on page 4, line 15, after the word "requested" insert the word "such."

Mr. KEE. Mr. Chairman, the committee has no objection to the amendment.

The CHAIRMAN. The question is on the amendment.

The amendment was agreed to.

The Clerk read, as follows:

TITLE II

GREECE AND TURKEY

SEC. 201. In addition to the amounts heretofore authorized to be appropriated, there are hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, not to exceed $211,370,000 to carry out the provisions of the act of May 22, 1947, as amended, for the period through June 30, 1950.

Mr. SMITH of Wisconsin. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the title that has just been read deals with an authorization for an appropriation of more than $211,000,000 for Greece and Turkey. At this time it is entirely proper, in my opinion, to raise the question as to our foreign policy. We are entitled to an answer from the State Department as to what our foreign policy is. This appropriation for Greece is necessitated because

of the attack on that country by Tito and his satellites. I was amazed last night to learn that the State Department has approved an application whereby Mr. Tito and his gang can come to the United States and buy a steel mill.

Are we trying to contain communism? If so, where?

Have we forgotten, are our memories so short, have we forgotten that only a few months ago, certainly not more than a couple of years ago, this same Tito was taking pot shots at our aviators. An American airplane with five of our boys was shot down. It was Tito's crowd that pulled that dirty piece of business.

Who has caused all the trouble in Greece until quite recently? Why, Mr. Tito. I wager this afternoon that this recognition by our State Department is merely a prelude, it is a trial balloon on the part of the State Department to ask recognition of Red communism in China. The Secretary of State has said that this country might recognize the Communist government in China some day. Are we sincere in saying we want to stop communism?

Mr. O'HARA of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Wisconsin. I yield to the gentleman from Minnesota.

Mr. O'HARA of Minnesota. Have we completed our lend-lease shipments to Russia, involving some $12,000,000 or more?

Mr. SMITH of Wisconsin. Only the Lord knows.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Wisconsin. I yield to the gentleman from New York.

Mr. ROONEY. Was it not this same Tito who imprisoned that saintly Archbishop Stepinac and has kept him in jail ever since?

Mr. SMITH of Wisconsin. Yes. He has been as bad as Joe Stalin. Yet we are going to do business with him. "Come on over, boys, and buy a steel mill," we tell him.

I want to know if it is consistent on the part of our State Department to authorize such a program with an ostensible enemy? Tito is our enemy. He is responsible for arming the guerrillas in northern Greece. What promise has Tito given the State Department that he will withdraw his support of the guerrillas? If he has made such a promise can we rely on it? Remember he is still a Communist.

Mr. KUNKEL. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Wisconsin. I yield to the gentleman from Pennsylvania.

Mr. KUNKEL. Is it not true also that originally when Tito came to power, this country was furnishing food and necessities to Yugoslavia under the leadership of a former friend of this country, Mihailovich?

Mr. SMITH of Wisconsin. That is a fact.

A few weeks ago there was a movement on foot for the recognition of Spain. I do not believe many of us agree with some of the things Franco has done, however, the Secretary of State gave as an excuse for not recognizing Franco the fact that Spain did not have the right of habeas corpus, that there is no free speech over there. I wonder if there is free speech in Yugoslavia, I wonder if the "Jugs" have the right of habeas corpus? I wonder if the people are free in Yugoslavia?

The time has come for the State Department to tell the Congress just what it means by trying to contain communism. Today we are being asked to spend billions of dollars which are supposed to stop communism. What consistency is this? O, yes, Mr. Tito says today, "We are good boys. We do not listen to Joe Stalin anymore. Just give us these things that we need today." How do we know but what it is not a part of the old come-on game? He can change his mind tomorrow just as well as he changed his mind yesterday. Yet we take his propaganda, hook, line, and sinker.

Mr. Chairman, we still maintain American troops in Trieste at a cost of $10,000,000 a year. Why? Because Tito cannot be trusted, so we were told just a short time ago. This is funny business and the American people are entitled to a full explanation by the Department of State.

Are we trying to wean a Communist from another Communist? This is unsound and unwise business and Congress should refuse to approve any money which goes to support Tito and his dictatorship. Will we let the State Department get away with this proposition? As I said a moment ago, this is merely the entering wedge for a policy by which they are going to recognize the Reds in China as well as the Reds in Yugoslavia. I charge that the State Department is not interested in stopping communism anywhere. Its chief objective is to syphon American dollars out of the country in an effort to bolster a socialistic economy all over the world. The left-wingers in that Department want it that way and they run the show.

The CHAIRMAN. The time for the gentleman from Wisconsin has expired.

Mr. GROSS. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I have long suspected, and I am now convinced beyond the slightest doubt, that there are those who would sell the birthright of this country for a mess of pottage.

I am opposed to this arms measure for a score of reasons and no amendment or series of amendments will make it any more palatable. I have supported and will continue to support adequate defenses for this country.

In the first place, this move today represents merely the grasping for another straw by those who long ago cast the United States adrift on a sea of aimless, ineffective, and vacillating foreign policy.

This legislation before us today is the product of an administration that lives only from day to day, from one crisis to the next.

It is foot-in-the-door legislation. This bill calls for the expenditure of approximately a billion dollars, but that is barely a start. The question has been asked repeatedly in this debate, How much deeper do we dare to dig the grave of debt in this country? I ask it again. Have we lost all conception of the meaning of a billion dollars? What suggestions do the proponents of this measure have for raising the money they seek to throw around in Europe? Is this simply to be more deficit spending, another raid on the Treasury, with the taxpayers already holding the sack for well above $252,000,000,000 of Federal debt alone?

In the debate, April 11, 1949, on the European Recovery Act, the gentleman from Ohio [Mr. VORYS] said this:

> Unquestionably this [ECA] act last year impaired the economic stability of the United States by increasing inflationary pressures.

And the gentleman from Minnesota [Mr. JUDD] added this:

> I said on the floor last year * * * that when we voted for this [ECA] bill it meant voting among other things to reduce the standards of living in the United States. We knew what it meant.

I would like to ask the Members of this House what, in their standard of living, they are willing to surrender? Or is it the plan to lower the standard of living for the common, garden-variety of citizen while Members of Congress merely give lip-service to such a scheme?

A continuation of these foreign give-away schemes will result in a lower standard of living in this country, which in turn, will open the doors wide to the spread of communism or fascism, not only in foreign lands but here in the United States.

I issue the solemn warning here and now that the people of this country will neither willingly nor meekly submit to a lower standard of living, and you who think the United States can remain solvent and continue to ladle out money all over the world will do well to engage in some of this soul-searching about which we have heard a great deal on the floor of the House.

Now it is proposed that we put weapons in the hands of western European nations, including Communist-ridden France. In other words, we are here proposing to arm those whose political ideology we say we oppose. What brand of stupidity is this?

Or is the valid answer to be found in a deliberate campaign on the part of the munitions makers and international financiers to set the stage for world war III, from which no country, not even the United States, would emerge without a dictatorial form of government, and which the war profiteers would hope to control.

The proposed arming of western Europe would be a fatal step toward war and a huge road block in the path of any move toward world peace. It is a subterfuge through which additional millions and billions of dollars will be made available to certain foreign countries. It will provide immediate and direct aid to France and the Netherlands in their imperialistic enslavement of millions of the natives in the Far East.

I repeat, this is the kind of legislation that permits this administration to operate on the basis of one crisis after another; to operate on the basis of a synthetic economy, and to wage cold

war with the hot money of deficit spending.

I have no intention of becoming a party to this program of supplying the weapons of war to western Europe where communism is already rampant. I will not be a party to raising new rows of white crosses in our national cemeteries over the bodies of American men, maimed and shattered by American guns and ammunition that were turned against them.

The Clerk read as follows:

TITLE III

OTHER ASSISTANCE

SEC. 301. The President, whenever the furnishing of such assistance will further the purposes and policies of this act, is authorized to furnish military assistance to Iran, Korea, and the Republic of the Philippines.

With the following committee amendment:

Strike out all of section 301 and insert the following: "The President is authorized to furnish military assistance to Iran, the Republic of Korea, and the Republic of the Philippines whenever the furnishing of such assistance will further the purposes and policies of this act."

Mr. WADSWORTH. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. WADSWORTH to the committee amendment: On page 6, line 15, after "assistance" insert "as provided in this act."

The amendment to the committee amendment was agreed to.

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 302. There are hereby authorized to be appropriated to the President for the period through June 30, 1950, out of any moneys in the Treasury not otherwise appropriated, for carrying out the provisions and accomplishing the purposes of this title, not to exceed $27,640,000.

Mr. SCRIVNER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time merely to direct an inquiry to the members of the committee for a little additional information. For some days now we have been reading on the whip notices and other notices relating to the business to come before the House the fact that we will have a bill for the aid of Korea. I merely want to ask someone on the committee to advise me whether or not this is the Korean aid bill of which we have been reading or is this in addition to that?

Mr. KEE. The gentleman asks with reference to the provision in section 301 whether or not that is in addition to what is provided for in the Korean bill which has not yet been reported?

Mr. SCRIVNER. That is the substance of my inquiry.

Mr. KEE. It would be in addition to the amount provided in that bill. $27,640,000 is provided for the three governments of Iran, the Republic of Korea, and the Republic of the Philippines. A small amount of that sum goes to Korea. It is in addition to what is provided in the other bill.

Mr. SCRIVNER. On what theory or by what right or on what principle of justice is it necessary for the United States to furnish military assistance to these three countries? I can understand partly the situation in Korea because we are there as an occupying power after having liberated the country, but what about Iran and the Philippines?

Mr. KEE. Ever since the establishment of the Republic of the Philippines we have been lending assistance for the establishment of their defense forces.

Mr. SCRIVNER. Yes; we have helped them to the tune of billions of dollars, but what about Iran?

Mr. KEE. We have given Iran but a small portion of assistance.

Mr. SCRIVNER. What is our obligation to help Iran at all?

Mr. KEE. No more than our obligation to any other of the Asiatic countries.

Mr. LODGE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LODGE: On page 6 after line 23 insert a new section, as follows:

"SEC. 303. (a) In order to carry out the purposes of this act and of the China Aid Act of 1948 (Title IV, Public Law 472, 80th Cong.), as amended, through the period ending June 30, 1950, there is hereby authorized to be appropriated to the President for assistance to China and other areas in Southeast Asia for use in the military defense of those parts of China and Southeast Asia not occupied by or under the control of Communist forces, and for use in encouraging all developments in China which work toward the end of assisting China to throw off the foreign yoke, to retain its independence and to regain its administrative and territorial integrity, a sum not to exceed $100,000,000, such sum to be apportioned as follows: $75,000,000 for use in China and $25,000,000 in other areas in Southeast Asia. The assistance in China authorized herein shall be given and administered (1) under such terms and conditions and in such manner as to be consistent with the general objectives and the limitations provided in section 1 of the act to provide assistance to Greece and Turkey (Public Law 75, 80th Cong.), as amended, and (2) in accordance with the administrative practices and methods followed in providing military assistance under such act, as amended.

"(b) The Reconstruction Finance Corporation is authorized and directed to make additional advances, not to exceed in the aggregate $50,000,000, to carry out the provisions of the China Aid Act of 1948, as amended, in such manner and in such amounts as the President may determine. Advances made under the authority contained herein shall be repaid to the Reconstruction Finance Corporation without interest from appropriations authorized under subsection (a) hereof.

"(c) The Secretary of Defense is hereby authorized to detail without charge upon the funds herein authorized, not to exceed 500 officers, together with a proper equivalent of enlisted men, to supervise the distribution and use of the equipment, materials, and services provided with funds made available in pursuance of the authorizations contained in subsections (a) and (b) of this section, and to act in an advisory and supervisory capacity to the recipients of aid under this section."

Mr. HALE. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and twelve Members are present, a quorum.

Mr. LODGE. Mr. Chairman, I ask you please to consider this amendment, not as a part of an acrimonious controversy which has beclouded the fateful challenge which confronts us, but with relation to the imminent threat to our national security as it exists in the Far East and particularly in China.

Indeed, as we gather here this afternoon there is a grave question as to what the next movement of the Communist forces is going to be with respect to Hong Kong. If they should decide to move against Hong Kong, I would not want to predict what the implications of that action will be. My original amendment was for $200,000,000, but in keeping with the opinion of this body as it was expressed a few minutes ago, I have cut it to $100,000,000. Of that, $75,000,000 is apportioned to China and $25,000,000 to the Far East, to southeast Asian areas, in order to battle communism on a global basis.

I call your attention to the fact that I have used the very language which the Secretary of State uses in his letter transmitting the white paper, when I say that this military aid is for use in encouraging any developments in China which work toward the end of assisting China to throw off the foreign yoke to retain its independence and to regain its administrative and territorial integrity. I am taking the Secretary of State at his word when he says that is what he wants to do. Therefore, there are these flexible powers to enable the President to cope with a very difficult situation in China in the way that shall seem to him and his advisers most appropriate. The so-called Nationalist government of China is not mentioned by name, and unless you believe that there are absolutely no dependable anti-Communist elements anywhere in China, I do not see how you can rationally vote against this aid.

There is reliable information, and the State Department will not deny it, that there are sizable and vital anti-Communist elements in southern and western China, elements which have never been defeated by the Japanese, and that many of them are behind a barrier of mountains, through which the only way to come is by defiles and narrow passages which are easily defended, if only we provide them with small arms and special and limited types of aid.

This aid would be supervised. There would be liaison in the field. Now the Communists are having the same difficulties as the Chinese Government had, because now they have conquered a large area of China and they are faced with the problem of how to feed the Chinese people. They are not doing any better with that problem than did the Chinese Government. So now the guerrilla activities, which are favored by the topography and general conditions in China, fall to the anti-Communists. They now have

the advantage which the Communists had before. Yes, the Communists have the railroads and there are virtually none in the non-Communist area. And that is just why that area will be hard to conquer. It has been said that the Nationalists have lost their will to fight. As to that, I inserted in the RECORD a statement from a Chinese Communist news release, pointing out that some 250,000 Chinese Communists have been killed by Chinese Nationalists, and there have been almost a million and a half Chinese casualties, more casualties inflicted in 3 years by the people who are said to have lost their will to fight than were inflicted by the Japanese and Germans on the United States troops during 4 years of war.

Furthermore, I might say that since we were the ones who advised them to make friends and coalesce with the Communists, we are hardly in a position to criticize those who do not want to fight them.

There is a war in China. We propose military aid, and I believe we should grant it to the countries of western Europe because of the threat of war. How much more reason is there for giving aid to people who are actually involved in a hot-war manifestation of the same onslaught? This is one war in one world. The east-west conflict is global. This is the great challenge to our generation. There are those who say that this aid is too late. If it is too late, why should we wait further until Dr. Jessup's committee, composed of himself, Dr. Fosdick, and Dr. Case, have completed their report? Why not give them this legislation now, so that when they make their report and recommendations, and if the Congress is not in session, there will be a legislative vehicle for them to implement their recommendations. I say that those of us who favor this amendment agree with the statement of policy regarding the Far East which is contained in this bill, and that this amendment is an implementation of it.

Mr. FULTON. Mr. Chairman, I ask unanimous consent that the gentleman from Connecticut may proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. KEE. Mr. Chairman, very reluctantly, I object.

Mr. CHESNEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise to speak on this bill because I feel it is a far-reaching and unusual measure.

I also realize no agreements or pacts are effective unless proper military equipment and manpower is used to strengthen it.

But, I also know that the people of this Nation must be assured of the fact that arms will not be diverted or fall into the hands of any enemy of the Atlantic Pact nations.

I am appalled at the thought that here we have an amendment to provide further military aid to China. Will we ever learn? Military aid is not the solution to the plight of these great people. The United States has just completed a costly experiment—and found out that the results did not come out as they were intended.

Nationalist China, what is left of it, can only be helped by providing such assistance which will revitalize agriculture and industry and this type of aid will have to be carefully scrutinized in view of the present situation.

The military-aid program to China, during the war and after, is a gross example of Kuomintang mismanagement and neglect of real cooperation with the United States in furthering the war effort.

I speak not as one who has read the white paper on China but as a veteran of the last war who served in the China-India-Burma theater. During my tour of duty in that theater I talked with many combat soldiers who fought under such great generals as "Vinegar" Joe Stilwell, Dan Sultan, Wheeler, Wedemeyer, and other great military leaders. They were not desk commandos but real fighting men who fought the unseen enemy in the jungles of Burma, India. Yes, they fought the Jap, but they also had to fight the ever-present jungle diseases. They were men who served with the courageous Merrill Marauders, Mars Task Force, air commando groups, and other splendid combat outfits. These were the men who suffered serious wounds in unpublicized battle campaigns of Bhamo, Myitkyina, Kunming, and other far eastern fronts. These were the men who trained the Chinese Nationalist troops at Ramgarh, India. These were the men who built the Ledo and Burma Roads. These were the men who flew the treacherous Hump. The men of this theater are the forgotten men of the war but never did they forget that they were a part of the over-all program in winning the war and they are very proud of it.

Our American troops who fought in the worst jungles of the world repeatedly brought back reports that vast stores of arms and equipment which were being supplied by the United States fell into the hands of the Communists—much of it diverted through illegal channels. It was not unusual for arms to be sold to Communist forces—by Chinese Government soldiers.

It is known that small pistols, M1's, carbines, trucks, and jeeps brought tremendous prices. Even airplanes have been stolen or misappropriated from the Chinese Nationalist forces. The tragedy of it all was that this equipment in the hands of the Communists was used to kill and maim the giver—the American soldier who fought on strange and faraway soil in order that democracy might live. I am not relating a "tall story" to this membership but honest facts of the forgotten India-Burma-China theater.

After the war was over I volunteered for assignment as a security officer aboard a Victory ship bound for north China. The hold of the ship was filled with arms and equipment destined for the Nationalist forces in that area. After we docked at the point of rendezvous, the arms were unloaded by Nationalist troops—where they went I am not at liberty to say. What made me very critical of our arms-aid program to China was the outright sale and barter of arms and equipment by Chinese Government troops. These were troops which were equipped in Shanghai with American arms and captured Japanese equipment on their way to fortify the weak defense of the far-flung lines of the Nationalist army. Upon arrival at the remote landing spot these troops were met by individuals who, I frankly believe, were the go-betweens for black marketeers and Communist forces. Clothing and arms were then hastily traded for inflated Chinese currency. The result was that this equipment found its way through black-market channels into the hands of the Communists.

These are cold facts gentlemen—the thousands of men who served in that theater will bear me out. The thousands of men who died in this theater are mute evidence for posterity's sake. If this Nation is to preserve the peace of the world and fulfill the obligations of world leadership, then it is our duty as citizens of this great country of ours to act in accordance with the best principles of our American heritage.

Mr. PATTERSON. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, may I ask the gentleman from Connecticut if he proposes in his amendment the same aid that has previously been given to China?

Mr. LODGE. No, I do not. This grant of powers would allow the President to give the kind of aid which would be the most effective on the pattern of aid to Greece. To me it is entirely untenable to have a policy of hunting with the hounds in Greece and running with the hare in China.

I may say to the gentleman who just preceded me that it is precisely because 108,000 Americans lost their lives in the Pacific that I offer this. I am not prepared to see these dearly bought victories squandered by a policy which has been described as a wait-and-see policy, which is really not a policy at all.

I call attention to the fact that this is a bipartisan amendment. The distinguished gentleman from Pennsylvania [Mr. WALTER] favors the amendment and introduced the same bill as I did with respect to China. I think that is very significant. It is a glimmer of hopeful bipartisanship in a situation which cries aloud for a bipartisan policy.

As far as arms reaching the Communists are concerned, certainly some of the arms reach the Communists, certainly there is corruption in China. I do not know whether it is 5 percent or 10 percent corruption, but certainly the long-suffering, war-weary, starving Chinese have more reason to be corruptible than have any Government employees in the United States. But I propose to give aid to those elements which have never been shown to be corrupt. I propose to give aid to those who successfully opposed the Japanese attack.

I call attention to the fact that although part of this is designated as aid to China it is, as a matter of fact, a question of American national security. Except for the moral obligation which is

ours to help our friends in China, it should be thought of in terms of our enlightened self-interest. A policy which calls for aiding the Europeans who are on the same continent with the Chinese and then do nothing to fight off the forces of communism in Asia, cannot succeed. Certainly the Chinese problem is troublesome. That is no reason for turning our backs on these troubles.

In the words of William Shakespeare:

"Let us take arms against a sea of troubles and by opposing end them."

That is not our present policy. I repeat, this amendment proposes to implement the declared purpose of the administration in the letter of transmittal of the so-called white paper.

Mr. SMATHERS. Mr. Chairman, will the gentleman yield?

Mr. PATTERSON. I yield to the gentleman from Florida.

Mr. SMATHERS. Is there any provision under the gentleman's amendment which requires the President to spend this $100,000,000 if he does not think it is desirable?

Mr. LODGE. No. It authorizes him but it does not require him to spend $75,000,000 in China and $25,000,000 in southeast Asia.

Mr. SMATHERS. In other words, if he does not find forces in China which he thinks can make a real attack against communism, he is not required to spend this money?

Mr. LODGE. The gentleman is precisely right. If the Jessup Committee says that there are certain things which can and should be done, and makes certain recommendations and there is no legislation, I say that people who vote against the grant of this power may regret that they did so.

Mr. SMATHERS. Does the gentleman from Connecticut see any greater threat in communism from Europe than he does in communism from eastern Asia? Is it one and the same thing?

Mr. LODGE. In China the threat of communism is greater because there it is not a threat; it is a hot war in being.

Mr. SUTTON. Mr. Chairman, will the gentleman yield?

Mr. PATTERSON. I yield to the gentleman from Tennessee.

Mr. SUTTON. Will the gentleman complete that quotation from Shakespeare by adding the following:

To die, to sleep; perchance to dream: ay, there's the rub.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. PATTERSON. I yield to the gentleman from Idaho.

Mr. WHITE of Idaho. If we are successful in freeing the Chinese from the Communists, what will we do with China then?

Mr. LODGE. Let us cope with the problem of communism first. At the present time the Chinese might well feel that they would have been better off if they had been our enemies rather than our friends.

Mr. WHITE of Idaho. Would we follow the same policy we followed in Japan, put our soldiers in China and build up a government for her?

Mr. LODGE. We will, I trust, do what is necessary after we have crossed that bridge. But, surely, the gentleman agrees that first the Communist forces should be contained.

The CHAIRMAN. The time of the gentleman from Connecticut has expired.

Mr. MANSFIELD. Mr. Chairman, I rise in opposition to the amendment.

Mr. KEE. Mr. Chairman, will the gentleman yield?

Mr. MANSFIELD. I yield to the gentleman from West Virginia.

Mr. KEE. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 40 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

Mr. VORYS. Mr. Chairman, reserving the right to object, this is a very important amendment, and I hope that some of us who are deeply interested will not be cut off with a few minutes. I wish the gentleman would make it 1 hour, so that we would have 5 minutes apiece.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

Mr. O'KONSKI. I object, Mr. Chairman.

Mr. KEE. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 50 minutes.

The motion was agreed to.

Mr. MANSFIELD. Mr. Chairman, if this amendment is adopted by the House, it will, in my opinion, amount to a virtual declaration of war. I do not see how anyone in his right mind can vote for an amendment of this kind, giving military aid to China which, in my opinion, would be followed by military combat assistance in the not too distant future.

If you have read the white book on China, if you have followed the history of that strife-torn country during the war period and since, you surely must be aware of the dangers that an amendment like this will bring into existence.

I want to at this time compliment the gentleman from Illinois [Mr. CHESNEY] for giving this House the benefit of his first-hand experiences in China. He knows what he is talking about because he has been a combat soldier in the area under consideration. He knows what happened to previous American aid and assistance, and he is well aware of the dangers which this amendment holds. I want to repeat, and I mean this sincerely, that if this House votes for this amendment, it will only be a short time before you will be sending American boys to China, and if you get into a war over there you will get into something that you cannot win, in my opinion, no matter what you do.

There have been references made during this debate about parallel situations in Greece on the one hand and China on the other. They do not tell you, those who point out the alleged similarity, that Greece has a population of only 7,500,000 people, compared to China's estimated 475,000,000. They do not tell you that China is over 50 times larger in area than is Greece. They do not tell you, insofar as our aid to Greece is concerned, that at the start of that assistance program there were only 20,000 guerrillas to contend with. They do not tell you that now, 2 years afterward, after we have put in something like $340,000,000 in American money and sent 450 officers and enlisted men from the American armed forces to Greece, that at the present time there are 25,000 guerrillas, and the end of the war over there is not in sight.

How do you think American aid in China would stack up against over 1,000,000 square miles in area and 2,500,000 Communist troops? What do you think Russia would be doing if we sent military assistance and advisers in there and tried to do the things which this amendment envisages? Do not forget the fact that the longest land frontier in the world—3,400 miles—is between China and Russia. You must realize, of course, what a difficult position we would be in should the amendment offered by the gentleman from Connecticut pass.

Now for some figures. Since VJ-day we have sent in the form of economic aid to China $1,009,000,000, and we have sent in the form of military aid to China $998,700,000. Over $2,000,000,000 worth of supplies have gone into China of both an economic and military nature. In addition, surplus property with a procurement cost of $1,131,700,000 has been sold to China at an agreed United States realization of $232,000,000. Whom do you suppose has been arming the Chinese Communist armies? We have, because the supplies which we have sent to the Nationalist forces have been lost to the Communists through defeat, default, and disintegration. The result is that the Communists are fighting the Nationalists with American arms. The result of our military assistance to China has been in effect to subsidize the arming and equipping of the Communist armies.

Further, it has been brought to the attention of the Committee on Foreign Affairs that no Nationalist army has ever lost a battle because of lack of manpower or equipment. We have had the expert testimony before our committee of Major General Barr, who was the last head of the American military group to China, in which he states that at the present time there is nothing we can do in China because there is no stable regime to tie to.

It is my hope that this House will try to work out not a shotgun policy, as this amendment envisages, but a bipartisan policy under which we can forget name calling and stop going back into times which are past and gone.

I am not making an argument for doing nothing. What is needed most is a broad approach to the problem of China and Asia and this seems to be the objective of the three-man Commission created by the State Department to consider the China question. Secretary Acheson has stated very definitely that this group will work closely with the House and Senate Foreign Affairs Committees and it is my hope that a bipartisan policy can be evolved upon which we can all agree.

The solution to China's ills cannot be bought by American dollars. Therefore, I believe firmly that the Lodge amendment now before you is not only dangerous but would do a great disservice to the United States, the people of China, and the cause of world peace.

The CHAIRMAN. The Chair recognizes the gentleman from Maine [Mr. HALE].

Mr. HALE. Mr. Chairman, I rise in support of the Lodge amendment. The utterly disastrous consequences of the blindness of the State Department to the dangers of the Communist advance in China have become from day to day more apparent. The publication early this month of the State Department's so-called white paper is a shocking example of the desperation of ineptitude in its own defense. The State Department seems far more concerned with concealing and disguising its past mistakes than in saving what is left of China. I must say that in the face of our record in Asia it is hard for me to respect the judgment of the State Department about anything. That certainly applies to those who have been in charge of its far eastern affairs in the period since General Marshall went to China.

By the Communists' own figures which have already been inserted in the Appendix to the RECORD, the Nationalist armies which the Secretary of State speaks of so contemptuously have taken a heavier toll of the Communists than the combined armies of Germany and Japan were able to inflict upon our armies during the recent war.

I am entirely satisfied from the evidence of such competent military men as Generals Chennault and Wedemeyer that western China can be held if we will help do the job.

It must be the kind of help that we have given so successfully in Greece. If China is 57 times bigger than Greece, with 57 times as many people as Greece, then it has 57 times the potentiality of resistance. Do not imagine that people become Communists except under the influence of force and arms. Whenever the Communists go, whether in Europe or in Asia, the people who can flee, flee. The Communists do not give land to anyone. They simply take it away from the people who have it. But where Communist arms prevail, communism prevails.

If we let China go there is no point in my opinion in trying to hold Korea and no expectation of halting Communist aggression in Idochina, Burma, Malaya, Indonesia, and the Philippines, to say nothing of India and Pakistan on the west and Japan on the east.

Secretary Acheson admits that the United States wishes "to encourage in every feasible way the development of China as an independent and stable nation able to play a role in world affairs suitable for a great and free people," and that we are opposed to the "subjection of China to any foreign power." This subjection, we must admit, is now in progress. But Secretary Acheson certainly does nothing to inspire confidence that these are anything more than pious platitudes to be implemented at a later date by more and perhaps even more pious platitudes. He says that "the officers of the Department charged with far eastern matters are engaged in a comprehensive survey of the impact of developing conditions on our basic policy." These same officers of the Department are the people who have an unrivaled record of being uniformly wrong. They have been witnessing for some years the "impact of developing conditions on our basic policy" which was to wait for the dust to settle on China. These men have not shown any capacity to recognize an impact when they see one, still less to know what to do about one. I wish to imply nothing unkind about either Mr. Raymond Fosdick or President Case but if they are going to be briefed in the State Department, I see no hope for them, for they will not learn the vital and relevant facts, but only what the State Department wants them to know.

Secretary Acheson's statement of August 5 is nothing but a self-righteous statement of good intentions. I am convinced that if China is to be saved, Congress must act. Now is the time and place to begin. We cannot afford to reject this amendment.

Mr. FULTON. Mr. Chairman, I ask unanimous consent to yield the time allotted to me to the gentleman from Minnesota [Mr. JUDD].

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. KEATING. Mr. Chairman, I make the same request.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. COUDERT].

Mr. COUDERT. Mr. Chairman, I am grateful to my friend and colleague from Connecticut [Mr. LODGE] for raising this issue. I am grateful to him for the effective and persuasive fashion in which he has presented it.

It so happens that I do not agree with him, because I think this is not the time or the place to take up this additional and very broad subject.

The reason I am glad he presented this amendment is because it brought home to me, as it may have brought home to other Members of this House, and as it should bring home to the American public, the extraordinary extent of our present, existing military commitments in this world.

Frankly, when this debate began yesterday, I did not realize the world-wide, far-flung extent of the commitments which we have already made. The gentleman from Connecticut [Mr. LODGE] has offered an amendment relating to the only remaining part of this world which the United States is not committed to defend. Just imagine that. Consider what that means. If you will examine the report on this bill, you will be reminded that we are committed to defend the entire Western Hemisphere, under the Rio de Janeiro compacts, following the Monroe Doctrine commitments. We are committed to defend all of western Europe, and that includes a large part of Africa, affiliated with western Europe. We are committed to defend Iran, to which we have been furnishing arms and equipment. We are committed to defend the Philippine Islands. We have been supplying arms and equipment to Korea. We are committed to defend Korea. When you send arms and military missions you ultimately send troops and you ultimately defend.

Now, if we add to all of these commitments in this bill the defense of southeastern Asia, then, Mr. Chairman, there is no place in this world left that this poor little United States, with its 6 percent of the world's population, is not committed to carry on its back. It is for that reason, Mr. Chairman, that I think the subject matter of this amendment should be considered at some other time. It is for that reason that I expect to vote against this bill, as a stop, look, and listen gesture. The bill should be defeated and action postponed, to give the American people further opportunity to realize what they are doing, to realize what they are being asked to do, and to have an opportunity to fully consider it in the light of knowledge, because, in my humble opinion, there is not one American citizen in a thousand who realizes the extent of the commitments to which his Congress and administration have committed him up to this time. The American people should have a little more time to consider whether they can continue indefinitely the role of the Almighty and whether they want to do so. Clearly action can be postponed for 6 months.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. COUDERT. I yield.

Mr. JENSEN. If my memory serves me right, it was about 2 years before our entrance into World War I that we began selling war materials to our friends across the sea, for which they never paid. It was about 2 years before we became involved in World War II that we began lend-lease—sending arms and ammunition to our friends across the sea. I think it would only be fair if someone on this committee who is recommending this bill, told us how long they expect it will be from the day this bill passes the Congress, if it does pass, until we will be in the shooting part of world war III. Will someone please be kind enough to answer that question and tell us about when American boys may again expect to be slaughtered on foreign soil, after this bill is passed.

Mr. COUDERT. I shall be glad to yield to the committee on that question.

Mrs. DOUGLAS. The Foreign Affairs Committee hopes that American boys will not have to shed their blood on foreign soil.

Mr. JENSEN. We hope so, too, but before World War I and World War II we were doing exactly the same thing as we are doing in this bill.

The CHAIRMAN. The time of the gentleman from New York [Mr. COUDERT] has expired.

The Chair recognizes the gentleman from Massachusetts [Mr. HESELTON].

Mr. HESELTON. Mr. Chairman, I ask unanimous consent to yield my time to the gentleman from Pennsylvania [Mr. WALTER].

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. JAVITS. Mr. Chairman, I ask unanimous consent to yield my time to the gentleman from Pennsylvania [Mr. WALTER].

Mr. MARCANTONIO. Mr. Chairman, reserving the right to object, and I shall not, I do so simply to state that when we include Iran in this kind of program we are preparing for the shedding of American blood.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. WALTER] is recognized for 7 minutes.

Mr. WALTER. Mr. Chairman, now that our Republic is committed very definitely to take every possible step that can be taken in this cold war, it certainly seems to me that we are overlooking the opportunity to bring to bear a force that at one time made a great contribution to the winning of the fighting phase of this war, namely, those forces in China. If we had not had the experience that we did with the Wedemeyer expedition when he put together these four war lords, then, of course, we might be taking the kind of chance that would not be justified. In this connection let me say that we are really taking a great chance in this program, although it is a chance that I think we must take. But during the fighting phase of the war, when all of China and that part of China which has been overrun by the Communists, these four Chinese armies were put together by General Wedemeyer. By giving them small arms and ammunition in sufficient quantities they were able to prevent the taking of that portion of China which had not already been taken by the Japanese. General Wedemeyer, with very little assistance, put together one of the most potent forces on the battlefields in the Far East. General Wedemeyer says the same thing can be done today.

It is important to bear in mind the fact that that portion of China taken by the Communists is the overpopulated section which was never self-sustaining. The part not under the domination of the Communists is the section which has been able to maintain its population. It certainly seems to me that if this amendment is adopted a mission similar to the Wedemeyer mission could be put together on the staff of which would be represented each of these so-called war lords, and acting under the direction of an American military mission, could see to it that there was placed in the hands of this very potent, tried, and proven fighting force the arms and ammunition necessary in order to make a last-ditch stand, if you please.

If we take the position that the Chinese situation is hopeless, if we do not go all-out with a program similar to that which has worked in Greece, then it seems to me that it is only a matter of days before all of China is written off and we have the Communist hordes on the borders of territory which we are obliged to defend.

Under the Lodge amendment, as I understand, a mission of military experts would be provided. These men would direct the use of arms and ammunition. There is available today all of the small arms and ammunition that these military leaders say they need in order to resist the further inroads of communism in China.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield to the gentleman from New Jersey.

Mr. CANFIELD. I heard General Wedemeyer say recently that the Russian play in Berlin making necessary the air lift was done in part to divert our attention from China.

Mr. WALTER. I do not think there is any question about that; but the fact remains that there is today a potent force willing, able, and anxious to resist the further progress of communism in China.

Mr. CHESNEY. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield to the gentleman from Illinois.

Mr. CHESNEY. If this amendment should be adopted, how will the United States Government allocate the military aid? From past experience there has been a complete failure in this regard.

Mr. WALTER. I do not know how much of a failure there has been. I saw in the New York Times several days ago the Communist casualty list. I never realized that the casualties exceeded over a million and a quarter. Sombody did some fighting over there. True it is that in recent weeks there has been a complete demoralization, but still the fact remains that these four armies are in a section of China that was successfully defended and can be defended again.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield to the gentleman from Georgia.

Mr. COX. I ask the gentleman to yield in order that I might make the observation that this amendment presents an instance where this House should intervene in the endeavor to reform our foreign policy insofar as it relates to China. Our performance as regards China during the past few years has, to my mind, been very shameful. We have failed them practically at every point. I can think of nothing more important to the same sort of security as we have in mind in voting the bill which is before the House than adopting this amendment which would give some recognition of an obligation that we owe China.

Mr. WALTER. Without going into the question of policy of our State Department toward China, which is a long story, I do feel that this amendment should be adopted. I feel that we owe it to our former heroic allies to do as much for them as we are doing for other nations in the world that were opposed to us in the shooting days of the recent war.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. HERTER].

Mr. HERTER. Mr. Chairman, I ask unanimous consent that my time may be allotted to the gentleman from Minnesota [Mr. JUDD].

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Florida [Mr. SMATHERS].

Mr. SMATHERS. Mr. Chairman, as I was sitting here a second ago discussing this matter with the gentleman from Mississippi and the gentleman from Tennessee, they raised the question, What is our foreign policy? Certainly that is a difficult question to answer, but I think that it would be a safe premise to say that our foreign policy is designed to protect the security of the United States.

What do we find is the chief threat to the security of the United States? We find that communism is our chief threat, world communism, designed to give it world domination. That is the threat to the security of the United States. Communism as such is, therefore, a threat to us, whether it comes from Europe, whether it happens to come from Iran, which we think it is today, whether it happens to come from Korea or whether it happens to come from China. It is as indivisible as peace, as world-wide as rain. Wherever it exists, as long as it believes in the tenets of destroying freedom and democracy, which it does, it is then a threat to our security. Therefore, as a matter of principle, it seems to me that if we will sit here today and vote for this program, of arming the countries of western Europe against communism, which I voted for, it will be a direct expression that we are for our own security and against communism, and we are willing to fight against communism when it threatens our security, and if we do that, then obviously that principle must be applied throughout the world, if we are to be intellectually or morally consistent.

The gentleman from Montana, my esteemed colleague, said that in his opinion this amendment would constitute a declaration of war. How, in heaven's name, could it be a declaration of war to say that we are going to assist the Chinese fight communism in China and have it not constitute a declaration of war to say we are going to assist the Greeks and Turks in their fight against communism in Greece and Turkey and do the same thing in Iran and Korea and various other places throughout the world where we have embarked upon a program of containment of communism. The charge of a declaration of war made against this amendment is not borne out by the facts. The thing that I like about this amendment above anything else is this. I do not know how this money will be spent. The gentleman just a moment ago said he wanted to know the details of this plan to aid in China. I do not know those details and nobody on the floor knows them. But, under this amendment the President has the sole right to direct his military staff to work out the

best way that the money should be spent. Under this amendment it is not required that this money be spent. If the President cannot find any forces which he thinks are capable of fighting communism in China, then he does not have to appropriate under this legislation one single penny. So, it could not be considered nor cannot be said that this was a useless and hopeless waste of money. The money will be spent by the President only where it can be practically and usefully spent.

A moment ago the gentleman from Montana said he hoped that this would be a bipartisan policy. I thoroughly agree with him in that. I think that we should get down to the principle of this thing. This is not a matter for the Democrats or the Republicans separately, it should be a joint undertaking. I, as a Democrat, am most reluctant to see the Democrats go out on a limb of wanting to fight communism because it comes from the West and not wanting to fight it, not being willing to stand up and fight it, even though it comes from the East. The Democrats are against communism wherever it exists, because we are for freedom and democratic principles wherever they exist, and we should express ourselves for this principle by voting for this amendment.

The CHAIRMAN. The time of the gentleman from Florida has expired.

The Chair recognizes the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Chairman, I doubt if there is any subject in the world on which there has been or is greater confusion than China, and I do not think anybody can be particularly blamed for that. The subject is incredibly complicated and there have been strong forces interested in having it viewed in their own way. But its complexity and difficulty do not excuse us from dealing with it. Governments change, policies change, but geography and people remain. Here is China with its great body of strong human beings occupying the heart of Asia. You can no more ignore it than in dealing with Europe you can ignore Germany, which occupies the heart of that continent. China is where the great natural resources are. China is where the vast human resources are, the manpower. China is where the great productive capacity, the military capacity, and the potential markets of the future are. We cannot escape China.

Our problem is how to deal with it intelligently. This amendment that our colleagues, the gentleman from Connecticut [Mr. LODGE] and the gentleman from Pennsylvania [Mr. WALTER] have introduced seeks to do that. It has three main points, of which I would speak—three provisions designed to make certain that this aid will be on a different basis than most of the aid given in the past, which no one has criticized more than I, and which nobody I think is defending. Let us lay that ghost once and for all. We are not trying to continue or renew the sort of aid that has been given since 1945, which many of us have opposed from the beginning.

This amendment provides that the money—and, as the gentleman from Connecticut has stated, we have just now cut the amount by one-half, in line with the Richards amendment for North Atlantic aid—shall be appropriated to the President for assistance to China and other areas in southeast Asia of two types: First, for use "in the military defense of those areas of China and southeast Asia not occupied by or under the control of Communist forces"; and, second, for use in carrying out the purposes enunciated by the Secretary of State in his letter of transmittal of the white paper on China. He wrote:

> We continue to believe that, however tragic may be the immediate future of China * * * she will throw off the foreign yoke. I consider that we should encourage all developments in China which now and in the future work toward this end.

Then he wrote at the end:

> Our policy will continue to be based upon * * * our traditional support for the Open Door and for Chinese independence and administrative and territorial integrity.

Those are the very words used in the amendment; first, aid for helping keep the Communist yoke off those areas where it has not been imposed, and, second, and I quote the language of the amendment, "for use in encouraging all developments in China which work toward the end of assisting China to throw off the foreign yoke to retain her independence, and to regain her administrative and territorial integrity."

It is exceedingly important that we help the Chinese maintain an independent legal government that keeps China's seat in the United Nations, instead of its going over to the Communists under the Soviet, giving the latter two out of five permanent seats in the Security Council. It is important that the legal Chinese Government, friendly to us despite our abuse of it, retain control of the Chinese embassies and consulates around the world. There are many countries which have never recognized the Soviet Union. The Soviets do not have consulates in them. But there are Chinese consulates everywhere and especially in southeast Asia where there are large Chinese populations. You let the Communist group in China take over so that they become the recognized Chinese government, and every Chinese embassy and consulate in the world becomes a center of Communist propaganda, intrigue, espionage, and conspiracy against that country and ourselves. Especially in southeast Asia, in the Philippines, Korea, Japan, Burma, India, South Africa, and Latin America, every one of them will be a pistol aimed at the United States.

We must encourage and help friendly Chinese to maintain somewhere an independent Chinese Government. And if we help them contain the Communists and hold part of China, ultimately—and this is the long-term task they themselves have to do—we can properly hope that eventually they will be able to regain their territorial and administrative integrity.

What is wrong with such a proposal? The Secretary of State says that is to be our policy. I believe it ought to be our policy. Why not give him now the authority and the funds to do what he says he wants to do if, when, and as the President and he consider it advisable? There is no compulsion to spend all the money if developments should prevent. As a matter of fact, under the ECA bill which we passed a year and a half ago, there was $275,000,000 for economic aid to China. When the Communists swept down and took the big cities, it was not advisable to use all the money as programed. When the authorization expired last June 30, we extended it to February 15, 1950, but almost $90,000,000 of funds for last year has not been used.

We are not trying in this bill to throw money away. We simply recognize that Communist conquest of China is a mortal peril to all Asia; and conquest of Asia constitutes a mortal peril to Europe and to the United States. I cannot accept responsibility for not making every possible effort myself and authorizing the President and the Secretary of State and our armed forces to make within reason every possible effort to accomplish this end.

Mr. CHELF. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from Kentucky.

Mr. CHELF. As I understand the gentleman, by arming Europe we are bolting and locking our front door and by abandoning China we are leaving our back door wide open.

Mr. JUDD. That is exactly right. To change the figure, I do not believe we can keep the boat from sinking if we plug only the hole in the front of the boat, and make no effort to stop the Communist flood coming through the larger hole in the back of the boat, just because we do not like the way the back of the boat is constructed.

We do not have to approve the government of China to support all those in China who are fighting our enemies. If there are elements in the government—and there are—which are resisting, why should we not assist them? Or rather why deprive ourselves of their assistance? Are we doing so well in this world struggle against communism that we can scorn those who have fought it longest and know it best? But the amendment does not say the assistance shall go only through or to the Government of China. It shall go to assist those forces which are resisting communism—both by defendnig unoccupied areas and by helping those in occupied areas weaken and eventually overthrow their conquerors. It seems to me that is the minimum we should do—in our own interests.

The second main point in the bill is that it provides $25,000,000 now for the President to use in other areas of southeast Asia which are threatened but where the Communist efforts are not yet of a magnitude similar to that in China in which not to exceed $75,000,000 is to be used. Such a comprehensive provision is only good sense. The peoples in many of these other areas will simply cave in if the Communists sweep through China is unchecked and they face it alone as

it reaches their borders and their own internal Communist forces strike to seize power.

The third point is that the bill stipulates that aid in China shall be handled according to the conditions laid down in the act to assist Greece and Turkey, and in accordance with the procedures and methods which we have developed and are using successfully in an almost exactly similar situation in Greece. More about that later.

Now, let me deal for just a moment with some of the objections that are raised. I have never known a subject about which so many myths have been cultivated or spread so widely in our country as this. The first you will recall was back during the war to the effect that we must not help the government of China, but must help the Communists because they were allegedly doing most of the fighting against Japan. When the truth came out, the facts, as proved by the Japanese records of casualties, was that 90 percent of the fighting had been done by these useless Chinese Government troops, and 10 percent by the Communists.

Do you remember after Pearl Harbor when the United States had suffered the worst defeat in its history and our fleet lay at the bottom of the sea and Japan had made the greatest conquest any nation ever made in history in a comparable period of time? Her new empire was complete except for one thing—the keystone was missing. Old, rotten, corrupt, backward, inefficient China—standing alone—refused to yield. She bought for us 3 years of precious time, spending her blood and her strength. She weakened herself to the condition that she is in today by buying for us 4½ years before Pearl Harbor until we could wake up and quit building up the Japanese against her and against ourselves; and then three more years until we could rebuild our sunken Navy, capture the islands one by one, perfect the B–29 and the atomic bomb, and eventually bring our superior air power and the bomb to bear upon Japan. Does all that count for nothing with us?

We forgive our enemies. We pour out all sorts of assistance for those who worked fiendishly for years to destroy us; and we send over great Americans to administer it. Is it impossible for us to be considerate, even forgiving of some of the frailties and fatigue that exist in an old nation which had not yet been able to build a good and strong government by our standards, but which still was able to hold over a million Japanese troops for eight long years of war and occupation and save tens of thousands of American lives? Do we recognize no moral obligation? Or ordinary fairness and sympathy and gratitude?

I do not know that this program will succeed. But I know that if we do not adopt some such program we cannot succeed. Therefore, I must urge the only course which offers some hope, however fragmentary it be.

The second main myth was that the Chinese Communists were just agrarian reformers, patriotic heroes who were winning because they had the support of the Chinese peasants in a great people's revolution. That was mostly manufactured out of hot air. The proof is that 33,000,000 Chinese fled before the Communist scourge. Do you think they would have fled if that which the Communists brought was beneficial? There are desperate revolts by the common people today all over the Communist-controlled areas because of the ruthless tyranny which the Reds impose.

It was said that the Communist movement in China was not part of or connected with the world Communist conspiracy under the Kremlin. Chinese Communists were different; they were primarily Chinese. The answer to that one has come in emphatic terms out of their own mouths.

But as the old myths exploded after having done their deadly work of lulling Americans to sleep, new ones were always ready.

It was said: "Well, the Communists will not go any farther than North China. That is all they can handle." You see where they now are.

Then it was said that they would not try to take the cities. I never could figure out why not. You have seen them take the cities.

It is now said they cannot convert the Chinese to communism. I think that is true. I hope so. But the argument is useless. They have not converted even the Russians to communism, or at least not more than 5 percent of them. But you would not say that they do not have Russia under their control, would you?

It is said that they cannot feed the Chinese people. The answer is: Of course, they cannot feed the people. They have not been able to feed the people of any country they have taken. Look at Bulgaria, Rumania—Russia herself. But you would not suggest that they do not have those countries in their grasp, using their resources and manpower against ourselves and all freemen.

How can anyone, in the face of this ruthlessly expanding peril, get comfort out of these myths or the naive notion that Mao will be a Tito and that events in Asia, while too bad, are of no real concern to us because of all the difficulties that we are told the Communists will face. Complete social break-down is an asset to them, in the beginning, not a liability. Once their police state is established, what if people do not like it—they cannot do anything about it.

It is said that all aid to China has been wasted in the past, and that this help too will go for naught, if given. Well, has it all been wasted? The answer to that has been given by the Communists themselves in their recent report of their own casualties. In the last three years from July 1, 1946 to July 1, 1949, those hopelessly ineffective, corrupt, and worthless Chinese armies which did not need to be defeated, they just disintegrated—or so the State Department told us—still killed 243,000 Chinese Communists and wounded 900,000 more—by their own official admission. An outfit does not enlarge or exaggerate the figures when talking about its own casualties. A quarter of a million killed by Chinese armies in 3 years—that is more than the German and Japanese were able to do to us in 3½ years. A lot of our aid was wasted, yes, but apparently not all. A lot was lost by graft—but, I wish I could believe we will get as much for as little out of the aid to be sent to Europe.

But a second consideration on this point is that it is not proposed that we give aid under this bill as in the past. It is to be given on the pattern of our aid to Greece. The Secretary of State in his letter of transmittal said that we had only three possibilities in China. We could pull out lock, stock and barrel; we could intervene militarily on a major scale with our armed forces and American troops; or we could "while assisting the Nationalists to assert their authority over as much of China as possible, endeavor to avoid a civil war by working for a compromise between the two sides." That was one of our two greatest excursions in wishful thinking. Where and when has it ever been possible to work out a compromise with Communists that led to anything but surrender or conquest?

The Secretary does not even mention the fourth possibility, the only one that any of us have advocated. I do not know anybody who was familiar with the Chinese Communist situation and who really wanted an independent China with elimination of the Communist threat who has ever proposed or advocated any one of the three possible solutions mentioned. What we are urging in this bill is the fourth possibility—the sort of program that we are using in Greece. It is not a theory. We are not jumping off a cliff in the dark. It has been proven to be a sound method of dealing with such a situation—in fact, the only sound, practicable method. It has been tried and tested.

It is not all-out intervention on a major scale with American troops; it is not pulling out lock, stock, and barrel; it is not trying to get a coalition or compromise with Communists. Rather, it is limited American military assistance with the equipment and supplies carefully planned for the particular type of operation needed, and led, supervised, and almost directed by American officers authorized by us to advise and train and supervise at all levels, including the planning of strategy, tactics, and operations. Munitions without such expert assistance by Americans with the will to win is, indeed, certain to be useless, or nearly so.

There is not a Chinese general who has had adequate training to handle skillfully great armies over long battle lines. They have begged us for assistance. But our officers, we were informed in committee, have never been permitted by our own Government to do in China the things that they are permitted, even instructed, to do in Greece. Do you think the Greeks could have stopped the Reds there if our efforts there had been shackled as in China?

Mr. Chairman, if we had tried the Greek pattern, the only one that made hope of success, or if we had followed

the advice of General Wedemeyer in his careful recommendations 2 years ago—and he had been extraordinarily successful in China where Stilwell had failed—if we had tried and still failed, neither I nor any other person could say a word of criticism. But we have not tried.

Oh, yes; we have tried to end the war with the Communists, but we have not really tried to win the war. I wish we had learned earlier what the Chinese knew all along—that the only way to end a war with Communists—anywhere—is to win it. Surely we dare not delay longer.

Mr. Chairman, this amendment does not compel the administration to do anything if it wants to take the responsibility of doing nothing. But it gives it authority and funds to go ahead in China and southeast Asia if it wants to—if, when, and as it decides to do so, or it can wait if it wants to take the chance until the report of the new Jessup committee. What harm can be done by accepting the amendment?

The gentleman from Texas [Mr. RAYBURN], our beloved Speaker, a few moments ago said it seemed to him a funny thing that whenever we start to do something about communism, those who always say they are against it are found wanting. Well, China is the place to do something if we mean business. We talk about vast aid to western Europe where Communist conquest is only a threat. We are up against it on the march in Asia. Do we want to do anything about it or not? Are we in earnest, according to the Speaker's own words, or are we not?

This is the real thing in China. If we let her go down completely how are we going to hold Korea? How are we going to hold Japan unless we spend endless millions of American dollars to feed and support them? How are we going to hold the Philippines? If we do not see that, Quirino does. Read what he said in the Senate. How are we going to hold Indochina, Siam, and Malaya? If we do not use those forces in China which have proved they can and will fight, a million men still in arms, somewhat demoralized now because they see so little hope, but still in the field—if we do not give them moral support, with enough equipment and supplies to carry on relatively small guerrilla operations, and American spark plugs to help and encourage and advise, then we assume a responsibility which, before God and my country and my children, I am unwilling to accept.

Mr. Chairman, there are two major lessons we should have learned from our European experience. First, that when you stop communism it begins to fall apart, because it cannot deliver on all its fancy promises. Second, that you cannot stop it except by resistance all along the line. We are doing that in Europe. The same applies to Asia. If you can stop communism in China, hold a great sanitary zone across south and west China, behind the mountains and natural barriers of which I spoke yesterday, I am sure communism there, too, will begin to fall apart, because it cannot deliver on the extravagant promises of land, peace, and bread that it makes to the people before taking them over. But we cannot stop it without resistance or defense all along the line of Communist advance. There must be areal defense in Europe and there must be areal defense in Asia. The amendment seeks to provide just that. Ultimately, gentlemen, and soon, there must be global defense against this strong, cruel enemy or all of us will fall.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

The Chair recognizes the gentleman from Ohio [Mr. VORYS].

Mr. VORYS. Mr. Chairman, I taught school in China years ago. I have tried to study China ever since. I say to you that you have just heard from the greatest expert on China in the United States, possibly in the world, the gentleman from Minnesota [Mr. JUDD], a man who always puts patriotism above partisanship, a man who spent 10 years in China and who has returned repeatedly since, and who knows the inside of the story in Washington. In 10 years he has proven to be not a crank on China but a great and true prophet. It is worth while considering the words he gave you.

China is in bad shape. The Government is in bad shape, almost as bad as our country was the winter of Valley Forge. They do not have much will to fight, because their friends have let them down. Along comes this bipartisan movement today to implement a foreign policy for Asia, the Lodge-Walter bill. Its words of purpose come from Secretary Acheson's statement. Certainly that is bipartisan. Its administration is planned on that of the Greek-Turkish Aid Act; certainly that is bipartisan.

The only resistance to it is by those who follow a line that has failed.

The point is this: Are we going to follow the Butterworth line—he is our far-eastern expert. Secretary Acheson does not have time, President Truman does not have time to study affairs out there, but they get their information from Walton Butterworth. He appeared before our committee and gave an opinion on the China aid bill, which was not conceivably a diplomatic or military secret; but he suppressed his testimony and mine and that of the gentleman from Minnesota [Mr. JUDD] from the record of a hearing that was made public. As between Butterworth's policy and that of the gentleman from Minnesota, General Chennault, General Wedemeyer, and General MacArthur, I will string along with the latter group.

You ask: Can we do anything out there with this? I will tell you one thing we could do, we could get the Flying Tigers going again; we could let them use old American aircraft and they could use them with devastating effect against Communist troops that as far I am informed have little or no air support.

There are 150,000,000 people in south and west China who are opposed to communism, who have shown their will to fight by fighting them for years while we were making up our mind. There are ways and means to help them. This bill gives you a possibility. I hope you vote for it.

The CHAIRMAN. The time of the gentleman from Ohio has expired. The Chair recognizes the gentlewoman from California [Mrs. DOUGLAS].

Mrs. DOUGLAS. Mr. Chairman, I rise in opposition to this amendment. The gentleman from Minnesota [Mr. JUDD] in outlining the amendment asked us to forget about the aid that we have given China. No wonder, because as the gentleman from Montana [Mr. MANSFIELD] pointed out, we have given China over $2,000,000,000 in aid since the end of the war. Of course, the gentleman from Minnesota wants us to forget it.

Mr. Chairman, why did we give all this aid to China at the end of the war? We gave it for the very reasons which the gentleman from Minnesota [Mr. JUDD] has stated. We gave China economic aid. We gave China military aid. And we gave China military and technical advice. But we were unable to change the course of events in China.

I am not one of those who believe in a do-nothing policy with regard to China. I agree wholeheartedly with the gentleman from Minnesota that our security is being placed in increasing danger with every advance of the Communist forces in the Far East. But, Mr. Chairman, that is not to say that I agree that we must take action in that area for the mere sake of taking action.

Our Chiefs of Staff do not advise that we take action at this time in China.

Those who offer this amendment imply that we could have changed the course of events in China if we had followed another plan. What plan, Mr. Chairman? What was this plan we should have followed? When those who criticize our policy in China talk of a plan, obviously they are talking about a military plan. Now, who would have proposed a military plan except our Chiefs of Staff? But there was no military plan other than the one we followed which cost us over $2,000,000,000.

I asked the Secretary of Defense, and Chiefs of Staff when they testified before our committee if since the end of the war they had proposed any other program for China which the State Department vetoed. Their answer was "no." I asked further of the Secretary of Defense and the Chiefs of Staff if there was now a proposed program which the State Department was blocking. Again, the answer was "no."

Mr. JUDD. Mr. Chairman, will the gentlewoman yield?

Mrs. DOUGLAS. I regret, but I cannot yield. The gentleman has had 15 minutes.

The Secretary of State last week came before us and discussed at length the white paper and our policy in China. The gist of what the Secretary said is to be found in his statement in the white paper and I quote, "The unfortunate but inescapable fact is that the ominous result of the civil war in China was beyond the control of the Government of the United States. Nothing that this country did or could have done within the reasonable limits of its capabilities could

have changed that result; nothing that was left undone by this country has contributed to it. It was the product of internal Chinese forces, forces which this country tried to influence but could not. A decision was arrived at within China, if only a decision by default."

Mr. Chairman, the evidence bears out the Secretary's statement. The gentleman from Minnesota [Mr. JUDD] wants us to forget the past. He argues that we should now undertake in China a program similar to the one in Greece.

It is ridiculous to compare China with Greece. As the gentleman from Montana [Mr. MANSFIELD] stated, there are 7,500,000 people in Greece and 450,000,000 people in China. To do in China what we are doing in Greece would not be a drop in the bucket. It would change nothing.

And remember we have a program going on in China now. In west China today we are carrying out a program of rural reconstruction which is getting at the root of the trouble in China. I fought for this program. I believe in this kind of aid for that part of China which is still free. It is the only sane aid we can extend at this time. The Member who spoke to us a little while ago was in China all through the war. He made the point, others have made the point the gentleman from Minnesota [Mr. JUDD] makes, that we have to bring aid to the farmers. We are doing that in China today. The Secretary stated before our committee that there was nothing he knew of at this time that we could do beyond what we are doing.

Now it may be asked, Is there any possible danger in adding this amendment? Those who offer it say "No." I say "Yes." There is a big danger. We have Americans in China today. We have Americans working on the agricultural program over there; we have Americans in Shanghai. This amendment will be considered a declaration of war. I wonder what will happen to Americans in China if this amendment is added to the pending bill?

The CHAIRMAN. The Chair recognizes the gentleman from West Virginia [Mr. KEE].

Mr. KEE. Mr. Chairman, since I have been a Member of this House we have sent into China upward of $2,000,000,000 in American money for aid to China. What has been accomplished by that expenditure? Absolutely nothing. Today China is worse off than it ever was before. Right at this time we have unexpended funds from a former appropriation that are being spent in China, as detailed by the gentlewoman from California. No one knows what, if anything, is being accomplished.

A few days ago we passed on the floor of the House a short resolution authorizing the diversion of $4,000,000 from ECA funds appropriated for use in China in order to assist 4,000 Chinese students now in this country abandoned by an impotent government of their own. They have no government to which they can apply for aid. This Congress diverted $4,000,000 to keep them from want.

Now the proponents of this amendment come in and ask for how much? One hundred million dollars to this foreign country at a time when, in all probability, if we add the amendment, it will necessitate underwriting the entire government. Is this the opening wedge that these gentlemen are trying to drive in order to get the United States into a position of announcing to the world, by this act of ours today, that we intend to aid China militarily and are appropriating $100,000,000 for that purpose? The world would know it is not sufficient. The world would take that announcement as a commitment on the part of the United States that we intend from now on to underwrite the Chinese Government, not only so far as the use of money is concerned but in the use of arms.

Whenever it comes to the point where it is for our national security, for our national safety, and our general national interest that we move into China with help for that country, that movement means war, and it is not going to mean $100,000,000, it is going to mean countless billions of dollars and countless millions of lives of American soldiers.

I warn the Congress today that in adopting this amendment providing an amount which is admitted is not sufficient to accomplish anything practical you are opening a door that will, when it gets wide open, engulf not only vast sums of money of this country, but it will engulf the lives of American fighting men.

I beg of you to defeat this amendment.

Mr. WOLVERTON. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. WOLVERTON. Mr. Chairman, the legislation now before the House—Mutual Defense Assistance Act of 1949—a bill to promote the foreign policy and provide for the defense and general welfare of the United States by furnishing military assistance to foreign nations, creates questions and issues for determination that are so fundamental that they must not be decided upon the basis of partisanship, or, without having our most careful and studious consideration.

These questions of policy relate not only to the present, but, also to the future. To extend military aid may prove helpful to our present and future security and peace, or, it may be the spark to create war in the future. No one can contemplate these possibilities without being hesitant as to what should be our course in this present instance.

Furthermore, the fact that the policy recently adopted by this Nation, in becoming a party to the North Atlantic Pact, is so different from our previous peacetime foreign policy that it creates a deep consciousness that there is need for us as a nation to stop, look, and listen before we become too involved in foreign commitments. For more than a century of time the farewell advice of George Washington that we refrain from all entangling alliances with foreign nations was considered wise and good. When we move away from the moorings of the past, that have proved so beneficial, and, assume obligations, duties, and commitments for years far ahead, there must be good and sufficient reason for doing so. The Senate under our Constitution has the sole jurisdiction in this matter. The House has none. Therefore, as treaties entered into become the law of the land, the House is bound to accept the decision of the Senate as to the advisability of our Nation becoming a party to the North Atlantic Pact.

I place some emphasis upon this aspect of the case because regardless of our individual views with respect to the advisability or necessity, or good judgment, of entering into a foreign alliance in time of peace, yet there does remain a duty to implement or perform obligations that grow out of the treaty. It is in this connection that the present legislation now comes before the House for action.

I regret that the situation does not present as great a degree for freedom of action as I would like. The North Atlantic Pact having already been entered into there is created, to some extent at least, an obligation to buttress or strengthen its underlying purpose. That purpose is made clear by the terms of the pact, namely, to prevent aggression. Russian aggression has already covered a good portion of Europe. The countries of western Europe alone remain free from the domination of Russia and the spread of communism. Our policy of extending aid to these countries under the Marshall plan is designed to strengthen their economic structures. The present bill is to strengthen their military structures. There is no certainty that the extension of the aid provided for by the bill now before us will be sufficient to deter or prevent a military movement by Russia, but it at least, gives some assurance to the nations of western Europe of our full allegiance to the terms and provisions of the North Atlantic Pact. It makes of the pact something more than a scrap of paper, and gives notice to Russia of our intention to take seriously our promises and undertakings contained in it. I hope that the passage of this bill will prove to be the deterrent to Russia that we intend it to be. There may be some justification for the opinion that had this Nation made known to Germany at an earlier time than it did, our intention to resist any aggression upon its part there might have been no World War I, nor World War II, with their frightful loss of life and the disastrous results that followed.

But, assuming there is justification for the enactment of this legislation to give notice to Russia of an intention to resist further aggression in Europe, then, why should not the same policy be adopted

with respect to communism in China and the other countries of Asia. Communism is dangerous wherever it raises its ugly head. Already it has swept forward in China as a result of the failure of our Nation to assert itself in defense of a free China. To combat it now is far more difficult than it would have been a few years ago. The old sayings, that "a stitch in time saves nine," or, "an ounce of prevention is worth a pound of cure" find ready application with respect to the situation in China and the rest of Asia. It is my opinion that there is just as much justification and reason to sustain a defensive attitude against communism in China as in western Europe. The effort of communism to spread its doctrine and take over governments is not confined to any particular area of the world. It is globular in its effort. It aims to bring the whole world within its influence and domination. We must recognize this fact. To overlook it in the formulation of our national policy will prove a mistake that can be disastrous in its results.

In the consideration of all the elements that constitute the reason and the necessity for legislation of this kind, the opinions of our defense officials should and must be given great weight. They are the men who lead us in war and we must of necessity listen to them in times of peace on questions of national security and the maintenance of peace. All of them, including General Marshall, have recommended the passage of the pending legislation.

It is the desire of all to avoid war. It is an equally laudable desire to keep war from our own country. This bill, extending aid to Europe, seeks to keep the front line as far from our own country as possible. Let us hope and pray, however, that it will go beyond even this and will mean the peace and security of western Europe and the world against communistic aggression.

Mr. KEE. Mr. Chairman, I demand tellers.

Mr. LECOMPTE. Mr. Chairman, I ask unanimous consent that the amendment be again read.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The Clerk again read the amendment.

Tellers were ordered, and the Chairman appointed as tellers Mr. KEE and Mr. LODGE.

The Committee divided; and the tellers reported that there were—ayes 94, noes 164.

So the amendment was rejected.

Mr. JAVITS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I feel it is very important right after the vote on this amendment on China aid to call to the attention of the House that the Committee on Foreign Affairs did not in this bill omit consideration of the essentials of a far eastern program and that it was really looking to the national interest of the United States wherever that national interest was concerned. The committee wrote into the bill on page 3, and I call the attention of the House to this as bearing upon the vote just taken, a recognition of the fact that its reliance insofar as the challenge to communism is concerned everywhere is primarily a reliance on economic development and economic recovery—a reliance on improved standards of living, better health sanitation, education, and social conditions as creating a self-interest against communism.

The committee adopted a resolution introduced by four members of the Committee on Foreign Affairs—the gentleman from Connecticut [Mr. RIBICOFF], the gentleman from Florida [Mr. SMATHERS], the gentleman from Pennsylvania [Mr. FULTON], and myself. I shall just take the time to read it to the House so that the House understands our understanding of what, under near famine level economic conditions in so much of the Far East, would be a proper foreign policy in the Far East.

It reads as follows:

> That the Congress hereby expresses itself as favoring the creation the free countries and free peoples of the Far East of a joint organization, consistent with the Charter of the United Nations, to establish a program of self-help and mutual cooperation designed to develop their economic and social well-being, to safeguard basic rights and liberties, to protect their security and independence, and as favoring the participation by the United States therein.

Mr. Chairman, so far as the Committee on Foreign Affairs is concerned, its main reliance is still upon this great new development in the foreign policy of the United States which created the European recovery program—to save the people of the world from communism by showing that it is democracy which in terms of goods and services and human satisfactions and well-being delivers the goods. The recovery program, based on self-help and mutual cooperation, in our opinion, Mr. Chairman, has been successful in Europe and will be successful if tried by the nations of the Far East as their own very basic answer of democracy's performance compared to communism's promises.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SUTTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, on July 25 the Committee on Armed Services of the House reported out unanimously the bill H. R. 4766, which is a military public works bill. The bill provides for national defense. Included in this bill was some $130,000,000 for Alaskan defense. For my home State of Tennessee there was nothing in it whatsoever. Personally I am for this bill because it is for the national defense of our own country. I am not an isolationist, Mr. Chairman. I voted for the reciprocal trade and I voted for $15,900,000,000 for national defense. If we had needed more, I would have voted for that. I will vote for whatever our requirements may be for the national defense of our country.

But, to me, Mr. Chairman, this is one matter which my conscience cannot permit me to go along with. I regret to say I think this is a declaration of war. I am in favor of feeding those people and trying to bring them back economically, but any time you put arms in the hands of the people over there, it is America declaring war. There is not a man or woman in this body or in America who hates communism any more than I do.

Should we ever go to war with Russia, this is one Member of Congress who will offer his services in the armed forces. I make that a public record. Any time I vote to declare war on any country, that is the day I will be prepared to volunteer in the armed services.

I cannot go along with this bill, because I know it is declaring war. Mr. Chairman, the gentleman from Michigan [Mr. POTTER] spoke a little while ago. He thinks this is a declaration of war. That boy lost his two legs overseas. The gentleman from Mississippi [Mr. WILLIAMS] is today walking around with the loss of one arm because of war. The blood of many of the people in this Congress today, including myself, is fertilizing foreign fields. I just cannot go along in declaring war by sending arms over there. I hope, Mr. Chairman, that we will think. Let us send them food. Let us build them up economically. Let us help them out that way. Let us bring better relations between our countries by reciprocal trade, but, for heaven's sake, let us not send our boys back to foreign battlefields again. I do not want to go back. I do not want any mother's son to go over there. I think it is time we started to think and started to act. What could be more imperialistic than sending arms over there? You realize the same as I do, that we furnished arms and ammunition and equipment for France in World War II. What happened? They came down and took it away from us and then shot it back against our boys. You send a billion dollars' worth of arms over there in this instance, and what will happen again? Our boys will be shot at again with their own equipment.

I remember when I was a kid I went around picking up brass and scrap iron and sold it. Then I went over there and got it shot back at me. You send arms and munitions over there, and we vote for it, and they are going to shoot it right back at us. I hope we will stop and think.

I know it is not popular to say this. I know that this bill will probably be passed, but as for myself, I cannot declare war by sending these armaments over there.

The CHAIRMAN. The time of the gentleman from Tennessee [Mr. SUTTON] has expired.

Mr. WILLIAMS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, like the distinguished soldier who preceded me, I cannot help but feel that I have a personal stake in the legislation that is before us today. I feel that I would be breaking faith with those who died if I voted for this

legislation to send arms to Europe, because this is nothing more nor less than the path to world war III. The Foreign Affairs Committee, which has presented this legislation to us today, in the fall of 1947, urged us to send a billion dollars in interim aid until we can get the Marshall plan into effect. They told us that if we would send interim aid until the next spring, we would not have to send weapons.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS. I yield.

Mr. JUDD. I must advise the gentleman that not all the members of the House Committee on Foreign Affairs took that position. When we were debating ERP, I warned the House that we would have to send military aid along with it. It is not true that all the Foreign Affairs Committee said interim aid and ERP would prevent the sending of arms. I urged that it was necessary to have a mutual defense program or else the mutual assistance economic program could not succeed.

Mr. WILLIAMS. I may say I was here and listened to the debate.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS. I yield.

Mr. RANKIN. In 1939 they told us that if we lifted the embargo it would prevent war. I said then it would plunge America into war, and that is just what it did.

Mr. WILLIAMS. In 1947 the theme of that debate was that if we sent aid over there we would not have to send arms nor American soldiers.

In 1948 they came back with the same argument, and we sent $6,000,000,000 more so we would not have to send arms. In 1949, just 4 months ago—and all of you here know I am telling the truth—we were told that we had but one alternative. That was to send European aid in money and goods or to send arms. We sent them five and a half billions more. Yet today, 4 months later, they present this bill to send arms. Are we not breaking faith with the American people by asking that we send arms? Has the situation so changed in 4 months that we must implement ECA with arms? And if it has so changed, is not the ECA admittedly a failure if we must implement it with arms?

What is the next step? The next step when this arms program fails is to send American men and American airplanes. The next step, of course, is world war III. We are going straight down the path to world war III, and we cannot deny it. This program is going to set up munitions plants in France, in Germany, and in other countries which will be the recipients of this military aid; but do we have any reason to assume that these plants will not be manufacturing powder 3 or 4 years from now to blow American citizens off the map?

Mr. Chairman, I cannot go along with this legislation. I know that there are those here who say they do not like it, but will go along anyway. I ask you all to think about the welfare of the American people; think of our own national defense first; put America first. Stop and think. Do we want another world war?

Mr. KEE. Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read and be open to amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

Mr. TABER. Mr. Chairman, I object.

Mr. JACKSON of California. I rise in opposition to the pro forma amendment.

Mr. Chairman, I have already spoken on this bill twice. I assure you this will be the last time I shall speak on it, but I cannot let this opportunity pass without adding a few words to those spoken by the two distinguished Members of this body, my former comrades in arms, on this most vital question. I have tried my level best to find justification for a "yes" vote on this measure.

I shall vote to recommit the bill and I shall vote against the bill on final passage.

I think we are taking a tragic step; I believe with the others who have spoken just before me that this is an act that is going to lead this Nation into world war III, into a catastrophe of arms from which the world will probably not recover. I am sure that every Member of this House will weigh the tremendous responsibility that we have here today in deciding the future course that our civilization is going to take.

As a veteran I protest the passage of this ineffectual and dangerous legislation, and as an American citizen I think it should be defeated.

Mr. SHORT. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, the appropriation contained in this bill is far too little for Europe's defense; it is too much for our economy to carry. We are nigh bankrupt and do not know it. All of us well realize that if this measure is enacted into law, even with the original amount cut in two, the administration will come back next year and the year following and ask for further funds, perhaps even larger sums of money, just as they have done in the economic aid that we have voted to Europe.

This is only the beginning. The camel is getting his nose under the tent. Anyone who is at all realistic knows that the original amount is only a drop in the barrel, that it cannot prevent Russia from overrunning all of Europe and the Middle East in 3 months should she so desire.

Mr. Chairman, it is pleasing and reassuring to have three young red-blooded Americans who have risked their lives for their country take the courageous position that they have. They served in World War II and know what this bloody business means. We send weapons and implements of war to the nations of western Europe. When we do that we are only building up a richer treasure and a bigger prize for any aggressor to seize; and we perhaps at the same time give an added impetus and an invitation to that aggressor to strike before we could possibly have time to build up an adequate defense. All this in time of peace. It is incomprehensible.

I fear that this bill will denude our own armed forces. It will sap the strength of our Army and Air Force. Only yesterday as chairman of a subcommittee of the Armed Services Committee I heard representatives of our regular military establishments, our Reserves, and the National Guard plead for additional armories, equipment, weapons, and personnel for adequate training. What is going to happen if we take arms from our present stock and send them abroad? I fear that this measure will sharpen the razor to cut our own throats. I never believed in putting a pistol in the hands of an enemy to destroy me and while ostensibly we are sending it to our friends no one can rest assured that war-torn, weary Europe, where most of the flower of Europe's manhood is sleeping today beneath the sod, can or would fight a long sustained war. Some of these countries put forth little effort last time and a continent of widows cannot be expected to fight.

Certainly you would not furnish a weak neighbor a lot of ammunition which would be in grave danger of falling into the hands of a much larger and more powerful enemy. That would be both cowardly and stupid.

Man lives so long but learns so little. History has a queer, stubborn, and cruel way of repeating itself.

In 1939 when I was a Congressional Delegate to the Inter-Parliamentary Union in Oslo, Norway, Mrs. Short and I were stranded at Stockholm, in Sweden when Hitler went into Poland, September 1, 1939. Shortly after Great Britain declared war on Germany, President Roosevelt called Congress into special session—one of the many special sessions that we had under the New Deal, which lived, thrived, and prospered on emergencies.

On November 17, 1939, immediately after my return, the House was considerate and indulgent to hear me for most of an hour. At that early date I feared that this country would for the second time in our generation, be drawn into another world conflagration. Well do I remember, as we sailed from Southampton, British soldiers on a convoy crossing the channel yelled to us who were passengers on the S. S. *President Harding*, "We will be seeing you Yankees soon. Hurry over, Buddies."

Less than a year after my return to the United States, I said on the floor of the House, September 4, 1940, page 11423, CONGRESSIONAL RECORD:

> First, you furnish munitions. Next, you will furnish money or credit. The last step will be men.

Mr. Chairman, these are the three steps that always lead to war in any country or century—money, munitions, and men. Already we have furnished money in recent years. We are now called to furnish munitions, and I am afraid that tomorrow we will be asked to furnish men because our western European allies do not have the men to man the machines of war which we propose to send them.

What happened in the months following is this:

First. We were asked to repeal the neutrality law, which the administration itself had sponsored and pushed through

the Congress. We were told that it was necessary in order to remain at peace. Those of us who opposed it said that it was the first step toward war. The neutrality law was repealed.

Second. We were asked to repeal the arms embargo because it was a step toward peace. Those of us who voted against it said that it was a step toward war—but the repeal of the arms embargo carried.

Third. Furnish us munitions—with cash on the barrelhead. That was another step toward peace, said the administration, but those of us who voted against it thought it was a step toward war. The bill was passed.

Fourth. The cash soon ran out. No longer was there cash on the barrelhead, so we were asked by the Roosevelt administration to repeal the Johnson Act, which prohibited the extension of credit. No longer could the British pay cash so the Congress repealed the Johnson Act, and extended credit to Great Britain, a belligerent, to purchase munitions—not for the cash she had but on credit. It was said at the time by the great leaders of the administration and even those of this House that it was a peace measure and against war. The measure carried and we sold weapons, ammunition, and implements of war to a belligerent on credit.

Fifth. We were told, "We want you not to merely extend us credit but to deliver the weapons—not at the port of New York, but at the port of London." That was another step toward peace, sweet eternal peace, said the administration. We had to deliver weapons, bought on credit—not to our own ports but on the docks of London. That, naturally, entailed some danger, with Nazi submarines about. But the measure carried.

Sixth. Without consultation with Members of Congress, without their knowledge, and without authority in law, the President, under the self-proclaimed emergency transferred 50 destroyers to a belligerent for bases. Of course, that was a step in the direction of peace—though we were helping a belligerent—at the time deeply engaged in combat. That was accomplished without the approval of the American people or their duly elected representatives.

Seventh. The all-powerful, indispensable, and infallible man in the White House next—not requested, but demanded that we arm merchant ships. I can now clearly and distinctly see the majority leader, the gentleman from Massachusetts [Mr. McCORMACK] running his graceful fingers through his graying locks, wildly gesticulating, shaking his finger and in loud and raucous voice demanding that we arm merchant ships because it would insure us peace. We armed these merchant ships and we had encounter with German vessels long before war was declared. Anyone with common sense would know that it would inevitably lead to war, and certainly we now know what it did lead to—and to what place it has brought us.

Mr. Chairman, at this time and on this occasion I shall not discuss all the measures that led up to the sudden and ruthless attack on Pearl Harbor. That is another story that will fill volumes.

When the true story is written by unbiased, open-minded, and objective historians, the world will know why and how that attack was made, and never will it forget the sad, sordid, and tragic events that brought about this last world catastrophe.

Mr. Chairman, I have just enumerated seven steps that led us irresistibly and irrevocably down the path to war. Those in the administration and in this House told us that every single measure for which they voted, and which they carried would guarantee peace. Those of us who opposed them said each step would lead us into war. We did not have our way; they had theirs. We will let them explain. We certainly did not get peace. Some people think we got a little war.

Mr. Chairman, my question now is whether we were led into a war. We certainly had a war and the same old bunkum, the same spurious arguments, the same subterfuge, sophistries, and attempts by indirection to achieve what they dare not attempt by direction will lead us down the thorny path into another world conflagration, which might end in total annihilation of civilization.

I fear, Mr. Chairman, that much of this current war fever is being artificially engendered to continue a war economy in order to avoid a depression and keep the present administration in power. Military goods produced from depleting the natural resources of this country will never bring prosperity to the American people. We will never become rich or grow strong by sending our money abroad for people to buy our goods. All that we get back is the money that we send them, and they get the fruits of our own labor, as we continue to pump our oil wells dry, dig up the iron, lead, zinc, copper, and coal of this country, hew down our forests and consume the wealth of this Nation. We cannot make the rest of the world rich by making ourselves poor.

Mr. Chairman, I hope this dangerous piece of legislation is defeated.

Under permission granted to me, I include the following statement and table prepared and released today by Paul O. Peters, research consultant of Washington, D. C.:

FOREIGN TRANSACTIONS OF THE UNITED STATES GOVERNMENT AS REFLECTED BY APPROPRIATION ACTS, JULY 1, 1940, THROUGH DECEMBER 31, 1948

Approximately two-fifths of the public debt of more than $250,000,000,000 can be traced to appropriations by the Congress for expenditure in the period from July 1, 1940, through December 31, 1948, in behalf of defense aid, relief and rehabilitation after World War II, and various international schemes to bolster the economies of countries other than our own.

The interest on this segment of the public debt amounts to more than $2,000,000,000 each year, a sum far greater than our own Federal Government spent in any 1 year from the founding of the Republic up to 1916. In fact during the first 128 years of the Republic, the total expenditures for Government, including the cost of the War of 1812, the Mexican War, the Civil War, the War with Spain, and all campaigns against the Indian tribes, the Treasury reports total expenditures were $26,751,570,136.

The table following shows the amounts appropriated for the foreign transactions of the United States by subject:

Appropriation subject and appropriation	*amount*
Lend-lease (defense aid)	$30,698,248,000
Military Establishment, Army, transfers to lend-lease (defense aid)	32,170,000,000
Navy, transfer to lend-lease (defense aid)	6,437,370,821
Maritime Commission, vessels leased	620,647,410
Philippine rehabilitation	282,791,000
RFC Loan to Philippine Republic	70,000,000
United Nations Relief and Rehabilitation Administration	2,701,900,000
Government and relief in occupied areas (Army)	3,108,000,000
Assistance to Greece and Turkey	625,000,000
Relief assistance (post UNRRA)	385,000,000
International Refugee Organization	141,784,128
Interim foreign aid	577,000,000
European recovery program (ECA)	4,000,000,000
Assistance to China	400,000,000
Financial aid to China	500,000,000
British loan	3,750,000,000
RFC loan to United Kingdom	390,000,000
Bretton Woods agreement (authorization for International Bank and Monetary Fund)	5,925,000,000
Participation in international organizations	[1] 103,837,360
United Nations headquarters	65,000,000
Foreign Service building fund	89,888,000
Cooperation with American Republics	31,880,000
Inter-American Highway	32,000,000
Control of foot-and-mouth disease, Mexico	41,000,000
Institute of Inter-American Affairs	113,128,287
Surplus property disposals, care and handling	62,298,000
Voice of America	30,000,000
Purchase of strategic and critical materials	400,000,000
Displaced Persons Commission	2,000,000
American Red Cross (foreign war relief)	85,000,000
International health relations	850,700
Foreign aid, 1950 (request before Senate)	6,599,282,000
New military-aid program (President's request)	1,450,000,000
Total appropriations and requests	101,369,606,706

[1] Does not include participation in several international fisheries and boundary commissions.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. KEE. Mr. Chairman, I ask unanimous consent that all debate on title III do now close.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

Mr. MORRIS. I object, Mr. Chairman.

Mr. KEE. Mr. Chairman, I move that all debate on title III and all amendments thereto do now close.

The motion was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Page 7, line 1:

"TITLE IV

"GENERAL PROVISIONS

"SEC. 401. Military assistance may be furnished under this act, through grants or on such other terms as may be provided in the agreements concluded pursuant to section 402, by the provision of any service, or by the procurement from any source and the transfer to eligible nations of equipment, materials, and services: *Provided*, That no equipment or materials may be transferred out of military stocks if the Secretary of Defense, after consultation with the Joint Chiefs of Staff determines that such transfer would be detrimental to the national interest of the United States."

With the following committee amendments:

Page 7, line 4, after the comma, strike out the balance of the line and insert "without payment to the United States except."

Page 7, line 13, strike out "interest" and insert "security."

The committee amendments were agreed to.

Mr. ROONEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROONEY: Page 7, line 13, after the word "States" strike out the period and insert a semicolon and the following: "*Provided*, That no such assistance shall be furnished to Great Britain as long as she maintains, directly or indirectly, the partition of Ireland."

Mr. ROONEY. Mr. Chairman, the United States has twice entered European wars for the sole purpose of preserving the freedom and independence of small nations. Today we are witnessing the advance of Communist aggression in the east of Europe, where numerous countries have been forced into subjection under Soviet fascism. The whole purpose of the Atlantic Pact and now of this Mutual Defense Assistance Act is to protect the rest of Europe from further encroachment by Communist Russia. We are trying to protect and defend the small nations of Europe as well as the large ones from direct attack on their territories.

However we find that among our colleagues in this effort is Great Britain, who is actually flaunting the very purpose of this proposal by herself exercising control over a part of Irish territory and is holding a group of the Irish people in subjection by means of the partition of Ireland. Regardless of the excuses given for this invasion of Irish territory, the fact is that Great Britain is an invader and is holding the northern part of Ireland by force of military power.

This occupation of a part of Ireland means the severance of the major industrial area of Ireland from the rest of the country, thereby impeding Irish recovery and Irish assistance in the recovery of Europe. The continuance of partition prevents Ireland from joining the Atlantic Pact although it is her expressed desire to become a signatory nation.

We protested against Holland's activities in Indonesia and threatened the withdrawal of Marshall-plan assistance. Yet we have done nothing to redress the wrongs of Ireland nor to assist her in reclaiming her territory and her full freedom. It is greatly to our own interests to have Ireland join us in the Atlantic Pact and to cooperate with us in this mutual defense program. Ireland is the northern outpost of our line of defense in Europe and is one of the vital parts of the whole military strategy in protecting Europe against a new war. We should have Ireland with us in this program, but we cannot, so long as Great Britain continues to occupy a part of Irish soil.

By the adoption of this amendment we will be serving notice on Great Britain that they should promptly find the means to settle the problem of Irish partition, and I am confident that once that problem is settled, not only will we benefit, but so also will Great Britain herself.

Mr. DAVENPORT. Mr. Chairman, I rise to congratulate the gentleman from New York [Mr. ROONEY] for his courage in offering his amendment to the military aid bill. Of course I realize that we must do everything in our power to provide economic and military assistance to the Atlantic Pact nations; but I am strongly in favor, if Great Britain is to continue to receive our aid, that we should memorialize the British Parliament to end the unjust partition of Ireland. With Ireland a wholly free and united nation she would then become a powerful bastion of strength for the cause of world democracy within the Atlantic pact. Do I have to remind anyone here of the glorious record of the Irish people in their struggle for democracy all over the world. It is a known historical fact that one of King George's most important ministers, Lord Mountjoy, when asked by his King why the British suffered defeat in the Revolutionary War, his answer was that it was because of the immigration of the Irish to America. Naturally these Irish immigrants, bitterly opposed—and for good reason—to the British Government poured their strength into George Washington's armies and helped greatly to lead those armies to victory.

Two hundred thousand Irishmen volunteered to serve the armies of Great Britain in the war against Hitler and, although Ireland served the very vital purpose of the "bread basket" for England during the war, other thousands of Irishmen and women manned the factories in England, producing the sinews of war for the British soldiers. Paddy Finucane, and Irishman, was the outstanding ace in the British Air Forces in World War II and many other illustrious officers in the land and sea and air forces were of Irish birth. After the 700 years of persecution suffered by the Irish people; after the great contributions made by the Irish to the gaining of our own liberty here in America; after the invaluable contributions made by the Irish to world civilization and to the spread of democratic ideas of which the Irish have ever been devoted champions, I agree with my colleague [Mr. ROONEY] that the time for the end of the partition is at hand. Great Britain needs our help today. I believe she should receive that help. But just as we in America fought for the fulfillment of the partition of Palestine, the time has come to more emphatically urge England to end the infamous partition of Ireland and by so doing strengthen the Atlantic Pact by the addition of another great, fearless, fighting, and courageous people—a free and united Ireland which has from time immemorial been in the forefront of the struggle for freedom and democracy. I wish to make it clear that I will vote for the military aid bill, but I would be doing so with greater enthusiasm if we could look with some hope to the end of the partition of Ireland in the not too far distant future.

Mr. McDONOUGH. Mr. Chairman, so long as the Irish Nation is forcibly divided, it remains a threat to the peace of Europe. So long as this condition continues, there can be no political stability in Ireland. Because this condition is a threat to the peace of Europe, it is an international problem of which we properly can and rightfully should take notice.

There cannot be complete harmony and friendship between Great Britain and Ireland so long as partition continues. England knows this but does nothing about and will do nothing unless we indicate to her that the border should be eliminated, if for no other reason than in the interest of peace.

We are endeavoring to reestablish the economy of Europe, and in this Ireland has willingly and vigorously undertaken to play her part. She has repeatedly backed our interests in the conferences and planning of the Marshall plan. Yet the economy of her own country is tremendously impaired by the division of her country, a division which is entirely unnatural.

The recovery of Ireland will be greatly improved by the unification of the nation. The economy of Great Britain will likewise be improved once the burden of financing Northern Ireland is removed. But more important to us is the assurance that Ireland will join us in the Atlantic Pact, once she is able to voice the interests of all Ireland and not a part. Ireland would join the pact today, were it not for the fact that she would thereby recognize the unjustifiable claim of Great Britain to the domination of the six counties in northeastern Ireland.

As far as the present legislation is concerned, Ireland cannot become a part of the mutual defense program unless she can speak for all the territory of Ireland. Whatever military strategy is planned for the defense of Europe, it is essential that Ireland should be included in that planning. It is a vital air link to any defensive program in Europe, and so it is proper that in this legislation we should urge that Great Britain take the steps necessary to make it possible for Ireland to join with us in providing for the defense of Europe. We can do this by the adoption of this amendment, and thereby make sure that the task that we are undertaking today will not be a half-hearted measure, but one which has every reasonable assurance of its success. Ireland is essential to that success, and a united Ireland is a prerequisite to her joining in the mutual defense program.

Let us then insist upon the reunification of Ireland so that Ireland can join with us. In that way we not only augment the protection of Europe against aggression and eliminate a serious threat to peace, but we also assist in undoing an injustice that has existed for a quarter of a century too long already.

I urge the adoption of the amendment submitted by the gentleman from New York [Mr. ROONEY].

Mr. KEE. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto do now close.

Mr. McDONOUGH. I object, Mr. Chairman.

Mr. KEE. Mr. Chairman, I move that all debate on the pending amendment and all amendments thereto do now close.

The CHAIRMAN. The question is on the motion.

The question was taken; and on a division (demanded by Mr. ROONEY) there were—ayes 112, noes 36.

So the motion was agreed to.

Mr. TACKETT. Mr. Chairman, I offer an amendment to the amendment.

Mr. BOGGS of Louisiana. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. BOGGS of Louisiana. My understanding of the motion just agreed to is that all debate on the amendment and all amendments thereto has been closed.

The CHAIRMAN. The gentleman is correct. However, the motion of the gentleman from West Virginia did not preclude the offering of amendments to the amendment.

The Clerk read as follows:

Amendment offered by Mr. TACKETT to the amendment offered by Mr. ROONEY: Add the following: "and as long as she maintains a socialistic government."

The amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The question was taken; and on a division (demanded by Mr. ROONEY) there were—ayes 66, noes 103.

Mr. TACKETT. Mr. Chairman, I demand tellers.

Tellers were refused.

So the amendment was rejected.

Mr. BROOKS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BROOKS: On page 7, line 13, after the words "United States" strike out the period and insert "or is needed by the reserve components of the armed forces to meet their training requirements."

Mr. KEE. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I yield.

Mr. KEE. Mr. Chairman, the committee has no objection to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana [Mr. BROOKS].

The amendment was agreed to.

The Clerk read as follows:

SEC. 402. The President shall, in connection with the furnishing of assistance to any eligible nation, conclude agreements with such nation, or group of such nations, which agreements, in addition to such other provisions as the President deems necessary to effectuate the policies and purposes of this act and to safeguard the interests of the United States, shall make appropriate provision, where applicable, for—

(a) the use of any assistance furnished under this act in a manner consistent with the policies and purposes of this act;

(b) restriction against transfer of title to or possession of any equipment and materials, or services furnished under this act without the consent of the President;

(c) furnishing equipment and materials, services, or other assistance, consistent with the Charter of the United Nations, to the United States or to other nations as will further the policies and purposes of this act.

Committee amendment:

Page 7, line 19, after the words "safeguard the" insert the word "national."

Mr. KEEFE. Mr. Chairman, I rise in opposition to the committee amendment.

Mr. Chairman, I realize that this branch of the Congress is going to pass this legislation. I have been a Member of the Congress since 1938. I cannot allow the RECORD to remain silent, so far as I am concerned, without uttering a protest against what you are proposing to do. I made the same protest as did many of you in 1938, 1939, and 1940. Time and again we had measures such as this come before the Congress and time and again we heard the chairman of the Committee on Foreign Affairs stand in the well of the House and repeat to the membership the same arguments that are being made here today: "This is a step in the direction of peace."

Measure after measure was submitted, and some of the same people who are here arguing today for this proposal were arguing then that if we took the action requested by the Committee on Foreign Affairs, this Nation would remain at peace and we would not go to war, unless attacked. They argued that we were acting in the terms and in the language of peace—not war, and every single step that we took at that time was progressively a step in the direction of the tragedy and devastation of war. Inevitably, step after step. You remember them: repeal of the arms embargo; arming of merchant ships; the destroyer sale, and so forth. Those were the progressive steps which it was said would keep this country out of war. Here we are at it again. Just a few short years later and you are at it again. You are not repealing the arms embargo. You are proposing to ship arms, and to arm foreign nations. For what? Well, you go ahead and do it. You will. But so far as I am concerned, I want my record kept clear. I will have no part of it. I want no part of it. I did my best to prevent the last debacle. I want no part of the one that impends. Some of you will live to regret this action. You are not giving anything by your vote today to stem communism. You have repudiated the request for arms to stop communism in the Far East. But you are going to arm Europe and put into the hands of the Communists there the very instruments which, if war comes, will be used to destroy us. You are going to build munition plants over there to manufacture munitions to turn against us. I, for one, want no part of it.

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. KEEFE] has expired.

Mr. MORRIS. Mr. Chairman, I move to strike out the last word.

Mr. KEE. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto do now close.

Mr. MORRIS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MORRIS. Can the chairman of a committee control the debate here in such manner that every time a Member seeks permission to speak he can take him off his feet?

The CHAIRMAN. The Committee of the Whole is in charge of the time.

Mr. MORRIS. I mean by his conduct.

The CHAIRMAN. The Committee of the Whole has to decide; it is up to the Committee.

Is there objection to the request of the gentleman from West Virginia?

Mr. MORRIS. Mr. Chairman, I object.

Mr. KEE. Mr. Chairman, I move that all debate on section 402 and all amendments thereto do now close.

The motion was agreed to.

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: Page 7, line 19, after the word "the" insert the word "national"; and in lines 20 and 21, after the word "provision," strike out the words "where applicable."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 7, line 23, strike out "in a manner consistent with" and insert in lieu thereof "in furtherance of."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 8, line 2, after the world "materials" insert the word "information."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 8, line 5, insert the following: "(c) the security of any article, service, or information furnished under this act."

The committee amendment was agreed to.

The Clerk read the following committee amendment:

Page 8, line 7, strike out "(c)" and insert "(d)."

The committee amendment was agreed to.

The Clerk read the following committee amendment:

Page 8, line 9, after the word "to" insert "and among."

The committee amendment was agreed to.

The Clerk read the following committee amendment:

Page 8, line 10, after the word "other" insert the word "eligible."

The committee amendment was agreed to.

The Clerk read the following committee amendment:

Page 8, line 10, strike out the words "as will" and insert the word "to."

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 403. (a) Any funds available for carrying out the policies and purposes of this act, including any advances to the United States by any nation for the procurement of equipment and materials or services, may be allocated by the President for any of the purposes of this act to any agency, and such funds shall be available for obligation and expenditure for the purpose of this act in accordance with authority granted hereunder or under the authority governing the activities of the agency to which such funds are allocated.

(b) Reimbursement shall be made by or to any agency from funds available for the purpose of this act for any equipment and materials, services, or other assistance furnished or authorized to be furnished under authority of this act from, by, or through any agency. Such reimbursement shall include expenses arising from or incident to operations under this act and shall be made by or to such agency in an amount equal to the value of such equipment and materials, services (other than salaries of members of the armed forces of the United States), or other assistance and such expenses. The amount of any such reimbursement shall be credited as reimbursable receipts to current applicable appropriations, funds, or accounts of such agency and shall be available for, and under the authority applicable to, the purposes for which such appropriations, funds, or accounts are authorized to be used, including the procurement of equipment and materials or services, required by such agency, in the same general category as those furnished by it or authorized to be procured by it and expenses arising from and incident to such procurement.

(c) "Value" as used in subsection (b) of this section shall be determined in accordance with rules and regulations promulgated by the President, acting, with respect to military equipment and materials, after consultation with the Secretary of Defense and the Joint Chiefs of Staff, in the light of the requirements of the armed forces of the United States in accordance with the defense plans of the United States. Such rules and regulations, and any amendments thereto, shall be transmitted promptly to the Congress:

With the following committee amendment:

On page 8, strike out lines 22 to 25, inclusive, and on page 9, strike out lines 1 to 7, inclusive, and insert the following: "Reimbursement shall be made by or to any agency from funds available for the purposes of this act in an amount equal to the value of any equipment and materials, services (other than salaries of members of the armed forces of the United States), or other assistance furnished or authorized to be furnished under authority of this act from, by, or through any agency, including any expenses incurred by such agency arising from or incident to operations under this act."

Mr. MORRIS. Mr. Chairman, I rise in opposition to the committee amendment.

Mr. Chairman, I feel very deeply about this matter. That is why I have been so persistent.

As a veteran of World War I, and as the father of a veteran of World War II, I want to register every ounce of protest that I can against this legislation. I feel it my duty to do it as a citizen and as a Member of this great body.

There is an old song that goes something like this:

Any rags, any bones, any bottles today;
Any rags, any bones, any bottles today;
Any rags, any bones, any bottles today.
It's the same old story in the same old way.

Now, they told us substantially this same story before World War I, the same story before World War II, and now they are telling us the same story that this is a move toward peace. But it is a move toward war. There is no question about it; not the slightest question in my mind.

When we started discussing the rule, at the very beginning of the discussion of this bill, I read a statement by Hon. JOHN FOSTER DULLES. I am not going to reread the entire statement, but I am going to read just one excerpt from it, and I would like to have your attention, because it is so significant. Then I want to draw a conclusion. He said this just recently. Now, get this:

I do not know of any responsible high official, military or civilian, in this Government or any government, who believes that the Soviet states now plan conquest by open, military aggression.

The only way you could make a case here would be to show that they did have such plans. I laid that proposition down in the beginning of the debate, and no one has come forth with any evidence, with any statement, to the effect that they have any such plans of open military warfare. They plan, yes, by infiltration, by trying to teach their ideology to people, and in many ways they plan to try to take over the world; there is no question about that. But, this leading authority says that no one claims that today they plan any open military operation, and you are asking us to vote to send guns and ammunition based on the fact that they do have such plans. Therefore, you have not made a case for your program, in my judgment.

Here is what you do by this legislation. You absolutely abrogate and destroy the power that is delegated to the Congress by the Constitution to declare war, and when we go sending guns and ammunition and cannons and so on to a group of nations over there, we are putting in their hands the power to declare war for us, because when some trigger-happy dictator or leader of a nation over there decides that it is time to go to war against his neighbor, all in the world he has to do is to use the guns we furnish him, and we are involved in it.

Mr. WILLIAMS. Mr. Chairman, will the gentleman yield?

Mr. MORRIS. I yield to the gentleman from Mississippi.

Mr. WILLIAMS. I made this statement yesterday and I would like to repeat it today, that if we send pop guns over there, they do not do any good anyway, and if we send effective weapons over there they will be used against us. We have no reason to assume that they will not.

Mr. MORRIS. That is correct.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. MORRIS. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. I want to bring to the attention of the House a statement that was reiterated here today, that these last two World Wars have cost us 1,300,000 casualties and $400,000,000,000. We have drained our manpower, our resources, and our finances in fighting the wars of Europe, and it is about time that we woke up to this situation.

Mr. MORRIS. Yes, it is about time that we woke up, and we are following the same road; yes, my friends, we are following exactly the same road that we followed before the other two wars. They told us that they were acts toward peace, but they were acts toward war. This is an act toward war, and you cannot escape it.

Mr. SADOWSKI. Mr. Chairman, will the gentleman yield?

Mr. MORRIS. I yield to the gentleman from Michigan.

Mr. SADOWSKI. It means more than just sending arms. Read section (b) on page 12:

Notwithstanding the provisions of Revised Statutes, 1222, personnel of the armed forces may be assigned or detailed——

Mr. MORRIS. Why, certainly. My friends, the whole bill contemplates the fact that we will be mixed up not just in diplomatic arrangements with Europe, but we will be mixed up with the military affairs and activities of Europe.

I am sorry but I cannot yield further as I wish to finish this one thought. I know you are anxious to present your views on this matter, but I would like to finish this last thought before I conclude. My friends, I take it that you love your Nation just as much as I do; I feel sure that you do. Honestly and sincerely, I love it with a great zeal, and I want to do everything in the world that I can to help it and protect it just like you do. But, do you not think that we are doing a rather foolish thing here, a silly thing, not only in wasting our substance, but wasting it in a foolish and dangerous venture?

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. KEE. Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read and be open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The remainder of the bill is as follows:

SEC. 404. The President may exercise any power or authority conferred on him by this act through such agency or officer of the United States as he shall direct, except such

powers or authority conferred on him in subsection (c) of section 403, section 405, and in clause (2) of subsection (b) of section 407.

SEC. 405. The President shall terminate all or part of any assistance authorized by this act under any of the following circumstances:

(a) If requested by any nation to which assistance is being rendered;

(b) If the President determines that the furnishing of assistance to any nation is no longer consistent with the national interest of the United States or the policies and purposes of this act; or

(c) If the President determines that provision of assistance to any nation would be inconsistent with the obligation of the United States under the Charter of the United Nations to refrain from giving assistance to any nation against which the United Nations is taking preventive or enforcement action.

SEC. 406. (a) Any agency may employ such additional civilian personnel without regard to section 14 (a) of the Federal Employees Pay Act of 1946 (60 Stat. 219), as amended, as may be necessary to carry out the policies and purposes of this act.

(b) Notwithstanding the provisions of Revised Statutes, 1222 (U. S. C., title 10, sec. 576), personnel of the armed forces may be assigned or detailed to noncombatant duty, including duty with any agency or nation, for the purposes of enabling the President to furnish assistance under this act.

(c) Experts and consultants or organizations thereof, as authorized by section 15 of the act of August 2, 1946 (U. S. C., title 5, sec. 55a), required for the purposes of this act, may, if the head of any agency deems it advantageous for the purposes of this act and if in his opinion the existing facilities of the agency concerned are inadequate, be employed by any agency performing functions under this act, and individuals so employed may be compensated at rates not in excess of $50 per diem.

(d) Service of any individual employed as an expert or consultant under subsection (c) of this section shall not be considered as service or employment bringing such individual within the provisions of sections 281, 283, and 284 of United States Code, title 18, of section 190 of the Revised Statutes (U. S. C., title 5, sec. 99), or of any other Federal law imposing restrictions, requirements, or penalties in relation to the employment of persons, the performance of services, or the payment or receipt of compensation in connection with any claim, proceeding, or matter involving the United States, except insofar as such provisions of law may prohibit any such individual from receiving compensation in respect of any particular matter in which such individual was directly involved in the performance of such service.

(e) For the purpose of carrying out the provisions of this act, there may be employed without regard to the Classification Act of 1923, as amended, not to exceed three persons at a rate of compensation not to exceed $15,000 and one person at a rate of compensation not to exceed $16,000.

SEC. 407. (a) Nothing in this act shall alter, amend, revoke, repeal, or otherwise affect the provisions of the Atomic Energy Act of 1946 (60 Stat. 755).

(b) The President may perform any of the functions authorized under section 401 of this act without regard to (1) the provisions of title 10, United States Code, section 1262 (a), and title 34, United States Code, section 546 (e); and (2) such provisions as he may specify of the joint resolution of November 4, 1939 (54 Stat. 4), as amended.

SEC. 408. (a) Notwithstanding any other provision of law, the Reconstruction Finance Corporation is authorized and directed, until such time as appropriations shall be made under the authority of this act and the act of May 22, 1947, as amended, to make advances not to exceed in the aggregate $125,000,000 to carry out the provisions of this act and the act of May 22, 1947, as amended, in such manner, at such time, and in such amounts as the President shall determine, and no interest shall be charged on advances made by the Treasury to the Reconstruction Finance Corporation for this purpose. The Reconstruction Finance Corporation shall be repaid without interest for advances made by it hereunder from funds made available for the purposes of this act and the act of May 22, 1947, as amended.

(b) Funds made available for carrying out the provisions of title I shall be available for the expenses of administering the provisions of this act and of the act of May 22, 1947, as amended.

(c) Whenever he determines that such action is essential for the effective carrying out of the purposes of this act, the President may from time to time utilize not to exceed in the aggregate 5 percent of the amounts made available for the purposes of any title of this act for the purposes of any other title. Whenever the President makes any such determination, he shall forthwith notify the Committee on Foreign Relations of the Senate, the Committees on Armed Services of the Senate and of the House of Representatives, and the Committee on Foreign Affairs of the House of Representatives.

(d) Upon approval by the President, any currency of any nation received by the United States for its own use in connection with the furnishing of assistance under this act may be used for expenditures for administrative expenses of the United States in any such nation incident to operations under this act.

(e) The President may, from time to time, in the interest of achieving standardization of military equipment and in order to provide procurement assistance without cost to the United States, transfer, or enter into contracts for the procurement for transfer of, equipment, materials, or services to nations designated in titles I, II, or III of this act, or to a nation which has joined with the United States in a collective defense and regional arrangement: *Provided*, That, prior to any such transfer or the execution of any such contracts, any such nation shall have made available to the United States the full cost, actual or estimated, of such equipment, materials, or services, and shall have agreed to make available forthwith upon request any additional sums that may become due under such contracts.

SEC. 409. The President, from time to time, but not less frequently than once every 6 months, while operations continue under this act, shall transmit to the Congress reports of expenditures and activities authorized under this act, except information the disclosure of which he deems incompatible with the security of the United States. Reports provided for under this section shall be transmitted to the Secretary of the Senate or the Clerk of the House of Representatives, as the case may be, if the Senate or the House of Representatives, as the case may be, is not in session.

SEC. 410. For the purpose of this act—

(a) The terms "equipment" and "materials" shall mean any arms, ammunition or implements of war, or any other type of material, article, raw material; facility, tool, machine, supply, or item that would further the purposes of this act, or any component or part thereof, used or required for use in connection therewith, or required in or for the manufacture, production, processing, storage, transportation, repair or rehabilitation of any equipment or materials, but shall not include merchant vessels.

(b) The term "services" shall include any service, repair, training of personnel, or technical or other assistance or information necessary to effectuate the purposes of this act.

(c) The term "agency" shall mean any department, agency, establishment, or wholly owned corporation of the Government of the United States.

(d) The term "armed forces of the United States" shall include any component of the Army of the United States, of the United States Navy, of the United States Marine Corps, of the Air Force of the United States, of the United States Coast Guard, and the Reserve components thereof.

(e) The term "nation" shall mean a foreign government eligible to receive assistance under this act.

SEC. 411. If any provision of this act or the application of any provision to any circumstances or persons shall be held invalid, the validity of the remainder of the act and applicability of such provision to other circumstances or persons shall not be affected thereby.

Mr. VORYS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. VORYS. Under the unanimous-consent request, in what order would the various committee amendments be considered? Would they not have precedence over other amendments? Should they not be disposed of before other amendments are considered?

The CHAIRMAN. The Chair feels that the gentleman is correct. That is the intention of the Chair.

The question is on the committee amendment.

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: On page 9, line 21, strike out the comma after "services" and strike out the comma after "agency."

The committee amendment was agreed to.

Mr. HOFFMAN of Michigan. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN of Michigan. If a Member has an amendment, how will he know when to offer it? That is to say, the bill not being read, must amendments to one section be offered before amendments to another section can be considered?

The CHAIRMAN. If a Member has an amendment to a committee amendment, it should, of course, be offered at the time the committee amendment is being considered. If it is not to a committee amendment, it may be offered after the committee amendments are disposed of.

Mr. HOFFMAN of Michigan. Should not the Clerk notify the Members which section is under consideration so that they will not lose their right to offer amendments?

The CHAIRMAN. All of title IV at the present time is under consideration. The Chair is endeavoring to obtain the adoption of committee amendments.

Mr. TABER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. TABER. In the interest of orderly procedure, should not each section be completed, any amendment that might be offered to that section being disposed of before we proceed to the next section?

The CHAIRMAN. It is usual to dispose of the committee amendments first and then take up other amendments.

Mr. TABER. As to sections, but not the other way.

The CHAIRMAN. Does the gentleman desire to submit a unanimous-consent request that the matter be handled as suggested by him?

Mr. TABER. No. I think that is the usual practice.

The CHAIRMAN. The Chair understands that that is not the usual practice, and will attempt to obtain consideration of committee amendments before other amendments are offered.

Mr. HOFFMAN of Michigan. Mr. Chairman, I ask unanimous consent that after the committee amendments have been disposed of the Clerk call the section numbers of the bill for amendment, so that we may have them in order.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read as follows:

Committee amendment: On page 10, line 9, after the comma insert the following: "*Provided*, That the value, measured by original procurement cost, of equipment and materials taken from stocks determined to be excess to the needs of the United States armed forces and transferred to any nation under this act without charge, other than for the cost of repair, rehabilitation, or modification, against funds made available for the purposes of this act shall not exceed in the aggregate $450,000,000: *Provided further*, That the value of military equipment and materials drawn from stocks of the armed forces other than excess stocks referred to in the preceding proviso shall be determined upon the basis of equivalance to the current cost of replacement thereof except that, after consultation with the Secretary of Defense and the Joint Chiefs of Staff, the President may determine value on the basis of original cost for such items of equipment and materials as may be drawn from such stocks above minimum mobilization levels."

Mr. SADLAK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SADLAK. Mr. Chairman, the committee is now considering an amendment on page 10. I have an amendment which would have come to section 403 (a) just prior to (b).

The CHAIRMAN. The gentleman is not precluded from offering his amendment.

Mr. HAYS of Ohio. Mr. Chairman, I rise in opposition to the committee amendment.

Mr. Chairman, my first inclination would be against this entire piece of legislation. But there are a few facts that should be thought over and allowed to penetrate before one casts his vote. I have not heard—although I have been on the floor most of the time—I have not yet heard anyone say that the only reason this Nation is not at war today is because we have the atom bomb and Russia does not. I heard someone make a statement a little while ago that no one had shown that Russia was going to move in by aggressive force. I wonder how they took over Czechoslovakia? I realize that sending arms to Europe may be a step toward war and I have to do a little soul searching to know whether I am for the program for that reason. I do not know whether those arms will be used for us or against us. I say what I am going to say advisedly: I do not think I have the mental dexterity to do as at least one ex-Member of this body did, to vote against all preparedness measures prior to World War II and then go back to the State of Ohio and say, "Well, it is the fault of President Roosevelt that we are in this war, because we did not get prepared."

To my notion a thing of that kind takes more mental agility—and I am using kind words when I term it that—than I possess. I was in Europe a few months ago. I think I mentioned this in the ECA debate. I was asked a question many times in Holland, England, and France: Not, what will the United States do if Russia strikes, but, what will the United States do when Russia strikes? You might say then, "Well, you are saying war is inevitable." I am saying that the Communist ideology as put forth from the Kremlin and the American way of life cannot exist side by side in this world. One or the other is going to have to be supreme. If arming our friends in Europe is a step in making America supreme, then I am going to have to vote to do that.

I would like to mention one other thing. I heard someone talk about the casualties. I am aware of the tremendous casualties this Nation suffered. But I am wondering if the House is cognizant of the fact that in the city of Warsaw more people lost their lives—almost twice as many, as a matter of fact—than our entire number of casualties in World War II. Why do I say that? Because by fast bomber this country is only about 7 hours from the coast of France, and mind you, those casualties in Warsaw were not caused by the atomic bomb, they were caused by the old-fashioned inferior type of bomb.

As I stood a few months ago, in the center of Rotterdam I was shown where 35,000 people—women and children mostly—lost their lives in 30 minutes when the Germans bombed that city. Again—not with the atomic bomb, but with the old-fashioned bomb.

I said this back in the days when it was not popular to say it: I cannot see any difference between Stalin's government and Hitler's government. Today we have eradicated Hitler and his gang but that other bunch, Stalin and his murderous crew, who came into power and who stayed in power by the same methods are still rampant, even more so. It is going to be too late five or six years from now to look back and say, "If we had only done this or that our country might have been saved." I say it is a choice we have to make now and it is a calculated risk.

I am prepared to vote for the program and take the risk that I will be wrong, because I think it is a greater risk not to vote for it.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Ohio. I yield.

Mr. VORYS. The gentleman is not opposed to the specific amendment which was just read, which, in my judgment, is one of the best amendments offered to the bill. The amendment was offered by the gentlewoman from California.

Mr. HAYS of Ohio. No. It was just pro forma opposition.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. BOGGS of Louisiana. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, there has been a great deal of talk today about 10 years ago. I remember 10 years ago. There were many speeches made in the well of this Chamber which sounded like the ones made today. About that time many people were saying you can do business with Hitler. The whole angle of that propaganda was that what Hitler said in Mein Kampf just was not true; that when he published his plan for world conquest he did not mean what he said. We learned differently in sorrow.

So the gentleman from Missouri, and others, stood on the floor of this House, and when the question of the arms embargo and the question of selective service and the question of arming our ships came up, they opposed these defense measures to a man. I believe that the mistake we made was in adopting the arms embargo in the first place.

Mr. Chairman, what we really did after the First World War was to fail to recognize the commanding position of the United States of America in the world. Sad to say, because if we fail to do so again we can lose the greatest nation that human kind has ever known. Are we to listen to the same voices which misled us in the past?

I had a talk not long ago with Mr. Bohlen in the State Department. I said to him, "Mr. Bohlen, why is it that the Russians have not been smart? In place of their coup in Czechoslovakia and their tactics all over the world, why do they not consolidate their gains behind that great section of the world which they command, and why do they not lull us into a feeling of security? If they do so, it would not be long before the isolationists in our midst will be asking that we reduce our armed forces by one-third, and completely eliminate our foreign-aid program." He agreed that this was the greatest danger.

Now, what has happened? This Government, about the beginning of this year, started talking about the Atlantic Pact. It seems to me that the Russian Government saw for the first time that we were adopting a policy which meant to consolidate the free peoples of the earth and to bring against Russia a coalition which could defeat its announced intention. Someone in the Kremlin must have said, "Let's go back, fellows; let's start talking about peace; let's not use the big stick; let's kid the boys along a bit, and we will find friends and allies that we never dreamed of before." I am afraid, Mr. Chairman, that that is what has happened, and it has happened a lot quicker than any of us thought it would happen.

You say this might be a war measure. I do not think there is any person in this

body who can predict whether or not the next 5 or 10 years means war or peace, but I believe that we can turn to the pages of history; I believe that history shows that isolationism has been a colossal failure in the preserving of peace in this country; and I believe that just as we can turn to Mein Kampf and read what Hitler intended to do we can read what communism intends to do. It is a world movement; it is a world revolution which says that free enterprise, capitalism, and democratic nations are its avowed enemies, and that sooner or later it must destroy them.

Our only recourse is to be prepared.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mrs. ST. GEORGE. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I was unable to make the correction I wanted to make to the remarks of my distinguished colleague from Louisiana [Mr. BOGGS]. I am very sure that the gentleman wants to be fair in every way. The title of the book that he quoted was not "You Can Do Business With Hitler," but it was "You Can't Do Business With Hitler." That is a slight difference.

Secondly, Colonel Lindbergh returned from a trip to Germany before the war and published an article in the Reader's Digest in which he said that Germany had one of the greatest and best-equipped air forces in the world and that it would be well for our people to know it.

I think it is a good thing for this House to know these things, to be a little dispassionate; I admit that we cannot always make the facts reinforce our arguments. These are merely the facts.

Mr. KEE. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto do now close.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. SADLAK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SADLAK. Will I still have an opportunity to submit my amendment?

The CHAIRMAN. The Chair will protect the gentleman's rights in that respect.

The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 11, line 6, strike out "407" and insert "408."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 11, line 14, after the word "interest", insert "or security."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 11, line 17, strike out the word "the" and insert the word "any."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 11, line 21, after the word "action" insert: "or in respect of which the General Assembly finds the continuance of such assistance is undesirable."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 11, line 24, insert the following:

"SEC. 406. Assistance to any nation or nations under this act may, unless sooner terminated by the President, be terminated by the passage of a concurrent resolution by the two Houses of the Congress."

The committee amendment was agreed to.

The Clerk read the following committee amendment:

Page 12, line 3, strike out "406" and insert "407."

The committee amendment was agreed to.

The Clerk read the following committee amendment:

Page 12, line 6, strike out the words "may be" and insert "the President deems."

Mr. CHELF. Mr. Chairman, I rise in support of the committee amendment.

Mr. Chairman, I have refrained from saying anything about this bill yesterday and so far today. Yesterday I was trying desperately to make up my mind as to how I would vote. Frankly, I was afraid to vote for the bill due to the fact that we now have a staggering debt of some $255,000,000,000. Then too I was afraid that some of our friends overseas might be inclined to think that there is a bottomless pit in the gold vault down at Fort Knox, which is located in the Fourth District of Kentucky that I have the honor to represent here in Congress. Yet on the other hand, Mr. Chairman, I was afraid not to vote for this bill for the simple reason that I did not want to gamble with the security of this country, and of those peace-loving nations that have signed the Atlantic Pact with us. As I see this situation now—we are obliged to hang together or we may hang separately.

After having prayed over this momentous decision last night and after having heard more debate and facts submitted today I have come to the conclusion that I shall support this bill. True, it is going to cost us money but we cannot take chances with our freedom. If we are to err—I prefer to err on the side of preparedness to prevent another war.

May I say that after World War I we made some sad mistakes in this Nation. We made a mistake in that we allowed the League of Nations to become scuttled. We sank and decommissioned our ships, we allowed our planes to become obsolete, we allowed our tanks and artillery pieces to rust away, we authorized the early return of our oversea army. Yes, we disbanded our splendid Army of nearly 3,000,000 fighting men, and before long we had only 75,000 officers and men left. A mere hollow shell of its former strength. It was then that the seeds of World War II were sown by our folly and neglect. Yes, when we abandoned Germany, we allowed the would-be world conquerors to come into power. There came out of our World War I mistakes a rug-chewing, paperhanging demagogue, named Hitler, who beat the drums, waved the flags and rallied all of the dissatisfied people, still smarting from their World War I defeat, into an integrated, well-organized army with the avowed purpose to occupy and dominate the entire world. When the war clouds of World War II were gathering, we paid no attention until the storm actually broke. It was only when Czechoslovakia had fallen, Poland was gobbled up, France was beaten to her knees, Britain was tottering on the brink of destruction and despair, that we at long last—bestirred or interested ourselves.

Mr. Chairman, then what happened here? Back in 1941 this House finally saw fit to continue and to keep intact our Selective Service Army by only 1 vote majority. President Roosevelt was being called a warmonger simply because he wanted to give overage destroyers to Britain, to arm Guam, lift the arms embargo, and to arouse the Nation to the imminent dangers that existed. I agree with the gentleman from Mississippi [Mr. RANKIN], that the dead of World War I were betrayed, but not according to his version, but simply because we did not have sense enough to get prepared for World War II, even after the world was literally on fire as a result of Hitler's advances.

Nobody has ever accused George Washington of being an alarmist. It is true that he made the statement, among others as has been pointed out here, that we should keep out of entangling alliances. But, Mr. Chairman, that was in the days of the horse and buggy and the gas lamps. Today, due to aviation, we really live in one world. You can be in Germany or Russia or any other part of the globe in the time it would take me to get back to my home in Kentucky by auto or railroad train. I say to you that when George Washington made the statement: "The most effectual means of preserving the peace is to be prepared for war," is just as true today as it was in 1790. It is as if he had arisen from his tomb to warn us that we must beware of the leadership in Russia.

Mr. Chairman, I have been told by good authority, and no one has denied it here on the floor, that the Russians today have 176 divisions, that 25 of those are armored divisions, that 60 divisions are located in the eastern part of Europe, 24 in the Balkans and Rumania and 31 are in the Middle East where the oil is located. I am told further that 70 percent of all the plane production in the world today is in Russia. The opposition to this bill say we have the finest air force in the world. I say it is a second-rate air corps, because as I have stated, the facts show that 70 percent of the total output of

planes today is on Russian soil. I am also informed that the United States has only 15 divisions now available. The Russians are running their factories day and night. They were doing it in 1945 when I was in Moscow, and you can bet your life that they have not stopped since. I am also informed that Russia today is manufacturing 25,000 armored tanks per year. Russia is therefore preparing for world war III now just as we allowed Hitler and Tojo to prepare for World War II. Why don't we wake up? Will it take another Pearl Harbor to bring us to our senses?

Now one of the speakers against this bill said awhile ago that nobody knew whether Russia meant to start another war or whether she even would fight. Let us take a look at the facts and the evidence. I am not going to quote Senator DULLES of New York, or any other American, I am going to read you a quote from Lenin, who wrote the Russian bible. Lenin says:

> We are living not merely in a state, but in a system of states and it is inconceivable that the Soviet Republic should continue for a long period side by side with imperialist [democratic] states. Ultimately one or the other must conquer. * * * Meanwhile, a number of terrible clashes between the Soviet Republic and the bourgeois states is inevitable.

Get that: "Ultimately one or the other must conquer." Now, what do you think of Russia's attitude? She says what she intends to do just as Hitler said what he was going to do in his book entitled "Mein Kampf."

Civilization cannot stand world war III.

The buzz bombs, guided missiles, robot planes, B-36's, and the atomic bomb would blot out all civilization throughout the world. Yes, Mr. Chairman, I have prayed over this decision, I have asked for divine guidance in my thinking and in my voting today. The fate of America—yea, the fate of the world is in the balance—it is for these reasons therefore that I shall support this legislation. God grant another war will never come, but if it does, let us be in a position to "praise the Lord and pass the ammunition." Are not Christianity, decency, and democracy worth it?

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

> Page 12, line 17, strike out "head of any agency" and insert "President".

Mr. JACOBS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I came here in doubt, and all doubt has not been removed. I rise to ask for some information from the committee. I have read and heard that England is selling jet engines to Russia. I do not know whether it is true or not, but I would like to know, and I believe that every Member of this House would like to know.

Mr. KEE. Mr. Chairman, if the gentleman will yield, we have no information as to that whatsoever, sir.

Mr. JACOBS. Do we have any information that she is not?

Mr. KEE. No information whatsoever.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. JACOBS. I will yield to anyone who can give me the information.

Mr. ARENDS. I would like to say that I have the same information, and very authentic.

Mr. JACOBS. Then I would like to know whether or not the committee is prepared to give us any information as to what might be flowing out of western Europe into eastern Europe for Russia by way of munitions. I think we ought to know that before we vote on this measure.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. JACOBS. Certainly; I will be glad to yield to anyone who can give me information.

Mr. KEATING. I might say to the gentleman that I feel I should impart to him and to the House the information which I gained from the Minister of Supply of the United Kingdom last fall. I asked him that same question, having heard that rumor at that time. His statement to me was that there was a time when the United Kingdom had shipped jet engines to Russia but that they had ceased doing so and had no intention at that time of continuing. What may have happened since last September, I am unable to say.

Mr. JACOBS. The gentleman then is not prepared to state that it is not occurring at this time?

Mr. KEATING. I have no knowledge at this time.

Mr. SMATHERS. Mr. Chairman, will the gentleman yield?

Mr. JACOBS. I yield to the gentleman from Florida.

Mr. SMATHERS. I would like to say that when Mr. Harriman was before our committee many months ago that same question was raised, and he said that it was true that Great Britain had shipped some parts for jet engines to Russia as far back as 1946, but there was no goods of that kind going to them since 1946.

Mr. JACOBS. Well, has there been a study made recently, or is there any information as to whether or not any munitions are flowing from western Europe back of the iron curtain?

Mr. SMATHERS. The Office of Economic Cooperation in Paris is studying every item that is produced in any one of the countries, and they say that no materials which could be used for war are going to Russia or any of its satellites.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. JACOBS. I yield to the gentleman from Ohio.

Mr. VORYS. The study by the so-called watchdog committee indicates that there are materials that are forbidden to go from the United States for security reasons. Materials on that list are going from Marshall plan countries behind the iron curtain. The extent of such movement I do not know.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. JACOBS. I yield to the gentleman from New York.

Mr. ROOSEVELT. The information I received in June from the headquarters of the ECA in Paris was that to their knowledge no war materials of any kind are going from western Europe to eastern Europe.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. JACOBS. I yield to the gentleman from New York.

Mr. JAVITS. I think it is important for Members of the House to be advised as to the terms of the bill itself. At the top of page 8, lines 1 to 4, appears an absolute restriction against transfer of title to or possession of not only equipment and materials but information or services furnished under the act. The word "information" is especially important. That is in addition to the express exclusion as to any atomic secrets, which is also contained in the bill. Therefore, in this bill we have certainly tried to tie it down.

Mrs. DOUGLAS. Mr. Chairman, will the gentleman yield?

Mr. JACOBS. I yield to the gentlewoman from California.

Mrs. DOUGLAS. In the extension of my remarks in the ECA debate the exports from Great Britain are covered detail by detail. The answer is "No."

Mr. HUBER. Mr. Chairman, will the gentleman yield?

Mr. JACOBS. I yield to the gentleman from Ohio.

Mr. HUBER. What is the source of the gentleman's information that these jets are being sold?

Mr. JACOBS. I have heard it from radio commentators and in the press. I do not know whether or not it is true. I thought the committee could give us the information.

Mr. SUTTON. Mr. Chairman, will the gentleman yield?

Mr. JACOBS. I yield to the gentleman from Tennessee.

Mr. SUTTON. It was pointed out in the ECA debate by a letter from Mr. Paul Hoffman, Director of ECA, himself to the gentleman from Mississippi [Mr. WILLIAMS] that some of the ECA program was going behind the iron curtain. For instance, lumber was going behind the iron curtain.

Mr. ROOSEVELT. That is not a military supply.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The Clerk read as follows:

> Committee amendments:
>
> Page 12, line 19, after "of" strike out "the" and insert "any."
>
> Page 12, line 20, after "concerned" insert "in this program."
>
> Page 13, line 19, strike out "407" and insert "408."
>
> Page 14, line 5, strike out "408" and insert "409."

The committee amendments were agreed to.

The Clerk read as follows:

Page 14, line 23, insert the following:

"(c) In addition to the amounts authorized to be appropriated under section 102 of this act, the President is hereby authorized to enter into contracts for carrying out the provisions and accomplishing the policies and purposes of title I of this act in amounts not exceeding in the aggregate $428,100,000 during the period ending March 31, 1950, and not exceeding in the aggregate, $77,050,000 during the period March 31, 1950, through June 30, 1950: *Provided*, That no assistance shall be furnished under this subsection after March 31, 1950, and no new contracts shall be entered into under this subsection unless the President shall have certified to the Congress the agreement of the United States with unified plans for the defense of the North Atlantic area developed by the Council and the Defense Committee under article 9 of the North Atlantic Treaty, and any assistance to be furnished, or contracts entered into, under this subsection after March 31, 1950, shall be in accordance with such unified defense plans.

"(d) There are hereby authorized to be appropriated for expenditure after June 30, 1950, such sums as may be necessary to pay obligations incurred under the contract authorization in subsection (c) of this section."

Mr. RICHARDS. Mr. Chairman, I rise in opposition to the committee amendment.

Mr. Chairman, I do not imagine there will be any objection from the chairman of the committee and the gentleman from Connecticut [Mr. LODGE] who introduced the amendment in the Committee on Foreign Affairs, to a unanimous-consent request on my part to strike this provision from the bill, because when I spoke this morning on my amendment, which the Committee of the Whole adopted, which amendment cut the authorization in title I in half, I stated that cutting out this committee amendment would be a natural sequel to the adoption of my amendment to title I.

I think that was generally understood by the committee and I make the unanimous-consent request that the committee amendment be deleted.

Mr. KEE. I must object to that, necessarily. I hope the committee amendment will remain in the bill.

Mr. RICHARDS. If the committee amendment remains in the bill, may I say for the information of the membership that in consideration of the vote we took on my amendment, we would have marched up the hill and then down again.

Mr. KEE. We would rather have the committee amendment.

Mr. RICHARDS. This is the most dangerous part of the two-horned committee-authorization situation because it grants contracting authority over a period of 2 years.

Mr. KEE. It does not, however, authorize to give contract authority sufficient to make up the amount cut out by your amendment.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield.

Mr. JUDD. Is it not true that striking out subsection (c) is a part, in fact, of your original amendment?

Mr. RICHARDS. Certainly.

Mr. JUDD. Under the language of the committee bill it was divided into two parts, one—title I, and the other part—this contract authorization.

Mr. RICHARDS. That is correct. As a matter of fact, this split is not of my doing. This committee amendment was put in the bill in two places. I opposed that. I do not say it was put there for the very purpose of saving part of it, but I do say it is not a logical way to handle the situation. The issue has been fought out here. There may be a roll call on my amendment which carried later on. But I do hope the House will not be delayed in its determination of issues here by prolonging debate on this amendment.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield.

Mr. VORYS. That is exactly what can be expected—prolonged debate since this appears in two places in the bill. That is the parliamentary situation. If we do not knock this out, then those who voted for the Richards amendment, thinking they were cutting the bill in two, will find that they cut the total only $75,000,000. If we do not cut this out, the Congress will kiss $505,050,000 good-by forever under contract authorization.

Mr. RICHARDS. There is no doubt about it. In order to be fair to the membership I so stated this morning, when I offered my amendment. I wanted to be fair with the House. Therefore, I hope the committee will strike out the committee amendment.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield.

Mr. TABER. If this committee amendment is adopted, the result will be that these agencies will be permitted immediately to go right ahead and contract for the sum of $4?8,100,000 without the Congress having before them a complete review of the details of what they want.

Mr. RICHARDS. That is true.

Mr. TABER. It has never been customary for us to waste our money, and our contract authorization in this way. When we make a contract authorization, we have always demanded the same justifications exactly as if an appropriation were going to be made.

Mr. RICHARDS. I agree. The Appropriations Committee should have an opportunity to scan this authorization from top to bottom.

Mr. TABER. It is absolutely impossible for the Foreign Affairs Committee, or any other committee, in the time that has been available to them, to get that detail so that they could pass on that question.

Mr. RICHARDS. That is true.

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

Mr. CASE of South Dakota. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CASE of South Dakota. Mr. Chairman, does the amendment contain subsection (d) as well as (c)?

The CHAIRMAN. Subsections (c) and (d).

Mr. CASE of South Dakota. They go together?

The CHAIRMAN. They go together.

The question is on the committee amendment.

The question was taken; and on a division (demanded by Mr. LODGE) there were—ayes 73, noes 123.

So the amendment was rejected.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 15, line 20, correct the section number.

Mr. CASE of South Dakota. Mr. Chairman, as long as the amendment containing sections (c) and (d) has been defeated, that section number should not be changed.

The CHAIRMAN. The committee amendment will be withdrawn, in view of the action previously taken, if there is no objection.

There was no objection.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 16, line 6, strike out down to and including line 11, and insert:

"(f) Upon approval by the President, any currency received by the United States from any nation in connection with the furnishing of assistance under this act may be used for expenditures in any such nation for administrative expenses of the United States incident to operations under this act."

The CHAIRMAN. The Chair will call attention to the fact that in view of the action taken a few moments ago, this section should be (d) instead of (f). Without objection, and with that correction, the amendment is agreed to.

There was no objection.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 16, line 18, strike out "(e)" and insert "(g)."

The CHAIRMAN. Without objection, that amendment will be withdrawn.

There was no objection.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 17, line 18, strike out "410" and insert "410."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 17, line 18, strike out "410" and insert "411."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 18, line 18, insert a new section:

"SEC. 412. Whoever offers or gives to anyone who is now or in the past 2 years has been an employee or officer of the United States any commission, payment, or gift, in connection with the procurement of equipment, materials, or services under this act, and whoever, being or having been an employee or officer of the United States in the past 2

years, solicits, accepts, or offers to accept any such commission, payment, or gift, shall upon conviction thereof be subject to a fine of not to exceed $10,000 or imprisonment for not to exceed 3 years, or both."

Mr. VORYS. Mr. Chairman, I would like to call the attention of the Committee to this amendment. This is the anti-five percent or anti-deep-freeze amendment. I drafted it in rather stringent terms. The State Department has sent up today a number of provisos and exceptions, but I think if there are to be any it might be better that they be inserted in the other body. While this may be a little too strict and while you may need to soften it down a little I hope the committee will accept the amendment.

Mr. JENNINGS. Why should it not be strict?

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 19, line 3, strike out "411" and insert "413."

The committee amendment was agreed to.

The CHAIRMAN. Under the consent request of the gentleman from Michigan the Chair will return to page 8, section 403, and ask if there are amendments to section 403.

Mr. SADLAK. Mr. Chairman, I offer an amendment.

Amendment offered by Mr. SADLAK: Page 8, line 21, after the period insert the following: "In the obligation and expenditure of funds allocated to any agency, such agency shall give preference, insofar as practicable, to those geographic areas and industries which the President has designated, or shall hereafter designate, as areas or industries with respect to which unemployment has reached, or threatens to reach, a serious level."

The CHAIRMAN. The gentleman from Connecticut [Mr. SADLAK] is recognized for 5 minutes in support of his amendment.

Mr. SADLAK. Mr. Chairman, this bill is entitled "A bill to promote the foreign policy and provide for the defense and general welfare of the United States," etc. I should certainly be derelict in my duty to the district I represent if I did not call the attention of the House at this point to my belief and opinion that to accomplish the purpose of promoting the defense and general welfare of the United States we can best do so by providing the necessities, the jobs, the employment looked for and needed by too many people right here in the United States. Unemployment has caused much fear, insecurity, worry, and these conditions do not help our defense or general welfare.

In my own State of Connecticut we have at the present time about 115,000 unemployed. The situation as concerns unemployment throughout New England is very serious. If we must have procurement in this bill I suggest that we include this amendment which will provide that the purchase, the contracts for these armaments be placed in the geographical areas which now or may hereafter be described as distress areas.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. SADLAK. I shall be happy to yield to my colleague from Massachusetts.

Mr. NICHOLSON. Will the gentleman strike out in his amendment the phrase "insofar as practicable"?

Mr. SADLAK. I may say to the gentleman from Massachusetts that the phrase "insofar as practicable" has been included at the suggestion of the legislative counsel, and I feel that it should remain in the amendment.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. SADLAK. I yield to my colleague from New Jersey.

Mr. CANFIELD. I congratulate the gentleman on the way he has followed through on employment conditions in his area from the very beginning of the session. Now may I ask did not the Government on yesterday announce 31 new distress areas in these United States?

Mr. SADLAK. I am cognizant of that and I want to say to the gentleman from New Jersey that on that list there are additional communities from the district which I have the honor to represent, namely the State of Connecticut. Bridgeport and Waterbury were named on the first listing.

Mr. Chairman, my proposal, I am sure, will appeal to my colleagues if they will give it a little thought and consideration. To me procurement means production and production in turn means employment. And I certainly want to provide employment by whatever means because work means no lay-off and a pay very soon to the many unemployed who have exhausted their unemployment-benefit claims, would bolster our defense at home, and provide for the general welfare. Strength at home will be strength abroad. Mr. Chairman, the amendment I propose is quite clear and I ask for its adoption.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut [Mr. SADLAK].

The question was taken; and on a division (demanded by Mr. SADLAK) there were—ayes 84, noes 95.

Mr. SADLAK. Mr. Chairman, I demand tellers.

Tellers were refused.

So the amendment was rejected.

The CHAIRMAN. Are there any amendments to section 403? Are there any amendments to section 404? Are there any amendments to section 405? Are there any amendments to section 407, page 12?

Mr. WILLIAMS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WILLIAMS: Page 12, strike out lines 8 to 13, inclusive.

Mr. WILLIAMS. Mr. Chairman, I would like to read the language contained in subsection (b) of section 407 that I seek to strike from the bill. That language reads, as follows:

(b) Notwithstanding the provisions of Revised Statutes, 1222 (U. S. C., title 10, sec. 576), personnel of the armed forces may be assigned or detailed to noncombatant duty, including duty with any agency or nation, for the purpose of enabling the President to furnish assistance under this act.

Mr. Chairman, subsection (a) of section 407 contains the authority to employ civilian personnel under this program to serve overseas; and subsection (c) gives the right to hire experts; but section (b) confers authority to use members of the armed forces of the United States in this program.

If we must pass this bill it is my belief that the participation of any American personnel in this program should be on a purely voluntary basis and that we should not force our soldiers, who have no say-so in the matter, to go overseas at the possible risk of their lives.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS. I yield to the gentleman from Oklahoma.

Mr. ALBERT. Does this section mean that our noncombatant troops might be under the jurisdiction and command of a foreign nation or not? I would like to know.

Mr. WILLIAMS. I think the gentleman has raised a very pertinent question. There is not a thing in the bill that determines that.

I would not anticipate it, of course, but the authority is here, if they so desire, to send American soldiers over there as orderlies for the British soldiers. The authority is there for them to use American soldiers in any way that they see fit so long as it is noncombatant. I maintain that authority should be stricken from this bill. I do not think that we should send American soldiers over there to implement this program.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. DURHAM. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I did not intend to take any more time of the House on this measure but a few moments ago the question came up here in regard to the sending of jet planes by the English to the Soviet Government. In 1946 the British sold some jet engines to the Soviet Government. They sold 100. They did not complete delivery on the 100. All of those jet engines today are obsolete, and there have been no sales made since the year 1946.

Mr. JACOBS. Mr. Chairman, will the gentleman yield?

Mr. DURHAM. I yield to the gentleman from Indiana.

Mr. JACOBS. What is the situation in regard to other countries regarding ammunition?

Mr. DURHAM. I cannot assure the gentleman of all of the negotiations and treaty pacts that are being carried on by other nations. I know this to be a fact, and I have the information from the highest authority that no jet planes today are being sold to the Soviet Government by England.

Mr. JACOBS. As to ball bearings and other equipment, has the gentleman any information?

Mr. DURHAM. No.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mrs. DOUGLAS. Mr. Chairman, I move to strike out the last two words.

Mr. VORYS. Mr. Chairman, will the gentlewoman yield?

Mrs. DOUGLAS. I yield to the gentleman from Ohio.

Mr. VORYS. If this amendment is adopted would it not prevent our experts in the military service from being used to train the people of other countries in the use of our equipment or to explain it so that they could use our equipment and achieve the standarization that is so important if this program is to succeed?

Mrs. DOUGLAS. That is exactly what the amendment would do.

Mr. Chairman, I understand the anxiety of the Members to go home and to end this debate today. But, let us not be so hurried that we on the one hand authorize money to implement the pact that the United States Senate has ratified, and on the other hand make it impossible to intelligently use that money. This amendment would make practically impossible, as the gentleman from Ohio has said, to send our experts to Europe to consult and advise with the Atlantic Treaty nations as to how to use the machines and the military equipment which we will send them. This amendment would make it impossible for us to aid them in the manufacture of military equipment; in fact, it would nullify the whole program.

Mr. DURHAM. Mr. Chairman, will the gentlewoman yield?

Mrs. DOUGLAS. I yield to the gentleman from North Carolina.

Mr. DURHAM. It has been our policy for some years to furnish military missions to countries throughout the world.

Mrs. DOUGLAS. We have just ratified in the Senate of the United States a treaty with the nations of western Europe, a defense pact, which says that if any one of these nations is attacked, we will all band together in common defense to oppose the aggressor. Now, in this bill we seek to implement that pact. If this amendment is accepted it will make our unified defense program perfectly ridiculous.

Mr. KEE. Mr. Chairman, will the gentlewoman yield?

Mrs. DOUGLAS. I yield to the gentleman from West Virginia.

Mr. KEE. I trust the gentlewoman will also explain that the language of the amendment negatives any idea that they could be used for that purpose.

Mrs. DOUGLAS. The personnel that will be assigned under this section will be used for noncombatant service.

Mr. WILLIAMS. Mr. Chairman, will the gentlewoman yield?

Mrs. DOUGLAS. I yield to the gentleman from Mississippi.

Mr. WILLIAMS. Of course, I understand the purpose of the committee in putting this language in the bill, although I do not agree that it is the right thing to do. Nevertheless, will the gentlewoman admit that there is nothing in the bill to prevent the use of American soldiers as orderlies, as farfetched as that might sound?

Mrs. DOUGLAS. It is farfetched. There is nothing in the bill at all that contemplates that kind of service.

Mr. SMATHERS. Mr. Chairman, will the gentlewoman yield?

Mrs. DOUGLAS. I yield to the gentleman from Florida.

Mr. SMATHERS. Is not the whole purpose of this legislation to adopt a uniform defense system throughout western Europe whereby the materials are interchangeable and, therefore, to get that we have to send our military experts over there to unify the system? This amendment would defeat that.

Mrs. DOUGLAS. Of course. This amendment shows how utterly ridiculous it is to write this kind of bill on the floor of the House.

Mr. CASE of South Dakota. Mr. Chairman, will the gentlewoman yield?

Mrs. DOUGLAS. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. What would the gentlewoman say is the meaning of the word "experts" in the very next line? Does not that mean the providing of experts?

Mr. VORYS. If the gentlewoman will yield, of course this provides for civilian experts, but we have technical sergeants and officers that are experts on military equipment. Certainly they are the ones that should be detailed over there. If there is talk about their going involuntarily, we have a volunteer army now, and volunteer officers. Of course, they are qualified and expected to go overseas upon such assignments. The situation is that the President may order them over there for combatant duty but he cannot order them there for noncombatant duty. This provision should stay in the bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi.

The amendment was rejected.

Mr. HOFFMAN of Michigan. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOFFMAN of Michigan: On page 12, line 1, strike out "including duty with any agency or nation."

Mr. HOFFMAN of Michigan. Mr. Chairman, it has been said here many times that no one wants war. I am not quite sure of the truth of that statement. In every country and every age there have been people who have been willing to go to war if they could make a little money out of a war. Every war we have fought has produced a crop of millionaires as well as suffering and death to many.

In the present case, I think Russia would like nothing better than to see us weaken ourselves so that she may destroy us. She is watching and waiting while we bleed ourselves white. As was pointed out by the gentleman from Iowa [Mr. MARTIN], the gentleman from Mississippi [Mr. WILLIAMS], and the gentleman from Michigan [Mr. POTTER] a little while ago, that is just what we may be doing here. If that is true, and there is truth in that argument, then the Communists and near-Communists, the Reds and the pinks who sympathize with Russia are in favor of this bill, which it has so truthfully been said will get us into war.

As to this amendment, under this subsection B, those who are in the United States armed services can be assigned to noncombatant duty with any other nation or agency. Think of that. Here you have a draft law under which you take American boys and put them in the army. You send them abroad and then you turn them over to other nations and agencies to do whatever any other nation or agency may want them to do. Maybe they want them to build munitions factories over there, so that if the Russians do come in they can do as the Japs did when we tried to prohibit the exportation of scrap metal, and found it coming back along about Pearl Harbor time.

All these men, and the women, too, because they are now in the armed services, can be assigned to duty under any other nation or other agency to do any kind of work. You are making labor slaves of American soldiers. Think about it a moment before you reject this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. HOFFMAN].

The amendment was rejected.

The CHAIRMAN. Are there amendments to section 408?

Are there amendments to section 409?

Are there amendments to section 410?

Mr. BONNER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BONNER: On page 17, after line 6, insert following new section:

"SEC. —. That at least 50 percent of the gross tonnage of any equipment, materials, or commodities made available under the provisions of this act, and transported on ocean vessels (computed separately for dry bulk carriers, and dry cargo liners) shall be transported on United States flag commercial vessels at market rates for United States flag commercial vessels in such manner as will insure a fair and reasonable participation of United States flag commercial vessels in cargoes by geographic areas."

Mr. BONNER. Mr. Chairman, I was one of those who went to Europe in 1917 and 1918. Again in 1937 I went to Europe on a different mission. In 1918 I saw the lack of preparation in our national defense. In 1937 I saw what was arising in Europe. I was in Germany and it was beyond me to understand why the people back home and why the people in England and France could not understand what was taking place in Germany.

So, Mr. Chairman, I witnessed the lack of preparation recently as we approached the last war. Mr. Chairman, I hear people stand in the well of the House and talk about our being in the same condition the third time and advocating that we let ourselves drift into the same position the third time. But I did not rise to speak along that line—I rose to talk about another arm of the national defense, the merchant marine. In both wars we found ourselves lacking in transportation on the high seas. We had to rapidly gather together such forces in America as we could find to prepare ourselves to carry our soldiers and materials abroad. In 1936 the Congress wrote an act to perpetuate and build up, maintain and make strong our merchant marine. The amendment I

have offered here is for that purpose. The identical amendment has been included in other legislation similar to this, recently in the ECA.

This morning I offered this amendment to the chairman of the committee. He told me that it had been considered in his committee and had been rejected. For what reason I cannot understand, for certainly, Mr. Chairman, we must maintain and perpetuate and keep strong our merchant marine and keep the American flag flying on the high seas all over the world. Today the major part of the freight on the high seas is freight in the categories of this kind.

Mr. Chairman, today we have many of our merchant seamen on the beach and I am interested in keeping those merchant seamen and the American-flag ship sailing around the world. Pray, tell me who is more entitled to carry such cargo than the American merchant marine.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. BONNER. I yield.

Mr. JAVITS. I offered that amendment in committee. It is exactly, in terms, as the gentleman says, contained in the most recent amendments of ECA in 1948.

I intend to support the gentleman's amendment.

Mr. BONNER. I thank the gentleman.

Mr. POULSON. Mr. Chairman, will the gentleman yield?

Mr. BONNER. I yield.

Mr. POULSON. Are you asking for at least a 50–50 break for American ships?

Mr. BONNER. We had difficulty with the ECA you remember. We could not, with that amendment, get it up to 50 percent, but the Committee on Merchant Marine and Fisheries of the House has so followed the procedure of the ECA that we have built it up to 50 percent or pretty close thereto.

Mr. WELCH of California. Mr. Chairman, will the gentleman yield?

Mr. BONNER. I yield to the gentleman from California, one of the most outstanding Members of this House, and a great advocate of a strong merchant marine for America. A gentleman that I hold in high regard and esteem.

Mr. WELCH of California. Is it not a fact that the real purpose of the gentleman's amendment is to restore the American flag to the seven seas, from which it is fast disappearing. It is a splendid amendment and should pass.

Mr. BONNER. To take every opportunity for that purpose, yes.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. VORYS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am for an adequate merchant marine, based on the reserves we need for war, but I am certainly getting tired of having bills introduced for other purposes made a sort of WPA or relief proposition for this merchant marine. That is what happened on ECA. Now we come along with a bill where we are trying to limit funds and make them available for a particular purpose—military aid, where we need it—and again we have got to share with these maritime people and their bosses, who have such a very efficient lobby here. I hope that this time at least, if they will not lay off, that for once the House will not permit this subsidy for American shipping here. If anybody will show me a necessary, direct subsidy to protect our security, that the American merchant marine needs, I will vote for it, but I am opposed to this sort of indirect subsidy which milks other programs in order to work a relief activity for a lot of ships, many of which are actually owned by foreigners.

Mr. BONNER. Mr. Chairman, will the gentleman yield?

Mr. VORYS. Yes, I yield.

Mr. BONNER. The gentleman is talking about a lobby here. I want the gentleman to distinctly understand that I have no interest whatsoever, in my State or in my district, in any shipping line. But I want you to bear in mind that your director of ECA came before the Merchant Marine Committee and said he was not interested in the economy of America. He was not interested in the American merchant marine; that you had authorized him to be interested only in the welfare of Europe. Yes; I am interested in the economy of America. I am interested in private business. I am interested in the American workingman, and I do not want to see American freight carried in foreign-flag ships, manned by foreigners on some foreign merchant vessell.

Mr. VORYS. Now, I do not yield further.

If the gentleman is so interested in private business, why cannot the American merchant marine go out and earn their own right to their business, instead of running to Congress, trying to have a particular cut made out of all sorts of programs.

Mr. BONNER. We are trying to get consideration by some director like you are putting in charge of these programs.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. KEE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, in these few minutes I want to associate myself with the distinguished minority Member from Ohio on the Foreign Affairs Committee [Mr. VORYS]. We had this same question up during the consideration of the ECA program. We have it again coming up on this program. If the merchant marine needs a subsidy, I am perfectly willing to go on the floor of this House and vote a subsidy to support the merchant marine at any time.

But when we come here with a program to secure the best interests of America, to insure American security, to protect friendly European nations against the encroachment of a great nation that is gradually drawing nearer and nearer to them and throwing the shadow of fear over them, when we come to a program of this character, here comes the merchant marine of America claiming a share in the money appropriated, and I object. They claim a slice out of a program devised to support one proposition, not two; they want a slice out of it to support another institution at the expense of a program for national security.

As for myself I oppose this amendment and I hope it will be defeated.

Mr. THOMPSON. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I wish to invite the Members' attention to the fact that when this same amendment was made a part of the ECA bill the fight on the floor was led by the gentleman from Virginia, the beloved and venerable Mr. BLAND, who today is in the hospital recuperating from an illness. We are carrying on this battle for him. I would like to say in his behalf as well as my own that if I ever saw a pressure group influence him I do not recall it, and if I ever heard of such a thing I would be very much surprised.

Any implication that any organization or lobby has persuaded us to introduce this amendment is entirely erroneous. This is only asking 50–50 for the American workingman, and, as you have been told, there are plenty of American seamen on the bench.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON. I yield.

Mr. CANFIELD. In addition to what the gentleman has said with regard to the gentleman from Virginia, I wish to remind the membership that the American merchant marine of today is largely the result of the Bland Act, and our merchant marine is part of the military might of America.

Mr. THOMPSON. It certainly is. I agree with the gentleman entirely.

Mr. Chairman, the bill which we are considering is designed to promote the foreign policy and provide for the defense and general welfare of the United States by furnishing military assistance to foreign nations.

The American merchant marine is an important component of our national defense and economy. This Congress has recognized the necessity for supporting the American merchant marine as an important part of our national defense and economy by amending the Economic Cooperation Act of 1948 by Public Law 47 so as to require that at least 50 percent of the gross tonnage of commodities moving to and from the United States under the provisions of such act be transported on United States-flag commercial vessels. This action of the Congress has received widespread public approval.

It is even more important that some provision be made in this bill which will assure the participation of the American merchant marine in the ocean transportation of equipment, materials, or commodities made available under its provisions. The burdens and responsibilities which we will assume under the provisions of the bill will be of great magnitude. We must have the assistance of a strong and active merchant marine in order to properly discharge these burdens and responsibilities. We will not have such assistance if we fail to make provision for participation of the American shipping industry in the movement of commodities under the bill.

The United States does not occupy a position in world shipping commensurate with its importance as a leader in world affairs. Such a position can be achieved only if we provide for the development and maintenance of an adequate and well-balanced American merchant marine which is capable of transporting all of our domestic, coastwise, and intercoastal commerce, at least one-half of our exports and imports, and serving as a naval and military auxiliary in time of war or national emergency.

The insertion of a provision in H. R. 5895 to the effect that at least 50 percent of the gross tonnage of any equipment, materials, or commodities made available under the provisions of the bill, and transported on ocean vessels, be transported on United States-flag commercial vessels will assist in our national security and in the attainment of the position in world shipping which the United States should occupy.

USE AMERICAN SHIPS

Mr. WEICHEL. Mr. Chairman, the Bonner amendment follows the traditional policy expressed by the Congress in that goods and aid going to foreign countries should be carried in American-flag ships. It goes back to 1934 when the Congress said that the shipment of exports financed by this Government should be carried in our ships. And last year the Congress reiterated that expression of policy and said that 50 percent of the aid given to Europe must be carried in American-flag ships. Even with this expression of Congress put into law the Administrator did not carry 50 percent of ECA aid in American-flag ships.

In the first days of this Congress when this was called to the attention of the ECA Administrator, he said that he felt that it was his obligation to restore the merchant marine of western Europe. And when it was called to his attention that maritime nations of western Europe had 20 percent more dead-weight tonnage than before the war he then said it was desirable to give them something to haul.

Mr. Chairman, it is time that we think of our own welfare; we should follow this policy of employing American-flag ships, we should have our own ships haul our aid to Europe, and we should not employ the seamen of other countries and have our own unemployed.

Mr. Chairman, I hope that this House will again express itself emphatically and make the executive side of the Government employ Americans to transport our aid to Europe.

Mr. ROONEY. Mr. Chairman, I offer an amendment to the Bonner amendment.

The Clerk read as follows:

Amendment offered by Mr. ROONEY to the amendment offered by Mr. BONNER: On line 2 of the amendment offered by Mr. BONNER strike out the words "at least 50 percent."

Mr. ROONEY. Mr. Chairman——

Mr. KEE. Mr. Chairman, will the gentleman yield for a consent request?

Mr. ROONEY. I yield.

Mr. KEE. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

Mr. SUTTON. Mr. Chairman, I object.

Mr. KEE. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 5 minutes.

The motion was agreed to.

Mr. ROONEY. Mr. Chairman, I have waited all day long to offer an important amendment to this bill which is presently pending at the Clerk's desk and which I expected to insert after line 17 on page 17. It would provide as follows:

The President shall, in providing for the furnishing of assistance under authority of this act, take such steps as may be necessary to assure that all material and equipment so furnished are transported in United States-flag vessels manned by American seamen.

Subsequent to sending my proposed amendment to the Clerk's desk I discussed this matter thoroughly with the distinguished acting chairman of the great Committee on Merchant Marine and Fisheries, the gentleman from North Carolina [Mr. BONNER] and with other members of that committee. They convinced me that the best legislative course to pursue to obtain cargoes of material and equipment for American ships manned by American seamen was to accept the Bonner amendment which provides that 50 percent of such cargoes must be carried by American vessels. Reluctantly I agreed to do so, particularly inasmuch as the Bonner amendment came up for consideration before mine.

I thought it might be a fair compromise, since an amendment similar to the Bonner amendment was defeated in committee, to accept at least 50 percent of these cargoes for American ships. But, after having heard the argument just advanced by the distinguished gentleman from Ohio [Mr. VORYS] from which it would appear that one is presumptuous to inquire into whose ships are going to carry this cargo, I decided to offer my pending amendment to the Bonner amendment. Are we going to carry all this cargo in English ships? What about our American ships? According to the words of the gentleman from Ohio it is presumptious for an American seaman, an American shipowner, or an American citizen to ask that American cargoes be carried in American bottoms, in ships manned by American sailors. He says the making of such a request is a relief proposition.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to the gentleman from Ohio.

Mr. VORYS. I want the cargoes carried the way it is the cheapest for the American taxpayers, not the most beneficial to one particular American interest.

Mr. ROONEY. Does the gentleman realize that one of the first lines of defense of the United States is the American merchant marine? Does the gentleman realize how many lives were lost during the recent World War as the result of our not having kept our American merchant marine up to the standard to which it should have been kept? Does the gentleman realize that day after day skilled American merchant seamen are being laid off and ships tied up for lack of cargoes? Does the gentleman realize that the American taxpayer foots the entire bill anyhow? Does the gentleman realize the present critical condition of our merchant marine?

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to the gentleman from Minnesota.

Mr. JUDD. I think everybody realizes that, and if the gentleman will bring in a subsidy bill where our American merchant marine can transport this as cheaply as in other bottoms, we would be for it. But it is unfair to give the impression all this money is going for foreign aid when part of it under the amendment would be going for support of our own merchant marine.

Mr. ROONEY. This is not a subsidy proposition at all. What is wrong with supporting our own merchant marine in preference to supporting the English merchant marine? If I had my way every pound of cargo would be shipped in American vessels.

Mr. BONNER. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to the gentleman from North Carolina.

Mr. BONNER. I may say for the benefit of the gentleman over there with respect to carrying this freight in the most economical way, for his information the interocean freight rates are not competitive.

Mr. ROONEY. I thank the gentleman. May I point out that it would seem from the remarks of the gentleman from Ohio and from the opposition of the Foreign Affairs Committee that it would be better to keep an American ship with an American crew laid up at the pier without a cargo just because of the fact that another nation might be able to carry the cargo for a few cents less due to the starvation wages and mess they give their crews.

Mr. TAURIELLO. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to the gentleman from New York.

Mr. TAURIELLO. I should like to make one observation. It seems to me when any Member of this House wants to do something to protect the American worker or the American public he is almost subject to being scrutinized and investigated by the Committee on Un-American Activities.

Mr. ROONEY. I am not afraid of that.

Mr. JACKSON of Washington. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to the gentleman from Washington.

Mr. JACKSON of Washington. The statement has been made that a lobby has been busy on this particular amendment.

Mr. ROONEY. I do not know of any lobby. Every Member has had a mimeographed letter from the Seamen's International Union of North America, affiliated with the American Federation of Labor. What's wrong with that?

Mr. JACKSON of Washington. Is it not a fact that the American labor movemen—the CIO, the AFL, as well as industry itself—is supporting this particular amendment?

Mr. ROONEY. They certainly should be supporting it. Mr. Chairman, in order to insure some protection for our merchant marine, I ask unanimous consent to withdraw my proposed amendment to the Bonner amendment, and respectfully urge that the Committee of the Whole go along with the Bonner amendment so that at least 50 percent of the cargo will be shipped in American ships.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina [Mr. BONNER].

The amendment was agreed to.

The CHAIRMAN. Are there any amendments to section 411 on page 17?

Mr. VORYS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VORYS: Page 17, line 22, after the word "item" strike out the balance of the line down to and including the word "materials" on page 18, line 2.

Mr. VORYS. Mr. Chairman, the State Department memorandum in opposing this amendment says that the materials stricken out and substitution therefor of the words "for use by armed forces"—they say that this language would eliminate any authority to provide raw materials for additional production as well as to compensate a recipient country for any indirect impact. That is perfectly correct, and the purpose of the amendment is to strike out any power to use $155,000,000 of the money we provide to start up or to equip factories over there to make arms, trucks, and so forth.

It seems to me that this is not the time to start up arms factories all over Europe subject to sabotage or capture by a possible enemy. It seems to me that nothing would increase separatism and nationalism at a time when we are seeking unity over there more than to have each little country set up its own factories. It seems to me if we are to achieve standardization we should not go into any such program as this. According to the gentleman from Pennsylvania [Mr. FULTON] $14,000,000 of this is not even for materials or for tools, but indirect impact. It is an economic bonus to those countries, because the production of arms is, of course, not very economically productive. This program recommended is not agreed to by the Atlantic Pact countries, at least, until we get their agreements and their recommendations as to whether they want a new set of factories, retooled or started up over there. We should take out the authority to start factories right under the enemy's guns.

Mr. RIBICOFF. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the gentleman from Ohio has certainly oversimplified the issue. The question involved, I would like the House to understand, is not to start up arms factories in Europe. We have been demanding, and the most conservative elements in this House have been insisting, that Europe get on its own feet; that this drain upon the American taxpayers stop; that Europe do something for itself.

Now, the gentleman from Ohio has stated that this program is going to last a few years. This $155,000,000, I want the House to understand, is to be used to get into production present arms factories in Europe. This $155,000,000 will lead to a European arms production program of $750,000,000 a year. Insofar as that $750,000,000 a year will be produced in Europe, to that extent the American taxpayer will not have to send over $750,000,000 worth of our own arms paid for by our own taxpayers. Therefore, this amendment should be defeated because by voting for this amendment you are saddling the American taxpayer with an extra $750,000,000 a year, and that is poor economy. I hope the amendment is defeated.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. RIBICOFF. I yield to the gentleman from Pensylvania.

Mr. GAVIN. Did I correctly understand the gentleman to say that this program is to be continued year in and year out for an indefinite number of years?

Mr. RIBICOFF. I will be truthful. I have said that before.

Mr. GAVIN. For how many years does the gentleman think this program will be continued?

Mr. RIBICOFF. Until Russia comes to her senses. We have been honest with this House on this program.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. RIBICOFF. I yield to the gentleman from Minnesota.

Mr. JUDD. Was not the testimony from the various military leaders before our committee that it would range anywhere from 3 to 5 years as the maximum anticipated? Nobody suggested going along beyond 5 years, as far as I can remember.

Mr. RIBICOFF. That is what they anticipated.

Mr. KEE. It diminishes each year.

Mr. RIBICOFF. That is right. This $155,000,000 will help diminish the program by having Europe pay for their own arms, instead of the American taxpayer.

Mr. HERTER. Mr. Chairman, I move to strike out the last word, and rise in support of the amendment.

Mr. Chairman, I think this amendment is a great deal more important than Members seem to appreciate. This amendment takes out of this bill some hidden language under which a program can be instituted in foreign countries that to my mind might be the most dangerous thing that could be done in connection with this over-all security program for the United States. I am supporting the program, and have supported it from the beginning, but under this particular draftsmanship as it appears in the bill, and which the gentleman from Ohio wishes to correct, there can be set up arms factories, and a great many things can be done that are not properly in terms of what you might call lend-lease in support of arms.

If there is any temptation to invade countries neighboring Russia, arms factories would be the greatest temptation. Until we have this agreement between the defense chiefs, until we know exactly where we are going and what kind of long-range program we may be embarked on, let us not begin this particular type of thing. We are giving ECA aid to these countries. The last thing we should do to them when we are trying to put them on their feet is to take their manpower to build factories for the making of munitions, if it can possibly be avoided.

It seems to me this would injure the program very materially, even though it means that we have to send over more American-produced goods. Until we get straightened away, let us at least be clear as to what we are doing and not do something by indirection through the sloppy language in the bill.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield to the gentleman from Ohio.

Mr. VORYS. Messrs. VANDENBERG and DULLES have offered a similar amendment in another body, saying this:

We believe that the decision of whether and where to develop a permanently expanded munitions industry on the Continent involves very important policy considerations, not merely military, and that it could be better left to a collective judgment under the North Atlantic Treaty procedure. If the Council and Defense Committee and the governments concerned agree that this is sound policy, then it can be gotten under way within 6 months.

It certainly should not be in the bill at this time.

Mr. HERTER. I fully agree with that statement of Messrs. VANDENBERG and DULLES.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield.

Mr. CASE of South Dakota. Would "any component or part thereof" or the use of the word "material" forbid the delivery or transfer of fissionable materials?

Mr. HERTER. No, that is specifically exempted in another paragraph of the bill.

Mr. KEE. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield.

Mr. KEE. I was interested in the contribution of the gentleman from Ohio. I would be the last one to agree that what Senator VANDENBERG and Mr. DULLES say upon this amendment is the ultimate in wisdom. I do not believe the amendment should be adopted.

Mr. HERTER. I cannot quite understand whether that is saracasm or whether the gentleman is accepting the amendment.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield.

Mr. JUDD. Is it not true that this amendment does not cut the total amount of money available for the program. It merely cuts out one part of the program until it is possible to know whether they can get a sufficiently strong defensive set-up in Europe to protect the factories which may be built under it.

Mr. HERTER. That is correct. Mr. Chairman, I hope this amendment will be adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. VORYS].

The question was taken; and on a division (demanded by Mr. VORYS) there were—ayes 107, noes 123.

So the amendment was rejected.

The CHAIRMAN. Are there amendments to section 413?

Under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MILLS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5895) to promote the foreign policy and provide for the defense and general welfare of the United States by furnishing military assistance to foreign nations, pursuant to House Resolution 327, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule the previous question is ordered.

Is a separate vote demanded on any amendment?

Mr. KEE. Mr. Speaker, I demand a separate vote on what is known as the Richards' amendment to section 102.

The SPEAKER. Is a separate vote demanded on any other amendments? [After a pause.] If not, the Chair will put them en gros.

The other amendments were agreed to.

The SPEAKER. The Clerk will report the amendment on which a separate vote is demanded.

The Clerk read as follows:

Amendment offered by Mr. RICHARDS as a substitute for the committee amendment: Page 5, line 6, strike out the entire line through line 23, and insert in lieu thereof the following: There is hereby authorized to be appropriated to the President to carry out the provisions of this title for the period through June 30, 1950, not to exceed $580,495,000.

The SPEAKER. The question is on the amendment.

Mr. KEE. On that, Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 209, nays 151, not voting 72, as follows:

[Roll No. 188]

YEAS—209

Abernethy	Barrett, Wyo.	Bosone
Allen, Calif.	Bates, Mass.	Boykin
Allen, Ill.	Battle	Bramblett
Allen, La.	Beall	Brehm
Andersen, H. Carl	Bennett, Fla.	Brown, Ga.
	Bennett, Mich.	Bryson
Andresen, August H.	Bentsen	Burdick
	Bishop	Burleson
Andrews	Blackney	Byrnes, Wis.
Angell	Blatnik	Camp
Arends	Boggs, Del.	Canfield
Auchincloss	Bolton, Md.	Carlyle
Case, S. Dak.	Horan	Quinn
Cavalcante	Hull	Rankin
Chiperfield	Jackson, Calif.	Rees
Church	Jacobs	Rhodes
Clemente	James	Rich
Cole, Kans.	Jenison	Richards
Colmer	Jenkins	Riehlman
Cotton	Jennings	Rogers, Fla.
Coudert	Jensen	Rogers, Mass.
Crawford	Jonas	Sadlak
Cunningham	Jones, N. C.	Sadowski
Curtis	Judd	St. George
Dague	Kean	Sanborn
Davies, N. Y.	Kearney	Sasscer
Davis, Ga.	Kearns	Scott, Hardie
Davis, Wis.	Keating	Scott, Hugh D., Jr.
Delaney	Keefe	
D'Ewart	Kerr	Scrivner
Dolliver	Kilday	Scudder
Dondero	Kunkel	Short
Donohue	Larcade	Simpson, Ill.
Doughton	Latham	Simpson, Pa.
Ellsworth	LeCompte	Smith, Kans.
Engel, Mich.	Lemke	Smith, Va.
Engle, Calif.	Lichtenwalter	Smith, Wis.
Fallon	Lucas	Stanley
Fenton	McConnell	Steed
Fisher	McCulloch	Stefan
Ford	McDonough	Stockman
Gamble	McMillan, S. C.	Sutton
Gavin	McMillen, Ill.	Taber
Gillette	Mack, Wash.	Tackett
Golden	Marcantonio	Talle
Goodwin	Martin, Iowa	Tauriello
Gossett	Martin, Mass.	Taylor
Graham	Mason	Teague
Grant	Meyer	Towe
Gross	Michener	Van Zandt
Gwinn	Miller, Nebr.	Velde
Hagen	Morris	Vorys
Hale	Morton	Vursell
Hall, Edwin Arthur	Murray, Tenn.	Wadsworth
	Murray, Wis.	Weichel
Hall, Leonard W.	Nelson	Werdel
	Nicholson	Wheeler
Hand	Nixon	White, Calif.
Harden	Norrell	White, Idaho
Hardy	O'Brien, Mich.	Whitten
Hare	O'Hara, Minn.	Wier
Harrison	O'Konski	Wigglesworth
Harvey	Passman	Williams
Hays, Ark.	Patterson	Willis
Hays, Ohio	Pfeiffer, William L.	Wilson, Ind.
		Wilson, Tex.
Herter	Philbin	Withrow
Heselton	Phillips, Tenn.	Wolcott
Hill	Pickett	Wolverton
Hoffman, Ill.	Potter	Woodruff
Hoffman, Mich.	Poulson	Young
Holmes	Powell	
Hope		

NAYS—151

Abbitt	Evins	Lodge
Addonizio	Feighan	Lyle
Albert	Fernandez	Lynch
Aspinall	Flood	McCarthy
Barrett, Pa.	Forand	McGrath
Bates, Ky.	Frazier	McKinnon
Beckworth	Fugate	Madden
Biemiller	Fulton	Mahon
Boggs, La.	Furcolo	Mansfield
Bolling	Garmatz	Marsalis
Bonner	Gary	Marshall
Brooks	Gathings	Merrow
Buchanan	Gordon	Miller, Calif.
Buckley, Ill.	Gorski, Ill.	Miller, Md.
Burnside	Gorski, N. Y.	Mills
Burton	Granahan	Mitchell
Cannon	Green	Monroney
Carnahan	Gregory	Morgan
Carroll	Harris	Morrison
Case, N. J.	Havenner	Moulder
Celler	Hedrick	Multer
Chatham	Heffernan	Murdock
Chelf	Heller	Noland
Chesney	Hobbs	O'Brien, Ill.
Christopher	Howell	O'Hara, Ill.
Chudoff	Huber	O'Neill
Combs	Jackson, Wash.	O'Sullivan
Cooley	Javits	O'Toole
Cooper	Jones, Ala.	Patman
Corbett	Jones, Mo.	Patten
Cox	Karst	Perkins
Crook	Karsten	Peterson
Crosser	Kee	Pfeifer, Joseph L.
Davenport	Kelley	
Davis, Tenn.	Keogh	Poage
Deane	King	Polk
Denton	Kirwan	Preston
Dollinger	Klein	Priest
Douglas	Kruse	Rabaut
Doyle	Lane	Rains
Durham	Lanham	Redden
Eberharter	Lind	Ribicoff
Elliott	Linehan	Rodino
Rooney	Sullivan	Welch, Calif.
Roosevelt	Thomas, Tex.	Whittington
Sikes	Thompson	Wickersham
Sims	Thornberry	Wilson, Okla.
Smathers	Trimble	Worley
Spence	Underwood	Yates
Staggers	Wagner	Zablocki
Stigler	Walter	

NOT VOTING—72

Anderson, Calif.	Halleck	Norton
Bailey	Hart	Pace
Barden	Hébert	Phillips, Calif.
Baring	Herlong	Plumley
Bland	Hinshaw	Price
Bolton, Ohio	Hoeven	Ramsay
Breen	Holifield	Reed, Ill.
Brown, Ohio	Irving	Reed, N. Y.
Buckley, N. Y.	Johnson	Regan
Bulwinkle	Kennedy	Rivers
Burke	Kilburn	Sabath
Byrne, N. Y.	LeFevre	Secrest
Clevenger	Lesinski	Shafer
Cole, N. Y.	Lovre	Sheppard
Dawson	McCormack	Smith, Ohio
DeGraffenried	McGregor	Thomas, N. J.
Dingell	McGuire	Tollefson
Eaton	McSweeney	Vinson
Elston	Mack, Ill.	Walsh
Fellows	Macy	Welch, Mo.
Fogarty	Magee	Whitaker
Gilmer	Miles	Winstead
Gore	Murphy	Wood
Granger	Norblad	Woodhouse

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Halleck for, with Mr. Hart against.

Mr. Brown of Ohio for, with Mr. McCormack against.

Mr. Reed of Illinois for, with Mr. Fogarty against.

Mr. Hébert for, with Mr. Murphy against.

Mr. Secrest for, with Mr. Price against.

Mr. Vinson for, with Mr. Holifield against.

Mr. Hinshaw for, with Mr. Sheppard against.

Mr. Herlong for, with Mr. Dingell against.

Mr. Elston for, with Mr. Dawson against.

Mr. Phillips of California for, with Mr. Bailey against.

Mr. McGregor for, with Mr. Kennedy against.

Mr. Smith of Ohio for, with Mrs. Norton against.

Mr. Hoeven for, with Mr. McGuire against.

Mr. LeFevre for, with Mr. Magee against.

Mr. Kilburn for, with Mr. McSweeney against.

Mr. Regan for, with Mr. Breen against.

Mr. Lovre for, with Mr. Welch of Missouri against.

Mr. Johnson for, with Mr. Byrne of New York against.

Mr. Shafer for, with Mr. Baring against.

Mr. Plumley for, with Mr. Whitaker against.

Until further notice:

Mr. Mack of Illinois with Mrs. Bolton of Ohio.

Mr. deGraffenried with Mr. Tollefson.

Mr. Lesinski with Mr. Fellows.

Mrs. Woodhouse with Mr. Reed of New York.

Mr. Wood with Mr. Cole of New York.

Mr. Winstead with Mr. Anderson of California.

Mr. Rivers with Mr. Macy.

Mr. Irving with Mr. Eaton.

Mr. Gilmer with Mr. Norblad.

Mr. KUNKEL changed his vote from "nay" to "yea."

Mr. WIER changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

Mr. JACKSON of California. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. JACKSON of California. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. JACKSON of California moves to recommit the bill H. R. 5895 to the Committee on Foreign Affairs.

The SPEAKER. Without objection the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

Mr. JACKSON of California. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were refused.

The motion was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. KEE. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 238, nays 122, answered "present" 1, not voting 71, as follows:

[Roll No. 189]

YEAS—238

Abbitt	Delaney	Jackson, Wash.
Addonizio	Denton	Javits
Albert	Dollinger	Jennings
Allen, La.	Donohue	Jones, Ala.
Andrews	Doughton	Jones, Mo.
Aspinall	Douglas	Jones, N. C.
Auchincloss	Doyle	Judd
Barrett, Pa.	Durham	Karst
Bates, Ky.	Eberharter	Karsten
Bates, Mass.	Elliott	Kearney
Battle	Engel, Mich.	Keating
Beckworth	Engle, Calif.	Kee
Bennett, Fla.	Evins	Kelley
Bentsen	Feighan	Keogh
Biemiller	Fernandez	Kerr
Blackney	Fisher	Kilday
Boggs, La.	Flood	King
Bolling	Forand	Kirwan
Bonner	Ford	Klein
Bosone	Frazier	Kruse
Boykin	Fugate	Lane
Brooks	Fulton	Lanham
Brown, Ga.	Furcolo	Latham
Bryson	Gamble	LeCompte
Buchanan	Garmatz	Lind
Buckley, Ill.	Gary	Lineham
Burleson	Gathings	Lodge
Burnside	Golden	Lucas
Burton	Gordon	Lyle
Camp	Gorski, Ill.	Lynch
Canfield	Gorski, N. Y.	McGrath
Cannon	Gossett	McMillan, S. C.
Carlyle	Granahan	McMillen, Ill.
Carnahan	Granger	Mack, Wash.
Carroll	Grant	Madden
Case, N. J.	Green	Mahon
Case, S. Dak.	Gregory	Mansfield
Cavalcante	Hale	Marsalis
Celler	Hall,	Martin, Mass.
Chatham	Edwin Arthur	Merrow
Chelf	Hall,	Michener
Chesney	Leonard W.	Miller, Calif.
Christopher	Hardy	Miller, Md.
Chudoff	Hare	Mills
Clemente	Harris	Mitchell
Colmer	Harrison	Monroney
Combs	Havenner	Morgan
Cooley	Hays, Ark.	Morrison
Cooper	Hays, Ohio	Moulder
Corbett	Hedrick	Multer
Cotton	Heffernan	Murray, Tenn.
Cox	Heller	Nixon
Crook	Herter	Noland
Crosser	Heselton	Norrell
Cunningham	Hobbs	O'Brien, Ill.
Davenport	Holmes	O'Neill
Davis, Ga.	Horan	O'Sullivan
Davis, Tenn.	Howell	O'Toole
Deane	Huber	Patman
Patten	Rodino	Thompson
Patterson	Rogers, Fla.	Thornberry
Perkins	Rogers, Mass.	Trimble
Peterson	Rooney	Underwood
Pfeifer, Joseph L.	Roosevelt	Vorys
	Sadlak	Wadsworth
Pfeiffer, William L.	St. George	Wagner
	Sasscer	Walter
Phillips, Tenn.	Scudder	Welch, Calif.
Pickett	Sikes	Whitten
Poage	Sims	Whittington
Polk	Smathers	Wickersham
Preston	Smith, Va.	Wigglesworth
Priest	Spence	Wilson, Okla.
Quinn	Staggers	Wilson, Tex.
Rabaut	Stanley	Wolcott
Rains	Steed	Wolverton
Redden	Stigler	Worley
Rhodes	Sullivan	Yates
Ribicoff	Tauriello	Young
Richards	Taylor	Zablocki
Riehlman	Thomas, Tex.	

NAYS—122

Abernethy	Hand	Philbin
Allen, Calif.	Harden	Potter
Allen, Ill.	Harvey	Poulsen
Andersen, H. Carl	Hill	Powell
	Hoffman, Ill.	Rankin
Andresen, August H.	Hoffman, Mich.	Rees
	Hope	Rich
Angell	Hull	Sabath
Arends	Jackson, Calif.	Sadowski
Barrett, Wyo.	James	Sanborn
Beall	Jenison	Scott, Hardie
Bennett, Mich.	Jenkins	Scott, Hugh D., Jr.
Bishop	Jensen	
Blatnik	Jonas	Scrivner
Boggs, Del.	Kean	Short
Bolton, Md.	Kearns	Simpson, Ill.
Bramblett	Keefe	Simpson, Pa.
Brehm	Kunkel	Smith, Kans.
Burdick	Larcade	Smith, Wis.
Byrnes, Wis.	Lemke	Stefan
Chiperfield	Lichtenwalter	Stockman
Church	McCarthy	Sutton
Cole, Kans.	McConnell	Taber
Coudert	McCulloch	Tackett
Crawford	McDonough	Talle
Curtis	McKinnon	Teague
Dague	Marcantonio	Towe
Davies, N. Y.	Marshall	Van Zandt
Davis, Wis.	Martin, Iowa	Velde
D'Ewart	Mason	Vursell
Dolliver	Meyer	Weichel
Dondero	Miller, Nebr.	Werdel
Ellsworth	Morris	Wheeler
Fallon	Morton	White, Calif.
Fenton	Murray, Wis.	White, Idaho
Gavin	Nelson	Wier
Gillette	Nicholson	Williams
Goodwin	O'Brien, Mich.	Willis
Graham	O'Hara, Ill.	Wilson, Ind.
Gross	O'Hara, Minn.	Withrow
Gwinn	O'Konski	Woodruff
Hagen	Passman	

ANSWERED "PRESENT"—1

Jacobs

NOT VOTING—71

Anderson, Calif.	Hart	Norton
Bailey	Hébert	Pace
Barden	Herlong	Phillips, Calif.
Baring	Hinshaw	Plumley
Bland	Hoeven	Price
Bolton, Ohio	Holifield	Ramsay
Breen	Irving	Reed, Ill.
Brown, Ohio	Johnson	Reed, N. Y.
Buckley, N. Y.	Kennedy	Regan
Bulwinkle	Kilburn	Rivers
Burke	LeFevre	Secrest
Byrne, N. Y.	Lesinski	Shafer
Clevenger	Lovre	Sheppard
Cole, N. Y.	McCormack	Smith, Ohio
Dawson	McGregor	Thomas, N. J.
DeGraffenried	McGuire	Tollefson
Dingell	McSweeney	Vinson
Eaton	Mack, Ill.	Walsh
Elston	Macy	Welch, Mo.
Fellows	Magee	Whitaker
Fogarty	Miles	Winstead
Gilmer	Murdock	Wood
Gore	Murphy	Woodhouse
Halleck	Norblad	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Halleck for, with Mr. Jacobs against.

Mr. Kilburn for, with Mr. Smith of Ohio against.

Mr. McCormack for, with Mr. Brown of Ohio against.

Mr. Plumley for, with Mr. Johnson against.

Mr. Fogarty for, with Mr. Reed of Illinois against.

Mr. Hinshaw for, with Mr. Shafer against.

Mr. Dawson for, with Mr. Elston against.

Mr. Price for, with Mr. McGregor against.

Mr. Murphy for, with Mr. Phillips of California against.

Mr. Holifield for, with Mr. Secrest against.

Mr. Bailey for, with Mr. Wood against.

Mr. Vinson for, with Mr. Hébert against.

Additional general pairs:

Mr. Hart with Mr. Anderson of California.

Mr. Sheppard with Mr. Tollefson.

Mr. Dingell with Mr. Reed of New York.

Mr. McGuire with Mr. Macy.

Mr. Magee with Mr. LeFevre.

Mr. McSweeney with Mrs. Bolton of Ohio.

Mr. Breen with Mr. Eaton.

Mr. Welch of Missouri with Mr. Cole of New York.

Mr. Baring with Mr. Hoeven.

Mr. Mack with Mr. Fellows.

Mr. Winstead with Mr. Norblad.

Mr. Gilmer with Mr. Lovre.

Mr. LICHTENWALTER changed his vote from "yea" to "nay."

Mr. JACOBS. Mr. Speaker, I have a live pair with the gentleman from Indiana, Mr. HALLECK. If he were present, he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. KEE. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks in the RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

LEGISLATIVE PROGRAM FOR NEXT WEEK

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, I have asked for this time in order to find out what the program is going to be, for tomorrow and next week.

Mr. PRIEST. Mr. Speaker, the House will be in session tomorrow for the consideration of the fourth deficiency supplemental appropriation bill. That is all that will be considered tomorrow.

Mr. MARTIN of Massachusetts. Except, of course, minor bills that may be brought up by unanimous consent?

Mr. PRIEST. Yes. I thank the gentleman for that suggestion.

Then on Monday the bill H. R. 5472, which was reported by the Committee on Public Works, a rivers and harbors bill, will be up for consideration.

If a rule is reported, then following the consideration of the rivers and harbors bill, the House will take up the bill H. R. 5987, the Housing Amendment Act of 1949. May I say that bill is of some importance because it does extend to title I and title VI of the FHA Act which will

expire on August 30, unless the extension is approved.

Then, also if a rule is reported, the bill H. R. 5330, the Korean aid bill will be considered.

Conference reports may be brought up during the week at any time. It is hoped there will be some conference reports that we may be able to dispose of during the week.

Any other bills on which rules are reported and that will be put on the calendar will be announced later.

Mr. MARTIN of Massachusetts. May I inquire if the recess plan is on the calendar for next week?

Mr. PRIEST. The gentleman is not prepared to state definitely about that at this time.

Mr. MARTIN of Massachusetts. There are quite a few people who would like to have it put there.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

CIVIL FUNCTIONS APPROPRIATION BILL, 1950

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that my motion to instruct the conferees on the bill, H. R. 3734, be carried over until tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

EXTENSION OF REMARKS

Mr. MANSFIELD asked and was given permission to revise and extend his remarks made in Committee of the Whole today, and to extend his remarks in the RECORD and include a speech by Admiral McIntire.

Mr. MULTER asked and was given permission to extend his remarks in the RECORD in two instances and include extraneous matter.

Mr. WILSON of Oklahoma asked and was given permission to extend his remarks in the RECORD and include an editorial and a law-enforcement bulletin of the FBI, and the remarks of Hon. J. Edgar Hoover, Director of the FBI.

Mr. POWELL (at the request of Mr. MARCANTONIO) was given permission to extend his remarks in the RECORD and include an article from the Pittsburgh Courier.

NATIONAL PETROLEUM POLICY

Mr. HARRIS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HARRIS. Mr. Speaker, by direction of the House Subcommittee on Petroleum and Public Power, I am today introducing a bill proposing to establish a national petroleum policy.

Considerable study during this session has been given by the subcommittee, of which I have the privilege of serving as Chairman, on this proposal. Communications, executive sessions with various agencies of the Government, consultations with those who have given long and careful study to this important problem, have resulted in the committee's decision to introduce this legislation.

The bill would create a Petroleum Policy Council whose responsibility would be to coordinate, clarify, and recommend policies relating to the achievement and maintenance of available supplies of petroleum products, of satisfactory quality, at reasonable prices, adequate for the Nation in times of emergency and for the peacetime needs of an expanding national economy.

For the establishment of a national policy the council must determine petroleum policies affecting agencies of the Government to include 12 specific points set up as guides for such policies to be applied both within the United States and abroad.

Specifically, these 12 points which the council must determine are:

First. The development of the United States petroleum industry in order to meet, to the maximum practicable extent, emergency petroleum requirements.

Second. The development of the petroleum industry in the Western Hemisphere to the extent necessary to meet Western Hemisphere economic and minimum emergency needs at all times.

Third. The development of the petroleum industry, world wide, to insure the availability of petroleum products to meet the national objectives of the United States.

Fourth. The furtherance of conservation of United States petroleum resources through encouragement of practices to reduce waste and promote maximum ultimate recovery of oil.

Fifth. The development of new sources of liquid fuels, including the sponsorship by the Federal Government of research and development on processes for their production from gas, coal, oil shale, and tar sands.

Sixth. The establishment of reserve stocks of petroleum products sufficient to meet requirements during a transition period from peace to an emergency.

Seventh. The encouragement of exploration and development on public lands classified as potential sources of petroleum.

Eighth. The encouragement of both public and private research in the improvement of the fuel efficiency of petroleum-consuming equipment.

Ninth. The encouragement of protection and dispersal of refining facilities in accordance with national security needs.

Tenth. The encouragement of tanker capacity adequate for requirements.

Eleventh. The supplementation of domestic oil by importation of nondomestic crude oil to the extent consistent with the maintenance of a healthy domestic industry adequate for national needs.

Twelfth. The development and maintenance of plans for the establishment of an emergency petroleum organization in the event of a national emergency.

The Council initially proposed to be constituted of the Departments of the Interior, State, and Commerce, the National Military Establishment, and the National Securities Resources Board would be required to recommend to the Congress legislation necessary to carry out the purposes of the bill.

Mr. Speaker, petroleum is one of the main arteries in our national economic life. Our national security, the welfare of our people, and the future of our Nation depend upon adequate supplies of petroleum and petroleum products to meet all of our requirements. There is no national policy, nothing as a guide for Government agencies and the industry to follow, which condition has resulted in confusion, controversy, bickering, and indecision materially affecting this great industry. It is the committee's belief that the time has come when some definite action should be taken establishing broad, general guides on which both agencies and the industry should follow.

The indecision which has resulted, causing continuous controversy, is not only affecting our domestic program and requirements, not only affecting our national security and continuous doubt as to our ability to meet national emergencies, but affects our foreign policy and efforts to bring about economic stability in many places, as well as peaceful relationships among nations.

The continuing interest of our committee in the problems of petroleum is well known. For many years this committee has given careful consideration to matters of petroleum, and made reports from time to time on various phases affected with the public interest.

The character of a national petroleum policy as proposed and outlined in this bill can be considered at this time only suggestive because of the far-reaching effects. It is far from definitive at this stage, but we believe a basis on which some very definite conclusions can be determined.

The committee proposes this legislation at this time in an effort to obtain necessary reports and to use this as a basis of its continued examination in this field during the rest of this year, and in the hope of coming to some concrete resolution after exhaustive hearings and thorough consideration, and, insofar as practical, during the second session of this Congress.

These many phases of this important industry deserve the closest scrutiny of every Member of the Congress, the Government agencies, and the industry. Realizing the importance of as much information as is possible and the necessity for full discussion and consideration, we are taking this initial step at this time in order that the best possible results may be obtained.

SPECIAL ORDER GRANTED

Mr. MULTER. Mr. Speaker, I ask unanimous consent that the special order I have for today be transferred to Monday next, following any special orders heretofore entered.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

EXTENSION OF REMARKS

Mr. SHORT asked and was given permission to revise and extend the remarks he made in Committee of the Whole today and include a brief statement and table by Paul Peters.

CORRECTING AND RENUMBERING SECTIONS IN THE BILL, H. R. 5895

The SPEAKER. Without objection the Clerk is authorized to correct and renumber sections of the bill (H. R. 5895) to promote the foreign policy and provide for the defense and general welfare of the United States by furnishing military assistance to foreign nations.

There was no objection.

EXTENSION OF REMARKS

Mr. KING (at the request of Mr. PRIEST) was given permission to extend his remarks in the RECORD and include an article from the Saturday Evening Post.

Mr. JUDD asked and was given permission to extend his remarks in the RECORD and to include extraneous material.

Mr. POULSON asked and was given permission to revise and extend his remarks in the RECORD and include an editorial and a letter.

Mr. MARTIN of Iowa asked and was given permission to extend his remarks in the RECORD and include an article by General Bradley on a balanced Military Establishment.

SPECIAL ORDER GRANTED

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that I may address the House for 5 minutes tomorrow, after the disposition of business on the Speaker's desk and at the conclusion of special orders heretofore granted.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

Mr. PRESTON asked and was given permission to extend his remarks in the RECORD and include an editorial from the Savannah Morning News.

PERSONAL ANNOUNCEMENT

Mr. MURDOCK. Mr. Speaker, I was unavoidably detained during the vote on the bill (H. R. 5895) to promote the foreign policy and provide for the defense and general welfare of the United States by furnishing military assistance to foreign nations. Had I been present, I would have voted "aye."

EXTENSION OF REMARKS

Mrs. DOUGLAS asked and was given permission to extend her remarks in the RECORD in five instances and include certain excerpts.

The SPEAKER. Under previous order of the House the gentleman from Oregon [Mr. ELLSWORTH] is recognized for 60 minutes.

THE CHINESE SITUATION

Mr. ELLSWORTH. Mr. Speaker, I have for many long months found myself deeply concerned over the disastrous developments in China. These developments may mean, of course, the ultimate and total triumph of Communist totalitarianism in the Pacific.

My home is in the State of Oregon not many miles from the Pacific Ocean. We people on the west coast are acutely aware of what can happen as the result of the bungling, the mismanagement, and the failure of our national policy in the Pacific. May I call attention to the fact that the only part of our country ever to suffer in modern times under the guns of a foreign enemy, is the Pacific coast. In the summer of 1942 I was in a hotel at Gearhart, Oreg., and saw the glaring flashes of a Japanese submarine bombardment as Japanese shells were hurled at our coastal defenses at the mouth of the Columbia River. I have in my possession a piece of a Japanese bomb dropped from a Japanese airplane. This war plane was launched from a Japanese submarine off the coast of Oregon in my congressional district.

The shelling of oil-pumping operations by a Japanese submarine off the coast of southern California may be forgotten now by the people of the East, but it will not be forgotten by those of us who live on the Pacific coast. We will remember that the Pacific is not only a barrier—it is also a great highway.

It is small wonder, then, that we on the Pacific coast are so vitally concerned with the question of our Government's attitude toward Asia as a whole and China in particular. If there is to be any fateful blunder, on the part of our State Department, in the Pacific area it is we on the west coast who will feel the first brunt of it. So we are perhaps more keenly sensitive to the consequences of this policy than Americans who live in other parts of our great country.

When the recently published State Department document, commonly known as the China white paper, came to my desk I welcomed it with a feeling akin to relief. I felt that at last we were to have a frank and full discussion of the China problem. I even naively anticipated the revelation of a sound and reasonable policy for the future.

The document, unfortunately, is not a forthright statement of the facts about China. It is instead what is commonly termed a whitewash. It is an attempted justification for the long list of terrible failures and blunders by which we have been presented with catastrophic failure in Asia. It is a mealy mouthed effort to excuse what is inexcusable. It is an unseemly effort to blame everyone but those actually responsible for this impending disaster to our national policy in the life-and-death struggle now going forward between Soviet aggression and the free world.

On the record it is clear that the burden of responsibility for this colossal failure in Asia rests on our own Government and on the hopeless blunders which have studded its policy. Yet we find upon reading the letter of transmittal by Secretary of State Dean Acheson, that everything we have done was pure and right. The State Department, it appears, was never wrong.

As for future policy, I was deeply shaken to read the following meaningless words in the final paragraph of Mr. Acheson's statement:

> Meanwhile our policy will continue to be based upon our own respect for the Charter, our friendship for China, and our traditional support for the open door and for China's independence and administrative and territorial integrity.

It seems to me the whole ghastly story—past, present, and future—is summed up in those few words. Events have proven the Charter to be meaningless so far as China is concerned. Our expression of friendship for China must stand after our betrayal of them at Yalta. The expression of friendship must be even more difficult to accept when the Chinese recall that we stopped all aid to them for 2 years and maintained a virtual embargo on arms shipments. Meanwhile the Russians, whom we brought into the situation, gave the Chinese Communists access to captured Japanese munitions. As for what the Secretary refers to as our "traditional support for the open door and for China's independence and administrative territorial integrity—those words must evoke naught but a cynical sneer from the Chinese.

Most of China is now organized under a regime which unquestionably owes allegiance to the world Soviet hierarchy, and whose policies as a regime will henceforth be guided by the Soviet Union. Although a vast area of China—nearly one-half as large as the continental United States—has not yet come under Communist control, the policy of our Government, as enunciated by our Secretary of State in the paragraph just quoted, virtually assures the fall of that area to the Communists very shortly. The march of communism through all of Asia and the islands of the Pacific will be difficult to prevent. When that occurs, as it must unless there be some action we might be able to take at this late date, the American Continent will be completely encircled by communism directed from Moscow. This statement is made with the knowledge, of course, that the governments of western Europe and Great Britain are still free governments. But no military expert, as far as I know, will contend that the Red army could not occupy western Europe at any time if it chooses to do so.

Mr. Speaker, as of today our Government has turned its back on Asia and is placing its entire hope of stemming the Red tide and enforcing peace in the world upon just two things—the possession of the secret of the atomic bomb and a contribution toward arming Europe.

The arms for Europe proposal now before us is not only a futile and insignificant defense gesture, but, in a certain sense, is actually provocative.

So far as the power of the atomic bomb is concerned, I say with all seriousness that in the eventual balancing of accounts the fall of China may prove to be more decisive than the atomic bomb.

There are many shrouded mysteries as to exactly what happened to China and to exactly why it has fallen into the hands of organized communism. In the white paper the fact is excused but the mysteries are not explained.

For more than 20 years Communists have been battling the regular Government of China. During most of this period the Government of China realized the deadly import of Communist aggression and kept the upper hand against them. But our Government looked on

Chinese Communists as not Communists at all, but agrarian reformers, or at worst, small-town boys with a grievance. And we insisted that the Government of China deal with them softly, and include them as equals within the Government. How wrong our Government was.

Actually, the history of the Communist movement in China was begun by Lenin and Trotsky more than three decades ago. This drive has been carried on with ever-increasing intensity down through the years. The Communist Russian Government has never attempted to conceal its motive or even its activities toward obtaining its avowed objective. Nevertheless, the Chinese Communists were never anywhere near a clear victory in China until after World War II ended.

Not only did the Nationalist government of China hold firm against the Communists, but fought the Japanese almost barehanded for years before World War II began. And the Chinese Army continued manful resistance against the Japanese after they were offered many conciliatory opportunities to come to terms with Tokyo. It rejected numerous Japanese peace offers and kept up its resistance until we had brought the conflict to a victorious conclusion.

Until VJ-day the strength of the Chinese Nationalist government was such as to make it the unquestioned master of China. What happened after that is one of the mysteries I refer to. Why, after the Chinese Nationalist government had survived civil war and a decade of war with the Japanese, did it suffer so swift and so incomprehensible a collapse? Is it not conceded, even by Mr. Acheson, that until VJ-day Chiang's government had the complete upper hand over the Communists, and that the Communists were only a beaten and a troublesome remnant hiding out in the hills?

The white paper does not answer this question, except to assail the Nationalist government as corrupt and ineffective.

> The unfortunate but inescapable fact is—
>
> Says Secretary Acheson—
>
> that the ominous result of the civil war in China was beyond the control of the Government of the United States * * * it was the product of internal Chinese forces, forces which this country tried to influence but could not.

What actually happened was that the United States at Yalta bargained away Manchuria, the richest and most valuable part of Chinese territory, to the Russians. Mr. Roosevelt gave it away as if it belonged to him personally and did not even tell the Chinese Government about it until long months afterward. For the sake of 6 days desultory fighting on the part of the Soviet Union, after the Japanese had already been beaten to their knees, our Government made the massive blunder of inviting the Russians to share the spoils of victory with us in Asia, conceding to the Kremlin certain special positions at the expense of China and giving the Soviet Union a jumping-off place for her present assault against China and eventually all of Asia.

But our Government did more than commit the simple act of territorial banditry when the deal with the Russian government was made. We dealt a fatal blow to the legal government of China by revealing to the Chinese people that our own great and powerful Government looked upon the Soviet government as our friend, and superior in our estimation to their own government. The psychological impact of this revelation must have been terrific—but we did not stop there. In many ways, generally with boldness, but often subtly, representatives of our Government let it be understood that we considered the Communist government our true friend. I think we have good reason to believe completely a statement contained in Gen. Patrick Hurley's letter of resignation dated November 26, 1945, when he said:

> The professional Foreign Service men sided with the Chinese Communist armed party and the imperialist bloc of nations whose policy it was to keep China divided against herself. Our professional diplomats continuously advised the Communists that my efforts in preventing the collapse of the National Government did not represent the policy of the United States. These same professionals openly advised the Communist armed party to decline unification of the Chinese Communist army with the National army unless the Chinese Communists were given control.

In other words, we actually had two policies in China—officially we supported the Nationalist government—indirectly but most effectively we supported the Communists. It is no wonder, then, that the drive of the armed Communists has been so successful during the last 3 years.

I make the charge bluntly and without qualification that President Roosevelt in his Yalta agreement, and the activities of President Truman and his State Department people subsequently, actually brought about the present state of collapse of the Nationalist government of China and placed that vast population under the control of the Russian government.

In the preface to his book, Russia's Race for Asia, George Creel, the well-known publicist for the Democratic Party during the Wilson era, summarizes the specific acts of the United States which have assured the success of the Communist conquest of China:

> The sale of scrap iron and aviation gas to Japan from 1937 to the summer of 1941; the failure to aid Chiang Kai-shek after Pearl Harbor had made him our ally, even while Lend-Lease billions were being showered on Russia; the secret agreements at Yalta, where President Roosevelt handed Chinese territory over to the Soviet Union as though it had been his personal possession; the arrogances of General Stilwell that came close to shattering China's defense; and last but far from least, the determined effort of the Marshall mission to force Chiang Kai-shek's acceptance of the Communists as full partners in the Central Government, an insistence that ignored the results of similar conditions in Poland, Hungary, and Czechoslovakia.

Nor has our unstated policy of opposition to the Chinese Nationalist Government been modified even today. In his letter of transmittal printed as a preface to the white paper, Secretary Acheson criticizes the legal Chinese Government in the most vigorous and unrestrained manner. I know of no such assault against a free government and an ally in all our history. Its effect would seem the treatment of the Chinese Government as an actual enemy. Now, when the legal government of China is making a last-ditch fight, our powerful Government turns on it and gives it a tongue lashing as being primarily responsible for our own failures in Asia. It is referred to as being corrupt, as having forfeited the people's loyalty.

It should be noted also that the "white paper" blast at the Chinese Government was timed for release on the very day that President Quirino, of the Philippine Republic, was a visitor in Washington. He and a very few other anti-Communist leaders in Asia face a grim future as the result of our official statement. Press reports quoted President Truman as telling President Quirino that "he would not go home empty handed." Perhaps that reference was to a bound volume of the 1,054-page white paper.

If what I have said regarding our treatment of the Nationalist government of China, and the giving of aid at least indirectly, to the on-rush of communism there, is true—and the record reveals it clearly—another mystery in the drama is why did we do it?

Recent revelations clearly prove what a great many of us for years believed to be true, that people in our State Department who were in a position to advise the Secreatry of State and the President, were possessed with an overpowering sympathy for the supposed ideals of the Russian Government. I need not dwell on this sordid story save to recall the fact that at least one such person went so far—by his own confession—to purloin papers from the secret files of our State Department and hand them to Russian agents. There can be little doubt that this coterie of Communist sympathizing eager-beavers had a very large hand in the actual formation of our official attitude toward Russia and toward China. It is an illusion that the individual who carries the title of Secretary of State can be personally informed regarding the details of our world-wide relations. During the recent critical period in Asia, Secretaries of State have paraded in and out of office with alarming rapidity. Following Cordell Hull came Stettinius, Byrnes, Marshall, and now Acheson, but meanwhile the second, third, and fourth level advisors carried on.

Complete responsibility must, however, be placed on the President and his Secretaries of State for not discovering what was going on and engaging in a thorough house cleaning. Capable, sincere, and patriotic men, some in the United States Embassy in Moscow, and others on the ground in China, attempted to warn our Government against the policy we were pursuing, but their comments were ignored. In the case of General Wedemeyer, his statement was not only ignored, it was suppressed from September 19, 1947, until the issuance of the white paper.

In reviewing the statements in the white paper, and other records bearing on our Asiatic policy of the last two decades, I gain the distinct impression

that the welfare and best interests of the United States were subordinated time and again, and in the face of competent advice to the contrary, to the interests of some sort of ideology which perhaps can be simplest described as the illusion of a world-wide brotherhood of mankind under a common philosophy and a common government.

The people who objected to the Chiang Government ignored the fact that the alternative was a Russian-dominated Chinese Communist regime. When they advised the plan of compelling the Nationalist Government to join forces with the Communists, they ignored the fact that our own policy in Europe declared this course to be impossible. If those people were honest idealists, they were, through stupidity or ignorance, traitors to their own ideology. They contributed to the spread of Communist totalitarianism. They have endangered the cause of freedom in the Pacific. The policies into which we seem to have been misguided by the ideologists have had the result of weakening the United States—and so the weakening of the cause of freedom in the world.

In China we were face to face with grim reality. On the one hand was the Chinese Nationalist Government, and on the other the Chinese Communists. The Nationalist government may have left much to be desired as a government according to our own ideals. But the Chinese Communist Party has been organized for more than 30 years; it was originally organized and financed by Russian agents and it has been under Russian direction ever since.

There was no middle course even though we foolishly attempted a blending of Communists in the Nationalist Government. Strangely enough this was done in 1946, at the identical time when we were spending billions of dollars and resorting to every possible means to keep Communists from getting into the governments of Europe.

This experiment in China unquestionably stemmed from the naive and stupid belief that the Russian Soviet government had suddenly abandoned its policy of world revolution and domination. This infatuation with the idea that the Soviet Union had become a conventional part of the society of nations, and a power factor to whom spheres of influence could justifiably be accorded, produced the various extraterritorial concessions made at China's expense, and without her agreement, at the Yalta conference.

At Tehran both Roosevelt and Churchill had given their national word of honor guaranteeing the territorial integrity of China, and in particular, the return of Manchuria to Chinese sovereignty. Nevertheless at Yalta in February 1945, for the questionable purpose of bringing the Soviets into a war which was already all but won, the Governments of the United States and Great Britain agreed to give Marshal Stalin as the price of his collaboration the privileged position in Manchuria "which Russia had occupied there prior to 1904. We, for our part, in order to obtain this commitment and thus to bring the war to a close with a consequent saving of American, Chinese, and other Allied lives, were prepared to and did pay the requisite price"—quote from letter of transmittal, page IX. This meant ceding to Russia control of Port Arthur, de facto control of the Manchurian Railways and Manchuria's major port, Darien, giving Russia a stranglehold on this vital region.

Thus, as I have said, President Roosevelt and Winston Churchill gave away the territory of our Chinese ally without even consulting China. And now listen to the language of Mr. Acheson's letter of transmittal:

> For reasons of military security * * * it was considered too dangerous for the United States to consult with the National Government regarding the Yalta agreement or communicate its terms at once to Chungking. * * * It was felt that there was grave risk that secret information transmitted to the Nationalist capitol at this time would become available to the Japanese almost immediately. Under no circumstances, therefore, would we have been justified in incurring the security risks involved. It wasn't until June 15, 1945, that General Hurley was authorized to inform Chiang Kai-shek of the agreement.

Here is about as unmoral an admission as any official of a great movement has ever allowed himself to make. The territory of a presumably gallant ally is bartered away without either its consent or knowledge, to bring into the war at the last moment an erstwhile enemy, and the excuse given for not informing the Chinese is the self-serving assertion "that there was grave risk that secret information transmitted to the Nationalist capital at this time would become available to the Japanese."

If the claim made by Mr. Acheson is correct, that the Nationalists had lost their democratic fervor and their belief in democratic processes as represented by ourselves, one is compelled to remark that the Yalta agreement was scarcely calculated to instill in the Chinese any belief in the moral virtue of such democratic processes as these.

In fact, Mr. Acheson goes to great lengths to show that the treaty with Russia, crammed down the Chinese throat by us, was actually a good thing for China. He expiates on Soviet generosity, to the effect "that some of the Soviet proposals exceeded its"—the Yalta agreement's—"provisions."

It is interesting, too, to note that only a matter of a few weeks after the signing of the Sino-Soviet treaty, the United States Embassy in Moscow cautioned against placing undue confidence "in the Soviet observance of either the spirit or the letter of the treaty," and that "the subsequent conduct of the Soviet Government in Manchuria has amply justified this warning." Here again we come to a unique piece of obtuseness and lack of diplomatic shrewdness. Would it not have been well to have consulted our Embassy in Moscow before coming to the agreement rather than have the Embassy suddenly wake up to the fact that the agreement had been signed, and notify Washington that nothing the Soviets agreed to could be trusted? This type of childlike nonsense runs throughout the presentation of the State Department's case.

Mr. Acheson recognizes that the National Government was the recognized government of a friendly power and that the Communists, with the aid of the Russians, whom we ourselves in the Yalta deal had invited into Chinese territory, were seeking to subvert and overthrow that government; nevertheless the Government of the United States, in the person of General Marshall, continued to insist that the Communists be brought into the National Government of China. General Marshall's instructions from Mr. Truman cannot be misread; they were percisely this—to force the hand of our ally, the legal Government of China, and to compel it to agree to a coalition by which it would share power with armed traitors whose allegiance to a foreign power was unmistakable.

At this point also it is interesting to note a letter from Harry S. Truman to President Chiang Kai-shek—page 654 of the white paper—in which Mr. Truman calls upon the National Government of China to agree to a coalition government with the Communists, making United States support of China's industrial economy, and its agrarian rehabilitation, subject to China's agreement to this thoroughly unworkable, if not suicidal, condition.

It seems indisputable that the Government of the United States misread totally the situation with which it was dealing. For the purposes of forcing the hand of the Chinese Government in the negotiations, American financial assistance was withdrawn from our wartime ally and an embargo placed on arms shipments to her.

So far as the Chinese people were concerned, including the soldiers in the Nationalist Army, it would be difficult, if not impossible, for them to draw any conclusion other than that we tacitly, if not officially, favored the Communist cause.

What it all adds up to is that our Government—our President and State Department, attempted to find a third choice in China—a middle ground. This was done even though the record clearly indicated that there was no middle ground, even though our own policy in the remainder of the world was exactly the opposite and in spite of the fact that it is our fixed policy to support any organized opposition to communism wherever we find it.

While there was still time to change our mistaken course in China, General Wedemeyer made a forthright and courageous report of his observations after a deep study on the scene. It was courageous because he knew his recommendations were contrary to the then policy of the State Department. Not only was his report suppressed, but as the later record reveals, no attention was given to any of his recommendations.

Without holding out any idyllic conceptions of the nature of Chiang's government, Wedemeyer recognized the critical nature of the task, which was to stop the Communists at all costs. He recognized that while there were a great many reforms which had been undertaken, the situation was such that "outside aid in the form of munitions—most urgently, ammunition — and technical assistance is essential before any plan of

operations can be undertaken with a reasonable prospect of success." He observed that "positive steps are required to end hostilities immediately" and that "the most logical approach to this very complex and ominous situation would be to refer the matter to the United Nations." He states with positiveness that "a program of aid, if effectively employed, would bolster opposition to Communist expansion, and would contribute to the gradual development of stability in China."

Wedemeyer recommended that the United States Government provide as early as possible, "moral, advisory, and material support to China in order to contribute to the early establishment of peace in the world in consonance with the enunciated principles of the United Nations, and concomitantly to protect the United States strategic interests against militant forces which now threaten them. That China be advised that the United States is favorably disposed to continue aid designed to protect China's territorial integrity and to facilitate her recovery," under "American advisers" as responsible representatives of the United States Government in specified military and economic fields, to assist China in utilizing United States aid in the manner for which it is intended.

With ordinary common-sense American shrewdness, Wedemeyer observes that the "policy of no assistance" to China, the so-called "wait and see" policy, "would be equivalent to cutting the ground from under the feet of the Chinese Government," and that "removal of American assistance would certainly lay the country open to eventual Communist domination." This warning, however, was not observed by the American Government.

Wedemeyer's report is remarkably precise, intelligent, and exact. The factual findings of General Wedemeyer were kept from debate by the only possible makers of American foreign policy—the United States Congress. This action by the State Department and President Truman under the conditions is wholly inexcusable, and amounts to the withholding of essential information from the Congress itself.

It seems impossible to escape the idea that the Government of the United States has no policy in the Far East now. Throughout the years our policy seems to have been a policy of personal whim and individual theory, rather than a considered plan of action based upon the welfare and self-interest of the United States which certainly, after World War II, became the welfare and self-interest of the free people of the world. Secretary Acheson says in his statement in the white paper page 16:

> It must be admitted frankly that the American policy of assisting the Chinese people in resisting domination by any foreign power or powers is now confronted with the gravest difficulties.

That, I believe, stands out as a shining example of misrepresentation and understatement.

In cold truth, we have so meddled in the internal affairs of China that we have prevented the Chinese from working out their own destiny in their own way. Our actions, more than theirs, have brought about the Communist control of most of China. Under the pretense of help from us, China has actually suffered at our hands.

What our blundering in Asia means, is summed up briefly by George Creel when he says:

> It is not only the fate of China that quivers in suspense; the future of all Asia hangs on the outcome of the Communist drive for China's conquest and utter subjugation. The fires of Red insurrection blaze high in Indonesia, Burma, Indochina, and the Malay Archipelago, and flying sparks are falling on tinder in India, Siam, and even Japan and the Philippines. If Nationalist resistance collapses in China, it is a whole continent that will be communized, opening the way for Russia's mastery over more than half of the world's population.

Mr. JUDD. Mr. Speaker, will the gentleman yield?

Mr. ELLSWORTH. I yield.

Mr. JUDD. May I compliment the gentleman on his awareness of one of the most critical situations that our country has ever faced. I compliment him, too, on his concrete suggestions to deal with this problem intelligently and constructively.

Mr. ELLSWORTH. I thank the gentleman from Minnesota.

Mr. Speaker, Nationalist China now has collapsed. That grim fact does not mean that we dare turn our backs on the Far East and blindly agree to the wait-and-see policy enunciated by Secretary Acheson. There must be some plan for salvaging freedom in Asia. Otherwise we shall inevitably find our continent surrounded by the cold steel of the Red Army. What the American people want in this situation is not rhetoric. They want an intelligent view toward the great problems facing us in Asia and the Pacific. We do not want more theories and more muddling, but a blueprint of action which will protect the security of the United States.

ENROLLED JOINT RESOLUTION AND BILLS SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H. J. Res. 339. Joint resolution amending an act making temporary appropriations for the fiscal year 1950, as amended, and for other purposes.

The Speaker announced his signature to enrolled bills of the Senate of the following titles:

S. 520. An act to authorize and direct the Secretary of the Interior to issue to Leo Farwell Glenn, a Crow allottee, a patent in fee to certain lands;

S. 974. An act to amend the Veterans' Preference Act of 1944 with respect to certain mothers of veterans; and

S. 1361. An act to authorize and direct the Secretary of the Interior to issue to John Grayeagle a patent in fee to certain land.

ADJOURNMENT

Mr. PRIEST. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 53 minutes p. m.) the House adjourned until tomorrow, Friday, August 19, 1949, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

869. Under clause 2 of rule XXIV, a letter from the Acting President, Board of Commissioners, District of Columbia, transmitting a draft of a proposed bill entitled "A bill to authorize the establishment of an educational agency for surplus property within the government of the District of Columbia, and for other purposes," was taken from the Speaker's table, and referred to the Committee on the District of Columbia.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LANE: Committee on the Judiciary. H. R. 3793. A bill to provide for the furnishing of quarters at Brunswick, Ga., for the United States District Court for the Southern District of Georgia; without amendment (Rept. No. 1278). Referred to the Committee of the Whole House on the State of the Union.

Mr. LANE: Committee on the Judiciary. H. R. 5191. A bill to provide for the furnishing of quarters at Thomasville, Ga., for the United States District Court for the Middle District of Georgia; without amendment (Rept. No. 1279). Referred to the Committee of the Whole House on the State of the Union.

Mr. BRYSON: Committee on the Judiciary. H. R. 5166. A bill to extend the laws of the United States relating to civil acts or offenses consummated or committed on the high seas on board a vessel belonging to the United States, to the Midway Islands, Wake Island, Johnston Island, Sand Island, Kingman Reef, Kure Island, Baker Island, Howland Island, Jarvis Island, Canton Island, and Enderbury Island, and for other purposes; with an amendment (Rept. No. 1280). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOBBS: Committee on the Judiciary. H. R. 5647. A bill to prohibit the picketing of United States courts; without amendment (Rept. No. 1281). Referred to the House Calendar.

Mr. DURHAM: Joint Committee on Atomic Energy. H. R. 5884. A bill to amend the Atomic Energy Act of 1946; with an amendment (Rept. No. 1282). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HARRIS:

H. R. 6047. A bill to establish a Petroleum Policy Council for the purpose of clarifying and coordinating national policies relating to petroleum, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BOGGS of Louisiana:

H. R. 6048. A bill to amend section 2000 (a) (2) of the Internal Revenue Code relating to taxes on tobacco and tobacco products; to the Committee on Ways and Means.

By Mr. BECKWORTH:

H. R. 6049. A bill to amend section 10 of the act of May 28, 1948 (Public Law 562, 80th Cong.) to authorize the appropriation of $17,000,000 for the construction of public airports in the Territory of Alaska; to the

Committee on Interstate and Foreign Commerce.

By Mr. PRESTON:

H. R. 6050. A bill to authorize and direct the Secretary of the Army to accept the Croix de Guerre from the Government of France on behalf of the Seventh Armored Division; to the Committee on Armed Services.

By Mr. PRIEST:

H. J. Res. 341. Joint resolution to establish a National Children's Day; to the Committee on the Judiciary.

By Mr. HEDRICK:

H. J. Res. 342. Joint resolution to establish a National Children's Day; to the Committee on the Judiciary.

By Mr. CARNAHAN:

H. J. Res. 343. Joint resolution to establish a National Children's Day; to the Committee on the Judiciary.

By Mr. CHRISTOPHER:

H. J. Res. 344. Joint resolution to establish a National Children's Day; to the Committee on the Judiciary.

By Mr. MULTER:

H. Res. 331. Resolution to authorize the Committee on Banking and Currency to make investigations into any matter in the field of housing within its jurisdiction, and for other purposes; to the Committee on Rules.

H. Res. 332. Resolution to provide funds for the expenses of the studies and investigations authorized by House Resolution 331; to the Committee on House Administration.

By Mr. DOUGHTON:

H. Res. 333. Resolution providing for the expenses of conducting the studies and investigations, authorized by House Resolution 293, Eighty-first Congress; to the Committee on House Administration.

H. Res. 334. Resolution authorizing the Committee on Ways and Means to have printed additional copies of parts 1 and 2 of the Social Security Act amendments of 1949 hearings; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CELLER:

H. R. 6051. A bill for the relief of Alcide Raymond; to the Committee on the Judiciary.

By Mr. KERR:

H. R. 6052. A bill for the relief of John M. Vick; to the Committee on the Judiciary.

By Mr. LODGE:

H. R. 6053. A bill for the relief of Continental Insurance Co., Federal Insurance Co., and National Fire Insurance Co. of Hartford, Conn.; to the Committee on the Judiciary.

By Mr. MONRONEY:

H. R. 6054. A bill for redress of grievances of Milton Roe Sabin and Bertha Florence Sabin, husband and wife; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1424. By the SPEAKER: Petition of the General Society Sons of the Revolution, New York City, N. Y., relative to opposing any form of world government; to the Committee on Foreign Affairs.

1425. Also, petition of the General Society Sons of the Revolution, New York City, N. Y., relative to vigorously opposing legislation designed to create State medical care with its vast extension of a parasitic bureaucracy; to the Committee on Interstate and Foreign Commerce.

1426. Also, petition of the General Society Sons of the Revolution, New York City, N. Y., requesting Congress to pass legislation to conform to Public Law 829, section 3 (c), relative to the flag of the United States occupying places of honor; to the Committee on the Judiciary.

1427. Also, petition of the General Society Sons of the Revolution, New York City, N. Y., urging upon its members the necessity of a resurrection of that blazing faith that fired the hearts and spirits of the founders of this Nation; to the Committee on Ways and Means.

1428. Also, petition of United and Independent Sugar Cane Colonos, of Puerto Rico, Camuy, P. R., relative to the financial situation of the small sugarcane colonos of Puerto Rico; to the Committee on Public Lands.

1429. Also, petition of Mrs. Pearl Olsen and others, Kansas City, Co., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1430. Also, petition of Wilmer R. Sutter and others, Erie, Pa., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1431. Also, petition of South Miami Townsend Club No. 1, Miami, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1432. Also, petition of the Coconut Grove Townsend Club No. 2, Miami, Fla., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1433. Also, petition of Mrs. J. A. Logan and others, Geneva, Fla., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1434. Also, petition of Robert E. Weech and others, Miami, Fla., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1435. Also, petition of J. N. Blewitt and others, Tampa, Fla., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1436. Also, petition of Frank C. Wise and others, Tampa, Fla., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1437. Also, petition of J. C. Michael and others, Orlando, Fla., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1438. Also, petition of Mrs. Lillie Ellis and others, St. Petersburg, Fla., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1439. By Mrs. ST. GEORGE: Petition to prohibit the transportation of alcoholic beverage advertising in interstate commerce and the broadcasting of alcoholic beverage advertising over the radio; to the Committee on Interstate and Foreign Commerce.

SENATE

FRIDAY, AUGUST 19, 1949

(Legislative day of Thursday, June 2, 1949)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Rev. Ralph Candler John, S. T. M., William Frazer McDowell professor of religion, American University, Washington, D. C., offered the following prayer:

Eternal Spirit, whose concern for the works of Thy hands notes even the fall of the sparrow, make Thy tender care to rest upon the Members of this Senate, the deliberations of which have such profound implications for Thy children the world around. Set the stars of Thy wisdom in the firmament of their understanding, that light may shine in darkness and obscure paths be made plain. When it is given to us, O God, to feel that our motives and deeds are at one with Thee, illumined by Thy divine sanction, we never fear or falter, however difficult the task or burdensome the heat of the day.

These mercies we ask, humbling ourselves in Thy presence. Through Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. MYERS, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, August 18, 1949, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed a bill (H. R. 5895) to promote the foreign policy and provide for the defense and general welfare of the United States by furnishing military assistance to foreign nations; in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 520. An act to authorize and direct the Secretary of the Interior to issue to Leo Farwell Glenn, a Crow allottee, a patent in fee to certain lands;

S. 974. An act to amend the Veterans' Preference Act of 1944 with respect to certain mothers of veterans; and

S. 1361. An act to authorize and direct the Secretary of the Interior to issue to John Grayeagle a patent in fee to certain land.

CALL OF THE ROLL

Mr. MYERS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Anderson	Gurney	McClellan
Bricker	Hayden	McFarland
Byrd	Hendrickson	McKellar
Cain	Hickenlooper	McMahon
Chapman	Hill	Magnuson
Chavez	Hoey	Malone
Connally	Holland	Miller
Cordon	Humphrey	Millikin
Donnell	Hunt	Morse
Douglas	Ives	Mundt
Downey	Jenner	Murray
Dulles	Johnson, Colo.	Myers
Eastland	Johnson, Tex.	Neely
Ecton	Johnston, S. C.	O'Mahoney
Ellender	Kefauver	Pepper
Ferguson	Kem	Robertson
Flanders	Kerr	Russell
Frear	Kilgore	Schoeppel
Fulbright	Knowland	Smith, Maine
George	Langer	Smith, N. J.
Gillette	Lodge	Sparkman
Graham	McCarran	Stennis
Green	McCarthy	Taylor

Thomas, Okla.	Watkins	Withers
Thomas, Utah	Wherry	Young
Tydings	Wiley	
Vandenberg	Williams	

Mr. MYERS. I announce that the Senator from Louisiana [Mr. LONG] and the Senator from South Carolina [Mr. MAYBANK] are absent by leave of the Senate.

The Senator from Illinois [Mr. LUCAS] and the Senator from Rhode Island [Mr. MCGRATH] are absent on public business.

The Senator from Maryland [Mr. O'CONOR] is necessarily absent.

Mr. WHERRY. I announce that the Senator from Vermont [Mr. AIKEN], the Senator from Connecticut [Mr. BALDWIN], the Senator from Nebraska [Mr. BUTLER], the Senator from Indiana [Mr. CAPEHART], the Senator from Kansas [Mr. REED], and the Senator from Minnesota [Mr. THYE] are absent by leave of the Senate.

The Senator from Maine [Mr. BREWSTER], the senior Senator from New Hampshire [Mr. BRIDGES], the Senator from Pennsylvania [Mr. MARTIN], the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from Ohio [Mr. TAFT] and the junior Senator from New Hampshire [Mr. TOBEY] are necessarily absent.

The VICE PRESIDENT. A quorum is present.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. MYERS, and by unanimous consent, the Committee on Armed Services and the Committee on Foreign Relations, sitting jointly, were authorized to meet during the session of the Senate today.

On request of Mr. HUNT, and by unanimous consent, the Committee on the Judiciary was authorized to meet this afternoon during the session of the Senate.

TRANSACTIONS OF ROUTINE BUSINESS

The VICE PRESIDENT. Without objection, the Chair will recognize Senators to place routine matters in the RECORD, as usual.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

REPORT ON LEASES OF REAL PROPERTY BY THE NAVY

A letter from the Acting Secretary of the Navy, transmitting, pursuant to law, a report of leases not heretofore reported, which have been entered into by the Navy, for the period January 1 through June 30, 1949 (with an accompanying report); to the Committee on Armed Services.

SUSPENSION OF DEPORTATION OF ALIENS

A letter from the Acting Attorney General, transmitting, pursuant to law, copies of orders of the Commissioner of the Immigration and Naturalization Service suspending deportation, as well as a list of persons involved, together with a complete and detailed statement of the facts and pertinent provisions of law as to each alien and the reason for ordering suspension of deportation (with accompanying papers); to the Committee on the Judiciary.

WAR RISK AND CERTAIN MARINE AND LIABILITY INSURANCE

A letter from the Chairman of the United States Maritime Commission, transmitting a draft of proposed legislation to authorize the United States Maritime Commission to provide war risk and certain marine and liability insurance (with accompanying papers); to the Committee on Interstate and Foreign Commerce.

REPORT OF PUBLIC UTILITIES COMMISSION

A letter from the Chairman of the Public Utilities Commission of the District of Columbia, transmitting, pursuant to law, a report of the official proceedings of that Commission for the year ended December 31, 1948 (with an accompanying report); to the Committee on the District of Columbia.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. JOHNSTON of South Carolina and Mr. LANGER members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A letter in the nature of a petition from the Central Conference of American Rabbis, of Davenport, Iowa, signed by Abram Vossen Goodman, praying for the ratification of the convention on genocide; to the Committee on Foreign Relations.

A resolution adopted by the General Society, Sons of the Revolution, assembled in Newport, R. I., protesting against any form of world government; to the Committee on Foreign Relations.

A resolution adopted by the General Society, Sons of the Revolution, assembled in Newport, R. I., favoring the enactment of legislation to insure that the flag of the United States shall occupy the place of honor within territorial boundaries, exclusive of the international area at Lake Success; to the Committee on the Judiciary.

A resolution adopted by the General Society, Sons of the Revolution, assembled in Newport, R. I., relating to the American way of life; to the Committee on the Judiciary.

A resolution adopted by the General Society, Sons of the Revolution, protesting against the enactment of legislation providing socialized medicine; to the Committee on Labor and Public Welfare.

A resolution adopted by the Medical Society of Clearfield, Pa., protesting against the enactment of legislation providing compulsory health insurance; to the Committee on Labor and Public Welfare.

The memorial of Roy C. Wilson, M. D., president, Taylor County Medical Society, Campbellsville, Ky., remonstrating against the appointment of Oscar R. Ewing to any position that may have any function related to health or medicine, and so forth; to the Committee on Labor and Public Welfare.

A letter in the nature of a memorial from the Jefferson County Medical Society, of Louisville, Ky., signed by J. Murray Kinsman, president, and Thomas VanZandt Gudex, secretary, remonstrating against the enactment of legislation to provide a Department of Welfare in which health matters will be included; to the Committee on Labor and Public Welfare.

A telegram in the nature of a memorial from Henry Winston, organization secretary, and Benjamin J. Davis, councilman, city of New York, members of the national committee, Communist Party of the United States, remonstrating against the confirmation of the nomination of Tom Clark to be Associate Justice of the Supreme Court of the United States; ordered to lie on the table.

A letter in the nature of a memorial from the Adair County Medical Society, Columbia, Ky., signed by W. Todd Jeffries, secretary, remonstrating against the adoption of Reorganization Plan No. 1 of 1949; ordered to lie on the table.

By Mr. GILLETTE:

A resolution adopted by the American Legion, Department of Massachusetts, Boston, Mass., favoring the adoption of Senate Resolution 125, authorizing an inquiry into the progress of the denazification program in the American zone in Germany; to the Committee on Foreign Relations.

FEDERAL AID FOR LOCAL PUBLIC WORKS PLANNING — RESOLUTION OF WISCONSIN SOCIETY OF PROFESSIONAL ENGINEERS

Mr. WILEY. Mr. President, I send to the desk a resolution which I received this morning from Herbert Moore, president of the Wisconsin Society of Professional Engineers, conveying the views of that organization in opposition to certain legislation now pending on the Senate Calendar, dealing with public works planning and I ask unanimous consent that it be printed at this point in the RECORD and appropriately referred.

There being no objection, the resolution was referred to the Committee on Public Works and ordered to be printed in the RECORD, as follows:

RESOLUTION OPPOSING FEDERAL AID FOR LOCAL PUBLIC WORKS PLANNING (ADOPTED BY THE WISCONSIN SOCIETY OF PROFESSIONAL ENGINEERS AT A MEETING OF THE BOARD OF DIRECTORS AT GREEN BAY, WIS., AUGUST 5, 1949)

Whereas Federal aid in the form of loans to States and municipalities to aid in financing the cost of engineering, surveys, plans, specifications, and so forth, preliminary to the construction of public works undermines and eliminates thoughtful consideration and engineering study of public works; and

Whereas the mere existence of a Federal aid fund for such loans serves to distract attention from the need for engineering analysis; and

Whereas Federal aid for planning local public works tends to centralize control in the hands of Federal and State bureaus and thus jeopardize the public interest; and

Whereas Federal and State control of planning effort for local public works is contrary to the very basis upon which this country is founded: Now, therefore, be it

Resolved, That the Wisconsin Society of Professional Engineers go on record as opposing bills known as S. 2116 and H. R. 5333 providing for advance planning of public works; and be it further

Resolved, That the National Society of Professional Engineers go on record as opposing bills known as S. 2116 and H. R. 5333 providing for advance planning of public works.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. TYDINGS, from the Committee on Armed Services:

H. J. Res. 281. Joint resolution to authorize the President to issue posthumously to the late John Sidney McCain, vice admiral, United States Navy, a commission as admiral, United States Navy, and for other purposes; without amendment (Rept. No. 941).

By Mr. CHAVEZ, from the Committee on Public Works:

S. 2374. A bill to amend the Philippine Rehabilitation Act of 1946; without amendment (Rept. No. 940).

By Mr. DOWNEY, from the Committee on Public Works:

H. R. 3071. A bill to authorize the Secretary of the Army to purchase certain property in Morgan County; without amendment (Rept. No. 936); and

H. R. 3478. A bill to extend the time for completing the construction of a bridge across the Mississippi River at or near a point between Delmar Boulevard and Cole Street in the city of St. Louis, Mo., and a point opposite thereto in the city of East St. Louis, Ill.; without amendment (Rept. No. 937).

By Mr. HOLLAND, from the Committee on Public Works:

H. R. 3197. A bill relating to the sale of the old Louisville Marine Hospital, Jefferson County, Ky.; without amendment (Rept. No. 938); and

H. R. 5356. A bill to provide for the conveyance of land to the Norfolk County Trust Co., in Stoughton, Mass.; without amendment (Rept. No. 939).

By Mr. O'MAHONEY, from the Committee on Interior and Insular Affairs:

H. R. 2475. A bill to authorize and direct the Secretary of the Interior to sell to Albert M. Lewis, Jr., certain land in the State of Florida; without amendment (Rept. No. 942).

By Mr. HUMPHREY, from the Committee on Post Office and Civil Service:

S. 1596. A bill to authorize the Postmaster General to enter into special agreements for certain switching service by railway common carriers, and for other purposes; with an amendment (Rept. No. 943).

MOLLY SULLIVAN

Mr. HAYDEN. Mr. President, from the Committee on Rules and Administration, I report an original resolution providing for the payment of 6 months' gratuity to Molly Sullivan, widow of John J. Sullivan, late an employee of the Senate. It is the usual resolution. The amount is a little over $1,500. I ask unanimous consent for the immediate consideration of the resolution.

There being no objection, the resolution (S. Res. 157) was considered and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate to Molly Sullivan, widow of John J. Sullivan, late an employee of the Senate, a sum equal to 6 months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, August 19, 1949, he presented to the President of the United States the following enrolled bills:

S. 520. An act to authorize and direct the Secretary of the Interior to issue to Leo Farwell Glenn, a Crow allottee, a patent in fee to certain lands;

S. 974. An act to amend the Veterans' Preference Act of 1944 with respect to certain mothers of veterans; and

S. 1361. An act to authorize and direct the Secretary of the Interior to issue to John Grayeagle a patent in fee to certain land.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. THOMAS of Utah from the Committee on Labor and Public Welfare:

Ralph L. Lawrence, and sundry other candidates for promotion in the Regular Corps of the Public Health Service:

By Mr. CHAVEZ, from the Committee on Public Works:

Col. Walter D. Luplow, Corps of Engineers, for appointment as member, California Debris Commission, vice Col. Samuel N. Karrick, Corps of Engineers, to be relieved.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LANGER:

S. 2456. A bill for the relief of Abdul Kadir; to the Committee on the Judiciary.

By Mr. ELLENDER:

S. 2457. A bill to confer jurisdiction on the Court of Claims to hear, determine, and render judgment upon the claim of A. K. Chahroudi; to the Committee on the Judiciary.

By Mr. McCARRAN:

S. 2458. A bill for the relief of Ruth Obre Dubonnet; to the Committee on the Judiciary.

(Mr. THOMAS of Oklahoma introduced Senate bill 2459, to declare the policy of the United States with respect to hydroelectric power generated in connection with federally financed water-development projects and to provide procedures for carrying out such policy, which was referred to the Committee on Public Works, and appears under a separate heading.)

By Mr. KNOWLAND:

S. 2460. A bill for the relief of George O. Drucker, Livia Drucker, and their minor daughter, Gloria Elizabeth Drucker; to the Committee on the Judiciary.

AMENDMENT OF FAIR LABOR STANDARDS ACT—AMENDMENTS

Mr. O'CONOR submitted amendments intended to be proposed by him to the bill (S. 653) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes, which were ordered to lie on the table and to be printed.

AMENDMENT OF AGRICULTURAL ADJUSTMENT ACT—AMENDMENT

Mr. STENNIS submitted an amendment intended to be proposed by him to the bill (H. R. 5345) to amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes, which was referred to the Committee on Agriculture and Forestry, and ordered to be printed.

LEASES OF IDAHO PUBLIC LANDS FOR EDUCATIONAL PURPOSES—AMENDMENTS

Mr. HUNT (for himself and Mr. TAYLOR) submitted amendments intended to be proposed by them, jointly, to the bill (H. R. 4943) to amend the act providing for the admission of the State of Idaho into the Union by increasing the period for which leases may be made of public lands granted to the State by such act for educational purposes, which were ordered to lie on the table and to be printed.

HOUSE BILL REFERRED

The bill (H. R. 5895) to promote the foreign policy and provide for the defense and general welfare of the United States by furnishing military assistance to foreign nations, was read twice by its title and referred to the Committees on Foreign Relations and Armed Services, jointly.

PRINTING OF REPORT ON ACTIVITIES OF GENERAL ACCOUNTING OFFICE UNDER CONTRACT SETTLEMENT ACT

Mr. McCARRAN. Mr. President, under date of August 1, the Comptroller General of the United States transmitted to the President of the Senate a report on the activities of the General Accounting Office under section 16 of the Contract Settlement Act of 1944. This is the report which made some rather startling disclosures with regard to the operations under the Contract Settlement Act. There has been a very considerable demand for copies of this report, and no copies are available. The report was referred to the Committee on the Judiciary on August 3, 1949, and as chairman of that committee, I have had several requests to ask that the report be printed as a Senate document. Although I understand it was not necessary to do so, under the rule, I thought it best to secure an estimate from the Government Printing Office with regard to the cost of having this document printed. I am advised that printing the report as a Senate document will cost $237.45, and that the printing of 1,000 additional copies will cost $27.72.

I ask unanimous consent that this report may be printed as a Senate document, and that there may be printed also 1,000 additional copies for the use of the Committee on the Judiciary.

The VICE PRESIDENT. Is there objection to the request of the Senator from Nevada? The Chair hears none, and it is so ordered.

PRINTING OF PECOS RIVER COMPACT

Mr. O'MAHONEY. Mr. President, during the Eighty-first Congress there was enacted Public Law 91, to grant the consent of Congress to the Pecos River Compact, which was a compact between the State of New Mexico and the State of Texas.

In order to make this compact really effective, and to preserve the records, it is necessary that the compact itself be printed as a Senate document. Unfortunately, that is rather expensive. It will cost $6,700 to print it, but if it is not printed, there will be no record except that which I hold in my hand.

Therefore, Mr. President, in order to preserve the record of the compact on the Pecos River, I ask unanimous consent that the document I hold in my hand may be printed as a Senate decument, with illustrations.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

THE PRESIDENT'S REORGANIZATION PLANS—ARTICLE BY ARTHUR KROCK

[Mr. FULBRIGHT asked and obtained leave to have printed in the RECORD an article entitled "The Senate Sustains the Hoover Commission," written by Arthur Krock and published in the New York Times of August 18, 1949, which appears in the Appendix.]

MINE SAFETY—EDITORIAL FROM ST. LOUIS POST-DISPATCH

[Mr. NEELY asked and obtained leave to have printed in the RECORD an editorial entitled "Still on the Calendar," published in the St. Louis Post-Dispatch of August 15, 1949, which appears in the Appendix.]

LONGING OF FOREIGNERS TO LIVE IN AMERICA

[Mr. CAIN asked and obtained leave to have printed in the RECORD an advertisement of the Warner & Swasey Co., of Cleveland, Ohio, setting forth the desire of foreigners to live in America, which appears in the Appendix.]

CO-OPS PAY THEIR TAXES

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an article written by Hon. Jerry Voorhis, former Member of the House of Representatives from California, now executive secretary of the Cooperative League of the United States of America, which appears in the Appendix.]

CIVIL RIGHTS IN THE STATES

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an editorial entitled "Civil Rights in the States," published in the New York Times of August 14, 1949, which appears in the Appendix.]

GERMAN VISITORS TO THE UNITED STATES

[Mr. HUMPHREY asked and obtained leave to have printed in the Appendix of the RECORD an article entitled "German Visitors to the United States," written by Mr. F. A. Groemping, and published in the June issue of the American Foreign Service Journal, which appears in the Appendix.]

DISPOSITION OF GOVERNMENT-OWNED INDUSTRIAL ALCOHOL PLANTS

Mr. GILLETTE. Mr. President, in his report to the Congress on August 12, pursuant to Public Law 890, the Secretary of Agriculture, in recommending disposition of the three Government-owned industrial alcohol plants in the Middle West, made a statement that is quite astonishing to me. The more so because we have the largest carry-over of corn in our history and the next to the largest, if not the largest, corn crop in our history about to mature. Secretary Brannan stated:

> The Department has studied grain stocks and the relative values of grain for export trade for feed, and for diversion into alcohol. * * * Our large stocks of grain do not necessarily represent surplus available for alcohol, as there are in the immediate future feed and food needs in the world and our own need for adequate reserves here. In view of this, I cannot subscribe to a program of diversion of grain to alcohol.

In order that my position may be made clear I ask that my letter to Secretary Brannan of August 18 be incorporated in the RECORD at this point as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AUGUST 18, 1949.

The Honorable CHARLES F. BRANNAN,
Secretary of Agriculture,
Washington, D. C.

MY DEAR MR. SECRETARY: I wish to thank you for your letter of August 12 transmitting copy of your letter of that date to the President of the Senate and Speaker of the House with reference to the disposition of the three Government-owned industrial-alcohol plants in the Midwest pursuant to Public Law 890.

It is my hope that the Congress, before it adjourns this present session, will take action to authorize the keeping of these plants in stand-by condition. I cannot agree with you when you say that our large stocks of grain do not necessarily represent surplus available for alcohol, nor when you say that all of such stocks are needed for food, feed, and adequate reserves. Even if you are right as to this year's stocks and crop, it seems unwise to let these plants fall into disuse or be sold. The prospect of future surpluses of grain makes it imperative that the plants be available to process surplus grains.

Should the Congress be prevented from taking action then it is my hope that the Secretary of National Defense will see fit to hold these plants in stand-by condition for the current fiscal year. The testimony before our subcommittee indicates that to be their wishes in the matter and it has been determined that they have funds for such purpose.

Your assurance that you will take no action prior to adjournment of the present session of Congress is appreciated.

Sincerely,

GUY M. GILLETTE,
Chairman.

DEPARTMENT OF THE INTERIOR—COMMENTS ON HOOVER COMMISSION RECOMMENDATIONS

Mr. McCLELLAN. Mr. President, I ask unanimous consent to have printed in the RECORD, as a part of my remarks, a statement which I have prepared, including comments by the Department of the Interior, on the Hoover Commission recommendations as they affect that Department.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR JOHN L. MCCLELLAN, CHAIRMAN, SENATE COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

Senator JOHN L. MCCLELLAN, chairman of the Senate Committee on Expenditures in the Executive Departments, released today a report from J. A. Krug, Secretary of the Interior, commenting on recommendations of the Hoover Commission which affect the Department of the Interior. The report is divided into two sections, the first of which deals with recommendations contained in across-the-board reports on general management of the executive branch, personnel management, general services, and budgeting and accounting. The second section covers recommendations relating to the scope, organization, and relationships of the Department of the Interior in the fields of (1) departmental management, (2) internal organization, (3) interdepartmental coordination, and (4) regional coordination.

In the latter report, the Secretary endorses the recommendations of the Commission relative to the grouping of agencies "as nearly as possible by major purposes in order to give a coherent mission to each department," on the ground that it is fundamental not only to a large share of the problems of the Interior Department but to the Government as a whole. Mr. Krug feels that "a careful application of this principle throughout the Government would give a great impetus to more effective and more economical administration."

The Secretary contends that the Department of the Interior's history makes it the dominant agency for the development and conservation of natural resources, and states that "we feel this mission of the Department should be further recognized and strengthened." After pointing out that many of the Commission's recommendations are directed toward this objective, Mr. Krug contends, nevertheless, that "in some cases the recommendations seem to lose sight of the singleness of purpose requisite to a coherent mission to which the Commission subscribes," and takes issue in one respect in stating that "we do not understand why such construction as that of public buildings or community services, or other Government construction unrelated to resource development and conservation, should be made a part of a resource development agency."

The Secretary further takes exception to the proposal of the Commission that the Department should "be given more clearly the mission of development of subsoil and water resources * * * as these activities require large public works, we recommend that other major public works also be managed by this Department." Mr. Krug contends that "such a departmental mission (as proposed by this recommendation) is inappropriate because, first, it is basically a duality in which there can be little coherence, and second, 'public works' is a process utilized by Government and is not a major governmental purpose," and concludes:

"Adherence to the role prescribed for the Department of the Interior by the Commission would not only further fragment the natural resource mission of the Department by separating the surface and subsurface resource responsibilities; but would transform this Department into a hybrid agency concerned both with the development of subsoil and water resources and with a substantial share of unrelated construction activities of the Federal Government."

The Secretary expresses general agreement with the Commission's recommendations relating to internal organization to the Department, as follows:

"The recommendations relating to the top officials of the Department, to the strengthening and integrating of departmental staff services, to the Secretary's discretion to appoint subordinates and to the need for flexibility in the assignment of functions and organization of the Department all are essential to modern efficient departmental management. Likewise, we generally concur in the recommendation that the Department should be reorganized along more functional and major purpose lines. Regrouping of the Department's major resource and related functions should be based upon a thorough study of the end purposes which they serve. Such a reorganization of the Department's activities would materially aid in more effective departmental administration."

The Secretary is inclined to the belief, however, that even more important to improved government than structural changes in the Department of the Interior, is that basic laws relating to the development and conservation of natural resources be clarified and codified, pointing out that the Hoover Commission made such a recommendation with respect to the laws pertaining to the Bureau of Reclamation, but neglected to do so with reference to other related resource development legislation. It is the Secretary's contention that "many of the critical problems of coordination of our resource programs result from inconsistencies in laws between the several agencies concerned with resource development and conservation, particularly in the field of water

resources development. A sound, consistent body of law relating to natural resource responsibilities of the Federal Government is, in my judgment, a prerequisite to the elimination of the confusion and conflict now attending much of the Government's efforts to conduct a sound program in resource conservation and development."

With reference to interdepartmental coordination, Mr. Krug contends that "with the increasing interrelationships of Government agencies demanded by complexities of the problems of our times, it is our firm belief that no amount of reshuffling of agencies and functions can eliminate the need for some instrument in the Executive Office of the President to give positive, systematic leadership to the coordination of all Government programs." He takes issue with the recommendation of the Hoover Commission for the creation of a Board of Impartial Analysis, in one respect—that while it is a step in the right direction "the Hoover Commission restricts the function of a review agency to the narrow role of review of engineering projects," contending that such an agency "should also be responsible for coordinating resource engineering and other resource development programs of nonengineering nature," and that it should coordinate natural resource policies and programs with related national programs in other fields and with the President's economic and budgetary policies.

It is Mr. Krug's further suggestion that "the function of such an agency falls somewhere between the present scope of the Council of Economic Advisers and the Bureau of the Budget, and accordingly its operations would require very close coordination with those two agencies as well as with the National Security Resources Board," with staff members in the various regions to keep abreast of particular regional situations and to assist in coordination at the regional level.

The Secretary of the Interior is also in disagreement with Recommendation No. 11, relative to the appointment of a Drainage Area Advisory Commission, as being inadequate to meet the needs for regional coordination, contending that its representation "should be broadened to include the interest of the entire Deparment of the Interior, rather than the Water Development and Use Service alone, of the Department of Agriculture as a whole, and of other Federal agencies concerned with resource activities." The Secretary also questions the ability of the Regional Advisory Commission in the preparation of a regional budget to encompass the annual Federal fiscal requirements for resource development within a given area. His suggestion is that the best way of effecting a regional program of Federal expenditure is under the "valley authority" plan.

The Secretary made no specific or direct comment on Recommendations 3 and 4, relative to the proposed transfer of the Bureau of Indian Affairs, Bureau of Land Management, and the commercial fisheries functions of the Fish and Wildlife Service from the Department, or to the proposed transfer of the flood control and rivers and harbors improvement from the Department of the Army, public-building construction and community services from the Federal Works Agency (General Services Administration), and other major construction functions to the Department.

In his 21-page commentary relating to general management of the executive branch, the Secretary is in general agreement with the findings and recommendations in the reports dealing with management, personnel, general services, and budgeting and accounting.

The Secretary doubts that the Commission's position that the most effective management will be secured by reducing the number of agencies reporting to the President (Recommendation No. 17, on general management). It is his view that "the most important emphasis should be given to the unity of purpose to be found in programs and activities assigned to each agency," and that coordinating committees, properly staffed and limited to functions and operations for which committee organization is essential, would accomplish maximum coherence in the mission of each agency.

The Secretary generally concurs in the departmental management reforms recommended by the Commission, but qualifies this with the statement that "this series of recommendations do not properly fulfill a need which is basic to fundamental improvement in the management of these departments and agencies whose interrelated functions are widespread in all parts of the country," and continues:

"There is a definite need for horizontal coordination of activities within prescribed geographical areas in the field service. Multiple and independent bureau offices in the field do not provide adequate facilities to meet the needs of the Department. Accordingly, this Department has considered the eventual need for establishing regional and local organization under a uniform field pattern, including provision for secretarial representation at field points and centralized management services within each field region. Due to the fact that 80 to 90 percent of the staff of the Department of the Interior functions in the field, it is desirable that the most effective form of coordination of interrelated activities be provided at the field level. Any reorganization of either departmental or field activities can be only partially effective unless accompanied by the elimination of statutory inconsistencies and improvement of appropriation structure."

The Secretary approves of the establishment of the position of Administrative Assistant Secretary, suggesting that the appointment be from the career service; the use of standard nomenclature; establishment of standard geographical limits of field units; greater utilization of pooled administrative services in the field; and the strengthening of field reporting and inspection services.

The recommendation that the Public Buildings Administration provide building space in the field is also concurred in, as is the proposed revision and simplification of operating manuals, the Secretary pointing out that the latter problem is of major importance to the Department because of the necessity for producing such manuals to cover the performance of activities and services which had been delegated to field regions.

Discussing the report on Personnel Management, the Department concurs in the objective of recruiting the best personnel available, establishing and maintaining a real career service, decentralizing authority to agencies, greater recognition to training programs, providing more equitable pay standards, revising the present efficiency rating system, and eliminating the burdensome element of procedural matters, but contends that "some of the methods proposed to accomplish these ends are not entirely clear, and may require modification."

The Department, however, dissents with the proposal that administrators and supervisors be rewarded financially for accomplishments which reduce the number of persons on the Federal pay roll, and contends that "supervisory personnel should be evaluated from the standpoint of effectiveness on the basis of total performance rather than be rewarded for one specific part of the job that is normally considered to be their responsibility. Reward should be based on good over-all performance and not on one specific phase of a position."

The Secretary states his position in regard to the fixing of wages in relation to prevailing wage scales as follows:

"While this Department is generally in favor of the fixing of wages in relation to prevailing wage scales for local recruitment and where incumbents are not normally subject to transfer, there is some doubt as to the feasibility of adding the clerical and subprofessional groups to the presently included wage groups. In this Department the lower-grade clerical and subprofessional, up to and including CAF–4 and SP–5, represent greater than one-third of the total graded employees. Numerous installations are away from centers of population, and particularly in time of emergency there is some doubt that we could retain at local wages essential employees in this group. It is possible that effectuation of such a recommendation might make it impossible to keep some of our smaller offices staffed."

The Department has some reservations relative to the procedure recommended by the Commission for the discharge of incompetent employees on the ground that it "complicates rather than simplifies operations by providing centralized agency control," and concludes that "the system recommended is still cumbersome and time consuming."

While concurring in the recommendation regarding the replacing of the present efficiency rating system by one based on "ability and service record," the Secretary contends that the rating should not be used for determining periodic salary increases, lay-offs, or as a basis for dismissal. The Department also believes that in approaching the problem of ranking employees for retention purposes the viewpoint should be that of "which employee should be retained, rather than which should be eliminated."

Commenting on the Hoover Commission report on General Services, the Department favors the establishment of an Office of General Services (General Services Administration, Public Law 152) under a single head, and approves of all of the proposed transfers to that agency, including the National Capital Park and Planning Commission and the Commission of Fine Arts.

The Department states its position in relation to the budgeting and accounting elements of the Hoover Commission Report, as follows:

"This Department is in full accord with and heartily endorses the Commission's recommendation that the whole budgetary concept of the Federal Government be refashioned by the adoption of a budget based upon functions, activities, and projects, and that such budget be designated as a performance budget. The Commission has defined the performance budget rather generally and broadly and provided no general outline to be followed. It is suggested that as a basis for such a budget there should be established a uniform classification and subclassification of Federal activities. Such classification should be reflected in the appropriation structure as well as in the budget document and also should be integrated with the Federal accounting system in order that all financial reports regardless of how summary or detailed, would be subject to such standard classification. This would provide a ready means for development of financial data to serve requirements in the operating agencies while at the same time providing a uniform structure within which budget data could be developed. Regardless of the details that must be worked out in effecting the change to a performance budget, the principle of the recommendation is sound and should go far toward improving the present budget document. The Department is in complete accord with the recommendation to the Congress that a complete survey of the appropriation structure be undertaken without delay. Such survey should bring about a complete revision of the appropriation structure by establishing a definite pattern or classification of the appropriations, consolidation of appropriations, and would avoid the repetition of restrictive

provisions and limitations presently in effect. Such items appear in the present structure due to the fact that there is no definite pattern either for the Government as a whole or for the various agencies included in an appropriation bill. Effectuation of the recommendation that budget estimates of all operating departments and agencies of the Government should be divided into two primary categories, namely, current operating expenditures and capital outlays, would facilitate the determination of fiscal balance as between these categories and would enable much easier analysis of the relation of the annual estimates to the long range financial needs for the various programs."

The Department favors the creation of the position of an Accountant General under the Secretary of the Treasury on the grounds that the prescribing of the accounting methods and procedures, necessary for management and reporting, should be the responsibility of the executive branch, and approves combining agency accounts into summary accounts of the Government. It likewise favors the spot sampling process at various places where expenditures vouchers and papers are administratively checked.

In approving recommendation No. 12, the Secretary comments, "The Congress, however, appropriates to the departments and agencies on the basis of obligations to be incurred for specific periods or on a continuing basis and therefore either the obligation concept should be eliminated or an integration of the accrual and obligation concepts is necessary in order that the budget and the accounts may be correlated."

The letter from the Secretary of the Interior, and the report on recommendations applying specifically to the Department (attachment B), follow:

UNITED STATES
DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D. C., August 11, 1949.

Hon. JOHN L. MCCLELLAN,
Chairman, Committee on Expenditures in the Executive Departments, United States Senate.

MY DEAR SENATOR MCCLELLAN: This is in reply to your letter of May 21, 1949, requesting the comments of this Department upon those recommendations of the Commission on Organization of the Executive Branch which affect this Department either directly or indirectly.

Our comments upon these recommendations fall into two groups: (1) Those dealing with general management of the executive branch, and (2) those dealing with the scope, the organization, and the relationships of the Department of the Interior. For convenience and clarity we shall submit our comments under these two categories.

In the first group are included those recommendations contained in the following reports: (1) General management of the executive branch, (2) personnel management, (3) Office of General Services—supply activities, (4) budgeting and accounting. In general this Department is in agreement with the findings and recommendations presented in these reports. More detailed discussion of the major subjects covered by each of these reports is presented in attachment A to this letter. Many of the recommendations relating to general management are based upon principles generally applicable to the executive branch as a whole and their effectuation will in large part depend upon congressional assent to comprehensive reorganization orders delegating authority to realine management responsibilities.

Recommendations in the second group are those primarily contained in the Commission's report on the Department of the Interior and related reports. In general the Commission's recommendations on this phase of the Department's interest have recognized the primary deterrents to effective departmental operations and have made many constructive proposals which merit careful consideration. In some cases we believe the Commission's recommendations do not go far enough in meeting the needs of the Government for more effective organization for natural resources development and conservation, the primary purpose for which this Department exists. We believe that the Commission's recommendations relating to this problem could be further strengthened by a more thorough study of those needs.

Certain of the specific recommendations of the Commission would have the effect of transferring resource development functions from, and to this Department. In view of the fact that more than this agency is affected by these recommendations, I prefer to delay my comments until these matters have been considered fully by the President and the Executive Office. I am certain that you will agree with me in the appropriateness of this procedure.

In "Attachment B" we discuss in more detail several of the major problems raised by the Hoover Commission's recommendations relating to the scope, organization, and relationships of the Department of the Interior. I hope you will find these comments useful to you, and that you will give them your careful consideration.

The Bureau of the Budget advises me that there is no objection to the submission of this report to your committee.

Sincerely yours,

J. A. KRUG,
Secretary of the Interior.

ATTACHMENT B—DEPARTMENT OF THE INTERIOR COMMENTS ON RECOMMENDATIONS OF THE COMMISSION ON ORGANIZATION OF THE EXECUTIVE BRANCH OF THE GOVERNMENT RELATING TO SCOPE, ORGANIZATION, AND RELATIONSHIPS OF THE DEPARTMENT OF THE INTERIOR

Discussion of the recommendations relating to the scope, organization, and relationships of the Department of the Interior is presented under the following four headings: (1) Departmental mission, (2) Internal organization, (3) Interdepartmental coordination, and (4) Regional coordination.

DEPARTMENTAL MISSION

We wholeheartedly endorse the recommendation of the Commission on Organization of the Executive Branch of the Government that, "The numerous agencies of the executive branch must be grouped into departments as nearly as possible by major purposes in order to give a coherent mission to each department." This is one of the most important recommendations of the Commission. It is, in our judgment, fundamental not only to a large share of the problems of this department, but to the Government as a whole. A careful application of this principle throughout Government would give a great impetus to more effective and more economical administration.

The development and conservation of natural resources has, over the 100 years of its existence, become the dominant purpose of the Department of the Interior. With the increasingly critical situation with respect to many of our natural resources, and the expanding responsibilities imposed upon the Government for their conservation and development, we feel this mission of the Department should be further recognized and strengthened. Many of the Commisssion's recommendations are directed to this end; however, in some cases the recommendations seem to lose sight of the singleness of purpose requisite to a coherent mission to which the Commission subscribes. Much of the construction work recommended for transfer to the Department would, for example, aid materially in the purpose of resource development and to that end would contribute greatly to efficiency and economy. However, we do not understand why such construction as that of public buildings or community services or other Government construction unrelated to resource development and conservation should be made a part of a resource development agency.

In the introduction to its report on the Department of the Interior, the Hoover Commission proposes that "* * * the Department of the Interior be given more clearly the mission of development of subsoil and water resources * * *" and then adds that "* * * as these activities require large public works, we recommend that other major public works also be managed by this Department." We believe that such a departmental mission is inappropriate because, first, it is basically a duality in which there can be little coherence, and, second, public works, is a process utilized by government, and is not a major governmental purpose. Adherence to the role prescribed for the Department of the Interior by the Commission would not only further fragment the natural resource mission of the Department by separating the surface and subsurface resource responsibilities; but would transform this Department into a hybrid agency concerned both with the development of subsoil and water resources and with a substantial share of unrelated construction activities of the Federal Government.

INTERNAL ORGANIZATION

We are in general agreement with the Commission's recommendations relating to internal organization of the Department. The recommendations relating to the top officials of the Department, to the strengthening and integrating of departmental staff services, to the Secretary's discretion to appoint subordinates, and to the need for flexibility in the assignment of functions and organization of the Department, all are essential to modern efficient departmental management. Likewise, we generally concur in the recommendation that the Department should be reorganized along more functional and major-purpose lines. Regrouping of the Department's major resource and related functions should be based upon a thorough study of the end purposes which they serve. Such a reorganization of the Department's activities would materially aid in more effective departmental administration.

Perhaps, however, even more important to improved government than structural changes in the Department of the Interior is the need for clarification and codification of basic laws relating to the development and conservation of natural resources. The Hoover Commission has recommended this action with respect to the laws pertaining to the Bureau of Reclamation. Although action on this front is highly desirable, we feel that it should be extended to other related resource-development legislation. Many of the critical problems of coordination of our resource programs result from the inconsistencies in laws between the several agencies concerned with resource development and conservation—particularly in the field of water-resources development. A sound and consistent body of law relating to the natural-resource responsibilities of the Federal Government is, in my judgment, a prerequisite to the elimination of the confusion and conflict now attending much of the Government's efforts to conduct a sound program in resource conservation and development.

INTERDEPARTMENTAL COORDINATION

With the increasing interrelationships of Government agencies demanded by complexities of the problems of our times, it is our firm belief that no amount of reshuffling of agencies and functions can eliminate the

need for some instrument in the Executive Office of the President to give positive, systematic leadership to the coordination of all Government programs.

We particularly find a need for an agency in the Executive Office for coordination of resource-development programs of this Department with related programs of other Federal agencies and with general economic and budgetary policies. The Hoover Commission has recommended the creation of a Board of Impartial Analysis. This is certainly a step in the right direction. Oriented as it is, however, to the concept of a public-works department, the Hoover Commission restricts the function of a review agency to the narrow role of review of engineering projects. We feel that an agency of this kind in the Executive Office of the President should also be responsible for coordinating resource engineering and other resource-development programs of a nonengineering nature. Further, that it should coordinate natural-resources policies and programs with related national programs in other fields and with the President's economic and budgetary policies.

In this connection we agree generally with the recommendations made in the dissenting report of Vice Chairman Acheson and Commissioners Pollock and Rowe, and in the report of the Natural Resources Task Force, that a coordinating agency be established in the President's office to cover the entire field of natural-resource development and its relations to other fields. As pointed out in the Acheson report, the proposed agency "would coordinate the programs of the Department of Natural Resources and those of the new regional authorities—if any—with each other and with other interested Government agencies such as Agriculture and the National Military Establishment." The function of such an agency falls somewhere between the present scope of the Council of Economic Advisers and the Bureau of the Budget, and accordingly its operations would require very close coordination with those two agencies as well as with the National Security Resources Board. It would also be necessary for this agency to have staff members in the various regions to keep abreast of particular regional situations and to assist in coordination at the regional level.

REGIONAL COORDINATION

The establishment, on the national level, of effective review machinery for coordination of resource-development programs and policies and the enactment of measures to eliminate or minimize the "splintering" of Federal responsibilities in this field are first steps only. True national coordination cannot be achieved except with the provision of adequate facilities for planning and carrying out balanced resource-development programs on a regional basis. Much is made of the vital interrelationships among natural resources. These relationships acquire their most dramatic significance when viewed within natural geographic regions, such as in river basins. The planning for the development of these resources, and the administration of approved programs in both the regional and national interest can best be accomplished with maximum reliance on regional participation.

We do not believe, however, that the Drainage Area Advisory Commission, as proposed in Recommendation No. 11, is fully adequate for this purpose. Certainly its representation should be broadened to include the interests of the entire Department of the Interior, rather than the Water Development and Use Service alone, of the Department of Agriculture as a whole, and of other Federal agencies concerned with resource activities. Moreover, such commissions will not be fully effective unless provision is made for responsible leadership.

We raise at this point one requirement which we are satisfied that a regional advisory commission cannot fill. This is the necessity for the preparation of a regional budget which will encompass the annual Federal fiscal requirements for resource development within a given area. Certainly this is the major instrument for regional coordination, and the responsibility for its initial preparation must be fixed within the regions. One device for obtaining such a regional program of Federal expenditures is the valley authority. A regional agency of this kind not only can serve as an effective administrative instrument for unified water development, but can also provide the mechanism for preparing a balanced program for the development of the related resources of the region. We favor the President's recommendation that such an agency, the Columbia Valley Administration, be provided for the Pacific Northwest.

REORGANIZATION OF GOVERNMENT DEPARTMENTS

Mr. WILEY. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a brief statement prepared by me relative to proposals to reorganize the executive departments.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

As I listened to much of the arguments on the President's so-called reorganization plans. I could not help but think that we were affected with "transferitis."

The Hoover Commission, when it made its recommendation, spoke of interjecting economy and efficiency into the plan—not simply "transferitis."

Down in Kansas City, Mo., they have a chap by the name of Cookingham who took over sometime ago and who really did not think that it was his job simply to engage in "transferitis" when he was hired to reorganize the municipal government. He investigated the water department, found there were 862 names on the pay roll, got it running more efficiently with 414. He cut out the favorite sons of the politician and reduced overhead. He went through department after department, abolished hundreds of nonessential offices. He put in modern accounting systems, modern engineering practices, and he maintained a never-ending audit of books. He watched big graft and little graft and did away with it.

There has been so much talk about reorganization that we have forgotten that what we mean is efficiency and economy.

Now I recently said that the President could do a tremendous job if he just followed Mr. Cookingham's example, but there is no evidence that he is doing that. He simply has been bitten by "transferitis"—transferring one department or agency into another department or agency. In fact, the evidence shows that government is employing more and more folks.

Why not call Mr. Cookingham to Washington and let him demonstrate on one of our big national agencies?

PROBLEMS OF THE WORLD—ADDRESS BY ROBERT W. HANSEN

Mr. MYERS. Mr. President, representatives of 28 national American organizations and associations have gone around the world, under the auspices of Town Hall and America's Town Meeting of the Air, to promote people-to-people understanding and to learn a little more about the problems of the world in which we live.

The first member of this group, which represents more than 30,000,000 Americans, to return and make a report is Robert W. Hansen, of Milwaukee, Wis., editor of the National Eagle magazine and past grand worthy president of the Fraternal Order of Eagles—a Nation-wide fraternal organization with more than a million and a quarter members in 1,700 cities across the United States.

His report, delivered at the Grand Aerie convention of the Eagles in Detroit, Mich., on August 12, paints a picture of declining communistic prestige, encouraging postwar recovery and progress in the countries visited. While he turned back at Tel Aviv, Israel, to make the report at the Eagles' national convention, his partial report does cover much of interest and covers the World Town Hall seminar group's visits to the countries of Europe and the Near East.

I should like to point out that Mr. Hansen is secretary of the Town Hall group in Milwaukee and served as its president in 1947. He is an attorney who, in 1930, as a student at Marquette University Law School, won the Wisconsin Intercollegiate Peace Oratorical Award; in 1940 he was selected by the Junior Chamber of Commerce as Milwaukee's outstanding man of the year. Hansen has traveled extensively in the United States and Canada and has addressed hundreds of Eagle meetings in all parts of the Nation as representative of an organization which is the largest benefit-paying fraternity in America.

It seems unnecessary to point out the fine contributions which the Fraternal Order of Eagles are making and have made, over a long period of years, to the welfare of our people. The late President Franklin D. Roosevelt was a long-time member of the Order and presented to the fraternity one of the pens used when he signed the Social Security Act into law. President Harry S. Truman has been a member of the aerie at Independence, Mo., for more than a quarter of a century.

I am very proud of my life membership in the aerie located in my home city of Philadelphia and it is my understanding that 23 of my colleagues in the Senate and 91 Members of the House of Representatives, several members of the Supreme Court, and 4 members of the President's Cabinet carry membership cards in this fraternity which has played such a prominent role in sponsoring and fighting through to final enactment, effective humanitarian legislative reforms.

I ask unanimous consent that Mr. Hansen's address be printed in the body of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Nearly 2 months ago, a double-decked stratocruiser took the representatives of 28 national American organizations from New York to London.

Two days ago, a Scandinavian air-lines plane took off from Prestwick, Scotland, at 1 a. m. At 2 p. m., the same day, we landed at Willow Run.

Between these two dates, members of our World Town Hall Seminar group held conferences with public officials, seminar discussions, and meetings with leaders of labor and industry in the capitals of Europe on this side of the iron curtain.

The effort to take the group, which included representatives of the American Legion, the AFL and CIO, American Bankers Association, National Education Association, and, as representative of fraternal societies, the Fraternal Order of Eagles, to the other side of the iron curtain brought no response from Moscow or Soviet-dominated satellites.

We had formal meetings with people in high places and informal meetings with folks in humbler places, all the way from a "soap box" in Hyde Park to an audience with His Holiness, Pope Pius XII.

We talked with leaders and the man on the street in London, Dublin and Paris, Berlin, Vienna and Rome, Athens, Ankara and Tel Aviv. We found people and what they want out of life pretty much the same wherever we went. If you are willing to give them respect, understanding, and good will, you will be at home wherever you go.

And, of course, we met lots of folks from home, including an Eagle barber from Milwaukee, Guido Carmancino, in Rome for his first visit in 25 years. Guido introduced us to his brother-in-law, Ugo Quartullo, proprietor of Bar Quartullo, an ice-cream bar across the street from the Albergo Vulcania where we stayed.

One night Ugo called in his family and the wife's relatives and we had a very fine dinner of veal and peppers with lots of white wine. Ugo kept saying, "Uno familie." And so it was.

When the meal was over, Ugo, who is built like Tony Galento, only more so, sang some songs. For his mother, dead these many years, he sang "Mamma Mia."

That's when we noticed that the little kitchen room had no window. Instead, high in the wall, there was a screen. It became very important to us, for, halfway through Mamma Mia, a tomato splashed against that screen and all of us got pretty well sprinkled.

Quartullo's face darkened, but he started over again, singing his Mamma Mia. Wham! Another tomato hit the screen. This time, Ugo became discouraged, turned out the lights, and the party was over.

As we filed out of the little kitchen, Mrs. Quartullo said, softly and very sadly, "Always, someone throws the tomatoes."

I will remember the incident because it poses the problem faced by little people the world around. When the moment of great pleasure or great triumph comes, the time to step front and forward, there is someone to "throw the tomatoes."

But now, back to the trip and countries visited, and quickly so, for a few thumbnail impressions.

In London, it's Robert Boothby, conservative member of Parliament from Scotland, telling our group, "It was a nice show while it lasted, but it's over, and we know it." He referred to Britain's position in the nineteenth century, but the comment fits more than that. For England faces problems of adjusting to changed conditions and world competition.

Dublin wasn't on the schedule, so we played hookey from school to visit the Emerald Isle. We found Ireland a way of life as well as a country, marked by deep faith and quick laughter. We'll remember the folks going to work early in the morning, for low wages in a poor country, finding it in their hearts to whistle "Tipperary" all the way.

From Dublin to Paris we traveled to hear Eve Curie tell the group, "Since 1945 we have won many a victory in this devastated land." And so it seemed. France has made a great come-back. There is general evidence of industrial and agricultural recovery, at least to prewar standards.

Then came Berlin, with Army airlift planes landing, minutes apart, as a demonstration of American determination not to quitclaim free territory to the Kremlin. "You won't believe Berlin when you see it," Elmer Cope of the CIO had told us. So much of Berlin is destroyed that you wonder where 3,500,000 people can live in its ruins. You find your answer at night when lights go on in strange places, in basements and wrecked buildings. One hundred miles deep in the Russian zone, Berlin is not a city. It is a besieged fortress. But it is also a showcase for here in the same city with the same people the free and Soviet ways of life function side by side. We do not suffer by the comparison.

Next stop was Vienna, also a Four Power occupied city. In France, folks told us, "France cannot stand another liberation," referring to the fighting in Normandy. In Austria, seminar speakers said again and again, "We are liberated, but we are not free." When AFL representative Irv Brown asked whether Russia would respect Austrian independence if troops were withdrawn, the answer came, "We cannot answer that. You should know the answer. After all, the Russians were your allies, not ours." Austrians would like all occupying forces to leave, but there would have to be some assurance of the little land's territorial integrity to assure that none of the departing friends returned.

Then the lovely and fascinating and contradictory city of Rome. Mayor Chep Morrison, of New Orleans, recalls the hack driver saying, "Caesar ruined Rome, but Mussolini ruined all Italy. Yet, when he stood on that balcony, the foolish people, hundreds of thousands of them, cheered the beast." Where were you when all this was happening, asked the mayor. "Oh, I was cheering, too," answered the hack driver. There is not too much to cheer about in Italy. While a splendid victory was won over the Communists in the last election, industrial and agricultural development is needed for 46,000,000 people, living in a small country, poor in natural resources.

From Athens, where the war for the territorial integrity and independence of Greece is going well, we go to Ankara, Turkey. Look about you, and there is much to be desired in Turkey. Look behind you, and see the greatest advance and change in a nation in our times. The western orientation of modern Turkey is assured.

Our last official stop with World Town Hall Seminars is Tel Aviv. As we land, a plane, called the *Flying Carpet*, comes in from the Near East, bringing a load of refugees. We ask one young fellow who has come with his wife and two children why he left a good job in a bank in Tehran to come to Israel. "The bank was better for me," he answers, "but Israel will be better for my children."

Something of his faith and confidence is in all Israel. These people have built modern cities, developed new industries, and made a desert bloom. They have worked hard, prayed hard, and fought hard. They face great problems, but if people are a country's greatest resource, Israel's future is assured.

We go to Cairo and head for home, with a slight detour that our lutfisk brothers in Minnesota will understand to include Copenhagen, Stockholm, and Oslo. Norway has the toughest job of repairing war damage, but all three Scandinavian countries are marked by cooperation, determination, and faith in democracy.

All over western Europe we are winning the battles against Communist infiltration. Kremlin influence and prestige are diminishing in free Europe. When we were in Rome the 35-year-old leader of Rome's Communist Party admitted that his party has lost "considerable adult support" in the past year.

So it seemed to be in all parts of west Europe that we got to visit. The reason is simple. The Marshall-aid program is doing what was intended. It is helping free nations not only to prop up war-damaged economies but it is making possible the rebuilding of war-ravaged Europe and the return to prewar standards of living and farm and factory production.

But we must remember that returning to prewar levels in many countries means only returning to prewar conditions of economic disequilibrium. Short-range optimism over winning the battles must be coupled with the frank admission that we have not won or come close to winning the war. To meet the menace of communism we must eliminate the conditions that breed Communists.

In the words of Churchill in a recent speech, if democracy and our free way of life are to survive, we "must assure the whole mass of people, whether successful or not, a minimum standard of life and labor below which we will not let them fall." If that seems not much of a problem in our country, it remains the great problem in nations, the gap between a few who are well off and the many who are poor is a great gulf, and the folks in between the two extremes few in number.

You cannot win this struggle to make democracy strong from within with guns. The Kremlin fears no army or country in Europe. Soviet rulers are being deterred by America, our industrial and air strength, our possession of the atomic bomb, our expressed determination to prevent military aggression directed against western Europe. We are the dike, but behind the dike of military defenses, we must help our free neighbors make democracy and a reasonable standard of living a reality in the lives of the free peoples of the world.

However, No. 1 in any such program, we must insist that America itself remain militarily strong and economically stable. Whatever we feel called upon to do elsewhere, we cannot neglect our internal productivity and prosperity.

The fear of an American depression is much greater in free Europe than fear of imminent Soviet aggression. Whatever happens here has its effect in Europe. We got many questions as to whether America teetered on the brink of a Nation-wide depression. In Oslo, a merchant said to us, "If unemployment gets much worse, you will need a Marshall Plan for the United States." Europeans fear an economic collapse in our country. We must share their fears to the point that we insist on remaining economically stable and strong.

A strong and stable America is the basis of internal and external security in the free countries of the world.

Nearly as important is the matter of economic cooperation between the countries of free Europe. For the long pull, prosperity cannot be assured in little countries, walled off, each from the other, by trade and custom and economic barriers. Survival itself may depend on these small countries becoming part and partners in a larger group.

The concept of Europeans who happen to live in France or Germany must replace the older idea of Frenchmen or Germans who happen to live in Europe. The long-range picture is dismal unless Europe moves toward interchangeable currencies, one foreign policy and one defense system, one trade area where goods and services can freely move. Continued American assistance might well be made contingent upon lowering the trade and customs and pyschological barriers that hamper the free movement of goods and people from one end to the other in free Europe.

Today, the leaders of a considerable segment of free Europe meet to move toward economic union and confederation of west Europe. Americans wish them well, for their sake and for the sake of freedom in our world.

In Italy, officials told us that Italian Communists are like radishes, red on the outside, white on the inside. I believe that this

is true all over Europe. European Communists, for the most part, are not converts to the ideology of Karl Marx. They are the homeless, uprooted, the jobless and discouraged. You cannot trust desperate or hungry men to vote or choose wisely. Democracy must be as broadly based in Italy and Greece as it is in England and Denmark.

Our first line of defense against Commie infiltration in every country is agricultural and industrial development to give jobs, health and welfare progress to give sound bodies and education to develop sound and informed citizenries.

If we must allocate priorities, as we may soon have to do, on how much we can give and what we can do for other countries, let us not shelve the exporting of American "know-how" and expert assistance. The men of science, industry, labor, health, farming, education and public administration who represent our country and ECA in the Marshall-aid countries are doing a remarkable job. What they are doing in helping social and economic progress in neighbor lands points the way to a future in which people will have, in all free nations, a decent standard of health, opportunity for education, and a chance to earn a living for themselves and their families, using modern equipment and techniques in their factories and on their farms. They help a world lift itself by its bootstraps.

Finally, and most important in many ways, there is the need for greater people-to-people understanding.

With all that we have done in Europe, stop a thousand people on the streets of a world capital, and only a handful of people will know what the Marshall Plan is doing and has meant for them. They think of it, if at all, in terms of distant and remote assistance to a government or an industry. Progress is being made but you do not reach the mass mind of any nation quickly or easily.

However, we have a chance in America that no great nation has had before us. The great story of people coming here from every land to find unity in the midst of diversity gives us friends and a way of getting behind barriers of languages and cultural differences to build a sense of partnership with peoples elsewhere. This all-dimensional quality of American life is a most powerful weapon.

To use it effectively, we must break the stereotype of America as just another nation and share with others our pride in being not one people but many peoples, not one nation but, in the words of Whitman, "a teeming Nation of nations."

"Have you seen the statue yet?" they asked in Oslo, Norway. The statue they refer to is the one of Abraham Lincoln out in Frogner Park. Presented by the Norwegian Americans of North Dakota, it was dedicated on July 4, 1914. Ever since it has stood there, with the quotation from Lincoln's Gettysburg Address inscribed upon it, linking the peoples of two free nations. That little statue has made a tremendous and continuing psychological contribution to people-to-people understanding.

We mention that gift from the people of North Dakota because it points the way to our Fraternal Order of Eagles contribution to cementing the bonds that join the peoples of our world. Some day, we may be able to link the free world with Eagle lodges, much as Rotary and Lions and other groups strengthen democracy with their world-wide networks of nongovernmental and nonpolitical associations.

Realizing that world affairs are our affairs, we shall have to spend more time in working for people-to-people understanding of our common problems. In a democracy, it is the people who decide on foreign policies. If they do not know or understand or care, world peace rests on a shaky foundation.

We dare not quitclaim world responsibilities to the experts. We dare not pass them on to diplomats or statesmen or soldiers. We have done too much of that already. Average folks in America, understandably preoccupied with their own affairs in their own communities, have not thought often or long about the problems of their neighbors and friends in other lands.

Strange decisions can be made and strange courses pursued without the folks back home knowing much about it unless we develop greater grass roots interest in the world in which we live.

Our Eagle aeries can take their place in this program by sponsoring discussions and forum type meetings on world affairs, sending food and clothing to depressed areas, sending candy for the kids and letters to the folks in other lands.

If you think, with all of the destruction of the war and the centuries-old problems of low living standards, the trying difficulties of living with Kremlin ruled governments, that candy bars to the "bambinos" and packets of food to folks in a distant city mean little, we'd like to transport you to Rome.

We are sitting in the office of the *Rome Daily American*, an interesting newspaper founded by four GI's, across the table from young Paul Weisbrecker, news editor of the English language daily.

"How do you account for the defeat of the Commies in Italy?" we asked Paul.

"Most important was the influence of the church," said Paul, "but second were the letters and packets of food from Uncle Guiseppe in St. Louis. The packages of food and clothing and the letters from Italian-Americans, pleading with relatives and friends to stand firm against communism, meant a whole lot to us."

The Communists sent no packets. The Communists sent no letters. And when the Communist speakers said, "America does not care. The big businessmen and imperialists in America do not care about the peasant and workers in Italy," the little people of Italy said, "But the people in America do care. They send us food and clothing. They do care about the ordinary people in Italy. They are our friends."

And they turned out, those little people in Italy, to repudiate the greatest challenge to the western way of life that postwar Europe has seen.

So the things that may seem little are not so little. They point the way in which groups like the Fraternal Order of Eagles can make a contribution—taking just a little time and effort and interest—to link the cities of the Old World with the cities of the New World more closely together.

Here's one last incident. It's about a little town, called Beynan, outside of Ankara in Turkey. People live in Beynan just about as people did 2,000 years ago. They are peasant folks. Not many of them can read or write, and not much of modern progress has come to them. But you don't feel strange in their little town. For it looks for all the world like a Pueblo Indian village with its adobe houses and flat-topped roofs.

There we went, several of us, to witness the first showing of an American film in Beynan. The film was shown by the United States Information Service, which is doing a very fine job all over Europe. Many of the people in Beynan were seeing a movie for the very first time in their lives.

Our USIS people hung a bedsheet against a wall, and there, in a Biblical setting under a star studded sky we watched America come to Beynan, Turkey.

We circulated among the folks crowded against walls, sitting in the dust or on the roof-tops. The films depicted farming and farm life and travel in the United States. And the peasant people laughed at the familiar, the cows and pigs and people working, and wondered at the unfamiliar, the machines and tractors and combines.

The representative of the Christian Science Monitor, in Turkey for 40 years, kept asking as we mixed with the crowd, "Do you understand?" The answer he got was, "Yes, we understand about the people."

We'll remember that night in Beynan so as not to forget the most important phase of international relations is good will and understanding between the peoples of nations.

Put your faith in democracy. Put your trust in people. Help them, as best you can, to have a job. Help them, if you can, to a little of good health and sound education. Then trust an informed and healthy and happy people to make the right decisions for themselves.

Don't fear the little man in the English pub, or the little man in the French sidewalk cafe, or the little man in the German beer stube, or the little man in the restaurant high on the hill above Vienna, or the little man on the street in Italy, or the little man in Greece or Israel or Turkey or Scandinavia.

He's not other people. He's people, just like you. He wants the same things you do out of this business of living—a roof over his head, food to eat on the table, a job, and a chance for his kids, and a sense of being important and needed and worth while, a feeling of being a partner with his neighbors and other peoples around the world.

Leave him alone, jobless and hungry and hopeless, and he will make strange and dangerous decisions. Wall him off and make him feel that no one cares and his loneliness and bitterness will take strange and ominous forms.

But link him to you with an interest in his welfare and a recognition of his human dignity and worth whileness—with things as big as a Marshall Plan and an Atlantic Pact—with things as little as a packet of food and clothing, a letter, a smile, and a handshake, and you need not fear for democracy and freedom among the ranks of the plain and the ordinary people all over the world.

DISCONTINUANCE OF DIVISIONS OF COURT IN DISTRICT OF KANSAS

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 259) to discontinue divsions of the court in the district of Kansas, which was, to strike out line 5, and insert:

SEC. 96. Kansas:
Kansas constitutes one judicial district.

Mr. McCARRAN. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

GHETEL POLLAK KAHAN ET AL.

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 331) for the relief of Ghetel Pollak Kahan, Magdalena Linda Kahan (wife), and Susanna Kahan (daughter, 12 years old), which was, after line 11, to insert:

SEC. 2. Upon the enactment of this act the Secretary of State shall instruct the proper quota-control officer to deduct three numbers from the quota for Rumania of the first year that such quota numbers are available.

Mr. McCARRAN. The purpose of the amendment is to deduct three numbers from the quota for Rumania. The Senate version of the bill did not make this deduction because Mr. Kahan and his wife and daughter are already in the

United States. However, there appears to be no objection to making the deduction, as the House amendment provides, and I now move that the Senate concur in the House amendment.

The motion was agreed to.

INTERIOR DEPARTMENT APPROPRIATIONS, 1950

The Senate resumed the consideration of the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the committee amendments, en bloc, relating to the Southwestern Power Administration, on page 6, in lines 13, 14, and 21, respectively; and on page 7, beginning in line 3.

Mr. HAYDEN. Mr. President, yesterday, just prior to the taking of the recess, I sought to obtain unanimous consent for limitation of debate on the series of amendments which are to be voted on at one time. I suggested that the subject matter of the Southwestern Power Administration had been debated at considerable length, and that, so far as I knew, there were no Senators who desired to make extended addresses. I suggested first that the limitation be that no Senator speak longer than 20 minutes on the amendments. The minority leader suggested 30 minutes.

Mr. WHERRY. Mr. President, I appreciate the suggestion the distinguished Senator from Arizona has made. In our effort again to cooperate completely with the majority in getting these bills voted upon, if the distinguished Senator from Arizona will submit a unanimous-consent request as to this series of four amendments which are to be voted on en bloc, to provide a limitation of 30 minutes for each Senator, I believe that would be agreeable. I have talked to several Senators on this side of the aisle about the matter. If some Senators do not find it agreeable to them, of course they can object. But I think a 30-minute limitation will be agreeable, so far as I have been able to ascertain by discussing the matter with various Senators, for the four amendments relating to the Southwestern Power Administration which are to be voted on en bloc.

Mr. HAYDEN. Then, Mr. President, I ask unanimous consent that further debate on the four amendments to be voted on en bloc be limited to 30 minutes for any Senator.

The VICE PRESIDENT. Does the request apply to the bill and to the amendments?

Mr. HAYDEN. No; only to the amendments.

The VICE PRESIDENT. Such requests generally involve a time limitation on both the amendments and the bill.

Mr. HAYDEN. The bill is made up of a number of items, of course. This is one item which must be disposed of. This is not like a policy measure.

The VICE PRESIDENT. Then the Senator from Arizona is requesting that during the further consideration of the pending amendments, no Senator shall speak more than once or longer than 30 minutes; is that correct?

Mr. HAYDEN. That is correct.

The VICE PRESIDENT. Is there objection to the unanimous-consent request of the Senator from Arizona?

Mr. THOMAS of Oklahoma. Mr. President, reserving the right to object, let me point out that today is Friday, and at least 10 Members of the Senate are out of the city. A majority of them have suggested that they would like to be here to vote on these amendments. They cannot be here either today or tomorrow.

I wish to cooperate in the expeditious passage of this bill, and I have no thought of delaying it. But I am afraid that some Members of this body do not appreciate the importance of the pending amendment. I do not desire to take undue time. I wish to make another short address. Thirty minutes will be ample for me. But I am not prepared to agree to the request which has been stated, for the reason which I have just stated.

It occurs to me, if I may make this suggestion, that if other Senators wish to discuss this amendment this afternoon, the entire afternoon will be open to them; and when no other Senator wishes to speak on the amendment, we can proceed with other amendments and, I hope, complete action on the bill, save on the controversial items. They are limited to the Southwestern Power Administration, the Southeast Power Administration, the Central Valley, and perhaps one or two items relating to the central part of the United States. I know that no unusual amount of time will be consumed.

But, as stated, for the time being, and for the reasons mentioned, I am not prepared to have the vote occur upon this all-important amendment today, when at least 10 Senators who wish to vote upon it are absent.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. TYDINGS. I am not one of those who are trying to compose this situation by means of a unanimous-consent agreement. I think the point made by the Senator from Oklahoma is a good one.

I was wondering whether we could agree to have the vote taken at, let us say, 1:30 or 2 o'clock p. m. on Monday, if that would be satisfactory.

Mr. THOMAS of Oklahoma. Mr. President, if the Senator will yield further to me, let me say, if I may answer the question, that that suggestion would be entirely agreeable, provided the time between 12 and 1 o'clock or 2 o'clock be divided equally between the two groups. I should like to modify that by saying that I do not know of any speeches to be made by any Senators representing the side I am on, save my own, and that will take perhaps 20 or 30 minutes.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. WHERRY. I think the request now is for a time limitation of 30 minutes. Did the Senator from Oklahoma object to that?

Mr. THOMAS of Oklahoma. No; I do not object to a limitation of 30 minutes, if we have a definite time fixed for voting on the amendment, let us say, on Monday. In the meantime we can proceed with the other amendments, and of course the Military Establishment appropriation bill is immediately available to be worked upon by the Senate.

Mr. WHERRY. Mr. President, I have no objection to the suggestion to have all controversial items passed over, and to proceed to dispose of the other items in the bill this afternoon. If we do that, we shall be making progress. Then, any Senator who wishes to have an amendment passed over, will simply ask that it be passed over; and then on Monday we shall resume the consideration of those amendments.

Mr. MAGNUSON. Mr. President, I shall object to any agreement putting over to a certain date the vote on one item, and in the meantime to have us discuss and pass on the other items. All these items relate to the same question of policy. If it is fair to vote on one amendment today, it is fair to vote on all of them today, or else to put the entire bill over until Monday.

The transmission line in Montana, the Kerr-Anaconda transmission line, involves the same question of power policy that the other items involve. The Southeastern Power Administration involves the same old fight which occurs on these transmission lines. It is all a question of policy. Either we shall proceed to discuss this matter and vote on it and conclude its consideration, one way or another, today; or if we are going to postpone one of these items until Monday, then we should postpone all of them until Monday, and should abandon the bill over the week end.

So I shall object to any such proposal. I have no objection to putting all of the amendments over; but if we are going to put one over, then let us put all of them over, because all of them involve the same old public-power, private-power fight. Senators can talk for 2 weeks on this matter, but that still remains the meat of the coconut.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. WHERRY. I wish the RECORD to show that I am not suggesting that the amendments be passed over. I am simply trying to cooperate with the Senator from Arizona. I see no reason why we cannot put over until Monday all controversial amendments.

Mr. MAGNUSON. Then there will be nothing left to work on today, and we might as well adjourn for lunch, and come back on Monday.

Mr. HAYDEN. Mr. President, let me say to the Senator from Washington that, as he knows, there are numerous items in the bill which do not relate to transmission lines.

Mr. MAGNUSON. I do not think there is much controversy as to the other amendments.

Mr. HAYDEN. But the suggestion of the minority leader is that we continue to read the bill for amendment, and that

if any amendment is considered controversial, it be passed over.

Mr. HILL. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. HILL. Of course the Senator from Arizona realizes that if there is controversy regarding an amendment, it will be passed over, under such an agreement.

Mr. HAYDEN. Yes.

Mr. HILL. That will mean that we shall not consume more than 5 or 10 minutes on the noncontroversial amendments; and under such circumstances, 5 or 10 minutes' worth of work would be all we would have accomplished on this bill today, under the agreement. However, let me point out that we met at 11 o'clock today so that we could make progress on the consideration of this bill and do business on it. But we are not doing business on it if today we handle only the noncontroversial items, for then we shall be through by 12 o'clock, at the latest, and then take a recess until Monday.

Mr. HAYDEN. No; there are always items which are noncontroversial, but which require some discussion.

Mr. THOMAS of Oklahoma. Mr. President, the largest bill of all is the Military Establishment appropriation bill, carrying recommendations for appropriations of approximately $15,000,000,000. The bill is ready to present to the Senate. I do not think its consideration will take much time, but, of course, I do not know. As chairman of the subcommittee, I am ready to proceed with the bill at any time the consideration of the pending bill is completed so far as it is possible to do so. In that way, we shall be making all the progress, as I see it, which could possibly be made under any circumstances.

Mr. HAYDEN. Mr. President, there is a total of 188 committee amendments to be considered, with seven or eight amendments to be offered from the floor. If agreeable to the Senate, we can proceed to dispose of 180 of the 188 committee amendments. I think it will take some little time to do that.

Mr. CAIN. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Arizona yield to the Senator from Washington?

Mr. HAYDEN. I yield.

Mr. CAIN. Reserving the right to object, the junior Senator from Washington desires to speak for about 10 minutes on a subject not directly connected with the pending business before the Senate, and he wonders whether this would not be a good time to make that speech, while Senators are collecting their thoughts in an effort to solve the problem which confronts the Senator from Arizona.

Mr. KERR. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Arizona yield to the Senator from Oklahoma?

Mr. HAYDEN. I yield.

Mr. KERR. I am wondering whether the Senator from Washington views the effort as being one to collect thoughts, when in reality it may be the contrary.

Mr. CAIN. It may be one of several things, I may say.

Mr. HAYDEN. The Senator from Washington would have time in connection with any amendment to discuss the subject to which he refers. The limitation of time apparently is objected to.

The VICE PRESIDENT. The only question before the Senate at the moment is the request for a 30-minute limitation upon the pending amendments, which are being considered en bloc. Is there objection to that? The Chair hears none, and it is so ordered.

Mr. HAYDEN. Mr. President, who wants to talk for 30 minutes? [Laughter.]

Mr. CAIN. Mr. President, reserving the right to object——

The VICE PRESIDENT. The Chair has already put the question, and has announced it was agreed to.

Mr. HAYDEN. I yield the floor.

The VICE PRESIDENT. If the Senator from Washington wants recognition, the Chair will recognize him, and he may proceed with his collections of thoughts.

FEDERAL POWER POLICY—COMMENTS ON MR. CHARLES LUCE

Mr. CAIN. I am very grateful to the President of the Senate.

Mr. President, on Monday of this week my colleague, the senior Senator from Washington [Mr. MAGNUSON], submitted for the record a very interesting article which had been printed recently in the Union Bulletin of Walla Walla, Wash. The article was written by Mr. Charles Luce, whom my colleague characterized as being a very prominent attorney of Walla Walla. I have been led to understand that Mr. Luce is a very able young man.

The article concerns itself with the public power question, which is of great concern to the Pacific Northwest, and with the Columbia Valley Administration question, which is now being seriously considered by almost every citizen throughout the Northwest. Mr. Luce's article had been written in reply to certain Federal power-policy recommendations advanced not long ago by Mr. Herbert G. West, of Walla Walla, executive vice president of the Inland Empire Waterways Association. I would encourage every Senator to read Mr. Luce's article, which is to be found on page A5346 of the Appendix of the RECORD. Because of the importance to the Nation of the two questions covering a Federal power policy and the proposed Columbia Valley Administration, I placed the views of Mr. West in the Appendix of the RECORD, where they will be found at page A4905.

As the public knows, the Senate Public Works Committee has been holding hearings for some months on several bills which relate to the proposed Columbia Valley Administration, the United States Army Corps of Engineers, and the Bureau of Reclamation. When my colleague offered the Luce article, I was reminded that I had heard of or had seen the author somewhere. On making an inquiry or two, I remembered where I had seen him. During the course of certain of the Public Works Committee hearings, Mr. Luce sat by the side of Mr. C. Girard Davidson, Assistant Secretary of the Department of the Interior, who was representing the administration at the hearings. Mr. Luce offered no testimony, but he served the worth-while function of segregating and shuffling Mr. Davidson's papers. So far as I am able to remember, Mr. Luce did a thoroughly good job, and almost invariably handed Mr. Davidson the paper he wanted, when he wanted it.

My only purpose, and I think it a most legitimate one, in drawing Mr. Luce's connection with the Federal Government to the attention of the Senate, is to advise the Senate that Mr. Luce is not only a very prominent attorney of Walla Walla, which my colleague made clear, but he has been in the recent past a relatively prominent agent of the Department of the Interior, which is the leading advocate for the establishment of a Columbia Valley Administration in the Pacific Northwest. I am likewise anxious for everyone in the Northwest to recognize the attainments of Mr. Luce. The citizens of that area ought to know that when Mr. Luce favors the creation of a Columbia Valley Administration he does so, in part at least, because of the Interior Department training, from which he has so recently benefited.

In the last paragraph of his worthwhile article, Mr. Luce poses the question as to whom Mr. West represents, when Mr. West expresses opposition to the proposed Columbia Valley Administration. I imagine Mr. West speaks for himself and a good many others who live in Washington, Idaho, Oregon, and Montana. At least the Inland Empire Waterways Association, of which Mr. West is the executive vice president, has members living and working in these four States. I have been told the membership consists of farmers, business, and professional people, public servants, men and women of labor, and just plain, ordinary, everyday citizens. It is reasonable to assume that if Mr. West issued a statement over his official signature, he was fairly expressing a consensus of opinion held by a majority of the members of his association. Thinking that others may be interested in the official family of the Inland Empire Waterways Association, I ask unanimous consent that the following list of names, titles, and communities be printed at this point in my remarks.

The VICE PRESIDENT. Is there objection?

There being no objection, the list was ordered to be printed in the RECORD, as follows:

INLAND EMPIRE WATERWAYS ASSOCIATION
WALLA WALLA, WASH.

Honorary directors: B. M. Huntington, Walla Walla, Wash; R. S. Erb, Lewiston, Idaho; J. W. Shepard, Lewiston, Idaho.

Officers: President, Charles Baker, Walla Walla, Wash.; executive vice president, Herbert G. West, Walla Walla, Wash.; vice president for Oregon, Hon. James H. Sturgis, Pendleton, Oreg., judge, Umatilla County court; vice president for Idaho, Roy Huffman, Lewiston, Idaho, assistant general manager, Potlatch Forests, Inc.; vice president for Washington, A. C. Amon, Kennewick, Wash., president Kenewick port commission; treasurer, Clarence Braden, Walla Walla, Wash., president, Braden Tractor & Equipment Co.; counsel, Thomas J. White, Portland Oreg., Journal Building; Arthur L. Hawman, Walla

Walla, Wash., Drumheller Building; director of information and promotion, Don Harris, Walla Walla, Wash.

Board of directors: Charles Baker, chairman, Walla Walla, Wash., manager, Pacific Supply Cooperative; E. S. Johnston, Pasco, Wash., president, Port of Pasco; J. P. Breckel, Vancouver, Wash., commissioner, Port of Vancouver; Capt. Homer Shaver, Portland, Oreg., president, Tidewater-Shaver Barge Lines; James Hill, Jr., Pendleton, Oreg., general manager, Penndleton Grain Growers; Ed M. Hulden, Arlington, Oreg., president, Port of Arlington; Howard Hechtner, Lapwai, Idaho, Idaho State Representative; Wayne S. Talbott, Lapwai, Idaho, Nez Perce County Commissioner; Arthur L. Barnes, Lewiston, Idaho, vice president and general manager, Erb Hardware Co.

County regional vice president: Oregon—Edward E. Lage, Hood River, Oreg., fruitgrower; Ormand D. Hilderbrand, Wasco, Oreg., director, Sherman County Cooperative; Marion Weatherford, Arlington, Oreg., farmer; J. G. Barratt, Heppner, Oreg., judge of Monroe County; Wm. R. Meiners, Pendleton, Oreg., farmer; Capt. A. Leppaluoto, The Dalles, Oreg., manager, Inland Navigation Co.; Lew Russell, Portland, Oreg., vice president, general manager, Tidewater-Shaver Barge Lines. Washington—C. C. Cady, Vancouver, Wash., commissioner, Port of Vancouver; Homer H. James, Lyle, Wash., president, Port of Klickitat; J. R. Ayres, Hover, Wash., wool grower; D. B. Baker, Pasco, Wash., Pasco Port Commission member; Ray Small, Walla Walla, Wash., president, Washington-Idaho Wheat League; A. W. McLain, Dayton, Wash., farmer; J. T. Ledgerwood, Pomeroy, Wash., farmer; H. Lynn Tuttle, Clarkston, Wash., farmer; Roscoe Cox, Pullman, Wash., farmer; Harvey B. Hart, Longview, Wash., manager, Port of Longview. Idaho—Walter Weisman, Lewiston, Idaho, traffic manager, Potlatch Forests, Inc.; Maurice Younger, Craigmont, Idaho, county commissioner; C. O. Portfors, Orofino, Idaho, mayor of Orofino, Idaho; G. W. "Gib" Elmers, Grangeville, Idaho, real estate and insurance.

Mr. CAIN. Mr. President, I have no way of knowing the make-up of all those for whom Mr. Luce presumes to speak, but I am willing to agree that he speaks for Mr. C. Girard Davidson and probably for the Department of the Interior. The reason for this assumption is that the Interior Department paid Mr. Luce well for the services he rendered to the Department over a recent and limited period of time. Between April 22 and July 1 of this year, Mr. Luce was employed by the Department of the Interior for 53 days and 6 hours. In return for this employment the administration paid him, by check I understand, $2,687.50. This payment appears to have been at the rate of $50 for every working day. Not a penny more, not a penny less.

Washington State, Mr. President, has been highly thought of and pretty close to the administration for a long time. Mr. Charles Luce, of Walla Walla, is not by any means the first Washingtonian to be employed as what is commonly referred to as a $50-a-day boy. There were others before him and presumably there will be others to follow him. It is not for me to criticize Mr. Luce for giving his services to the administration for $50 a day. For a score of reasons, I want to think he was worth it.

What Mr. Luce thinks is his own business. I have enjoyed and benefited from reading his article to which I have referred and I hope he will find it convenient to write and publish others. Knowing Mr. Luce's background, I am able properly to evaluate what he writes. I want others to be fully aware of Mr. Luce's relationship with the Department of the Interior, in order that they may judge his observations accordingly. I have no criticism of any kind, implied or otherwise, of the way in which my colleague introduced Mr. Luce to the RECORD on Monday of this week. I simply am constrained to think my colleague had not gone far enough by way of recognition and compliment. My colleague spoke of only one hat which Mr. Luce wears. Because Mr. Luce has worn in the past and probably will in the future wear several hats, I thought the Senate and the people of the Northwest would like to be advised of the fact.

INTERIOR DEPARTMENT APPROPRIATIONS, 1950

The Senate resumed the consideration of the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the four committee amendments, which are being considered en bloc.

Mr. THOMAS of Oklahoma. Mr. President, on a former occasion I had the opportunity of addressing this honorable body at some length on the question of the development and distribution of public power and energy.

On that occasion I spoke in the capacity of a United States Senator and discussed our public power policy from the standpoint of what I considered to be the best interests of our rural electric cooperatives, their members, and of our Government which means the best interests of our people generally.

SUPPORTER OF RURAL DEVELOPMENT

On this issue I want to make my position clear.

I have been, and am now, in favor of a program for the increased development of hydroelectric power.

I have consistently favored the building of all transmission lines and related facilities which may be necessary to make such power available for the REA cooperatives and Federal and State public bodies.

I have worked to accomplish these two desirable and necessary objectives.

At that time I stated that it was my Committee on Agriculture which developed and recommended the bill which created the Rural Electric Administration program.

I stated also that I supported the legislation which provided for the control of floods through the construction of dams and reservoirs and, where ample water was available, the development of hydroelectric power.

Further I stated that, as a member of the Committee on Appropriations, I have always supported liberal funds for the support of the REA; for flood control and power development, and for the construction of all necessary transmission lines for making the hydroelectric power developed at our dams available to REA cooperatives and to Federal and public bodies.

In addition I stated that I was supporting the rural telephone bill which is soon to be reported favorably by my committee.

Mr. President, my entire life has been closely associated with rural areas and with rural peoples.

CAME FROM RURAL AREA

I came from a rural area. I was not born in a city, or a town, or a village, and not even near a public highway. I first saw the light of day in a wooded area, almost a mile from the nearest public road.

During my early days my knowledge that others lived was by sound of wooden-wheeled wagons slowly traveling over the frozen roads in winter, and by the sight of clouds of dust following those same early-day wagons in the good old summertime.

Mr. President, I know our rural people and I know their way of life. I know of their lack of almost the necessities of existence. I can never forget the early-day lighting systems: The coal oil lamp, the lantern, the candle, the woolen rag in the greasy skillet, and the glowing blaze in the open fireplace.

I know of the early-day roads in Indiana. Uncomfortable in the frozen winter, impassable in the spring thaw-outs, and suffocating in the summer dust.

Mr. President, I know the hardships of rural pioneer life. In my early days I worked at every job connected with an Indiana farm. During one summer when my mother was ill I was assigned to work at the house where I did everything that a hired girl was supposed to do.

In addition to what I have just said I might also say that I homesteaded a claim in Oklahoma.

With such a background I have a definite goal for those who have been and still are deprived of the conveniences of modern-day civilization.

GOAL FOR FARMERS

Mr. President, I hope to see the day when every American citizen may have a modern home equipped with cheap electricity, connected with modern telephone service, and located on an all-weather road leading to church, to school, and to market. To attain such a goal I have striven for over 40 years as a legislator in my State and in the Congress of the United States.

Mr. President, on this all important issue I cannot afford to be wrong. If I did not know that my position is sound and correct I would not dare to take chances of offending many of my friends and to now consume the precious time of the Senate of the United States. But this is not the first time that I have had to differ with my colleagues and even with many of my friends whom I am trying to represent. Some 30 years ago my Oklahoma Governor recommended that our legislature submit a $50,000,000 bond issue to the voters for the purpose of raising funds for financing the construction of a State-wide system of public highways. I had always been an advocate of good roads and had been the author of the first highway bill passed in our State. At that time I could not support the road-bond proposal for the

reason that in my opinion we did not know enough about road construction to justify such a vast experiment. In the Oklahoma Senate of 44 members I was 1 of 4 to vote against the proposal. After the bond issue was submitted to the voters of Oklahoma I campaigned the State against the proposal and in the election it was defeated by more than 100,000 votes.

Today the proposal to build competing electric transmission lines and steam generating plants is far less needed than were the improved roads in Oklahoma 30 years ago.

Thus on last Monday as a United States Senator I argued before this honorable Senate.

SPEAK AS CO-OP MEMBER

Mr. President, on this occasion I assume to appear before this honorable body in a different role. I appear before you today as an humble, hard-working, God-fearing member of an electric cooperative to present the problem of my friends and neighbors with respect to our public power policy.

When citizens appear before Senate committees they are requested to give their names, their residences, and to make statements with respect to their backgrounds.

My home is located near Lake Lawtonka at the foot of Mount Scott in the Wichita Mountains of Oklahoma.

I am a member of the Cotton Electric Cooperative with headquarters at Walters, Okla.

Our electric cooperative is one of the largest in the country. It has an investment of more than $4,000,000. It has 2,450 miles of distributing lines, and serves more than 5,600 rural members and consumers.

During the past year we consumed some 12,500,000 kilowatts of electric energy and our gross income was some $450,000.

The members of my co-op consume, on the average, some 80 kilowatt-hours of electric energy and power per month. Under schedule A of the REA program 100 kilowatt-hours of power costs $5.95 or slightly less than 6 cents—60 mills per kilowatt-hour.

On a monthly electric bill for 100 kilowatt-hours costing $5.95 we know that we must pay not only the cost of the electric energy but in addition we must pay for the cost of operation and maintenance of our distributing system, the interest on our loan, the amortization payments to retire the loan, items to develop a surplus, taxes, and depreciation reserves.

As citizens and electric co-op members, we must depend upon you honored Senators not only to make our policies but we must depend upon you to provide for us an able and efficient Administrator of our national rural electric system. In Mr. Claude R. Wickard we have such an Administrator.

As co-op members we want ample firm power at the lowest possible rates consistent with sound business principles.

To secure electric energy and service we must become and remain members of our cooperatives and we must pay such electric rates and bills as are assessed and charged against us.

As evidence of my membership in the Cotton Electric Cooperative, I exhibit to you honorable Senators my last electric bill.

I am authorized to and do hereby petition you to provide us with a program which will make available to us an ample supply of firm electricity at the lowest possible cost under the Government's public-power policy.

WHAT MAKES POWER BILLS HIGH?

Honorable Senators, the cost of the energy and power we consume does not account for our total power bills. In addition to the cost of electricity we consume we must pay all the expenses incident to the operation and management of our electric cooperatives.

I am trying to show you, if I may, that if the Government should develop the power and deliver it absolutely free to our cooperatives, our power bills will be decreased only to the extent of some 6 mills per kilowatt-hour for the power we consume. I am glad to say that compared with the rates for the item of energy alone charged in other areas of the Nation, we now have relatively cheap electricity. My cooperative is offered its energy requirements at 5 mills per kilowatt-hour, which is the second lowest REA electric rate in America. The only other place where cooperatives are able to get their power at a rate less than 5 mills per kilowatt-hour is from the Bonneville Power Administration operating in the Columbia River Basin located in the Northwest Pacific area of our Nation.

In the State of Georgia the rate to the co-ops is 6.7 mills per kilowatt-hour. In Wisconsin the REA has its own Dairyland steam power plant and the rate charged there is 14.6 mills per kilowatt-hour.

In New Hampshire the rate to co-ops is 13.9 mills per kilowatt-hour.

Hence in my State of Oklahoma the cost of the item of power and energy is about one-third the rate in Wisconsin, less than half the rate in New Hampshire, and, as stated, is the second lowest rate offered to co-ops in the United States.

Honorable Senators, it is not the cost of the electric energy and power that is high but rather the cost of operation, management, interest, amortization, depreciation, and taxes.

● Considering the items of costs—other than for electricity—I can see no chance under the SPA program to secure power bills in our cooperative for less than 4 cents—40 mills—per kilowatt-hour, and of course I mean costs to our consumers.

However, when our loans are paid we will not have the items of interest and amortization to meet, and then we hope for a slight reduction in our monthly co-op bills.

As just stated, I am a member of the Cotton Electric Co-op, an Oklahoma cooperative. My electric bills are high; in fact, too high to permit me to fully enjoy all of the benefits of electricity.

The members of my co-op know that they are not getting cheap electric bills. They know that in addition to paying for the actual power and energy consumed they are paying interest, amortization, the costs of operation, management, and replacements.

CONGRESS MAKES POLICIES

In this matter my neighbors, my rural friends, and our farmers know that we are absolutely at the mercy of the policy-making body of our Government. We know that under our Constitution the Congress makes our policies; hence, I am appearing before you today to present our petition, to state our case, and to reason with you with respect to the development and distribution of electric power in my section of the country.

Honorable Senators, you must understand that your decision in this matter will affect me, my neighbors, and my farmer and rural friends located in Oklahoma and throughout the country.

HYDROELECTRIC POWER IN SOUTHWEST

Today we have no hydroelectric power available for distribution in my section of Oklahoma, although at Denison, some 200 miles away, there is a dam on the Red River between Oklahoma and Texas, where power is being produced.

There is another hydroelectric plant located at Norfork, Ark., some 500 miles away, which is now producing power.

These two dams are being connected by a transmission high line, and funds are now being appropriated to extend the line to Fort Gibson, to Tenkiller, and to Bull Shoals; however, I am further advised that such power dams will not come into production for a few years yet to come.

WE PRAY FOR CHEAPER POWER

Honorable Senators, what are we arguing about?

What result are we seeking to obtain?

In all frankness we are praying for lower co-op electric bills.

We are not asking for lower interest rates; such rates are fixed by law and by our loan contracts.

We are not asking for smaller amortization payments; such payments are likewise fixed by law and by our loan contracts.

We are not asking for lower costs of operation and management; such costs are controlled by our board of directors.

We are not asking for reduced costs of replacements; such costs are inevitable and likewise are recognized by law.

We are not asking for lower taxes; taxes are the lowest item of our expenses.

COST OF ENERGY TO CO-OPS

The only item of costs to our cooperative and to our members which the Congress can affect is the item for electric energy and power.

At this time our cooperative is securing its requirements of energy and power at the wholesale rate of approximately 5.8 mills per kilowatt-hour. However, if my information is correct, our cooperative has a tender of all the firm energy and power that we can use at a flat rate of 5 mills per kilowatt-hour.

This 5-mill rate must be about as low as power can be produced in Oklahoma and in the territory allocated to the Southwestern Power Administration.

COST OF PRODUCING ENERGY

I am further advised that the Government is selling the power developed at the Denison Dam for some 5.5 mills per kilowatt-hour. I am further advised that the Grand River Dam Authority operating in my State, must sell its combination hydro and steam power for 5.5 mills per kilowatt-hour to show any profit over the necessary operation and maintenance expenses.

I am further advised that the Federal Power Commission has confirmed and approved a rate of 5.6 mills per kilowatt-hour for the power that is to be sold and delivered by the Southwestern Power Administration.

If my information is correct our Cotton Electric Cooperative is now paying more for its power requirements than is tendered by existing power companies operating in southwestern Oklahoma.

The report of our company shows that we will purchase an estimated 15,250,000 kilowatt-hours of energy during 1949 at a cost of some $105,000. This means, according to the report, that we are now paying some 6+ mills per kilowatt-hour for the power we consume.

SOUND BUSINESS POLICY

If our board of directors should decide to accept the tender of 5 mills per kilowatt-hour for the electricity we need then on the 15,250,000 kilowatt-hours purchased we could save some $28,750 per annum and such saving could be reflected in our power bills.

Honorable Senators, this is about the only place we have an opportunity to reduce our power bills.

However, again I say that it is not the cost of the power at wholesale that makes our electric bills high.

On a bill of 100 kilowatt-hours per month in the sum of $5.95 the cost at this time of the item for power at 6 mills per kilowatt-hour is some 60 cents.

If the tender of the existing power companies should be accepted then the item for the electricity would be reduced to 50 cents per month—a saving of only 10 cents on each of our power bills. The balance of the bill in the sum of $5.45 would be for the other items of expense necessary for the successful operation of our cooperative system.

If the Government should develop the electricity and deliver it free of all costs to our cooperative we would individually save only about 50 cents per month or a saving about equal to the cost of two packages of cigarettes in Oklahoma.

PRIVATE POWER RATE LOWER THAN SPA

Honorable Senators, from what I have said it is obvious that the existing power companies are tendering a lower rate to our cooperatives than the rate fixed by the Federal Power Commission for the hydroelectric power being produced at our flood control dams.

It may be that you are wondering if my statements are correct and, if so, how such a low rate may be offered. The explanation is simple. The existing steam power plants and lines were purchased and installed when prices of materials and labor were about one-half as high as they are today. It is well known that Government costs of construction are substantially higher than private costs and the Federal Power Commission takes into account all costs of construction of dams assigned to power and transmission lines and then approves power rates at such a figure as will cover interest charges and amortization payments over a period of some 40 years.

COST OF HYDRO POWER AT DAMS

The costs of hydroelectric equipment at the dams require a charge of some 5.5 mills per kilowatt-hour. Then if transmission lines to convey the power from the dams to the co-ops are constructed their costs and the costs of their operation and maintenance must be added to the costs of the power dams so as additional lines are built the power rate, must of necessity, be increased. It must be conceded that the more money invested in power dams, transmission lines, substations, and steam-generating plants the higher must be the rates per kilowatt-hour to cover interest on and amortization of the total costs.

TOTAL GOVERNMENT COSTS MUST BE RETURNED

Honorable Senators, it is true, is it not, that the cost of that part of every power dam assigned to the production of power must be repaid with interest by the users of electricity?

We understand that the law so requires.

The General Accounting Office so holds.

The Federal Power Commission which confirms and approves all public power rates says, "Yes."

Mr. Wright, the SPA Administrator, likewise says, "Yes."

Also, it is likewise true, is it not, that the cost of constructing steam-generating plants, transmission lines, and substations and their operation and management must be repaid with interest by the consumers of the hydroelectric power?

Again we understand that the law authorizes such construction as a part of the public power program so the cost of such lines and related facilities must, likewise, be paid back to the Government with interest.

If the public power rates must be made sufficiently high to cover interest, amortization, maintenance, and operation, such as labor, materials, supplies, replacements and depreciation on the dams, steam plants and transmission systems, then, is it not clear that the more transmission lines and related facilities we have built for us, the higher our rates must be for the power and energy we consume?

If we understand the law and its interpretation correctly, then the more lines and related facilities we build, the higher will be our rates for the single item of power and energy.

On page 135 of Secretary Krug's annual report, under the Division of Power, we find the following:

Three fundamental principles have been firmly established in existing legislation:

1. Preference is to be given in the sale of power to States, counties, municipalities, and nonprofit cooperative organizations of citizens or farmers.

2. The power is to be sold on a basis which will assure its widespread use at the lowest possible rates consistent with sound business principles.

3. The power is to be sold at rates which will cover its cost.

If our understanding of our public power policy is correct, then those who are demanding that we spend more money to build lines and steam plants to produce cheaper electricity must be wrong.

It is not the cost of the power and energy that makes our rates so high but, instead, it is the costs of interest, amortization, operation, depreciation, and replacements of electric facilities that make our monthly co-op bills cost us some 6 cents—60 mills per kilowatt hour—instead of the one-half cent—5 mills per kilowatt hour—now being tendered us by existing power companies.

HOW TO SECURE CHEAPER POWER BILLS

Honorable Senators, again I ask what can we as members of our cooperatives do to secure cheaper power bills?

From what we can learn at home and here in Washington there are only a very few things that can be done to secure for us cheaper power bills. However, there are some things that may be done to keep our bills as low as they are today.

When we compare our rates for the energy and power we consume with rates charged in other sections of the country we must admit that the rates quoted us are about as low as we may expect in the immediate future. As stated, the rates available to us in southwestern Oklahoma are the second lowest in the entire United States.

Our rates for the item of energy and power are lower than the Military Establishment pays at any point in the entire United States.

It is assumed that the contracting authorities and purchasing agents of the Military Establishment are good businessmen. It is assumed they are getting their requirements of power at low rates, or at least at reasonable rates, and I shall now state the figures the Military Establishment is paying.

In the northeastern section of the United States they are paying 14 mills per kilowatt-hour for military requirements.

In Maryland, Virginia, and Pennsylvania the rate to the military authorities is 12 mills per kilowatt-hour.

In the Atlantic States, farther south, the rate is 7 mills per kilowatt-hour.

In the Fort Sam Houston area in Texas the rate is 9 mills per kilowatt-hour.

At Chicago the rate is 12 mills per kilowatt-hour. San Francisco, 9 mills per kilowatt-hour. District of Columbia, 13 mills per kilowatt-hour.

So when we remember the rates now charged for REA power and consider the rates paid by the Military Establishment we find that the rates now in force and tendered in the Southwestern Power area of the United States are the lowest, second only to those of the Bonneville Power Administration.

Honorable Senators, if we should accept the wholesale power rate tendered us by the existing power companies, then we may secure our energy and power requirements at an even lower rate than we are paying now. Also, we understand

that this new tendered power rate is less than the rate being offered by the SPA.

With these opportunities now open to us what more can we reasonably expect? Or what more may we do or what more may we have done for us that will help us solve our co-op problem with respect to the cost of the item of electricity?

THE TEXAS CONTRACT

We understand that Mr. Wright, the SPA Administrator, has made a contract with the Texas Power & Light Co. whereby he is to use the Texas high lines, the Texas steam plants, and the Texas substations to firm up and transmit hydroelectric power from the dams to the co-ops and other public bodies in the State of Texas.

Honorable Senators, if it is good for Texas and good for the Government to forego the building over the great State of Texas of all red lines shown on the chart before you, it should be equally good to adopt the same program in the States of Louisiana, Arkansas, Missouri, Kansas, and my own State of Oklahoma. It can be done, and if it is done, future Congresses will not be requested to appropriate vast sums of money to build either steam plants or transmission lines. The money thus saved could be used to build more dams for flood control and reclamation uses.

There is no request here to build steam plants in Texas. There is no request here to build transmission lines in Texas. If the program favored by the committee and recommended in the committee report is adopted by this Congress, what has happened in Texas will happen throughout the country.

Again I ask: "How may farmers get the cheap power from the hydro dams unless the steam plants and the transmission lines are constructed?" The answer is: "By embodying the principles of the Texas Power & Light contract into contracts to be made between the Government and the several local electric distributing companies."

I have just exhibited a map before you. Recheck the map and Senators will see a multitude of red lines indicating the plan originally made for the building of transmission lines over the State of Texas. Because there was developed a contract known as the Texas Power & Light contract, not a single one of those red lines have matured into a transmission line. Not a single mile of transmission line has been built in the great State of Texas because there is no need for the building of such lines. The Denison Dam is only a few miles from a main transmission line belonging to the Texas Power & Light Co.'s electric system. The contract provides, in brief, that of the power fed into those lines the Government can take out such power as it needs at the same rate that is charged the Texas Co.

Meanwhile the Texas Power & Light Co. is buying all the output of that dam and paying for it, as I understand, in excess of 5 mills per kilowatt-hour. The Texas Co. transmits the power, and as the Government makes its contracts with REA or with the great Army camps and great naval installations, of each of which there are a number in Texas, and with other public bodies to deliver power to any of them, the Government has the right under the contract to take out the power that is needed, deliver it, in order to fulfill its commitments.

If it has been proper and if it is proper now for Texas to have a contract embodying these principles, thus avoiding an expense of from at least $75,000,000 to $100,000,000 in building duplicate lines, why would it not be equally proper for my State of Oklahoma and why would it not be equally proper for the great State of Arkansas and other States to have such contracts?

Let me say a word aside in passing. No State in the Nation has greater possibilities than has the great State of Arkansas. Arkansas has everything. It has fine water, fine land, fine products, and fine people. It has unknown and unmeasured natural resources. The Government is now building in Arkansas a number of power dams. A vast amount of electricity will be produced in that State. That electricity will be connected by a great system covering Arkansas, Oklahoma, and the adjacent States.

If too much money is not expended in that State and in my State for facilities not needed, then we will have in our areas an abundance of as cheap electric energy and power as the best business brains can develop. Such an accomplishment I am certain all interested in low electric bills devoutly desire.

Unless our power rates are forced too high by unnecessary expenditures, we may confidently expect that in the very near future we will have in Arkansas and Oklahoma an enlarged replica of industrial development found only in the famed Tennessee and Columbia Valleys.

COOPERATION NEEDED

The program for the distribution of electric energy and power as embodied in the Texas Power & Light contract is based upon the principles of cooperation. This principle is being followed by our Government in an effort to bring peace to the world again.

TEXAS CONTRACT PLAN APPROVED BY HIGHEST OFFICIALS

On a recent tour of the West, President Truman visited the great State of Arizona and while in Phoenix he had occasion to meet a great number of his friends, and in an address to them he said:

> You are fortunate here in Arizona that the private utilities and the public-power agencies have shown a fine spirit of cooperation with the Federal Government in the development and transportation of power.

The only other gentleman living who has held the exalted office of President is Mr. Herbert Hoover. Not long ago President Truman appointed Mr. Hoover as the head of a Commission to consider the structure of our Government. He was requested to submit some recommendations, if he found that recommendations could be submitted, in the hope of improving the affairs and the structure of the Federal Government. In Mr. Hoover's report there is found this recommendation:

> That the Congress consider in each case whether the transmission and distribution of power can be secured under advantageous long-term contracts by selling the power at the generating plant—bus bar—before deciding to authorize the construction of Government transmission and distribution lines.

Mr. President, no one could possibly accuse Mr. Hoover of being interested in anything other than a recommendation for the best interests of all the people of the Nation, and on this identical issue he recommends that before we begin to build steam plants, before we begin to spend the people's money to build competing, duplicating, and unnecessary transmission lines, a survey be made, and if we find we can sell the power and get it to the consumers without the necessity of building steam plants and transmission lines at great expense that at least such a program be considered. That is exactly the program contained in the Texas Power & Light contract.

Honorable Senators, another high official of our Government has given his approval of the provisions of this contract. The Speaker of the House of Representatives has approved this program. In a letter to Clyde T. Ellis, representing the National Rural Electric Cooperative, Speaker RAYBURN said:

> I think I know that the contract was a good thing for the Southwestern Power Administration and rural electrification in the area covered by the contract. Every rural-electric cooperative in that area that has been offered a contract with the Southwestern Power Administration since have gladly accepted it and are indeed well pleased with it. With justice to both sides, Southwestern Power Administration and the Texas Power & Light Co. have demonstrated that where both parties want to do the right thing, they can cooperate and work together. We are assured plenty of power to operate our rural electrification cooperatives by mutual exchanges and the Texas Power & Light Co. carries SPA power over their lines at a reasonable rate and SPA carries TPL power at a reasonable rate. I think it is a good contract, not hurtful to the Southwestern Power Administration nor the Texas Power & Light Co., but mutually benefits both in the long run.

Nor is this all. Mr. Wright, SPA Administrator, is on record in approval of such a plan for the firming up, transmission, and distribution of electric power and energy developed at our flood-control and reclamation dams.

In the annual report of the Secretary of the Interior for 1948 is a chapter prepared by Mr. Wright, and in such article the Administrator makes a recommendation as follows:

> To support the maximum capability from hydroelectric generating projects in the area they must be integrated with fuel-burning generating plants. This can be accomplished by * * * interchanging contracts with private utilities, cooperatives, public bodies, or industrial establishments having fuel-burning generating plants.

Administrator Wright approves of such a policy for the disposal and sale of the hydroelectric energy generated at the publicly owned plants located in the SPA territory.

He lists other plans for the disposal of such energy, but of all the plans listed he

has the following to say about the plan just stated:

The first method would be satisfactory and beneficial to the Government, the companies, and the customers of both systems.

Again, Mr. Wright says:

Such arrangements would provide for the most economical development of the country's hydroelectric resources to the maximum benefit to all the people.

Before the committee of the House, Mr. Wright approved the Texas plan.

In part II, at page 57 of the House hearings for this year, Mr. Jackson, a member of the committee, asked Mr. Wright these questions and received these replies:

The Texas Power & Light Co. is now serving some of the REA co-ops in Texas and other preferred customers?

Mr. WRIGHT. That is right; they are serving them for us under our contracts with the cooperatives.

Mr. JACKSON. It is working out well?

Mr. WRIGHT. Very well.

Again in part II of the House hearings, on page 66, Mr. Wright said:

If we had a reasonable offer, as in the case of the Texas Power & Light Co., where I thought it was reasonable, it did not make a bit of difference to me what anybody else in the Department of the Interior or anyone else thought. I recommended the Texas Power contract and I stayed with that recommendation, because I thought it was a good, fair deal for both sides.

Then, at page 1069, Mr. Wright is further quoted as follows:

The type of arrangements we have effectuated with the Texas Power & Light Co. can be used with several companies; as a matter of fact, we have proposed that it be used with both the Oklahoma companies together for the power to be sent north from the Denison Dam.

FEDERAL POWER COMMISSION APPROVES RATES

Honorable Senators, a question has been raised, with respect to the jurisdiction and power of the Federal Power Commission over the rates to be charged by the Government for the power developed at hydroelectric dams and over the rates to be charged by public utilities engaged in interstate commerce.

The Federal Power Act "vests the Commission with jurisdiction over the transmission and sale at wholesale of electric energy in interstate commerce and public utilities engaged therein."

Section 5 of the Flood Control Act of 1944 confers jurisdiction and power on the Federal Power Commission to confirm and approve rate schedules for the sale of electric energy developed at Government-constructed flood-control and hydroelectric dams.

GOVERNMENT ONLY MONOPOLY POSSIBLE UNDER TEXAS CONTRACT PLAN

Under the law the Commission has power to enforce its orders, rules, and regulations either by referring violations to the Attorney General or may act through its own attorneys.

Thus it appears obvious that all contracts made by the Government with private power companies for the firming up and transmission of hydroelectric power and energy from the dams to co-op systems and public bodies will be complied with and enforced if necessary.

PLEA FOR ECONOMY IN GOVERNMENT

In the last few months and especially during the debates on this issue, thousands of telegrams and letters have come to me from citizens of Oklahoma and from other States pleading for economy in public spending. The substance of these petitions and recommendations I now pass on to you.

First, by making a contract for the sale of all the power and energy developed at the dams at rates confirmed and approved by the Federal Power Commission the Federal Government will receive the maximum of revenue with which to repay the costs of its investments.

Second, by using the existing transmission lines and steam-generating plants, the Government will be relieved of making additional vast investments and the money thus saved may be used in completing dams now under construction and for the construction of additional dams.

Third, the plan of using existing lines for the transmission of electricity and using existing steam plants for firming up the hydroelectric power will provide more firm power for the cooperatives and other public bodies and consumers.

Fourth, the plan of using existing lines and steam plants will save many millions of dollars to the Government, and the more money saved the lower the rates may be confirmed and approved by the Federal Power Commission. As the item of rates is based upon the total amount of money invested, we plead with you to keep the investment low so that we may have "the lowest possible rates to consumers consistent with sound business principles."

CONCLUSION

Honorable Senators, in conclusion, let me remind you that consumers of power and energy other than "public bodies, cooperatives, and privately owned companies" are interested in "the lowest possible rates consistent with sound business principles." The sections of our country with the lowest electric rates will enjoy an advantage in operating power facilities and in developing new industries for the production of finished products for distribution throughout the States and throughout the world. Only by keeping expenditures down to the irreducible minimum will we in the southwestern area be able to compete with the other cheap power sections of the United States and the world.

Mr. WATKINS. Mr. President——

The PRESIDING OFFICER (Mr. HUNT in the chair). Does the Senator from Oklahoma yield to the Senator from Utah?

Mr. THOMAS of Oklahoma. I yield.

Mr. WATKINS. Is the Senator's cooperative regulated by the State utilities commission?

Mr. THOMAS of Oklahoma. No, it is not. The rates are made and approved by the REA Administrator here in Washington.

Mr. WATKINS. How do the rates compare with the rates of the private utilities for the same kind of service?

Mr. THOMAS of Oklahoma. The rates of the private companies tendered to the co-ops in Oklahoma are some 15 percent less than the announced and approved SPA rate.

Mr. WATKINS. What is the rate to the consumer in the city of which the Senator is speaking compared with the rate the cooperative charges?

Mr. THOMAS of Oklahoma. The rate in the city is much less. The rate in my home town of Lawton, the county seat, is much less than I have to pay at my place at the foot of Mount Scott, in the Wichita Mountains.

Mr. WATKINS. The Senator does not have the figures?

Mr. THOMAS of Oklahoma. No.

Mr. WATKINS. Is it not a fact that it is much more expensive and costly to distribute power in rural areas than in the cities, and for that reason the costs are necessarily higher?

Mr. THOMAS of Oklahoma. That is obviously correct. It is more expensive to transmit and deliver current to my place, 15 miles from headquarters, than to deliver and distribute power to the city of Walters or the city of Lawton.

I was in doubt a moment ago about the exact figures. I have in my hand now a statement I have secured from the head of the company which serves power to my cooperative. I have not read this before, but it states:

Our present rate to the Cotton Electric Cooperative of which Senator THOMAS is a member is 5.8 mills.

Mr. WATKINS. That is the wholesale rate?

Mr. THOMAS of Oklahoma. That is the wholesale rate to my cooperative, 5.8 mills. I said I thought it was 5.6 mills, but it is 5.8. All the money I have paid for services in addition to the 5.8 mills is for interest on the loan of the cooperative, which is payable to the Government, the amortization charge on the loan, and the charge for the salary of the manager and the salaries and wages of his clerks, and the salaries and wages of the men who keep the line in shape, and for replacements.

Yet private power companies, in my State, are tendering to my cooperative a flat rate of 5 mills per kilowatt-hour and that is one-half mill less than the rate for which the power at the Denison Dam is being sold by the Government and eight-tenths of a mill less than the announced SPA rate in Oklahoma.

Mr. President, I ask Senators if they believe it would be good business for my cooperative to accept the SPA rate of 5.8 mills per kilowatt-hour when my cooperative can get the power for 5 mills per kilowatt-hour? As I said, my cooperative has not yet accepted the 5-mill rate because, as I am advised, it is under instructions not to do so.

The Congress has heretofore provided funds for the construction of two dams and hydro plants, as I stated, one in Arkansas and one in Oklahoma.

Mr. SCHOEPPEL. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. MCCLELLAN in the chair). Does the Senator from Oklahoma yield to the Senator from Kansas?

Mr. THOMAS of Oklahoma. I yield.

Mr. SCHOEPPEL. I was interested in the statement made by the senior Senator from Oklahoma respecting the 5-mill-per-kilowatt offer on the part of the company that is supplying the power energizing the lines of the Senator's cooperative in Oklahoma. Does the Senator know whether the 5-mill-per-kilowatt offer which was made to the cooperative has been submitted to the stockholders or members of the cooperative?

Mr. THOMAS of Oklahoma. The private companies have made application to the Corporation Commission of Oklahoma, which is the regulatory body in my State, to have its low-rate offer approved. The application has been approved, but there has not been official advice given respecting the approval. The moment the company is advised of the approval, it will submit the rate. The company has submitted the rate informally, and is waiting the necessary clearance in order to submit it officially.

Mr. SCHOEPPEL. Does the Senator from Oklahoma know whether the cooperative unit of which the Senator is a member, through its officials, has submitted the proposed new low 5-mill rate to the participating members of the cooperative?

Mr. THOMAS of Oklahoma. I will say, in answer to that question, that I have received notice that a meeting of the board of directors of the cooperative was held a few days ago. I was invited to attend the meeting, but could not attend, and do not know what action was taken.

Mr. SCHOEPPEL. The 5-mill rate is submitted, is it not, in the face of an increased price in coal which the energizing company is using, either full or part time?

Mr. THOMAS of Oklahoma. The company uses natural gas in the main. It may be using some coal. In my section of the country coal is plentiful and cheap. Gas is also plentiful and cheap. Gas is almost a waste product. Fuel oil is plentiful and cheap. That is one more reason why power companies in that area can generate power on a low-cost basis. The other reason is that the companies built their lines and power plants when construction costs were low. The cost of brick was low; the cost of machinery was low; wages were low; the price of all the things that went into the lines was low. Now such costs are 70 percent higher. To duplicate the system the company is using now would cost at least 70 percent more than it cost when the company built it. So that while other rates must of necessity be higher, if based upon the present costs, the old cost schedule enables the companies to make and deliver power on a lower cost basis. That is why it can offer a rate of 5 mills.

Mr. SCHOEPPEL. I thank the Senator.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. CORDON. The Senator said the application of the new low rate which was made by the particular private utility in question is pending, and awaiting approval by the Public Service Commission of the State of Oklahoma. I gather from that statement that there is some other and higher rate now in effect. Is that correct?

Mr. THOMAS of Oklahoma. The company is serving my cooperative at a rate of 5.8 mills per kilowatt-hour. The company has offered my cooperative service on the basis of 5 mills per kilowatt-hour. But in order that that rate may be put into effect it must receive the approval of the corporation commision of my State of Oklahoma.

Mr. CORDON. The rate of 5.8 mills has been established for how long a time? Does the Senator know?

Mr. THOMAS of Oklahoma. So far as I know it has been in effect for over 1 year. I cannot answer that question definitely. My rates have been about the same since I have been a member of the cooperative.

Mr. CORDON. Is it the Senator's conclusion that the new rate the company seeks to put into effect is the result of the competitive situation created by virtue of SPA having current to supply and offering it at 0.3 of a mill less than the present rate?

Mr. THOMAS of Oklahoma. Yes. I am familiar with conditions in my section of the country and I am certain that the rates, which have been going down during the past few years, have been reduced each year during the past 25 years.

Mr. President, at this time I move that on page 6, in line 14, the committee recommendation whereby the figures "525,000" were stricken and the committee figure of $330,000 substituted, be amended by increasing the item of $330,000 to $500,000, and upon that amendment I shall now speak. My time is rapidly expiring, and I do not want to be cut off in the middle of the short speech I have prepared. In order that I may not be cut off I have now offered an amendment to the committee amendment, and I shall proceed to discuss the amendment, which as I am advised, is in order.

The PRESIDING OFFICER. Does the Chair correctly understand that the Senator, by offering the amendment to the committee amendment, suggests that he is entitled to another 30 minutes of time under the unanimous consent agreement?

Mr. THOMAS of Oklahoma. Mr. President, I am advised there is no limitation upon discussion of the amendment I have just offered. However, I will not abuse the patience of the Senate.

Mr. MAGNUSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MAGNUSON. Do I correctly understand that the Senator from Oklahoma is offering an amendment to a portion of the bill which is unrelated to the present discussion?

Mr. THOMAS of Oklahoma. Oh, no. I offer an amendment to a pending committee amendment.

The PRESIDING OFFICER. The Senator from Oklahoma has offered an amendment to the committee amendment in line 14, on page 6, to increase the amount to $500,000.

Mr. THOMAS of Oklahoma. My purpose in doing so is to give me as much time as I believe is necessary for me to cover my petition to the United States Senate.

The PRESIDING OFFICER. The Chair is advised by the Parliamentarian that the unanimous-consent agreement applies only to the pending amendments en bloc.

The present occupant of the chair is advised that the Vice President announced that he would hold that the limitation of 30 minutes would not apply to an amendment which might be offered to one of the pending amendments, which are being considered en bloc. So the Senator from Oklahoma is recognized for 30 minutes on the amendment he has just offered.

Mr. THOMAS of Oklahoma. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. THOMAS of Oklahoma. I ask if the unanimous-consent agreement extends and applies to amendments to the committee amendments? The Vice President advised me a short time ago, so I understood, that it did not.

The PRESIDING OFFICER. The present occupant of the chair finds from the transcript of the unanimous-consent agreement that the Vice President stated:

> The only question before the Senate at the moment is the request for a 30-minute limitation upon the pending amendments, which are being considered en bloc. Is there objection to that? The Chair hears none, and it is so ordered.

So nothing is said in the unanimous-consent agreement or the ruling of the Vice President about a limitation of time on any other amendment which may be offered. For the present the Chair recognizes the Senator from Oklahoma.

Mr. THOMAS of Oklahoma. Mr. President, I conferred with the Vice President in the presence of our parliamentary expert, and he told me that it was his understanding that debate on amendments was not included in the unanimous-consent agreement.

The PRESIDING OFFICER. The Senator from Oklahoma may proceed for the present. If serious question is raised, the present occupant of the chair will undertake to get the Vice President to return to the chair. He is familiar with the agreement, and can resolve any point of order which may be made.

Mr. THOMAS of Oklahoma. I may do as we sometimes do in committees—make a suggestion off the record. I suggest to my friends who are not in agreement with my position that, if possible, they agree to fix a time to vote on Monday, so that no unnecessary time will be consumed with amendments to amendments, which otherwise may of necessity be consumed this afternoon. I make that suggestion. I have no desire, from any standpoint, to take a single minute which I do not consider necessary.

The PRESIDING OFFICER. Is the Chair to understand that the Senator from Oklahoma is presenting a unanimous-consent request?

Mr. THOMAS of Oklahoma. I was suggesting a unanimous-consent request to my friends on the floor who do not agree with me.

The PRESIDING OFFICER. The request was not put to the Chair.

Mr. THOMAS of Oklahoma. No.

Mr. President, I wish to make my position clear. I want to show the condition which the hundreds of thousands of members of cooperatives throughout the Nation confront. I am one of them. I fully appreciate their position. As one of them, and speaking for them, I say that we want lower power rates.

How can the Congress give us lower power rates? We are offered a rate of 5 mills per kilowatt-hour. The only lower rate in America is in the Bonneville area, where it is 3.6 mills. Low power rates do not mean cheap electricity. If the Government made the power and delivered it free to my cooperative, at absolutely no cost whatever, if I used less than 20 kilowatt-hours per month I would pay 15 cents a kilowatt hour. If I used as many as 30 kilowatt-hours a month I would pay 10 cents a kilowatt hour. If I used 200, as the record shows, it would cost me more than 4 cents, or 40 mills per kilowatt-hour. I would pay nothing for the current. All I would pay would be the interest on our loan, our part of the amortization, one-fortieth each year, the salary of our manager, the salaries of his clerks, and the salaries of the necessary linemen to keep our system in operation. That is where the cost comes, not in the cost of the power to be consumed. It is in the overhead expenses which we must pay.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. WATKINS. Am I to understand that in the rate fixed for that minimum charge there is nothing charged for power?

Mr. THOMAS of Oklahoma. I am charged 5.8 mills in the bills I now get. But if the power were delivered free to the cooperative, I would still have to pay the difference.

Mr. WATKINS. Would the Senator still have to pay 15 cents?

Mr. THOMAS of Oklahoma. I would have to pay the difference between 5.8 mills and 15 cents. Subtracting 5.8 mills from 150 mills, I find that it would cost me 144.2 mills per kilowatt-hour for all the power I consume; and not a mill of that money would go to pay for power. It would all go for interest, amortization, overhead, depreciation, and replacement.

Mr. WATKINS. I understood the Senator to say that if the Government gave the power to the cooperative he would still be charged 15 cents.

Mr. THOMAS of Oklahoma. No. I would deduct the amount we are now paying for the real electricity.

Mr. WATKINS. That clears it up. I understood the Senator to say that if the power were free he would still have to pay 15 cents.

Mr. THOMAS of Oklahoma. In place of 150 mills per kilowatt-hour, the price would be 144.2 mills.

Mr. WATKINS. It would be less whatever amount is charged for that amount of power.

Mr. THOMAS of Oklahoma. The cost of the electricity would be deducted from my bill.

Mr. WATKINS. If that charge were taken off, the Senator's bill would be what?

Mr. THOMAS of Oklahoma. 144.2 mills per kilowatt-hour, or 14.4 cents plus.

Mr. WATKINS. What would it be on the next larger volume of power?

Mr. THOMAS of Oklahoma. It would come down in the ratio of 15 to 10; on the next larger amount, up to 200 kilowatt-hours, in the ratio of 10 to 8. Then if I used a very large amount in my home, it would come down in the ratio of a little more than 8 to 4. That is the lowest rate quoted in schedule A.

Mr. WATKINS. Am I to understand that if a consumer uses a large amount of power he gets it for less than the cooperative pays the wholesaler who furnishes the power to the cooperative?

Mr. THOMAS of Oklahoma. The users of great blocks of electricity get about the same rate that is now being tendered to the cooperatives in Oklahoma.

Mr. WATKINS. I understood from the figures the Senator gave a few minutes ago that it was lower—4 cents.

Mr. THOMAS of Oklahoma. That is 4 cents, not 4 mills.

Mr. WATKINS. I was probably confused because of the fact that it was 4 cents instead of 4 mills.

Mr. THOMAS of Oklahoma. I realize that this is rather intricate, but it is a business matter.

Mr. WATKINS. I should like to know if the Senator can explain to us why the cooperative must have so much money for its expenses. Why are the rates so high? If it buys the power for 5.8 mills, why does it have to have 4 cents, in large volume?

Mr. THOMAS of Oklahoma. Let me make that point a little clearer.

Suppose there were no charge for the current. It might be thought that the cooperative should greatly reduce the rates. That would be a natural assumption. If the cooperative paid nothing for the power, if it were delivered to it free, under those conditions it would seem that we should have very low electric rates. But if the power were furnished absolutely free——

Mr. WATKINS. Does the Senator mean free to the cooperative?

Mr. THOMAS of Oklahoma. Yes; free to the cooperative. The only reduction in the bills of the several cooperative members would be the amount charged for power. If I used 100 kilowatt-hours a month, and the rate were 5 mills per kilowatt, that would be 50 cents. My power bill would be reduced 50 cents if I used 100 kilowatt-hours per month.

This is where the expense comes in: If the power came to the cooperative free, we would still have a loan in the REA Administration covering the sum which we borrowed to build our system. We are paying 2½ percent interest on that loan each year. In addition, we are paying one-fortieth of the total loan each year, to amortize the loan. So during the life of the loan we pay 2½ percent interest each year, and one-fortieth of the total amount each year. We must pay that in our monthly bills.

But that is not all. We must have a manager. I do not know what his salary is, but it must be reasonable. He must have assistants to carry on when he is away. He must have a bookkeeper. He must have one or more stenographers. He must pay rent for the rooms he uses for office purposes. He must pay for telephone service. No doubt he charges his light bill. Then he must have a crew always available to make expansions, if necessary, or if sleet falls, as it did last winter, and hundreds of miles of line are on the ground, the manager must have crews to go there immediately and try to repair the system. He must have a line crew always available, and they draw wages.

That is the occasion for the expense to me over and above the bare cost of the electricity. In my case it is figured out according to the schedule of rates which I have just indicated.

Mr. WATKINS. What would be the comparison between the costs if the private utility were handling that distribution instead of the cooperative? I am trying to understand what the Senator is seeking to bring out. I want to see if I get his point.

Mr. THOMAS of Oklahoma. The private company which serves my home county seat has its overhead already fixed. Its line crews are already there. It has its secretaries, clerks, and bookkeepers.

Mr. WATKINS. It still must pay them.

Mr. THOMAS of Oklahoma. Yes; but that is only a small part of the charge for service to my home.

Mr. WATKINS. As I understand, the Senator's contention is that the utility which now serves the city already maintains a line crew, and has all the other overhead charges, and that if it were serving the Senator and his fellow cooperators in the country, the expense to them would be reduced.

Mr. THOMAS of Oklahoma. There can be no doubt about that. If Senators stop to think about it for a moment, it is obvious that that is true. But because those of us living in my section of the country do not live close together, the private electric companies have not heretofore seen fit to build lines to serve them.

Mr. WATKINS. Do they absolutely refuse to build them, or do they ask for payments in advance, and so forth, in order to get the lines built?

Mr. THOMAS of Oklahoma. Mr. President, let us consider the history of one of the farmer cooperatives. It is necessary for me to give a little personal history in this connection.

I have lived at my place for over 30 years. When I first went there, I used coal-oil lamps and lanterns. Later on I used some kind of a gas contraption. Later on, I bought a small engine and a small generator, and developed my own electricity. Of course that was costly. It was not satisfactory. Still later on, I designed, built, and installed a small hydroelectric plant at my place. I built a concrete dam 16 feet high. I purchased the turbine from York, Pa. I purchased a 10-kilowatt generator. I installed the turbine and the generator at the dam, and began to make my own power. But I found very shortly that

my power was costing me 25 cents a kilowatt-hour, which is rather expensive. So I decided that if I could get cheaper power than that, I certainly would try to do so.

There was a power plant at Lawton. A number of us got together and agreed to try to have a high line extended to our places. The company we dealt with was a small concern, owned and operated by Wolverton Bros. They agreed to build a power line to our place from Lawton. I deposited $1,500 to guarantee that I would take power at 15 cents a kilowatt-hour until the $1,500 was exhausted.

Mr. WATKINS. Regardless of how much power was used?

Mr. THOMAS of Oklahoma. Time was not the element. I agreed to put up the $1,500 and to consume it in the consumption of power.

The VICE PRESIDENT. The Chair asks the Senator to suspend for a moment, to permit the Chair to clear up his interpretation of the unanimous-consent agreement, because it may affect both the Senator from Oklahoma and the Senate.

Mr. THOMAS of Oklahoma. I am glad to yield.

The VICE PRESIDENT. When the Senator from Arizona proposed his unanimous-consent agreement, nothing was said about amendments to the pending amendment. Of course, amendments to the pending amendment are in order; any Senator can offer an amendment to the pending amendment, although it is made up of four amendments which are to be voted upon en bloc. The agreement did not preclude the right of any Senator to offer an amendment to any part of the combined amendment to which he might see fit to offer an amendment.

The Senator from Oklahoma came to the desk and asked the Chair whether the agreement precluded the right to offer amendments to the amendment. The Chair advised the Senator from Oklahoma that in his opinion it did not, and that any number of amendments could be offered to the pending amendment, provided they were offered one at a time and were disposed of one at a time.

The Chair did not understand the Senator from Oklahoma to inquire of him whether there would be unlimited debate on any such amendments to the pending amendment. If the Chair gave that impression, he did not mean to do so, because the Chair thought he was answering the question of whether an unlimited number of amendments might be offered to the pending amendment, and the Chair said, "Yes, provided they are offered one at a time."

But the Chair interprets the agreement to mean that on any amendment offered to the pending amendment, the 30-minute limitation will apply. Otherwise the agreement would be totally futile, because if a Senator could offer an amendment to the pending amendment and then speak on it indefinitely, that would completely nullify the limitation. The Chair does not believe that was the intention, and does not so interpret the unanimous-consent agreement.

So the Chair holds that the 30-minute limitation will apply to any amendment offered to the pending amendment.

Mr. THOMAS of Oklahoma. Mr. President, that was not the understanding I had, but of course I accept the ruling of the Chair.

The VICE PRESIDENT. The Chair must have misunderstood the Senator's question, but, of course, that is the only possible ruling.

Mr. THOMAS of Oklahoma. Mr. President, I was speaking of my hydroelectric plant, which generated electricity which cost me 25 cents a kilowatt-hour. That rather high cost is why I tried to get the power line extended to my place, for it would have reduced the cost of electricity to me by almost one-half. So, of course, I accepted the proposal. Later on a cooperative bought out the line, and that cooperative now services my place in Oklahoma. I have stated the rates which are being charged now.

There are today no hydroelectric power plants in my section of the country. However, hydro power is being produced at Denison, on the Texas-Arkansas border; and at the Norfork, Ark., dam, which is more than 500 miles away from my place. Congress has heretofore provided funds for the construction of two dams and hydro plants, one in Arkansas and one in Oklahoma. Funds are being provided for the construction of three additional dams—one at Fort Gibson, which probably is about 80 percent completed; one at Tenkiller Ferry, which probably is from 30 to 40 percent completed; and one at Bull Shoals, which probably is from 60 to 70 percent completed.

This bill carries funds to connect the dams now constructed with a main transmission line. The committee recommends that all the dams be connected with the main line, even before the dams are ready for the production of power, so they will be ready when they do come into production.

The question is, Are we to have more dams in my section of the country? These dams do not produce much power. They produce power from flash floods. The dams are built, not for power production, but for flood control. In order to be of benefit, the dams must provide a vast reservoir to catch the water from floods. When the floods come, the dams fill up. Then the water is allowed to flow down to the power pool just as quickly as possible, so as to make room for more flood waters when they come.

So the only power source we have in our section of the country is flash-flood water, of a rather low power-pool status.

Mr. President, if we cannot get more dams, we shall never have very much hydropower in the southwestern area of the United States.

What is the situation today with respect to the building of new power dams? I shall state the facts. Last year our President, Mr. Truman, gave a directive to the Bureau of the Budget that it should not authorize estimates for any new construction unless such construction was absolutely mandatory in the public interest. I shall place that instruction in the RECORD. Here is what the President said to the Bureau of the Budget:

> No authorized projects should be started only where the public need for them is so urgent that it is not in the national interest to postpone them.

Notwithstanding that order, the Corps of Engineers submitted 65 new projects for the consideration of the Bureau of the Budget. The Bureau of the Budget had instructions and accordingly rejected all but 2 of the 65 projects. The Bureau of the Budget authorized appropriations covering two of the projects—one was a ditch project in southern Florida; the other was a levee project at Rosiclare, Ill. Neither one involved a flood-control power dam. So the Bureau of the Budget has absolutely refused to request an appropriation or to send an estimate to the Congress for money with which to start a single new flood-control power project. So long as that order stands there will be no new flood-control projects built in my section of the country or anywhere else in the United States. That being true, we shall have no more power developed, and if we have no more power developed, then what is the use spending vast sums of money to build a network of transmission lines and distribution systems when there is so little power to distribute? That is the position in which we find ourselves today. That is not all, Mr. President.

Mr. WHERRY. Mr. President, before the Senator passes to another point, will he yield for a question?

Mr. THOMAS of Oklahoma. I am glad to yield.

Mr. WHERRY. Has the distinguished Senator called to the attention of Members of the Senate the report of the committee, on page 4, relative to the transmission of electrical energy, not only by the Government but by private contractors, under the contract of the Texas Power & Light Co., or according to the principles of that contract?

Mr. THOMAS of Oklahoma. I did not do it, but the chairman of the subcommittee, the Senator from Arizona, in his opening speech, called attention to that directly.

Mr. WHERRY. If the Senator will yield further, I am satisfied some Members of the Senate have not been informed of that provision in the committee report.

Mr. THOMAS of Oklahoma. I am glad to yield further.

Mr. WHERRY. I suggest to the distinguished Senator the importance of calling attention to this particular provision. I am a member of the committee. I was chairman of the Interior appropriations committee in the Eightieth Congress. We went over all the problems of transmission lines then. We did it in the second session. While I did not spend so much time with the committee this year as I did in the previous 2 years, yet the same thing is involved this year which has been involved in years gone by.

Mr. KERR. Mr. President, will the Senator yield?

Mr. WHERRY. I do not have the floor. I ask unanimous consent that the junior Senator from Oklahoma may ask me a question, in the time of the senior

Senator from Oklahoma, without prejudicing the latter's right to the floor.

Mr. THOMAS of Oklahoma. Mr. President, before I yield for that purpose——

Mr. KERR. I withdraw the request.

Mr. THOMAS of Oklahoma. I do not want the Senator to do that. I am forced to state that my 30 minutes is about up, and it may force me to offer other amendments in order to complete what I have to say this afternoon With that understanding, and without prejudice to my rights, I am glad to yield to the Senator from Nebraska, in order that he may yield to my distinguished colleague from Oklahoma.

Mr. WHERRY. If it is agreeable to the Senator, I shall not ask him to yield again until after the 30 minutes is up. At that time, I shall yield to the junior Senator from Oklahoma, that he may ask a question in my own time.

Mr. KERR. I thank the Senator. I withdraw the request at this time.

Mr. WHERRY. I suggest that in the remarks of the Senator from Oklahoma, either on the pending amendment or on other amendments, the matter to which I have referred should be made perfectly clear. I am satisfied the members of the committee are not in any way attempting to resolve any issue between public and private power. What they are attempting to do is to secure the appropriation of $590,000,000, the largest appropriation ever made for the Department of the Interior, in order to get as much construction as possible, most of which is connected with the development of public power. If there is anything wrong with the decision of the committee, it should be pointed out. So far as I am concerned, if the private utility companies will not transport the energy according to the Texas contract, I think the only question in the world is whether we shall appropriate the money now, and let them make the contracts, and, if they fail to make them by January 1, take favorable action on the matter at that time. That is my opinion.

Mr. THOMAS of Oklahoma. I agree with that statement 100 percent.

Mr. WHERRY. I wish the Senator would explain that further, if he feels it needs any further explanation.

Mr. THOMAS of Oklahoma. Mr. President, I went into the subject rather fully on a former occasion, and it will be explained still further, I think, before we get through. I am trying to set forth the problem which confronts us at the present time with respect to the building of additional power dams and the creation of additional power. The President says "No." The Bureau of the Budget says "No." In the Senate bill we added certain items to another bill in order to make possible the start of certain new construction. The bill went to conference, and the House conferees say "No." For 80 days now the Senate conferees have been trying to reach an agreement with the House conferees with respect to the civil-functions bill, particularly regarding new dams. The House remains adamant, after 80 days of determined effort on the part of the chairman of my committee and on the part of his conferees representing the Senate. If this condition is not changed, there will be no new dam construction in this country, and if there is no new construction of dams, there will be no new power developments. If there are no new developments of public power, why the expenditure of public funds to build a multitude of transmission lines, when there is little power to distribute?

Mr. President, as I have stated, we have only one dam in Oklahoma.

The PRESIDING OFFICER. The Chair informs the Senator from Oklahoma he has but one more minute of time.

Mr. THOMAS of Oklahoma. Mr. President, I am presenting an appeal to Senators, asking what my cooperative can do in order to get cheaper power rates. I shall not have time to answer that question myself. I shall take occasion at some later time to make my explanation.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oklahoma to the committee amendment.

Mr. HAYDEN. The House figure is $525,000, and the appropriation recommended by the Senate committee is $330,000, and the Senator from Oklahoma proposes to amend that, to make it $500,000. The difference between the House figure and the figure proposed in the amendment is therefore only $25,000.

Mr. HILL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HILL. The Senate agreed to vote on the four amendments en bloc. What is the effect of that agreement, so far as concerns individual amendments which may be proposed to any one of the four amendments? It has been agreed the four amendments shall be voted on en bloc.

The PRESIDING OFFICER. The Chair does not understand that by agreeing to vote on the amendments en bloc any Members of the Senate is precluded from offering an amendment to either of the amendments. That is what the Senator from Oklahoma has done. If his amendment is adopted, then it would become a part of the amendments to be voted on en bloc.

Mr. HILL. Would they all be voted on together?

The PRESIDING OFFICER. They would all then be voted on together.

Mr. WHERRY. Mr. President, as I understand, then, the distinguished senior Senator from Oklahoma can continue to offer amendments to the amendments, and may speak on each amendment for 30 minutes. Am I correct in that understanding?

The PRESIDING OFFICER. The Chair does not think the Senator from Oklahoma can offer another amendment until the pending amendment is disposed of.

Mr. WHERRY. Mr. President, I think the Presiding Officer misunderstood me. The Senator from Oklahoma can offer amendments to any one of the amendments which are being considered en bloc, can he not?

The PRESIDING OFFICER. He can.

Mr. WHERRY. That is what I mean.

The PRESIDING OFFICER. Any amendment is subject to amendment.

Mr. WHERRY. The Senator could continue that so long as he chose to do so, could he not? Any other Senator could do likewise, could he not?

The PRESIDING OFFICER. Under the ruling of the Vice President, when he was occupying the chair, any amendment that might be offered would entitle the Senator offering the amendment to speak for 30 minutes on it.

Mr. HAYDEN. Mr. President, I ask for a vote on the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the senior Senator from Oklahoma to the committee amendment in line 14, page 6, where the amount "$525,000" inserted by the House is stricken out and in lieu thereof the amount "$330,000" is inserted by the committee. The Senator from Oklahoma has offered an amendment to raise that amount to $500,000.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WHERRY. Am I entitled to have 30 minutes on the amendment?

The PRESIDING OFFICER. The Senator from Nebraska is recognized for 30 minutes.

Mr. WHERRY. Mr. President, I did not hear all the remarks of the distinguished Senator from Oklahoma on this amendment, but in my own time I should like to ask the distinguished Senator this question: In raising the amount to $500,000, the Senate figure, if the amendment were adopted, would be $25,000 under the House figure, would it not?

Mr. THOMAS of Oklahoma. That is correct.

Mr. WHERRY. Does the Senator feel that this money should be allotted to the Southwestern Power Administrator at this time?

Mr. THOMAS of Oklahoma. Through an oversight I permitted a limitation upon debate. I have no recourse except to offer amendments. If my amendment is rejected, I shall offer another amendment providing for $400,000.

Mr. WHERRY. I am interested in knowing whether a cut to $330,000 will in any way cripple the administration of the Southwestern Power Authority.

Mr. KERR. Mr. President, will the Senator yield for a question?

Mr. WHERRY. Yes; and I should like to refer to the speech of the distinguished junior Senator from Oklahoma which followed the speech of the distinguished senior Senator from Oklahoma, in which he referred to the item. But I should like to know whether this decrease will provide sufficient funds with which to operate as the situation now exists, or whether $525,000 is the amount necessary, providing that all the rest of the lines are built. If I can get an answer to that question, it will clear up the difficulty I have in mind.

Mr. KERR. I shall be glad to try to answer that question. But I rose to ask the Senator to yield to a question from me.

Mr. WHERRY. I shall be glad to yield.

Mr. KERR. Is the Senator aware of the fact that the utilities representatives recommend an amount less than $525,000 be provided for this item?

Mr. WHERRY. I am not aware of that. It might be in the evidence. I am not interested in what the utility companies think about it; I am interested only in what Mr. Wright thinks about it. I want to be one Senator who does not vote for an appropriation which is not sufficient to carry on the work of the Administrator of the Southwestern Power Administration. That is why I rose to ask the distinguished senior Senator from Oklahoma if the reason for going back to $500,000 was because, in his judgment, it is necessary to make it that amount of money in order to provide the funds which the Administrator needs. That is subject to debate. I am open to conviction. If $330,000 is sufficient money to continue what is now being done, that is one thing; but if a cut from $525,000 to $330,000 does not permit the Administrator to carry on the work, that is another thing. I want to vote for the amount of money which I feel will give the Administrator all that he needs to carry out the work he is now doing. I think it is only fair. I thought that was what the committee had provided. But if there is any doubt in the mind of any Senator that more money should be appropriated for the Administrator, I should like to have the reason.

Mr. KERR. In answer to the Senator's question, the record indicates that a showing was made on the basis of $525,000 for the operation of the facilities now in the hands of the Administrator and now under construction and about to be turned over to him. They are totally dissociated from the item for which further appropriations for transmission lines are requested.

Mr. WHERRY. I am glad the junior Senator from Oklahoma has made that statement. I understood that the $525,000 appropriation was justified not only in the situation as it now exists, but upon the completion of all allocations made for the fiscal year 1950. If that be true, certainly the Administration anticipates additional appropriations for construction. If it be not true—and apparently the junior Senator from Oklahoma does not agree with me—I want to examine the record further, because I am interested in this appropriation. I do not want to cut the Administrator's funds to the point where he cannot operate under the system as it now exists. If $525,000 is justified on that basis, and the Senate committee cuts it to $330,000, I think we should give it very serious consideration. But if it is justified on the basis not only of what the Southwestern Power Administration has now, but what it would have if 1950 appropriations are made, that is another thing.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. KEFAUVER. I find on page 11450 of the RECORD of Monday, August 15, in the statement of the distinguished junior Senator from Oklahoma, these words:

> A study of the break-down of the $1,116,115 to be appropriated under the terms of the committee amendment discloses these startling facts: The $525,000 operation and maintenance fund provided by the House would be reduced to $330,000. This reduction would come at a time when 500 miles of transmission lines are about to be turned over to the Southwestern Power Administration for its operation. These lines would increase the responsibility and requirements of SPA, not decrease them.

On the following page it is indicated in the statement of the junior Senator from Oklahoma that Mr. Moses, the president of the Arkansas Power & Light Co., has suggested that the amount be reduced to $350,000. The committee reduced it to $330,000.

Mr. WHERRY. I thank the distinguished Senator from Tennessee for that observation. I had read with interest once again the statement of the junior Senator from Oklahoma, as already read by the junior Senator from Tennessee. That is the reason why I asked the question this morning. I read it and reread it, because it was not my intention as a member of the committee to appropriate an amount of money that would in any way cripple the Administrator's funds so that he could not operate in the present situation. That was not my intention at all. I understood, when the justification was made, that $525,000 was the amount the Administrator asked for, if and when the appropriations for the fiscal year 1950 were made.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. THOMAS of Oklahoma. Is it not the understanding of the distinguished minority leader that in the event Congress should see fit to appropriate the entire amount recommended by Mr. Wright, which would be $4,000,000 in cash and $5,000,000 in contract authorizations for the construction of certain power lines, which would make $9,000,000 to be appropriated, it would be proper to grant the full amount in the sum of $525,000 for administration, and does not the Senator understand that in the event the Senate sustains the committee and decreases the authorization to less than $4,000,000 it would be proper substantially to reduce the appropriation for administrative expenses?

Mr. WHERRY. I should like to say, in answer, that it was my understanding that the justification was made that the $525,000 was necessary for administration purposes, as outlined by the senior Senator from Oklahoma. But the point I am still making is that if the committee has erred in the reduction to $330,000, does that reduction in any way cripple the Administrator in his present activities? Is there an error there? I do not want to be one who, in standing by the committee, attempts to cripple the Administrator in any way. I cannot at the moment find the page in the justification, but I want to get it later and ask unanimous consent to place it in the RECORD, because I am satisfied that the justification was made on the basis I have indicated.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Nebraska? The Chair hears none, and it is so ordered.

The justification is as follows:

> The appropriation data statement shows no decrease due to the fact that the estimate for the fiscal year 1950 is based on an expanding program, and all activities will increase as a result.
>
> The Southwestern Power Administration has neither men nor equipment to operate and maintain the 500 miles of transmission lines and related facilities which will become completed facilities during the fiscal year 1950. It will be necessary to employ and train personnel; organize and coordinate sections and units; establish and stock the field headquarters, the base depot, and section depots; familiarize all groups with the location and characteristics of the new system; make an initial thorough inspection of the facilities; perform the routine maintenance of a new line (tighten hardware, adjust grounds and guys, retamp and rebank dirt around poles, cut brush and trees grown on right-of-way between original clearing and acceptance of the completed facilities, construct access roads, bridges, fords, and fence gates, distribute replacement poles and cross arms to accessible locations along right-of-way, build protective works to prevent erosion around structures and anchors in water courses, determine the potentially hazardous points where extra vigilance is necessary, establish cordial relationship with landowners and tenants along the line and with local representatives of other utilities).
>
> Such a program, as must be established by this Administration for the fiscal year 1950, is usually reached by a utility after years of gradual growth. An organization, to operate and maintain 500 miles of transmission lines and other facilities, would normally be built up over the years that the lines were under construction. The fact that all these miles of lines will be completed in the fiscal year 1950 makes a unique and emergent situation requiring speed of organization and a large and immediate outlay of funds.
>
> It is planned to energize certain sections of the Denison-Norfork trunk line as soon as they are completed and accepted by this Administration. This is possible due to present and anticipated interchange agreements with private utilities in the area. Construction of interconnecting facilities is now under way at Weleetka, Okla. Contingent upon the anticipated negotiations with other private utilities in the area, it may be possible to energize immediately upon completion approximately 150 miles of the 154-kilovolt line from Norfork to Van Buren, Ark. The other section of this line may not be energized until the transformers for the Weleetka Substation are installed in May 1950. Forty-three miles of 66-kilovolt line from Norfork to West Plains, Mo., will be one of the first lines completed and commitments have been signed for the sale of 9,500 kilowatts of power and energy over this line, although current negotiations with private utilities may result in an agreement for the temporary use of this line at a lower voltage. The 90 miles of 66-kilovolt line from Russett to Walters, Okla., will be energized when the 20-mile section between Russett, Okla., and the Denison-Norfork trunk line is completed.
>
> Whether or not these lines are energized immediately upon completion, they must be maintained to protect the Government's investment, to avoid any possible criticism of the Government's management, and to be available in operable condition for immediate service.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator from Nebraska yield?

Mr. WHERRY. I yield.

Mr. THOMAS of Oklahoma. Is it not obvious on its face that if it takes $525,000 to supervise the expenditure of $9,000,000, it would of necessity take a much smaller sum to supervise the expenditure of less than $4,000,000.

Mr. WHERRY. I agree with the Senator.

Mr. THOMAS of Oklahoma. Does not the Senator understand that the committee reduced the administrative expenses appropriation so that it would be in harmony with the cuts recommended in the cash expenditure and in the contract-authorization figures?

Mr. WHERRY. It was my understanding that that was the reason for the cut, but what I am still trying to find out is whether, with the cut the committee has made, down to $330,000, will there be appropriated a sufficient amount to enable the Administrator to operate under the present situation? Perhaps I am wrong, but there are three lines which really are in question, one in Oklahoma, which goes to Anadarko——

Mr. KERR. Mr. President, will the Senator from Nebraska yield at that point?

Mr. WHERRY. I yield to the junior Senator from Oklahoma.

Mr. KERR. I may clarify the information for the Senator. If the Senator will look at the map, he can see a line going from Denison, on the Red River, north and east, by Tenkiller Ferry, above Clarksville, and then up to the Norfork Dam and to Essex. That is a 500-mile, $7,000,000 transmission line, now under construction.

Mr. WHERRY. We provided for that, it is authorized, and it is under construction.

Mr. KERR. It is about to be turned over to the Administration. The $525,000 in the bill for administrative expenses and for operation is in connection with that, on the basis of the showing made as to the facilities now in the hands of the Administrator, and the additional ones to be turned over.

There was another item in the bill as allowed by the House of $660,000 for the purchase of transmission-line equipment for the lines already constructed. That item was cut by the Senate committee to $100,000. The $525,000 operation fund was reduced to $330,000. Neither of those appropriations contemplated providing funds to the Administrator to take care of other transmission lines which are recommended by the Administrator, and which are separate and apart from the ones which I have indicated. The two which are separate and apart from the ones I have indicated, as shown on the map, include one from Norfork, in Arkansas, to Essex in southeast Missouri, and one from Lula in Oklahoma to Anadarko in western Oklahoma. If appropriations were made to build those two lines, they would not come into the hands of the Administrator for operation in the present fiscal year, nor is there any fund in the $525,000, if allowed, to take care of the increased cost when, and if, those lines are built and turned over to the Administrator.

Mr. WHERRY. Mr. President, what about the extensions, three or four extensions from the line the Senator has just mentioned, up to certain dams? Are they provided for in the $525,000?

Mr. KERR. No.

Mr. WHERRY. So what the junior Senator from Oklahoma is stating is that the $525,000 administrative fund is necessary to operate the blue line on the map on which the Senator has just placed his ruler, starting near the Texas border and running clear up near the Missouri line.

Mr. KERR. A portion of it is in connection with the lines and facilities now in the Administrator's hands, and another which is to be turned over to him.

Mr. WHERRY. Will that be turned over to him now?

Mr. KERR. The project is well toward completion, and I believe will be finished in this calendar year.

Mr. WHERRY. Will not Congress be in session in January prior to the time when that additional line will be turned over?

Mr. KERR. My judgment is that it will be turned over before the January session begins. The Administrator is compelled to make his plans, and arrange the program as to how he is going to run it, and certainly to meet that responsibility he should have the funds necessary.

Mr. WHERRY. To sum up the argument of the junior Senator from Oklahoma, he states to the Senate that it is absolutely necessary, in order to take care of the present system, and also what is in contemplation, the taking over of the line that was authorized and is now being completed, to have this appropriation of $525,000?

Mr. KERR. That is the judgment of the junior Senator from Oklahoma, and I am sure that to that the senior Senator from Oklahoma agrees.

Mr. WHERRY. If the lines authorized to be built in 1950 had been built, would the same justification take care of their needs?

Mr. KERR. I can only say that if this appropriation is made as allowed by the House, and as now advocated by the junior Senator from Oklahoma, the money could not be allocated, the contracts for the additional construction could not be let, probably before November, and then there would be no chance for the completion this fiscal year of new facilities coming into the Administrator's hands requiring additional funds.

Mr. WHERRY. Mr. President, I did not intend to speak on the amendments at all, but I do think there seems to be some divergence of opinion relative to the justification. I hope that before the amendments are voted upon the chairman of the committee or other Senators may rise and at least give their interpretation of what the committee did, because I certainly thought, when I voted for the amendments, that we were voting sufficient funds to carry on the administration of the Southwestern Power Administration.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. THOMAS of Oklahoma. If I may ask a question, I will propound this inquiry: Is it not a fact that if the Congress sees fit to appropriate $4,000,000 in cash to build lines in my section, and then authorizes an expenditure of $5,000,000 more to build lines in my section, it is reasonable to give the Administrator $525,000 with which to supervise this over-all construction?

Another question: If the Senate agrees with the Senate committee that it is not proper now to appropriate this much cash, and not proper now to make this large an authorization, the committee having reduced the $4,000,000 in cash to $1,616,115, and the committee having recommended that the authorization be reduced from $5,000,000 to $2,275,905 is it not a reasonable deduction that if the cash to be expended and the authorization to be recognized are substantially cut, cut about two-thirds, it would be in order to reduce the administrative expenses a similar amount?

Mr. WHERRY. I am quite satisfied that was the way the committee arrived at the justification. There is a certain amount of justification for that interpretation and that position. I was somewhat concerned after I read the remarks of the junior Senator from Oklahoma [Mr. KERR], however, in which apparently the contention was made that $330,000 would not even be sufficient to continue present operations.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield further?

Mr. WHERRY. I am glad to yield.

Mr. THOMAS of Oklahoma. If the Senate sustains the cuts made by the committee the bill goes to conference. If the conferees on the part of the House convince the conferees on the part of the Senate that the amounts are too small, our conferees, as always, will be reasonable in dealing with the amounts. The conferees on the part of the Senate have been reasonable in their dealings with the conferees on the part of the House during the 15 or 20 years I have had any experience with such matters. Is it not reasonable to believe that if the conferees on the part of the House can convince our conferees the latter will yield?

Mr. WHERRY. I certainly agree with the Senator from Oklahoma that usually the Senate is in favor of making increases rather than making decreases. We are certainly in a rather peculiar position today, when we are arguing in favor of reducing the amounts, and asking the House to agree to the reduction.

Mr. THOMAS of Oklahoma. At this point, Mr. President, I withdraw my amendment to the committee amendment, and offer a new amendment.

The PRESIDING OFFICER (Mr. HOLLAND in the chair.) The Senator from Oklahoma withdraws his amendment to the committee amendment in line 14, page 6.

Mr. THOMAS of Oklahoma. Mr. President, on page 6, in line 14, in the committee amendment I move to strike out the figures "$330,000" and insert in lieu thereof the figures "$400,000." Upon that amendment I ask the floor.

The PRESIDING OFFICER. The Senator from Oklahoma has the floor on his amendment to the committee amendment. As the Chair understands, the

Senator is entitled to speak not exceeding 30 minutes and only once on his amendment.

Mr. KERR. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KERR. Is it in order to withdraw an amendment at the time it was about to be agreed to?

The PRESIDING OFFICER. The Chair is advised by the Parliamentarian that at any time prior to the ordering of the yeas and nays upon a particular amendment, or at any time prior to offering a new amendment to a committee amendment, the one who offered the previous amendment to the committee amendment has leave to withdraw it.

Mr. THOMAS of Oklahoma. Mr. President, as I stated, my only purpose in offering these amendments is so I may be permitted to have sufficient time to complete my petition to this honorable body.

I stated a moment ago that we have but one dam in my State producing power. There is another dam in the State of Arkansas producing power. Funds have heretofore been appropriated, and are proposed to be appropriated in the pending bill, to complete the high-power line between these two dams.

Mr. President, I was trying to show the Senate the condition in which the cooperatives throughout the country find themselves. They find themselves absolutely obligated to pay the high power rates, but these rates are not because the cost of producing energy is high. The cost of producing energy is low. The power rates are high because of the incidental and necessary overhead expenses in getting the power from the source to the consumer.

As an humble member of a cooperative in Oklahoma, I am asking the honorable Members of the Senate: What can I do, what can my friends do to secure cheaper power in my section of the country? I will tell the Senate later how we can secure cheaper power. It cannot be done by piling up more expenses, which involve higher interest charges, greater amortization payments each year, more labor costs, wages, and salaries, and cost of equipment, upon which it will be necessary to pay additional interest and additional amortization each year. That is not the way to do it. I wish to see if this honorable body agrees with my viewpoint. If the additional transmission lines applied for by the Southwestern Power Administration are approved, and the money appropriated, and the lines built, will those lines give us cheaper power? That is a question I submit to each and every Senator. If we appropriate the money and we build the lines will that give my friends cheaper power? I am afraid that, instead of giving them cheaper power, it will of necessity raise the existing rates, and if Senators will bear with me I shall give my explanation.

The SPA rate in my territory today is 5.8 mills.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. MAGNUSON. The Senator asked how he and his friends can secure cheaper power. I do not know the situation in Oklahoma and in the Southwest generally so well, but the experience in my part of the country has been that if dams are built, if transmission lines are built, every year the power rates become lower and lower, until today we have had a reduction in power rates, beginning with the building of dams and transmission lines, amounting in all to some 17 rate reductions, and now the rates we pay are the lowest of any rates charged anywhere in the entire world.

Mr. THOMAS of Oklahoma. The Senator's statement is correct. The rate charged to the large consumers in the Columbia River Valley is 3.6 mills. My people and I are offered a 5-mill rate in western Oklahoma. In western Oklahoma we have only flash floods. Yet in the great Columbia River Basin, where there is a continuous flow of water every day in the year, the lowest rate at which power can be produced and sold is 3.6 mills per kilowatt-hour, 1.4 mills cheaper than the rate at which we are offered power in my State. It is not the power, Mr. President, that costs us money.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. Mr. President, I have only 30 minutes of time on my amendment. However, I am glad to yield to the Senator from Washington.

Mr. MAGNUSON. I wish to make a correction for the RECORD. A considerable portion of the 3.6 mills goes toward the payment of a $500,000,000 reclamation project which is also developed in my part of the country.

Mr. THOMAS of Oklahoma. The money paid for power goes to pay interest, to pay amortization, and to pay for reclamation projects. In spite of the continuous flow of water to generate power, 3.6 mills is the lowest rate the farmers in the Senator's section of the country can be given. But if we gave them the power they still would not have cheap power rates. They would have cheap electricity rates, but that is not the power rate. The power rates take in electricity. Then there must be lines, plus transformers, switching stations, and management. On all the expenditures for such purposes there must be interest payments and amortization payments. All those payments must be made in order to get the power to the consumer.

Mr. MAGNUSON. The Senator is charging some of the cost to flood control.

Mr. THOMAS of Oklahoma. Oh, no, Mr. President. Let us keep the record straight. A portion is charged off for flood control, but a certain portion of the cost of construction of each dam is allocated to the production of power, and that amount of money is the basis upon which we have to pay a rate of 2½ percent per annum, and then to pay one-fortieth of such cost in amortization each year. I make this argument because I think it is worth while, for sooner or later I hope we shall adopt a power policy.

The power rate to my cooperative is 5.8 mills, just 2.2 mills less than the power rate charged in the great Bonneville area. That is not the cause of the high rates we have to pay. The low rate in the Northwest is not the cause of the higher rates those people have to pay. It is the transmission; it is the overhead; it is the interest and amortization which cost money. We have to pay for those things. The Government cannot afford to expend money to build a private line to serve me, 18 miles from a county seat. I have never thought of such a thing.

If the lines applied for are authorized and constructed, and we apply for and are given SPA power, we understand that the rate will be 5.8 mills, or 0.8 of a mill higher than the rate we are now tendered by the private companies.

I am not a member of the board of directors of my cooperative. If I were, I certainly would insist that they accept the lower rate of 5 mills flat, offered by the private companies, rather than the 5.8-mill rate offered by the Government.

If those lines are built, how will they furnish us with cheaper power and how will they furnish us firm power without being tied in to steam generating plants? Or will our cooperative have to build its own steam generating plants? How will these lines reduce our cost? Or will the construction of the lines actually increase our cost?

Mr. President, that is the issue. I am prepared to say that every dollar of the cost which Congress appropriates to build unnecessary lines will be charged to the users of the power, and the cost of every line which is built in my section of the country, serving my cooperative, will be charged by the Government entirely in my section of the State. The more lines we build the more money we spend. The more money we spend the more interest we have to pay, and the more amortization we have to pay.

Here is my evidence, as a humble cooperative member in Oklahoma: We are advised that the Federal law provides that all costs must be repaid within a reasonable period of time. What does that mean? What is the law? All costs must be repaid—the cost of building the hydroelectric machinery in the dam, and the cost of building transmission lines—all must be repaid within a reasonable time. A "reasonable time" has been interpreted to mean 40 years. Mr. Wright says that "all costs of such electric service must be repaid."

As we understand, this means all costs of the construction of that part of the several flood-control dams assigned to the production of power. We understand that all costs of transmission-line construction, together with costs of related facilities, will be added to the cost of construction of the hydroelectric equipment at the dam. We understand that on these total costs we must pay interest at the rate of 2½ percent per annum. We understand that we must pay, in sums called amortization, one-fortieth of the total cost of the dams assigned to power and the transmission lines. Further, we understand that we must pay all the costs of operation, including the cost of labor, material, and supplies. We understand that we must

pay all costs of replacement. About these items there can be no doubt. These statements cannot be controverted.

Why do I make that particular statement? If our understanding is correct, we shall have to pay the costs of the transmission lines and related facilities in addition to the cost of producing the electricity at the dam. Is it possible that we are mistaken in our understanding of the law? We wonder if our understanding is correct. The answer must be "Yes." We understand that the Federal Power Commission says "Yes." Mr. Decker, representing the General Accounting Office, says "Yes." Mr. Wright, Administrator of the Southwestern Power Administration, says "Yes." As I understood the distinguished senior Senator from Alabama [Mr. HILL] a few days ago, he answered this question in the affirmative when he made the statement that every dollar expended for these lines would be paid back with interest. That is correct, as we understand.

The record shows that Representative CARNAHAN, from the Eighth Missouri District, likewise says "Yes." We are advised that the Federal Power Commission says that under existing law electric rates are based upon the total cost, and that 2½ percent interest per annum must be paid on such total cost, in addition to repayment of one-fortieth of the total cost each year in amortization payments. All costs of operation, including labor, material, and supplies, together with replacements, likewise must be considered in the confirmation and approval of the rate. If our understanding of the law and its interpretation is correct, it is our conviction that the more money spent for the construction of distributing lines and related facilities the higher, of necessity, must be our electric rate. We are asking Senators to advise us about these matters before appropriating additional sums and charging them to our electric cooperative.

Mr. President, I am glad to have the busts of distinguished former Justices of the Supreme Court looking down upon this vacant room. I know of only one worse place to make a speech, and that is in some backwoods cemetery. I am not complaining. I do not listen to all the speeches. But this is a momentous occasion, and we are discussing a momentous issue. We are legislating for hundreds of thousands of helpless farmers and rural people. The Congress is proposing to vote money and force that money upon them without their consent and without their knowledge. They must pay, in power rates, sufficient to pay 2½ percent interest and repay one-fortieth of the total amount each year. During all that time they must pay a power rate higher than they should pay.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. Mr. President, how much time have I?

The PRESIDING OFFICER (Mr. SCHOEPPEL in the chair). The Senator has 4 minutes remaining.

Mr. THOMAS of Oklahoma. I am still hopeful that we can get an agreement to vote on these issues at a time when more Senators can be present.

Mr. MURRAY. Mr. President, I merely wish to make a brief observation.

Mr. THOMAS of Oklahoma. I yield. I am not filibustering.

Mr. MURRAY. I have been listening to the Senator's speech this afternoon with great interest. I assure him that I am greatly interested in this problem in the Southwest, although I am not familiar with it. As I understand, the Senator takes the position that the power lines which are sought in the Southwest are all unnecessary and would be an additional burden.

Mr. THOMAS of Oklahoma. No. The Senator's statement is not correct. I have gone along and helped to appropriate money. We have already spent $10,000,000 in building lines. We recommend $4,000,000 now to finish lines and build new ones. I am in favor of connecting all these dams, even before they are constructed. Then I am in favor of building, from the main, backbone lines, other lines in areas which do not now have transmission lines and to which the power companies refuse to extend their transmission lines. Then, as fast as we are convinced that an additional transmission line is necessary, we shall have no hesitation in seeing to it that such transmission lines are built, one way or another.

Mr. MURRAY. That is very satisfying to know.

Mr. THOMAS of Oklahoma. There is no question about that.

Mr. MURRAY. My experience has been that it is difficult to get the lines built into the back country. That has been my experience in Montana; I am not familiar with the situation in the Southwest. But I believe transmission lines are necessary to carry the power into the rural areas so as to give the farmers the advantage of the priorities that such policies would give them.

Mr. THOMAS of Oklahoma. Mr. President, I understand that my time has about expired.

The PRESIDING OFFICER. The Senator from Oklahoma has a minute and a half or 2 minutes remaining.

Mr. THOMAS of Oklahoma. Mr. President, I know of no other Senator who wishes to be heard at this time.

Again I withdraw my amendment.

The PRESIDING OFFICER. The Senator has that right.

Mr. THOMAS of Oklahoma. Mr. President, I rise now to assert my opposition to the third amendment of this group. I do so only so as to give myself more time, until the Senators who now are absent return to the floor.

The PRESIDING OFFICER. The Chair is advised that some amendment would have to be offered to some one of the four amendments.

Mr. THOMAS of Oklahoma. Mr. President, I gladly accept the ruling of the Chair.

I now move that on page 6, in line 14, the committee amendment which proposes to strike out $525,000 and insert $330,000 be amended by striking out $330,000 and inserting $350,000. On that motion I claim the floor.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. THOMAS of Oklahoma. Mr. President, there is no end of time I can consume on the floor under these circumstances. I do so only under pressure. I am only hoping to obtain an agreement to vote. I want all Senators to be here. If that cannot be done, then, of course, I must proceed. I am sorry that not more Senators are present now, when I am discussing the program which I wish to present.

Before discussing the amendment just offered to the committee amendment, I wish to call the attention of Senators to the language on page 7, which the committee recommends be permanently eliminated.

Mr. President, here is what has happened. In 1944, even before section 5 of the 1944 Flood Control Act was enacted into law—in other words, before any law whatever with respect to public power was enacted—the then Secretary of the Interior, having sought the adoption to the flood-control bill of the amendment to permit the sale of the power created by flood-control dams—and that became a law on December 22, 1944—had inserted in the first deficiency bill an amendment proposing the creation of a checking account and revolving fund for the Southwestern Power Administration, an institution not then created.

I am glad the distinguished senior Senator from Virginia [Mr. BYRD] is present. I do not know whether he knows of this law, but there is now on the statute books a law by which the Administrator of the Southwestern Power Administration has a $100,000 continuing fund upon which he, but no one else, can draw checks.

The proposed elimination of these lines and this language from the bill would increase the checking fund from $100,000 a month to $300,000 a month, or an increase from $1,200,000 a year to $3,600,000 a year. I wonder whether all Senators understand that they are being asked to pass such a bill.

If this committee amendment is not agreed to, and if the Administrator is given $300,000 each month as a continuing fund, he can spend the $300,000 each month, and the first of the following month another $300,000 will be in the fund, for the Treasury has been directed to keep that fund thus replenished. In other words, $3,600,000 a year will thus be placed in a checking account for a Government official, with no restrictions or limitations.

When the committee understood that, it voted to eliminate that provision. The committee is not in favor of the creation of a continuing fund in the amount of $3,600,000 a year, and of making that gigantic fund susceptible of being drawn on by checks issued by some appointed official located miles and miles away from Washington, and with no limitations or restrictions upon his right to draw on that fund.

Mr. President, I am sorry that not more Senators are present at this time. Of course, this is Friday. The Senate has been dragging out its sessions for a long time. All Senators are tired. I

do not complain. I do not blame any Senator for being away from Washington on this Friday afternoon.

Mr. President, what law gives the Administrator the right to purchase electric power? Let that question stand. No such right or authority has yet been given. Until we give the Administrator the authority to do that and the money with which to buy electric power, he is devoid of such authority. If he had the authority, why would he be asking for it in this bill?

I read further:

And energy and rentals—

Mr. President, he has no power now to rent facilities.

He might have power to rent a line, but certainly no power to rent a steam plant. If he cannot build a steam plant he certainly has not the power to rent one. But, if the language of the House stands and if the Senate committee is overthrown, we are giving him the power to buy electric energy. We are giving him the right to rent facilities and the money with which to pay the rent. I read further:

and rentals for the use of transmission lines and appurtenant facilities of public bodies, cooperatives, and privately owned companies.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. McCLELLAN. May I inquire of the Senator whether there was any evidence before the committee in the nature of a request from the Southwestern Power Administration for money with which to construct a steam plant?

Mr. THOMAS of Oklahoma. Mr. Wright, the Director, was at the hearings in the House and Senate, where 6,000 pages of testimony were taken. He did not say one word about the steam plant. He had made his plans. He was talking about this particular matter.

Mr. McCLELLAN. Mr. President, will the Senator yield further?

Mr. THOMAS of Oklahoma. I yield.

Mr. McCLELLAN. Is it, then, the Senator's interpretation of the provision in the House bill that by this means the Southwestern Power Administration is seeking an authority, with an appropriation to carry out the authority, that it does not now have, which would be tantamount to its producing electricity by steam and the Congress granting it a revolving fund to pay the rental on a steam plant for the purpose?

Mr. THOMAS of Oklahoma. The Senator is right, 100 percent-plus.

Mr. McCLELLAN. I have been trying to follow the Senator in his discussion of this particular committee amendment. I have read the amendment since the Senator began his discussion of it. I followed the Senator I believe in every respect, except when he says $300,000 will be available each month. I do not see the words "each month," or "a month" in the amendments.

Mr. THOMAS of Oklahoma. I am making the statement that it means $300,000 each month.

Mr. McCLELLAN. That is what I wanted to point out.

Mr. THOMAS of Oklahoma. But the Administration interprets it to mean that, each month, he will suggest how much money is needed, and the continuing fund will revolve to the extent of $300,000 at the first of each month.

Mr. McCLELLAN. In reading the amendment, I do not find any language which limits the replenishing of the fund to keep it up to $300,000 in a 1-month period. In other words, if the power were granted and the fund set aside in the amount of $300,000, and if the Administrator wrote a check on that account the next day for $300,000, in carrying out any of the purposes here authorized, as I interpret the amendment, it would be the duty of the Treasury immediately to replace it the following day. I can see no limitation in the provision that would keep him from writing another check for the same amount the next day.

Mr. THOMAS of Oklahoma. The Senator is exactly correct, excepting that the Treasury has decided that a continuing fund should be replenished the first of each month.

Mr. McCLELLAN. There is nothing about that in the law, is there?

Mr. THOMAS of Oklahoma. No.

Mr. McCLELLAN. But it is the rule of the Treasury, is it?

Mr. THOMAS of Oklahoma. It is, so I am advised.

Mr. McCLELLAN. This, therefore, means the granting of $3,600,000 a year, to be expended for any of the purposes enumerated in the provision, does it not?

Mr. THOMAS of Oklahoma. The Senator is correct.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. MURRAY. In the testimony befor the committee, was there anything to the effect that it was intended to use this money out of the revolving fund for the purpose of constructing the steam plant?

Mr. THOMAS of Oklahoma. If the amendment is agreed to, the bill will give them the right to lease facilities and to buy electricity. Then, if the section is agreed to, there will be a continuing fund of $300,000 a month, to do whatever they want with it, to buy electricity, or to rent facilities.

Mr. President, is what I said about the program correct? I call the attention of Senators to volume I of the Senate hearings. I invite them to turn to page 1405, and read the testimony of Mr. Gesell, an electrical engineer, with headquarters in Oklahoma City. Mr. Gesell says:

The part of the State west of Oklahoma City, according to announced plans, may be served by a proposed supercooperative which plans to build a steam generating plant at Anadarko and high voltage transmission lines to serve cooperatives which are already adequately served at low rates by the companies.

The Southwestern Power Administration proposes to lease this plant and these transmission lines, thus also blanketing the west half of the State with a transmission network to be operated by the Interior Department. This latter leased-line plan has not been disclosed in much detail—

That is the first word in 6,000 pages of testimony mentioning the Anadarko steam plant and the authorization to construct it.

Mr. McCLELLAN. May I make an inquiry of the Senator, before he leaves that language?

Mr. THOMAS of Oklahoma. Yes; I yield to the Senator from Arkansas.

Mr. McCLELLAN. Reading further from the statement of the witness:

This latter leased-line plan has not been disclosed in much detail, but the whole program, as contemplated would create a duplicating transmission network over most of the State.

Since he is referring to the Senator's State, I should like to ask the able Senator, from his familiarity with the present facilities in his State, whether the statement that this would create a duplicating transmission network over most of the State is true. Is that a correct statement?

Mr. THOMAS of Oklahoma. That is a correct statement.

Mr. McCLELLAN. Then, if the amendment be agreed to and the plan be carried out, as testified to by the witness, the action of the Congress in adopting this provision would be tantamount to the construction of steam plants to firm up this power, with the Government constructing them?

Mr. THOMAS of Oklahoma. Yes, in a subterfuge manner.

Mr. McCLELLAN. I understand; but, probably, from what the Senator says, the loan application has been pending for a long time and the loan will not be granted unless this arrangement is made, so that the Southwestern Power Administration can lease the lines and make distribution as represented by the witness?

Mr. THOMAS of Oklahoma. That is correct.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 12 minutes remaining.

Mr. THOMAS of Oklahoma. Mr. President, I should like to ask Senators to turn to page 1463 of the hearings. The statement which I quoted was that of an engineer representing a private power company. Now I shall refer to a statement of an engineer representing the Western Electric Co., which has made application for a loan—the engineer who will build the plant if the money is secured. On page 1463 of the hearings is a portion of the prepared statement of Mr. S. H. Van Wambeck, of Oklahoma. Mr. Van Wambeck's statement begins on page 1462, as follows:

Statement of S. H. Van Wambeck, electrical engineer, C. H. Guernsey & Co., Oklahoma City, before the Interior Subcommittee, Senate Appropriations Committee, June 6, 1949, at the request of the Western Electric Cooperative, in re Southwestern Power Administration.

There is his qualification.

I ask Senators to turn to page 1463, the next to the last paragraph on that page. This is from the statement of the engineer representing the public power program. I read:

Western Electric proposes to construct a gas-fired steam plant near Anadarko, Okla., and a network of transmission lines to reach

the load centers of its members. Interconnection between the steam plant and the SPA system is contemplated in the form of a tie line from Lula to Anadarko.

Lula is a small place on the main backbone line from Denison to Norfork. It is proposed to build a connecting line between that main backbone power line from Lula to Anadarko.

I read further:

The steam plant will be operated at or near full output at all times to produce electrical energy at low cost by taking full advantage of the economies inherent in high load factor operation.

Mr. President, the lowest rate which SPA has announced is 5.8 mills, and every cooperative is now being tendered all the current they want at 5 mills. Can we assume that these cooperatives are so devoid of business sense they will take the power and pay that amount for it when they can get the finest power in the world at a flat rate of 5 mills?

I am not arguing against the public-power system. I am not here representing private power companies. I am representing persons who cannot represent themselves, such as farmer cooperatives and rural people who never see the contracts. All they know is that they sign up for power and they pay the bills as they come in. At a later time I shall take up another viewpoint. I stated on a former occasion that I wanted cheap power, the cheapest that I can get. It cannot be secured by the Congress appropriating public money. If it is appropriated, it must be borrowed from the public. It will be used to build unnecessary steam plants, transmission systems, stations and substations, piling up the expense upon the cooperatives of the Nation. The cooperatives are powerless in the situation. They have to pay interest at 2½ percent per annum. One-fortieth of the total sum each year is for amortization. The more lines, the more management; the more lines, the more steam plants, and so more labor must be employed, more linemen must be employed, and greater expenses incurred. It all figures in the cost of electric rates.

I am trying to give the Senate, for the RECORD, the reason why the committee struck this language from the bill. If the language goes out of the bill, the law still remains and the Administrator still has a $100,000 checking account, subject to his check alone. He will have it as long as the law stands. If Congress gives the Southwestern Power Administration money to pay these rents, Mr. Wickard is justified in concluding that Congress wants the steam plant built. Even if it be built, Mr. President, it cannot produce power as cheaply as can the already existing power lines in that section. The existing lines built their systems when the costs of construction were low, when the cost of generating machinery was low, when the cost of poles was low, and when the cost of wire was low. These systems are now in operation. They have cheap rates all around that area. There is cheap coal under practically all my State; there is cheap oil under practically all my State. The old-established companies operate on a system which costs less than one-half of what it would cost to replace them. They can produce power in my section at the lowest possible cost. They are offering the electric cooperatives a 5-mill rate—the second cheapest rate in America—second only to the power rate offered by the Bonneville Administration.

Mr. President, I cannot understand why a member of a cooperative residing in the mountains of Oklahoma should come all the way to Washington to present his case to the Senate of the United States. Secondly, I do not understand how a Senator from any State can approve an economic program which if carried out at all will increase, rather than reduce, the power rate to the people of my section. When I say "power rate," I do not mean merely the cost of the electricity alone, I mean the power rate for the cost of the current; second, the cost of the transmission line; third, the cost of management; fourth, the cost of labor; fifth, the cost of supplies; and, sixth, the cost of what the Federal Power Commission calls interim replacements.

The PRESIDING OFFICER. The Senator has 2 minutes remaining.

Mr. THOMAS of Oklahoma. Mr. President, I realize that my argument is falling on the ears of but few Senators. I had hoped we might get an agreement to postpone the vote until Monday. Had it not been for my understanding that under the unanimous-consent agreement, even if a Senator were limited to 30 minutes on the four committee amendments, he could still offer amendments to them and discuss them at length, I would not have agreed to the unanimous-consent request. That was my understanding when I did agree, and I had it from the highest authority, in my humble opinion. I am now advised that my understanding was incorrect. I have to submit to the ruling of the Chair. But I say to the Senate and to myself that no more unanimous-consent agreements will be made when I am on this floor with respect to issues such as the one now before the Senate.

Mr. McCLELLAN. Mr. President, when I first came to the Congress in 1935 I became a member of the Flood Control Committee of the House of Representatives. I sought that committee assignment because of the vast water resources of my State, and because flood control was of paramount importance to the future development of my State, and for the protection and preservation of her natural, abundant, and rich soil resources.

Up until that time, I had given very little thought to power, and the great advantages of cheap electric power. I had not become very conscious of the power question from the standpoint of the Federal Government's responsibility to develop multiple-purpose dams, and thus generate hydroelectric power.

As I served on the Flood Control Committee of the House of Representatives, and we made some measure of progress toward the solution of many of the flood-control problems of my State—at least we made progress in some areas, and on some of the streams—and in the further study of the projects necessary for flood control, it soon became obvious to me that as the Government made its tremendous investments in levees it was necessary and most advantageous to implement the levee systems by the contruction of retention dams on the upper stretches of the streams for the purpose of controlling floods. It also became apparent that such projects constructed by the Federal Government could be constructed for multiple purposes, including the generation of hydroelectric power.

I became very much interested in the program then, and while I served in the House, I did everything in my power to advance the general program for flood control, and for the development of the great water resources of the streams and valleys of the Nation.

Mr. President, when I came to the Senate I sought and obtained assignment as soon as possible, to the then Commerce Committee of the Senate, which had jurisdiction of flood control legislation. The Reorganization Act of 1945 placed the jurisdiction over flood control and river and harbor projects in the Committee on Public Works, and I immediately sought and obtained assignment to that committee, because I am keenly interested in and enthusiastic about not only legislation in the way of authorizations, but appropriations necessary to carry on this tremendous and vital program, which, as we can now foresee, may ultimately cost many billion dollars before the job will be completed.

While I have frequently emphasized my interest in economy in Government and in reducing governmental expenditures, and in trying to hold the cost of Government within its revenues, so that we can operate on a balanced budget, yet where surveys have been made, and definite and positive factual information presented to the Congress, which, when considered, clearly indicate that a project of the character of a multiple-purpose dam for power and flood control projects is economically justified, I have been and I am still willing to vote for the appropriations for their construction just as fast as money can be made available, and the facilities are provided for carrying on the work in a practical and efficient manner.

Mr. President, if we go in the red a billion dollars a year, if we run a deficit of two billion dollars a year, in the finances of our Government, I shall have no great concern about it if that billion or two billion dollars a year is being expended to develop, or to conserve the great natural resources of the Nation. I do not regard such expenditures as operating costs of Government. I think they stand apart from that, and are in fact an expansion of the Government's productive plant, the Government's productive possibilities. They are in fact capital investments in the future growth and development of the Nation to meet the needs of increasing population, and to supply the demands that progress makes upon our resources.

Mr. President, I know it is said by some, and, I think, with great sincerity, that each time this appropriation measure comes before Congress the same old

fight results, and that the question resolves itself into public power versus private power. There is that clash between those two interests; but I, as a United States Senator, am concerned with trying to resolve that which I think to be of paramount importance, which is not simply public power and not simply private power, but what is in the interest of all the people. When we resolve that question, then I am not much concerned about whether it is termed private power or public power. But I do want to resolve the issue and find, if I can, the right answer.

I may say, Mr. President, that when I first came to the Congress I found the power companies, which were often referred to then as the power trusts, until we passed the Holding Company Act—I voted to abolish the holding companies against the wishes of the power interests. The power companies were then in opposition to the Government constructing multiple-purpose dams. I found them in opposition to the Government developing its own natural resources, to developing the rivers of the country and making the greatest utilization of their potential wealth and power.

I have continuously and consistently during my 11 years in Congress supported all legislation for the authorization and construction of levees, multiple-purpose dams, and other river improvements that appeared to be economically justified. I shall continue to do so, for I am convinced these improvements are in the public interest. Yes, in many instances they are indispensable.

Mr. President, I think I can leave it to the record that I have consistently maintained the position I have expressed here today. Such development is the responsibility of the Federal Government, and if this obligation is met the Nation will receive tremendous benefits as this program progresses. So, therefore, I am not very much interested in what a private utility thinks of the program.

As I now recall, the private utilities opposed what is now section 5 of the Flood Control Act of 1944. Those present who were in the Senate at that time will remember that when the 1944 Flood Control Act was passed there were Senators on the floor, very able Senators, I may say, some of whom are not with us now, who insisted the Government should sell the power at the bus bar. If I remember correctly, it was the view of the power companies at that time that the power should be sold at the bus bar and that everyone who wanted the Government hydroelectric power should be required to go to the bus bar for it. I opposed that provision. As the result of the collective wisdom of the Senate we did not limit or restrict the selling of the power generated at these plants to the bus bar, as the power companies wanted, but we wrote a provision—now section 5 of the act—which enabled the Government to determine whether it was necessary from time to time for the Government to invest in transmission lines and other related facilities necessary to bring about the broadest distribution of the power generated and to have it sold most advantageously to the Government, but primarily to serve the declared preferred customers, which were the cooperatives and public bodies. That was a wise provision, Mr. President, and it is sound policy today.

Mr. President, I have voted for the REA and full appropriations for it during the 11 years of my service here and shall continue to vote adequate funds for that agency. Mr. President, I voted for all these things over the opposition of the public utilities.

When the issue arose respecting the building of connecting lines between the power dams which we are constructing, the utilities were in opposition, because they still held to the same theory that they would like to have some advantage, as they would have, if all the sales had to be made at the bus bar. They wanted to build their lines into each plant and then tie the power into their system. I did not know, and I said so on the floor of the Senate at the time, just what advantage would accrue by reason of tying the dams together, because I was not an electrical engineer, but I felt that when the Government invested in these costly improvements they should be integrated. Therefore again I voted, against the wishes of the utilities, for the construction of the lines tying in the dams and the hydroelectric plants.

Mr. President, I shall vote against the wishes of the utilities any time I think it serves the public interest to do so. I am not greatly afraid of them politically. I have never had their support anyway. But I wish to secure the most from the money the Government is investing.

I do not want to sponsor any program or vote for legislation which would destroy private enterprise. I have said so before. I think there is room in America for both private power and public power and that they can live together and prosper. Our Government should continue to develop to the maximum extent our great national resources, and make available, through Government production and generation, tremendous amounts of hydroelectric power. It is that program in which I am interested.

I do not think it is wise to put the cart before the horse and spend a great deal of money for the building of transmission lines before the power is available. Mr. President, in this year's civil-functions appropriation, which is still in conference, the Senate adopted an amendment which I sponsored for $1,000,000 to begin construction of the Dardanelle Dam on the Arkansas River. The House conferees, I understand, want to eliminate that appropriation, but I am trying to get this power developed—about 70,000 kilowatts that is in the Dardanelle Dam. Now, in 1946, as I recall, the Southwestern Power Administration came before Congress with what I thought was a very ambitious program involving, if I remember correctly, $220,000,000, which it wanted to spend over a period of about 10 years, and it wanted about $23,000,000 appropriated for that year. They presented it to the Congress almost as an ultimatum. They said, "Either give us all of it or nothing."

When I had time to examine the plan, where they proposed to build those lines, it was perfectly obvious to me that if we allowed the money we would simply enter into a gigantic program of building duplicating lines, at the expense of the taxpayers, into practically every village and area many of them already adequately served by the private utilities. I opposed that proposal. I still oppose it, until such time as it is perfectly clear that this power cannot be marketed and the full benefits of it made available to the people without the Government going to that tremendous expense.

As I see the issue today, we have already constructed two power dams in the Southwest area which are supplying power. The power from one of them, at the insistence of the Government, has been contracted to a private utility. We might as well be honest about it. The Texas contract would not be in existence today except that Government put on the pressure to make it. We are to have 6 more dams. There are 3 now under construction, and I believe 6 more are authorized, for which initial appropriations have been made. Twelve or 14 others in this general area have been authorized.

By 1953 the dams now under construction will make available approximately 370,000 additional kilowatts of hydroelectric power. If I am correctly informed, this capacity of 370,000 kilowatts does not represent firm power, but represents the maximum capacity of the hydroelectric generating plants. My understanding is that the 370,000-kilowatt capacity of power in those dams will actually yield only about 130,000 kilowatts of firm power ready to serve and be used at all times. So there is the difference between 130,000 kilowatts and 370,000 kilowatts which will have practically no market value, and which the Government cannot sell or get any benefit from, except in one of three ways.

It may make a contract with the utilities which already have transmission systems to transmit the power to those sections and places where the cooperatives and other public bodies are to be served.

Failing to make such a contract or arrangements with the utilities which already have their transmission systems, it will be necessary, before the Government can market that power and get widespread distribution and get the full benefit of the investment in the dams, to firm up the power by spending millions for steam plants. I refer to what the Senator from Oregon [Mr. CORDON] said a day or two ago. These dams were recommended on the basis that all the power be firmed up and sold. That is the only way the benefits can provide economic justification for the cost of the dams. If we do not succeed in doing that, then we shall not be able to meet the amortization cost of the dams.

If we build the steam plants we must make the necessary investment to build a system of transmission lines.

What will it cost to do it? I have no particular interest in the Texas contract. I would not necessarily know whether it is a good contract for the Government or a bad one for the utilities. But I do know that the contract

exists today because the responsible agencies of Government thought it was a good contract for the Government and insisted upon it. They still testify before the committees of the Congress that it is working saitsfactorily. I accept their judgment. I do not care whether we ever have such a contract in Arkansas, so far as the Government or the utilities are concerned, unless it is the best thing under the circumstances in the service of the people who need the other 240,000 kilowatts of power which will be available.

What can we do? We can do one of two things. We can start immediately to build a vast transmission system and build steam plants to firm up the power. I do not know that we could get them constructed by the time the power becomes available, but we certainly should start now to do the job of building steam plants and building the necessary transmission lines, if that is to be the program, so that we can get the full utilization of what we have already authorized and are spending money for, and in order that the power may be available when the projects are completed.

Mr. KERR. Mr. President, will the Senator yield for a question?

Mr. McCLELLAN. I am glad to yield. I have only a few minutes left of my 30 minutes, and I wish to conclude within that time.

Mr. KERR. Is the Senator aware of the fact that at the present time there are existing steam generating plants in the area served by the Southwestern Power Administration, in operation or under construction, or being planned for construction, with a capacity in excess of two and a half million kilowatts, which are available for contractual relations with the Southwestern Power Administration for firming up the power it has, and which are separate and distinct from any generating facilities owned by the utilities?

Mr. McCLELLAN. The facilities to which the Senator refers are power plants of municipalities. The Federal Government does not own any in that area, does it?

Mr. KERR. Municipalities own plants with a total capacity of approximately 460,000 kilowatts. The city of Springfield, Mo., has 24,000 kilowatts generating capacity, and is planning to double it. A number of the rural electric cooperatives either have steam plants in operation or under construction, or plans for putting them in. All these facilities will be available for firming up processes with the Southwest Power Administration in the absence of its ability to make agreements with utilities.

Mr. McCLELLAN. I do not know the amount which is now available, but I do know that every program which has been submitted heretofore—including the program in 1946 and the present program—contemplates that ultimately the Government will build steam plants in those areas. I think that is a matter of policy which the Congress must settle. As I have said, that is one way to handle the matter. If we wish to do that, then we can expect to invest many, many millions of dollars, once we start that program. However, if that is to be the policy, the Congress should decide it. That is not yet the policy under existing law. That is not yet the policy of Congress, in my judgment, as expressed in the Flood Control Act of 1944.

Mr. KERR. Mr. President, will the Senator yield further?

The PRESIDING OFFICER. The Senator from Arkansas has remaining 2 minutes of the time allotted to him.

Mr. KERR. Then, Mr. President, I shall not ask the Senator to yield.

Mr. McCLELLAN. I should be very glad to yield; but, of course, the time is limited.

Mr. President, the fact is that the Appropriations Committee has virtually said, by its amendments and its report, "We give you until the first of the year to determine whether a fair and equitable contract involving the principle of the Texas contract can be worked out." The utilities say they are ready now to get on the line and do a job. I do not know whether they are or not. That—the Texas—contract has been offered to them before and they refused it. If they again refuse to sign that contract or if the Southwestern Power Administration, the Government, and the utilities are not able to work out a fair and equitable arrangement so as to make it unnecessary for the Federal Government to make these tremendous investments, then there is no reason why the next Congress cannot—and I say the Congress should, if arrangements which will be economical and in the interest of both the Government and the public cannot be made—get this power widely distributed to the best advantage; and in that case, I am ready to vote for the necessary appropriations, to get this power distributed and made available to the best advantage to the preferred customers named in the law. If we can do this without tremendous investments in steam plants and transmission lines, I believe it economical and in the interest of the Government to do it. If we find it cannot be done that way then ultimately we will have to follow the other course. This issue must be settled. We should soon know which policy we must or can pursue.

The VICE PRESIDENT. The Senator's time has expired.

Mr. HAYDEN. Mr. President, at the suggestion of the minority leader, I submit a unanimous-consent request that the vote upon these amendments en bloc be postponed until Monday at 2 o'clock; and I suggest that the time between the convening of the Senate on Monday and 2 o'clock on that day be divided between the Senator from Oklahoma [Mr. THOMAS] and the senior Senator from Alabama [Mr. HILL].

The VICE PRESIDENT. The Senator from Arizona requests unanimous consent that at 2 o'clock on Monday next the Senate proceed to vote on the pending amendments, being the four committee amendments which are being considered en bloc, as combined into one, without further debate; and that the time between 12 o'clock noon and 2 o'clock p. m. on that day be divided equally, and be controlled by the Senator from Oklahoma [Mr. THOMAS] and the Senator from Alabama [Mr. HILL].

Is there objection?

Mr. HILL. Mr. President, at the present time, I shall have to object, and I do object.

The VICE PRESIDENT. Objection is heard.

The question is on agreeing to the amendment of the Senator from Oklahoma to the committee amendment on page 6, in line 14.

Mr. THOMAS of Oklahoma. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Anderson	Hill	Millikin
Bricker	Hoey	Morse
Byrd	Holland	Mundt
Cain	Humphrey	Murray
Chapman	Hunt	Myers
Chavez	Ives	Neely
Connally	Jenner	O'Mahoney
Cordon	Johnson, Colo.	Pepper
Donnell	Johnson, Tex.	Russell
Douglas	Johnston, S. C.	Saltonstall
Downey	Kefauver	Schoeppel
Dulles	Kem	Smith, Maine
Eastland	Kerr	Smith, N. J.
Ecton	Kilgore	Sparkman
Ellender	Knowland	Stennis
Ferguson	Langer	Taylor
Flanders	Lodge	Thomas, Okla.
Frear	McCarran	Thomas, Utah
Fulbright	McCarthy	Tydings
George	McClellan	Vandenberg
Gillette	McFarland	Watkins
Graham	McGrath	Wherry
Green	McKellar	Wiley
Gurney	McMahon	Williams
Hayden	Magnuson	Withers
Hendrickson	Malone	Young
Hickenlooper	Miller	

The VICE PRESIDENT. A quorum is present. The question is on agreeing to the amendment to the committee amendment on page 6, line 14, offered by the Senator from Oklahoma [Mr. THOMAS].

Mr. THOMAS of Oklahoma. Mr. President, I withdraw the amendment.

Mr. KERR. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The junior Senator from Oklahoma offers an amendment which will be stated.

The CHIEF CLERK. On page 6, line 13, it is proposed to strike out "$1,616,115" and to insert in lieu thereof "$3,990,000."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the junior Senator from Oklahoma to the committee amendment on page 6, line 13. [Putting the question.]

Mr. THOMAS of Oklahoma. I ask for a division.

The Senate proceeded to divide.

Mr. HILL. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. ELLENDER. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Anderson	Donnell	Flanders
Bricker	Douglas	Frear
Byrd	Downey	Fulbright
Cain	Dulles	George
Chapman	Eastland	Gillette
Chavez	Ecton	Graham
Connally	Ellender	Green
Cordon	Ferguson	Gurney

Hayden	Lodge	Russell
Hendrickson	McCarran	Saltonstall
Hickenlooper	McCarthy	Schoeppel
Hill	McClellan	Smith, Maine
Hoey	McFarland	Smith, N. J.
Holland	McGrath	Sparkman
Humphrey	McKellar	Stennis
Hunt	McMahon	Taylor
Ives	Magnuson	Thomas, Okla.
Jenner	Malone	Thomas, Utah
Johnson, Colo.	Miller	Tydings
Johnson, Tex.	Millikin	Vandenberg
Johnston, S. C.	Morse	Watkins
Kefauver	Mundt	Wherry
Kem	Murray	Wiley
Kerr	Myers	Williams
Kilgore	Neely	Withers
Knowland	O'Mahoney	Young
Langer	Pepper	

The VICE PRESIDENT. A quorum is present.

The question is on agreeing to the amendment offered by the junior Senator from Oklahoma [Mr. KERR] to the committee amendment on page 6, line 13.

Mr. THOMAS of Oklahoma. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. THOMAS of Oklahoma. Is the amendment debatable?

The VICE PRESIDENT. It is, with a limitation of 30 minutes.

Mr. THOMAS of Oklahoma. Mr. President, as I stated earlier in the afternoon, there are approximately 12 Senators on the left side of the aisle and more than 12 on the right side. That amounts to almost a third of the Senate being absent at this hour. I have been trying to afford time for Senators to come to an agreement, providing that we set a certain hour on Monday when we will vote. I think this issue is so important that every Senator should have an opportunity to be here to vote. At a later time, in connection with another amendment, or succeeding amendments, I shall discuss the lack of the Government's having a public power policy. Here we are, in the Senate of the United States, proposing to commit ourselves to an appropriation asked for by an official who now has $100,000 as a continuing fund, subject to his check. He is asking that this fund be increased to $300,000.

In this group of amendments we shall pass upon the question of whether we shall give the Administrator of the Southwestern Power Administration a fund which may reach $3,600,000 per annum, subject only to his check. That is not done excepting for Cabinet and major officials. Until the past few days I doubt that any Senator on the floor knew that the Administrator of the Southwestern Power Administration had this continuing fund. It was slipped into a war deficiency bill in 1944. He has that fund at this time. If the amendment which is now pending is approved by the Senate, he will have $300,000 a month as a checking account. Why does he want it and why does he need it? Until recently only a few if any Senators knew that he had such a fund.

Mr. President, Congress has not been called upon to appropriate a single dollar to build a steam plant in Texas. The Texas contract is working well. Speaker RAYBURN approves it, Mr. Wright approves it, the Secretary of the Interior approves it, the cooperatives approve it, and as far as I know everybody approves it. Why is such a contract not made in Oklahoma? Why not in Arkansas? Why not in Louisiana? Why not in Kansas? Why not in Missouri? To extend the Texas contract to those States is what we are contending for.

Mr. President, I said a moment ago that the only power policy we have is found in one section of the Flood Control Act of 1944. A public power policy should be established. I do not see the senior Senator from New Mexico [Mr. CHAVEZ] in the Chamber at the present time, though he was here a moment ago. He is chairman of the Senate committee which will have jurisdiction over power bills and hearings on them. He told me that if a bill were introduced and referred to his committee, he would immediately commence sending out for reports from the proper departments, and that in the fall, when Congress adjourns, if it shall adjourn, he plans to hold hearings in the section of the country affected. He promised me today that if a bill were introduced he would make the bill the basis of hearings, and the basis of study, and that when Congress meets in January he will hold open hearings, to the end that the matter may be thoroughly explored, all the information possible obtained, and the committee afforded an opportunity to agree upon a public-power policy to be recommended to the Senate. If that should follow, we should soon have a bill before us. We could consider the bill, and the Senate could make the bill suit this body. I am not sure it would suit the other body. I can undertake to speak only for the Senate of the United States.

Mr. President, if that can be done before the next Interior Department appropriation bill comes before the Senate we will have a yardstick, we will have a pattern, we will have plans and specifications for appropriations for the Southwestern Power Administration. As it is, the appropriation bill is before us for the consideration of these matters in accordance with the recommendations of the committee, and the bill provides the funds which the committee thinks should be appropriated.

Mr. President, what I have suggested is the proper way to handle this matter. If this prolonged discussion has but one result, I hope it will be a conviction in the minds of Senators that the United States should have an over-all national power policy. In order to get such a law the Congress must enact legislation. If we do not enact such legislation the Committee on Appropriations must continue to work with these matters year after year, and have these arguments over and over again. I say, therefore, that if nothing else comes from this prolonged discussion, I hope that out of it will come early hearings on and consideration of a bill proposing to develop a national public-power policy.

Mr. President, as soon as the distinguished senior Senator from New Mexico comes into the Chamber I propose, with the consent of the Presiding Officer, to reintroduce a power bill which I think merits at least consideration, a proposed public-power bill that will give the committee at least something on which to hold hearings. When the Senator returns to the Chamber I want him to state to the Senate what he promised me this morning. I want Senators to get it from the lips of the Senator from New Mexico himself.

If we are to adopt a public-power policy in the next 6 months, why take chances now on committing ourselves to appropriate $31,000,000, which is what the pending proposal does, $9,000,000 now, and the balance of the $31,000,000 in the next 3 years. Why appropriate that money now? January is only a few months off.

Mr. President, I see that the senior Senator from New Mexico has just entered the Chamber, and I should like to have his attention. This morning I conferred with the senior Senator from New Mexico, who is chairman of the committee which will have jurisdiction over the hearings and the recommendations of a public-power bill. Let me address myself to the able senior Senator from New Mexico. Let me see if my understanding is correct.

I promised the Senator that I would introduce a bill proposing to establish a public-power policy. I understand that under the reorganization law that bill will go to the committee of which the distinguished senior Senator from New Mexico is chairman. The Senator promised me this morning that if the bill were introduced he would immediately ask for reports from the departments having jurisdiction over the subject matter of the proposed legislation, then he promised me that during the fall, if the Congress should adjourn, he would take a committee throughout the West, where this issue is acute, and hold hearings on the ground. Then in January the committee would meet, and the Senator from New Mexico promised me that as soon as possible he would hold open hearings on the bill and all bills of similar nature.

I ask the distinguished senior Senator from New Mexico [Mr. CHAVEZ], who is chairman of the committee, if my statement is approximately correct?

Mr. CHAVEZ. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from New Mexico?

Mr. THOMAS of Oklahoma. I am glad to yield.

Mr. CHAVEZ. The statement of the Senator from Oklahoma is correct. I was most happy to give the Senator the assurance he has mentioned. It is my desire to investigate any project which may be submitted to the Senate or to our committee. The senior Senator's colleague [Mr. KERR] is a member of the Committee on Public Works, and this morning during a committee meeting, while we were discussing the matter of the investigation of various projects before the committee, the junior Senator from Oklahoma was kind enough to invite the committee to go to Oklahoma, because there is already pending legislation which might affect the State of Oklahoma. So I was only too glad to give assurances with respects to the requests of both the senior and the junior Senator from Oklahoma.

Of course, if any proposed legislation is referred to our committee by the Senate the committee will be only too glad to study it and ask for reports from the newly authorized agencies which may have jurisdiction over the subject matter, and the committee would give its best attention to it. We would be only too glad to investigate and study any suggestion made by the Senators from Oklahoma or any other Senator.

Mr. THOMAS of Oklahoma. I thank the Senator from New Mexico. Mr. President, out of order I ask unanimous consent at this time to introduce a bill for appropriate reference.

The VICE PRESIDENT. Is there objection?

There being no objection, the bill (S. 2459) to declare the policy of the United States with respect to hydroelectric power generated in connection with federally financed water-development projects and to provide procedures for carrying out such policy, introduced by Mr. THOMAS of Oklahoma, was read twice by its title, and referred to the Committee on Public Works.

Mr. THOMAS of Oklahoma. The bill is now before the Senate. Tomorrow it will be before the appropriate committee.

Mr. President, the Senate is confronted with a request for $31,000,000. It will be only a few months before Congress will be in session again. At that time or shortly thereafter, I hope a public power bill will be the law. We can make the law then as we want it. Is it an unusual request to ask the Senate to postpone commitments of money in the sum of $31,000,000, until we have an over-all policy law established and approved by the Congress? If the Senate votes this money now the Senate is voting $9,000,000 to build lines some of which are now unnecessary. At least a part of that money is unnecessary. The committee agrees that almost $4,000,000 is necessary now, but the balance is not necessary for the reason, first, that there is no power to transmit, even if the lines proposed to be built were constructed immediately. We would have only some 4,500 kilowatts from the Denison Dam under the present contract, to distribute to my State of Oklahoma. That is the program which is before the Senate at this hour.

Mr. President, I am not filibustering. More than 25 Members of the Senate are not present. Many of them have asked me if an agreement can be entered to vote on Monday next at 2 o'clock. Many of the absent Members will be present then. I do not think that is an unusual request. One group on this floor which apparently has checked noses, seems to think it has more votes on its side this afternoon than those who might agree with my position. I do not have time to lobby with my colleagues. I never have done so. I have been here 23 years, Mr. President, and I have never lobbied with a single Senator. Some Members seemingly have nothing else to do.

Mr. President if I could be convinced that the building of a secondary, a duplicating, a paralleling system of wires through my own State would serve the public interest I would vote for it. I contend that every dollar Congress appropriates to build competing lines, unnecessary lines, is adding that much more load on the bent shoulders of the farmers of America. Already their backs are bowed with tax burdens. Yet serious-minded Senators are trying to induce the Congress to commit itself now to $31,000,000 to be added to their existing burdens. The law provides that any money we spend for transmission lines shall be considered in making the electric rate structure. Mr. President am I correct in my statement? The General Accounting Office says "Yes." The Federal Power Commission says "Yes." Mr. Wright says "Yes." If we need the lines, we should build them and if we do not need them, why should we appropriate the people's money for a useless purpose? All appropriations made and spent for such lines will be considered in the rate structure. Already the cost of that part of the dams assigned to the production of power is added to the rate structures. The farmers and rural citizens, members of electric cooperatives, who cannot speak for themselves here, want cheaper power, it is true, and they have been told that if some lines can be built cheaper power can be provided them. I have tried to tell the Senate that if the Government developed the power and gave it to them free, their power bills would be decreased only slightly, because the cost of the energy does not represent the total cost of electricity.

I take my own case as an illustration. At the present time I am paying some 10 cents a kilowatt-hour and 10 cents is 100 mills. The company which serves me power pays about 7 mills per kilowatt-hour for that power, so of my bill 7 mills of the 10 cents per kilowatt-hour is for electricity and the balance is for transmission and overhead expenses.

So, Mr. President, this issue is not over the cost of the electric energy. Many of the bowed-shouldered men and women for whom I assume to speak do not know about the real issue. They want cheaper power. Our committee contends that we can get them cheaper power by feeding the power developed at these dams into existing systems and taking it out where it is needed, without the necessity of building a vast network of paralleling and competing electric systems. If we can eliminate most of the expenditure of $31,000,000 to be used to build these unnecessary electric lines then such money will not be added and considered in the costs of their rate structures. Members of the cooperatives will not have to pay interest on the millions necessary to build these lines. They will not have to make amortization payments on the many millions of dollars which would be necessary to build the lines and then be forced to pay it back with interest in 40 years. They will not have to maintain a crew of linemen on every line, whose wages and salaries they must pay.

Those who take a different view from mine are the ones who, in effect, are trying to force the cooperatives of my State to pay more money for their electricity. The plan of the committee is to pay less for electricity. When I say "electricity" I include the overhead expenses, because they are included in the electric rate. Earlier in the day I showed the Senate my last electric bill. I am not at my home in Oklahoma. If I do not use 20 kilowatt-hours, the electricity costs me 15 cents a kilowatt-hour, or 150 mills. If I use 100 kilowatt-hours, my bill comes down to 8 cents a kilowatt-hour. When I use as many as 200 kilowatt-hours a month my rate is approximately 4 cents, or 40 mills per kilowatt-hour.

Mr. President, what chance have we to get cheaper electricity in my part of the country? The rates are high, but this program will not make the rates lower. This program will add millions and millions of dollars for the building of lines and place the burden on the helpless cooperatives of Oklahoma. They cannot avoid being forced to pay 2½ percent interest on the amounts expended for the lines. Such amounts will be paid in their electric rates. They have no recourse except to pay in higher rates for the power which they use. They are helpless, and they are the ones for whom I assume to speak today.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Oklahoma [Mr. KERR] to the committee amendment on page 6, line 13.

Mr. ELLENDER. Mr. President, I move that the Senate take a recess until 12 o'clock noon Monday, and I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MAGNUSON. Mr. President, is the motion debatable?

The VICE PRESIDENT. The motion is not debatable. The Secretary will call the roll.

The roll was called.

Mr. MYERS. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Delaware [Mr. FREAR], the Senator from Maryland [Mr. TYDINGS], the Senator from Florida [Mr. PEPPER], and the Senator from Connecticut [Mr. MCMAHON] are absent on official business.

The Senator from Iowa [Mr. GILLETTE] and the Senator from Maryland [Mr. O'CONOR] are necessarily absent.

The Senator from Louisiana [Mr. LONG] and the Senator from South Carolina [Mr. MAYBANK] are absent by leave of the Senate.

The Senator from Illinois [Mr. LUCAS] is absent on public business.

The Senator from Virginia [Mr. ROBERTSON] is absent by leave of the Senate on official business.

Mr. WHERRY. I announce that the Senator from Vermont [Mr. AIKEN] and the Senator from Nebraska [Mr. BUTLER] are absent by leave of the Senate, and they have a general pair.

The Senator from Connecticut [Mr. BALDWIN], the Senator from Indiana [Mr. CAPEHART], the Senator from Kansas [Mr. REED], and the Senator from Minnesota [Mr. THYE] are absent by leave of the Senate.

The Senator from Maine [Mr. BREWSTER], the senior Senator from New Hampshire [Mr. BRIDGES], the Senator from Pennsylvania [Mr. MARTIN], the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from Ohio [Mr. TAFT], and the junior Senator from New Hampshire [Mr. TOBEY] are necessarily absent.

The Senator from Massachusetts [Mr. LODGE] is detained on official business.

The result was announced—yeas 32, nays 40, as follows:

YEAS—32

Bricker	Hickenlooper	Schoeppel
Cain	Hoey	Smith, Maine
Cordon	Holland	Smith, N. J.
Donnell	Ives	Thomas, Okla.
Dulles	Jenner	Vandenberg
Eastland	Kem	Watkins
Ecton	Langer	Wherry
Ellender	McClellan	Wiley
Flanders	Malone	Williams
Gurney	Millikin	Young
Hendrickson	Mundt	

NAYS—40

Anderson	Hunt	Miller
Chapman	Johnson, Colo.	Morse
Chavez	Johnson, Tex.	Murray
Connally	Johnston, S. C.	Myers
Douglas	Kefauver	Neely
Downey	Kerr	O'Mahoney
Ferguson	Kilgore	Russell
Fulbright	Knowland	Sparkman
George	McCarran	Stennis
Graham	McCarthy	Taylor
Green	McFarland	Thomas, Utah
Hayden	McGrath	Withers
Hill	McKellar	
Humphrey	Magnuson	

NOT VOTING—24

Aiken	Gillette	Pepper
Baldwin	Lodge	Reed
Brewster	Long	Robertson
Bridges	Lucas	Saltonstall
Butler	McMahon	Taft
Byrd	Martin	Thye
Capehart	Maybank	Tobey
Frear	O'Conor	Tydings

So the Senate refused to take a recess.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had severally agreed to the amendment of the Senate to the following bills of the House:

H. R. 781. An act to amend title II of the Civil Aeronautics Act of 1938, as amended;

H. R. 997. An act to extend the benefits of section 1 (c) of the Civil Service Retirement Act of May 29, 1930, as amended, to employees who were involuntarily separated during the period from July 1, 1945, to July 1, 1947, after having rendered 25 years of service but prior to attainment of age 55; and

H. R. 4498. An act to amend section 6 of the act of April 15, 1938, to expedite the carriage of mail by granting additional authority to the Postmaster General to award contracts for the transportation of mail by aircraft upon star routes.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1647) to eliminate premium payments in the purchase of Government royalty oil under existing contracts entered into pursuant to the act of July 13, 1946 (60 Stat. 533).

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 2859) to authorize the sale of public lands in Alaska.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 2877) to authorize the addition of certain lands to the Big Bend National Park, in the State of Texas, and for other purposes.

The message notified the Senate that Mr. GRANGER had been appointed a manager on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2296) to amend and supplement the act of June 7, 1924 (43 Stat. 653), and for other purposes, vice Mr. ABBITT, excused.

ENROLLED BILL SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled bill (H. R. 1279) for the relief of George Hampton, and it was signed by the Vice President.

INTERIOR DEPARTMENT APPROPRIATIONS, 1950

The Senate resumed the consideration of the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Oklahoma [Mr. KERR] to the committee amendment on page 6, in line 13. On that question the yeas and nays have been ordered.

Mr. CORDON obtained the floor.

INDEPENDENT OFFICES APPROPRIATIONS—AMENDMENTS IN DISAGREEMENT

Mr. O'MAHONEY. Mr. President, will the Senator yield to me? Is he planning to address himself to the amendment?

Mr. CORDON. Yes. For what purpose does the Senator from Wyoming request me to yield?

Mr. O'MAHONEY. In order to bring before the Senate some matters relating to a conference report.

Mr. CORDON. I shall be glad to yield for that purpose.

Mr. O'MAHONEY. Mr. President, on Monday last the conference report on the independent offices appropriation bill was submitted. There were several amendments which were in disagreement between the two Houses. One of them was amendment numbered 74, which had to do with flight training and with tuition allowed by the Veterans' Administration for contracts for the education of veterans in training.

The Senator from Ohio [Mr. TAFT] raised some question about that amendment. I agreed that it should go over, so that a conference might be held with the Senator from Ohio. On the following day, I asked the conferees on the part of the House to meet with the conferees on the part of the Senate, with the Senator from Ohio [Mr. TAFT], and with members of the Veterans' Administration. At that time we worked out a modification of amendment numbered 74.

Following that conference, however, the Senator from Ohio said he would like to have it considered by the Veterans' Affairs Subcommittee of the Committee on Labor and Public Welfare. The Senator from Florida [Mr. PEPPER] is the chairman of that subcommittee. I was in entire agreement with that suggestion, in view of the fact that the proposal, which already had been adopted by the House, was without question legislative in character. The conferees accepted it because they were convinced that it would save the Veterans' Administration more than $400,000 a year.

I have just been notified by the Senator from Florida and by the attorneys for the Veterans' Administration that the proposed modification of amendment No. 74, which I am about to offer, is acceptable to the legislative committee, on the one hand, and to the Veterans' Administration, on the other hand. I have also conferred with the Honorable ALBERT THOMAS, of Texas, chairman of the House Appropriations Committee's subcommittee in charge of the independent offices appropriation bill. I find that the proposal is agreeable to him.

Mr. President, yesterday or the day before the distinguished Senator from Illinois [Mr. DOUGLAS] offered a motion to reconsider the vote by which the Senate on Monday had approved amendment No. 46, which has to do with the Housing Expediter. I say to the Senator from Illinois that if we can first dispose of amendment No. 74, I shall then address myself to the other matter, and I hope it can be worked out also.

Therefore, Mr. President, I move——

The VICE PRESIDENT. The Chair has been considering whether the conference report is actually before the Senate. He is advised the conference report was agreed to heretofore, except the two proposals.

Mr. O'MAHONEY. It was agreed to with the exception of amendment No. 74.

The VICE PRESIDENT. Is there any objection to the present consideration of the amendment offered by the Senator from Wyoming?

Mr. BRICKER. I object.

Mr. O'MAHONEY. Mr. President, this is a privileged matter. I, therefore, move that the Senate proceed to the consideration of the amendment which is in disagreement. I may say, Mr. President, this is an appropriation bill which carries in excess of $7,000,000,000, of which more than $5,000,000,000 has been appropriated for the Veterans' Administration. It is long overdue. More than 33 Government agencies and corporations are involved in the matter. The Senate only yesterday was forced, because of delay in the consideration of an appropriation bill, to adopt a resolution continuing certain appropriations until September 15. I feel, therefore, that the disposition of the Senate should be to consider the amendment as a privileged matter.

The VICE PRESIDENT. The motion is in order. It does not displace anything else, if adopted, because it is privileged.

Mr. FERGUSON. Mr. President, will the Senator yield for a question?

Mr. O'MAHONEY. I yield.

Mr. FERGUSON. Will the Senator advise the Senate as to the number of employees who will be required to be put on the pay roll by virtue of the amendment?

Mr. O'MAHONEY. I may say to the Senator that the provision, item No. 3, to which that criticism was directed, has been omitted completely from this

amendment, and to the best of my knowledge this amendment will not require the employment of any additional personnel.

Mr. FERGUSON. I wanted it to be in the RECORD that this particular amendment does not require the number of employees who would have been required under the previous amendment, which was not voted upon at the time the bill was before the Senate.

Mr. O'MAHONEY. When the matter was discussed in the Senate on Monday, the Senator from Michigan and the Senator from Vermont [Mr. AIKEN] drew attention to a paragraph of the amendment which the Senator from Vermont said in his opinion would probably cause the employment of additional persons. Inasmuch as it was legislative in character, in the conference with the House, I said it should be eliminated. It was eliminated. The House is agreeable to its elimination.

Mr. FERGUSON. Is it correct to say that the present staff and organization will be able to administer the program?

Mr. O'MAHONEY. That is my understanding. And, more than that, if the amendment is adopted it will save upwards of $400,000 a year in fees which otherwise would be paid by the Veterans' Administration.

Mr. FERGUSON. Mr. President, will the Senator yield for another question?

Mr. O'MAHONEY. Certainly.

Mr. FERGUSON. As I understand, full protection is given to the right of appeal, so that reasonable tuition may be charged by any of the institutions.

Mr. O'MAHONEY. Precisely. Provision is made for the appointment of an appeals board to which any institution which may be dissatisfied with a ruling of the Administrator may take its appeal. The appeal will be conducted under the provisions of the Administrative Procedure Act.

Mr. FERGUSON. If I may inquire further, am I correct in understanding that no legal rights are taken away from any veteran or from any educational institution?

Mr. O'MAHONEY. No legal rights whatever are taken away. Not only that, but the amendment which the Senate originally inserted, upon my motion, that no pending litigation should be affected in any way, still remains in the proposal.

Mr. FERGUSON. One more question. Is the Senator from Wyoming satisfied that all educational institutions are given a fair opportunity to enter into the program of the education of veterans?

Mr. O'MAHONEY. Mr. President, I should like to have the Senator from Florida, the chairman of the subcommittee which conducted the negotiations with the Senator from Ohio [Mr. TAFT], answer that question.

Mr. BRICKER. Mr. President——

Mr. PEPPER. Mr. President, will the Senator kindly restate the inquiry?

The VICE PRESIDENT. The Senator from Wyoming has yielded to the Senator from Florida.

Mr. BRICKER. I merely wanted to withdraw the objection, if the Senator does not mind.

Mr. O'MAHONEY. I am very happy to yield for that purpose.

Mr. BRICKER. In view of the explanation given by the Senator from Wyoming, I withdraw the objection.

The VICE PRESIDENT. The objection is withdrawn.

Mr. FERGUSON. The Senator from Michigan wanted to obtain some answers to certain questions on this subject, because it is important for the Senate to know what we are about to do.

The VICE PRESIDENT. Does the Senator from Wyoming yield further?

Mr. O'MAHONEY. I am very happy to yield to the Senator from Florida.

Mr. FERGUSON. A somewhat similar bill has been before the Committee on Labor and Public Welfare, the purpose of which is to accomplish about what this amendment does. Is that correct?

Mr. PEPPER. I shall state in answer to the able Senator that what the committee did was this: After it had been worked out in negotiation between the representatives of the private schools and the Veterans' Administration, with the Senator from Ohio [Mr. TAFT] and myself sitting in the discussions, and this agreement had been arrived at, the agreement was then submitted to the full Committee on Labor and Public Welfare and was approved by that committee.

Mr. FERGUSON. But a bill somewhat similar has been before the committee, and has been considered, has it not?

Mr. PEPPER. That is correct. Not only that, but our Subcommittee on Veterans' Affairs held hearings on that proposed legislation.

Mr. FERGUSON. This amendment having been considered by the full committee, is it the feeling of the Senator from Florida that the amendment will be a substitute for or take the place of the bill on which hearings were held?

Mr. PEPPER. The language now proposed to be added to the conference report would be what the committee would recommend as legislation on the subject after having had hearings upon it.

Mr. FERGUSON. So, in place of this being merely legislation by the Appropriations Committee, it has had the consideration of the regular legislative committee, has it not?

Mr. PEPPER. It has; the subcommittee and the full committee.

Mr. FERGUSON. Another question. Does the Senator believe that amendment, as now framed, will be fair to all private and public institutions?

Mr. PEPPER. The representatives of the private institutions affected, speaking also for the public institutions which train veterans, have agreed to the draft which is now before the Senate. The Veterans' Administration representatives have also said they have been sitting in on the negotiations and they have no objection. We feel it is fair both to the Government and to the institutions affected.

Mr. FERGUSON. I thank both Senators for the explanation, because I think it will make the RECORD a little clearer. I hope the Senators will pardon me for asking questions.

Mr. O'MAHONEY. I am very happy the Senator from Michigan asked the questions. It was in order to apprise him fully of the character of the amendment that I handed him a copy of it before I made the motion.

Mr. FERGUSON. Mr. President, the Senator from Michigan wanted the answers in the RECORD, so there would be no question about the proper interpretation of the amendment.

Mr. O'MAHONEY. Mr. President, I move that amendment No. 74 be modified in accordance with the proposal I now offer. I assume, the objection having been withdrawn, unanimous consent has been granted for its consideration.

The VICE PRESIDENT. Unanimous consent is granted for the present consideration of the amendment. The clerk will state the amendment offered from the floor by the Senator from Wyoming.

The LEGISLATIVE CLERK. Mr. O'MAHONEY proposes the following substitute for the House amendment to Senate amendment No. 74 to House bill 4177:

shall not, in the absence of substantial evidence to the contrary, be considered avocational or recreational when a certificate in the form of an affidavit supported by corroborating affidavits by two competent disinterested persons has been furnished by a physically qualified veteran stating that such education or training will be useful to him in connection with earning a livelihood: *Provided further,* That no part of this appropriation for education and training under title II of the Servicemen's Readjustment Act, as amended, shall be expended subsequent to the effective date of this act for subsistence allowance or for tuition, fees, or other charges in any of the following situations:

(1) For any veteran for a course in an institution which has been in operation for a period of less than 1 year immediately prior to the date of enrollment in such course unless such enrollment was prior to the date of this act.

(2) For any course of education or training for which the educational or training institution involved has no customary cost of tuition, until a fair and reasonable rate of payment for tuition, fees, or other charges for such course has been determined. In any case in which one or more contracts providing a rate or rates of tuition have been executed for two successive years, the rate established by the most recent contract shall be considered to be the customary cost of tuition notwithstanding the definition of "customary cost of tuition" as hereinafter set forth. If the Administrator finds that any institution has no customary cost of tuition he shall forthwith fix and pay or cause to be paid a fair and reasonable rate of payment for tuition, fees, and other charges for the courses offered by such institution. Any educational or training institution which is dissatisfied with a determination of a rate of payment for tuition, fees, or other charges under the foregoing provisions of this paragraph shall be entitled, upon application therefor, to a review of such determination (including the determination with respect to whether there is a customary cost of tuition) by a board to be known as the Veterans' Tuition Appeals Board consisting of three members, appointed by the Administrator for such purpose. Such board shall be subject, in respect to appointment, hearings, appeals, and all other actions and qualifications, to the provisions of sections 5 to 11, inclusive, of the Administrative Procedure Act, approved June 11, 1946, as amended. The decision of such board with respect to all matters shall constitute the final administrative determination. In no event shall the board

fix a rate of payment in excess of the maximum amount allowable under the Servicemen's Readjustment Act, as amended. The term "customary cost of tuition" as employed herein and in paragraph 5, part VIII, Veterans' Regulation No. 1 (a), as amended, is regarded as that charge which an educational or training institution requires a nonveteran enrollee similarly circumstanced to pay as and for tuition for a course, except that the institution (other than a nonprofit institution of higher learning) is not regarded as having a "customary cost of tuition" for the course or courses in question in the following circumstances:

(a) Where the majority of the enrollment of the educational and training institution in the course in question consists of veterans in training under Public Laws 16 and 346, Seventy-eighth Congress, as amended; and

(b) One of the following conditions prevails:

1. The institution has been established subsequent to June 22, 1944.

2. The institution, although established prior to June 22, 1944, has not been in continuous operation since that date.

3. The institution, although established prior to June 22, 1944, has subsequently increased its total tuition charges for the course to all students more than 25 percent.

4. The course (or a course of substantially the same length and character) was not provided for nonveteran students by the institution prior to June 22, 1944, although the institution itself was established before June 22, 1944: *Provided further*, That nothing in the foregoing proviso shall be construed to affect adversely any legal rights which have accrued prior to the date of enactment of this act, or to affect payments to educational or training institutions under contracts in effect on such date.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Wyoming as a substitute for the House amendment to Senate amendment numbered 74 to House bill 4177.

Mr. WHERRY. Mr. President, will the Senator from Wyoming yield?

Mr. O'MAHONEY. I yield.

Mr. WHERRY. I should like to ask the distinguished Senator, since the amendment is a very long one, whether all its language is new language.

Mr. O'MAHONEY. No. Most of it is in the conference report.

Mr. WHERRY. I was particularly interested in that part of the amendment which provides that nothing contained in it shall affect the legal rights of veterans which they had prior to the enactment of the act. To what does that language have reference?

Mr. O'MAHONEY. There have been some suits filed in court. When the Veterans' Administration representatives appeared at the hearing, if the Senator was there he will recall that the chairman raised the question that we should not put anything into the bill which would adversely affect any pending litigation.

Mr. WHERRY. That is the reason why I asked the question. I wanted to know that the language gives the veterans every protection which they had.

Mr. O'MAHONEY. That is correct.

Mr. WHERRY. Is it the opinion of the Senator that this amendment does protect their rights, and that its adoption will in no way affect them?

Mr. O'MAHONEY. That is correct.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. THOMAS of Oklahoma. Is it not a fact that an amendment was considered and approved by the committee a year ago providing that returned veterans could make application to take a course in flight training in order to learn to fly and to make a living after they had completed the course?

Mr. O'MAHONEY. That is correct.

Mr. THOMAS of Oklahoma. Another question, if I may. Is it not a fact that the Veterans' Administration, in interpreting the law, have turned down for one reason or another, practically all veterans who made application, and that the record shows that a great number of veterans who wanted to learn to fly and who thought the law permitted them to take such a course, have been turned down.

Mr. O'MAHONEY. There was substantial evidence before the committee to that effect, but, as the Senator from Oklahoma knows, the amendment which he offered was adopted in a manner agreeable to him, and the language is in the amendment which has just been read.

Mr. THOMAS of Oklahoma. Another question, if the Senator will yield further.

Mr. O'MAHONEY. I yield.

Mr. THOMAS of Oklahoma. Is it not a fact that in considering the amendment I offered the committee required every veteran to make an affidavit that he is telling the truth, that he wants to learn to fly, and that he wants the training so that he can get a job and follow it as an avocation?

Mr. O'MAHONEY. The language of the amendment is that the training will be useful to him in connection with earning a livelihood.

Mr. THOMAS of Oklahoma. Another question, if the Senator will yield.

Mr. O'MAHONEY. I yield.

Mr. THOMAS of Oklahoma. Is it not a fact that the veteran has to provide an affidavit for himself, which is not required of any other person in America, and, in addition to making his own affidavit that he is telling the truth and that he is sincere, he must get the affidavits of two disinterested persons as to his honesty and sincerity? Is not that provision contained in the amendment?

Mr. O'MAHONEY. That is the amendment as the Senator agreed to it.

Mr. THOMAS of Oklahoma. Another question, if I may inquire further. Does the Senator know of any other provision in existing law whereby any veteran, having served honorably in the armed forces, is forced to make such affidavits in order to take a course in any college in America?

Mr. O'MAHONEY. I know of no such case.

Mr. THOMAS of Oklahoma. Then the Senator knows of no case in which a person not only has to make his own affidavit, but has to get the affidavits of two disinterested persons to the fact that he is sincere and honest?

Mr. O'MAHONEY. The Senator is correct.

Mr. THOMAS of Oklahoma. Does not the Senator think that is a matter of hardship?

Mr. O'MAHONEY. I will say to the Senator that this is the amendment as the Senator from Oklahoma approved it, as the committee approved it, and as the Senate approved it.

Mr. THOMAS of Oklahoma. My amendment was not in that form when it was submitted.

Mr. O'MAHONEY. That is correct.

Mr. THOMAS of Oklahoma. When the representatives of the Veterans' Administration came before the committee they were not in agreement with my amendment. They did not want any amendment. They did not want veterans to take flight-training courses, apparently. I want the RECORD to show the facts. It is my amendment, and I have a right to have it interpreted.

Mr. O'MAHONEY. Certainly.

Mr. THOMAS of Oklahoma. I want the record to show that I never agreed until I had to. Sometimes I do agree when I have to. I do not like to.

Mr. O'MAHONEY. We all do.

Mr. THOMAS of Oklahoma. I did not agree, until I had to, in order to get something in behalf of the veterans, that they would have to have two affidavits that they were honest, sincere, and worthy to be enrolled in a flight-training course. That was the best we could get. I hope the amendment will be agreed to, but I want to apologize to every veteran in America for the fact that Congress is imposing upon them something which is not imposed upon anyone else in the United States.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Wyoming to the amendment of the House to Senate amendment No. 74 to House bill 4177.

The amendment was agreed to.

The VICE PRESIDENT. Without objection, the amendment as amended is agreed to.

Mr. O'MAHONEY. Mr. President, the junior Senator from Illinois [Mr. DOUGLAS] entered a motion to reconsider the vote by which item 46 of the conference report was agreed to. This is the amendment which deals with the appropriation for the Office of the Housing Expediter. I think that an explanation of the situation in which the Senate finds itself is in order.

It will be recalled that this was an appropriation to enable the Executive to enforce the provisions of the Rent Control Act of 1949. The consequence of the enactment of legislation only during this session was that this appropriation was not presented to the House of Representatives, so when the independent offices appropriation bill came to the Senate, there was in it no provision at all for an appropriation for enforcing the Rent Control Act.

The first budget estimate dealing with this matter was submitted to the Senate committee. It was submitted in the sum of $26,750,000. The committee reduced the amount below the budget estimate, and when the matter came to the floor for action a motion was made to make an additional reduction.

The recommendation of the Senate Committee on Appropriations was for the sum of $24,075,000. That recommendation, which was $2,675,000 less than the budget estimate, was made in the belief that the personnel provided for would be necessary to enforce the new Rent Control Act. However, when the matter came up on the floor of the Senate for discussion, a motion was made to cut the item to $21,667,500. On behalf of the Committee on Appropriations I resisted that amendment to the best of my ability, believing that it would be an excessive cut. My arts of persuasion were not sufficient to induce the Senate to defeat the additional cut, so we went into conference with $21,667,500.

In the conference, the conferees on the part of the House argued that the amount was still too high. They argued that the rent-control function of Government was a diminishing function and that in all probability it would not be necessary to spend the money which was recommended.

The conferees on the part of the Senate did their utmost to retain the Senate figure, but they were unsuccessful. It was understood, however, by the conferees on the part of the House and the conferees on the part of the Senate, that if the Housing Expediter were unable to make a sufficient reduction of personnel and of expenditures, in other words, if the demand for rent control in the United States continued, it would be without objection upon the part of the committee if he should submit later a request for a deficiency appropriation. The committee of conference felt that in January, for example, it would be much clearer whether or not the appropriation could be cut. There never was any intention on the part of the conferees of the Senate or upon the part of the conferees of the House that by the denial of funds the operation of the law should be prevented.

In order to confirm that understanding, I yesterday and again today conferred with the gentleman from Texas, the Honorable ALBERT THOMAS, chairman of the conferees on the part of the House, and he confirmed the impression I have just related to the Senate. That was the feeling of the House conferees.

So I say to the Senator from Illinois [Mr. DOUGLAS] the Senator from Alabama [Mr. SPARKMAN], and the Senator from South Carolina [Mr. MAYBANK], who made such a valiant fight on the floor of the Senate in support of the position of the Senate committee, that there will be no disposition on the part of the House conferees to oppose a deficiency appropriation if it be necessary later. But I must say that the disposition of the House conferees is that this appropriation should not be increased above that which was contained in the conference report. If the Senate should by any chance vote to increase the appropriation over the figure approved by the conferees, $17,500,000, it would result only in requiring another conference, in which I am sure the conferees on the part of the Senate would have to yield.

An unfortunate circumstance, Mr. President, has arisen, however, in that the continuing resolution which was adopted on the floor of the Senate yesterday does not include the Housing Expediter. So there are no funds available now to finance the activities of the Housing Expediter. That arises by reason of the fact that since the budget estimate was submitted to the Senate for the first time, no appropriation has ever been made for the Housing Expediter under the act of 1949, and therefore the continuing resolution affords him nothing.

It becomes necessary, therefore, Mr. President, to offer an amendment to item 46 which would have the effect of making available, and confirming and ratifying expenditures now about to be made under this appropriation for the support of the Housing Expediter.

Mr. President, it will therefore be my purpose to ask unanimous consent that the motion to reconsider be agreed to and I shall then offer this amendment. But I hope the Senator from Illinois, who presented the motion to reconsider, will recognize the position in which the Senate conferees find themselves, and that he will not press, certainly in the light of the explanation I have made, which will be confirmed by the Representative from Texas, for an increased appropriation.

The VICE PRESIDENT. The question is on agreeing to the motion to reconsider.

Mr. WHERRY. Mr. President, it is my understanding that the distinguished Senator from Wyoming has asked unanimous consent that the motion to reconsider be vacated.

The VICE PRESIDENT. No; that it be agreed to.

Mr. O'MAHONEY. That it may be agreed to, in order that I may offer this ratifying amendment.

Mr. WHERRY. The motion could be offered anyway, whether there were unanimous consent or not.

Mr. O'MAHONEY. I was merely trying to obviate the necessity of debate.

Mr. WHERRY. I understand. The point I wanted to raise was that, whether or not unanimous consent were given, a motion could be made.

The VICE PRESIDENT. The pending motion is the motion to reconsider.

Mr. WHERRY. I understand. I desire to ask a question or two, and I do not really care to hold up the unanimous-consent request. I realize that even though I did, the Senator could move to bring the matter up.

I should like to ask one question, with the understanding that I am not opposed to immediate consideration of the motion. The question is, Did the distinguished Senator say that it was the consensus of the Senate conferees that we will be asked to make this appropriation in a deficiency bill which will come up before the Senate and that it would be looked upon with favor? I did not quite understand the Senator's statement.

Mr. O'MAHONEY. The Senator has expanded it. What I said was that it was recognized in conference that if this sum were not sufficient to carry out the obligations imposed by law upon the Housing Expediter, the conferees would have no objection to the Expediter making his request for a deficiency appropriation.

Mr. WHERRY. That would not come in a deficiency bill this year? It would come up next year?

Mr. O'MAHONEY. Yes; in January.

Mr. WHERRY. If the report is agreed to, there is no intention, is there, that the appropriations which the Senator from Illinois might feel are necessary to carry out the provisions of the law, will be placed in a deficiency bill which will have to be passed before the beginning of next session?

Mr. O'MAHONEY. No. That is not my purpose.

Mr. WHERRY. Very well.

Mr. O'MAHONEY. We recognize the fact that this is a function of Government which may diminish very rapidly, and which may not. I do not know. I cannot pretend to guess. I received information this morning that many Senators have received telegrams from various parts of the country expressing hope that rent control would not be killed by reason of lack of funds.

Mr. WHERRY. Is the amendment one that must be adopted by both Houses?

Mr. O'MAHONEY. The bill is in conference.

Mr. WHERRY. I mean the amendment the Senator expects to offer in the event the motion to reconsider prevails.

Mr. O'MAHONEY. I understand from Representative THOMAS that this ratifying amendment, which applies to only a few days, is acceptable to the House Members.

Mr. CAIN. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. CAIN. May I ask the Senator from Wyoming if he will be so kind as to read the amendment he seeks to offer if the motion to reconsider prevails.

Mr. O'MAHONEY. Yes; I shall be very happy to do so.

The VICE PRESIDENT. The Chair will say that the question is on the request of the Senator from Wyoming [Mr. O'MAHONEY] that the motion to reconsider the vote by which the Senate a few days ago agreed to the House amendment to Senate amendment No. 46, be agreed to. Is there objection?

Mr. BRICKER. Mr. President, reserving the right to object, I have no personal objection to the continuing of these functions at all, or to the amendment as it will be submitted by the chairman of the committee. But I should like to have some advice as to whether or not the motion of the junior Senator from Illinois to reconsider will be passed immediately following? If the amendment is agreed to, will the motion be presented, or pressed immediately, and will the Senator from Illinois then offer an amendment?

Mr. O'MAHONEY. Mr. President, unless the vote is reconsidered this ratifying amendment cannot be considered. That is the parliamentary situation. But I have expressed the hope to the Senator from Illinois that when reconsideration is granted he will not seek to have the Senate increase the appropriation, because I do not believe agreement to such a request can be obtained. And I would be opposed to such a move.

Mr. BRICKER. I appreciate the parliamentary situation, but I should like to have some assurances whether or not the amendment of the Senator from Illinois will be pressed at this time, and whether or not he has agreed or will agree not to press his motion to reconsider.

Mr. O'MAHONEY. Mr. President, he must press the motion to reconsider. But the question the Senator is asking, I suppose——

Mr. BRICKER. I mean the amendment by the Senator from Illinois to increase the amount appropriated by the Senate.

Mr. O'MAHONEY. What the Senator from Illinois proposes to do in that respect I do not know.

Mr. BRICKER. That is what I want to find out, if it is possible to do so.

Mr. O'MAHONEY. That I do not know. The Senator from Ohio will have to address himself to the Senator from Illinois on that point.

Mr. BRICKER. Will the Senator from Wyoming yield so that I may request an expression from the junior Senator from Illinois as to whether or not he will comply with the request of the chairman on pressing the motion.

Mr. O'MAHONEY. I yield for that purpose.

Mr. DOUGLAS. Mr. President, I will say to the distinguished junior Senator from Ohio that I think we are faced with an action of the conference committee, chiefly on the House side, to negative a decision which the Congress took when it passed the Rent Control Act at the end of March. We passed a Rent Control Act, and at that time we heaped additional duties upon the Housing Expediter. In the first place, through no desire of the Senate, but at the real insistence of the House, we gave the Housing Expediter a somewhat complicated formula to administer, namely, that the rents should yield a fair net operating income. I was never enthusiastic about that formula. I had preferred the two simple 5-percent increases. That was the form in which it left the Senate. But when we met with the conferees on the part of the House, in order to avoid something which was still more clumsy and still more complicated, we had to agree to the formula of fair net operating income, which, of necessity, threw a great additional administrative burden upon the rent-control offices all over the country. So that was the first big added job which we gave them.

At the same time we provided that they should give administrative help to landlords and tenants in the filling out of forms, and that they should have a special officer in every rent-control office to provide this service, which meant, of necessity, an additional expense.

Then we said that the Housing Expediter could initiate prosecutions for violations of the act, and he should not merely leave these prosecutions to aggrieved parties.

Finally we gave to the Housing Expediter control over evictions. In other words, we greatly added to the administrative burdens which the Housing Expediter had to carry to make the rent control law work.

Now, in the face of those added duties, the Senate cut the appropriations for administration from the $22,250,000 which had been expended in the preceding year, and from $26,750,000 which the Director of the Budget had recommended. The Senate itself by a very narrow margin, 45–42, cut these figures to $21,666,666.

Now, on top of that we have this further cut of more than $4,000,000, bringing the figure down to $17,500,000 or $4,166,166 roughly, less than the amount the Senate approved, more than $9,000,000 less than the amount which the Director of the Budget recommended, and about $5,000,000 less than the Housing Expediter expended during the last fiscal year.

I should like to point out that this cut was not contained in the formal report of the conference committee. The report of the conference committee did not say that this cut was to be put into effect. It merely stated that an amendment would be offered on the floor of the House, but the nature of it was not disclosed. When the conference report was before the House, as I understand, and I believe the RECORD will show the gentleman from Texas [Mr. THOMAS] moved that the appropriation be reduced to $17,500,000.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield.

Mr. O'MAHONEY. The Senator apparently overlooks the fact that the item was in the report of the managers. This was an item which was reported in disagreement. So that it was published in the CONGRESSIONAL RECORD, and it was published in the report itself. In the CONGRESSIONAL RECORD for August 15, at page 11448 I find this statement:

> That the House recede from its disagreement to the amendment of the Senate numbered 46, and agree to the same with an amendment, as follows: In line 13 of said amendment, strike out the sum "$21,667,500" and insert "$17,500,000."

So it was printed in the CONGRESSIONAL RECORD for Monday.

Mr. DOUGLAS. Is not the distinguished Senator from Wyoming now speaking of the Senate proceedings rather than the conference report?

Mr. O'MAHONEY. The page I read from was in the Senate proceedings.

Mr. DOUGLAS. My discussion related to the proceedings before the House. What I am saying is that when the conference report was submitted to the House the text of the report merely stated that there was a disagreement, and indicated that the managers on the part of the House intended to offer an amendment, but contained no statement of what that amendment would be. Then when the question was before the House, and not many Members were on the floor, Representative THOMAS of Texas moved that the appropriation be reduced to $17,500,000. Friends of mine who were on the floor, and who perhaps were not paying close attention, stated that they did not understand what the motion was. It was adopted without discussion or debate.

As the distinguished Senator from Wyoming says, almost immediately thereafter the message from the House reporting this action was placed before the Senate. Again there were very few Members on the floor. As the distinguished Senator from Woyming has said, a general statement was presented about the disagreement on six items, one of which was the reduction. But there was no discussion or debate whatsoever on this appropriation reduction. I think it is true that there were very few Members either in the Senate or in the House who realized, some not until 2 days later, that this very severe slash had been made, and the passage in the RECORD referred to by the Senator from Wyoming did not appear until the day following the action of the Senate.

I think we must face the issue frankly. If the funds are cut as proposed, in effect it will be impossible to administer the rent-control law in a great many cities of the country, and, in effect, we shall be serving a partial death warrant against the measure which we approved a few months ago. Personally I think this is legislation under the wing of the Appropriations Committee. I do not believe it is a policy which either House wishes to approve.

Mr. IVES. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. IVES. The Senator from New York has been listening with great interest to the discussion which has been going on in connection with this subject. The Senator from New York is still in doubt as to the reason why, if conditions are as the able Senator from Wyoming indicates them to be, the Housing Expediter is laying off so many employees, closing so many offices, and decontrolling such a large area. Has the Senator from Illinois the answer to that question?

Mr. DOUGLAS. No; I do not think I have. I do not necessarily approve all the statements which have been made by the Housing Expediter since this reduction was voted. I do not know whether or not it will be necessary for him to lay off one-third of his employees; but I submit that in the face of the added duties which we have imposed upon him it will be impossible to administer the law effectively with $17,500,000, or a cut of nearly $5,000,000 below the sum which he had during the past year, when the duties of the office of Housing Expediter were less onerous.

Mr. IVES. Mr. President, will the Senator further yield?

Mr. DOUGLAS. I yield.

Mr. IVES. It occurs to the Senator from New York that it is very probable that the Housing Expediter does not understand the agreement which presumably has been arrived at in Congress regarding this question. He does not understand that he can go ahead in carrying out the rent control statute and expend whatever moneys may be necessary in line with the provisions of the statute, with the idea of having any deficit taken care of next January. That may be the reason why he is trying to cut his pattern in line with the proposed appropriation.

Mr. DOUGLAS. If the Housing Expediter does not quite understand what his powers are under this gentlemen's agreement, his lack of understanding is shared by the junior Senator from Illinois, who finds himself somewhat at a loss in trying to make out precisely what it is that the Senator from Wyoming is proposing.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. O'MAHONEY. Mr. President, I have endeavored to the best of my ability to make the proposal as clear as possible. I believe that what the Senator from New York has asked is based upon an assumption which is probably correct, namely, that the Housing Expediter, being absent from the city of Washington, and having heard by telegram, in all probability—or perhaps long-distance telephone—that the conferees had cut his appropriation to $17,500,000, immediately began to cut his personnel and to lift controls. I think he would have been much better advised had he waited until the bill had actually passed Congress and was on the way to the President.

So far as the situation at the moment is concerned, I think it should be quite clear that this is now the only item in the bill which has not been settled. The Senator from Wyoming is doing his best to secure an amendment to this provision whereby expenditures which the Housing Expediter now finds it necessary to make will be ratified, although he has no appropriation, without which ratification he would be in violation of the law. Unless we approve it, he will confront additional difficulties. So also will all of us who want rent control to be maintained until, as prescribed in the law, the facts clearly indicate that it should be lifted.

I have stated that the understanding of the conferees was that since the function of rent control is likely to be a diminishing function, the House conferees, believing that it would cost much less than $21,667,000, as provided by the Senate, to carry on the operation for a year, and believing that $17,500,000 would be ample, were nevertheless of the opinion that it was not the purpose of the House conferees or of the Senate conferees to force the lifting of controls by the denial of funds, but that they clearly foresaw that if necessity required an additional appropriation there would be no objection to the Housing Expediter returning, say, in January, to seek a deficiency appropriation. In the meantime the necessary expenditures could be made out of the $17,500,000. It has been done before, and it will be done again.

Mr. DOUGLAS. Will the distinguished Senator from Wyoming inform we what sort of reception the Housing Expediter would likely experience if he were to come back in January and ask for a deficiency appropriation? The Senator from Wyoming says that such a request would be received; but in what spirit would it be received? I am sure that, with the usual graciousness of the Senator from Wyoming, he would not turn anyone away from his door. But gracious as the Senator would be, would his graciousness be accompanied by any funds? That is the question.

Mr. O'MAHONEY. I will say to the Senator that in my opinion, if rent control is still a social necessity in the United States, it will be so clearly demonstrated when January comes that there will be very little objection on the part of a majority of the Senate and of the House to granting the funds necessary to carry on.

Mr. DOUGLAS. May I ask the distinguished Senator from Wyoming a further question?

Mr. O'MAHONEY. Certainly.

Mr. DOUGLAS. Would the Senator from Wyoming favor an additional amendment, or a modification of his amendment, which would authorize a faster rate of expenditure than that contemplated under the $17,500,000 appropriation, namely, that during the coming months the Administrator may spend at a rate greater than one-twelfth of $17,500,000, and state that the Appropriations Committee would regard it as a moral obligation to see that the law which Congress passed is adequately enforced?

Mr. O'MAHONEY. I would love to do something of that kind, but I find that the Senate and the House are already locked in disagreement over a similar proposal on another bill.

But I say to the Senator from Illinois that in the past the practice has been that the statement of the respective chairmen of the two committees, which I now have made here, is regarded as a sufficient recognition of necessity to enable the matter to proceed in accordance with the necessities.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield for a question.

Mr. FERGUSON. I wish to inquire whether it is at least advisory to the executive branch to use the fund in the way suggested by the Senator from Wyoming.

Mr. O'MAHONEY. Yes; of course it is advisory.

Mr. IVES and Mr. CAIN addressed the Chair.

The VICE PRESIDENT. Does the Senator from Illinois yield; and if so, to whom?

Mr. DOUGLAS. For what purpose does the Senator wish me to yield to him?

Mr. IVES. I wish the Senator to yield to me to permit me to ask a question of the Senator from Wyoming.

Mr. DOUGLAS. Very well; I yield for that purpose.

Mr. IVES. Let me inquire whether it is the understanding of the Senator from Wyoming that the Housing Expediter, in view of the previous understanding among the conferees, to which the Senator has referred, is at liberty to exceed his budget, to go beyond the amount of $17,500,000 to be allowed for the present fiscal year, and that in doing so he may expect that any deficit will be taken care of by a deficiency appropriation.

Mr. O'MAHONEY. No; that is not the understanding.

Mr. IVES. That is an important point.

Mr. O'MAHONEY. The understanding of the conference committee was that since in the belief of the members of the committee it was likely that the necessity for rent control would gradually begin to disappear, and inasmuch as various areas would be removed from rent control, and that, therefore, the necessity for maintaining offices would cease to exist, the amount of money would be ample, but that in the meantime the Housing Expediter would not be required to make an absolutely even division, into 12 equal installments, of the $17,500,000, but he could expend the money at a rate faster than that.

Mr. IVES. Mr. President, will the Senator yield for a final question?

Mr. DOUGLAS. I yield.

Mr. IVES. Then is it the understanding of the able Senator from Wyoming that the Housing Expediter must budget his own activities, no matter how he may do so; that he will be given as much latitude as he may desire, but that nevertheless he must budget his activities within the $17,500,000; and he cannot contemplate receiving any funds in addition to that amount?

Mr. O'MAHONEY. Not without the approval of Congress at a future session.

Mr. CAIN, Mr. FERGUSON, and other Senators addressed the Chair.

The VICE PRESIDENT. Does the Senator from Illinois yield; and if so, to whom?

Mr. DOUGLAS. No; I do not yield at the moment. I have been very indulgent in yielding to a number of Senators, and now I should like to have a chance to make a statement myself. I shall yield in due time, first to the Senator from Washington [Mr. CAIN], for whom I have real affection, of course.

Let me say to my distinguished friend and colleague the Senator from Wyoming that I quite realize what he has been up against. He has had a hard battle in the conference committee. I know he tried with all the zeal and energy at his command to fulfill the mandate of the Senate, and he thought he was making "an honorable peace," so to speak.

I think we can strengthen the hands of our distinguished representatives on the conference committee by adopting some affirmative language, because the Senator from Wyoming has just said that under the proposal, all the Housing Expediter can spend will be at the rate of one-twelfth of $17,500,000 a month, and that thereafter he will be afforded only the cold comfort that he can return before the committee at another session.

Mr. O'MAHONEY. Mr. President, will the Senator yield? He misunderstands what I have said.

Mr. DOUGLAS. I beg pardon; I did not mean to do so.

Mr. O'MAHONEY. I did not say that. In fact, I expressly say that the understanding of the conferees is that it will not be necessary for the Housing Expediter to divide the $17,500,000 into 12 equal installments and to confine his operations in that manner. To the contrary, in view of the fact that in all probability the operations in the last 6 months of the year will be at a very much lower rate of expenditure than will the operations in the first 6 months of the year, the Housing Expediter may so distribute the $17,500,000 between the first 6 months and the second 6 months that

he will not have to deny any area of the country the necessary rent control.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. DOUGLAS. I had already stated that I would yield first to my distinguished friend, the Senator from Washington. I yield now to him.

Mr. CAIN. Mr. President, let me bespeak my appreciation of the Senator's courtesy.

I am hopeful that the time has come when the Senator from Wyoming will, for the information of the Senate, read to us the amendment he seeks to offer if the motion to reconsider prevails. In fact, I think a reading of the amendment would be helpful to a good many of us who probably are not clear about the issue at stake.

Mr. DOUGLAS. I shall be very glad to have that done.

Mr. O'MAHONEY. Mr. President, there are two questions. The motion to reconsider was made by the Senator from Illinois for the purpose of bringing on a discussion of what he considers to be the inadequate appropriation. I assume it was his intention to ask the Senate to disagree with the report of the conferees, and to increase that sum. I have asked him—and I have stated what I regard to be persuasive reasons—not to do that.

The second issue is the amendment which I propose to offer to ratify the expenditures which now must be made, and without which amendment the Housing Expediter will be in violation of law.

This amendment, which is similar to amendments which have been adopted before—and which was drafted in the Bureau of the Budget, and has the approval, I understand, of the representatives of the Housing Expediter, and certainly has the approval of the Chairman of the Appropriations Committee—reads as follows:

Provided further, That the appropriation and authority with respect to the appropriation in this paragraph shall be available from and including July 1, 1949, for the purposes provided in such appropriation and authority. All obligations incurred during the period between August 15, 1949, and the date of the enactment of this act, in anticipation of such appropriation and authority, are hereby ratified and confirmed, if in accordance with the terms hereof.

Mr. President, without that amendment, as will be seen, no money whatever will be available to the Housing Expediter, in view of the fact that the continuing resolution does not cover the Housing Expediter, since there never was an appropriation for his office.

Mr. DOUGLAS. Mr. President, let me ask the Senator whether I am correct in inferring that the amendment which the distinguished Senator from Wyoming intends to offer is really dissociated from the question of how much is appropriated for the coming year.

Mr. O'MAHONEY. It is.

Mr. DOUGLAS. And it is also dissociated, is it not, from the question of whether we appropriate $17,500,000 and authorize it to be expended in a period less than a year?

Mr. O'MAHONEY. The Senator from Illinois is quite correct. They are two different questions.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. FERGUSON. I wish to ask the Senator who proposes the amendment to make it clear in the record that the amendment does not guarantee what the Senate will do in regard to a deficiency appropriation coming along perhaps in 6 months.

Mr. O'MAHONEY. Oh, no; it has nothing to do with that.

Mr. FERGUSON. But this amendment would authorize the Housing Expediter——

Mr. O'MAHONEY. It would authorize him merely to handle the day-to-day expenditures now occurring.

Mr. FERGUSON. How long would it continue?

Mr. O'MAHONEY. Until the President signs the bill.

Mr. FERGUSON. And then what would be the rate of expenditure?

Mr. O'MAHONEY. Under the law and under this proposal there is to be no change in the rate.

Mr. FERGUSON. If the $17,000,000 were used in a period of 9 months, and if it were discovered at the end of 9 months that it had all been used, there would then be no obligation on the Congress to appropriate further money in order to continue for the remaining 3 months. Is that correct?

Mr. O'MAHONEY. No. This is no invitation to the Housing Expediter to spend money which Congress has not appropriated to him. I may say to the Senator, I have been in conference with the Bureau of the Budget. Both the Bureau of the Budget and the General Accounting Office will be supervising any expenditures made, so there is no danger, as I see it, of the slightest waste of funds of or any expenditure beyond what is allowed.

Mr. FERGUSON. Mr. President, will the Senator yield for another question?

The VICE PRESIDENT. Does the Senator from Wyoming yield to the Senator from Michigan?

Mr. O'MAHONEY. I yield.

Mr. FERGUSON. Is it not a probability, since the act expires at the end of June next year, the work will be tapering off in such a way that the Housing Expediter will discover, probably after the first of the year, that he will not need more money, and that he can get along even with the $17,000,000?

Mr. O'MAHONEY. I may say to the Senator that was the positive view of the House conferees. It was the view of some of the Senate conferees. It was a view with which the chairman of the Senate conferees reluctantly agreed. But I know there are other Members of the Senate and other Members of the House who believe the lifting of rent controls is not nearly so likely to come as rapidly as some of the others believed.

Mr. FERGUSON. Mr. President, if the Senator will yield, that explanation shows that the conferees were acting upon a certain theory, and, in their opinion, in good faith, does it not?

Mr. O'MAHONEY. Absolutely.

Mr. FERGUSON. It was the purpose not to cut down a third or two-thirds, or any particular amount, was it not?

Mr. O'MAHONEY. That is correct. In other words the Senator from Michigan, who was a member of the conference, will agree with me when I say there was no intention upon the part of any conferee, whether of the Senate or of the House, to repeal rent control by denying funds.

Mr. FERGUSON. I think that is correct.

Mr. DOUGLAS. Mr. President, since we now seem to be discussing the merits of the cut rather than the parliamentary question, I hope I may be permitted to say in reply to the distinguished Senator from Michigan, the number of housing units which have been decontrolled since April 1 amounts to about 1,250,000, as compared to something like 14,250,000 which were controlled as of April 1. In other words, the reduction since April 1 has been approximately 7 or 8 percent of the total number of units—no more—and it was this reduction which in turn convinced the Senate, when we cut the appropriations from the $24,075,000 recommended by the committee to something less than $22,000,000. In other words, we have been sold this reduction once on the ground of the decontrolled units, and now our distinguished friend from Michigan comes along and sells it to us for the second time—this time, for a cut of 20 percent, compared to the previous cut of 10 percent which the Senate made.

Mr. President, I know the pressure of work on the Senate is great, and I hope we can resolve this parliamentary tangle. I hope the Senate will consent to reconsider the measure. I shall be very glad, when that happens, to have the Senator from Wyoming offer his amendment. But I should like to tell him I probably shall have an amendment to offer at that time, too.

The VICE PRESIDENT. Is there objection?

Mr. BRICKER. I object.

The VICE PRESIDENT. Objection is heard. The Senator from Wyoming has moved——

Mr. O'MAHONEY. Mr. President, the motion before the Senate is the motion of the Senator from Illinois to reconsider. May I express to my distinguished friend from Ohio the hope that he will again withdraw his objection, because I think it is very essential in the interests of 33 Government agencies and departments to get this appropriation bill passed.

Mr. BRICKER. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Wyoming yield to the Senator from Ohio?

Mr. O'MAHONEY. I yield.

Mr. BRICKER. I wish to pass the appropriation bill just as much as does the Senator from Wyoming.

Mr. O'MAHONEY. I know the Senator does.

Mr. BRICKER. I hope to expedite the proceedings of the Senate. I have delayed them but very little.

Mr. O'MAHONEY. The Senator is quite right.

Mr. BRICKER. The responsibility for this delay rests on the shoulders of the junior Senator from Illinois.

Mr. O'MAHONEY. Mr. President, in case objection is heard, there is only one course open to us, and that would be for a vote upon the motion to reconsider.

The VICE PRESIDENT. The question is on the motion to reconsider. The matter must first be brought before the Senate by a motion to consider the motion to reconsider.

Mr. O'MAHONEY. I understand that.

The VICE PRESIDENT. Objection having been made, that motion is now in order.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state the inquiry.

Mr. WHERRY. Should not the motion to reconsider be moved at this time?

The VICE PRESIDENT. That is what the Chair stated. Objection to the request of the Senator from Wyoming having been made, it is now in order to move that the motion to reconsider be taken up and proceeded with.

Mr. O'MAHONEY. Mr. President, it was my desire to do that, but I wanted to explain first what the position of the Senator from Wyoming is going to be. I do not want any of the Members of the Senate to be under any misapprehension as to what my position is. If the motion to reconsider is taken up, and if the motion to reconsider then is carried, it will be my purpose to move, first, this very essential amendment. I shall then oppose any other amendment of any other kind to the pending amendment. So, Mr. President, I move that the Senate proceed to the consideration of the motion of the Senator from Illinois to reconsider the vote by which the House amendment to Senate amendment numbered 46 was agreed to.

Mr. WHERRY. Mr. President, I do not care to speak on the motion, but I think this is a very vital matter. I am just as much interested as is the Senator from Wyoming to get the bill passed. Therefore, I think there should be a quorum call. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Anderson	Hill	Millikin
Bricker	Hoey	Morse
Cain	Holland	Mundt
Chapman	Humphrey	Murray
Chavez	Hunt	Myers
Connally	Ives	Neely
Cordon	Jenner	O'Mahoney
Donnell	Johnson, Colo.	Pepper
Douglas	Johnson, Tex.	Russell
Downey	Johnston, S. C.	Schoeppel
Dulles	Kefauver	Smith, Maine
Eastland	Kem	Smith, N. J.
Ecton	Kerr	Sparkman
Ellender	Kilgore	Stennis
Ferguson	Knowland	Taylor
Flanders	Langer	Thomas, Okla.
Frear	McCarran	Thomas, Utah
Fulbright	McCarthy	Vandenberg
George	McClellan	Watkins
Graham	McFarland	Wherry
Green	McGrath	Wiley
Gurney	McKellar	Williams
Hayden	Magnuson	Withers
Hendrickson	Malone	Young
Hickenlooper	Miller	

The VICE PRESIDENT. A quorum is present.

The question is on the motion of the Senator from Wyoming to proceed to the consideration of the motion of the Senator from Illinois to reconsider the vote by which the House amendment to Senate amendment numbered 46 was agreed to.

The motion was agreed to.

The VICE PRESIDENT. The question is on agreeing to the motion to reconsider the vote by which the Senate concurred in the House amendment to the Senate amendment numbered 46.

Mr. SPARKMAN. Mr. President, I shall take very little time in discussing the motion to reconsider. I am certainly hopeful that the Senate will vote to reconsider for two purposes, in order that the amendment which is to be offered by the Senator from Wyoming may be offered, and, furthermore, that we may consider the amendment which is to be offered by the Senator from Illinois [Mr. DOUGLAS].

Mr. President, I do not wish to take very much time, but I believe we should bear in mind very carefully what the result will be unless we do reconsider, and unless we do agree to some amendment or to some arrangement whereby the Housing Expediter may have sufficient funds with which to operate his office.

It was not many months ago that the Senate voted for a rent control measure, the House voted for it, the conference committee agreed on the final form of it, and it was agreed to by both the House and the Senate, giving the Expediter a much heavier load than he had last year. For some reason the House did not provide in the appropriation anything this year for the Housing Expediter's Office. When it came before the Senate committee, the committee cut the appropriation 10 percent below the budget amount. When it came on the floor of the Senate, the Senate cut it another 10 percent. Then when it went to conference, the House not having appropriated anything, the committee of conference cut it another 20 percent. So having imposed a certain burden upon the Office of the Housing Expediter, having directed him to maintain rent control until June 30, 1950, we yet are cutting by 40 percent the amount the Budget Bureau have said he would need in order to administer his office properly. We are here today with that situation before us.

Something has been said about the statement made by the Expediter in Cleveland, Ohio, to the effect that he would have to eliminate at least one-third of the rental areas of the United States, or discharge one-third of his employees. Personally, I wish the Expediter had not made that statement. Personally, I hope that those are not the only two alternatives. Yet we might as well be realistic about this matter. He cannot hope to operate with a 40 percent cut in such a way as to carry on the job we gave him to do.

There is no wonder that Senators and Members of the House are now receiving frantic calls and telegrams from their home areas because of the removal of rent control that is threatened throughout the country. I believe we should go into this matter with our eyes open, understanding what we are doing, what we are willfully doing.

We have heard a statement today to the effect that the Expediter can come to Congress in January for a deficiency. I wish to commend the very able Senator from Wyoming for the excellent work he has done in his effort to work this matter out. But I think we should be fair with ourselves, and I think we should be fair with Mr. Woods. We know what is going to happen if he comes before the Appropriations Committees of the two Houses in January asking for a deficiency.

In that connection, I thought that when we passed the Reorganization Act of 1946 we set as an objective doing away with deficiency appropriations. Yet it seems that we are doing everything we can to build them up, and here we are, inviting a man to come to Congress in January and ask for a deficiency appropriation. I can imagine the treatment he will get when he appears before the Committees on Appropriations.

Mr. KNOWLAND. Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. I yield to the Senator from California.

Mr. KNOWLAND. I perhaps missed the first part of the Senator's remarks, but with reference to the statement that there is something in the report which suggests that the Expediter can come to Congress looking for a deficiency in January——

Mr. SPARKMAN. I did not say that was in the report. I understood it to be in the statement of the Senator from Wyoming today.

Mr. KNOWLAND. As one Member of the Senate, I certainly do not look with favor on encouraging any Government department to think it can spend the money appropriated to it, and then come to Congress and expect to get a deficiency appropriation. I certainly hope that neither the Expediter nor any other official of the Government, will go ahead spending money on the theory that Congress will provide him with deficiency funds, because I think he will be disappointed.

Mr. SPARKMAN. I agree with everything the able Senator from California has said. I believe we should discourage deficiency appropriations. Yet we are doing two things; we are working both sides of the street, as it were. We are implying that when the Expediter comes to Congress in January he can get a deficiency appropriation. Yet we stand here and say, "Do not come back here for a deficiency appropriation." What is he going to do? We criticize him for saying that he is going to have to discharge one-third of his employees, or decontrol one-third of the rental areas in the United States. Yet he is going on his way, he will run out of funds shortly after the first of the year, and then quit completely, in spite of the fact that Congress has told him to go on until June 30, 1950, or he must get rid of one-third of his employees, which I think is a fair inference, because we cut the appropriation 40 percent; or he must decontrol some of the area. Something has to be

done to cut down, with the funds he will have, or we will hold out the hope that he can come back to Congress in January and ask for a deficiency.

Mr. KNOWLAND. I think the problem he has is very clear. Congress appropriates a given number of dollars. That appropriation is to cover a 12-month period. Under the antideficiency law, I do not think he has any right to try to spend that money in a 6-month period. He will have to cut his cloth to fit the appropriation. Obviously, he cannot run his office for 12 months on the same scale on which he has hitherto operated, with two-thirds of the money heretofore appropriated. So I think he probably will have to cut his force. I think that is really the only alternative he does have, under all the circumstances. For him to go on spending at the same rate, and exhaust his funds, and come back for a deficiency, I do not think would be complying with the antideficiency law.

Mr. SPARKMAN. The only thing I am saying is that we should be definite; the Expediter ought to know what he can do. I submit to the Senator from California that if he has listened to the statement made on the floor of the Senate this afternoon, and has tried to find out what the Expediter ought to do, he will agree it is not shown very clearly, as clearly as the able Senator has stated it. I believe that certainly there is the implication all the way through—I think there is a general understanding—that the Expediter is invited to come before the Appropriations Committees in January and justify, if he can, additional appropriations. I do not think there is any question about that. I am merely saying, as I think the Senator from California was saying, that I do not believe that is the way for us to act.

Mr. MYERS. Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. I yield to the Senator from Pennsylvania.

Mr. MYERS. Does the Senator believe that with this reduction in appropriations the Housing Expediter can effectively enforce the Rent Control Act as passed by the Congress?

Mr. SPARKMAN. I certainly do not. When we passed the Rent Control Act in February, I believe it was, it was a Rent Control Act. It was not a Rent Decontrol Act. It said so in so many words.

Mr. MYERS. Does the Senator have any knowledge of what has happened in those areas which have been decontrolled since April or May of this year?

Mr. SPARKMAN. I do not have the record before me, but I have seen some statements to the effect that in some areas rent has gone up sharply. In other areas there has not been such a great increase. I remember it has been stated that in some areas in Texas rents have gone sky high. At one place in Georgia I understand the rents went so high that the people voluntarily asked that rent control be reinstated.

Mr. MYERS. Does the Senator feel that if this reduction is approved by the Senate, and the motion to reconsider is not agreed to, it will be necessary for the Housing Expediter to decontrol some other areas which he thinks should not be decontrolled?

Mr. SPARKMAN. I do not see how he can possibly avoid it. In other words, if we, by our action, bring about a cut, he will have no alternative other than to proceed with a decontrol rather than a control program. Bear in mind that decontrol would be coming right along with cold weather, at a time when people must have adequate shelter, and must pay the rent, whatever the increase may be.

As I see the situation—and I want to make my position clear—Congress has marched up the hill, and now we are marching down the hill. Three or four months ago we passed a Rent Control Act, and today we are decontrolling.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. MYERS. Does the Senator believe that the friends of rent control, those who firmly believe that rent control is still necessary, should support the motion to reconsider?

Mr. SPARKMAN. By all means.

Mr. MYERS. And does not the Senator believe that the enemies of rent control throughout the country, the lobbyists and the groups that beseech both branches of the Congress, welcome this cut, and hope that through the back door they may effectively destroy rent control, although the act provides that rent control shall continue until June 1, 1950?

Mr. SPARKMAN. I certainly do.

Mr. CAIN. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. CAIN. Would the Senator from Alabama permit me to make one very brief observation to the Senator from Pennsylvania?

Mr. SPARKMAN. If I may have unanimous consent to do so without losing the floor.

The VICE PRESIDENT. Without objection, the Senator from Alabama may yield for that purpose.

Mr. CAIN. Mr. President, I should like to state to my friend, the Senator from Pennsylvania that should the junior Senator from Illinois offer a motion, which, as I understand, is not before the Senate, I shall in rather thorough fashion attempt to explain to the Senator from Illinois and other interested Senators what has actually been the experience in those cities which have been decontrolled in the last several months.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. KNOWLAND. I do not like to be repetitious on this matter, but, speaking as a member of the Appropriations Committee, I should not want the RECORD to stand that by whatever action we take in the Senate today there is any implication whatsoever that either this Government official or any other Government official is being invited to come to Congress for a deficiency appropriation. I feel that any head of a bureau or a department who deliberately spends in a lesser period than 1 year the entire funds allotted him by the Congress of the United States on an annual appropriation basis, does so in violation of the law, and I believe the Appropriations Committee itself and the Senate of the United States, or the House, and the House Committee on Appropriations, would be amply justified in turning down any such request for money that was spent in violation of the law. I think the RECORD ought to be perfectly clear, so the Expediter will not get into any trouble in this situation.

I fully agree with the able Senator from Alabama that if we once embark upon a deficiency-spending program and invite officials to ignore the appropriations voted by the Congress and come to Congress with requests for deficiency appropriations because of having spent the money appropriated for a whole year within a lesser period of time, we lose all control of the purse strings, all control of the budget, and I think that is bad public policy. So I would not want any implication to exist that the Housing Expediter is being encouraged by the Senate of the United States.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. SPARKMAN. I shall yield in a moment. I appreciate the very clear statement the able Senator from California has made for himself. But I must say to him that during the time he was probably unavoidably absent from the floor various statements were made with reference to this situation, and I certainly cannot believe that I am the only Member of the Senate who got the rather clear implication that there was more or less of an understanding that the Expediter would take this fund and operate with it the best he could until Congress comes back in January; that the Director of the Budget and the Comptroller General would be checking on the expenditures of these funds to see that they were properly expended by the Expediter to do the best job he could, but then for him to come back in January, or when Congress comes back into session. I may have misunderstood, but certainly to my way of thinking there was ample justification for me to feel that there was an implied invitation to the Housing Expediter to Congress and ask for a deficiency appropriation in the event he felt it was necessary.

I may say further, Mr. President, there are other members of the Appropriations Committee on the floor who were present during the discussion, and if I have misunderstood what took place, I certainly should like to have the situation clarified.

Mr. MYERS and Mr. WHERRY rose.

The VICE PRESIDENT. Does the Senator from Alabama yield; and if so, to whom?

Mr. SPARKMAN. I yield first to the Senator from Pennsylvania, who asked me to yield a moment ago.

Mr. MYERS. Mr. President, I think the statement of the able Senator from California certainly clears the atmosphere, and I congratulate the Senator for making the statement he did. But what will be the position of the Housing Expediter when we have such statements in the RECORD? A member of the Appropriations Committee, says and properly

so, he thinks the Housing Expediter could be and should be severely criticized if he did not cut his cloth in accordance with this appropriation. Undoubtedly other members of the Appropriations Committee feel the same way. Other Senators may feel differently and agree with the Senator from Alabama. But the Housing Expediter is confronted with the RECORD, where members of the Appropriations Committee, and properly so from their viewpoint, say that he should be condemned and criticized if he comes to Congress in January or February or March of next year and asks for a deficiency appropriation. That is the evil in this reduction. As the result of it, and as the result of the statement of the Senator from California—and I am delighted that he made it, because he cleared the atmosphere—the Housing Expediter may be obliged to cut his cloth in accordance with this appropriation, and therefore may have to dismiss, or will dismiss, one-third of his employees, or will be compelled to decontrol at a time when cold weather is coming on and, when the facts do not justify decontrolling many areas. I say that is the evil of this reduction. That is the dilemma with which the Housing Expediter is confronted.

I am quite confident that with the record which has been made here today the Housing Expediter may not dare, although I believe he has the right, to expend the major part of this appropriation in the first 6 months with the hope that he will be able to get by in the last 6 months with a lesser amount, or receive a deficiency appropriation from Congress. I agree, as the able Senator from Alabama has stated and as the able Senator from Wyoming has stated, that there may be justification for such a procedure, but I fear the Housing Expediter may not follow it, and I fear that if he does not, we are going to be in bad condition with respect to rent control. Undoubtedly that is the purpose of the reduction, and it is for that reason that I shall support my friend the junior Senator from Illinois.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. WHERRY. I shall ask the Senator from Alabama a question based on the point made by the distinguished Senator from California and on the point made by the distinguished junior Senator from Pennsylvania. I wish to ask the distinguished Senator from Alabama if he heard the question propounded by the junior Senator from Nebraska of the distinguished chairman of the subcommittee, the Senator from Wyoming [Mr. O'MAHONEY], at the very beginning of the discussion? My question of the Senator from Wyoming was, if the Housing Expediter did exactly as the junior Senator from Alabama has stated, whether any assurances were made to the Expediter which he could in any way interpret to mean that he might come to Congress with a deficiency appropriation request, either during the remainder of the present year or next year, so as to make up the difference? I was assured by the distinguished Senator from Wyoming that no such assurance had been given the Expediter. I thought at that time the matter was clear, because I had in mind the question of the bypassing of the Antideficiency Act, something which we in the Appropriations Committee are trying very hard to prevent.

I want the RECORD to show that that is the way I understand the situation. I join with the junior Senator from California [Mr. KNOWLAND] in the observations which he made. I think the point which he made should be very clear as we act on this question. I am not now speaking of the amount of the appropriation, or whether we agree with it or not. What I am saying is that I think no one should get the impression that we are attempting to bypass the Antideficiency Act. Neither are we encouraging the Expediter to come to Congress and get a deficiency appropriation to operate his department if he requires more money.

Mr. SPARKMAN. Mr. President, I am delighted to have the Senator from Nebraska make that statement. When he asked the question he was referring to the amendment proposed by the Senator from Wyoming [Mr. O'MAHONEY]. The Senator from Nebraska will recall that the Senator from Wyoming also made a statement in which he said that he had discussed the subject with the Budget Bureau and with the chairman of the subcommittee of the House Appropriations Committee having jurisdiction over this subject, and that Mr. Woods could be assured that when he came to Congress he would be given a courteous and fair hearing before the Appropriations Committee.

The only thing I am saying is that we ought to have a clear understanding, if we go through with the 40 percent cut, as to whether or not the Expediter is going to be able to come back in January and ask for a deficiency appropriation, or whether we are going to say to him, "Even though 4 months ago we told you to control rental property in the United States, today we are telling you to decontrol."

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. CHAVEZ. I am very much interested in the statement of the Senator from Alabama. He has stated the issue as I understand it. However, there should be no confusion in the Senate as to whether or not we are to have rent control. It seems to me, from the arguments which I have heard during the afternoon, that many of us are worried over whether or not the Expediter is going to dismiss a great many employees. That is a small item as compared with the question whether or not we are to have rent control. Whether or not it is necessary to have those employees, if we carry out the idea of rent control we should make the necessary appropriations. However, our decision should not be based upon whether or not someone is going to lose a position with the Government.

Mr. SPARKMAN. Mr. President, I am glad to have the able Senator from New Mexico make that statement. I am in complete agreement with him. I am not worried about a third of the employees losing their jobs. I want to see a reduction in the number of Federal employees if it can be made without impairing necessary service.

The point I make is that the Expediter cannot carry on the job we gave him to do if he must reduce his personnel by a third. He asked for an increase. We directed him to put a man in every office in the United States to help out the small landlords and the tenants. Yet when he asked for funds to be allowed to do that, we said, "You cannot have them. Use someone who is already there." That was the effect of the argument. Following that, we cut the appropriation 20 percent more. We are saying to him, "Not only can you not employ the four-hundred-odd additional employees you wanted, but you must let out a third of those you have." We all know, as practical-minded men, that he simply cannot do the job under those conditions. Therefore I think we ought to face the issue fairly and squarely. Do we want rent control, or do we want decontrol?

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. FERGUSON. I should like to make the record clear, so far as the junior Senator from Michigan is concerned, on the question of spending over and above the amount appropriated in order to lay the foundation for a request for a deficiency appropriation.

We have had experience with the Reclamation Service. This question arose just a few years ago. The law is clear. The Administration takes certain attitudes with respect to the law, believing that it can bypass it here and there; but it is clear.

I for one feel that we should not mislead the Administrator into believing that he can spend this money and come back for a deficiency appropriation, and that there is an obligation upon Congress to grant the deficiency appropriation. I think the Administrator in this case was wrong, but he acted in the manner which is customary with the executive branch. When Congress makes a cut, the executive department involved immediately tries to make it appear that Congress is responsible for closing down a very vital part of the administration.

Mr. Woods, the Housing Expediter, was out of the city; but immediately, without having advice from his counsel and others concerned, he announced to the world that one-third of the rent-control activity would be closed. That is why we are here at this late hour today. He has made that announcement. Probably the agency telegraphed to a third of the employees, "You are out of a job." Immediately we began to receive telegrams from the States. That is the weapon used by the executive branch over and over again. We never make any cut, no matter how small it may be, without finding the same weapon used on the Congress to compel Congress to make bigger, if not better, appropriations.

I think it is all wrong. The administration is the real pressure group. The Congress must face lobbying from the administration every time it reduces an appropriation or does not appropriate

the full amount asked by the Budget Bureau.

Therefore we ought to tell Mr. Woods, as well as the President, what our position is, because the President immediately announced that Congress was to blame. Although he did not use the words "sabotaging the rent-control law," it amounted to the same thing, because the people became aroused for fear that they were going to lose rent control.

I am satisfied that the able chairman of the subcommittee has explained what the conference committee had in mind, namely, that rent control would be tapering off, and that $17,000,000 would be sufficient. While all did not agree with that, the conclusion was finally reached that rent control would be tapering off, and that at least the Housing Expediter could come back to Congress for a deficiency appropriation. If he really wanted to administer the law, $17,000,000 is still a great deal of money. I see no need for the announcement that one-third of all the areas will have to be decontrolled because he has only $17,000,000 instead of some $21,000,000. If he wanted to do the job, I believe that he would have said, "I am going to try to do it. I will take a man off here and there. We can still administer the law." Where there is a will, there is a way.

The weapon against the Congress, and the weapon which the people of the United States are facing, is the power of the executive branch to lobby for appropriations, put on pressure, and send out propaganda. What better propaganda could there be in connection with this bill than to have the President, who is front page, headline news all the time, say to the world that the Congress, by trying to reduce an appropriation, has sabotaged a law? Congress has not sabotaged the rent-control law. Congress is really trying hard to balance the budget.

I say that we must do something in Congress. We must stand firm and not be influenced by pressure, even when it is brought by the Chief Executive of the United States in an effort to make it appear that we are saboteurs of everything in America. I think we are trying to do a job. The Housing Expediter has more than $17,000,000 with which to operate his agency. Anyone who will look into the situation will see that if the man has the will, he can find a way to do this job, and not decontrol districts which he does not feel should be decontrolled.

Mr. SPARKMAN. Mr. President, I have no inclination to prolong this argument. I shall conclude with this statement:

I do not know how much pressure other Members of the Senate may have felt regarding this question. I know that some Members of the Senate have received messages, because they have spoken to me on the subject. I do not believe any Member of the Senate will act on this matter because of pressure or the force of pressure from back home. I wish to say, regarding my own case, that I have not received a single message about this matter. Some may have come in today; I have not seen my mail today, for I have not been able to be in my office at any time today. But so far as I know, I have not received a single message about this matter.

So far as my State is concerned, there are several defense rental areas in it; but just so soon as they can be decontrolled, I want them to be decontrolled; and I am not concerned about the employees there. Not a single employee there has ever said anything to me or has written to me about rent control or about keeping his job or anything else. I am not arguing this matter from the standpoint of any interest I have in regard to the continuance of rent-control offices or jobs or rent-control areas in the State of Alabama or as a result of any pressure I have received from anyone.

But, Mr. President, for a long time, back in the early part of this year, I sat as chairman of the subcommittee which held hearings on the question of rent control; and I believe we went into that question most thoroughly. Then we wrote a bill, just as thoroughly as we could; and we presented it to the Senate; and the Senate passed it. A similar bill was passed by the House of Representatives. Agreement on the differences between the two bills was finally reached between the two Houses, and the Congress thus told the Housing Expediter what to do. Now it is proposed that we take away from the Housing Expediter the funds with which to do that.

The Senator from Michigan talks about $17,500,000 and says that will be sufficient. It is easy to say that; but by dividing that amount into the amount available for the payment of employees and the amount available to the Housing Expediter to be used in other ways in performing the duties we imposed upon him, we can find what funds will be available to him to do the job that the Congress has directed him to do.

Advice on this matter has come to us not only from the Housing Expediter but also from the Director of the Bureau of the Budget and from the Senate Appropriations Committee. When the bill was first reported to the Senate, we were told that the Housing Expediter needed approximately $23,000,000 or $24,000,000. Yet the Senate decided it would trim or decrease that amount by 10 percent. That action was decided upon by a very narrow margin, with a difference of only two votes between the yeas and the nays on the roll call.

Mr. CAIN. Mr. President, will the Senator yield?

Mr. SPARKMAN. I ask the Senator to bear with me for a moment, unless he wishes to ask a question now.

Mr. CAIN. I should like to ask a question now.

Mr. SPARKMAN. Very well; I yield.

Mr. CAIN. I appreciate the Senator's courtesy. Let me inquire whether the Senator from Alabama is willing to admit that the job which confronts the Housing Expediter on August 19 is immeasurably smaller than were his job, his responsibility, and his mission on the day when the Congress took the action to which the Senator has just referred.

Mr. SPARKMAN. No; I will not, for this reason: There has been a retrenchment in regard to the area covered, but we must remember that we are just now about to give the Housing Expediter the funds with which to administer the law. Furthermore, we now have given him more jobs to do—for instance, to help the landlords make their adjustments and to help the tenants take their appeals to the emergency court of appeals. So we have given the Housing Expediter a bigger job than the one he had before. Certainly I do not admit that the job he has now is immeasurably less.

Mr. IVES. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. IVES. I should like to ask the Senator from Alabama if it is a fact that if this appropriation as it stands now is finally passed and becomes the law, not only the tenants themselves will suffer, but the property owners also will suffer; and, as a matter of fact, is it not also true that the property owners are likely to suffer more than the tenants will suffer?

Mr. SPARKMAN. I do not know just how to measure that. I think the Senator from New York is correct, certainly, so far as the small property owners are concerned, because they will not be able to obtain the adjustments which Congress provided they should have. So I think the Senator from New York is correct. I believe there will be a great deal of confusion, that backlogs will accumulate in the offices, and the people will be dissatisfied. In other words, we shall have, not rent control, but decontrol. I think Senators should understand that at the time when the vote on this question is taken.

Mr. O'MAHONEY. Mr. President, I should like to add one or two words in order to attempt to make the issue a little clearer than it appears to be.

I have in mind, first, the comment of the Senator from California [Mr. KNOWLAND] with respect to the antideficiency law and the understanding of the conferees. The Senator from California was not on the floor when I made the explanation of the understanding of the conferees when they agreed to reduce the appropriation to $17,500,000.

First, Mr. President, I wish it clearly understood that, on my own part, I resisted that reduction, because from the evidence given by the Housing Expediter I was convinced that a much larger sum was necessary in order that the Rent Control Act could be administered properly. Mr. Tighe Woods appeared before our committee and told us—his words can be read in the record of the hearings—that he would lift the controls as rapidly as conditions would permit, wherever those conditions developed. I believed him. The committee believed him to the extent that it recommended the appropriation of more than $24,000,000 of the $26,000,000 budget.

Let me say that the evidence before us clearly showed that 86 percent of the new positions for which Mr. Woods was requesting appropriations were made necessary by the provisions of the Rent Control Act which the Senator from Alabama has defended so skillfully upon the floor of the Senate. Those new positions were needed because the law provided new duties, requiring the Housing Expediter to offer aid and assistance to

both tenants and landlords in the handling of evictions, for example, and in the handling of rent cases. But be that as it may, the Senate committee was of the opinion that $24,000,000 was sufficient.

On the other hand, the Senate felt that that amount could be reduced. That feeling arose out of a belief that this was an operation which would gradually taper off, and that eventually the necessary monthly amount would be much less than one-twelfth of $24,000,000.

After the matter went to conference, the House conferees—being as insistent as they were that $17,500,000 was sufficient—said to the Senate conferees, and the Senate conferees in turn, said to the House conferees, "It must be clear, then, that in agreeing to this reduction, we are not attempting to repeal rent control; and we want to make it clear that if in the future the Housing Expediter believes that, in order to carry on the operation and the duties imposed upon him by the terms of the law, he needs more funds, he may come before the congressional committees and may ask for the money with which to do so."

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. O'MAHONEY. Certainly.

Mr. CONNALLY. What authority have the conferees to make such a statement or propose such a figure?

Mr. O'MAHONEY. I shall tell the Senator.

Mr. CONNALLY. I should like to have the Senator from Wyoming do so. I do not know of any law which would authorize the conferees to do anything except adjust the differences between the two Houses.

Mr. O'MAHONEY. The Senator from Texas is quite correct about that. But there has been many and many an occasion when conferees have made statements with respect to appropriations, and have written down in black and white that they would have no objection to a future application for a deficiency appropriation. But when the conferees did so, the agency for whom it was done clearly understood both that there was nothing binding about it and that the judgment would have to be made by the Senate and by the House when the time came.

Mr. CONNALLY. Yes; but the time comes when the money has already been spent and it is necessary to come back and ask for more.

Mr. O'MAHONEY. Oh, no; the Senator is wrong. That is what I am trying to explain. If the Senator will be good enough to bear with me for a moment, he will see the point, I am sure.

Mr. CONNALLY. What I am protesting is the matter of unofficial assurances, which have no basis in law, and which embarrass us, when the time comes.

Mr. O'MAHONEY. This will afford no embarrassment at all.

Mr. CONNALLY. How does the Senator know the same conferees will be considering it next year?

Mr. O'MAHONEY. I do not know, but I am sure that neither the present conferees, the new conferees, nor even the Senator from Texas himself, will be at all embarrassed by anything the conferees have done. The question now has been raised, Is this an invitation to violate the antideficiency law? I say no. I have a copy of the antideficiency law in my hand. I read from it:

> No executive department or other Government establishment of the United States shall expend, in any one fiscal year, any sum in excess of appropriations made by Congress for that fiscal year.

And so in response to the Senator from New York and in response to the Senator from Nebraska, I said the $17,500,000, the amount agreed to by the conferees, was agreed to for the fiscal year. But the question is, How shall it be expended? Shall it be divided into 12 equal installments? Shall the Housing Expediter be required to administer his office during the first 2 or 3 months at a rate which is only one-twelfth of $17,500,000? The antideficiency law does not provide that.

Mr. KNOWLAND. Mr. President, will the Senator yield for a question at that point?

Mr. O'MAHONEY. Certainly.

Mr. KNOWLAND. I think the able Senator from Wyoming, however, will agree with me that when the Congress of the United States makes an appropriation of $17,500,000, or whatever the sum is, it is for the purpose of operating a particular agency for the fiscal year covered by the appropriation bill.

Mr. O'MAHONEY. That is correct.

Mr. KNOWLAND. So it is not to be considered that any agency of the Government could expend in 6 months the full amount and then come to the Congress and say, "We have exhausted our entire year's appropriation in 6 months; therefore we are not going to operate the Post Office Department, or the Army, or the Reclamation Bureau," as the case may be, "for the remainder of the year."

Mr. O'MAHONEY. Certainly not.

Mr. KNOWLAND. The department or agency would not be living up to either the letter or the spirit of the act, if it did so.

Mr. O'MAHONEY. That is correct.

Mr. KNOWLAND. In other words, when the Congress in its judgment provides $17,500,000, it is to operate the agency for the fiscal year 1950.

Mr. O'MAHONEY. And that is precisely the understanding of the chairman of the subcommittee, precisely the understanding of the conferees.

Mr. WHERRY. Mr. President, will the Senator yield for one question?

The VICE PRESIDENT. Does the Senator from Wyoming yield to the Senator from Nebraska?

Mr. O'MAHONEY. I yield.

Mr. WHERRY. Certainly, if I understood the remarks of the distinguished Senator from Alabama, he did not get that impression.

Mr. O'MAHONEY. I am trying to explain it. If the Senator will bear with me, it will be just as clear as the language of the law can make it.

Mr. WHERRY. I think I understand the law, but all I am suggesting to the distinguished Senator is, the interpretation which has been placed upon the remarks made today by certain Senators might be that the very thing we were trying to avoid in the antideficiency law would be done.

Mr. O'MAHONEY. No; I seriously disavow any such suggestion.

Mr. WHERRY. I recall that I asked the Senator the question. He so stated, but certainly there were those who did not make the same interpretation.

Mr. O'MAHONEY. Let us see what the antideficiency law provides:

> All appropriations made for contingent expenses or other general purposes, except appropriations made in fulfillment of contract obligations expressly authorized by law—

Let me say in passing that is the phrase which places contracts for the Army engineers and for the Bureau of Reclamation in an altogether different category from ordinary appropriations of Congress. But—

> All appropriations made for contingent expenses or other general purposes, except appropriations made in fulfillment of contract obligations expressly authorized by law, or for objects required or authorized by law, without reference to the amounts annually appropriated therefor, shall, on or before the beginning of each fiscal year, be so apportioned by monthly or other allotments as to prevent expenditures in one portion of the year which may necessitate deficiency or additional appropriations to complete the service of the fiscal year for which said appropriations are made—

We see here what was in the mind of the conferees who were dealing with an operation of great importance, an operation which may become an emergency overnight in many communities. So, as I said to the Senator from New York, the position of the conferees was not that you shall spend money monthly, but by "other allotments," so that this $17,500,000 may be distributed throughout the year; but that, before you have incurred a deficiency, you may again come before the Congress and say, "Gentlemen, this appropriation of $17,500,000 is not sufficient, and unless you allow us more, then the function of the law will cease to be performed and we shall have to abandon it." That is a very different thing.

Mr. KNOWLAND. Mr. President, will the Senator yield at that point for a question?

The VICE PRESIDENT. Does the Senator from Wyoming yield to the Senator from California?

Mr. O'MAHONEY. I yield.

Mr. KNOWLAND. I think that is very fundamental. I believe the job of the administrator of any agency is to take the appropriation provided by the Congress of the United States with the realization that he has to operate the agency for a 12-month period under it, and it is not his prerogative to come back and say, "Because you did not give me what I thought we should have, therefore, at the end of 9 months we are going to disband the agency completely, and we are not going to operate under the law." That is not his prerogative. After all, the Congress of the United States is a policy-determining body.

Mr. O'MAHONEY. Certainly.

Mr. KNOWLAND. The executive branch of the Government must give weight to the policy laid down by the Congress. It is the sworn duty and obligation of an administrator to run his agency for 12 months under the appropriation granted by the Congress. But

if the Congress ever surrenders the control of the purse strings to that extent, we shall have lost all control whatever over expenditures in the Federal Government, as I am sure my able and distinguished colleague from Wyoming realizes.

Mr. O'MAHONEY. The Senator is quite right. But it was the Congress, in determining policy, which enacted the antideficiency law, the terms of which expressly provide for the waiver of these allotments. So, all in the world that was suggested by the conferees was not that there should be an invitation to expend more than the appropriated sum, but that the $17,500,000 should be so balanced that, unless an emergency should arise, it would be unnecessary for them to come back to the Congress.

Mr. WHERRY. The Senator is not referring, is he, to the waiver in the act itself.

Mr. O'MAHONEY. This would have to be done by the Bureau of the Budget.

Mr. WHERRY. So that what the Senator really means is that if the pending motion is agreed to and the question is considered on its merits, if the Senator from Illinois then offers the amendment, we would have to vote with the understanding that, if it became necessary for the agency to come back to the Congress for more money, we could waive the provision of the Antideficiency Act and the agency could come back for more money. That is really what it amounts to.

Mr. O'MAHONEY. Oh, no; not waive the Antideficiency Act.

Mr. WHERRY. Well, practically that.

Mr. O'MAHONEY. Oh, no; not waive the antideficiency law, which says the sums may be distributed in monthly or other periodical allotments.

Mr. WHERRY. The Senator from Wyoming knows that the experience we have had in the Appropriations Committee with respect to many agencies has been a sad one, and that there has been a genuine effort t. interpret and enforce the provisions of the act exactly as the junior Senator from Nebraska stated it, and as was so forcefully stated by the junior Senator from California.

That is my feeling at this time, and that is the reason I raised the point in the beginning. I realize what the Senator is attempting to do, and I want to try to get this bill passed.

Mr. O'MAHONEY. I know the Senator wants to be helpful.

Mr. WHERRY. But I shall vote on the motion with the strict understanding that if the Expediter receives the sum requested he shall operate the Department for the full fiscal year 1950 with that money. That is his job. If he spends it in 3 or 6 months and comes back for more, I shall not look with favor upon giving him any more money to make up the deficiency.

Mr. O'MAHONEY. Let me ask the Senator from Nebraska if he does not agree with me that it is not the purpose to repeal any part of the existing Rent Control Act by a denial of funds, if such funds should be necessary.

Mr. WHERRY. Let me answer that by saying that once Congress has established a policy, it is the duty of the members of the Committee on Appropriations not to sabotage the operation. When an appropriation is once justified, the agency must do its work for that particular fiscal year. I opposed the authorization of funds for ECA. I did not believe in it, and I do not believe now that it is the proper approach. But I shall go along with the Committee on Appropriations, that when the appropriation is justified and when the expenditure of the money is authorized, there should not be any interpretation of any statute that would bypass the antideficiency statute which provides that once the appropriation is justified, the money has to be used in that fiscal year. That is my position. I do not want the representatives of any agency coming back to the Appropriations Committee and saying, "Congress said to go ahead, and if we do not have enough, to come back and we will give you more."

That is the reason I asked the distinguished Senator—and he answered me straightforwardly, as he always does—if there was any intention to bind Congress to give another dime.

Mr. O'MAHONEY. We could not.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, in listening to the debate I am somewhat at a loss to figure out what we have been doing during the past 7 or 8 months since I have been a Member of the Senate. I have now heard about the antideficiency law. It seems to me that we have been lawbreakers, because the very first bill on which the junior Senator from Minnesota voted was a $600,000,000 deficiency appropriation for the Veterans' Administration. I understand there is another such bill coming up——

Mr. O'MAHONEY. There was no violation of law involved. When agencies see that the operations imposed upon them by law require a larger expenditure than that which the budget estimated and the Congress estimated would be required, they come back to the Congress and say, "Gentlemen, look at the obligation you have imposed upon us. If you want it carried out, we must have additional money." That is what is involved in an ordinary deficiency bill.

Mr. HUMPHREY. I realize that. Is not that exactly the case in this particular situation?

Mr. O'MAHONEY. Precisely.

Mr. HUMPHREY. We have an obligation which was so ably explained by the Senator from Alabama [Mr. SPARKMAN], and the Senate passed the bill. We talk about balancing the Federal budget, but no one thinks about balancing the budget of the people back home who may have to pay a little extra rent. There is not a bit of difference between a deficiency appropriation for the operation of the Veterans' Administration and a deficiency appropriation for the operation of the rent-control law. We authorized the employment of approximately 400 persons to do the job, and all at once we apply the "Mexican bean game"—first you have it and then you do not have it. We withhold the money necessary to enforce the law. We are lawbreakers. We are guilty of passing a law and not providing the law-enforcing machinery to apply it.

Mr. O'MAHONEY. This is the 19th day of August. The fiscal year ended on the 30th of June. Here is the independent offices appropriation bill, carrying funds for some of the most important agencies of Government. We cannot act upon the entire bill as though only one agency were involved. We are dealing with the functions of Government which affect the Federal Trade Commission, the Federal Power Commission, the Atomic Energy Commission, the Battle Monuments Commission, the Interstate Commerce Commission, and innumerable other operations. The chairman of the committee is not an unreasonable person. He has battled on this independent offices bill diligently and without interruption since the 11th day of May. It took from the 11th of May until the 12th of August before we could sign a conference report. It is now the 19th of August. There is absolutely no money to carry on the work of the Housing Expediter unless I succeed in inducing the Senate to write into the bill this afternoon this amendment.

I am hoping, Mr. President, that the motion to reconsider will be agreed to, and that I then may offer the preferred amendment. Then, if any Member of the Senate desires to offer a motion to disagree with the House and increase the appropriation, he may do so. I shall vote against any increase, because I am bound, I think, and I assure the Members of the Senate that, in my humble judgment, the House conferees will not agree to any increase.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER (Mr. GEORGE in the chair). The question is on agreeing to the motion of the junior Senator from Illinois [Mr. DOUGLAS] to reconsider the vote by which the House amendment to Senate amendment No. 46 was concurred in.

Mr. MYERS. Mr. President, I hoped that we might have a vote on the motion to reconsider, and then recess until Monday. The minority leader, however, believes that we should have a quorum call before voting on the motion, although I understand there is little, if any, objection to the motion to reconsider. Under those circumstances I hesitate to ask for a quorum this late in the evening. If the minority leader will permit us to have a voice vote on the motion to reconsider, I think when that is disposed of we can take a recess immediately, and vote on the amendments when they are offered on Monday.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. MYERS. I yield.

Mr. WHERRY. I am in total agreement with the Senator in desiring to expedite the work of the Senate. I asked for a quorum call when I thought the motion would come up, but instead of debating the motion we discussed the merits of the question. There are several Senators who have asked that if there should be a vote on the motion they would like to be called. I think it is only fair to them that a quorum call should be had so that they may be

present and have an opportunity to vote on the motion. It seems to me, with the debate we have had, we might vote on the motion and on the merits also. If a quorum call is not desired, I think the whole matter should go over until Monday.

LEAVE OF ABSENCE

Mr. McCARRAN asked and obtained leave to be absent from the sessions of the Senate for the next 10 days or 2 weeks.

RECESS TO MONDAY

Mr. MYERS. Mr. President, I move that the Senate stand in recess until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 6 o'clock and 1 minute p. m.) the Senate took a recess until Monday, August 22, 1949, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received August 19 (legislative day of June 2), 1949:

IN THE ARMY

The following-named officer for appointment, by transfer, in the Regular Army of the United States without specification of branch, arm, or service:

Capt. Ernest Woodrow Wilson, O41141, Medical Service Corps, United States Army.

The following-named officer for appointment, by transfer, in the Medical Service Corps, Regular Army of the United States:

First Lt. Charles Albert Layman, O49778, United States Army.

The following-named officer for appointment, by transfer, in the Judge Advocate General's Corps, Regular Army of the United States:

Capt. William George Barry, O40452, United States Army.

The following-named officers for promotion in the Regular Army of the United States, under the provisions of sections 502 and 509 of the Officer Personnel Act of 1947. Those officers whose names are preceded by the symbol (×) are subject to examination required by law. All others have been examined and found qualified for promotion:

To be captains, Medical Service Corps

×Elvis Eugene Bates, O37577.
Derwood Eddie Burleson, O37566.
Robert Dinsdale Evans, O37568.
Samuel Michael Gottry, O37544.
Charles David Graber, O37555.
Thomas Henry Hoover, O37565.
Bernard Francis Kerwin, O37567.
Arthur John Kropp, O37561.
Joseph Alexander Lapiana, O56952.
John Joseph Leary, O56235.
William Morris Newbold, O37538.
Ernest Gabriel Rivas, O37543.
Murval France Specht, O37558.
Richard Milton Stacey, O41153.
Floyd Bruce Wells, O37575.
Harry Towner Whitaker, O37539.

The following-named officers for promotion in the Regular Army of the United States, under the provisions of section 107 of the Army-Navy Nurses Act of 1947:

To be captain, Army Nurse Corps

Mary M. Duncan, N755.
Leah L. Neff, N1092.
Mary Ellen Ouimet, N1396.
Daisy D. Williams, N1674.

IN THE NAVY

The following-named officers for permanent appointment to the grade of rear admiral in the line of the Navy:

Lucien M. Grant
Lloyd Harrison

Capt. Stanton W. Salisbury, Chaplain Corps, United States Navy, for permanent appointment to the grade of rear admiral in the Chaplain Corps of the Navy.

IN THE MARINE CORPS

The following-named officer for permanent appointment to the grade of captain in the Marine Corps:

Richard M. Bickford

IN THE COAST GUARD

The following officers of the United States Coast Guard to be chief boatswains:

Harold R. Daniels	Calvin R. Clark
Warren H. Stafford	Cash V. Slaghuis
Randall F. Elder	Joe B. Raby
Harry E. Stutter	Gabriel E. Pehaim
Oscar E. Carlsen	John E. Klang
Oliver Pickford	Manuel F. Castro
Fred Edgecomb	Felix J. Molenda
Wesley L. Saunders	David W. Herr
Charles R. Cummings	Jorgen Pedersen
Ray E. Winberg	Eli T. Ringler
Sverre E. Vikanes	Fred G. Markle
Birney Fullington	Ralph A. McCurdie
Frederick J. Belton	James Harrison, Jr.
Guy V. Emro	Daniel H. Miner
Washington I. Cook	Joseph C. Runquist
Niels P. Thomsen	James Martin
Lyman J. Clark	George A. Tardif
Julius O. Smith	Einar H. Nilsen
Ross C. Anway	Duncan W. Herr
Harold E. Gray	Andrew Ramstad
Ernest E. Sykes	William H. Burgess
George H. Meyer	Gustav E. Anderson
Russell H. Bergh	George R. Pearce
George W. Pruitt	John J. Pazeretsky
Glen F. Stevens	Joseph J. Glover
Nils S. Nilsson	Joe J. R. E. Scott
Julien L. Gray	Hilton A. Mister
Arthur B. Gibbs	Carl Erickson
Cecil MacLeod	Kenneth M. Foster
Joseph T. Collins	Leslie O. Pressey
Leroy Howell	Roxie R. Chayne
Paul B. Hellman	Hoyt W. Rollinson
Charles A. O'Reilly	Alfred Volton
Robert V. McLaughlin	Oscar B. Hedman
Aubrey Rogers	Elton L. Rew
Peter Marcoux	Woodley T. Clark
James P. Beaty	Allan L. Lundberg
Ernest L. Tillett	Martin J. Hacker
James A. Alsup	Myron S. Squires
Kurt Sprenger	Frederick W. Doherty
Michael I. Evgrafoff	Arthur M. Hudgins
Caldwell Davis	Lester F. Baker
Edward L. Libby	Samuel Henson, Jr.
Frank H. Stewart	Carl McNulty

The following officers of the United States Coast Guard to be chief electricians:

Philip R. Hayman	Arthur H. Scarborough
Raymond S. Erickson	Ernest B. Gall
John J. Kain	Frank P. Coffin
George H. Shimer	
Mercer Reynolds	

The following officers of the United States Coast Guard to be chief radio electricians:

Alton E. Case	Russell A. Banker
Julius Mizel	Hannibal H. Hilliard
Winfield W. Ballowe	Harry W. Midgette
Frank A. Godfrey	Ralph H. Amon
Valance R. Suttie	George R. Homan
James T. Neubauer	Herman F. Helgesen
Stewart C. Hoeper	Paul J. Schonwald
William A. Little	Ellsworth O. Swett
Edward H. Lambert	John W. Sommers
Morris B. Ewalt	Leo J. DeGraw
Floyd V. Bolster	Albert E. Holloway
Carl W. Rom	Albert L. Preston
Joseph W. Havlicek	James L. Mitchell
Francis J. McDonald	Olof W. H. Johnson
Eliot L. Johnson	

The following officers of the United States Coast Guard to be chief machinists:

George W. Brazeau	Leo P. Lietzke
Otto Gaich	Robert McManus
Robert E. Webb	Charles E. Pangle
Raphael C. Burneson	Shepherd Perry
Henry M. Norris	William E. Smith
John P. Hiersch	Burt H. Kilmer
William J. Jeffrey	Earl L. Ottinger
Ralph Carson	Donald S. Talfourd
James G. Harrington	Frank C. Treahey
Mitchell A. Salvant	Clarence W. Deardoff
William A. DuPree	Sidney F. Schweppe
Herbert L. Garrison	Paul Ward
Alphonse E. Terrebonne	James E. Van Valkenburgh
Harold T. Jackson	James A. Stevens
Earl A. F. Verry	William B. Nolan
Edgar Underwood	Frank H. Griffin
Floyd M. Meyers	Jacob F. Horeis
John W. Ballman	Raymond W. Mässey
Philip F. Stone	George Englehardt
Arthur G. Berteaux	Eligha Trickey
Andrew A. Stewart	Gordon L. Hill
Robert D. Leslie	Marshall H. Furtaw
Harold D. Black	Joseph A. Haynes
Cyrus A. Willikson	Charles L. Worth
Lyle J. Keune	Earl L. Hoover
Erich Raschack	Louis B. Barber
William N. Durham	George W. Cooper
Alfred Deneault, Jr.	Ralph P. Bebeau
Jake H. Akers	John B. Hill
Leonard M. Reynen	

The following officers of the United States Coast Guard to be chief carpenters:

Carl H. Wallin	Samuel H. Howell
Carl C. Jensen	Jalmar Sortland
Arthur W. Cloves	George R. Donald
Herbert W. Schofield	Eilif H. Tobiason
Earl K. Kissinger	Clarence H. Kasch

The following officers of the United States Coast Guard to be chief pay clerks:

Fred W. Parsons	Richard S. Von Burske
Lauri A. Seppala	Earl F. Rickman
John A. Holt	James A. Wilber
Harry B. Sherman	Dewey W. Bowling
Lionel M. Van Winkle	Earl L. Coleman
Albert C. Campbell	James A. B. Hay, Jr.
Francis M. Daniel	Otto A. Tregner
Austin J. Flynn	William K. Wallace
Bannister M. Barnett	Leon R. Duclos
Walter Lauer	Bernard S. Loebig
Orville W. Ayres	Lewis E. Buell
Wies P. Clement	George E. Bohannon
Alfred A. Strain	Raymond A. Fraley
Harold M. Harger	Robert M. Bruce
Stanley H. Hatch	Russell R. Hiatt
Harold R. Jones	Peter R. Thompson
Thomas S. White	Ray E. Brown
Ralph L. Edmands	James Galante
Mathew S. Ole	Lawrence W. Farnsley
Stephen T. Moresk	Herbert E. Schwalbe
Arthur C. Holland	William G. Schaefer
Barton J. Farmer	Edward E. Helfst
Edward H. Dunlap	William R. Echols
Ernest N. Doughty	Wendelin B. Sonntag
Lonnie D. Young	Clemens H. Brendle

The following officers of the United States Coast Guard to be chief pharmacists:

Clyde M. Gray
Earle S. Roane

The following officers of the United States Coast Guard to be chief ship's clerks:

Alva O. Wise	Samuel Switt
Mark K. Hutchinson	Rene J. Chevrier
Virgil C. Williams	Lester R. Chenoweth
Alvin G. Lane	

The following officer of the United States Coast Guard to be chief photographer:

Elmo G. Jones

The following officers of the United States Coast Guard Reserve to be chief boatswains, United States Coast Guard:

Lewis A. Baker	John H. Graham
Frank L. Samson	Eugene L. Multhaupt

The following officer of the United States Coast Guard Reserve to be chief machinist, United States Coast Guard:

George F. Hamilton

HOUSE OF REPRESENTATIVES

FRIDAY, AUGUST 19, 1949

The House met at 12 o'clock noon.

The Acting Chaplain, the Reverend James P. Wesberry, pastor, Morningside Baptist Church, Atlanta, Ga., offered the following prayer:

O Lord of the storm and the calm, we thank Thee for all who have died for our freedom and for those who, with true patriotism and the valor of our fathers, are ever ready to leap to the defense of our Nation. We are truly grateful for all who served in our armed forces, on land, in the air, and on the sea. But teach us, Holy Father, a better way to peace than through bloodshed.

Forgive our individual and national sins, and blot out the causes of war. Bless and guide the United Nations Organization and all who seek to establish unity and concord among nations. Give us faith to believe assuredly that the nation which knows Thee is alone enduringly strong. Lead all nations, great God of peace, to exchange the implements of warfare for the cradle, the cross, and the crown of Jesus, for whose sake we pray. Amen.

The Journal of the proceedings of yesterday was read and approved.

AUTHORIZING SALE OF PUBLIC LANDS IN ALASKA

Mr. PETERSON. Mr. Speaker, I call up the conference report on the bill (H. R. 2859) to authorize the sale of public lands in Alaska, and I ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. NO. 1275)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2859) to authorize sale of public lands in Alaska, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same.

J. HARDIN PETERSON,
LLOYD M. BENTSEN, JR.,
FRED L. CRAWFORD,
Managers on the Part of the House.

JOSEPH C. O'MAHONEY,
ERNEST W. MCFARLAND,
EUGENE D. MILLIKIN,
GUY CORDON,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2859), to authorize the sale of public lands in Alaska, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

The Senate amendments which were agreed to in conference established the following changes in the bill as passed by the House:

(a) The land shall be sold only at public auction after 30 days' published notice, to a purchaser who has furnished proof satisfactory to the Secretary of the Interior of a bona fide intention and means to develop the tract for industrial or commercial purposes including housing construction.

(b) No sale shall exceed 160 acres.

(c) The sales price shall not be less than the appraised price of the land and cost of survey to describe same.

(d) The purchaser shall first receive a certificate of purchase to be followed by a patent in fee only after the purchaser shall within 3 years file proof by affidavit of two disinterested witnesses that the land was used for the purpose for which it was sold for not less than 6 months.

(e) Mineral prospectors shall be required to pay to the purchaser for damages that may be caused to the land value and tangible improvements.

J. HARDIN PETERSON,
LLOYD M. BENTSEN, JR.,
FRED L. CRAWFORD,
Managers on the Part of the House.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman please explain the result of this conference?

Mr. PETERSON. This particular bill has to do with the sale of land in Alaska. The Senate placed a limitation on the number of acres to be sold, also placed a provision that where there was prospecting they should save the fee against damages, and also requiring that the payments shall not be less than the appraised price of the land, plus the cost of surveying. There were limitations and, after a conference, we agreed to the limitations.

Mr. RANKIN. Mr. Speaker, reserving the right to object, what limitation did they place on acreage?

Mr. PETERSON. Not to exceed 160 acres.

Mr. RANKIN. It is a pity they could not have gone to Alaska and looked the land over first.

The conference report was agreed to.

A motion to reconsider was laid on the table.

BIG BEND NATIONAL PARK, TEX.

Mr. PETERSON. Mr. Speaker, I call up the conference report on the bill (H. R. 2877) to authorize the addition of certain lands to the Big Bend National Park, in the State of Texas, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. NO. 1276)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2877) to authorize the addition of certain lands to the Big Bend National Park, in the State of Texas, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the language inserted by the Senate amendment insert the following: "*Provided, however,* That the aggregate cost to the Federal Government of properties acquired hereafter and under the provisions hereof shall not exceed the sum of $10,000."

J. HARDIN PETERSON,
JOHN R. MURDOCK,
KEN REGAN,
FRED L. CRAWFORD,
WM. LEMKE,
Managers on the Part of the House.

JOSEPH C. O'MAHONEY,
J. E. MURRAY,
CLINTON P. ANDERSON,
HUGH BUTLER,
E. D. MILLIKIN,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2877) to authorize the addition of certain lands to the Big Bend National Park, in the State of Texas, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

The Senate amended the House bill by adding the words, "*Provided, however,* That the aggregate cost of such acquisitions shall not exceed the sum of $10,000." Lands and interests in lands located within the sections described in the bill have previously been acquired and are being acquired under the provisions of the act of June 29, 1948 (Public Law 841, 80th Cong.), and by gift, so the amendment worked out in conference to the original Senate amendment makes the limitation of $10,000 apply only as a limitation of the cost to the Federal Government on properties acquired hereafter and not as a limitation on the lands heretofore acquired or which are being acquired by gift, and it is intended that lands and interests in lands within the sections described in the bill, heretofore or hereafter acquired, shall become a part of the park when acquired, whether acquired under the provisions of the act of June 29, 1948, or by gift or whether acquired with the funds provided in this act.

J. HARDIN PETERSON,
JOHN R. MURDOCK,
KEN REGAN,
WM. LEMKE,
Managers on the Part of the House.

Mr. PETERSON. Mr. Speaker, this bill has to do with the Big Bend National Park in the State of Texas. The Senate placed a limitation on the amount of new purchase money to be expended, limiting it to not to exceed $10,000. As a matter of fact, we do not contemplate the cost to be even that much. Some of the land is to be donated.

In conference we worked out the exact wording so that it would be clear that those lands that would be given and such lands as may come into the park within the sections named in the original House bill will be included in the park lands, whether acquired under this bill or given, or whether acquired under previous legislation.

The main thing in the conference report is the limitation of $10,000 in which the House concurred.

The conference report was agreed to. A motion to reconsider was laid on the table.

LOGAN INTERNATIONAL AIRPORT, BOSTON, MASS.

Mr. BECKWORTH. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Joint Resolution 338, to authorize the Administrator of Civil Aeronautics to undertake a project under the Federal Airport Act for the development and improvement of Logan International Airport at Boston, Mass., during the fiscal year 1950.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, I understand Boston was eligible to share in the CAA funds for 2 years. The airport would have been continued except for inability to get an agreement on some facilities. That agreement has been secured and the airport meets all the demands of the CAA, and they have certified to the committee that fact. Boston is developing a great airport that will serve all of New England and, in my judgment, merits the cooperation the country gives to other airports; and it is imperative the present bill be enacted at this time.

Mr. BECKWORTH. That is exactly right.

This resolution was reported unanimously by the Committee on Interstate and Foreign Commerce. All those people in Massachusetts who know about it and the departments involved are for the resolution. It is only just and right that Boston be given the same privilege as other cities in this country.

Mr. MARTIN of Massachusetts. The bill has the approval of the CAA and the Budget?

Mr. BECKWORTH. That is right.

Mr. LANE. Mr. Speaker, House Joint Resolution 338 authorizes the Administrator of Civil Aeronautics to undertake a project under the Federal Airport Act for the development and improvement of Logan International Airport at Boston, Mass., during the fiscal year 1950.

This resolution was reported unanimously by the Committee on Interstate and Foreign Commerce following a hearing before the subcommittee. This bill has the approval of both the Department of Commerce and the Bureau of the Budget. This legislation merely authorizes the Administrator of Civil Aeronautics to undertake this project at Boston, Mass., under the Federal Airport Act during the fiscal year 1950 to the same extent as if the project had been included in the list submitted to Congress on April 18, 1949.

The list submitted by the Administrator of Civil Aeronautics for class 4 and larger projects for the fiscal year 1948 contained a project for the development of this airport at an estimated cost to the Federal Government of $800,000. The list submitted for the fiscal year 1949 contained the same recommendation. Unfortunately neither of these projects were processed due to the inability of the Commonwealth of Massachusetts to accept Federal aid under the terms and conditions set forth in the regulations of the Administrator which were in effect at that time. The disagreement was due to the requirement that the project sponsor agree to certain limitations with respect to the sale and delivery of aviation gasoline and oil to the airports. Under the ruling of the then attorney general of the Commonwealth, Massachusetts could not legally accept Federal aid on these conditions.

Since the submission of the list to the Congress in April 1949, the regulations of the Administrator of Civil Aeronautics were changed to eliminate entirely the condition with respect to the sale of gasoline and oil. Massachusetts is now desirous of participating in this program and respectfully requests the approval of the House on this joint resolution.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the resolution as follows:

Resolved, etc., That, notwithstanding the provisions of section 8 of the Federal Airport Act, the Administrator of Civil Aeronautics is hereby authorized to undertake a project under said act during the fiscal year 1950 for development of the Logan International Airport at Boston, Mass., to the same extent and on the same conditions as if there had been included in the list of projects appended to the said Administrator's request for authority to undertake during the fiscal year 1950 certain projects for the development of class 4 and larger airports, which was submitted to the Congress by the Acting Secretary of Commerce under date of April 18, 1949, and published as Senate Document No. 77, Eighty-first Congress, first session, in the appropriate columns of said list, under the heading "Massachusetts," the following:

Location and name of airport: Boston, Logan International Airport.

Class: Plan 6; present, 6; proposed, 6.

Estimated funds required: Sponsor's matching share, $600,000; Federal tentative allocation, $600,000; total funds, $1,200,000.

Total estimated costs: Land, $0; buildings, $600,000; other, $600,000.

Proposed work: Administration building, grading, drainage, paving.

The resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ELIMINATING PREMIUM PAYMENTS IN THE PURCHASE OF GOVERNMENT ROYALTY OIL

Mr. ENGLE of California. Mr. Speaker, I call up the conference report on the bill (S. 1647) to eliminate premium payments in the purchase of Government royalty oil under existing contracts entered into pursuant to the act of July 13, 1946 (60 Stat. 533), and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the statement of the managers.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. NO. 1277)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1647), to eliminate premium payments in the purchase of Government royalty oil under existing contracts entered into pursuant to the Act of July 13, 1946 (60 Stat. 533), having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of section 3 proposed to be stricken out by the Senate insert the following:

"SEC. 3. The Secretary of the Interior is hereby authorized under general rules and regulations to be prescribed by him to issue leases or permits for the exploration, development, and utilization of the mineral deposits, other than those subject to the provisions of the act of August 7, 1947 (61 Stat. 913), in those lands added to the Shasta National Forest by the act of March 19, 1948 (Public Law 449—Eightieth Congress), which were acquired with funds of the United States or lands received in exchange therefor; *Provided*, That any permit or lease of such deposits in lands administered by the Secretary of Agriculture shall be issued only with his consent and subject to such conditions as he may prescribe to insure the adequate utilization of the lands for the purposes set forth in the Act of March 19, 1948; *And provided further*, That all receipts derived from leases or permits issued under the authority of this act shall be paid into the same funds or accounts in the Treasury and shall be distributed in the same manner as prescribed for other receipts from the lands affected by the lease or permit, the intention of this provision being that this Act shall not affect the distribution of receipts pursuant to legislation applicable to such lands."

And the Senate agree to the same.

CLAIR ENGLE,
KEN REGAN,
FRANK A. BARRETT,
Managers on the Part of the House.

JOSEPH C. O'MAHONEY,
ROBERT S. KERR,
GUY CORDON,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (S. 1647) to eliminate premium payments in the purchase of Government royalty oil under existing contracts entered into pursuant to the Act of July 13, 1946 (60 Stat. 533), submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

(1) The new wording of section 3 incorporates the same intent and purpose of section 3 of the bill as passed by the House, the only differences being refinements in language which more clearly define the function of the Secretary of Agriculture with respect to the issuing of leases or permits under the

authority of the act and specify the disposition of receipts derived from said leases or permits.

CLAIR ENGLE,
KEN REGAN,
FRANK A. BARRETT,
Managers on the Part of the House.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. ENGLE of California. I yield.

Mr. MARTIN of Massachusetts. Will the gentleman state whether this is a complete agreement of all the conferees?

Mr. ENGLE of California. Yes; it is, and also a complete agreement and unanimous support from both committees and all of the departments of the Government involved.

The conference report was agreed to.

A motion to reconsider was laid on the table.

AMENDMENTS TO SOCIAL SECURITY ACT

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent that I may have until midnight Monday night next to file a committee report on the bill (H. R. 6000) to amend the Social Security Act, and that the minority or individual members of the committee may have a like privilege to file minority views or individual views.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

THE CIVIL FUNCTIONS APPROPRIATION ACT, 1950

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that my resolution, which is preferential, be carried over until Monday and maintain the same status.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

EXTENSION OF REMARKS

Mr. SHEPPARD asked and was given permission to extend his remarks in the RECORD.

Mr. WAGNER asked and was given permission to extend his remarks in the RECORD and include an editorial from the Cincinnati Post.

Mr. BARTLETT asked and was given permission to extend his remarks in the RECORD.

SCHOOL FACILITIES AT PARKER DAM PROJECT

Mr. MURDOCK. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 4330) to authorize the appropriation of funds for construction and acquisition of school facilities at Parker Dam power project.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain this bill?

Mr. MURDOCK. Mr. Speaker, this bill provides for the building of school buildings and appurtenances thereto at the Parker Dam in the State of California. One-half of the expense of the building is to be paid for by the Metropolitan Water District which draws its water supply from the Colorado River at that point.

Mr. MARTIN of Massachusetts. This will cost about $250,000?

Mr. MURDOCK. Two hundred and sixty-five thousand dollars.

Mr. MARTIN of Massachusetts. This is a unanimous report of the committee?

Mr. MURDOCK. A unanimous report of the committee, yes. I have cleared this with the objectors on both sides of the aisle, as well as with the leadership.

Mr. MILLER of Nebraska. Mr. Speaker, reserving the right to object, the House ought to be familiar with the fact that at the Parker Dam the employees living there and their children go to this school. They pay little or no tuition to send their children to school. They are paying rents of from $14 to $32 a month, the $32 a month rent being for new houses of five and six rooms, the $14 a month being for three-room apartments. The cheaper rent is on temporary housing. I understand they get free light and heat. The membership of the House ought to recognize the fact that here we have a Government project in which we are spending money to build a school. It is a question in my mind whether the people who are enjoying the school facilities are paying the proper amount of money to educate their own children. I do not believe they are paying their proportionate or proper share for the education of their children. I am not going to object to the bill at this time, although I did raise some objection in committee. It is a question that ought to be studied in the near future as to whether people on projects similar to this are making their proper contribution to the cost of the education of their children.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purpose of aiding in the operation and maintenance of the Parker Dam power project, there is hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, such sums as may be necessary for the construction and acquisition at Parker Dam, Calif., of necessary school buildings and appurtenances, including not to exceed five housing units for use of the teaching staff, and for the purchase of desks, furnishings, and other suitable facilities for the education and recreation of children of employees of the United States and of the Metropolitan Water District of Southern California, and other children living in the vicinity of Parker Dam, but no part of said sum shall be used for payment of salaries of teaching personnel: *Provided*, That one-half of the cost of all of such facilities shall be repaid by the Metropolitan Water District of Southern California within a period of 4 years from the date of passage of this act, under such contractual arrangements as shall be satisfactory to the Secretary of the Interior: *Provided further*, That title to all of aforesaid facilities shall be and remain in the United States until otherwise provided by Congress.

With the following committee amendments:

Page 1, line 6, strike out "such sums as may be necessary" and insert in lieu thereof "not to exceed $265,000."

Page 2, after line 7, insert the following "with interest at 2½ percent per annum."

Page 2, line 9, after the word "California" insert "to be credited to the general fund of the Treasury of the United States."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WITHDRAWAL AS CONFEREE

Mr. ABBITT. Mr. Speaker, I ask unanimous consent to be excused as a conferee on the bill H. R. 2296.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The SPEAKER. The Chair appoints the gentleman from Utah [Mr. GRANGER] as a conferee in place of the gentleman from Virginia [Mr. ABBITT].

NEW POST OFFICE AT OMAHA, NEBR.

Mr. O'SULLIVAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. O'SULLIVAN. Mr. Speaker, it is my understanding that we will consider the fourth supplemental deficiency appropriation bill, H. R. 6008, today, and in view of that fact I wish to advise the House now that I shall endeavor to offer an amendment to H. R. 6008 which will include therein an item of $150,000 to cover the additional estimated cost of a new Omaha, Nebr., post-office site, if such an amendment is not subject to a point of order. In view of the fact that I have always, since being a Member of this body, tried to be helpful under like circumstances to other sections of the country, I ask the support of all of you for my amendment if you feel in conscience that it is meritorious.

This proposed amendment is not a matter of politics, partisan or otherwise, and has no political aspects at all. Senator BUTLER and Senator WHERRY, of Nebraska, have both sponsored this amendment in the Senate, although the House conferees have objected to it on a previous occasion.

I really feel that we need a new Omaha, Nebr., post office very bady, and so does most everyone else in the thirty-eighth largest city in the United States.

This added amount is necessary in order to purchase a previously selected tract of land which is very desirable for the intended purposes.

The sum of $200,000 has heretofore been appropriated, but it is not sufficient to buy this proposed land. I believe this is a good amendment to H. R. 6008, if I am permitted to present it to the committee, and I think that it should be adopted.

SPECIAL ORDERS GRANTED

Mr. WELCH of California asked and was given permission to address the House for 8 minutes today following any special orders heretofore entered.

Mr. VURSELL asked and was given permission to address the House for 30 minutes on Monday next, following any special orders heretofore entered.

Mr. DOLLIVER asked and was given permission to address the House for 15 minutes on Tuesday next, following any special orders heretofore entered.

NATIONAL DEFENSE

Mr. SUTTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. SUTTON. Mr. Speaker, on July 25 the House Armed Services Committee approved unanimously H. R. 4766 providing for the sum of $600,286,752 for national defense. The chairman of the committee has not deemed it advisable to ask for a rule on this bill because, according to his statement, he does not think the bill will pass at this time. I do not believe that any of the 238 Members who voted to send arms across the pond yesterday could vote against our own national defense here. I urge the chairman of the Armed Services Committee to ask for a rule on this measure, because of this sum $130,000,000 is involved in our Alaskan defense, which according to the military is badly needed at this time. I hope the chairman of the Armed Services Committee will make an urgent appeal and press for a rule on this bill in order to safeguard and strengthen our defenses here in America.

EXTENSION OF REMARKS

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the RECORD in three instances and include extraneous matter.

Mr. KEARNEY asked and was given permission to extend his remarks in the RECORD and include an article.

Mr. TOWE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include extraneous matter. I am informed by the Public Printer that this will exceed two pages of the RECORD and will cost $246, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

Mr. KEATING asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. MACK of Washington asked and was given permission to extend his remarks in the RECORD in two instances.

FOURTH DEFICIENCY APPROPRIATIONS

Mr. MILLER of Nebraska. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. MILLER of Nebraska. Mr. Speaker, the power to tax is the power to destroy. Since the fourth deficiency appropriation bill is now before the House it seems appropriate to point out the spending program of this administration. It is my understanding that bills have already been passed, which the administration has requested, increases the budget more than $4,000,000,000. If all the bills presently before committees, and which your administration desires, were passed, the increase would be more than $10,000,000,000 over the President's original request. In other words, the original budget presented to this Congress was not an honest one, and the President must have known that he expected to request this additional spending.

Mr. Speaker, the present administration, in the 4 years since the war, has spent $177,000,000,000. This is more money than was spent in 152 years by all administrations. During these 152 years there were four major wars and several depressions. Yes, in a single month this peacetime Government spends as much as $3,300,000,000. This is equal to the total cost of 4 years of the Civil War.

Mr. Speaker, and my colleagues, when, oh when is this extravagant spending going to stop. It should be apparent to every one of you that we cannot continue on this drunken spending spree without bankrupting our country.

I can tell you, my colleagues, that the people of my district want more efficiency and less spending by our Federal Government. I was home a few days and my people came to me complaining about the spending by this Congress. Many of them, instead of calling this the Fair Deal refer to it as the Fraud State or the Ruin Everyone State. I am inclined to think they are right.

This fourth deficiency appropriation bill and the inability of this Democratic Congress, which has a majority of 92 in the House, and 12 in the Senate, to function is clear evidence that the Democratic Party is devoid of leadership. Perhaps a part of this inefficiency, waste, and extravagance can be traced directly to the five-percenters and the Pendergast machine which controls the White House. They are as one witness testified, pledged to "take care of their friends."

Yes, Mr. Speaker, the power to tax is the power to destroy.

NATIONAL DEFENSE

Mr. BENNETT of Florida. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. BENNETT of Florida. Mr. Speaker, the gentleman from Tennessee [Mr. SUTTON] has already spoken to you for a brief moment on the bill, H. R. 4766. I am thoroughly in agreement with the gentleman as to the importance of this armed-services legislation. I was one who voted yesterday for arms to implement the North Atlantic Alliance. I do feel, however, that it is an anomalous situation if we do not put first things first and report out this bill, H. R. 4766, promptly. I would like to bring to the attention of the House the fact that upon the Clerk's desk there is discharge petition No. 17, requiring prompt action on H. R. 4766. This armed-services public-works bill contains such things as carrier bases, testing laboratories, bombing ranges, ordnance developments, and other things of vital need to the defense of our country. It was reported favorably by the House Committee on Armed Services as well as being so reported in the other body. It just awaits a rule; but, in order to facilitate the disposition of this matter, discharge petition No. 17 has been filed. I would appreciate it if the Members would sign it.

EXTENSION OF REMARKS

Mr. SHAFER asked and was given permission to extend his remarks in the RECORD and to include a radio broadcast.

Mr. BURLESON asked and was given permission to extend his remarks in the RECORD and include a news article from the Stamford Leader.

Mr. PRIEST asked and was given permission to extend his remarks in the RECORD in two instances and include a letter and an essay.

Mr. JUDD asked and was given permission to extend his remarks in the RECORD in three instances and include extraneous material in each.

ADJOURNMENT OVER

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

COMMITTEE ON BANKING AND CURRENCY

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may sit during the session of the House during general debate on the appropriation bill today.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

AMENDMENT OF TITLE II OF CIVIL AERONAUTICS ACT OF 1938

Mr. BECKWORTH. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 781) to amend title II of the Civil Aeronautics Act of 1938, as amended, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Page 2, line 3, after "Alaska" insert "in amounts not to exceed 75 percent of the amount that had been made available for such purposes for the fiscal year then current."

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, I understand this Senate amendment is agreeable to the House committee, and that it is a more restrictive provision than the one originally passed by the House.

Mr. BECKWORTH. That is exactly right.

Mr. MARTIN of Massachusetts. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

CALL OF THE HOUSE

Mr. H. CARL ANDERSEN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. PRIEST. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 190]

Anderson, Calif.	Hall,	Patterson
Arends	Edwin Arthur	Pfeifer,
Bailey	Hall,	Joseph L.
Barden	Leonard W.	Pfeiffer,
Baring	Halleck	William L.
Barrett, Pa.	Hart	Philbin
Beall	Hays, Ohio	Phillips, Calif.
Bentsen	Hébert	Phillips, Tenn.
Bland	Hedrick	Pickett
Bolton, Ohio	Heffernan	Plumley
Bonner	Heller	Potter
Breen	Herlong	Poulson
Brehm	Hinshaw	Powell
Brown, Ohio	Hoeven	Price
Buckley, N. Y.	Hoffman, Ill.	Quinn
Bulwinkle	Holifield	Reed, Ill.
Burke	Irving	Reed, N. Y.
Burton	Jacobs	Regan
Byrne, N. Y.	James	Ribicoff
Celler	Javits	Rich
Chatham	Jenkins	Riehlman
Chudoff	Johnson	Rivers
Clevenger	Jones, N. C.	Roosevelt
Cole, N. Y.	Kee	Sadlak
Cooley	Kennedy	Scott, Hardie
Corbett	Kilburn	Scott,
Coudert	LeFevre	Hugh D., Jr.
Davenport	Lesinski	Secrest
Davies, N. Y.	Lichtenwalter	Short
Dawson	Lovre	Sikes
DeGraffenried	Lynch	Simpson, Pa.
Dingell	McCormack	Smith, Ohio
Dollinger	McGregor	Steed
Eaton	McGuire	Thomas, N. J.
Elston	McSweeney	Tollefson
Fellows	Mack, Ill.	Underwood
Fogarty	Macy	Van Zandt
Ford	Mahon	Vinson
Fugate	Marcantonio	Vursell
Fulton	Murphy	Walsh
Gavin	Murray, Wis.	Welch, Mo.
Gilmer	Norblad	Whitaker
Gore	Norton	Winstead
Granahan	O'Hara, Ill.	Wood
Grant	O'Toole	Woodhouse
Green	Pace	Worley
Gwinn	Patten	Yates

The SPEAKER. On this roll call 294 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

SUPPLEMENTAL APPROPRIATION BILL, 1950

Mr. RABAUT. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6008) making supplemental appropriations for the fiscal year ending June 30, 1950, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to 1 hour, the time to be equally divided and controlled by the gentleman from New York [Mr. TABER] and myself.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Michigan.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6008) with Mr. FORAND in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. RABAUT. Mr. Chairman, I yield myself such time as I may desire.

Mr. Chairman, the supplemental appropriation bill for the fiscal year 1950 is the fourth deficiency or supplemental measure reported by the Committee on Appropriations. As you will recall we have already passed three deficiency bills, the last of which is still in the Senate.

The total of the budget estimates considered in this bill is $89,965,021. The bill contains a total in recommended appropriations of $75,790,521. I wish to comment briefly on some of the major items in the bill.

IMPROVEMENT OF MANAGEMENT ACTIVITIES IN THE EXECUTIVE BRANCH

The first item of importance is the $1,000,000 requested for use by the President for the improvement of management activities in the executive branch of the Government. This is made necessary as the result of the Hoover Commission reports which not only have brought out specific organizational needs but also have indicated the need for the review of other activities which apply to government generally. The committee approved the request of $1,000,000 with the exception that the bill provides that this amount shall be derived from savings in other appropriations rather than be made as a direct appropriation out of the Treasury. This, in effect, is $1,000,000 saved.

HOUSING AND HOME FINANCE AGENCY

The amount of $2,500,000, a reduction of $900,000 in the budget estimate, is included in the bill for the Housing and Home Finance Agency. This additional amount is made necessary by the enactment of the Housing Act of 1949. The money is to be used for administrative expenses in connection with the slum-clearance and urban-redevelopment programs and for the extension of research provided for in the Housing Act. The committee was not too impressed with the research plans of the Agency for which $2,342,000 was requested. The bill recommends an amount of $800,000 less than the request for research.

FEDERAL HOUSING ADMINISTRATION

For the Federal Housing Administration the bill includes an authorization of $2,000,000. This amount is also made necessary by the enactment of the Housing Act and represents a reduction of $700,000 below the budget estimate. Of the amount recommended, $910,000 is for additional expenses in connection with the servicing of an increased number of loans. The remainder, or $1,090,000 is recommended for title VIII, or what is known as military housing activities. This is a new program and there will be considerable delay before the actual approval and servicing of loans begin under this title.

PUBLIC HOUSING ADMINISTRATION

The amount of $4,125,000, a reduction of $625,000 in the estimate, is approved for the Public Housing Administration for administrative expenses in connection with the slum-clearance and public-housing programs. The anticipated delay in this program getting under way as disclosed during the hearings is one of the major reasons for a reduction in this item.

Incidentally, I might point out that all of the housing programs, including the farm-housing item to which I will refer later, are adequately provided for in this bill. The Congress having just recently established the housing policy made it incumbent upon the committee to provide funds in sufficient amounts to implement that policy. The reasons which may be ascribed to the committee's action in effecting some reductions in administrative expense items are based on (a) delays inherent in starting any new program, (b) unrealistic work statistics, and (c) overly ambitious plans for technical research in housing construction. Loan and grant estimates were not reduced.

NATIONAL CAPITAL SESQUICENTENNIAL COMMISSION

The amount of $3,000,000 is included for the National Capital Sesquicentennial Commission. The site selected is what is known as the Anacostia Flats, behind the National Guard Armory at the end of East Capitol Street. This will be a money-making proposition insofar as the Federal Government is concerned. It is estimated that the total cost of construction will be $7,880,750. The estimated direct return is $20,875,000. Most of the revenue is to be derived from the sale of space to private industry at $30 per square foot. This will account for approximately $11,000,000. Another major source of revenue will be the admissions. It is estimated that 15,000,000 people will attend the celebration over the 2-year period which, at 50 cents per admission, would result in a revenue of $7,500,000. The indirect benefits to the Government will result from taxes on transportation, gasoline, and so forth. In addition, the District of Columbia will receive an estimated revenue of $3,000,000 from the sales tax.

DEPARTMENT OF AGRICULTURE

For the Department of Agriculture there are two items. The first is farm

housing and the second is Forest Service. With respect to farm housing the bill contains $25,000,000 for loans to be borrowed from the Secretary of the Treasury, $2,000,000 for grants and loans, and $3,000,000 for salaries and expenses necessary to administer the farm-housing program. The committee effected a substantial reduction in the latter item for two reasons. In the first place it was not convinced that the work statistics contemplated for the fiscal year were based on factual data. The second reason for the reduction is that it was felt that the Farmers Home Administration was duplicating research activities performed elsewhere in the Government and in private industry.

For the Forest Service the bill contains $325,000 for emergency construction and repair of damage caused by the floods of June 1949 in the States of Georgia, North Carolina, Virginia, and West Virginia.

DEPARTMENT OF COMMERCE

The major item in the Department of Commerce is the $7,500,000, which is $2,000,000 below the estimate, for a census of housing authorized by the Housing Act. It is estimated that this census will eventually cost $18,500,000. It was testified that 46,000,000 dwelling units would be visited, accounting for $4,870,000, or something over 10.6 cents per schedule. Other items involved in the estimate presented cover supervisory and clerical personnel, printing of forms, expenses of current tabulations, and initial cost of the mortgage survey.

INTERIOR DEPARTMENT

For the Interior Department two items of consequence were considered. One is the Virgin Islands Company. Public Law 149, recently enacted, reincorporated this Company with a Federal charter and authorized appropriations to be made for it. The budget requested an initial appropriation of $1,250,000 for the revolving fund which has been approved. The law also authorizes grants to be made to the Corporation to meet its deficits. A separate appropriation in the form of a grant is carried in the bill in the amount of $1,026,000. Seven hundred and fifty thousand dollars of the latter is, in effect, a bookkeeping transaction to pay off notes owed by the old company to the Secretary of the Treasury.

An estimate of $715,000 was considered to finance the transfer of governmental responsibility for the island of Guam from the Navy Department to the Interior Department and to increase the Washington office of the Division of Territories of the Department. The committee found that this appropriation is not authorized by law and that after 50 years of government under the Navy Department the Department of the Interior is hurriedly seeking to finance employment of civilians to begin this governmental function. The committee recommends that the appropriation be denied.

DEPARTMENT OF LABOR

For the Department of Labor the bill includes three items, the first being $55,400, the full amount of the budget estimate, for the President's Committee on the National Employ the Physically Handicapped Week. It is in a sense a publicity scheme to urge employers to employ physically handicapped people wherever they can. The committee considers this to be a worth-while activity at any time but especially in view of the great number of physically handicapped being discharged from veterans' hospitals. The other item is the amount of $79,800 for the expenses of committees, provided for under the wage-and-hour law, to be sent to Puerto Rico to study the wage situation in the island with the view of recommending rates that would tend to reduce the competition of cheap labor, which at the present time seems to be bothering some of our industries.

NATIONAL MILITARY ESTABLISHMENT

The bill includes $5,000,000 to enable the National Military Establishment to begin a program for establishing a long-range proving ground for guided missiles and other weapons. This appropriation is in pursuance of Public Law 60 of the present Congress wherein authorization of $75,000,000 is included. In addition to the $5,000,000 the bill contains language permitting the Secretary of Defense to use up to $7,500,000 of the appropriation for the Department of the Air Force for this purpose.

POST OFFICE DEPARTMENT

The amount of $6,342,000, of which $2,000,000 is to be derived by transfer from unobligated balances, is included for the Post Office Department. This entire amount is, in one way or another, related to the transportation of mail. A substantial portion of it is for foreign air mail transportation for 1946 and for 1948, made necessary as a result of increased rates certified as due the air lines by the Civil Aeronautics Board.

DEPARTMENT OF STATE

The bill contains a number of items for the Department of State. The first of these is $1,500,000 for salary increases authorized under Public Law 160. The amount of $14,600,000 is included for the Swiss War Damage Commission. This appropriation is the result of recently enacted legislation providing for payment to the Swiss of damage done during the war by the allied air force in violation of Swiss neutrality. The largest item under the State Department heading is $11,500,000 for the international information and educational activities. With the exception of $180,000 included for payment of the pay increases authorized by Public Law 160 the entire amount is for the construction of international radio broadcasting facilities. The main reason for this increase in facilities is to overcome the jamming of the present channels by the Russians. This seemed to be the best evidence that the Voice of America is getting through and is having its effects.

Mr. HERTER. Mr. Chairman, will the gentleman yield?

Mr. RABAUT. I yield.

Mr. HERTER. This being a deficiency appropriation bill——

Mr. RABAUT. This is supplemental.

Mr. HERTER. Has the gentleman had any requests from Mr. Tighe Woods, Housing Expediter, for additional funds? Mr. Woods has just announced that he is decontrolling rentals in large sections of the country because the Congress has given him insufficient funds to carry on his obligations. Has that matter been brought to your attention in any way whatsoever?

Mr. RABAUT. We have had no requests.

Mr. HERTER. He has fired everybody in the regional office in New England. They must be out of the office on the 16th of September. He has made public announcements that he can no longer carry on large areas of rent control because of insufficient funds given him by the Congress.

Mr. RABAUT. There has been no request made to us along that line.

Mr. HERTER. Has the gentleman been conscious that in the previous appropriations that have been agreed to he has had insufficient funds?

Mr. RABAUT. No, I am unaware of insufficiency of funds for this agency.

Mr. HERTER. It seems to me extraordinary for one to make such a statement.

Mr. RABAUT. Are you referring to my statement or the statement of the agency?

Mr. HERTER. I am referring to the statement of the agency alone. I just wanted to get as much information as I could.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. RABAUT. I yield.

Mrs. ROGERS of Massachusetts. The office of Mr. Woods stated that the funds had been cut from $26,000,000 to $17,000,000. Therefore, his office stated, he had to cut the personnel. However, if he did not come to you for additional funds, I am at a loss to understand it.

Mr. RABAUT. There was no request made to us for additional funds.

Mrs. ROGERS of Massachusetts. Will the gentleman yield further?

Mr. RABAUT. I yield.

Mrs. ROGERS of Massachusetts. Regarding the Voice of America, I think they are doing a very fine piece of work. It seems to me that the Voice of America or the radio-broadcasting station ought to be here in Washington instead of in New York. It ought to be Radio Washington, just as Russia has Radio Moscow. And France has Radio Paris. And Italy has Radio Rome. And the Baltic States have Radio Riga.

Mr. RABAUT. I suggest to the gentlewoman that perhaps legislation would change it.

Mrs. ROGERS of Massachusetts. I am very anxious to have legislation. I wish the gentleman would join me in helping draft it.

The CHAIRMAN. The gentleman from Michigan has consumed 17 minutes.

Mr. TABER. Mr. Chairman——

Mr. HERTER. Mr. Chairman, will the gentleman yield for a question?

Mr. TABER. I yield.

Mr. HERTER. Has the gentleman any information which might bear on the question I just asked the chairman of the deficiency subcommittee with respect to the Housing Expediter and the

fact that he has complained that he has insufficient funds to carry out his duty under the law?

Mr. TABER. It is evident that he has not been devoting his time to trying to get larger sums; he has been pretty busy with the John Maragon investigation and the 5-percenters over in the Senate.

Mr. HERTER. The gentleman is not familiar with his asking for any further funds to carry on his operation?

Mr. TABER. No; I have not heard of any such thing. He just blasted in the newspapers.

Mr. HERTER. I thank the gentleman.

Mr. TABER. Mr. Chairman, this bill carries a lot of money, not so much as some other bills have, but $75,790,000. A good deal of it is routine deficiencies of one type or another; other items involved relate to the so-called public housing set-up. In the public housing set-up the Subcommittee on Independent Offices has already given them an enormous sum of money, upward of $900,000, for setting up economists, research artists, and planners. In this bill, while there has been a little cut, they still have sufficient money so that they can get enough planners, enough research artists, and enough economists to insure the failure of the program. That sort of thing is what has made it fail heretofore, and it undoubtedly will fail this time with the amount of money that they have been given for that purpose. It is just perfectly ridiculous. They load the thing up with folks who have not had any experience at all, or none to amount to anything; they go ahead and they spend their time monkeying around and plan without having any grasp of the picture at all. The result is little housing, expensive housing, and interference with the private construction of homes.

Amongst other items involved here is the so-called sesquicentennial performance; that has come up again. Mr. Barron was before our committee. He was there back in the time of the second deficiency bill. At that time he had a budget estimate of $1,500,000 for the performance. He went over to the Senate after we had turned it down, and there he had a budget estimate of $3,000,000; he doubled up. He told one story then; he was going to charge 40 cents admission and the total over-all receipts were estimated at something like $10,000,000 and the cost of the plant at about that. He comes back before us this time and asks for $3,000,000, with an entirely different break-down of the money.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from New Jersey.

Mr. CANFIELD. According to the break-down which appears on page 216 of the hearings on this supplemental appropriation bill, approximately $1,962,500, to be exact, will go to the 10 percenters selling space for this gala party.

Mr. TABER. I suppose they are the ones back of this proposition to a very large extent and their interest will be back of it.

Mr. Barron came up here and estimated on one page of the hearings—I will call attention to it later when the item is reached at the time the bill is read for amendment—that the receipts would be $10,000,000, but a couple of pages further on he estimated $20,000,000. Then he goes on and gives an estimate of cost. At one time it runs $10,000,000 over-all; at another time a little bit later on it runs to over $20,000,000.

The whole thing is a mess. Why, they even talk about this thing being a payback proposition, where they are going to pay the money back to the Government. They tell us how much taxes we will get out of it. They say we will get five or six million dollars in taxes, that the District of Columbia will get $3,000,000 or more out of the sales tax. They estimate there will be about seventy-five million to one hundred million dollars spent in the hotels and restaurants.

I have in front of me an article that appeared in the Washington Daily News under date of August 18, 1949, which quotes Mr. Barron as follows:

> Mr. Barron figures the Government will get back about $10,861,000 from its investment. Local businessmen probably could have contributed enough money to swing the whole celebration but we wanted the prestige of the congressional appropriation.

Can you imagine anybody coming before the Congress with that kind of a story? He states he is able to finance the whole thing and can finance it by local contributions; still he wants the prestige of a congressional appropriation. Is that not a nice picture?

Mr. CANFIELD. It is argued by those seeking this appropriation that people not only in this country but in other countries are clamoring for space. Why does the Commission have to employ 10-percenters who will make approximately a million dollars out of this deal?

Mr. TABER. Well, we have to take care of the faithful.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. If the entire picture of the prospective success of the endeavor is as pretty as it appears to be portrayed, why, then, do not the businessmen of the District of Columbia back up the project rather than come here to the Congress and ask for this loan? I call the attention of the gentleman to the fact we are celebrating the centennial of the Minnesota Territory this year and we have not come to the Congress to help us by way of an appropriation. I think this whole item should be stricken out of the bill.

Mr. TABER. They say it is going to glorify freedom. I will tell you what effect this kind of a performance has on freedom. The freedom of the American people is absolutely dependent upon our keeping our financial house in order and balancing the budget. Every time we go into something we do not need to do and that is not necessary and that is not a proper subject for Federal appropriation, we thereby tend to wreck further the financial stability of the United States Treasury.

The result of that operation has been a continual decrease in the purchasing power of the American dollar. We can go on and on with $5,000,000,000 a year as it is proposed to do by the President, and we can further decrease the purchasing power of the dollar to the point where inflation is going to destroy not only the economic system of America but is going to destroy our very liberty.

Let us approach this problem square-toed. Let us meet it as we should meet every proposition that comes before the United States Congress in which an expenditure of funds is involved. Is it absolutely necessary that we do this, or are we going to do it just because the outfit that we are turning the money over to wants the prestige of a congressional appropriation? I hope when this matter is reached that we will decide that we wish to preserve the freedom of the American people and not appropriate funds that we should not appropriate and destroy our economy.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. Have any arrangements been made in relation to this project so that the hotels will not put up their rates and thus fleece these estimated millions of people who are supposed to come to attend this celebration?

Mr. TABER. We were not advised as to anything of that kind, nor has there been anything in the press to which my attention has been called along that line.

Mr. H. CARL ANDERSEN. Certainly, the influx of that great number of people is not going to help the housing situation in this city during the next 2 or 3 years.

Mr. TABER. That is correct.

Mr. Chairman, I now yield 5 minutes to the gentleman from Massachusetts [Mr. WIGGLESWORTH].

Mr. WIGGLESWORTH. Mr. Chairman, twice in a period of less than 30 years in World War I and in World War II, American industry with maximum cooperation between labor and management astonished the entire world by its productive capacity. With maximum cooperation and team play, American labor and management are unbeatable.

I have today introduced a bill providing that if a corporation prior to the beginning of any taxable year adopts a plan legally obligating itself to pay to its employees a percentage of its profits for such year, 150 percent of the amount of the profits paid for such year under such plan to any employee shall be deductible for the taxable year in which paid.

The bill is designed to encourage employers to share with their employees a certain percentage of the profits in any year.

It is designed to encourage a system under which, in addition to base pay, every member of the team gets his or her share of profits when profits are realized as a result of team effort.

I realize that enactment of the proposal into law would result on paper in a certain loss of income to the Federal Government. On the other hand, this loss might well be offset by additional production resulting from the profit-sharing incentive.

The principle of profit sharing has always, in my judgment, been sound and

American. In certain instances where it has been put into effect the results in terms of maximum production and satisfaction to all concerned have been striking.

I have introduced the bill in the hope that the principle involved may be thoroughly considered by the present Congress.

Under leave to extend my remarks, I include a copy of the bill at this point in the RECORD:

A bill to encourage the sharing with employees of corporate profits by allowing a corporation to deduct, for income-tax purposes, — percent of amounts paid to employees as a share of profits

Be it enacted, etc., That section 23 of the Internal Revenue Code (relating to deductions from gross income) is hereby amended by adding at the end thereof the following new subsection:

"(bb) Amounts paid by corporations to employees as a share of profits.

"(1) In general: If a corporation, prior to the beginning of any taxable year, adopts a plan legally obligating itself to pay to its employees a percentage of its profits for such year, 15 percent of the amount of the profits paid for such year under such plan to any employee shall be deductible under this subsection for the taxable year in which paid, and no part of such amount payable to such employee shall be deductible for any taxable year under any other subsection of this section.

"(2) Special rules: The provisions of paragraph (1) shall apply—

"(A) only if every employee who is employed by the taxpaper for more than 150 days during the taxable year for which the plan is adopted is entitled to share in the profits for such year; and

"(B) only if the amounts payable under the plan do not discriminate in favor of employees who are officers, shareholders, persons whose principal duties consist in supervising the work of other employees, or highly compensated employees; and

"(C) only to amounts paid to an employee before the 15th day of the third month following the close of the taxable year of the corporation for which such amounts are paid, and only to so much of such amounts paid as does not exceed 25 percent of the compensation otherwise paid or accrued during such taxable year to such employee.

In the case of a corporation on the accrual basis, amounts paid after the close of the taxable year of the accrual of such amounts and before the 15th day of the third month following the close of such year shall, for the purposes of paragraph (1), be considered as paid in the year of accrual."

SEC. 2. The amendment made by this act shall be applicable only with respect to taxable years beginning after December 31, 1949.

Mr. RABAUT. Mr. Chairman, I yield 10 minutes to the gentleman from Missouri [Mr. CANNON].

Mr. CANNON. Mr. Chairman, sound legislation is based on sound information. Too often faulty legislation is the result of inaccurate or inadequate information. From the beginning of the Congress committees have been handicapped by lack of essential data and have sought practical methods of supplying the deficiency.

As early as 1792, a special committee on investigation was appointed and from that time down to the present, thousands of investigations have been authorized and millions of dollars expended in conducting them.

The Committee on Appropriations has especially felt the need of an agency for research and investigation which could be relied upon to supply data to supplement that submitted by the departments in their annual hearings on the general appropriation bills. It is an old problem and one to which a great amount of thought has been given. There has not been a Congress in recent years in which a number of bills and resolutions have not been introduced with a view to providing some practical and dependable means of meeting this long-standing need.

The first approach to a solution of the problem was made in the Sixty-fourth Congress when the subcommittees of the Committee on Appropriations began to avail themselves of the facilities supplied by the Bureau of Efficiency which assigned operatives from its staff for departmental investigations. The plan was singularly successful and was resorted to by the subcommittees with increasing frequency until the discontinuance of the Bureau, and was the basis for the plan now in use by the committee.

The present system was adopted after long study and the consideration and rejection of a number of alternatives. Perhaps the most frequently discussed alternative was the establishment of a permanent staff of investigators on the pay roll of the House, under the direction and control of the committee. A careful study disclosed many difficulties incident to such a plan. In the first place, the staff necessarily would be appointed by the committee—presumably by the chairman of the committee, or chairmen of subcommittees, who inevitably would be guided largely by personal considerations in their selections. It follows that such a staff would be made up of friends or acquaintances of local importance and would be chosen consciously or unconsciously on a basis of political influence rather than an impartial and scientific appraisal of qualifications.

In the second place, such employees would be placed on such intimate associations with the members of the committee that it would be only a matter of a few years before their salaries would be advanced through successive increases to the maximum—and out of all proportions to their real usefulness.

And as their familiarity with the committee and their salaries increased, their interest and enthusiasm for the work would wane until it became in effect a matter of routine. They would in a short time be on amicable terms with the departments they investigated and a comradery would be established which would not be particularly conducive to rigid retrenchment in the offices investigated. Most objectionable would be the permanency of tenure on the staff. There is a tendency to retain technical employees of the House and Senate indefinitely. That is as true of the Committee on Appropriations as of the other committees of the House and Senate. Regardless of the adaptability and fitness for the work, such appointments amount to lifetime assignments. In keeping with this long-established custom, a misfit once selected would be a fixture on the staff the rest of his life. So the plan of a permanent staff was rejected.

The second proposal was the creation of a permanent staff in one of the departments, as in the General Accounting Office, the Department of Justice, the Bureau of the Budget, or the Civil Service Commission. But here again most of the same objections applied, and that plan was likewise rejected.

The plan eventually adopted is subject to none of these objections. It provides for the assignment of operatives from any department of Government for the use of the committee on requisition.

Under this plan any member of the committee, or any Member of the House, may apply to the subcommittee having jurisdiction of the subject matter for any investigation within the purview of the authority granted under the resolution. The request when reduced to writing is submitted to the subcommittee and approved by majority vote. It must then be approved and signed by the chairman and ranking minority members of the subcommittee and the Committee on Appropriations. This precludes any attempt to use the agency for personal or political purposes. To protect the right of the committee to investigate, the veto of a recalcitrant chairman or ranking member may be overruled by a majority vote of the whole committee. It is interesting to note, however, that although the system has been in continuous operation since its adoption there has been no case in which all four of the requisite signatures were not attached to the application. As a matter of fact, there has never been any suggestion or intimation of politics or partisanship in any of these investigations. The Committee on Appropriations is a business committee and the fact that there has been no attempt to use this system for partisan purposes—and that there has been uniform approval of all applications for investigations by the members of the committee and its subcommittees, is conclusive proof both of that fact and of the efficacy of the plan of investigation.

The investigation having been authorized, the application is transmitted through the clerks of the subcommittee and the committee to the staff where it is processed and a report returned in writing. Except in exceptional instances the members of the Committee on Appropriations do not see the men who make the investigation. In fact, one of the advantages of the system is that the staff changes constantly and the same investigator may not be on duty twice in the same session. In this way the service is wholly impersonal.

The system is the outgrowth of years of experience and practice in both the departments and the congressional committees, and serves adequately a long-felt need. Consequently, I was surprised to read in the RECORD recently this statement, referring to the investigation staff of the Committee on Appropriations in the Eightieth Congress:

We set up a very efficient staff for the committee in the last 2 years, which was

completely abolished in the present session of Congress.

I am at a loss to find any basis for such a statement. We have abolished nothing. We have merely returned to the original system under which we have saved the thousands of dollars expended unnecessarily and without appreciable results. We again have in operation the original system which was planned in collaboration with Mr. J. Edgar Hoover, some 6 or 7 years ago, and which has worked so effectively and so efficiently that there has been no criticism of any phase of it voiced either in the committee or in the House.

The only change made has been to reduce the salaries of the investigators by putting them back on the pay rolls of the departments from which they were requisitioned and return them to their respective departments at the close of their assignments instead of keeping them up here on increased pay, cooling their heels when investigations were completed. And no member of the committee has challenged the quality of their work or the accuracy of their reports since the Congress assembled at the beginning of the session last January.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. RABAUT. Mr. Chairman, I yield the remainder of the time to the gentleman from Missouri.

Mr. CANNON. Mr. Chairman, to be brief, the advantages of the system are:

First. It is economical. The employees are on the House pay roll only as long as needed. If a permanent staff were employed the entire force would be drawing salaries whether the committee was conducting an investigation or not. But under this system a man is called from the department and placed on the House roll, at the same salary he is drawing in his present position. As soon as the assignment is completed he is returned to the department and goes off the House roll and back to his original roll. His salary cannot be raised by the committee and he is not paid a day longer than required for the assignment.

Second. Men especially qualified for the particular investigation involved are secured. In some investigations an auditor is needed, in some a lawyer, in some a chemist, in some an efficiency expert, in some a detective, and so forth. Accordingly, the man best fitted for the assignment is requisitioned. If an auditor is needed the General Accounting Office may be asked to supply the man. If a chemist, the Bureau of Standards; if a lawyer, the Department of Justice; if a civil-service expert, the Civil Service Commission; if a detective, the Federal Bureau of Investigation or the Secret Service of the Treasury Department. By way of rotation auditors are also available from the Army, Navy, SEC, RFC, and Tariff Commission, chemists from Agriculture, Treasury, and others, and lawyers from the legal staffs of all departments, and so forth. No other system yet suggested will so promptly and so exactly supply just the precise character of qualification needed for any specific investigation.

Third. The system is elastic. It supplies 1 man or 10 men on short notice. There are 10 subcommittees. If only 2 order an investigation, a half-dozen men will suffice. But if all 10, or any considerable number of the 10, simultaneously request investigations, the requisition jumps to 50 or 60 men. Then during vacation, when only 1 or 2 subcommittees are investigating, the number drops again. But for any investigation or number of investigations, this system meets the emergency. It supplies just the number needed and no more—and for the time required—and no longer.

Fourth. The system supplies men of rare qualification. For such investigations the departments assign their best operators. These men are experienced. They are trained. They are tried and tested. They have come up through the ranks. They have demonstrated their fidelity and capacity. There are among them no tyros or amateurs. They are the ablest and most dependable men that are to be secured and incomparably superior to the men to be had by political selection of a permanent House staff. Furthermore, they are active and alert. Men on permanent staffs grow old and inert with the passage of the years, but the departments are a never failing fountain of youth and energy.

Fifth. The constant change in operatives sends into the departments men unknown and unacquainted in the bureaus which they investigate. They have had no opportunities to establish cordial relations. They are new faces and new brooms—and they sweep clean.

Sixth. The only interest of the operator is to secure the facts as quickly and as economically as possible and get back to his own office. Under the average committee of investigation the employee is likely to be swayed by two dominant interests: First, he wishes to prolong and perpetuate his job. He is drawing a better salary than he can get anywhere else and he wants to make it last as long as conditions permit. Second, he feels that he must justify his employment by "making his case" and "getting his man."

There is no such incentive under this system. Congressional committees of investigation now operating have expended vast sums—as high as half a million dollars—with little visible results. The Committee on Appropriations conducting investigations in many departments for the larger part of the year has spent less than $30,000 and secured invaluable results.

Seventh. The system cannot be used for the publicizing or aggrandizement of the chairman or any member of the committee. Requests submitted by the subcommittees are for facts. Opinions are not admitted. The investigators receive written assignments and make written reports, and from those facts reported the members of the committee deduce their own opinions, although the committee may request, through the staff, an analysis of the data by an expert not connected with the original investigation. Results of the investigations are not released to the newspapers. The Department which has been investigated does not itself know what the investigator has reported and as a result must be on its toes ready for any development when its representatives appear before the committee in the hearings on the budget estimates.

Eighth. On the other hand, the system cannot be used as an instrument of persecution. The fact that a department is investigated is in no way to its discredit. Investigations are routine and are expected and as a rule welcomed by the departments. While many instances have been reported which justified heavy retrenchments, there have been occasions when on the basis of the reports submitted by the investigator the appropriation was increased over the Budget estimate. The system makes for efficient administration as well as economical administration. And it is effective even when not in use. It is like the shotgun behind the door. The very knowledge that it is there is a deterrent—even though not in use. The mere fact that Congress can investigate, and is supplied with effective machinery for investigation, exerts a salutary influence.

On the whole, the system has proven remarkably successful. It has met every requirement. In fact, it is difficult to imagine a system which would be more responsive to our needs and more economical and effective in its operation and results.

The surprising feature of the system is that it has met with no criticism from any source. Every member of the committee, both of the majority and minority, approves of it without reservation. Even the departments which have been investigated uniformly express appreciation of the tact and courtesy with which the investigations have been handled, and have cooperated with the committee. It has not only been comparatively inexpensive but through the information deduced the subcommittees have been able to make material retrenchments.

Mr. Chairman, as indicative of the care with which our plan of investigation was formulated, the high character of men consulted in its organization and the length of time it has been in operation without criticism from any quarter, I include a letter written July 30, 1943, by Mr. J. Edgar Hoover, who so generously collaborated in the planning and establishment of the system and has honored us by serving as a consultant whenever we applied to him:

FEDERAL BUREAU OF INVESTIGATION,
UNITED STATES DEPARTMENT OF JUSTICE,
Washington, D. C., July 30, 1943.

Hon. CLARENCE CANNON,
Chairman, Committee on Appropriations,
House of Representatives,
Washington, D. C.

MY DEAR MR. CHAIRMAN: I am indeed appreciative of your kind letters of July 23 and 25 concerning services rendered to the Committee on Appropriations of the House of Representatives by Messrs. Hugh H. Clegg and R. H. Laughlin, of the Federal Bureau of Investigation.

I can assure you it has been a pleasure to cooperate with your committee and that you may continue to call upon us for assistance in any matter in which we may be of aid to you and your associates. It is a source of gratification to learn from you that this procedure has worked out satisfactorily and

that the services of Messrs. Clegg and Laughlin have been helpful to you. Please do not hesitate to call upon me at any time in matters of mutual interest.

With expressions of my highest esteem and kind personal regards, I am

Cordially yours,

J. EDGAR HOOVER.

The CHAIRMAN. The time of the gentleman from Missouri has again expired.

If there is no further general debate, the Clerk will read.

The Clerk read as follows:

For payment to John C. Davies, contestee, for expenses incurred in the contested-election case of Fuller versus Davies as audited and recommended by the Committee on House Administration, $2,000, to be disbursed by the Clerk of the House.

Mr. JENSEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I hesitate to take the floor at this time to answer the chairman of the Committee on Appropriations and the statements he has just made, but it seems that he feels it is necessary to try again to explain why the efficient investigatory staff of the Committee on Appropriations of the Eightieth Congress was not retained.

Mr. CANNON. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. Yes.

Mr. CANNON. Who was not retained? Give the name of anybody who was not retained if he wanted his job.

Mr. JENSEN. Did not the gentleman write a letter to them and say that as of a certain date their resignation would be accepted or that the notice was given them in effect on November 2, Election Day?

Mr. CANNON. I did not. If the gentleman has such a letter let him produce it. We did not refuse to retain anybody. If anybody wanted to remain on the staff he stayed. He retained the same position he had at the same salary.

Mr. JENSEN. But the gentleman politely invited them to resign.

Mr. CANNON. No, no; we did not. We particularly invited the chief of staff to retain the same position at the same salary. He asked us to keep the position open waiting further developments, and then finally resigned and took another position with the committee.

Mr. JENSEN. The gentleman must admit that he told the chief of investigatory staff, Robert E. Lee, that he was going to reestablish the old whitewash system of taking employees from one department to investigate another department and then take employees from the other department thus being investigated to investigate that other department, and so on down the line. It is a whitewash program under that system, and we all know it too well and that is what is going on today, and the gentleman knows it. No decent man would accept a position under those conditions. The gentleman knows that he made it almost impossible for any member of the Eightieth Congress staff to say on the job.

Mr. CANNON. I did not, and the man to whom the gentleman from Iowa refers, the head of the staff—who the gentleman from Iowa says would not accept the position under the circumstances, did accept the same position in the Seventy-ninth Congress under the same identical circumstances. He was invited to stay at the same salary.

The gentleman speaks of a whitewash system. Who has ever been whitewashed?

Mr. JENSEN. Who has ever been whitewashed? Who of the great spenders have not been whitewashed by your set-up?

Mr. CANNON. Yes; who has ever been whitewashed? The investigation system now in force has been in operation 5 years and in that time has investigated every department—and every activity and agency that any member of the committee or any Member of Congress asked to have investigated. And, in all that time no one has ever charged that anyone was whitewashed. Neither in the committee hearings nor in the CONGRESSIONAL RECORD in all those years has anyone ever suggested that there was a whitewash. Name anyone who has ever been whitewashed. Name any page of the hearings or of the CONGRESSIONAL RECORD where any such ridiculous charge has ever been made—by any one at any time.

Mr. JENSEN. The best proof of that is that since the gentleman has established his whitewash staff, this investigating committee, up until the Eightieth Congress, had not investigated anybody.

Mr. CANNON. Every Member of this House knows that in all those years the staff has been in continuous operation. There is no department of Government which was not investigated, and investigated repeatedly. We investigated anybody and everybody. If there was anyone or any activity in the departments the gentleman thinks should have been investigated, and was not investigated, it was because the gentleman from Iowa did not suggest it. Any investigation he suggested was promptly made and he at no time ever complained that the investigation was not satisfactory. If any investigation did not suit him let him name it now. What investigation did the gentleman ask that was not made? And what investigation was not satisfactory to the gentleman?

Mr. JENSEN. And you gave them a nice, lily white whitewash. Proof that the committee established under the Eightieth Congress was efficient, the Eightieth Congress was able to get information which assisted us in reducing the President's budget request by billions of dollars, and during the Eightieth Congress we paid off $7,000,000,000 on the national debt. One of the reasons why we were able to do that was because the staff was not beholden or indebted to anybody, but went out and got the facts and figures for us which were dependable.

Mr. CANNON. If the gentleman will yield there, the gentleman would have us believe that we did not investigate or that we did not get the facts and figures that were wanted. I now invite any Member of this House—on either side of the aisle—whoever wanted any information and who was denied it, whoever wanted any investigation and who did not get it—I invite him now to stand up; and I invite the gentleman from Iowa himself to name any instance in which he or anybody else wanted anything investigated that was not investigated.

The gentleman says he saved millions of dollars; we saved $64 billions more than he did. The saving the gentleman speaks of is a mere bagatelle.

Mr. JENSEN. Our fighting men saved that. The gentleman knows that that $64,000,000,000 was from appropriations made for war use, and when the war ended it was not needed. Surely, the gentleman doesn't claim credit for that, I hope.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON APPROPRIATIONS,
EIGHTIETH CONGRESS,
Washington, D. C., December 29, 1948.

Memorandum for the file:

In order that there will be no misunderstanding as to the dissolution of the investigative staff, the facts are being made a matter of record at this time.

The staff was originally organized by the Eightieth Congress in January 1947, pursuant to the Reorganization Act of 1946 (sec. 202 b).

Recruiting for the staff was performed with the assurance that employment was under the protection of the act guaranteeing freedom from removal merely because of a political change in the House.

The oaths of office and appointments were all executed on regular committee forms and each bore the following notations: "and will be in the status of a regular committee employee, with retirement rights, etc."

On November 25, 1948, the writer discussed the future of the staff with the clerk of the committee, who advised it was his informal opinion that Mr. CANNON would likely liquidate the staff as he felt very strongly against such an activity and was on record in this regard.

This coincided with my own views in this regard and wishing to settle the issue amiably the writer submitted his resignation November 26, 1948, in order to give Mr. CANNON opportunity to resolve the issue.

On November 29, 1948, Mr. CANNON sent for the writer at which time he was handed a copy of the writer's resignation and read it in his presence. He made no comment concerning it but discussed the work of the staff for the past few years. He was most affable and indicated a high regard for the writer. He terminated the interview by indicating he wanted to see me again in a few days.

Within a week he again sent for the writer and explained that he had decided to liquidate the activity and institute a system whereby a man would be loaned to the committee from the FBI with an assistant and at the end of each year one man would return to the FBI and a new man would come up. Any additional help would be on a loan basis from the departments.

I explained to him the disadvantages of such a system with which I had a great deal of experience, namely:

1. That this technique resulted only in obtaining "snoopers" and real research could not be performed.

2. The type of man you received on detail was in the discretion of the Agency who would hardly permit the assignment of key officials.

3. The men themselves viewed the assignment as a "trip to Siberia" and they feared reprisals when they returned to their agencies. (One man was handed a "reduction in force" notice when he returned.) Consequently boondoggling is rampant.

4. The opportunity for the advancement of the men in their own agencies is curtailed by the absence from their regular jobs.

5. Being a part of the executive arm, they did not view with great enthusiasm the efforts of the committee to cut the budget.

6. The departments under examination frequently "buy off" the investigator by tempting him with a better job than he currently holds. This frequently results in the department's budget officer actually participating in the preparation of the report.

7. The time element is difficult as any good man in an executive position would require several weeks, at least, to put his work in proper order and train a replacement.

8. Investigators on temporary assignment are intrigued by the prospect of receiving a lump-sum leave payment by leaving their own departments and transferring to the legislative branch, and spend time currying favor with influential Members.

Mr. CANNON thereafter requested me to accept assignment as chief of the staff for a period of 1 year, after which I would return to the FBI. He made it clear that I could not retain my present staff. I told him that, while I would like to have a few days to think it over, I felt that the arrangement was inconsistent with what I considered an effective organization, and I would try to find other employment.

On December 15, 1948, I requested another interview with Mr. CANNON, at which time I advised that Mr. TABER and Mr. WIGGLESWORTH had suggested the possibility of staying on with the committee as minority clerk.

I made it clear to him that the offer, as well as my acceptance of the same, was contingent on his offering no objection to the arrangement.

He seemed enthusiastic and advised he was glad to have me and knew that I would never be partisan in this work.

I asked him what to do about the staff, explaining that no formal notice had been given. I wondered if they would be paid through January.

He advised that he assumed when the FBI man came over would be a good time to leave but that formal action could not be taken until the committee met. He remarked, "They have all had notice since November 2."

I have thus advised the staff and some have already resigned.

I am attaching hereto copies of the resignations as well as a historical sketch of the main individuals involved to illustrate that they are all well qualified and free of any political background.

ROBERT E. LEE,
Chief, Investigative Staff.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. O'SULLIVAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, when I addressed the House earlier today it was my intention, if same was in order, to have inserted in the proper place in this fourth supplemental deficiency bill, H. R. 6008, as an amendment thereto, the following:

For an additional amount to acquire the site for a new post office and Federal building at Omaha, Douglas County, Nebr., $150,000.

Since that time I have taken up with a person in whom I have great confidence and who is well versed in the parliamentary law of the House of Representatives the matter as to whether or not my proposed amendment would be in order and I have been advised that for several reasons same would not be in order at this time. The person whom I conferred with suggested that I endeavor to secure the consent of the committee to waive all points of order. I have done this and could not secure such consent, because if this concession was made in this instance it would open up the door to many other Members sponsoring like amendments and it would be unfair not to accord to them the same consideration I had been given.

Now, this matter of an additional appropriation for an Omaha post-office site is quite important to me and to the people of Omaha, Nebr., who are in my congressional district, and I would like to help them gain this, their worthy objective.

I want to call the attention of the committee now to the fact that this proposed post-office site has had the approval of Mr. W. E. Reynolds, Administrator of Public Buildings, and also of the Bureau of the Budget.

The present post office at Omaha, Nebr., was constructed in 1898 and Mr. Reynolds, afore-mentioned, is on record as stating that it is one of the most costly buildings to operate in the entire Federal post office set-up.

It is on the priority list of the first 10 post offices in the Nation needing improvements very badly. To date, the sum of $225,000 has been allocated by appropriation and transfer for the purchase of the proposed site, which consists of an entire city block adjoining the heart of the downtown Omaha business section. It has been discovered lately that this amount of $225,000 was ridiculously low.

A short time back a fire destroyed a large portion of the city block comprising the proposed post office site. I fear that if purchase is not made of this property at an early date that the present owners of this property may start to rebuild the destroyed buildings, or make valuable improvements, and when further efforts are made to purchase this property the price will be much higher than it is now. The contemplated building site is an ideal one. It is situated just north of the present Omaha post office and it is planned to use the two buildings jointly and to accomplish that purpose the city of Omaha has vacated a street which divides the city block upon which the present post office is located and the proposed city block now sought to be acquired.

In my conference with the members of the committee sponsoring this bill I have also been informed that the third deficiency appropriation bill, now in the Senate and not yet acted upon, contains a provision for an added $150,000 to purchase this proposed Omaha post office site. At this time I would like to ask the gentleman from Michigan [Mr. RABAUT], if it is not a fact that my proposed amendment is in the present third deficiency appropriation bill now before the other body?

Mr. RABAUT. I may say to the gentleman from Nebraska, the bill as passed by the committee and reported to the Senate has the amount in it that the gentleman referred to for the Omaha post office site.

Mr. O'SULLIVAN. That bill, of course, in time, will be taken up by the other body and then probably by the conference committees of the House and the other body, if the two bodies are not in agreement on the subject of this additional appropriation of $150,000, for the new Omaha post office site; is that not correct, Mr. RABAUT?

Mr. RABAUT. The gentleman is correct.

Mr. O'SULLIVAN. That is one of principal reasons why it was suggested to me that I should not offer my amendment. It was suggested that this item of $150,000 being already in the third deficiency appropriation bill, it would be a needless duplication to place it again in this bill.

I am glad to have had the opportunity to bring this matter to the particular attention of the Members of the House and I hope that all of you, including the distinguished committee, will give me a hand when the proper time comes. The people of my district desire us to practice rigid economy in all governmental matters, except when they want something themselves, and in this regard they are just like the rest of the people of the Nation and want the bars let down for them.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. NICHOLSON. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Obviously a quorum is not present. The Clerk will call the roll.

The Clerk called the roll, and the following members failed to answer to their names:

[Roll No. 191]

Allen, Calif.	Green	O'Toole
Allen, Ill.	Gwinn	Pace
Andresen, August H.	Hall, Leonard W.	Patterson
Arends	Halleck	Pfeifer, Joseph L.
Bailey	Hand	Pfeiffer, William L.
Barden	Hart	Philbin
Baring	Hays, Ohio	Phillips, Calif.
Barrett, Pa.	Hébert	Phillips, Tenn.
Beall	Hedrick	Plumley
Bentsen	Heffernan	Potter
Bland	Heller	Poulson
Bolton, Ohio	Herlong	Powell
Bonner	Hinshaw	Price
Boykin	Hoeven	Quinn
Breen	Hoffman, Ill.	Redden
Brehm	Holifield	Reed, Ill.
Brown, Ohio	Irving	Reed, N. Y.
Buckley, N. Y.	Jacobs	Regan
Bulwinkle	James	Ribicoff
Burke	Javits	Rich
Burnside	Jenkins	Riehlman
Burton	Jennings	Rivers
Byrne, N. Y.	Johnson	Roosevelt
Celler	Jones, N. C.	Sadlak
Chatham	Kee	Scott, Hardie
Chudoff	Kennedy	Scott, Hugh D., Jr.
Clemente	Kilburn	Secrest
Clevenger	Kirwan	Shafer
Cole, N. Y.	Klein	Short
Cooley	LeFevre	Simpson, Pa.
Corbett	Lesinski	Smith, Ohio
Coudert	Lichtenwalter	Spence
Davis, Tenn.	Lovre	Thomas, N. J.
Davis, Wis.	Lynch	Tollefson
Dawson	McCormack	Towe
DeGraffenried	McGregor	Underwood
Dingell	McGuire	Vinson
Dollinger	McSweeney	Vursell
Eaton	Mack, Ill.	Wadsworth
Eberharter	Macy	Walsh
Elston	Mahon	Welch, Mo.
Fellows	Marcantonio	Whitaker
Fogarty	Miles	Wilson, Okla.
Ford	Monroney	Withrow
Fugate	Morton	Woodhouse
Fulton	Murphy	Worley
Gavin	Murray, Wis.	Yates
Gilmer	Noland	
Gore	Norblad	
Granahan	Norton	
Grant	O'Brien, Mich.	

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. FORAND, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee,

having had under consideration the bill (H. R. 6008) making supplemental appropriations for the fiscal year ending June 30, 1950, and for other purposes, and finding itself without a quorum, he had directed the roll to be called, when 284 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

HOUSING AND HOME FINANCE AGENCY

OFFICE OF THE ADMINISTRATOR

Salaries and expenses

For an additional amount for "Salaries and expenses", $2,500,000; and appropriations under this head for the fiscal year 1950 shall be available for purchase of not to exceed two passenger motor vehicles (including the one provided for in the Independent Offices Appropriation Act, 1950), and for permanent improvements to property owned by State or local public agencies or instrumentalities, educational institutions or non-profit agencies or organizations when necessary for tests as authorized by title III of the Housing Act of 1948, as amended: *Provided*, That the Administrator may, with the approval of the Director of the Bureau of the Budget, transfer to this account from funds of the constituent agencies such sums as relate primarily to functions which are consolidated in the Office of the Administrator as authorized by said title.

Mr. CASE af South Dakota. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. CASE of South Dakota. Mr. Chairman, I make the point of order that the paragraph headed "Salaries and Expenses" which the Clerk is reading, providing for an additional amount of $2,500,000, beginning at page 5, line 4, and ending page 5, line 18, carries legislation which is not in order on an appropriation bill.

I make the point of order against the entire paragraph. The legislation is contained in 3 or 4 places in the paragraph. The proviso reads:

That the Administrator may, with the approval of the Director of the Budget, transfer to this account from funds of the constituent agencies such sums as relate primarily to functions which are consolidated in the office of Administrator as authorized by said title.

That is positive and affirmative legislation and it also imposes additional duties.

The CHAIRMAN. Does the gentleman from Michigan [Mr. RABAUT] desire to be heard?

Mr. RABAUT. Mr. Chairman, I ask for a ruling.

The CHAIRMAN. The Chair sustains the point of order.

Mr. CASE of South Dakota. Mr. Chairman, I move to strike out the last word.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield to the gentleman from Michigan.

Mr. RABAUT. Is it my understanding that the gentleman struck out the proviso only?

Mr. CASE of South Dakota. I made a point of order against the entire paragraph.

Mr. Chairman, I used to consider that the Appropriations Subcommittee on Deficiencies was rather a hard-boiled committee, that it was harder to get money out of than the regular subcommittees to which the various agencies applied. But here is the Office of Administrator, Housing and Home Finance Agency, who comes before the Appropriations Subcommittee for Independent Offices. They asked in the budget request for $1,600,000, an increase of practically $600,000 over the $1,080,000 they had last year. The year before that they had $843,000. In other words, they have jumped from $843,000 to $1,080,000, and this year they proposed to jump to $1,600,000, almost double in two postwar years.

The conferees for the House and Senate on the independent offices bill agreed on the sum of $1,200,000, which of itself is an increase of $120,000 over what they had last year, an increase of better than 10 percent, although it was under the budget.

When the Administrator was before us we had some discussion about this growing practice of setting up an administrative group over agencies that already have housekeeping units, then increasing the money that they ask for. May I call attention to the fact that when Jesse Jones was made head of an agency which brought together several finance agencies, he asked the constituent units that were put together to contribute the money and the personnel necessary to staff his office. He said he was not going to ask for additional funds for the overhead agency.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield to the gentleman from New York.

Mr. TABER. The gentleman does not seem to understand that in order to have a complete failure of this housing program they must have a large number of economists and research artists and planners. This provides for an assured failure of the program.

Mr. CASE of South Dakota. I can perhaps add a little to that when I call attention to the fact that when we were having hearings on the independent offices bill, and this testimony will be found on page 953 of the printed hearings on the fiscal year 1950 bill, they were asking for $1,047,000 for personnel services. They asked for 179 man-years. That figures out more than $6,000 as the average salary for every employee in the Administrator's office. Every Member of this House knows enough about Federal salaries to appreciate that something over $6,000 is not the average salary for most agencies. The average annual salary for most agencies runs a little over $3,000, perhaps a little higher than that now with the salary increase. But the Administrator was asking for $1,047,000 for personal services for 170 man-years, averaging out better than $6,000 per employee.

It is true that in the hearings for the supplemental bill they said they wanted this $2,500,000 so that they could do some of the new work imposed upon them. They also went before the Deficiency Committee and asked for new automobiles. When they were before the regular committee, they were asked what sort of a car they wanted. They said they wanted to buy a Buick. I think the question was asked by the gentleman from Texas [Mr. THOMAS], perhaps by the gentleman from Alabama [Mr. ANDREWS]. They said they had been using a Plymouth and a Ford and wanted a Buick.

The reason I made the point of order against the entire paragraph is that I thought the situation here ought to be called to the attention of the Members of the House. This $2,500,000 they say in the justification presented to the Deficiency Committee was because they did not know how much it was going to cost to handle their new functions. They set up a round figure of $1,000,000 for general administration and indicated the balance was for a very broad research program.

My time is up, but I wanted to bring the situation before the House. That is the reason I made the point of order. This mushrooming agency will bear watching. A new Federal empire is in the making.

Mr. RABAUT. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. RABAUT. May I ask what language is stricken from the bill?

The CHAIRMAN. All the language on page 5 beginning with line 4, and ending on line 18.

Mr. RABAUT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RABAUT: Page 5, line 3, insert the following: "For an additional amount for 'salaries and expenses,' $2,500,000; and appropriations under this head for the fiscal year 1950 shall be available for purchase of not to exceed two passenger motor vehicles (including the one provided for in the Independent Offices Appropriation Act, 1950)."

Mr. RABAUT. Mr. Chairman, this amendment simply replaces the money and leaves out the language which was objected to by the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. RABAUT. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. Does the gentleman think, with the extra language left out, that they need the $2,500,000?

Mr. RABAUT. Yes; I do.

Mr. CASE of South Dakota. Mr. Chairman, having already explained the background of this unusual request, I shall not ask for any time on the amendment at this time. But, of course, this will place us in a position where we may have a separate vote on it when we go back on it in the House.

Mr. RABAUT. The hearings are here, and the Members of the Committee can read the hearings. The amount for this money is justified in the hearings. We cut the original request, $900,000.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. RABAUT. I yield to the gentleman from Michigan.

Mr. CRAWFORD. If I understood the gentleman from South Dakota, he pointed out that something like $1,000,000 of this was to be used for study and research in an effort to reduce the cost of housing; is that correct?

Mr. RABAUT. Some of it is for housing. It was authorized recently by this Congress and we cut it a considerable sum of money under the budget.

Mr. CRAWFORD. Will the gentleman tell us how much has been spent in the last 3 years by the housing agencies for the purpose of making research to reduce the cost of housing?

Mr. RABAUT. I do not think we had any money for research to reduce the cost of housing.

Mr. CRAWFORD. I am talking about the different Government agencies. I am sure there has been no less than $25,000,000 spent for that purpose. I wonder if anybody on the committee can give us any idea how much has been spent by Government agencies for the purpose of studying how to reduce the cost of housing.

Mr. RABAUT. Formerly, there was no individual item of research for the Housing Authority. This is the first time it has been created. It was created in the present Congress, and this is the first time the law is implemented with funds. In this bill we have cut the amount $900,000 under the budget estimate. I think the committee has done well.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. RABAUT. I yield.

Mr. CASE of South Dakota. They did present research when they asked for funds from the regular bill; in fact, they had some material costs. They wanted the Commission to send out leaflets of information all over the country giving the results of that research program.

Mr. RABAUT. There is some minor research. We are talking about a new law created by Congress. Here we give them for the first time the right to have this research activity. We thought it was quite a large sum of money they were asking for, and that is why we made a substantial cut.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. RABAUT].

The question was taken; and on a division (demanded by Mr. CRAWFORD) there were—ayes 71, noes 55.

So the amendment was agreed to.

Mr. RABAUT. Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read and be open at any point to points of order and amendments.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The CHAIRMAN. Are there any points of order?

If not, are there any amendments?

Mr. WHEELER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHEELER: On page 6, line 17, strike out all the paragraph to and including all of lines 16 on page 7.

Mr. WHEELER. Mr. Chairman, I suppose I am presumptuous on two counts in rising to offer this amendment here this morning. In the first place, I may be presumptuous in questioning an item that has been placed in the bill by the great Committee on Appropriations. In the second place, I suppose I am a little presumptuous in attempting to save the expenditure, the useless expenditure, in my opinion, of $3,000,000. I say it is useless because we do not have the $3,000,000 in the first place. If we had $3,000,000, in other words, if we were in the black instead of in the red, it might be very well to spend $3,000,000 to have a celebration of some sort here in the District.

The amendment I have offered simply seeks to strike from the bill the language from line 17 on page 6 through and including line 16 on page 7, which provides for a sesquicentennial celebration here in the District to celebrate the one hundred and fiftieth year of the existence of the Capital in the District of Columbia. As I have said, this expenditure is not necessary. House Joint Resolution 285 was an attempt to secure authority for the Commission to borrow this money from the Reconstruction Finance Corporation. That joint resolution was defeated.

We are now asked to approve the cutright expenditure of $3,000,000 to pay for travel expenses of employees, hotel and other necessary expenses of the Commissioners, printing and binding, and so forth, all expenses attendant to having the celebration—for what purpose I do not know.

Mr. Chairman, I yield back the balance of my time.

Mr. CANFIELD. Mr. Chairman, I move to strike out the last word and ask unanimous consent to address the House for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. CANFIELD. Mr. Chairman, I am opposed to the appropriation of $3,000,000 for a gala party in Washington at a time when our national economy is approaching a crisis. Our debt is now $255,000,000,000 and the annual interest thereon is five and one-quarter billion. We face a long period of deficit financing unless we vote for substantial increases in the taxpayer's load. The country is demanding drastic economies and the elimination of unnecessary items in appropriation bills. This is an unnecessary item.

I oppose this appropriation at a time when the President and other governmental authorities are telling us that a large percentage of our people are improperly housed and do not have adequate medical and educational facilities. I oppose this project at a time when the President has called upon all agencies of our Federal Government to channel funds into jobless areas.

Mr. WHEELER. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield.

Mr. WHEELER. Does the gentleman know of any real good which will be accomplished by the expenditure of this $3,000,000 of the taxpayers' money?

Mr. CANFIELD. I do not, and I will elaborate on that point.

Approximately 40 sections of our country have been classified as distressed because of the jobless and unemployment commissions are asking for more funds. I asked Dr. John R. Steelman, assistant to the President, about my own district a few weeks back and he said that while there was heavy unemployment therein, conditions in other areas were more serious.

We promote freedom and we reject communism when we solve these problems and make our economy tick. We do not do this by building a lot of temporary structures, lakes, bridges, and pontoons with elaborate parties, shows, and speeches. Two weeks ago the gentleman from Massachusetts [Mr. LANE] called to the attention of the House the serious unemployment in New England and particularly the number of World War II veterans now prejudiced. Those now dealing with the problem, he charged, were falling back on statistics saying:

Let nature take its course. What goes down must come up. Men, women, and children—

He continued—

cannot postpone indefinitely the need for eating three times each day.

So pressing have been the problems of our economy that the House and Senate conferees have been unable to resolve differences and for the first time in history we have had three continuing resolutions to insure that the Government may proceed without interruption. Yet we find a strange and mysterious situation in the program before us for this great birthday celebration. Earlier this year the House Committee on Appropriations, after hearing testimony on this item, refused the then request for $1,500,000. There was no controversy on this matter, either in committee or in the House. Agreement was unanimous. Everyone recognized this as a big show that should stand on its own feet.

The bill went over to the Senate and that body was persuaded to provide $2,000,000. When the bill went to conference, however, our distinguished chairman, the gentleman from Missouri, and his House colleagues, persuaded the Senate conferees to yield and the two bodies agreed to deny funds. Suddenly we have another request from the Bureau of the Budget and this time it is approved in committee not for $1,500,000, the amount of the original request; not for $2,000,000, the earlier judgment of the Senate; but for $3,000,000.

As we meet today House and Senate conferees are working on appropriation bills endeavoring to see where cuts can be made in national defense items, items for flood-control, rivers and harbors, reclamation, Indian affairs, items affecting veterans' benefits, our merchant marine and other matters. Measures to reduce all expenditures by 5 percent are pending and will be seriously considered.

I can understand the desire of business interests and many others in the District of Columbia for a mighty party of this nature, but let me point out that the District is probably the most prosperous community in our country. Certainly it is not a distressed area and it needs no such stimulus at this time. Recently we voted a sales tax for the District. The Congress did not feel justified in contributing further Federal funds for the support of the community, however, some argue today that if we had given this $3,000,000 to the District the sales tax would have been unnecessary.

Let me quote briefly from the hearings, which I hope that you have read in toto. Testimony on page 431 of the second deficiency hearings tell us that some of the temporary buildings will fall down in 2 years if not taken down. I might point out that some of the temporary buildings of the Chicago Fair of 1895 are still standing. Page 216 of the supplemental hearings tell us that the item of pay roll, maintenance, utilities, police and fire protection, cleaning and porter service will be $1,000,000. Pages 433 and 434 of the second deficiency hearings tell us, "There are a lot of boys and girls in this Nation who do not know what the Congress is" and it is proposed to publish millions of pamphlets to describe Congress and some of its characters.

Page 474 of the Senate hearings on the second deficiency tells us that the Chairman of the Commission recently had a visit from a large manufacturer of playing cards who "would like to make a deal with the Commission to put on the backs of thousands upon thousands of playing cards the official seal of the sesquicentennial and they wanted to offer us a piece of money for the doing of it."

Page 488 of the same hearings emphasize that this is a congressional project and has nothing to do with the government of the District of Columbia. In no instance, in connection with the program, were the Commissioners of the District called to testify.

It will be argued that this is not an expenditure, but is a loan. The appropriation bill before you does not describe it as such and, speaking of bills, please note the new paper that is being used. This week the House Appropriations Committee embarked upon a new economy. It is using cheaper paper in printing appropriation bills. While several dollars are saved in the printing of H. R. 6008 you are still being asked to appropriate $3,000,000 for the "big show" in Washington next year.

Mr. H. CARL ANDERSEN. Mr. Chairman, I rise in support of the amendment.

Mr. RABAUT. Mr. Chairman, will the gentleman yield for a unanimous-consent request?

Mr. H. CARL ANDERSEN. I yield.

Mr. RABAUT. I would like to see if we cannot arrange for time on this amendment.

Mr. H. CARL ANDERSEN. Provided it is not taken out of my time.

Mr. RABAUT. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 20 minutes, the last five to be reserved to the committee.

Mr. MILLER of Nebraska. Mr. Chairman, reserving the right to object, does that include the 5 minutes to which the gentleman from Minnesota is entitled?

The CHAIRMAN. That will be in addition to the time of the gentleman from Minnesota.

Is there objection to the request of the gentleman from Michigan?

There was no objection.

The CHAIRMAN. The gentleman from Minnesota will proceed.

Mr. H. CARL ANDERSEN. Mr. Chairman, this amendment should certainly be adopted. This contribution of $3,000,000 is entirely unjustified. Our Nation is fast coming to the crossroads where it must choose one of two paths—the one along the road to continued spending and eventual bankruptcy—the other along the highway of economy and financial stability. Here we are faced with a $5,000,000,000 deficit in this particular fiscal year which ends next June 30 and yet we see items like this defended by some Members of Congress. It is easy to spend—but it appears to be very difficult to save.

In a radio talk to my people back home last night I tried to paint for them a picture as to just what $5,000,000,000 was. It is difficult for any of us to contemplate such a sum of money. In that splendid agricultural district in southwestern Minnesota, perhaps one of the best in our country, and embracing 19 counties, we have approximately 40,000 farms. Suppose that those fine, built-up farms are worth on the average $25,000 each, then those 40,000 farms in the Seventh Congressional District of Minnesota have a valuation today of $1,000,000,000. Consequently, the deficit we are incurring in this one fiscal year of 1950 and which must be added to our public debt, is equivalent to the value of all of the farms in five congressional districts such as mine—yes, we can liken this deficit to the destruction of a segment of our Nation amounting to 200,000 farms. Can we afford to continue blindly down such a road where the present administration is leading us?

I think we should stop, look, and listen. I can not see why there should be any valid argument whatsoever against accepting the amendment offered by the gentleman from Georgia. How are other States treated in this regard when they have celebrations of like nature?

This very summer we have the Territorial Centennial celebration in Minnesota. That is quite an anniversary, the one hundredth anniversary. But do we come here and ask the Government and the general taxpayers to help foot the bill for that centennial? No; we do not. All we asked of the Government was that there be issued a postage stamp commemorating that occasion.

I personally would be very glad to vote for the issuance of such a stamp for this Washington celebration next year, but that is as far as I want to go.

I think we should knock this $3,000,000 out entirely and hope that this amendment will be agreed to. Surely we can show our good judgment here and do something in the direction of keeping the financial foundation under our Nation secure. Some may not consider $3,000,000 as a very big item. Take out the small pebbles and bits of concrete in sufficient numbers from any concrete foundation, and eventually the entire structure will fall.

The people in the District of Columbia want this fair. Let them underwrite its cost themselves. They tell us that it will be a paying proposition, and they say it is going to make money. Well, let us permit them to underwrite it. The hotels are going to make money out of it, the businessmen are going to make money out of it. Surely those deeply and financially interested can finance this program without making it a charge against our Treasury. Let us accept this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. VURSELL].

Mr. VURSELL. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Georgia to strike $3,000,000 out of this bill.

Mr. Chairman, this Congress will go down as the greatest spending Congress in the history of our Nation. When the chairman of the Appropriations Committee, early in the session, spoke so earnestly for economy in government, I am now surprised to find that after the House of Representatives previously turned this item down for a smaller amount, the chairman is now lending his support to increase this item to $3,000,000, which has been written into the Senate bill.

Mr. Chairman, I wanted to save at least a million dollars on the housing item which has just been approved. We have wasted that money. Now we have a chance to cut off $3,000,000 here. We will waste that if it is approved. I am wondering how much money this Congress in the next 30 or 40 minutes will waste of the taxpayers' earnings in the consideration of this bill.

Something was said about the cost of 40,000 farms. If you were to go out today and buy all of the farms in the United States of America, with all of the buildings on those farms, they would not cost more than $56,000,000,000; yet we are spending over $42,000,000,000 to run this Government for 1 year. All of the rolling stock, the ground and buildings of the railroad-transportation organizations of this Nation at a fair cash value today are valued at $40,000,000,000. Yet here in this one session of Congress we appropriate for the cost of government for 1 year more than the value of all of the rolling stock, all of the rails, all of the land, all of the buildings of the railroad organizations in this country.

Mr. Chairman, it is time to call a halt. Let us adopt this amendment and show the people that we are willing to save at least $3,000,000.

Mr. GROSS. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. Mr. Chairman, the provision in this latest deficiency appropriation bill for $3,000,000 for the National Capital Sesquicentennial Commission is nothing more nor less than another of the countless raids on the Federal Treasury.

Small though this amount may be when compared with the billions of dollars that are being shoveled out with increasing abandon, it represents big money to me and to the taxpayers in my district and my part of the country.

What is the proposal before us? To spend $3,000,000 of all the taxpayers' money for a celebration in Washington, D. C. Only a minute fraction of the population, beyond the District of Columbia and its adjacent area, will derive any benefit, yet the money of all will pay the bills.

You can be sure the $3,000,000 will provide enough well-appointed stages and ample opportunity for all the bigwigs, both in and out of government, to parade their brass and preen their feathers.

We are told by Carter T. Barron, Vice Chairman of the Sesquicentennial Commission, that the Federal Treasury would probably receive nearly $11,000,000 in return for the $3,000,000 we are here asked to appropriate. In other words, a profit of nearly $8,000,000. That sounds like a rather large dose of verbal eyewash.

If there is an $8,000,000 profit in this deal why has there been no stampede on the part of District of Columbia businessmen and others to underwrite the initial cost of $3,000,000?

Are we supposed to believe that everyone in Washington, with a substantial bank account, has suddenly become averse to making a quick dollar, especially when, according to Mr. Barron, $3,000,000 can be turned into a neat $8,000,000 in the short space of 24 months?

More than that, if I have the correct information, local financiers would be spared any raids on the part of the 5 percenters, and it would not be necessary to hand out a single deep freeze to close the deal.

The truth of the matter is that the $3,000,000, if appropriated by Congress, would be returned, if at all, in the form of another batch of completely useless, temporary buildings.

The Federal Treasury is not being used to finance civic enterprises and celebrations in the cities, towns, and communities of the congressional district in Iowa which I represent, and I have no intention of committing the taxpayers at home or anywhere else in the country to underwrite an entertainment program, chiefly for the people of the District of Columbia area, with profits, if any, going to the hotel men and other business enterprises in this city.

I hope a majority of the Members of the House will vote for the amendment, striking the $3,000,000 from this bill.

The CHAIRMAN. The Chair recognizes the gentleman from Nebraska [Mr. MILLER].

Mr. GROSS. Mr. Chairman, I ask unanimous consent that the time allotted me may be given the gentleman from Nebraska [Mr. MILLER].

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. MILLER of Nebraska. Mr. Chairman, the way to balance the budget is to stop spending. Someone has spoken about the budget this year. I understand that bills now pending before the House will increase the recommendation of the President by $4,000,000,000, and if all the recommendations now pending before the Rules Committee were adopted it would increase the budget $10,000,000,000.

I pointed out this morning that in 4 years of peacetime we have spent $177,000,000,000 for the running of the Government. This is more money than was spent by the United States Government in the first 152 years of its existence. During that time we went through four wars and several depressions. It seems to me, my colleagues, that we must recognize this fact. I just came back from Nebraska. My people are terribly concerned about this terrific Government spending. I would recommend that you go home, close to the grass roots, and I am sure that you will find your constituents much concerned about the big spending program of this administration.

You know our forefathers handed down to us a heritage that I am afraid we are not going to pass on to our grandchildren—a heritage of sound economics and good government. I have towns in my community that are holding diamond jubilees—75-year anniversaries. Last week I attended the Days of Forty-nine celebrations at Minatare, Nebr., commemorating the gold-rush days. Here in the East you might go back 150 years or more; but, 50 or 75 years ago in Nebraska, covered wagons were going up over those seemingly inhospitable prairies with pioneers going west seeking a new place to live. My father and mother went west with a cow and horse hitched to a wagon. They crossed the Missouri River on the ice. They went out to a new country. They did not have social security, unemployment compensation, or anything that would guarantee them a price for their crops. They knew that there would be grasshoppers and drought. They built a soddy and raised their family. They often had no doctors when the babies came. Yes; we lived on corn and beans and molasses. And, what I say about my family is true of other fine pioneers. I suppose a social worker looking on that family would have said, "My goodness; there will be juvenile delinquency in that family, and they will grow up to be Communists for sure." But, it did not turn out that way. Why? Because we saw father and mother, and you saw your father and mother, hurl their matchless courage against the elements and win. So, they handed down to their children a heritage that we ought to carry on. A heritage of doing for themselves without Government help. It was a priceless heritage.

Mr. Chairman, the power to tax is the power to destroy, and I think that here is one item, even though a $3,000,000 item, that could well be saved to this country. Many towns celebrating their seventy-fifth diamond jubilee celebration are not asking for help. They are going to do it themselves.

I remember when the present Congress first met that some people wanted to exempt the tickets to the inaugural ball from the admission tax. They said they would go broke otherwise. I saw yesterday where a profit of $79,000 was made after paying taxes.

I would like to see the Capital City a shrine and a proper celebration put on, but I am convinced that there are many people in this city that have the ingenuity and the will to go ahead and put on a celebration of which we may be proud without tapping the Treasury for that purpose.

Mr. TACKETT. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Nebraska. I yield to the gentleman from Arkansas.

Mr. TACKETT. Does not the gentleman think we are talking a good amendment to death?

Mr. MILLER of Nebraska. I hope not. I am sure that the city of Washington can put on a celebration without this $3,000,000 gift or loan. Let us stand for economy and make just a little effort in cutting expenses.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

The Chair recognizes the gentleman from Virginia [Mr. SMITH].

Mr. SMITH of Virginia. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I do not think any of my colleagues will accuse me of being a wild spendthrift of Government funds. I am sorry that the debate on this item has failed to disclose the facts or the true merits of the matter involved. This is not a gift. This small item is an item that is going to be returned to the Federal Treasury. This Congress authorized this celebration, the one hundred and fiftieth anniversary, and it provides that these things that are to be done here in Washington will be charged for. There will be an admission charge and charges for the concessions, with the requirement under the act which we passed, that the money so collected will be paid back into the Federal Treasury. Instead of them spending this $3,000,000, the general belief is that you will have a profit, when it is all wound up. But, you have to have some money to start with.

Now, it is fine to get up and make speeches about economy, but I wish I would have heard a lot of these speeches when some of these big items were going through that are not coming back to the Federal Treasury. But, here is an item that you have authorized. Are you going to stop this thing right in the middle when this money, by all the estimates that we have, is going to come back into the Federal Treasury may be twofold? Do you know what this celebration is going to do? They are going to have a great pageant, something like the pageant in North Carolina commemorating

the Lost Colonies. There will be an admission charge; it will run for months, maybe for years. And, they expect to make a considerable profit out of that. There will be great industrial exhibits that will be of value to the whole country. Hundreds of people will be renting space in temporary buildings that will have to be constructed for that purpose, and they will pay rent for it. Every dollar goes back into the Federal Treasury, and we believe in the end there will be a profit instead of a loss.

The CHAIRMAN. The Chair recognizes the gentleman from Washington [Mr. HORAN].

Mr. HORAN. Mr. Chairman, when this celebration was authorized by the Congress, the then Speaker, Mr. MARTIN, appointed me a member of the Sesquicentennial Commission. I accepted that post. I feel I would be derelict in my duty to this Nation and to our constituents throughout the Nation if I did not at least rise now to ask you to consider this question soberly and on its own merits.

We have given millions to other celebrations throughout the Nation. We gave two or three millions to the Texas centennial, and $3,275,000 to the New York celebration. This is not a new idea. It has been common throughout our history.

I am proud of this Nation of ours. I did not locate the Capital here, but it was located here 150 years ago. At this time in a troubled world, I think it would be fine for us to celebrate the founding of a Capital that is next to the world's oldest in point of existence under a stable, nonchanging government. I ask you to consider this matter as the gentleman from Virginia [Mr. SMITH], who preceded me, has begged of you, on its merits. Let us not go off half-cocked on this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. MCDONOUGH].

Mr. MCDONOUGH. Mr. Chairman, I rise in favor of the amendment submitted by the gentleman from Georgia [Mr. WHEELER]. I intended to offer an amendment to this bill to include $800,000 for the improvement and extension of the Los Angeles Terminal Annex Post Office, which is provided for in my bill, H. R. 1154, now Public Law 238, just signed by the President last Wednesday.

This $800,000 will provide funds that are urgently needed to complete the Terminal Annex Post Office in Los Angeles, which was left unfinished in 1941 due to the recent war. Since 1941 the Los Angeles postal receipts have increased from $14,000,000 to $34,000,000 and the postal employees have increased 68 percent without the addition of any new space to take care of this great increase. This $800,000 will save $100,000 per year in added rental space which is necessary because of the limited space in the Terminal Annex Station.

Now, Mr. Chairman, I have withheld offering this amendment at the suggestion of the chairman of the committee, the gentleman from Missouri [Mr. CANNON], who has assured me that this $800,000 will be included in the next deficiency appropriation bill. I have accepted his promise in spite of the fact that these funds are badly needed now.

In view of the contract on this $800,000 which is needed for a building to better serve the public, with this $3,000,000 for a sesquicentennial celebration here at Washington, I think we should give consideration to the public service before we provide Federal funds for celebrating, especially when we are increasing our deficit to such an alarming extent of nearly $6,000,000,000.

I urge in the interest of economy that the amendment of the gentleman from Georgia be adopted.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, millions of dollars have been appropriated for different celebrations, but I have never heard of one such expenditure that ever was repaid, and I do not believe this one would be. The only way they are required to repay it is if the money is available.

Mr. Barron was up before our committee on this proposition. He said they were going to have a hurdy-gurdy to draw in the crowd, but they were not going to have a Sally Rand. This noon in today's paper here in the District, Mr. Barron, who is the head of this set-up, is quoted as follows:

> Mr. Barron figures the Government will get back about $10,861,000 from its investment. Local businessmen, he said, probably could have contributed enough money to swing the whole celebration, but we wanted the prestige of a congressional appropriation.

What do you think of that? The reason for this appropriation is the prestige. Is it not about time that we get through appropriating money to give some prestige? The city of Chicago is now conducting an enormous fair of its own and paying its own bill. Why should we appropriate $3,000,000 which we never will get back?

Mr. THOMAS of Texas. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. THOMAS of Texas. During the deliberations of the committee were you able to ascertain with any degree of accuracy the number of people who would come here, and where they would stay? That is question No. 1.

Mr. TABER. They said there would be 15,000,000 people who would come here and that they would spend $150,000,000 in the District of Columbia. So the District of Columbia ought to raise the money.

Mr. THOMAS of Texas. Is there any limitation in the bill as to what the hotels will charge these visitors to the District of Columbia?

Mr. TABER. No.

Mr. THOMAS of Texas. In other words, rooms which usually rent for $4 a day will cost $12; is that it?

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. RABAUT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, for the benefit of those who were not here when I made the report on the bill at the opening of general debate, this sesquicentennial is going to be located at the Anacostia Flats, behind the National Guard Armory, at the end of East Capitol Street. It would be worth something to the District of Columbia to clean up that place, if nothing else was done.

This will be a money-making proposition, insofar as the Federal Government is concerned. It is estimated that the total cost of construction will be $17,880,000. The estimated direct return is $20,000,000. Most of the revenue is to be derived from the sale of space to private industry at $30 a foot. This will account for approximately $11,000,000. Another source of revenue will be the gate receipts, estimated at 15,000,000 people at 50 cents each, which would bring in $7,500,000.

We are giving them this $3,000,000 to start this project. I want to approach it from a practical point of view. First of all, the Commission will leave buildings worth $10,000,000 to the District of Columbia, and we are renting space all over this town. So you will get a set of buildings worth $10,000,000 for $3,000,000. They will be permanent buildings, made of steel and concrete.

Further, consider the relation to communism. This is to invite the youth of the Nation to the Capital of the United States for a sesquicentennial celebration, the slogan of which is going to be "Freedom—Freedom Through Progress." The slogan is "Freedom Through Progress." Are there some here who do not appreciate freedom through progress? Are there some here who will kill this project because they do not want to be disturbed in their offices by visits from some of the children and some of the folks from their own districts? Put that down, and let the Nation know it—that you do not want to vote for this measure because you might be disturbed here in your offices with a visit from the very people who elected you to your position. Think it over. Let us think it over and find what rumors are abroad here attempting to scuttle this $3,000,000 for a sesquicentennial celebration in the Capital of the United States—"Freedom Through Progress."

Who created this? When was it born? It was born in the Eightieth Congress last year. They were running the show then, but now that they cannot run the show they cannot go for it—and some on this side will join them to ruin it because it now comes within the province of our party to show to the world and to the country, as well as to the youth of the country, that we do progress through freedom, rather than dictatorship. This was further implemented by the Eighty-first Congress making known that an appropriation should be given for this item.

So you vote just as you feel about it, but I am telling you this is an invitation to the youth of America to come to Washington, the Capital of the United States, to visit the sesquicentennial. Let the hotel people take care of their own business. We will take care of the sesquicentennial.

I ask for a vote on the amendment, Mr. Chairman.

Mr. MCDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. RABAUT. I refuse to yield.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. REES. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. REES. Mr. Chairman, I am opposed to the expenditure of an additional $3,000,000 included in this bill for the expenses of a Sesquicentennial in Washington. In other words, a sort of Washington World's Fair. In fact, I am opposed to a good many other unnecessary items that are being spent by our Federal Government. The bill provides these funds shall be used for various purposes, including personal services, travel expenses, and other expenses for the celebration of the anniversary of of the establishment of the Capitol in Washington.

Certainly I have no objection to the observance of this anniversary, but I do not believe that we should dip into an already depleted Treasury and spend $3,000,000 of the taxpayers' money that will have to be paid out of borrowed funds. For this Congress to approve celebration on borrowed money seems rather absurd to say the least.

It has been suggested that the expenditure of this money will attract people to Washington so that they may learn a little more about the Nation's Capital. I really think that the Capital of the United States is an attraction within itself. It should not be necessary to spend $3,000,000 to put on a fair in order to get the people to come to the greatest city in all the world.

Mr. Chairman, I realize $3,000,000 seems a rather small sum when compared with the hundreds of millions of dollars that are being appropriated by this Congress, but $3,000,000 to the people of my district and my State is a considerable amount. It is an extravagant expenditure and certainly unnecessary. Here is a chance to show a little economy. Let us use a little common sense and strike this item from the bill and save $3,000,000.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. WHEELER].

The question was taken; and on a division (demanded by Mr. RABAUT) there were—ayes 121, noes 63.

So the amendment was agreed to.

Mr. H. CARL ANDERSEN. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. H. CARL ANDERSEN: On page 11, line 24, strike out "$3,000,000" and insert in lieu thereof "$2,000,000."

Mr. H. CARL ANDERSEN. Mr. Chairman, this is just a little further effort toward economy, and may I give you a short reasoning as to why we could with harm to no one save $1,000,000 here.

Compare this with other loan operations.

The REA with its $400,000,000 in loans, has only $6,500,000 to take care of the work in connection with these loans. This bill requests $3,000,000 as personal expenses for the Farm Home Administration for this comparatively small matter of $25,000,000 in loans for farm housing. Certainly I do not object to the $25,000,000 in loans, but why in the name of common sense do we have to put up $3,000,000, one dollar for every eight, to take care of that $25,000,000 in loans? Why should we permit $300 to be expended for personnel to take care of placing the average loan here of slightly under $2,500. I think upon reflection you will see that it is entirely out of line. The Farmers Home Administration testified as to its needs before my Subcommittee on Appropriations for Agriculture. This is a new matter, Mr. Chairman, and I think that we should cut this down a million dollars and let Mr. Lasseter—and by the way Mr. Lasseter is a very good administrator; he has made a splendid reputation as head of the Farmers Home Administration—but let him come before our regular subcommittee next February and tell us his plans relative to this big new farm housing program that is here being commenced. Certainly $2,000,000 in personnel expenses will hire a large number of people. Surely, with only five months to go before the regular subcommittee could look into this thoroughly, it is not hampering the program in any way to request here today a very careful study and planning for this new program. You will note that I do not object to the amount requested for loans. It is instead the question of how much personnel is needed to bring this program to success.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield.

Mr. WHITE of Idaho. Does the gentleman know what this Farmers Home Administration is doing to provide homes and places for the veterans who are now looking so hard for places to live?

Mr. H. CARL ANDERSEN. I cannot answer the gentleman's question fully in half a minute. We all do know, however that the Farmers Home Administration is today doing a good job, for which I have often commended it.

Mr. WHITE of Idaho. I can tell the gentleman in half a minute that they are doing lots for the veterans.

Mr. H. CARL ANDERSEN. I certainly agree that the Farmers Home Administration is doing a good job with its regular appropriation. But remember that they have only $24,500,000 in administrative expenditures allowed them to service nearly 30 times as much in loans as the $25,000,000 here asked for. The REA has only $6,500,000 to service about $400,000,000 in new loans, and $1,840,000,000 in old loans or that portion as yet unpaid. Surely, it is not necessary to spend nearly half what the REA receives for this comparatively small project.

Mr. HOFFMAN of Michigan. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Michigan is recognized.

Mr. HOFFMAN of Michigan. Mr. Chairman, I want to call your attention to a case of rank discrimination, and it comes from a source that you would least suspect—the National Labor Relations Board. I am reading this, now:

August 18, 1949. Administrative Bulletin.

That is put out at Government expense. The Labor Department item in this bill for $26,580—seems like they are wasting their money. I read:

To: The Washington staff.

Subject: Clinic on job grooming for women employees.

There is an instance of discrimination for they do not say a thing about men, young or old; they do not say anything about doing anything for Congressmen, young or old, yet there are some of us who need that service if anyone needs it. Then, too, I never heard of a taxpayer's dollar being spent for "grooming" before. But I read further from this bulletin:

The Virginia Farrel Organization from Detroit, Mich., through the Federal Recreation Committee, will sponsor a series of 10 clinics on personal grooming. The course is patterned after one normally costing $150—

I do not know whether the five percenters get in on this or not.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield.

Mr. JENNINGS. Just what is meant by the word "grooming"?

Mr. HOFFMAN of Michigan. "Groom" is "a man, especially a man of inferior station—a man servant, now especially one in charge of horses or one of several officers of the British royal household, chiefly in the lord chamberlain's department."

"Grooming" is said to be "to attend to the needs of a horse, as by currying"; and, again, "to make neat, smart or tidy."

But in this connection, the gentleman will have to use his imagination. Just let me go ahead with this. There may be something else in here that will interest the gentleman more.

Mr. JENNINGS. I have heard about grooming a horse but I never heard about grooming a woman.

Mr. HOFFMAN of Michigan. These are the days of the New Deal, of the Pendergast political methods, of the deep freeze, of sticky molasses—we may all live and learn. The bulletin goes on to say: "but it is being abbreviated and adapted for Government girls."

They start out with women employees; that would cover all women who are employed, but now they are getting it down to Government girls. Now, just who is a girl? That ought to be defined. Take, for instance, my wife, and she is about—well, I will not tell—she is not quite as old as I am. She would resent it if I told her age, but I can remember when she would call up when she was going to a bridge party and talk to the other "girls" who were to attend. Thank God they are all still girls. I do not know whether she thinks of herself as a girl, but I know that she is still girlish and kittenish enough for anybody of my age.

Now I come to something that may interest the gentleman from Tennessee [Mr. JENNINGS] and I ask him to listen. This is a demonstration lecture, whatever that may mean. It does not say anything about grooming but it says that

part 1 of the program is a demonstration lecture which includes a series of do's and don't's. I can remember my mother telling sister: "If you are in doubt, say 'No.'"

Now, I know you think this is funny, but there is nothing funny about spending the taxpayers' money. Just think of some hard-working woman or man finally getting a tax dollar and then having it spent to ask some well-paid NLRB girl to come in and get a demonstration lecture on how to act and how to be more attractive. The Hoover Commission spent about a million dollars in an effort to tell us how to do more and better work for less money.

Wonder if the President will send down a plan, No. 13, to create a department with a beautician at its head? Would John L. Lewis qualify for that job?

Let me read:

In a typical day of a business girl's life—

It does not say anything about the evening. Maybe that is when the result of the lecture is to be tested—

Part II of the program is a grooming clinic—

There you come to the grooming question again—

set up with regular techniques to give personalized attention—

Do you want to get in for a job?—

to the business girl's gashion and wardrobe problems—

I do not know what that "gashion" means. I suppose it means "fashion"—

her figure and posture faults, her make-up and hair-styling needs, and special rules for office etiquette.

This program will be made available—

Here is the meat of the whole thing—

to women NLRB—

They have cut it down again. More discrimination. Pretty soon they may limit it to just a few women in NLRB—

employees who are interested in taking advantage of this opportunity.

It is just the women employees of the NLRB. Maybe they need it. I don't believe it. If that is the purpose of this little leaflet I say it is a mean, low insult to the women employees of the NLRB, is that not right? The girls, the women on the Hill, do not need it.

Should you wish to enroll in this course, please contact this office.

Mr. Chairman, that is put out at Government expense as an administrative directive. Is there anything we are not going to spend our money on? I remember when we had something from the Agriculture Department a few years ago about the "Love Life of a Frog." Now someone is putting this out as coming from the NLRB. Just so there will be no mistake, I quote the bulletin itself. It reads:

NATIONAL LABOR RELATIONS BOARD,
Washington, D. C., August 18, 1949.
ADMINISTRATIVE BULLETIN

To: The Washington staff.
Subject: Clinic on-job grooming for women employees.

The Virginia Farrell Organization from Detroit, Mich., through the Federal Recreation Committee, will sponsor a series of 10 clinics on personal grooming. The course is patterned after one normally costing $150, but it is being abbreviated and adapted for Government girls in groups at a reduced cost of only $3.

Part I of the program is a demonstration lecture which includes a series of do's and don'ts in a typical day of a business girl's life. Part II of the program is a grooming clinic set up with regular techniques to give personalized attention to the business girl's gashion and wardrobe problems, her figure and posture faults, her make-up and hair-styling needs, and special rules for office etiquette.

This program will be made available to women NLRB employees who are interested in taking advantage of this opportunity. Should you wish to enroll in this course, please contact Jo Ravali, Personnel Branch, extension 6323.

Mr. RABAUT. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. RABAUT. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

Mr. Chairman, the amendment which the gentleman from Minnesota offers is in perfect accord with this mañana expression that they use in South America. Tomorrow. Always put off everything until tomorrow. We can take care of it next year.

Mr. Chairman, this House just finished writing the housing legislation and these are the funds to implement this legislation to avoid a waste of money. Now the gentleman out of a clear sky reaches up, pulls a chain as on a streetcar and says, "We will take off a million dollars. We will just take it off."

If that is the way the House desires to legislate on matters of this kind, where is the common sense?

This is to administer building funds to approximately 12,400 owners and 1,300 owner-occupants who will receive combination loans and grants. If we want to do the job we must have the personnel. That is what this money is for. The committee itself has cut it substantially. We cut it $1,000,000 and we have allowed $3,000,000.

Mr. Chairman, I ask for a vote on the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

The question was taken; and the Chair being in doubt the Committee divided and there were—ayes 80, noes 91.

So the amendment was rejected.

Mr. CRAWFORD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I call the attention of the committee to the language which appears on page 7 of the committee report under the heading "Transfer of government of Guam and other Territories." The administration has, for the last 3 or 4 years, been making plans to give the people of Guam and Samoa and some of the other Southwest Pacific islands a civilian form of government and take them out from under the control of the Navy. Of course, under the United Nations Organization, every member country which has colonial possessions or which has territory trusteed to it must make annual reports. There is a very complicated machinery set up by the United Nations to deal with this type of government.

I understand the Department of the Interior was prepared to place civilian governors over these Territories as of the 1st of September. That is this coming month. The committee, in its wisdom, has denied the $715,000 appropriations to meet the expenses, and therefore I would assume that the people of Guam and Samoa will thus be informed that they are not to have a civilian form of government and that they are to remain under the control of the Navy.

Personally, I think that the Congress has been trifling very seriously with the people of those areas because upon two or three occasions they have been promised that committees would come out there and hold hearings on legislation, which is referred to here in this report, but the committees have never gone to hold the hearings. As the result, the legislation is held up here in the legislative committees.

Within the last 3 or 4 weeks efforts have been made to bring about progress in this matter, and as late as this current week the chairman of the Senate committee, which has jurisdiction over the legislative part of the work in the other body, informed me that he had been unable to get a single member of his committee to agree to go to the islands along with House Members and make the study looking forward to the recommendation of legislation which would authorize appropriations of this nature.

Secondly, Mr. Chairman, I want to comment on the language which appears in the bill under the Department of the Interior, and which refers to the Virgin Islands Company. If the Members will remember, only a few weeks ago a bill was passed by this House extending the charter and broadening the charter of the Virgin Islands Company. That is the name of the old Company, now known as the Virgin Islands Corporation. I took part in having that bill approved. The other body did not see fit to go along with the plans which have been set up by the committee of the House, and which were covered in the language which this House approved. The whole scheme has been very materially altered.

This bill carries the appropriation which was agreed upon in conference, but I simply take this time to warn the House that the Virgin Islands Corporation, as now set up, cannot possibly make a financial success. Under the original House plan I think it would have had a first-class chance. In that connection I have personally had the assurance repeatedly by Members of the other body that they would visit the islands sometime between now and the 1st of next January to make a close study of the affairs of the Virgin Islands Corporation, looking forward to coming back here after the 1st of next January and perhaps making changes in the present law to go along with the recommendations of the House of Representatives and the

Public Lands Committee, which committee brought this matter to the floor in the first instance.

Again, I close by saying that I warn you that as now provided in the legislation that Company cannot make a financial success, and I call your attention to the language at the top of page 14 as further evidence of what I have just said.

Mr. RABAUT. Mr. Chairman, I ask unanimous consent that all debate on the bill close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. SUTTON. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. SUTTON. Mr. Chairman, I make the point of order against the language on page 19 that it is legislation on an appropriation bill.

The CHAIRMAN. The point of order comes too late. At the time the further reading of the bill was dispensed with, the Chair requested Members desiring to make points of order to do so at that time.

The Chair recognizes the gentleman from Nebraska [Mr. MILLER].

Mr. MILLER of Nebraska. Mr. Chairman, I think the Members of the House ought to recognize the good work that has been done by the Committee on Appropriations. I have at times been very critical about our spending, but I want to point out to the Members of the committee that the gentleman from Missouri [Mr. CANNON], the chairman of the Committee on Appropriations, has done a grand job in getting these appropriation bills before the House.

Some of us are chafing at the bit; we would like to go home, but the fact that we are not going home is not the fault of the gentleman from Missouri [Mr. CANNON] or the members of the Committee on Appropriations. The difficulty rests in the other body.

I am convinced that the gentleman from Missouri and the other members of the Committee on Appropriations are no different than other Members of the House in that we have great pressures brought to bear upon us to appropriate money for many projects. I know also that the pressure from Government agencies who want to grow larger and stronger is terrific. It takes strong men and women to say "No" to these pressures. The late Will Rogers said, "We ought not to spend money we don't have for things we don't need." That is good advice.

So let me say this good word about the Committee on Appropriations. They have been a hard-working group. They have brought the appropriations before the House at an early date, and while they have not always pleased me and I have complained about the size of the expenditures, I believe many of those complaints can be traced directly to the bureaus and pressure groups who want appropriations increased for their special benefit. It takes courage to stand up against the demands of the public for more and more money. I do compliment the gentleman from Missouri [Mr. CANNON] and the Committee on Appropriations on getting these appropriations to the House at an early date. The delay has been in the other body.

Mr. RABAUT. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. FORAND, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 6008) making supplemental appropriations for the fiscal year ending June 30, 1950, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. Is a separate vote demanded on any amendment?

Mr. RABAUT. Mr. Speaker, I ask for a separate vote on the amendment striking out the language beginning on page 6, line 17, and running through line 16 on page 7, thus eliminating the Sesquicentennial Commission.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

The SPEAKER. The Clerk will report the amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment offered by Mr. WHEELER: On page 6, line 17, strike out all the paragraph to and including all of line 16 on page 7.

The SPEAKER. The question is on the amendment.

Mr. RABAUT and Mr. WILSON of Indiana demanded the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 150, nays 129, answered "present" 1, not voting 152, as follows:

[Roll No. 192]

YEAS—150

Abernethy	Case, N. J.	Fenton
Allen, Calif.	Case, S. Dak.	Fisher
Allen, La.	Cavalcante	Frazier
Andersen, H. Carl	Chesney	Gamble
	Chiperfield	Gillette
Andresen, August H.	Church	Golden
	Cole, Kans.	Goodwin
Andrews	Colmer	Gossett
Angell	Cotton	Graham
Auchincloss	Cox	Gross
Barrett, Wyo.	Crawford	Hale
Bates, Mass.	Cunningham	Harden
Battle	Curtis	Harvey
Bennett, Mich.	Dague	Herter
Bishop	Davis, Ga.	Heselton
Blackney	Davis, Wis.	Hill
Boggs, Del.	Delaney	Hobbs
Bolton, Md.	Denton	Hoffman, Mich.
Bosone	D'Ewart	Holmes
Bramblett	Dolliver	Hope
Bryson	Dondero	Howell
Burdick	Ellsworth	Huber
Burleson	Engel, Mich.	Hull
Byrnes, Wis.	Engle, Calif.	Jackson, Calif.
Camp	Evins	Jenison
Canfield	Feighan	Jennings
Jensen	Miller, Nebr.	Tackett
Jonas	Mills	Talle
Jones, Ala.	Murray, Tenn.	Thomas, Tex.
Judd	Nelson	Velde
Kean	Nicholson	Vorys
Keating	Nixon	Vursell
Keefe	Norrell	Wagner
King	O'Konski	Weichel
Kruse	Polk	Welch, Calif.
Kunkel	Potter	Werdel
LeCompte	Ramsay	Wheeler
Lemke	Rees	Whitten
Lodge	Rogers, Mass.	Whittington
McCarthy	St. George	Wigglesworth
McConnell	Sanborn	Williams
McCulloch	Scrivner	Wilson, Ind.
McDonough	Scudder	Wilson, Tex.
McMillen, Ill.	Shafer	Winstead
Mack, Wash.	Simpson, Ill	Withrow
Martin, Iowa	Smith, Kans.	Wolcott
Martin, Mass.	Smith, Wis.	Wolverton
Merrow	Stefan	Wood
Meyer	Stockman	Woodruff
Michener	Sutton	Young
Miller, Md.	Taber	

NAYS—129

Abbitt	Gorski, Ill.	O'Hara, Ill.
Addonizio	Gorski, N. Y.	O'Hara, Minn.
Albert	Granger	O'Neill
Aspinall	Gregory	O'Sullivan
Bates, Ky.	Hagen	Passman
Beckworth	Hardy	Patman
Bennett, Fla.	Hare	Patten
Bentsen	Harris	Perkins
Blatnik	Havenner	Peterson
Boggs, La.	Hays, Ark.	Poage
Bolling	Horan	Preston
Boykin	Jackson, Wash.	Priest
Brooks	Jones, Mo.	Rabaut
Brown, Ga.	Karst	Rankin
Buchanan	Karsten	Rhodes
Buckley, Ill.	Kelley	Richards
Cannon	Kerr	Rodino
Carlyle	Kilday	Rogers, Fla.
Carnahan	Kirwan	Rooney
Carroll	Lane	Sabath
Chelf	Lanham	Sadowski
Christopher	Larcade	Sheppard
Combs	Lind	Sims
Cooper	Linehan	Smathers
Crook	Lucas	Smith, Va.
Crosser	Lyle	Spence
Davenport	McGrath	Staggers
Deane	McKinnon	Stanley
Donohue	McMillan, S. C.	Stigler
Doughton	Madden	Sullivan
Douglas	Magee	Tauriello
Doyle	Marsalis	Teague
Durham	Marshall	Thompson
Elliott	Miller, Calif.	Thornberry
Fallon	Mitchell	Trimble
Fernandez	Monroney	Underwood
Flood	Morgan	Walter
Forand	Morris	White, Calif.
Furcolo	Morrison	White, Idaho
Garmatz	Moulder	Wickersham
Gary	Murdock	Wier
Gathings	O'Brien, Ill.	Wilson, Okla.
Gordon	O'Brien, Mich.	Zablocki

ANSWERED "PRESENT"—1

Davies, N. Y.

NOT VOTING—152

Allen, Ill.	Coudert	Hays, Ohio
Anderson, Calif.	Davis, Tenn.	Hébert
Arends	Dawson	Hedrick
Bailey	DeGraffenried	Heffernan
Barden	Dingell	Heller
Baring	Dollinger	Herlong
Barrett, Pa.	Eaton	Hinshaw
Beall	Eberharter	Hoeven
Biemiller	Elston	Hoffman, Ill.
Bland	Fellows	Holifield
Bolton, Ohio	Fogarty	Irving
Bonner	Ford	Jacobs
Breen	Fugate	James
Brehm	Fulton	Javits
Brown, Ohio	Gavin	Jenkins
Buckley, N. Y.	Gilmer	Johnson
Bulwinkle	Gore	Jones, N. C.
Burke	Granahan	Kearney
Burnside	Grant	Kearns
Burton	Green	Kee
Byrne, N. Y.	Gwinn	Kennedy
Celler	Hall, Edwin Arthur	Keogh
Chatham		Kilburn
Chudoff	Hall, Leonard W.	Klein
Clemente		Latham
Clevenger	Halleck	LeFevre
Cole, N. Y.	Hand	Lesinski
Cooley	Harrison	Lichtenwalter
Corbett	Hart	Lovre

Lynch	Pfeiffer, William L.	Scott, Hugh D., Jr.
McCormack	Philbin	Secrest
McGregor	Phillips, Calif.	Short
McGuire	Phillips, Tenn.	Sikes
McSweeney	Pickett	Simpson, Pa.
Mack, Ill.	Plumley	Smith, Ohio
Macy	Poulson	Steed
Mahon	Powell	Taylor
Mansfield	Price	Thomas, N. J.
Marcantonio	Quinn	Tollefson
Mason	Rains	Towe
Miles	Redden	Van Zandt
Morton	Reed, Ill.	Vinson
Multer	Reed, N. Y.	Wadsworth
Murphy	Regan	Walsh
Murray, Wis.	Ribicoff	Welch, Mo.
Noland	Rich	Whitaker
Norblad	Riehlman	Willis
Norton	Rivers	Woodhouse
O'Toole	Roosevelt	Worley
Pace	Sadlak	Yates
Patterson	Sasscer	
Pfeifer, Joseph L.	Scott, Hardie	

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Regan for, with Mr. Harrison against.
Mr. Brown of Ohio for, with Mr. McCormack against.
Mr. Reed of Illinois for, with Mr. Fogarty against.
Mr. Halleck for, with Mr. Murphy against.
Mr. Arends for, with Mr. Vinson against.
Mr. Towe for, with Mr. Dawson against.
Mr. Kilburn for, with Mr. Gilmer against.
Mr. Allen of Illinois for, with Mr. Bonner against.
Mr. Kearns for, with Mr. Celler against.
Mr. Coudert for, with Mr. DeGraffenried against.
Mr. Elston for, with Mr. Hayes of Ohio against.
Mr. Gavin for, with Mr. Buckley of New York against.
Mr. Hand for, with Mr. Kennedy against.
Mr. Van Zandt for, with Mr. Hedrick against.
Mr. Taylor for, with Mr. Mack of Illinois against.
Mr. Simpson of Pennsylvania for, with Mr. Noland against.
Mr. Rich for, with Mr. Price against.
Mr. LeFevre for, with Mr. Eberharter against.
Mr. Macy for, with Mr. Miles against.
Mr. Jenkins for, with Mr. Ribicoff against.
Mr. James for, with Mr. Holifield against.
Mr. Lichtenwalter for, with Mr. Sasscer against.
Mr. Hinshaw for, with Mr. Whitaker against.
Mr. Hardie Scott for, with Mr. Walsh against.
Mr. Plumley for, with Mr. Welch of Missouri against.
Mr. Hoeven for, with Mr. Yates against.
Mr. Smith of Ohio for, with Mr. Baring against.
Mr. Short for, with Mr. Heller against.
Mr. Gwinn for, with Mr. Hart against.
Mr. Leonard W. Hall for, with Mr. Bailey against.
Mr. Hugh D. Scott, Jr., for, with Mr. Willis against.
Mr. William L. Pfeiffer for, with Mr. Heffernan against.
Mr. Cole of New York for, with Mr. Roosevelt against.
Mr. Kearney for, with Mr. Breen against.
Mr. Riehlman for, with Mrs. Woodhouse against.
Mr. Phillips of Tennessee for, with Mr. McGuire against.
Mr. Hoffman of Illinois for, with Mr. Mansfield against.
Mr. Patterson for, with Mr. Sikes against.
Mr. Edwin Arthur Hall for, with Mr. McSweeney against.
Mr. Sadlak for, with Mrs. Norton against.
Mr. Lovre for, with Mr. Lynch against.
Mr. Morton for, with Mr. Biemiller against.
Mr. Latham for, with Mr. Dingell against.
Mr. Corbett for, with Mr. Jacobs against.
Mr. Eaton for, with Mr. Redden against.
Mr. Mason for, with Mr. Dollinger against.
Mr. Johnson for, with Mr. Multer against.
Mr. Ford for, with Mr. Secrest against.
Mr. Fellows for, with Mr. Quinn against.
Mr. Phillips of California for, with Mr. Clemente against.

Until further notice:

Mr. Rivers with Mr. Anderson of California.
Mr. Rains with Mr. Beall.
Mr. Burke with Mrs. Bolton of Ohio.
Mr. Davis of Tennessee with Mr. Brehm.
Mr. Cooley with Mr. Fulton.
Mr. Grant with Mr. McGregor.
Mr. Pace with Mr. Wadsworth.
Mr. Steed with Mr. Tollefson.
Mr. Gore with Mr. Murray of Wisconsin.

Mr. GRANGER and Mr. GATHINGS changed their votes from "yea" to "nay."

Mr. FEIGHAN changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. JENSEN asked and was given permission to revise and extend the remarks he made in Committee of the Whole and include a memorandum.

Mr. LANE asked and was given permission to extend his remarks in the RECORD and include a statement by one of his constituents before a Senate committee.

Mr. VELDE asked and was given permission to extend his remarks in the RECORD.

Mrs. DOUGLAS asked and was given permission to extend her remarks in the RECORD and include an article by Mr. Archibald McLeish that appeared in the August issue of the Atlantic Monthly magazine, notwithstanding the fact that it was estimated by the Public Printer to exceed two pages of the RECORD and cost $195.50.

TRANSPORTATION OF MAIL BY AIRCRAFT UPON STAR ROUTES

Mr. MURRAY of Tennessee. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4498) to amend section 6 of the act of April 15, 1938, to expedite the carriage of mail by granting additional authority to the Postmaster General to award contracts for the transportation of mail by aircraft upon star routes, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert "That section 6 of the act entitled 'An act to provide for experimental air-mail services to further develop safety, efficiency, and economy, and for other purposes', approved April 15, 1938 (39 U. S. C. 470), is hereby amended to read as follows:

"'SEC. 6. (a) Whenever he shall find it to be in the public interest, because of the nature of the terrain, or the impracticability or inadequacy of surface transportation, and where the cost thereof is reasonably compatible with the service to be provided, the Postmaster General may award contracts for the transportation by aircraft upon star routes of any or all classes of mail (including but not limited to air mail and air parcel post), payment for such service to be made from the appropriation for inland transportation by star routes: *Provided,* That all laws and regulations not in conflict with this section governing star routes shall be applicable to contracts made under the authority of this section: *Provided further,* That the provisions of title IV of the Civil Aeronautics Act of 1938, approved June 23, 1938 (52 Stat. 973), as amended other than sections 407, 408, 409, 412, 413, 414, and 416 thereof shall not apply to the transportation of mail under this section: *Provided further,* That prior to advertising for bids for the transportation of mail by aircraft on any star route, except as authorized by the Act of October 14, 1940 (54 Stat. 1175), entitled "An act authorizing special arrangements in the transportation of mail within the Territory of Alaska," the Postmaster General shall obtain from the Civil Aeronautics Board a certification that the proposed route does not conflict with the development of air transportation as contemplated under the Civil Aeronautics Act of 1938, as amended: *Provided further,* That any such contract made under authority of this section shall be canceled upon the issuance by the Civil Aeronautics Board of an authorization under title IV of the Civil Aeronautics Act of 1938, as amended, to any air carrier to engage in the transportation of mail by aircraft between any of the points named in such contract: *And provided further,* That no bid for a contract under this section shall be considered unless the bidder is a resident of or qualified to do business as a common carrier by air in a State within which one or more points to be served under such proposed contract are located. As used in this section, the term "State" includes the several States, the Territories of Alaska and Hawaii, and the District of Columbia.

"'(b) Upon receipt of a request from the Postmaster General for the certification required in subsection (a) above, the Civil Aeronautics Board shall promptly publish in the Federal Register, and send to such persons as the Board may by regulation determine, a notice describing the proposed air star route. After giving notice pursuant to this subsection, the Board shall afford interested persons a reasonable opportunity to submit written data, views, or arguments with or without opportunity to present the same orally in any manner. The Board shall give due consideration to all relevant matter presented and, not less than 30 days after notice is given, except in any situation in which it for good cause finds (and incorporates the finding and a brief statement of the reasons therefor in its order granting certification) that such period of advance notice is impracticable, unnecessary, or contrary to the public interest, shall grant the requested certification upon finding that the proposed route does not conflict with the development of air transportation as contemplated under the Civil Aeronautics Act of 1938, as amended.' "

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, will the gentleman explain the amendment?

Mr. MURRAY of Tennessee. Mr. Speaker, H. R. 4498 authorizes the Postmaster General to award contracts for the transportation of mail of all classes by air upon star routes where it can be so carried with a cost comparable to the service and to the cost of surface transportation. At the present time there is one such air star route. The present law with respect to air star routes is no longer effective.

As it passed the House H. R. 4498 provided for notice to be published in the Federal Register by the Postmaster General. Following the notice the Postmaster General was required to obtain from the Civil Aeronautics Board a certification that the route would not conflict with the development of air transportation under the Civil Aeronautics Act of 1938. The House bill also provided that bidders for such star-route contracts by air could live in the adjoining State or in the State in which one or more points were served by the proposed route.

Under the Senate amendment the publication in the Federal Register is to be made by the Civil Aeronautics Board instead of the Postmaster General, and, in addition, the Civil Aeronautics Board is required, prior to giving a certificate of approval of an air star-route contract, to send an individual notice to interested parties as determined by the Civil Aeronautics Board and to allow a minimum period of 30 days in which interested parties could file objections with the Board. The Board may, however, find that the waiting period of 30 days is impractical, and, without the waiting period, issue a certificate stating that the route does not conflict with the development of air transportation. The Senate amendment also changes the definition of those eligible to bid for contracts, establishing them as "a resident of or qualified to do business as a common carrier in a State within which one or more points to be served under such proposed contract are located."

The Post Office Department, while not wholly in accord with these amendments, states it will be able to operate proposed air star-route services under the authority of H. R. 4498, as amended by the Senate, and recommends the bill favorably, as amended.

Mr. MARTIN of Massachusetts. I understand the Senate amendment has been approved by the gentleman's committee?

Mr. MURRAY of Tennessee. That is correct.

Mr. MARTIN of Massachusetts. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

CIVIL SERVICE RETIREMENT ACT

Mr. MURRAY of Tennessee. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 997) to extend the benefits of section 1 (c) of the Civil Service Retirement Act of May 29, 1930, as amended, to employees who were involuntarily separated during the period from July 1, 1945, to July 1, 1947, after having rendered 25 years of service but prior to attainment of age 55, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, line 3, after "Congress)" insert "or to provide for the payment of any annuity in an amount in excess of the amount to which the annuitant would have been entitled had the provisions of the Civil Service Retirement Act of May 29, 1930, as now in effect been in effect on the date of his separation from the service."

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. MARTIN of Massachusetts. Reserving the right to object, the situation seems quite plain and, as I understand it, the committee has approved of it.

Mr. MURRAY of Tennessee. That is correct; yes, sir.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. PRIEST. Mr. Speaker, the gentleman from Louisiana [Mr. MORRISON] previously obtained permission to insert in the RECORD a statement by Dr. Walter Adams. He has been notified by the Public Printer that the statement will run three pages at a cost of $246. At the request of the gentleman from Louisiana, Mr. Speaker, I ask unanimous consent that notwithstanding the cost the gentleman may extend his remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. HOFFMAN of Michigan (at the request of Mr. MARTIN of Massachusetts) was given permission to extend his remarks in the RECORD.

Mr. WITHROW. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include an oration delivered by Edmund Campion Kersten, son of a former Member of Congress who won the All-State Oratorical Contest.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. JONES of Missouri asked and was given permission to extend his remarks in the RECORD and include a newspaper editorial.

Mr. O'HARA of Illinois asked and was given permission to extend his remarks in the RECORD.

SPECIAL ORDER GRANTED

Mr. JUDD. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes today after the disposition of special orders heretofore granted.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

BRITISH SOCIALISM IN ACTION

Mr. McDONOUGH. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. McDONOUGH. Mr. Speaker, the Washington Daily News is running a current series of articles under the general title of "Utopia on the Rocks—British Socialism in Action" by the noted writer, E. T. Leech, editor of the Pittsburgh Press.

These articles are a sound and timely warning to the American people that the Socialist-Labor government in Great Britain is a total failure and any attempt to nationalize industry here or to establish the welfare state similar to the supposed Utopia the Labor government would bring to Britain will kill incentive in both labor and industry, promote indolence and demoralize and enslave the people to an unstable and defunct government.

Many who read this series will doubt them and think they are loaded or prejudiced. The prolabor British Government press will denounce them.

I found out last night that these articles are reliable and are telling the truth about the failure of the British Government.

I bought a Washington Daily News at a newsstand in a prominent Washington hotel. I suggested to the young lady at the counter that she should read these articles. She said she was reading them, and when she answered, I detected a strong British accent. I asked her if she was British. She said "Yes" and that she had been in the United States only 7 months and had lived in Britain since the Labor government took over and that the Daily News articles are telling the truth about the failure of the Labor government. I said, "You are not telling me this just because you happen to be in the United States now." She said, "No, I am not. Conditions in Britain are very bad, and they are on the rocks over there."

Let us remember that the same thing can happen here if we are not wise enough to learn and profit by the failure of the Socialist experiment in Great Britain.

The SPEAKER. Under previous order of the House, the gentleman from California [Mr. WELCH] is recognized for 8 minutes.

THE CALIFORNIA LEGISLATURE

Mr. WELCH of California. Mr. Speaker, the geographical location of California and the State's enormous natural resources is all-important to the security of this Nation and its peacetime

economy. The Nation as a whole has an abiding interest in California. Every right-thinking citizen in the country will sympathize with the people of California in their demand for clean wholesome government in the legislative branch of the State. This all-important branch of California government has been abrogated and shamefully admitted by Governor Warren, according to recent stories published in Collier's magazine.

Mr. Speaker, on Tuesday, August 16, 1949, in a statement by me before this body I was granted unanimous consent to include stories by Mr. Lester Velie, published in Collier's magazine under dates of August 13 and August 20 entitled: "Secret Boss of California." The article of the 13th was published in full in the CONGRESSIONAL RECORD of August 16. Pursuant to authorization already granted I now include the article of August 20.

I quote again from Mr. Lester Velie's story published in Collier's as follows:

How can California's people get their government back? Here are some ways to do it, say the political experts:

Increase the legislators' salaries. When $5,000 has to be spent to win a $1,200-a-year job, that money is usually put up by someone who wants something.

There is another way of cracking California's supergovernment and returning the legislature to the people.

"If I were the governor," a close friend of Artie's once told him, "I'd drive you out of the State in 48 hours."

This declaration to whomever it refers is absolutely true. California has an estimated population of over 10,000,000 people—among that vast number there is certain to be found a man of strong will and determination who would not only clean up the legislative branch of the State government but would drive from the State what is now well-organized gangsterism who have resorted to murdering their rivals on the public streets and through windows, as well as vice of all kinds in its lowest form.

(The statement referred to follows:)

"I've got the damnedest gestapo you ever saw," said Arthur H. Samish.

A private citizen, holding no political office, Samish is at the throttle of a unique engine which generates political power for hire. His clients include important interests with millions of dollars of investments in California. For these Samish can and has delivered the California Legislature.

A foolproof system, Samish's operation is impeccably both legal and safe from public wrath. With clients' money and billboards Samish elects legislators who then go along. He also elects attorney generals, mayors, judges. The voters can't touch him. Samish operates behind the scenes.

Few in California know of the secret boss who can make or break candidates, make and stop laws. His self-described "gestapo"—a curious and awesome intelligence network—is part of the Samish operation.

In New York City this writer experienced how far the Samish eyes can see and how far the Samish ears can hear. As routine briefing for this assignment, I had lunch with a friend who knows about Samish's power. He spoke of him in awed tones.

"Why, I'll bet Samish already knows you're going to California to write about him," he said.

Before I left New York I learned that Samish did know I was California-bound But how?

At Sacramento, Artie resolved the mystery.

"I had a telephone call from New York that you were coming," he said straight out, showing no ill feeling. "You've read the Philbrick (legislative investigation) report about my lobbying. You've read about my grand jury investigation," he continued.

Then he said, "I hear you've come out to chew me up."

There were other things the 300-pound Artie had been hearing.

"Here's what you've done since you've been here," he said. One by one he confronted me mischievously with conversations with California assemblymen, senators, and State officials—conversations which I had thought were private.

"Why do you want to ask of the equalization board whether I take the State liquor administrator to Florida and to the World Series?" Artie asked with good humor.

The man Artie named, one of the four elected members of the important equilization board, which administers the State liquor laws and has wide tax powers, had relayed my questions to Artie the moment my back was turned, I learned from Artie himself.

"This tells a lot about your hold on that board," I told Samisi..

"You've got it," Artie agreed affably.

Artie's hold on legislators was just as apparent.

"What made you think you could learn anything from Senator S——— or Assemblyman D———?" Artie asked.

With a glint in his eye he repeated snatches of conversations, including interviews of mine in Los Angeles.

"As a matter of fact," he said, leaning over confidentially, "there's a man waiting to see me outside. Says you wanted to see him about me. Says he's willing to swear he hasn't seen me for 2 years.

"You got to love me for telling you this," said Artie. "You know, I'm not such a bad kind."

HOW UNDERCOVER WORKERS OPERATE

Artie introduced me to an intelligence system which has turned a State capital into a private goldfish bowl.

"I have about 25 people spotted around the capital," he said.

Most of these operate under-cover, unknown to outsiders and often unknown even to one another. Artie told of a girl and a youth who, each a private Samish informer, were reporting to Artie everything that was going on. The girl really did report everything.

"The guy tried to date the girl. She puts it down in her report," Artie related. "I tell you, they tell me everything. I surprised the hell out of the guy by confronting him with it. He didn't know she was working for me too. Ain't nothing going on we don't know about."

Members of his corps of informal reporters sit in on legislative hearings which Artie never attends. According to a Samish lieutenant, they report on casual conversations in hotel lobbies and in the Capitol's halls. Hotel bellboys and assembly and senate pages use their eyes and ears for Artie.

"Let me put it together," Samish says of the bits and pieces of information brought to him. "If I have enough kids (tipsters) I'll know what's going on."

No competent intelligence system could be without its dossiers on people, and Artie's is a competent system.

"You'd be amazed at the detail I have on the people in office," Artie said. "Legislators? We have the damnedest file on them in the world. We really make a business of this thing. Believe me. What lodges the man belongs to, how many votes he won by. I know all their weaknesses. Every lovin' move they make. That's a record!"

This "record" is supplemented by Artie's shrewd and sure ability to probe character quickly, a native talent sharpened by 33 years' battle of wits and personality in California's political jungles.

"You ask me about a legislator. I'll tell you quick, just what he is," says Samish.

So good is Artie at telling character that the president of a great eastern corporation asks Artie to appraise men for him when he is in doubt about his own judgment.

California had a chance to learn in detail, more than a decade ago, about the Samish political operation of which the intelligence system is only one part.

First to challenge Samish after years of undisputed bossism was a Sacramento grand jury. After a charge of attempted bribery was made on the floor of the State senate, the grand jury was called into special session in 1938 to sift charges of corruption in the legislature. The grand jury questioned members of the third house, as California's lobbyists are called—including Samish, who soon became the chief target.

The district attorney and the special prosecutor underestimated Artie's talents. They sized him up first as a lobbyist, then as a political boss of the traditional type, say like the former State czar, Abe Ruef. The prosecutors didn't realize they had, in Artie, a creative political genius who had fashioned something new in American politics—an original political machine without a party, without clubhouses, without precinct organizations.

Artie didn't use Ruef's methods to whip legislators into line. All he had to do was to use money and advertising to elect them. He didn't even have to have an understanding with them. But if they failed to go along they faced a fight for their political lives. It was as simple as that.

THE GRAND JURY WAS DISAPPOINTED

Obligingly and in some detail Artie told all this to prosecutors and grand jury. To his unique dissertation—a blueprint for making legislators and influencing the policies of a whole State—the grand jury listened in sullen boredom. That wasn't what they wanted. They were looking for bribes. The hunt was in vain, for Artie's operations are legal. No indictments materialized.

Here is what Artie revealed to the grand jury:

"When there is a candidate for office, many times * * * I go in and help conduct his campaign. We very definitely do our best in the personal conduct of campaigns.

"The industries I represent have approximately 44,000 outlets. We have allied interest. We advise (them) to uphold you or support you. * * * We really think we have quite a set-up so far as an organization throughout the State is concerned. * * * (It) * * * is a pretty good network of strength around the State.

"We believe * * * (we) * * * have some real effect upon the election or defeat of various candidates."

All this Samish told the grand jury openly.

About some other things he was more reticent. Only after resisting up through the State Supreme Court did Samish produce his income-tax records. From these, investigators traced "a total of $496,000 during the years 1935–38, provided (according to a summary report) by individuals, businesses and organizations directly interested in legislation."

Samish was equally reticent about his concern with the powerful State board of equalization which administers liquor laws and handles a wide range of taxes. Samish is credited with having strong influence over this board because he plays a key role in

the naming of its four elected members. Before the grand jury was spread the story of how Artie's chief lieutenant, Frank X. (Porky) Flynn, sought to dissuade one John F. Dondero from running for the board.

"Run for the State senate instead," Porky urged Dondero, promising to raise $12,000 to $15,000 for the senate race.

Porky offered a clincher which told much about lobbying methods in California. To Dondero he said:

"It isn't the $100 a month (salary of a State legislator). It's the money you make being there. Look at Assemblyman Hornblower. He's attorney for Bay Meadows race track, doesn't do anything, gets $5,000 a year."

When Artie told the grand jury of his effect upon the election of candidates, he spoke truthfully.

FACES ON THE BARROOM WALL

For years, perceptive observers in California have been able to predict winning candidates by noting which had their pictures in the bars. Another sure-fire way of picking political winning in California is to see whose pictures dominate the billboards.

Most of the 4,000-odd billboards in the State are leased by Artie's beer, liquor, and cigarette clients. In the political season these are turned over to Artie to use in backing his candidates.

The clients who obligingly relinquish billboards also provide other and more substantial sinews of political war.

Samish told the grand jury that California brewers, with some exceptions, tax themselves 5 cents per barrel to raise a yearly $150,000 educational fund. Samish has such unquestioned control over this fund that (as the grand jury found) he is permitted to destroy the canceled checks drawn against it. This fund pays Samish's salary and is also used normally to support candidates for the legislature. For special crises, such as the drys' attempt to bring local option to California last year, Samish can muster much more.

"The fight against the drys cost $750,000. Put that down," Samish told this writer. "The big boys paid the bills; the little fellows (the licensees, the workers in liquor-serving establishments) did the work."

Samish can tap other sources. The Motor Carriers Association, which he formed, "is Art Samish" he told the grand jury. Presumably, its funds are available for campaigns, too.

Artie explained his campaign methods to me.

"If you're my candidate you become everybody's (i. e., the bartender's, the teamster's, the musician's, the liquor clerk's) problem day and night. I may put a man in charge of you or send in a whole team of workers.

"I'm not interested in giving you contributions. We don't do it that way. What do I care about contributions? I'll spend 10 times as much as the other fellow if necessary. I'm interested in electing you. What good are you to me unless you're elected?"

What Artie meant by "You become everybody's problem day and night" was illustrated by his successful drive to elect Judge Elmer E. Robinson, San Francisco's mayor. Literature that he spread through the liquor trade urged:

"You must vote. Your employees must vote. Your families must vote. Your friends and their friends must vote. Vote for Judge Robinson for mayor."

When, in addition, Robinson posters overnight appeared on downtown San Francisco billboards and Robinson signs sprouted in saloons, the wise money knew Samish was behind Robinson, and that Robinson—one of four candidates—was in.

Samish campaign funds go for no frills. He rents no headquarters, provides no personal campaign expenses to candidates. The money goes into advertising, billboards, radio, and newspapers.

Samish usually concentrates his activities on the races for the legislature.

"Give me an assemblyman, and you can have all the mayors in California," he says.

At Sacramento, the California capital, it is estimated he controls a hard core of 30 assemblymen (out of a possible 80). Dominating the biggest block of votes, Samish is able to trade. He makes defensive and offensive alliances with lesser lobbyists that permit him to deliver the legislature on any matter that concerns his clients or is of special interest to him. So firm is his grip on the legislature that other lobbyists, to be successful, follow a simple rule:

They lobby Samish.

Artie takes a hand in organizing the legislature. The object: to capture those committees that can speed or kill the laws he's interested in. Here California's reforms help him. The majority party does not organize the assembly and name the Speaker and the committees as in most other States. At Sacramento the speaker is elected by all parties and then he names the committees.

To win the speaker's job, the successful candidate must make promises in advance to give important committee assignments to those who will support him. In the hectic trading that precedes the opening of every legislative session, a Samish favorite usually captures the speakership and with it the important committee posts that are at the speaker's disposal.

Samish helped name the present speaker, Sam Collins. How he did it typifies his flair for the unorthodox in politics.

One day Assemblyman Sam Collins and the district attorney of Los Angeles, Frederick Napoleon Howser, came to Artie. Both were "Samish men." Howser had got his start in politics when Samish had him elected assemblyman, as Artie says, "at the request of one of my bosses."

Both wanted to be attorney general.

"I analyze the situation; it's a cinch," Artie recalls. "There's a lieutenant governor by the name of Fred Houser, and people are likely to be confused between this familiar Fred Houser and my Fred N. Howser."

California voters (with no parties to guide them) usually vote for the familiar name on the ballot and reelect incumbents. So Artie advised Howser to run for attorney general—"It would be a cinch."

To Sam Collins he gave a consolation prize.

"You be the speaker of the assembly," he said.

In California, Artie proposes and Artie disposes. Sure enough, Howser (what's in the spelling of a name?) became attorney general, and Collins became speaker.

Only once in the last dozen years has there been a speaker whom Artie didn't help name. During Gov. Culbert Olson's administration, when the Democrats briefly organized and ruled the legislature, Samish was up against an independent speaker. But the maverick didn't last. Samish had his political head in a basket even before the full session ended, and a new speaker took over.

Speakers usually are on good speaking terms with Artie. One spoke so often to him that he had a direct phone from his office in the capitol to Artie's rooms in the Senator Hotel. They don't rack their brains about suitable timber for committees in which Artie is interested. Artie always has suggestions.

By coincidence—as even casual investigation will reveal—the two committees in which he has the greatest stake are outfitted with almost identical sets of lawmakers, most of them known in Sacramento as stout Samish men.

One important Samish committee is the committee on public morals, which handles all bills affecting liquor, gambling, and race tracks. The way it handles them is to kill most antigambling measures and throw its weight on the side of sporting life in California. (Sometimes public morals lets an antigambling measure through. When it does, a senate committee "takes care" of it.)

Public morals committeemen voted recently, almost to a man, to legalize the bookmaking racket in California. The committee's chairman, Lester A. McMillan, has fought against the Governor's crime commission. The commission is sifting underworld influence and rackets in the State. This year McMillan threatened for a time to join the fight against the commission's appropriations—and so kill it.

Armed with a commanding block of votes, a friendly speaker, and key committees, Artie is ready for all eventualities in the State legislature. But to deliver laws or kill them, Artie needs one more thing: Insight into and mastery of the obscure twists and turns, the detailed legal protocol by which a bill moves from the idea stage through the legislative hopper to become a law. This is known as procedure.

Listen to Artie:

"Procedure," he says, "is the secret of success around here. It's the one lovin' thing I know. There isn't a short cut around the place I don't know."

No one in California knows them as well.

When a banker once asked Artie to help him cope with an onerous provision in the State banking laws, Artie said, "You've come to the doctor."

The banker's dilemma: The law allowed him to hold foreclosed real estate for only 5 years. He might have to sell at depressed prices.

HOW TO AMEND BANKING LAWS

Here's what Dr. Artie ordered: a change in the State's banking laws to permit the banker to hold his real estate for 10 years instead of 5. And here's how Dr. Artie delivered:

"I had the whole banking law printed up," he relates. "It was this thick (using thumb and index finger to illustrate a document several inches in bulk). Only one word was changed. The word 'five' was changed to 'ten.'"

Here's where Artie's knowledge of procedure came in.

When a law is amended, the amended portion is italicized to aid legislators in spotting it. The changed single word in the bulky law would be a needle in a haystack, even if italicized. But Artie made doubly sure that prying eyes wouldn't find it. He was instrumental in having the law quietly amended a second time (on a minor matter) thus removing—in the final printing—the italics from the crucial word "ten." Now, there seemed to be no change at all in the old banking law.

"It passed unanimous," Artie recalls happily. His grasp of legislative procedure saved his banker client more than $20,000,000.

"I know a million tricks," says Artie.

Other men devote a lifetime to studying the law of medicine. Artie, who never got beyond the seventh grade because he had to support his mother, has devoted 33 years to studying the legislature. Starting as a page boy, the teen-age Artie absorbed everything and he forgot nothing.

"He'd learn more in a minute than I'd pick up in a week," Al McCabe, Hiram Johnson's secretary, recalls.

One of the useful things that Artie learned was the strategic importance of a seemingly innocuous legislative functionary known as the engrossing and enrolling clerk. Artie once had this job and learned its duties: to check the spelling, punctuation, and wording of a measure after it passes both houses. If a comma is misplaced, if a word is misspelled, the measure can't move on to the governor for his signature. Thus, late in the session, a bill can be expedited, and live—or delayed, and die.

THIS JOB HAS POSSIBILITIES

"The engrossing and enrolling clerk is the key figure in the assembly," says Artie. "How can the Governor act on a measure if it doesn't get to him—or if the bill has to go back to the printer?" he asks with a ponderous air of innocence.

Many a measure has died because of a misspelled word. The timing of the bill's appearance on the clerk's desk has to be calculated carefully.

So slick was the strategy with which an anti-slot-machine-rackets bill was maneuvered to death recently that frustrated law-enforcement officers blamed it on the fine (but hidden) hand of the legislative master, Artie. The slot-machine racket is like sin: everybody is against it. So it was a brilliant political feat to have the antislots bill defeated without even forcing senators or assemblymen to go on record for the gambling rackets.

Samish vigorously denies any interest in slot-machine matters. But in any case, here is what happened: Passed by the assembly and safely voted out of committee in the senate, the anti-slot-machine bill nevertheless did not become law. Artie's closest friend in the senate, one-time Lt. Gov. George Hatfield, openly took over the fight against the antirackets bills. So close is Senator Hatfield to Samish that nothing is ever allowed to interfere with their Friday-night dinners together. There they often discuss items of mutual interest.

It was Senator Hatfield who miraculously produced an obscure rule to show the antirackets bills had been reported out improperly by the senate committee.

P. S.—The slot machines "one-arm bandits"—which empty Californians' pockets of an estimated $200,000,000 yearly—still flourish.

In the legislature, Artie uses his power with reserve. He usually confines himself to matters that concern his clients. Here he exerts his greatest power. By sticking to these he doesn't risk getting into fights he might lose. In this way he shrewdly strengthens the legend of his juggernaut power. But occasionally he will stray into extracurricular matters through whimsy, or to do a favor, or to indulge a growing bent toward liberal causes.

Although Samish, at a client's behest, once helped kill a bill to set up a "Little Wagner Act" for California, he has at times helped labor lobbyists at Sacramento, and they swear by him. It was Artie who apparently cooled off State Senator Jack B. Tenney, chairman of California's famous un-American activities committee—whose burning crusade against subversives was beginning to run wild.

"Meet Tenney on the street and say 'hello' to him. He calls you a Red," Artie mocked.

And so in mid-June, seemingly at the apex of his career, Tenney resigned as un-American activities committee chairman, and his chief loyalty proposals landed in the legislative quick freeze.

"Who'd you like to see next as un-American activities committee chairman?" Artie affably asked this writer in the eve of Tenney's eclipse.

Tenney's rise and fall illuminates the whimsical side of the Samish operation. Artie came upon young Tenney while he was looking for an assembly candidate to run in a Los Angeles district.

"What's your background? What have you done?" asked Artie.

"I've written the song Mexicali Rose," said Tenney.

"Mexicali Rose?" said Artie, a lover of music. "That's good enough for me."

A CRUSADER IN THE DOGHOUSE

Samish saw that Tenney got elected to the assembly where the future crusader against un-American activities promptly got into hot water by co-authoring a bill backed by leftist elements. The measure would have repealed California's criminal syndicalism law which provides punishment for advocating violent overthrow of the Government. Later Tenney changed his mind, and lived this down to become chairman of the public morals committee. Then he was promoted to the senate. Now in Artie's doghouse, his future is uncertain.

While his main interest is in the legislature, Samish will occasionally get involved in races for mayor, judgeships, and lesser offices.

Artie helped elect Judge Elmer Robinson mayor of San Francisco to repay an old political debt. When George Reilly, a member of the license-dispensing and tax-controlling board of equalization, said he'd also like to run for mayor, Artie dissuaded him by letting him name two important officials in the Robinson administration. Artie has been powerful enough in his home town of San Francisco to elect a judge in the face of opposition by the bar and by newspapers. He has, as we have already seen, managed to have a man of his choosing elected attorney general.

What can California do about the secret boss who wields this power?

Paradoxically, no State in the Union has as many reforms aimed at overcoming political bossism as has California. State and city jobs are almost all civil service, so that there's little patronage for party machines and bosses to thrive on. Most local elections are nonpartisan. Candidates can thumb their noses at political parties and machines by running in both Republican and Democrat primaries at the same time. Cross-filing—as it is known in California—has killed off party bosses. But it has also weakened the two-party system, and with it, party responsibility.

In a State like New York, where parties designate candidates, Samish would have to capture a whole party to control the State legislature. In California all he has to do is capture individuals. In a State like New York the voter can rebel against both party and party boss by occasionally "throwing the rascals out." In California, where legislators are elected either as Democrats or Republicans or both, which party are you going to hold responsible for a do-nothing legislative session? Whom will you throw out?

Another point: In other States, a candidate receives a party designation and party campaign funds. In California he is largely on his own. Any Californian with $30 in his pocket can get on the ballot and run, say for assembly or State senate. But it costs as much as $5,000 to win such a race. With no party to put up $5,000 to win a $1,200 senator's or assemblyman's job, who will put up the money?

The answer: The new-type lobbyist-bosses who collect stables of legislators. Chief of these is Samish.

Bob Kenny, a former attorney general—who has a talent for picturesque phrases—summed it up:

"We have reformed ourselves right into the hands of our executioners."

So powerful is California's so-called Third House that at the recent session it spelled out the budget policy to the two legislative houses.

SCENE IN A LOBBYIST'S HOTEL

When the legislature hacked Governor Earl Warren's budget bill, it was using a cleaver that had already been swung in Sacramento's Senator Hotel—in the rooms of Monroe Butler, lobbyist for independent oil companies in California.

"I had five or six assemblymen up here at a time for lunch until about 50 had come," Butler told me. "I explained the budget to them, and we laid out the strategy for slashing it. Elmer Bromley [utility lobbyist] and Vincent Kennedy [retailers' lobbyist] helped. And Charlie Stevens [lobbyist for major oil firms] worked the senate."

What has made the Third House so persuasive?

Obligingly, Mr. Butler [the independent oil company lobbyist] explains:

"These people [the legislators] don't get elected by accident simply on their own steam," he told this writer. "Hell, we give them contributions. We give them checks."

"The contributions," added Butler, "are made on the basis of a man's record."

When legislative investigators summed up their own and a grand jury's findings back in 1938, they said:

"Corruption is not necessarily bribery. The term is a general one suggesting loss of integrity—a taint. Instances of bribery encountered in the investigation were relatively few * * *. The principal source of corruption has been 'money pressure.' The principal methods of applying such pressure: Fees paid to lawyer legislators and expenditures of lobbyists. The principal offender has been Arthur H. Samish. * * *

"As long as lobbying of the type and on the scale practiced by Mr. Samish is countenanced there will be corruption in the legislature. For he seeks to establish * * * a secretive 'fourth branch' of government—in effect a supergovernment overriding the legislative, executive, and judicial branches."

How can California's people get their government back? Here are some ways to do it, say the political experts:

First, restore the two-party system and reestablish party responsibility by abolishing cross filing. Running as a party designee, a candidate will get his campaign funds from the party and be responsible to a party caucus. Even if this brings back the party boss, an admitted evil, at least he's in the open where you can get at him and turn him out on occasion.

Make candidates disclose the source of all campaign funds. (In California, lobbyists can contribute to a candidate's campaign without his knowledge and so, under existing law, he doesn't have to report it.)

Increase the legislators' salaries. When $5,000 has to be spent to win a $1,200-a-year job, that money is usually put up by someone who wants something. Once elected, on $1,200 a year, it's hard for a legislator to resist offers of legal fees, insurance, and other business patronage with which lobbyists wheedle favors.

There is another way of cracking California's supergovernment and returning the legislature to the people.

"If I were the governor," a close friend of Artie's once told him, "I'd drive you out of the State in 48 hours."

Governor Warren has been urged to take the lobbying issue to the people, to wage a vigorous, eye-opening campaign against the secret lobbyist-bosses. He has intimated that if he runs for office again this might well be his chief campaign issue. Meanwhile, Artie Samish, master of legislative procedure and of every trick in the book, knows how to clean out the legislature too.

"How can the people get rid of you and others like you in California, Artie?" this writer asked Samish.

"There is one way," Artie replied. "The people must take more interest in the men they elect."

The SPEAKER. Under previous order of the House, the gentleman from Minnesota [Mr. JUDD] is recognized for 5 minutes.

UNITED STATES RELATIONS WITH CHINA

Mr. JUDD. Mr. Speaker, ever since I came to Congress 7 years ago I have worked and hoped that our country might develop and maintain a consistent,

dependable, predictable bipartisan foreign policy all around the world.

Yesterday, some of us from both parties presented an amendment to authorize military aid to China and southeast Asia under certain designated conditions. We had spent a good deal of time and effort trying to get the amendment in a form that would enable us to get a bipartisan foreign policy for Asia, as we have for Europe, a policy which would support freedom and oppose Communist slavery in both Europe and Asia instead of opposing it in Europe while appeasing it in Asia.

I had hoped we could agree on this, turn over a new leaf in our dealings with Asia, and examine the past, not to recriminate or try to determine who was wrong, but only to try to find out, if possible, what was wrong, so that we could put an end to proven error and move ahead on a sound basis to retrieve as much as possible of the disaster. Unfortunately, the Administration itself refused to accept the authority and the funds which we tried to give it to enable it to start doing in China and southeast Asia the things it has recently said it wants to do. Instead, it apparently intends to rest on the 1,000 pages it has dug out of the past to try to justify the colossal defeats its policies have suffered in Asia since the war. The white paper consists largely of those parts of the evidence which the State Department considers to be in favor of its position, coupled with unabashed special pleading for that position.

I am not particularly interested in defending the past. I am interested in winning the future; but if there is going to be an examination of the past and the State Department wants it to be on a partisan basis, then we have a right to all the past, not just selected parts of it.

The white paper released the Wedemeyer report 2 years too late. If it had followed the recommendations of that report and failed, no one could say a word of criticism. But when it chose not even to try, and maintained an iron curtain on the report so neither the Congress nor the people could know the facts, it assumed a responsibility for the disaster in China which it can never escape.

But there are other documents and facts the administration still withholds. Here are a few omissions which we must insist be revealed. Only then can past policy be judged fairly and we get on with the urgent unfinished business of grappling with the future:

First. The 1944 to 1945 top secret report on the Chinese Communists prepared by the Military Intelligence Service of the American Army—and reportedly suppressed by General Marshall. I have had a copy of its conclusions for almost 4 years but naturally have never disclosed them. Now, however, after the State Department releases scores of other secret documents on the subject, I have no hesitancy, in fact, I regard it as my duty to make the report public.

Second. The document containing F. D. R.'s secret offer at Tehran to give Stalin "rights" in Manchuria—just 1 week after he made contradictory promises to Chiang at Cairo—and an explanation why the offer was made. It is impossible to appreciate or evaluate the Yalta blunder except in terms of the Cairo commitments which are conveniently omitted.

Third. The full text of Potsdam agreements with Russia on China.

Fourth. F. D. R.'s famous telegram to Chinese Generalissimo Chiang Kai-shek delivered by General Stilwell about September 19, 1944.

Fifth. The previous message from General Stilwell to General Marshall in Washington soliciting the President's dictatorial telegram to Chiang.

Sixth. Chiang's answer to F. D. R. demanding General Stilwell's recall;

Seventh. F. D. R.'s message to Chiang in March 1945 requesting him to place Communists on the Chinese delegation to the San Francisco Conference;

Eighth. The full reports, not just selected extracts, from American Foreign Service officers in China, especially in the years 1944–45, notably by Messrs. Davies, Service, and Ludden, wherein they showed themselves pro-Communist and against the Chinese Government which was our ally and assumed we were supporting, not working against it;

Ninth. Directives to Ambassador Hurley and his reports and recommendations;

Tenth. The Henry Wallace report to F. D. R. on China in 1944—allegedly written by Owen Lattimore and John Carter Vincent, who accompanied Wallace on his trip. The white paper says this report is not in the State Department files. It must be produced from wherever it is and published;

Eleventh. After F. D. R.'s death, the telegram from Washington to Ambassador Hurley in China instructing him to disregard the Roosevelt policy of support for the Chinese Government and to act toward the Chinese Communists as Henry Wallace had;

Twelfth. Some explanation why no reference is made in the white paper to the Lauchlin Currie, Owen Lattimore, and Donald Nelson missions to China, their reports and recommendations;

Thirteenth. Full directives by General Marshall or other officials to the American military advisory group in Nanking limiting the assistance and advice they might give to the Chinese Government forces;

Fourteenth. The original text of General Wedemeyer's press statement of August 1947, in order to compare it with the version actually released after it had been transmitted to General Marshall, then at the Rio conference, and doctored by someone there or in the Department here;

Fifteenth. The full text of Acting President Li Tsung-jen's recent letter to President Truman whereof Secretary Acheson has reproduced only three paragraphs, the motivation for which cannot be understood without the rest of the letter.

Sixteenth. The explanation of why nothing from General MacArthur or SCAP has been included. Is it possible that they never were asked to present their views as to what they think necessary in Asia in order to keep Japan independent and solvent? Or were their views disregarded?

Without these missing pieces of evidence it is impossible to judge the case the administration strives to make for itself. I therefore call upon the State Department to give to the Congress and to the American people these documents or full information regarding them.

Secretary Acheson admits today that our job is to save Asia. The situation in China is essentially similar to that which we faced in Greece. We need to know the facts—all of them—if we are to make in China the same sort of effort that is succeeding in Greece, and until we make such an effort no one can know whether it is possible to stop communism in China. We have not tried to win the war in China. We have tried to end it. But the only way to end a war with communism—anywhere—is to win it.

A STEEL MILL FOR TITO, TROUBLE FOR US

Mr. McDONOUGH. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. McDONOUGH. Mr. Speaker, I presume that the same thought has been running through the minds of many Members of Congress as has been running through mine concerning this permit granted by the State Department to Tito to buy an American-made steel mill in the United States. The thought that strikes me is whether the State Department is making a choice between the Tito brand of communism as compared with the Stalin brand of communism. Is there a difference? We know there is not. And I am confident the great majority of the people of the United States will agree that there is no difference. Is this an attempt to appease one of the Communist dictators behind the iron curtain with American-made goods? What assurance do we have that Tito is not going to use this steel mill for the purpose of making munitions, and thereby making it necessary to continue the very thing we passed on yesterday, appropriating funds to defend western Europe against communistic attacks?

I think it is the most serious thing that has occurred in relation to a radical change in the foreign policy of the United States. We have not up to now given any credence to the permits in the way of allowing potential war materials to go behind the iron curtain, but here we are opening the door to a Russian satellite, Communist-controlled country; which one will be next? It is the most dangerous thing that could have happened in our foreign policy.

Mr. SMITH of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. McDONOUGH. I yield.

Mr. SMITH of Wisconsin. Does the gentleman believe that this merely indicates what is going to happen so far as foreign policy is concerned when the Communists in China have finally taken over China?

Mr. McDONOUGH. That looks very likely; yes. In other words, the gentleman means to say that once the Communists take over China we will be dealing with them in the same manner that we are now dealing with Tito?

Mr. SMITH of Wisconsin. Absolutely.

Mr. McDONOUGH. I appreciate the comments of the gentleman. Of course, we in Congress have no authority to pass on this permit. It is a privilege and an authority granted to the State Department; however, it is something that we may live to regret because while we are giving small arms to western Europe to defend themselves we are at the same time giving the facilities to Tito to make the use of those arms necessary and, therefore, justify the military-aid bill that we passed on yesterday. Is the State Department and the administration really fighting communism or are they playing Tito against Stalin and eventually ending up with more communism throughout the world than we have at present?

Stalin is getting old and someone will have to replace him as the head of the Russian Politburo sometime in the future. Who would be a better man than Tito who is clever enough to take in the State Department on a deal like this permit for an American-made steel mill. We are not stopping communism by this kind of action, we are promoting it. Perhaps we should ask Mr. Acheson some pertinent, specific, and embarrassing questions and find out more about this radical change in our foreign policy.

Mr. Speaker, I include as part of my remarks the following editorial taken from the Christian Science Monitor:

STATE OF THE NATION—TITO STEEL MILL SETS NEW UNITED STATES POLICY

(By Joseph C. Harsch)

WASHINGTON.—Marshal Tito, of Yugoslavia, is going to be allowed to order a steel mill in the United States. A license permitting him to place the order has been authorized by the Munitions Control Board.

This decision is a milestone in the evolution of American foreign policy far more important than the steel mill itself or the steel it will make for Marshal Tito. And not unnaturally the decision was made only after as heated a backstage controversy as Washington has known in many a month.

The steel mill for Tito is not important in terms of any aid it can give to Tito at this time in his rapidly increasing differences with the Cominform and the men of the Kremlin in Moscow. It will take about 15 months to build the mill in the United States. After that, it will have to be shipped to Yugoslavia and set up on the site and put into operation. All that takes time. If any steel issues from that mill within 2 years it will be surprising.

And long before it is shipped other measures of more immediate effect will have determined whether Marshal Tito's regime can withstand the pressure of Moscow. By shipping day, either there will be a Tito regime definitely alined with the west to which the mill can be sent without qualms or there will be something else in Yugoslavia to which the United States probably will not be shipping anything as interesting as a steel mill. Tito's early survival of Cominform pressures will be determined not by this mill but by what comes of his pending trade agreement with Britain and his requests for loans from the International Bank and the American Export-Import Bank.

But there is no such emotion-charged controversy over those proposals as there has been over the steel mill Tito has been trying to order with his own money. The reason is that in order to allow Tito even to order a steel mill it is first necessary to make the most difficult policy decision of the times.

A steel mill for delivery some 2 years from now assumes the probable permanence of the Tito regime. The assumption, formalized in this fashion, will tend to consolidate Tito's regime. Tito is a self-avowed Communist. He has applied Communist doctrines to the whole social, political, and economic life of Yugoslavia. He is anathema to the refugees and émigrés who hope to see a restoration some day of the prewar order of things in their country. There is no guaranty that a stabilized Tito regime would ever evolve away from its present practices, and it certainly never would restore the dispossessed to their old positions or properties.

Yet Tito, although a Communist by his own definition, is fighting his own cold war with Moscow and is, therefore, at least accidentally on the western side of the great power struggle.

The act of allowing him to place an order for a steel mill in the United States assumes that we are willing to do business with him in the expectation that he will be in business for quite a while. It assumes that the first purpose of American policy is to curb the Russian power state and that even a Communist government can be useful to that end. More, it means turning away from the old order, from the émigrés and the dispossessed, and recognizing that probably the most effective way to break the control of Moscow over eastern Europe is to work with the new forces in control there now, rather than to seek a restoration of the old forces. And if this is done with Yugoslavia, it sets a pattern for possible future action in other iron-curtain countries.

Naturally, there has been tenacious and bitter opposition. All that clings to the past resists a decision which means breaking with the past. Naturally, there has been doubt and reluctance in high quarters. It is reported that Defense Secretary Louis A. Johnson was at first strongly opposed. If so, he has changed his mind for the license could not be issued without his approval.

The license has been authorized. American policy is going to take a chance on Marshal Tito.

EXTENSION OF REMARKS

Mr. McDONOUGH asked and was given permission to revise and extend his remarks and include an editorial from the Christian Science Monitor.

Mr. MANSFIELD (at the request of Mr. PRIEST) was given permission to extend his remarks in the RECORD and include a newspaper article.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. CURTIS, for an indefinite period, on account of official business.

To Mr. STIGLER, indefinitely, on account of illness of father, beginning August 22.

ENROLLED BILL SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 1279. An act for the relief of George Hampton.

BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mrs. NORTON, from the Committee on House Administration, reported that that committee did on August 18, 1949, present to the President, for his approval, bills and a joint resolution of the House of the following titles:

H. R. 3440. An act for the addition of certain lands to Rocky Mountain National Park, Colo., and for other purposes;

H. R. 5086. An act to accord privileges of free importation to members of the armed forces of other nations, to grant certain extensions of time for tax purposes, and to facilitate tax administration; and

H. J. Res. 339. Joint resolution amending an act making temporary appropriations for the fiscal year 1950, as amended, and for other purposes.

ADJOURNMENT

Mr. PRIEST. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 11 minutes p. m.), under its previous order, the House adjourned until Monday, August 22, 1949, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

870. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated July 13, 1949, submitting a report, together with accompanying papers and an illustration, on a preliminary examination and survey of Davis Creek, Mathews County, Va., authorized by the River and Harbor Act approved on March 2, 1945 (H. Doc. No. 309); to the Committee on Public Works and ordered to be printed with an illustration.

871. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated July 13, 1949, submitting a report together with accompanying papers and illustrations, on a review of reports on, and a preliminary examination and survey of, channel from Manteo to Oregon Inlet, N. C., and branch channel to a point at or near Wanchese on Mill Creek, requested by resolutions of the Committee on Rivers and Harbors, House of Representatives, adopted on August 23, 1945, April 1, 1946, and April 5, 1946(and also authorized by the River and Harbor Act approved on July 24, 1946 (H. Doc. No. 310); to the Committee on Public Works and ordered to be printed with two illustrations.

872. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated July 6, 1949, submitting a report, together with accompanying papers and an illustration, on a preliminary examination and survey of Kawaihae Harbor, T. H., authorized by the River and Harbor Act approved on July 24, 1946 (H. Doc. No. 311); to the Committee on Public Works and ordered to be printed with an illustration.

873. A letter from the Acting Secretary of the Navy, transmitting the Fourth Semiannual Report of Leases of Real Property under authority of Public Law 364, Eightieth Congress, for the period January 1 through June 30, 1949; to the Committee on Armed Services.

874. A letter from the Secretary of Defense, transmitting a letter by the Secretary of the Navy recommending the enactment of legislation entitled "A bill to authorize additional funds to continue the rehabilitation of civilian facilities on the island of Guam, and for other purposes"; to the Committee on Public Lands.

875. A letter from the Chairman, Public Utilities Commission, of the District of Columbia, transmitting the Thirty-sixth Annual Report of the Public Utilities Commission of the District of Columbia for the year ended December 31, 1948; to the Committee on the District of Columbia.

876. A letter from the Acting Attorney General, transmitting copies of orders of the Commissioner of the Immigration and Naturalization Service suspending deportation as well as a list of the persons involved; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WALTER: Committee on the Judiciary. S. 627. An act for the relief of Leon Moore; with an amendment (Rept. No. 1283). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1565. An act for the relief of Dr. Ludovit Ruhmann, without amendment (Rept. No. 1284). Referred to the Committee of the Whole House.

Mr. GOSSETT: Committee on the Judiciary. H. R. 5354. A bill for the relief of Itzchak Shafer; without amendment (Rept. No. 1285). Referred to the Committee of the Whole House.

Mr. GOSSETT: Committee on the Judiciary. H. R. 6006. A bill for the relief of Anthony Charles Bartley; without amendment (Rept. No. 1286). Referred to the Committee of the Whole House.

Mr. GOSSETT: Committee on the Judi- No. 1287). Referred to the Committee of Herminia Ricart; without amendment (Rept. No. 1287). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BATTLE:

H. R. 6055. A bill providing for the continuance of compensation or pension payments and a subsistence allowance for certain children of deceased veterans of World War I or II during education or training; to the Committee on Veterans' Affairs.

H. R. 6056. A bill to provide free-mailing privileges for patients in or at veterans' hospitals; to the Committee on Post Office and Civil Service.

By Mr. CLEMENTE:

H. R. 6057. A bill to provide for the construction of a Veterans' Administration hospital in Queens County, N. Y.; to the Committee on Veterans' Affairs.

By Mr. DOYLE:

H. R. 6058. A bill to facilitate standardization and uniformity of procedure relating to determination and priority of combat connection of disabilities, injuries, or diseases alleged to have been incurred in, or aggravated by combat service in a war, campaign, or expedition; to the Committee on Veterans' Affairs.

By Mr. KELLEY:

H. R. 6059. A bill to provide for the demonstration of public library service in areas without such service or with inadequate library facilities; to the Committee on Education and Labor.

By Mr. LIND:

H. R. 6060. A bill to amend section 3797 (a) (2) of the Internal Revenue Code, relating to the definition of the term "partner"; to the Committee on Ways and Means.

By Mr. BLAND:

H. R. 6061. A bill to authorize the United States Maritime Commission to provide war risk and certain marine and liability insurance; to the Committee on Merchant Marine and Fisheries.

By Mr. WIGGLESWORTH:

H. R. 6062. A bill to encourage the sharing with employees of corporate profits by allowing a corporation to deduct, for income-tax purposes, 150 percent of amounts paid to employees as a share of profits; to the Committee on Ways and Means.

By Mr. PETERSON:

H. R. 6063. A bill to authorize the Secretary of the Interior to carry out a research and development program with respect to natural sponges; to the Committee on Public Lands.

H. R. 6064. A bill providing for a study by the Bureau of Standards of the relative merits of natural and synthetic sponges; to the Committee on Interstate and Foreign Commerce.

By Mr. HALE:

H. J. Res. 345. Joint resolution to establish a National Children's Day; to the Committee on the Judiciary.

By Mr. DOUGHTON:

H. Con. Res. 126. Concurrent resolution authorizing the Committee on Ways and Means to have printed additional copies of parts 1 and 2 of the Social Security Act Amendments of 1949 hearings; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred, as follows:

By Mr. BRAMBLETT:

H. R. 6065. A bill for the relief of Jose Simion Sanchez-Bonilla; to the Committee on the Judiciary.

By Mr. HOLIFIELD:

H. R. 6066. A bill for the relief of Cheng Sick Yuen; to the Committee on the Judiciary.

By Mr. HUBER:

H. R. 6067. A bill for the relief of George Cracium; to the Committee on the Judiciary.

By Mr. KLEIN:

H. R. 6068. A bill for the relief of Tadeusz Franchak; to the Committee on the Judiciary.

By Mr. ZABLOCKI:

H. R. 6069. A bill for the relief of Brother John Muniak; to the Committee on the Judiciary.

SENATE

MONDAY, AUGUST 22, 1949

(Legislative day of Thursday, June 2, 1949)

Rev. Robert N. DuBose, D. D., of the Association of American Colleges, Washington, D. C., offered the following prayer:

Almighty God, from Thee we have received this good land for our heritage. We now humbly beseech Thee that we may prove ourselves a nation of united people, mindful of Thy continued favor, a nation glad to do Thy will. Bless our country with honorable industry, sound learning, good government, and pure manners. Defend our liberties, we pray.

Grant us patience, candor, insight, loyalty, and courage, as we seek truth, unity, and stability in this hour of challenge and opportunity. May our lives be strengthened with the spirit of brotherhood. We pray. Amen.

THE JOURNAL

On request of Mr. MCKELLAR, and by unanimous consent, the reading of the Journal of the proceedings of Friday, August 19, 1949, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 4330. An act to authorize the appropriation of funds for construction and acquisition of school facilities at Parker Dam power project;

H. R. 6008. An act making supplemental appropriations for the fiscal year ending June 30, 1950, and for other purposes; and

H. J. Res. 338. Joint resolution to authorize the Administrator of Civil Aeronautics to undertake a project under the Federal Airport Act for the development and improvement of Logan International Airport at Boston, Mass., during the fiscal year 1950.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 1647. An act to eliminate premium payments in the purchase of Government royalty oil under existing contracts entered into pursuant to the act of July 13, 1946 (60 Stat. 533), and for other purposes;

H. R. 781. An act to amend title II of the Civil Aeronautics Act of 1938, as amended:

H. R. 997. An act to extend the benefits of section 1 (c) of the Civil Service Retirement Act of May 29, 1930, as amended, to employees who were involuntarily separated during the period from July 1, 1945, to July 1, 1947, after having rendered 25 years of service but prior to attainment of age 55;

H. R. 2859. An act to authorize the sale of public lands in Alaska;

H. R. 2877. An act to authorize the addition of certain lands to the Big Bend National Park, in the State of Texas, and for other purposes; and

H. R. 4498. An act to amend section 6 of the act of April 15, 1938, to expedite the carriage of mail by granting additional authority to the Postmaster General to award contracts for the transportation of mail by aircraft upon star routes.

LEAVE OF ABSENCE FOR SENATOR LODGE TO VISIT "UNIFORCE" HEADQUARTERS

Mr. VANDENBERG. Mr. President, I ask unanimous consent that the junior Senator from Massachusetts [Mr. LODGE] may be excused from attendance at sessions of the Senate so that he may visit the headquarters of the new combined European armed force, known as Uniforce, at Fontainebleau, France. The progress of this headquarters is essential to the whole concept of the common defense of the Atlantic community, and is therefore of vital moment to the security of the United States. It will be helpful to the Senate and to the Foreign Relations Committee to have a trained observer such as the junior Senator from Massachusetts visit this headquarters. I ask that this announcement stand until further notice.

The VICE PRESIDENT. Without objection, it is so ordered.

CALL OF THE ROLL

Mr. McKELLAR. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Anderson	Hill	Millikin
Baldwin	Holland	Morse
Bricker	Humphrey	Mundt
Bridges	Hunt	Murray
Byrd	Ives	Neely
Cain	Jenner	O'Mahoney
Chavez	Johnson, Colo.	Reed
Connally	Johnson, Tex.	Robertson
Cordon	Johnston, S. C.	Russell
Donnell	Kefauver	Saltonstall
Douglas	Kem	Schoeppel
Dulles	Kerr	Smith, N. J.
Eastland	Knowland	Sparkman
Ecton	Langer	Stennis
Ellender	Lucas	Taylor
Ferguson	McCarthy	Thomas, Okla.
Flanders	McClellan	Thomas, Utah
Fulbright	McFarland	Tobey
George	McGrath	Tydings
Gillette	McKellar	Vandenberg
Graham	McMahon	Watkins
Green	Magnuson	Wherry
Gurney	Malone	Williams
Hayden	Martin	Withers
Hendrickson	Maybank	Young
Hickenlooper	Miller	

Mr. LUCAS. I announce that the Senator from Kentucky [Mr. CHAPMAN], the Senator from Delaware [Mr. FREAR], the Senator from North Carolina [Mr. HOEY], the Senator from Pennsylvania [Mr. MYERS], and the Senator from Florida [Mr. PEPPER] are absent on public business.

The Senator from California [Mr. DOWNEY], the Senator from West Virginia [Mr. KILGORE], and the Senator from Maryland [Mr. O'CONOR] are necessarily absent.

The Senator from Louisiana [Mr. LONG] and the Senator from Nevada [Mr. MCCARRAN] are absent by leave of the Senate.

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN], the Senator from Nebraska [Mr. BUTLER], the Senator from Indiana [Mr. CAPEHART], the Senator from Massachusetts [Mr. LODGE], and the Senator from Minnesota [Mr. THYE] are absent by leave of the Senate.

The Senator from Maine [Mr. BREWSTER] and the Senator from Ohio [Mr. TAFT] are necessarily absent.

The Senator from Maine [Mrs. SMITH] is absent on official business.

The Senator from Wisconsin [Mr. WILEY] is absent on official business in the State of Wisconsin.

The VICE PRESIDENT. A quorum is present.

TRANSACTION OF ROUTINE BUSINESS

Mr. McKELLAR. Mr. President, I ask unanimous consent that Senators may introduce bills and joint resolutions, present petitions and memorials, and submit routine matters for the RECORD, as though the Senate were in the morning hour, and without debate.

The VICE PRESIDENT. Without objection, it is so ordered.

ARCHES NATIONAL MONUMENT—RESOLUTION OF MOAB (UTAH) LIONS CLUB

Mr. WATKINS. Mr. President, I present for appropriate reference and ask unanimous consent to have printed in the RECORD a resolution adopted by the Moab (Utah) Lions Club, favoring adequate funds for construction of an entrance road into the Arches National Monument.

There being no objection, the resolution was referred to the Committee on Appropriations and ordered to be printed in the RECORD, as follows:

Whereas the Arches National Monument, which is located near Moab, Utah, is rapidly attracting the attention of the general public as one of the outstanding scenic areas in the United States; and

Whereas evidence of its scenic attractions is reflected by the rapid increase of visitors into the monument during the past few years as shown by the following figures:

1944	948 visitors
1945	606 visitors
1946	1,271 visitors
1947	3,080 visitors
1948	6,807 visitors
1949	11,335 visitors; and

Whereas the present roads leading into the monument are inadequate to afford visitors an opportunity to enjoy the numerous scenic wonders within the monument; and

Whereas for nearly 10 years last past the National Park Service, recognizing the immense scenic resources within the Arches Monument, has had a complete survey made for roads and trail construction within the monument, but due to lack of funds the Park Service has been unable to proceed with this road construction; and

Whereas to partially open up the Arches attractions to the traveling public, Grand County and the State of Utah have expended considerable sums on road construction leading to and within the Arches, said sums approximating $25,000; but to date practically no Federal funds have been expended on Arches road construction, in spite of the fact that the Arches Monument is a Federal reserve and the responsibility for making these attractions accessible to the people of America is solely a Federal responsibility: Now, therefore, be it

Resolved by the Moab Lions Club of Moab, Utah:

1. That the Moab Lions Club request the Congress of the United States to appropriate adequate funds for the purpose of constructing an entrance road into the Arches National Monument, which road shall be for a distance of approximately 9 miles; and that the Congress of the United States provide such other funds as will make accessible and available to the public the great and unique scenic attractions within the monument which are not now accessible due to lack of proper roads and trails within the area.

2. That a copy of this resolution be mailed to each of the following: The Governor of the State of Utah; each of the United States Senators and Representatives from the State of Utah; the Director of the National Park Service; and the regional director of the Park Service of region 3.

HOLIDAY COMMEMORATING END OF WORLD WAR II—RESOLUTION OF LAFAYETTE COUNTY POST, NO. 55, MISSISSIPPI DEPARTMENT OF AMERICAN LEGION

Mr. STENNIS. Mr. President, the Lafayette County Post, No. 55, of the Mississippi Department of the American Legion, has adopted a resolution urging the Congress to declare September 2 a national holiday, commemorating the end of World War II. I ask that it be referred to the proper committee of the Senate for consideration, and printed in the RECORD at this point.

There being no objection, the resolution was referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Resolution that September 2 be declared a national holiday

Whereas on September 2, 1945, in Tokyo Bay, representatives of the Allied nations accepted the surrender of the Empire of Japan to end the most devastating war the world has ever witnessed; and

Whereas said surrender was wrought in a large measure by the valiant efforts of and at a great cost in time, money, and blood to the citizens of the United States of America; and

Whereas there is no national holiday commemorating this occasion which brought relief to millions of people the world over and the news of which was received with exaltation by both the fighting forces and the civilian populations of the United Nations: Now, therefore, be it

Resolved, That out of reverence for those Americans who made the supreme sacrifice in order that free men might live in free societies of their own choosing, the Lafayette County (Miss.) Post, No. 55, of the American Legion petitions the Honorable Harry S. Truman, the President of the United States, and the Members of the National Congress, that September 2 be hereafter set aside as a national holiday with all the ceremonies pertaining thereto.

LAFAYETTE COUNTY POST, No. 55,
By A. H. RUSSELL, *Commander.*
HARRY COLLINS, *Adjutant.*

Adopted and approved by the post, August 16, 1949.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MURRAY, from the Committee on Interior and Insular Affairs:

H. R. 1976. A bill to authorize the sale of certain allotted inherited land on the Flathead Indian Reservation, Mont.; with amendments (Rept. No. 945); and

H. R. 2170. A bill authorizing changes in the classification of Crow Indians; without amendment (Rept. No. 944).

By Mr. MALONE, from the Committee on Interior and Insular Affairs:

S. 17. A bill to authorize the Secretary of the Interior to issue patents for certain lands to certain settlers in the Pyramid Lake Indian Reservation, Nev.; with an amendment (Rept. No. 947).

By Mr. HAYDEN, from the Committee on Rules and Administration:

H. Con. Res. 103. Concurrent resolution to provide funds for the expenses of the joint committee created pursuant to House Concurrent Resolution 102 to provide for the attendance of a joint committee to represent the Congress at the Eighty-third and Final National Encampment of the Grand Army of the Republic; without amendment.

By Mr. TYDINGS, from the Committee on Armed Services:

S. 2269. A bill to provide for the enlistment of aliens in the Regular Army; without amendment (Rept. No. 946).

By Mr. HUMPHREY, from the Committee on Labor and Public Welfare:

S. 2317. A bill to authorize grants to the States for surveying their need for elementary and secondary school facilities and for planning State-wide programs of school construction; and to authorize grants for school construction, for advance planning of school facilities, and for other purposes; with amendments (Rept. No. 948).

ISSUANCE OF PATENTS FOR CERTAIN LANDS TO CERTAIN SETTLERS, PYRAMID INDIAN RESERVATION, NEV.—REPORT OF A COMMITTEE

Mr. MALONE. Mr. President, from the Committee on Interior and Insular

Affairs, I report favorably, with an amendment, the bill (S. 17) to authorize the Secretary of the Interior to issue patents for certain lands to certain settlers in the Pyramid Lake Indian Reservation, Nev., and I submit a report (No. 947) thereon. Full hearings were held by a subcommittee on this proposed legislation which included the Senator from Arizona [Mr. MCFARLAND], chairman, the Senator from Oklahoma [Mr. KERR], and the junior Senator from Nevada. The subcommittee reported to the full committee, and the bill was considered by the full committee, which ordered it reported favorably and that the bill should be passed.

The question in this bill, which I am asking to have placed on the calendar seems to boil down to whether or not the right of the original white settlers on the Indian lands near Wadsworth, Nev., who settled on this land for the most part in the sixties, should be revived and the white settlers allowed to have another chance to purchase such lands. There is no question, according to the committee's conclusions, that the Congress of the United States did arrange, in the late twenties, to give the white settlers a chance to purchase these lands on the grounds that they were the undisputed first settlers on the lands in question and that they did improve the lands, ditched and put them in cultivation thinking they owned them, and that the Indians had never contributed anything to such improvements.

There is also no question that since the white settlers failed to purchase such lands in accordance with the congressional act for whatever reason, either because money was not available during the depression or for other reasons that the land now belongs to the Indians in accordance with a Supreme Court decision.

There is, of course, no question at this time in the minds of the members of the committee that the Indians do own the lands by virtue of the default.

The question before the committee was this, whether or not another chance should be given the white settlers to make the purchase—and the committee thought an additional limited time should be given them to make good on the purchase.

The Senate Committee on Indian Affairs heretofore considered similar bills, including S. 480, Seventy-fifth Congress; S. 92, Seventy-sixth Congress; S. 13, Seventy-seventh Congress; S. 24, Seventy-eighth Congress; and S. 30, Eightieth Congress, and in each instance the committees recommended passage of the legislation—and they were passed by the Senate—but never came to a vote in the House.

There was little or no opposition to the passage of this legislation, S. 30, in the Eightieth Congress; however, considerable interest was manifested in S. 17 during this session.

The VICE PRESIDENT. The report will be received, and the bill will be placed on the calendar.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, August 22, 1949, he presented to the President of the United States the enrolled bill (S. 1647) to eliminate premium payments in the purchase of Government royalty oil under existing contracts entered into pursuant to the act of July 13, 1946 (60 Stat. 533), and for other purposes.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LANGER:

S. 2461. A bill for the relief of Shaffor Ali; and

S. 2462. A bill for the relief of Ruzina Skalova; to the Committee on the Judiciary.

By Mr. SCHOEPPEL:

S. 2463. A bill for the relief of Herminia Ricart; to the Committee on the Judiciary.

By Mr. HENDRICKSON:

S. 2464. A bill for the relief of Pietro Meduri; to the Committee on the Judiciary.

By Mr. THOMAS of Oklahoma:

S. 2465. A bill for the relief of W. E. Hicks; to the Committee on the Judiciary.

By Mr. TYDINGS (for himself and Mr. O'CONOR):

S. 2466. A bill to provide for the development, administration, and maintenance of the Baltimore-Washington Parkway in the State of Maryland as an extension of the park system of the District of Columbia and its environs by the Secretary of the Interior, and other purposes; to the Committee on Public Works.

By Mr. JOHNSON of Colorado:

S. 2467. A bill to permit disabled veterans to use national forest land for living and recreational purposes without charge; to the Committee on Agriculture and Forestry.

By Mr. LANGER:

S. 2468. A bill for the relief of Maswood Bakht (also known as Chowdury); to the Committee on the Judiciary.

By Mr. MCKELLAR (for himself and Mr. MARTIN):

S. J. Res. 129. Joint resolution to authorize the Commission on Renovation of the Executive Mansion to preserve or dispose of material removed from the Executive Mansion during the period of renovation; to the Committee on Public Works.

INVESTIGATION OF INFESTATIONS BY EUROPEAN CORN BORER

Mr. HICKENLOOPER (for himself and Mr. THYE) submitted the following resolution (S. Res. 158), which was referred to the Committee on Agriculture and Forestry:

Resolved, That a subcommittee of the Committee on Agriculture and Forestry, to be composed of five members of such committee appointed by the chairman thereof, is authorized and directed to make a full and complete study and investigation of current infestations by the European corn borer. Such investigation shall be conducted in affected areas and at such other places as the subcommittee sees fit. The subcommittee shall report to the Committee on Agriculture and Forestry, and the Committee on Agriculture and Forestry shall report to the Senate, the results of such study and investigation, together with their respective recommendations, at the earliest practicable date.

SEC. 2. For the purposes of this resolution, the subcommittee is authorized to employ upon a temporary basis such technical, clerical, and other assistants as it deems advisable. The expenses of the subcommittee, which shall not exceed $10,000 shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the subcommittee.

PAY OF CLERICAL ASSISTANTS OF SENATOR MCGRATH

Mr. GREEN submitted the following resolution (S. Res. 159), which was referred to the Committee on Rules and Administration:

Resolved, That the clerical assistants in the office of Senator J. HOWARD MCGRATH, appointed by him and carried on the pay roll of the Senate when his resignation from the Senate takes effect, shall be continued on such pay roll at their respective salaries for a period not to exceed 15 days, to be paid from the contingent fund of the Senate.

AMENDMENT OF SECTION 3121 OF INTERNAL REVENUE CODE—AMENDMENT

Mr. BALDWIN submitted an amendment intended to be proposed by him to the bill (H. R. 3905) to amend section 3121 of the Internal Revenue Code, which was ordered to lie on the table and to be printed.

INTERIOR DEPARTMENT APPROPRIATIONS—AMENDMENT

Mr. KERR submitted an amendment intended to be proposed by him to the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes, which was ordered to lie on the table and to be printed.

NOTICE OF MOTION TO SUSPEND THE RULE—AMENDMENT

Mr. MCCLELLAN submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 4146) making appropriations for the National Security Council, the National Security Resources Board, and for military functions administered by the National Military Establishment for the fiscal year ending June 30, 1950, and for other purposes, the following amendment, namely: On page 91, after line 12, insert a new section under title VII, as follows:

"SEC. 703. (A) With a view to bringing the estimated Federal expenditures within estimated Federal receipts for the fiscal year ending June 30, 1950, (a) the President is authorized and directed to make such reductions in the amounts to be expended by all agencies from any and all appropriations and funds made available prior to the expiration of the first regular session of the Eighty-first Congress, for expenditure in such fiscal year, as will in the aggregate equal not less than 5 percent nor more than 10 percent of the total amounts estimated for expenditure in the budget for the fiscal year 1950 by all agencies, as adjusted to conform with the total amounts estimated for expenditure under appropriations and funds actually made available prior to the expiration of such session: *Provided*, That any reduction in amounts estimated for expenditure brought about as a result of reductions made by Congress in the aggregate appropriations and funds made available to any agency below the aggregate of estimates submitted in said budget (including amendments thereto) for such agency, shall be used for the purpose of computing (1) the aggregate reduction required to be made under this section, and (2) the over-all limitation specified in section (D) with respect to such agency; and in carrying out this section the President is requested to give appropriate consideration to reductions made by Congress in the appropriations and funds made available to any agency.

"(b) As used in this section—

"(1) the term 'appropriations and funds made available' shall include the amount of any borrowing authority estimated for in the Budget for the fiscal year 1950; and

"(2) the term 'agency' means any Executive department, independent establishment, or corporation which is an instrumentality of the United States.

"(B) In order to accomplish the reductions in expenditures required by section (A), the President is authorized to direct any officer in the executive branch of the Government to refrain from creating, notwithstanding any other provision of law, any obligation or commitment which would require an expenditure during the fiscal year 1950, under any appropriation, fund, contract authorization, or borrowing authority over which such officer exercises administrative control, in such amounts as he may deem necessary. No such officer shall create any obligation or commitment under any borrowing authority which would require an expenditure during the fiscal year 1950 in excess of any estimate included in the budget (or in excess of any estimate under any authority included in any act of Congress enacted after the submission of the budget for the fiscal year 1950) with respect to such obligation or commitment for such fiscal year or in excess of any amount established by direction of the President under the authority contained in this section; except that the President is authorized to waive the prohibition contained in this sentence in individual cases upon the happening of some extraordinary emergency or unusual circumstance.

"(C) Such reductions shall be made in a manner calculated to bring about the greatest economy in expenditure consistent with the efficient operation of the Government.

"(D) No reduction of expenditures required herein shall have the effect of reducing by more than 20 percent the estimated expenditures by any agency from appropriations and funds made available prior to the expiration of the first regular session of the Eighty-first Congress.

"(E) The President shall cause (a) the total amounts estimated for expenditure in the fiscal year 1950 (adjusted as provided in section (A)), (b) the amount of the reduction directed by him in obligations or commitments (as provided in section (B)), and (c) the amount of the reduction in each appropriation or fund account, to be certified to the Secretary of the Treasury, and shall make a detailed quarterly report thereon to the Congress within 15 days after the expiration of each calendar quarter during such fiscal year. The amounts so certified shall not be expended, or, in the case of contract authorizations and borrowing authority, the authority shall not be exercised to the extent of the reduction. The President shall also include in the quarterly report to Congress the actual figures showing the number of Federal employees at the beginning of a quarter and the estimated number of Federal employees at the close of the quarter."

Mr. McCLELLAN also submitted an amendment intended to be proposed by him to House bill 4146, making appropriations for the National Security Council, the National Security Resources Board, and for military functions administered by the National Military Establishment for the fiscal year ending June 30, 1950, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were severally read twice by their titles, and referred, as indicated:

H. R. 4330. An act to authorize the appropriation of funds for construction and acquisition of school facilities at Parker Dam power project; to the Committee on Interior and Insular Affairs.

H. R. 6008. An act making supplemental appropriations for the fiscal year ending June 30, 1950, and for other purposes; to the Committee on Appropriations.

H. J. Res. 338. Joint resolution to authorize the Administrator of Civil Aeronautics to undertake a project under the Federal Airport Act for the development and improvement of Logan International Airport at Boston, Mass., during the fiscal year 1950; to the Committee on Interstate and Foreign Commerce.

WE CAN'T THRIVE ON SECURITY—ARTICLE BY SENATOR WHERRY

[Mr. WHERRY asked and obtained leave to have printed in the RECORD an article entitled "We Can't Thrive on Security," written by him and published in the June 1949 issue of the American mazagine, which appears in the Appendix.]

PRINCIPAL INGREDIENTS OF A SUCCESSFUL DEMOCRATIC GOVERNMENT—INTERVIEW WITH SENATOR McCLELLAN

[Mr. RUSSELL asked and obtained leave to have printed in the RECORD an interview with Senator McCLELLAN over radio station WWDC, of Washington, on August 21, 1949, which appears in the Appendix.]

MEMORANDUM ON THE WHITE PAPER ON UNITED STATES RELATIONS WITH CHINA

[Mr. BRIDGES asked and obtained leave to have printed in the RECORD a memorandum, prepared by him, Mr. McCARRAN, Mr. WHERRY, Mr. KNOWLAND on the white paper on United States Relations with China, which appears in the Appendix.]

THE VETERANS' BONUS—LETTER FROM SENATOR MARTIN TO COL. PHILIP MATTHEWS

[Mr. MARTIN asked and obtained leave to have printed in the RECORD a letter dated August 18, 1949, addressed by him to Col. Philip Matthews, Democratic State chairman, at Harrisburg, Pa., which appears in the Appendix.]

ADDRESS BY LAWRENCE HUNT AT CONVOCATION, BISHOP'S UNIVERSITY, LENNOXVILLE, QUEBEC

[Mr. IVES asked and obtained leave to have printed in the RECORD an address delivered by Lawrence Hunt, of New York City, at the Convocation, Bishop's University, Lennoxville, Quebec, on June 17, 1949, which appears in the Appendix.]

CEREMONY INCIDENT TO TRANSFER OF LAND BY CONNECTICUT TO OHIO

[Mr. BALDWIN asked and obtained leave to have printed in the RECORD a letter from Russell E. Sullivan, department commander of the Disabled American Veterans, together with a newspaper clipping from the New Haven Register, giving the details of a ceremony in Columbus, Ohio, which appear in the Appendix.]

COMMENTS OF SUNDRY GOVERNMENT AGENCIES ON HOOVER COMMISSION RECOMMENDATIONS

Mr. McCLELLAN. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement prepared by me, covering comments on the recommendations of the Hoover Commission by the Office of the Housing Expediter, the Railroad Retirement Board, the Federal Reserve System, the Smithsonian Institution, the Displaced Persons Commission, and the Tax Court of the United States.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR JOHN L. McCLELLAN, CHAIRMAN, SENATE COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

Senator JOHN L. McCLELLAN, chairman of the Senate Committee on Expenditures in the Executive Departments, released today the last of a series of reports from the various Federal departments and establishments received in response to requests from the committee for comments relative to the effect the recommendations of the Hoover Commission would have upon the operations of such agencies.

This is the thirty-ninth such release issued by the committee, covering 49 agencies within the executive branch of the Government, excepting only the General Services Administration. Due to the fact that the GSA was created on June 30, 1949, in accordance with the Hoover Commission's recommendations in its report on the office of General Services, and is still in process of organization, it was not requested to submit a report.

The chairman announced that two additional releases would follow, one to cover certain points omitted from the original report from the Bureau of the Budget, and which will also include a letter from the Bureau clarifying its position relative to the views submitted to the committee by the executive departments and agencies. A final release will give a brief summation of the various releases, with a table setting forth the dates released and the page on which the reports appear in the CONGRESSIONAL RECORD.

Comments received from the Office of the Housing Expediter, Railroad Retirement Board, Board of Governors of the Federal Reserve System, Smithsonian Institution, Displaced Persons Commission, and the Tax Court of the United States, are briefly condensed, as follows:

OFFICE OF THE HOUSING EXPEDITER

Mr. Tighe E. Woods, Housing Expediter, referring to the recommendation of the Hoover Commission for the inclusion of the Office of the Housing Expediter in the Housing and Home Finance Agency, states that "I feel that the inclusion in accordance with the plan of the Commission would be an improvement." He concludes his comments, as follows:

"The principal function of the Office of the Housing Expediter is to administer rent control, but it is my firm opinion that everyone wants to eliminate rent control as soon as possible, and the quickest way to do so is to coordinate all of the housing efforts of the Government toward the goal of easing the demand for housing which will then make possible the orderly end of rent control."

Mr. Woods makes only one further pertinent comment relative to the Commission's recommendations, stating that "There is a rather general feeling in this organization that recommendations made concerning the Civil Service Commission should be put into effect, as it is felt that the Civil Service Commission needs a thorough overhauling to enable it to cope with the problems of today in an effective manner."

RAILROAD RETIREMENT BOARD

Mr. William J. Kennedy, Chairman of the Railroad Retirement Board, strongly commends that position taken by the Hoover Commission in recommending that the Board retain its present status.

He also points out that the recommendations in the report on general management which have general application, makes exceptions as to executive direction and control of the functions of regulatory or quasi-judicial agencies, and contends that the Railroad Retirement Act of 1937, defining the duties of the Board, "provides that the Board shall determine whether or not applicants are entitled to benefits under this act and that its decisions upon issues of law and fact relating to pensions, annuities, or death benefits shall not be subject to review by another administrative or accounting officer of the United States." Mr. Kennedy, therefore, concludes that "It would seem that Congress through the enactment of those acts (Railroad Unemployment Insurance Act) conferred upon the Board functions that are both quasi-judicial and quasi-legislative in nature, and that in the performance of such functions the Board would be excluded."

The Board is otherwise in general accord with recommendations of the Commission as regards general administration and management, budgeting and accounting, and makes certain comments relative to the report on the Office of General Services, which have been adequately covered in the Federal Property and Administrative Service Act (Public Law 152).

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Mr. S. R. Carpenter, Secretary of the Board, comments that "The Board has difficulty in furnishing the comment which your committee desires, partly because the Commission makes relatively few specific recommendations with respect to the Federal Reserve System and partly because important recommendations made by the task forces are at variance with each other or with recommendations of the Commission itself." He points up some of the conflicting recommendations as follows:

"For example, the task force report on regulatory commissions—the report which deals most comprehensively with the Federal Reserve System—contains recommendations, among others, to the general effect that all Federal bank supervisory activities, with the qualified exception of the Federal Deposit Insurance Corporation, be combined in one agency, preferably the Federal Reserve Board. On the other hand, the Commission's report on the Treasury Department recommends that supervision of the operations of the Federal Deposit Insurance Corporation, the Reconstruction Finance Corporation, and the Export-Import Bank be vested in the Secretary of the Treasury, to which recommendation, however, there are numerous dissents within the Commission. Furthermore, the task force report on lending agencies recommends that the Reconstruction Finance Corporation be discontinued and the Federal Reserve banks be authorized to guarantee loans, whereas the Commission itself in its report on Federal business enterprises states that it would be preferable that the Reconstruction Finance Corporation be reorganized to guarantee loans by commercial banks."

The Board also approves the proposal to establish a monetary commission to study what changes are necessary or desirable in the banking and monetary system of the United States, summing up its position as follows:

"We in the Federal Reserve System are naturally concerned over the areas of controversy that surround the System's functioning and responsibilities as a central banking, monetary, regulatory, and supervisory authority. We trust that Congress will review its delegation of authority and responsibility to the System to be sure that they are commensurate with each other and with the objectives established by Congress. Such a review would include consideration: (1) Of the System's open-market powers and their relation to Federal financing and the administration of the public debt; (2) of the use of selective credit controls such as those over security loans and consumer installment loans and of the proper sphere for the application of such types of control; (3) of the distribution of regulatory and supervisory power among the various Government agencies; (4) of the need for some mechanism of policy coordination on the domestic financial front, as we have available through the NAC on the international financial front; (5) of the objectives of central banking and supervisory policies; and (6) of the relation of the Federal Reserve System as a central banking organization to the banks of the Nation, both member and nonmember.

"The Board feels that such an over-all study by a national monetary commission would be the most desirable approach to the problem of changes in the basic law governing the Federal Reserve System."

SMITHSONIAN INSTITUTION

Mr. A. Wetmore, Secretary, protests the recommendation of the Hoover Commission, in its report on the Office of General Services, which provides that whenever the officials of the Smithsonian Institution need assistance from the Chief Executive or the departments, they should consult with the Director of the Office of General Services, stating that the Institution is unable to see how this proposed redelegation to a Federal office of the Smithsonian's century-old authority to consult with Government agencies can possibly effectuate any economy or efficiency in operation nor why such action is deemed necessary in the absence of any supporting evidence. It appears to us that establishment of any such procedure will in fact lessen efficiency.

Mr. Wetmore states that the Institution's demands on the President's time in the course of 100 years have been rare, and concludes:

"It appears to us, therefore, that existing cooperative and collaborative scientific programs now operating efficiently would be short-circuited should it be demanded that the Institution have its consultative relations with Federal agencies subjected to the preview of an Office of General Services which seemingly otherwise would have no connection with scientific research whatsoever. The intervention of a nonscientific third agency to coordinate the relations of the Smithsonian with other scientific agencies would be not only inefficient and uneconomical, but would impose a condition upon long-established, smooth-working relationships that would hinder these or even make them inoperative, and would seriously encroach upon the time-honored authority and powers of the Institution."

DISPLACED PERSONS COMMISSION

Commissioner Ugo Carusi, Chairman, in referring to the recommendation by the Hoover Commission in its concluding report, that the DPC report to the Secretary of State, comments that the Commission does not feel that it is in a position to approve or disapprove, but that:

"As concerns any reductions in personnel and in operating expenses resulting from such a reorganization, the Commission feels that any such reductions would be negligible inasmuch as the Department of State is now performing the great majority of our administrative and fiscal services for us as the result of an administrative agreement between the two agencies."

THE TAX COURT OF THE UNITED STATES

The presiding judge, Hon. John W. Kern, explains that there is no material in the reports of the Hoover Commission relating directly to the Tax Court, and that inasmuch as it has no administrative or executive functions, its experience gives it no basis for helpful comment on the problems covered in the reports.

COMMENTS OF BUREAU OF THE BUDGET ON HOOVER COMMISSION RECOMMENDATIONS

Mr. McCLELLAN. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement prepared by me covering comments by the Bureau of the Budget on the recommendations of the Hoover Commission.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR JOHN L. M'CLELLAN, CHAIRMAN, SENATE COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

Senator JOHN L. McCLELLAN, chairman of the Committee on Expenditures in the Executive Departments, released today two letters from Frederick J. Lawton, Assistant Director of the Bureau of the Budget, with reference to Hoover Commission reports. The first of these clarifies the administration's position relative to the comments of the various agencies as indicated in reports to the committee which have been published by the chairman in the CONGRESSIONAL RECORD. The second letter supplements earlier Bureau views on recommendations in the Hoover Commission report on budgeting and accounting.

The first letter of the Bureau explains that, because of wide discussion of the communications received by the committee from the Federal agencies, it is desirable from the administration's point of view, to have it clearly understood that these reports were submitted to the committee without clearance with the Bureau of the Budget "to avoid delay in complying with the committee's request, and at the committee's suggestion."

The Bureau further states that many of the issues raised in the Hoover Commission report are still under study, and that the committee's request for early expression of agency views on the Commission's recommendations did not permit of normal clearance procedure to determine their relationship to the President's program. The Bureau concludes that "until the President has taken a position with respect to these proposals no views expressed by agency heads can be said to reflect the viewpoint of the administration."

The second letter was submitted at the committee's specific request for the views of the Bureau on the two concluding recommendations (Nos. 12 and 13) relative to accounting and to fidelity insurance questions of the Hoover Commission report on budgeting and accounting. The initial committee request for Budget Bureau views brought forth reactions to only the first 11 recommendations of this report (see CONGRESSIONAL RECORD of July 7, 1949, pp. 9005–07).

With relation to recommendation 12, the Bureau's letter emphasizes that to achieve performance budgeting it is essential that there be in effect an accrual basis of accounting under which program performance is measured by the accrual of expenditures when goods and services are received. The Bureau states that details of this accrual approacl. are under joint study by representatives of the General Accounting Office, the Department of the Treasury, and the Bureau of the Budget. This long overdue reform is one of the important reasons for the present unintelligible budget document of immense size in which the limited, summary expenditure data at the front is supported by much unrelated obligation detail as required by congressional appropriations.

As to the next steps on performance budgeting, the Bureau indicates that the following progress will be made in the 1951 budget to be transmitted to the President next January at the opening of the second session of the Eighty-first Congress.

The following extracts from a recent release by the President sets forth the proposed program in detail:

"The President announced, in a message to Congress on June 20, that he had instructed the Director of the Bureau of the Budget to work out a system for preparing budget estimates on a performance basis. Both the House and Senate have passed bills requiring a performance budget in the case of the National Military Establishment, and the Senate Appropriations Committee in its report on the 1950 military appropriations endorsed this requirement.

"The change which will be most noticed in the 1951 budget, to be transmitted to Congress next January, is the addition of textual statements on program and performance. Past budgets have primarily presented a tabulation of the financial plan for the year, together with the language of appropriation bills proposed for enactment by Congress. The new budget will present two plans: The financial plan, in tables of figures, and the program plan, in narrative style.

"Another change, which may be less noticeable in form but quite significant, according to budget officials, is the improvement of activities schedules. Where more than half of the appropriations in the past have not been accompanied by any breakdown showing how the dollars would be related to programs, it is anticipated that the new budget will break down over 90 percent of the appropriations to show the programs, projects or activities to be carried on and the dollars to be devoted to each. Comparative figures will be shown for the two fiscal years preceding the budget year.

"Current expenses and major capital outlay will be separated in the activities schedules in the 1951 budget, and in addition the schedules will show separately the money the Government spends in the form of grants, subsidies, and contributions. Current expense covers the current operations of the Government. Major capital outlay relates primarily to public works and improvements, loans, and other payments in which the Government exchanges cash for some other kind of an asset."

On other aspects of recommendation 12, the Bureau letter heartily endorses simplification or elimination of the warrant system, and favors uniform departmental accounting practices, procedures, nomenclature, and better inventory and public debt accounting. The Bureau, however, warns against uniformity being carried to extremes at the lower levels of operation. "Work toward these goals," the letter states, "is currently being undertaken" in the joint project mentioned above.

Recommendation 13 of the Hoover report calls for further study of less expensive fidelity insurance for accountable officers of the Government. The Bureau letter approves the explorations now being made with staff members of both legislative and executive branches and representatives of leading insurance companies "to develop a simple and efficient method" of accomplishing the desired end.

The two letters of the Bureau of the Budget follow:

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C.

Hon. JOHN L. MCCLELLAN,
Chairman, Committee on Expenditures in the Executive Departments, United States Senate, Washington, D. C.

MY DEAR SENATOR MCCLELLAN: On or about May 23, 1949, you requested the departments and agencies of the executive branch to furnish the Committee on Expenditures in the Executive Departments with their comments relative to the applicability and implementation of the various recommendations of the Commission on Organization of the Executive Branch of the Government.

In compliance with the request, the agencies proceeded to submit their views on those recommendations which affected their organization or management. Most of the agency replies were subsequently released by you and published in full or in part in the CONGRESSIONAL RECORD.

Some of the agency replies were transmitted to the Bureau of the Budget under the ordinary procedure for obtaining advice with respect to their relationship with the President's program. In other cases to avoid delay in complying with the committee's request, and at the committee's suggestion, normal clearance procedure was not followed. I should like, therefore, to point out that unless the agency letters indicate the advice received as to the relationship of their comments to the President's program, these comments represent only the view of the individual agency concerned. Many of the organizational issues which were raised by the reports of the Commission are still under study. After the President has had an opportunity to review the results of these studies he will formulate further recommendations with respect to organization proposals of the Commission. Until the President has taken a position with respect to these proposals no views expressed by agency heads can be said to reflect the viewpoint of the administration.

Because the publication in the CONGRESSIONAL RECORD of the agency comments on Commission proposals has given rise to a great deal of discussion concerning the administration's position with respect to them I would appreciate it if this letter could be published in the CONGRESSIONAL RECORD in the same manner as the agencies' letters.

Sincerely yours,

F. J. LAWTON,
Acting Director.

Hon. JOHN L. MCCLELLAN,
Chairman, Committee on Expenditures in the Executive Departments, United States Senate, Washington, D. C.

MY DEAR SENATOR MCCLELLAN: In reply to your letter of July 25, 1949, I am glad to comment on recommendations 12 and 13 in the report on Budgeting and Accounting prepared by the Commission on Organization of the Executive Branch of the Government.

Recommendation 12 endorses the recommendations of the task force on accounting that the accrual basis of accounting should be applied to both revenues and expenditures; that the present warrant system be simplified or eliminated; and that uniform departmental practices, procedures, nomenclature, better inventory and public debt accounting be adopted.

In our letter of July 5, 1949, we pointed out that the bureau is in favor of performance budgeting and has been developing plans for achieving it. Information on accrued expenditures is essential to achieving the most significant form of a performance budget. It can be said that expenditures accrue, generally, when title to goods passes to the Government and when services have been received. However, the application of such a concept requires many modifications to fit different circumstances.

Information on accrued revenues is also necessary in order to provide adequate controls over receivables and to show a proper relationship between revenues and expenditures in budget planning, analysis, and forecasting.

Information on accrued revenues and expenditures would not in all cases replace the need for some data on cash receipts and disbursements. The cash picture is important in analyzing the effect of the budget on the national economy, in examining the effect of the budget on the public debt, and in certain other respects.

Bureau staff, together with personnel from the General Accounting Office and the Treasury Department, are currently studying the accrual basis to determine its implications with respect to accounting methods, budget processing, and financial reporting. At the same time, our staffs are studying the usefulness of data on the cash basis with a view to determining the respective uses of cash and accrual data.

The Bureau heartily endorses the recommendation to simplify or eliminate the warrant system. The joint staffs of the Bureau, the General Accounting Office, and the Treasury Department are now formulating detailed plans for achieving this objective. The Bureau also favors the development of uniform departmental accounting practices, procedures, nomenclature, and better inventory and public debt accounting. The Bureau recognizes, however, that uniformity (essential for adequate summaries) should not be carried to extremes at the lower levels of operation since the result would then be to put varying types of operations into an inflexible mold, and to deprive administrators of necessary information. Work toward those goals is currently being undertaken by the General Accounting Office, the Treasury Department, and the Bureau of the Budget as a part of their joint accounting project.

Recommendation 13 states that the Congress should "continue its study of the whole question of fidelity insurance for the accountable officers of the Government in order to arrive at a simpler and less expensive procedure."

There are at present before the Congress a number of bills dealing with this subject. Bureau of the Budget staff are currently working with the staff of your committee, the staff of the House Committee on Expenditures in the Executive Departments, and with representatives from leading insurance companies, to develop a simple and efficient method for covering accountable officers of the Government with fidelity insurance.

If there is any additional information which I can furnish you, please don't hesitate to ask.

Sincerely yours,

F. J. LAWTON,
Acting Director.

COMPARISON OF PRESENT FAIR LABOR STANDARDS ACT WITH VARIOUS BILLS

Mr. IVES. Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point as a part of my remarks a very useful document which has been drawn up after a considerable amount of work. It is a comparison of the principal provisions in (a) the present Fair Labor Standards Act; that is, the wage and hour law; (b) the new Lesinski bill; (c) the new Lucas bill; and (d) Senate bill 653 as reported by the committee, which is now before the Senate.

There being no objection, the comparison was ordered to be printed in the RECORD, as follows:

Comparison of principal provisions in (a) the present Fair Labor Standards Act (wage-and-hour law), (b) the new Lesinski bill, (c) the new Lucas bill, and S. 653 (as reported by the committee)

		Present law	Lesinski bill	Lucas bill (as amended by the House)	S. 653 (as reported by the committee)
I.	Coverage provisions	The wage-and-hour provisions are made applicable to every employee engaged in interstate commerce or in the production of goods for interstate commerce or in any process or occupation necessary to the production of goods for interstate commerce (secs. 6, 7, and 3 (j)).	Same as present law (secs. 6 and 7 and 3 (j)).	Same as present law except for one important difference. An employee may not be held engaged in the production of goods for interstate commerce unless he is producing the goods or is engaged in a closely related process or occupation indispensable to the production of the goods for interstate commerce (secs. 6 and 7 and 3 (j)). Under this bill the Administrator and the courts will no longer be able to hold subject to the act local retail and neighborhood businesses, selling and serving only customers within the State, on the ground that some of such customers are engaged in the production of goods for interstate commerce. For example, it will not be possible to hold under the act a local fertilizer company engaged in selling all of its fertilizer to local farmers within the State for use on land on which crops are produced for interstate commerce.	Same as present law (secs. 6, 7, and 3 (j)).
II.	(a) Exemptions agriculture	Employees in agriculture are completely exempt from wages and overtime (secs. 13 (a) (6) and 3 (f)).	Same as present law (secs. 13 (b) (3) and 3 (f)).	Same as present law (secs. 13 (a) (7) and 3 (f)).	Same as present law (sec. 7 (c)) except that the first processing of buttermilk is also granted a year-round exemption from overtime.
	(b) Exemption from overtime for processing of agricultural commodities.	Year-around exemption from overtime is granted to the following: First processing of milk, cream, skimmed milk, or whey into dairy products; ginning and compressing of cotton; processing of cottonseed; and processing of sugar beets and sugarcane into sugar or sirup. 14-workweeks-per-year exemption from overtime is granted to the following: First processing, canning, or packing of fresh fruits or vegetables; first processing within the area of production of any agricultural or horticultural commodity; and handling, slaughtering, or dressing poultry or livestock. In general these exemptions are self-operative and do not depend upon any action by the Administrator (sec. 7 (c). See also sec. 7 (b) (3)).	The present exemptions are greatly narrowed and limited. First processing of milk, etc., into dairy products; cotton ginning and compressing; processing of cottonseed: Present year-around exemption from overtime granted by law is repealed and a 14-workweeks-per-year exemption is granted subject to the discretion of the Secretary of Labor. Sugarcane and sugar-beet processing: The present year-around exemption from overtime granted by law is repealed. It is doubtful whether any exemption from overtime is granted to these processors except Louisiana processors who are given a complete exemption from both wages and overtime. No wage exemption is contained in the present law. Slaughtering and dressing poultry: The present 14-workweeks-per-year exemption from overtime granted by law is made subject to the discretion of the Secretary of Labor. Fruits and vegetables packing, canning, and first processing: The present 28-weeks-per-year exemption from overtime is repealed and a 20-weeks-per-year exemption is granted subject to the discretion of the Secretary of Labor (secs. 7 (b) (3) (b) and 13 (b) (12)).	Same as present law except that (1) the first processing of buttermilk is also granted a year-around exemption from overtime and (2) the authority to define "area of production" is transferred to the Secretary of Agriculture (sec. 7 (c)).	Same as present law (sec. 7 (c)).
	(c) Exemption from wages and overtime for handling, storing, and processing of agricultural commodities within the area of production.	Complete exemption from wages and overtime granted to any individual employed within the area of production (as defined by the Administrator), engaged in handling, packing, storing, ginning, compressing, pasteurizing, drying, preparing in their raw or natural state, or canning of agricultural or horticultural commodities for market or in making cheese or butter or other dairy products (sec. 13 (a) (10)).	Same as present law (sec. 13 (b) (10)).	Same as present law except that the authority to define "area of production" is transferred to the Secretary of Agriculture.	These employees would be no longer exempt from the minimum-wage provisions, but the existing overtime exemption is retained (sec. 6 (a)).
	(d) Processing and canning of fish	Completely exempt from both wages and overtime (sec. 13 (a) (5)).	The present exemption from both wages and overtime is greatly narrowed and limited. The wage exemption is eliminated entirely. The Secretary of Labor in his discretion may grant 14-workweeks-per-year exemption from overtime to the first processing or canning of fish (sec. 7 (b) (3) (b)).	Present exemption narrowed to exclude processing or canning of fish (13 (a) (6)), but a 14-week exemption from overtime granted by 7 (b) (3).	Same as present law (sec. 13 (a) (5)).
	(e) Local retailing	Complete exemption from both wages and overtime for any employee engaged in making retail sales or in performing work immediately incidental thereto. This includes all retail clerks and also those wrapping and delivering retail purchases (sec. 13 (a) (1)).	This exemption is entirely abolished.	Same as present law (sec. 13 (a) (1)).	Same as present law (sec. 13 (a) (1)).

II.	(f) Retail and service establishment exemption.	Language of present law purports to exempt from both wages and overtime any employee of a retail or service establishment (sec. 13 (a) (2)). Because of the decision of the U. S. Supreme Court in the Roland Electrical Co. case (326 U. S. 657) and the enforcement policies of the Wage-Hour Division, however, it is doubtful whether the exemption is applicable to many retailers.	Denies the exemption to many large groups of retailers. This is done by denying the exemption to any retail or service establishment which sells more than 25 percent of its goods or services to customers who buy for business or nonpersonal or nonfamily uses (sec. 13 (a) (2)). The effect would be to write into the law expressly the rule laid down by the Supreme Court in the Roland Electrical Co. case (326 U. S. 657) that no sale is retail if made to a purchser for a business use. (See also *McComb* v. *Deibert* (E. D. Pa., 1949) 16 Labor Cases, par. 64982. This limitation upon the exemption would cause discrimination between many local establishments and employees performing similar or identical activities. Most retail and service establishments sell and serve both private household customers and local business customers. But under the limitation which this bill would create, the hardware store selling 75 percent of its hardware to private individuals for their personal or family use would be exempt, while the hardware store across the street selling over 25 percent of its hardware to contractors and other local businessmen for use in their businesses would not be exempt. The Ford automobile dealer, 75 percent of whose business consisted of selling Ford passenger cars, would be exempt, while his competitor, the Chevrolet dealer, more than 25 percent of whose business consisted of selling Chevrolet trucks to various local enterprises such as grocery stores, butcher shops, or bakeries, would not be exempt. The furniture store selling 75 percent of its furniture to private individuals for personal or family use would be exempt, but the furniture store selling over 25 percent of its furniture to lawyers, doctors, and dentists for office use would not be exempt. The service station selling 75 percent of its gas and oil for use in passenger cars would be exempt while the service station selling over 25 percent of its gas and oil for use in trucks would not be exempt. While this bill purports to exempt the establishment selling to the farmer, it does not in fact exempt many such establishments. As the establishment is exempt only when it sells goods of the type and in quantities purchased by the ordinary farmer, any sale to a large farmer, who purchased in quantities greater than the average or who purchased machinery of sizes greater than the average, would be nonretail. This bill, however, does liberalize the exemption in one particular. It exempts the large mail-order house from the wage and overtime requirements of the act, since it places no limitation upon the amount of interstate selling a retail or service establishment may engage in.	Clarifies the wage and overtime exemption for retail and service establishments by stating precisely the conditions under which the exemption shall apply. These conditions are threefold: (*a*) over 50 percent of the sales of the establishment must be made within the State where it is located; (*b*) 75 percent of the sales must not be for resale, but rather to the ultimate consumer; and (*c*) 75 percent of the sales must be recognized as retail sales or services in the particular industry (sec. 13 (a) (2)). The discriminatory limitation on the exemption found in the Lesinski bill is eliminated. Any sale or service to a private consumer, businessman (who does not purchase to resell), or farmer will have to be treated by the Administrator and courts as a retail sale or service, so long as such sale or service is recognized in the particular industry as a retail sale or service. Thus the sale by a farm-implement dealer of farm machinery to a farmer will be retail irrespective of the fact that in some cases farm machinery may be sold to the farmer at a discount, if the sale is regarded as retail in such industry. So, too, sales by the hardware store, the paint store, the furniture store, the stationer, etc., whether made to private householders or to business users, will be retail, so long as they are not for resale and are regarded as retail sales or services in such trades. Likewise, the services of hotels, restaurants, repair garages, filling stations, and the like, whether rendered to private householders or to business customers, will be retail so long as they are regarded as retail services in such trades. An employer claiming exemption would have the burden of proving to the courts that in fact 75 percent of his sales or services are recognized as retail in his industry. This bill thus has the effect of confirming the exemption for the various local neighborhood businesses whom it was the original purpose of the existing law to exempt. Included among such businesses are the grocery stores, the hardware stores, the clothing stores, the dry goods stores, restaurants, hotels, stationery stores, farm implement dealers, automobile dealers, coal dealers, paint stores, furniture stores, and lumber dealers. Since almost any retail or service establishment does some selling which is not strictly regarded as retail, such as selling to purchasers who buy to resell, a 25-percent tolerance of nonretail activities is permitted by this bill. This is the same as the tolerance presently allowed by the Administrator and also proposed in the Lesinski bill. This bill does not exempt the mail-order houses, since it requires the retail or service establishment to make over 50 percent of its sales within the State.	Same as present law (sec. 13 (a) (2)).
	(g) Bakeries, ice plants, candy kitchens, ice-cream parlors.	No exemption for employees engaged in making bakery products, ice, etc.	Same as present law	Complete exemption from wages and overtime granted to an establishment selling products which it makes if it satisfies the following conditions: (1) Over 50 percent of its sales are made within the State where it is located; (2) 75 percent of its sales are not for resale; (3) 75 percent of its sales are recognized as retail sales in its industry; and (4) the establishment is recognized as a retail establishment in its industry (sec. 13 (a) (4)).	Same as present law.

Comparison of principal provisions in (a) the present Fair Labor Standards Act (wage-and-hour law), (b) the new Lesinski bill, (c) the new Lucas bill, and S. 653 (as reported by the committee)—Continued

	Present law	Lesinski bill	Lucas bill (as amended by the House)	S. 653 (as reported by the committee)
(h) Laundries and establishments engaged in cleaning clothing and fabrics.	Probably not exempt from either wages or overtime if over 2 percent of the laundry's services are for barber or beauty shops, doctors' or dentists' offices, schools, restaurants or hotels or other business customers. See *Roland Electrical Co. case* (326 U. S. 657).	Same as present law (sec. 13 (a) (2))	Completely exempt from both wages and overtime if 75 percent of the laundry's services are for customers who are not engaged in a mining, manufacturing, transportation or communications business and if over 50 percent of the services are for customers within the State in which the laundry is located. Thus, a laundry, 75 percent of whose services were for customers such as housewives, hotels, restaurants, schools, hospitals, barber and beauty shops, and doctors' and dentists' offices, would be exempt. On the other hand, a laundry would not be exempt if over 25 percent of its business were with pullman trains or other railroad or bus companies or with such customers as factories or mines (sec. 13 (a) (3)).	Do.
(i) Interstate motor carriers	Complete exemption from overtime granted to loaders, mechanics, drivers, and drivers' helpers (sec. 13 (b) (1)).	Exemption from overtime for loaders and mechanics is completely eliminated. Even drivers and drivers' helpers lose the exemption if they spend as much as 50 percent of their time in activities other than driving or helping to drive (sec. 13 (c) (1)).	Same as present law (sec. 13 (b) (1))	Same as present law (sec. 13 (b) (1)).
(j) Railroads, pipe-line companies, etc.	Complete exemption from overtime granted to employees of railroads, express companies, pipe-line companies, etc. (sec. 13 (b) (2)).	Exemption from overtime for employees of pipe-line companies is eliminated (sec. 13 (c) (2)).	Same as present law (sec. 13 (b) (2))	Same as present law (sec. 13 (b) (2)).
(k) Air-line employees	Complete exemption from wages and overtime granted to all employees of air carriers (sec. 13 (a) (4)).	Wage exemption is eliminated for all air-carrier employees. Overtime exemption is granted only to flight personnel (sec. 13 (c) (3)).	Wage exemption is eliminated for all air-carrier employees. Complete overtime exemption, however, is granted to all such employees and not only flight personnel (sec. 13 (b) (3)).	Same as present law (sec. 13 (a) (4)).
(l) Seamen	Complete exemption from wages and overtime granted to all seamen (sec. 13 (a) (3)).	Complete wage and overtime exemption granted to all seamen on vessels other than American vessels (sec. 13 (b) (9)). As for seamen on American vessels, they are subjected to the wage provisions but are completely exempted from overtime (sec. 13 (c) (4)).	Same as present law (sec. 13 (a) (5))	Same as present law (sec. 13 (a) (3)).
(m) Small weekly or semiweekly newspapers.	Complete wage and overtime exemption granted to employees of weekly or semiweekly newspapers with a circulation of less than 3,000, the major part of which is in the county where printed and published (sec. 13 (a) (8)).	Complete wage and overtime exemption granted to employees of weekly or semiweekly newspapers with circulation of less than 5,000, the major part of which is in the county where printed and published or in contiguous counties. The exemption is denied, however, if the newspaper is produced by stencil, mimeograph, or hectograph process. Also the exemption is denied to shoppers' guides (sec. 13 (b) (5)).	Same as Lesinski bill except that the exemption may apply even if the newspaper is produced by stencil, mimeograph, or hectograph process. Also it may apply even to shopper's guides and daily newspapers (sec (13 (a) (9)).	Same as present law (sec. 13 (a) (8)).
(n) Switchboard operators in public telephone exchanges.	Complete exemption from wages and overtime if the exchange has less than 500 stations (sec. 13 (a) (11)).	Same as present law except that the number of stations the exchange may have is raised from 500 to 750 (sec. 13 (b) (6)).	Same as present law (sec. 13 (a) (12))	Same as present law (sec. 13 (a) (11)).
(o) Forestry and lumbering operations.	No exemption unless such operations are conducted by a farmer or on a farm as an incident to or in conjunction with farming operations (secs. 13 (a) (6) and 3 (f)).	Complete exemption from both wages and overtime for employees engaged in forestry or lumbering operations up to the point where the products are processed in a sawmill, if the number of employees employed by the employer in forestry or lumbering operations does not exceed 12. This exemption applies whether or not the operations are conducted by a farmer (sec. 13 (b) (13)).	Complete exemption from wages and overtime where conducted by an employer having not more than 12 employees.	Same as present law (secs. 13 (a) (6) and 3 (f)).
(p) Newspaper delivery boys	No exemption	Complete exemption from wages and overtime for newsboys delivering newspapers to consumers (sec. 13 (a) (1)).	No exemption. (None is needed, for this bill does not bring newsboys under the coverage of the act in the first instance.)	Same as present law (no exemption).
(q) Nonprofit irrigation companies supplying and storing water for farmers.	----do	Same as present law	Completely exempt from wages and overtime (sec. 13 (a) (16)).	Do.
(r) Telegraph agencies	No exemptions	Exemptions for employees engaged in handling telegraphic messages for an agency, the revenue of such agency not exceeding $500 a month (sec. 13 (b) (8)).	Same as Lesinski bill. (sec 13 (b) (8))	Same as Lesinski bill (sec. 13 (b) (8)).

III. Minimum wage	40 cents per hour (sec. 6). The term "wage" is defined as including the reasonable cost to the employer of furnishing the employee with board, lodging, or other facilities (sec. 3 (m)).	Establishes a rigid 75-cent minimum hourly rate (sec. 6). The term "wage" is redefined so that board, lodging, and other facilities furnished the employee may not be included in wages, if the facilities are an incident of and necessary to the employment and practically available only from the employer (sec. 3 (m)). This would require the payment of the minimum cash wage, in addition to the facilities, to such employees as seamen, meal service employees on common carriers, or employees in isolated lumber camps.	Establishes a rigid 75-cent minimum hourly rate (sec. 6). The term "wage" is defined as in the present law (sec. 3 (n)).	Same as Lucas bill as amended by the House (secs. 6 and 3 (n)).
IV. Overtime:				
(a) Belo plan	The Supreme Court has approved as valid the Belo plan under which an employer may pay his employees who work different hours each week a fixed guaranteed weekly salary.	Imposes conditions upon the Belo plan which will make it virtually unusable (sec. 7 (c)).	Specifically validates Belo-type contracts if the duties of the employees necessitate irregular hours of work. The contracts may be made either individually with the employees or with unions, but must specify a regular rate of not less than the minimum provided in sec. 6 and compensation at not less than time and one-half such rate for all hours worked over 40 in a week. The contracts must also provide a weekly guaranty of pay for not more than 60 hours based on the rates so specified (sec. 7 (e)).	Same as present law.
(b) Overtime on overtime	Retroactively nullifies the effect of the Supreme Court's decision in the Bay Ridge case requiring payment of overtime on overtime. (*See* H. R. 858, Public Law 177, 81st Cong., 1st sess.)	Incorporates provisions of Public Law 177, which nullifies Supreme Court's decision in Bay Ridge case, but rescinds by implication the retroactive features of such Public Law 177 (secs. 7 (d) (6) and (7) and sec. 7 (f)).	Same as Public Law 177 (secs. 7 (d) (6) and (7) and sec. 7 (g)). (*See also* sec. 3 (e) on p. 38 of this bill.)	Do.
(c) Bonuses, payments for vacations, illness, etc., profit-sharing plans, employer contributions to old-age, retirement, etc., funds.	Does not state which of such payments must be included in regular rate of pay for purposes of computing overtime.	Clarifies the question of which of such payments must be included in regular rate of pay for purposes of computing overtime (secs. 7 (d) (1), (2), (3), and (4)).	Same as Lesinski bill except that, unlike Lesinski bill, no authority is given the Administrator or Secretary of Labor to issue regulations dealing with profit-sharing plans or with talent fees paid to performers. Also bonuses are included in regular rate of pay only if paid pursuant to prior contract agreement, or promise, while under the Lesinski bill they are also included in regular rate of pay if paid pursuant to a prior "arrangement, or a custom or practice" (secs. 7 (d) (1), (2), (3), and (4)).	Do.
V. Administrative power under the Act	In an independent Administrator (sec. 4)	Transfers administrative power to the Secretary of Labor notwithstanding that the organic act establishing the Department of Labor states the purpose of the Department to be "to foster, promote, and develop the welfare of the wage earners of the United States, to improve their working conditions, and to advance their opportunities for profitable employment" (sec. 4). The Department of Labor is staffed with assistant secretaries recruited from organized labor. The Department moreover, takes the position that it is spokesman for labor in the President's official family.	Same as present law (sec. 4)	Same as present law (sec. 4).
VI. Rule-making power	No rule-making authority granted the Administrator except in limited areas, such as authority to define who shall constitute an executive employee (sec. 13 (a) (1)), authority to issue regulations concerning learners (sec. 14), etc.	Unlimited rule-making authority conferred upon the Secretary of Labor, and it is made unlawful and punishable criminally to violate any rule of the Secretary. The rule-making power includes authority to issue rules, regulations, determinations, and orders and to define any term used in the law. The Secretary may prescribe conditions, limitations, or standards, and he may clarify the meaning of terms and provisions and make more certain the scope of their application. This is the most widespread delegation of authority ever proposed in a peacetime statute. It would be an abandonment by Congress to the Secretary of the legislative function. Congress admits in this bill that it is unable to write the statute clearly, fairly, uniformly, or effectively; or to protect employers or employees; or to safeguard the fair labor standards established by the act; or prevent the circumvention or evasion of such standards. Consequently, it authorizes the Secretary to do all those things as he sees fit (secs. 11 (b) and 15 (a) (2)).	Same as present law	Same as present law.

Comparison of principal provisions in (a) the present Fair Labor Standards Act (wage-and-hour law), (b) the new Lesinski bill, (c) the new Lucas bill, and S. 653 (as reported by the committee)—Continued

	Present law	Lesinski bill	Lucas bill (as amended by the House)	S. 653 (as reported by the committee)
VII. Right to sue for back wages due employees.	No such right conferred upon the Administrator. Employees alone may sue for back wages (sec. 16 (b)). Such right of suit is subject to the 2-year statute of limitations prescribed in sec. 6 (a) of the Portal-to-Portal Act.	The Secretary is authorized to bring suits to recover back pay due employees. In connection with such suits the employees waive their right to liquidated damages. Such suits by the Secretary are not limited by any statute of limitations and may go back to Oct. 24, 1938, the effective date of the original law. Moreover, the Secretary is also impliedly authorized to collect back pay in injunction suits he may bring under sec. 17 to restrain violations of the act in the future. (See proviso at end of sec. 16 (c) on p. 38 of this bill.) In connection with the injunction suits, there is no waiver by the employees of their right to liquidated damages. They may thereafter sue for same (sec. 16 (c)).	Same as present law (sec. 16 (b))	Same as Lesinski bill except that the Administrator is substituted for the Secretary of Labor, and an action by the Administrator is considered to be commenced for the purposes of the 2-year statute of limitations provided in sec. 6 (a) of the Portal-to-Portal Act of 1947 when the complaint is filed if the individual claimant is specifically named as a party plaintiff in the complaint, or if his name did not appear, on the subsequent date on which his name is added (sec. 7 (c)).
VIII. Defense of employer who acts in good faith in conformity with regulations, orders, or interpretations of the Administrator.	Under sec. 10 of the Portal Act this defense is available only if the employer relies upon the Administrator's regulations, etc., as well as acts in conformity with them.	Makes no change in the Portal Act on this point.	Modifies sec. 10 of the Portal Act so as to allow the defense where the employer simply acts in good faith in conformity with the Administrator's regulations, etc. There is no requirement that the employer actually rely upon such regulations. This is a desirable modification, since it is frequently difficult for an employer to prove actual reliance, as he may not in fact know about the myriad outstanding rulings. (Sec. 4 (e).)	Same as present law.
IX. Portal Act	Such act is in full effect	Casts doubt upon whether such act, which is closely allied to the Fair Labor Standards Act, would remain in full effect, since the bill contains no savings clause leaving it in full effect.	Contains a savings clause leaving the Portal Act in full effect. (See sec. 3 (d) on p. 38 of this bill.)	Contains a savings clause leaving the Portal Act in effect except as modified by the last sentence of subsec. (c) of amended sec. 16 of the present act.
X. Child-labor provisions. (a) Coverage.	Prohibits shipment in commerce of goods produced in an establishment where child labor is employed (sec. 12 (a)).	Extends the child-labor provisions so as directly to forbid the employment of child labor in commerce or in the production of goods for commerce. The bill also forbids any employer engaged in commerce or in the production of goods for commerce to employ any child labor in connection with any enterprise where he is so engaged. Thus, the coverage is extended to all employees of an employer engaged in commerce or in the production of goods for commerce (sec. 12 (b)). A comparable extension of the wage-and-hour provisions, at one time proposed, has been dropped.	Extends the child-labor provision so as directly to forbid the employment of child labor in commerce or in the production of goods for commerce (sec. 12 (b)).	Same as Lucas bill as amended by the House (sec. 12 (b)).
(b) Exemptions: (1) delivery of newspapers.	No exemption	Exemption for newsboys delivering newspapers to consumers (sec. 13 (a) (1)).	No exemption. (None is needed, for in this bill newsboys are not under the coverage of the child-labor provisions in the first instance.)	Same as present law.
(2) employment by parents of children under 16 in occupations proscribed for the same children at ages 16 and 17.	No exemption	Excludes from the parental employment exemption the employment of children under 16 in such hazardous work (sec. 3 (1)).	Same as Lesinski bill	Same as Lesinski bill (sec. 3 (1)).
(3) after-school agricultural employment and radio and television productions.	Exempts from provisions of sec. 12 agricultural employment while not legally required to attend school. No exemption for radio or television (sec. 13 (c)).	Exempts only agricultural employment "outside of school hours for the school district." Exempts children from sec. 12 who are in radio or television productions (sec. 13 (d)).	Same as the present law except allows radio and television exemptions.	Same as Lesinski bill (sec. 13 (d)).

PROPOSED CONFERENCE IN WASHINGTON REGARDING FINANCES OF GREAT BRITAIN

Mr. KEM. Mr. President, there is an old English proverb, "History repeats itself."

The American taxpayers today have good reason to feel the stark truth of this ancient maxim, which is said to be as old as Thucydides. For the British are coming, Mr. President, coming to Washington next month—and why? The answer is they need further aid to bolster their faltering Socialist Government. They plan again to tap the United States Treasury—as they have tapped it so frequently, so successfully, so prolifically in the past.

Mr. President, "the heavily burdened people of the United States" have grave misgivings about this forthcoming conference—and well they may have. In view of what has transpired in the past, can anyone blame the hard-pressed American taxpayer who asks, "Have not we been over this road before?" The cowboy philosopher, the late lamented Will Rogers, once said: "The United States has never lost a war," and then added sadly, "We have never won a conference."

WHAT DO THE BRITISH WANT NOW?

I have no knowledge of what Mr. Ernest Bevin and Sir Stafford Cripps will propose at the conference, which begins on September 6. According to newspaper reports, their requests for additional assistance may take a number of forms. It is reported that Britain's Socialist leaders may suggest that we devaluate our dollar by raising the price of gold we buy from them. They may request that the United States undertake to support the prices of basic world commodities, or embark upon a vast program of investments abroad through the International Bank. It is reported, too, that Britain's leaders may propose that we set up a stabilization fund—at the expense, of course, of the United States Treasury—to support the pound sterling. It may be that Mr. Bevin will be bold enough again—Mr. President, may I be permitted to say, he may again have the intestinal fortitude—to suggest that some way be found for "utilizing" as they say, what they are pleased to call the "free gold" buried at Fort Knox.

It has also been proposed that the British "conserve their dollar reserves by using Marshall-plan dollars to purchase Canadian wheat." This suggestion will bring no great applause either from those who have supported ERP because they thought it would help us get rid of agricultural surpluses, or from our wheat farmers who have been watching this year's wheat crop pile up in Government storage.

These proposals, tentative though they may be, Mr. President, all have one thing in common. Each represents a means—a method—to tap the American Treasury for more billions or more millions to prop up the tottering socialistic economy of Great Britain. It is reported that the British Socialists seek an additional $15,000,000,000 in aid—not all at once, perhaps, but over a period of years.

Mr. President, it can hardly be denied that "the heavily burdened people of the United States"—to repeat Mr. Churchill's sympathetic description—have been generous—exceedingly generous—with our British friends. At a later date I shall discuss in the Senate the record of the give-away era, during which the United States has been developed into what has come to be known as the "hand-out state."

WHY BRITAIN LACKS DOLLARS

The Economist of London in an article entitled "Britain in the Pillory," reprinted in part in the Washington Post of August 21, 1949, denies that Britain's balance of payments difficulties "are due in large part to the specifically Socialist measures that the present Government has taken, and that a non-Socialist government would not have taken."

In making this pronouncement the usually sound London Economist must have let its patriotic ardor get the better of its scientific judgment. It has failed to take into account, or at least makes no effort to explain, certain well established economic facts.

Britain lacks dollars because she cannot produce sufficient low-priced goods to meet the competition of the free-enterprise system. Her welfare state expects the foreign markets to pay for some of her expensive experiments, like socialized medicine. But more important, this welfare system lacks the ingenuity, the efficiency, and the flexibility to get out the types and styles of goods that foreign buyers want. High production means more than hard work; it means skillful and resourceful management. Socialism usually means leisurely labor. The evidence indicates that in present-day England socialism means management dead on its feet.

As a result, the British have failed to produce sufficient goods for export at prices the buyers in the foreign markets are ready and willing to pay. This inefficient and high-cost production has been effective in an economic sense from the very beginning of the British Socialist regime. And so when the usually highly regarded Economist says that the nationalization schemes of the British Socialist Government "have certainly not yet had time to exert any effect on the ratio between imports and exports," the Economist is hitting wide of the mark.

There is one more statement in the Economist article that is perhaps worthy of brief comment. The piece closes with the expression of this pious wish:

> There is a month to go before Sir Stafford Cripps and Mr. Bevin pay their fateful visit to Washington. It is to be hoped that in the interval calmer tempers and saner judgments prevail.

On August 21, 1949, a contemporary of the Economist of much wider circulation, the Sunday Pictorial also published in London, likewise came out with a "reply to America's lies and slanders." Asking for "a fair hearing of Britain's case," it asserted that Britain would continue to support any party or government it chose, "whether it suits the book of your Wall Street wolves or power-drunk political wire pullers." It continued: "Too many of you Americans are being fooled by grasping, bigoted tycoons, by brash around-the-world-in-a-day politicians, and by your lying anti-British press." There is more to the same effect. This article appears to refer to three groups in our national life: (a) our financial community, (b) our public officials, including Members of Congress, (c) the American press.

After being properly chastised and put in their places, each of these three groups is now expected to proceed to the consideration of such requests as the British may see fit to make of us, with calm temper and sane judgment. It is to be hoped that the decisions reached at the forthcoming conference in Washington will not be influenced by either the frankness or what may appear to be a lack of urbanity on the part of our British friends.

HOW HAVE THE BRITISH PROFITED FROM OUR MONEY?

Mr. President, Great Britain is the key to the success or the failure of the Marshall plan. She is by far the largest beneficiary of the program. She is the financial center of the so-called sterling area, the currencies of which are tied to the British pound sterling. Her economic recovery is of vital importance to the people of the world. None are more directly affected than the American taxpayers, who have so generously supported Britain's economy for so long a period of time.

It is becoming increasingly apparent that until the British Socialist Government recognizes the economic facts of life, until that government foregoes its extensive plans for a completely socialized, planned economy, there can be no British recovery.

Mr. President, earlier today the distinguished junior Senator from Pennsylvania [Mr. MARTIN] placed in the RECORD a series of articles written by E. T. Leech, editor and publisher of the Pittsburgh Press, which are currently appearing in the Scripps-Howard newspapers throughout the United States. Mr. Leech recently went to Britain to obtain some first-hand information regarding the British situation. His articles are entitled "Utopia on the Rocks—British Socialism in Action." I commend them, as did the Senator from Pennsylvania, to the thoughtful attention of my colleagues. I quote some of Mr. Leech's statements for the benefit of those Senators who have not had and may not have an opportunity to read them. He writes:

> Right now, the Marshall plan is gravely threatened. Recovery is in dire peril, after it seemingly was well started. The big reason is the British financial jam.
>
> British Government leaders deny this is due to heavy spending on their vast Socialist program. Their opponents charge that it is, at least in part. The whole security program and nationalization of industry are financed internally, say Labor Party leaders. They deny that the use of about $360,000,000 in recovery funds (known as "counterpart funds") for the payment of internal debts meant that recovery money was being used on the socialism program.
>
> It seems to be largely a matter of how you keep books. Or, to try for the simplest example, it's like giving a relative $20 provided he spends none of it for booze. So he

spends $5 of his own for liquor, and uses $5 of your money to buy what he otherwise could have bought with his own.

It is hard to escape the conclusion that Britain's vast spending for Socialist schemes—on the heels of a devastating war—is more than she can afford. This spending includes more than $2,000,000,000 yearly for food subsidies, around $1,500,000,000 on the health plan, and other vast sums for housing, the losses of state industries, and support of a government pay roll of more than 2,000,000.

England is living far beyond her means. This must be one reason she has to depend on outside help.

There seems no chance that England can get on her feet by 1952—when Marshall aid supposedly will end. And to make matters more complicated, the Labor Party has a whole list of new or expanded schemes and a lot more industry slated to be nationalized if it can gain reelection. Which will mean new burdens added to present ones. And more cause for high prices.

Socialist Britain doesn't like capitalist America. Nothing personal, but as a matter of principle. Socialism and communism, whatever their other differences, agree on one point. They hate and distrust free enterprise. They want to overthrow it.

British Government heads are careful not to stress this at a time when they are asking a half-billion-dollar boost in this year's Marshall aid. But in their domestic politics and their appeals for home consumption, they make no bones about it.

I think I may say that is rather clearly indicated by the extract from the Sunday Pictorial which I have just read.

I continue to quote from the article by Mr. Leech:

American high prices were blamed for swallowing up the United States loan to Britain 3 years ago, and when American prices fell, America again got blamed for causing England's dollar shortage. In either case, it was "That Old Debbil Uncle Sam."

The United States not only helps fill England's treasury, but provides handy excuses for most of her troubles.

Mr. Leech describes the British Socialists' egalitarian policy of equalizing incomes so that everyone will be on approximately the same financial level. As a matter of fact, the Socialists, through exorbitant tax rates, have had a great deal of success in cutting down the upper incomes. However, they still have a long way to go in raising the lower incomes.

Mr. Leech notes, moreover, that Socialist government officials are not adverse to receiving certain rewards on the side. For example, the Socialist government has spent $108,000,000 since the war for official automobiles, including 39 luxury limousines for top officials in the last 18 months. Lesser ministerial figures in London have 758 such official cars, while 6,600 others are kept in government pools for staff members to use. A London newspaper has charged that expenses for official automobiles have exceeded the total spent since the war on colonial development throughout the British Empire. That, of course, does not include the Marshall-plan funds which are being used to build great peanut plantations in the Colony Kenya, in Africa.

Mr. President, I recently received a most informative letter from another intelligent American visitor to England, Mrs. J. Preston Irwin, of Cleveland, Ohio. Mrs. Irwin has written me:

I am an American of Cleveland, Ohio, living temporarily in England. My husband, an engineering consultant in steel production, is here on business. For 6 months I have been studying Britain's current problems, having had a long and active interest in community life at home. As an active member of the League of Women Voters and the United Council of Church Women, I headed an effort in Ohio in support of the British loan and, later, in support of the Marshall aid.

I may interpolate, Mr. President, that in my own State of Missouri the League of Women Voters has been particularly active in advocacy both of the United States loan to Britain and of the Marshall plan. I continue to read from Mrs. Irwin's letter:

I am now shocked and outraged by the irresponsible dissipation of American funds thus given to Britain.

Nothing has been achieved by this program within the United Kingdom except to conceal the complete failure of British socialism and to postpone its ultimate, inevitable collapse.

Could anything be more stupid than capitalism subsidizing socialism to prevent communism?

Mr. President, I think that sentence is worth repeating:

Could anything be more stupid than capitalism subsidizing socialism to prevent communism?

I continue to read from Mrs. Irwin's letter:

For 6 months of life under a Socialist dictatorship has been convincing evidence that socialism is the embryonic form of Communism. And there are ministers in the present British Ministry who understand that perfectly. Aneurin Bevan, Shinwell, and Strachey are among them.

Mr. Shinwell will be identified by Members of the Senate as Emanuel Shinwell, who made, I may say, a very bitter anti-American speech yesterday, which was fully reported in the American press. I continue to read from Mrs. Irwin's letter:

The Britain of yesteryear has ceased to exist. Today Britain is a nation without pride and without ambition, a beggar holding a tin cup who will betake himself to the nearest pub, when his cup is filled, to go on a beautiful binge.

Neither employers nor employees work. The working days for everyone, except hotel employees, is about 7 hours, 5 days a week. In every office, in every industry, in every trade, time is dissipated on morning coffee, and on afternoon tea. And during the last 3 months all of England has had three week-ends of 5 days each when no one, except hotel employees, worked. At Easter all activity ceased for 5 days; at Whitsuntide, which was early in June, the nation again had a 5-day vacation. And August 1 was the annual bank holiday when again no one worked from Saturday, July 30, to Tuesday or Wednesday of the following week. I boiled at the sight of the indolence when I considered that my fellow-countrymen at home were sweating to support them.

The responsible and intelligent people of Britain do not want Marshall aid. For they know that it is contributing to the ruin, probably the end, of their once great nation. Speaking at a Conservative meeting, attended by about 200 people, recently, I mustered the courage to say that I thought Marshall aid had been a mistake. And there was unanimous and vehement agreement.

Today the lives of 48,000,000 Britons are dictated completely by a little group of stubborn, inept, and autocratic men, against whose personal, arbitrary opinions there is no appeal. The nation is pilloried and helpless.

It is rather interesting that the same word, "pilloried," was used in the London Economist yesterday in the headline of an article in which it was said Britain was put in the pillory by the Americans. It seems there is good opinion that Britain is in the pillory, all right, but due to entirely different causes.

It is time that America awoke, despite Truman's pathetic support of socialization and nationalization, to the fact that we are contributing to the greatest tragedy of the present, the loss of freedom for which 20 generations of men have fought.

Mr. President, the British Government has announced that the drive for further socialism will go on. Senators may recall that Artemus Ward said he "wanted to put down the rebellion, even if he had to sacrifice every one of his wife's relations." That was a pleasantry. Are the British Socialists determined to socialize Great Britain, even if they have to sacrifice the solvency of every American taxpayer? That would be a grim joke.

HOW MUCH FURTHER IS THE AMERICAN ECONOMY TO BE DRAINED?

Mr. President, the question to which I am addressing myself is this: How much longer can we continue our present policy of throwing the doors of the Treasury open to all comers? Experience is supposed to be the best teacher. Our experience to date with foreign aid has been dismal. Is the lesson to be entirely lost to us? It was Santayana, I think, who remarked that people who cannot remember history are condemned to repeat it.

We have matters at home more pressing than many of the problems abroad. The administration, I read, is concerned about the fertility of the farm land of England. For my part, I am much more—very much more—concerned about the loss of fertility, which is going on every day in the valleys of the Mississippi, the Missouri, the Savannah, and other American rivers.

It is all right for Mr. Truman, in his much discussed point IV, to express concern about the improvement and growth of underdeveloped areas of the world. Such bold, new programs intrigue our interest. But I happen to be still more concerned about underprivileged children in the United States. I want to know why the old folks in my State of Missouri, and in all our States, are receiving less in old-age benefits from the Federal Government than their counterparts in Great Britain receive from the British Government. How about, for a change, looking after our own resources? How about looking at our own economy, before spoon-feeding any more economic soothing sirup to the people of Great Britain? What about the ever present, or recurrent, dollar shortage among many of our own citizens?

I have been at that pass myself, and I do not know of any insurance against feeling it again. Can we be sure we are not undermining the prosperity of own Nation, impoverishing our own people, and inviting upon our own heads the disaster of insolvency?

If I had my way, we would say to Mr. Bevin and to Sir Stafford Cripps when they come to Washington on their official mission:

Not another American dollar for British socialism. Not another dime of the American taxpayer's money until you take measures to help yourselves. We have done our part. We stand on the record. The evidence shows you have not done your part. Go home and establish a free market for your inflated pound sterling—call a halt to your wasteful and inefficient experiments in socialism—terminate your bilateral trade agreements designed to shut off the competition of free American enterprise in the markets of the world. After you have done these things, then and only then will we consider proposals for further disbursement to you of the hard-earned money of the people of the United States.

INTERIOR DEPARTMENT APPROPRIATIONS, 1950 — UNANIMOUS-CONSENT AGREEMENT

The Senate resumed the consideration of the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes.

Mr. HAYDEN. Mr. President, after having conferred with the minority leader, I should like to submit a unanimous-consent request to set aside the 30-minute limitation on debate on the Southwestern Power Administration amendment to the Interior Department appropriation bill, and that that amendment and all amendments thereto be voted on at 2:30 p. m. tomorrow, the time between 12:30 and 2:30 to be controlled by the senior Senator from Oklahoma [Mr. THOMAS] and the senior Senator from Alabama [Mr. HILL].

Mr. WHERRY. Mr. President, reserving the right to object, may I ask the reason for the vacating of the agreement regarding the 30-minute limitation?

Mr. HAYDEN. Because the amendment referred to is the pending question whenever we resume the consideration of the Interior Department appropriation bill.

Mr. WHERRY. I understand that.

Mr. HAYDEN. If we devote 2 hours to debate tomorrow we would not want to talk about it today. We can proceed with other amendments.

Mr. WHERRY. Mr. President, I shall not object, but it seems to me that what is likely to happen is that if the Senate proceeds to debate the pending issue, which is the motion to reconsider the House amendment to Senate amendment No. 46 to the independent offices appropriation bill, and possibly debate the question all afternoon, when tomorrow arrives there will be 2 hours left, and possibly one Senator will consume most of the time.

Mr. HAYDEN. No. The time will be controlled by the senior Senator from Oklahoma [Mr. THOMAS] and the senior Senator from Alabama [Mr. HILL].

Mr. WHERRY. I shall not object. I entered into the agreement regarding a 30-minute limitation on debate with some hesitancy, because I thought it might cut off some Senator and prevent a long speech.

The PRESIDING OFFICER (Mr. HUNT in the chair). Is there objection? The Chair hears none, and it is so ordered.

PROPOSED CONFERENCE IN WASHINGTON REGARDING FINANCES OF GREAT BRITAIN

Mr. WHERRY. Mr. President, continuing with reference to the very forceful remarks made by the junior Senator from Missouri [Mr. KEM], calling our attention to the conference which will be held in Washington, beginning on September 6, 2 weeks hence, among officials of the Governments of the United States, Canada, and Great Britain, to discuss the economic crisis confronting England and the sterling area, I notice that press dispatches this morning state that Mr. Snyder, the Secretary of the Treasury, will head the American delegation, accompanied by his Cabinet colleague, Mr. Acheson, Secretary of State, and Mr. Lewis Douglas, Ambassador to the Court of St. James's, and others. Preliminary talks are already under way. In fact, I called attention to this matter on Saturday, in a release which came out this morning, in which I expressed some views. I should like to state for the RECORD at this time that the agenda of the conference has not been officially announced, but reports are rife that Great Britain will assert that her policies are in nowise responsible for her present plight. Those are the reports not only throughout the United States, but in other countries. As has already been so ably stated by the junior Senator from Missouri, these reports indicate that Great Britain will assert that she can continue to finance her socialistic government and that it has not increased the cost of manufacturing goods. Certainly, Mr. President, she will not continue devaluation of her currency; certainly she will seek waiver of point IX of the British loan agreement; certainly an agreement will be sought on an economic union between the United Kingdom and the United States; certainly the United States will be requested to raise the price of gold from $35 an ounce to $50 as a means of bolstering the pound sterling. Britain will devalue her currency if the United States will back the pound sterling with the gold at Fort Knox.

Those are the indications and the signposts of what will be considered by the conference. I could go on indefinitely, but I have failed to note any formula for discussion as to what it will cost the American taxpayer. That is the summation of the whole discussion which will take place at the conference among officials of Canada, the United States, and Great Britain.

The junior Senator from Nebraska might offer a speculation of his own, namely, that the American delegation—and I refer particularly to the State Department representation—will pledge action on the part of this Government to a proposal to be laid before the American people in the specious guise of "self help and mutual aid," but with the tacit understanding that all financial support will be the peculiar province of the United States alone.

These speculations serve as a vivid reminder of prior deliberations on the part of officials of this Government and officials of foreign governments—at Tehran, Potsdam, and other places—following which the statements made by our representatives have been pointed to as moral commitments which the Congress should bolster with substantive law and the taxpayers' dollars.

As I recall, a statement made by an individual receiving an honorary degree from one of our universities served as the fulcrum for launching the European recovery program, the most expensive degree ever conferred.

It will also be recalled that Mr. Truman, during the course of his inaugural address, made some reference to the development of "the backward areas." The executive departments of the Government are striving without surcease to "implement point 4." Within the past week the Secretary of the Interior assured the United Nations that the United States Government was ready to provide cash for such a program.

It is my prediction that in a short time Congress will receive a message from the President requesting funds for the world-milk route, pointing to moral commitments which will require the Congress to rubber stamp its approval.

So, Mr. President, I think it is safe to assume, on the basis of experience, that British officials will receive promises from the American delegation which, if borne out, will cost the American taxpayers billions of dollars.

Permit the junior Senator from Nebraska to serve notice on our distinguished guests, and also to remind the distinguished American representatives, that the agreements which may be made on behalf of the American delegation, will be binding only to the extent that existing substantive law empowers the execution of such agreements. Let it be expressly understood that any agreement entered into, the execution of which will require action by the Congress, does not establish a moral commitment upon America to ratify such agreement. Certainly conferences of this kind should be in the open and the facts should be understood not only by those who discuss the matters involved, but should be made plain to the press, to the Congress, and to the American people, so that we will know what commitments are made which might require legislation to rubber stamp the moral commitments as they have been made in the past by the State Department in behalf of the United States Government.

Let me repeat—the officials party to the coming tripartite financial conference should conduct their deliberations fully aware that any agreements entered into which will require congressional action will not be viewed as presenting moral commitments upon the United States to ratify such agreements and the

attendant furnishing of American taxpayers' dollars for further foreign aid.

Mr. President, the remarks I have made make plain the position of the junior Senator from Nebraska.

Mr. MARTIN. Mr. President, will the Senator yield?

Mr. WHERRY. I yield to the Senator from Pennsylvania.

Mr. MARTIN. Is not one of the great difficulties encountered by the American people at the present time the number of secret agreements which have been made, which commit the Congress or the American people, without their having any knowledge whatsoever as to what is being done?

Mr. WHERRY. Mr. President, I answer the Senator in the affirmative. Since I have been a Member of the Senate I have been appalled at the secret agreements which have finally come to light. We had to pry them out in order to get first-hand information and knowledge as to what was being done and had been done. The moral commitments which are made become embarrassing when the Senate and the House take up for consideration legislation which has been introduced to carry out the moral commitments. The Senate has been faced with some comment to this effect, "Well, we have made the commitments. You cannot break faith with these countries. You had better pass the substantive law and finally the appropriations."

So, Mr. President, I say "Yes" to the question of the distinguished Senator from Pennsylvania, and I point to the remarks made by the distinguished junior Senator from Missouri [Mr. KEM] this morning relative to the lady who wrote on behalf of the League of Women Voters, and other women's organizations. When they finally learn what the moral commitments are, they are not so enthusiastic about some of the programs as they were prior to the time they learned what responsibility those moral commitments really place upon the American people, especially the taxpayers.

So, Mr. President, I answer the distinguished Senator from Pennsylvania in the affirmative. I say again that as these foreign officials come to Washington to talk over the economic union, the discussion should be had in the open. The financial situation of the United States is at a crisis, and every dime we spend should be spent only upon justification, and the justifications can be made only upon the presentation of facts. We want the facts covered in these discussions, and not have moral commitments made which we will have to approve through appropriations and through legislation because someone feels we must keep faith with the countries to whom the moral commitments have been made.

Mr. WATKINS. Mr. President, will the Senator from Nebraska yield?

Mr. WHERRY. I yield to the Senator from Utah.

Mr. WATKINS. Has it ever occurred to the Senator from Nebraska that there is a possibility that there was a secret agreement with the North Atlantic Pact countries, with respect to the amount of arms aid we were to give them, prior to the introduction of the bill for that purpose?

Mr. WHERRY. Mr. President, that has not only occurred to me, but I think it was pointed out by some of those who opposed the North Atlantic Pact, who offered amendments, one being offered by the distinguished Senator from Utah, another by the distinguished Senator from Missouri, I believe. I joined in one amendment, which provided that we should write into the substantive law the statement that there was no moral commitment to furnish arms. In answer to that particular amendment we were told, "No, when the arms program comes to the Senate it will be brought about in connection with the Defense Council, under article 9, and the program will come before the Congress of the United States for consideration."

Now we have a program of so-called interim aid, about which we never heard. It is being submitted because of the moral commitments made at the very time the North Atlantic Pact was taken up for consideration, and it is urged we now have to approve some kind of aid in order to save face with those countries to whom the commitment was made at the time the North Atlantic Pact was presented, or even before.

Mr. WATKINS. Does the Senator have in mind the possibility that the visit to this country at this time of these English statesmen is being made to get money to help them win the election which is shortly to take place in Great Britain?

Mr. WHERRY. Mr. President, on that particular subject I am quite satisfied that if the Labor Government in Great Britain, and other governments which we are helping to bolster, are to remain in power, they have to continue to get the American dollar, because they cannot manufacture their goods and sell them in the world market competitively under the socialistic program which they are subsidizing, and for which we are paying dollars to subsidize.

Mr. WATKINS. Does the Senator have in mind the other possibility, that if they do not get the money there is strong probability that the Labor Government will be defeated in the coming election?

Mr. WHERRY. I think there is no doubt about that.

Mr. KEM. Mr. President, will the Senator from Nebraska yield?

Mr. WHERRY. I yield to the Senator from Missouri.

Mr. KEM. I wish to congratulate the Senator from Nebraska on the statement he has just made. I think it is a fine, patriotic American statement, and worthy of an American statesman in the United States Senate.

I wish to express the hope that the distinguished minority leader on the floor of the Senate will take steps to see that what he has just said is brought to the attention of every conferee at the forthcoming Washington conference, so that all of them may know that so far as the leader of the minority party in the Senate is concerned, they are dealing with agents with limited authority, and that there is no recognition on the floor of the Senate of any moral obligation which may come out of that conference.

Mr. WHERRY. I thank the distinguished Senator for his observation. I should like to say that the Senator has my assurance that, so far as the junior Senator from Nebraska is concerned, I shall continue to work to see that not only the delegations attending the conference are notified, but that the countries and the American people are notified that there are no moral obligations until the matters are finally brought before the Congress of the United States and legalized in substantive law, prior to appropriations being made.

Mr. DONNELL. Mr. President, will the Senator from Nebraska yield?

Mr. WHERRY. I am glad to yield to the senior Senator from Missouri.

Mr. DONNELL. Does not the Senator agree with me that it is well to make perfectly clear in the minds of those who come to us from foreign shores that under the Constitution of the United States the power to dispose of money or any property of the United States does not reside in the executive department, but in the Congress, and that article 4 of the Constitution says: "The Congress shall have power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States"?

Mr. WHERRY. I thank the distinguished Senator from Missouri for that observation. I especially thank him for bringing the language of the Constitution to my attention. I, for one, have tried to uphold the Constitution, and I know that the distinguished Senator from Missouri has done likewise, as well as other Members of the Senate. But we are continually being circumscribed, we are continually being faced, especially on the Committee on Appropriations, with the statement, "Well, we promised this. Now we have to keep faith with these countries." Of course, we know the Congress has full power over appropriations. The time has come when it should be announced that no official representing this Government has the right to bind the Congress in any way, shape or form until an authorization has been passed and appropriations are made by both bodies of the Congress.

Mr. MARTIN. Mr. President——

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. WHERRY. I believe the Senator from Pennsylvania [Mr. MARTIN] was on his feet first seeking recognition. I yield to him.

Mr. MARTIN. Does not the junior Senator from Nebraska feel that in this troubled world, paraphrasing the language of the great war President of World War I, treaties openly arrived at will be more likely to bring about peace in the world than treaties arranged through groups of men, in some cases without authority to commit the Government? Does not the Senator believe that if treaties were arrived at so all the people could understand their purposes it would be more likely that real peace in the world would be attained.

Mr. WHERRY. I think so.

I am now glad to yield to the Senator from Illinois.

Mr. LUCAS. I should like to ask the able minority leader just who it is who is making statements to such effect that they will commit the Government of the United States to give away, or lend, any money to foreign nations without authorization by the Congress of the United States?

Mr. WHERRY. Mr. President, I stated in the beginning of my remarks, as the distinguished majority leader would know if he had listened to them, that reports have appeared in the press, not only throughout the United States, but in Great Britain, that Sir Stafford Cripps is coming to the United States of America to try to bring about an economic union between Britain and the United States. The press has stated that he is coming here to secure dollars to supply the European dollar deficit. In connection with the economic union it is said Sir Stafford Cripps will ask for five or six different things. I pointed out what were the things he would ask for. I went on to state that no doubt some of the things he would ask for would be granted. I believe he will ask for the things I mentioned.

The point I made was that, regardless of the requests which would be made, it is high time that those in authority in our Government point out to foreign officials that no further moral commitments will be made, such as those which were made at Yalta and at Potsdam and at other great conferences, commitments which would bind the United States of America morally to carry out something that had not yet been authorized by substantive law or through the making of appropriations by Congress. I said those in authority should point out to foreign officials that Congress will not act to save the faces of those who make moral commitments on our behalf, commitments which had not been authorized by substantive law.

Mr. LUCAS. Mr. President, will the Senator further yield?

Mr. WHERRY. I yield.

Mr. LUCAS. Whatever money Great Britain receives, if she receives any at all as a result of her negotiations with this country, has to come through the Congress of the United States, and the Senator from Missouri [Mr. DONNELL] has just read the language of the Constitution dealing with that subject, language which everyone knows.

Mr. WHERRY. Mr. President, I wish everyone realized fully the duties imposed on the Congress as set forth in the Constitution, and with that realization clearly in mind would do everything possible to uphold the provisions of the Constitution.

Mr. LUCAS. Mr. President, I do not quite follow the arguments being made on the floor now that Great Britain can get any money from this country until the Congress of the United States authorizes it. That is about all there is to the matter under discussion, is it not?

Mr. WHERRY. Mr. President, the difficulty for many years has been that Members of Congress have taken the very position just now taken by the majority leader, and yet many appropriations have been made, merely for the purpose of saving face, to carry out moral commitments, of which Congress had no knowledge whatever, which had been entered into by Government officials. Many a time the argument has been made in justification of a request for money, "Well, we have done this and we have done that. Now Congress must appropriate money in order to save the face of those who made the representations." That is the point I am making, and I think the majority leader should join with me in making that point. The majority leader and I are in agreement on the point I have made that we should first go through the required constitutional processes in matters of this nature. If we do so, then there will be no argument respecting the validity of what we do.

Mr. LUCAS. What moral obligation have we been committed to by officials of the Government which Congress has, by making appropriations, finally been obliged to carry out?

Mr. KEM. Mr. President, will the Senator yield to me?

Mr. LUCAS. Just a moment. I have asked the Senator from Nebraska a question.

Mr. WHERRY. Mr. President, I can yield to whatever Senator I please, and when I please. I have the floor.

Mr. LUCAS. Yes; but I have just asked the Senator from Nebraska a question.

Mr. WHERRY. Yes, the Senator has asked me a question, and I am glad to answer it also.

Mr. LUCAS. It is a very easy question to answer.

Mr. WHERRY. I will yield, Mr. President, to the Senator from Missouri, if he wants me to yield to him, and after he has concluded I shall answer the Senator from Illinois in due time.

The PRESIDING OFFICER. To whom does the Senator yield?

Mr. WHERRY. I yield now to the Senator from Missouri.

Mr. LUCAS. For a question?

Mr. KEM. The Senator from Illinois no doubt remembers the maxim of our childhood that a burned child fears the fire. I should like to ask the Senator from Nebraska if it is not true that it is being urged on us at the present time that the Secretary of State and other members of the State Department made commitments to certain of the Scandinavian countries in connection with the North Atlantic Pact to the effect that we would arm only countries that entered into the North Atlantic Pact. I should like to ask the Senator from Nebraska if it is not being asserted by the duly authorized representatives of those countries today that they have a vested right to arms from the United States?

Mr. WHERRY. Yes.

Mr. KEM. By reason of the wholly unauthorized representations made to those countries by the State Department?

Mr. WHERRY. I agree with the distinguished Senator.

Mr. President, I believe that example submitted by the Senator from Missouri completely answers the question asked by the Senator from Illinois. I shall answer the Senator from Illinois further. Previously I have stated on the floor of the Senate that moral commitments were made to certain foreign countries respecting arms and interim aid at the time we were considering the Atlantic Pact. I think the only justification for interim aid was that moral commitments had been made in connection with the discussions of the Atlantic Pact. I believe any commitments made respecting interim aid during the time the Atlantic Pact was under consideration would be a violation of the representations made when the pact was ratified, those representations being that if there were to be an arms program in connection with the Pact, that program would be submitted to the Congress after the defense council, under article 9 of the pact had prepared the program, and it would come up for consideration in both Houses of Congress.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. LUCAS. The Senator now is talking about an arms pact?

Mr. WHERRY. I am talking about moral commitments and commitments to furnish arms, which have been made, and which are now attempted to be justified under the theory that if we do not approve such commitments those who made the commitments will lose face, and we, whom they represent, will lose face with the countries involved. All that is necessary for us to do is to go back and consider the Yalta agreement and the Potsdam agreement, and we can find scores of moral commitments which were made and which we subsequently had to carry out. If I could receive unanimous consent, I should like to place in the RECORD for the benefit of the Senator from Illinois some of the moral commitments to which I refer. I shall ask unanimous consent to supply for the RECORD the moral commitments we made which we subsequently were obliged to carry out.

Mr. LUCAS. Mr. President, will the Senator yield for a question?

Mr. WHERRY. Yes. I have been very courteous to the Senator from Illinois, and I shall be very glad to answer any question he may desire to ask.

Mr. LUCAS. Now, if the Senator from Nebraska would permit me to ask him a question——

Mr. WHERRY. I am going to answer.

Mr. LUCAS. Will the Senator yield for a question?

Mr. WHERRY. I always yield to the majority leader. There is no Member of the Senate to whom I would rather yield than to the Senator from Illinois.

Mr. LUCAS. Mr. President, will the Senator from Nebraska yield for a question?

Mr. WHERRY. Yes.

Mr. LUCAS. Does the Senator from Nebraska have any faith in the statements made by the Secretary of State before the Committee on Foreign Relations with respect to the fact that absolutely no commitments were made in respect to the Atlantic Pact before we entered into it?

Mr. WHERRY. Mr. President, if I am to answer a question about my faith in the Secretary of State, I would have to go back to the time when I resisted his confirmation as Under Secretary of State, when he attempted to inflict upon General MacArthur a coalition policy which would have permitted the Communists to dictate the policies of the United States in Japan. I would have to begin from that point. I would say, beginning with that particular incident in my life, that it would require a considerable amount of patience on my part and a great deal of enduring faith to agree with some of the proposals of the new Secretary of State, Mr. Dean Acheson.

Mr. LUCAS. Mr. President, will the Senator yield further?

Mr. WHERRY. I yield.

Mr. LUCAS. The Senator will also remember that he was the only individual in the Senate who was against the confirmation of the nomination of Mr. Acheson.

Mr. WHERRY. The majority leader will remember that former Senator Chandler of Kentucky, one of the most able Members of this body, opposed the nomination of Mr. Acheson for the very reasons I have now given, and Senator Chandler made a motion to recommit the nomination to the Committee on Foreign Relations. I think the Senator will find, if he examines the RECORD, that more than a score of votes, I believe 24, 25, or 26, were cast in favor of recommitting the nomination for further consideration.

Mr. LUCAS. On the final vote——

Mr. WHERRY. On the final vote I did not change my position. It is one of the best votes I ever cast in the Senate. If we had started then with the policy which we should have adopted toward China, we would not find ourselves in the condition we are now concerning China. Mr. Acheson was Under Secretary at the time. Mr. Butterworth, whose nomination to be Assistant Secretary of State is now on the Executive Calendar, which nomination the administration wishes us to confirm, was his assistant. Today, because of their policies, which are pro-communistic, we have a completely disintegrated policy in China, which is not only plaguing the United States, but all the other nations of the world.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. WHERRY. I am glad to answer this type of question. I enjoy answering such questions.

Mr. LUCAS. Does the Senator maintain that all Senators were out of step except the Senator from Nebraska when the nomination of Mr. Acheson was before the Senate?

Mr. WHERRY. The Senator from Nebraska has been completely justified in that vote. If more Senators had voted that way, we would not have the difficulty we have in China today. It is finally admitted in the white paper that we have no policy at all. It is entirely a give-away. If we had had the kind of policy we should have had in China at that time, we might have had some chance of having peace in the world. The peace of the world depends on China. We are backing out of China. We have wasted our money and our materials. We are in a sad plight. That justifies the vote I cast against Mr. Acheson. If more Senators had been in step with me, we might have had an entirely different situation so far as China is concerned, and Europe, too, if you please, because he put into effect the Morgenthau plan, which absolutely destroyed any chance of getting peace in western Europe.

Mr. KEM. Mr. President, will the Senator yield?

Mr. WHERRY. I want to be sure that I have answered all the questions of the majority leader.

Mr. LUCAS. I have several more questions. My friend always covers more territory than I request in a simple question. Instead of answering the question, he always makes a long speech.

The PRESIDING OFFICER The Chair requests that only one Senator speak at a time.

Mr. WHERRY. Mr. President, have I the floor?

The PRESIDING OFFICER. The Senator from Nebraska has the floor. Does the junior Senator from Nebraska yield to the Senator from Illinois?

Mr. WHERRY. I yield.

Mr. LUCAS. We were talking about moral commitments with respect to England. Now we are discussing China. I should like to ask the Senator how he proposes to take care of the Chinese situation. Does he propose to send troops and money over there?

Mr. KEM. Mr. President, will the Senator yield before he answers that question, to permit me to put a short interrogatory?

Mr. WHERRY. Mr. President, I ask unanimous consent that the Senator from Missouri may be permitted to ask a question——

The PRESIDING OFFICER. The Chair recognizes the Senator from Missouri.

Mr. WHERRY. Oh, no. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. WHERRY. Do I not have the floor?

The PRESIDING OFFICER. The Chair reverses his previous statement.

Mr. WHERRY. I yield to the Senator from Missouri.

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Missouri?

Mr. WHERRY. I yield to the Senator from Missouri.

Mr. LUCAS. Mr. President, I want to protect the Senator from Nebraska.

Mr. KEM. Mr. President, for the purpose of keeping the record straight, at the time the name of Mr. Dean Acheson came before the Senate for confirmation as Secretary of State, other Senators had reached the conclusion which the Senator from Nebraska had reached as to his fitness for high office, and joined him in opposing his confirmation at that time.

Mr. WHERRY. That is correct.

Mr. LUCAS. A small minority.

Mr. WHERRY. Mr. President, have all the questions been asked?

Mr. DONNELL. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Will the Senator from Missouri kindly address the Chair?

Mr. DONNELL. I thought I said "Mr. President."

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Missouri?

Mr. WHERRY. I yield.

Mr. DONNELL. I certainly understood that I addressed the Chair. I think the notes of the Official Reporter will show it. At any rate, if I did not, I do now.

The PRESIDING OFFICER. The Chair did not understand.

Mr. DONNELL. Mr. President, will the Senator yield for a question?

Mr. WHERRY. I yield.

Mr. DONNELL. Attention is being called to the fact that in the Constitution of the United States the only power for the disposal of property which exists is vested in Congress. Does the Senator agree that it would be well if our foreign visitors were acquainted not only with that provision of the Constitution, but further, with the fact that the power of the President to make treaties is limited by the provision that such power is "by and with the advice and consent of the Senate," and by the further provision, "provided two-thirds of the Senators present concur?"

Mr. WHERRY. I thank the Senator for that observation. I totally agree with him.

To show the abuse of power by the Executive during the past 16 years, I invite the attention of the Senate to the minority views which were submitted by the distinguished then acting majority leader, Wallace White, of Maine, with respect to the St. Lawrence seaway. When the Senator from Maine reviewed the Executive orders which had been made, which he felt should come before the Senate for its consideration, as I recall, there were more than 200 of them. I cannot give the exact figure at this time. I ask unanimous consent to be permitted to supply it for the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WHERRY. I shall supply for the RECORD information as to the total number of executive agreements which were entered into, which Senator White thought should have come before the Senate for ratification. During the 4 years prior to the time when Senator White left office, of the executive agreements which were made, only 31—most of them minor—ever came before the Senate for ratification. It is a very good point; and I think once again it should be called to the attention of all Members of the Senate, and the American people, that while it is true that the executive branch negotiates treaties, and that is its responsibility, yet it should always keep in mind that the treaties must be ratified by and with the advice and consent of the Senate. That is a constitutional prerogative which we should never surrender to

any Executive, regardless of who happens to be in that particular office.

The list of executive agreements referred to is as follows:

TREATY OR EXECUTIVE AGREEMENT?

Above all other questions which may arise in connection with this project, I urge this committee to thoughtfully consider whether this agreement of 1941 and the subsequent and implementing resolution before it, may be constitutionally employed as an alternative to a treaty submitted to the Senate for its ratification.

The growing resort in late years of the State Department to agreements, so-called, in the stead of treaties to be ratified by the Senate, in itself demands the consideration of this committee, for it marks a bold assertion of Executive authority and of waning Senate importance in the foreign field. From 1940 to 1944, inclusive, there have been but 38 treaties submitted to the Senate as against 256 agreements, of which we have knowledge, not submitted to the Senate. This tendency warns that we of the Senate must assert our rights in this field, or we shall be guilty of acquiescence in their loss.

History and practice distinguish between treaties and agreements. Our Constitution provides for treaties. It is silent as to agreements save those which our States are permitted to enter into with consent of the Congress. I do not propose to argue this technical question. I do urge this full committee to give it study before we sanction further abandonment of the Senate's constitutional powers. In this connection, I call attention to the long and patient study given this subject by the Commerce Committee of the Senate and its formal conclusion that certain aviation agreements should have been submitted to the Senate as treaties to be considered and ratified as such; that any Executive agreements purporting to grant to a foreign country the right to have air lines nominated by it to operate to or from United States territory without hearings as provided for in the Civil Aeronautic Acts, were illegal and void and that this Government is not bound by such agreements so long as they have not been ratified as treaties. The Foreign Relations Committee of the Senate may well heed this opinion of the Commerce Committee expressed in formal resolution.

I would concede that there are Executive agreements which do not require Senate ratification but authority for which reposes in the Presidential office. Such are agreements made as the diplomatic representative of the United States. As Commander in Chief, the President may enter into armistice and military protocols and arrangements. He may adjust claims against foreign states. Such agreements are generally temporary in time and of relatively minor importance. I do not attempt a more definite statement of what agreements the President may enter into by virtue of his constitutional authorities for manifestly the present agreement is not such an arrangement. It is conceded that at least congressional approval is required.

There is also a class of agreements which the President may enter into under express congressional authorization. This right rests in practice not challenged rather than in express constitutional sanction. In this class of agreements, the President acts as the agent of the Congress and not as an independent Executive. There are many examples of this type of agreement. International organizations such as postal agreements, UN, ILO, UNRRA, food and agricultural organizations, Bretton Woods, reciprocal tariffs, are all within this class. As to some of these the Senate waived its functions.

There is, however, no constitutional warrant for an Executive agreement subject to later congressional approval. It is sometimes thoughtlessly contended that if the President may enter into agreements with congressional approval first given, the Congress may approve an agreement already made by the President without its sanction. The answer to this argument is, that the latter procedure is an exercise of the treaty-making power and Congress cannot be substituted for the Senate by the mere calling of the original instrument an Executive agreement instead of a treaty. The State Department cannot take from the Senate its constitutional rights by calling a treaty something else.

I insist that a project calling for the expenditure of hundreds of millions of dollars, which it will take from 4 to 6 years to complete; which involves long-term obligations by both governments; which gives to each government sovereign rights in the other country, is by every test a treaty and not an agreement and always heretofore, the President and the Senate have held this view. Now we witness the challenge by an executive department of the constitutional right of the Senate of ratification, and in its stead, acceptance of this new theory that the President may enter into agreements of any and every nature with foreign governments and that Congress may by majority vote give its consent thereto and effectuate the same. In what is here proposed is bold evasion of constitutional procedure, and the elimination of the Senate as a part of the treaty-making power under our Constitution. It is an effort to accomplish by indirection what the Senate has twice refused to sanction, first by refusing consent to the proposal in treaty form and later by rejection of an amendment to a river and harbor bill.

Mr. DONNELL. Mr. President, will the Senator yield for a further inquiry?

Mr. WHERRY. I am glad to yield.

Mr. DONNELL. Am I correct in understanding the Senator to say that the remarks of the distinguished former Senator from Maine were incorporated in a minority report, which was made an official record of the Senate?

Mr. WHERRY. That is correct. The report had reference to the legislation asking for an authorization to develop the St. Lawrence seaway. It will be recalled that at that time the executive branch attempted to get it by other means than a treaty. Senator White took the position that negotiations with respect to that river between the United States and Canada should be in the form of a treaty, and not an executive agreement. He made one of the finest speeches to which I have ever listened. Senator Wallace White was a very thorough man. While he had his party affiliations, I think I can truthfully say that he was beloved by Members on both sides of the aisle. He went into that question very thoroughly.

Mr. President, all I arose to do was to serve notice to the visiting officials not to let our representatives tell them that the United States could be bound by reason of a so-called moral commitment. The discussion went from that question to the question of treaties, which, of course, hinge on moral commitments. I have no quarrel with the President so far as the negotiation of treaties is concerned. He can negotiate any treaty he wishes. That is his prerogative. But it should be negotiated with the full knowledge on the part of the countries with which it is negotiated that it still must be ratified by and with the advice and consent of the Senate.

Mr. DONNELL. Mr. President, will the Senator yield for a further inquiry?

Mr. WHERRY. I yield.

Mr. DONNELL. Does the Senator believe that the President has any power or right, either legally or morally, to commit this Nation morally when he cannot do so constitutionally?

Mr. WHERRY. I do not. I am of the firm belief that he has no such power.

INDEPENDENT OFFICES APPROPRIATIONS—AMENDMENTS IN DISAGREEMENT

The Senate resumed the consideration of the motion of Mr. DOUGLAS to reconsider the vote by which the House amendment to Senate amendment No. 46 to House bill 4177, the independent offices appropriation bill, was agreed to.

Mr. IVES obtained the floor.

Mr. HILL. Mr. President, will the Senator from New York yield to me for the purpose of suggesting the absence of a quorum?

Mr. IVES. I yield.

Mr. HILL. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The roll was called, and the following Senators answered to their names:

Anderson	Hill	Millikin
Baldwin	Holland	Morse
Bricker	Humphrey	Mundt
Bridges	Hunt	Murray
Byrd	Ives	Neely
Cain	Jenner	O'Mahoney
Chavez	Johnson, Colo.	Reed
Connally	Johnson, Tex.	Robertson
Cordon	Johnston, S. C.	Russell
Donnell	Kefauver	Saltonstall
Douglas	Kem	Schoeppel
Dulles	Kerr	Smith, N. J.
Eastland	Knowland	Sparkman
Ecton	Langer	Stennis
Ellender	Lucas	Taylor
Ferguson	McCarthy	Thomas, Okla.
Flanders	McClellan	Thomas, Utah
Fulbright	McFarland	Tobey
George	McGrath	Tydings
Gillette	McKellar	Vandenberg
Graham	McMahon	Watkins
Green	Magnuson	Wherry
Gurney	Malone	Williams
Hayden	Martin	Withers
Hendrickson	Maybank	Young
Hickenlooper	Miller	

The PRESIDING OFFICER (Mr. TAYLOR in the chair). A quorum is present.

The Senator from New York has the floor.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. IVES. I yield.

Mr. O'MAHONEY. Do I correctly understand that the Senator from New York is about to speak upon the disputed amendment No. 46 in the conference report on the Independent Offices Appropriation bill which deals with the appropriation for the Housing Expediter?

Mr. IVES. Yes; that being the immediately pending question, and I shall endeavor to be as germane as possible in my remarks.

Mr. O'MAHONEY. May I ask the Senator from New York how much time he expects to take?

Mr. IVES. I shall be just as brief as I can; but there are several things which I should like to get into the RECORD, and also a few comments which I should like

to make, applicable to the pending motion.

Does the Senator from Wyoming desire to have me yield while he reads a statement he has received from the Director of the Bureau of the Budget?

Mr. O'MAHONEY. Mr. President, I was trying to make up my mind whether I should immediately attempt to obtain a unanimous-consent agreement; but the Senator from New York is so persuasive that I am inclined to believe I had better desist until he has completed his statement. I shall wait until after the Senator from New York finishes his statement, before attempting to take the floor.

Mr. IVES. Mr. President, I appreciate very much the kind sentiment expressed by the Senator from Wyoming; but if he will merely look at the record, he will find that the Senator from New York is not always so persuasive as he would indicate.

Mr. President, I shall be as brief as possible, because I realize that in this particular instance the element of time is involved. I desire to point out that there are a number of matters which seem to me to be of overwhelming importance in the consideration of rent-control legislation with which we are now faced in this appropriation bill. I think the question raised last Friday cleared up rather thoroughly one important point, and I know the distinguished Senator from Wyoming has in his possession a further communication on the subject verifying this statement. It is, that by no stretch of the imagination can the Congress, in any way, shape, or manner, agree, in anticipation of a budget deficit, that it will make up that deficit, nor can it even condone in advance such a deficit. I think that was cleared up last week beyond the peradventure of a doubt. In connection with the appropriation for the Housing Expediter, under amendment 46, which was left finally at $17,500,000, it is obvious that, spaced evenly over a 12-month period such an appropriation would be inadequate, at least at the present time, on a month-to-month basis. The question, therefore, arises whether that should be left, or whether an attempt should be made to increase the amount by at least the $4,000,000-plus by which the appropriation provided by the Senate was reduced by the conferees. I am now referring to the $21,667,500, which was reduced by the conferees to $17,500,000.

I realize the House is virtually not in session. I realize that, were we to take action of the kind I am indicating, we might reach an impasse in the Congress which would make it virtually impossible, at least for the time being, to reach the goal we are trying to reach, which is to provide sufficient money for the proper administration of the rent control law. Yet I am wondering, even though that situation might occur in the immediate future, whether such an attempt would not be worth while. After all is said and done, we have a rent-control law; and I am very sure every Member of the Congress who voted for it did so honestly, expecting it would be executed and that its provisions would be enforced. I am sure no Member of Congress, either in the Senate or in the House, would condone any procedure by which, through lack of appropriation, the intent, the purpose, the provisions of the law would be completely sabotaged insofar as their effect is concerned. The law thereby would prove futile and worthless. To appropriate inadequate funds is not a very good way to repeal laws or to amend them.

Not so long ago when the Senate was considering another appropriation bill it was proposed to reduce the appropriation for maritime training. Regardless of the merits or maritime training—and I do not want to become extraneous in my remarks—the effect of such reduction would have been substantially to have eliminated maritime training in this country. That is not the proper way to legislate. If maritime training should be eliminated, we should pass a substantive law to eliminate it, or if it should be curtailed, a sufficient appropriation should be authorized to permit the program to proceed on a smaller scale. The same is true of rent control. If rent control is undesirable, if decontrol should be brought about more rapidly, then we should enact substantive legislation providing the machinery by which to do it. But the process which has been followed in this particular instance, and which as I see it leaves with the Housing Expediter almost no choice at all, places the Congress in a very unfortunate position.

At this point I should like to read several editorials. They are not long, but I think they are of sufficient moment to deserve attention by Members of the Senate at this time. From Saturday's New York Times I read an editorial entitled "Decontrol by Subterfuge," as follows:

DECONTROL BY SUBTERFUGE

Last March Congress passed, and President Truman signed, a bill extending Federal rent controls for another 15 months. Now it appears that Congress has moved, by indirection and almost unnoticed so far as the general public is concerned, to repeal one-third of the law. That is the essential fact behind the statement this week by Tighe E. Woods, national housing expediter, that he has decided to decontrol one-third of the Nation's rent-control areas.

How did this action in the House and Senate come about? Did the two chambers reconsider the law passed 5 months ago, and decide, after discussion and debate, that in the light, perhaps, of changed conditions or some new development, the geographical scope of the measure should be reduced by one-third? Not at all. Such action would have involved legislation that would have to go to the President for his signature. No, nothing like this has occurred. What has transpired has been a new and illuminating example of legislation by appropriation. After having voted the rent control law, Congress has moved to nullify a substantial part of it through a House amendment to the independent offices appropriation. The Housing Expediter asked originally for $26,750,000 to carry out his task. This figure was reduced by the Senate to $21,667,000. House conferees would not approve the latter figure. The House subsequently accepted an amendment placing an arbitrary ceiling of $17,500,000. For reasons not yet clear the Senate rubber-stamped this action of the House. Faced with a choice of maintaining a mere token control of rents throughout the entire country or reducing his field of activity by one-third, Expediter Woods has adopted the second alternative.

Senator DOUGLAS has offered a motion to reconsider the ill-advised or inadvertent action on this matter. It is to be hoped, for the sake of its own self-respect, that the Senate will seize this opportunity.

I have similar editorials from the New York Herald Tribune and the Washington Post, which I ask unanimous consent to have printed in the RECORD at this point in my remarks.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the New York Herald Tribune of August 19, 1949]

THREAT TO RENT CONTROL

Housing Expediter Tighe Woods is an unhappy man. The intentions of Congress were not too plain in the first place. Whether the Nation was committed to a continuation of rent controls or an easing philosophy of decontrol remained obscure. At any rate, the vexatious problem was dumped into Mr. Woods' lap. If the States chose to decontrol, that was well and good. Otherwise the Federal authority was left as a sort of scientific Solomon on a million fronts to ascertain economic truth and apply the formula of fair net operating income. Here in New York the anguish is already quite pronounced, as is evidenced by Mr. Sharkey's efforts in the city council and the various imploring calls for action by the State legislature.

But the dilemma facing Mr. Woods is sharp and immediate. After originally asking for $26,000,000 to administer a system which was neither fish nor fowl, the Woods budget was cut to $21,000,000 in the Senate and finally emerged from congressional joint conference at $17,000,000. Now the Housing Expediter, in perplexed desperation, says the job cannot be done on such short rations. The choice, as Mr. Woods sees it, is either to spread his assignment thin to the point of futility or else boldly to decontrol by one-third and concentrate on the remaining areas of greatest need. The decision, at least for the moment, is to cut back. One-third of the Nation will need to depend on a free market in housing which is still far from accomplishment.

Congress has acted uncertainly again. Just as it declined to assume precise responsibility last spring, the present decision assumes that $17,000,000 worth of rent control is worth having, but no more. The greater likelihood is that we shall have not even that much. As the Federal scope and organization are reduced, the efficiency of enforcement is bound to decline. Controls are basically undesirable, but the necessity remains until new housing is placed in general reach.

The wisdom of knocking out such a large portion of the rent-control props is questionable. Already Senator DOUGLAS is advocating reconsideration. Before Congress again takes hasty and premature action against rent control, let us have some serious second thoughts about the consequences. If we are to continue Federal controls, then there should be every determination to make them mean something to millions of rent payers. This is no point for the slap-dash token of economy that really saves nothing.

[From the Washington Post of August 19, 1949]

SNEAK LEGISLATION

A sorry piece of legislative trickery has been slipped over on the Nation's renters—and, presumably, on most Members of Congress themselves. This consists of a crippling cut in the appropriation for the Office of the Housing Expediter, the agency administering

rent control. The cut was engineered, not openly, but in a House amendment to the independent offices appropriation that crept in almost unnoticed. The result is that the Housing Expediter must dismiss nearly half his employees and decontrol one-third of the country's rent areas in order to maintain effective controls in the remainder.

If Congress had decided openly to end rent control, that would be one thing. But such is not the case. Less than 5 months ago Congress passed a new rent-control law, strengthening the old law in some respects but qualifying it with local option and a proviso for a "fair net operating income" for landlords. Application of the "fair income" formula increased the work load of OHE offices from 30 to 50 percent, and there was a tacit understanding with Congress that the Housing Expediter would be given the employees necessary to do the job. As a matter of fact, several hundred areas have been decontrolled, either by local action or by the Expediter, since the new law took effect; thus, there is strong need for rent control in the remaining areas affected by the cut.

It is clear in the law that Congress intended to continue rent control. What has happened is the old and nefarious practice of legislation by appropriation. Originally the Housing Expediter asked for $26,750,000. The Senate Appropriations Committee approved $24,075,000, and this was cut on the floor to $21,667,000. House conferees refused to agree to this figure, and later the House adopted an amendment limiting the sum to $17,500,000. In what must have been a spurt of confusion, the Senate agreed to this figure.

Senator DOUGLAS has offered a motion to reconsider the Senate action which will be taken up today. We do not see how Senators who realize the consequences of this backhanded legislation can fail to support his motion.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. IVES. If the Senator will allow me to finish reading the editorials, I shall be glad to yield. I have some comment to make on the editorials.

Mr. O'MAHONEY. On the editorials?

Mr. IVES. That is correct.

Mr. O'MAHONEY. I should like to make a little comment.

Mr. IVES. This morning's Herald Tribune carries an editorial which I shall not read because it covers other matters not relating to the immediate question, but it contains statements which I think I should read for the RECORD. It is important that the entire editorial be placed in the RECORD at this point. The editorial is headed "Landlord's case," and the portion I desire to read is the following:

THE LANDLORD'S CASE

A shortage of personnel and funds makes it likely that effective rent control will be undermined in many areas. To achieve relaxation by default, to modify established curbs by depriving the administrative agency of tools to carry out its allotted task, seems a muddled and undignified way for a government to act; nor can there be any doubt but that premature freeing of rents can work the gravest hardships in many individual cases. But no one has argued for indefinite extension of such controls; and their progressive removal will be accompanied by all the benefits which go with a restoration of freedom in an important sector of the economy. * * *

I ask unanimous consent to have the remainder of the editorial placed in the RECORD at this point in my remarks.

There being no objection, the remainder of the editorial was ordered to be printed in the RECORD, as follows:

These benefits were summed up by a group of landlords, answering queries of the real-estate editor in Sunday's edition of this paper. The landlords do have a case; it is well that it should be stated at this juncture without exaggeration and with the long-range interests of the public in mind.

The disadvantage to tenants in a continued refusal to permit adjustments in present rent levels was stressed by these realty and business leaders. The situation of France is often cited as an example of the hardships which result when the return on investments is too small to permit proper repairs and maintenance of buildings. This is evidence of an extreme kind; but it does indicate a danger to which tenants in our own country can become exposed. Apart from the question of repair and upkeep, rent ceilings were claimed to discourage building in general. Among those queried, there was a tendency to believe that public housing was a greater deterrent to private building than low ceilings; but public housing itself is in part an answer to the lag in private construction, and that lag, in turn, is explained by the fear of being unable to get a fair return on investment. The chain of cause and effect is thus seen to be circular: a shortage of housing incites rent controls; rent controls increase the shortage. The effect of the spiral is to stimulate Government intervention at every turn, forming a web from which there seems no way of extricating ourselves.

But the way to extricate ourselves, according to these spokesmen, is simple: it is to remove rent ceilings. The time will come—and should come in the near future—when there will be no further case for ceilings; meanwhile there is some recognition among realty leaders that the lower-income groups present a special case. The difference of opinion in this field is, therefore, being narrowed, and all concerned should soon be able to admit that in the free determination of rents there are human as well as economic gains.

Mr. IVES. That is an editorial from this morning's New York Herald Tribune. I think it expresses the feeling which is shared by nearly everyone. No one wants to be unreasonable. I do not agree fully with the editorial which I read from the New York Times. I am sure that, judging from later statements, which have come from the Housing Expediter, he does not contemplate decontrolling one-third of controlled areas all at once. As I understand, his latest idea is to try to handle as much as possible, leaving it to local authorities to police and carry out decontrol in cases in which he is unable to do so because of lack of administrative machinery or of personnel. But that does not alter the present situation.

I should like to read for the RECORD at this point some statistics from the New York office. Before doing so, however, I yield to the distinguished Senator from Wyoming.

Mr. O'MAHONEY. Mr. President, I wanted to make a brief comment upon the editorials which the Senator from New York just read, particularly the one from the New York Times which he first read. I make this comment as one who, in the committee, has sought to obtain for the Housing Expediter the full amount of the budget estimate and who, having failed in the Committee on Appropriations, then on the floor resisted the motion to make a further cut. I was unsuccessful in that defense of the funds. I say these things merely to make it clear that I am one of those who believe that we should give the Housing Expediter all the money necessary to carry out the obligations of law which were imposed on him by action of the Congress.

Mr. IVES. Mr. President, the Senator from New York desires to point out that he was among those who strenuously resisted the amendment offered on the floor to reduce the appropriation.

Mr. O'MAHONEY. I am glad to make a note of that, Mr. President.

But the difficulty with which we are confronted, regardless of the mistake of the editorial writer, is that Mr. Woods jumped to the conclusion that Congress had acted before it had finally acted, and, second, jumped to the conclusion that it would be necessary for him to lift controls from one-third of the areas immediately. It was not necessary. Mr. Woods realizes now that it was not necessary. He announced to the public that he would be obliged to lift controls immediately. He was not so obliged.

I thought I made it clear in the debate last Friday that the appropriation of $17,500,000 may be so apportioned over the whole year, within the meaning of the antideficiency law, that this operation may continue. The committees of Congress did nothing unusual as the editorial would imply. The conferees met and came to an agreement. The conference report was accepted in the House and then it was accepted in the Senate. That is all that happened. The conferees were of the opinion that rent control is a diminishing activity and that $17,500,000 would be sufficient to carry through the fiscal year operations which are gradually declining.

Personally, I did not agree with that point of view, because I felt that in great cities such as the city of New York, the city of Chicago, and the city of Boston, housing probably would not be constructed rapidly enough to enable rent control to be lifted. I may have been incorrect in that idea. Those who took the other view may have been wrong. There is no reason under heaven why, next January, if either one of us was wrong, Congress may not make the necessary correction. That is the whole situation.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. IVES. The Senator from New York would like to answer the Senator from Wyoming, first, and then he will yield.

The Senator from New York would like to point out that the very point the able Senator from Wyoming has emphasized in this particular instance was covered very thoroughly last Friday afternoon in the Chamber. The Senator from New York most definitely gathered that the Congress, in no way, shape, or manner, can indicate to the Housing Expediter that he can count on the Congress for one penny if he exceeds his

appropriation during the coming fiscal year. He can ask for any amount he desires. That is always possible, and is quite customary, as a matter of fact, among administrative agencies. But he cannot count on it. Furthermore, because of the colloquy which was entered into between the distinguished Senator from Wyoming and the distinguished Senator from California [Mr. KNOWLAND] it was very clearly shown on the floor that he would not only not be expected to come back to Congress with any such request, but that, absolutely, he could not count, in any way, shape, or manner on Congress doing anything in line with meeting such a request.

Mr. O'MAHONEY. I disagree.

Mr. IVES. That is what I understood from the colloquy.

Mr. O'MAHONEY. That is not the conclusion to be drawn from that colloquy; but whether it is or not, I say the facts are otherwise, as proved over and over again by the experience of the Congress. Supplemental appropriations are made over and over again when the facts show that they are warranted. All I say now, and all I said last Friday, is that there will not be no violation of the antideficiency law if the Housing Expediter, with the approval of the Bureau of the Budget, so distributes the $17,500,000 that he can continue his operations, let us say, during the first 6 months of the year, at a high level, and distributes the balance so that the tapering off may be adjusted. But if at the end of the 6 months' period, let us say, or any period, it then becomes clear that my reason of a lack of money to enforce the law, rent control will have to be lifted where it should not be lifted, then certainly the Congress of the United States is within its power and within its right in making another appropriation.

Mr. IVES. Mr. President, the Senator from New York never intended to convey the idea that Congress could not make another appropriation or any amount of appropriations any time it might see fit to do so. What the Senator from New York was trying to emphasize was that the Housing Expediter cannot count with any definiteness on an appropriation if he follows that process.

Mr. O'MAHONEY. Yes. He does not definitely know, and cannot know until next January, what his needs will be.

Mr. IVES. It is very likely true that he does not know what his needs will be, but he does know the amount of money which he can use, because it is $17,500,000. If I were in the position of the Housing Expediter, with the warning he received in this Chamber last Friday afternoon, which made quite an impression on me, I think I would cut the $17,500,000 into 12 parts and operate on that basis. The only way he could do otherwise would be in anticipation either that the demand for rent control is going to drop, which of course it may, or if it does not drop, that Congress will appropriate more money. In either case he is taking a wild chance.

Mr. O'MAHONEY. There is a contingency which the Senator has left out of consideration, namely, that the need for rent control may decline.

Mr. IVES. That is what I meant. That was one of my alternatives.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. IVES. I yield to the Senator from Wisconsin.

Mr. McCARTHY. The Senator from New York undoubtedly knows that a number of States have taken over rent control. The State of Wisconsin has taken over the burden of rent control, which means that the Expediter has the money which he would normally spend in my State to use in his over-all program. Does the Senator know how many States have done likewise, and whether Mr. Woods has reduced his request or has indicated that he needs less money because of that particular situation?

Mr. IVES. The Senator from New York is not advised regarding that matter at all, but he would observe that he thinks Mr. Woods would be very foolish at this particular stage of the matter to be reducing his activities or laying off members of the staff any more than he might have to do in order to conform to the appropriation allowed him, because no one knows how many States will be controlled. It is conceivable that they may all take over the matter themselves. It may be conceivable that some States which have not already done so will do so.

Mr. McCARTHY. I thank the Senator.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. IVES. I yield.

Mr. DOUGLAS. According to my information four States have adopted decontrol measures. Only one of the States, Wisconsin, has, however, a decontrol measure already in effect. I think it went into effect on the 5th of this month. The decontrol measure in the State of Nebraska will go into effect on the first of November; in Texas, on the 19th of October, and in Alabama on May 25, next year.

Mr. McCARTHY. That should almost automatically reduce the request of Mr. Woods but about one-twelfth.

Mr. IVES. The Senator from New York does not know the total population in the States involved, and, what is more important, the total amount of controlled rental property in the States involved. I should not care to estimate, even to hazard a guess, in that connection, but I doubt very much whether it would come to one-twelfth, when we consider some of the vast areas.

Mr. O'MAHONEY. Mr. President——

Mr. IVES. The Senator from New York would like to get something in the RECORD at this point; but if the Senator from Wyoming wishes to put in the letter to which he has referred, he can insert it in my remarks.

Mr. O'MAHONEY. Mr. President, in order to clarify the situation, I ask that the clerk may read a letter from the Director of the Bureau of the Budget, which I send to the desk.

The PRESIDING OFFICER. Without objection, the letter will be read.

The Chief Clerk read as follows:

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., August 22, 1949.

HON. JOSEPH C. O'MAHONEY,
United States Senate,
Washington, D. C.

MY DEAR SENATOR O'MAHONEY: This letter will confirm the telephone conversations which you have had with representatives of the Bureau concerning appropriations for the Office of the Housing Expediter for the fiscal year 1950.

Informal consultation has been held with staff of the Housing Expediter and a review has been made of the records available in the Bureau of the Budget. The Budget estimate of $26,750,000 forwarded to the Senate committee represented a conservative approach to the probable number of employees required for effective operation of the present Rent Control Act, particularly in the light of little operating experience with the formula therein contained. The estimate also represented a conservative rate of decontrol as a result of non-Federal action. If the rate of decontrol exceeds that estimated and if operation of the formula proceeds smoothly, the Bureau agrees that it may become possible to operate the program on a declining scale from month to month.

On the basis of present estimates, the Office of the Housing Expediter will require until approximately October 1 to reduce its expenditures to a rate of $1,900,000 per month. To go below such a figure at this time, in our judgment, would be inappropriate and would prevent the intended scale of operation of the rent control law. Accordingly, and in the light of statements made by you to the Senate on August 19, 1949, and appearing in the CONGRESSIONAL RECORD on page 11846 and following, the Bureau of the Budget would be willing to approve unequal apportionments of the appropriation made available to the Office of the Housing Expediter. This action would be taken with the understanding that if subsequent events made it impossible to adopt a rapidly declining scale of operations which, in turn, would make it possible to keep within an annual appropriation of $17,500,000, the committees of the Congress will entertain and give consideration to a supplemental estimate of appropriation.

A copy of this letter is being sent to the Honorable ALBERT THOMAS, chairman of the Independent Offices Subcommittee on Appropriations, House of Representatives, to whom I am also sending a copy for the use of the chairman of the House committee. I shall appreciate it if you will advise the chairman of the Senate committee, for whom I am also attaching a copy.

Sincerely yours,
FRANK PACE, Jr., *Director.*

Mr. IVES. Mr. President, my reason for being glad to have the letter read into the RECORD at this point is that it bears out what I have been contending right along, namely, that, while the Budget Director may himself indicate to the Housing Expediter that subsequently in the year he may be able to cut month by month the amount of the appropriation he will be using, at the present level required, the amount would, on the basis of the 12 months, greatly exceed the total appropriation of $17,500,000 which has been allowed him. As a matter of fact, it will come nearer $23,000,000, if I have added the figures correctly.

If Senators noticed the closing part of the letter, in which the Budget Director

indicated that he could come to the Senate—which of course would entertain requests for additional or new appropriations for the purpose—they will realize that it all goes to show that there is no guaranty anywhere along the line that the needed money will be forthcoming from any source whatever. It is all speculation.

Now let me give the other side of the picture.

Mr. O'MAHONEY. Mr. President——

Mr. IVES. The Senator from New York would like now to finish up for this side, and then the Senator from Wyoming will have something else to discuss.

We have been hearing right along that the cost of the administration of rent control has been dropping. Of course it has in certain areas. It has been pointed out already here today that four States have decontrolled, at least so far as the Federal Government is concerned. But the fact remains that there are important areas where the cost is rising because of the type of act which we passed earlier this year.

I now wish to read some figures regarding the New York City office of the Housing Expediter. This information was furnished by the general counsel's office this morning by telephone, and it is rather illuminating as to the opposite direction the administration is taking when it comes to the need for funds. The statement shows the following facts:

Landlords' petitions for adjustment filed:	
For 4 months prior to Apr. 1, 1949	12,473
For 4 months subsequent to Apr. 1, 1949	23,008

That is, up to the first of this month. I continue with the information furnished:

Landlords' petitions processed:	
For 4 months prior to Apr. 1, 1949	13,282
For 4 months subsequent to Apr. 1, 1949	14,385
Landlords' petitions pending:	
Apr. 1, 1949	6,619
Aug. 1, 1949	15,170

Then we come to the tenants. Up to now I have been talking about the landlords, the property owners. They are the ones who are getting hit because of the action proposed to taken. Now we come to the tenants' petitions for adjustment which were filed:

Tenants' petitions for adjustment filed:	
For 4 months prior to Apr. 1, 1949	9,444
For 4 months subsequent to Apr. 1, 1949	14,694
Tenants' petitions processed:	
For 4 months prior to Apr. 1, 1949	8,674
For 4 months subsequent to Apr. 1, 1949	12,521
Tenants' petitions pending:	
Apr. 1, 1949	4,199
Aug. 1, 1949	6,372

I now come to another new feature which did not exist prior to the present rent-control law, namely, the eviction notices. I continue with the information furnished by the general counsel's office:

Eviction notices issued for 4 months subsequent to Apr. 1, 1949	19,214

No comparable figures are available for the 4 months prior to April 1 because there was no provision in the old law that permitted the Housing Expediter to issue eviction notices.

Petitions for eviction certificates filed for 4 months subsequent to Apr. 1, 1949	2,554

No comparable figures are available for the 4 months prior to April 1 because there was no provision in the old law that permitted the Housing Expediter to issue eviction notices.

We have all that additional and new work, which has to be carried on by these offices, something which I do not believe has been considered to any great extent by those who figure that now we are in the process of eliminating rent control, and eliminating the need for any appropriation so far as rent control is concerned.

Mr. President, I realize that, insofar as rent control itself is concerned, the time must come, sooner or later, when it will have to be dropped, if we are to have a free economy. We cannot permanently have Government control in the heart of private enterprise and have a free economy. That time, however, has not yet arrived. We are still in an emergency situation in some of our largest industrial and urban areas. Rent control must be continued somewhat longer—at least until the time when the present law expires next year.

To my way of thinking, in the light of increasing costs in these areas, in the light of the fact that there is no guaranty whatever that any increased appropriation will be forthcoming from Congress at the next session or at any other time, the thing to do now is to reconsider the vote on amendment No. 46, and provide in the bill a sufficient amount of money to bring the total back to $21,667,500, and send the bill back to the conferees. If the Members of the House have gone home, then, if the situation is as I am now picturing it, the House Members would be aware of that situation and, I am sure would be convinced that the situation is sufficiently serious to call for their return, at which time we can properly deal with the matter. But if, in the opinion of Members of the House, the situation is not so serious as I have pictured it, and if they refuse to come back, then later we can take whatever action it may be necessary to take.

Mr. President, we should deal with this situation realistically—I will not say honestly, because all who have been connected with this matter have acted honestly, and I pay great tribute to the distinguished Senator from Wyoming, who, beyond question, has done a very fine piece of work in handling the matter. It seems to me that realism demands what we should do at this time. So with that thought I conclude my remarks and yield if the distinguished Senator from Wyoming desires to ask any other question.

Mr. O'MAHONEY. Mr. President, I merely wish to announce what I would like to do realistically. The Senator from Wyoming has been through this battle on numerous previous occasions. There is a legislative routine, there is a legislative procedure, which has the support of long experience over many years. I say to those who believe as I do that the appropriation is not sufficient, that we will not serve our own interests or the interests of the Expediter if we seek now to increase the appropriation, because, first, there is the fact that the conferees upon the part of the House clearly indicated during the conference their belief that the operation would be tapering off to such a degree that $17,500,000, would in all probability cover the needs. They were willing, of course, to allow the Housing Expediter and the Bureau of the Budget——

Mr. IVES. Mr. President, will the Senator yield at that point?

Mr. O'MAHONEY. I yield.

Mr. IVES. Did the conferees take into consideration the fact that work loads, and thereby administrative costs are increasing in some areas as I have indicated; increasing not slightly, but in some places increasing substantially, as much as 50 percent, for some phases of the work?

Mr. O'MAHONEY. I think the House conferees are as familiar with this problem as any other members of the conference. I will say for the House conferees that they met the Senate conferees in the most reasonable frame of mind upon all the various items included in the bill. I call the attention of the Senate to the fact that at least 33 different agencies of government and government corporations are included in this measure, all of them with the obligation to discharge the responsibility placed upon them by law. They are being held up, they are being held in this uncertain attitude, because we have been unable to pass certain appropriation bills. The desire upon the part of the conferees was to get this particular bill passed and on the statute books so that it would be unnecessary for Congress to continue to pass continuing joint resolutions.

As pointed out Friday, the continuing joint resolution which the Congress enacted last week, because of the failure of the civil functions bill, the Interior Department bill, the national defense bill and the independent offices bill to reach the status of enacted law, does not cover the Housing Expediter. That happened by reason of the fact that, as the continuing joint resolution was written, it provided only for those agencies for which there was an appropriation for the fiscal year 1949. The continuing joint resolution allowed these various agencies of Government to continue to function at the smallest rate provided in the appropriation. So, Mr. President, since there is no appropriation to carry on the work of the Housing Expediter, unless we repair that difficulty here, the Housing Expediter will be without any funds at all. We will not be worrying about whether $17,500,000 is enough. We will be worrying about the fact that there is not any appropriation.

So, Mr. President, I have requested that the Senate reconsider the vote, so the ratification resolution which I

had read into the RECORD last Friday may be adopted, and the Housing Expediter may thereby become a functioning institution with funds from the Treasury, and then that having been adopted, I shall urge my friends, such as the Senator from New York [Mr. IVES] and the Senator from Illinois [Mr. DOUGLAS], who are so much disturbed about this lack of appropriation, to refrain from asking an increase, because I say to them: Let us realistically recognize the situation which exists.

Members of the House have been going home, the newspapers tell us, at the rate of 20 a day. There is no quorum today in all probability, or will not be tomorrow if there is today, in the House of Representatives. Therefore we will have to legislate by what amounts to unanimous consent. So I say to my friends who want to support the Housing Expediter: Do not put him in greater jeopardy than he is now, because the record is clear that the antideficiency law permits the Bureau of the Budget to distribute the appropriation throughout the fiscal year, and the Bureau of the Budget has indicated by the letter which I have had read from the desk, that it is willing during the first 6 months of the year to provide the Expediter with an allocation under the law which will not make it necessary for him to lift rent controls prematurely, but which will allow him to adjust the operations to what may be and what in all probability will continue to be the tapering off of this necessity. I say to the Senate that there is not the slightest doubt in my mind—though I can give no guaranty—if rent control is in such a situation that in November, December, or January, it is becoming clear that we have made a mistake in our estimates, if the facts are then shown, the Congress of the United States will decide that it will not repeal the Rent Control Act by denying funds to carry it out.

Mr. IVES. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. KERR in the chair) Does the Senator from Wyoming yield to the Senator from New York?

Mr. O'MAHONEY. I yield.

Mr. IVES. I wonder if the distinguished Senator from Wyoming himself would be willing to go on record at this time as indicating his pledge and willingness to espouse an increase in the appropriation, or a new appropriation when the next session of the Eighty-first Congress convenes, assuming that the current appropriation for the present fiscal year proves to be inadequate or will not carry through to the extent desired. Would the Senator from Wyoming be willing to champion a cause of that kind to get an additional appropriation?

Mr. O'MAHONEY. Of course. I said last Friday that I had consulted the chairman of the House conferees in order that I might be able to report to the Senate. He also agrees. I say, in announcing that agreement, that neither Representative THOMAS of Texas nor the Senator from Wyoming is inviting the Housing Expediter to incur a deficiency. Not at all. But we do say—and this was the view of the conferees, without division either by way of party alinement or by way of alinement between the Houses—that if $17,500,000 is not sufficient to carry on the necessary functions, of course we will entertain and support an appropriation enabling the Housing Expediter to execute the express provisions of the law.

Mr. IVES. Mr. President, will the Senator yield for one further question?

Mr. O'MAHONEY. Certainly.

Mr. IVES. The Senator from New York would like to ask the distinguished Senator from Wyoming if he would be adverse in any way to any effort which might be made to discourage the housing expediter from utilizing such funds as the Housing Expediter might believe to be necessary under those circumstances.

Mr. O'MAHONEY. All I want the Housing Expediter to do is to operate within the appropriation which has been allowed.

Mr. IVES. The Senator from New York was not quite clear whether the Senator from Wyoming was trying to warn the Housing Expediter not to use sufficient funds, or whether he was indicating to the Housing Expediter that he could use a sufficient amount of the funds.

Mr. O'MAHONEY. Of course he should use a sufficient amount, as the letter from the Director of the Budget amply shows—a letter, by the way, which was written at the solicitation of the Senator from Wyoming. The first thing I did after breakfast this morning was to consult the Bureau of the Budget, and to say to the Bureau of the Budget, "Take the RECORD for Friday last, read the statements which I made on the floor with respect to the antideficiency law and this appropriation, consult the Housing Expediter, and then write me a letter, if you can, confirming my opinion that you can authorize an unequal allocation through the year." This is the letter.

Mr. IVES. The Senator has perhaps noticed in reading the letter which he received from the Budget Director that on the basis of the amount allowed between now and October 1, which, as I recall, is $1,900,000 a month, on an annual basis of that kind approximately $23,000,000 would be required, which would be substantially above the $17,500,000 which has been allowed, or even above the $21,667,000 approved by the Senate.

Mr. O'MAHONEY. That would be true only in the event that it continued to be necessary to spend at the rate of $1,900,000.

Mr. IVES. The Senator from New York has not finished his question. Assuming that the rate of $1,900,000, or even more, should persist throughout the year, would the Senator from Wyoming still be willing to assist in obtaining a new appropriation to carry on the work of the Housing Expediter on that basis?

Mr. O'MAHONEY. If the evidence and the facts substantiated the assumption, most certainly.

Mr. IVES. I thank the Senator.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. CORDON. I preface my inquiry by saying that I opposed the extension of rent control. On the other hand, rent control was extended. I am as much interested as is any other Member of the Senate in seeing that the job is well done. As one of the Senator's colleagues, both in the hearings and in the conference, it was my understanding that the rent-control area was narrowing, perhaps not day by day, but month by month, and that, as rapidly as areas appear to be able because of increased housing to come out from under rent control, that is being done by order of the appropriate authority. Therefore, when we look at the question of expenditure we find a situation in which, under the strictest interpretation of the Antideficiency Act, the apportioning authority, the Bureau of the Budget, would not only have the right, but the duty in apportioning these funds over any period, whether by the month or any other period, to take into consideration the fact that these duties will narrow with reference to the area to be covered over the full period of time, and that it therefore may make a much larger allocation at this end of the period, narrowing it down toward the farther end. Of course, if we should find that the experience upon which the Bureau would gage such action is not borne out in fact after the opening of another year, I think it would be the duty of the Bureau of the Budget and of the Congress to take cognizance of the fact at that time through an appropriate deficiency appropriation.

Mr. O'MAHONEY. I am very happy indeed that the Senator from Oregon has made that statement. It is very clarifying.

Mr. IVES. Mr. President, will the Senator yield to me so that I may ask the Senator from Oregon a question in that connection?

Mr. O'MAHONEY. I yield.

Mr. IVES. Would the Senator from Oregon be willing to support a deficiency appropriation of that type under such circumstances?

Mr. CORDON. There is no question about it. The law is on the books, and it is our duty to see that it is properly administered.

Mr. DOUGLAS. Mr. President, will the Senator further yield?

Mr. O'MAHONEY. I yield.

Mr. DOUGLAS. I was greatly impressed by the very forceful statement made by the junior Senator from California [Mr. KNOWLAND] on Friday, that he would not, as I understood it, agree to such a proposal. Since we are having a little experience meeting, I wonder if the Senator from Wyoming would be willing to yield to the junior Senator from California so that he may state whether he is of the same opinion on Monday as he was on Friday.

Mr. O'MAHONEY. I did not understand the Senator from California to say that, but I am happy to yield to him.

Mr. KNOWLAND. Mr. President, I will say to the able Senator from Illinois that the junior Senator from California is of the same opinion on Monday

that he was on Friday, namely, that it is the duty of the head of any agency to live within the funds appropriated by the Congress. I quite agree with the statement made by the Senator from Oregon that, within the appropriation, and recognizing the fact that he must operate his agency for a 12-month period, for the fiscal year 1950, there is an area in which more funds can be allocated in the earlier period and a lesser amount in the later period, provided the facts seem to substantiate a tapering-off of the program. I assume, for example, that in the Post Office Department, during the Christmas season they have to put on more post office help, and undoubtedly there is more than one-twelfth of the amount of the appropriations allocated for the November-December-January period. However, I do not believe that any agency head would have the right to assume that when the Congress made an appropriation of $17,500,000 he could go merrily on his way and spend the entire amount in 6 months, believing that he was conforming to the Anti-deficiency Act or the policy-making power of the Congress.

Mr. O'MAHONEY. Mr. President, I am in complete accord with the statement just made by the Senator from California.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. DOUGLAS. I wonder if the Senator from California will be good enough to say whether he thinks the Housing Expediter would be breaking faith if during the next 6 months he spent approximately at the rate of $1,900,000 a month, or possibly a little less. If, then, in January, it were to appear that more than $6,000,000 was needed for the remaining 6 months, would the Senator then support a deficiency appropriation of sufficient size to enable the law to be adequately enforced? Am I unduly pressing the Senator when I ask this question?

Mr. KNOWLAND. No; the Senator is not doing so. He has asked a question, and he is entitled to a frank answer regarding the situation.

I would say that as a member of the Appropriations Committee, whether I would support at that time a deficiency bill would depend upon the facts which were developed. If I were assured that the Administrator, either of this agency or of any other agency, had made a full and honest effort to comply with the law and the policy laid down by the Congress, and was not trying to circumvent the policy laid down by the Congress, either in the legislation or in its judgment on appropriations and the sums which would be necessary for the operation of the agency, and if, under all those circumstances, the facts would warrant a deficiency appropriation, then certainly I may say that I have supported deficiency bills in the past. But my decision would be governed by all the facts which were developed. Certainly if the agency or the group concerned were simply to ignore the fact that the Congress had said that in its judgment $17,500,000 would be sufficient for the operation of the agency, and were to go ahead and spend at the old rate, with no attempt to comply with the congressional mandate, I would most vigorously oppose an attempt to obtain a deficiency appropriation.

Mr. DOUGLAS. Mr. President, will the Senator from Wyoming permit me to ask further questions of the Senator from California?

Mr. O'MAHONEY. Certainly.

Mr. DOUGLAS. Would the junior Senator from California regard it as germane evidence if it were to appear that the work load thrown on the Housing Expediter was greater this year than last year?

Mr. KNOWLAND. I should think the work load would definitely be a factor; but from my point of view—and I have had some experience with other Government agencies—I would not consider that the agency director was complying with the congressional intent if, for instance, he juggled his work load so that in areas in which he might properly cut down, he declined to do so, whereas in areas in which he had a legitimate reason for expanding, he also declined to do so, stating, "I cannot expand," when, as a matter of fact, had he used proper administrative discretion and had he cut out activities which he could very well have cut out, he could then have expanded in the other areas, although he did not do so.

Mr. O'MAHONEY. Mr. President, in that connection I think I should say that the record in the hearings shows that when Mr. Tighe Woods appeared before the committee, he had already, of his own initiative, decontrolled some 100 communities or areas. It is true they were only fringe areas; but he did take the action himself, and I think there is no reason to suppose that he would indulge in any rigging of his responsibilities.

Mr. KNOWLAND. Mr. President, I have not charged him with doing that.

Mr. O'MAHONEY. I understand.

Mr. KNOWLAND. I merely say that I would base my judgment on the facts which might be developed, in determining whether he was complying with the spirit of the law. If, for instance, the local boards and units which were set up indicated that in their judgment they could be decontrolled, and if the Administrator completely ignored their recommendation and maintained the controls, in such case there might be a question of judgment regarding the facts, a question which the committee would wish to go into very thoroughly.

Mr. O'MAHONEY. Mr. President, let me ask a question which I think will be helpful to the Senator from Illinois: Does not the Senator from California agree with me that it is a question of fact and of good faith; and if the facts and good faith are shown, then there can be no doubt that if a budget estimate is sent here, supported by the facts, the Appropriations Committee in the future, as in the past, will be very likely to be in a receptive mood?

Mr. KNOWLAND. I should say that certainly at that point the Appropriations Committee would give a fair hearing to the request. However, no one on this floor—and I am sure the Senator from Wyoming would be the first to confirm this—has a right to underwrite to the Housing Expediter that the funds will be provided, because that has to be determined in the judgment of the committee and of the Senate and of the House of Representatives. So he must always keep in mind that he has to come before us with the facts and to demonstrate that he has acted in good faith in attempting to comply with the congressional judgment, and then, in presenting his facts, take his chances on being able to convince both the committee and the Congress.

Mr. DOUGLAS. In that connection I should like to ask the Senator from California if he would be impressed with a few facts which I should like to recite.

Mr. KNOWLAND. I am always impressed with the facts, if they are accurate.

Mr. DOUGLAS. In the 4 months' period to April 1, 1949, the Housing Expediter received from landlords 160,000 petitions to increase rents. In the 4 months since we passed the rent-control law, he has received 197,945—or approximately 38,000 more, an increase of well over 20 percent and indeed of almost 25 percent, in the volume of work in connection with landlords' petitions, although we are now being asked to appropriate nearly $5,000,000 less for the current year than he spent during the year 1948–49.

Does the Senator think that would establish a case for an increase in the total expenditure above $17,500,000?

Mr. KNOWLAND. Mr. President, with all due respect to my colleague, the Senator from Illinois, I do not wish, on the floor of the Senate, on the basis of piecemeal statements, which no doubt the Senator from Illinois has investigated and can vouch for, to say what I will do.

When the matter comes next year before the Senate or the committee, as I have said to the Senator from Illinois, if the agency director has operated in good faith, if he has made every effort to comply with the congressional mandate that he shall operate his agency on $17,500,000 for a 12-month period, and, under the statement made by the Senator from Wyoming, recognizing that in the early periods he is entitled, with the consent of the Director of the Bureau of the Budget, to spend more than in the tapering-off, later period, and if the facts would justify it, I would certainly approach a request for a deficiency appropriation with an open mind at that time.

Mr. O'MAHONEY. Mr. President, I think the present condition of the situation is now fairly well explained. So I wish to announce to the Senators who are present what it will be my purpose to do. A quorum is not on the floor at the moment. In a moment I shall suggest the absence of a quorum, and then I shall attempt to bring this matter to an end by asking unanimous consent, first, that the item may be reconsidered; second, that the item may be amended by adding the ratification amendment which I had read into the RECORD last Friday,

and which I ask to have read at this time by the clerk.

The PRESIDING OFFICER. Without objection, the clerk will read.

The Chief Clerk read as follows:

Provided further, That the appropriation and authority with respect to the appropriation in this paragraph shall be available from and including July 1, 1949, for the purposes provided in such appropriation and authority. All obligations incurred during the period between August 15, 1949, and the date of the enactment of this act in anticipation of such appropriation and authority are hereby ratified and confirmed if in accordance with the terms thereof.

Mr. O'MAHONEY. Mr. President, the Senator from New York indicates to me that he feels that it may be necessary for those who take the position which he and the Senator from Illinois have taken, to offer an amendment to increase the amount of the appropriation. Of course that is their right. I raise no question about it.

I shall then proceed, as I announced, to suggest the absence of a quorum, and then to ask that the motion to reconsider be agreed to, and then to ask that this privileged amendment may be adopted. Then, if the Senators just mentioned make a motion to increase the amount of the appropriation—in other words, to disagree to the amendment and to return it to conference—as the chairman of the conferees, I shall be obliged to oppose such requested action.

Mr. SPARKMAN. Mr. President, will the Senator withhold his suggestion of the absence of a quorum for the time being?

Mr. O'MAHONEY. Yes; I withhold it.

Mr. SPARKMAN. Before the Senator suggests the absence of a quorum, let me say that I was about to ask unanimous consent to have printed in the RECORD an editorial entitled "Threat to Rent Control" appearing in the New York Herald Tribune for August 19, and also an editorial entitled "Sneak Legislation" appearing in the Washington Post of August 19. However, I have just been informed by the Senator from New York [Mr. IVES] that he has already inserted both those editorials in the RECORD. Therefore, I shall not ask that they be inserted again, but I wish to say that I think they are thoughtful editorials which everyone should read.

Mr. President, before we come to a final settlement of the matter of sufficient funds for rent control—and I want to say I am personally grateful to the able Senator from Wyoming for the manner in which he has tried to work this question out—I wish to state that I have read the letter from the Bureau of the Budget, and I believe we at least have a better understanding of the matter now than existed when it was considered last Friday. But, Mr. President, there are two other matters in the conference report which I want to call very briefly to the attention of the Senate. My attention was called to them at the time the conference report was called up on the Senate floor several days ago. I did not make a motion to reconsider the amendments or to do anything which would hold up adoption of the conference report. I fully realized the importance of getting an early agreement to the conference report. There are a great many agencies and there are many hundreds, perhaps thousands, of employees who are depending upon the early approval of this action for their pay and for the funds with which to continue operation. But there are two things in the conference report I want to mention. I believe they should be pointed out, even though they have already been agreed to.

One of them relates to payments in lieu of taxes, which subject was covered by Senate amendment 45. When the bill came to the Senate from the House it contained the following proviso:

Provided further, That no part of this appropriation shall be used to pay any public housing agency any contribution occasioned by payments in lieu of taxes in excess of the amount specified in the original contract between such agency and the Public Housing Administration or its predecessor agencies.

The Senate committee struck out that language, and the Senate agreed. But when the bill went to conference, the House conferees I assume were insistent upon the language being retained, and it came back to us with that language in the bill.

I wish to speak briefly about the effect of the provision, and to give some of its legislative history. Provisos identical with the one I have just read were included in the appropriation acts for the fiscal years 1948 and 1949. It was pointed out to the Congress that the provisos in effect compelled the Public Housing Administration to breach its contracts with local housing authorities in certain cases, compelled the local authorities to breach their contracts with local governing bodies, in some cases, and resulted in varying and inequitable treatment as between different communities. On this basis, and at the request of the senior Senator from Georgia [Mr. GEORGE], the Senate Appropriations Committee recommended, and the Senate adopted, amendments to the First Deficiency Appropriation bill for 1949, repealing the limitations for the fiscal years 1948 and 1949. The amendments were eliminated in conference, however, because the matter was contained in other legislation. In the Independent Offices Appropriation bill, 1950, the Senate Appropriations Committee recommended and the Senate adopted, an amendment deleting the proviso.

In the Housing Act of 1949, Public Law 171, approved July 15, 1949, only a little more than 30 days ago, the Senate approved and the Congress enacted legislation repealing these provisions of the Appropriation Acts for 1948 and 1949, setting forth in full a statutory policy and requirement with respect to payments in lieu of taxes.

Thus the Senate during the present session has thrice declared itself against these limitations in the appropriation acts, and has voted a different policy on the subject, which was enacted into law a little more than a month ago by both Houses of Congress. Yet the conference committee rewrote into the law something which thrice during this year we had eliminated, something which we were in the act of eliminating at the very time the conference committee was in the act of writing it back into the bill. I think that is something we should bear in mind in considering the appropriation bills, and particularly in considering legislation on appropriation bills. That is what this was. It is true we could do nothing in the Senate, because it was added in the House. But it certainly disrupts and disturbs the legislative situation, with the effect that cities and local housing authorities and the Public Housing Administration do not know how to deal with one another.

I remember that, when this was included in the appropriation bill of 1948, I offered the amendment to strike it out. I did so at the wish of the Senator from Illinois, who was absent from the Senate that day. We have had this fight over and over and over in the Senate. This year, the elimination of the proviso was agreed to by both Houses of Congress, and when we passed the Housing Act of 1949, we set up a policy which should govern our actions thereafter. We now come to the conference report, agreeing to the House amendment. We are completely tearing up again the policy which we wrote into the law.

The restoration of the proviso in the Independent Offices Appropriation Act, 1950, will have the following effects:

First. Since it has already been adopted, it will be impossible to put into effect the statutory policy on payments in lieu of taxes contained in the Housing Act of 1949 as to all existing projects eligible for contributions during fiscal year 1950. Payments in lieu of taxes with respect to such projects in all cases would be limited to the amounts provided in the original contracts. In more than 150 cases—over one-half—this would mean that no payments in lieu of taxes could be made, since none were provided in the original contracts. In the remaining cases amounts could be paid ranging from 2 to 5 percent, but the cities affected would continue to be unequally treated. In some 17 cases payments would be required to be less than those called for by the existing contracts, because such amounts are greater than those provided in the original contracts, since amended.

Second. It would be difficult, if not impossible, to put into effect the pertinent provisions of the Housing Act of 1949 as to projects initiated after March 1, 1949, because (a) contracts at the new rates authorized by the act, even though they would be initial or original contracts, would be likely to encounter objection from the Appropriations Committees since they would be at rates in excess of those in existing contracts covered under the proviso, and (b) new contracts on a different basis would add further to the confusion in the basis for payments in lieu of taxes, and increase the disparity and inequity as between different cities.

Third. It would be all but impossible to amend existing contracts to put them on the new basis as authorized by the

Housing Act of 1949, for the same reasons.

Thus, in summary, the proviso in the independent offices appropriation bill, 1950, would effectively nullify section 305 (b) of the Housing Act of 1949, just adopted by the Congress.

Mr. President, the other provision to which I wish to call attention relates to transfer of temporary housing. In the bill as it came to the Senate certain language was contained, which the Senate struck out. That was amendment 87, found on page 78 of House bill 4177. That language is as follows:

Provided further, That the Administrator of the Housing and Home Finance Agency may relinquish and transfer, pursuant to the same general terms and conditions specified in subsections 505 (a) and (b) of the act of October 14, 1940, as added by the act of June 28, 1948 (Public Law 796), title to temporary housing provided for certain veterans and their families under title V of said act of October 14, 1940, as amended, to any State, county, city, or other public body: *Provided further*, That any application for such relinquishment and transfer shall be filed with the Administrator within 120 days after the approval of this act.

The measure was reported to the Senate with an amendment striking out that language, and the Senate agreed to it; but when it comes back to us from the conference, that language is carried in the conference report.

Recession of the Senate from its amendment No. 87, as recommended by the conferees on this bill, would restore the House provision for relinquishment and transfer of veterans' temporary reuse housing projects to States, counties, and other public bodies.

In recommending the deletion of this provision, the report No. 639 of the Senate Appropriations Committee stated that this legislative language should be considered by the legislative committee concerned along with the entire temporary housing problem. Since the date of that report, July 8, the Senate Committee on Banking and Currency has held hearings and fully considered this whole problem. On August 11, it reported S. 2246, which contains in title II comprehensive legislation dealing not only with this particular phase of the disposition problem, but with the problem as a whole, including the disposition of temporary and permanent war housing as well as veterans' housing.

Mr. President, in that connection I will say that the transfer of permanent housing met with some opposition. There was controversy, but there was no controversy in the committee, as I recall, with reference to temporary housing. My recollection is that the committee unanimously agreed to it.

This provision in House bill 4177 is clearly legislative in character. It would constitute a determination of basic housing policy not properly included in an appropriation measure. It covers only about 89,000 out of a total of nearly 304,000 temporary housing units under the jurisdiction of the Housing and Home Finance Administrator. There is no reason for Congress to deal with only a part of the problem and thereby give a preference to the communities in which these 89,000 units happen to be located. The entire matter, including collateral provisions necessary for a proper and consistent disposal program, should be considered at one time in a single piece of legislation such as title II of Senate bill 2246. Even with respect to the housing covered by the provision in House bill 4177, that bill is not fully in accord with the legislation recommended by the Senate Committee on Banking and Currency. For example, under Senate bill 2246, the Housing Agency would not be required to relinquish or transfer the Government's interest in the housing without certain assurances designed to prevent this housing from becoming slum property. These are most desirable provisions, and are not included in the language in the appropriation bill.

In addition, the provision in the appropriation bill does not conform to certain technical and clarifying language which the Senate Committee on Banking and Currency believes desirable for the proper handling of the disposal of the housing involved.

Mr. President, these particular amendments have already been agreed to, and, as I stated in the beginning, I have no inclination, and have not had, to postpone final agreement on the amendments, but I did feel that here were two legislative matters handled by the Appropriations committees absolutely contrary to legislation reported and acted upon by the various legislative committees established for the purpose of handling legislative matters.

As was so well pointed out by the Appropriations Committee in turning down this last provision, it demonstrates what many of us from time to time feel very keenly, namely, a further encroachment on the part of the Appropriations Committees on the jurisdiction of the respective legislative committees. For one, I want to protest vigorously against such things being written into appropriation bills. I was pleased that the Senate Appropriations Committee struck this language out. I only wish it might have stood fast in insisting that it remain stricken from the bill and that there might be closer adherence to the oftenstated principle that legislative matters should be left to legislative committees.

Mr. MAGNUSON. Mr. President, on the question now before the Senate, I have just received a telegram from my home State, which I should like at this time to read to the Senate. It is addressed to me by the Veterans of Foreign Wars, and it reads as follows:

SEATTLE, WASH., *August 20, 1949.*

Hon. WARREN G. MAGNUSON,
United States Senate, Washington, D. C.:

Department of Washington, Veterans of Foreign Wars, greatly concerned probable rent decontrol of smaller communities due to lack Federal operating funds for OHE. Very apparent opponents of rent control using back-door method of appropriation cuts to defeat prior congressional approval of very necessary rent act. Everett, Wash., city council and mayor just denied decontrol appeal by operators' association. Veterans and labor proved fallacy of operators' arguments. If appropriation cuts approved Everett, for example, may be decontrolled although need of rent controls has been established at open hearing. Citizens and veterans of small, crowded communities entitled to same protection as those of large cities. Decontrol of smaller areas should not be determined on basis of lack of OHE funds but rather upon result of established procedures to determine further need of rent controls in those areas. Continued rent control on present level a necessity. Request utmost action for defense against Rent Act appropriation cut.

E. G. PATTERSON,
Quartermaster Adjutant, Department of Washington, VFW.

Mr. O'MAHONEY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The roll was called, and the following Senators answered to their names:

Anderson	Hill	Millikin
Baldwin	Holland	Morse
Bricker	Humphrey	Mundt
Bridges	Hunt	Murray
Byrd	Ives	Neely
Cain	Jenner	O'Mahoney
Chavez	Johnson, Colo.	Reed
Connally	Johnson, Tex.	Robertson
Cordon	Johnston, S. C.	Russell
Donnell	Kefauver	Saltonstall
Douglas	Kem	Schoeppel
Dulles	Kerr	Smith, N. J.
Eastland	Knowland	Sparkman
Ecton	Langer	Stennis
Ellender	Lucas	Taylor
Ferguson	McCarthy	Thomas, Okla.
Flanders	McClellan	Thomas, Utah
Fulbright	McFarland	Tobey
George	McGrath	Tydings
Gillette	McKellar	Vandenberg
Graham	McMahon	Watkins
Green	Magnuson	Wherry
Gurney	Malone	Williams
Hayden	Martin	Withers
Hendrickson	Maybank	Young
Hickenlooper	Miller	

The PRESIDING OFFICER (Mr. HUMPHREY in the chair). A quorum is present.

Mr. O'MAHONEY. Mr. President, the question before the Senate is the motion of the Senator from Illinois [Mr. DOUGLAS] to reconsider the vote by which the House amendment to Senate amendment No. 46 in the independent offices appropriation bill, was agreed to. I think the matter had been thoroughly considered and thoroughly discussed prior to the quorum call.

There are two questions involved. First, and I think most important is that the amendment shall be amended by a ratifying amendment without which the Housing Expediter would be without any funds at all. If there be a second issue, it is whether or not the amount of money shall be increased.

Mr. DONNELL. Mr. President, will the Senator yield for an inquiry?

Mr. O'MAHONEY. I yield.

Mr. DONNELL. "Without which amendment being agreed to," I believe the Senator said, "the Housing Expediter would be without any funds." Is the Senator referring to the period up to September 15?

Mr. O'MAHONEY. That is correct. The Housing Expediter having no appropriation at all, was not covered by the continuing joint resolution. So, Mr. President, if those who believe that the appropriation is too small, desire, after the amendment has been adopted, to offer an amendment increasing the sum, and I hope they will not—I thought I had talked them out of it—or any other amendment, then that will have to be decided by a majority vote of the Senate, and I think it will be. As I have stated to the Senator from Illinois [Mr. DOUGLAS] who made the motion to reconsider, and the Senator from New

York [Mr. IVES], who seems to feel that the amount is too small, I shall ask the Senate not to agree to any amendment altering the amount of the appropriation, because I have had read to the Senate a letter from the Bureau of the Budget completely confirming the explanation made last Friday that the $17,500,000 may be apportioned throughout the year in such a manner that most of it can be expended in the first 6 months, and the smaller part in the last 6 months, and if, as a matter of fact, the rent control conditions are such that the work is not tapering off, it is perfectly within the right of the Housing Expediter and the Bureau of the Budget to send to Congress for its consideration a request for a deficiency appropriation.

So in order to avoid what I think to be an unnecessary roll call and to confine the roll call simply to any motion that may be made by the Senator from Illinois, I ask unanimous consent that the motion made by the Senator from Illinois to reconsider the vote by which the House amendment to Senate amendment No. 46 was agreed to, be agreed to, and that the amendment which I now send to the desk may be adopted to amendment No. 46. My amendment merely adds the provision of affirmation of expenditures which must necessarily be made.

Mr. WHERRY. Mr President, reserving the right to object; of course, if the unanimous-consent request is agreed to, the junior Senator from Illinois [Mr. DOUGLAS] still may submit an amendment.

Mr. O'MAHONEY. Yes.

Mr. WHERRY. Or an amendment may be presented by any Senator.

Mr. O'MAHONEY. To amendment numbered 46.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Wyoming? The Chair hears none, and it is so ordered.

Mr. O'MAHONEY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. O'MAHONEY. As I understand, that means that the amendment I have just offered has been adopted?

The PRESIDING OFFICER. It does.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. O'MAHONEY. Yes.

Mr. DONNELL. The amendment was not read.

Mr. O'MAHONEY. It has been read a half a dozen times.

Mr. DONNELL. I should like, if the Senator does not object, to have it read.

Mr. O'MAHONEY. Certainly.

The PRESIDING OFFICER. The amendment will be read.

The Chief Clerk read as follows:

Provided further, That the appropriation and authority with respect to the appropriation in this paragraph shall be available from and including July 1, 1949, for the purposes provided in such appropriation and authority. All obligations incurred during the period between August 15, 1949, and the date of the enactment of this act, in anticipation of such appropriation and authority, are hereby ratified, and confirmed, if in accordance with the terms thereof.

Mr. DONNELL. Mr. President, does the Senator have any objection if I note at this point for purposes of easy reference, that the amendment as now read is the amendment which appears and was read by the Senator from Wyoming on August 19, 1949, and as set forth at page 11850 of the RECORD?

Mr. O'MAHONEY. That is the precise amendment.

Mr. DONNELL. I thank the Senator.

Mr. DOUGLAS. Mr. President, I send to the desk an amendment to Senate amendment numbered 46 which I ask to have read.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. In Senate amendment No. 46 to House bill 4177, it is proposed to insert the following after the figures "$17,500,000."

Provided, however, That the Office of Housing Expediter may expend during the period ending March 31, 1950, the funds made available to it under this Act.

Mr. O'MAHONEY. Mr. President, will the Senator yield to me?

Mr. DOUGLAS. I yield.

Mr. O'MAHONEY. As I understand the amendment offered by the Senator from Illinois it would, if adopted, provide that $17,500,000 could be expended during the nine months period instead of during the twelve months period.

Mr. DOUGLAS. Yes, that is, if the circumstances required the expenditure of this amount.

Mr. BRICKER. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield for a question.

Mr. BRICKER. I ask unanimous consent that I may be permitted at this time to propound a question to the chairman of the committee, the distinguished Senator from Wyoming [Mr. O'MAHONEY].

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator from Ohio may proceed.

Mr. BRICKER. Does not that accomplish exactly the same thing we were assured in the letter from the Budget Bureau just read a few moments ago by the Senator from Wyoming they would approve if need were shown?

Mr. O'MAHONEY. No, Mr. President, I think it goes a little further, because it would mean that $17,500,000 could be apportioned for 9 months, and it would make it absolutely certain that there would be a deficiency for the remaining 3 months.

Mr. BRICKER. The amendment, then, would make the appropriation for 9 months instead of for 12 months, as proposed in the conference report?

Mr. O'MAHONEY. That is correct.

Mr. DOUGLAS. Mr. President, I think the wording is that the Housing Expediter "may" spend the appropriation within 9 months. It does not make the expenditure of the $17,500,000 mandatory within the 9 months. It merely permits the Housing Expediter to spend it in 9 months if the burden of administrative work is heavier than the sponsors of the $17,500,000 grant believe it will be. It seems to me that this suggestion really embodies the spirit of the informal discussion which we have had on the floor this afternoon and is in line with the assurances given by the very able Senator from Oregon [Mr. CORDON] and the junior Senator from California [Mr. KNOWLAND]. It permits a degree of flexibility upon which I hope both sides of the Chamber may agree.

Mr. KNOWLAND. Mr. President, I cannot quite agree with the able Senator from Illinois that this amendment does what the discussion on the floor indicated. The discussion on the floor related, as I understood it, to the fact that when the Congress makes an appropriation—in this case of $17,500,000—it is the duty of the Administrator so to adjust his budget that he can operate his department or agency for a full 12 months' period. I think the able Senator from Wyoming clarified the situation substantially today by pointing out that it would be no violation of the Antideficiency Act if an agency which was in fact tapering off spent a larger amount in the early period than it spent in the later period, or the tapering-off end of the situation.

During the course of the discussion it was pointed out that the Post Office Department has a greater burden in the December Christmas rush period than it may have in June. But the amendment offered by the Senator from Illinois goes far beyond that situation. In my judgment, it upsets the action which Congress has previously taken in pointing out that the agency had a responsibility to operate for a 12-month period under the appropriation allowed by the Congress. It nullifies the prior action by the Congress. In fact, it provides a substantial addition. I would certainly vigorously oppose the amendment offered by the Senator from Illinois if he should persist in his amendment at this time, because I think it completely changes the prior decision of the Congress.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DOUGLAS] to the amendment of the House to Senate amendment No. 46 in the independent offices appropriation bill.

Mr. HOLLAND. Mr. President, I hope the distinguished Senator from Illinois will not insist upon his amendment. My reason for voicing that hope is that I share with him the feeling that the Congress must take care of the legitimate expenses of the Housing Expediter during the entire 12 months' period in the enforcement of the act which Congress has passed, under which it has placed upon the Expediter a great deal more activity and service than were required under the former act.

It is my feeling that if the Senate—as I think it may do—should reject the amendment which the Senator from Illinois has now offered, it might very conceivably affect the decision already reached by the Bureau of the Budget and the opinion which has been written into the RECORD, because it would bring about an entirely different situation and as against a different background. I hope the distinguished Senator will not insist on his amendment.

I think every Senator knows that this particular activity is not like the ordinary budgeted activity, which is assumed to be just as great at the end of the 12

months' period as it is at the beginning. This activity is tapering off. It is liquidating. An uncertain number of decontrols are to take effect. There are four kinds of decontrols provided for, namely, orders by the Expediter, orders by the Emergency Court of Appeals, action of the State legislature, and action by local units of government supported by the request and approval of the governor. No one can possibly foresee what the sum total of decontrols will be during the period. Everyone is hoping that they will be greater instead of fewer.

Furthermore, there are uncertainties arising from the fact that no one knows how many evictions there will be. There is one of the extra duties we placed upon the Expediter. No one knows how many rent adjustments there will be. I think we should allow the Expediter to enter into this program with the amount we have provided, with the understanding that he faces an uncertain task of undetermined size, and with the mandate that he shall, under the direction of the Bureau of the Budget, do the best job he can with this money, and come back to Congress if it is necessary to do so.

The reason for my request of the distinguished Senator from Illinois is that I believe the record would be much less hopeful from his point of view if the Senate should decide to vote down his amendment than if he were to leave the situation just as it is.

I commend the Senator from Wyoming for the patience with which he has handled the entire matter, and for the diligence with which he has handled it in conference. When he tells us that he cannot do any better than this in conference, I think it is tantamount to telling us that the adoption of this amendment would subject him to an impossible situation in conference. I hope we shall not burden him further in this way.

It seems to me that we shall have the situation in good shape if this amendment is withdrawn. I say that from the background of one who has voted for larger rather than smaller appropriations for this particular activity. I felt that, having voted to place extra duties on the Housing Expediter, it was my duty to stand for adequate instead of smaller appropriations.

I hope the distinguished Senator from Illinois will withdraw his amendment.

Mr. O'MAHONEY. Mr. President, I thank the Senator from Florida. I believe that this amendment should be either withdrawn or defeated. We are facing a factual situation. As the matter now stands, the Senate has approved an amendment which the House conferees will accept. The moment this is done the bill will be on the way to the White House for signature, and funds will be available for the Housing Expediter. If any further delay is occasioned, the matter will have to go back to conference, and the Lord only knows what the outcome will be. I regret to say to the distinguished Senator from Illinois that I hope, if the amendment is insisted upon, that the Senate will reject it.

Mr. DOUGLAS. Mr. President, it is with mingled feelings that I rise to withdraw the amendment I have recently offered. But I think perhaps I should state briefly why I do so.

In the first place, I certainly do not want to tie up the appropriation bill for the independent offices. I think we have had altogether too great a delay in getting this and other appropriation bills through both Houses, and I do not want to be a party to any further delay.

We have had considerable assurance on the floor this afternoon that if the work of the Housing Expediter does not taper off, then a number of Senators on both sides of the aisle—most of whom, I believe, are members of the Appropriations Committee—will support a proposal for additional funds if it is made in the early part of the year. On the good faith of what I understand those promises to be, and as the printed RECORD will reveal, I am therefore ready to withdraw my amendment.

However, if the work of the Housing Expediter does not taper off—and personally I do not expect that it will—if next January the Housing Expediter should ask for the necessary funds with which to carry on his work for the remainder of the year, and we are then faced with an attempt to cut off the needed additional funds, I shall regard it as a breach of faith, and I shall work with might and main to see that the Housing Expediter is furnished with adequate funds to carry on the work of protecting tenants from improper rent increases and at the same time giving justice to the landlords.

In short, I am willing to withdraw the amendment, and rest upon the good faith of Senators on both sides of the aisle. If in January or later I find that because of my trusting nature I have been seduced in this matter, I shall naturally feel it my duty to try to tear my seducers from stem to stern.

Mr. IVES. Mr. President, I had hoped and expected to support the amendment offered by the able Senator from Illinois; but after reconsideration of this question and having listened to the presentations which have been made here this afternoon, the pledges which have been forthcoming from important and distinguished Members of the Senate, and realizing, as I do, that the chances are that either this amendment or the other amendment replacing the money stricken from the appropriation bill by the conferees, would very likely meet with defeat in the Senate this situation might put any of us who feel the necessity for asking for additional funds in the next session of Congress at a great disadvantage—in view of these facts, I shall join the able junior Senator from Illinois not to press any amendment. However, I look to my colleagues in the Senate to support the position which some of us find it necessary to take because of conditions which exist in our own States should we find that additional funds will be necessary next January or next February.

Resting on the confidence which I have in my colleagues in the Senate to see that justice and fairness prevail in this matter, I join the able Senator from Illinois in the position which he has taken.

Mr. O'MAHONEY. Mr. President, I move that the Senate agree to the amendment as amended.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Wyoming.

Mr. WHERRY. Mr. President, before we vote on the motion, I wish the RECORD to show that I am not one who has promised any relief next January. I wish the RECORD to show that before we take this vote. I shall be glad to be fair about anything, certainly. I shall be glad to reconsider anything. But I do not wish the withdrawal of the amendment by the junior Senator from Illinois to indicate that because he withdraws it, I, for one, am pledging full faith and support for the position he has taken.

The PRESIDING OFFICER. The question is on agreeing to the amendment as amended. Without objection——

Mr. FERGUSON. Mr. President, I feel the same way the Senator from Nebraska does, namely, that in allowing this amendment to be withdrawn without a vote on it, I do not place myself in the position that at some future time when this matter may come up, I shall allow some other Senator to judge as to the good faith of myself or any other Member of the Senate. So far as I am concerned, we shall treat this matter and shall vote on it when it comes up.

Mr. KNOWLAND. Mr. President, I am sure that if all Senators will read the entire RECORD, both the statement made by the able Senator from Wyoming and the statements made by other Members of the Senate, it will be perfectly clear that no commitments which would warrant an agency chief in ignoring the appropriation voted by the Congress are being made. There should be a general tapering off. If the tapering off does not take place, there is no commitment on the part of anyone to support a deficiency appropriation. The facts which may be developed and the good faith of the agency director in complying with the appropriation allowed by the Congress by living within the appropriation will all be factors which will be considered by the Appropriations Committee and by the Senate of the United States when it might come to act on any future request for funds.

Mr. DONNELL. Mr. President, I should like to say, along the lines of the statement made by the Senator from Michigan, that I do not wish to make any commitment at this time as to how I shall vote upon this matter next January or at any other time. I shall undertake to vote then as I deem proper.

The PRESIDING OFFICER. Without objection, the House amendment as amended is agreed to.

Mr. DOUGLAS. Mr. President, I ask unanimous consent to have inserted at this point in the RECORD certain statistics showing the increase in the work load of the Housing Expediter during the last 4 months under the new law, as compared with his work during the preceding 4 months under the old law.

There being no objection, the statistics were ordered to be printed in the RECORD, as follows:

OFFICE OF THE HOUSING EXPEDITER—COMPARISON OF WORKLOAD AND BACKLOGS

The Housing and Rent Act of 1949, Public Law 31, became effective on April 1, 1949. This statement compares workload and backlogs for the first 4 months of the new act with the preceding 4 months.

In the 4 months prior to April, there were 160,006 landlords' petitions for rent increases filed in area rent offices. During these same 4 months 160,871 landlords' petitions were acted upon which means that production was ahead of intake. At the beginning of April there were 42,864 landlords' petitions pending final action.

In the 4 months since April 1 the number of landlords' petitions filed shot up almost 25 percent, amounting to 197,945. Despite the fact that production during this period was only slightly less than in the preceding 4 months, the backlog has more than doubled, amounting to 90,442 cases at the end of July.

Much the same story is true on tenants' cases. During the 4 months prior to April 88,214 compliance actions were docketed and 82,778 actions were closed with a backlog of 28,646 cases. During the 4 months since April 1 the number of actions docketed rose to 106,747. Despite an increase in production—94,504 actions closed—the backlog by the end of July amounted to 40,843 cases, an increase of more than 42 percent.

But this is not the whole story. The present act restored the Housing Expediter's control over evictions. In the 4 months, April through July, there was an additional workload of 139,702 notices of eviction and 76,938 petitions for certificates of eviction filed. It must also be remembered that the present act restored the authority of the Housing Expediter to settle overcharge violations. During the past 4 months settlements have been effected in 23,623 cases, involving refunds to tenants and payments to the United States Treasury in the amount of $1,900,589. In addition, the Housing Expediter was required under the present act to appoint landlord-tenant consultants in each of the more than 450 local offices throughout the country.

This tremendous increase in workload and backlogs has taken place despite the fact that 339 decontrol actions have taken place between April 1 and August 18 of this year. These decontrols consisted of 209 actions by the Housing Expediter on his own initiative, 125 as the result of local option, 3 by State option, and 2 on the recommendation of local rent advisory boards. One hundred and eleven of the five hundred and ninety-nine defense-rental areas in existence on April 1 have been entirely decontrolled with the remaining actions affecting portions of areas. These decontrol actions have resulted in some reduction in force between April 1 and August 1, 1949.

Despite such an increase in work load and decline in personnel, an increase in production has been achieved. Under the above conditions, however, and with the added work caused by the necessity of computing fair net operating income, it is easy to understand why backlogs are accumulating until they have reached the danger point.

Summary of work-load changes, Office of the Housing Expediter, Chicago, Ill.

	Dec. 1, 1948, to Apr. 1, 1949	Apr. 1, to Aug. 1, 1949
1. Landlords' petitions:		
(a) Petitions filed	9,209	16,790
(b) Petitions processed	8,733	9,123
(c) Petitions pending at end of 4-month period	4,005	11,672
2. Tenants' cases:		
(a) Cases filed	3,298	3,981
(b) Cases processed	3,258	3,707
(c) Cases pending at end of 4-month period	765	1,039
3. Eviction actions:		
(a) Notices of eviction received (from tenants)	----------	6,374
(b) Petitions for certificates of eviction (from landlords)	----------	9,011

INTERIOR DEPARTMENT APPROPRIATIONS, 1950

The Senate resumed the consideration of the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes.

The PRESIDING OFFICER. The pending question is on agreeing to the amendment proposed by the Senator from Oklahoma [Mr. KERR] to the committee amendment on page 6, in line 13, striking out "$1,616,115," and inserting in lieu thereof $3,990,000."

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WHERRY. I ask the Chair to state the situation relative to the unanimous-consent agreement to vote on this amendment, which is in reality a bloc of four amendments on pages 6 and 7.

The PRESIDING OFFICER. The order entered into today is as follows:

Ordered, That the order of Friday limiting debate on the committee amendments shown on pages 6 and 7 of House bill 3838, the Interior Department appropriation bill for 1950, be rescinded; that on Tuesday, August 23, 1949, at the hour of 2:30 o'clock p. m., the Senate proceed to vote without further debate upon the question of agreeing to the amendments en bloc or upon any amendment proposed thereto; that the time between 12:30 o' clock and 2:20 p. m. on said day be equally divided between those favoring and those opposing the said amendments, and be controlled, respectively, by the Senator from Oklahoma [Mr. THOMAS] and the Senator from Alabama [Mr. HILL].

Mr. HAYDEN. Mr. President, having passed over the Southwestern Power Administration amendments, the next committee amendment appears on page 8, and relates to the Bonneville Power Administration. The amount adopted by the House of Representatives was $29,927,500. The Senate committee voted to increase that amount to $30,284,500, but those increases are due entirely to supplemental budget estimates received after the bill came to the Senate.

I may state in a general way with respect to the Bonneville power situation that that Administration handles the power developed hydroelectrically on the Columbia River. It is my understanding that in the course of time there can be developed there between 25,000,000 and 30,000,000 kilowatts of power. That is an enormous hydroelectric development. Under those circumstances, the issue is not exactly the same as it is in the case of the Southwestern Power Administration, in that under the Southwestern Power Administration when all the hydroelectric developments are completed, as contemplated in the entire area, the hydroelectric power will not provide more than 20 percent of the power generated in the area, whereas in the Columbia River area hydroelectric power as developed will amount to very much more than the steam power developed. There will be some steam development; but firming up the power is brought about by building one dam after another up the stream, and each dam up the stream firms up the power for those below.

That is about all the statement I care to make at this time.

I now yield to the Senator from Washington.

Mr. MAGNUSON. Mr. President, what the Senator from Arizona has said is fundamentally correct. I expect to offer an amendment to the committee amendment on the so-called Kerr-Anaconda transmission line, which is involved in the subject mentioned by the Senator from Arizona.

Prior to offering the amendment, let me say that, as I said last Friday on the floor, although these items are somewhat different in certain specific instances, nevertheless the whole problem of these amendments relating to transmission lines, whether they be in the Southeast, the Southwest, the Pacific Northwest, or the Central Valley of California, to my mind involves the same fundamental subject. I think the issue is clear. It was stated very aptly by the distinguished junior Senator from Oklahoma [Mr. KERR] in his discussion of the Southwestern Power Administration transmission matter the other day, when he made a statement to the effect that provision for the lines which were not objected to by the private power representatives was left in the appropriation bill, but provision for all the lines—whether in one section of the country or another—which were objected to by the private power groups, whose representatives appeared as witnesses before the Appropriations Committee, as they had a right to, was rejected.

So in my opinion this gets down to an almost 20-year fight in the Congress between the development of public power as it clashes with the interests of private utilities and the private power lobbies.

Before I offer my amendment, Mr. President, I wish to speak briefly on the general subject. I know that many other Senators, particularly Senators from my area and those in other affected areas in the Southwest and Southeast, probably will also have something to say on this general subject. Mr. President, I speak, of course, in opposition to all these committee amendments. Other Senators have already stated for instance that one amendment eliminates a $70,000 item for salaries and expenses in the Secretary's office, a $70,000 item needed to finance a power marketing survey in Southeastern United States. That does not involve directly a transmission line, though it gets to the meat of the coconut in the argument of this matter. It involves again the long standing clash, which has extended over many years, between proponents of the development of public power, with the Government's participation in the development, and the private power interests.

In the southeastern area of the country, an amendment affecting which will be up for consideration in the Senate shortly, a number of dams have been constructed by the Army engineers, and they are now, or in the near future will be, producing hydroelectric power. How best to market that power for the benefit of the people who have invested money in the dams is of vital concern to the

Congress, to citizens of the area, and the Nation. Without such a survey, for example, in this case, the Secretary of the Interior will be without accurate and workable data with which to carry forward his efforts and discharge his obligations under the Flood Control Act of 1944, in which Congress laid down the national power policy, and which, in my opinion, has been circumvented by the committee's action on transmission lines, and the two amendments of which I speak.

Some may wonder why I, a Senator from the Pacific Northwest, should be concerned about a $70,000 appropriation for the administration of southeastern power. My concern stems from the fact that the committee amendment, as I have previously stated, is the first of a series of actions by the committee adding up to a pattern, which we have long since come to recognize as the handiwork of the private power lobby. Those responsible for that handiwork operate in every section of the country. Wherever the people invest their money in a power-producing dam, the weavers will be found at work. Always the pattern is the same. It is the pattern here involved—"You build the dam, we will distribute the power, we will take it at the bus bar, we well resell your power to you, at our price."

There are 13 separate items in the bill in which the issue of who shall distribute the people's power is clearly drawn. Other Senators and I shall speak directly to each of these as they are reached. It is my purpose to attempt to demonstrate what the issue is, so the Senate and the country may know how the 13 separate appropriations are interrelated, and how they affect the entire Federal power policy.

Mr. SPARKMAN. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Alabama?

Mr. MAGNUSON. I am glad to yield.

Mr. SPARKMAN. Before the Senator gets too far away from the item relating to the southeastern power situation, involving only $70,000, I may say I am sure the Senator knows that the question of transmission lines is not involved in that program.

Mr. MAGNUSON. It is not directly involved, I may say to the Senator.

Mr. SPARKMAN. That is what I mean, it is not involved in that one particular administration. As a matter of fact, the only thing there attempted is the carrying out of a clear mandate of the Congress in the 1944 Flood Control Act, to market the power generated at the dams which are being built under appropriations made by Congress.

I wonder whether it would not be well also to keep in mind that it would be an easy matter in the Southeast to market the power through the TVA, if it were desired to do so. But long years ago there was a somewhat tacit agreement reached to the effect that TVA would limit its operations to a rather well-defined territory. If the private power interests want to force the Government to do it, the Department of the Interior could very easily make a contract with TVA to market all this power. But the inevitable result would be to push the TVA out of the territory to which heretofore it has limited itself and restricted its operations.

With that preliminary statement I should like to ask the able Senator: Is not $70,000 a very small expense to authorize, when we consider the fact that during 1950 there will be $1,000,000 worth of power to sell in the Southeast, and that, over the next 3 years, it will be stepped up to $10,000,000? Would not any private business concern regard $70,000 as a very small item with which to begin building up a business organization for the purpose of marketing, in a fair and businesslike manner, that much power?

Mr. MAGNUSON. Of course. That is why the amendments seem to represent such false economy. It is preliminary to the developments in the southeastern area which will give the people cheap power. But the private utility interests oppose it because they think that any good planning in the southeastern part of the United States will of necessity involve the Government's building some more dams at which to produce cheap power, and that of necessity it will involve probably the Government's building certain transmission lines with which to distribute the power, where private power companies have not done so, where they will not do it, or where they cannot do it. That is the ground of the opposition.

Involved also in all the 13 amendments are the following agencies within the Interior Department: Office of the Secretary, Southwestern Power Administration, Bonneville Power Administration, and Bureau of Reclamation. In each case the symbol of the issue is a backbone transmission line, related facility, or related activity.

Let me refer now to certain language in the committee report which makes eminently clear the issue I am discussing. In other words, it is language which, in relation to all 13 of the amendments, shapes up the pattern we are talking about. On page 4 of the committee report appears the following statement:

> The private electric-utility companies, operating in the area of the Southwestern Power Administration, have advised the committee that they will make the entire transmission and related facilities of their respective systems available to the Government without charge to the Government's customers, for the carrying of electric power and energy from the Government-owned transmission system to preferred customers of the Government. * * * The compensation for such transmission and additional energy to be in conformance with the principles found in the contract between the Southwestern Power Administration and the Texas Power & Light Co.

In other words, we were referring to the so-called Texas contract, which has been talked about so much in the past few days.

In other words, Mr. President, private electric utilities in the Southwest have convinced the committee there is no need for further construction of transmission lines by the Government in this great section of the country. The private utilities will wheel federally generated power over their lines in accordance with provisions of the contract between Southwestern Power Administration and the Texas Power & Light Co.

I shall not comment on this contract, although I could. I do not know how many Members of the Senate have read it, but I suspect very few have done so, even among those who have discussed it. But I shall not take the time of the Senate to analyze it fully. It is a long contract. I have a copy of it, however, and I shall be glad to lend it to any Senator who may be interested in the contract.

The contract prohibits Southwest Power Administration from supplying electric energy to any customer outside the so-called preferred class for 18 months after the date service begins under the contract. The penalty for violation of this clause is that the company may terminate the contract by giving the Government 3 years' written notice and that "the Government shall compensate the company by means of a credit equal to the difference between the cost of such power and energy computed at the lowest then effective rate of the Government and the cost of such power and energy computed at the lowest then effective rate of the company applicable to the service to such customer." In other words, the contract requires the Government, as a penalty for serving a customer outside the preferred class, to pay the company the difference between its cost and the Government's cost. This contract may be acceptable in the Texas situation. Neither it nor the policy it represents, however, should be foisted upon other power-producing sections of the Nation without full hearings and debate.

This matter was never discussed as a legislative-policy matter. It was never discussed as a part of the work of the legislative committee which had the duty and the responsibility to determine the Federal power policy.

On page 6 of the committee report is the following paragraph:

> The committee has not approved construction of the Kerr-Anaconda transmission facilities at this time. While the committee recognizes the line must be built, the testimony indicates it is not necessary to commence construction this year. The committee also feels that the question of policy—

Here is the Appropriations Committee again considering policy—

> as to whether the line is to be built by the Federal Government or by a private utility presently serving the area should receive further study before the Bonneville transmission system is extended beyond the present grid, with the necessary integration with Hungry Horse Dam.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. MURRAY. Have the utility companies in the northwestern section of the country indicated any desire to enter into any wheeling arrangement, such as that with reference to which the Senator has been speaking?

Mr. MAGNUSON. I have read the testimony very carefully. I have it marked. They have not said they would build transmission lines. They said, "We have conducted some surveys

through the Electric Bond & Share, which controls the policies of the Montana Power Co. We have made some studies. We have a transmission line. This plan requires a 230,000-volt line, and the Montana Power Co. has a 115,000-volt line." They have never said they would build this transmission line.

Mr. MURRAY. Efforts have been made to induce them to enter into arrangements of that kind with farm cooperatives, but they have always refused to do so. The testimony before the committee by a representative of the Montana Power Co. indicated that they were not interested in the proposition of expanding power facilities. The former Governor of the State of Montana, Governor Ford, who is not opposed to the Montana Power Co., said, in his testimony, on page 667 of the Senate hearings:

> I do not think Montana Power wants to build Hungry Horse. I doubt if they would want to build any of these large, expensive projects.

So they do not appear to be interested in extensive power development. As I say, we have tried on many occasions to get them interested, but without success.

A conference was held between representatives of the Bureau of Reclamation and the Montana Power Co. at Butte, Mont., on April 7, 1947. At that time the officials of the company agreed to consider the matter of wheeling power for the Bureau and refer it to the company's board of directors.

On May 12, 1947, a letter was written to the president of the Montana Power Co. requesting comments on the proposal discussed in the conference of April 7, 1947. No response was received, and another letter was written on July 29, 1947, requesting a statement of the company's position. The president of the company replied by letter of August 13, 1947, indicating that the company had not reached a decision. No further word was received from the company on this matter.

So it is obvious that they are not interested in that kind of an arrangement. Besides, they have such a situation in Montana with reference to public power that they would be foolish, from the standpoint of their own financial advantage, to enter into such an agreement, because they have a monopoly of the power generated at the Fort Peck Dam. If they can prevent this transmission line from being constructed, they can control the power which comes from the Fort Peck Dam. They receive 68.2 percent of all the power, they receive it at a dump rate of 2.5 mills, and they will continue to get it as long as that situation exists, thereby depriving the farmers of Montana from any low-cost power from Fort Peck and from receiving the advantage of priority which Congress intended they should have. The same is true with reference to the Hungry Horse project.

Mr. MAGNUSON. I appreciate the Senator's comment. The backbone transmission line will become a part of the grid system, which will include the Hungry Horse Dam. Until it is completed the people of Montana will not be able to take advantage of the great hydroelectric pool which comes from sources in Montana, Idaho, and Washington.

Mr. ECTON. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. ECTON. I should appreciate it if the very able Senator from Washington would explain what the Kerr-Anaconda Dam has to do with the matter.

Mr. MAGNUSON. I think I can explain that very easily. This transmission line will be a part of the whole Bonneville grid system.

Mr. ECTON. How will it be reached from Anaconda? Will it run down to Pocatella and around?

Mr. MAGNUSON. It does not have to be run any particular place. It is a part of the system to deliver cheap power to that area.

Mr. MURRAY. Mr. President, will the Senator yield? I should like to explain that situation.

Mr. MAGNUSON. I yield.

Mr. MURRAY. In Montana there is an effort to try to create fear in the minds of the people that this power will not be used in Montana, but that the line is being constructed to Anaconda for the purpose of feeding it out of the State of Montana through lines into Idaho and other sections of the country, and that Montana will not have access to this power. It has been discussed in chambers of commerce meetings. As I say, there is an effort to create alarm that if the power is taken down to this section of the State it will not be used there at all. This of course is not true.

Mr. MAGNUSON. I can say to the junior Senator from Montana that anyone who understands power and its distribution would know that it is not necessary to have a line from one place to another, at least so long as there is a connection with the grid system. The grid system is available to private power companies, farmers, or anyone else, and any place they can tap it they will get the benefit of it.

In my State there are power lines which run in circles. The present plans are that this line would be the terminus of the grid system, where it can be tapped.

Mr. ECTON. I merely asked the Senator from Washington what the Anaconda line had to do with hooking up with Bonneville. I want to know where the circuit will be completed.

Mr. MAGNUSON. It does not have to be completed.

Mr. ECTON. That is what the Senator said. Any fear that has been created in the minds of the people of Montana has been created by the emphasis and the arguments in favor of the Anaconda line.

Mr. MAGNUSON. I think I can explain that. This is my interpretation of what it means, and it is the best information I can get from those who oppose it and those who propose it.

The so-called Kerr-Anaconda is a 230,000-volt backbone transmission line. It will become an integral part of the Bonneville-Pacific Northwest grid system. When dams on the Snake River come into production, an interconnection of similar voltage will be provided. Through this series of facilities Hungry Horse Dam, Snake River dams, Chief Joseph, McNary, Bonneville, Grand Coulee, and other great power-producing dams in the basin will be interconnected to obtain maximum efficiency. This is one part of it. Kerr-Anaconda line itself is a 170-mile facility, and I emphasize again, it is a backbone transmission line to serve municipalities, cooperatives, and REA's, customers in the so-called preferred class, as provided in the Bonneville Act itself, and any other customer who may want to tap it.

Mr. ECTON. Mr. President, will the Senator yield?

Mr. MAGNUSON. Let me finish this thought, and if I am incorrect in this, the distinguished Senator from Montana can correct me.

Mr. President, it takes time to build a facility of this size. Rights-of-way must be obtained, surveys must be completed, orders placed for materials, and finally construction initiated. Hungry Horse is scheduled to come into production in 1952 or 1953. This backbone facility must be ready for use when the first Hungry Horse generators go on the line. Unless this issue is settled now, Bonneville Power Administration will be confronted with an extremely difficult engineering and manpower problem to complete the line on time.

Now I yield to the Senator from Montana.

Mr. ECTON. I should like to ask the distinguished Senator how municipalities, REA cooperatives, or anyone else, can get any benefit from the present plant and the Kerr-Anaconda line when there is absolutely no provision for the building of substations. How can the electricity be taken off that line without substations? I wish the Senator would tell me that.

Mr. MAGNUSON. Of course it is not possible. I do not think that the mere building of a line would be the end of it. Substations come afterward. We are talking about the foundation now, the backbone of the grid. The substations will follow.

Mr. ECTON. Is not that what the committee said, that if it is found necessary and essential later to build them, it will be just as easy and no more expensive to build them then than it will be at the present time?

Mr. MAGNUSON. It may not be any more expensive, but I guarantee to the junior Senator from Montana that if this line does not go through now, next year the same crowd will be back here opposing it, and if it does not go through then, the next year the same crowd will be back opposing it. I have dealt with those groups for years, and I know exactly their pattern. We had better get started now and establish this policy, or we will find the Hungry Horse built, and we will find the State of Montana outside the Bonneville grid system and a hydroelectricity pool.

Mr. ECTON. Does not the Senator understand that Montana is already hooked up with Hungry Horse at Kerr Dam?

Mr. MAGNUSON. Parts of it.

Mr. ECTON. And also hooked up through Thompson Falls to Spokane.

Mr. MAGNUSON. Parts of it are hooked up, but not all of it, and what is proposed is going to hook up another great section of Montana. That is all it amounts to.

Mr. MURRAY. Mr. President, will the Senator from Washington yield?

Mr. MAGNUSON. I yield to the senior Senator from Montana.

Mr. MURRAY. That illustrates the point the Senator made when he started his discussion. It is true that Hungry Horse is hooked up with Kerr Dam, which is owned by the Montana Power Co., and if they can hold it there, and have no line to Anaconda they will have a monopoly of the power in the State of Montana. The purpose of the Kerr line coming down to Anaconda, the Kerr-Anaconda line, is to bring the power into an area which has enormous resources for development, something very important to our State. Of course, I can understand how the representatives of the Montana Power Co. are not very much interested in developing those resources. They are interested in holding rates high for their concern. It is not a Montana concern. The stock in the local utility is owned in the East. It is a subsidiary of the American Power & Light Co., and the American Power & Light Co. is owned by the Electric Bond & Share. So they are not much interested in letting Montana have access to this low-cost public power.

The manager of the Montana Power Co. testified at the hearing here, and stated that Montana was not a State which should expect any industrial development, that it was a State which depended largely, or principally, on agriculture and livestock raising. As a matter of fact, Montana is one of the richest States in the Nation from the standpoint of raw materials, from the standpoint of great resources. One little hill in Silver Bow County produced $3,000,000,000 of wealth, one single hill something like a mile in area, in the section concerned here. In the area where this line is going there are enormous deposits of phosphate rock, manganese, tungsten, and other minerals. So that it is very important to our State, if we are to get any industrial development at all, that we should get this line carrying low cost power down there.

The truth of the matter is that Montana has been held back all these years, and we have been losing our population. There are fewer people in the State of Montana today than there were 30 or 40 years ago. When I first went to Butte, the population was 80,000 to 90,000. Today it is 40,000 or 50,000. The State has lost much of its population. The Bureau of the Census shows that we have lost 12.7 percent in population.

The reason for that is that we have no balanced economy. We have a raw material economy. We merely produce cattle and wheat, and ship this phosphate rock and other raw materials out of the State, and make no attempt whatever to develop industries, so as to provide a balanced economy, and provide opportunities for the young folks of the State of Montana when they graduate from our schools and colleges, so that they may be able to remain in Montana. One of the most important things to the whole economic development of our State is to have this transmission line bring power down to the area it would serve, where we can develop industries.

Mr. HILL. Mr. President, will the Senator from Washington yield?

Mr. MAGNUSON. I yield to the Senator from Alabama.

Mr. HILL. The distinguished Senator from Montana referred to the Montana Power Co. Is it not a fact that the records of the Department of the Interior show that in 1947 that Department, which is charged under the law with the disposal of the power generated at reclamation dams, requested that the Montana Power Co. provide a general wheeling service in order to enable the United States to serve preference customers, and that the request was twice repeated? The only reply the Department received was that the wheeling question was being considered by the Montana Power Co.

I have here a copy of a letter, under date of August 9, 1949, addressed to the distinguished chairman of the Senate Committee on Appropriations, the senior Senator from Tennessee [Mr. MCKELLAR]. The letter was written by Mr. Wesley R. Nelson, the Acting Commissioner of the United States Bureau of Reclamation, in the Department of the Interior. Mr. Nelson confirms what the senior Senator from Montana [Mr. MURRAY] said about the fact that the Montana Power Co. has been requested to provide a general wheeling service, and that they had never agreed to do so. All they would ever say was that they were considering it. Mr. Nelson said—and I call this to the attention of the Senator from Washington, as well as of the Senate:

> Further light on the attitude of the Montana Power Co. in connection with wheeling is shed by the fact that the company has been unwilling to entertain arrangements for the wheeling of power even for the purpose of supplying construction power at the Hungry Horse and Canyon Ferry projects, both of which are under construction by the Bureau of Reclamation.

In other words, the Montana Power Co. has refused to engage in the wheeling of power to bring any power over their lines even for the construction of these two great projects.

Is there anything in this record which would lead anyone to believe that the Montana Power Co. is simply waiting, eager and anxious to wheel this power for the Government, if we do not appropriate in this bill, as the House did, the money to provide for these transmission lines?

Mr. MAGNUSON. The Senator referred to the testimony, and I could refer other Senators interested to page 1176 of the hearings on the Interior Department appropriation bill, and subsequent pages, where the facts of this case are brought out very clearly.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. MURRAY. I remember very well the situation referred to by the distinguished Senator from Alabama. The Montana Power Co. opposed the construction of the Hungry Horse Dam from the very beginning. That company claimed the construction was unnecessary, and opposed it. Representatives of the company came to Washington and appeared before congressional committees and objected to construction. Agents of the company in the State of Montana contended all the time that there was plenty of power in Montana and that the construction of the Hungry Horse Dam was entirely unnecessary. It was not until after the public utilities in the Pacific Northwest, in Oregon and in Washington, came to Congress and supported the program for the construction of the Hungry Horse Dam that the Montana Power Co. finally admitted that it should be constructed. That was, of course, after we had secured authorization to go ahead with the work. But right up to the very time that construction of the dam was authorized the power company opposed it. That is well known, and no will one dispute that statement.

Mr. MAGNUSON. I am sure the senior Senator from Montana will agree with me that we had the same experience in my State. For the past 17 years hearings have been had before congressional committees, since the proposal for construction of the Grand Coulee Dam on through to this day, and power companies have opposed such construction. I have before me an immense number of pages of hearings which will show that to be true. We have had the same experience that Montana has had with respect to the Hungry Horse Dam, in connection with which the Montana Power Co. said the State already had enough power, and opposed construction of the dam. After almost quadrupling our power output in the Pacific Northwest, we are still short of power. I must admit that because of the fact that we have done what we have done we sell power at the cheapest rate it is sold anywhere in the world.

The same pattern has been followed by the power companies with respect to all proposed construction of dams. Back in 1938, in 1936, and clear back to the beginning of Grand Coulee it will be found that the private power companies in Washington followed the same pattern as is now being followed, as Senators can find from reading the same type of statements year after year and year after year. But we went ahead in spite of the statements of the private power companies, so now the people of my State have cheaper electric-power rates than anywhere else in the world. I think 95.7 percent of all our farms are electrified, and we are not going to quit until 100 percent are electrified. I should like to see the same thing happen in Montana, but it will not happen unless Montana gets the cheap power from the great Bonneville grid running all over the great Northwestern States, to which power could be contributed from the Hungry Horse and all the streams of the Columbia Basin.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. MURRAY. The able Senator from Washington has explained the situation very clearly. The strange thing about it all is that the same utilities who so strongly object to the program would tremendously benefit from it if they would only get back of it. The former Governor of the State of Montana, former Governor Ford, who is a very close friend of the officials of the Montana Power Co., testified at the committee

hearings that those officials should become more progressive and more liberal-minded in such matters as these, that affect our economic life because they will benefit along with the whole State of Montana from construction of the Hungry Horse Dam.

Mr. President, we had a very peculiar situation in Montana during the war. We have enormous deposits of chrome in the State of Montana which became very important to our defense during the war. We opened up the chrome mines and started to ship chrome ore all the way from Montana to Pittsburgh and Niagara Falls for treatment, because we do not have the facilities necessary for treatment of the ore in Montana. The businessmen of the city of Billings formed a committee and that committee went to Butte to see the Montana Power Co. about getting power in order to build a ferrochrome plant at the point where the ore was produced, in order to avoid the great expense of shipping it. The Montana Power Co. told that committee it could not let them have the power, that the company did not have the necessary power. The company said also that it did not have a line heavy enough to carry the power. That is an illustration of our failure to secure development of the State because of lack of power.

Mr. MAGNUSON. We had the same experience, and testimony ran along the same line and in the same pattern when we attempted to build transmission lines into the Spokane area. We would never have had the aluminum plants there had we followed the line and pattern of testimony presented by the power companies, which was the same as that presented in opposition to the Kerr-Anaconda line. We have the aluminum plants now because we proceeded to construct transmission lines. Unless Montana proceeds with its proposed program, it will not have plants similar to ours built in that State.

Mr. ECTON. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. ECTON. Does not the Senator realize that all during the war Montana exported power into the Senator's area? So if there was any shortage of power in the State of Montana during the war the Senator can bet his bottom dollar that all our surplus went over into his area to help win the war.

Mr. MAGNUSON. I think the junior Senator from Montana proves the point in favor of the transmission lines. If we did have any surplus during the war it was probably such surplus power as Montana sent to us. Montana did not have any war industries, because Montana could not supply them with power at that time. Montana did not have the great power load necessary for the operation of great war plants, so we probably said to Montana, "If you have a little extra power send it to us." We needed it for the operation of the great atomic energy plant and aluminum plants.

Mr. ECTON. The Senator is correct. We did not have any large war industries operating in our State during the war, so who is to blame?

Mr. MAGNUSON. I do not think anyone is to blame. Montana did not have the facilities.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. MURRAY. The reason we could not get any great war plants built in our State during the war is that we did not have the necessary power. Power is the chief necessity in connection with the operation of such plants. Also we did not have a sufficient supply of skilled workers in Montana. Montana has been held back. Montana has been held down to a raw material economy, without adequate power or any industries whatever. So it was not natural for us to secure war industries because we did not have the power and did not have sufficient workers. Our workers had left for other sections where industries existed.

Mr. ECTON. Montana was exporting power, I will say to my colleague. Montana must have had power, because we were sending a great deal of it into the Bonneville area.

Mr. MAGNUSON. I think I can explain the situation. Montana was sending out a little power, but not very much. In comparison to the big hydroelectric pool of the Bonneville grid system, Montana was not exporting very much power. What little power Montana sent out of her borders was sent by reason of the press of war industries, the great increase of population, the establishment of the aluminum plants, and particularly the building of the great atomic energy plant which used a great amount of power during the war. Montana does not now have sufficient amount of power. Montana will never have enough power until the necessary dams are constructed, so every farm home in that State has an electric line running to it carrying cheap electric power, as we have in the State of Washington. Montana in time can have it. But there is not now enough power produced in Montana.

Mr. ECTON. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. ECTON. The Senator from Washington certainly realizes, does he not, that since the war a great many generators have been added in his area. Of course, I know Senators can talk and brag now that they have a tremendous amount of power in their section of the country due to the construction of great dams. But they were not all in operation during the war because generators could not be obtained. Even the Bonneville Administrator, Dr. Raver, testified before the committee time after time that there would be a power shortage in the Senator's section of the country for the next 5 or 7 years. So why does the Senator want a stub line to be run down to Anaconda where we have no use for any more power at the present time? Why not keep it in the Senator's State and use it until we get all our dams built?

Mr. MAGNUSON. I believe the junior Senator from Montana is a little bit misinformed about the situation. We had not completed all our generators in Grand Coulee. As the Senator said, during the war we shifted many of these power factors around in order to make a complete load. We had some generators built for Grand Coulee, and we could not put them into operation because of the war, so we shipped them to Shasta so they could use them there to produce power. Since the war we have started again installing generators. I do not know how many have been added to Bonneville since the war—perhaps the Senator from Oregon [Mr. CORDON] can inform me—but we have just put into operation the first three at Grand Coulee. In fact, I had the great pleasure and honor of going there not more than 3 months ago when the button was pressed putting the three generators on the right side of the dam into operation. Our power situation has not been substantially changed since the war, with that exception. Those generators have just been placed in operation.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. SPARKMAN. Is it not true that there was a tremendous power development at Bonneville?

Mr. MAGNUSON. That is true.

Mr. SPARKMAN. And a great power development at Grand Coulee.

Mr. MAGNUSON. Yes.

Mr. SPARKMAN. There were transmission lines tying that power together and making it available for whatever area needed it.

Mr. MAGNUSON. By doing what is suggested be done here, we were in a position to pool our power. For example, in the Bonneville pool today there is not only the power from Grand Coulee and from the Bonneville Dam itself, but there is power from some of the private utility dams, power from the great Seattle city light plant, and the Tacoma city light plant. All that power is pooled, so that we can fully utilize all the power to provide cheap rates. During the war we provided the tremendous amount of power which was needed, and which was responsible for the great development of the atomic bomb. All we are attempting to do in this instance is to do the same thing for the great western area of Montana.

Mr. SPARKMAN. That is exactly what the situation was in the Tennessee Valley. The same battle which we are fighting today arose in 1935, 2 years after the TVA Act was passed. My colleague, the able senior Senator from Alabama [Mr. HILL], was at that time the ranking member of the Military Affairs Committee of the House, which had jurisdiction over that legislation. One of the great fights in Congress was with reference to the connection of the dams in the Tennessee Valley with Government-owned transmission lines, which made it possible during the war to shift power up and down the valley, and over the entire area, wherever it was needed. As has been so often testified, without the Tennessee Valley Authority and its great power reserves, and similar areas such as the Bonneville and the Grand Coulee, tied together with Government-owned transmission lines, we never could have developed in this country the arsenal for democracy which we did develop.

Mr. MAGNUSON. There can be no question about that. That is the same experience we went through in the Pacific Northwest.

Mr. HILL. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. HILL. As my colleague from Alabama so well knows, we did not stop with tying in the Government dams in the Tennessee Valley. We tied the Tennessee Valley in with the surrounding private power companies, so that the entire resources of power would be pooled. The entire area was tied together in order to obtain the maximum power benefits. Is not that true?

Mr. MAGNUSON. That is true.

Mr. HILL. And in order that our power systems might be operated on the economical and business-like basis.

Mr. SPARKMAN. Mr. President, will the Senator further yield?

Mr. MAGNUSON. I yield.

Mr. SPARKMAN. While we are discussing this question, we may get away from something which we ought to bear in mind. It is not altogether a question of furnishing power for industry, important as that is, or furnishing power for our national security. We are also all interested in furnishing power for farm homes. It has often been stated that in the Tennessee Valley we had an area which was backward, economically speaking. Certainly from the standpoint of rural electrification, we had very little rural electrification. But today in practically every county in my section of the State of Alabama we have almost a 100-percent rural-electrification program, which never could have been made possible had it not been for the interlocking of the various dams and power systems in that area.

Mr. MAGNUSON. I thank the Senator. I repeat that the situation now before us is similar. We are considering a backbone facility which will become an integral part of the great Bonneville grid system, which includes all the States which contribute their water, their dams, and their natural resources to make up the pool.

Mr. HILL. Mr. President, will the Senator further yield?

Mr. MAGNUSON. I yield.

Mr. HILL. The Senator stated that he had been in this fight for some time, and that there has been the same fight year after year. That is absolutely true.

I was very much interested in looking at the hearings on the Department of the Interior appropriation bill for 2 years ago, 1947. At that time the private utility and power companies were seeking to defeat construction of these projects and the building of transmission lines where their construction was necessary. They sought then to have the power from such projects, as the power came into being, sold by the War Department rather than by the Department of the Interior, as section 5 of the Flood Control Act of 1944 provides.

What were they doing? That was simply another attack on the program. They knew that section 5 of the Flood Control Act of 1944 applied to the Department of the Interior. It laid down the policy and the basis on which the power should and could be sold. If the power companies could only get a little amendment in the appropriation bill and have the power sold by the War Department instead of by the Department of the Interior, that would defeat the policy, because the War Department would not be controlled by section 5 of the 1944 act.

That is a perfect illustration of what the Senator from Washington has said. Year after year we have the same old fight. Year after year we must defeat the utilities. At one time they are trying to take the power-development program out from section 5 of the 1944 act by having the War Department sell the power. This time they say, "Do not give them any money. The power companies will wheel the power. Let them come back to Congress next year." But it is the same old fight, is it not?

Mr. MAGNUSON. It is the same old fight. I have before me a list of hearings, dating back to 1935. They contain the same type of testimony, year after year. If the power companies cannot accomplish their ends in that way, they will get someone to sponsor a bill such as the infamous Rockwell bill which was before Congress at one time. That was another roundabout method to stop the advance of distribution to the people of power at cheap rates. What the Senator from Alabama says is correct. The power company representatives in my area have opposed this program time after time.

I remember when I first came to the House. One of the first subjects for consideration was the annual appropriation for Grand Coulee Dam. The testimony of the private power people in my area was to this effect: "What are you going to do, build this massive structure out in the desert? We have enough power." They always say that there is enough power. There is never enough power. They said, "We have enough power. What are you going to do, sell it to the jack rabbits that run around out there?"

The project was not even completed before the power was all sold. We need more and more. We shall never have enough power in this country until every farm home has the advantage of electricity. That situation does not exist in the State of Montana. It does not exist in about 46 States of the Union. We shall never have enough power until every farm home has the advantage of electricity at reasonable rates. We can bring that about, but we cannot do it without a program such as is envisioned here, which Congress says should be carried out. The Bonneville Act itself says that. Any time we follow the advice of the power companies, who say, "Do not build transmission lines, we have enough power," we retard the development of the program and interfere with the rights of the people, who put so much money into these dams, and their ability to get cheap public power, which is so much needed, or cheap power from some other source.

It is the same old story. It has never been changed. Senators can find the same story in the hearings year after year, from the beginning.

Mr. HILL. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. HILL. My colleague, the distinguished Senator from Alabama [Mr. SPARKMAN], who represented the Tennessee Valley district of the State of Alabama in the House of Representatives, and who knows the situation there so well, referred to the great increase in power for farm homes in that valley under the TVA, in connection with the Government plan.

The Senator referred to my service on the House Committee on Military Affairs. I sat in the hearings held by that committee when representatives of the private power companies appeared before the committee. We asked them, "Gentlemen, why do you not carry your lines out to the farm homes? Why do you not give the farmers rural electrification?"

They said, "It cannot be done. It would break not only any private power company, but even the Government of the United States." Yet in the face of bitter opposition from the private power companies we went forward with our REA program. We have gone forward with these great power projects; and because we have gone forward we have a great deal more rural electrification today than we would otherwise have. That program is responsible for so many farm homes having the benefits, comforts, and blessings of electricity. We shall not fulfill our responsibility, we shall not meet our duty to the farmers and the farm families of this country, until we carry this program forward, as the Senator from Washington has so well suggested, so as to make it possible for every farm home in America to have electricity, exactly as practically every urban home in the United States has electricity.

Mr. MAGNUSON. Mr. President, along the lines of the same argument which has been made here, to the effect that there is plenty of power, let me say that we can find at the Federal Power Commission from their charts—I am sure they could be submitted here—that the more power available, the more power is wanted and the more power is used. Of course, those who oppose that development can point out the situation in a certain county which does not have cheap electric power, and can say, "No one here wants more power; there is enough power here now." But we find that when cheap power is made available to the people, the domestic use of power will quadruple in 10 years.

Mr. HILL. And the way to make cheap power available is, as in the case of other industries, to use mass production.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. LUCAS. I suggest to my friend the Senator from Washington and my friend, the Senator from Alabama, that they are taking quite a chance, in making the argument they have been making, because when they ask that cheap electricity be provided for every farm home in America, they will be charged with advocating statism, socialism, or

collectivism. They will be charged with supporting the Fair Deal and the New Deal.

Those who oppose these fine programs have for the moment wandered away from the charge of "regimentation," and today they charge "statism" or "collectivism." In other words, they have been beaten on the slogans with which they have tried to frighten the American people, and which they have used in an attempt to get into power, and now they have found something new in the term "statism." They make that charge because the Congress of the United States, through a program of self-liquidating projects, desires to place electricity in the home of every farmer, and to give every housewife in a farm home an opportunity to use an electric refrigerator, one of the most convenient and comfortable things a housewife has ever had.

Mr. MAGNUSON. And even a deep freeze? [Laughter.]

Mr. LUCAS. Yes; they can have deep freezers if they want them, for at the present time they have the money with which to buy them, too, as a result of the program of the Democratic administration.

Mr. HILL. Mr. President, when the Senator from Illinois says the farmers of the United States have the money with which to buy such equipment and put in such electric lines, he is not suggesting, I hope, is he that the farm program which makes it possible for the farmers to buy such things, and which brings to the farmers good prices for their crops, as a result of which they can buy such things, is a program of statism?

Mr. LUCAS. Mr. President, let me say to my friend, the Senator from Alabama, that in the eyes of some people the farm program is a program of regimentation. This morning when I was in the Committee on Agriculture I heard something said about regimenting the farmers of the United States. However, every so-called regimentation program which has been established, so far as agriculture is concerned, has been established by the votes of the farmers themselves.

In view of the cry and charge of statism, socialism, collectivism, and goodness knows what not—and no one can tell what the next cry or slogan will be—I ask the Senator whether any American citizen has had any of his liberties taken away from his under the Democratic administration that has been in power for the last 16 years. That is a question to be answered.

Mr. MAGNUSON. Mr. President, I say to the Senator from Illinois that of course that has not happened. This program has given the American citizen the right to exercise his liberties to an even greater extent than he had been able to do before.

But I am glad the Senator from Illinois brought up the point that the Senator from Washington may be accused of favoring or fostering statism, collectiveism, or whatever it may be called. I assure the Senator that on this particular question, I have very thick skin; I am an old hand at this. I remember that when I was a very young man in the State legislature, many years ago, I introduced a bill. I represented my home town of Seattle. We had a great city-light plant. We were pioneers in that development. We were selling cheap power to the people. The private-power company was selling electric power at the same rates at that time. Of course, it was very much of a coincidence, let us say, that the minute the city-light plant was built, there were 17 reductions in 8 years from the original private electric company power rate. But the private power company was going along, and Stone & Webster in Boston were getting their dividends, and we were getting along fine. However, certain State legislation did not permit the sale of municipal power outside the city limits. A friend of mine who lived on Eighty-fifth Street was beyond the city limits, but on the other side of the street there was a friend of mine whose house was in the city limits. The electric power rate on the north side of Eighty-fifth Street was 3 times the rate on the south side of the street where people were being served by the city. I thought that situation should be changed, so I introduced a little bill which would allow municipalities to sell power outside the city limits if anyone wished that to be done. I was immediately charged with being a Socialist; that is what those of us who took such an attitude were charged with in those days. The representatives of the private power companies really gave me—they regarded me as a young whippersnapper—a bad time. They have been at it for a number of years. I do not blame them. That is their right. But I say we have developed a public power policy. Just as they have developed a pattern of opposition, we have worked out a pattern of development.

There is a question here. I agree with my distinguished friend, the Senator from Oregon, that there is a question of policy. I do not disagree with his conclusion when he says that, in effect, the Appropriations Committtee has said that we should not build these lines, but should let things more or less happen as they will, and perhaps a Texas contract will be developed in Montana. Mr. President, my experience in the Pacific Northwest has been that there will not be any Texas contract. If we in that area had waited for a Texas contract we would be 20 years behind in the building of dams and in affording cheap electric power to the people in that area, as well as to the people elsewhere in the United States.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. CORDON. Let me say to the Senator from Washington that I am in entire agreement with him with reference to the Texas contact as a pattern for any contract in the Columbia Basin. The Texas contract is predicated upon the sale of peak power to be used with base or firm power, whereas in our area we have firm power. If there is to be a contract of the character the committee had in mind, it would of necessity be either a wheeling contract or a contract for sale to a distributing agency, with safeguards requiring the production and distribution of power upon the basis set forth in the contract itself.

Mr. MAGNUSON. I agree with the distinguished Senator—we have talked about this matter many times—that this is a different situation. But anyone who thinks that the public power in this country has been developed to the extent it has by means of waiting for such agreements, I think is sadly mistaken. I believe it to be true that even in the case of the Texas contract—and as I have said before, I have examined some of the contracts—the private power companies denounced such a contract, as the Senator from Oklahoma has well stated, as iniquitious and criminal, and said they would not enter into such a contract. The other power companies that have built the power lines up to southern Missouri said, "Frankly, we did not think the Federal Government would appropriate the money" but now they are willing to enter into such arrangements. That is what this situation amounts to.

Of course, I agree with the Senator that in the case of the Kerr line, the situation is a little different. But I think the pattern of the opposition is the same.

I agree that a policy is involved. However, I think the policy has long been determined and resolved. I think the Congress has said time and time again over that kind of opposition, "We are going ahead to build these grid systems and these dams and put these power pools together so that the people may have the benefit of cheap electric power." The private power companies benefit from it, too. The sale of that power at the bus bars has been most important to them.

The Senator from California has participated for many years in discussing the famous Shasta Dam power question.

Mr. HILL. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. HILL. This program has been of great benefit to the people and also to the private power companies, for it has provided important sources of power to them for many years. Is that not true?

Mr. MAGNUSON. That is correct.

Mr. HILL. Instead of being harmful to them, it has provided markets for the sale of their power, has it not?

Mr. MAGNUSON. That is correct. In many cases it has worked to their great advantage. That is possible in the Pacific Northwest, regardless of what has happened in the past. We have now found that we can all work together. That includes all the companies—private power companies, municipal power companies, the REA's, the public utility districts, all the units involved in furnishing power to the public.

Mr. SPARKMAN. Mr. President, will the Senator yield, at that point?

Mr. MAGNUSON. I yield.

Mr. SPARKMAN. With reference to the helping of private utilities, I am sure my colleague, the senior Senator from Alabama, who was in the midst of that fight, and my colleague, the Senator from Washington [Mr. MAGNUSON], who likewise was in the House at the time of the early fights which took place regarding TVA, will recall that the same cry was made that we were driving those companies out of business. Yet, as I am sure, my colleague will remember, back in those days, in our own State, the Alabama Power Co.'s stock was selling for about 50 or 60 cents on the dollar.

Within the short space of 2 or 3 years, we saw the stock go above 100 cents on the dollar, even though their territory had been limited, even though the competition against which they cried so loudly had come into existence. Instead of what they feared, they had seen their own users increase power consumption sharply. They had taken the lesson from the Government's program and the TVA's program of extending lines through the country. They had gone into a vigorous program of their own of extending rural lines, as a result of which the number of customers increased and the consumption of power increased until everybody profited from the arrangement.

Mr. MAGNUSON. I may say to the Senator from Alabama I am sure that is true of his area. The cold, hard figures in the Pacific Northwest, since the program has been developed and under way, have shown that in each 10-year period the domestic requirements have doubled. The same thing has occurred during the past 9 years, and is expected to occur for the period ending in 1960. The argument that there is plenty of power simply does not hold water. Surely, there is plenty of power for the existing private systems, that say, "We are serving our customers"; but they do not appreciate the fact that, should there be cheaper power, should the power pool be integrated, and the various factors brought together into efficient operation, the demand from their own customers would be greater and greater. The curve on the chart goes up as more power is made available to the consumers.

Mr. President, I also want to point out that, although as I previously said there are some differences in respect to this specific amendment, the pattern is the same. In the case of the Kerr-Anaconda line the question of duplication is raised. The question of duplication is always raised in the building of Government transmission lines. In this particular case there is no duplication. There is at present a line which is not adequate to serve the needs, as pointed out in the testimony. As further shown by the testimony, and as pointed out by the senior Senator from Montana [Mr. MURRAY], and so far as I can ascertain, from the hearings, there will be no attempt on the part of the Montana Power Co., or at least no specific plan, to build as a further facility the 230,000-volt line which is needed.

As I said before, there is a question of policy. When the committee suggests a postponement of the commencement of the construction by saying, "The committee feels there is a question of policy as to whether the line is to be built by the Federal Government or by the private utility presently serving the area," I agree there is a question of policy. I submit, however, the policy was established when Congress passed the Bonneville Act. The committee's action adds up to a reversal of that policy.

In the hearings before the committee, during the last 3 years, certain members have questioned whether a clear-cut policy is being pursued by the Bonneville Power Administration. I maintain there is. In the Pacific Northwest, the Bonneville Power Administration has consistently constructed the backbone transmission lines to bring power from Federal dams to major load centers. That is where this is going. In addition, the Administration has constructed substations for prospective customers. I suspect they will do the same thing again. I do not know any reason why they would change their policy in this case. Those customers have taken Federal power into their own lines on the low side of the substation.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. MURRAY. Is it not true that the utility companies in the Senator's section got together in 1947 and approved the policy of the Bonneville Power Administration, and made a declaration of policy?

Mr. MAGNUSON. That is correct. It was the famous Tacoma declaration.

Mr. MURRAY. In that declaration of policy they recommended the building of the transmission lines. I quote from it as follows:

> As a result of these extended deliberations, and detailed load studies, it is determined and agreed that new Federal generating capacity in the amount of 318,000 kilowatts, over and above the 745,000 kilowatts of generating units now on order, will be required between now and November 1, 1949, to meet the original critical supply problem.

But it goes on to say:

> Inasmuch as these Federal generating plants are located at a considerable distance from the region's load centers, and inasmuch as present transmission facilities of the Bonneville Power Administration are already approaching conditions of full load, it is agreed as essential that appropriations for backbone transmission facilities be made available to the Bonneville Power Administration on an annual and continuing basis adequate to provide a means for the delivery of power to load centers.

Mr. MAGNUSON. That is correct. Not only is that true, and not only does the act set forth that policy, but Bonneville Power Administration, throughout its existence, has consistently constructed backbone transmission lines to bring power from Federal dams to major load centers; and that is what this is. In addition, the Administration has constructed substations, as I pointed out, and the Congress each year has concurred in that policy by making funds available for backbone lines and related substations.

That is why it was difficult for me to understand the sudden reversal which occurred in the Appropriations Committee. Had a legislative committee taken up the problem and decided that perhaps the policy to which the Congress from year to year has adhered and to which it has given its approval should be changed, there might have been, in my opinion, some reason for it.

The Bonneville Act states that the Administrator shall build transmission lines and related facilities to serve its preferred and other customers. This it has done. It has been doing it for many years, and this is only a continuation of what it has been doing and what Congress has approved for many years. Why, all of a sudden, a group which consistently has opposed the general policy of building dams and transmission lines along the suggestions made should come forward and undertake to convince the Appropriations Committee it should make a complete about-face, particularly along this line—and I believe the same is true in regard to other lines—I cannot quite understand. Surely we have consistently followed that policy. As I said, if the policy should be reversed, it should not be done through a Federal appropriation bill. If the sale of federally generated power at the bus-bar is to be our future policy, the issue should be settled by a legislative committee of the Congress. The Congress itself should have an opportunity to vote on the issue in a clear-cut manner, so that the people who send us to Congress may have an opportunity to raise their voices either in approval or in dissent.

When the Eightieth Congress convened, Mr. President, the power lobby moved into Washington, D. C. Soon there appeared a rash of legislation designed to reverse the power program the people of the country had established under a Democratic administration. There was the so-called Rockwell bill, which sought among other things to take from the Department of Interior authority they had long exercised to use the interest on power features to assist irrigators on reclamation projects. There were the Miller bills, which sought to segment the authority of the Federal Power Commisison over navigable streams. There were the Dondero bill and the Thomas bill, all supported by the private power lobby—all designed to establish in some degree a sale-at-the-bus-bar policy.

One of our leading columnists commented on this situation as follows:

> It means the big boys in the utilities are now convinced that the Republicans will take over the whole Government in the next election and there is no longer any need for them to be timid nor keep to their holes to which exposure of their tactics drove them in the days of activity in public power.

Fortunately, there were enough men of good will and common sense on both sides of the aisle in the Eightieth Congress to relegate these proposals to committee pigeonholes. What the power lobby failed to accomplish by frontal attack they now seek to achieve by a flanking movement through this appropriation bill.

I do not impugn the motives of the members of the committee, but it seems to me that what certain persons have failed to do by these bills has been accomplished by a flanking movement through this appropriation bill.

Mr. President, I realize there are wide differences of opinion among Members of Congress and among the people concerning Federal generation and distribution of power. I hope a majority of us believe that to distribute benefits of this great investment to the people themselves, the Federal Government must build backbone transmission lines.

I hope the majority of us are unalterably opposed to a sale at the bus-bar policy—to a policy which permits a private monopoly to inject itself between a

power-hungry people and the electric energy their investment produces.

In the Columbia Basin the people of this Nation have already invested over $500,000,000 in dams, powerhouses, backbone transmission lines and related facilities.

We have already gone ahead with these investments, and it is merely a continuation of what we have been doing, and what Congress has approved all these years.

When dams under construction and authorized are completed, the people of this Nation will have an investment of one and three-quarters billions dollars. There are now before the Senate Public Works Committee bills which, if approved, will authorize a program calling for the investment of an additional $3,000,000,000.

The benefits flowing from this tremendous investment of the people's money should be distributed as widely as possible among the people themselves. The entire Nation will prosper through this investment, including the private utilities; but if we prohibit Bonneville Power Administration from building a backbone transmission line, which is an integral part of this whole development, an inordinate share of the benefits will go to a private company. A very few will profit inordinately from the investment of the many.

The people themselves, through the rate they pay for power generated at Federal dams, reimburse the Treasury for funds invested. They should not be required to repay the investment and simultaneously pay tribute to any private monopoly.

There may be cases, Mr. President, where the most economical and sensible arrangement is to wheel federally generated power over private utility lines. The cost to the Federal Government for that service, however, will depend largely upon the alternatives the Government has for disposing of the energy.

There is nothing in the policy we have been pursuing which prohibits it being done if it should be done in certain cases; but surely the policy of the Appropriations Committee would prohibit what we have been doing in relation to our Federal power policy in past years.

Once the Congress says to the Department of the Interior, "You cannot build this transmission line," we take away from the Government its bargaining position. If the Department has no alternative but to sell at the bus bar to a private utility, I am sure most Members of this body can visualize what the ultimate result will be.

In September 1948 one of the Republican leaders in the House of Representatives wrote a very interesting article for a publication called Public Utilities Fortnightly. At that time many leaders of that great party were convinced there would be a change in administration. He assured the readers of the publication that when his party gained control of both the Congress and the White House there would be a drastic change in our Federal power policy.

I quote just one key sentence from his article:

If Uncle Sam is to build these dams and power facilities—as he must in many instances unless he can contract to have private agencies do the work—then the Government should follow a policy of selling the power at the bus bar or at the dam, to all comers, without favoritism or discrimination.

Here we have in a capsule the issue represented by the 13 items in this appropriation bill.

I stated earlier that it is 170 miles from the Kerr Dam to Anaconda. The author of the article says the Government should follow a policy of selling power at the bus bar to all comers without favoritism or discrimination.

That sounds very well. It is a good, high-sounding phrase, but what actually happens is another story.

How many REA's or cooperatives or municipalities can afford to build 170 miles of transmission line to take advantage of this so-called nonfavoritism, nondiscrimination policy? Such a policy would be the rankest kind of discrimination. It would mean the private utilities of this country would be the sole beneficiaries of the people's investment in power-producing dams.

I revert to my opening thesis. The committee amendment on page 5 of this bill proposes to eliminate an appropriation of $70,000 needed to finance a power marketing survey in the Southeast. The amendment should be defeated. It is the first in a series of 13 items, which taken together constitute a pattern—a pattern fashioned by the private power lobby—a pattern which places the camel's head under the tent—a pattern which was a major issue in the last campaign—and a pattern which, if permitted to prevail, will deprive the people of this country of maximum benefits from the money they are investing in power-producing dams.

Mr. President, I shall not burden the Senate any longer. I wish, however, to place in the RECORD at this point an article by Thomas L. Stokes entitled "Power Project Fight"; an able article written by Peter Edson, entitled "Joker"—and that is what it is, Mr. President; and an article from the Wenatchee World, entitled "In Our Own World," with the subtitle "Still the Battle for the Columbia."

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Evening Star of August 3, 1949]

POWER PROJECT FIGHT—ELECTION RETURNS FROM FAR WEST FAIL TO SEEP INTO SOME QUARTERS OF SENATE

(By Thomas L. Stokes)

The far West and Pacific coast contributed heavily to President Truman's surprise election victory last November.

A big factor in his strength in that area was his forthright stand for Government transmission lines from the great public projects there, so-called multiple-purpose projects because they furnish irrigation, reclamation, and electric power. But the election returns seem not yet to have seeped into certain quarters. The Senate Appropriations Committee has deleted funds that the House voted in the Interior Department Appropriation bill for construction of eight Government transmission lines from projects in California, Oregon, Idaho, Montana, and Colorado, as well as for money for two Government power plants and six substations. It likewise reduced appropriations for transmission lines for the Southwestern Power Administration in Missouri, Oklahoma, Arkansas, and Texas, and eliminated funds for contracting and marketing power from flood-control projects in eight southeastern States.

YIELDED TO BIG UTILITIES

The committee yielded to the great private utilities involved, which want to build their own lines from the Government projects so they can control distribution and sale of the power themselves.

In a few days the issue will be fought out in the Senate, where an attempt will be made to restore the funds voted by the House for Government construction of the transmission lines and other facilities. It is a basic issue. If the private utilities should win, this would reverse a policy for equitable and adequate distribution of power from multiple-purpose projects that was laid down by Congress as far back as the 1906 Reclamation Act and reaffirmed and strengthened by Congress from time to time since, most recently in the 1944 Flood Control Act.

The outcome is of national interest, for the principle involved applies to projects elsewhere in the country other than those directly affected in this bill which, as can be seen, are widely scattered.

This transmission line battle represents the latest strategy of the private utilities to check and control the public power program. For many years they tried to prevent approval by Congress of multiple-purpose projects. They are still busy at that in their fight against creation of authorities for the Missouri River Valley and the Columbia River Valley, the MVA and CVA, patterned after TVA in Tennessee. But Congress has approved many projects. The aim now is to hamstring these, along with trying to stop the authorization of others.

POLICY LAID DOWN

The policy laid down by Congress in successive statutes for the multiple-purpose projects is threefold. Preference in sale of power must be given to municipalities, other public corporations or agencies and to cooperatives and other nonprofit organizations. Rates shall be the lowest consistent with sound business principles. Power shall be distributed so as to encourage the widest possible use and to prevent monopoly.

If a single private utility controls the distribution and sale of power in an area, as would be authorized in the cases involved in the Senate bill, these objectives could be diluted. It could withhold its service from certain areas or certain customers. It could fix its rates, since it is the sole purchaser of power from the Government. The Government without transmission lines of its own, could not move to prevent monopoly.

[From the Washington Daily News of July 27, 1949]

JOKER

(By Peter Edson)

A huge joker has been found in Senate Appropriations Committee recommendations against the building of Government transmission lines from Bureau of Reclamation power dams.

It relates to proposed orders that the Interior Department make contracts with Pacific Gas & Electric Co. and Idaho Power Co., similar to a contract now in force between the Government's Southwestern Power Administration and the Texas Power & Light Co.

The catch is that the Texas Power & Light contract was a special agreement made to fit peculiar circumstances not found in the California and Idaho areas. Forcing a Texas Power & Light type contract on other power projects would in effect restrict the Government to developing only secondary power to supplement primary power developed by the private companies.

The Texas contract was drawn up to handle only the public power developed at Denison Dam. This is a flood-control dam built by the Army engineers on the Red River, which forms the boundary between southern Oklahoma and Texas.

Not enough water flows through the Red River throughout the year to make possible the delivery of a large load of firm power by Denison Dam generators. But the water held at Denison Dam during heavy rainfall run-off is sufficient to deliver a fair quantity of secondary power for limited periods.

About the best Denison can do is deliver firm power for 8 hours a day, plus limited secondary power. This is hard power to sell. Southwestern Power Administration has no other generating capacity in this territory to tie into. But is does have a number of potention preference customers among rural cooperatives in the area. They could not be served, though, because Texas Power & Light controls all the transmission lines.

On the other hand, Texas Power & Light was in the position of needing reserve power for its peak-load periods in the afternoon and evening. So here were all the elements for a good trade.

Under the law, Interior Department is selling agent for power generated at flood-control dams built by Army engineers. So, in April 1947, Southwestern Power Administrator Douglas Wright made a contract for the Department with Texas Power & Light.

In brief, Southwestern Power swapped its secondary power for delivery at peak-load periods, in exchange for firm power from Texas Power & Light for delivery to the Government's customers. It is a good deal for both sides. It increased the company's capacity. It marketed the Government's power and delivered it to its consumers.

The unsuitability of this Texas Power & Light type contract for other Government installations having the capacity to deliver large quantities of firms power is obvious.

A Senate floor battle has been promised by Senators O'MAHONEY of Wyoming, JOHNSON of Texas, SPARKMAN of Alabama and others who want committee restrictions on the public power program removed. If committee recommendations are adopted, they will put the Government in the role of being secondary suppliers to private monopolies.

[From the Wenatchee (Wash.) World of July 30, 1949]

IN OUR OWN WORLD

(By Rufus Woods)

STILL THE BATTLE FOR THE COLUMBIA

We have with us in Wenatchee the past two days the committees of the public utilities districts and muncipalities of the State of Washington. We are wondering if the people realize what is really going on in this State. Twenty-five years ago the power business of the State which formerly was owned virtually in each community, went into the hands of a gigantic eastern monopoly headed up in New York City.

Today the public utility districts and municipalities representing the people of this State are retrieving the power business back into the hands of the people of the State. They are not stealing the power business from the owners down in New York. Rather they are buying the plants and systems in the name of the people of the State. And now after the last legislature they are compensating school districts for the loss in taxes to former privately owned utilities.

The Columbia River, which is the monumental resource of the Northwest, is to be retrieved along with the generating plants, the transmission lines and systems. This Columbia River is to be controlled by the people of the Northwest or it is to be controlled by a group in New York City.

If we were like the folks in Montana we would lie down and let the eastern monopoly take control. That is what happened to the mineral and water resources of Montana 50 and 75 years ago. Now the people of Montana are trying against great odds to have some say with their manifold resources. But they are having tough sledding.

We may either own and control these water resources of ours or we can say: "Come along New York and run our water powers and incidentally take control of our politics too."

Regarding the ownership of these power plants a quarter of a century ago and before that, in Wenatchee we had Arthur Gunn, who organized the electric system here. With him was George D. Brown, who had a plant at Chelan.

At Entiat was Charley Harris, who built the power plant there and also furnished power for Wenatchee.

At Dryden was the plant built and owned by W. T. Clark, Marvin Chase, and Frank Scheble. Leavenworth also had its own plant. So did Pateros and Okanogan and Oroville.

Waterville and Cashmere owned their own systems. All over this State there was the home ownership and control of electric facilities. Then the big boys from New York took over with one gigantic system or combination of systems or trust. Then came the lobbyists in the National Capital and in every State capital in the country. Then with these were 10,000 high paid attorneys and assistants. New York interests entered into virtually every election.

They took control of a large percentage of our chambers of commerce. Many presidents were finished off with big free trips as their terms expired.

There is a gigantic fight on in the National Capital now over the control of this Columbia—juiciest resource of the Nation. The move to force users to go to the bus bar at the dam for their power is one of the slick schemes being promulgated in Congress.

In the meantime Grand Coulee Dam has been the greatest boon to private enterprise of any one thing in this State. With federally developed power, private enterprises by the thousands are here to get started on a great job of stabilizing the West.

But the battle for the Columbia is still on. Along with it is the issue of decentralization.

And now today the Grand Coulee Dam is a whale of a success despite the statement by Congressman Culkin that it was "the greatest fraud ever perpetrated upon the people of the United States."

Today the Tennessee Valley Authority is a success. Today the State of Nebraska owns and controls its own water resources, thanks for the battle put up by the late Senator George W. Norris.

The Province of Ontario, with the best system in Canada, owns and controls its own wonderful system. It has developed from a plant of $3,730,000 into a system worth $475,000,000, now largely paid for.

The control of the Columbia for 100 years to come is at issue.

Mr. MAGNUSON. Mr. President, I should like to read from a letter dated August 4, 1949, from L. K. Ambrose, light superintendent, city of Ellensburg, Wash., which states the matter very clearly. The writer says:

Reporting to the Senate H. R. 3838 (Interior Department appropriation bill for 1950), the Senate Appropriations Committee eliminated funds which would provide for Government construction of a number of transmission lines. These transmission lines, which were approved by the House, are needed to bring low-cost Federal power to municipalities, rural electric cooperatives, and other public bodies which now have preference under the law.

Instead of Federal construction of transmission lines, the Senate Appropriations Committee recommended a type of contract which would provide for the wheeling of Government power to preference customers over private utility lines.

The American Public Power Association, representing over 600 publicly owned electric systems in over 31 States, all of whom have preference in the purchase of power, wishes now to state its unalterable opposition to the policy proposed by the Senate committee.

Previously we have consistently opposed bus-bar sale of Federal power, because such a policy has the effect of funneling Government into the hands of private power companies.

Mr. President, when it is said, in the flanking attacks on the bills, that power was sold without discrimination or favoritism, it is the rankest kind of misstatement, because, as a practical matter, these people cannot come to the bus bar. Nor can the average person expect to have this power wheeled from the bus bar as cheaply as he can get it for use in his home or small factory or any other place.

In the case of the Federal Government, such a policy places the Government at the mercy of private companies in the sale of its power, which is valued at millions of dollars. With only one customer for its power, it is in a poor bargaining position.

This is what I think is the exact case in the Southwest power situation.

To draw an analogy, Uncle Sam is put in the position of a farmer who, lacking facilities to transport and sell his products in the market place, must wait until a buyer comes along and pays the buyer's price. Given a choice of several markets, he can always get a better price.

To force the Government into such a policy would not only jeopardize the public investment in the dam and power facilities, but would leave the Government completely over the barrel at the expiration or termination of the wheeling contract.

As for the preference customer in the wheeling arrangement, he, too, is placed at a serious disadvantage.

Mr. President, I ask that the entire letter be placed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CITY OF ELLENSBURG,
Ellensburg, Wash., August 4, 1949.

Hon. WARREN MAGNUSON,
Senator, Washington, D. C.

MY DEAR SENATOR: In reporting to the Senate H. R. 3838 (Interior Department Appropriation bill for 1950), the Senate Appropriations Committee eliminated funds which would provide for Government construction of a number of transmission lines. These transmission lines, which were approved by the House, are needed to bring low-cost Federal power to municipalities, rural electric cooperatives, and other public bodies which now have preference under the law.

Instead of Federal construction of transmission lines, the Senate Appropriations Committee recommended a type of contract which would provide for the wheeling of Government power to preference customers over private utility lines.

The American Public Power Association, representing over 600 publicly owned electric systems in over 31 States, all of whom have preference in the purchase of power,

wishes now to state its unalterable opposition to the policy proposed by the Senate committee.

Previously, we have consistently opposed bus-bar sale of Federal power, because such a policy has the effect of funneling Government power into the hands of private power companies. The policy now advocated by the Senate Appropriations Committee has the same effect, and we oppose such a policy because it contradicts efficient Government administration and is harmful to both the Federal Government and to the preference customers.

In the case of the Federal Government, such a policy places the Government at the mercy of private companies in the sale of its power, which is valued at millions of dollars. With only one customer for its power, it is in a poor bargaining position.

To draw an analogy, Uncle Sam is put in the position of a farmer who, lacking facilities to transport and sell his products in the market place, must wait until a buyer comes along and pays the buyer's price. Given a choice of several markets, he can always get a better price.

To force the Government into such a policy would not only jeopardize the public investment in the dam and power facilities, but would leave the Government completely over-the-barrel at the expiration or termination of the wheeling contract.

As for the preference customer in the wheeling arrangement, he, too, is placed at a serious disadvantage. At all times he is at the mercy of his competitor in getting his supply of energy. Although under the so-called Texas contract his rates for power might be as favorable as if he were to buy power direct from Government transmission lines, the danger of higher rates is only as far away as the end of the contract.

In short, it is our firm conviction that the preferences to public bodies in the disposition of Federal power—preferences written into the law by Congress itself—have little or no meaning unless the Government can itself build transmission lines to deliver power to preference customers. In any event, please remember the Government possesses no power to compel the execution of any kind of wheeling contracts.

Accordingly, we urgently request your support in restoring transmission line funds eliminated from H. R. 3838 by the Senate Appropriations Committee.

Faithfully yours,

L. K. AMBROSE,
Light Superintendent, City of Ellensburg; Director, American Public Power Association.

Mr. MAGNUSON. Mr. President, I appreciate the serious concern many Senators have regarding the cost of these items. The distinguished senior Senator from Oklahoma [Mr. THOMAS], in a very able speech last week, presented some very fine charts on which he pointed out the Government debt. All of us have great concern about that. I am sure that all of us want to see the Government debt retired as rapidly as possible, and Government expenditures made as low as possible, so that the budget may be balanced. But when the Appropriations Committee of this great body adds to a bill from the House side a much greater amount than the House had appropriated, which probably they believed they had reason to do, and probably some justification for doing, but at the same time takes smaller items involving transmission lines, and cuts them out, effecting no saving in the over-all total of the bill, surely it is not coincidental, and as my distinguished friend from Oregon has well said, it does become a question of policy rather than a question of dollars and cents. A question of policy is involved here. I am sure the Senate will be able to understand that question clearly. Certainly it has been before the Congress for many years, and we have always followed the opposite policy.

The projects involved are self-liquidating projects. This is the best investment the Government can make. This is a loan. The money will be paid back. This is an investment which not only will be paid back, but will enhance the welfare of not only the people involved and the sections involved, but all the people of the United States.

Mr. President, I wish to offer an amendment, proposed by myself, the Senator from Montana [Mr. MURRAY], the Senator from Oklahoma [Mr. KERR], the Senator from Tennessee [Mr. KEFAUVER], the senior Senator from Alabama [Mr. HILL], the junior Senator from Alabama [Mr. SPARKMAN], the Senator from Wyoming [Mr. HUNT], the Senator from Idaho [Mr. TAYLOR], the Senator from Texas [Mr. JOHNSON], the Senator from Minnesota [Mr. HUMPHREY], and the Senator from Oregon [Mr. MORSE]. I ask the clerk to read the proposed amendment.

The PRESIDING OFFICER. The clerk will read the amendment for the information of the Senate.

The LEGISLATIVE CLERK. On page 8, line 1, after the numerals "$30,284,500" it is proposed to insert "including funds for construction of the Kerr-Anaconda transmission facilities."

Mr. MAGNUSON. I understand there is an amendment pending, and I merely wanted my amendment read for the information of the Senate.

Mr. HAYDEN. Mr. President, the amendment is an amendment to the committee amendment and is in order.

Mr. KERR. Mr. President, I ask unanimous consent that I may withdraw the amendment which I understand is the pending question, the one which I offered Friday.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the amendment is withdrawn.

Mr. KERR. Now, Mr. President, I should like to send forward an amendment which I shall ask unanimous consent tomorrow to have considered.

The PRESIDING OFFICER. The clerk will read the amendment for the information of the Senate.

The LEGISLATIVE CLERK. In the committee amendment on page 7, it is proposed to strike out lines 21 and 22 which read "of transmission lines and appurtenant facilities of public bodies, cooperatives, and privately owned companies," and insert in lieu thereof "of facilities for the transmission and distribution of electric power and energy to public bodies, cooperatives, and privately owned companies."

The PRESIDING OFFICER. The amendment will be printed and will lie on the table.

THE STRIKE AND CONDITIONS IN HAWAII

Mr. MORSE. Mr. President, I rise to make a very brief speech on the Hawaiian dock-strike situation. My remarks are prompted by a letter which I received under date of August 12, 1949, from Mr. Dwight C. Steele, president of the Hawaiian Employers Council. It is a letter very critical of statements made on the floor of the Senate in speeches given by me on the Hawaiian situation on June 27 and July 22. The letter from Mr. Steele closes with this paragraph:

Inasmuch as your remarks concerning Hawaiian business and the stevedoring companies and their integrity and intentions have been inserted by you as a part of the CONGRESSIONAL RECORD, I suggest that the point of view as represented in this letter also be made a matter of record.

Mr. President, as one who believes always in fairness, and who believes that one should not walk onto the floor of the United States Senate and make statements in connection with an issue unless he is perfectly willing also to see to it that the Senate has presented to it the point of view of someone who holds the opposite view, and in regard to whose view he commented as a Senator on the floor of the Senate, I ask unanimous consent to have inserted at this point in my remarks the letter of August 12, 1949, sent to me by Mr. Steele.

The PRESIDING OFFICER. Is there objection?

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

HAWAII EMPLOYERS COUNCIL,
Honolulu, Hawaii, August 12, 1949.

Hon. WAYNE L. MORSE,
United States Senate, Senate Office Building, Washington, D. C.

DEAR SENATOR MORSE: On recent occasions, you have in your capacity as a Member of the highest lawmaking body in the land urged arbitration as the only means of settling the current strike of ILWU longshoremen in Hawaii.

We did not take exception to your June 15 speech before the Senate, in which you were advocating and supporting the principle of arbitration about which you apparently have strong convictions. Such an expression of opinion is your right and your privilege as a citizen and a Senator.

Your Senate speeches of June 27 and July 22 are, however, entirely different matters, both in their implications and as disturbing examples of partisanship, which in a statesman with a reputation for integrity and straightforward thinking is shocking.

Despite the fact that you have said that you detest and reject the political philosophy of Harry Bridges and his labor philosophy, too, we are forced to conclude that the plain truth of the matter is that your statements have been made solely on the basis of representations made by one party, namely, the ILWU. This appears from the many instances in which you have spoken without regard for the facts and data submitted to you as a member of the Senate Committee on Labor and Public Welfare by the stevedoring industry of Hawaii. Despite the record, and despite its availability to you for study, not once have you credited the industry with an iota of sincerity in negotiations. The record is abundantly clear that the companies have made every effort, save acceptance of arbitration of wages, to end this strike.

You have seen fit to use exceedingly strong language in castigating the employer class in Hawaii and to assign motives which the record, in these and prior negotiations, will not support. The whole tenor of your remarks indicates that you hold the erroneous belief that employers as a whole in Hawaii are out of step with modern labor relations

practices elsewhere. Nothing could be further from the truth.

Hawaii is an agricultural community, depending on two crops—sugar and pineapple. Sugar and pineapple employees are almost completely organized, and collective bargaining is fully accepted. As you know, this is an unusual situation in agriculture. These industries support year-round employment for a large number of workers. Wages paid them are the highest agricultural wages paid anywhere in the world. Sugar workers receive an average wage in excess of $8 per day and pineapple plantation workers average in excess of $9 per day. This compares with an average farm wage in the mainland United States of $4.25 per day.

You have stated that it is the companies' position that "arbitration would be communistic tactics." Nothing in their position will support that contention. They made a formal statement to the Governor's emergency board that communism was not an issue.

You stated that Hawaii's stevedoring companies are trying to "break the union and win the strike." The companies are trying to settle this strike on a fair, equitable basis; break the union? No. They have stated categorically in negotiations with the ILWU that they expect to conclude an agreement with this union.

In further reference to strike breaking, you stated "they want the United States Government to help them do it." The stevedoring companies have in no instance requested or sought Government intervention of any kind.

You further stated that "poor labor-management relations demonstrate a lack of stability." We would appreciate any example where it can be shown that west coast maritime labor relations, involving the ILWU, have even approached the stability found in Hawaii since union organization in 1941 to date.

Apparently, you are unaware of the fact that this is the first general water-front strike that has ever occurred in Hawaii. You fail to take into account, in branding labor-management relations here as poor, that the water-front contracts have been arrived at amicably through collective bargaining between the water-front companies and the ILWU; that these contracts have provided for wage rates increasing since 1941 from 60 cents an hour to $1.40 an hour; and that, as a result of these collective-bargaining agreements, stevedores in Hawaii enjoy substantial benefits such as sick leave, liberal paid vacations, and steady work opportunity not enjoyed by west coast stevedores.

You speak of "labor-management instability" when the record shows that in Hawaii since the end of the war more than 400 collective-bargaining agreements between employers and unions have beeen reached, almost all of them without strike. By far, most of these agreements were reached with the ILWU.

In your remarks of July 22 on the floor of Congress, you accuse the stevedoring companies of "misrepresentation."

You go so far as to presume to state what is in the minds of the stevedoring companies and of other Hawaiian employers. You allege that the "real motivation is union-breaking, not good faith collective bargaining."

You completely distort the facts when you say that the employers' record has been one of "rejection after rejection." Yet you were aware of the facts because they were presented to you in hearings before the Senate Committee on Labor and Public Welfare on July 18, 1949, in Washington. You know that the companies first made an 8-cent wage increase offer in collective bargaining. You know further that, in meetings with the United States Conciliation Service and the union, they made a further offer of 12 cents an hour to avert the strike. You know, too, that they agreed to accept an emergency fact-finding board's award for 14 cents.

You also know that throughout this entire period the ILWU has never once in negotiations put on the bargaining table a figure below its original demand of 32 cents. It rejected 8 cents, then 12 cents, then 14 cents.

From your long experience in labor relations, you are aware that, if you are out to break a union, you do not agree to give it a 14 cents an hour increase in wages under present economic conditions and also offer it the choice of a 1- or 2-year contract with union security clauses. This is what Hawaii's seven stevedoring companies have done.

You have accepted without challenge, and apparently without any check of the actual facts, the ILWU statement that the proposal for arbitration of this dispute "in the first instance did not come from the union, but came from the Federal Mediation and Conciliation Service."

The record of negotiations clearly shows this not to be the case. The first proposal for arbitration of the union demand of 32 cents was made by the union in a negotiation meeting with the companies on March 21, 1949. This was 3 weeks before any representative of the Conciliation Service even entered the picture. This union demand was repeated upon numerous occasions prior to participation by United States Conciliation Service representatives. When arbitration was proffered by the Commissioners of Conciliation, it was done as a matter of routine statutory duty.

You say that Hawaiian employers "put tremendous pressure" upon west coast employers in the fall of 1948 to accept arbitration as a means of settling the ILWU's strike there. This is simply not true. The fact is that there were no such pressures. Arbitration of wages was not even at issue in that strike.

On the matter of whether this dispute should be settled by arbitration of the wage issue, we find ourselves in disagreement with you, but we do not see how a sincere and basic disagreement of this type could call for the type of castigation which you have heaped upon Hawaiian employers.

As you know, Hawaiian industry generally, and the stevedoring companies specifically, long ago recognized the principle of arbitration. Arbitration as an interpretive function in settling disputes under contracts already arrived at in collective bargaining is contained in all of the stevedoring contracts with the ILWU, and in virtually every other labor-management contract in Hawaii.

Arbitration as a wage-setting device the companies cannot accept because in their opinion, based on experience elsewhere, arbitration of this type takes away from business management the responsibility it must maintain of determining one of its primary cost items, the amount of wages to be paid employees.

Hawaiian industry knows, again based on experience elsewhere, that if arbitration of wages is at the end of the road, collective bargaining is destroyed. We prefer to place our faith in future amicable relations with unions in Hawaii upon the give and take of sincere, realistic collective bargaining between parties of good faith.

Inasmuch as your remarks concerning Hawaiian business and the stevedoring companies and their integrity and intentions have been inserted by you as a part of the CONGRESSIONAL RECORD, I suggest that the point of view as represented in this letter also be made a matter of record.

Respectfully yours,

DWIGHT C. STEELE,
President.

Mr. MORSE. Mr. President, I now propose to reply to that letter, because I do not know that I ever received a letter from someone who ought to be a responsible person that contains more glaring distortions and misinterpretations and misrepresentations of my position on an issue than the same letter of August 12, 1949, which I received from Mr. Steele. I replied to that letter by way of a press release on August 16, 1949, and I ask unanimous consent to have my press release on the letter inserted also at this point in the RECORD.

There being no objection, the press release was ordered to be printed in the RECORD, as follows:

STATEMENT OF WAYNE MORSE, UNITED STATES SENATOR FROM OREGON, AUGUST 16, 1949

I have received this morning a four-page letter from Mr. Dwight C. Steele, president of the Hawaii Employers Council, setting forth highly emotional disagreements with statement of fact which I have made in speeches in the Senate of the United States on the Hawaiian strike.

As soon as the Senate finishes its consideration of Reorganization Plans Nos. 1 and 2 on Wednesday of this week I shall read Mr. Steele's letter into the CONGRESSIONAL RECORD and answer it on the floor of the Senate.

It is a letter full of gross misrepresentations of the Hawaiian employers' record in the Hawaiian dispute and a falsification of my motive, intent, and purpose in urging arbitration in the dispute. Steele's case is so weak that he now apparently seeks to resort to political-smear tactics of misrepresentation which I shall answer in language which he will understand on the floor of the Senate before the week is over.

I repeat to him and to the public of Hawaii and the United States that the proposal of the United States Conciliation Service that both the employers and union should arbitrate the Hawaiian dispute is a proposal which carries out the American principle of government by law. The resort to economic force by both the union and employers in Hawaii is absolutely inexcusable and Steele cannot falsify his way out of the failure of the Hawaiian employers to place the public interest above their desire to break the union.

Steele's attempt in his letter to give the public the impression that my statements on the Hawaiian dispute have been made solely on the basis of representations made by one party, namely, the ILWU, is a vicious lie and he knows it. Such smear tactics have characterized the Hawaiian employers conduct throughout this dispute and it is about time that their misrepresentations be shown up to the American people for what they really are.

The Hawaiian employers are no more opposed to the left-wing philosophy of Harry Bridges than I am. However, there is this great difference between us. I believe the way to handle such left-wingers as Bridges is to bring him before the fair and impartial judicial process of arbitration and answer his demands with facts.

The Hawaiian employers, as evidenced again by Steele's letter, show that they would attempt to smear those of us who believe in the law and order of arbitration with the charge of trying to help the Communists when what we are trying to do is substitute rules of reason for the settlement of labor disputes rather than economic force which has been resorted to in the Hawaiian dispute.

Steele's letter is a good illustration of the type of employer who manufactures anti-labor propaganda which plays right into the hands of left-wingers, such as Bridges. It isn't too late for Steele and his employer associates to come on over on the side of those of us who believe that arbitration of deadlocked labor disputes is much preferable to the jungle law of economic force.

Mr. MORSE. Mr. President, in the course of the press release I pointed out that I would answer Mr. Steele on the floor of the Senate at the time I inserted his letter into the RECORD.

I am sorry that the president of an employers' association in Hawaii would take the position that Mr. Steele has taken on several points in his letter, because his position either shows that he did not read my statements made in the Senate of the United States, or that he cannot interpret the English language, or that he deliberately distorted the position which I took in the Senate of the United States. I shall proceed to establish those accustions against Mr. Steele point by point.

I want to say by way of evaluation of Mr. Steele's leadership or lack of leadership as president of the Hawaii Employers Council that I hope he is not typical of employer leadership in Hawaii. It is easy to understand why the Hawaiian dispute has not been settled to date by good-faith collective bargaining if Mr. Steele is typical of Hawaiian employers.

Over the years, Mr. President, I have had a great many employers come before me in the arbitration court room. I think I know very well the strategy and the techniques of both employer leaders and union leaders when they want to avoid facing an issue. I say that one need only read Mr. Steele's letter and my statements to which he refers, but, unfortunately, in instance after instance, inaccurately, to have a full picture of this employer's tactics.

Mr. Steele, in my judgment, represents the type of employer leadership that characterized employer-labor relations in this country in the 1920's, but he is at least 20 years behind the times in recognizing the obligation of American employers to engage in good-faith collective bargaining. When employers walk into a collective-bargaining room they should negotiate in good faith, and when they fail to reach an acceptable collective-bargaining agreement with the union in regard to a dispute which affects the national interest and welfare, such as the Hawaiian dispute affects it, they have, I say, the patriotic obligation to resort to good-faith mediation and conciliation with the Government services, and, if necessary, they should try to work out a voluntary arbitration agreement for settling the issues that do not involve managerial rights.

Throughout the Hawaiian dispute the employers who, apparently, are typified by Mr. Steele, have not engaged in the fulfillment of that latter obligation. In spite of the type of political smear with which Mr. Steele attempts to paint me, I say from this desk today to the people of Hawaii that I think the employers involved in the Hawaiian dispute have sold them short when it comes to living up to the type of obligations that the great industrial statesmen of America for the past 20 years have recognized to be the obligations of employer and union leaders in these great major strikes that affect the national welfare and the health and safety of the Nation.

Consistently throughout the discussion of the Hawaiian dispute, I have held to the legal proposition that if the Taft-Hartley law can be applied to any dispute, as far as its emergency dispute sections are concerned, it is applicable to the Hawaiian dispute. It is just as applicable to the Hawaiian dispute, Mr. President, as to the longshore dispute on the west coast last fall. It involves the same industry, and it has within it as much of danger and implication of losses to the national health and safety as the west coast maritime dispute ever had.

Mr. President, a great many employers on the Pacific coast today, as I talk here this afternoon, are highly cognizant of that fact. They are at a loss, as they talk to me frequently, as they have in times recently gone by, over the long distance telephone, to understand the employer point of view as represented by Mr. Steele and his group in the Hawaiian Islands.

I am sorry that the emergency dispute sections of the Taft-Hartley law were not applied very early in the Hawaiian dispute, not because I think they would have been helpful in settling that dispute, but because I think the employers and the people of Hawaii were at least entitled to have had the laws we have on the books applicable to the dispute put into effect.

I said during the debate on the Taft-Hartley law, "Once this bill is passed, the junior Senator from Oregon will take the position that it must be enforced." I said that because I do not believe in writing gestures onto the statute books of our country. I think an attempt to apply it would have resulted in the same failure that the attempt to apply it to the west coast longshore dispute last year resulted in. In that case, Mr. Blaisdell, the attorney for the Hawaiian employers, as he appeared before the public hearings in Washington of the Senate Committee on Labor and Public Welfare, admitted in the record that the application of the Taft-Hartley law to the west coast dispute had not been successful. I think I quote his meaning very accurately when I say that in effect he said that apparently all it accomplished was to postpone the strike for a while until the injunction was lifted, and then the strike renewed itself.

I think we would have found in the application of the emergency-dispute section of the Taft-Hartley law to the Hawaiian dispute another complete break-down in the effectiveness of the law if it had been applied to that dispute. Nevertheless, I took the position in the Senate Committee on Labor and Public Welfare, both in executive sessions and in public hearings, that I thought the Federal Government ought to apply the law. I was a little surprised to hear the Senator from Ohio [Mr. TAFT] argue that he did not think the law was applicable to the Hawaiian dispute. But I cannot imagine a set of facts and circumstances more clearly in line with the intent of Congress and the language of the act than the facts and circumstances of the Hawaiian dispute. So I expressed a public difference with the Senator from Ohio with regard to the question of whether or not the emergency-dispute section of the Taft-Hartley law was applicable.

I shall have something to say toward the close of my remarks about the type of law which the Hawaiian Legislature has passed, because I think it is a shocking law, judged from any fair appraisal of what I had thought we had long since come to recognize to be the rights of free workers and free employers. It is a bit paradoxical—and the situation has some irony in it, too—that apparently the Hawaiian employers are just as unhappy with the new Hawaiian law as are the workers. Apparently the Hawaiian employers are awakening to the danger of having the Government take over the economic relations between employers and unions, a danger which I have cried out against time and time again since I have been in the Senate.

One would think that the Hawaiian Legislature had before it some of the drastic injunctions prior to the Norris-LaGuardia Act, issued by some of our Federal judges when they wrote the law. The language of the new Hawaiian law contains language similar to some of the notorious injunctions of the past. Those injunctions were so sweeping in their nature that they rapidly were bringing the whole judicial system of the country into disrepute in the field of labor relations. They were so unreasonable in their provisions that it was my party—to its everlasting credit—that framed and passed the Norris-LaGuardia Act and put an end to government by injunction in the field of labor-employer relations. Yet I say, Mr. President, that as one reads the terminology of the act passed by the Hawaiian Legislature, the similarity of language with some of those blanket injunctions is so great that one wonders if the Hawaiian employers are now ready to recognize, before it is too late, that the type of governmental control and regimentation which characterizes the act of the Hawaiian Legislature jeopardizes the freedom of employers as much as it jeopardizes the freedom of workers.

I wonder if even some of the Government officials of Hawaii, as well as the people of Hawaii, now that they have had a chance to count 10, now that public indignation and anger are relaxing a bit in Hawaii—and judging from the stories I have read in the newspapers the people generally are beginning to direct attention to the fundamental merits of this dispute—are ready to welcome the type of third-party intervention based upon acts of voluntarism by the parties themselves in reaching their own agreement as to the terms of reference which shall govern third-party intervention. I wonder if the leaders of industry, the Government, and the public generally in Hawaii are not ready now to come over on the side of those of us who supported the Knowland bill.

I can tell the people of Hawaii that there are a great many industrial interests on the west coast that wish they would recognize the importance of some third-party intervention on the basis either of the Knowland bill or their own voluntary action in negotiating an arbitration agreement between employer and union immediately, in preference to the economic war which is now raging in Hawaii and drawing the Territorial government itself into the warfare.

I wish also—and I betray no confidence in saying this—that leaders of the union and the employers, as well as the people of Hawaii, could have the benefit of the views of the head of the Federal Mediation and Conciliation Service, Mr. Cyrus Ching, who I think is one of the most fair-minded, impartial, outstanding industrial statesmen in all America. One may discount such personal bias as I may have in favor of Mr. Ching as arising from a very affectionate friendship for Mr. Ching, a friendship which developed as a result of sitting on the War Labor Board with him for 2 years when he served as employer representative on that Board, at a time when he was vice president of the United States Rubber Corp. of America. However, it is a friendship which is based on observing his impartiality in many labor cases.

Cy Ching is the type of person who calls the shots as he sees them. He has done his best through his service to bring reason into the Hawaiian dispute. He told me on the telephone as recently as Friday that he was shocked—I think that was his exact language—at the news stories he read about Mr. Steele's letter, because from the very beginning of that dispute his service had urged upon the parties the submission of the case to voluntary arbitration. It was not, as Mr. Steele says in his letter, that the Conciliation Service recommendation for arbitration "was done as a matter of routine statutory duty." At the very early stages of the dispute, as I pointed out in my speech of July 22, the Conciliation Service urged the parties to work out their difficulties through voluntary arbitration.

I am afraid that Mr. Steele, as well as Mr. Blaisdell, who represented the employers at the public hearing before the Committee on Labor and Public Welfare, are laboring under the false notion that those of us on the committee who have been urging that the parties work out their differences by way of voluntary arbitration were in fact proposing compulsory arbitration. Such is not the case. We have simply been urging the parties through good faith collective bargaining to agree, under the mediation efforts of Mr. Ching's organization, to write their own voluntary arbitration agreement for the settlement of this dispute. In the public hearings before our committee we went so far as to propose that if they could not agree on the terms of an arbitration agreement, they agree to let Mr. Ching write the terms of reference for them. I think it is unfortunate that in connection with all such suggestions, the employers permitted themselves to get into a position where Mr. Bridges, representing the union, agreed to accept the terms and offers of the Conciliation Service and of our committee, but the employers rejected them. I think it is unfortunate because I know of no better course of action to be followed on the part of employers in playing into the hands of a left-wing labor leader, such as Mr. Bridges, than to follow the procedural course of action which has characterized the employers' handling of the Hawaiian dispute. I simply cannot understand why they would make that series of mistakes in judgment. I repeat, if Mr. Steele will read, that I am just as much opposed to the left-wing philosophy of Harry Bridges as is Mr. Steele.

I wish to say further that when it comes to judging the representations made by Mr. Bridges, in specific labor cases in which I have served as arbitrator, time and time again I have ruled against him whenever he could not substantiate his contentions with facts and evidence. Yet for Mr. Steele by subtle indirection and innuendo in his letter to me to seek to give the impression that my position in this case from the beginning has been motivated by an influence of Mr. Bridges and his union, is deeply resented by me, because the shipowners on the west coast, Mr. President, who have appeared before me in a great many cases, know that my record as an arbitrator in that industry is a record which leaves no room for doubt about the fact that in a judicial determination of a case I am not influenced by a labor leader or by an employer leader, but I ask only one question, namely, what are the facts and what is the evidence in support of the contentions in regard to the facts?

It is the same question that the employers in Hawaii should have been putting to Mr. Bridges weeks gone by, before a fair, impartial arbitrator appointed under a voluntary arbitration agreement. If the employers in Hawaii have the facts, Mr. Bridges would not win any of his points. If, on the other hand, he can prove by a preponderance of the evidence the merits of his position on any issue, then in all fairness we should divorce ourselves from our views concerning Mr. Bridges' political philosophy and support any fair arbitration decision on the merits of the wage issue. We should ask for a determination of this case on the facts. The workers should not be penalized if the facts entitle them to more wages than the employers have offered just because we do not like Harry Bridges. Are the Hawaiian employers running away from the facts? Are they afraid of the facts? I ask them again to submit the facts to Mr. Ching or to some arbitrator to be appointed by him, if they cannot settle their dispute with each other through the mediation services of Mr. Ching.

When I talked to Mr. Ching on Friday, I recommended that he keep himself in readiness to go to Hawaii, if both parties asked him—as the newspapers were reporting on that date the parties might be asking him—to come to Hawaii in an endeavor to mediate a settlement. What change in events since Friday may cause him to follow a course of action different from the one he suggested to me last Friday he would have to follow I do not know. But as of last Friday he satisfied me that the industrial-labor relations problems in this country made it extremely unwise for him to leave the United States at this particular time, but that he would be willing to meet with the parties to the Hawaiian dispute here in Washington, D. C. It happens that that is exactly the suggestion that the distinguished Senator from Illinois [Mr. DOUGLAS] recommended to the parties at the time of our public hearing in Washington, and the full committee approved of the suggestion. At that particular time Mr. Ching was out of the city on a much-needed vacation, and the Conciliation Service offered the parties the services of their top mediators. One or two conferences were held, not on the merits of the dispute, but on the question of whether they could get together on mediation procedure, as I understand it, or at least as it has been reported to me. But that attempt to settle the dispute broke down, with the result that the strike continued, and later the Hawaiian Legislature acted, and now we have spreading concern as to the future termination of this dispute.

Again I ask the Hawaiian employers and the union concerned quickly to enter into an agreement in Hawaii to lay their entire case before Mr. Ching here in Washington, D. C.

I wish to say that I am satisfied that this great industrial statesman, who is the head of our Mediation Service, will give them a fair decision, a fair settlement, on the basis of the facts as he finds them to be; and that is all either party has a right to ask. Let me tell you that a settlement of the case is what the half million and more people in Hawaii have long been entitled to.

Mr. President, I return now to the specific points in Mr. Steele's letter of August 12, because in fairness to myself and in accordance with the facts, I want them answered in the RECORD. Mr. Steele states in his letter that the Hawaiian Employers' Council—

> Are forced to conclude that your statements have been made solely on the basis of representations made by one party, namely, the ILWU.

Mr. Steele and his group would like to get by with that impression. It is perfectly obvious that there are stooges for the employers in Hawaii who would like to create the impression that the junior Senator from Oregon acts in connection with this strike under the influence of Mr. Bridges. However, that is not a fact. What is more, Mr. President, Mr. Steele knows it is not a fact. He knows my record on the water front and he knows there has been no one working on the water front in the field of labor relations who has knocked Harry Bridges' ears down more than the junior Senator from Oregon has—so much so, Mr. President, that when the junior Senator from Oregon ran for election to the United States Senate in 1944, it was the Bridges group within the ILWU that came into Oregon and fought in the State convention of the CIO to get the CIO to refuse to endorse me for election to the Senate from the State of Oregon. It was the Bridges group, during my 1944 campaign, who opposed me in the election in the State of Oregon, because on matters of political philosophy they knew I vigorously opposed the political philosophy of Harry Bridges. They knew that my record as an arbitrator upon their cases was an impartial record, and they knew that, once I sat in the Senate, I would follow a similar course of impartiality. They did not want a Senator of that kind. It was only recently in the State of Oregon that Mr. Stanley Earl, then executive

secretary of the CIO, refreshed Mr. Bridges' memory as to the opposition of the Bridges group to my candidacy for the Senate. He refreshed his memory with the fact that at the 1944 State CIO convention the CIO, in spite of the opposition of Bridges' group to me, overwhelmingly endorsed me, and Bridges' group walked out of the convention, many of them throwing their buttons of identification on the floor, because they did not have their way in opposing me in that labor convention. I think Mr. Steele knows that.

I want to say it should be beneath Mr. Steele to seek through his letter to give the impression to the people in my State and Nation that in the Hawaiian dispute I have acted solely on the basis of representations made by one party, namely, the ILW union. Why, Mr. President, I have received a great many letters from employers and members of the public on this question. I have participated in the hearings on Senate bill 2216 at which Mr. Blaisdell testified. I have talked to a great many west-coast employers in the shipping industry and to west-coast editors in regard to their knowledge of the facts in connection with the Hawaiian dispute. I want to say, on the basis of the mass of evidence and material I have in connection with the dispute, I am satisfied there was only one statesmanlike way to handle it, and that was to resort to a voluntary arbitration. I have taken into account in reaching my conclusion as to what procedure ought to be followed in the dispute, all the points of view which have been given to me by representatives of industry and of the press and of labor, satisfying myself it was a critical dispute involving needless and unwarranted suffering on the part of half a millon of people simply because two great economic forces, an employer group and a union group, failed to sit down and agree upon a voluntary arbitration of the issues separating the parties. I satisfied myself that the time had come for some of us in the Congress to exercise some leadership in regard to the dispute, and at least focus public attention upon the simplicity of the procedure which would resolve the dispute, namely, voluntary arbitration.

Thus I joined in the Knowland bill. Who else joined in the Knowland bill, besides the distinguished junior Senator from California [Mr. KNOWLAND], its author? The Senator from Washington [Mr. CAIN], the Senator from California [Mr. DOWNEY], and the Senator from New York [Mr. Ives]. Does Mr. Steele want to take the position that these distinguished colleagues of mine made their recommendations solely on the basis of representations made by one party, namely, the ILWU? Let Mr. Steele talk to the junior Senator from California and the senior Senator from California. Let Mr. Steele talk to the Senator from Washington [Mr. CAIN] and the Senator from New York [Mr. IVES]. He will find that they, as was also true of the junior Senator from Oregon, made the proposal that was made because they were satisfied on the basis of the facts they had before them that a prima facie case existed which failed to support up to that time the refusal on the part of the employers to submit their case to voluntary arbitration.

Next, Mr. Steele, in his letter, on page 2, attributes to me the position that the companies involved have taken the position that "arbitration would be communistic tactics." Undoubtedly he is referring to my speech on June 27, in which I commented primarily on the editorial of June 25 in the Washington Post and upon the propaganda advertisements of the employers' class and the Big Five. In that statement I said:

> The Big Five of Hawaii are spending huge sums of money to propagandize the American people that arbitration of the Hawaiian dispute would be what? Communistic tactics.

I also said:

> The position of the employer class in Hawaii is that an arbitration on the merits of that dispute would be communistic tactics.

I did not attribute this position to the companies immediately involved in the dispute. However, Mr. President, I am not naive, or at least I am not so naive as Mr. Steele apparently thinks I am. I want to say that as one read the propaganda advertisements which were published in large numbers in the American press, and as one read the Honolulu Advertiser, which, from the beginning of this dispute, has served as the mouthpiece or front, in my judgment, of the employer point of view in the fight, he would be most naive if he did not take notice of the fact that the employers involved in the strike in Hawaii were not out of sympathy with the representations made in those advertisements.

Mr. President, I made no charge that the employers were charging communistic tactics, but I now say that I am perfectly satisfied, from a further study of the Hawaiian dispute, that behind the scenes the employers involved in the dispute welcomed the type of propaganda the Honolulu Advertiser has been spreading from the beginning of the strike, and the type of propaganda that was spread in the large newspaper advertisements in the States, which advertisements did charge communistic tactics on the part of those who favored arbitration of the dispute.

I want to say again, Mr. President, that this distortion on the part of Mr. Steele should be beneath him and that he should not assume for a moment that those of us who have worked in the field of labor relations for a great many years are so naive that we do not recognize the relationship between the propaganda which is put out by the so-called friends of the employers and the employers themselves.

Next, Mr. Steele said, in effect, that he objects to my allegedly having said that the stevedoring companies are trying to break the union and win the strike. What I did say was this:

> What the Big Five in Hawaii want to do in this economic show-down is to break the union and win the strike.

In addition, in the very next sentence I said:

> They—

Obviously referring to the Big Five—

> want the United States Government on their side of the battle by way of an injunction.

I want to say, after a further study of the Hawaiian dispute, after I have analyzed carefully, over the days, the press statements of various representatives of the employers, that I am perfectly satisfied in my own mind that one of the reasons, probably the major reason, why the employers have not been willing to agree to arbitration of the dispute is that they feel that by holding out and winning an economic war against the union, they will so weaken the union that they will be able to meet successfully, for some time to come, future demands of organized labor in Hawaii.

Mr. President, again I am at a loss to understand why Mr. Steele thinks we would be so naive. We listened to Mr. Blaisdell, the employers' representative, before the committee, at our public hearing. What did he have to offer the committee? Nothing but economic deadlock—fighting it out on the economic front. He sounded very much like one of the representatives of the American steel industry who is reported over the week end in the press of this country as advocating to the American people that in the field of industries involving our whole national safety and welfare we stand by and let the parties resort to the law of the claw and the tooth—the law of the jungle.

What a fine sense of a failure in their public responsibility Mr. Steele, of Hawaii and the representatives of the steel industry in this country present to the American people.

Mr. President, I shall continue in my public career to urge upon American industry and American labor that in these major cases where the welfare of many people become involved, we have the right to ask them on a voluntary basis to work out in their own collective-bargaining agreements, their own arbitration procedure that will prevent the type of deadlock which has developed in Hawaii. If they fail, then I take the position that it does become the duty of the elected representatives of the people to find out who is responsible for the failure to accept peaceful procedures based upon voluntarism for the settlement of disputes, and then, Mr. President, focus public attention upon the party who is guilty of taking the type of position which Mr. Blaisdell, representing the Hawaiian employers, took before the Senate Committee on Labor and Public Welfare. His proposal added up, after all, to the continuation of a knock-down, drag-out economic fight with the workers in this dispute. He made a very weak case before us and I suspect that Mr. Steele knows it.

Mr. President, I cannot be counted on the side of either the labor leader or the employer leader who believes that a strike should be allowed to continue in a major industry, irrespective of its cost to the welfare of our people. Oh, right away, Mr. President, an attempt will be made to attack my plan, as Mr. Blaisdell thought he could attack it in the public hearings, when he sought to create the impression that I stood for some sort of compulsory arbitration. However, I made clear that I do not favor establishing any so-called labor-court system as some propose, Mr. President, because I recognize, as does Mr. Blaisdell, and I agreed with him at the public hearing in

his objections to compulsory arbitration, that once we make compulsory arbitration the pattern for settling industrial disputes, we have the vehicle or the instrumentality for complete state control of employer-labor relations. I do not know where the end of that road of compulsory arbitration will lead us, except to complete state control of the entire economy. If we are to regulate social and economic questions such as questions of wages and hours of employment, by Government regulation, we must regulate also the managerial rights of the employers, on the employers' side of the picture.

Mr. President, there is a point short of compulsory arbitration which I advocate we consider. It involves a case by case or case to case handling of these disputes. It involves what I have said so many times on the floor of the Senate, the weapon of keeping the parties in doubt as to what may happen if they do not make a statesmanlike use of the voluntary peaceful procedures for settling disputes. I say to Mr. Steele this afternoon that whenever in a major dispute the point is reached when the public welfare is being seriously jeopardized by the dispute, I think any government that is entitled to the name of government must step in and fix the responsibility for the deadlock, and for the refusal of the parties, by the way of good faith agreement, to enter into peaceful procedures for the settlement of the differences.

That is a far cry from any system of compulsory arbitration. That is preserving to the maximum degree possible the voluntary rights of the parties to a dispute. But it is keeping in mind the paramount duty of the Government to protect the people from an unnecessary economic war between two great economic forces in our country simply because one party refuses even to try to negotiate an arbitration agreement, with all the safeguards in the terms of reference to the managerial rights on the one hand, and to the workers' rights on the other, which we know exist under American arbitration law. In more than one decision I have attempted to discuss this question of inherent rights which are not subject under American jurisprudence to adjudication by way of arbitration. Those inherent rights become questions of law.

So I wish to say, as I suggested to Mr. Blaisdell during our hearings, that I think the Knowland proposal and the proposal of the rest of us to arbitrate this dispute did safeguard the managerial rights of the employers and the inherent freedom of the workers, but at the same time made perfectly clear that the Government recognized its paramount duty to call attention to who is responsible for a failure to accept peaceful procedures for the settlement of the Hawaiian dispute, namely, voluntary arbitration.

Mr. President, I wish to say again to Mr. Steele what Mr. Ching told me over the telephone last Friday, that early in the dispute the Federal Mediation and Conciliation Service did propose to the parties that they resort to arbitration. The offer was not made pro forma, but as Mr. Ching made clear to me he, too, holds to the view that when the public interest becomes involved, as it is in Hawaii, then the parties had better give some serious thought to the desirability of settling their differences by way of arbitration.

Then, too, Mr. President, we need to keep in mind the fact that we have a huge body of arbitration law in this country, and when the parties agree to arbitrate a dispute, that very agreement will carry along with it what the law has determined to date are inherent rights of the parties, not justiciable in nature. If an arbiter seeks in an arbitration award to transgress those rights, then under American law the award is subject to reversal. I want the law to step in, I want the courts to step in, after the parties in good faith have exhausted these peaceful procedures, based upon what I have said so many time is good-faith voluntary action on their part. Then, after the arbitration award, if either party refused to abide by it, and the court finds that the arbiter stayed within the terms of reference, I would have the court step in and call for enforcement of the award.

Mr. President, some people have the notion that because I am opposed to the use of the labor injunction in the first instance as an instrumentality for breaking a strike, I am opposed to the use of an injunction in any stage of a labor dispute. That just does not happen to be so, and my record is so clear on that point that I am at a loss to understand why that representation continues to be made. I am for an injunction, Mr. President, only if at last, when all the peaceful procedures, including voluntary arbitration, have been exhausted, one party then says, "I am bigger than the Government."

Employers and labor cannot have their economic cake and eat it too, when it comes to the matter of voluntary arbitration. So I have always stood for the proposition that a voluntary arbitration decision should be subject—and it is subject—to enforcement in the courts of this land if the arbitrator has stayed within his terms of reference. I therefore say to Mr. Steele, if the Hawaiian employers really believe in a rule of government by law, I have offered them the procedure which will give them all the protection of government by law.

I think they should hasten to accept it, because I would not want on my conscience, I would not want on my life's record, the wrong which I think the employers of Hawaii are committing against the people of Hawaii because of their adamant refusal to accept voluntary arbitration of the dispute.

I mean it when I say, Mr. President, I would not want to go to my Maker with such a record of causing such human suffering upon innocent people of which the employers of Hawaii, involved in this dispute, are guilty by their adamant refusal to arbitrate the dispute.

I am just as opposed as they are—sometimes I think more so—to the left-wing political philosophy of Harry Bridges. But why build him up as they are building him up? Why play into his hands as they are playing into his hands? Why do they not recognize that if they lay their case before Cy Ching there can be no denying the fact that it will receive handling on its merits? What more do they want? Do they really want to settle this strike on its merits? Will they be satisfied with nothing less than to have their way and their will prevail in the settlement of the dispute? Well, their conduct up to date indicates that that is their position.

Mr. JENNER. Mr. President, will the Senator yield so I may ask unanimous consent to take up the antilynching bill, which is Senate bill 91? I see there are no Democrats on the floor. This would be a good time to pass this part of the civil-rights program.

Mr. MORSE. I see the Senator from Arizona [Mr. HAYDEN] and several other Democrats entering the Chamber. I thought the Senator from Indiana was going to ask me a question.

Mr. President, I now proceed to discuss the next point I want to comment on in regard to the Steele letter. Mr. Steele quotes me as saying:

> Poor labor-management relations demonstrate a lack of stability.

What I did say in effect in my June 27 speech was that the cause of Hawaiian statehood was being set back, and that those who had been in favor of statehood were cooling off toward Hawaiian statehood. Then I said:

> Not only do employer-labor relationships in Hawaii today demonstrate such a lack of stability that there is grave doubt as to the right of Hawaii to statehood, but, in addition to the problems the Senator from Nebraska states in his report with respect to the type of leftism that it is alleged has come to characterize some of the labor movement in Hawaii, I think this dispute shows that the political philosophy which the employing class in Hawaii has demonstrated during this strike disqualifies Hawaii at the present moment for statehood.

That is what I said, Mr. President. I repeat it. Why, Mr. President, there is no doubt about the fact that there has been a great cooling off in this country in recent weeks in regard to the demands of Hawaii for statehood. There is no doubt about the fact that this dispute, and the tremendous class-conscious conflict that it seems to indicate exists in Hawaii, has caused many who were for Hawaii statehood not so long ago, to ask the question, "I wonder if Hawaii is ready for statehood now?" That is what I was trying to point out to the Hawaiian employers. As a friend of statehood in the past I was trying to get the Hawaiian employers and the workers and the public generally of Hawaii to recognize that a dispute of such major implications as this one could not go on in Hawaii without its having very definite effects on the plea of Hawaii for statehood. And now the law that Hawaii has passed satisfies me that certainly at this time the leaders of Hawaii are not fully aware of the great freedoms and guaranties to which workers are entitled under our form of government. In the face of that law, Mr. President, I, for one, could not vote for Hawaiian statehood today. I am satisfied I am far from being alone in that position.

The next point I would comment on in Mr. Steele's letter is that in referring to

my July 22 speech he accuses me of accusing the stevedoring companies of misrepresentation. Commenting upon Mr. Starr's radiogram to the committee, I said in the July 22 speech that Mr. Starr misrepresents the proposal of the committee with regard to the composition or size of the employer group that would participate in the negotiations suggested by the Senate committee. Obviously I had reference to the sentence in Mr. Starr's radiogram which reads as follows:

> It would be impossible for one individual to properly represent all the companies with respect to all outport problems, nor do we see how Mr. Bridges could be prepared to do so without the direct assistance and consultation with the members of the union negotiating committee.

I also said that Mr. Starr's statement to the effect that mediation must take place in Hawaii "in order to get the facts * * * is just a misrepresentation, and does not point out what really is in Mr. Starr's mind." I said, referring to what I though was in the mind of Mr. Starr and the Employers' Association, that the "real motivation is union breaking, not good-faith collective bargaining."

I repeat the charge. My reference to "misrepresentation" related to that part of Mr. Starr's radiogram which sought to give the impression that the Senate Committee on Labor and Public Welfare was calling upon the employers to send one man here to negotiate with Mr. Ching. To the contrary, the employers well knew that if they entered into the field of mediation with Mr. Ching and his group they would be entitled to send whatever committees they needed to present the employers' views on the various issues involved in the dispute. What Mr. Steele seeks to do, just as did Mr. Starr before him, is to take advantage of the public's lack of understanding of what is involved in the mediation of a dispute. Those of us who have worked in this field for years know that the common pattern for mediation is to have a series of committees appointed by the parties meet with the mediator, usually one committee devoted to each one of the issues involved in the dispute.

I remember back in 1941, in the Raleigh Hotel in Washington, when I served as mediator in the then threatened national railroad strike, I had six committees operating in six rooms in the hotel, composed of representatives of the carriers and of the brotherhoods, and I moved from committee room to committee room as we sought to make progress hour by hour and day by day and night by night on first one issue and then another. I might sit for 1 hour with one committee on one issue and the next hour or two sit with another committee on another issue.

Mr. Starr and Mr. Steele know that is the common practice of mediation. So when they seek to give the public the impression that we were proposing that the employers would have to send one person here to mediate with Mr. Ching, that was, I repeat, a misrepresentation on the part of those employers who are just as familiar with the pattern of mediation as is the junior Senator from Oregon.

Mr. Steele objects in his letter to a statement which he attributes to me, that the record of the employers has been one of rejection after rejection. He points out that the employers made certain offers—8 cents and 12 cents—but again, Mr. President, he distorts my July 22 speech. What I said in the July 22 speech was this:

> The employers' record, so far as proposals of the United States Conciliation Service for a peaceful settlement of this dispute are concerned, has been a record of rejection after rejection.

I repeat it this afternoon, Mr. President, because that is the record. They cannot get behind the record. When I was talking about employers' rejection after rejection I was talking about their rejection of the proposals of the Mediation and Conciliation Service. I know in detail what happened in the meetings between the United States Conciliation Service representatives and the Hawaiian employers and the union representatives. Mr. Steele cannot get by on the record with his deliberate distortion of what I said about the employers' rejection after rejection, because the language says specifically:

> The employers' record, so far as proposals of the United States Conciliation Service for a peaceful settlement of this dispute are concerned, has been a record of rejection after rejection.

Such happens to be true, Mr. President. I did not take the position that the employers made no proposals. All I said was that they rejected the Conciliation Service proposals for peaceful settlement.

In this connection, Appendix E, setting out the chronology of the dispute, attached to the report and recommendations of the Governor's Emergency Board, says that proposals for settlement made by the Conciliation Service were rejected, just as I pointed out in my July 22 speech. For example, on April 30, when the companies' offer of 12 cents was rejected by the union, the chronology states that the Conciliator proposed arbitration, which was rejected by the companies. Also on June 3, the Federal Conciliator proposed that the parties agree to accept a wage figure to be named by the Conciliator. This proposal was rejected by the companies as an arbitration proposal.

Mr. Steele says that I know that throughout this entire period the ILWU has never once in negotiations put on the bargaining table a figure below its original demand of 32 cents. I read the report of the governor's fact-finding board. I read it before I made my speech of July 22. In this connection, I noted the following statements on page 16 of the report of the governor's board:

> Extended mediation efforts continued up to April 30. The companies increased their offer from 8 cents to 12 cents just prior to the midnight deadline. The 12-cent offer was turned down by the union and the strike began on May 1, 1949. The union at no time set forth a specific figure other than 32 cents as a basis for settlement. The record shows that they offered to bargain within a range above the 12 cents and substantially below the 32 cents.

All I know is what the report of the governor's board says. It is true that subsequent to my speech, very clear statements have been made on the part of the union to the effect that it was willing to negotiate a sum under 32 cents. In fact, one cannot read the record which members of the committee made when Bridges was on the stand here in Washington without being perfectly satisfied that we pinned him to the mat, so to speak, on the question whether or not the union took the position that 32 cents was the only wage settlement the union would accept.

The very fact that the union agreed to the Conciliation Service proposal to arbitrate the case shows that early in this dispute they were willing to accept a figure less than 32 cents. It is beyond my imagination that anyone can believe for a moment that the union would be able to make a 32-cent proposal stick on the facts. I presume that there have been rare cases in which the parties to a dispute have fixed some figure by way of a demand and have been able thereafter to show by a preponderance of the evidence that that was the figure upon which the arbitrator should decide. I never happened to have been in such a dispute. I have heard about such disputes, but they are so rare that they are a matter of considerable discussion among arbitrators.

During the war when we had a great many cases involving wage demands I never happened to run across a single case in which the demand of the union was not a puffed-up demand, usually far in excess of what the union had any anticipation of getting or any right to expect. I have said to union leaders in many cases in formal hearings, "You do the cause of arbitration great harm when you make demands which cannot be substantiated on the record." We are still growing up in the field of peaceful procedures for the settlement of labor disputes. We still have too many labor leaders who seem to think that unless they ask for more than they have any right to expect, they are likely to get a decision from an arbitrator which will give them less than the facts support. They are dead wrong. It is a short-sighted procedure on the part of labor leaders. They make unnecessary work for the arbitrator, because, after all, their demand is a formal demand, and he has the duty of making a careful analysis to see whether or not there is any basis to support their demand. When they use such tactics they are guilty of using the arbitrator as a scapegoat before their own rank-and-file membership. I know what they do. They have an arbitration on wages, and the arbitrator takes the evidence and hands down his decision. It is less than what the union asked for. The union representatives go before their rank-and-file membership at a meeting and say, "Don't blame us. We certainly asked for more, but look at what that fellow did to us."

It is a "buck passing" technique which some labor union leaders use. When they use it they are guilty, in my judgment, of injuring good-faith peaceful procedures, such as voluntary arbitration is, for the settlement of labor disputes. I think this particular technique

on the part of such labor leaders is what has caused many persons to get the false notion that arbitration is a compromise procedure, because they know that the union demand—as in this case 32 cents—is more than the union has any right to demand, and that when the arbitration award comes down it will be less than the union demand. The public falsely assumes that the arbitrator picked some purely arbitrary figure out of the air. They fail to recognize that the record which the arbitrator has before him is a record of complex and complicated economic data, dealing with all the criteria which any fair arbitrator needs to check in determining the question of wages in any case. I have set out these criteria in a great many cases.

But so far as arbitration law is concerned, it is my recollection that probably the best job ever done in laying down a precedential case for the question of criteria which should be considered by an arbitrator in fixing wages was laid down during the First World War when the great William Howard Taft was one of the members of the War Labor Board. There are very definite wage criteria to be followed in arbitrating a wage case.

When labor leaders make exaggerated demands for wages, demands which they know they have no hope of being able to substantiate by way of the preponderance of the evidence, they do great injury to the arbitration process, and give the public the false impression that arbitration is not a judicial process, but that arbitration amounts to compromising and horse-trading procedure. Compromise is exactly what arbitration is not, although some persons would try to make it seem so.

So, Mr. President, I say the record is against Mr. Steele on this point, because the record shows that the procedure of the union in relation to the Conciliation and Mediation Service, in regard to its willingness to accept arbitration itself, was based on a recognition that 32 cents an hour was not a fixed figure below which it would not go if the strike was to end.

Then Mr. Steele says that I accepted the ILWU statement that the proposal for arbitration did not come from the union, but came from the Conciliation Service. I simply wish to say to Mr. Steele that I accepted the statement of a representative of the Conciliation Service before I ever made my July 22 speech. I am not saying that early in this case the union did not also ask for arbitration; but I say that exceedingly early in its negotiations in respect to this case the Conciliation Service did suggest arbitration and that represented the first formal request for arbitration in the case.

I wonder why Mr. Steele makes a point about the fact that the union, too—and very early—sought arbitration of the case, because Mr. Steele rejects the notion that the employers are a party to the propaganda that the proposal by the union to arbitrate this dispute is part and parcel of communistic tactics. Yet I think it is interesting that he sees fit to make a point of this in his letter to me of August 12.

Mr. Steele cannot smear me in my State with a charge of left-wingism, because the people of my State know that over the years I have fought for a system of voluntary arbitration for the settlement of labor disputes in a great many industries, and that over the years I have urged that the parties themselves should have sufficient good judgment to resort to arbitration in major disputes which threaten the welfare of a large segment of our people and of our economy. I have proposed it in a cross-section of American industry, and I fought for it as a member of the War Labor Board in case after case, proposing it during the war as the common-sense, horse-sense procedure for ending major disputes in wartime. I recommend it to the Hawaiian employers for ending the deadlock in Hawaii in a case that is bringing great suffering to more than half a million people.

Mr. President, at the time of our hearing before the Committee on Labor and Public Welfare, Mr. Blaisdell, representing the employers said, as shown on pages 90 and 91 of the hearings, in reply to questions put to him by the Senator from Ohio [Mr. TAFT]:

> I did not participate personally in the negotiations, so I cannot answer with exact certainty; but my recollection is that arbitration was pitched into the problem a substantial period of time prior to strike dead line and was reiterated, as is the custom, by the conciliators at the last moment prior to the strike dead line. That is the best of my recollection.

Mr. Bridges then took the stand—sitting side by side with Mr. Blaisdell—and stated that the Conciliation Service very early proposed arbitration. Thus, on page 212 of the transcript, a colloquy took place between Mr. Bridges and the Senator from Illinois [Mr. DOUGLAS], as follows:

> Mr. BRIDGES. First of all, on the demand for arbitration, the Federal Government ought to withdraw it first.
>
> Mr. DOUGLAS. Pardon me.
>
> Mr. BRIDGES. The proposal to arbitrate came from Mr. Ching. That is where it came from. Mr. Ching's representatives in the islands proposed to both parties that we continue to work and arbitrate, and we said we would, and the employers said they would not. When we talk about the union withdrawing its demand for arbitration, that presupposes that the union made the demand in the first place, when the facts of the matter are that the proposal to arbitrate was made by Mr. Ching's representative.

Mr. Blaisdell entered no denial. I was the one on the committee who moved and got permission to allow both Mr. Blaisdell and Mr. Bridges the opportunity to file rebuttal briefs in connection with any representations either made during the course of the hearing.

I do not want to labor what I think is after all a minor point as to when arbitration was first proposed. My own hunch is, as I have studied the case, that in some of the negotiations between the employers and the union, when they were not making any headway in breaking the deadlock, the union representatives in Hawaii made a suggestion that the difference be settled by arbitration. I base my hunch upon what looks like a pretty consistent picture painted by the so-called "Dear Uncle Joe" editorials of the Honolulu Advertiser, which I say in my judgment has functioned pretty much as an employer mouthpiece throughout the dispute, and the advertisements which were published in this country, many of which obviously sought to give the impression that part of the Communist left-wing pattern in the labor movement in the islands was to propose arbitration.

Subsequently, Mr. President, but not long after, the Conciliation Service was drawn into the dispute, and very early in its negotiations with the parties it formally suggested, as representatives of the Service have told me, that the parties settle it by arbitration. That is a very consistent pattern on the part of the Conciliation Service, because in a great many cases into which I have been drawn after the Conciliation Service has attempted to mediate a settlement and the parties have subsequently agreed to arbitrate a settlement, the record has shown, particularly in the maritime industry, that the Conciliation Service proposed the arbitration procedure. I do not know how many assignments I have taken to arbitrate cases which were based upon the recommendation of the Conciliation Service very early in the negotiation, that if the parties could not reach a good-faith collective-bargaining agreement, or could not accept suggestions of the Conciliation Service for mediation, they agree to arbitrate.

So I was not surprised when I talked to the Conciliation Service representatives, prior to my July 22 speech, to which Mr. Steele takes exception. I was told then that the Conciliation Service offered or suggested arbitration very early in the history of this case. Why? Because they recognized the great seriousness of the case and the great injury which was going to be done to innocent persons if there was not an early settlement of it.

I am very happy to stand on my record of suggestions for the settlement of the Hawaiian dispute, including my cosponsorship of the Knowland bill. I want to say I think the Senator from California [Mr. KNOWLAND] has made the best and soundest proposal yet made for the orderly and peaceful settlement of the dispute. I wonder whether Mr. Steele thinks either the Senator from California [Mr. KNOWLAND], the Senator from Washington [Mr. CAIN], the Senator from California [Mr. DOWNEY], or the Senator from New York [Mr. IVES] is susceptible to ILWU influence.

Another objection to my July 22 speech that Mr. Steele makes is, he denies my statement that Hawaiian employers put pressure on the west coast employers to accept arbitration as a means of settling the west coast strike last fall. In my July 22 speech I said:

> Employer friends of mine in San Francisco have notified me since our hearing the other day that some of these same employer groups in Hawaii put tremendous pressure upon the west coast employers last fall to settle that dispute and accept the arbitration provision because of the economic effect of the dispute on Hawaii.

I do not see how Mr. Steele can take issue with that statement, since all I advised the Senate was in regard to what

west coast employers and newspapermen had told me. I repeat it this afternoon. I not only repeat what I said in my July 22 speech, but I say that, since receiving Mr. Steele's letter of August 12, I have again checked up among some of my business friends on the west coast who were very much interested in the settlement of the west coast longshoremen's dispute last fall. They just snort, Mr. President—just snort over Mr. Steele's suggestion that west coast interests did not have plenty of pressure put on them by Hawaiian interests to get the west coast strike settled. The Hawaiian employer group did put on the pressure, Mr. President. Steele knows it, and when he denies it in his letter to me I think he deliberately and knowingly falsifies.

Mr. President, Mr. Steele's letter to me closely follows an interesting July 26 broadcast of a radio commentator by the name of Bob Shields over Station KHON. The broadcast was sponsored by the Hawaiian chambers of commerce, It is a broadcast very critical of me. But I have had chambers of commerce, even including the United States Chamber of Commerce, critical of me in the past, because when I thought they had been wrong on some issue I dared say so. With equal fairness I have commended them when I thought they took a stand on an issue in the public interest. So it is nothing new to me, Mr. President, to be criticized by chambers of commerce, although as far as I know this is the first time the Hawaiian chambers of commerce have criticized me. Their spokesman in this instance followed a very typical chamber-of-commerce propaganda pattern.

In that broadcast Shields said I had denounced the company's record of rejection after rejection, and he charged that I was either uninformed or had deliberately refused to recognize the 8-cent offer and the 12-cent offer and the company's acceptance of the 14-cent recommendation of the Governor's board. His broadcast was almost in the same language on this point as Mr. Steele's letter to me. I leave it to the reader as to whether there was any connection between the misinformation of Mr. Shields' broadcast and the misrepresentation of my position as set out in Mr. Steele's letter.

Then Mr. Shields, in his broadcast in behalf of the Hawaiian chambers of commerce, dug up an old one, Mr. President. He said I was the same man who was willing during the first trial of Harry Bridges to go on the witness stand to testify as a character witness for Harry Bridges. Mr. President, that brings back with vivid memories the smear campaign which was conducted against me in my 1944 campaign. The people of Oregon in 1944 answered that smear when they got the facts. I want to say to the Hawaiian chambers of commerce that their spokesman, Mr. Shields, will be no more successful in a repetition of that smear than were my enemies in 1944. Court records speak for themselves, and the court records show that in both of the deportation cases of Bridges I was subpenaed because I refused to testify voluntarily. The court records show something else. They show that under the law, and rightly ruled both by Dean Landis and Judge Sears, my testimony necessarily had to be limited to Bridges' conduct before me in the courtroom because I refused to appear in any capacity other than my capacity as arbitrator under the longshoreman's contract. The court record shows very clearly, Mr. President, that the questions were limited to Bridges' conduct in my courtroom and that any attempt on the part of either Government or defense counsel to get beyond his conduct in my courtroom was, on objection, sustained by the court. But an interesting thing happened in the Sears hearing. Under cross-examination by Government counsel, when objections had been raised and sustained to a series of questions as to whether I thought Harry Bridges was a Communist, the court refused to permit me to express myself on that question. Government counsel then under cross-examination, asked me if I was a Communist. My answer to that question is in the record, Mr. President, under oath, as to what I think of communism and everything for which it stands. When Government counsel sought to stop me in that testimony, Judge Sears ruled, and rightly, and I quote him, in effect, that—

> The witness is on the stand under cross-examination. You asked him the question. The witness has the right to answer it in his own way.

And, believe me, I did, Mr. President. That was long before I ever thought of running for office. But as an arbitrator and as dean of a law school at the time, I made perfectly clear my uncompromising opposition to everything for which communism stands. This attempt to smear me again, through a spokesman of the Hawaiian Chamber of Commerce, or through the innuendos of Mr. Steele's letter, will be resented, and rightly so, by thousands of my friends in the State of Oregon.

Mr. President, if there is any Member of the Senate of the United States, since I have been in the Senate, who has ever been more firm and unequivocal, both by speech and vote in the Senate, against communism, I am perfectly willing to have him named. I do not take second place to any Member of the Senate of the United States in that regard. I claim no more devotion to our form of government than do other patriots in the Senate, but I will not take second place to any Member of the Senate in my uncompromising, unflinching, unequivocal opposition to the communistic doctrine and philosophy of totalitarianism, and Stalinism.

I think it is unfortunate that simply because I have been pleading for voluntary arbitration of the Hawaiian dispute there are those assassins of character in Hawaii who would seek to impute to me sympathy for Bridges' left-wingism and communistic fellow-traveling philosophy, simply because I have joined with the Senators from California, the Senator from Washington [Mr. CAIN], and the Senator from New York [Mr. IVES] in a proposal under the Knowland bill which would, in effect, if the bill had been passed, have submitted the Hawaiian dispute to arbitration.

Mr. President, the last point I wish to make is in regard to the present status of this dispute. After all, personal differences between the junior Senator from Oregon and Mr. Steele, president of the Hawaii Employers' Council, will pass, but the important question remains—How are we going to settle that dispute? Are we going to settle it, Mr. President, by the sweeping provisions of the law passed by the Hawaiian Legislature?

Note, Mr. President, section 5 of that law makes it unlawful during government operation for any person to engage in a strike or to aid or encourage any strike, even to the extent of contributing funds for the payment of unemployment or other benefits to persons participating therein. Such activity is subject to injunction proceeding.

If there should be put to me the clear legal proposition, "Do Government employees have the right to strike?" my answer would be a clear unequivocal "No." I so held in the New York Transit case, during the war, which case, at least up until this time, has been followed in a series of decisions. But, Mr. President, the mistake which the Hawaiian Legislature has made is that it is stepping into a field of private enterprise, taking over the managerial rights of employers and the inherent rights of freedom of the workers, and then seeking to use that law for promoting a type of compulsion which is so far more drastic in its connotation than is any proposal for arbitration in the Knowland bill, that I understand even some employer forces in Hawaii itself are now becoming greatly alarmed about the effects of the legislation on future labor and other economic relations in Hawaii.

So I say this afternoon, Mr. President, that the Governor of Hawaii and his legislature went unnecessarily far in their attempt to end the strike by legislation, because they have gone on record in support of governmental regimentation of a segment of their economy, which I think all lovers of the private-enterprise system should fear.

I wonder if the failure up to this hour to put into complete effect the Hawaiian law does not reflect a second thought of go slow hesitancy on the part of the leaders of Hawaii. I hope it does. I wonder now if the leaders of Hawaii, especially in view of the opposition the law is creating among shipping interests—and I am talking about employer interests on the mainland—are not hoping that the employees and workers involved in the Hawaiian dock dispute will take advantage of the suggestion that has been made that the entire dispute be submitted in Washington to Cyrus Ching and his able staff.

I close my speech this afternoon, Mr. President, by saying to Mr. Steele that, irrespective of what our personal differences may be, I welcome his joining hands with me in urging again upon the employers and workers involved in the dispute that they submit it to a man who I think is one of the greatest industrial statesmen of our time, the head of our Federal Conciliation Service, and let him lead them, as I know he will, down the paths of reason and common-sense peaceful procedures for the settlement

of this dispute, through mediation if possible, through voluntary arbitration if necessary. Every member of the Hawaiian employer group, including Mr. Steele, and every member of the workers' committee, including Mr. Bridges, I think owes that obligation to the people of Hawaii.

Mr. President, let us have no more in the Hawaiian dispute of this jockeying for economic position while half a million people suffer. Let us recognize on the part of all concerned that the avenue toward peaceful procedure for the settlement of disputes leads straight to Washington, D. C., and to the office of Cyrus Ching. Let the patriotism of those involved in the dispute be tested now by a manifestation of their willingness to come to Washington and lay the case in Mr. Ching's hands.

RECESS

Mr. HAYDEN. Mr. President, I move that the Senate stand in recess until 12 o'clock noon tomorrow, Tuesday.

The motion was agreed to; and (at 7 o'clock and 5 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, August 23, 1949, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

MONDAY, AUGUST 22, 1949

The House met at 12 o'clock noon.

Rev. Frank B. Burress, pastor, Fountain Memorial Baptist Church, Washington, D. C., offered the following prayer:

Heavenly Father, we pause to give thanks for Thy manifold blessings to us and to acknowledge Thee, that there is none beside Thee. Thou hast exhorted us in Holy Scripture, "If any man lack wisdom let him ask of God." We come claiming that promise this day for those who have been honored and are charged with the responsibility of the affairs of state. Help us in our personal and business affairs, in the words of the Saviour, "to be wise as serpents and as harmless as doves." May we realize that every word and deed will be rendered accountable unto Thee, and that this day is no exception. Therefore, we pray, O God, that we may be directed of Thee so that the doings of today shall be acceptable in Thy sight. We pray it with forgiveness of our sins in the blessed name of the Prince of Peace, Jesus Christ our Lord. Amen.

The Journal of the proceedings of Friday, August 19, 1949, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 259. An act to discontinue divisions of the court in the district of Kansas; and

S. 331. An act for the relief of Ghetel Pollak Kahan, Magdalena Linda Kahan (wife), and Susanna Kahan (daughter, 12 years old).

The message also announced that the Vice President has appointed Mr. JOHNSTON of South Carolina and Mr. LANGER members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers referred to in the report of the Archivist of the United States No. 50-6.

CIVIL FUNCTIONS APPROPRIATIONS BILL, 1950

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that my resolution which would be in order today be carried over until tomorrow, and that I be permitted to amend it and insert certain provisions that were omitted.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include the provisions that were omitted.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN moves that the managers on the part of the House, who were appointed by the Speaker for a conference with the Senate on H. R. 3734 be, and they are hereby, instructed to agree to and accept the following amendments as compromise amendments of the various amendments involved in said conference:

Rivers and harbors

Projects	Amount to which House conferees are instructed to agree
CONSTRUCTION	
Alabama:	
Tennessee Tombigbee waterway	$625,000
Demopolis lock and dam, Warrior system	1,000,000
Alaska:	
Nome Harbor	701,000
Wrangell Narrows	343,000
Arkansas:	
Arkansas River and tributaries:	
Bank stabilization, Little Rock to mouth	600,000
Bank stabilization below Dardanelle	500,000
Morrilton cut-off	250,000
California:	
Crescent City Harbor	481,000
Monterey Harbor	45,520
Sacramento River	1,700,000
San Diego River and Mission Bay	2,200,000
Connecticut:	
Mianus River (Cos Cob Harbor)	79,500
New Haven Harbor	250,000
Pawcatuck River, R. I. and Conn	68,500
Delaware:	
Harbor of refuge, Delaware Bay	120,000
Indian River Inlet and Bay	320,000
District of Columbia: Potomac River, north side of Washington Channel	375,000
Florida:	
Intracoastal Waterway, tributary channels:	
Okeechobee-cross Florida waterway	300,000
Jim Woodruff lock and dam, Apalachicola River	7,500,000
St. Andrew Bay	125,000
St. Johns River, Jacksonville to ocean	900,000
Tampa Harbor	500,000
Georgia:	
Buford Dam	750,000
Savannah Harbor	450,000

Rivers and harbors—Continued

Projects	Amount to which House conferees are instructed to agree
CONSTRUCTION—continued	
Illinois:	
Illinois waterway: Mouth to mile 291	$250,000
Mississippi River between Ohio and Missouri Rivers:	
Chain of Rocks	9,000,000
Regulating works	750,000
Mississippi River between Missouri River and Minneapolis (exclusive of St. Anthony Falls)	750,000
Iowa:	
Missouri River, Kansas City, Mo., to Sioux City, Iowa	2,500,000
Mississippi River between Missouri River and Minneapolis. (See same project under Illinois.)	
Kentucky:	
Cumberland River, Ky. and Tenn.: Cheatham lock and dam	1,400,000
Ohio River, Ky., W. Va., and Ohio, open channel work	250,000
Louisiana:	
Calcasieu River and Pass	900,000
Intracoastal Waterway, Apalachee Bay, Fla., to Mexican border (New Orleans district)	2,500,000
Pearl River, La. and Miss	1,250,000
Waterway from Empire to Gulf of Mexico	500,000
Maine:	
Cape Porpoise Harbor	45,500
Josias River	33,500
Portland Harbor	206,000
Maryland:	
Baltimore Harbor and channels	650,000
Chester River	16,400
Honga River and Tar Bay	42,000
Massachusetts:	
Boston Harbor	400,000
Fall River Harbor	800,000
Menemsha Creek, Martha's Vineyard	72,700
Michigan:	
Port Sanilac Harbor	360,000
St. Marys River:	
Power plant	1,700,000
Navigation features	1,000,000
Traverse City Harbor	325,000
Minnesota:	
Baudette Harbor	24,500
Hastings, small-boat harbor at	34,270
Mississippi River between Missouri River and Minneapolis. (See same project under Illinois.)	
St. Anthony Falls	1,717,000
Two Harbors (Agate Bay)	1,000,000
Mississippi:	
Pearl River, Miss. and La. (See same project under Louisiana.)	
Gulfport Harbor and Ship Island Pass	496,000
Missouri:	
Missouri River, Kansas City to the mouth	2,250,000
Mississippi River between Ohio and Missouri Rivers. (See same project under Illinois.)	
Mississippi River between Missouri River and Minneapolis. (See same project under Illinois.)	
Missouri River, Kansas City to Sioux City. (See same project under Iowa.)	
Montana: Missouri River at Fort Peck	2,500,000
Nebraska: Missouri River, Kansas City to Sioux City. (See same project under Iowa.)	
New Jersey:	
Newark Bay, Hackensack and Passaic Rivers	800,000
New York and New Jersey channels	1,260,000
Shark River	150,000
New York:	
Buffalo Harbor	550,000
Dunkirk Harbor	350,000
Great Kills Harbor	114,500
Hudson River	100,000
Hudson River Channel	400,000
New York Harbor, entrance channels and anchorage areas	412,000
New York and New Jersey channels. (See same project under New Jersey.)	
North Carolina: Stumpy Point Channel	32,500
Ohio:	
Cleveland Harbor	1,500,000
Ohio River open channel work. (See same project under Kentucky.)	
Oregon:	
Columbia River at Bonneville	1,250,000
Columbia and lower Willamette Rivers below Vancouver, Wash., and Portland, Oreg	150,000
Coos Bay	850,000
Depoe Bay	400,000

Rivers and harbors—Continued

Projects	Amount to which House conferees are instructed to agree
CONSTRUCTION—continued	
Oregon—Continued	
McNary lock and dam, Columbia River, Oreg. and Wash.	$35,000,000
Umpqua River	100,000
Yaquina Bay and Harbor	35,000
Snake River, Oreg. and Wash. (See same project under Washington.)	
Pennsylvania:	
Monongahela River, locks 2	3,500,000
Schuylkill River (culm removal)	400,000
Rhode Island:	
Harbor of refuge at Point Judith and Point Judith Pond	160,000
Providence River and Harbor	190,000
Pawcatuck River, R. I. and Conn. (See same project under Connecticut).	
South Carolina:	
Shipyard River	300,000
Winyah Bay	400,000
Tennessee, Cumberland River, Ky. and Tenn. (See same project under Kentucky.)	
Texas:	
Clear Creek and Clear Lake	54,700
Galveston Harbor	175,000
Houston Ship Channel	800,000
Intracoastal Waterway, Apalachee Bay, Fla., to the Mexican border (Galveston district): Harlingen, channel to	550,000
Sabine-Neches waterway	750,000
Trinity River	687,000
Virginia:	
Bransons Cove, lower Machodoc River	28,600
Norfolk Harbor	500,000
York Spit Channel	400,000
Washington:	
Chief Joseph Dam, Columbia River	5,000,000
Grays Harbor and Chehalis River	650,000
Columbia River at Bonneville. (See same project under Oregon.)	
Columbia and lower Willamette Rivers, Wash. and Oreg. (See same project under Oregon.)	
McNary lock and dam, Columbia River, Oreg. and Wash. (See same project under Oregon.)	
West Virginia:	
Morgantown lock and dam, Monongahela River	2,800,000
Ohio River open channel work. (See same project under Kentucky.)	
Wisconsin:	
Ashland Harbor	45,000
Port Wing Harbor	20,000
PLANNING	
Alabama:	
Alabama-Coosa Rivers, Ala. and Ga.	200,000
Upper Columbia lock and dam, Ala. and Ga., Chattahoochee River	200,000
Arkansas:	
Arkansas River and tributaries, Arkansas and Oklahoma	500,000
Overton-Red River waterway, Arkansas and Louisiana	50,000
California: Halfmoon Bay	75,000
Florida: New River	10,000
Illinois: Calumet-Sag Channel	100,000
Kentucky: Dover lock and dam	116,000
Michigan:	
Au Sable River	8,000
Hammond Bay Harbor	22,000
Harrisville Harbor	24,000
Point Lookout Harbor	20,000
Texas: McGee Bend Dam, Angelina River	200,000
Texas Intercoastal Waterway (Galveston district)	50,000
Virginia: Norfolk Harbor, disposal area	50,000
Washington: Lower Monumental lock and dam, Snake River	225,000
OTHER ITEMS	
Maintenance	53,000,000
Operating and care	22,000,000
Examinations and surveys	1,200,000
Contingencies	1,300,000
Removing sunken vessels	300,000
Survey of northern and northwestern lakes	310,000
Prevention of debris in New York Harbor	360,000
California Debris Commission	15,000
Salaries, Office, Chief of Engineers	575,000
Printing for River and Harbor Board	40,000
River and Harbor Board expenses	440,000
Beach Erosion Board expenses	600,000
Work under sec. 3, River and Harbor Act, Mar. 2, 1945	300,000
Transfer to U. S. Geological Survey	200,000
Transfer to Fish and Wildlife Service	1,200,000

Flood control

Project	Amount to which House conferees are instructed to agree
CONSTRUCTION	
Arkansas:	
Bayou Bodcau Reservoir, Ark. and La. (see Louisiana).	
Blakely Mountain Reservoir	$2,300,000
Blue Mountain Reservoir	35,700
Bull Shoals Reservoir, Ark. and Mo.	12,777,500
Carden's Bottom drainage district No. 2	270,000
Conway County levee districts Nos. 1, 2, and 8	96,000
Conway County levee district No. 6	11,000
Crawford County levee district	300,000
Little Rock to Pine Bluff	333,000
Narrows Reservoir	3,460,000
Nimrod Reservoir	59,500
Norfork Reservoir, Ark. and Mo.	744,100
Red River levees and bank stabilization below Denison Dam, Ark., Tex., and La.	520,900
West of Morrilton	595,300
Arizona: Tucson	500,000
California:	
Cherry Valley Reservoir	520,900
Farmington Reservoir	1,700,000
Folsom Reservoir	3,100,000
Isabella Reservoir	2,350,000
Los Angeles County drainage area (exclusive of Whittier Narrows Reservoir)	6,500,000
Merced County stream group	175,000
Pine Flat Reservoir	7,000,000
Sacramento River and major and minor tributaries	600,000
Whittier Narrows Reservoir	4,000,000
Colorado:	
Cherry Creek Reservoir	900,000
John Martin Reservoir	100,00
Connecticut:	
Hartford	70,000
Norwich	290,000
Florida: Central and southern	1,500,000
Georgia:	
Allatoona Reservoir	6,750,000
Clark Hill Reservoir, Ga. and S. C.	13,000,000
Macon	240,000
Idaho:	
Heise Robert area	250,000
Lucky Peak Reservoir	3,000,000
Illinois:	
Coal Creek drainage and levee district	547,000
Columbia drainage and levee district	372,100
East St. Louis and vicinity	520,900
Farm Creek Reservoirs	1,860,200
Grand Tower drainage and levee district	669,700
Mounds and Mound City	450,000
Prairie du Rocher and vicinity	700,000
Preston levee and drainage district	200,000
Reevesville	100,000
Rosiclare	250,000
Wood River drainage and levee district	425,000
Indiana:	
Cagles Mill Reservoir	2,500,000
Cannelton	250,000
Delphi	80,000
Indianapolis (Fall Creek section)	750,000
New Albany	1,600,000
Iowa:	
Chariton River, Mo. and Iowa. (See Missouri.)	
Coralville Reservoir	2,455,500
Dry Run	355,000
Little Sioux River	372,100
Missouri River agricultural levee. (See Kansas.)	
Kansas:	
Fall River Reservoir	250,000
Hulah Reservoir, Okla. and Kans. (See Oklahoma.)	
Kanopolis Reservoir	218,000
Kansas City, Mo. and Kans.	5,000,000
Missouri River agricultural levees, Kansas, Missouri, Iowa, and Nebraska	5,952,700
Toronto Reservoir	400,000
Kentucky:	
Ashland	744,100
Covington	1,041,700
Dale Hollow Reservoir, Tenn. and Ky. (See Tennessee.)	
Dewey Reservoir	900,000
Hawesville	650,000
Louisville	4,092,500
Maysville	744,100
Newport	2,200,000
Russell	185,000
Taylorsville	45,000
Uniontown	120,000
Wolf Creek Reservoir	15,030,700
Louisiana:	
Aloha Rigolette area	500,000
Bayou Bodcau Reservoir, Ark. and La.	360,000

Flood control—Continued

Projects	Amount to which House conferees are instructed to agree
CONSTRUCTION—continued	
Louisana—Continued	
Jonesville	$105,000
Lake Pontchartrain	540,000
Mermentau River	1,500,000
Red River levees and bank stabilization below Denison Dam. (See Arkansas.)	
Shreveport	325,000
Maryland:	
Cumberland, Md., and Ridgeley, W. Va	744,100
Savage River Reservoir	1,265,000
Massachusetts:	
Adams	350,000
Birch Hill Reservoir	40,000
Holyoke	240,000
North Adams	350,000
Riverdale	450,000
Tully Reservoir	130,000
Michigan:	
Mount Clemens	270,000
Red Run	500,000
Minnesota:	
Red Lake and Clearwater Rivers	1,116,100
Red River of the North, S. Dak., N. Dak., and Minn	744,100
Missouri:	
Chariton River, Mo. and Iowa	400,000
Clearwater Reservoir	60,000
East Poplar Bluff and Poplar Bluff	85,000
Kansas Citys, Mo. and Kans (See Kansas.)	
Missouri River agricultural levees (See Kansas.)	
Norfolk Reservoir, Ark. and Mo. (See Arkansas.)	
Perry County levee districts 1, 2, and 3	744,100
Montana: Havre	200,000
Nebraska:	
Gavins Point Reservoir	500,000
Harlan County Reservoir	11,250,000
Missouri River agricultural levees. (See Kansas.)	
Missouri River, Kensiers Bend, Nebr. to Sioux City, Iowa	380,000
Omaha	1,500,000
New Hampshire: West Peterboro Reservoir	330,000
New Mexico:	
Bluewater Floodway	200,000
Conchas Reservoir	35,000
Jemez Canyon	750,000
New York:	
Almond Reservoir	200,000
Arkport Reservoir	30,000
East Sidney Reservoir	800,000
Elmira	1,475,000
Hoosick Falls	350,000
Mount Morris Reservoir	4,836,600
Olean	744,100
Portville	520,900
Syracuse	600,000
Whitney Point Reservoir	290,000
North Carolina: Buggs Island Reservoir, Va. and N. C	15,500,000
North Dakota:	
Baldhill Reservoir	210,000
Garrison Reservoir	27,500,000
Homme Reservoir	475,000
Mandan	36,000
Oahe Reservoir, S. Dak and N. Dak. (See South Dakota.)	
Red River of the North. (See Minnesota.)	
Ohio:	
Burr Oak Reservoir	1,150,000
Cincinnati	650,000
Delaware Reservoir	900,000
Dillon Reservoir	1,277,600
Ironton	215,000
Massillon	1,860,000
Muskingum River Reservoirs	1,550,000
West Fork of Mill Creek Reservoir	1,041,700
Oklahoma:	
Canton Reservoir	165,000
Denison Reservoir, Tex. and Okla	650,000
Fort Gibson Reservoir	12,000,000
Fort Supply Reservoir	116,500
Great Salt Plains Reservoir	31,000
Hulah Reservoir, Okla. and Kans	4,243,000
Oologah Dam and Reservoir	250,000
Polecat Creek	900,000
Tenkiller Ferry Reservoir	5,500,000
Wister Reservoir	77,500
Oregon:	
Cottage Grove Reservoir	140,000
Detroit Reservoir	9,500,000
Dorena Reservoir	2,500,000
Fern Ridge Reservoir	190,000
Lookout Point Reservoir	9,500,000
Milton Freewater	640,000
Willamette River (bank protection)	450,000

Flood control—Continued

Projects	Amount to which House conferees are instructed to agree
CONSTRUCTION—continued	
Pennsylvania:	
Conemaugh River Reservoir	$7,400,000
East Branch Clarion River Reservoir	2,100,000
Punxsutawney	730,000
Sunbury	1,600,000
Wilkes-Barre-Hanover Township	340,000
Williamsport	1,700,000
South Carolina: Clark Hill Reservoir, Ga. and S. C. (See Georgia.)	
South Dakota:	
Fall River Basin	372,100
Fort Randall Reservoir	3,000,000
Gavins Point Reservoir, Nebr. and S. Dak. (See Nebraska.)	
Missouri River, Kensler's Bend, Nebr., to Sioux City, Iowa. (See Nebraska.)	
Oahe Reservoir, S. Dak. and N. Dak.	4,000,000
Red River of the North. (See Minnesota.)	
Tennessee:	
Center Hill Reservoir	6,300,000
Dale Hollow Reservoir, Tenn. and Ky.	570,000
Memphis, Wolf River and Nonconnah Creek	360,000
Texas:	
Belton Reservoir	1,488,200
Benbrook Reservoir	3,500,000
Denison Reservoir, Tex. and Okla. (See Oklahoma.)	
Garza Little El Reservoir	2,232,300
Grapevine Reservoir	3,500,000
Lavon Reservoir	2,604,300
Red River levees and bank stabilization below Denison Dam. (See Arkansas.)	
San Angelo Reservoir and floodway	3,900,000
Texarkana Reservoir	5,000,000
Whitney Reservoir	10,500,000
Vermont:	
Rutland	200,000
Union Village Reservoir	540,000
Virginia:	
Bluestone Reservoir, Va. and W. Va. (See West Virginia.)	
Buggs Island Reservoir, Va. and N. C. (See North Carolina.)	
Galax	600,000
Philpott Reservoir	2,400,000
Washington:	
Mill Creek	320,000
Mud Mountain Reservoir	400,000
Tacoma	500,000
West Virginia:	
Bluestone Reservoir, W. Va. and Va.	1,350,000
Cumberland, Md., and Ridgeley, W. Va. (See Maryland.)	
Parkersburg	1,265,000
Point Pleasant	1,450,000
Sutton Reservoir	1,000,000
Snagging and clearing	1,000,000
Emergency bank protection	1,000,000
Sec. 205 projects	1,000,000
PLANNING	
Arkansas:	
Millwood Reservoir	200,000
Water Valley Reservoir, Ark. and Mo.	150,000
California:	
Black Butte Reservoir	95,000
Hogan Reservoir	50,000
Salinas River	50,000
San Joaquin River and tributaries	45,000
Success Reservoir	60,000
Terminus Reservoir	60,000
Colorado: Trinidad	25,000
Hawaii: Hunapepe River	20,000
Illinois: Henderson River	45,000
Indiana:	
Levee unit 5, Wabash River	50,000
Mansfield Reservoir	40,000
Vincennes	40,000
Kansas: Pioneer Reservoir, Kans. and Colo.	75,000
Louisiana: Mooringsport Reservoir, Tex. and La.	65,000
Massachusetts: Barre Falls Reservoir	10,000
Minnesota: Aitkin	25,000
Missouri:	
Carthage	8,000
Joanna Reservoir	75,000
Meramec River Reservoirs	25,000
Pomme de Terre Reservoir	50,000
Table Rock Reservoir, Ark. and Mo.	125,000
Nebraska: Miner's Bend, Nebr. and S. Dak.	15,000
New Mexico: Rio Grande Floodway	50,000
New York:	
Lake Chautauqua and Chadakoin River area	19,000
South Plymouth Reservoir	50,000
Watkins Glen	10,000

Flood control—Continued

Projects	Amount to which House conferees are instructed to agree
PLANNING—continued	
North Carolina:	
Reddies No. 1 Reservoir	$40,000
Reddies No. 3 Reservoir	30,000
Ohio:	
Martin's Ferry	50,000
Reno Beach—Howard Farms	6,000
Oklahoma:	
Boswell Reservoir	100,000
Bradens Bend	35,000
Eufaula Reservoir	150,000
Optima Reservoir	100,000
Pennsylvania:	
Allegheny River Reservoir, Pa. and N. Y.	45,000
Bear Creek Reservoir	90,000
Prompton Reservoir	65,000
Shenango River Reservoir, Pa. and Ohio	50,000
South Carolina: Hartwell Reservoir, Ga. and S. C. (See Georgia.)	
Tennessee:	
Rossview Reservoir, Tenn. and Ky.	30,000
Three Islands Reservoir	50,000
Texas:	
Canyon Reservoir	150,000
Ferrell's Bridge Reservoir	75,000
Mill Creek	25,000
Vermont:	
Ball Mountain Reservoir	90,000
North Hartland Reservoir	85,000
Washington: Colfax	25,000
West Virginia: Wheeling-Benwood	75,000
OTHER ITEMS	
Preliminary examinations, surveys, and contingencies	5,000,000
Maintenance of completed work	4,000,000
Salaries, Office, Chief of Engineers	725,000
Emergency repairs	1,000,000
Transfer to U. S. Geological Survey	440,000
Transfer to U. S. Fish and Wildlife Service	120,000
Flood control, Mississippi River and tributaries	67,000,000
Flood control, Mississippi River and tributaries, emergency fund	500,000
Flood control, Sacramento River	3,600,000

SPECIAL ORDER GRANTED

Mr. LANE asked and was given permission to address the House today for 15 minutes following any special orders heretofore entered.

EXTENSION OF REMARKS

Mr. LANE asked and was given permission to extend his remarks in the RECORD in two instances and include extraneous matter.

Mr. ELLIOTT asked and was given permission to extend his remarks in the RECORD in two instances and include extraneous matter.

Mr. WILLIAMS asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. NOLAND asked and was given permission to extend his remarks in the RECORD and include an address by Gov. Sydney McMath.

Mr. WALSH asked and was given permission to extend his remarks in the RECORD and include a letter and a petition.

Mr. BLATNIK asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

SPECIAL ORDERS GRANTED

Mr. PATMAN asked and was given permission to address the House for 20 minutes today at the conclusion of the legislative program of the day and following any special orders heretofore entered.

Mr. JAVITS asked and was given permission to address the House for 5 minutes today following any special orders heretofore entered.

EXTENSION OF REMARKS

Mr. TEAGUE asked and was given permission to extend his remarks in the RECORD and include extraneous material.

Mr. PATMAN asked and was given permission to extend his remarks in the RECORD in two instances and include certain excerpts.

Mr. ALBERT asked and was given permission to extend his remarks in the RECORD and include a magazine article.

Mr. DEANE asked and was given permission to extend his remarks in the RECORD and include an address by Ralph S. Trigg.

Mr. RAINS asked and was given permission to extend his remarks in the RECORD and include a letter to the Washington Post from Senator SPARKMAN, from Alabama.

Mr. GARMATZ asked and was given permission to extend his remarks in the RECORD and include an article and an editorial.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the RECORD in two instances and include extraneous matter.

Mr. CURTIS (at the request of Mr. STEFAN) was given permission to extend his remarks in the RECORD.

Mr. MILLER of Nebraska asked and was given permission to extend his remarks in the RECORD.

Mr. DONDERO asked and was given permission to extend his remarks in the RECORD and include a letter.

Mr. HOPE asked and was given permission to extend his remarks in the RECORD and include a statement by the Governor of Kansas before the House Small Business Committee.

Mr. ANGELL asked and was given permission to revise and extend the remarks he expects to make in Committee of the Whole today and include extraneous matter.

Mr. GOODWIN asked and was given permission to extend his remarks in the RECORD in two instances and in each to include an editorial.

Mr. FELLOWS asked and was given permission to extend his remarks in the RECORD and include an editorial.

FEDERAL RENT CONTROL

Mr. JAVITS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. JAVITS. Mr. Speaker, I wish to associate myself with the effort now being made to insure that Federal rent control shall not be discontinued in one-third of the country now under Federal rent control as announced by the Housing Expediter. The Congress has a responsibility to the people of the country which must first be discharged before any administrative agency like the Office of the Housing Expediter can be taken to task.

The other body is now considering whether to reject a conference report

giving $17,500,000 to the Office of the Housing Expediter for the next fiscal year instead of the $21,667,500 provided in the Senate independent offices appropriation bill, already a reduction of over $5,000,000 from its amount requested by the President and approved by the Bureau of the Budget. The House did not pass on any figure in legislation but only in the conference report as the Housing and Rent Control Act of 1949 had not yet been enacted when the House considered the independent offices appropriation.

The rent-control law now permits decontrol by States or by municipalities through approval of their States. This contains a commensurate responsibility by the Congress to provide adequate rent control where States and cities do not choose decontrol because of the danger of political consideration prevailing over economic and social considerations in their own rent control.

The discontinuance of rent control announced by the Housing Expediter will occur in areas which continue to want rent control and need it. It will exert intolerable pressure on continuing Federal rent control in other contiguous areas and will break down the whole Federal rent-control structure. This is an emergency situation which must be dealt with by giving the Office of the Housing Expediter more money now. The legislative committee having responsibility for the Office of the Housing Expediter could and should promptly investigate that Office to determine whether the alarums and announcements were justified, but the announcements having been made, it must be assumed that they are in compliance wtih the approval of the President and must be immediately withdrawn and appropriations allowing their withdrawal must promptly be made if we are to serve the public interest in this critically important field of rent control.

INVESTIGATE OIL AND COAL PRICE INCREASE

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. SMITH of Wisconsin. Mr. Speaker, fall weather and another heating season will soon be here. This means that home owners will be concerned about the price of coal and fuel oil.

One of the big oil companies announced a rise in price. The latest reports available indicate that there is a great surplus of oil in storage. If such is the fact, how can a price increase be justified at this time? The people in this country are entitled to know and Congress should investigate and make a full report.

Home owners and consumers generally will pay more for coal in this coming season. John L. Lewis will see to that. His union is preventing full production of coal through a 3-day workweek. Each day the supply of coal above ground decreases and a short supply means an increase in prices.

Mr. Speaker, President Truman is strangely silent about this situation, so is the Department of Justice. Many times he has blasted so-called monopolies, but there is no monopoly more vicious than this coal labor monopoly led by Mr. Lewis. Here is another investigatory job for a proper committee of this House.

There will be much suffering this coming winter, Mr. Speaker, if these matters go unchecked. The first question is, why is the price of heating oil going up in view of surplus stocks? Secondly, why is John L. Lewis permitted to carry on his monopolistic practice which appears to be a clear violation of law? Mr. Speaker, the people are entitled to know.

PERMISSION TO ADDRESS THE HOUSE

Mr. BURDICK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

[Mr. BURDICK addressed the House. His remarks appear in the Appendix.]

STATEHOOD FOR ALASKA AND HAWAII

Mrs. BOSONE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentlewoman from Utah?

There was no objection.

Mrs. BOSONE. Mr. Speaker, in my opinion it is about time that these United States included Alaska and Hawaii.

Both the Republican and Democratic platforms of 1948 promised statehood to these Territories. We as legislators have an obligation that is clearly defined. And we should live up to it. Why we have not puzzles me very much.

As a member of the House Public Lands Committee I have had an opportunity to hear all of the arguments—both pro and con—on admittance. I have heard some of my colleagues who have made first-hand and impartial investigations in both Alaska and Hawaii advocate vehemently the inclusion of these two Territories into our national family. I think these men know what they are talking about. I do not comprehend what is back of the denial of this impartial advice which we have received from those who should be in a position to advise us.

If Alaska and Hawaii want statehood, I am in favor of giving it to them. This old talk about their not being ready is just so much blah—trumped up by those who are enemies of the idea of independence under statehood.

I am not in favor of more investigations, but when I hear any discussion about statehood for these two Territories I have the desire to ask for a thorough airing of the situation.

Ladies and gentlemen, let me appeal to your sense of fairness in this situation. Let that sense of fairness guide you in admitting these two Territories, Hawaii and Alaska, into our union of sovereign States.

EXTENSION OF REMARKS

Mr. DAVIS of Georgia asked and was given permission to extend his remarks in the RECORD in two instances and include extraneous matter.

SPECIAL ORDER GRANTED

Mr. DAVIS of Georgia. Mr. Speaker, I ask unanimous consent that on Thursday of this week, after the disposition of business on the Speaker's desk and the conclusion of special orders heretofore granted, I may address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

PUBLIC WORKS SURVEYS

Mr. SABATH, from the Committee on Rules, reported the following privileged resolution (H. Res. 326, Rept. No. 1288), which was referred to the House Calendar and ordered to be printed:

Resolved, That the Committee on Public Works of the House of Representatives is authorized and directed to conduct investigations and surveys of certain works of improvement under its jurisdiction, and located in the United States, with a view to determining if legislation relating to such projects should be enacted.

The committee shall report to the House as soon as practicable during the present Congress the results of its investigations, together with such recommendations as are deemed desirable.

For the purposes of this resolution the committee or any subcommittee thereof is authorized to sit and act during the present Congress at such times and places, whether or not the House is sitting, has recessed, or adjourned, to hold such hearings, to require the attendance of such witnesses and the production of such books, papers, and documents, and to take such testimony as it deems necessary. Subpenas may be issued under the signature of the chairman of the committee or any member designated by him and may be served by any person designated by such chairman or member. The chairman of the committee or any member thereof may administer oaths to witnesses.

EXTENSION OF REMARKS

Mr. LUCAS asked and was given permission to extend his remarks in the RECORD and include an analysis prepared by him of the minimum-wage bill passed by the House.

SPECIAL ORDER GRANTED

Mr. LEMKE. Mr. Speaker, I ask unanimous consent that on Wednesday next, after the disposition of business on the Speaker's desk and the conclusion of special orders heretofore granted, I may address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

COMMITTEE ON BANKING AND CURRENCY

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may sit during general debate today.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

EXTENSION OF REMARKS

Mr. CELLER asked and was given permission to extend his remarks in the RECORD in two instances.

PUBLIC WORKS ON RIVERS AND HARBORS

Mr. WHITTINGTON. Mr. Speaker, pursuant to clause (2) (c) of rule XI, I call up House Resolution 32, providing for the consideration of H. R. 5472, a bill authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes, which has been pending before the Committee on Rules for more than 21 calendar days, without being reported by the said committee.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for consideration of the bill (H. R. 5472) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes, and all points of order against the bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Mississippi [Mr. WHITTINGTON] is recognized for 1 hour.

Mr. WHITTINGTON. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, this resolution makes in order the consideration of H. R. 5472, to provide for authorizations for rivers and harbors and flood control.

It is an open rule and provides for 2 hours' general debate. The rule is identical with previous rules providing for authorizations for rivers and harbors and flood control.

As was the case a few days ago, in consideration of the fair labor standards bill, all points of order applying to certain small items in the bill are waived. That provision has obtained in all previous rivers and harbors authorization acts. It applies to small features of that act which provide for examinations and surveys, and contains this language: "out of funds heretofore or hereafter appropriated."

This provision is technical and the public interest is promoted by the waiving of the points of order that enables these examinations to be made.

Probably more Members of the House are interested in these examinations and surveys than in any other features of the bill, or in any previous river-and-harbor and flood-control bill; and it is for that reason, and that reason alone, that in all rules providing for the consideration of these bills, that points of order are waived. It is not necessary to waive points of order covering the principal provisions of the bill, and I repeat that waiving points of order is only applicable to the preliminary examinations and surveys mentioned for rivers and harbors and flood control; and also, I might add, for the allotment of $25,000 for promoting international engineering and scientific conferences provided for in section 207 on page 30, and in providing for the construction of emergency works where the cost does not exceed $150,000 as provided for in section 208, page 31. No points of order are waived nor are they desired to be waived with respect to any project, any material matter in the bill.

This is an open rule and provides for consideration of the bill, with amendments, under the general rules of the House.

Mr. Speaker, it is not the fault of the leadership that this bill was not before the House weeks ago. It is not the fault of the Committee on Public Works. The hearings were completed after weeks of investigation, and those hearings are contained in four volumes. They contain approximately 2,200 pages. After the hearings were completed a committee bill was introduced and reported to this House on July 6, 1949. A rule was immediately requested in writing for the consideration of the bill. After a delay of 22 days it was apparent that there would be no rule providing for the consideration of this bill.

Under the rules of the House, paragraph (2) (c) of rule XI, Rules Eighty-first Congress, page 359, adopted for the first time in the Eighty-first Congress, if the Rules Committee declines to grant a rule within 21 days after the introduction of a resolution, on the second and fourth Monday the rule may be brought up under the rules of the House as a matter of highest privilege. The committee felt that, after conducting hearings and after reporting a reasonable authorization bill, the House should have the privilege of considering the bill. The adoption of the resolution will make in order that consideration. On July 28, by direction of the unanimous vote of the committee, the chairman filed this resolution to provide for the consideration of this bill under the rules of the House.

This bill is the first major rivers and harbors and flood-control bill reported since 1946. It authorizes $119,000,000 for rivers and harbors. Of that $119,000,000, only $49,000,000 is for new projects. Those projects are located along the coast of New England; along the Atlantic seaboard, from Maine to Florida; along the Gulf coast from Florida to the Mexican border; along the upper Mississippi River; along the California, Oregon, and Washington coasts.

The SPEAKER. The time of the gentleman has expired.

Mr. WHITTINGTON. I yield myself three additional minutes, Mr. Speaker.

Seventy million dollars of the one hundred and nineteen million dollars is an increase in the Arkansas Basin for projects already authorized.

The bill authorizes flood-control projects aggregating $995,000,000 in authorizations. Of that amount only $209,000,000 in round numbers are for new projects. The remainder of substantially $785,000,000 is to increase the authorizations in the principal river basins of the United States to provide for the continuation of projects already under way, including the largest item, $250,000,000 for the Missouri River Basin.

The next largest item of $200,000,000 for the Mississippi River and tributaries includes the States of Illinois, Missouri, Arkansas, Louisiana, Mississippi, Tennessee, and Kentucky. There are other basin authorizations aggregating $335,006,000, of which $75,000,000 is for the Ohio; $34,000,000 in the Rio Grande; $40,000,000 for the Los Angeles-San Gabriel Basins; and $40,000,000 in the Willamette River Basin. Thirty-five million dollars is in the White River Basin in Missouri.

Mr. Speaker, during the present session of Congress there have been authorizations of approximately $394,000,000 for reclamation projects that are confined to less than 17 States of the Union, and I supported them. There has not been one cent of authorization for rivers and harbors in any of the 48 States of the Union in this session, and this bill provides for that consideration; and it provides for giving the House an opportunity under the rules of this body to consider this bill on its merit.

It has been said that this is a major authorization; I remind you that the total amount of the authorizations for rivers and harbors and flood control in this bill is about the amount that has been appropriated for this purpose in the past 3 years. I remind you that the last major authorization act was in 1946 and the aggregate of the authorizations for rivers and harbors and flood control in that bill exceeded the authorization in this bill in dollars by about $200,000,000. When you consider the increased costs of construction, this bill is substantially one-half of the last major authorization made for rivers and harbors and flood control in 1946.

There have been authorizations made substantially every 3 years, and those authorizations provide for the carrying on of the improvement of the harbors, because harbors must be provided in cities like Philadelphia, Baltimore, New York, Boston, Chicago, Los Angeles, San Francisco, and Portland; and the bars at the mouths of the rivers must be opened if there is to be navigation. Navigation on the inland waterways of the United States in 1947 reached the staggering total of 700,000,000 tons. I know of no more important element of our national transportation system than our inland waterways.

PLANNING

No works are authorized unless they are first planned as a result of public hearings conducted in the field by the district engineer. The report of the district engineer is forwarded to the division engineer. When received by him it is forwarded to the Board of Engineers for Rivers and Harbors in Washington. When considered by this Board it is referred to the governors of the respective States, to the Departments of the Interior and Agriculture, and to the Federal Power Commission. It is then referred to the Director of the Budget. It is finally transmitted to the Congress of the United States after approval by the Chief of Engineers and the Secretary of the Army. It is carefully reviewed by the proper committees of the Senate and House. It

is then submitted to the Congress, and if approved by the Congress and the President, has to undergo again the approval of the Appropriations Committees before the works are constructed.

No public works are more carefully screened, more carefully planned, or more carefully considered than rivers-and-harbors and flood-control projects.

The pending resolution should be promptly agreed to. The House should have the opportunity to consider this bill. This is what is provided for in the pending resolution.

The SPEAKER. The time of the gentleman from Mississippi has again expired.

Mr. WHITTINGTON. I yield myself two additional minutes, Mr. Speaker, to answer questions.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. CASE of South Dakota. The rule that we have under consideration waives points of order. It is my opinion that on page 31 of the bill there is a proposal there that permits the expenditure of $3,000,000 by the authorizing the Secretary of the Army to allot from any appropriations heretofore made up to $3,000,000 for projects which have never been authorized.

Mr. WHITTINGTON. I understand the gentleman's question. That is existing law. Under existing law if there is a mighty flood and it is necessary to spend up to $100,000, the Secretary of the Army does not have to have specific authorization to do it. The provision in this bill raises that authorization to $150,000. It is a modification of a provision we adopted last year. That is why points of order were waived on these minor matters.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. COX. I simply wanted to make the observation that failure to get earlier consideration of this bill is due to no fault of the gentleman, his committee, or the leadership of the House. The gentleman knows that as a member of the Rules Committee I favored granting the rule on the bill; but in defense of the majority of the committee I do wish to say that it was their feeling the condition of the Treasury and the financial condition of the country were such as to make it not advisable for the granting of authorizations or tne commitments which the bill permits. However, I am in sympathy with the gentleman's desire to get the legislation on the floor. Failure to give early consideration is not chargeable to me or to others of the committee.

Mr. WHITTINGTON. Mr. Speaker, I would like to say that there has been a lot of misinformation as to the amounts that have been authorized for public works. I said a few minutes ago that the total authorizations in this bill are less than the amounts appropriated for this purpose in the last 3 years. Idle statements have been made about billions and hundreds of billions of dollars that have been authorized for construction.

Let me remind you that public construction in the United States by the Federal Government has aggregated for all purposes, REA, roads and other purposes, during the current year, about $3,000,000,000. There are about $8,000,000,000 authorized for direct construction, including roads, rural electrification, agriculture, civil aeronautics, and there are about $11,000,000,000 additional general authorizations, including reclamation, rural electrification, roads, agriculture, and soil conservation. It takes a long time to prepare plans. If we have a depression, instead of spending $3,000,000,000 annually, we would spend much more than that amount. The present Congress has also authorized about $50,000,000 annually for housing. The housing projects will be constructed as a result of bond issues by the local housing authorities. There is no mystery and should be no misunderstanding about the total amounts of public works authorized. They are set forth in the 1950 Budget on pages 1354–1355. The figure $100,000,000,000 appeared in the New York Times of Sunday, July 17. It was estimated that in the United States there was needed construction aggregating $100,000,000,000, but this did not mean, and does not mean, that there is anything approximating that amount of Federal authorizations, which at the outside, including the general authorizations, aggregate at present about $19,000,000,000, as stated. It is difficult to estimate the amount of needed State and municipal construction. Public road construction aggregates annually $450,000,000, to be matched by the States and local agencies. The pending bill will provide for a backlog in the event of a depression without resorting to make relief work.

The bill under consideration provides for sound flood control and river and harbor projects that can be expanded in the event of widespread unemployment.

The SPEAKER. The time of the gentleman from Mississippi has expired.

Mr. WHITTINGTON. Mr. Speaker, I yield one-half of the time, 30 minutes, to the gentleman from Michigan [Mr. DONDERO].

Mr. DONDERO. Mr. Speaker, I yield myself 7 minutes.

Mr. Speaker, for nearly two decades it has been my privilege to serve on the Committee on Rivers and Harbors. In all those years I have never come to this floor in opposition to a rivers and harbors bill. There have been occasional projects which I have opposed and the House in its generous attitude has seen fit to confirm those objections.

When the Eightieth Congress began its work in early 1947 the engineers came before our committee and I inquired of the Chief of Army Engineers, General Wheeler, whether or not a rivers and harbors and flood control omnibus bill was necessary. The committee was advised that it was not necessary, and accordingly, the committee and the House in its wisdom adopted and passed only a token rivers and harbors-flood control omnibus bill involving between eighty and ninety million dollars. This year when the Eighty-first Congress began its work the Chief of Army Engineers again came before our committee and I asked General Pick, now Chief of Army Engineers, the same question: Whether or not in his judgment it was necessary for a rivers and harbors and flood-control bill to be passed? He answered that it was, that in many instances the authorized work on which they were engaged had nearly become exhausted and while there were others still untouched, they believed in order to continue the regular and orderly way of constructing these rivers, harbors, and flood-control work it was necessary that the Congress this year consider a bill. For that reason the committee began hearings and has reported the bill H. R. 5472 which is before the House today. Therefore I am in favor of this rule making H. R. 5472 in order.

On the face of it it is $1,100,000,000. But the chairman of the Committee on Rivers and Harbors has indicated that 70 percent of this bill is for increased authorizations on work now under construction or heretofore authorized. Only 30 percent of the bill remains for new work and new projects throughout the United States.

I know that there has been some opposition voiced that the committee was too generous to the Mississippi Basin. If you will look at the map which we will present to you a little later you will notice that the great valley of this country is the Mississippi Basin. The Father of Waters is an unusual stream. It is navigable for more than 2,000 miles. It has 54 navigable rivers flowing into it with over 100,000 tributaries. Its great arms reach from Olean, N. Y., to Great Falls, Mont., some 4,000 miles east and west, on which ships can operate without breaking cargo; it provides 16,000 miles of inland navigation. It fertilizes the bread basket of the country. It drains two-thirds of all the States of the Union, so that if a little more money is provided for the Mississippi and the Missouri Rivers it is because of the unusual character of that river and not because it is sectional or partisan in any sense. I do not recall ever coming to this floor with a river-and-harbor bill in which sectionalism or politics has played any part whatever.

May I say to the House that this bill might very well have been $2,500,000,000 instead of one billion, but the committee, with the cooperation of both sides of the aisle, Republicans and Democrats alike, did their utmost to keep this bill down to the very minimum and only included such projects which they believed were necessary for the orderly procedure and work of construction to continue.

I am one of those who has been voting consistently not to send billions of dollars overseas. The amount included in this bill by way of authorization is something for the American people and their welfare. The great inland water system of this Nation has contributed much to the national security and the national welfare. This bill is to continue that course. While it is $1,100,000,000, nevertheless if we are going to complete some of the great works already undertaken and now under construction it is necessary to increase these authorizations because of the increased cost of the work. That is why 70 percent of the

entire bill is simply to continue the work now in progress. What are we going to do? Are we going to stop all work and lose what we have already invested in many of the river valleys, particularly the levee work on the Mississippi? I do not think so. That is neither wisdom nor statesmanship.

Therefore I hope that the House will sustain the Committee on Public Works and adopt this rule and consider this bill on its merits when it comes to that point in the proceedings.

Mr. Speaker, I now yield 10 minutes to the gentleman from New York [Mr. WADSWORTH].

Mr. WADSWORTH. Mr. Speaker, I seek this opportunity to address the House, not with the idea in mind of discussing the details of this bill, but to lay before the House as best I can something of the problem that has been confronting the Committee on Rules. I know this is a rather unusual topic for a member of the Committee on Rules to discuss, but I thought it might be of interest to you. Years of experience have taught me, incidentally, that a speech punctuated with statistics and considerations of dollars and cents, and income and outgo, never excites wild applause. So in advance I absolve you, my colleagues, from any idea of applauding what I am going to say.

Mr. Speaker, it is not a violation of confidence to say that on or about June 12 of this year the members of the Committee on Rules on both sides of the table became deeply concerned with respect to the trends of the bills presented to us and upon which rules were requested. What we were concerned about was that so many of the measures for which rules were asked were intended to increase the future financial commitments of the United States Government. We had no estimate before us at that time, but our concern was deepened because we learned at about that time, as you did, doubtless, that the Federal Treasury was going to run into the red on June 30, 1949. The first information that came to us was that the deficit would be about $1,200,000,000. Later, it turned out to be $1,800,000,000.

An informal vote was taken in the committee and it was unanimously decided to request the Coordinator of Information, an office headed by Mr. Dickson, to inform the Rules Committee from time to time concerning the trend, the general tendency of legislation as it might affect the future financial commitments of the Government.

From time to time that office has given us information. The last report was made the end of this last week, and I should like to lay before you in all seriousness an outline of it, refraining, as I will, from going into details.

We find, for example, that in the regular departmental appropriation bills already passed by the House new contract authorizations for the fiscal year 1950 amount to $5,093,753,000. Not all of those bills have been passed by any means, but those were the additional authorizations over and above last year's authorizations.

Then we come to public laws which have already passed both Houses of this Congress and been signed by the President, public laws making authorizations for expenditures. These bills have been reported from the several standing committees and have been passed by both Houses and signed by the President. They involve a total of new authorizations of $694,000,000 plus.

As of August 15 there were in conference between the two Houses two comparatively minor measures which, if conference reports are reported and the bills sent to the President, would cost $83,000,000.

Here are the bills passed by both the House and the Senate on which on August 15 executive action had not been taken: $146,000,000, carrying new authorizations for that amount.

Here are the bills that have been passed by the House and not passed by the Senate, carrying new or expanded expenditures. They total $7,201,495,000. Of course, you will recall that the single largest item in that list is the ECA item for $5,617,000,000, as passed by the House. It has not passed the other body. The military assistance bill, which was passed by the House the other day carried a total of $819,000,000. The sum total of bills passed by the House involving future commitments of the Treasury of the United States in this category alone is $7,201,000,000.

Now, we come to bills that have been passed by the Senate and are now in the House and at one stage or another of the legislative process, which bills carry new or expanded expenditures. The total is $849,000,000 plus.

Here are the bills which have been reported by the standing committees of one body or the other, calling for new or expanded expenditures. The total is $2,862,000,000 plus.

There, in very brief detail, is the picture which confronts the Committee on Rules and, in my judgment, should confront the House and the other body as well.

The sum total of these increased authorizations or expansions already adopted and sent to the President and those now in the machinery of the legislative branch of the Government reported favorably by committees or passed by one body or the other is $16,931,000,000.

Obviously, Mr. Speaker, it is time for us to pause, look, and listen. I am only describing to you, or at least attempting to describe to you, the trend. It so happens that the poor old Committee on Rules is the only committee that apparently has been interested in understanding and measuring the trend.

Mr. Speaker, what is going to be the situation of the Treasury on July 30, 1950? Why, if only a very few of these bills go through, we are faced with a deficit of at least $5,000,000,000. If two-thirds of them go through, or three-fourths of them go through, or if they all go through totaling over $16,000,000,000 of authorizations, the money will be going out of the Treasury at that time at such a rate that the deficit will be far above $5,000,000,000.

That is the problem that the Committee on Rules has had to face. It gave us deep concern and still does give us deep concern. Members on both sides of the table are deeply concerned. There has been no division in the Committee on Rules—partisan or otherwise—with respect to this picture. We are all deeply concerned.

Now, I am not appealing to you to defeat this bill or that bill or any other bill, but what I am doing is appealing to you to observe where we are going with this trend. If we keep on this way the Government will be bankrupt. Federal bonds will decline in value in the marketplace. Taxes will be uncollectible and step by step we will reach a condition in this country where our economic strength will be gone.

Stop, look, and listen.

Mr. WHITTINGTON. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. CHESNEY].

Mr. CHESNEY. Mr. Speaker, as a new member of the Committee on Public Works and low man on the totem pole on the majority side, I would like to say that this bill is not pork barrel or boondoggling. We usually hear the statement in public-works bills, that they are pork barrel that they are passed for certain areas for certain individuals. But when a project is presented to Congress by some Member of Congress, he calls it a worthy project. It is needed in his community, and it is a "must" in his estimation. However, if he is opposed to it, it is pork barrel and boondoggling.

I think it is time we should quit using those terms for political purposes and get down to facts.

This bill has been carefully scrutinized by both sides of the committee. When the projects were presented to the committee we had approximately $2,000,000,000 worth of river and harbor and flood-control projects. The Public Works Committee, fully cognizant of the need for economy, and the importance of giving careful attention to these projects, scrutinized every flood-control and river-and-harbor project. The esteemed chairman and the esteemed ranking minority leader should be commended for the diligent attention they have taken in screening these projects.

Why do we need these new projects? I will tell you why. New tankers are coming into mode. Many beaches are being washed away. Many industries, such as fishing, are being wasted. I know every Member, when he brings a project before the Congress, is extremely interested in improving a river and harbor flood-control project for the betterment and increased economy of his district or community. I do not think any Member of this House has any pork-barrel ideas. These projects are a "must" on our program of improving national resources and protection of our industries and agriculture from the ravages of floods.

I would like to quote a few words from the report, and say specifically that—

Public-works program for the improvement of rivers and harbors and for the additional protection against the ravages of floodwaters contribute materially to the economic well being of the Nation. In addition, a backlog of authorized projects constitutes an important reservoir of works which can be put under construction on short notice to provide additional employment in the event

that the present trend of increased unemployment continues. This backlog of authorized projects is made up of items of work located throughout the United States, all of which have been given careful engineering investigation and a review by this committee. As a consequence, any project in this bill will contribute materially to the economic welfare of the United States, in addition to creating additional employment in times of need, and constitutes a prudent investment of Federal funds in a permanent improvement known to be sound from an engineering standpoint.

This committee has gone through these projects very carefully. For instance, I will cite a cross section of typical projects: New York Harbor, the Arthur Kill project, an important project in the eastern section of the United States.

Other projects are:

The Mystic River in Boston, Mass.

The James River in Virginia.

The Cape Fear River at Wilmington, N. C.

The Savannah River Basin, Ga. and S. C.

The Arkansas River and tributaries in Oklahoma and Arkansas.

Galveston Harbor, Tex.

In the Midwest, the Mississippi River at Davenport, Muscatine, and Clinton, Iowa; Prairie du Chien, Wis.; and Alma, Wis.; the Kenosha River in Kenosha Harbor, Wis.

I would like to mention something about Kenosha Harbor. Here is a community where it is stated the project will cost $4,000, and the local people are putting up $3,000. It is indeed a worthy case.

The Detroit River in Michigan.

The San Joaquin and Stockton Channel, Calif.

Every one of these projects has a cost plus factor. When they are carefully scrutinized, I recall that most of the projects were on the average 1.75. There should be no doubt in anyone's mind that these projects are worthy of consideration and passage.

If we are to improve and increase the standard of living of our Nation, it is then our obligation to the Nation to continue a policy of economic development.

Mr. DONDERO. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri [Mr. SHORT].

Mr. SHORT. Mr. Speaker, the very able gentleman and my dear friend, the gentleman from New York [Mr. WADSWORTH], has issued a very timely and very solemn warning to the Members of this House, but it is rather strange that this warning was not issued by him when we were voting billions of dollars to send economic aid to Europe and then again voting more billions of dollars to send military aid to countries far, far from home. Of course, none of us should vote for this particular bill merely because the House already has voted billions for economic and military aid abroad. That is no true criterion by which to be guided. It does seem strange, however, that when we vote almost unlimited funds for the same kind of projects in foreign countries that we should not find it possible to vote for those projects in the United States. When we spend the money here on our domestic development, we have both the money and the developments. When we send the money abroad, they have both the money and the developments. This does not make sense to me, and I am sure it will not make sense to my people.

It has been my privilege and honor to have served on the Flood Control Committee, the Rivers and Harbors Committee, and the Irrigation and Reclamation Committee of this House; and for 6 years I was President of the National Rivers and Harbors Congress. This is the first time I have ever had a significant item in any flood control, rivers and harbors bill that affected my present district. But the proposed Table Rock Dam is included in this bill and it is an integral part of the Bull Shoals and Norfork projects. One of those dams is already completed and the other is on its way to completion. All the testimony of the Government officials—Army engineers and scientific experts—has been to the effect that it would be supreme folly to build Bull Shoals, now under construction, without building Table Rock above it, in order that we might get an even and maximum protection and flow of waters for both flood control and generation of hydroelectric power. The two dams cannot be considered separately but must be considered as a unit.

Mr. WHITTINGTON. Mr. Speaker, will the gentleman yield?

Mr. SHORT. I yield gladly to the gentleman from Mississippi.

Mr. WHITTINGTON. That is not a matter of gift alone; that is a self-liquidating project, for in addition to providing for flood control, it provides for power, and will repay its cost to the Federal Treasury.

Mr. Speaker, I yield the gentleman an additional minute to ask him this question: Is it not true that so far as the Public Works Committee is concerned, during the war all works for the protection of life and property of the people of the United States along rivers were discontinued, except for emergencies and maintenance? And, as far as I am concerned, at any time that it ever develops that we ought to reduce appropriations for our national security I will be ready to reduce rivers and harbors and flood-control items; but that is no reason why we should not adopt authorization for the future.

Mr. SHORT. The gentleman from Mississippi is eminently correct. I want to congratulate him and all members of his committee on both sides for their painstaking care and the thoughtful consideration that they have given this bill. We were told on reliable authority that the plan as a whole, as now approved by Congress, has a benefit-cost ratio of 1.27, and is thus well justified economically. In other words, for every dollar the Government will spend, it will receive $1.27 in return. This applies to the White River Basin—and those who have studied this project will entertain no doubts as to this accomplishment.

Mr. Speaker, there is no way and no manner in which this Government can build up its national strength or develop its natural resources any more than by conserving and utilizing its natural soil and water resources. The Middle West is the bread basket of the Nation, and without the food and fiber grown and produced in the alluvial valleys of this Nation, particularly the Ohio, Illinois, Mississippi, Missouri, and Arkansas River Basins—without the hydroelectric power generated at Niagara, TVA, Hoover, Bonneville, and Grand Coulee Dams—it is doubtful if we could have won this last World War. Much as we needed them in the past, we shall need them even more in the future.

This particular project at Table Rock has been endorsed not only by the National Rivers and Harbors Congress but also by the governors of the States affected, the mayors of cities, outstanding shippers, businessmen, engineers, and the members of chambers of commerce and various civic clubs. It has received the endorsement and approval of the National Resources Planning Board, the Army engineers, the Federal Power Commission; it has received the approval of the Director of the Budget; it was approved by President Roosevelt, the Flood Control Committee of the House, and the only reason it was not built during the war was that we postponed all of these dams until the end of the war because we had to put first things first. There was a great shortage of both men and materials.

After looking over this bill more or less hurriedly but being familiar with its contents, and seeing that the projects are widely scattered throughout the United States, I think that it is an economical investment and is something that is long overdue. It is neither partisan nor sectional. I hope the House will not only grant the rule but that it will also pass the bill overwhelmingly.

It is a sound investment. It will prevent floods. It will conserve our soil. It will generate much power for industry. It will create pleasant and profitable recreational facilities. It will add to our assessed valuation. It will bring in more taxes. It will contribute to our national defense. It will increase both agricultural and industrial production. It will increase employment, promote prosperity and add to our general welfare. It will save both human life and property and augment the happiness of living.

The SPEAKER. The time of the gentleman from Missouri has expired.

Mr. WHITTINGTON. Mr. Speaker, may I inquire how the time stands?

The SPEAKER. The gentleman from Mississippi has 14 minutes remaining, the gentleman from Michigan 10.

Mr. WHITTINGTON. Mr. Speaker, I yield 4 minutes to the gentleman from Illinois [Mr. SABATH].

Mr. DONDERO. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. SABATH].

The SPEAKER. The gentleman from Illinois [Mr. SABATH] is recognized for 9 minutes.

STRICTLY PORK

Mr. SABATH. Mr. Speaker, I fully appreciate that what I may say today may not appeal to many Members who have projects in this bill. Naturally, it is an unpleasant duty that I have to perform, but I feel morally obligated to bring out the facts, as I see them, involved in this legislation.

In the first place may I say that the Committee on Rules refused to grant a rule on this bill because of the belief that it was purely a "pork barrel" bill. The staggering total of $1,100,000,000 in new and continuing authorizations for rivers and harbors and flood-control work, makes one wonder whether real economy is being practiced.

In view of the statements made by the gentleman from Georgia and the gentleman from New York, may I say that the attention of the Committee on Rules was called to the tremendous commitments included in this bill and many pending bills and the committee felt they were not justifiable or warranted at this time. I admit there may be some projects mentioned here today—a $4,000 project here and a $7,000 project there, that have merit. I am not opposed to these and other meritorious projects, the work on which should proceed. I am in favor of the practical projects involving water transportation, for example. That has been my record in Congress and I do not want anything I may say to be construed as retarding the proper development of water transportation.

FABULOUS COMMITMENTS WITH THE SOUTH BENEFITING

Unfortunately, the gentleman from Mississippi and the gentleman from Missouri say that these projects are located all over the United States. For the information of the House, of the $119,000,000 in the rivers and harbors section of this bill, $93,000,000 goes to 11 Southern States. Perhaps they need it. Perhaps they do not. Of the $995,000,000 for flood control provided for in the bill, nearly one-half is of direct benefit to these same Southern States. The remaining 37 States share in the balance of $26,000,000 under rivers and harbors, and slightly more than half of the flood-control items of the $995,000,000.

A LOPSIDED BILL

It is not pleasant for me to make these statements. Invariably I aided the South, and I regret that I must call attention to the fact that this is a lopsided bill. Many of these projects have been urged and advocated by private power companies, as I shall point out. As an example, let me call your attention to the Albeni Falls project on the Pend Oreille River in northern Idaho. Building this dam will flood thousands of acres of valuable farm land. This project is not a flood-control project, but a project to flood some of the richest and most productive land in Idaho. It does not aid navigation in the slightest. It is simply a power project benefiting a private corporation, for in almost every instance where such dams are built and power is generated, the Corps of Engineers has favored sale of such power to private corporations at the source. I am not here to vote millions and millions of dollars to the private power companies, especially when it is at the expense of the farming communites in those sections.

FACTS, NOT FICTION

Mr. Speaker, I am merely giving you some facts so that you will understand the underlying reasons why I, as chairman of the Committee on Rules, was not in favor of granting a rule on this bill, particularly when I know that certain conditions demand we must restrict appropriations.

Furthermore, the claim is made by the proponents of this legislation that no rivers and harbors and flood-control legislation has been enacted lately; however, the facts are that from 1944 through fiscal 1949 the Congress appropriated some $211,000,000 for rivers and harbors and $945,000,000 for flood-control work. In addition, there were authorizations amounting to $902,000,000 for rivers and harbors and $1,722,000,000 for flood-control work, a good share of which has not been completed and for which we are continually appropriating additional millions.

WE AUTHORIZED A PUBLIC-WORKS INVESTIGATION

Not only that; the gentleman from Mississippi [Mr. WHITTINGTON], the chairman of the Public Works Committee, introduced a resolution which the Committee on Rules recently reported favorably, authorizing an investigation in conjunction with the Senate Public Works Committee, relative to the Columbia Basin project and a number of other projects. Consequently, I feel that a sufficient number of projects are now authorized and under contemplation for at least 2 or 3 years' work, and this legislation should be postponed until a real investigation and survey can be made. This work should not be done piecemeal. I am firmly convinced that a thorough and complete investigation and study should be made of all irrigation, rivers and harbors and flood-control projects, reforestation and revegetation, arid lands, hydroelectric projects, and so forth, all of which involve the basic development, protection, and improvement of our economy. The futile pork-barrel, piecemeal legislation proposed in this bill should be ended once and for all.

RECKLESS, WASTEFUL, EXTRAVAGANT ARMY CORPS OF ENGINEERS

Mr. Speaker, for years I have designated the Army Corps of Engineers as the most reckless and extravagant unit of our Government. They can spend more of the taxpayers money on wasteful items than anyone else in the world. They think that money grows on trees. They at all times have set their own judgment up above that of the President and the Congress. Their tremendous lobby has tried many times to influence the actions of this body and the other body. During the war years, I called attention frequently to the fact that the Army Engineers insisted on building plants and factories out in the "sticks" and away from easily accessible transportation, and this at the cost of millions upon millions of the taxpayers' dollars. Many of these projects were never completed.

AN EXCELLENT ARTICLE IN HARPERS MAGAZINE ON THE CORPS OF ENGINEERS' LOBBY

The August 1949 issue of Harpers Magazine included an excellent article on the subject "The Lobby That Can't Be Licked," which was written by Robert de Roos and Arthur A. Maass. This article bears out what I have been saying for years. Since it is too lengthy to quote in its entirety, I shall endeavor to outline briefly its contents.

The Commission on the Reorganization of the Executive Branch of the Government has recommended that the Corps of Army Engineers and the Bureau of Reclamation be combined. The result is that the Engineers have been working with frenzy because their continued existence is threatened. They have always considered themselves immune to reorganization or even to orders of the President. They are trying energetically to kill any semblance of reorganization.

As I said before, the most flagrant example of lobbying activity is demonstrated by the Corps of Army Engineers. Perhaps Mr. Buchanan's Lobby Investigating Committee will bring an end to these disgraceful antics as exhibited by a Government unit.

Time and time again, particularly in the field of navigation, flood control, and power generation, the corps' presence has been expensive, to say the least, in addition to being dangerous to our water resources and full of administrative confusion and blundering. They persist in spending enormous—yes, fabulous—sums without any basic plan whatsoever. In 47 years, the Corps of Engineers has spent approximately $5,000,000,000 of the taxpayers' hard-earney money; and they contemplate spending three billion more to complete projects, so-called, now under way. This, Mr. Speaker, is only the beginning. The prediction is reported that in the near future the Corps of Engineers contemplates spending some $40,000,000,000.

ARROGANCE AND INDEPENDENCE UNEQUALED

Certainly the Corps of Engineers has a record of noncooperation with other agencies; "its arrogance and independence is unequaled in the history of our country." Witness the fact that the Corps of Engineers has disregarded orders of the President without exception. They consider themselves an arm of the legislative branch, as I previously pointed out. Our late President Franklin D. Roosevelt lost every battle he had with the corps.

OUR SENATOR DOUGLAS

Senator DOUGLAS, of Illinois, made the statement in the Senate last May that the old rivers and harbors bills and the present Army civil functions appropriations bills are the juciest pork available to certain sections of the country. He was angrily attacked for playing politics.

GETTING SOMETHING FOR NOTHING

There is the query of how well reclamation projects have paid out. Time for repayment by the beneficiaries of these projects has been constantly extended, in some cases from 40 years to as much as 78 years for repayment. The laws under which the corps operates do not even have these safeguards of repayment. Many groups are benefiting by the corps' work and pay nothing therefor. Where power has been generated on projects, the corps has persistently advocated sale at the source where only

the private utilities can purchase it. They turn many of their facilities over to local administration.

PINE FLAT DAM

An illustration of the fight between the Corps of Engineers and the Bureau of Reclamation is the Pine Flat Dam on Kings River in California. President Roosevelt sent a strong note to the Secretary of War saying that he wanted this project handled by the Reclamation Bureau. This had no effect whatsoever on the corps. The project is now under construction by the Corps of Engineers notwithstanding that the greatest benefits are derived from irrigation, and within the Bureau of Reclamation province.

HOW TO FLOUT ORDERS

In 1941, President Roosevelt ordered all construction agencies to submit their reports to his office for clearance. The Engineer Corps of the Army coolly flouted these orders. From January 1941 to August 1948, the corps submitted 426 reports, 360 of which were cleared, 44 were held not in accord with the President's program, and 32 more were held up. The corps then submitted the 76 unapproved projects to Congress. These included the largest and most important river development projects in the Nation, which totaled $2,500,000,000. The President opposed all of these projects as unnecessary and not justified. Sixty-two were eventually authorized by the Congress, and many of these projects have caused serious conflict with the Bureau of Reclamation.

RIVERS AND HARBORS BLOC

Mr. de Roos and Mr. Maass point out that the corps has the wholehearted support of the so-called rivers and harbors bloc, composed mostly of the southern Members of the House and Senate. The National Rivers and Harbors Congress is stanchly behind the corps. No stream is too small for a Federal handout.

Many of these projects in the South as proposed by the Corps of Engineers, show a genuine need for deepening some of the creeks that a man with a good chew of tobacco could spit over.

They tie up with the lobby of contractors and State and local officials. The result is that the Federal Government bears the entire cost of navigation projects at the expense of the taxpayers.

In one bill, the article in Harper's Magazine points out, 17 projects which the President has declared not in accord with his program, were referred to Congress by the corps for approval and were obligingly approved by the rivers and harbors bloc.

THE GREAT BATTLE FOUGHT BY THE CITY OF CHICAGO

In the great battle fought by the city of Chicago some years ago involving the diversion of water from Lake Michigan to protect the sewage, water problems and health of 4,000,000 people of this metropolis, the Corps of Engineers held that the diversion of 3,000,000 cubic feet of water per second from the lake would lower the lake level 3 feet and cause serious damage to navigation and other interests. However, after months of battling the city was permitted to utilize this God-given resource for the benefit of the people. The result was that instead of lowering the level of the lake, we find that 20 years later the level of the lake is higher than it was then.

THE LITTLE FELLOW PAYS AGAIN

It was pointed out, one particular project in Boston is most interesting, that being a channel project from Boston Harbor to Commercial Point. The district engineer declared that the oil interests on Commercial Point should pay $100,000 toward the total cost of the project. The Chief of the Corps of Engineers ruled that no local contribution was necessary. This happens in many projects. The result, again, is that big business benefits, but the little fellow pays.

President Roosevelt said in 1940: "I have always believed that many facilities made available to our citizens by the Government should be paid for, at least in part, by those who use and benefit therefrom." The corps has consistently opposed tolls or small fees by those who use the completed projects.

The Corps of Engineers has been notoriously lax in evaluating proposed waterways as a part of our national transportation system. They have never made a systematic study of waterways as component parts of a system to include water, rail, trucks, and pipe lines, as I pointed out previously.

SWAMPS FOR SALE

The 1944 Flood Control Act provided that "major drainage projects" were to be a part of flood control. No one knows how these new words got into the act, but, as Harper's magazine points out, it is almost certain that a Member from the South was the author. Two major drainage projects have been authorized thus far, and both are in the South. If you own a swamp in the South and are lucky enough to get the Corps of Engineers to drain it for you, you can sell it at any price you can get; the people of the United States will pay the bill.

WHAT IS THE PANACEA?

The article concludes by stating that an effective reorganization of the Corps of Army Engineers as recommended by the Commission on the reorganization of the executive branches, would put the responsibility for our water resources up to one agency and demand results. It would certainly save millions upon millions of dollars, and it might save our rivers and harbors. The corps, as I have stated many times, has developed into the most effective lobby ever to operate on Capitol Hill.

A LEADING NEWSPAPER'S OPINION

One of the leading progressive newspapers in the United States, the Chicago Sun-Times, carried an editorial under date of August 10, 1949, which each and every Member should read. It bears out the warranted and justifiable criticism which has been made against the Corps of Army Engineers, and I include it herein as a part of my remarks:

BATTLE OF THE RIVERS

Senator PAUL H. DOUGLAS may not have increased his popularity in Congress by attacking pork barrel river projects, but he is doing the country a service.

The current Harper's magazine backs him up with an article, The Lobby That Can't Be Licked, which tells the story of the Army Engineers.

The Corps of Engineers, combined with the Congressmen and local interests who support them, have become almost a government within a government. The corps was severely censured by the Hoover Commission, says Harper's for a record of noncooperation, arrogance, and independence which is perhaps unequaled in the history of an executive division. The corps controls a civil functions budget which this year amounts to $750,000,000.

Long ago, the Corps represented the principal reservoir of nonprivate engineering talent on which the Government could draw. The corps needed something to do in peacetime, and by sedulous cultivation of friends on Capitol Hill it got assignments to direct river and and harbor work authorized by Congress.

Today, however, there are many other public engineering organizations, and several Federal agencies engaged in river work. The result is intense, bitter, and often costly competition. A classic case is the furious fight between the Corps and the Bureau of Reclamation over development of the Missouri Basin. Only the threat of a Missouri Valley Authority compelled the two agencies to declare an armed truce.

Basically, there is no strong reason why the Army engineers should be directing river development at all. There are just 200 officers in the corps; the rest of its vast bureaucracy are civilians. It has been said that the officers get valuable training by their civilian projects. But they could get the same training without running the show.

The Federal Government is going to be in the business of river development for a long time to come. Much of the work will be desirable and necessary, representing ultimately a $40,000,000,000 investment. That is all the more reason for eliminating the waste of rival bureaucracies and for developing water resources on a basin-wide basis rather than for the benefit of narrow local interests.

The Hoover Commission proposed that all river work be concentrated in a single Water Development and Use Service in the Department of the Interior. The Engineer Corps is lobbying hard against the report. But the suggested reorganization makes so much sense that the President should go to bat for it in a big way.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. SABATH. Before I yield to the gentleman, let me say that the gentleman from Georgia tried to get the rule out. I will say that for him.

Mr. COX. The statement of the gentleman from Missouri [Mr. SHORT] prompts me to make the observation that to condition the implementation of the Atlantic Pact nations upon the passage of this or any other like legislation would, in my opinion, be a tremendous mistake. Mr. Speaker, I know our position in world affairs is not too secure, and in order to make it so, I am prepared to forego the benefits that my people may receive from the adoption of legislation of this type.

Mr. SABATH. I will say to the gentleman from Georgia that two wrongs do not make one right. To have voted tremendous millions that were not necessary for overseas does not signify we should vote millions and millions of dollars here—yes, over a billion dollars, $1,150,000,000, notwithstanding the fact that the committee has a resolution now to make an investigation as to the needs

of some of the projects as I said before. Now, why not wait for the results of this investigation? Furthermore the Hoover report says that there should be a correlation between the Corps of Engineers and the Reclamation Bureau so that they can work in harmony and cooperate for the purpose of bringing about economy and a saving of money.

Mr. BOGGS of Louisiana. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield briefly for a question.

Mr. BOGGS of Louisiana. I regret that the gentleman has seen fit to inject sectionalism into this debate.

Mr. SABATH. So do I, but the facts speak for themselves.

Mr. BOGGS of Louisiana. Well, the gentleman has done so, though.

Mr. SABATH. I have done so because the gentleman stated that these improvements are to be made throughout the United States, whereas, in effect, the South reaps most of the benefits and gets fat on all of the pork.

Mr. BOGGS of Louisiana. And the Mississippi River, with its tributaries, drains two-thirds of the United States.

Mr. SABATH. Oh, I have voted for construction of the Mississippi River and other river projects for 43 years and I am ready to appropriate more money when it is needed, but this committee is going far afield bringing in a bill at this time which I think is unnecessary.

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. WHITTINGTON. Mr. Speaker, I yield 5 minutes to the gentleman from Georgia [Mr. LANHAM] and ask him to yield briefly.

Mr. LANHAM. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. I think it is fair to say that the very able gentleman from Illinois [Mr. SABATH] did not have very much to say in opposition to the Corps of Engineers when the Congress authorized $120,520,000 for the development of the Illinois waterway, including the Calumet Sag; he did not have very much to say in criticism of the Corps of Engineers when the Congress of the United States authorized $10,694,000 for the Calumet Harbor and River, to improve the Chicago area; he did not have very much to say in criticism of the engineers when the Congress of the United States authorized flood control and river and harbor projects, including Chain of Rocks, and from the mouth of the Missouri up to the head of the Mississippi for navigation, aggregating $236,000,000, nor did he have very much to say in criticism of the Corps of Engineers when we authorized $171,000,000 to build levees around Cairo and elsewhere in the State of Illinois.

When the gentleman from Illinois [Mr. SABATH] the chairman of the Rules Committee, criticizes the Corps of Engineers for waste and extravagance, he should remember that the city of Chicago in which he lives is one of the greatest ports on the Great Lakes. The distinguished gentleman might well keep in mind that the Corps of Engineers maintain the port of Chicago and that in 1947, 24,000,000 tons of freight were handled through the Chicago port. He might also remember that some 10,000,000 tons of freight were handled on the Illinois waterway. The harbor at Chicago is maintained by the engineers and the Illinois waterway is constructed and operated by the engineers. But few cities profit as much from river and harbor work as Chicago, and but few States profit as much from flood control and river and harbor works as Illinois.

Mr. LANHAM. Mr. Speaker, I would be delighted to yield the balance of my time to the gentleman from Mississippi, because he has made such a splendid response to the gentleman from Illinois.

It has been difficult for me to understand the failure of the Committee on Rules to grant a rule for consideration of the bill H. R. 5472. Since the members of the committee have sought to enlighten us this morning, I am just about as much in the dark as ever, because they really have not offered any valid objection to at least the consideration by the House of the bill.

There has been no major omnibus river and harbor and flood-control bill reported by the Committee on Public Works or considered by the House since passage of the River and Harbor and Flood Control Act of 1946. There was a minor bill reported and acted upon by the Eightieth Congress, but this was for emergency projects only. Obviously there is a need for a continuing program for the development of the country's natural resources. Our expanding economy demands it.

Moreover, in view of the temporary economic readjustment through which we are passing, there is a need for an approved backlog of public works that could be converted promptly into active building should a further recession threaten.

So it is fortunate that the change in the rules of the House permits the distinguished chairman of our Committee on Public Works to bring H. R. 5472 before the House for debate and action today.

As a new member of this great committee I have been amazed at the familiarity of our beloved chairman, the distinguished gentleman from Mississippi [Mr. WHITTINGTON] with the whole problem of the development of our waterways, and the history of past legislation on the subject. His memory of the details of past authorizations and projects is phenomenal. Not only is he familiar with all details and accomplishments of the past, but is deeply interested in the well-rounded development of the natural resources of our entire country. He is a most remarkable and efficient chairman; courteous to all members of the committee, and patient with witnesses; yet with the ability to be firm and to speed the consideration of the many bills that come before us.

Likewise, the ranking minority member of the committee, the distinguished gentleman from Michigan [Mr. DONDERO] has a wide range of information on the whole question of waterways development, and is an experienced legislator in the field, having been chairman of the committee during the Eightieth Congress. He believes in the development of our natural resources under a well-formulated and comprehensive plan, and at the same time is insistent that private industry be protected in its rights to share in the benefits that come from such development. Mr. DONDERO has been most cooperative with the Democratic leadership of the committee and is staunchly supporting this important legislation.

This bill has had the most careful consideration of the entire committee and has been pared to the bone in an effort to report a bill that assured the continuation of our long-range program of waterways and natural resources development at the most efficient and economical rate of construction. It is smaller in the total dollar amount authorized than the omnibus rivers and harbors and flood control bills that have preceded it, although costs of construction have increased enormously.

It is often charged that these omnibus bills are "pork barrel" legislation. Nothing is further from the truth, as far as this bill is concerned. There is not a project in the bill that has not been approved by the Corps of Army Engineers, moreover, the bill has had the most careful scrutiny, as I have said, of the entire committee. Hearings were held before the full committee, and not before subcommittees alone. The attendance upon committee hearings has been good and the questioning of witnesses was thorough and searching. If any project did not meet the test of excess of benefits over cost of construction, it was ruthlessly eliminated. There is no "pork" in this bill. It provides for a well-planned and systematic development of our natural resources, under plans made by our skillful and efficient Army engineers, and other cooperating agencies. Each individual project has their approval, as does the entire bill.

Economists are agreed that to maintain our high living standards, and to avoid a depression, our economy must be an ever expanding one. This would be impossible without the electric power to be generated by the projects included in this bill, and without the land-reclamation and flood-control features of the bill. There is an acute power shortage in many parts of our country with our present level of production. An expanding economy and scale of production naturally calls for more and more power and productive resources. So, I repeat there is no "pork" in this bill, and to so label it is unfair to the governmental agencies that have worked together to obtain a comprehensive development of our natural resources, and to the committee that has given its energies and abilities toward making it a well-rounded program for our entire country.

Naturally the bill carries authorization of large amounts to our great western area. This is as it should be, since it is there that lie the greatest potentialities for the development of our water resources. But no part of our country is neglected. We have no large authorizations for work in my own State of Georgia, and none for my own district. Nevertheless I am supporting the bill wholeheartedly, because I am convinced that it is necessary if we are to continue with a comprehensive and well-rounded plan for the development of our natural

resources. Furthermore, as I have said, we must have a backlog of work projects ready for immediate action by the Committee on Appropriations if our economy should head toward a serious depression, which I do not think will happen. All signs point to an upturn from the slight readjustment that has taken place and that was necessary for a healthful economy. But in case of a down-turn we must be ready.

May I ask your attentive hearing of the distinguished chairman of the committee, the gentleman from Mississippi, Mr. WILL WHITTINGTON, and of the gentleman from Michigan [Mr. DONDERO], the distinguished minority member of the committee, and to other speakers who will speak in explanation of the details of the measure, H. R. 5472, which I hope will have your unanimous approval?

Mr. EVINS. Mr. Speaker, will the gentleman yield?

Mr. LAHAM. I yield to the gentleman from Tennessee.

Mr. EVINS. I think the statement the gentleman has made is excellent, but will he not agree that there is also need for a construction program for post office and other Federal buildings throughout the country?

Mr. LANHAM. I agree that that is necessary, too. This committee has already reported a bill that sets that project in motion by authorizing the purchase of sites for the building of post offices in every district in the country, and authorizing the preparation of plans for such building.

Mr. BOGGS of Louisiana. Mr. Speaker, will the gentleman yield?

Mr. LANHAM. I will be glad to yield.

Mr. BOGGS of Louisiana. The gentleman from Illinois left the idea with the House that this is a sectional bill. The gentleman is on the committee and he knows that is not true. Will the gentleman dwell on that?

Mr. LANHAM. I have dwelt on that in my prepared statement. This is not a sectional bill, it is not a partisan bill. The bill was given every consideration, the most careful consideration. Long hearings were held. There is absolutely nothing sectional about the bill.

For instance, there are many appropriations, large sums appropriated for the Northwest, and they are absolutely necessary because it is that section of our country that offers the greatest opportunities for the development of our natural resources.

There is very little in my own State, for instance, yet I am heartily supporting the bill because I know it is not a sectional bill in any sense of the word. It is a bill for the development of all the natural resources of America. It is absolutely necessary that we have a coordinated plan and that we try to carry it out not by fits and starts but through steady progress. That is the purpose of this bill, as some of us have already said. We pruned the bill just as far as we thought we could safely do so, in order that we might bring to this House a bill everybody could support. There is no pork in this bill, as I have previously stated.

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. LANHAM. I yield.

Mr. SHORT. The gentleman from Illinois [Mr. SABATH], said that some of these dams would be desirable for the private power companies and that the private power companies wanted the bill. I do not know of a single item or dam which is included in the present bill which is backed by private power companies. The dam in my particular district is opposed by the private power companies.

Mr. LANHAM. I know of no project that has been sponsored by any of the private power companies. As a matter of fact there was absolutely no lobbying so far as I know on the part of the power companies. May I say in this connection that I am happy to read in the press of my State that the private power interests in Georgia have reversed themselves on their opposition to the development of public power. They are now cooperating instead of obstructing such developments.

Mr. SHORT. But the gentleman from Georgia [Mr. COX] and the gentleman from Illinois [Mr. SABATH] spoke about our national defense, and of course we agree with them, but does not the gentleman feel that the construction of these dams to generate hydroelectric power to increase our industrial output particularly in the field of atomic energy and in the field of airplane manufacturing along with the prevention of disastrous floods and also to increase the output of food and fiber in this country, will also have a great bearing on our national defense?

Mr. LANHAM. I agree wholeheartedly with the gentleman from Missouri.

Mr. WHITTINGTON. There was not a single representative of any power company who appeared before our committee advocating a single project contained in this bill. Numerous power companies came in opposition to the bill.

Mr. LANHAM. The gentleman is correct.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. LANHAM. I yield to the gentleman from Georgia.

Mr. COX. The strength of the position taken by the gentleman and his committee on this bill is to be found in the fact that you have the recommendation of the hard-boiled Board of Engineers.

Mr. LANHAM. That is right. There is not a project included in this bill which has not been approved by the Army engineers.

The SPEAKER. The time of the gentleman from Georgia has expired.

Mr. DONDERO. Mr. Speaker, I yield 1 minute to the gentleman from Illinois [Mr. ALLEN].

Mr. WHITTINGTON. Mr. Speaker, I yield 1 minute to the gentleman from Illinois [Mr. ALLEN].

Mr. ALLEN of Illinois. Mr. Speaker, I feel about this bill a great deal like my good friend from Missouri [Mr. SHORT], that if we can afford to pour over seven billions of dollars, which we are doing this year, into foreign countries, we can certainly help our own people to the amount of $1,100,000,000. I happen to come from a town where devastating floods have visited 17 times in the last 50 or 60 years. If there is any one thing that the people of this Nation need, it is protection from floodwaters and, remember, waters of rivers that now flow peacefully may next month overrun towns, farms, and entire communities.

Mr. Speaker, while there are always some objections to every bill, there are some things that I do not like about this. I refer the chairman of the committee to page 8, which provides $100 per day for services of so-called experts and consultants. This would mean, Mr. Speaker, that you could go into a law office and hire 5 or 6 or 10 people out of that law office, or out of an architect's office, or an engineer's office and give them each $100 per day.

According to section 102 it is supposed to be for temporary service, but we know that when once those individuals are engaged and they start certain work, it is no longer a question of being engaged for temporary service. It means a permanent proposition. I wonder, Mr. Chairman, if you would not agree to reduce that $100 per day, which is a great amount, by at least half?

Mr. WHITTINGTON. Mr. Speaker, I yield the gentleman one additional minute to answer the gentleman's question.

There is nothing new about this section. This is largely to permit the Chief of Engineers to hire the best engineers in the United States and cooperate with them and advise with them with respect to the construction of dams. These dams may be above cities and affect thousands and thousands of lives. These engineers are men who earn $50,000 and $100,000 a year. To pay them $100 a day for the actual time they spend we think is economy. Our hearings disclosed that is the purpose of that $100 provision.

Mr. ALLEN of Illinois. Under that provision could you not hire five, six or more attorneys out of one office at $100 a day?

Mr. WHITTINGTON. No. If they did, the authority would be promptly revoked and repealed. Our hearings make it mandatory that it can be used only for getting the most capable men possible.

Mr. ALLEN of Illinois. I hope the chairman will agree to an amendment to reduce this exorbitant per-diem fee.

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. DONDERO. Mr. Speaker, I yield 4 minutes to the gentleman from California [Mr. MCDONOUGH].

Mr. MCDONOUGH. Mr. Speaker, I am sure that before the debate is closed on this bill a majority of the Members of this House will realize the benefits, merits, and necessity for this legislation. I cannot help but repeat the remarks previously made by the gentleman from Missouri [Mr. SHORT] concerning the lecture on the fiscal policy of the country which we heard from the gentleman from New York [Mr. WADSWORTH] about cautioning us not to add any new commitments and financial obligations to the Government from here on. It comes with bad

grace, in my opinion, at this time, because you did not hear that same caution or that same advice when you were being called upon to vote for military aid for Europe, for ECA, and for other European benefits.

This bill is for domestic development of our natural resources. I regret that it had to be called up in the way it has. I am sure the chairman of the committee, than whom I think the Members will agree there is none more meticulous or particular, did not want to call it up this way. There is no Member with higher integrity than the gentleman from Mississippi. He did not want to call this rule up under the 21-day rule. He wanted it to come up in the regular way. There seems very little reason for the committee not to have reported it out except—and I say this because I think the Rules Committee has gone to the extreme to find a reason for not reporting it out—except that we are obligating ourselves to greater commitments.

I have voted for economy measures in this House and I intend to continue to vote for certain economy measures, but I am not going to vote for economy measures insofar as our domestic developments are concerned, at the expense of shipping money to Europe to develop the very same things which this bill provides for here.

I propose in general debate to call attention to the fact that we have spent more money in Greece for the very projects which this bill provides for than we are providing in this bill for certain States of this Union.

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. McDONOUGH. I yield.

Mr. SHORT. And much as some people may criticize the Army engineers, the gentleman knows that, except in extreme cases where it is to prevent loss of human life, the Army engineers never recommend a project unless it is economically feasible.

Mr. McDONOUGH. That is correct.

Mr. SHORT. For every dollar spent in the White River Basin we will get back more than $1.27.

Mr. McDONOUGH. Yes. As a matter of fact, the formula is that for every dollar spent by the Federal Government there is an addition to the assessed wealth and valuation of that county. You are supporting constructive and useful projects when you vote for this bill.

We have had surveys in California time after time and the Army engineers have said, "No, that project is not feasible because it does not return to the assessed valuation of that county a sufficient amount of money as compared to the amount the Federal Government is spending."

You are getting no money back when you are developing flood-control and navigation projects in Greece. American ECA funds are going into those very things by the millions of dollars in Europe. This bill will also relieve unemployment, which is increasing at an alarming rate.

I have heard rumors of political prejudice within the Democratic Party of geographic preference; of the need for economy, and pork-barrel spending. I trust that before the debate on this bill is over that the highly respected members of the Rules Committee and the Members of the House will be convinced of the need and the merit of passing this bill now.

I am confident that a large majority of the Members of the House will support this bill because it contains important items in most every section of the Nation either for rivers and harbors or for flood-control authorization for improvement, and because it will restore millions of acres of land to useful purpose which would otherwise be inundated; it will protect the lives, homes, and farms of many thousands of people; it will improve navigation in many of the great harbors and provide better navigation on many of our rivers. It will provide hydroelectric power to thousands of farms and people in towns and cities. This rule should be adopted and the bill passed.

The SPEAKER. The time of the gentleman from California has expired.

Mr. WHITTINGTON. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

Mr. WHITTINGTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5472) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5472) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes, with Mr. LYNCH in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule the gentleman from Mississippi has 1 hour, and the gentleman from Michigan [Mr. DONDERO] 1 hour.

The gentleman from Mississippi is recognized.

Mr. WHITTINGTON. Mr. Chairman, I yield myself 20 minutes.

The CHAIRMAN. The gentleman from Mississippi is recognized for 20 minutes.

Mr. WHITTINGTON. Mr. Chairman, the bill under consideration provides authorizations for rivers and harbors aggregating $119,000,000 in round numbers and for flood control $955,000,000.

The natural resources of the United States have contributed to making our country the most powerful nation in history. Among the most important of these resources are our rivers and our land. Once they are expended they cannot be recovered. The arid lands of the Middle East and of China today are a warning to the people of the United States that our waters can be wasted and that our lands can be destroyed. We have determined to preserve and to conserve these resources for ourselves and for the generations to come.

The conflict between the use and the misuse of lands and waters is as old as the Biblical conflict between right and wrong, and it is as new as atomic energy. We are acutely aware that our natural resources are being wasted. We have failed to utilize the rivers of our country wisely.

Probably the most successful appeal in the Presidential campaign of 1948 was the appeal by President Truman in connection with his candidacy for reelection for larger appropriations for flood control, for conservation and for reclamation.

All of the projects in the pending bill will add to the wealth of the United States and are intended to protect the lives and property of the people of our country. Harbors must be kept open. Impediments to navigation must be removed. Bars must be eliminated. Channels must be deepened. Navigation must be promoted. They are self-liquidating.

Mr. Chairman, rivers are among the most important of our national resources. They are nature's contribution to the progress of the people. They are the property of all the people and they should be improved for the benefit of the people. No harbor can be used in its natural state. It has to be improved. There are obstacles in every river that have to be removed.

Rivers have influenced the course of history. Many of the great battles of our own World War II and the battles of our own land in the War Between the States were fought for the control of a river. The Battle of Vicksburg was for control of the Mississippi. The Battle of Shiloh was for control of the Tennessee River. In the First World War it was the battle, not once but twice, of the Marne that was for the control of that river. The great battles of World War II were for the control of the Rhine, the Rhone, the Don, the Meuse, and others.

Many cities would not have amounted to anything if they had not been located on rivers or harbors. Water-borne commerce has contributed to the growth of Chicago, New Orleans, Los Angeles, San Francisco, Baltimore, New York, Pittsburgh, and Philadelphia. River and harbor improvements are among the most satisfactory public works. They are essential and contribute to the well-being of our country.

The policy of providing for rivers and harbors was first adopted in 1824, and for flood control as a national policy in 1928. Our country has made more progress in flood control than any other nation. When visitors used to come to our land from other countries we showed them our skyscrapers, but now we tell them about important river developments under the flood-control program and show them the major multiple-purpose-reservoir projects. We take them along the Father of Waters, the greatest of all rivers in this or any other

country, and along that river we show them the mighty levees, the highest, the best, the strongest, the mightiest marks ever made by mortal man across the face of the earth, larger and stronger than the Great Chinese Wall, all for the protection of the lives and the property of the people of the Mississippi Valley.

Why have we made this progress? There have been sneering references to the Corps of Engineers. This work has been for more than 140 years under the supervision of the Corps of Engineers. Never a breath of corruption or of scandal. Sneers at the Corps of Engineers? I take the word of General Eisenhower when he said that if it had not been for men like Gen. John C. H. Lee and Gen. Thomas Larkin, who were trained in the civil-works program, there would not have been adequate engineering and logistic support for the landings at Normandy, and there would not have been the crossings of the Rhine. The Corps of Engineers provides for the advance of our Army. They build roads, they construct railroads, they build bridges. Lt. Gen. R. A. Wheeler, recently retired, was in charge of operations in the Near East that made possible our success in India and along the Persian Gulf. The present Chief of Engineers built the Lido Road. They and many others of the Corps of Engineers have served their country in time of peace, they have been prepared for service in time of war. They are the most capable flood control and rivers and harbors engineers in this or any other country or in this or any other age. This contributed materially to the success of our war effort in World War II.

I have already stated, and I merely emphasize in passing, that this is an authorization bill. We pass general authorization bills every few years. We passed them in 1936, 1938, 1941, 1944, and 1946, and, as my honored colleague the gentleman from Michigan [Mr. DONDERO], a member of the committee, said, a small one in 1948.

You will pardon me for saying this, but I have had something to do with the writing of every flood-control bill on the statute books. I am not a young man any longer. My eyes are toward the setting sun. I want to provide for the protection of the people in the State where I live, but I will never ask my Government or your Government to provide for the district that I live in unless comparable relief is extended to every other congressional district in the United States.

Something has been said about the South in the course of this debate. There is no partisanship and their is no sectionalism in the Committee on Public Works, and I trust that there will never be. The largest amount contained in this bill is for the Missouri River, $250,000,000, and that amount is essential to complete the most essential works under way. The next largest amount is for the Mississippi River, the greatest of all rivers. You know, I like rivers. They can be the friends of man or they can be his enemies. We would not have heard of Egypt if it had not been for the Nile. The people in the Far East worship the Ganges today. The Indians of this country often referred to the Mississippi River as "The Father of Waters." It drains two-thirds of the States of the Union, 41 percent of the territory of the United States, taking its source from around the hills east of Buffalo, N. Y., near Olean, N. Y., in the Appalachians; in the lakes of Minnesota; in the Yellowstone and other tributaries of the Missouri far up into Montana and Wyoming on the west, and up to Canada.

This bill has been criticized for including $200,000,000 for the Mississippi. However, I wish to point out that $250,000,000 is provided for the Missouri.

The Mississippi projects include important works in the State of Illinois, and if there is one State in the Union that has profited more than another in the drainage and protection of its lowlands, call them swamps, if you will, it has been the State of Illinois. I have been through the lowlands around Cairo. For the protection of Cairo and the State of Illinois there was acquired and dedicated about 160,000 acres of land across the Mississippi River in the State of Missouri, and levees have been built up and down the Mississippi River from Cairo on up. The $200,000,000 for the Mississippi River is to be divided among the States of Illinois, Missouri, Arkansas, Louisiana, Mississippi, Tennessee, Kentucky, seven States, and there is provision for $75,000,000 for the Ohio; $68,000,000 for the Columbia and $40,000,000 for the Willamette. I but speak frankly when I repeat that there is nothing sectional, there is nothing partisan in this bill.

This is not a large bill. This is the smallest of the major bills that have been reported to this House in dollars and cents. Let me give you the figures. I speak by the record.

The aggregate of the river and harbor and flood-control authorizations in the fiscal year 1945 was about $1,300,000,000. You know we have been a billion-dollar country a long time. In 1946, it was $1,300,000,000. The aggregate in this bill is $1,100,000,000 in round numbers. When you consider that the cost of construction has increased approximately 75 to 100 percent, this is the smallest of the authorization bills that have been submitted in recent years. Yet, while this Congress has already authorized, and properly so, for reclamation $394,000,000, not a thin dime has been authorized for rivers and harbors and flood control. We had to come here under the recent rules of the House to get consideration for this bill.

I must not detain you. Others will discuss the bill more in detail.

One thing more: Only $49,000,000 is authorized for new river and harbor projects, out of a total of $119,000,000, but the Congress has already approved the Arkansas River project. It approved it in 1946. We increased that work by $70,000,000. There is $49,000,000 for new rivers and harbors projects, and the largest item is for improvement of a channel to New York harbor between the States of New Jersey and New York, and properly so.

One thing more: In the last 6 years many flood-control reports have been made, and there is only $209,000,000 for new construction. I use that word "only" because we speak of billions glibly. We have authorized $785,000,000 to continue the flood-control works in the river basins. The $200,000,000 along the lower Mississippi is not for new works. It is not enough to complete the works that are under way. The $250,000,000 is not for new works along the Missouri River. It is not enough to complete the three dams that are under construction.

The $75,000,000 we have included for the Ohio Basin does not provide for a single new project. It provides authorization for the completion of projects under way.

The $40,000,000 for the protection of Los Angeles does not provide for new projects. The funds have been exhausted or they have been obligated substantially, and that provides for the construction of projects that this Congress authorized years ago.

There is $40,000,000 along the Willamette River. You know, there is a great flood in this country somewhere every year. We had great floods this year in the Southwest, with 12- and 13-inch rainfalls at Fort Worth and Dallas. Funds are provided in this bill to protect against a recurrence of those floods. We had a great flood last year along the Columbia River. We have provided $36,000,000 for the protection of the city of Portland and the areas along the lower Columbia River.

We have provided for $15,000,000 to continue the works on the upper Mississippi, along the States of Illinois, Wisconsin, Missouri, Iowa, and Minnesota.

This is a bill that provides for the continuance of desirable public works in the national economy and in the national security in normal times. At the same time it provides for stepping up not make-relief but some projects that have been thoroughly investigated, in every State of the American Union.

A backlog of authorized river and harbor and flood-control projects constitutes an important reservoir of works which can be put under construction on short notice to provide additional employment in the event that the present trend of increased unemployment continues. The backlog is made up of items located in all parts of the United States. They have been carefully investigated. They have been favorably reported by the Chief of Engineers. They have been carefully reviewed by the Committee on Public Works.

All of the projects in the pending bill will contribute materially to the economic welfare of the United States. They will create additional employment in times of need. They constitute a prudent investment of Federal funds in permanent improvements known to be sound from an engineering standpoint.

I call to your attention the fact that the committee submitted a comprehensive report. It contains 139 pages. There are 2,200 pages of hearings. Every item in this bill is described in detail in the report of the committee. This bill is but a continuation of the work we have done in previous bills. There is a thorough analysis of the bill contained in the report of the committee, which is one of

the most exhaustive and comprehensive reports that has ever been made. As chairman of the committee, I want to make public acknowledgment, before the membership, of the faithful service of all members of the committee. It has fallen to my lot to shape, as I have stated, practically every flood-control bill which has ever been passed with reference to any river in the United States. I just want to tell you I have never had more faithful service by members of the committee than has been accorded to me by members of the present committee.

You will find an analysis of the bill in the committee report. Prior to the Eightieth Congress we had separate bills—one for rivers and harbors and another for flood control. The committees were combined under the Reorganization Act and now the committee combines these bills.

ANNUAL FLOODS

Major floods occur annually along some of the principal rivers of the United States. In 1947 they occurred along the Missouri River, the upper Mississippi, the lower Mississippi, and its tributaries. The Congress will remember that President Truman on account of the devastating floods in 1947 that resulted in damage aggregating some $164,000,000 with a loss of 38 lives in June 1947 sent a supplemental budget recommendation to Congress urging that $237,000,000 additional for flood-control be appropriated before Congress adjourned in 1947.

In 1948 major floods occurred along many rivers, but the great flood of 1948 was along the Columbia River with many losses of lives and damages aggregating millions and millions of dollars.

In 1949 already major floods have occurred especially along the Trinity River in the vicinity of Dallas and Fort Worth and in the lower Mississippi valley. A number of lives were lost and damages aggregating millions of dollars in 1949.

ANALYSIS OF THE BILL

There is a complete analysis of the bill in the comprehensive report submitted by the committee containing 139 pages. There is a description of each project with justification therefor. A brief analysis will be in order.

TITLE I—RIVERS AND HARBORS

Section 101 of the bill authorizes new river and harbor projects which range from small shallow draft improvements primarily for fishing and recreational craft to deep draft harbors to accommodate world commerce. The projects are named and are described in the report with the estimated cost of each, and the estimated cost of the annual maintenance.

Section 102 authorizes the Chief of Engineers to secure the services of experts and consultants, provided the cost does not exceed $100 per day. Dams costing millions of dollars and floodwalls protecting thousands and thousands of lives require the very best expert advice, and the engineers are wise and should be authorized to seek such advice. I referred to this section in my answer to the gentleman from Illinois [Mr. ALLEN]. When we build a dam for the protection, for example, of a city like Denver, costing, as I remember, as authorized in this bill, something like $26,000,000, we are entitled to the best engineering talent that we can get to confirm or criticize the plans of the engineers so that the people and property below the dams may be fully protected. We want no repetition of the Johnstown disaster. Such expert engineers command high salaries. One hundred dollars a day is not too much to pay for their services.

Section 103 authorizes preliminary examinations and surveys of the localities named in the section. More Members of Congress are interested in this section than any other section of the bill. It enables surveys and examinations to be made in the light of changing conditions or when none have been made previously.

Section 104 construes the Federal Employees Pay Act of 1945 to enable the Chief of Engineers in view of their expanded work to obtain the necessary employees with respect to river and harbor works.

Section 105 cites title I as the "River and Harbor Act of 1949."

TITLE II—FLOOD CONTROL

Section 201 is the same language that appears in previous authorizations and covers matters of local cooperation.

Section 202 covers general matters pertaining to requirements governing the submission of reports to Congress, and is the same section that is contained in preceding legislation.

Section 203 clarifies previous legislation by permitting the expenditure of funds for telephone services at locks and dams for navigation, flood control, and related water uses provided that not more than $30,000 shall be expended for telephone service in any one fiscal year.

Section 204 authorizes new projects and increases the monetary authorizations under existing comprehensive basin plans previously authorized by Congress and included the basins, as I have heretofore stated, all of which are named.

Section 205 authorizes preliminary examinations and surveys of the items mentioned. Like the comparable section in the River and Harbor Act, it is of more interest to Members of Congress than any other section.

Section 206 authorizes an emergency fund of $15,000,000. This authorization will prevent the necessity for annual authorizations for emergency funds.

Section 207 authorizes representatives of the Corps of Engineers to attend international engineering or scientific conferences at an expense of not more than $25,000 annually.

Section 208 authorizes the Chief of Engineers to construct emergency flood-control works by increasing the amount of the works from $100,000 to $150,000 without previous congressional authorization, for small projects.

Section 209 authorizes $10,000,000 for preliminary examinations and surveys by the Department of the Army and the Department of Agriculture, the amount to be equally divided.

Section 210 provides that additional employees with respect to flood-control works may be hired notwithstanding the Federal Employees Pay Act of 1945 where they are needed in expanding works for flood control and rivers and harbors programs. This section entitled "Flood Control" is identical with section 104 entitled "Rivers and Harbors."

Section 211 authorizes the sum of $200,000,000 for the prosecution of reclamation works by the Bureau of Reclamation in the Missouri River Basin, as provided by the act of December 22, 1944.

Section 212 authorizes an increase in the cost of the soil-conservation project on the watershed of the Santa Ynez River, Calif., to be performed by the Department of Agriculture in the sum of $1,158,500, original authority in the act of December 22, 1944.

Section 213 increases the previous authorizations for the Department of Agriculture to carry on the soil-conservation works under the act of December 22, 1944. There remains unappropriated approximately one-half of the total $36,000,000 previously authorized in previous flood-control acts. This amount is needed by the Department of Agriculture to carry on soil-conservation works in the upper stretches of streams and along the tributaries of streams to supplement flood-control works downstream.

Section 214 provides that title II may be cited as the Flood Control Act of 1949.

BUILDING AMERICA

We are interested in the rehabilitation of other people and of other countries, but we are supremely interested in building America. When we improve our rivers and harbors, when we protect the lives and property of our people from overflows, we are building America.

Mr. CARROLL. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. CARROLL. I compliment the chairman of the committee on a splendid presentation, and I commend you for the fine work you have done. There are one or two points that I would like to ask about which bother me some. As I heard the discussion under the rule a question arose in my mind as to what was reimbursable. Would the gentleman be so kind as to explain what is nonreimbursable and what is reimbursable, because I have a question following that.

Mr. WHITTINGTON. Ordinarily the projects, both river and harbor and flood control, produce benefits which exceed in value the total annual costs. In addition, power projects are required by law to produce revenues to the United States at least equal to the annual cost of the power features.

Mr. CARROLL. That is what I was leading up to. I note there is about $900,000,000 for flood control.

What portion of that is reimbursable?

Mr. WHITTINGTON. From the very beginning, as required by law, the local interests make their contribution. They make their contribution to the river and harbor projects. They provide for the spoil-disposal areas and rights of way. They provide for maintaining local flood protection projects. Oftentimes they are required to make cash contribution for construction. Multiple purpose projects produce power revenues which are deposited in the Treasury of the United States.

Mr. CARROLL. Let us assume that under this flood-control project it is reimbursable by virtue of the sale of electricity. What agency of the Government has jurisdiction under this bill?

Mr. WHITTINGTON. Under the Flood Control Act of 1944, section 6, it is provided that the Secretary of the Interior has jurisdiction over the sale of all power developed by projects of the Corps of Engineers.

Mr. CARROLL. Just as he would in any other reclamation project?

Mr. WHITTINGTON. The provisions are much more stringent with respect to power revenues for flood control and rivers and harbors than they are in reclamation, but the same agency, the Secretary of the Interior, collects.

Mr. CARROLL. Then this further question—and I will not bother the chairman anymore.

Mr. WHITTINGTON. You are not bothering me. I am sorry we do not have more time.

Mr. CARROLL. I am wondering, when the Federal Government is spending almost a billion dollars on flood control, if there is something in this act with which we are now familiar that permits the spending of a billion dollars of Federal money to build up a capital structure to enhance private power companies.

Mr. WHITTINGTON. No; I would say not so. On the contrary, I would say that under the very act to which I referred, the priorities for the disposal of power generated at dams constructed by the Corps of Engineers favor public bodies—States, municipalities, cooperative organizations, and the Rural Electrification Administration. They have first demand on the power. Moreover, when you go to build a dam for flood control, and you build that dam 200 miles above the city in which you live, and you pass through two or three States, it is practically impossible to pro rate among those States the amount of the local contribution. So that in 1938, after one of the most exhaustive debates that ever occurred on this floor, it was determined during the administration of President Roosevelt, and under his leadership, that in the construction of dams for the generation of power, the Federal Government in the first instance would provide the funds.

Mr. CARROLL. Would you say, then, that the intent of the committee, as we appropriate for these purposes for flood control and the building of power dams which are to liquidate themselves, that is, which are reimbursable, is not to give power to those agencies of which you have spoken, and the people, at low cost?

Mr. WHITTINGTON. I do not think that my tongue is given to flattery, but if it had not been for the dams authorized in the TVA, if it had not been for the power generated at Grand Coulee and Bonneville, I hesitate to think what would have been our fate in World War II when we depended upon that electricity for the development of aluminum in this country for the building of airplanes.

The CHAIRMAN. The time of the gentleman from Mississippi has again expired.

Mr. WHITTINGTON. I yield myself one more minute, Mr. Chairman.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. WHITE of Idaho. I desire to compliment the gentleman.

Mr. WHITTINGTON. I thank you, but what is the question?

Mr. WHITE of Idaho. And to tell the gentleman that I am for his bill, except in a few instances.

Mr. WHITTINGTON. Certainly.

Mr. WHITE of Idaho. But I want to remind the gentleman of his short memory when he said that there was no power representatives who appeared for this bill. I refer him to page 651 of the hearings, and to the statement of Kinsey M. Robinson, one of the smoothest and slickest power men in the world.

Mr. WHITTINGTON. I repeat my statement in answer to your question, I do not know who quoted him.

Mr. WHITE of Idaho. He was here before your committee.

Mr. WHITTINGTON. I stated I did not recall a single advocate of a power company who identified himself as such, unless he was speaking for the public, who appeared before us in advocacy of any of these power projects, unless it was in the Columbia Basin, where public utilities said they are satisfied with handling of power by the Bonneville Power Administration.

The CHAIRMAN. The time of the gentleman from Mississippi has again expired.

Mr. DONDERO. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I would, indeed, be untrue to my feeling and sentiment if I did not say at this juncture that this House does not have a Member more diligent, more able, and more meticulous in the discharge of his duty than my warm and able friend, the gentleman from Mississippi, the distinguished chairman of the Public Works Committee [Mr. WHITTINGTON]. There is not a line in this bill, not a line in the report, that the chairman of this committee has not gone over personally to see to it that it was correct and accurate in every way.

There are two items that were overlooked in my first 5 minutes discussing this subject under the rule.

Mr. WHITE of California. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield.

Mr. WHITE of California. Let me say that I share the admiration the gentleman from Michigan has for the gentleman from Mississippi, and I might say the same thing about the gentleman from Michigan. There is just one thing that puzzles me: If the Corps of Engineers is the great, wonderful organization which the gentleman from Mississippi says it is, why did the Hoover Commission recommend its consolidation—not its coordination, as the gentleman from Illinois said, but its consolidation—with the Bureau of Reclamation? The Hoover Commission recommended the consolidation of those two agencies.

Mr. DONDERO. As I understand that recommendation, it recommended the transfer from one department, the War Department, to the Civil Functions Agency of the Government; that is all; it had nothing to do with the great work of the Corps of Engineers to the Nation.

I wish to say that like the gentleman from Illinois [Mr. SABATH], there is not one dollar in this bill that goes to my congressional district; nevertheless, I am for this bill because I believe that it is necessary for the welfare of the Nation.

For the benefit of a lot of new Members on this floor, let me give an example of how cheap water transportation is in this country, and especially on the Great Lakes. This illustration has been used in years gone by: A ton of coal put on board a ship at Buffalo, N. Y., can be transported by water to Duluth, Minn., a distance of 1,000 miles, at the same cost you would have to pay to move that same ton of coal from the curb to your cellar window. There is nothing like it in all of the world; cheapness of water transportation means a great deal to the people of the United States. There has been some discussion here this morning about sectionalism, but let me call attention to the fact that this bill carries projects covering 26 States of the Union for rivers and harbors, and the flood-control projects cover 24 States; so that it affects and covers the United States quite generally.

I want to say a word about power. Many of the older Members know my position on the question of public power. I am for developing whatever power we have in the river basins of the United States. I think we must do that to meet the increase in demand for power in this country. I am, however, opposed to the policy which competes with and destroys private investment in the power field.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. DONDERO. Mr. Chairman, I yield 8 minutes to the gentleman from Oregon [Mr. ANGELL].

Mr. ANGELL. Mr. Chairman, I have served on the Public Works Committee and its predecessor, the Rivers and Harbors Committee, during all of my service in the Congress, some 11 years. As you know, I rarely take the floor, but when there is a matter of great importance, particularly something that has to do with my own district or of national importance, I do take the liberty of addressing the House.

I am deeply interested in this bill by reason of the fact that I have not only served on the committee during all of that time, but I have attended practically every session of the committee which considered these projects. The committee has been laboriously working on the projects since the Congress convened in January of this year.

I want to add in passing a word of commendation of our chairman. I doubt if there is a Member of this House, chairman of a committee, who is more studious, more devoted to his duty, more careful in the consideration of the projects coming before the committee than is the gentleman from Mississippi [Mr. WHITTINGTON]. At the same time he always exercises great tolerance toward members of his own committee, he is always fair, and he is very careful to see that

each one has an opportunity to be heard. I believe it is due my chairman to make that statement of him.

It has been said this is a large bill, and it is a large bill. It involves over a billion dollars, but it does not appropriate a single dime. It is simply an authorization bill. It covers projects and programs for some 3 years.

During my service on that committee we have been almost continuously engaged in war or in trying to recover from war. During that time we have laid aside these great projects in our country which otherwise would have required consideration.

If we do not develop the natural resources of our own country, if we do not take advantage of the great deposits of minerals in our land and these great rivers, from which we develop hydroelectric power and transportation, how will we maintain our first-rank position in the nations of the world? How will we provide for the commitments we have already made overseas—over $30,000,000,000 since the war ended? As the gentleman from New York called to our attention a few moments ago, we have already authorized or appropriated some eight, ten, or fifteen billion dollars in this session, most of it to be sent overseas. Not one single dollar comes back to America, yet it is taken out of the pockets of the American taxpayers.

The American taxpayer is interested in his own community also. If he is going to provide the money to be sent overseas, not only the cash and credits but also material and products from his labor, he certainly must provide for himself at home so that he can produce the things we send overseas.

The greatest asset in this country consists of our water resources. The great arid areas of California, Wyoming, Colorado, and the other Western States can utilize that immense volume of water that is going to waste from the Mississippi, the Ohio, and the Columbia. The production of those areas would not only be doubled but would be quadrupled every year if they had the benefit of waste water.

Mr. Chairman, the purpose of this bill is to conserve and bring into utilization this water. First of all, to conserve, then develop and to bring into utilization the great water resources of this country, the Ohio, the Mississippi, the Columbia and other great rivers of the country. At the same time we provide against devastating floods and the wastage of life and property. This applies not only to the rivers but to the great ports and harbors where the water traffic of this country must necessarily put in if we are going to carry on the great work of our Nation.

During the war we were the greatest producer of the foods, material, and munitions of war necessary for the prosecution of the war, and they were obtained, of course, from our countryside; they came from the farms; they came from along these great river bottoms and these great river basins provided not only for transportation on these rivers, but also the providing of water for agricultural and industrial uses and for hydroelectric power, which were the means of accomplishing that production which really won the war. Without it we would not have won the war.

In my own area alone, in the Columbia River Basin, over one-third of the aluminum was produced that went into the airplanes and the ships and other instruments of war for World War II. You know, it is said that we won the war in the air, and without the aluminum we would not have had the airplanes and without the aluminum we would not have won the war. One-third of it came from this great Columbia River waterway by reason of the fact that we had the electric power there to produce the aluminum to go into these airplanes. One-third of the power produced in Grand Coulee and Bonneville goes to these aluminum works; one-third of the power goes to them alone.

Not only that, but in that area we have the great Hanford atomic plant. We only have two or three of them in the United States. We have them located where power is available. We cannot say too much about this great plant, because it is yet highly secret. But I can say this, that it uses a large volume of hydroelectric power, and it is using more and more every day. That power comes from this great resource.

So I say, my friends, that unless we here in America utilize our own natural resources, and put some money into the development of our own great waterways, we certainly will not be able to carry out our commitments overseas, whatever you may believe about them. It is significant to call to your attention the great amount of hydroelectric power on the Columbia River which is going to waste, which is equivalent to 100,000,000 tons of coal a year.

In other words, there is flowing down the Columbia River into the sea water power—if developed—which would provide 100,000,000 tons of coal a year. We have practically not a ton of coal in that vast area. In addition to that, the hydroelectric power developed on the Columbia River is equivalent, in oil, to 540,000,000 barrels a year. While we have very few deposits of coal and oil we do have this great resource, this great waterway, the Columbia River, with its hidden power within it, which contains over 40 percent, perhaps nearer 50 percent, of the potential hydroelectric power in the United States.

What I am saying with reference to the Columbia River applies equally to all of these other great waterways so far as power is concerned. We offer now a bill providing only an authorization for this money—and when the money is eventually appropriated you will have another chance to vote upon it—a sound investment which will bring back to the American people much more in dollars and cents than we ever put into it. You may recall the great Columbia River flood only last year in which over $100,000,000 worth of property was destroyed and many, many lives lost. One town alone, the little town of Vanport, constructed by the Government, occupied almost completely by veterans, was entirely destroyed. It had a population of 19,000 people. Not a single one of those houses has been replaced.

So I say, gentlemen, we are only investing our money in a sound investment where we provide for these appropriations in this authorization bill.

Mr. Chairman, as a member of the Public Works Committee, I heartily endorse H. R. 5472 and urge its enactment without amendment except committee amendments which have been agreed upon by the committee. The bill has the unanimous support of the committee.

I have served upon this committee and the Rivers and Harbors Committee, which was consolidated with the Public Works Committee under the Reorganization Act, since coming to Congress some 11 years ago. I may say in passing that long before my service here I was closely associated with rivers and harbors and flood-control projects in the Northwest. I took part in public surveys of many of these projects situated in the States of Washington, Oregon, Idaho, and Montana, and during that service had an opportunity to see and to evaluate these developments of our natural resources on most of the rivers and harbors in that entire area.

As you may know, the Public Works Committee has not approved and included in this bill a single project that was not first approved and reported to the Congress by the Corps of Army Engineers and the Chief of Engineers. After submission of each project to the committee exhaustive hearings were held and opportunity was given to all proponents and opponents of the project to appear before the committee and to offer testimony. The committee has held hearings almost continuously from the time Congress convened in January until the bill was reported on July 6, 1949.

Every project covered by this bill was initiated by the committees of the Congress. The Corps of Army Engineers does not on its own initiative begin preliminary or other examination of projects for rivers and harbors and flood control. They are initiated by a resolution originally passed by the Congress and if any further reviews thereafter are required they must be authorized by resolution of the Public Works Committee of either the House or the Senate.

As chairman of the River and Harbors Subcommittee of the Public Works Committee in the Eightieth Congress, I invited Lt. Gen. R. A. Wheeler, Chief of Engineers of the War Department, to present to the committee a report on the operations of Army engineers in the handling of river and harbor projects, and in summarizing his statement General Wheeler advised the committee that all civil-works activities of the Corps of Engineers are carried out in accordance with specific directives of Congress. In the development of a river and harbor project, there are three principal stages, each of which requires the specific authorization of Congress, namely:

(a) Field survey and development of general plans, authorized in the form of a preliminary examination and survey in a river and harbor act.

(b) Authorization of the project in a subsequent river and harbor act based upon recommendations in reports submitted to Congress upon completion of stage (a) above.

(c) Appropriation of funds with which to undertake construction and maintenance of the completed work is contained in the annual War Department Civil Appropriations Acts subsequent to authorization, stage (b) above.

The prosecution of a project from its inception, when it is first advocated by local interests, to including its completion, operation, and maintenance, is carried out in close cooperation with all Federal, State, and local interests concerned.

No project is recommended for construction unless the average annual benefits to accrue therefrom are determined, after careful and thorough study, to be greater than the average annual charges for construction, amortization, and maintenance.

In general, local interests are required to participate in the project by contributing funds, providing adequate terminal and other shore facilities, furnishing necessary lands and releasing the United States from claims for damages that may result from the Federal work of improvement.

After authorization of a project, its construction is carried out as soon as may be consistent with budgetary limitations.

During the war no new rivers and harbors or flood-control projects were authorized or begun unless they were essential to the prosecution of the war. As a result the war not only slowed up but practically stopped all major public works which were not primarily essential for the prosecution of the war. Notwithstanding the war has been over for 4 years the urgent need for housing, particularly housing for veterans, has made it necessary to continue the ban against major programs for public-works construction, and we are not yet able to give the green light to many worthy projects which have been held in abeyance for years. Furthermore, the excessive costs of material and scarcity of efficient, trained workers, has further complicated the program. Unfortunately, the unsettled and grave conditions facing us in our attempt to bring order and peace out of chaos in the international picture has made uncertain any extensive program for much needed internal improvements. Since the war ended we have sent abroad over $30,000,000,000 in an endeavor to provide relief and help in the economic rehabilitation of the devastated, war-torn countries of the Old World. We are now embarking upon a new program which will entail a like amount in the next 5-year period under the Marshall plan and the rearmament of the Atlantic Pact nations. These enormous expenditures and commitments beyond our own domain presented heretofore almost unsurmountable hurdles to constructive long-range programs for internal improvements within our own country. However, I hold the belief that if we are to maintain the front-rank position we hold as the one great industrial Nation in the world upholding free enterprise, we must continue to give adequate support to the conservation, development, and full utilization of our own invaluable natural resources. Unless we are strong at home we must be weak in foreign aid. Our first consideration, therefore, should be to maintain our own sound financial structure, utilize our natural resources, build up adequate reserves and stock piles and protect our own national interests so that we may be able to fulfill our part as a strong, freedom-loving Nation in the family of nations.

Mr. Chairman, the time has now come, however, when we must take stock of our own resources and begin a program of tapering off in the huge Federal expenditures outside our own country for which no returns come back to the United States. To carry out our commitments already made abroad and to maintain a sound economy at home we must provide for the conservation, improvement, and full utilization of our natural resources, including our great water resources, which this bill seeks to do. As emphasized by the committee report, this bill is an important step in the national programs for the development and improvement of rivers and harbors and the protection against the ravages of floodwaters. It is the first major bill for that purpose since 1946.

Our committee gave notice last year on its failure to report an omnibus bill that comprehensive river basin plans for rivers and harbors and flood control would be taken up at this session of the Congress.

It should not be overlooked that this bill is an authorization only and that it covers essential public-works programs for the next 3 years and tides over the gap caused by cessation of public-works activities during the war and in the postwar period. While the total authorizations carried in the bill are in excess of a billion dollars, it should be clearly understood that the major portion of this authorization is for the continuation of existing projects now under construction or now authorized and it carries only $119,539,975 in new work for rivers and harbors construction and $209,060,200 for new flood-control projects. The overall authorization in the bill is $1,114,539,975. The combined bills for rivers and harbors and flood control in 1944–45 aggregated $1,331,968,000 and the 1946 authorizations totaled $1,293,295,000. The Engineering News Record cost index discloses that the projects in the comparable omnibus bills for 1944, 1945, and 1946 would require a monetary authorization in excess of $2,000,000,000 under today's costs of approximately twice that of the present bill reported by the committee to cover a 3-year program. The bill is not out of line or excessive in cost. In fact it carries lower authorizations than like bills in past years.

As the committee pointed out in its report, these public-works programs for the improvement of rivers and harbors and for additional protection against the ravages of floodwaters, contribute materially toward the economic well-being of the Nation and in addition provide a backlog of authorized projects which constitute an important reserve of public works which can be put under construction on short notice to provide additional employment in the event that the present trend of unemployment continues. This backlog of authorized projects is made up of items of work located throughout the United States, all of which have been given a careful engineering investigation and a review by this committee. As a consequence any project in this bill will contribute materially to the economic welfare of the United States, in addition to creating additional employment in times of need, and constitutes a prudent investment of Federal funds in a permanent improvement known to be sound from an engineering standpoint.

As shown by the committee report on page 3, as a result of the Federal navigation development program over the past 125 years, we now have some 1,300 authorized river and harbor projects in the United States, Puerto Rico, Alaska, and the Hawaiian Islands. They provide 28,000 miles of improved waterways, 490 locks and dams, and 270 harbors. This vast coastal, Great Lakes, and inland waterway network is without peer in the world. About $1,500,000,000 have been appropriated for expenditure on this construction to date. Remaining authorized work to be completed includes 316 individual projects involving an estimated construction cost based upon 1948 prices of about $2,000,000,000.

The committee is impressed with the continually expanding American waterborne traffic. An all-time record total of 760,000,000 tons was reached in 1947 which is an increase of over 100,000,000 tons above the previous record total in 1941 and more than double the total tonnage of 15 years ago. Foreign and coastwise traffic reached a record total of 310,000,000 tons in 1947 as compared with the 10-year prewar average of 204,000,000 tons. Inland waterway traffic aggregated 31,500,000,000 ton-miles in the same year, which is 9,000,000,000 ton-miles above the prewar record. Shipping on the great lakes in 1947 increased to 112,000,000,000 ton-miles.

Navigation facilities in our rivers and harbors cannot remain static if we are to progress industrially. With our expanding economy and larger and deeper draft vessels and with increased speed, rivers and harbor developments are required to keep pace with these changes. It has been demonstrated by actual experience that the moneys expended for flood control and the prevention of flood damage are returned manyfold to the Government and to local communities in the savings from the loss of property by devastation and the heavy loss of life from these major disasters which from time to time overtake our heavily populated communities in river basins.

Notwithstanding the charges that are sometimes made that the river and harbor and flood control omnibus bills are pork-barrel measures, I want to say that as a member of this important committee, we have without exception refused to yield to partisan considerations and have considered every project on its own merits and the committee has required that every project be justified not only economicially but as a necessary development in the maintenance of a sound national economy. The projects included in the bill extend to every section of the country and each project has

been considered by the committee as being necessary from national considerations as well as local, for the preservation of our national assets and for the full utilization thereof and for the protection of the general public against unnecessary loss from flood damage or other disasters.

In addition to the authorizations in the bill for rivers and harbors and flood control projects coming under the jurisdiction of the Public Works Committee there are some authorizations which, through practice and custom have been included in the omnibus bill from the Public Works Committee, namely in section 211 of the bill, $200,000,000 is authorized for the prosecution of the comprehensive plan adopted by section 9a of the act approved December 22, 1944—Public, No. 534, Seventy-eighth Congress—for continuing works in the Missouri River Basin to be undertaken under said plans by the Secretary of the Interior. The Secretary of the Interior justified before the committee this authorization and it was, therefore, included in this bill. Likewise, there is an authorization in section 213 of $19,000,000 to be appropriated for expenditure by the Department of Agriculture for the prosecution of the works of improvement authorized to be carried out by that Department by the Flood Control Act of November 22, 1944, as amended. This, likewise, was justified by the Secretary of Agriculture.

Mr. Chairman, H. R. 5472, reported out by the Public Works Committee, is the combined omnibus bill for rivers and harbors and flood control for the year 1949. While Nation-wide in scope, it is of great interest to the State of Oregon, a portion of which I have the honor to represent, and to the entire Northwest. The committee has recommended a number of projects which are vital to the welfare and the economy of this great area. These have to do particularly with the development of the Willamette River Basin and the Columbia River Basin and the preservation of the natural resources of the extensive area contained in these river basins, and the development of hydroelectric power, prevention of floods, and utilization of the rivers for navigation as well as reclamation and industrial development.

The need for these developments is of an emergency nature as a result of the hydroelectric power shortage and of the disastrous flood which took place in the Columbia River area in 1948. You will recall that this flood was one of the major disasters which devastated our country in 1948 and resulted in damages aggregating over a hundred million dollars with the loss of many lives. The President asked the Corps of Army Engineers to make a special survey and examination of the area and report what protective works should be constructed to prevent a like disaster in the future and to provide so far as possible against flood hazards. The Army engineers made this examination and the projects included in H. R. 5472 for the Willamette River and the Columbia River area are recommendations by the Corps of Army Engineers for emergency projects to prevent so far as possible in a short-range program the recurrence of such a disaster. These projects are so vital to protect against flood damage and are of such emergency nature that it would be unfortunate if they were not authorized at this session of Congress. As a matter of fact, I urge supplemental or deficiency appropriations be provided for them before we adjourn so that they may be completed before another flood season arrives, otherwise there will be a year's delay before construction can begin.

The Mayor's Citizens Committee on Flood Control Planning of Portland, Oreg., after an extensive study and examination of the problem of flood prevention, in its summary statement said:

It is estimated that the backwater of the Willamette River in the 1948 flood inundated 5,000 acres in the Portland area and caused a damage to property in the amount of $10,275,000. This figure does not include the damage done to the neighboring community of Vanport. This housing project was completely destroyed with attendant loss of life, destruction of buildings, and loss of furniture and personal belongings.

It is the feeling of this committee that adequate protection of the Portland area can only be accomplished by three main coordinated programs.

(a) Completion of the Willamette Valley project in Oregon.

(b) Completion of an over-all flood-control system on the upper Columbia by the construction of multipurpose projects.

(c) Construction of an adequate system of local flood-protective works in the Portland harbor and at critical points on the main stem of the lower Columbia River.

This committee also called attention to the fact that the annual average flood damages on the east and west sides of downtown Portland are $820,000 and $960,000, respectively. While the Columbia River does not reach the corporate limits of the city of Portland, it has on many occasions caused extensive flood damage in the downtown and waterfront area by reason of the backwater on the Willamette River, which bisects the city. In the 1948 flood 5,000 acres in the Portland area were inundated, causing an estimated damage of $10,275,000, to which I have called attention.

There is one project included in the bill which is of utmost importance to relieve the critical power shortage. I refer to the Albeni Falls project, which is needed to meet this great emergency, and is the most available project for construction in the shortest possible time to provide for additional generating facilities for hydroelectric power. I introduced H. R. 4314 on April 25, 1949, to provide for its constrction.

Authorization of the Albeni Falls project is sought now in order that its benefits will be available in the most critical power shortage year that is facing the Pacific Northwest.

Many words have been spoken regarding the power shortage. Further dissertation on the evils accruing from such a situation is not necessary. They are known to everyone. However, a review of the power situation as it now appears will help in understanding the importance to the region of the project now under discussion.

The essential needs of the region during the winter period of 1948–49 were met only by severe curtailment to power customers. The curtailment necessary was in excess of 200,000 kilowatts as was pointed out in the February 16, 1949, report of the Pacific Northwest Utilities Conference Committee representing the utility operators of the region. The statement goes on to point out, that despite this curtailment, the demands so far exceeded the capacity of equipment it was impossible to maintain frequencies and voltages during the peak periods in January 1949. The statement further concludes that it is obvious this situation is not only going to continue in the Pacific Northwest, but is going to become worse in succeeding years.

This view is in line with the estimates of the agencies of the Federal Government who are responsible for the generation and transmission of power in the area and for the planning and construction of future projects. The problem will not be solved in its entirety until further major Federal projects in the region can be brought into operation. It is therefore imperative that the present schedules of construction of Federal projects be maintained, and accelerated wherever possible.

The most critical period facing the region will be the winter of 1951–52. Curtailment of power necessary during that period may be in the order of three times the curtailment necessary in the past year. Should low-water conditions prevail during that period, it is estimated that only about 70 percent of power requirements can be served. It is hard to estimate the magnitude of the damage to the region that will result from such drastic curtailment.

One project that can be brought into operation in a comparatively short time is the Albeni Falls project. The Corps of Engineers of the Department of the Army, have advised that if this project is immediately authorized, and an adequate appropriation made available, the project can be brought into operation in 1951 in time to help in alleviating the shortage during that most critical period.

The importance of this project lies in the water storage that will increase the capabilities of the major projects on the main stem of the Columbia River. During the year of initial operation this plant will add approximately 80,000 kilowatts to the firm power capabilities of the Grand Coulee and Bonneville plants and these benefits increase materially as other projects are brought into operation. The total down-stream benefits from this project, when integrated with others, existing and yet to be built, are conservatively estimated to be about 260,000 kilowatts and together with the firm power generation at the Albeni Falls project increase the total benefits from this project to nearly 300,000 kilowatts.

Another aspect of the situation should not be overlooked. While stress has been particularly laid on the immediate need of this project to alleviate the effects of the severe power shortage, it is not a stopgap proposition that is being rushed to an extent that will mean an eventual waste of money. The planning for it is on a sound basis that will make the project a paying proposition for the Government; a sound investment that will yield adequate returns for the money

invested. It is financially feasible in all respects. Besides the returns that will accrue in power benefits, there will be other returns to the region in flood control, improvement in navigation and in the recreational prospects of the area.

Along this same line, another factor justifying early completion of the project, is the revenue that will accrue from the project by reason of its availability when power is so badly needed. Power requirements not served means money lost beyond recovery. This loss is secondary to the loss to the region by reason of the nonavailability of power, but it is a point worthy of some consideration.

Authorization of this project should not be delayed and I most strongly urge that a sufficient appropriation be provided at this session of the Congress to enable an early start of its construction.

I want particularly to direct attention to the following projects in the Northwest in which we are especially interested. The projects are described in the committee report, pages 78 to 80, inclusive, and pages 124 to 139 inclusive, from which I quit in order to give a brief outline of the projects, their objectives, and the costs involved.

WESTPORT SLOUGH, OREGON

(H. Doc. 134, 81st, Cong., 1st sess.)

Location: Westport slough, Oregon, is a winding tidal stream, 10 miles in length, entering the Columbia River from the south 43 miles above the mouth and 70 miles below Portland.

Report authorized by: Review resolution adopted by the Committee on Rivers and Harbors, October 2, 1946.

Existing project: Provides for a channel 28 feet deep and generally 200 feet wide, extending from deep water in the Columbia River to a point immediately downstream from the Shepard & Morse Lumber Co.'s wharf, a distance of approximately 3,500 feet. The cost to June 30, 1946, of the existing project was $16,276 for new work and $20,159 for maintenance, a total of $36,435. The latest approved estimate of annual cost of maintenance is $5,000.

Plan of recommended modification of existing project: The modification of the existing project at Westport Slough, Oreg., extending from deep water in the Columbia River to a point about 150 feet downstream from the mill wharf in Westport, to provide for a channel 32 feet deep at low water, 300 feet wide in the entrance, and to about the midpoint of its length, and generally 250 feet wide in the upper 1,800 feet.

Estimated cost to United States: $112,000.

Local cooperation: The modification of the existing project is recommended provided that local interests give assurances satisfactory to the Secretary of the Army that they will (1) provide without cost to the United States all lands, easements, rights-of-way, and spoil-disposal areas, including necessary bulkheads, for the construction and subsequent maintenance of the project, when and as required; (2) hold and save the United States free from damages due to the construction works and subsequent maintenance; and (3) provide and maintain, at their own expense, a channel 32 feet deep and 200 feet wide from the upstream terminus of the existing project to the upper end of the mill dock, an additional distance of approximately 1,300 feet. The cost to local interests for dredging is estimated at $31,500.

Annual cost of maintenance to United States: $8,400 in addition to that now required.

Benefits: The annual benefits consist of a total saving of 234 hours in time of vessels now using the channel. This saving in time includes 72 hours waiting for favorable tide, 50 hours waiting for daylight, 12 hours for delays at entrance to Westport Slough, and 100 hours for running to other ports to complete loading of vessels. The average cost of delays is estimated at $83.50 per hour, giving a total annual benefit of $19,500. The benefit-cost ratio, based on annual benefits and costs of $19,500 and $16,230, respectively, is 1 : 2.

Remarks: The desired improvement would remove the existing hazards to navigation, eliminate the delays in waiting for favorable tides and for daylight operation, and save operating costs if the boats could load to full draft at Westport. The lumber company contemplates continuous operation of their facilities which require adequate depth and width of the channel for shipment of lumber by water in the deeper-draft vessels now in use. The increased channel width is also required to provide for the safer handling of these vessels. The improvement is necessary for the safety and convenience of long-established navigation and is justified by the anticipated benefits.

COLUMBIA SLOUGH, OREGON

(In accordance with report of the Chief of Engineers, dated December 28, 1948)

(H. Doc. 270, 81st Cong., 1st sess.)

Location: Columbia slough, Oregon, is located in and adjacent to the city of Portland, Oreg., and is a tributary of Willamette River in the Columbia River Basin. Columbia slough flows northwest and enters Willamette River about 2 miles below the city.

Report authorized: By River and Harbor Act approved March 2, 1945.

Existing project: There is no existing Federal navigation project for Columbia slough. However, under general provisions of the River and Harbor Act of July 25, 1912, as amended, and of the River and Harbor Act approved March 2, 1945, about $21,074 has been expended in removal of obstructions from the slough.

Plan of recommended improvement: (1) Improvement of Columbia slough, Oregon, to provide a suitably alined channel 10 feet deep and generally 100 feet wide between the mouth and Union Avenue, Portland, Oreg., with two turning basins of equal depth 1,000 feet long and 200 feet wide, including the width of the 100-foot channel, one below Union Avenue, and one below Denver Avenue; and (2) that such alteration of the Union Pacific Railroad bridge, which crosses Columbia slough, Oregon, 5.1 miles above Willamette River as the Secretary of the Army may find necessary, be accomplished under the provisions of the act of Congress of June 21, 1940 (54 Stat. 497), except that the cost to be apportioned between the United States and the bridge owner in accordance with the provisions of that act shall be limited to the cost which would be required for necessary alteration of the bridge if it now conformed to the plans for the bridge approved by the Secretary of the Army on December 23, 1908, and any additional cost for altering the existing bridge shall be borne by the bridge owner.

Estimated cost to United States: $807,500.

Local cooperation: The improvement is recommended provided local interests agree to (a) furnish, free of cost to the United States, all lands, easements, rights-of-way, and spoil-disposal areas for the new work and for subsequent maintenance, when and as required (b) provide, maintain, and operate adequate terminal and transfer facilities along the slough, and (c) hold and save the United States free from all damages resulting from construction and maintenance of the improvements. Local interests are to participate in the cost of the alteration of the Union Pacific Railroad bridge. The first cost to local interests are estimated at $5,600 for rights-of-way and $216,000 for alteration of Union Pacific Railroad bridge.

Annual cost of maintenance to United States: $14,500.

Benefits: The annual benefits of the proposed improvement are evaluated at $78,800, consisting of $72,300 for savings in transportation costs on 341,700 tons of rafted logs and 71,400 tons of miscellaneous commodities moved in vessels, and $6,500 for the resulting stimulation of industry and other indirect benefits. The computed benefit-cost ratio is 1.41.

Remarks: The population of the metropolitan area of Portland was about 406,400 in 1940. The city has many industries and is an important transshipment point for rail, highway, and water transportation. Practically all the industries in the northern section of the city and vicinity are adjacent to Columbia slough and situated in general on its south bank in the 3-mile section extending from Union Avenue downstream to North Portland Road. There are 11 industories in this section which are existing or potential users of Columbia slough for transportation. These include lumber and shingle mills, other woodworking establishments, and plants manufacturing concrete and wood pipe, carbide, and stone products.

WILLAMETTE RIVER BASIN

Location: The Willamette River is formed by the coast and middle forks which join a few miles above Eugene, Oreg. The river then flows north 189 miles to enter the Columbia River 99 miles above its mouth. The Willamette Basin lies between the Cascade Range on the east and the Coast Range on the west. The mountainous areas, which comprise a large part of the basin, are characteristically rugged and generally covered by forests. The valley floor proper is a broad alluvial plain through which the main stream and the lower sections of its tributaries flow in winding courses. The basin has a drainage area of 11,200 square miles. The population in 1940 was approximately 650,000 engaged in farming and forestry and the processing of those products. The estimated population of the basin in 1945 was 943,000. The farm lands in the valley are very fertile and are intensely cultivated.

Johnson Creek drains an area of about 54 square miles in Multnomah and Clackamas Counties, and joins the Willamette River at Milwaukie, Oreg., just upstream from Portland. The creek channel is meandering, and its capacity is seriously impaired by brush and debris. Considerable flood damages occur in the highly developed and populous flood plain below mile 10.3 and especially in the vicinity of Lents Junction east of Eighty-second Street in Portland. A second and comparatively minor flood area lies in and near Gresham, Oreg.

Portland, Oreg., is located at the confluence of and between the Willamette and the Columbia Rivers. The population of Portland, which is partly in the Willamette River Basin, increased from about 305,000 in 1940 to about 405,000 in 1943. The 1948 Columbia River flood inundated an area in Portland equivalent to approximately 700 city blocks.

Floods in the basin ordinarily may be expected from November through April and major floods usually occur between late November and early February. Practically every year the river overflows its banks and causes damages to improvements, lands, and crops, and disruption of highway traffic. The greatest known floods on the Willamette River Basin occurred in 1861 and 1890 with other large floods in 1927, 1943, and 1945. Run-off in May-June 1948 from the Willamette River Basin was not abnormally

high, but backwater from the Columbia River reached as far as Willamette Falls. Recurrence of the 1861 flood, based on 1947 economic developments and 1948 price levels, would cause estimated damages of about $44,500,000 in the Willamette River Basin, while recurrence of the 1927, 1943, and 1945 floods would cause damages of about $10,100,000, $13,000,000, and $13,400,000, respectively. Recurrence of the largest floods (1861 and 1890) would submerge the communities of Cottage Grove, Junction City, Harrisonburg, and West Salem to depths of 8 to 13 feet. At least 10 lives are known to have been lost in the 1943 flood on the basin and loss of life can be expected during any major floods. In 1945, operation of the completed Cottage Grove and Fern Ridge Reservoirs reduced actual damages by $1,200,000, representing approximately one-fifth of the total construction cost of these two projects. Average annual damages in the Willamette River Basin, for present prices and reasonably prospective developments, are estimated at $11,880,000, of which only about $620,000 are preventable by existing works.

Existing project and comprehensive plan: Congress authorized bank-protection works at several localities in the basin in the Flood Control Act of 1936. In the act of June 28, 1938, Congress approved the general comprehensive plan for flood control, navigation, and other purposes in the Willamette River Basin as set forth in House Document No. 544, Seventy-fifth Congress, third session, and authorized $11,300,000 for the initiation and partial accomplishment of that plan. The Flood Control Act of 1941 authorized an additional appropriation of $11,000,000 for the prosecution of this comprehensive plan. The Flood Control Act approved December 22, 1944, authorized an additional $20,000,000 for the continuation of the approved plan. The River and Harbor Act approved March 2, 1945, reauthorized the navigation features of the comprehensive plan consisting of the New Willamette Falls lock and open river navigation improvements as a river and harbor project. The Flood Control Act of 1946 authorized an additional $35,000,000 for continuation of work on the comprehensive plan, bringing the total authorizations to date up to $77,300,000. Under these authorizations, Congress has appropriated $41,088,000 to June 30, 1949.

With the authorization of funds provided thus far by Congress, the Corps of Engineers has completed most of the bank-protection works along the Willamette, McKenzie, Clackamas, Mollalla, and Santiam Rivers, and the Cottage Grove and Fern Ridge Reservoirs. Construction of Lookout Point Reservoir (Meridian site) on the Middle Fork of the Willamette River, Dorena Reservoir on the Row River, and Detroit on the North Santiam River is under way. The Flood Control Act approved June 30, 1948, modified the comprehensive plan to provide for the installation of hydroelectric power-generating facilities, including construction of a re-regulating dam, at Detroit Reservoir.

Items in the bill: The bill under consideration would authorize to be appropriated an additional $40,000,000 for the prosecution of the comprehensive plan authorized by the 1938 Flood Control Act, and would modify that plan to provide the following works, substantially in accordance with the report of the Board of Engineers for Rivers and Harbors dated February 21, 1949:

JOHNSON CREEK AND PORTLAND, OREG.

(a) Channel rectification and clearing of Johnson Creek from mile 15.26 to mile 14.27 in the Gresham area and from mile 10.3 downstream to the mouth at Milwaukie, Oreg.; and

(b) Flood-control works on both banks of the Willamette River to protect Portland, Oreg., consisting of about 4 miles of levees, 5 miles of flood walls, and appurtenant works.

Estimated cost to the United States for construction: The presently authorized comprehensive plan is estimated to cost $243,700,000. It is estimated that the Johnson Creek improvements would cost an additional $332,000 to the United States and the Portland, Oreg., works an additional $14,000,000.

Local cooperation: In connection with local protection improvements, including Johnson Creek and Portland, local interests are required to give the customary assurances covering lands, damages, highway, highway bridge, and utility alterations, and maintain and operate these improvements after completion.

Annual cost of maintenance to the United States: There will be no additional cost to the United States for maintenance of the proposed Johnson Creek and Portland projects.

Benefits: (a) Johnson Creek: The plan would alleviate overflow damages in the town of Gresham, improve drainage conditions on 210 acres on which 240 homes are located, in the city of Portland, and on 440 acres of contiguous suburban area. Average annual flood damages preventable are estimated at $64,600. Increased land use benefits are estimated at $3,100 annually. The total estimated annual benefits of $67,700 compare with estimated annual costs of $25,500, giving a ratio of benefits to costs of 2.65 to 1. (b) Portland area: The estimated average annual damages within the Portland area are $2,415,000, elimination of a large portion of which could be credited to the improvement. The estimated total annual charges are $1,105,000.

Use of additional monetary authorization: Present monetary authorizations to date total $77,300,000, compared with the estimated cost of $243,700,000 for the authorized comprehensive plan. The estimated cost of work completed or under way is $143,381,000, leaving a deficit in authorization for such work of $66,081,000. The proposed authorization for appropriation of $40,000,000 in the bill would be applied toward the completion of authorized projects now under construction.

Remarks: The committee recognizes the importance of carrying forward the authorized comprehensive flood-protection plan for the Willamette River Basin, and believes that the sum of $40,000,000 should be authorized at this time in order that this important work may be continued expeditiously. The committee also believes that the comprehensive plan of improvement for the Willamette River Basin, as approved by the Flood Control Act of June 28, 1938, should be modified to include the improvements of Johnson Creek at Portland and vicinity, Oregon, and on the Willamette River at Portland, substantially as recommended in the report dated February 21, 1949, by the Board of Engineers for Rivers and Harbors.

COLUMBIA RIVER BASIN

ALBENI FALLS DAM ON PEND OREILLE RIVER, IDAHO

(S. Doc. No. 9, 81st Cong., 1st sess.)

Location: Clark Fork of the Columbia River rises near Butte, Mont., and flows northwesterly about 350 miles to Pend Oreille Lake in northern Idaho. The lake has an area of about 83,500 acres and is the source of Pend Oreille River which leaves the lake approximately 25 miles west of the mouth of Clark Fork and 5 miles below Sandpoint, Idaho. From the lake Pend Oreille River flows west 25 miles to Albeni Falls. Pend Oreille River at Albeni Falls drains a mountainous area of 24,200 square miles. Population of the basin in 1940 was about 187,000. Forests cover about 80 percent of the Clark Fork-Pend Oreille Basin. Mining, farming, and lumbering are the principal occupations.

Report authorized by resolutions of the Committee on Commerce of the United States Senate adopted April 6, 1937, and September 24, 1943.

Existing project: The Department of the Army has no existing flood-control project in the Clark Fork-Pend Oreille Basin.

The Department of the Interior has under construction the Hungry Horse Reservoir in the Clark Fork Basin, which will have facilities for the development of hydroelectric power and large storage for multiple-purpose use.

Plan of recommended improvements: Provides for construction of a concrete gravity dam and hydroelectric plant at Albeni Falls. The reservoir will be about 67 miles long and at elevation 2,062.5 will have an area of 94,600 acres. A levee to protect Sandpoint is included in the work. The power plant at Albeni Falls would have a normal gross head of 22 feet and an installation of 3 units each with rated capacity of 14,200 kilowatts, a total of 42,600 kilowatts.

Estimated cost to the United States: $31,070,000.

Local cooperation: None required.

Annual cost of maintenance to the United States: $406,000.

Benefits: Annual benefits are estimated at $4,464,000 while the annual charges amount to $1,683,000 which provides a favorable benefit-cost ratio of 2.65.

Remarks: The committee is informed that inclusion of the Albeni Falls project as an element in the long-range, comprehensive development of Columbia River resources will provide storage regulations at a location effective through some 1,600 feet of existing and potential power head downstream in the United States, which, together with the power development at the site, will increase the regional power supply as now urgently needed. The project also will provide substantial navigation, recreation, conservation, and flood-control benefits which, like the bulk of the power benefits, stem from the development of storage and the attendant stabilization of Pend Oreille Lake levels through much of the year. The committee notes that the project is truly multiple-purpose in character and exemplifies the advantages to be gained throughout the region from the regulation of Columbia River stream flows. The committee has included language in the bill authorizing the construction of this project.

MODIFICATION OF PREVIOUSLY APPROVED PROJECTS

COLUMBIA RIVER LEVEES

General

Testimony presented during hearings on H. R. 5472 has convinced the committee that there is definite need at this time for the authorization of certain modifications of projects for levees and other protective works along the lower Columbia River originally authorized in the act of June 22, 1936, and for inclusion of bank-protection works and a few additional levees and other appurtenant works of an emergency nature.

The flood plain of the lower Columbia River, from the vicinities of Washougal and Sandy Rivers just upstream from Portland, to the mouth embraces about 170,000 acres, of which approximately 70,000 acres are unprotected against overflow. The degree of protection varies and in numerous instances is inadequate. A considerable portion of these areas is highly developed industrial, urban, and agricultural land, protection of which is definitely feasible and economical. The experience during the recent 1948 flood has demonstrated conclusively that the raising, strengthening, and extending of certain existing flood-control works are essential to provide protection against major floods, and that certain new areas should be protected by levees and necessary appurtenances.

The committee finds that as a result of the experience gained during the 1948 flood, a number of existing diking and drainage

districts are found to be in need of improvement. In addition, correction of bank erosion conditions along existing levees at various locations is necessary to prevent future levee failures. The committee feels that in view of the damage which would result if these areas were not protected, bank protection work is fully justified. The committee has also included new levee projects at a few locations to protect areas now vulnerable to serious flooding.

The committee has included the foregoing items in accordance with the report of the Board of Engineers for Rivers and Harbors, dated February 21, 1949, subject to the provisions of local cooperation stated in the bill which are customary in flood-control works of this nature. Further details on these projects are as follows:

(a) Bank protection works along the lower Columbia River: These works will correct erosion conditions at 66 locations through installation of approximately 125,000 lineal feet of stone revetment at a total estimated Federal cost of $4,900,000. There would be no cost to local interests for this work.

(b) Modifications of existing projects: The bill lists 26 locations at which previously approved levees and other works to protect diking and drainage districts are recommended for raising and strengthening. The total Federal cost is estimated at $14,722,000, and the total non-Federal cost at $1,875,000.

(c) New levees: Additional levees and appurtenant works are recommended at five localities at a total estimated Federal cost of $2,973,000 and non-Federal cost of $889,000. Additional details on these new projects are as follows:

(1) Washougal area: The Washougal area is situated at river mile 125.0 in the southeastern part of Clark County, Wash., and extends from Lawton Creek on the east to include a part of the town of Washougal. It is about 4½ miles long, averages three-quarters of a mile wide and generally lies about 30 feet above mean sea level. An area of 2,260 acres lies below the 40-foot contour. Steigewald Lake, which extends through the greater portion of the area, is long and narrow and has an area of 350 acres during periods of normal rainfall. A relatively small creek, Gibbons Creek, drains 4,500 acres of adjacent hill lands and enters the area. The flow from the creek increases the problem of draining the lake, but can be handled through automatic drainage gates.

The district has been a dairy center for over 30 years, and has several large dairies adjacent to the landward limits. Prune and filbert groves, which formerly occupied about 3 percent of the area, are now being removed. About 150 persons reside in the flood area. The Washougal Woolen Mill also is located in the area and has become an important factor in the economic life of the community.

A total of 5½ miles of levee, two large tide boxes, drainage ditches, and a pumping plant, at a total cost of $820,000 would be required to protect the entire area. Of this amount about $272,000 would be non-Federal costs. The protection proposed would encourage further industrial development of the town of Washougal and would allow a much higher agricultural development of the remainder of the area.

Local interests would furnish all lands, easements, and rights-of-way, make any necessary highway, highway bridge, and utility alterations, hold and save the United States free from damages, and maintain and operate the project, including the pumping plants, after completion.

(2) Hayden Island: Hayden Island, situated on the Oregon side of Columbia River at mile 105 opposite Vancouver, is separated from the Oregon mainland by North Portland Harbor. It is about 4 miles long and contains approximately 850 acres. A total of 292 acres of the eastern half of the island adjacent to United States Highway No. 99 has been developed by Hayden Island Amusement Co. In addition to the amusement park, 24 duplex houses containing 48 rental units, a supermarket, drug store, restaurant, riding academy, hunt club, and filling station are located on the island. The damage caused by the 1948 flood was slightly in excess of $110,000, exclusive of the loss of business during the flood. Protection of the east end of the island, which lies upstream from the Spokane, Portland & Seattle Railway, justifiably could be accomplished by provision of a 4-mile levee, an automatic drainage gate, and a small pumping plant. At a later date, if conditions justified, the levee system could be extended to protect the entire island. The cost of the initial project would be about $264,000 of which $198,000 would be Federal cost and $66,000 non-Federal cost.

Local interests would be required to assume the usual requirements of local cooperation consisting of furnishing lands, easements, and rights-of-way, making necessary highway, highway bridge, and utility alterations, holding and saving the United States free from damages, and maintaining and operating the works after completion.

(3) Vancouver Lake area: This area is located at river mile 100 and extends from the corporate limits of Vancouver, downstream along Columbia River for a distance of about 9 miles. The total area of the 1948 flood plain is about 10,000 acres, of which about 4,000 acres normally are inundated annually. The area is essentially suburban and includes orchards, subsistence farms, a large aluminum reduction plant, and a highway and railroad. Several large dairy farms supplying milk products to the city of Vancouver are located in the area. The land is extremely rich and protection from flooding combined with drainage of the low-lying areas would open large areas for truck gardening, and for additional industrial sites for Vancouver and vicinity. The population within this area increased greatly during the war years and, as long as the war housing units are occupied, this population will be threatened by major floods. The area is so extensive that it could support a suburban population equal to the present city of Vancouver.

Plans for protection of this area were proposed in 1920 and again in 1923 but opposition arose to prevent development. The most feasible plan under present conditions and probable future development would require the construction of a levee, about 2.8 miles in length, along the river front of the industrial area, possibly constructed with material excavated from the Columbia River ship channel; a levee about 7.7 miles in length, including 2,500 feet of floodwall, extending from the Aluminum Co. of America property downstream along the river 6.9 miles, thence northerly to a closure of Lake River; a diversion ditch to empty Salmon Creek into Lake River; tide boxes; a pumping plant in connection with the Lake River closure; and a pumping plant at the outlet of Shillapoo Lake.

The estimated cost of the above work would be $1,896,000, of which $1,462,000 would be Federal and $434,000 non-Federal cost. Local interests would be required to assume the usual requirements of local cooperation consisting of furnishing lands, easements, and rights-of-way making necessary highway, highway bridge and utility alterations, holding and saving the United States free from damages, and maintaining and operating the works, including the pumping plants, after completion.

(4) Kalama River (south area): This area is situated in the southern part of Cowlitz County, and extends along Columbia River from Kalama River on the north to and including the town of Kalama, Wash. The 1948 floodwaters inundated the main street of Kalama to a depth of from 2 to 4 feet. All business in the town was suspended for a 6-week period, and preliminary estimates indicate the damage to have been $350,000. This does not include the damage to the municipal dock, the railroad station, or to the fish-dock facilities which lie outside of the town which would be protected by levees. The total is about 610 acres, of which 520 acres would be protected. Construction of 3 miles of levee, a tide box, drainage ditches, and a pumping plant would be required. The estimated cost of this work would be $520,000 of which $420,000 would be Federal and $100,000 non-Federal cost. Protection to this area would enhance the value of all business property, create potential sites for small industries and expand the diversified farming area. With full protection, the fringe area on the north side of town probably would be fully developed.

Local interests would be required to assume the usual requirements of local cooperation consisting of furnishing lands, easements, and rights-of-way, making necessary highway, highway bridge, and utility alterations, holding and saving the United States free from damages and maintaining and operating the works after completion.

(5) Clatskanie River area: Clatskanie River flows through the town of Clatskanie to empty into Beaver slough. The river is navigable to the town of Clatskanie, and tidal effect extends to a point a short distance above the town. The river makes four very sharp bends within the town, and local interests have constructed bulkheads along the banks in order to prevent property damage. The main street and business establishments are located on a peninsula formed by an oxbow bend in the river, and the elevations of the stores range from 14 to 18 feet, mean sea level. During the flood of 1948 two blocks of the main street lying at a slightly lower elevation were flooded and traffic on Columbia River Highway was suspended. Annual floods, which occur many times during the rainy season, cause damage principally through bank erosion. The land areas so affected are too small to justify protection. Local citizens are desirous that some form of flood protection be provided for the town. Construction of 1,500 feet of timber bulkhead and 500 feet of 10-foot levee would be required to protect the town. The estimated cost of such works is $90,000, of which $73,000 would be Federal and $17,000 non-Federal.

Local interest would be required to assume the usual requirements of local cooperation consisting of furnishing lands, easements and rights-of-way, making necessary highway, highway bridge, and utility alterations, holding and saving the United Statest free from damages, and maintaining and operating the works after completion.

ECONOMIC JUSTIFICATION

Benefits would accrue from the foregoing works in an amount sufficient to justify their construction. As upstream storage dams are constructed at a later date, the benefits assignable to the downstream protective works would vary, depending upon many factors. Initially, however, practically all reduction of flood damage and increase in land use would be creditable to the local protective works. In consideration of the many variable factors involved both in the interim and when upstream storage is constructed, a distribution of benefits indicates that the ratio of benefits to costs for the downstream protective works is about 1 to 3. The committee feels that these improvements are urgently needed at the present time for the security of residents in the flood plain and are feasible and justified for immediate accomplishment.

Mr. Chairman, we in the Northwest for our economy depend upon the water resources of the great Columbia River, Willamette River and their tributaries.

We do not have deposits of coal or oil and for our energy for industry and agriculture and the economy of the area and we must depend to a large extent upon hydroelectric power. We are compensated by an immense pool of hydroelectric power bottled up in the Columbia River and its tributaries, in fact more than 40 percent of the potential hydroelectric power in the United States is contained in these great rivers in the West. This great resource has hardly been touched, less than 10 percent of the total available power has been developed.

The population in the West and particularly in my State of Oregon, has increased by leaps and bounds since the war. We in Oregon have experienced an increase of 50 percent in population during that period, the greatest increase of any State in the Union. As a result we are in need of the development of our agricultural, industrial, and water resources, including hydroelectric power in order to maintain our economy, provide pay rolls, homes and the necessities of life, not only for our own people but for the new influx of families to our area.

Fortunately the development of hydroelectric power by the Federal Government is a profitable investment for Uncle Sam. The revenues from its sale return to the Government sufficient funds to retire the total cost of the projects, including interest, upkeep, and administration costs. The Congress, as far back as 1927, authorized the Corps of Army Engineers to make surveys and plans for the comprehensive development of this entire area. House Document 308 of the Sixty-ninth Congress, first session, as authorized by the Rivers and Harbors Act of January 21, 1927, presented for the consideration of the Congress a comprehensive plan of development of this area. Subsequently resolutions were adopted April 6, 1937; September 24, October 12, and November 10, 1943, requesting the Army engineers to review this report for the purpose of determining whether any modifications of the existing projects or recommended comprehensive plans of improvement should be made. The engineers have completed this review in accordance with these directions and in further response to letters received from the President of the United States subsequent to the disastrous flood in the area in 1948, requesting them to make a survey and examination for the purpose of determining a program to obviate similar flood devastation in the future.

The Columbia River is the second largest river in the United States in water volume and the greatest in potential hydroelectric power. It covers an immense drainage area of 259,000 square miles, about 39,500 square miles of the basin area being in Canada. The altitude of the area ranges from 1,300 feet to 13,000 feet above sea level in the Rocky Mountain system in the eastern portion of the basin. All of the tributaries of this great river system drain into the Columbia and discharge their waters down through the Columbia gorge through the Cascade Mountains and at peak flood periods overflow the heavily populated and improved areas contiguous to it and its tributaries, causing immense damage in destruction of property and often the loss of life.

In the 1948 flood alone over $100,000,000 in property was destroyed and 50 lives were lost. The Red Cross on June 15, 1948, compiled a report which disclosed that the number of families affected was 18,987 and that 46,316 persons were made homeless and 19,374 persons were fed by the Red Cross. In the city of Vanport alone there were over 15,000 persons who lost their homes, which were completely destroyed by the flood, none of which have been restored. Vanport was a housing project owned by the Federal Government and made available to veterans largely and others in emergency need of housing.

There are almost 3,000,000 people living in the Pacific Northwest area, which was heavily increased in population since the ending of the war, particularly in the States of Oregon and Washington, Oregon, as I have said, having received the greatest percentage of increase during that period of any State in the Union, of almost 50 percent. While there are large portions of the area of the basin lying on plateaus of an arid nature, yet vast areas are of a character subject to reclamation and irrigation, with soil composition admirably suited to agricultural production. Over 1,000,000 acres are included in the Grand Coulee project now in process of reclamation, and there are 4,000,000 acres in the area now under actual or planned irrigation.

There are rich mineral deposits in the area, heavy commercial forests, and a highly developed fishing industry which provides a livelihood for many of the citizens of the area. Agriculture, including stock raising, together with fishing, lumbering, and manufacturing comprise the principal industries of the region. The entire area is dependent on the full development and utilization of the water resources of the Columbia River and its tributaries not only for flood control, navigation, reclamation and water for domestic and industrial use, but also for the production of hydroelectric power, which is necessary for maintaining the manufacturing, mining, and metallurgical industries of the region, which are highly developed, and also to irrigate 4,000,000 acres of agricultural lands.

It is important to note that the Federal Government itself owns and administers more than one-half of the land area in the Columbia Basin, including much of the 74,590,000 acres in forest lands. Therefore, the Government, as the heaviest landowner in the area, is especially interested in the economy of the region and the development of the river basin to prevent flood wastage and to provide the full utilization of the wealth of natural resources in the area.

The Columbia River has its source in the Rockly Mountains in the Dominion of Canada and after flowing some 460 miles enters the United States in the northeast corner of the State of Washington. It crosses the State in a southerly direction to the mouth of its largest tributary, the Snake River near Pasco, then turns westerly, forming the boundary between the States of Oregon and Washington and empties into the Pacific Ocean. The Columbia River has a total length of 1,210 miles and drains an area of 259,000 square miles. Within the United States the length of the river is 750 miles and the drainage area 220,000 square miles. In this distance the total fall is 1,288 feet.

The river is tidal to the site of the Bonneville Dam, a distance of 140 miles from the ocean. The mean flow of the Columbia River at Bonneville is 200,000 cubic feet per second, the minimum flow is about 40,000 cubic feet per second and the average annual spring-flood flow is approximately 585,000 cubic feet per second. The low flows, generally lasting only a few days, occur during the winter and are often accompanied by floating ice. Flood discharges are the result of melting snow near the headwaters and usually reach their peak in June. The maximum flood of record, 1,170,000 cubic feet per second occurred in June 1894 and is locally known as the 1894 flood.

The Army engineers' ultimate plan for the improvement of the Columbia River above tidewater provides for construction of 11 dams so located that all but 84 feet of the total head of the river below the international boundary may be utilized for power development. To provide for an inland waterway for barges, navigation locks will be constructed at dams yet to be built on the Columbia River below Pasco, Wash.; future lower Snake River dams will include locks for navigation up the Snake River. Bonneville Dam and Grand Coulee Dam, constructed by the Bureau of Reclamation, have been completed.

There are 21 important tributaries of Columbia River, of which 3 of the most important—Snake, Clark Fork, and Kootenay—enter above McNary Dam site. The topography of the basin is characterized by numerous mountain ranges and broad valleys. The most important mountain ranges are Coast Range, Cascade Range, and the Rockies. The valleys of most of the tributary streams are, as a rule, narrow and canyonlike, exceptions being the valley of the Willamette, upper Snake, and lower Yakima Rivers.

The Congress is charged with the responsibility of providing a long-range program for the conservation, development, and full use of the natural resources within the confines of the United States. We have spent billions of American tax dollars in foreign lands for aid and rehabilitation of war-torn countries and we are now considering a program of large expenditures for expanding our national defense program. It should not be overlooked that if we are to maintain the front rank which we occupy economically and as a preserver of world peace our success will depend upon the full expansion and utilization of our own natural resources. Foremost among these are the great water resources of the country which not only make available millions of fertile acres to produce foodstuffs but which also provide arteries of commerce so essential to our industry

and furnish hydroelectric power without which the wheels of industry would not move and the defense of our country would come to a sudden halt.

The Federal Government has jurisdiction over the improvement and control of navigable waterways by reason of the commerce clause in the Constitution. Under this authority the Government has constructed many multiple-purpose projects, not only for navigation but also for flood control, reclamation, and hydroelectric power. Hydroelectric power is a most important factor in the program by reason of the fact that it brings into the Federal Government revenues from such projects which not only reimburse the Government for the cost of the power facilities, but help to retire the indebtedness for other portions of the improvements, such as reclamation. It has been the policy of the Government, for many years, to retain control over generation of hydroelectric power in such projects, which is a wise one and should be continued. I am a firm believer in private enterprise and hold the view that the Federal Government should not inject itself into commercial operations where private enterprise may carry them forward adequately and successfully. However, it is my view that in these large river developments which have power development as one of the major factors, the ownership and control over the entire project, including power, should be retained by the Federal Government.

The industrial machine of America runs full speed by reason of our oil, coal, and hydroelectric energy. Our coal and oil supply is expendable, but hydroelectric power will continue as long as the sun shines and the rivers run. We in America would be recreant in our duty if we failed to make full utilization of this immense storehouse of hydroelectric power in order to preserve our front-rank position in production, as well as maintain an impregnable national defense.

The power-load capacity situation in the Pacific Northwest is more acute than in the rest of the country, due to a larger proportionate increase in population and manufacture. Also located in this region is a power grid into which all public and private power generating outputs are pumped. This situation therefore permits of close and accurate estimates of future regional needs. All the public and private-power representatives connected with the operation of this grid met in Tacoma, Wash., and agreed on a policy statement covering the needs for additional generation. This agreed estimate and statement has been filed with both House and Senate Appropriation Committees. Agreed investigations, on which this joint statement was based, shows that the peak demand load of all utilities in the region increased from 1,043,000 kilowatts in 1940 to a little less than 2,600,000 kilowatts in 1946 or an increase of 159 percent. The increased demand since 1946 has grown steadily until the generating facilities of the region are now wholly inadequate to provide hydro energy for the needs of the region.

It is almost the universal rule that nature is compensating in the bestowal of its benefits. The Pacific Northwest is practically devoid of all types of fuel deposits. The coal that it uses industrially needs to be imported from the Great Lakes regions and from Utah and Wyoming.

As I have pointed out, the region has no natural gas, and oil must be imported from California and Texas. Less than 1 percent of the Northwest power requirements comes from steam generation and at this time it is next to impossible to secure sufficient oil to handle one-third of 1 percent of its energy requirements. Therefore the Pacific Northwest has from necessity become entirely dependent upon high-grade hydroelectric power for its energy base.

There are very few sections in the country that have hydropower comparable in quality and quantity to that that is developed or can be developed in the Northwest. Nearly half of the remaining potential high-class hydro power on this continent is found within the confines of the Columbia Basin. Experience with hydro power in other sections of the country is no index to the potentialities of the Columbia. To properly evaluate Columbia power we must adopt a new standard of comparison.

I have already said undeveloped Columbia River power equals loss of 100,000,000 tons of coal per year. Coal production in the United States was approximately 603,000,000 tons of bituminous and lignite and 57,000,000 tons of anthracite in 1947, according to Bureau of Mines estimates. Experts figure the average consumption of coal in electric power plants is 4.5 tons per kilowatt-year, based on assumed 80 percent load factor for the generating plant.

Using these figures for computation and accepting the total hydroelectric generating capacity of the Columbia Basin, the Columbia's power potential is the equivalent of 135,000,000 tons of coal per year. In other words, right now we are allowing something like 100,000,000 tons of coal per year to burn up when we let the present unharnessed flow of water from the Columbia Basin enter the Pacific without using it.

In 1947 the Bureau of Mines estimated petroleum production at 1,845,000,000 barrels, possible 2,000,000,000 barrels, or 10 years supply if annual consumption holds to 2,000,000,000 barrels a year, which it undoubtedly will. Average consumption of oil in electric generating plants is about 18 barrels per kilowatt-year, which would make energy in the Columbia River equivalent to some 540,000,000 barrels of oil per year as I have called to your attention.

If the Columbia Basin had 5,000,000 homes and the average electric consumption was set at 12,000 kilowatt-hours per year—a not unlikely figure considering high farm requirements and increased home power use of the last few years—the total needed would be approximately 7,000,000 kilowatts per year computed without regard to off hours and peak loading.

With all of the Columbia Basin hydro energy harnessed, this would leave approximately 23,000,000 kilowatts per year available for industry. Average consumption of energy by industry in the United States runs slightly above 5 kilowatts per industrial worker and may reach 6 kilowatts in the near future. On the basis of 5 kilowatt-hours, there would be enough industrial energy to employ 4,500,000 people.

There is a potential of approximately 10,000,000 kilowatts in the trunk of the Columbia below the Canadian border and in the Snake River below Lewiston. All developments in this section could be reached by barges from the sea through proper construction of dams. As dams are constructed, pooled water will be available for barge transportation of bulk raw materials at rates as low as 3 mills per ton-mile, and possibly lower.

Coal is rising in cost through increased wages; oil is becoming scarcer in the United States, resulting in constantly higher prices and longer hauls. A nation holding and wishing to keep the lead position now occupied by the United States in power-consuming industries must give profound attention to the quantities and costs of hydroelectric energy.

It is important to evaluate the hydroelectric benefits from the main plants included in the Corps of Engineers' main control plan as outlined in the 308 Review report. The total power benefits of the plants in the Corps of Engineers recommended phase C–2 system may be summarized as follows:

Plants:	*Kilowatts*
Main control plan projects	7,615,000
Willamette Valley plants	136,000
Upper Snake plants	83,000
Total	7,834,000

Evaluation of the hydroelectric benefits, accruing from various projects covered by the Corps of Engineers' 308 Review report, involves a number of assumptions on which allocation of these benefits under various projects are made. These may vary depending upon the assumption made but the matter involves only the individual allocations.

The nominal prime capability of each plant is its available output during the storage-control period of the critical years of record on the basis of regulation to provide maximum prime capability for the system as a whole. For this reason, these figures may vary depending upon the number of projects included in the estimate and depending upon the allocation of benefits to the various projects. In all cases the upstream and headwater plants have value by virtue of their water storage and water regulation by which the firm capability of downstream plants is increased. In general, the tabulation indicates the total benefits that can be derived from the various major plants. However, comment on individual projects may be helpful.

Albeni Falls: This project is essential mainly by reason of its water-regulation capabilities. The total downstream benefits to be derived from this project are in the order of 265,000 kilowatts when distributed between Grand Coulee, Chief Joseph, McNary, Bonneville, Priest Rapids, John Day, and The Dalles projects. In some computations, these benefits

may vary by reallocations to other projects that may be brought in later. The firm power capabilities, estimated between 26,000 and 32,000 kilowatts, will bring the total benefits from this project to nearly 300,000 kilowatts.

Glacier View: The value of downstream benefits from this project are estimated to be approximately 200,000 kilowatts in addition to its own nominal prime power capability of 96,000 kilowatts. These downstream benefits are distributed between Grand Coulee, Chief Joseph, McNary, Bonneville, The Dalles, John Day, and Priest Rapids projects.

Libby: This project will also have considerable value by virtue of water regulation and these downstream benefits, distributed over the same projects indicated for Albeni Falls and Glacier View, will total approximately 500,000 kilowatts.

Hells Canyon: The downstream benefits from this project will be in the order of 160,000 kilowatts distributed over the lower Snake projects, McNary, Bonneville, The Dalles, and John Day projects.

Estimated potential prime power capabilities of major hydroelectric projects in main control plan, as outlined in Corps of Engineers' Three Hundred and Eighth Review Report, phase C2: All benefits credited directly at site

[Thousands of kilowatts]

Project	Prime capability	Added from upstream storage	Nominal prime capability
Hungry Horse [1]	231		120
Grand Coulee	1,198	368	1,677
Chief Joseph	653	223	876
Lower Snake plants	434	213	647
McNary	500	135	635
Bonneville	384	98	482
The Dalles [2]	530	171	701
John Day [2]	585	150	735
Priest Rapids [2]	580	194	774
Albeni Falls [2] [3]	22	4	26
Glacier View [2]	96		96
Libby [2]	244		244
Hells Canyon	602		602
Total	6,059	1,556	7,615

[1] Decrease in nominal prime capability at Hungry Horse project in phase C2 due to draw-down over a longer storage-control period was deducted from increased capability at Grand Coulee.
[2] Plants recommended for construction in phase C2 period.
[3] Nominal prime capability without Glacier View storage releases.

As shown by the Army engineers' reports, the Columbia is one of the world's great rivers. The second largest in the United States in water volume and the largest in potential hydroelectric source. Its drainage basin comprising about 7 percent of the area of the United States, contains nearly one-half of the Nation's potential water power. Despite wide variations in precipitation, a relatively large and steady volume of stream flow is available. Without artificial regulation, however, extensive flood damages occur periodically, water supplies for irrigation are inadequate in many areas, economic utilization of the power potential is precluded, and navigation is hampered. The region is currently developing at an appreciably higher rate than the national average and its economy is dependent to an unusual degree on efficient utilization of its vast water resources. Formulation of up-to-date plans for orderly and timely development of those resources is therefore essential. The Chief of Army Engineers recommends an effective plan for such development, whereby the agencies best qualified by experience to develop the region can proceed efficiently and in consonance with the views and needs of the people of the region. This plan was determined upon by the Army engineers after the full cooperation with the State and local interests affected and the other Federal agencies concerned in the several States embraced in the Columbia Basin area. Numerous hearings in the area were held, and this program recommended by the Army engineers has received the approval of the various agencies, including the Bureau of Reclamation, which is a coordinate branch of the Government with jurisdiction over all reclamation projects within the area. General Pick testified before our committee that all differences and conflicts between these two departments, as well as other departments of the Government, had been resolved and that all agencies are in full accord with the program submitted.

The Columbia River Basin project contemplates a comprehensive program in the fields of soil, wildlife, and natural resource conservation, reclamation and irrigation, public power, flood control, navigation, and fishing. At present there are two main projects functioning on the Columbia River, the Bonneville and the Grand Coulee Dams. Bonneville Dam is operated by the Corps of Engineers and the Columbia Basin project—Grand Coulee—is operated by the Bureau of Reclamation. All power which is to be sold from either dam is delivered to the Bonneville Power Administration of the Department of the Interior for distribution. The Administration was designed originally as a temporary expedient pending formation of a comprehensive plan for developing the Columbia Valley. The Administrator, appointed by the Secretary of the Interior, is empowered to build transmission lines, acquire property by condemnation, dispose of property, and enter into contracts germane to his functions.

The Bonneville Power Administration generates 518,400 kilowatts at Bonneville Dam and more than 1,000,000 at Grand Coulee; it has been designated as the marketing agency for energy to be generated at Hungry Horse Dam, Mont., to be built and operated by the Bureau of Reclamation and for the Willamette flood-control project, McNary Dam, Oreg., and the Snake River and Chief Joseph projects, all to be constructed by the Corps of Engineers.

Mr. Chairman, I sincerely hope that we will not take a near-sighted view of the necessity of the enactment of this bill into law. While it is true it involves large expenditures on the part of the Federal Government, it is also true that it is a long-range program covering 5 years in our natural resources development and will bring into the Federal Government in the course of years much greater returns than that expended.

If we are to continue our position as first in rank in the nations of the world and maintain our ability to provide generously of American tax dollars and American production for world economy and world peace, we must maintain full strength at home; we must keep our own economy strong; we must preserve our national natural resources as well as develop them to the full and make complete utilization of them as national assets. We can only do this by putting into effect a long-range program for the development and utilization of this storehouse of wealth of natural resources and we will be penny-wise and pound-foolish if we halt the over-all program which has now been blueprinted for this development. The expenditures involved in this legislation will extend over a long period of time and will not unduly burden our economy in any one fiscal year.

As a member of the Public Works Committee and having participated in all the hearings on this bill and having served on this committee and its predecessors during all my legislative service, as I stated at the outset of my remarks, I most heartily and unreservedly recommend the adoption of H. R. 5472.

Mr. DONDERO. Mr. Chairman, I yield 7 minutes to the gentleman from Iowa [Mr. CUNNINGHAM].

Mr. CUNNINGHAM. Mr. Chairman, my own congressional district is not directly affected by this bill. Therefore, I believe I can speak objectively.

There was more than twice as much money requested from your Committee on Public Works for this measure as the committee granted. It has pared it down to the very minimum.

The amount authorized and provided for in this measure is necessary, in addition to the building of the rivers and harbors projects, for flood control and the protection and preservation of human life. Further, more than 70 percent of this measure deals with projects that are already under construction. If we do not go ahead and build them, the money already spent will be lost. A dam half built is of no more value than a dam never constructed. A levee half completed is of no more value than a levee never commenced; in fact, it may be of less value. It may do more damage and be more of a detriment to the adjacent land than if it were never started.

I should like to spend the rest of my time in talking to you about the future of flood control. It happens that Marion County in my district is the pioneer county in the United States in developing soil conservation, I mean the kind of soil conservation that keeps the water on the land. If every farm that is being eroded today in the United States were put under the plan of the Department of Agriculture to conserve the soil and keep the water on the land, in my opinion we would need practically no dams for flood control, no levees, and no revetments, because I have seen the results of this kind of soil conservation first hand and have spent many days personally going over farms in my district.

You have heard of plowing contests. In my State they hold many of them each fall. The first ones were held in

the county of Marion, the pioneer county. I want to tell you what it means to lift the face of a farm, particularly in the Middle West, a farm whose topsoil has been eroded and its topsoil has gone down to the Gulf of Mexico. When that beautiful topsoil, which is known as chocolate loam, from 10 to 30 inches in thickness, is washed off a farm into any stream or gully or local river, it might just as well be in the Gulf of Mexico as far as fertility of that farm is concerned. So if we are to conserve this beautiful soil in the Midwest, it must be kept on the land.

One of the best ways to do this is to keep the rainfall when it does fall on the land and let it soak in gradually and not wash in great streams and rivulets down to the ocean.

Going now to one of these face-lifting projects, the first thing that is done is that the slopes and the hills are contoured. They are plowed by contour. The farmer is taught to plow around the slope or around the hill. The reason it is necessary to teach him this kind of plowing is that for decades the midwest farmer has prided himself on his ability to plow a straight furrow, with the result that if a farmer starts to plow around a slope or hill he will end up plowing up and down the hill or slope, with the result that each furrow becomes a conduit to carry the water down into the gully or the stream, and with it the valuable topsoil. However, when he goes under the soil-conservation plan established by the Department of Agriculture his hills are staked out and lined out so that he actually plows around the hill.

In addition, when it is put to cultivation, the top of the slope or hill is seeded to alfalfa, timothy, or clover and is not planted to corn or some other grain, so that the water when it does fall on the top of the slope stays there and gradually seeps down. Then there will be a distance of 10, 20, or 30 rods that will be in corn or some other grain, and following that will be another strip of alfalfa hay or timothy, and another strip of corn, and another strip of sod, until you get clear down to the bottom of the hill, and each one goes around a circle, with the result that the water as it falls does not wash in a straight stream down to the bottom and take the topsoil with it. In addition, the farmer is taught, every 20 or 30 rods, depending on the slant of the slope, to throw 2 or 3 furrows together, making a breaker to hold the water.

Next comes the filling of ditches or gullies, which in many of these eroded farms are 10 feet across at the top and 10 to 20 feet in depth. During a heavy rain they are filled with water and the next day they may be dry. The farmer is taught, with the help of his neighbor, to fill these gullies and seed them over so that they become sod and the water does not wash down into the rivers and larger streams.

Experimentation is still going on as to the best way of filling up these ditches and gullies. One way is to put in some straw, or some hay, and another is, along with that, some logs or brush, covering over the gullies and then putting soil on top of that and seeding it down and then that which was formerly out of cultivation, in a year becomes productive land.

Lastly, if there is a spring or stream, or any source of water supply on the farm, that is hollowed out or scooped out and made into an artificial lake or artificial pond, those ponds are being created in great numbers where no such ponds existed before, it is a step toward the prevention of drought because it keeps the moisture in that part of the country which is absorbed by the sun and then comes back on the land in the form of rain.

In all of the Midwest farms and in all of the farms of my State they do not necessarily have to be contoured. I refer to the farms which are particularly level, almost as level as this floor. At least they look that level from a distance, but, of course, actually they are not. On those farms it is necessary to tile to get the water off the farm—just the reverse of what I have been talking about. The mere fact that it is necessary to tile to take the water off the level farms, because they would be too damp, and there would be too much wetness to raise any crops because the land would be too sour, the mere fact that in those communities our land is practically level, and there has never been a flood, is in itself proof that if in the hilly or sloped portions of the country they will put in this soil-conservation plan and contour enough water will be retained on the farm to prevent floods and to make it unnecessary to build these huge dams.

It has been estimated by those who know that if all the farms are contoured 50 percent of the water that now flows into the streams and rivers will be held on the land. This will do much in the prevention of devastating floods. George V. Steeg, editor of the Pella Chronicle, who has made a careful study of soil conservation, told me it added one-third to the value of a farm.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. WHITTINGTON. Mr. Chairman, I yield 10 minutes to the gentleman from Louisiana [Mr. LARCADE].

Mr. LARCADE. Mr. Chairman, it is my understanding that the President of the United States was largely instrumental in this bill having been considered by the Committee on Public Works, as well as the bill to provide the purchase of sites, prepare plans for the post office and Federal buildings programs, as well as $100,000,000 authorization for public works to be undertaken by the various municipalities and political subdivisions throughout the United States. I think this is a very good thing for the President to do, because in so doing he provides the country with a backlog of projects that are authorized on which work can be undertaken in the event we have a depression.

Mr. Chairman, during the last 2 years we have had quite a turn-over in the membership of the House, as well as in the 2 years previous. At this time we have nearly 50 percent of the Members, who might be classified as new Members.

I feel the time required to explain to the Members, especially the new Members of the House, how flood control and river and harbor projects are conceived, authorized, and constructed will be informative and instructive and well worth the time. As rapidly as possible, I wish to present a kaleidoscopic view of the processes, course channels, ramifications, and time required to secure the construction of a flood control or rivers and harbors project through the Federal Government. I think that this presentation will be helpful today in the consideration of the flood control and rivers and harbors bill, as a visual impression is more powerful than words.

From the inception of a project to the ultimate construction and completion there are 24 steps:

First. A flood occurs in some section of the country destroying lives, property, and crops. Local people immediately begin to discuss the matter; and

Second. Local groups get together such as the chamber of commerce, civic clubs, and prominent citizens, and write their Congressmen and Senators. We appeal to you.

Third. Congressman consults Public Works Committee which investigates proposed project, and if the project seems to have sufficient merit, the matter is referred to the Chief of Engineers for investigation and report.

Fourth. The Chief of Engineers refers the proposed project to the district engineer in the locality to make a preliminary examination. There are 47 district engineers' offices located in 47 districts in the United States.

Fifth. The project proposed is then referred to the division engineer for approval, and economic survey, and if approved, is referred back to the district engineer.

Sixth. The district engineer will give a public notice, and notice to all interested persons in the area where the project is proposed for public hearings on a fixed date, at which place and time all interested parties may be heard in support of opposition to the proposed project.

Seventh. If, after public hearings are held in the area of proposed project the report from the district engineer is favorable, the report is submitted to the Board of Engineers for Rivers and Harbors in Washington, D. C., for their consideration. After public notice is given to interested parties, opportunity is again given for hearings; any person for or against the project may appear at that time before the Board of Engineers for Rivers and Harbors in Washington, D. C.

Eighth. The Board of Engineers for Rivers and Harbors either concur in the favorable preliminary report of the district engineer and recommend that a survey be made, or if unfavorable, the report is transmitted to the Public Works Committee of the House.

Ninth. If the report is favorable, the matter is referred to the district engineer for an engineering survey plan of proposed project, estimates of cost, and public benefits expected.

Tenth. If, as required by law, local interests guarantee to furnish free, all real estate for spoils areas and rights-of-way, the matter is again referred back to the Board of Engineers for Rivers and Harbors in Washington.

Eleventh. If the Board of Engineers for Rivers and Harbors find that benefits exceed the costs, they recommend the project. If costs exceed the benefits, the unfavorable report is transmitted to the Public Works Committee of the House. Over 50 percent of the investigations authorized result in unfavorable reports to the Congress.

Twelfth. If approved, the project is then submitted to the governors of affected States and other interested Federal agencies by the Chief of Engineers for their approval, and if approval is given by the governors and Federal agencies.

Thirteenth. A favorable report from the Chief of Engineers is transmitted to the Secretary of the Army, who in turn approves same, and transmits the favorable report to the Congress through the Speaker of the House, and the same is referred to the Public Works Committee of the House who will have the report published as a public document.

Hearings are then held on the proposed project by the Public Works Committee of the House, and proponents and opponents are again given an opportunity to appear before the Public Works Committee and testify for or against the project. If the project is approved by the Public Works Committee, it will be included in the next flood control and rivers and harbors bill of the House.

Fourteenth. The project is included in the House flood control and rivers and harbors bill, such as we are considering here today, and the bill is passed by the House of Representatives, including the project.

Fifteenth. The House bill including the project is then referred to the Senate Public Works Committee, which committee also again holds hearings on the project and, if approved, is submitted to the Senate, which passes the bill; the President signs the bill, and the project is now authorized for construction.

Now, my friends, I wish to briefly interrupt my sequence to impress upon you that after all of the steps which I have outlined, that the project is only authorized. As a matter of fact this is just the beginning of the real battle. While it is necessary to obtain authorization for a project, it does not mean a thing unless you get an appropriation—the money—to construct the project, and I wish to call your particular attention to the fact that the bill which we are considering here is only a bill for authorization of projects, and unless and until in the following years appropriations are made for construction, an authorization does not mean a thing. Continuing my explanation of the steps required for obtaining the construction of a flood control or rivers and harbors project, the next step would be:

Sixteenth. The Chief of Engineers transmits the project authorized to the Bureau of the Budget with the request for approval of appropriation of funds for the project, and the Bureau of the Budget reviews the project, and if favorable action is taken, sends the report and a recommendation to the Appropriations Committee of the House for the inclusion of an appropriation for the project in the next House appropriation bill.

Seventeenth. The subcommittee of the House Appropriations Committee on Civil Functions of the Department of the Army considers the project, and again hearings are held by that committee, for justification of the project, and again proponents and opponents of the project are given an opportunity to appear and testify before that committee on the project. If approved by the committee, the project is included in the next civil-functions bill, and if approved by the House and Senate and signed by the President, funds are now available for construction of the project.

Eighteenth. The Chief of Engineers now refers the project to the division engineer to make plans; and

Nineteenth. The division engineer refers the project to the district engineer to make plans.

Twentieth. Plans, specifications, and engineering estimate of cost are now prepared in the office of the district engineer.

Twenty-first. Invitations for bids are made public and mailed to all prospective bidders by the district engineer.

Twenty-second. The contract for construction is then awarded to the contractor who is the lowest bidder.

Twenty-third. The contractor mobilizes his plant and equipment and active operations begin.

Twenty-fourth. The project is now completed.

The lives, health, property, and economy of the area are now protected.

This shows how many hearings are held and the hurdles that have to be cleared before a project is authorized, and this should convince anyone that after all of this investigation and hearings, a project must be justified to be approved.

In conclusion, I might say that from the inception of a project through all of the various stages and channels which I have explained to the obtaining of authorization, appropriations, and construction, it is a long, tedious fight, and it requires from 2 to 3 years if all goes well; sometimes as much as 5 years or more is required, and sometimes even though a project may be authorized by the Congress, appropriations are never made, and the project is not constructed.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. LARCADE. I yield for a brief question.

Mr. FULTON. May I ask the gentleman with reference to a situation in my district. There was a district engineer there who was supposed to investigate without partiality the Lake Erie-Ohio River Canal. Then we found that as soon as he got part way through the investigation he was hired to put through the Lake Erie and Ohio River Canal.

How do you insure impartial judgment by district engineers?

Mr. LARCADE. I am sure that this engineer was replaced by another just as competent engineer. All of the district engineers are noted for their competence, experience, and ability.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. WHITTINGTON. Mr. Chairman, I yield 3 minutes to the gentleman from Mississippi [Mr. COLMER].

Mr. COLMER. Mr. Chairman, this morning the distinguished chairman of the Committee on Rules, the gentleman from Illinois [Mr. SABATH], undertook first to defend the position of the Committee on Rules in not reporting a rule on this bill; and, second, to make a rather sharp attack upon the Army engineers.

As far as the first proposition is concerned I yield to every man the right on the committee to exercise his best judgment as to what is the best interest of the country, and I have no criticism to make of that, although as one member of that committee, I, of course, was anxious to see this bill reported to the floor by the committee and exercised myself considerably to that end; I thought it should be and it would have been better to consider the bill under the orderly procedure.

As to the second proposition, I am somewhat amazed that the gentleman from Illinois [Mr. SABATH] should make such an attack upon the Army engineers. I say that with all due deference to the distinguished chairman of my committee. If there is one branch of Government that the Congress of the United States as a whole has confidence in, and reason for having confidence in, it is the United States Army engineers. Therefore I do not like to let go unchallenged any attack of that sort upon a branch of this Government, the Army engineers, which has done such outstanding, conscientious, forthright work. They are, in my judgment, the most efficient group in this Government. And I am sure that the opinion expressed by the gentleman is not generally shared by his colleagues.

Mr. Chairman, with reference to the pending bill, may I ask that, in my opinion, it is not a pork barrel proposition. It is a good investment. I am not sure that we ought to activate the program at this time, that we ought to expend the money at the present time with deficit spending, but, with your permission, I should like to refer to the fact that the Post War Policy Committee during the war; making a study to prevent unemployment in this country recommended a shelf of public works which could be utilized and activated when and if unemployment became acute. We do not want to go back to the old leaf-raking, WPA days; therefore we ought to have something substantial as this program provides to fall back on.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. WHITTINGTON. Mr. Chairman, I yield such time as he may desire to the gentleman from Louisiana [Mr. PASSMAN].

Mr. PASSMAN. Mr. Chairman, I wish to say on behalf of the people whom I have the honor to represent that we are deeply appreciative of the constructive work the distinguished chairman of the Public Works Committee, the Honorable WILL WHITTINGTON, and his committee members, have done in bringing in this comprehensive bill asking for an authorzation for certain rivers and harbors and flood control work. Certainly it has been established that this bill calls for the very minimum authorization if the present rivers and harbors and flood control program is to be carried on.

Flood control and rivers and harbors development is not limited geographically because every State in our Union is affected directly or indirectly by devastating floods.

In our busy lives many of us, no doubt, have not found time to study the great benefits to be derived by proper drainage and flood control development. To conserve our resources that are affected by erosion and floods, is highly important, and from lack of proper interest a program broad enough to accomplish this has been slow in developing.

I believe that Federal funds invested in flood control, land reclamation, soil conservation, and forestry are dollars well spent. When considering an authorization or an appropriation for such purposes, it should not be considered as an outright expense. It is a capital investment because there are figures and tables to substantiate the fact that for each dollar spent on flood control, land reclamation, soil conservation, and forestry, there are returns in permanent improvements amounting to $3. It would behoove each of us to familiarize ourselves with some of the tremendous losses that America is suffering on account of inadequate development and expenditures on flood control and its kindred destructive counterparts. For example, it is estimated that every year enough topsoil is removed from American farms by erosion to fill a train of freight cars long enough to reach around the earth 19 times at the equator, which would be a train of freight cars 473,138 miles long. It has been estimated that $6,000,000,000 worth of nitrogen, phosphorus, potassium, and calcium are lost from our land each year through soil depleting processes. Less than one-sixth of this amount is replaced in applied fertilizer. Annual loss by erosion in the United States is in excess of $1,000,000,000. In excess of 500,000 acres of land annually are being taken out of cultivation on account of soil erosion. It is estimated that flood damage to highways and railways, and silting of reservoirs, rivers and harbors, and ditches are costing the American people in excess of $700,000,000 annually.

I was shocked to hear the United States Corps of Engineers attacked earlier in the day. I have nothing but praise for the United States Corps of Army Engineers. It has been my privilege to work and counsel with this group on many flood-control projects and I have never dealt with a fairer group of conscientious men, and I state, without fear of successful contradiction, that the Corps of Army Engineers is the most capable flood-control engineer group in the world. By studying its achievements and its engineering works, the conclusion has been reached that the corps excels in flood-control work that has been constructed throughout the ages in all countries. We know that the Corps of Army Engineers is made up of specialists in the engineering field and I cannot agree that criticism directed at its accomplishments is in keeping with the record established for the Corps and the American people.

Mr. Chairman, almost every day I receive letters from my district demanding that I tell them why the Congress will authorize and appropriate billions of dollars annually for foreign countries, while the Congress is so reluctant to authorize and appropriate comparatively small sums to be expended in our own country for the conservation of our natural resources.

The bill under discussion is not an appropriation bill. It is an authorization bill and the total amount involved is only a little over a billion dollars. This is only about 20 percent of what has been appropriated during this session of the Eighty-first Congress to be expended in foreign countries.

I should like to see every Member of this House support this rivers and harbors and flood-control bill, using as the basis for their votes the true merits of the bill itself.

Mr. DONDERO. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. JOHNSON].

Mr. JOHNSON. Mr. Chairman, the project in which I am interested is found on page 8 of the bill and is entitled "San Joaquin River and Stockton Channel, Calif.," House Document No. 752, Eightieth Congress.

This project was originally authorized by the Sixty-ninth Congress and was built in the late 1920's and early thirties. The present project is merely an enlargement of the original project. The original project has been highly successful. From the time it was opened in 1933 until the commencement of the war, the tonnage out of the port of Stockton increased steadily every year. The terminal of this project is approximately 80 miles east of the Golden Gate at the junction of the San Joaquin River and Stockton Channel. The present project is merely to enlarge the turning basin and to provide for the dredging of Burns cut-off and also to provide a so-called settling basin. This settling basin is the deepening of the San Joaquin River, south of the junction of the river with Stockton Channel. The enlargement of the turning basin is to increase the area in which boats may be turned and has directly to do with the handling of intercoastal and foreign commerce. The dredging of Burns cutoff will make available a short-cut around Rough and Ready Island, most of which is occupied by Stockton Annex, a large naval supply base.

During the war the waterway involved and the port of Stockton were taken over by the Federal Government. Millions of tons of war material was carried from the port of Stockton to all parts of the world for use by our armed services. With the resumption of normal conditions following the war, the port is again recapturing much of its former cargo. The port of Stockton is a well-managed port. Unfortunately the former port director, Henry Ohm, died recently. However, he was succeeded by his assistant, E. E. Ferrari, who likewise is an aggressive, intelligent, and hard-working port director. Cargo load leaving the port of Stockton is climbing gradually and it will continue to climb because the area which it serves is steadily growing. This new facility is badly needed. In addition to the turning basin, the deepwater channel is being extended eastward along Stockton Channel, almost to the heart of the city of Stockton. This likewise will help increase the tonnage and will serve industries located along the channel.

It happens that I had much to do with the development of this port as the city attorney of the city of Stockton. Consequently I am personally familiar with the vast amount of money which local interests have invested in this project. The city of Stockton bonded itself for $3,000,000, all of which was spent. The port district was bonded for $1,750,000, all of which was spent. The State of California added $510,500, all of which was spent. This coupled with the Federal contribution is what paid for the original project. Very fine terminal facilities are provided by this port. We organized the port belt railroad so that shippers could go with equal facility from any of the three transcontinental railroads which enter Stockton to a boat and also from the boat to any railroad, with equal facility. There is nothing of a pork-barrel nature about this port. The proof is that the people in the area have spent millions of dollars because of their faith in the future of this port. Among other things a cotton compress was constructed at the port terminal. Undoubtedly in the future a great deal of cotton will be moved out of the port of Stockton. The lower San Joaquin Valley raises tremendous volumes of cotton and also a very high type of cotton. We are anticipating that this, insofar as it is carried into commerce on boats, will clear through the port of Stockton. The port is today making an aggressive effort to obtain storage space for cotton.

The facilities provided by this bill will probably not be built immediately but once we have the authorization, they will be built as required to handle the port's business.

This improvement will not only help facilitate the handling of cargo in and out of the port of Stockton but it will also lower the maintenance costs of the port and the Deepwater Channel. It is a good illustration of cooperative action on behalf of interstate and foreign commerce by the United States Government and local authorities.

My contact with this project and the intimate dealings which I had with the United States Army engineers have given me a very high regard for the Corps of Engineers of the United States Army. The one who wrote the original report was Maj. U. S. Grant III, now a retired major general of the United States Army.

Major Ridley was one of the district engineers and he later became a major general and the Governor of the Panama Canal Zone. Walter B. Wood was assistant district engineer under one of the district engineers and he later became a major general in the United States Army and served in the Army Service Forces during the war and later in the Philippines. The division engineer was Thomas B. Robbins and he later became deputy chief of engineers with the rank of major general. Our relations with these men were very cordial and I found them intelligent, efficient, and broad-gaged individuals with whom it was a pleasure to deal and who did a most excellent job. I have no doubt that the ones who will supervise the building of this addition or modification of our present project, men such as Colonel Gorlinski, will prove equally capable and efficient.

Mr. Chairman, I hope that this bill passes and I am particularly pleased that it includes the project which I have very briefly described during the few moments allotted to me.

Mr. DONDERO. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I doubt if in all the world there is a record of accomplishment that is parallel or is superior to the record made by the Army engineers of the United States over a period of a century and a quarter. I, too, want to pay my tribute to the United States Army engineers.

Mr. Chairman, I now yield 9½ minutes to the gentleman from New Jersey [Mr. AUCHINCLOSS].

Mr. JENNINGS. Mr. Chairman, will the gentleman yield for a short statement?

Mr. AUCHINCLOSS. I yield to the gentleman from Tennessee.

Mr. JENNINGS. This statement is brief. May I say that there has been nothing said on this floor today by anyone that will in the least or in the remotest degree impair the confidence that the people of this country repose in the Corps of Army Engineers of the United States.

Mr. AUCHINCLOSS. Mr. Chairman, I thank the gentleman and I heartily agree with him.

Mr. Chairman, before proceeding with my statement I would like to pay my respects and compliments to the gentleman from Louisiana for the most extraordinarily informative speech that he made explaining the operations of the development of a project. It was very instructive and it showed that a great deal of time and thought had been given by the gentleman to that work.

Mr. Chairman, I am very proud of my membership on the Committee on Public Works, and unless unforeseen circumstances arise I hope that I may continue to be a member of that committee as long as I am a Member of the House of Representatives. When I first came down here 7 years ago, I was assigned to membership on the Committee on Rivers and Harbors, and I had the great privilege of serving under that outstanding American, the late Hon. Joseph J. Mansfield. It was he who gave me my first idea of the immensity of the task confronting the committee and the great responsibility attached to its deliberations; I will always look back on my association with him with the greatest feeling of gratitude for the patience and example in citizenship which he set. But, great as the old Committee on Rivers and Harbors was, the scope of the work and responsibilities of the Committee on Public Works is even greater. Under the Reorganization Act the Committee on Flood Control, the Committee on Rivers and Harbors, the Committee on Public Buildings and Grounds, and the Committee on Roads were all merged into the one Committee on Public Works, and I think all will agree that the responsibilities of that committee are indeed tremendous.

The first chairman of the Committee on Public Works was the distinguished gentleman from Michigan, Hon. GEORGE A. DONDERO, who is today its ranking minority member. The committee was organized and its policies formulated under his guidance and leadership, and I want to testify that the foundations for its work were well laid. The present chairman, the distinguished gentleman from Mississippi [Mr. WHITTINGTON] has ably taken over where Mr. DONDERO left off and under Mr. WHITTINGTON'S leadership the committee has gone forward in a progressive and truly nonpartisan manner in considering the many projects which have been presented to it. All these projects have to do with building up America, and making it a greater and more wonderful country.

The work of the Committee on Public Works can truly be said to be constructive because the construction of new public works in the interests of conservation and progress come under its jurisdiction. It is most appropriate at this time in the closing days of the first session of the Eighty-first Congress that this bill, dealing with the interests of America and Americans, is considered. During the recent days we have been considering the expenditure of vast sums of money for the rehabilitation of countries in other parts of the world, and have authorized the appropriation of vast sums to reestablish their economy and to encourage peaceful pursuits among other peoples on this globe. It is most appropriate that this Congress should now consider something for the benefit of our own country.

In days gone by when the rivers-and-harbors-flood-control bills were before the Congress they were referred to and popularly considered as "pork barrel" legislation. It was generally accepted by all, including the public, that they would contain projects in various congressional districts which would aid Representatives in their political relationship with their constituents and that the members of the committee themselves would not fail to provide for the people in their own districts, but I feel it can be truly said that during these recent years the pork has been taken out of these measures and that the spirit behind the recommended projects in these bills springs from a nonpartisan and patriotic desire to make our country a better place to live and to aid and stimulate the interests of the citizens.

Hearings on the proposals contained in this bill were long and thorough and a great deal of testimony was taken and carefully considered before final decisions were made by the committee. There is no doubt that the bill deserves the favorable consideration of the House, which I hope will be freely and promptly given. It is to be expected that Members will submit amendments to this measure prompted by the desire that some project, no matter how worthy or unworthy it may be, will be included in the bill to be undertaken in their districts. I hope that such amendments will be voted down because the Committee on Public Works has gone into the many projects submitted to it most carefully and thoroughly, and it is only after such study that the decision was reached to include no other projects in this measure. May I also express the hope that the other body, contrary to its usual practice, refrain from increasing the size of the bill to any considerable degree.

I would point out that the total dollar value of the projects recommended amounts to a little more than $1,114,000,000, which is considerably less than the amount submitted in the bills in 1944 and 1946; also that the number of new projects scheduled in this bill, coming under both rivers and harbors and flood control, is kept to a minimum—the bulk of the money in the bill being for the continuation and completion of projects already authorized or under way. This is an indication of the careful scrutiny and screening that the committee made of all the proposals before it, which were conducted in an honest and most cooperative spirit among all the members in an effort to keep the cost of these improvements as low as possible.

I am definitely committed to a program of economy. There is no doubt that because of the high cost of government and the tremendous drain on our income caused by the world situation, we must conserve and save every penny we can. However, I submit that it would be poor economy not to continue projects which are already planned and under way, and not to undertake worthy work which will aid in developing the resources and economy of our own country. I can think of no more unsound policy than to cut down on planning of this kind, but at the same time I recognize the fact that if projects are included in this bill which have not had the close and careful scrutiny of the committee and its experts, the Congress would be most wasteful and improvident in approving them.

I know it may be hard to convince a few people that projects such as are contained in this measure are necessary and worth while, while the financial condition of the Government is as it is, but if our country is to go forward it must develop its resources in every way it can, otherwise it will shrivel up and our natural wealth will be gradually eroded away. The way to save money in government and to insure the continuation of our way of life is to eliminate the useless expenditure of funds for untried purposes, to cut down the size of the unwieldy bureaucracy which since the war has grown on the country like a barnacle, and get back on a businesslike basis under capable management.

The people in the country are very much disturbed at the news from Washington and they may well be because the facts that are now being divulged would indicate waste and the thoughtless handling of public responsibility. Let us keep our economy strong, first by eliminating the useless luxuries and frills which beset us, and second by conserving and building up our resources in order to stimulate our economy and to keep us an ever-growing Nation.

Mr. WHITTINGTON. Mr. Chairman, I yield such time as he may desire to the gentleman from Georgia [Mr. BROWN].

Mr. BROWN of Georgia. Mr. Chairman, I am in favor of H. R. 5478 and hope it will be passed.

On February 3 of this year I introduced H. R. 2283 to authorize construction of the Hartwell Reservoir as the next step in the progressive development of the Savannah River Basin, which is included in the pending omnibus bill.

I also introduced H. R. 3034 on February 28 of this year, to modify the existing navigation project on the Savannah River below Augusta, Ga. This is likewise included in the bill we are considering today.

The Hartwell project provides for a multiple-purpose dam across the Savannah River near Hartwell, Ga., and this project is situated about 67 miles north of the Clarks Hill site. This dam will control a drainage area of 2,098 square miles above the Hartwell site and will provide flood control, power, recreation, and navigation benefits.

This project is included in the general plan for the comprehensive development of the Savannah River Basin for flood control and other purposes, which plan was approved by the Flood Control Act of December 1944. This plan called for the construction of both Clarks Hill and Hartwell Dams on the river. The Clarks Hill project has been authorized and is about one-third completed. This dam is supposed to be completed in 1953.

The evidence of the Corps of Engineers shows that the Hartwell Dam is the next logical step in the development of the Savannah River Basin. The Army engineers stated that the net annual power and flood-control benefits alone would be about $5,100,000, besides considerable benefits which would accrue to navigation, recreation, and agriculture. The engineers further stated that the benefit-cost ratio of this project is particularly favorable, being in the nature of 1.6 to 1.

Congress has already approved the over-all plan of development of the Savannah River Basin which includes the Hartwell Dam, but it is necessary to authorize money for the construction of the Hartwell Dam before any work can be done.

The development of the Hartwell Dam is necessary to get full benefit from the Clark Hill project.

Recent power surveys indicated that the power requirements of the area to be served by the Hartwell project would greatly exceed the power supply after 1950 unless additional facilities are provided. For example—by 1950 there will be a shortage of 700,000 kilowatts and by 1960 there will be a shortage of 1,700,000. Hartwell Dam will have installed capacity of 177,000 kilowatts and will help to overcome the serious power shortage which now threatens. In addition to the power development at this dam, Hartwell will so regulate the flow at Clark Hill as to make possible the conversion of 73,000,000 kilowatt-hours of energy at that installation from secondary to primary or dependable energy.

Clark Hill will greatly reduce the flood damage on the lower Savannah River between Augusta and Savannah, and the coordinated operation of Clark Hill and Hartwell Dams will serve to further reduce such damages by an estimated $50,000 annually, and will eliminate frequent minor floods over a large area below Augusta. You will have in that area 200,000 acres of splendid land to be cultivated which is useless now on account of the frequent floods.

The Hartwell Reservoir will increase the minimum flow on the Savannah River below Augusta by 1,000 cubic feet per second, and as stated by Army engineers this will insure a more dependable channel the year round for navigation purposes between Augusta and Savannah. The evidence produced at the hearing shows beyond a doubt that this project is self-liquidating, and beside the benefits to the people throughout that entire area the Government will not lose a dime.

The Army engineers have enthusiastically recommended this project.

The navigation project from Augusta to Savannah was authorized in 1930. It provided for a channel 6 feet deep and 75 feet wide. There has been expended almost $3,000,000, yet this project is of very little use in its present status because 46 percent of the time, on account of low water, the channel is practically useless.

The Army engineers have recommended that the curves be straightened out and that the depth of the channel be increased to 9 feet. Completion of Clark Hill will give an even flow of water of 7 feet the year round. With a 9-foot channel we can use a lot of boats that cannot be used in the 7-foot channel.

The Savannah River flows southeasterly along the boundary line between Georgia and South Carolina, approximately 297 miles to Savannah, Ga., and then continues about 17 miles to the Atlantic Ocean. It is one of the longest rivers that empties into the Atlantic Ocean.

The Army engineers recommended that the existing project be modified to provide for a channel 9 feet deep and 90 feet wide between the upper end of Savannah Harbor and the present head of navigation at Augusta, the improvement to be based upon the low-flow conditions resulting from reregulation of the outflow from the Clark Hill development and to be secured by dredging and open-river regulating works. The estimated cost to the United States for the construction of the modification is $3,137,000.

Savannah and Augusta are the two largest cities in the Savannah River Basin. The population of Savannah is approximately 120,000 and of Augusta approximately 111,000. Both are important industrial cities and railroad centers. The principal manufactures of the Augusta metropolitan district are brick and tile, fertilizer, kaolin, textiles, and wood products. The basin produces cotton, tobacco, grains, livestock, poultry, and other agricultural commodities.

It is believed by everyone that the proposed improvement of the Savannah River will result in large savings in transportation costs to established industries and that when power becomes available from the Clark Hill development, new industries, which will increase the potential value of an adequate waterway, can be expected to locate in the area. The improvement would further stimulate development of the area, resulting in increased traffic for all types of carriers in the region.

The Corps of Engineers endorsed this proposal and testified that the existing project for the Savannah River below Augusta is inadequate for present and reasonably prospective commerce and that the improvement desired would make it economical to barge suitable commodities between Augusta and coastal cities via the Intracoastal Waterway and between Augusta and Savannah in foreign trade through that port. With a channel depth of 9 feet, and with the present development of the area, it is estimated that nearly 600,000 tons of freight will move over the river annually at a saving of approximately half a million dollars. With the indicated further industrialization of the area, additional water-borne traffic may be expected to develop amounting to at least 400,000 tons annually, with an estimated additional saving in transportation costs of $465,000. Estimates indicate a benefit-cost ratio of 1.35 to 1 for the early realization of the improvement and of 2.63 to 1 for the expected conditions 10 years after completion of the Clark Hill development.

This is a worthy project and the amended proposal should be adopted.

Mr. WHITTINGTON. Mr. Chairman, I yield such time as he may desire to the gentleman from Texas [Mr. THOMPSON].

Mr. THOMPSON. Mr. Chairman, it is hardly conceivable to one who has watched the development of rivers and harbors work, flood control, and kindred matters that anyone should accuse the Committee on Public Works of indulging in pork-barrel activities. Thirty years ago, a man with a fertile imagination might have suggested that the intracoastal canal would be a waste of money and would never justify the cost of construction. When the Army engineers, and the proponents—those who believed in the future of this new artery of commerce—set up figures to show that the cost would be justifiable from the standpoint of economics, there might have been some reasons for pessimists to say that it could not pay off; but, to say that today when the traffic along the entire route of the canal is many times what even the most optimistic predicted—to take that position now is simply to admit that you do not know what you are talking about.

All over the United States, there are examples of the part which the work of

the Committee on Public Works and its predecessors, the Committee on Rivers and Harbors and the Flood Control Committee, have done to build up the commerce and industry. I think my own district, which I know, of course, better than any other part of the country, is typical. I shall give you some examples drawn not from someone's imagination but from events that are going on today.

The Intracoastal Canal passes under the causeway which connects the city of Galveston and Galveston Island with the Texas mainland. That causeway has a lift bridge which was designed to accommodate intracoastal traffic. Naturally, the engineers took into consideration the present and future traffic of the canal as it appeared in 1934—just 15 years ago. In this short space of time—15 years—the traffic has become so great, the size of the tows and consequently the tugs so much larger than expected, that that lift bridge has become a serious bottleneck and the State highway department is now considering ways and means of bypassing it or perhaps overpassing it.

In this rivers and harbors flood-control bill, there is a provision for a new channel of the Intracoastal Canal around Galveston harbor. The purpose is to divert through-traffic and to keep it out of our busy harbor. This is a safety factor to the canal traffic and to the ocean-going commerce for which the harbor was fundamentally designed. The canal traffic has become so heavy as to constitute a hazard to harbor navigation.

Let us take another item in which my community has a very important stake. It is the western extension of the Galveston sea wall. The harbor area, with Texas City just across the bay, has grown so tremendously that it can no longer be protected by the sea wall which was constructed shortly after the 1900 hurricane. If it is not extended, then the Government investment in the harbor, in the industries just across the bay at Texas City, and elsewhere in the vicinity will be jeopardized. Because the property to be protected is not Federal property, my own community is putting up its full share of the funds necessary to pay its proper proportion. This is what you and I call local participation. Now, who wants to say that constitutes a pork barrel item.

Passing down the coast, let us take another example of the merit of other developments in the general category of rivers and harbors. On Lavaca Bay there is what we call a feeder channel which, as the name implies, feeds traffic into the intracoastal canal. This feeder channel, leading some 10 miles from the vicinity of the town of Port Lavaca to the canal, was justified from the standpoint of economics by my predecessor who may well be called the father of modern rivers and harbors development—the Hon. J. J. Mansfield, who passed away just 2 years ago. Judge Mansfield justified the Lavaca channel when it was authorized many years ago. The judge did not know that just a year ago last spring ground would be broken for a $50,000,000 aluminum plant on that channel. I suppose the Federal taxes on that plant would pay for the channel in the first year of operation. The same thing is happening on a river a little farther down the coast—the Guadalupe, authorized for development some years ago, and justified economically. The judge did not know that a chemical plant was to be constructed there by the du Pont people. These are not idle dreams. These are realities, and they are happening today.

There is another very important item in the bill which we are now considering. It has to do with one of the most vital problems which now confronts the Nation, namely soil conservation. This is too well recognized to require any elaboration from me. In this bill is a provision for the Army engineers to participate in the surveys of the streams and major tributaries leading from the Gulf up into the inland agricultural areas. These streams must take away and discharge into the Gulf of Mexico the water which is to be drained off the farms in such a manner as to keep it from washing away the valuable top soil. The handling of this water ultimately becomes a responsibility of the Corps of Engineers. It seems quite logical that they should have an opportunity to project their engineering skill far up the streams involved to the source of the water problem. Certainly, there should be no time wasted on justifying the economics of such a move. Those who criticize the items under this legislation ought to initiate and then see through to its final conclusion a project of their own—first the application of the local interests for a survey by the Army engineers, then the hearings on the ground and the insistence by the engineers that the project must be economically justified so that the taxpayers may expect to get their money back not just once but several times over; then the further scrutiny of the project by the next higher engineer echelon, the division; then by the Board of Engineers here in Washington—all this is before the consideration of the project by the Committee on Public Works—then the approval as a policy matter by the Bureau of the Budget; then it appears before this tough, tight, careful congressional committee; then the present stage—the passage of the legislation by the House of Representatives; after that it must again be sold to the Army engineers for inclusion in the next budget; then back to the Bureau of the Budget again; and finally to the Appropriations Committee—another very cautious group as I need not remind the Congress.

I do not know how it would be possible to protect the taxpayer any more carefully. If anyone has ever found a soft spot in this chain of events, I certainly wish he would point it out to me so that I might use it in the future.

Mr. WHITTINGTON. Mr. Chairman, I yield such time as he may desire to the gentleman from Massachusetts [Mr. LANE].

Mr. LANE. Mr. Chairman, it is my intent to request affirmative action on H. R. 5472, introduced by the gentleman from Mississippi [Mr. WHITTINGTON], which is a bill authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes.

I am an active supporter of legislation dealing with the development and improvement of our rivers and harbors to meet local needs and to serve our national security.

As it is impossible to go into this omnibus bill in detail, I shall confine my remarks to those two projects within my district, namely, the program for Winthrop Beach and the recommended plan for the Mystic River.

Both of these are within a 3-mile radius of the port of Boston, which is the heart of the six New England States, in an area that is of vital commercial and strategic importance because it is the nearest contact we have with Europe.

There are sound engineering facts to back up the need for these two projects, but I would like to mention, incidentally, that New England has received far less than its proportionate share of such improvements in relation to its population, its economic activity, and its geographical significance.

Winthrop Beach is a highly developed, densely populated residential area extending a distance of 2 miles along the shore between two headlands, 3 miles north of the main entrance channel to Boston Harbor.

The estimated cost of proposed improvements to be borne by the United States is $216,000.

The improvement is recommended provided that local interests pay two-thirds of the first cost of construction, adopt the plan of protection and improvement recommended, submit for approval by the Chief of Engineers detailed plans and specifications and arrangements for the prosecution of the new work of protection and improvement prior to the commencement thereof; and provide all necessary lands, easements and rights-of-way, and provided further that local interests give satisfactory assurances that they will maintain and repair the new work during its useful life as may be required to serve the intended purpose; hold and save United States free from any damage claims that may arise either before, during, or after prosecution of the work.

We are assured of cooperation in this respect.

The average annual benefits are estimated at $44,600 which includes direct damages prevented amounting to $17,400, increased land values amounting to $4,400 and evaluated recreational benefits amounting to $22,800. In addition unevaluated recreational benefits are indicated.

The recommended extension of reconstruction of the existing sea wall, raising the top elevation of portions of the existing sea wall, construction of groins, and artificial supply of sand to the beach will prevent further erosion, stabilize and improve the beach, and protect the existing sea wall. The recommended plan of protection and improvement will supplement sea-wall reconstruction work recently completed by local interests in providing required protection to the densely populated, residential area of Winthrop Beach. The shore is publicly owned. The extent of public interest and the public benefits which will result are considered to be sufficient to justify, in

accordance with the general provisions of Public Law 727, Seventy-ninth Congress, the United States bearing a share of the expense equal to one-third of the first cost of the recommended improvement.

Just look at the newspaper records. Nowhere else along the serpentine New England littoral, do the seastorms beat with such fury as at Winthrop, Mass. Here is the concentrated point of attack and its damage.

During the past 10 years, expenditures for new work on rivers and harbors in New England by the Federal Government approximate only 3.4 percent of the national average. Even such funds as are necessary to maintain New England river and harbor projects were withheld.

In a communication dated February 18, 1948, from the Maritime Association of the Boston Chamber of Commerce was the following comment:

Of these Massachusetts projects, Mystic River is the most important. A $20,000,000 high-level bridge, as you doubtless know, has been authorized in place of the present antiquated structure between Charlestown and Chelsea and work on the new bridge has actually started. This will vastly increase the commerce of Mystic River which already is about the most important of any of the three Boston Harbor tributaries.

After an extended public hearing it was recommended by the Chief of Engineers (U. S. Army) and in accordance with present procedure, has been approved by Governor Bradford. It is unfortunate from the standpoint of the improvement of the Port of Boston that it is now stymied in the Budget Bureau."

To which I might add, that the Charlestown referred to, is the home of the Boston Navy Yard.

On June 9, 1948, the Port of Boston Authority sent me the following telegram:

Secretary of Army in recent report submitted to Congress recommends that existing project for Mystic River in Boston Harbor be modified to provide a depth of 35 feet below mean low water in river channel to 100 feet from bulkhead line at an estimated cost of $2,908,000. This report has been referred to the Committee on Public Works House Document number 645. Your assistance requested in securing early favorable action on this project.

These are but brief samples of the interest in this matter.

What is the condensed story of this project?

Mystic River rises in Mystic Lakes, Mass., flows southeasterly 7 miles, and enters Boston Harbor at Charlestown. The lower 5 miles of the river below the dam at Craddock Bridge, Medford, is a tidal estuary forming in its lower reaches the northwest arm of the port of Boston.

The report on it was authorized by the River and Harbor Act of March 2, 1945.

The United States Government has made improvements in Mystic River since initial authorization by the River and Harbor Act of March 3, 1899. The existing project provides for a channel 30 feet deep below mean low water and 300 to 600 feet wide from the 35-foot channel of Boston Harbor through the Chelsea North Bridge to the mouth of Island End River, and widening of the entrance channel to Mystic wharf; a channel 30 feet deep and 500 feet wide from Island End River upstream to the city playground at Charlestown; a channel 20 feet deep from the head of the 30-foot channel to a point 800 feet above Malden Bridge, 270 feet wide at the lower end and decreasing to 75 feet through the drawn span, thence increasing to 340 feet to form a turning basin above the bridge; a channel 6 feet to 2,500 feet above Wellington Bridge, thence 4 feet deep and decreasing gradually to 50 feet wide to Craddock Bridge, the head of commercial navigation.

The recommended plan of improvement would provide for deepening the river channel to 35 feet at mean low water to within a distance of 100 feet from the established United States bulkhead lines, generally from the upper limit of the 35-foot channel of Boston Harbor at Chelsea North Bridge to the Charlestown playground, thence narrowing in width to that of the present 20-foot channel below Malden Bridge.

The estimated cost to the United States would be $2,908,000, and the annual cost of maintenance to the United States would be $4,000 in addition to that now required.

Deepening the Mystic River arm of the port of Boston and removal of ledge rock above Chelsea North Bridge as proposed will permit the unrestricted use in that area of the larger general cargo vessels and oil tankers now in service and eliminate delays awaiting favorable tides with resultant annual savings in shipping costs estimated at $155,000. The benefit cost-ratio is 1.19. The port of Boston of which Mystic River is a part, is one of the leading ports in the United States. Its commerce is world-wide.

Mystic River is bordered by the Charlestown district of Boston, and other communities with a total population—in 1940—of over 1,000,000. The high economic importance of this waterway is revealed by the following facts. Major industries which it services include shoe manufacturing, printing, textiles, food products, foundry and machine shops, millworking, chemicals, woodworking, paperbox board, sugar refining, assembling automobiles, gasoline refining, gas manufacturing, and miscellaneous others. Ten of the principal industrial plants and the power plant of the Boston Edison Co. are located on its water front. The area is served by the Boston & Maine Railroad and an excellent highway system. Commerce in Mystic River, including consignments to or from Malden and Island End River terminals and excluding tremendous military shipments during the war, averaged 5,772,435 tons in the period from 1939 to 1945, inclusive. During 1945 alone, shipments and receipts totaled 4,149,496 tons at Mystic River terminals and 2,077,834 tons at Malden and Island End River terminals, with about 90 percent of the combined total consisting of coal, petroleum, and petroleum products. In that year, both foreign and domestic vessels with drafts ranging up to 31 feet made 2,369 calls at Mystic River terminals. Fifteen piers and wharves on Mystic River provide 12,555 linear feet of berthing space, five with 6,587 linear feet having a depth of 30 feet alongside. There are two wharves on Island End River and four on Malden River.

The port of Boston, apart from its importance in promoting the flow of American commerce, is the key to the defense of the northwestern United States. The Boston Navy Yard, the airfields at Westover, Mass., and Grenier, N. H.—together with the heavy bomber base under construction at Limestone, Maine—loom large in all strategic considerations involving communications in the North Atlantic and over the Polar route of the not-too-distant future.

All these hinge on the efficiency of operations at Boston Harbor.

Without improvement of the Mystic River channel, Boston cannot do the job which it is called upon to do.

That fact, by itself, warrants immediate approval of this project.

Mr. WHITTINGTON. Mr. Chairman, I yield 3 minutes to the gentleman from Maryland [Mr. FALLON].

Mr. FALLON. Mr. Chairman, I favor this rivers and harbors bill because I was present at the hearings which have been held by the committee for the past 3 or 4 months, at which time each individual item in this bill was considered. Each item was given long consideration not only at the time people appeared before the committee but even after that, when the committee met in executive session.

I want to compliment the chairman, Mr. WHITTINGTON, for his hard work and great leadership in reporting this bill.

Much has been said about the merits of this bill, but the feature of the bill that interests me and I am sure the other members of the committee is the relationship between flood control, soil erosion, reclamation, and rivers and harbors.

I call the attention of the Committee to the fact that in the days before rivers and harbors were dredged in this country by the Federal Government many of them became filled with sediment to a point where towns that were formerly seaports are now 7 miles inland. Consider the history of many European countries. The great seaport of Tarsus in Cicilia, where Cleopatra's fleet visited many years ago, is now 10 miles inland from navigable waters.

Adria in Italy, which gave its name to the Adriatic Sea, an important seaport in the time of Caesar Augustus, is now 20 miles inland.

The relationship is that if the erosion is controlled at the source, and that is in the high country, we can control the floods and also reduce the cost of dredging harbors. If you do that, then you save your topsoil for the development of our agriculture and you are relieved of the cost, which is very expensive, of dredging harbors. All these things are related and have been considered with all phases explored. I believe this is one of the most important bills for the benefit of our economic welfare that has come before the House in this session. I advocate for this bill the support of the members of this Committee.

Mr. WHITTINGTON. Mr. Chairman, I yield such time as he may desire to the gentleman from Arkansas [Mr. HAYS].

Mr. HAYS of Arkansas. Mr. Chairman, the additional authorization in the pending bill for the Arkansas River should bolster the hopes of 3,700,000 people living in that basin that the Federal Government does not propose to neglect any longer the development of one of the Nation's great rivers. The Arkansas is America's most treacherous and unpredictable large stream. Its floods are devastating. Even since I became a Member of this House in 1943 one-tenth of all cultivated land between Little Rock and Fort Smith, the heart of the valley, have been destroyed by floods.

At the same time a shortage of electric power has developed that might be met by the construction of dams along this mighty stream.

The bill's support represents a unanimity among the people of our section.

No one wishes to deny the right of the people along this river to enjoy the same measure of protection against floods that has been extended to residents of other great river valleys. The country cannot afford to allow our rich, alluvial soil to be washed away. Certainly our experience on other streams has proved the wisdom of attacking the problem at its source, of building dams and reservoirs, and controlling, to a greater degree, the water that has too often broken out of banks to do such damage. In the lower reaches of the river, where it traverses some of the richest agricultural lands in the South, we have waged a constant war against the shifting of the channel. We have built levees, but we have seen the river, through shifting channels, destroy those expensive improvements. With the comprehensive plan first authorized in 1946 and carried forward in this bill we can put an end to this costly and wasteful process. Bank stabilization is essential to the task.

Surpassing anything within my memory, all elements of our business life appeared before the Public Works Committee to urge an increased authorization. They plead for any early start on the comprehensive plan evolved by the Army engineers after years of study so that we can put an end to the devastating floods that have periodically brought death and destruction to the valley. They asked only for an extension of Government help in development of the river basin that has been extended to all of the other major streams in the country.

The electric power development proposed in this plan is a logical part of it. On this point there was complete unanimity among the witnesses appearing before the committee.

Mr. Leland Olds, Chairman of the Federal Power Commission, outlined to the committee the power problem facing our section. By 1955 we must have the installed capacity available to meet a demand of 5,400,000 kilowatts. The present installed capacity in the region as of December 31, 1948, totaled only 3,100,000 kilowatts.

These figures give an indication of the tremendous increase in power consumption in the area. I cannot stress too much that this is not a temporary situation. Mr. Olds attributed this primarily to two factors: Continued industrial use of electricity in the area and a steady increase in the use of electricity on the farm and in the home, factors which will prevail for years to come.

Thus we see, Mr. Chairman, that there is an abundant market for the power to be developed. If only hydroelectric power were depended upon, it would require 500 more dams like the Dardanelle Dam to meet America's needs 20 years hence. These are the Department of Interior's estimates.

Because our section has such a stake in this measure and because I believe it will serve the interests of all sections I shall support it.

Mr. WHITTINGTON. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. DAVENPORT].

Mr. DAVENPORT. Mr. Chairman, coming from a city where the Allegheny River meets the Monongahela, and forms the mighty Ohio River, and coming from a city where floods have done untold damage over the past 25 years, I naturally could not allow this opportunity to go by without rising in support of this very vital bill.

I would like to point out to some of the Representatives who seem to be a little apathetic—some from Pennsylvania and New York and Ohio and Illinois—that this bill is just as vital to them as it is to the States in the South.

I would like to point out, for instance, that this bill carries with it the final authority for the Conemaugh River Dam, which is the most important dam development in the history of Pennsylvania. I would like also to point out something that very few of the Representatives from the Northern States realize and that is that if this bill passes the House, there is another $27,000,000 authorization for the Monongahela River which will probably be added in the other body, and the purpose of this authorization is to enlarge and modernize the docks and provide a 9-foot channel.

Here is another very important point for the gentlemen from Pennsylvania and New York and Ohio to consider. In this bill there is an authorization of $70,000 to investigate and survey the Allegheny and Genesee Rivers with the idea in mind of connecting the Pittsburgh area with the Great Lakes. That would be one of the greatest forward steps that the people of Pittsburgh could ever make.

Mr. Chairman, I am happy to support this authorization bill, a bill to authorize future appropriations by Congress for the construction of these various new flood control projects included in this omnibus bill. The Committee on Public Works has devoted conscientious study to the individual projects, and we are satisfied that these projects, recommended by the Army engineers are worthwhile, practical, economically justified sources of Government activity.

There is, of course, no money included in this bill, no appropriations, for the actual start of construction work on these projects. The money will be appropriated in future years only after a second study of each individual project has been made by the Appropriations Committee which double-checks, you might say, on the recommendations and study of the Public Works Committee.

This system of double scrutiny of proposed flood control and river and harbors expenditures serves to protect the taxpayers of the country as a whole against wasteful and extravagant appropriations.

As a new Member of the Congress serving my first term, I have been indeed impressed by the careful study which precedes expenditures of Federal funds for purposes of this kind.

Long before I came to Congress, I became acutely conscious of the tremendous value of our Government's flood-control work. In the Pittsburgh area, we have, in fact, rescued our vital industrial areas and the whole community from the scourge of repeated floods as a result of the helping hand of the United States Government in combating these floods at the source, in the headwaters, far up the rivers, in the mountains high above Pittsburgh. Our flood-control system has been a gigantic success already, and when it is completed, as it will be in a reasonably few years, Pittsburgh and the surrounding communities will be completely secure, I trust, against disasters such as occurred in 1936 and 1937 and many times before that.

The Flood Control Act of 1936, which led to this great achievement of protecting Pittsburgh and many other great cities of our country, was one of the historic achievements of the Democratic Party, and the Roosevelt administrations. President Truman is carrying on this program with the same humaneness and interest.

I think it might be appropriate at this moment to point out that the senior United States Senator from Pennsylvania, the Honorable FRANCIS J. MYERS, has been one of the greatest supporters of flood control in the entire Congress, and has been instrumental in pushing through the great program which now benefits us in Pittsburgh and in pushing through other projects of similar importance to various parts of Pennsylvania.

The two new Pennsylvania projects contained in this bill, the one on the Lackawaxen River system in Wayne County in northeastern Pennsylvania, and the one for the protection of Bradford, in the center of Pennsylvania's great crude-oil producing area, are both evidences of his untiring energy in behalf of adequate flood-control protection for our communities in Pennsylvania.

The original survey on the Bradford flood problem was undertaken by the Army engineers under a resolution submitted to Congress by Senator MYERS. He subsequently introduced the legislation to authorize the project. Unfortunately, the Senate Public Works Committee in the Eightieth Congress did not feel disposed to expedite this project by including it in the omnibus bill last year because of a technicality under which it ruled out several similar projects, which had not yet cleared all of the routine administrative stages. But again this year he not only introduced a bill to authorize the project but took the time out of his very busy schedule as the assistant majority leader of the Senate to come

over here to the House and appear as a witness before the Flood Control Subcommittee and urge the inclusion of the project in this omnibus bill. I am sure his appearance was of great significance in the progress of this authorization.

Similarly on the Lackawaxen project, the Senator introduced the original enabling legislation and helped to get initial planning funds for the work. The Eightieth Congress, as it did in so many other instances, practiced false economy on this project by authorizing only half of the dollar cost of the work on this project. So now the Eighty-first Congress must come along and repair the damage by authorizing appropriation of the full amount so that the costly and inefficient delays occasioned by this partial authorization can be ended, and the planning funds available for Lackawaxen can be used efficiently by the engineers on both the Dyberry as well as the Prompton Reservoirs.

Both of these projects, when they are built, will serve as monuments to the efforts of Pennsylvania's senior United States Senator, one of the great leaders of this Congress.

There are other such monuments all over the State, projects which have been speeded along primarily as a result of his interest and effort. I mentioned the good fortune of Pittsburgh in having a unified flood-control system now in operation to defend us against these periodic disasters. The biggest single unit in our flood-control system, the Conemaugh Reservoir, now under construction, will virtually complete our network of vast storage reservoirs. This bill contains final authorization for this project.

This project is under construction now, within a few years of completion, only because Senator MYERS went to bat for it 3 or 4 years ago and helped to save it in the Senate after the House had refused to include it in the first postwar appropriation bill. The objections of a single Member of the House, who at that time was on the Appropriations Subcommittee, had kept it out of the House bill, despite the efforts of the entire delegation from Pittsburgh to insert it through a floor amendment.

The significance of Senator MYERS' aid on this project in the Senate in that deficiency bill of 1945–46 became evident late in 1946 when an Executive order was issued by President Truman cutting down drastically on flood-control expenditures in the hopes of preventing a post-OPA inflation in construction costs. He was not successful in that of course, but his effort was an honest one.

The effect of that order was to prohibit the engineers from spending any money whatsoever on projects which were not already in the construction stage. This order was carried over into the following year's appropriation.

Had Senator MYERS not been successful in getting the Conemaugh project included in the first postwar appropriation bill so that it was under construction when the stop order on new projects came down, it would have been years before this project could even have started.

The same thing, identically, happened in connection with the reservoir on the east branch of the Clarion River for the protection of Elk County communities like Johnsonburg, Ridgway, and St. Marys. This project was left out of the first bill, and Senator MYERS helped to get it put back in over in the other Chamber.

When the Eightieth Congress started to slash appropriations right and left with a meat ax, and particularly on such worth-while things as flood control, Pennsylvania's senior Senator personally appeared before both the House and Senate Appropriations Committee to fight the fight for adequate flood-control appropriations.

Thanks to his efforts, the citizens of Williamsport, Johnstown, and Sunbury and Punxsutawney and Wilkes-Barre and many other parts of Pennsylvania have received better treatment on the appropriations from Congress for their flood-control projects. He has battled their cause all the way, knowing full well how devastating recurring floods have been to the citizens and the industries and the businesses in those towns.

With a Democratic Eighty-first Congress, the people have come to take it for granted that this Congress will be fair on flood-control appropriations. A good example of that fact is that when the House Appropriations Committee held its hearings earlier this year, I happened to be the only witness to appear before it in behalf of the full budget amount for the Conemaugh River Reservoir.

How different from the previous 2 years, during the Eightieth Congress, when the Pittsburgh Chamber of Commerce and many of the business people and all of the people in the community were frightened by what the economizers would do to that appropriation, and were down here in force to plead their cause. This year, they took our fairness for granted.

Senator MYERS, however, took no chances. His statement before the Senate Appropriations Committee was full and complete and thorough—one of the most thorough documents I have ever seen on this matter of flood-control justifications—and he made sure not only in the case of Conemaugh but of all of the projects in Pennsylvania included in the bill that the Senate committee had all of the facts bearing on them. As a result, the cuts made by the House committee on these projects were in nearly every single instance reversed in the Senate.

When a man as busy as Senator MYERS is takes so much time and devotes so much effort to the flood control problems of his State, I think it is time that someone call that fact to public attention. I am proud of his identification with my party and as a resident of the Pittsburgh area, I am personally grateful for the fine work he has done in the past and is still doing all the time to help assure our protection against floods which in the past have almost wiped out the heart of that industrial city—floods which, were they to have continued, might have doomed Pittsburgh as a great city. Instead, Pittsburgh's future is brighter than ever.

Mr. DONDERO. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. VURSELL].

Mr. VURSELL. Mr. Chairman, as a member of the Committee on Public Works, I should like to begin by saying that I think if you will look over the membership on the Republican side of the House, as well as the Democratic side of the House, you will find most of the members of the Committee on Rivers and Harbors and Flood Control and the Committee on Public Works, to be economic minded when it comes to trying to protect the United States Treasury. We have not lost knowledge of the value of a dollar or the necessity for conserving the financial solvency of this Government.

What have we done? For many weeks we held hearings. The people came in and presented their various propositions for flood control, river and harbor improvements, and so on, and we went through all testimony after such projects had been recommended by the engineers, and the engineers had been questioned as to the return it would bring to the Government. Finally, we closed the hearings and we decided to mark up the bill. The bill was marked up by the chairman of the committee, with the help of the engineers and of the members of the committee, and the bill was finally gone over again by the full committee and it was again reviewed. We cut over $200,000,000 out of a bill that ordinarily would have been reported to the Congress. We did this because we knew that we must conserve the financial resources of the Government as much as we could. Yet, at the same time, we felt that this work should be authorized, emergency projects, old projects that had been authorized, which will come before the Appropriations Committee for further consideration.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. I yield.

Mr. REES. As I understand the gentleman, the committee has brought out a bill for $200,000,000.

So, after going over the thing with a fine-toothed comb you cut it about 10 percent?

Mr. VURSELL. I will answer the gentleman's question by saying that the bill calls for about $1,114,000,000; yet it has got to go to the Committee on Appropriations before any of the money is spent, and the chances are that most of this money will be spent over a period of from 1 to 5 years. May I also point out to the gentleman from Kansas that this is the smallest flood-control bill which has been brought to the House in many years, because there is only $50,000,000 in this bill for new projects, and for the further reason that in the past 4, 5, or 6 years because of the additional cost of labor and material, in normal times this would be a bill of only about $500,000,000, and the new projects in this bill would amount to the small sum of about $25,000,000. We are faced with the proposition as to whether we will authorize this amount of money and then leave it to the Appropriations Committee to appropriate over 1, 2, 3, 4, or 5 years, and leave it to them as to how the money will be expended; and, furthermore, I would like to point out that

in a bill of this kind and in this particular bill 75 percent of the money authorized will be used to continue uncompleted projects that are already authorized and beyond the drafting stage and under construction. Could there be any economy in failing to complete such works? Seventy-five percent of this money is for that purpose. Would there be any economy in holding it? It would be false economy, and it would strike a blow against the conservation of the soil and the conservation of the general resources of this entire Nation. I have voted against most of the bills that have appropriated money to go abroad, but today we bring you something for the American people, something that will put them in better position to be able to contribute their taxes to the support of the Nation. Let us do something for the American people in this bill.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. DONDERO. Mr. Chairman, I yield 10 minutes to the gentleman from Washington [Mr. MACK], a member of the committee.

Mr. MACK of Washington. Mr. Chairman, the river and harbor-flood control authorization bill which is presented today to you for consideration was prepared only after the most exhaustive and extensive public hearings.

Those hearings extended over 24 days. The reports on those hearings, now available to Members, are in two volumes that contain a total of 1,648 pages. Since the average page of these hearings contains 500 to 700 words, the committee can say that approximately a million words of testimony was taken prior to the writing up of this bill. Few bills that come to the floor of the House have undergone such thorough hearings and search study as the one now before you.

May I, as a member of the minority, further say that never during those 24 days of hearings did any partisanship enter into any of our discussions. Projects submitted by minority members received the same fair and impartial treatment as did those submitted by members of the majority. And, on the other hand, projects sponsored by members of the majority were subjected to the same searching inquiry and to the same demand for complete justification of their merits, as did projects sponsored by members of the minority.

The Republicans, as well as the Democratic members of this committee are very proud of our chairman, the distinguished gentleman from Mississippi [Mr. WHITTINGTON]. I know I voice the opinion of all my colleagues on the committee when I say that there is no Member of the Congress who possesses such an enormous fund of detailed and intimate knowledge of the complex and intricate river and harbor-flood control problems of this Nation as does the gentleman from Mississippi. In fact, I doubt if there is any citizen of the United States, not even among the Army engineers, who give their lives to this work, who knows so much and in such detail about our river and harbor-flood control problems as does our chairman. Certainly, the Congress and the country are fortunate to have such an able, well-informed and fair-minded man as head of this great committee.

When occasionally the gentleman from Mississippi was impelled to rap us on the Republican side to order for whispering during his interrogation of witnesses—I can assure him on most of those occasions that the subject of our whisperings was that "the gentleman from Mississippi certainly knows his stuff."

The bill now before us is not an appropriation bill. It is an authorization bill. It merely places on the shelf a number of river and harbor and flood-control public-works projects from which they can be withdrawn and activated, if and when, the Appropriation Committee and the Congress believes the time is here for their construction.

Such advance planning, in my opinion, is good business. If depression comes these well-thought-out, meritorious projects will be there, ready for quick adoption. This will eliminate the danger that we will embark upon another necessary but of no lasting benefit undertakings such as the leaf-raking adventures of the thirties.

True, the bill now before us does involve a large sum for authorization—$1,114,539,975. These projects, however, will not be carried out in any one year. There will be no river and harbor and flood-control authorization bill next year and probably, as the chairman tells us, even during the following year. These projects, therefore, are planned for at least a 2-year and probably a 3-year period.

On the basis of a bill of this kind every 2 years, this means the authorization of projects at the rate of less than $600,000,000 a year and if, as the chairman suggests, this will be a 3-year bill, the authorizations will make available projects at the rate of less than $400,000,000 a year.

Furthermore, prior to the Eightieth Congress and the Congressional Reorganization Act, it was the practice to have two of these bills each 2 years—one for river and harbor projects and one for flood control. It was not until 2 years ago that both types of projects—river and harbor and flood control—were lumped into one bill.

Had this bill been divided into two bills, one rivers and harbors and the other for flood-control work, with the understanding that these two separate bills were to take care of needed work for 2 or 3 years, the amount would not seem so large.

In that event, the figures would seem small for that would be only about $40,000,000 a year for rivers and harbors on a 3-year basis and only about $335,000,000 a year for flood-control undertakings.

If someone were to say that every village and hamlet in America is now connected to every city of the Nation by a road and that therefore the Nation requires no more highways, most members would all join in declaring such a proposal absurd.

We would answer that the number of automobiles using the highways is increasing and that cars are better and faster today than formerly and that therefore we must have more and better highways even if their building does cost money.

We need more and better harbors for the same reason. There are more ships using our harbors. They are bigger and faster ships than ever existed heretofore. They are carrying more freight.

Our coastwise and foreign traffic last year reached a total of 310,000,000 tons, which was an increase of 35 percent above the average for the 10 prewar years.

Traffic on our inland waterways is thirty-one and one-third billion tonmiles or about 30 percent greater than the prewar record. Cargo traffic on the Great Lakes has expanded enormously. Ships are of deeper draft. They require deep harbors and deeper waterways. Ship operations cost more, and every hour or day of delay due to inadequate waterways increases transportation costs and thereby the cost of goods to consumers.

I read in the press this week a statement by a British politician, in which he stated that the output of the British laboring man is only one-half that which the American worker produces. Why is this true? The Britisher said it was because the British workers do not have as many or as good machines and tools as Americans.

The business of getting goods from the producer to the consumer is an integral part of production. Transportation is one of the large costs a consumer can pay. If we have adequate harbors, cost of transportation will decrease and our living standards will improve because our dollars thereby will buy more.

There would be no more soundness in abandoning a river and harbor development program in the guise of economy than there would be to abandon road and highway building merely because it involves expenditures.

As to most of our flood-control works in this country, we are going to pay for them in one way or another whether we build them or not.

If we do not build them we will pay in the form of great losses from floods in homes damaged or destroyed, in fertile soil washed out to sea, in plants closed down by floodwaters thereby curtailing production and creating a loss of employment. To build these flood-control works will cost money it is true but these works will save us these other losses, which, while difficult to estimate, nevertheless are real and very costly to our economy.

General Pick, Chief of the Army engineers, testifying before the committee said that in the 10-year period between 1938 and 1948—many of them war years—he placed in operation flood-control projects costing $483,000,000. Then he added:

> Our estimates, which we believe are conservative, show that these works have prevented damages evaluated at $500,000,000.

Continuing, he said:

> Thus they—
>
> These flood-control projects—

have already paid for themselves, and throughout the remainder of their useful

lives will continue to return additional large dividends to the people of the United States.

In my own district, the southern boundary of which is the Columbia River, we suffered a disastrous flood in May 1948. That flood took 50 lives and created damages estimated by the Army engineers that totaled $100,000,000.

The engineers estimate that the damages from that flood would have been not $100,000,000, but $142,000,000 had it not been for flood-control works previously constructed. In other words, a small amount of flood protective work previously done along the Columbia River in that one flood alone saved $42,000,000 of damages, according to the engineers. These dikes previously built in that one flood alone paid for themselves several times over. Also they continue to exist to service this area from additional damages in future years.

Mr. ELLSWORTH. Mr. Chairman, will the gentleman yield?

Mr. MACK of Washington. I yield to the gentleman from Oregon.

Mr. ELLSWORTH. The gentleman speaks of flood control. I believe the point has already been made, but I wish to make it again and emphasize it for the benefit of the Members of the House, that more than 70 percent of the authorization provided in this bill is for additional sums for work that is already under construction.

Mr. MACK of Washington. The gentleman from Oregon is correct.

Mr. ELLSWORTH. It is important that the Members understand what this means. The projects formerly authorized were prepared by the engineers on the basis of the cost of labor and materials at the time the surveys were made and at the time the authorizations were made. Since that time, however, the cost of these projects has increased; therefore it is necessary for additional authorizations to be put in this bill. This fact is particularly true with reference to the Willamette Valley flood-control project in my own congressional district. The original survey, the original estimate and the original appropriations were made on the basis of costs before 1938 and 1939. Now we find that we do not have sufficient authorization to complete the project. Very little benefit will accrue to the American people until the project is completed, although we have already expended up to 80 percent of the total cost of the project. Therefore, the additional authorization in this bill is necessary in order that the project can be completed.

Mr. MACK of Washington. I thank the gentleman for his contribution.

Mr. McCULLOCH. Mr. Chairman, will the gentleman yield?

Mr. MACK of Washington. I yield to the gentleman from Ohio.

Mr. McCULLOCH. On page 24 of the bill I note the authorization for a multiple-purpose dam at Albeni Falls, Idaho, at an estimated cost of over $31,000,000. What will be the power potential of that project?

Mr. MACK of Washington. You may have read in the report that the power production of that dam will amount to only 42,000 kilowatts. As a matter of fact, Albeni Dam really will result in the production of an additional 300,000 kilowatts.

Mr. McCULLOCH. Will the gentleman explain why there is that discrepancy then?

Mr. MACK of Washington. The main purpose of the Albeni Falls Dam is to create storage behind that dam to impound vast quantities of water. This will be released when the water on the lower river is low. There are to be 10 dams below Albeni Falls, and this storage water coming down the river from Albeni Falls will firm up the power in the dams below. According to the Army engineers it will firm up and create 77,000 additional kilowatts in Grand Coulee and Bonneville in addition to its own 42,000-kilowatt production. In addition, when other contemplated dams are built on the lower river the Albeni Falls Dam will increase to 300,000 kilowatts the increased kilowatts generated as a result of building this dam.

Albeni Falls Dam will be responsible for creating 300,000 additional kilowatts of firm power on the Columbia River. It will do this at a total cost of only $31,070,000. This will make the Albeni Falls Dam in fact one of the cheapest producers of power on the whole Columbia set-up. Furthermore, Albeni Dam being a comparatively small one, despite the vast amount of power it will result in producing, can be completed quickly, possibly in 2 years and at any rate in not more than 3 years. This will give us additional needed power in the Northwest quickly and we desperately need that additional power for our present power supply is far below our requirements.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. MACK of Washington. I yield to the gentleman from Alabama.

Mr. JONES of Alabama. I would like to point out to the gentleman, in his fine presentation, in keeping with the inquiries made by the gentleman from Michigan about the development in the Northwest of authorized projects, there are included modifications of projects, particularly in the Willamette Valley and lower Columbia Valley in Washington caused by the great flood of 1948, that calls for additional types of work than were contemplated in the original authorization act.

Mr. MACK of Washington. The gentleman from Alabama is correct. In the great flood of 1948 50 lives were lost and $100,000,000 in property destroyed. General Pick, in commenting on this, said that if it had not been for a small number of flood-control projects in the area that the damage would not have been $100,000,000, but would have been $142,000,000. In other words, the small amount of protective works which heretofore had been built in the lower Columbia River, mostly by the local interests, have been repaid severalfold by the flood-damage savings they accomplished.

General Pick during the hearings pointed out that these flood-control projects are not expenditures but are really investments.

General Pick, Chief of the Army engineers, testifying before the committee said that in the 10-year period between 1938 and 1948—many of them war years when works of this kind were halted—we placed in operation flood-control projects costing $483,000,000. Then he added:

> Our estimates, which we believe are conservative, show that these works have prevented damages evaluated at $500,000,000.

Continuing, he said:

> Thus they—
>
> These flood-control projects—
>
> have already paid for themselves, and throughout the remainder of their useful lives, will continue to return additional large dividends to the people of the United States.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. WHITTINGTON. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, during the consideration of the rule the gentleman from Idaho [Mr. WHITE] asked me about the appearance of advocates of public power before our committee, and I responded to the gentleman that the advocates of public power utilities did not advocate the building of dams. It was fair to say that in the Columbia Basin some gentlemen appeared and made the statement, and they impressed me as being satisfied with the handling of that power by the Bonneville Power Commission, and I had the impression that the only advocates were the advocates of Tacoma and Seattle power companies which were not public-utility power companies, but municipal. I find that there was a gentleman from Spokane, Mr. Robertson, representing a utilities company, who did appear on behalf of this project and another one down in the Columbia River. I was impressed that while utility companies opposed dams generally in other parts of the country they were satisfied for dams to be constructed by the Government in the Columbia Basin, because they were satisfied with the disposal of power by the Bonneville Administration. I had in mind that the utility companies in the Columbia Basin were satisfied with the Bonneville Administration.

Mr. Chairman, I yield 5 minutes to the gentleman from Idaho [Mr. WHITE].

Mr. WHITE of Idaho. Mr. Chairman, this is supposed to be a flood-control bill. The main objective of the Army engineers is flood control. The gentleman from Mississippi, chairman of the Committee on Public Works, is stressing flood control. The Albeni Falls Dam project that I am going to talk to you about, because I am going to offer an amendment about it in a few minutes, is not a flood-control project; it is a reverse flood-control project. It will drown out all the lowland across the State of Idaho from Albeni Falls, which is exactly on the Washington line, to Cabinet Gorge, which is exactly on the Montana line. The beautiful valley of Clark Fork and all these prosperous communities, the towns of Sandpoint, on Lake Pend Oreille, and down the river to Laclede, all the valuable land along the river that was cleared by the settlers with 50 years' work, will be flooded and

will be ruined. For what? For one thing.

This Albeni Falls is a gold mine that will make millions of dollars. It is a gold mine for the power company, and one power company alone, the Washington Water Power Co. I have here in the annual report a very extended statement of the $8,000,000 they collected last year with their great network of power lines all over the surrounding country, what we call the inland empire, surrounding the big city of Spokane to the mines in Idaho and the sawmills and all industries to which they furnish power. They are now buying power from Bonneville Power Administration for 2½ mills a kilowatt. They are retailing it commercially for a cent and a quarter, 12½ mills a kilowatt. They are making a cent on every kilowatt they handle, one penny.

What does one penny mean on the output of Albeni Falls? The output of Albeni Falls will be 236,000,000 kilowatts a year. If they make a cent a kilowatt on that, they will simply make $2,360,000 a year, with nothing invested in the dam and power plant. The Government is going to pay for despoiling this land. The Government is going to build the project. Yet the company is going to get the power. They will make $2,000,000 a year. That is the biggest gold mine that has ever been struck in Idaho. The power company has engineered this thing for years.

When this bill comes before you, there is just one budget estimate in this bill, there is just one project in the bill that is ready to go, and that is Albeni Falls. It is being railroaded from start to finish. It will wreck north Idaho. At the proper time I am going to ask this committee to strike out Albeni Falls and let them bring the project in here in an orderly way.

There are a lot more things I could tell you about it. It will back up the waters along the two rivers and around the lake, where we are periodically flooded now. We have had a dry cycle of years for the last 20 years and had no floods, but now we will be flooded. There is a barrier in the river that the Army engineers paid no attention to. We asked them to take out this barrier and make this a flood-control job, but that part of the plan has been left out.

Why have they bypassed the four projects? The Government started in on an orderly development program by the building of Hungry Horse at the head of the river. They passed up Glasser View, Butte, Paradise, and Cabinet Gorge. There is a rush to get the money from Albeni Falls rolling into their pockets. They have got their transmission power lines right to the site; they have got the transformers started there. There is no benefit to people of north Idaho. It is all in the hearings. The petitions are there remonstrating against this thing.

If there is any flood control in the country, let us have flood control. Let us carry out this program in an orderly way. Let us protect the people in northern Idaho just as the people in the Yazoo Valley are protected. Where would the chairman of this committee and the cotton plantations in the Yazoo Valley be if there were no flood control in the rich Yazoo Valley of Mississippi? Where would the people from New Orleans on up the river be if we had no flood control? This committee and this Congress are dedicated to flood control, so let us have flood control, and not flood destruction.

Mr. DONDERO. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. McDONOUGH].

Mr. McDONOUGH. Mr. Chairman, there is one thing I think the Members of the House should realize in considering this bill. First, it has been thoroughly gone over. Every project has been thoroughly gone over by the Committee on Public Works. In addition to that it is an authorization bill, not an appropriation bill, and every single item will be thoroughly gone over with a fine-toothed comb by the Committee on Appropriations before appropriations are granted to prosecute these projects. So the matter is not a final, conclusive, or determinative question here today. It is one of looking at these projects from the point of view of the benefit to the whole Nation, and with the assurance that the Committee on Appropriations will make a thorough job of it before the appropriations are finally granted. This is the first omnibus rivers and harbors and flood-control bill which has been reported to the House since the passage of the Rivers and Harbors and Flood Control Acts of 1946. The bill has been called another forward step in the national program for the development and improvement of the rivers and harbors and for protection against the ravages of flood waters.

Rivers and harbors and flood-control construction programs have progressed at a rapidly increasing rate since the end of World War II. Let me read to you for comparison the authorizations included in the Rivers and Harbors and Flood Control Acts of 1944, 1945, and 1946 and the authorizations in this bill. In the 1944 Flood Control and Rivers and Harbors Acts the amount for rivers and harbors was $381,968,000. In this bill, under the same title, flood control, there is $119,539,000. In other words, it is less than half the amount that was provided in the 1944 flood-control bill. The amount in the 1946 flood-control bill for rivers and harbors was $521,000,000, or almost four times the amount in this bill.

Under flood control in the 1944 bill we authorized $950,000,000. In this bill we are only authorizing 5 million more dollars than in the 1944 act. But under the Flood Control Act of 1946 we authorized $772,000,000.

Now, for the totals: Under the 1944 act we authorized $1,331,000,000. There has been a great deal said about this bill being an enormously high bill. We have authorized more than a billion dollars for flood control and rivers and harbors works before, and in the 1944 act we authorized $1,331,000,000.

In 1946 we authorized $1,293,000,000.

In this bill, for both flood control and rivers and harbors the amount is $1,114,000,000. That is less than the two previous omnibus bills which were reported in 1944 and 1946. Let me, for instance, compare what we are doing under our ECA program and our military-aid program to foreign countries.

There has been $29,000,000 American money, if you please, spent on river and harbor improvements, navigation, railway and highway bridges, and improvements in Greece, according to a recent bulletin issued by the Public Advisory Board of ECA which exceeds the amount of money in some 19 projects in this bill in various States throughout the country. As shown in the following list:

Brazos Island Harbor, Tex	$3,050,000
Mississippi River at Hannibal, Mo.	50,420
Mississippi River at Davenport, Iowa	91,200
Mississippi River at Muscatine, Iowa	129,495
Mississippi River at Clinton, Iowa	257,770
Mississippi River at Prairie du Chien, Wis	131,000
Mississippi River at Alma, Wis	29,500
Detroit River, Mich	1,356,800
Toledo Harbor, Ohio	329,900
San Joaquin River and Stockton Channel, Calif	4,214,000
Westport slough, Oregon	112,000
Columbia slough, Oregon	905,100
Mystic River, Mass	2,908,000
Taylors Creek, N. C	82,200
Cape Fear River, N. C	1,331,000
Savannah River, Ga. and S. C	3,137,000
Brunswick Harbor, Ga	1,532,000
St. Augustine Harbor, Fla	1,892,200
Galveston Harbor, Tex	5,550,000

RECONSTRUCTION OF GREEK TRANSPORTATION SYSTEM BY ECA PUBLIC ADVISORY BOARD, JUNE 1, 1949

Under the interim aid program established by Congress May 22, 1947, the United States has completed reconstruction of Greece's transportation system. Under the program, 1,000 miles of first-rate highways have been constructed to link the important cities and mountainous regions of Greece; the ports of Piraeus—Athens—Salonika in Macedonia, and Volos in Thessaly required construction of more than 2 miles of concrete quays, two large drydocks, and breakwaters and installation of permanent port equipment. Over 2 miles of bridges and railroad tunnels have been built, and the 4-mile Corinth Canal has been reopened. Seven airfields, all with modern facilities, have been constructed.

The cost of the over-all program was $29,000,000 in United States currency, plus 330,000,000 drachmas in Greek currency. Of this amount, the Department of State furnished $20,500,000 in cash and $400,000 in services. ECA supplemented the fund with $8,100,000 in July 1948.

There is less money authorized in this bill, and I say again, authorized and not appropriated, for the following list of flood-control improvements:

Genesee River, N. Y	$609,000
Canton, Mo	1,086,000
Cape Girardeau, Mo	4,756,000
Elkhorn River Basin, Nebr	2,428,000
Orleans, Ind	202,000
Wabash River-New Harmony Bridge, Indiana and Illinois	500,000
Red River of the North Basin	4,000,000
Johnson Creek, Oreg	332,000
Lower Columbia River bank protection	4,900,000

That we have spent out of ECA funds for the recovery of the Zuider Zee in the Netherlands—not authorized, but spent.

We have authorized and spent $16,000,000 of our money to remove the salinity from the Zuider Zee in the Netherlands.

Here is a bulletin from the Public Advisory Board of the ECA, which states that the Marshall plan has set aside $91,000,000 which will be used in housing construction, agricultural development, and reclamation of land in the Netherlands. Of the $91,000,000, $16,000,000 has been earmarked for the reclamation of land in the Zuider Zee; $6,000,000 for the development of agricultural resources, including drainage of land; and $4,000,000 for the improvement of farming methods in the Isle of Walcheren in the Netherlands.

NETHERLANDS RECLAMATION PLANS

Release of 240,000,000 guilders of Marshall plan counterpart funds, about $91,000,000, will assist in housing construction, agricultural development, and reclamation of land in the Netherlands.

Of the $91,000,000—guilder equivalent—release, $70,000,000 has been earmarked for the rebuilding of housing for industrial workers in the war-devastated areas of Limburg, Walcheren, and De Betuwe and the cities of Rotterdam, Arnhem, and Nijmegen; $16,000,000 has been earmarked for reclamation of land in the Zuider Zee; $6,000,000 for development of agricultural resources, including draining of land; and $4,000,000 for the improvement of farming methods on the Isle of Walcheren.

The Dutch Government, which has been wresting land from the sea for centuries, calls the Zuider Zee project the most spectacular work it has ever embarked upon. About 120,000 acres of farm land would be added to the Netherlands land area. By constructing new polders—areas of land reclaimed from the sea—the Dutch expect to diminish the need for importing foodstuffs from hard-currency areas. Increasing the land area of the Netherlands also will help to ease the problem caused by the rapidly growing population.

Farm land on the Isle of Walcheren figured prominently in World War II when the Allies ordered it flooded because it was a strategic point held by the Germans. Walcheren, the Dutch say, has made an amazing comeback since the war. Its fields, flooded by salt water, have been drained and its land is producing again. The new project there is expected to increase the level of efficiency in the use of the land.

My point is, we are spending our taxpayers' money to do the very things in western Europe, in places where it is probably needed, in greater amount than we are authorizing for the construction of our own flood control and rivers and harbor projects in this bill in the United State of America.

I have here a bulletin issued by the Office of Coordinator of Information for the House of Representatives. It is dated 1947. It is titled "Around the World With 66 Billion Dollars." That does not include ECA funds voted in 1948. It does not include the military aid voted the other day, but it does show in detail where we have loaned or given away $66,000,000,000 to rehabilitate the world, in all parts of the world, while here we are considering with some doubt in our minds whether we should authorize a bill for a billion dollars for the development of our own rivers and harbors and flood control in essential and necessary sections of the United States.

Of the authorizations that have been previously granted, we are only about 25 percent along on the schedule of the program. We held up the construction program on these projects during the war, We have not caught up since the war as much as a year of the program that we lost in the 5-year period that we suspended operations. Another consideration that we cannot overlook in this bill is the fact that we are providing work for unemployment, because these projects are going to give employment to thousands and thousands of people—necessary employment in necessary projects. Unemployment has been growing at an alarming rate. In your own districts you have the problem. You are hearing about it every day. This is only a small portion of the program that we will be called upon to provide for in the event unemployment increases in the future in the same proportion as it has in the last several months in this country.

Here is a statement from the Hoover Commission on the need of public works to relieve unemployment:

EXCERPT FROM THE HOOVER COMMISSION REPORTS

Experience in the last depression brought home to Federal and local officials the importance of advance planning for future emergencies. During the depression years 1932 to 1938, the public works relief program cost $24,000,000,000 of which $18,500,000,000 were Federal funds. Because of lack of advance plans, worth-while projects were delayed or abandoned, while makeshift devices were resorted to in an effort to minimize boondoggling. To date, considerable progress has been made by the Federal Works Agency on a sheaf of plans for future use, although aggregating nothing like the total required. At present we have available through Federal, State, and local appropriations, a reservoir of projects estimated to cost about $5,000,000,000.

Here is a statement from the Midyear Economic Report of the President on the need of public works to relieve unemployment:

EXCERPT FROM MIDYEAR ECONOMIC REPORT OF THE PRESIDENT, JULY 1949

PUBLIC WORKS

Public works programs, Federal, State, and local, assume added significance under present conditions as a means of maintaining consumer purchasing power and stimulating investment opportunities. My January budget proposals called for Federal expenditures for civil public works in fiscal year 1950 in the amount of about $3,000,000,000, compared to about $2,250,000,000 in fiscal year 1949. Continuing the programs included in the present budget, even without any new starts, will require expenditures of approximately $3,000,000,000 in each of the fiscal years 1951 and 1952, at construction rates now planned.

This is a substantial program, and, coupled with private construction expenditures at the current rate, and with local and State expenditures at a rate in excess of $3,000,000,000 a year, should maintain the construction industry at a high level of activity and thus strengthen the whole economy.

The economic situation does not now call for an immediate and sweeping expansion of public works. It would be dangerous, however, to neglect the precautionary preparations of measures which might be needed if the business downturn should become more serious. Such preparatory measures by themselves will serve to inspire confidence that the Government will, if necessary, help further to maintain a high level of demand. They will thus reduce doubts that businessmen may have about planning investments for the future. They will also encourage consumers to continue their normal purchasing with more confidence.

I urge, therefore that the Congress (1) enact legislation to provide for loans to assist State and local advance planning of public works; (2) provide funds for the Public Buildings Administration for advance planning and site acquisition for Federal construction, under the authority recently enacted; (3) enable the Bureau of Public Roads to make advances to States for acquiring and clearing rights-of-way; and (4) provide for the surveys and planning for school construction which I have previously recommended. Together with the advance planning already under way by many Federal agencies, these actions will round out a substantial backlog of planned public works.

Since 1824 the Congress has wisely fostered a sound and progressive development of our rivers and harbors in the interest of foreign and domestic commerce. The work has been and is being executed efficiently by the Corps of Engineers, United States Army. As a result of the Federal navigation-development program over the past 125 years, we now have some 1,300 authorized river and harbor projects in the United States, Puerto Rico, Alaska, and the Hawaiian Islands. They provide 28,000 miles of improved waterways, 490 locks and dams, and 270 harbors. This vast coastal, Great Lakes, and inland waterway network is without peer in the world. About $1,500,000,000 have been appropriated for expenditure on this construction to date. Remaining authorized work to be completed includes 316 individual projects involving an estimated construction cost based upon 1948 prices of about $2,000,000,000.

The flood-control items which appear under title II represent a logical and orderly continuation of flood-control program throughout the United States in which the Federal Government has now been intensively engaged for a number of years. The basic policy now established by flood-control legislation is that flood control throughout the United States is a proper activity of the Federal Government in cooperation with States and local communities, and that the Federal Government should undertake flood-control improvements or participate in them if such projects are economically justified, and if the lives and social security of the people are adversely affected. The status of the national flood-control program with respect to cost, authorization for appropriations, and actual appropriations may be summarized briefly as follows: The total cost is estimated at $7,503,000,000, of which Congress has authorized to date $3,589,784,000, leaving an amount remaining to be authorized of $3,913,216,000. Toward the amount already authorized ($3,589,784,000) Congress has appropriated through the fiscal year 1949 an amount of $1,986,586,000. The appropriation for

flood-control construction contained in the civil functions, Department of the Army, appropriations bill, fiscal year 1950, as passed by the Senate and now in conference, is $460,326,300. This amount reduces the balance authorized but now appropriated from $1,593,198,000 to $1,132,871,700.

The physical progress on the flood-control program, which includes almost 1,000 projects throughout the country, is indicated in the following tabulation:

Status	Number of projects	Estimated cost
Complete or essentially complete	256	$624,000,000
Under construction	223	4,124,000,000
Not yet started	512	2,755,000,000
Total	991	7,503,000,000

One item in this bill that was criticized a great deal after the committee reported the bill out was the item on the Arkansas River. Let me say in reference to this particular item that I believe the Arkansas River should have been a matter of consideration by this Congress 10 years ago. It is a great river; it extends some 1,400 miles in length and throughout its course at times of floods it inundates farms and homes. Loss of life and property from floods on this river is enormous. Now we are giving consideration to the first authorization on the Arkansas River as vital parts that should have been considered at least 10 years ago.

Are we going to spend more money in foreign countries and neglect the Arkansas River, the lower Mississippi, and the United States at the expense of the life and property of our own people?

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. WHITTINGTON. Mr. Chairman, I yield such time as he may desire to the gentleman from Ohio [Mr. BURKE].

Mr. BURKE. Mr. Chairman, at the outset I want to congratulate the Committee on Public Works and its Subcommittee on Rivers and Harbors for the fine work accomplished on this, the rivers and harbors bill. Although I recognize the validity of the warning issued by the gentleman from New York, that all of the committees and the House should "stop, look, and listen" on public expenditures, at the same time we are faced with a problem of making a decision as to which is the greater economy, spending now to save our natural resources or paying a much greater sum later on in the loss of our natural resources and in maintenance and reclamation.

I am particularly grateful to the committee for their inclusion on page 7, lines 21 and 22 of the bill, the project for the improvement of the harbor at Toledo, Ohio. The amount needed to complete this project is $329,000, a small sum indeed when we consider the need and the amount of saving that can be accomplished through this comparatively modest expenditure.

The Toledo Harbor is one of the largest harbors on the Great Lakes. Its docks and shipping facilities handle in excess of 28,000,000 tons per year and over 100,000 passengers travel by water from this port annually. This project will eliminate damages and delays which now occur to vessels as they back away from the docks and turn toward the lake.

It is my opinion that a much greater amount than the $329,000 necessary for this project will be saved and our rail- and water-borne commerce will be greatly facilitated when this project is completed. I ask the support of the House not only for the Toledo project but for all of the projects mentioned in the bill.

Mr. WHITTINGTON. Mr. Chairman, I yield such time as he may desire to the gentleman from South Carolina [Mr. HARE].

Mr. HARE. Mr. Chairman, I rise in support of H. R. 5472, a bill authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes.

At the outset, I desire to preface my remarks by calling attention to that section of the Constitution which says:

> The Congress shall have the power to provide for the common defense and general welfare of the United States.

For the past several years the Congress has authorized and appropriated some ten or twelve billions of dollars to be sent to Europe in order to rebuild and bolster the European economy which was so devastatingly wrecked during the recent war. One of the primary motives behind that program is an effort to stop the spread of communism. All of us appreciate that where there is economic wealth, there is no danger from the throes of communism. That money will be used in the creation of developments that will result in economic wealth. That is the purpose behind the bill now before us; that is, to create and further develop the economic wealth in our own country by developing our natural resources and also by reclaiming many millions of acres which are so frequently inundated by floodwaters. This creation of wealth as provided in the present measure will be further realized by controlling the many floodwaters and thereby preventing the destruction of public and private property. Thus, it can be said that this bill is also designed to combat communism in our own country.

There are many reasons justifying the favorable enactment of this legislation. Probably the most important one is from the standpoint of soil conservation. Expert agriculturists shocked many of us a year or so ago when it was stated that a few hundred years ago our country had a productive topsoil of approximately 9 inches but that today only approximately 4 inches remain. They assigned the reason for this sad state of affairs to be primarily due to the ravages of uncontrolled floods. We have a moral responsibility to check this situation in order that we might preserve for our posterity a good and prosperous land. We have the legal responsibility to do so when the Constitution, as cited above, directed this Congress to provide for the general welfare of these United States. Consequently, in my mind, that alone is sufficient justification for the enactment of this measure because the wealth of the land is in the soil.

Probably the most immediately compelling reason for the support of this measure is from a standpoint of national defense and national security. All of us well recall the extreme shortage of electrical power during the recent war. Unfortunate delays in the production of necessary war materials were caused thereby. No one is able to estimate the loss in lives and in money caused by such shortage. In this world of apparent change and threatened unrest we cannot afford to permit such a situation to exist again and therefore it compels each of us to support this measure for no other reason than the one just mentioned.

I was quite surprised at the remarks made by the gentleman from Illinois [Mr. SABATH] a little earlier today. He seems to be a great economist when it is convenient for him to do so but the word does not seem to be in his vocabulary when it comes to sending money to Europe, the place of his nativity.

Naturally, I am particularly interested in at least one special feature contained in this measure, namely the authorization for the appropriation of $40,000,000 for the construction of projects in the general plan for the comprehensive development of the Savannah River Basin. This means that the construction of Hartwell Dam between Hartwell, Ga., and Anderson, S. C., will become a reality insofar as the Members of this body are concerned.

Over 22 years ago the Congress authorized the United States Army Engineers to make a comprehensive study and survey of the Savannah River Basin with the idea of affording flood control and promoting navigation on the river. The engineers were 7 years in making the survey and they made their report in 1935. Between 1935 and 1944 the report was studied by representatives of the Department of the Interior, the Federal Power Commission, the War Department, and one or more special committees at the request of the President. The records show that without exception the engineers' report and recommendations were all definitely and wholeheartedly approved. Then, on December 22, 1944, the Congress itself approved the report of the engineers in toto. The measure now before us would authorize an appropriation for the construction of a dam that has already been approved by the Congress; it is one that has been justified and in line with the policy of our Government. It is only logical that it be approved and authorized now.

From a flood-control standpoint, I understand that the Savannah River reached a flood crest at least 133 times between the years 1920 and 1940. The economic loss during those floods is inestimable. It is reasonably estimated that approximately 200,000 acres are inundated by each flood. If you would value the loss to each acre at $10 per annum, this would mean an annual loss of $2,000,000. By the development in the Savannah River Basin, we would thus save at least $2,000,000 annually and create a wealth that would go far in keeping many thousands of citizens off

the pension rolls in years to come. I am sure the same could be said for each project included in this measure and I cannot understand how any Member can afford not to support this bill.

I have noticed in the press and I have heard charges made on the floor of this House that the measure is nothing but a pork-barrel bill. I am sure that those making such allegations have not even studied the hearings, read the bill, or given any thought to it whatsoever. Any measure designed for the purpose of creating wealth and preserving the property of the people of the United States certainly cannot be termed as a pork barrel.

I wish to commend the chairman of the committee, the gentleman from Mississippi [Mr. WHITTINGTON], and each member of the committee for their conscientious study of this problem which has such great magnitude. They have done a magnificent job.

Mr. WHITTINGTON. Mr. Chairman, how does the time stand?

The CHAIRMAN. The gentleman from Mississippi has 6 minutes remaining; the gentleman from Michigan five.

Mr. WHITTINGTON. Mr. Chairman, I yield 5 minutes to the gentleman from Colorado [Mr. MARSALIS].

Mr. MARSALIS. Mr. Chairman, I consider it a privilege to have been permitted to serve under the able leadership of the gentleman from Mississippi and to have served with the fine group of men who compose this Committee on Public Works. I was rather shocked this morning when I heard reference made to the fact that there had been special consideration given to certain sections of the country and that certain influence came to bear on the membership of this Committee on Public Works. Such certainly is not the case. I was able to attend all but a very few of the meetings of this committee. I had to miss several in order to take care of pressing matters that came to a head and due to the fact that our committee was constantly in session day after day. But during my attendance at these meetings I never once heard any word said by any person to the effect that we had to put this project here or that project there; that we had to give special consideration to any person; or that we had to be sure we satisfied this group or that group; those things just did not take place.

The Army engineers came and they testified; and if there was one point that they were grilled on and quizzed at length about, it was the point of whether or not the benefits to be derived from a project would more than offset its cost. No matter how good the project sounded otherwise, it had to meet this test—and this test was applied to all projects no matter in what section of the country they were located. Also, every effort was made to ascertain the least amount which the engineers deemed necessary to continue present projects now in the course of construction.

We must go ahead with the internal development of this country. The flood-control projects are very necessary for protection of life and the property of individuals, because when a stream floods, particularly in the sections of the country with which I am familiar, you just do not have time in many instances to save even the lives of the people who may perchance be caught in the floodwaters. These floods also cause irreparable damage by washing away the valuable and not replaceable top soil.

The same is true of the rivers and harbors. There is great need for harbor development, deepening, and enlargement to meet present requirements. There is great need in connection with beach erosion to protect property and for the channelization and dredging of our rivers in order to take care of the progress in boat building that has taken place so far as transportation is concerned, the building of bigger and wider vessels. Progress does not stand still, but this program had to be discontinued during the war. Only 30 percent of the authorizations are for new projects. We need more but due to the present financial drain on the country, projects have been held to a maximum.

Mr. Chairman, I would like to say something further concerning some remarks that have been made to the effect that the engineers are not as competent as they should be and that they give special consideration and recommend projects that are not justified. I was told this morning a speech had been made in the last few days by a Member of this body, who had been misinformed on the subject I am sure, to the effect that as soon as the John Martin Dam was finally completed or within 2 months after its completion a flood took place for which that dam was responsible. If that statement was made then the gentleman who made it is certainly in error. The particular flood which he had in mind took place below the dam at the cities of Holly, Granada, and Lamar, Colo. This particular dam is located in the district I have the honor to represent and I am familiar with the flood he mentions. We also had heavy waters and two other floods higher up the stream at about the same time at Florence, Colo., and at Rocky Ford, Colo. The John Martin Dam received and held all of these flood waters from above the dam and not one drop contributed to the flood of these cities below the dam. The floods at Holly, Granada, and Lamar were instead caused by a rain of over 7 inches that took place in this area over a period of 48 hours. All of the tributaries and arroyos which drained into the Arkansas River below the dam were over-taxed and flowed from the highlands into these cities which were already saturated with the heavy rains.

There was never any statement made at any time to the effect that the John Martin Dam filled with silt and was unable to take care of the flood waters from the cities above the dam which I mentioned—since the capacity of this dam at no time during these high waters reached as much as 50 percent of its total capacity. There was some talk to the effect that since this dam released clear water, such clear water might thereby have caused an appreciable change in the previous sedimentation pattern that existed prior to its construction, the thought being that newly formed deltas might have contributed to obstructing the free flow of water below this dam. The division engineers of the Albuquerque, N. M., office who have supervision of this dam were requested to make a check up as to this possibility and they submitted the following report which I am incorporating in this speech at this time. You will note that instead of causing, this dam prevented a much greater catastrophe. The report follows:

Although formal completion ceremony for John Martin Dam in Colorado was held as recently as April 1, of this year, this dam was able to prevent a serious flood in the towns of Lamar and Holly by intercepting heavy run-off in the Purgatoire River.

Because of recent heavy rains in the area the flow into John Martin Dam was approximately 59,000 acre-feet: maximum rate of inflow into the reservoir was approximately 44,000 cubic feet per second. The dam was closed so that no water from the upper river affected the flow below the dam. Although the stage of the river was quite high below John Martin Dam it was entirely due to rainfall below the dam. It is estimated that the stages were reduced by the following amounts:

	Feet
Lamar	4.2
Holly	1.4
Garden City, Kans	.9
Syracuse, Kans	.6
Dodge City, Kans	.4
Great Bend, Kans	.2

This reduction in stages, it is estimated, between John Martin Dam and Great Bend, Kans., lowered damage costs by some $300,000, most of which would have been in Lamar and Holly. Without the dam the river would have been the highest since the 1921 flood and extensive damages would have resulted therefrom.

The John Martin Dam which conserves such floodwaters as these had performed an invaluable service to the people of eastern Colorado and western Kansas. By virtue of this dam water users of both States are now in position to more nearly obtain the full amount of their priorities at those times of the year when water is so badly needed. As a result Colorado and Kansas, who have been in litigation over these priorities for many years, have now been able to reach a compact which was recently ratified by the Congress and signed into law by the President.

I have mentioned this project since it was brought into this discussion as only one of hundreds of such projects that are performing an invaluable service to the people of this Nation. I most earnestly hope that the House will support this bill.

Mr. DONDERO. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. FORD].

Mr. WHITTINGTON. Mr. Chairman, I yield the balance of my time to the gentleman from Michigan [Mr. FORD].

Mr. FORD. Mr. Chairman, I rise in support of this particular bill because it is neither extravagant nor sectional in nature. It is not extravagant because our committee deleted from the requests that were made nearly $2,000,000,000. Some of the requests are worthy but the committee felt we must hold the line to only those that are vitally essential. It is not sectional in nature because it gives fair and adequate consideration to requests for improvements all over the United States without regard to partisanship.

This particular bill should appeal to those who believe in orderly and continuing development of the natural resources of the United States. In the past bills for authorizations have been approved based on a 5-year backlog schedule. During the war years and since the war the backlog has materially decreased. The committee in this bill instead of providing a 5-year backlog has seen fit to extend that to only a 3-year period. That cushion is sufficient for the time being.

For the time being the bill will take care of the great need that extends all through the United States for the orderly and continuing development of our natural resources. As I said before, this bill should also appeal to those who believe in economy.

Preceding speakers have pointed out that the 1944 and 1945 Rivers and Harbors Acts are greater in over-all total than this bill. Preceding speakers have shown that the 1946 Flood Control-Rivers and Harbors Act is greater in total than this particular bill. One fact has not been shown, and you will find this on page 2 of the committee report, where it is stated:

> If the increase in price levels since 1944 and 1946 is considered, and the committee is keenly aware of the sharp rise in construction costs which has taken place in the last few years, the present bill is well below the previous amounts. Application of the new Engineering News Record cost index to the projects authorized in 1944 and 1945 indicates that the same bills, if enacted today, would have to provide monetary authorization in the amount of $2,080,000,000. The 1946 acts if passed today would have to provide authorization in the amount of $1,760,000,000.

I only bring these facts to your attention because, in part, it will answer those who say we are authorizing expenditures beyond what has been done in the past and expenditures that are unwarranted at this time.

Now, there is a third fact that should be brought out. We are constantly being reminded of the need and the necessity for adequate public works projects that will be a backlog in case of a severe recession or depression. The authorizations in this bill will give that protection in case we have a recurrence of the unfortunate happenings that took place in the thirties.

There are several very important parts to this bill. First is the rivers and harbors portion. This bill authorizes 62 new projects. I might add that not a single project comes within the Fifth District of Michigan, the district which I have the honor to represent, but I wholeheartedly support the kind of projects that are included in this bill. We, in the Fifth District, will take our turn if and when the need is shown. There are two projects that have been expanded. I refer to the Trinity River in Texas and the Arkansas River in Arkansas and Oklahoma. All of them are worth-while and necessary projects for the development of the natural resources of the United States.

Unfortunately, in part, we had to cut out certain projects. I am sure that the proponents feel that perhaps we did not give them due consideration, but I can assure you that this committee, under the very able leadership of the chairman, did the best job possible. If and when the time comes that the chairman ever leaves the Congress of the United States, this country will have lost a great public servant.

Mr. TALLE. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Iowa.

Mr. TALLE. I agree with the distinguished gentleman from Michigan that the chairman of the Committee on Public Works, the gentleman from Mississippi [Mr. WHITTINGTON], has consistently performed excellent service for the people of the United States. I am grateful to him and to all of the members of his committee for their diligent and painstaking work. I intend to support the pending bill to which they have devoted so much time and thought.

Mr. POTTER. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Michigan.

Mr. POTTER. I would like to concur in the statement made by the gentleman from Iowa [Mr. TALLE]. I, too, am most appreciative of the work of the able, conscientious, and forward-looking gentleman from Michigan who has the floor, the chairman of this great committee, our distinguished minority, and the other members of the committee who have brought this measure to the floor of the House on a nonpartisan, fair basis. I am most appreciative of the consideration they have given to the measure.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Washington.

Mr. HORAN. I would like to concur in the expressions that have been made.

The CHAIRMAN. The time of the gentleman from Michigan has expired. All time has expired.

The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc.—

TITLE I—RIVERS AND HARBORS

SEC. 101. That the following works of improvement of rivers and harbors and other waterways for navigation, flood control, and other purposes are hereby adopted and authorized to be prosecuted under the direction of the Secretary of the Army and supervision of the Chief of Engineers, in accordance with the plans and subject to the conditions recommended by the Chief of Engineers in the respective reports hereinafter designated: *Provided*, That the provisions of section 1 of the River and Harbor Act approved March 2, 1945 (Public, No. 14, 79th Cong., 1st sess.), shall govern with respect to projects authorized in this title; and the procedures therein set forth with respect to plans, proposals, or reports for works of improvement for navigation or flood control and for irrigation and purposes incidental thereto, shall apply as if herein set forth in full:

Scarboro River, Maine, between Prouts Neck and Pine Point; House Document No. 69, Eighty-first Congress;

Wood Island Harbor, Maine, and the Pool at Biddeford; House Document No. 49, Eighty-first Congress;

Winthrop Beach, Mass., Beach Erosion Control; House Document No. 764, Eightieth Congress;

Mystic River, Mass.; House Document No. 645, Eightieth Congress;

Mattapoisett Harbor, Mass.; House Document No. 664, Eightieth Congress;

Stonington Harbor, Conn.; House Document No. 667, Eightieth Congress;

Eightmile River, Conn.; House Document No. 666, Eightieth Congress;

Fire Island Inlet, N. Y.; House Document No. 762, Eightieth Congress;

East Chester Creek (Hutchinson River), N. Y.; House Document No. 749, Eightieth Congress;

Jamaica Bay, N. Y.; House Document No. 665, Eightieth Congress;

Arthur Kill, N. Y. and N. J.; House Document No. 233, Eighty-first Congress;

Sandy Hook Bay at Leonardo, N. J.; House Document No. 108, Eighty-first Congress;

Lake Ogleton and Walnut Lake, Anne Arundel County, Md.; House Document No. 712, Eightieth Congress;

Hellens Creek, Calvert County, Md.; House Document No. 663, Eightieth Congress;

Governors Run, Calvert County, Md.; House Document No. 670, Eightieth Congress;

St. Patricks Creek, Md.; House Document No. 671, Eightieth Congress;

Potomac River and tributaries at and below Washington, D. C.; elimination of water-chestnut; House Document No. 113, Eighty-first Congress;

Kings Creek, Northampton County, Va.; House Document No. 193, Eighty-first Congress;

Rappahannock River at Bowlers Wharf, Essex County, Va.; House Document No. 109, Eighty-first Congress;

James River, Va.; House Document No. 191, Eighty-first Congress;

Inland waterway in the vicinity of Fairfield, N. C.; House Document No. 723, Eightieth Congress;

Far Creek, N. C.; House Document No. 770, Eightieth Congress;

Waterway from Pamlico Sound to Beaufort Harbor, N. C.—Harbor improvement at Marshallberg; House Document No. 68, Eighty-first Congress;

Taylors Creek, N. C.; House Document No. 111, Eighty-first Congress;

Cape Fear River at and below Wilmington, N. C.; House Document No. 87, Eighty-first Congress;

Savannah River, Ga. and S. C.; Senate Document No. 6, Eighty-first Congress;

Brunswick Harbor, Ga.; House Document No. 110, Eighty-first Congress;

St. Marys River, Ga. and Fla., and North River, Ga.; House Document No. 680, Eightieth Congress;

Fernandina Harbor, Fla.; House Document No. 662, Eightieth Congress;

St. Augustine Harbor and vicinity, Florida; House Document No. 133, Eighty-first Congress;

Palm Beach, Fla., beach-erosion control; House Document No. 722, Eightieth Congress: *Provided*, Condition 2 recommended in the report shall not be applicable;

Lake Worth Inlet, Fla.; House Document No. 704, Eightieth Congress;

Charlotte Harbor, Fla.; House Document No. 186, Eighty-first Congress;

St. Petersburg Harbor, Fla.; House Document No. 70, Eighty-first Congress;

Horseshoe Cove, Fla.; House Document No. 106, Eighty-first Congress;

La Grange Bayou, Fla.; House Document No. 190, Eighty-first Congress;

Fly Creek, Fairhope, Ala.; House Document No. 194, Eighty-first Congress;

Pascagoula Harbor, Dog River cut-off, Mississippi; House Document No. 188, Eighty-first Congress;

Arkansas River and tributaries, Arkansas and Oklahoma; House Document No. 758, Seventy-ninth Congress, for the future partial accomplishment of the approved plan there is hereby authorized to be appropriated, in addition to all sums previously authorized, $70,000,000;

Sabine-Neches waterway, Texas, vicinity of Port Arthur Bridge; House Document No. 174, Eighty-first Congress;

Galveston Harbor and Channel, Tex. (sea wall); House Document No. 173, Eighty-first Congress;

Gulf Intracoastal Waterway, in South Galveston Bay, Tex.; House Document No. 196, Eighty-first Congress;

Chocolate and Bastrop Bayous, Tex.; House Document No. 768, Eightieth Congress;

Freeport Harbor, Tex.; House Document No. 195, Eighty-first Congress;

Little Bay, Tex.; House Document No. 114, Eighty-first Congress;

Trinity River at Dallas and Fort Worth, Tex.; House Document No. 242, Eighty-first Congress;

Brazos Island Harbor, Tex.; House Document No. 192, Eighty-first Congress;

Mississippi River at Hannibal, Mo.; House Document No. 67, Eighty-first Congress;

Mississippi River at Davenport, Iowa; House Document No. 642, Eightieth Congress;

Mississippi River at Muscatine, Iowa; House Document No. 733, Eightieth Congress;

Mississippi River at Clinton, Iowa; Senate Document No. 197, Eightieth Congress;

Mississippi River at Prairie du Chien, Wis.; House Document No. 71, Eighty-first Congress;

Mississippi River at Alma, Wis.; House Document No. 66, Eighty-first Congress;

Hudson Harbor, St. Croix River, Wis.; House Document No. 184, Eighty-first Congress;

Grand Marais Harbor, Minn.; House Document No. 187, Eighty-first Congress.

Kenosha Harbor, Wis.; House Document No. 750, Eightieth Congress;

Manistique Harbor, Mich.; House Document No. 721, Eightieth Congress;

Grand Marais Harbor, Mich.; House Document No. 751, Eightieth Congress;

Detroit River, Mich., Trenton Channel; Senate Document No. 30, Eighty-first Congress;

Toledo Harbor, Ohio; House Document No. 189, Eighty-first Congress.

Redwood City Harbor (Redwood Creek), Calif.; House Document No. 104, Eighty-first Congress;

San Joaquin River and Stockton Channel, Calif.; House Document No. 752, Eightieth Congress;

Westport slough, Oregon; House Document No. 134, Eighty-first Congress;

Columbia slough, Oregon, in accordance with the report of the Chief of Engineers dated December 28, 1948.

Christiansted Harbor, St. Croix, Virgin Islands; House Document No. 771, Eightieth Congress.

SEC. 102. Section 6 of the act of July 3, 1930 (33 U. S. C. 569a), is hereby amended to read as follows: The Chief of Engineers is authorized to procure the temporary or intermittent services of experts or consultants or organizations thereof in connection with civil functions of the Corps of Engineers without regard to the Classification Act as amended: *Provided*, That individuals so engaged shall not be paid in excess of $100 per day for their services.

SEC. 103. The Secretary of the Army is hereby authorized and directed to cause preliminary examinations and surveys to be made at the following-named localities, the cost thereof to be paid from appropriations heretofore or hereafter made for such purposes: *Provided*, That no preliminary examination, survey, project, or estimate for new works other than those designated in this title or some prior act or joint resolution shall be made: *Provided further*, That after the regular or formal reports made as required by law on any examination, survey, project, or work under way or proposed are submitted, no supplemental or additional report or estimate shall be made unless authorized by law: *Provided further*, That the Government shall not be deemed to have entered upon any project for the improvement of any waterway or harbor mentioned in this title until the project for the proposed work shall have been adopted by law: *Provided further*, That reports of surveys on beach erosion and shore protection shall include an estimate of the public interests involved, and such plan of improvement as is found justified, together with the equitable distribution of costs in each case: *And provided further*, That this section shall not be construed to interfere with the performance of any duties vested in the Federal Power Commission under existing law:

Gowanus Canal, Brooklyn, N. Y.

Havre de Grace, Md.

Back River, Md.

Jules Creek, Va.

Cubitt Creek, Va.

Popes Creek, Va.

McKanes Bay, Va.

Pecks Creek, Va.

Guilford Creek, Va.

Topsail Inlet, N. C.

Philips Inlet, Fla.

Waterway to connect Basin Bayou and Choctawhatchee Bay, Fla.

Boat basin and channel connecting Bayliss Memorial Wayside Park with the authorized channel in Pensacola Bay, Fla.

To determine the feasibility of extending the channel at Carrabelle, Fla.

Channel across Santa Rosa Island, Fla.

Channel in Heron Bay, Ala.

Extension of the New Iberia Commercial Canal, La.

Allegheny River and tributaries and Genesee River and tributaries, New York and Pennsylvania, with a view to providing a through waterway for barge navigation.

San Francisco Bay, Calif.

Hoonah Harbor, Alaska.

Kewalo Basin, Honolulu, T. H., including Ala Wai Yacht Basin.

Harbor at Keauhou Bay, Hawaii.

SEC. 104. Section 607 of the Federal Employees Pay Act of 1945, as amended, shall not be construed to prevent the employment of such additional personnel under the supervision of the Chief of Engineers as may be necessary to prosecute navigation and flood-control works herein or heretofore authorized.

SEC. 105. Title I may be cited as the "River and Harbor Act of 1949."

TITLE II—FLOOD CONTROL

SEC. 201. That section 3 of the act approved June 22, 1936 (Public, No. 738, 74th Cong.), as amended by section 2 of the act approved June 28, 1938 (Public, No. 761, 75th Cong.), shall apply to all works authorized in this title except that for any channel-improvement or channel-rectification project, provisions (a), (b) and (c) of section 3 of said act of June 22, 1936, shall apply thereto, and except as otherwise provided by law: *Provided*, That the authorization for any flood-control project herein adopted requiring local cooperation shall expire 5 years from the date on which local interests are notified in writing by the Department of the Army of the requirements of local cooperation, unless said interests shall within said time furnish assurances satisfactory to the Secretary of the Army that the required cooperation will be furnished.

SEC. 202. The provisions of section 1 of the act of December 22, 1944 (Public, No. 534, 78th Cong., 2d sess.), shall govern with respect to projects authorized in this title; and the procedures therein set forth with respect to plans, proposals, or reports for works of improvement for navigation or flood control and for irrigation and purposes incidental thereto shall apply as if herein set forth in full.

It is hereby declared to be the policy of the Congress that the following provisions shall be observed:

No project or any modification not authorized, of a project for flood control of rivers and harbors, shall be authorized by the Congress unless a report for such project or modification has been previously submitted by the Chief of Engineers, United States Army, in conformity with existing law.

SEC. 203. That section 7 of the act approved September 22, 1922 (Public, No. 362, 67th Cong.), is amended to read as follows:

"That hereafter the provisions of section 7 of the act of August 23, 1912, as amended (37 Stat. 414; 64 Stat. 175; 31 U. S. C. 679), or any other law, prohibiting the expenditure of public money for telephone services installed in private residences, shall not be construed to apply to or forbid the installation and use of such telephones as the Chief of Engineers may certify to be necessary for the prosecution of Government business and as the Secretary of the Army may authorize in connection with the construction and operation of locks and dams for navigation, flood control, and related water uses; *Provided*, That not more than $30,000 shall be expended for such telephone services in any one fiscal year."

SEC. 204. The following works of improvement for the benefit of navigation and the control of destructive floodwaters and other purposes are hereby adopted and authorized to be prosecuted under the direction of the Secretary of the Army and the supervision of the Chief of Engineers in accordance with the plans in the respective reports hereinafter designated and subject to the conditions set forth therein: *Provided*, That the necessary plans, specifications, and preliminary work may be prosecuted on any project authorized in this title with funds from appropriations heretofore or hereafter made for flood control so as to be ready for rapid inauguration of a construction program: *Provided further*, That the projects authorized herein shall be initiated as expeditiously and prosecuted as vigorously as may be consistent with budgetary requirements: *And provided further*, That penstocks and other similar facilities adapted to possible future use in the development of hydroelectric power shall be installed in any dam authorized in this title for construction by the Department of the Army when approved by the Secretary of the Army on the recommendation of the Chief of Engineers and the Federal Power Commission:

LACKAWAXEN RIVER BASIN

In addition to previous authorizations, there is hereby authorized the completion of the plan for flood protection in the Lackawaxen River Basin, Pa., authorized by the Flood Control Act of June 30, 1948, at an estimated cost of $6,000,000.

POTOMAC RIVER BASIN

The project for flood protection, navigation, and other purposes on the Anacostia River, D. C. and Md., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 202, Eighty-first Congress, first session, at an estimated cost of $4,531,200.

SAVANNAH RIVER BASIN

There is hereby authorized to be appropriated the sum of $40,000,000 for the construction of projects in the general plan for the comprehensive development of the Savannah River Basin, approved in the act of December 22, 1944, in addition to the authorization for project construction in the act of December 22, 1944.

CENTRAL AND SOUTHERN FLORIDA

In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $10,000,000 for the prosecution of the first phase of the comprehensive plan for flood control and other purposes in central and southern Florida approved in the act of June 30, 1948.

LOWER MISSISSIPPI RIVER

The project for flood control and improvement of the lower Mississippi River, adopted by the act of May 15, 1928, as amended, is hereby modified and expanded to include the following items of work and the authorization for said project is increased accordingly:

(a) Paragraph (c), under the title "Lower Mississippi River" in section 3 of the act approved August 18, 1941, is hereby amended by striking out "$14,000,000" and substituting in lieu thereof "$29,000,000."

(b) The plan for flood protection and major drainage improvement in the Saint Francis River Basin, Mo., and Ark., substantially in accordance with the report of the Chief of Engineers in House Document No. 132, Eighty-first Congress, first session, and there is authorized to be appropriated the sum of $20,000,000 for partial accomplishment of that plan.

(c) Modification of the authorized project to provide that local cooperation to be hereafter furnished in connection with works authorized by subparagraphs (a), (b), (c), (d), and (e) under the subtitle "Lower Mississippi River" in section 10 of the act approved July 24, 1946, shall consist of the requirement that responsible local interests agree to maintain works in accordance with the provisions of section 3 of the act of May 15, 1928.

(d) The plan for flood protection and related purposes in the Cache River Basin, Ark. and Mo., substantially in accordance with the report of the Chief of Engineers in Senate Document No. 88, Eighty-first Congress, first session, and there is authorized to be appropriated the sum of $10,000,000 for partial accomplishment of that plan.

The additional sum of $5,000,000 is authorized to be appropriated as an emergency fund for the purposes set forth in section 9 of Public Law No. 678, Seventy-fourth Congress, approved June 15, 1936.

In addition to the above items and in order to provide for the increased costs of construction of the previously authorized projects for the lower Mississippi River, the authorization for flood control and improvement of the lower Mississippi River is hereby increased by an additional $200,000,000.

RED-OUACHITA RIVER BASIN

The project for flood protection at Calion, Ark., authorized by the act of August 18, 1941, in accordance with the recommendations of the Chief of Engineers in House Document No. 427, Seventy-sixth Congress, first session, is hereby modified to include additional improvements at Calion, Ark., in accordance with plans on file in the office of the Chief of Engineers, at an estimated cost of $430,000.

GREAT LAKES BASIN

The project for flood protection along the Genesee River at Caledonia and Wellsville, N. Y., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 232, Eighty-first Congress, first session, at an estimated cost of $609,000.

ARKANSAS RIVER BASIN

In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $15,000,000 for the prosecution of the comprehensive plan for the Arkansas River Basin, approved in the act of June 28, 1938, as amended and supplemented by subsequent acts of Congress.

The project for flood control and other purposes on the Grand (Neosho) River and its tributaries, Oklahoma, Kansas, Missouri, and Arkansas, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 442, Eightieth Congress, second session, at an estimated cost of $36,220,000.

The project for Grand Prairie Region and Bayou Meto Basin, Arkansas, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. ——, Eighty-first Congress, first session, and there is authorized to be appropriated the sum of $6,000,000 for partial accomplishment of the work.

WHITE RIVER BASIN

In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $35,000,000 for the prosecution of the comprehensive plan for the White River Basin, approved in the act of June 28, 1938, as amended and supplemented by subsequent acts of Congress.

UPPER MISSISSIPPI RIVER BASIN

In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $15,000,000 for the prosecution of the comprehensive plan for the upper Mississippi River Basin, approved in the act of June 28, 1938, as amended and supplemented by subsequent acts of Congress.

The project for flood protection on the Mississippi River at Canton, Mo., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 107, Eighty-first Congress, first session, at an estimated cost of $1,086,000.

The project for flood protection at Cape Girardeau, Mo., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 204, Eighty-first Congress, first session, at an estimated cost of $4,756,000.

MISSOURI RIVER BASIN

In addition to previous authorizations there is hereby authorized to be appropriated the sum of $250,000,000 for the prosecution of the comprehensive plan for the Missouri River Basin to be undertaken by the Corps of Engineers, approved by the act of June 28, 1938, as amended and supplemented by subsequent acts of Congress.

The projects for flood control and related purposes in the Yellowstone River Basin, Wyoming, Montana, and North Dakota, are hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 216, Eighty-first Congress, first session, at an estimated cost of $6,524,000.

The project for flood control and related purposes in the South Platte River Basin in Colorado are hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 669, Eightieth Congress, second session, and there is authorized to be appropriated the sum of $26,300,000 for partial accomplishment of the work.

The projects for flood control and related purposes in the Elkhorn River Basin, Nebr., are hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 215, Eighty-first Congress, first session, at an estimated cost of $2,428,000.

The project for flood protection at Mandan, N. Dak., on the Heart River, authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 294, Seventy-ninth Congress, first session, by the act approved July 24, 1946, is hereby modified to provide that the United States shall construct the necessary works and alterations to provide for interior drainage at an estimated additional cost of $76,000.

OHIO RIVER BASIN

In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $75,000,000 for the prosecution of the comprehensive plan for the Ohio River Basin approved in the act of June 28, 1938, as amended and supplemented by subsequent acts of Congress.

The project for the protection of Orleans, Ind., on Lost River, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 105, Eighty-first Congress, first session, at an estimated cost of $202,000.

The project for the protection of Bradford, Pa., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document No. 20, Eighty-first Congress, first session, at an estimated cost of $6,467,000.

The plan of improvement for flood control in the Wabash River Basin, Ill. and Ind., set forth in House Document No. 197, Eightieth Congress, first session, as authorized by the act approved July 24, 1946, is hereby modified to include necessary bank stabilization measures at the New Harmony bridge, Indiana, Illinois, at an estimated cost of $500,000.

RED RIVER OF THE NORTH BASIN

In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $4,000,000 for the prosecution of the comprehensive plan for flood control and other purposes in the Red River of the North Basin, approved in the act of June 30, 1948.

RIO GRANDE BASIN

In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $34,000,000 to be expended by the Department of the Army for the prosecution of the comprehensive plan for the Rio Grande Basin, approved in the act of June 30, 1948.

SANTA ANA RIVER BASIN

The plan of improvement for flood control in the Santa Ana River Basin, Calif., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 135, Eighty-first Congress, first session, at an estimated cost of $15,092,000.

LOS ANGELES-SAN GABRIEL BASIN AND BALLONA CREEK

In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $40,000,000 for the prosecution of the comprehensive plan for the Los Angeles-San Gabriel River Basin and Ballona Creek, Calif., approved in the act of August 18, 1941, as amended and supplemented by subsequent acts of Congress, and there is hereby authorized the construction of channel improvements on the Rio Hondo to conduct flood water and other releases from Whittier Narrows Flood Control Basin to the Los Angeles River channel, in accordance with plans on file in the office of the Chief of Engineers.

WILLAMETTE RIVER BASIN

In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $40,000,000 for the prosecution of the comprehensive plan for the Willamette River Basin, approved in the act of June 28, 1938, as amended and supplemented by subsequent acts of Congress.

The general comprehensive plan for flood control, navigation, and other purposes in the Willamette River Basin, approved by the Flood Control Act of June 28, 1938, is hereby modied to provide for the following works, substantially in accordance with the report of the Board of Engineers for Rivers and Harbors dated February 21, 1949, and these works are hereby authorized:

(a) Flood control improvements on Johnson Creek at Portland and vicinity, Oregon, at an estimated cost of $332,000.

(b) Flood control works on both banks of the Willamette River to protect Portland, Oreg., consisting approximately of 4 miles of levees and 5 miles of flood walls, together with any necessary appurtenant works which might be required, at an estimated cost of $14,000,000 to the United States, of which $12,600,000 is for flood walls and $1,400,000 is for levees, subject to the condition that local interests provide without cost to the United States all lands, easements, and rights-of-way; make all necessary highway, highway bridge, and utility alterations; hold and save the United States free from all damages due to the construction works; and maintain and operate the works after completion in accordance with regulations prescribed by the Secretary of the Army.

COLUMBIA RIVER BASIN

The project for multiple purposes on the Pend Oreille River at Albeni Falls, Idaho, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document No. 9, Eighty-first Congress, first session, at an estimated cost of $31,070,000.

The projects for flood control in the Columbia River Basin authorized by the act of June 22, 1936, are hereby modified, extended, and supplemented substantially in accordance with the report of the Board of Engineers for Rivers and Harbors dated February 21, 1949, subject to the condition that local interests provide without cost to the United States all lands, easements, and rights-of-way; make all necessary highway, highway bridge, and utility alterations; hold and save the United States free from all damages due to the construction works; and maintain and operate the works after completion in accordance with regulations prescribed by the Secretary of the Army; to provide for the following works which are hereby authorized:

(a) Bank protection works along the lower Columbia River at an estimated cost of $4,900,000; and to provide further for:

(b) The following improvements to existing projects in the lower Columbia River Basin at an estimated cost of $14,722,000: Sandy drainage district, estimated construction cost $236,000; Multnomah County drainage district number 1, estimated construction cost $1,365,000; Peninsula drainage district No. 2, estimated construction cost $1,103,000; Peninsula drainage district No. 1, estimated construction cost $1,437,000; Sauvie Island (areas A and B), estimated construction cost $900,000; Columbia drainage district No. 1, estimated construction cost $630,000; Bachelor Island, estimated construction cost $920,000; Scrappoose drainage district, estimated construction cost $459,000; Lewis River area, estimated construction cost $300,000; Cowlitz diking improvement districts No. 5 and No. 11, estimated construction cost $1,100,000; Deer Island drainage district, estimated construction cost $105,000; Cowlitz County diking improvement districts No. 2 and No. 13, estimated construction cost $630,000; Consolidated diking improvement district No. 1, estimated construction cost $1,880,000; Cowlitz County diking improvement district No. 15, estimated construction cost $60,000; Rainier drainage district, estimated construction cost $576,000; John drainage district, estimated construction cost $50,000; Beaver drainage district, estimated construction cost $837,000; Clatskanie drainage district, estimated construction cost $100,000; Magruder drainage district estimated construction cost $30,000; Midland drainage district, estimated construction cost $130,000; Woodson drainage district, estimated construction cost $25,000; Puget Island area, Wahiakum diking districts No. 1 and No. 3, estimated construction cost $1,269,000; Tenasillahe Island diking district No. 6, estimated construction cost $100,000; Wahkiakum diking district No. 4, estimated construction cost $400,000; Clatsop County diking district No. 4, estimated construction cost $30,000; Clatsop County drainage district No. 1, estimated construction cost $50,000; and to provide further for works in the lower Columbia River Basin at a total estimated cost of $2,973,000, as follows: Washougal area, Clark County, Wash., approximately 5½ miles of levee, and other appurtenant works, at an estimated cost of $820,000 to the United States; Hayden Island, Oreg., approximately 4 miles of levee, and other appurtenant works at an estimated cost of $198,000 to the United States; Vancouver Lake area, in the vicinity of Vancouver, Wash., approximately 11 miles of levee and other appurtenant works at an estimated cost of $1,462,000 to the United States; Kalama River (south area) Cowlitz County, Wash., approximately 3 miles of levee, and other appurtenant works, at an estimated cost of $420,000 to the United States; and Clatskanie River area, Oregon, approximately 2,000 feet of bulkhead and levee, and other appurtenant works at an estimated cost of $73,000 to the United States.

TERRITORY OF HAWAII

The project for flood protection at Kawainui Swamp, Oahu, Hawaii, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 214, Eighty-first Congress, first session, at an estimated cost of $848,000.

SEC. 205. The Secretary of the Army is hereby authorized and directed to cause preliminary examinations and surveys for flood control and allied purposes, including channel and major drainage improvements, and floods aggravated by or due to wind or tidal effects to be made under the direction of the Chief of Engineers, in drainage areas of the United States and its Territorial possessions, which include the following-named localities, and the Secretary of Agriculture is authorized and directed to cause preliminary examinations and surveys for run-off and water-flow retardation and soil-erosion prevention on such drainage areas, the cost thereof to be paid from appropriations heretofore or hereafter made for such purposes: *Provided*, That after the regular or formal reports made on any examination, survey, project, or work under way or proposed are submitted to Congress, no supplemental or additional report or estimate shall be made unless authorized by law except that the Secretary of the Army may cause a review of any examination or survey to be made and a report thereon submitted to Congress if such review is required by the national defense or by changed physical or economic conditions: *And provided further*, That the Government shall not be deemed to have entered upon any project for the improvement of any waterway or harbor mentioned in this title until the project for the proposed work shall have been adopted by law:

Mystic River and its tributaries, Mass. (between the Wellington Bridge and the Craddock Bridge).

Gilbert Run, Md.

Tobacco Run, Md.

All streams in the State of Georgia flowing into the Atlantic Ocean between the Ogeechee River and Altamaha River.

Missouri River from the vicinity of the Iowa-Nebraska line near Watson, Mo., to the vicinity of Leavenworth, Kans.

Mud River, Thief River, Moose River, and Lost River, tributaries of the Red River of the North, all in the State of Minnesota.

Snake River, Tamarac River, Two River, Big Joe River, and Little Joe River, tributaries of the Red River of the North in the State of Minnesota.

Streams, and their larger tributaries, flowing through the Austin-Washington soil conservation district, the Bastrop-Fayette soil conservation district, the Calhoun-Victoria soil conservation district, the Middle Guadalupe Basin soil conservation district, the Navasota soil conservation district, and the Copano Bay soil conservation district, all in the State of Texas.

Sacramento and San Joaquin River Delta Areas, Calif.

Gleason Creek, Robinson watershed, in the vicinity of White Pine County, Nev.

Streams flowing through Antelope Valley in Los Angeles and Kern Counties, Calif., with a view to their improvement in the interest of flood control, conservation of water resources, and related purposes.

Iao Stream, Kaunakaki, Territory of Hawaii.

SEC. 206. That section 5 of the Flood Control Act of August 18, 1941, as amended by section 12 of the Flood Control Act of 1946, and as further amended by section 206 of the Flood Control Act of 1948, is hereby further amended to read as follows:

"That there is hereby authorized an emergency fund in the amount of $15,000,000 to be expended in rescue work or in the repair, restoration, or maintenance of any flood-control work threatened or destroyed by flood, including the strengthening, raising, extending, or other modification thereof as may be necessary in the discretion of the Chief of Engineers for the adequate functioning of the work for flood control. The appropriation of such moneys as may be necessary for the initial establishment of this fund and for its replenishment on an annual basis, is hereby authorized: *Provided*, That pending the appropriation of said sum, the Secretary of the Army may allot, from existing flood-control appropriations, such sums as may be necessary for the immediate prosecution of the work herein authorized, such appropriations to be reimbursed from the appropriation herein authorized when made: *And provided further*, That the Chief of Engineers is authorized, in the prosecution of work in connection with rescue operations, or in conducting other flood emergency work, to acquire on a rental basis such motor vehicles including passenger cars and busses as in his discretion are deemed necessary."

SEC. 207. The Secretary of the Army is hereby authorized to allot from any appropriations heretofore or hereafter made for flood control or rivers and harbors, funds for payment of expenses of representatives of the Corps of Engineers engaged on flood control and river and harbor work to international engineering or scientific conferences to be held outside the continental limits of the United States: *Provided*, That not more than 10 representatives of the Corps of Engineers shall attend any one conference: *And provided further*, That not more than $25,000 shall be allotted during any one fiscal year for this purpose.

SEC. 208. That section 205 of the Flood Control Act approved June 30, 1948, is hereby amended to read as follows:

"That the Secretary of the Army is hereby authorized to allot from any appropriations heretofore or hereafter made for flood control, not to exceed $3,000,000 for any one fiscal year, for the construction of small flood-control projects not specifically authorized by Congress, and not within areas intended to be protected by projects so authorized, which come within the provisions of section 1 of the Flood Control Act of June 22, 1936, when in the opinion of the Chief of Engineers such work is advisable: *Provided*, That not more than $150,000 shall be allotted for this purpose at any single locality from the appropriations for any one fiscal year: *Provided further*, That the provisions of local cooperation specified in section 3 of the Flood Control Act of June 22, 1936, as amended, shall apply: *And provided further*, That the work shall be complete in itself and not commit the United States to any additional improvement to insure its successful operation, except as may result from the normal procedure applying

to projects authorized after submission of preliminary examination and survey reports."

SEC. 209. That the sum of $995,000,000 is hereby authorized to be appropriated for carrying out improvements under this title by the Department of the Army, and the sum of $10,000,000 additional is authorized to be appropriated and expended in equal amounts by the Departments of the Army and Agriculture for carrying out any examination or survey provided for in this title and any other Acts of Congress to be prosecuted by said Departments.

SEC. 210. Section 607 of the Federal Employees Pay Act of 1945, as amended, shall not be construed to prevent the employment of such additional personnel under the supervision of the Chief of Engineers as may be necessary to prosecute navigation and flood-control works herein or heretofore authorized.

SEC. 211. In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $200,000,000 for the prosecution of the comprehensive plan adopted by section 9a of the Act approved December 22, 1944 (Public, No. 534, 78th Cong.), for continuing the works in the Missouri River Basin to be undertaken under said plans by the Secretary of the Interior.

SEC. 212. The Secretary of Agriculture, in furtherance of the authority conferred upon him by section 13 of the Flood Control Act of December 22, 1944, to prosecute works of improvement on the watershed of the Santa Ynez River, Calif., is authorized to proceed forthwith to install on such watershed the program recommended under plan I of House Document Numbered 518, Seventy-eighth Congress, second session: *Provided*, That in installing such program the Secretary of Agriculture shall be authorized to make such modifications of the recommended structural and land-use measures within minor tributary watersheds as may be found requisite to effectuate the purposes of plan I of said House document, at an estimated additional cost to the United States of $1,158,500.

SEC. 213. In addition to previous authorizations, the sum of $19,000,000 is hereby authorized to be appropriated for expenditure by the Department of Agriculture for the prosecution of the works of improvement authorized to be carried out by that Department by the Flood Control Act of December 22, 1944, as amended.

SEC. 214. Title II may be cited as the "Flood Control Act of 1949."

Mr. WHITTINGTON (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the bill be considered as read, be printed in the RECORD at this point, and be open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTINGTON. Mr. Chairman, I have a number of committee amendments, amendments that have been considered by the committee. I may say that the amendments I am sending to the Clerk's desk are either clarifying amendments or amendments that provide for preliminary examinations and surveys, with just a few exceptions. Those have already been approved, including the clarifications, by the Chief of Engineers, and considered by the full committee at hearings by the committee.

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. WHITTINGTON: On page 7, after line 12, insert a new paragraph, as follows:

"The project for the construction of a boat basin at Winona, Minnesota (House Document 263, 77th Cong.) authorized by the River and Harbor Act of March 2, 1945, is hereby modified so as to permit the construction of said boat basin at such other location at Winona or vicinity as the Chief of Engineers may deem advisable."

Mr. WHITTINGTON. Mr. Chairman, this is a fair sample of the amendments with respect to the projects. It provides for a modification and is in accordance with the recommendation of the engineers.

With your permission, Mr. Chairman, and for the information of the members of the committee, may I say at this time that a number of the Members of the House have contacted the chairman of the committee and called attention to the fact that since the hearings were completed reports on projects have been transmitted to the Congress. I have advised these Members that the policy that has obtained, inasmuch as the committee has conducted no hearings on these projects, the proper procedure is to go to the other body and have hearings on these projects, because we are including in this bill only projects on which our committee has conducted hearings.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. WHITTINGTON: On page 8, strike out lines 5 and 6 and insert in lieu thereof the following: "Columbia slough, Oregon; House Document No. 270, Eighty-first Congress."

Mr. WHITTINGTON. This is a clarifying amendment identifying the project.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. WHITTINGTON: On page 8, after line 8, insert a new paragraph, as follows:

"SEC. 103. That section 6 of Public Law 525, Seventy-ninth Congress, second session, entitled 'An act authorizing construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes,' be, and the same is hereby, amended by adding at the end of said section the following:

" 'Chief Joseph Dam on the Columbia River, Wash.' "

Mr. WHITTINGTON. Mr. Chairman, I think it is appropriate to say, for the RECORD only, that in the act of 1946 provision was made for school facilities at the McNary Dam, and this amendment is recommended by the Chief of Engineers to include Chief Joseph Dam.

Mr. HORAN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. HORAN. Mr. Chairman, as the chairman of the Committee on Public Works has just stated, this amendment is made necessary because of the great increase of school-age children expected to go to the vicinity of Bridgeport, Wash., when the Chief Joseph Dam is being built.

The amendment, as the gentleman from Mississippi [Mr. WHITTINGTON] has said, merely extends the same provisions to Chief Joseph Dam as have been extended to McNary Dam lower down in the Columbia River.

On July 27, the Members may remember, this House passed House bill 3829, a bill to assist school problems where defense projects are still in operation.

This measure will be of fragmentary value to Chief Joseph Dam. However, the needs for Army engineer projects and Reclamation projects call for specific treatment, and this amendment will provide that.

I appreciate very much the action of the committee in including this amendment.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. WHITTINGTON: On page 10, after line 10, insert a new paragraph, as follows:

"Old Tampa Bay to vicinity of Booth Point, Fla."

Mr. WHITTINGTON. Mr. Chairman, this is an examination and survey favorably recommended by the Chief of Engineers, with a hearing already having been conducted by the committee.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. WHITTINGTON: On page 10, line 17, after the comma following the words "San Francisco Bay" and insert the following: "including San Pablo Bay, Suisun Bay, and other adjacent bays, and tributaries thereto."

Mr. WHITTINGTON. Mr. Chairman, this is a clarifying amendment requested by the gentleman from California [Mr. MILLER] as I recall, and recommended by the Chief of Engineers.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. WHITTINGTON: Page 14, line 20, delete the word "projects" and insert in lieu thereof "the Hartwell project."

Mr. WHITTINGTON. Mr. Chairman, this is a clarifying amendment to make it certain and definite that this authorization just covers that project and no other.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 16, following line 17, insert the following new paragraph:

"The project for Lake Ponchartrain, La., authorized in the Flood Control Act of 1946, is hereby modified to provide for levee strengthening and interior drainage at a total estimated cost of $6,900,000 substantially in accordance with the report of the Chief of Engineers dated February 28, 1949, and provided that in lieu of the local cooperation recommended in said report of the Chief of Engineers, local interests shall (a) provide free of cost to the United States all lands, easements, and rights-of-way necessary for the improvement, (b) contribute 25 percent of the cost of the construction work either in cash or in performance of work, (c) hold and save the United States free from damages due to the improvement, and (d) furnish assurances satisfactory to the Secretary of the Army that they can and will alter bridges and rehabilitate and improve existing facilities, including drainage canals and pumping plants as required, prevent the erection of structures on the embankment or rights-of-way therefor except as may be approved by the Chief of Engineers, and maintain and operate all the works after completion."

Mr. WHITTINGTON. Mr. Chairman, this is a modification of an adopted project recommended by the President of the United States and by the Director of the Budget. It provides for the contribution of substantially 25 percent of the cost of the project by the city of New Orleans. It has been favorably reported by the committee as a committee amendment.

Mr. WHITE of California. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this is only a pro forma opposition. As a matter of fact, I am not opposed to the bill, but I do want to bring a very important matter to your attention at this time, which is along the lines we are now discussing because of the fact that the Army engineers is the agency which will do the work outlined in this bill. I hope the House will give this matter about which I am going to speak, their very earnest consideration, because it is one of the most important things that has come up in the Congress in a long time. The matter I am speaking about is said to be the second most important recommendation of the Hoover Commission.

I call that to the special attention of the gentleman on the left. This recommendation of the Hoover Commission is outlined in the booklets which that Commission has put out dealing with reorganization of the Department of the Interior.

Recommendation No. 9 of the Hoover Commission reads as follows:

For the many reasons above, we recommend that the rivers and harbors and flood-control activities of the Corps of Engineers be transferred to the Department of the Interior and that any Army engineers who can be spared from military duties be detailed to the Interior Department in positions similar to those which they now hold in the Corps of Engineers.

Following out that recommendation, I want to point out to you an article which appeared in the August issue of Harper's magazine entitled "The Lobby That Can't Be Licked."

That item reads in part as follows:

If the Hoover Commission's recommendations for the administration of the country's water resources are ignored, the consequences will be costly and tragic. At present, the Nation is faced with the paradox of two powerful agencies spending enormous sums of money without a basic plan, under competitive and wasteful conditions, and without effective direction from the President and his executive office. In its 47 years of existence, the Bureau of Reclamation has spent $1,530,000,000. In the same period the Corps of Engineers has spent over $5,000,000,000, and it will spend $3,200,000,000 more to complete projects now under way.

By any standard, this is a considerable water bill, even for a country as prosperous as the United States.

Gentlemen, the point is this: These two agencies are in competition with each other on the same type of work. Why? Because one of them, the Corps of Engineers, is the spearhead of the private-power enterprises, and the Republican Party. I hate to get political on this, but I believe in facing the truth. But this issue is certainly political, as well as economic. The Corps of Engineers is the spearhead of the private-power industry which, in turn, is the right arm of the Republican Party. That is, that group is said to give—and I am not making this as a positive assertion—but only repeating what is common talk—the private-power industry is said to give a large part of its operating funds to the Republican national committee. On the other hand, the Bureau of Reclamation is said to be the agency of public power and is one of the strong arms of the Democratic Party.

There is the issue, and I point this out merely to show many of the freshmen in the House, who have not been apprised of these things, just what the situation is. I am amazed sometimes even when I talk to some of the older Members. Even some of them seem to have no idea that the Army engineers is a Republican instrumentality.

Mr. BROOKS. Will the gentleman yield for a question?

Mr. WHITE of California. I yield.

Mr. BROOKS. The figures that the gentleman gave with reference to expenditures of the Army engineers does not include expenditure which they made in war. I am sure of that.

Mr. WHITE of California. I am quoting the figures of the Hoover Commission. Apparently the figures are for civil functions only—not wartime. Anybody can get these reports who wants them. They are available for any Congressman.

Mr. Chairman, I have introduced a bill, H. R. 5469, proposing to consolidate the Bureau of Reclamation and the civil functions of the Army engineers. But I do not seem to be able to get it out of committee. I urge your support because this measure is one of the greatest money-saving moves ever made in this Congress.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. WHITTINGTON. Mr. Chairman, unless someone desires to speak on this amendment, I ask that all debate on the amendment, and all amendments thereto, close in 5 minutes, and I shall use only a minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTINGTON. Mr. Chairman, in all kindness, the gentleman from California has not spoken with reference to the pending amendment.

The Hoover Commission and the Reorganization Acts are not involved in this amendment. This is a project, and the committee might have objected to the gentleman's remarks as not being confined to the bill or the amendment, but we did not do that.

I just want to repeat, Mr. Chairman, that this amendment modifies the existing project for the protection of the city of New Orleans, a city of some 600,000 souls, subject to probably the greatest flood hazard in this or any other land, and at the proper time you may consider the Bureau of Reclamation and the Hoover reorganization plans, but they have absolutely nothing to do with this amendment. As I said, this amendment and this modified plan is before us with the recommendation of the Director of the Budget and the approval of our committee after the Chief of Engineers had recommended it, and the local people are required to pay one-fourth of the cost.

Unless my good friend the gentleman from Louisiana [Mr. BOGGS], who represents the district affected has something to say, I shall ask for a vote on the amendment.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. WHITTINGTON. Next amendment.

The Clerk read as follows:

Committee amendment: On page 16, following line 23, insert a new paragraph, as follows:

"The Secretary of the Army is hereby authorized, should he deem it to be in the interest of the United States, to transfer, without reimbursement, to the Mississippi State Highway Commission all rights, title, and interest of the United States in and to the improvements, including all bridges and culverts, constructed under, over, and upon a certain access road designated as 'Construction Road, Sardis Dam Site,' extending from Old Highway No. 51 in the vicinity of Belmont Bridge to the site of the Sardis Dam and Reservoir, Miss.: *Provided*, That the Mississippi State Highway Commission will agree to accept, operate, and maintain the said road as part of the State highway system for the benefit of the general public. The Secretary of the Army is further authorized to relinquish without reimbursement therefor, and on such conditions as he shall deem necessary, all the right, title, and interest of the United States in and to the existing easements in favor of the Government, in, over, and upon the above-mentioned road."

Mr. WHITTINGTON. Mr. Chairman, in Mississippi and the district ably represented by my colleague [Mr. WHITTEN] is located a dam that was completed during the administration of President Roosevelt. In order to construct that dam the Corps of Engineers constructed a short highway from the main highway and from the railroad to the dam. The

purpose of this amendment is to authorize the Chief of Engineers in his discretion to turn over that highway to the Mississippi Highway Commission provided he is satisfied that the highway commission will maintain it. The particular purpose of the amendment is to relieve the Corps of Engineers from further operation and maintenance of this short road. The committee unanimously recommends that it be agreed to.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. WHITTINGTON: Page 18, line 10, strike out the period, insert a colon, and add the following: "*Provided*, That the project will be constructed with such modifications as in the discretion of the Secretary of the Army and Chief of Engineers may be advisable; and *Provided further*, That payments made by local interests to the United States shall not be made in agricultural products but shall be made in cash."

Mr. WHITTINGTON. Mr. Chairman, there is a project favorably reported by the Chief of Engineers known as the Grand Prairie project in the State of Arkansas. The committee generally approved the project but only authorized $6,000,000, and that $6,000,000 was for the construction of the flood control and drainage part of the project as recommended by the budget. The remainder of that project contemplates the irrigation of a region where there are no public lands and for the production of rice.

This amendment does two things: The Bureau of Reclamation called attention to the fact that there was a recommendation for repayment in agricultural products. This amendment strikes that provision from the project, the provision for repayment in agricultural products, and leaves it to be paid in cash. This is the first thing.

Secondly, if and when the project comes back to the committee for an authorization for irrigation of the rice region the Chief of Engineers is authorized to submit a modification of the project for the consideration of the committee at that time, our whole thought being that we are now only approving money for the drainage and flood control parts of the project, and there will be left for future determination the reclamation features which we want to be in accord with the payments of the reclamation law. That is the purpose of the amendment.

Mrs. BOSONE. Mr. Chairman, I move to strike out the last word to call the attention to the committee of the language appearing on page 18 between line 4 and line 10. Herein public policy is established that I think is of tremendous importance to all of the reclamation projects that we have in the West. The 17 Western States come under the reclamation law of 1902. When an irrigation project is authorized the law under which the project is set up controls the policy of payment. In this section of this bill you are setting up and approving an entirely different policy. The people in Arkansas will have an irrigation project that will not be set up as an irrigation project in Utah or California or one of the 17 Western States would be. Millions of dollars will be involved. Not long ago the House approved a project involving $69,500,000. Under the reclamation law Utah will pay for all of the construction costs, 100 percent, which the people of the State of Utah will pay out of their pockets. The same project set up in Arkansas under this bill would require payment by the people not of $60,000,000 but $36,000,000. Members of the committee may disagree with me, but I invite you to read the committee's report on this part of the bill, wherein you have an irrigation project costing $19,000,000 and you have a flood control project costing $6,000,000. Under this bill Arkansas would not pay 100 percent of the construction costs, but only 60 percent.

Mr. Chairman, may I say to the Members that in adopting these two policies it is terribly unfair and there is no justice in it. Believe me when I say that I am for irrigation projects in Arkansas; I am for this bill, but I do think that you should operate a project in Arkansas, whether it be in Timbuktu or in Florida under the same law as we operate in the 17 Western States. Maybe the policy of reclamation should be extended to include some of the other States. Maybe it should not.

May I make the recommendation to the committee and the ones who are interested that the President and the heads of the particular bureaus, and the committee chairman, get together and decide what national policy we should follow in connection with these matters; otherwise we are going to find one State paying one price for a project and another State paying another price.

Let me repeat again that I am certainly for this irrigation project, but I think it should be set up under a law that is the same in all States, that our projects in the States of Utah, California, and the other 17 Western States should be set up under the same rule as that in Arkansas or New York.

You may say that there is no legal right for my position, but there is when you read section 8 of the Flood Control Act of 1944. This type of thing was anticipated. The Board of Engineers was to designate certain projects and make their report. If it were an irrigation project then it was to be turned over to the Department of the Interior. I am not quarreling about the jurisdictional side of this. I do not care who builds the projects. I do not care whether it is the Corps of Engineers; I do not care whether it is the Department of the Interior. The question is, and I think it is fair, What policy are we going to operate under? That policy whatever it is should be the same for all irrigation projects in all of the States.

Mr. Chairman, this is an irrigation project if I ever saw one. It has a pumping plant, it has 28 miles of main canal, it has 160 miles of lateral canals and it has 160 miles of smaller distribution canals. It is an irrigation project just like the ones in Utah and I think it should be set up—I do not care how—under the same policy. Maybe the policy should be changed from what it has been in the past. I do not wish to become involved in a jurisdictional question.

I think probably we can agree. I make the suggestion as a final recommendation that the President should call the heads of Government bureaus involved and all interested people together for the purpose of adopting one national policy.

The CHAIRMAN. The time of the gentlewoman from Utah has expired.

Mr. NORRELL. Mr. Chairman, on March 17, 1943, I became a member of the Interior Department Subcommittee of the Committee on Appropriations. On that same day the gentleman from Ohio [Mr. KIRWAN] and the gentleman from Iowa [Mr. JENSEN] also became members. We are now, from the standpoint of seniority, the oldest members of the subcommittee. The gentleman from Ohio [Mr. KIRWAN] is our able chairman, I am next to him on the majority side, and the gentleman from Iowa [Mr. JENSEN] is the ranking minority member. The other members are the gentleman from Pennsylvania [Mr. FENTON] and the gentleman from Washington [Mr. JACKSON]. In 1943, when we assumed membership on this subcommittee, the total appropriations from the general revenue fund for the then designated Bureau of Reclamation amounted to about $89,000,000. This year, 6 years later, the total appropriations for the Reclamation Service—so designated now—from the general revenue fund will be in excess of $250,000,000. This does not include amounts appropriated from the reclamation fund, the several trust accounts, nonreimbursable, and other sources against which appropriations are made. Why do I mention this? It is in order to show that we, the members of this subcommittee, know something about reclamation and, owing to our sincere interest in the service, we have been doing a very substantial job. This is as it should be.

Grand Prairie consists of all that area between the White River, Bayou Meto, and Wattensaw Bayou, comprising about 2,240 square miles, of which about 180 square miles are hill land, and the remaining is flat and alluvial land.

Local interests are alarmed at the rate of lowering of ground water throughout the Grand Prairie region, which is estimated to be about 1 foot per year. Many wells are being abandoned because of ground-water depletion. This is the rice-producing area of Arkansas. Last year we produced 19,740,000 bushels of rice and we stand number 3 in rice production in the Nation.

Local interests also desire relief from ponding behind the Bayou Meto and Little Bayou Meto floodgates during periods when the floodgates are closed due to high stages on the Arkansas River. They desire relief from flooding, together with major drainage improvements.

The pending project—Grand Prairie-Bayou Meto—is one project and is largely for flood-control purposes. We have

flood-control projects and problems throughout the entire area, for it is in that area that the St. Francis, White, and Arkansas Rivers enter the Mississippi River. Other tributaries empty into these rivers and the water flows into the Mississippi.

All of our problems are of flood control in nature. The Grand Prairie-Bayou Meto project would take water from the White River, using flood-control dams to the north to accumulate the supply of water we need. As we take the water out of the river, the flood hazards to the south would be lessened accordingly.

This project, the Grand Prairie—supplemental water—and Bayou Meto—flood control—as stated, must be considered as a whole, the water problems are so closely related, not only to each other, but to the major flood-control improvements authorized and under construction on the Mississippi River and throughout the Arkansas and White River Basins. We need flood control in the Bayou Meto Basin, the importation and delivery of water for agricultural use in the Grand Prairie region, and major drainage improvements throughout the entire area. This coordinated plan of improvement, including flood control, major drainage works, and the importation of supplemental water for agricultural purposes, appears best for us and, considered together, are engineeringly sound and economically feasible.

The plan would provide for the use of flood-control dams already constructed on the White River in connection with the water-supply project. We would, of course, use water collected in the reservoirs of these dams. In doing this, we would in no way interfere with the operation of those dams either for flood control or power.

Congress recognized that the Corps of Engineers is the only Federal agency with authority to make these improvements when it passed the resolution providing for the investigation, in 1945. The existing reclamation laws do not apply to Arkansas. They are confined exclusively to that area lying west of the ninety-seventh meridian, and Arkansas, as you know, is located east of the ninety-seventh meridian. Several attempts have been made to amend the law to include Arkansas in the reclamation area. These efforts have all failed. There is no way that we can provide for the construction of any works in Arkansas by the Reclamation Service unless and until the law is amended to include Arkansas in the jurisdiction of the Reclamation Service.

However, may I say, the Grand Prairie-Bayou Meto project is not a reclamation project. It is for the preservation and improvement of a long-established agricultural area, devoted largely to rice cultivation. There is involved no question regarding reclamation in this project. We have no arid or seimiarid, or otherwise unused land in the Bayou Meto area. We have no public domain, no federally owned land, no State owned land, no land to be reclaimed. All of the land in the Grand Prairie area is privately owned and in a high state of improvement and devoted to agricultural production.

The reclamation laws were designed for arid territory, located in whole or in part in public domain areas, land to a considerable extent located in deserts, land not in cultivation, land needing to be reclaimed. The reclamation laws were never intended to be applied to an improvement in a developed area, with lands in private ownership and devoted to a type of agriculture peculiar to its own region.

Probably Arkansas should have been included in the reclamation area, but it has not been, and under no circumstances can the Reclamation Service do the job, regardless of our wishes. Either the engineers will do the work or it will not be done.

I have been working on the project now before us for about 10 years. We began trying to secure the desired assistance for the good people of the Grand Prairie-Bayou Meto region a long time ago. The projects for flood control and water supply, considered separately, have not been considered feasible. However, in 1945, Congress passed a resolution authorizing and directing the Corps of Engineers to investigate the Grand Prairie region and Bayou Meto Basin in Arkansas, and to include a study of the flood control, drainage, and water needs of the entire area. We appropriated sufficient funds. The investigations have been made over a period of several years, and all expenses have been paid. The report of the Army engineers has been filed and is now before us for consideration. It is House Document No. 255, of the Eighty-first Congress, first session.

The Secretary of the Interior objects to the recommendations made by the Corps of Engineers. He says they do not conform entirely to all Federal reclamation law. I say there is no justification or authority for making the requirements of the reclamation laws applicable to Arkansas. Then, too, this is not a reclamation project.

The project before us is for the preservation and improvement of a long-established agricultural area, devoted to rice farming. There is no similarity in this project to the projects located in the reclamation areas.

However, our farmers should pay on a comparable basis with water in the reclamation areas. Of course we all know that the basic law provides for allocations of costs between several subjects such as flood control, navigation, irrigation, power, and so forth, and then in the reclamation areas the farmers do not have to pay any interest on construction costs of irrigation projects. Also, they have the benefits of what is known as the "reclamation fund" which is established for the water users throughout the West.

Let me compare the costs as proposed by the Army engineers for the water users of the Grand Prairie area to pay, with a number of the outstanding reclamation projects in the West:

Project	Cost of irrigation features	Repayment by water users
Kendrick project	$14,505,179	[1] $1,069,340
Missouri Basin	2,074,329,000	[2] 376,642,640
Colorado Basin	425,878,608	[3] 87,465,000
Boise	17,915,658	[4] 5,115,000
Colorado-Big Thompson	79,356,521	[5] 25,000,000
Central Valley	199,661,100	[6] 90,838,224
Grand Prairie	21,131,000	[7] 12,678,600

[1] 7 percent. [2] 18 percent. [3] 20 percent. [4] 28 percent. [5] 31 percent. [6] 45 percent. [7] 60 percent.

I could go through the entire reclamation area and compare the actual repayment costs with the Arkansas project. However, I selected a few of the outstanding irrigation projects to make a comparison of the repayment costs. I would like to say I have made a study of the over-all repayment charges to the water users in all of the reclamation districts. In figuring the cost of the Grand Prairie project, with interest at the rate of 3½ percent per annum, actually in 50 years we will return to the Government $27,025,000, whereas the total cost is only $21,131,000.

If it is figured on a basis of 40 years, without interest as in the reclamation areas, we would pay back $21,620,000, according to the way the Army engineers have figured the project, and that is in excess of the total cost of $21,131,000.

I am at a loss to understand how anyone can figure that this is unfair to the water users of the West, when in every instance the Grand Prairie project would pay back a larger percentage of the construction costs than are paid back by the water users of the West, and in addition, we pay 3½ percent whereas, under the law, they pay no interest at all. In this connection, I would like to suggest that the project in Arkansas will not enjoy several benefits enjoyed by the western reclamation projects. This is possibly as it should be. Arkansas is not a reclamation State. Grand Prairie is not a reclamation project, and since it is not a reclamation project we should not expect to receive the preferred treatment that the water users of the West receive under the existing law.

Mr. Chairman, this Arkansas project is just and fair. It has been investigated by the Army engineers under resolution adopted by this Congress. Congress appropriated the necessary money to pay the costs of the investigation by the engineers. You meant what you said. We ordered the engineers to make the investigation; we defrayed the expenses. The engineers have worked diligently for several years in ascertaining what, if anything, could be done in the Grand Prairie-Bayou Meto area. They have made their conclusions and submitted their recommendations to the several persons and agencies required by existing law. Their recommendations were promptly approved by the Governor of

Arkansas. They have been approved by the State Legislature of Arkansas, when it passed an act setting up a State board to negotiate with the Government according to the recommendations of the engineers. The project has the approval of the prospective water users of the Grand Prairie area, because they have sent witnesses here who have testified before the Public Works Committee of the House. The Secretary of Agriculture has approved the proposed plan.

Regarding the position of the Secretary of Interior, I agree with General Pick when he said:

In summary, the objections expressed by the Secretary of the Interior are understood, but in the opinion of the Corps of Engineers, they have no legal or reasonable justification, and they do not warrant denying the people of Arkansas the right of congressional consideration of a proposed improvement which is feasible from an engineering standpoint, justified economically and appropriate for undertaking as a joint venture of local interests and the Federal Government. (P. 839, Public Works Committee hearings.)

At this point I would like to quote a portion of a letter from Secretary Krug to me, dated May 19, 1949, found on page 845 of the same hearings:

With the appropriate amendments to safeguard the integrity of reclamation law and its principles, and to apply them to this project in the same manner as they are applied to other Federal irrigation projects, this Department will be in complete favor of the proposal for irrigation to the Grand Prairie area. I assure you of my continued esteem and of our full support along these lines.

Then, actually, we see that all persons and officials agree to the feasibility and economics of the project, but the Interior Department wants to do the work, and desires the reclamation area extended to include Arkansas.

This question of jurisdiction is a matter which should be decided in a bill reported by the proper legislative committee and considered by Congress apart and separate from some little insignificant project like the one before us today. This project should not be used as a vehicle under which the Reclamation Service would enter the State of Arkansas. You have seen fit in your wisdom not to include Arkansas in the reclamation area. Under the law the work can only be done by the engineers. Either, under the existing law, the engineers will do the work, or it will not be done. Let any change in the existing law, therefore, remain to be settled in the usual manner. Let it be settled by the reorganization of the executive branch of the Government. We have the recommendation of the Hoover Commission, and this question can be passed on in due course of time and prior to the construction of the Grand Prairie project. In the meantime, do not deny the people of Arkansas a proposed improvement which the Army engineers find feasible from an engineering standpoint, justified economically and appropriate for undertaking as a joint venture by local interests and the Federal Government.

Your committee has found, on page 100 of its report:

The committee finds that the allocation of costs to local interests covering the water supply features of the project are substantially the same as those which would be arrived at if the project were located in the western States and constructed under reclamation law. The committee feels that the recommendation of the Chief of Engineers to the effect that the Secretary of Agriculture shall collect the local repayments is entirely suitable to existing conditions, since the Department of Agriculture is active in the area and has the machinery already set up which could easily be utilized for this purpose. The committee notes that the Secretary of Agriculture concurs in this arrangement. The committee does not feel that the Bureau of Reclamation under the Department of the Interior should be involved in this project since the basin is located east of the ninety-seventh meridian, and the operations of that agency are confined by law to waters arising west of the ninety-seventh meridian. In fact, the committee does not find that there is any legal method under which the Bureau of Reclamation could participate in this project. Although the repayments by local interests for the water supply features of the project are comparable to those which would be required in an irrigation project under reclamation law, the committee believes that the other elements of reclamation law, such as the acreage limitation, should not apply to the Grand Prairie-Bayou Meto area. There are no public lands involved and the water is entirely supplementary in character and needed to permit the continuance of an existing form of agriculture in which the size of the operations and the techniques involved are already well established and proved sound over a long period of years.* * *

The committee, in its report, stated further:

The committee believes that this project is highly justified and urgently needed and is of the opinion that a partial authorization should be included in the bill to permit initiation of the work. It notes that the cost of the flood control and drainage features is approximately $6,000,000 and the balance, approximately $19,000,000, is for the water-supply features. In order to permit the initiation of work on this project, therefore, the committee recommends the authorization of $6,000,000 for the flood control and major drainage features. * * * In including authorization for the entire project, therefore, the committee recommends that the Chief of Engineers be permitted to modify the plans of the Grand Prairie-Bayou Meto project authorized in this bill to cover any contingencies, changed conditions, or other aspects prior to construction which might appear advisable after more detailed study.

From the committee report we can see that while the project is approved and authorized for construction, actually construction cannot be realized until we secure the necessary funds.

The future of this project therefore would necessarily be controlled by the future actions of this Congress. While I think the bill should have contained authorization for the full amount of funds as recommended by the engineers, the committee did not do this but they do recommend the construction of the project and approve the plans.

This project is before you on favorable report of the engineers. The Public Works Committee has included it in this bill. It has the approval of the Arkansas Legislature, the good people of the Grand Prairie-Bayou Meto area want it. The congressional delegation want it. The Nation needs the 19,740,000 bushels of rice that we produce. I ask you to sustain the actions of your great Committee on Public Works.

I appreciate the splendid attitude of the gentlewoman from Utah. I know of her interest in the reclamation work. I also appreciate the attitude of all the Members from the reclamation area. Mr. Chairman, these able and good Members of Congress serving in the House are well representing the Western States. They are men and women of outstanding ability. They are fair and honorable, and we understand each other, and none of us, including this great Committee on Public Works, expect to do anything that will in any way harm the Reclamation Service. Thank you very much.

Mr. BURDICK. Mr. Chairman, I rise in opposition to the pending amendment and I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

Mr. BURDICK. Mr. Chairman, this matter of contest between the Bureau of Reclamation and the Army engineers has presented a bad situation in our section of the country. The Hoover report is correct on most things, and especially on this one.

Let me give you the evidence of this conflict. The question before the people in my section of North Dakota is whether the Army engineers are going to build a high dam 1,850 feet or one authorized by law containing a reservoir of 17,000,000 acre-feet. This difference of 20 feet inundates a town of 10,000 people, it destroys three presently operating irrigation plants, and will destroy 100,000 acres of the best land in my section of the country.

Now, the Bureau of Reclamation says this is not necessary. The Army engineers say it is. Your committee, on page 108, made a finding that is not borne out by the facts at all. I make this charge against the committee that they made a wrong finding, because I was particular to hand each member of that committee a brief on the law.

Let me tell you what the law is. The first thing we heard about the development of the upper Missouri River was House Document 475, which provided for this dam at Garrison, and the pool was limited at that time to 17,000,000 acre-feet. Now remember that. The Bureau of Reclamation brought in a report, known as Senate Report 191, and that report provided for the development of the upper Missouri River without any dam at Garrison at all. Now, then, this Congress was confronted with these two reports. I was a Member of Congress at that time, and the Congress said to the engineers of the Reclamation Bureau and of the Army, "You gentlemen go out and see if you cannot bring in one common plan." They went out and agreed on Senate Document 247. The engineers on both sides signed that agreement, and

that agreement still had a limitation of the pool at 17,000,000 acre-feet; and if you turn to that document, you will see I am telling you the truth.

Now, then, the work was divided. The Army engineers were to build this dam, the Bureau of Reclamation was to handle irrigation and diversion, and $200,000,000 was authorized for each division for the Sloan plan and for the Pick plan. That was combined in this Senate Document 247. You have gone ahead and appropriated money for the Pick plan, but not until this year in the Senate has any money been appropriated for the Sloan plan that was coordinated with the Pick plan until the Senate acted within the last 2 or 3 months.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. BURDICK. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. Of course, money has been appropriated for some features of the Sloan plan. The Bureau of Reclamation has had money before this year.

Mr. BURDICK. But not contract money.

Mr. CASE of South Dakota. They have for some features. They may not have had it in relation to Garrison, but for other places.

Mr. BURDICK. I have it from the Bureau itself that they never had money enough to authorize contracts. Now you made a finding which reads in part that both bills would limit the normal operation pool level of Garrison Dam at 1,830 feet above mean sea level. Well, every appropriation bill for three successive Congresses has limited this pool to 1,830 feet. Evidence was presented to the committee to indicate there was considerable local opposition to this measure and that the operating pool level which has always been considered to be normal and necessary was to be constructed at 1,850 feet.

Wherever the committee got this information I do not know, because it is not in the law. Seventeen million acre-feet is in the law, and when you apply mathematics to that you arrive at approximately 1,830 feet above sea level, and that figure has never been raised. The Army engineers now want 23,000,000 acre-feet in the pool, but it is not authorized by law.

Again, in the bill itself on page 19, with regard to the Missouri River Basin, you ask for a blank check to the Army engineers for $250,000,000 more without knowing the first thing about how you are spending this money.

Do you know they spent $7,000,000 of our money building a little town up there near the dam that will be a ghost town when the dam is completed? They have bought up 43,000 acres of this 100,000 acres without any authority of law, and the money has gone into that.

Why do they want this extra 20 feet? I will tell you. They have gone back on their agreement entirely to leave irrigation and diversion to the Bureau of Reclamation, but they themselves have started an irrigation project. They are going to irrigate; they are going to divert water to Devil's Lake. The Sloan plan is going to do the same thing. You have the ridiculous situation of each of these Bureaus building a diversion to the same place when one diversion is enough. They want this extra 20 feet because they are going to take out of the dam the water that is in the dam to make this diversion and irrigation. They are trying to scare the people in my country that if they do not build this dam 20 feet higher they will not get power. Let me tell you that you can get just as much power from an 1,830-foot level as you can from the 1,850-foot level the way they are doing it, because they are going to take that 20 feet out, not for power, but for irrigation.

Mr. WHITTINGTON. Mr. Chairman, in all kindness, the amendment now pending to the part of the bill under consideration has no reference to the Garrison Dam in North Dakota. That is going to come before us later. I repeat that when it does come before us, the committee is prepared to give the Committee of the Whole its views respecting the Garrison project.

Now, back to the committee amendment, which is a clarifying amendment. The gentlewoman from Utah [Mrs. BOSONE] appropriately brought the matter to our attention. The committee amendment on page 18 is language that clarifies the paragraph in question to promote the very object the gentlewoman had in mind. Without repeating, permit me to say that whatever be the future determination of the Public Works Committee respecting this irrigation of the rice region, there is no reason why the committee clarifying amendment should not be adopted.

Mr. Chairman, my views are very largely the views of the gentlewoman from Utah. I repeat that we have stricken out that provision of this bill which would authorize payment in commodities and we are making it payment in cash. I repeat that we are only providing the $6,000,000 for flood control and drainage without providing the $19,000,000 mentioned by the gentlewoman from Utah, that will be essential when Congress finally authorizes the irrigation project.

Again, whether it be constructed by the Department of Agriculture or the Bureau of Reclamation, the landowner ought to pay at the same basis we have provided in this clarifying amendment, which will make it absolutely clear. There is no need for us to go any further into the details of the differences here because the engineers claim the landowners are paying more and the Bureau of Reclamation says they are paying less. We are not adjudicating the matter because we do not have the irrigation feature before us for authorization. In addition, the Bureau of Reclamation has no authority under the Flood Control Act east of the ninety-seventh meridian. It is the view of the committee that inasmuch as the Department of Agriculture has experiment stations and operates in Arkansas, the Department of Agriculture should collect the irrigation payments, and the committee believes that these payments should be at least as much as the payments are for comparable irrigation in the reclamation areas. However, the bill generally approves the project and leaves to future determination the authorizations for irrigation with discretion in the Chief of Engineers to modify the project so that both the Chief of Engineers and the Public Works Committee can be definite and specific when they report an authorization for irrigation in the future. At all events there is no need to extend the Bureau of Reclamation authority beyond arid regions. At the same time other regions ought not to be deprived of reclamation as incident to flood control in other States east of the ninety-seventh meridian.

Mrs. BOSONE. You do agree then, Mr. Chairman, that there should be one policy when it comes to reclamation projects and irrigation projects?

Mr. WHITTINGTON. I so stated. I generally agree with the gentlewoman's views. I think the same yardstick generally ought to apply, and if we are not able to show that those people are required to pay really more than they are in reclamation projects, we can modify it when the matter comes before us.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: On page 22, line 2, after the comma, insert the following: "set forth in House Document No. 243, Eighty-first Congress, first session."

The committee amendment was agreed to.

Mr. NORRELL. Mr. Chairman, I ask unanimous consent to extend my remarks at the conclusion of the consideration of the Grand Prairie project.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: After line 18, page 28, add the following new paragraph:

"Conneaut Creek at and in the vicinity of Conneautville, Pa."

Mr. WHITTINGTON. Mr. Chairman, this merely provides for a preliminary examination and survey and has been approved by the Corps of Engineers and by the committee.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 29, line 11, strike out the period, insert a colon, and add the following: "*Provided*, That this examination and survey shall not duplicate the investigations authorized in House Resolution 618, Eightieth Congress, second session."

Mr. WHITTINGTON. Mr. Chairman, this covers a modification of a preliminary examination and survey in the Sacramento and San Joaquin Valley. Our honored colleague, the gentleman from California [Mr. WELCH], was afraid that it might be a duplication of an examination which was to be made by the

Bureau of Reclamation. This amendment is to make it absolutely certain that that examination and survey shall not be duplicated. It is purely for the purposes of clarification and is being recommended because of the gentleman's fear of duplication.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Line 18, page 29, strike out "Iao Stream, Kaunakaki, Hawaii", and insert in lieu thereof "Iao Stream, Island of Maui, and Kaunakaki Gulch, Island of Molokai, T. H."

Mr. WHITTINGTON. Mr. Chairman, the amendment is self-explanatory. The names were spelled incorrectly and the amendment is for the purpose of correcting the spelling.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: After line 18, page 29, add a new paragraph as follows:

"Palolo and Manoa Valleys, Island of Oahu, T. H."

Mr. WHITTINGTON. Mr. Chairman, this simply provides for an examination and survey. It was recommended by the Chief of Engineers and is approved by the committee.

The committee amendment was agreed to.

Mr. REES. Mr. Chairman, I, too, want to pay tribute to the chairman of this committee, the gentleman from Mississippi, and to the gentleman from Michigan [Mr. DONDERO], the ranking minority member of the committee, as well as other members of the committee for the industry and effort they have put forth in bringing this bill to the floor of the House for consideration. I think it is fair to observe the measure comes to the floor of the House without following the usual procedure of securing the approval of the House Committee on Rules. I do not say that any of these projects are not worthy, provided, of course, they have been justified. It appears that the provisions in the bill are approved for two general reasons. One of the reasons given by a number of Members who have spoken before me is that this is an authorization bill and that you are thereby not spending the taxpayers' money. They distinguish between authorization and appropriation. I contend that if you do not expect to spend this money, then you should not authorize it.

This bill calls for an authorization of $1,200,000,000. That means you are charging the people of this country with an additional $1,200,000,000, so let us be fair on this question. Putting it another way, if you do not expect to spend the money, then why authorize it?

I have always been given to understand that before an appropriation is made, authorization is required, and I have likewise understood, and I believe the majority of the House will agree, that when this House puts its stamp of approval to authorize the expenditure of funds, it certainly means that it expects Congress to appropriate such funds. There are some exceptions, of course, where the money is not appropriated, but when you authorize this money today, you certainly intend to appropriate the funds or you would not support it.

Mr. NICHOLSON. If the gentleman will yield, I will answer that.

Mr. REES. I yield to the distinguished Member from Massachusetts.

Mr. NICHOLSON. I have projects in my district that have been authorized for 10 years, and there has not been any appropriation. That answers that question.

Mr. REES. Very well. There may be a few, but you will find they are exceptions. Examine the record for yourself. In any event, when you authorize this legislation, you obligate the taxpayers of this country. Why authorize if you do not expect to spend the money?

Let me repeat. I think every Member of the House will agree with me that this bill when approved means you are charging the people of this country with an additional $1,200,000,000. If you did not intend to spend the money, then you should not authorize it, but you should tell the people the truth, which means that authorization is an obligation. It cannot mean anything else, and you know it.

Another reason given for this big authorization or expenditure is that since we have spent money for Greece and Turkey, ECA, and others, then why not spend the item of more than $1,000,000,000 that we have before us today.

A distinguished gentleman from California calls attention to the the fact that the United States is spending money for development in Zuyder Zee. Of course that does not make sense, but I do not think the spending of money for Europe should be the reason for the expenditure of a billion dollars today. Every authorization and every appropriation should stand on its own feet. I did not vote for the bill appropriating $1,450,000,000 for arms to Europe. I voted to cut ECA funds. I even voted against $3,000,000 for a world's fair in Washington, but that should not be the reason why I should vote for or against this particular legislation.

It is my position that in view of the condition of our Treasury, which shows an indebtedness of $255,000,000,000, and since you are going to spend $5,000,000,000 more this year than will be collected from the taxpayers of this country, the right thing to do is for this bill to go back to the committee and let the committee bring back authorization for projects that are already under way and that are absolutely needed, then let the remainder of the bill go over until next year and give it consideration in the light of conditions as we find them at that time.

Let me further call your attention to the fact that this House has already this year appropriated $564,530,000 for rivers and harbors and flood control. I hope you will not misunderstand me. The projects in the bill, generally speaking, are laudable and are entitled to the very fair consideration of the membership of this House, but in view of the condition of the Treasury and considering the fact that we have already appropriated hundreds of millions of dollars for flood control, it would be much better to complete the projects already started and presently under way, rather than further obligate the Treasury by authorizing new projects. I just do not see how Members of the House can claim to be economy-minded and then support this legislation.

My proposal is this: send the bill back to the Committee on Public Works of the House. Let the committee reexamine it and bring it back with items that are absolutely necessary for those projects that have already been started and are presently under way. Then let the remainder of the bill go over until next year, which, incidentally, is only a few months away, and determine then whether the additional items should be recommended in view of the condition of our Treasury as well as absolute needs. Let us not rush through an additional obligation of $1,200,000,000 on the taxpayers of this country, at least until the entire problem is examined in the light of what is absolutely needed, especially when the country is facing a deficit of an additional $5,000,000,000 this year.

Mr. Chairman, I do not want to be misunderstood. I am not opposed to flood control. I expressed that view to the committee. Those who testified on this question from my State, for and against the measure do no oppose flood control. Different views as to how the problem should be approached, were submitted. These views should be explored and studied. Each and every project should be studied as to whether it is economically sound. Also the effect on the community where the proposed project is to be located. Certainly, opinions of Army engineers should be given the consideration to which they are entitled. I hardly think you should rely entirely on their recommendations. The views of people in the areas affected should also be considered whether they favor or oppose the projects.

Again, I suggest the bill be sent back to the Committee on Public Works and that authorizations be confined to projects presently under construction. Let all proposed projects that have not been started wait, at least, until after the first of the year so it may at least have further study and examination.

Let me remind you again that a vote for this bill is a vote to charge an additional $1,200,000,000 against a pretty much depleted Federal treasury.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. McDONOUGH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I hesitate to appear here in opposition to my distinguished friend from Kansas for whom I have every respect and whom we all know to be of good sound judgment. The gentleman from Kansas said a few minutes ago that we should not pass a bill here that has unnecessary projects in it. He did not refer to a single item in this bill that was unnecessary but gave us the impression that they were all unnecessary. I want to say as a member of the Public Works Committee—and I sat in on

all of the committee meetings—I want to say that there is not a single item in this bill that is not definitely necessary. I doubt if any item could get by the chairman of my committee, the gentleman from Mississippi [Mr. WHITTINGTON], that was not necessary; and you Members of the House know him well enough so that when the gentleman from Kansas says that we have appropriated some $600,000,000 for public works up to now in this session of Congress that these projects were under previous authorizations. He also makes the point that authorizations are not appropriations, but every time any committee recommends it we have to spend the money. Now, listen, we have had authorizations under consideration on flood control and river and harbor projects for years and years that no funds have been appropriated for. The gentleman from Massachusetts made reference to one. I do not have a list of them in front of me, but I know that there are many.

I am sure that the gentleman agrees with the Hoover Commission recommendations in spite of the fact of his policy of economy. What does the Hoover Commission report say concerning public works?

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. McDONOUGH. I yield.

Mr. WHITTINGTON. I do not want to be critical of my friend, the gentleman from Kansas [Mr. REES], but he appeared before our committee and he did not make any argument against the authorization at all, did not say a word against reporting a bill. He merely said that some of his constituents lived above the dam and some lived below the dam, and he wanted us to hear both sides.

Mr. McDONOUGH. That is correct.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. McDONOUGH. I will yield in a minute. I want to read this statement from the Hoover Commission report on public works, and I am sure that the gentleman from Kansas agrees with the Hoover Commission reports. It reads:

> Experience in the last depression brought home to Federal and local authorities the importance of advanced planning for future emergencies. During the depression years of 1932 and 1938 the Public Works relief program cost $24,000,000,000 of which $18,500,000,000 were Federal funds. Because of lack of advance planning worth-while projects were delayed or abandoned while makeshift devices were resorted to in an effort to minimize boondoggling.

We had enough experience with boondoggling during the WPA days. We do not want any more of that and this is the way to plan conservatively ahead so that there will not be any boondoggling.

Let me say in answer to the gentleman from Kansas that I think his approach to this question is without knowledge of the facts and I doubt if any committee as careful as the Public Works Committee would bring a bill to the House that is not absolutely necessary in every detail.

I shall now be pleased to yield to the gentleman from Kansas if he still wishes me to.

Mr. REES. I thank the gentleman.

I wish to say to the gentleman from California and to the distinguished chairman of the committee that we did appear before the committee and we left the thing to your good judgment. I am not saying that those projects are not worth while; I am just saying to the gentleman from California who has the floor and to the chairman of the committee that in view of the circumstances and conditions to which our attention has been called, and since these projects have not yet been started, I am just suggesting that those that have not been commenced should be deferred for another year; then look them over and bring them to the floor again. I do not say that they are bad; they are all good.

Mr. McDONOUGH. Let me say in reference to that that in California—and I will be local for a moment as a member of the Public Works Committee I am for the whole bill and I appreciate what is in there as far as California is concerned—that we have exhausted all of the authorizations on our projects up to the point where the appropriations now coming through in the civil functions bill will leave nothing insofar as future authorizations are concerned; and for that reason this bill is vitally necessary, and I am sure the other Members of the House agree.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. LUCAS. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I should like to ask a specific question of the very able chairman of the Committee on Public Works with reference to the Trinity River at Dallas and Fort Worth, Tex., on page 58 of the report.

The report states:

> Flooding in the Fort Worth area will be reduced with the completion of the authorized Federal projects to such an extent that Federal participation in any further improvement is not justified.

It has been my experience that we may never know whether flooding will be entirely prevented. May I ask the chairman of the Committee on Public Works whether by these words he means to entirely preclude any further Federal assistance in case these levees which have been recently built do not give adequate protection?

Mr. WHITTINGTON. The gentleman's situation is similar to that in many other cities throughout the United States. It is my recollection the gentleman presented evidence of one of the greatest floods of the country this year and at the same time offered a resolution which the committee promptly adopted. If it should develop that the gentleman needs a higher levee down there, the committee will certainly recommend it.

Mr. LUCAS. I thank the chairman of the committee.

Mr. DOYLE. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, when I hear Members of the House say that an authorization bill is not necessary, I am reminded of what my father told me many times. He said, "Clyde, the nation that has not a vision is lost."

So, in an authorization bill of this sort we are expressing our vision as to what is to be necessary in the future. It is reducing to authorization, our national vision on this subject. I should like to take a few minutes to compliment the distinguished chairman of the committee and the committee members upon looking ahead as to what the needs in the Los Angeles drainage basin are. My home is in Long Beach, Los Angeles County, Calif. It is in a metropolitan area of that thriving State.

I am pleased to see on page 22 of the bill, line 11, the committee makes provision for $40,000,000 as a beginning on necessary new construction; to initiate projects listed on page 123 of the committee report. I have vigorously worked for the same.

I also refer the members of the committee to page 121 of the committee report and specifically call attention to the fact that the committee has anticipated the needs of the metropolitan district in which I reside and which I represent in this Congress by making provision for what is commonly known as the "Whittier Narrows Dam." I see in the committee report that it anticipates in the future an appropriation; in fact a necessary appropriation for two sums—one sum of $6,000,000 plus and another sum of $10,000,000 plus, for this Whittier Narrows Dam and connected improvements to make the said dam of utmost utility.

The district in which I live absolutely must have this protection from flood waters which come from the mountains to the north. If we do not have this necessary flood control there no doubt will reasonably be a repetition of the floods of 1938 when almost 50 lives were lost and over $40,000,000 in damages were suffered from the devastating floods. There is no question but that this authorization, so far as Los Angeles County is concerned, referred to on page 22 of the bill and on pages 121, 122, and 123 of the report, is a wise one.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. DOYLE. I yield to the gentleman from Missouri.

Mr. SHORT. Most of us will agree with the gentleman from Kansas [Mr. REES], that we should not vote for the authorization in this particular bill merely because the House has voted billions of dollars in economic and military aid abroad.

Mr. DOYLE. That is correct.

Mr. SHORT. Those of us who favor the legislation feel it would be wiser and more sound, even from the standpoint of the national defense, to spend this money here at home than to bleed ourselves white and drain our resources by sending everything to Europe.

Mr. DOYLE. I think both expenditures are essential to world progress and peace.

Mr. WHITE of California. Mr. Chairman, will the gentleman yield?

Mr. DOYLE. I yield to the gentleman from California.

Mr. WHITE of California. I want to bring to the gentleman's attention at this

time a little request for cooperation. I want to point out that this bill does not carry one single cent for my congressional district in California. I go along with it 100 percent, but I just want to say to those gentlemen on the Public Works Committee who came in when the Engle bill was on the floor to give our district a little irrigation water we so badly needed, that I hope the next time the bill comes up for our district that they will not make subtle remarks to try to defeat it, without actually saying so. I also want to point out to my friends from Los Angeles, particularly on the Republican side who vote against us repeatedly, that we are going along with them here, but we want a little reciprocity. Reciprocity is a two-way street.

Mr. DOYLE. I thank the able and hard-working gentleman from California who represents one of the most fertile districts in the world, the great Fresno Valley. He consistently watches out for its best interests.

Mr. SHORT. Mr. Chairman, if the gentleman will yield further, the gentleman from Kansas further stated that he thought that we should postpone all of these projects until next year. Every one of us knows that these projects have been delayed because of the recent world conflict. Most of them are long overdue, and I dare say that the Public Works Committee of this House has already combed with a fine-tooth comb all of these projects and recommended only those that are worth while.

Mr. DOYLE. I thank the gentleman for his contribution.

In closing I wish to have you—my colleagues—read an appropriate and clear statement by Frank E. Wall, the distinguished president of the board of water commissioners of my home city of Long Beach, and also a similar statement by Walter M. Brown, the able office engineer of the Long Beach Water Department:

SUBMITTED BY FRANK E. WALL, PRESIDENT, BOARD OF WATER COMMISSIONERS, LONG BEACH, CALIF.

For my formal statement on the above subject, I am relying chiefly upon the attached brief by Walter M. Brown, office engineer of the Long Beach Water Department. This brief was originally prepared for presentation to the United States district engineer, at Los Angeles, at a public hearing held December 12, 1946, to consider a restudy of the Whittier Narrows situation and six alternate plans for its solution. As the result of a resurvey of local conditions made in March 1947 it has been slightly modified to bring it down to date for the present occasion. The chief modification is in the matter of the statistics originally presented on pages 14, 15, and 16.

In that connection, I offer some further statistics.

Many plants of strategic importance to the national defense, owned or financed by the United States Government at a cost of $130,000,000 to $140,000,000, and not included in the assessed valuation of $150,000,000 mentioned in Mr. Brown's brief are located within this area subject to flood hazard.

Among these plants are the following:

1. The Consolidated Vultee Aircraft plant at Downey.

2. The Long Beach plant of the Douglas Aircraft Co.

3. The Long Beach Municipal Airport, headquarters during the war for the Ferrying Command of the United States Air Corps.

4. The United States Naval Aid Station at Los Alamitos.

5. The United States Navy ammunition and net depot at Seal Beach.

6. The United States naval base at Long Beach.

The actual market value of all the property subject to flood hazard from the Whittier Narrows exceeds half a billion dollars.

I also wish to call attention to the fact that the eastward expansion of Long Beach toward the vulnerable embankments of the San Gabriel River channel, predicted by Mr. Brown on page 6 of his brief, is already well advanced and that thousands of additional homes are planned in this area. Similar expansion has occurred in the communities of Lakewood, Mayfair, and Bellflower, and thousands of new homes in those areas are exposed to flood hazard. Large numbers of their inhabitants are new to California, have never seen a Los Angeles County flood, and do not realize the danger to life and property to which they are exposed.

My principal purpose in presenting this statement, however, is to elaborate upon two points mentioned in Mr. Brown's brief; viz, (1) that only 43 percent of the total watershed tributary to the Whittier Narrows has been brought under control by the construction of the Santa Fe Retarding Basin and dams on the San Gabriel River above it; and (2) the effect of forest fires on subsequent floods.

WATERSHED 57 PERCENT UNCONTROLLED

A glance at the map which will be shown at the hearings of the subcommittee of the Senate Appropriations Committee will show a full dozen tributaries which enter the Rio Hondo and San Gabriel channels below the Santa Fe Dam and concentrate their floodwaters at the Whittier Narrows.

On the west, there are Alhambra, Rubio, Eaton, Arcadia, Santa Anita, and Sawpit Washes, together with another unnamed wash. On the east, there are San Jose Creek and Thompson Creek, Walnut Creek, San Dimas and Big and Little Dalton Washes. Practically all of these creeks and washes are capable of, and have produced, destructive floods. Small dams have been constructed at the base of the mountains on some of them, but these dams are little more than debris basins, quickly filled and overtopped. The development of the adjacent areas has more than offset any benefit to be derived from them. As a matter of fact, the tributaries are far more potentially dangerous under present conditions than they were 20 or 30 years ago. Furthermore, the hazard is continually increasing as more and more of the surrounding area is rendered impervious by the construction of roads, houses, industrial plants, etc.

The Santa Fe Dam has outlets capable of passing 37,000 cubic feet per second, and at present they have no gates. The outflow from the Santa Fe, together with the floods of the above-mentioned tributaries, must all pass through the Whittier Narrows. It depends upon the pattern of the storm and its duration as to whether the shorter tributaries will discharge their flows before the main mountain run-off arrives, or whether they will all concentrate at the Narrows at the same time. Nothing that can be economically justified except a Whittier Narrows Dam, capable of reducing the crest of a peak flow arriving at that point, can protect the country below.

EFFECT OF FOREST FIRES ON SUBSEQUENT FLOODS

An outstanding example of the increase in flood hazard due to the denuding of southern California watersheds of their vegetative cover by forest fires occurred in the La Canada-Montrose area January 1, 1934.

In November 1933, several small watersheds aggregating 7.5 square miles were burned over near the headwaters of Verdugo Creek, a tributary of the Los Angeles River, a few miles west of the westerly portion of the San Gabriel watershed. With the ground thoroughly saturated from previous rains, a storm occurred late in December which produced 14 inches of rain in approximately 48 hours, and which culminated with an intensity of 1.3 inches per hour.

Beginning about midnight of December 31, 1933, a series of mud flows raged through the La Canada-Montrose area, causing 30 deaths and destroying 483 homes valued at about $5,000,000.

Subsequent surveys showed that this storm eroded 90,000 cubic yards of soil per square mile from the burned-over watershed, while the erosion from a similar but unburned area, subject to the same storm, was insignificant. E. C. Eaton, then chief engineer of the Los Angeles County flood-control district, published a paper on this storm, in which he reached the conclusion that "After a normal watershed cover has been denuded, erosion rates will increase from 50 to 100 times that with undisturbed vegetation."

Should forest fires destroy the vegetative cover of an extensive portion of the San Gabriel watershed tributary to any of the existing dams on the San Gabriel River and be followed by conditions similar to those on Verdugo Creek in late December 1933, two things can be predicted with absolute certainty:

First, there will be a tremendous erosion of soil resulting in massive mud flows which will fill up the tributary reservoirs beyond anything experienced since the dams were erected.

Second, the run-off rate will be greatly increased, resulting in quicker concentration of floodwaters and therefore higher flood peaks and larger volumes. And it is the unregulated peaks which are responsible for most of the flood damage. Even if the peak occurs above a reservoir which regulates it, it may cause the reservoir to fill and spill much earlier than would otherwise be the case, and thereby create or contribute to another peak below the reservoir.

FLOOD CONTROL VERSUS WATER CONSERVATION

Some of the opponents of a Whittier Narrows Dam have seized upon Mr. BROWN's remarks about water conservation to argue that the primary interest of Long Beach lies in water conservation and not in flood control. This is wholly untrue. Our objectives in advocating the construction of a Whittier Narrows Dam, in order of their importance, are:

1. To protect the lives and property of the residents of Long Beach and other communities on the coastal plain from floods.

2. To retain the effectiveness of spreading grounds already developed by the Los Angeles County flood-control district on the San Gabriel River and Rio Hondo—especially the latter. In other words, to avoid the loss of any portion of existing percolation.

3. To increase percolation—water conservation—if that be possible. This objective is not only subordinate to the other two, but it is questionable whether it can be attained.

CONCLUSION

The board of water commissioners of the city of Long Beach has five times endorsed the Army engineers plan A or a plan substantially similar to it. However, what the Board wants is a Whittier Narrows Dam. We are prepared to accept plan B if we must. But there has recently been developed a modified plan B, which we regard as an acceptable compromise between plans A and B, likely to draw less opposition than either A or B.

The board of water commissioners will approve plan A, plan B, modified plan B or any other compromise of similar capacity located between A and B. We urge that the Senate Committee on Appropriations amend the appropriations bill to provide an appropriation of $8,000,000 to acquire the necessary reservoir site and to start construction on such a dam.

May I stress again that what we are asking for, to protect the lives and property of our people, is a Whittier Narrows Dam.

BRIEF ON BEHALF OF THE BOARD OF WATER COMMISSIONERS OF THE CITY OF LONG BEACH, ORIGINALLY PRESENTED TO THE UNITED STATES DISTRICT ENGINEER AT LOS ANGELES AT A PUBLIC HEARING CALLED FOR DECEMBER 12, 1946, ON A RESTUDY OF THE WHITTIER NARROWS PROJECT AND ALTERNATIVE PLANS THEREFOR, IN LOS ANGELES COUNTY, CALIF., AND SLIGHTLY MODIFIED FOR PRESENTATION TO THE SUBCOMMITTEE OF THE SENATE COMMITTEE ON APPROPRIATIONS, MARCH 17, 1948

(By Walter M. Brown, office engineer, Long Beach Water Department)

Peculiarities of climate and topography of Los Angeles County and adjacent areas are responsible for the destructive and unpredictable floods which are characteristic of this region. These are well understood by the district engineer, United States Engineer Department, at Los Angeles, and his staff. They are, however, entirely outside the experience of the vast majority of the population of the United States, particularly of the East and South. Nevertheless, the fate of most flood-control projects is decided by eastern and southern Members of Congress.

It therefore seems advisable to open this brief with a discussion of the peculiarities which serve to make this area unique.

DRAINAGE AREAS AND STORM SEASON

The drainage areas of the San Gabriel River and its tributaries are short, the valleys variable in slope but relatively flat, and the mountains exceedingly steep. The greatest length of the San Gabriel watershed, from the ocean front on the south to the highest mountain crests on the north, does not exceed 50 miles. This distance takes one from sea level to elevations in excess of 7,000 and 8,000 feet.

The rise from sea level, in the first 20 miles, approximates 215 feet to the site of the proposed Whittier Narrows Dam as shown in plan A of the Army engineers. The 1,000-foot contour marks the approximate base of the mountains, and is reached in another 11 miles. The rise from the 1,000-foot contour to the crest of the range occurs in a final 20 miles or less.

Thus we have gradients averaging about 11 feet to the mile in the first 20 miles; 70 feet to the mile between the Whittier Narrows and the base of the mountains; and 300 to 350 feet to the mile in the mountains themselves, with some grades running as high as 2,000 feet per mile for a distance of approximately 2 miles.

The steep slopes of the San Gabriel Mountains generally hold only a thin layer of soil. They support few forests and those of limited extent, usually in mountain meadows. In general, their vegetative cover is a growth of low brush and chaparral.

These mountains most effectively precipitate the moisture from the storm clouds blowing in from the ocean, practically wringing them dry, and leaving little moisture to pass on into the desert to the north. The storm season embraces the period between November 1 and the following April 15. The precipitation is mostly in the form of rain. Although snow sometimes falls in the higher mountain levels, it seldom lies on the ground for more than a few days at a time.

Normally, precipitation increases in intensity with distance from the ocean and proximity to the mountain crests. Rainfall at Long Beach during the last 25 years has averaged about 13 inches per annum. The Los Angeles average over a period of 69 years is 15.5 inches. The annual rainfall in the San Gabriel Mountains averages about 20 inches at their base and from 35 to 45 inches at their crests. The seasonal rainfall, however, has been known to exceed these averages by more than 230 percent, both in the city of Los Angeles and in the San Gabriel Mountains.

Under these conditions—a very short watershed with excessive mountain grades of low absorptive capacity which sluice the run-off onto the relatively flat valley or plain lying between the mountains and the sea, combined with violent and more or less unpredictable storms which often approach cloudburst proportions—tremendous floods may occur at any time during the storm season. They most often occur in one or two months of the following four, to wit, December, January, February, and March.

From April 15 to November 1 of each year, we receive little or no rainfall. Our river channels are usually dry and dusty in summer and objects of derision to eastern tourists. But in winter they often carry tremendous and destructive floods.

Two distinct types of storms are prevalent in this region. The normal storm is of prolonged duration but of average intensity. The cloudburst type of storm is what its name implies, a storm usually of short duration but of intense precipitation. Either type of storm may break at any time during the storm season, either in the mountains or over the valley, or both. And the prolonged "normal" storm may also be accompanied by the cloudburst type in localized areas.

RECENT STORMS OF RECORD

A heavy storm occurred February 18–21, 1914, in Los Angeles County and caused flood damage approximately equal to that occurring in the entire State of Kansas during the same year. As a result of the heavy property loss caused by this storm, a board of engineers was appointed in April 1914, by the Board of Supervisors of Los Angeles County to prepare a comprehensive plan for flood control. This board submitted its report under date of July 27, 1915.

The board of engineers came to the conclusion that the flood of 1889 was probably the maximum flood of record, and that the discharge from the San Gabriel River was approximately 47,000 cubic feet per second. On page 146 of the report, Mr. H. Hawgood, one of the board, states:

"It is not conceivable that any flood of the Los Angeles or San Gabriel Rivers ever exceeded by 36½ percent of the flood of 1889."

This would have meant a storm flow of approximately 64,000 cubic feet per second. Mr. Hawgood's statement is particularly noteworthy in considering a storm which culminated March 2, 1938, and which produced a peak flow of 95,000 cubic feet per second into San Gabriel No. 1 Flood Control Reservoir, about 3 miles below the forks of the San Gabriel River. Fortunately, this peak lasted only a few minutes, although an inflow of 80,000 cubic feet per second or more continued for slightly more than 2 hours, and an inflow of 60,000 cubic feet per second or more for more than 5 hours. Fortunately, also, two flood-control dams and one conservation dam had been constructed in the San Gabriel Canyon in the meantime.

The initial capacities of these dams and their capacities as determined following the storm of March 2, 1938, were as follows:

	Type of dam	Capacity to spillway crest in acre-feet	
		Initial	February 1943
San Gabriel Dam No. 1	Flood control	53,344	43,954
San Gabriel Dam No. 2	do	12,298	10,536
Morris Dam	Conservation	36,500	(?)

Even the brief periods mentioned above were sufficient for the floodwaters to overtop the spillway crests of all three of the dams, notwithstanding the release of 25,000 cubic feet per second from the Morris Dam, which release was later increased to 35,000 cubic feet per second.

Records show that the crest of the flood, estimated at 99,000 cubic feet per second reached Long Beach at 9 p. m. on March 2. Just above the junction of the Los Angeles River and the Rio Hondo, the former carried a peak of 79,000 cubic feet per second and the latter a peak of 24,400 cubic feet per second. At 7 p. m. of the same day, the writer of this brief watched the floodwaters licking the top of the rock revetment on the west side of the Los Angeles River flood-control channel just south of Anaheim Street, Long Beach. At that time, the rails of a railroad track on the top of the revetment afforded the only additional protection to a low-lying industrial area west of the flood-control channel, and to the Long Beach Harbor itself. A break-through would have caused untold damage.

The earth embankments of the San Gabriel River channel, lying above the surface of adjoining lands, were washed out east of Long Beach, and a large area of farm land inundated. It should be noted that most of the future expansion of Long Beach must be eastward, over this same inundated area.

If the mountain storm had maintained its intensity a short while longer, the entire peak flow of 80,000 to 95,000 cubic feet per second into San Gabriel Reservoir No. 1, augmented by the flow of many tributaries discharging above the Whittier Narrows, would have come on down the valley, and the loss of life and property from Azusa to El Monte and from El Monte to Long Beach would have been nothing short of catastrophic.

On March 7, 1938, only 5 days after this flood, another storm of equal intensity was predicted for March 9. The district engineer of the United States Engineer Department at Los Angeles at that time stated at a public meeting held shortly thereafter that, inasmuch as all the San Gabriel reservoirs were full and the ground completely saturated, he made his preparations for a major disaster and never felt so helpless in his life. He further reported that only the interposition of an unexpected barometric high, which held the low out at sea until the major part of the storm was dissipated, saved this area from a disaster of the first magnitude.

Again, on January 21–23, 1943, another storm occurred over Los Angeles County which produced the maximum 24-hour rainfall of record in southern California—26 inches at Camp LeRoy and 22 inches at Camp Singer. The rainfall for the 56-hour storm was 4.97 inches at Long Beach, increasing to 37.34 inches at Camp LeRoy and 33.66 inches at Camp Singer.

However, the ground was dry when the storm began and much of the precipitation was absorbed. Although the run-off reached flood proportions, the flood flows were considerably smaller than those of March 2, 1938. Notwithstanding this fact, the flow in the Los Angeles River flood-control channel, augmented by the Rio Hondo flow, overtopped the bank of the channel for a few minutes at one spot in Long Beach, though with negligible damage.

An additional flood-retarding basin known as the Santa Fe has now been partly completed on the San Gabriel River debris cone, approximately halfway between the mouth of the San Gabriel Canyon and the Whittier Narrows. Opponents of the Whittier Narrows Dam have stated that the Santa Fe Dam, together with a recently executed contract between the Metropolitan Water District of Southern California, the Los Angeles County Flood Control District and the San Gabriel Valley Protective Association, for joint use of the Morris Reservoir, will provide all the flood control that is necessary.

Nothing could be further from the truth. The three-party contract just referred to gives the flood-control district the right to use, for 15 years, half of the capacity of the Morris Reservoir, estimated not to exceed 17,500 acre-feet, for flood-control purposes during the storm season. There is no reason to suppose that this right will be renewed.

By the same contract, the San Gabriel Valley Protective Association is given the right to use 50 percent of the reservoir capacity for conservation purposes (subject to the flood-control district's right to use the same space for flood-control purposes during the storm seasons), decreasing at the rate of 10 percent every 6 years. Thus, the flood-control district's rights in the Morris Reservoir terminate in 15 years, and those of the protective association in 30 years.

Furthermore, while the four existing dams, San Gabriel Nos. 1 and 2, Morris and Santa Fe, regulate the run-off from 236 square miles of the San Gabriel watershed, or 43 percent of the area tributary to the Whittier Narrows, there is another tributary area of 316 square miles, or 57 percent, over which the four dams exercise no control whatever. This is the area of greatest flood hazard to Long Beach and other communities on the Coastal Plain, although it should not be overlooked that the regulated discharge from the four dams above mentioned must also pass through the Whittier Narrows and add to the flood hazard of the area below.

Again, the flood hazard is not static but is continually on the increase. Every bit of land which is put under an impervious covering, whether it be a new roof, a paved yard or road, and every new storm drain discharging into the Rio Hondo or the San Gabriel River north of the Whittier Narrows, as well as every forest fire that denudes a portion of the watershed of its cover, adds to the flood hazard. Meanwhile, the capacity of existing dams is being reduced by silting during every major storm. A former chief engineer of the Los Angeles County Flood Control District stated that "after a normal watershed cover has been denuded, erosion rates will increase from 50 to 100 times that with undisturbed vegetation."

San Gabriel Flood Control Dams Nos. 1 and 2 have lost more than 11,000 acre-feet from this cause, or about 17 percent of their total initial capacity, since they were constructed 9 to 11 years ago. A series of small dams designed to retard the flood flows from nine small watersheds along the south slope of the San Gabriel Mountains tributary to the Whittier Narrows, which had an initial aggregate capacity of 6,717 acre-feet, have lost 30 percent of their combined capacity through silting.

WATER CONSERVATION

So far, this brief has dealt with the subject of flood control, inasmuch as the Army engineers are charged with the construction of flood-control works. However, the conservation of water is of secondary importance to flood control in this region only because it begins with flood control. If there is no control of floods, there can be little conservation of flood flows.

The metropolitan area of southern California has been carved out of a desert. Without more water than nature provides it will revert to a desert. Only 1.4 percent of the waters of the State of California originate south of the Tehachapi Mountains, while more then 40 percent of the population of the State—perhaps as much as 45 percent—is located in this scantily watered region. Consequently, it is of the highest importance that every possible drop of floodwater be conserved and put to beneficial use.

Nature has provided this area with two great underground storage basins, one above and one below the Whittier Narrows. Anticlinal folds of the earth's crust form the lower lips of these basins and act as barriers to hold the underground waters back.

The upper San Gabriel Basin is like a tilted saucer or bowl, the lower edge of which is a partially eroded fold connecting the Puente Hills on the east and the Merced Hills on the west. The lower basin is much flatter and is formed by another fold which passes through Dominguez and Signal Hills, Anaheim Landing, and other high points. Both basins contain great bodies of absorptive sands and gravels which store large quantities of water.

Both basins are supplied to some extent by direct rainfall, but chiefly by the run-off from the areas lying to the north of them. The capacity of the upper San Gabriel Basin to retain water is limited by its rather high tilt. Percolating waters are forced to the surface at the Whittier Narrows by the construction which occurs at that point in both width and depth, and these rising waters become a portion of the supply of the lower or Coastal Plain basin.

It is from this Coastal Plain basis that the city of Long Beach derives most of its water supply. During each of the last two fiscal years, the city pumped nearly 23,000 acre-feet for municipal use, from 25 wells, widely scattered in the area north and east of Signal Hill.

Most of the replenishment of the underground water supply of the Coastal Plain occurs in the so-called forebay area, lying between Downey and the Whittier Narrows. Beginning in the neighborhood of Downey, clay beds appear, which become more numerous and thicker as the coast line is approached, and which materially interfere with percolation of surface water, and ultimately cut it off altogether. The fact that the area south of Downey was artesian for a long time, and that artesian flows still appear in portions of it during or following seasons of high precipitation is due to these clay beds, which form an effective artesian cap, preventing percolation upward or downward.

In 1895, a well widely known as the Big Bouton was drilled east of the Los Angeles Terminal Railroad, now a part of the Union Pacific system, and slightly north of the site of Carson Street. This well came in, according to authenticated records, with a pressure of 35 pounds per square inch. This is equal to the weight of a column of water 80 feet high.

The Big Bouton well flowed for the last times in the winters of 1915 and 1916. Since then, the static water level has steadily declined until, on August 19, 1946, it reached a low of 115 feet below the ground surface, or nearly 49 feet below sea level—a drop in combined pressure and water levels of 195 feet in the last 51 years.

In the meantime, the 1946 pumping levels in some of the Long Beach wells show the following depths below sea level: Citizens Well No. 5, 81 feet in September; Alamitos Well No. 9, 94 feet in September; Commission Well No. 1, nearly 94 feet in October. These wells are rather widely spaced.

It is this downward trend in water levels, which is taking place all over the Coastal Plain in varying degrees, that makes the city of Long Beach so insistent upon the need of water conservation in conjunction with flood control, especially as we are now nearing the end of an 11-year wet cycle and must look forward to the occurrence of a dry cycle in the near future—a cycle of less than average precipitation.

We are also faced with a very definite threat of sea-water intrusion if this trend is not soon stopped. This is because the barrier which accompanies the Newport-Inglewood fault zone and which forms the southwesterly lip of the Coastal Plain basin is not impervious.

Six or seven years ago, the United States Geological Survey was brought in to make a study of this danger. Their work has disclosed that 9 miles out of 27 along the crest of the anticlinal fold forming the barrier have been enroded away to depths of as much as 150 feet below sea level. Subsequently, these gaps have been filled by recent detrital material which is permeable and capable of passing water in either direction.

Therefore, the only means of protecting the fresh water supplies of the Coastal Plain from ocean-water intrusion is to maintain a head of fresh water a few feet greater than the salt-water head. In other words, the sea can be kept out only by maintaining a liquid dam of fresh water in these eroded areas.

Under such conditions, the depth to which water can be safely withdrawn from the Coastal Plain is limited, and everything indicates that the water levels in the Long Beach wells are very close to that limit now. Only the fact that these wells lie a few miles back from the ocean has protected them this long, by permitting recovery of the water levels to sea level or above before reaching the barrier.

Consequently, anything that tends to increase the percolation of flood flows into the gravels of the Coastal Plain is of the utmost importance to the city of Long Beach. The engineering staff of the Long Beach Water Department has long realized that it does not dare take from the city wells enough water to supply the city's full requirements. If that were done, it would precipitate the very thing we are trying to avoid—an invasion of sea water.

Long Beach is a member of the Metropolitan Water District of Southern California. It, therefore, has a second water supply available. As a matter of fact, Long Beach purchased nearly 5,000 acre-feet of Colorado River water in the fiscal year ending June 30, 1945; almost 9,600 acre-feet in the year ending June 30, 1946; and almost 10,800 acre-feet in the year ending June 30, 1947, at costs approximating $75,000, $144,000, and $162,000, respectively.

However, the local water supply, practically all of which comes from the underground waters of the San Gabriel and Rio Hondo, is far superior in quality and much softer than the Colorado River water and is produced at less than half its cost. Long Beach not only cannot afford to stand idly by and see this local supply reduced in quantity, but must make every possible effort to see it augmented.

Six alternative plans are being presented by the Army engineers to accomplish flood control at the Whittier Narrows. Three are for flood-retarding dams of approximately equal capacity, differing from one another chiefly as to site and cost. Three are for all-channel projects which involve the widening and improvement of the existing San Gabriel Channel from the Narrows to the ocean, without any retarding dam. The effect of any of the all-channel plans would be to speed the floodwaters to the ocean as rapidly as possible.

As between the two kinds of project, the Long Beach Water Department endorses the flood-retarding dam and basin, and unalterably opposes the all-channel plan. Its engineering staff is convinced that the retarding dam will provide superior flood protection combined with maximum water conservation at, in the case of plan A, minimum cost.

The Board of Water Commissioners of the City of Long Beach has officially endorsed plan A in a resolution adopted December 5, 1946, and already filed with the district engineer. This is the fifth time that the board has officially approved substantially this same plan.

Plan A is not only the most economical of the six plans presented, but it also preserves and utilizes the spreading grounds on both the Rio Hondo and the San Gabriel. It preserves existing percolation and may be operated to increase it, without detriment to the area above the dam.

The opponents of the retarding dam have advocated plan F or something similar to it,

contending that it will best serve the Coastal Plain from a conservation standpoint. This is not true. As has already been shown, even with a wide, open-bottom channel of the type provided in plan F, there would be almost no percolation of storm waters outside the forebay area. Granting that there might be some increase of percolation in the forebay area in such a San Gabriel Channel, the far greater percolation on the Rio Hondo side would be largely or completely lost, and the result would be less percolation than now occurs, instead of more.

The opposition to the Whittier Narrows Dam centers in the city of El Monte. This is a relatively small city of approximately 6,500 population and an area of some 700 or 800 acres. However, the leaders of the opposition purport to speak for the so-called greater El Monte area, a region of indefinite boundaries in which they claim a population of some 45,000. Whatever the size and population of the area, the fact remains that it lies in comparative safety above the Whittier Narrows. It has acquired this position of security by reasons of the construction of the four dams on the San Gabriel River already mentioned herein. Furthermore, it has no reason to fear a shortage of underground water.

In other words, opponents of the Whittier Narrows Retarding Basin have secured flood control and water conservation for themselves, and they would now deny one or both to their neighbors on the Coastal Plain.

Against the alleged population of 45,000 in the greater El Monte area of indefinite size, a survey made in March 1947 shows that there are at least 200,000 people on the Coastal Plain occupying 50,000 acres and 60,000 homes, with an assessed valuation of more than $150,000,000, who are subject to severe flood hazard, and another 250,000 in immediately adjacent communities who would be greatly inconvenienced by the inevitable loss of bridges and highways and disruption of railways, communications, and utilities, in the event of a severe flood. The American doctrine of the greatest good for the largest number certainly demands the construction of the Whittier Narrows Dam.

The opponents of the dam have at various times based their chief arguments on various premises which were subsequently abandoned. They started with the claim that the dam would be built on a foundation of quicksand. At one time they based a large part, if not the major part, of their opposition on the claim that the construction of the dam would raise the already high water levels under the city of El Monte—a claim that cannot be substantiated, due to the short periods of time that water would be retained.

At present, their chief claim seems to be that they need the reservoir site for future expansion. Part of the site is unfit and even dangerous for residential purposes and such use should be forbidden by law.

As for El Monte's need of expansion, comparison might well be made with the situation of Long Beach, where expansion is prevented on the south by the Pacific Ocean, on the west by the city of Los Angeles, and by large land holdings, and on the north, in part, by the city of Compton. Even with the establishment of the proposed Whittier Narrows Retarding Basin to the south, El Monte will still be able to expand in three directions.

There has been much vague talk by the opponents of the dam of social values and benefits that ought to be considered. We know of no social values and benefits which outweigh the value of human life, and human lives are at stake on the Coastal Plain.

Mr. LEMKE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

On page 19, line 15, strike out the period, insert a colon and add the following: "*Provided*, That no part of the authorization of this appropriation shall be available or used to maintain or operate the Garrison (N. Dak.) Reservoir at a higher maximum normal pool elevation than 1,830 feet or for acquiring land or for constructing dikes or levees which would be required by a higher maximum normal pool elevation than 1,830 feet for operating such dam."

Mr. LEMKE. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes to explain the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

Mr. LEMKE. Mr. Chairman, this is a simple amendment. Identical amendments, with the exception of adding land acquirements, have been passed as a limitation on appropriation bills in the last four or five sessions of Congress, and it was again passed by the House as a limitation on the civil functions appropriation bill, which is now pending in the other body.

I would not have taken the time of the committee if it had not been for the incorrect statement made by the Committee on Public Works in its report, and I want to read that statement to you. Then I want to show you that it is in direct opposition to the evidence before that committee and was undoubtedly put in by inadvertence, but it has no business in this report because it is not the truth.

I had two bills before that committee, and we had hearings on them. The report drags the Garrison Dam in by the ears, and I want to tell you why. The engineers want to crawl in the back door. They cannot come in the front door. I challenged the Committee on Public Works to bring in a bill here and try to directly give the Army engineers authority to build that pool level at 1,850 feet, when we have time to discuss it.

I know this body would never permit the destruction of 100,000 additional acres of the finest land in North Dakota, and three irrigation projects, and endanger the 10,000 citizens in the city of Williston, where my friend the gentleman from North Dakota [Mr. BURDICK] resides. I know this committee would never do it. But they are trying to come in here by the back door.

Listen to this report:

Both bills would limit the normal pool elevation of Garrison Dam to 1,830 feet above sea level.

Evidence was presented to the committee to indicate that there was considerable local opposition—

Yes, there was opposition. Those who live below the dam, whose ox was not gored, were willing to drown the citizens above the dam, but the overwhelming testimony is on the other side, and so is the law.

Again the report says—

local opposition to these measures and the operating pool level, which has always been considered to be normal and necessary for full utilization of the Garrison Dam as it is presently being constructed is 1,850 feet above sea level.

That is not true, and the chairman himself admits it is not true. Let me read from the hearings of the committee when we presented our evidence in our hearing before the committee. It appears on page 1076. Mr. Nelson, of the Bureau of Reclamation, is testifying. The chairman said:

At the present time the agreement is for 1,830.

How do you square that with saying it was always considered to be 1,850, when the chairman admits that it was for 1,830. Then what does Mr. Nelson say?

Mr. NELSON. The understanding between the Corps of Engineers and the Bureau of Reclamation is set forth in certain documents and in certain testimony given by representatives of the Department of the Interior. This understanding is spelled out in Senate Document 247, in paragraphs 7, 8, and 9, which shows the reservoir storage for the Garrison Reservoir of 17,000,000 acre-feet.

The 1,830 feet will give them that 17,000,000 acre-feet, as agreed to.

What is this document, Senate Document 247? I will tell you what it is. It is the agreement the Army engineers signed with the Bureau of Reclamation that the Garrison Reservoir shall be 17,000,000 acre-feet.

Now General Pick is coming in the back door and trying to increase it to 23,000,000 acre-feet without any authority of law, and he is misappropriating public funds when he does it. We will test that in court. We do not want him to sneak in the back door, however.

Let me show you. It says on page 2, "Garrison, N. Dak.: 17,000,000 acre-feet."

Again, on page 3, "Garrison Dam, 17,000,000 acre-feet." It is signed by both the Army engineers and the Bureau of Reclamation.

This document has been incorporated into Public Law 534 without any change. It is part of the law that exists, and the only way that the capacity at Garrison could be enlarged would be this, and I will read it to you:

The final storage capacity to be selected for the above reservoir will be jointly agreed upon after more detailed plans and costs have been made.

The testimony of the Bureau of Reclamation and of all the people ever connected with that Bureau was that there never was any agreement to operate the spillway in that dam higher than 1,830 feet, although we have no objection to building the dam higher if the Army engineers wish to, but we want the law observed by the Army engineers as well as by every other citizen in this land, and keep the spillway at 1,830 until the Public Works Committee, if they wish to, bring in a bill here authorizing a higher elevation.

I challenge them to do it. They will not get away with it.

Let us see what else we have here. Here is a letter, dated Billings, May 28, 1949, by Mr. Comstock. Remember Mr. Comstock is still connected with the Government of the United States in the Reclamation Bureau. Here is what he says in part:

There was no agreement at that time—

That is, when he met with the Army engineers—

or subsequently, so far as I know, which would permit a normal maximum elevation

of the operating pool at higher than 1,830 feet.

Let me ask the committee when was that considered and understood to be 1,850 feet? The law is to the contrary. Every person connected with it tells you it is not, except General Pick. He said he had an understanding. Where he ever got that understanding, he has never told us yet.

Then we come to Mr. Sloan. He is still connected with the Government and is representing the Bureau of Reclamation. He says there never was any agreement for a pool level above 1,830 feet, and that it is not necessary to go any higher for any of the multiple purposes of this dam.

Remember, the Army engineers are using the money that we appropriate to build that dam, and we want them to do so within the bounds of their legal authority. They are misusing the money which you appropriate in going out to buy land, and they are going to flood three existing irrigation projects. It is about time we called a halt to that kind of a defiance of law.

Mr. Chairman, I hope the Members will give serious consideration to this matter which will cost the Government at least $40,000,000 additional and will destroy about $30,000,000 worth of property in North Dakota. Ultimately, you will have to pay for that. It also would destroy three existing irrigation projects without authority of law and in violation of the plain language of Public Law No. 534. It is about time we demanded that the Army engineers observe the laws as well as the rest of us.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. LEMKE. I yield.

Mr. WHITE of Idaho. Is it not a fact that raising the level will inundate the great northern terminal in the beautiful city of Williston, N. Dak.?

Mr. LEMKE. Yes, it will do more than that. It will virtually destroy the city of Williston and the Government ultimately will have to move the city of Williston, and that may cost $30,000,000 or more.

All I am asking is that we ask the Army engineers to obey the law. No fair-minded person on either side wants to unnecessarily flood out families and cause hardships to these families. Nobody wants to move these families from homes where they have lived for perhaps 70 or 75 years, especially when there is no authority of law to do that. I want to remind you this is all being done unnecessarily because they have never been told that this dam need go higher than 1,830 feet to carry out all of the multiple purposes of the dam.

Here is Mr. Bashore's letter, who is also still acting for the Government:

MITCHELL, NEBR., *June 18, 1949.*

Hon. WILLIAM LEMKE,
Member of Congress,
Senate Office Building,
Washington, D. C.

MY DEAR CONGRESSMAN: For the past several weeks the newspapers have published comments and articles relating to the Garrison Dam.

As most of these articles seem to be quite confusing I shall attempt in this letter to again state, as I have stated several times before committees of Congress in Washington, the conclusion arrived at by myself and members of my staff while I was Commissioner.

This conclusion was reached after careful consideration of the known and unknown factors. It was my studied conclusion that the reservoir pool should not be allowed to exceed elevation 1,830, and the storage capacity of 17,000,000 acre-feet until time and experience demonstrated the practicability of a higher operating level of the reservoir and a consequent greater capacity.

If the Corps of Engineers and the Congress, in their wisdom, feel that ultimately the reservoir can be operated at a higher level without great damage to the existing improvements there is no reason why the dam cannot be built at this time to such height as may seem desirable, however, the outlet works should be so designed by the Corps of Engineers at this time that the operating level of the reservoir can be held down to the elevation 1,830.

With kindest personal regards, I am
Sincerely,

HARRY W. BASHORE.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. LEMKE. I yield.

Mr. DONDERO. Is it not true that the Army engineers dispute the position you have taken, and is it not true that they have said that only five inexpensive farm buildings near the Missouri River will be inundated and the rest of the city will be protected?

Mr. LEMKE. The Army engineers' testimony is a fraud, and I will prove it. The testimony before your committee by the ample testimony of other witnesses, such as the gentleman from North Dakota [Mr. BURDICK] and others who live there who know, is to the contrary.

Mr. DONDERO. I simply call attention that the testimony of the Army engineers is that they will protect the city of Williston.

Mr. LEMKE. The Army engineers were not able to protect many other people in similar situations in Oregon and other States and they have flooded out people in such cases.

They tell you that they will protect the city of Williston by dikes. Well, the facts are that they have not been very successful in protecting cities by dikes. Last April they were given a celebration in Omaha for having protected that city from floods and the citizens of that city were rudely awakened to the fallacy of the Army engineers last June when they were flooded worse than ever.

Here is the account of the Army engineers' infallibility at Omaha:

OUR SHORT, SHORT STORY

On April 1 this year the Rocky Mountain News announced the dedication and opening of the Army engineers' huge John Martin Dam on the Arkansas River in southern Colorado. It would end floods and provide irrigation water, the News said.

On April 3 this year the Denver paper editorially hailed the dam as "A dream come true," ending all danger of floods in the area, like one in 1921.

On June 6 this year the floods came. Crop damage in the Holly-Lamar-Granada area was put at $4,000,000 by the Denver Post. Damage resulting from ruin of once fertile farm lands by silt was unestimated.

On June 15 this year the Denver Post announced an investigation of the dam's responsibility for the flood. Irrigation engineers say silt in the water flowing over the dam built a delta which diverted the flood over the farm lands and into the three communities, making hundreds homeless. The Army said if this proves true, they will dredge the channel. This will provide another perpetual boondoggle for some contractor friends of the Army engineers—the Typhoid Marys of Floods.

Again the Army engineers built dikes at Needles, Calif., but these dikes have been a complete failure and have not protected the city of Needles. I respectfully suggest that the engineers have not been very successful in their diking operations.

Mr. MOULDER. Mr. Chairman, I rise in opposition to the amendment.

I hope you will be patient with me while I present very briefly my arguments against the proposal made by the gentleman from North Dakota [Mr. LEMKE].

First, I will state that 200 miles of the Missouri River winds its way through my Second District in Missouri. I would also like to acquaint you briefly with something about the physical facts pertaining to the Missouri Valley. The waterway formed by the Mississippi River from its mouth to its confluence with the Missouri River at St. Louis, is the longest waterway in the world. The Missouri River is by a considerable margin the longer of the two rivers which form this waterway, over 2,400 miles in length. The Missouri River originates in the slopes of the Continental Divide in the Yellowstone National Park in southwestern Montana, and courses its way through or along seven States. It has an average slope of slightly less than 1 foot per mile downstream from the Montana-North Dakota State line, and is 1½ to 17 miles wide, flanked on both sides by bluffs. It has 30 tributaries, varying in length from 100 miles to 1,000 miles.

This vast region is called the Nation's bread basket. The two basic problems that prevail in the Missouri Valley are drought and floods, affecting 10,000,000 people who reside in the Missouri Valley.

The Public Works Committee has carefully considered the amendment proposed by the gentleman from North Dakota [Mr. LEMKE] and unanimously rejected the amendment. This amendment would destroy the very purposes which the North Dakota project, known as Garrison Dam, proposes to effect. It is for flood control and irrigation, and after the gentleman from North Dakota has succeeded in obtaining the project that has already been started and $60,000,000 expended in the production of the project, now wants to control and say after the Government has spent that money, "You shall keep the water level at 1,730 feet in order that those who are expecting to develop resorts along the bank, the real-estate operators, may keep it at such constant level so that it cannot be used for flood control."

Now, the Garrison Dam; it was planned to be built to the full ultimate capacity of the site, based on a unanimous agreement of the members of the Missouri River Basin Inter-Agency Committee, which met at Omaha, Nebr., in

August 1945. The project as originally planned by the Corps of Engineers and as proposed for construction at this time contemplates the provision of the greatest storage capacity available in any reservoir within the Missouri River Basin. The project will provide a storage of 23,000,000 acre-feet of water at an elevation of 1,850 feet above mean sea level.

The amendment proposed by the gentleman from North Dakota [Mr. LEMKE] would restrict the water level to 1,830 feet, which would provide storage capacity of only 17,000,000 acre-feet. The objector, the gentleman from North Dakota [Mr. LEMKE], contends that it is not necessary nor desirable to build the project to provide water reservoir at an elevation of 1,850 feet, but that an elevation 20 feet lower would provide all the capacity that is needed in the reservoir. This contention is not correct. In the 1944 Flood Control Act the Congress authorized full development and utilization of water resources of the basin. Accordingly, the plans of the Chief of Engineers of the United States Army contemplated construction of the Garrison Dam to a height of 1,874 feet, with a normal operating pool elevation of 1,850 feet. To illustrate that this height was contemplated right from the inception of the plan, the estimate of $130,000,000 for the Garrison project as set forth in the Chief of Engineers report in House Document 475, Seventy-eighth Congress, was based on construction of the dam to an elevation of 1,874 feet with an operating water level of 1,850 feet.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. MOULDER. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. MOULDER. At the time that capacity was estimated at 17,000,000 acre-feet. It was purely an estimate. No firm figures had been prepared. It was a rough approximation of the storage capacity that would be available with a water reservoir operating at an elevation of 1,850 feet, since accurate contour maps of the Missouri River Valley were not available until a later date. Subsequently the valley was accurately mapped by the Corps of Engineers and it was found that the Garrison Dam with a pool elevation of 1,850 feet would provide 23,000,000 acre-feet of storage instead of approximately 17,000,000 acre-feet.

Any limitation on the construction and operation of the Garrison Dam and Reservoir project to the full capacity planned by the Corps of Engineers would be in contravention to the policy of Congress to fully utilize and develop the water resources of the Missouri River Basin. Further it would be very uneconomical to limit the operation of the Garrison project to 1,830 feet since the Garrison site provides the least unit cost per acre-foot of storage of any reservoir site within the entire Missouri River Basin. A reduction of the normal operating pool elevation of the Garrison Reservoir to 1,830 feet would cause a loss of 6,800,000 acre-feet of storage. Based on comparative costs for a project constructed to the 1,850- or to the 1,830-foot elevation, computations by the Corps of Engineers have shown that the additional 6,800,000 acre-feet of storage in the "1,850" reservoir can be provided at a cost of $5.53 per acre-foot. For comparison the cost per acre-foot of storage in the "1,830" reservoir is $12.15.

The gentleman from North Dakota [Mr. LEMKE] mentioned the fact that people will lose their homes and their land. They will be compensated, they will be paid for their land and their homes that are acquired by condemnation proceedings. But we should consider the over-all benefit to all the people who live in the lower Missouri Valley, millions of people who will be affected by this amendment if it is adopted, whose homes and farms are ravaged by floods without compensation for damages which they will suffer and continue to suffer from floods, if the proposed amendment is adopted; and I earnestly urge the Committee to reject and disapprove of the proposed amendment.

The CHAIRMAN. The time of the gentleman from Missouri has again expired.

Mr. WHITTINGTON. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto be limited to 30 minutes, 10 minutes to be reserved to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I will vote for the amendment proposed by the gentleman from North Dakota.

For the past decade, I have had a great deal to do with flood control. It leads me to recall a bill we passed a little earlier in this session of the Congress which appropriated billions of dollars for ECA. One of the items in that bill was a proposal to give the Netherlands $16,000,000 for flood control on the Zuider Zee.

If we can do that we can well afford to appropriate the funds authorized in this bill for the needed flood control that this amendment calls for. The people of my district ought to enjoy priority over Holland or any other foreign country in flood protection from our Government.

But, I am disappointed that the proposal I made 5 years ago and which finally was authorized by the Army engineers in the amount of $4,000,000, for flood control in my section, is not in this bill. It is no reference, however, of a disparaging nature to the committee, because I assume that I have followed at least 26 of the 28 steps which my good friend, the gentleman from Louisiana, [Mr. LARCADE] listed as necessary that a Member of Congress pursue in order to get a flood control project approved. The only trouble with that formula is that they always add one or two more "necessary steps" when you complete the current ones, and you have difficulty catching up. So I will have to wait with patience, I suppose. However, about 100,000 people in the cities of Binghamton, Johnson City, Endicott and Vestal, at the confluence of the Chenango and Susquehanna Rivers, in my district will probably not be so patient. They are interested in seeing some definite action taken to avoid the virtual destruction of two great industrial organizations, namely, the Endicott-Johnson Shoe Corp., the largest shoe manufacturing concern in the world, and the International Business Machines Corp. Those industries are in danger of losing their vital plants unless flood walls are placed at Endicott, Johnson City and Vestal on the Susquehanna River.

Five years ago our distinguished chairman [Mr. WHITTINGTON] placed the stamp of approval and the House likewise approved an amendment which I presented that provided for an investigation and a survey by the Army engineers of that particular area. Today we have a favorable report from the district engineers, we have a favorable report from the Rivers and Harbors Committee of the Army engineers, we have a favorable recommendation from New York State authorities and from all the other authorities which were listed in the 28 steps that we are supposed to take. Still we do not have this project in the bill today. We have done everything insofar as I know, that should be done, with the possible exception of pinning down officials in the Bureau of the Budget. Perhaps that is the catch.

I know that the gentleman from Mississippi [Mr. WHITTINGTON] and the committee are sympathetic to this project. I know that because I have talked with most of the members of that committee and they are friendly to the idea. I do hope that before long the people of my section can get the relief they so urgently need, the relief that should have come long ago because they have been flooded out 19 times since the Civil War and that means approximately twice a decade. I believe, in fact I am sure, that with the erection of these vital flood walls, calling for an appropriation of $4,000,000, we can eliminate most of the damage and destruction caused by the Susquehanna River in our neighborhood.

If Congress can spend $16,000,000 on dikes for the Netherlands, we can do the same to protect the Americans of my district by giving them flood walls.

The CHAIRMAN. The Chair recognizes the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Chairman, I offer an amendment to the pending amendment.

The Clerk read as follows:

Amendment offered by Mr. CASE of South Dakota to the Lemke amendment: Strike out "1,830 feet" and insert "1,842 feet."

Mr. CASE of South Dakota. Mr. Chairman, I have no personal interest in this proposition. The dam involved is in North Dakota, not in South Dakota, but for a number of years as a member of the appropriations subcommittee which made the appropriation to start construction on the Missouri River of this program and which up until this year has handled the bill and the limitation, it has been my duty to listen to

the debate on this issue. The question is, 1,830 feet or 1,850.

We heard the delegation from North Dakota that came here on their own, we heard the Governor of North Dakota, we heard the congressional delegation from North Dakota, we heard the Army engineers, we heard the Bureau of Reclamation. It was my personal conclusion, and I think of other members of the subcommittee, after hearing them all that there was a logical point of compromise between these two extreme points of view, and that eventually there would be if both sides are to be satisfied.

At either 1,850 or 1,830, however, one side will fight. One thousand eight hundred and thirty feet will save the city of Williston and the irrigation projects; 1,850 feet with dikes built perhaps would save it. But the people of Williston were concerned; they wanted certainty. The congressional delegation from North Dakota supported them. On the other hand, the North Dakota Water Commission speaking through Governor Aandahl favors the 1,850-foot operation as proposed by the Army engineers. In fact, the Governor wrote me a letter to that effect a short time ago. So there is a real difference of opinion.

It is my personal conviction that the thing will never be settled at either 1,830 or 1,850. Placing the limitation at 1,830 makes it impossible to take the water, according to the Army engineers, out of the dam, and take it up over a saddle known as Prophets Gap, then put the water over where it is proposed to use it in the over-all program.

By questioning the Army engineers at various times it developed that elevation 1837 would make the capacity about 19,000,000 acre-feet instead of 17,000,000 acre-feet, but that might still make it a little difficult to get the water over Prophet's Gap at an economical rate of pumping. Elevation 1840 would make a reservoir capacity of approximately 21,000,000 acre-feet as contrasted with 17,000,000 acre-feet under this limitation, or a maximum of 23,000,000 plus desired by the Army engineers if operated at elevation 1850.

Adding it all together, it was my conviction after sitting through this testimony 3 and 4 days a week for 3 or 4 years, because the question came up every year, that is we agreed upon 1,842 feet as a maximum operating level you could have better than 21,000,000 acre-feet storage capacity, you could save the cost of the dikes, you could save the city of Williston beyond question, you could save the existing irrigation project, although it might be impossible to add the new one proposed in the area for further development there.

So, I offer this amendment which comprises it at elevation 1,842, and I hope thereby to settle this question which has plagued everybody for about 4 years and will continue to plague us until some other compromise is found.

The CHAIRMAN. The time of the gentleman from South Dakota has expired.

The Chair recognizes the gentleman from North Dakota [Mr. BURDICK].

Mr. BURDICK. Mr. Chairman, I rise in support of the amendment offered by the gentleman from North Dakota [Mr. LEMKE]. If I have any friends in this House, you better get busy now, because I am not going to speak on this question again, and I am speaking on it because I mean what I say.

The engineers want 20 extra feet of water. They do not want it for power; they do not want it for flood control; they do not want it for navigation; but they want it for irrigation to divert the water down through the Devil's Lake country and irrigate the land along the way, and at the same moment the Bureau of Reclamation is bringing that water in from Fort Peck Dam to do the same thing, so you have two projects going ahead at the same time. Now, if the Army engineers will lay off of this extra 20 feet, those people will get the irrigation and the diversion of water, and you will get flood control, navigation, and power. Do you suppose they are going to give you more power with an 1,850-foot dam when they are taking 20 feet out for another purpose? You will get more power from the Fort Peck Dam and the 1,830 level at Williston than you will by the 1,850-foot dam if you use it all. But you cannot use it all when you are diverting water out of the dam for irrigation and flood control. They say they will protect Williston with dikes. How would you like to live behind dikes? What do you think about the proposition of dikes? You cannot build a dike at Williston, I do not care who it is, that will hold, for this reason, that the 1,850-foot level brings it in 12 miles west of Williston at the point where the Yellowstone joins the Missouri. The Yellowstone has the largest volume of silt of any river in the United States. Now, what will happen when this rushing river of the Yellowstone comes down and strikes that quiet lake? What will happen? Why, the silt will fall at once at the head of that lake. Forty thousand acre-feet of silt goes through the Yellowstone every year. It goes by, because there is a current. But you put a still lake there, and it will fall at the head of that lake, and it will fill it and flood everything.

What happened just a few days ago? I remember reading in the newspapers April 1 about a great celebration at the giant Martin Dam on the upper Colorado. They said that finally, at last, the people would be protected from floods. These Army engineers thought they had provided a scheme by which floods would be stopped. I was satisfied it would not. I thought it would take 8 or 10 years before that bottom would fill up with silt, but to my great surprise, in 3 months the greatest flood the country ever knew, and you lost $5,000,000 in that program. Do you want to repeat it at Williston? Is that what you want to do? If you do, go ahead. Are the Members so concerned with their own projects that they are willing to destroy property of others when it is not necessary?

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. WIER].

Mr. WIER. Mr. Chairman, I could not sit here without rising to the support of this amendment. I came here very much sold on the need of a Missouri Valley Authority. If I have not been convinced at any time of the necessity for that, I have been convinced here this afternoon.

On the basis of the statements that were made here a short time ago by the gentleman from Missouri, I think that if we were faced in our respective States with the same situation we would be up to defend our State.

I have some knowledge of this part of the United States and the northwestern part of North Dakota, which contains some of the most thorough and hardy land in this whole country. They have some of the best grain fields, and they have a very fine grazing territory. I do not blame the people up there for defending this fine part of their State.

The gentleman from Missouri made this statement as regards the 1,830-foot or the 1,850-foot level. He says that as far as Missouri was concerned it necessitated a 1,850-foot level, and that raising it to 1,850 would necessitate the removal of all these people and all their possessions and cover all that fine land up there, and the United States Government would take over and pay them for it. I think that is a poor defense in a situation of this kind. I am sure you or I would not tolerate that kind of a position.

It is not so easy for the people in North Dakota to see this rich land flooded and covered by this mass of water, unless it is really necessary, so I say that those people in North Dakota have a right, as far as they may be from Washington, to defend that wholesome land they have up there, their homes and their towns. So I join with the gentleman from North Dakota in asking for support of this amendment.

Mr. WHITE of California. Mr. Chairman, will the gentleman yield?

Mr. WIER. I yield.

Mr. WHITE of California. May I say to the gentleman that I cannot understand the point of the gentleman from Missouri when he says that the particular 20 feet behind this dam is necessary to prevent floods way down below. It seems to me they could dam up any stream, any of a dozen streams between there and the point where the floods start, and still get the same effect, without taking these people out of their homes. I just make that as an observation.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, some Members may wonder why I am speaking on this matter. It is because I am a member of the Committee on Public Lands, first, and second, because I am in favor of this amendment.

I am going to review just for a moment. You can obtain from the document files Public Law 534 of the Seventy-fourth Congress. I direct the attention of the gentleman from Michigan [Mr. DONDERO] and the gentleman from Oregon [Mr. ANGELL] to this language.

You can also obtain from the document room Senate Document No. 247 on the Missouri River Basin. I am reading the law now, which I understand, according to the gentleman from Oregon, the Army engineers dispute. I have some interest in these official agreements which are embodied in the law, being a member of that committee.

The law says this:

SEC. 9. (a) The general comprehensive plan set forth in House Document 475 and Senate Document 191, Seventy-eighth Congress, second session, as revised and coordinated by Senate Document 247, Seventy-eighth Congress, second session, are hereby approved and the initial stages recommended are hereby authorized and shall be prosecuted by the War Department and the Department of the Interior as speedily as may be consistent with budgetary requirements.

If there is anybody here who wants to speak for the Army engineers, and repudiate this official document signed by the brigadier general of the United States Army, Hathaway, head engineer, and Sloan, assistant regional director, I am going to yield the balance of my time and let him repudiate this and the section of the law which I have just read. As a member of the Committee on Public Lands, I want to know whether or not these agreements between the Army engineers and the Reclamation Service have any standing in the House. If not, I will have something to say about that in the meetings of the committee hereafter. I am for the Lemke amendment because it is a basic agreement and the basic law, regardless of what the Army engineers say. I am amazed that members of the committee, who have brought this bill before us, coming here and disputing these two documents. We have before us the gentleman from Missouri, who has made the argument here, and I understand he is a jurist. I am amazed at these arguments that he has submitted with respect to the people above the dam. If the 1,850 feet is necessary, as the gentleman from Minnesota has argued, all well and good. But first let it be shown that it is necessary, and in the meantime let us stick to the agreements made by the Army engineers, which are a part of the law.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. WHITTINGTON].

Mr. WHITTINGTON. Mr. Chairman, this, after all, is a rather simple matter. The committee heard our good friends, the gentleman from North Dakota [Mr. LEMKE] and [Mr. BURDICK] and rejected their proposal. The House has never approved this proposal. In the Committee on Appropriations and in the appropriation bills in 1945 and subsequent years, they did approve a limitation which was absolutely ineffective. They did not prevent the construction of the dam or the condemnation of the land. The Army engineers went right along and proceeded with the construction. The only time this amendment, in the form in which it is presented here, was presented—and it is time to settle this matter once and for all—was during this session of the Congress. It was defeated as an amendment to the appropriation for the Garrison Dam at this session, in the House, and it should be defeated today.

I take these gentlemen at their word. This is a large dam. It is 200 feet in height. It has a reservoir that is about 100 miles up the Missouri River. It is true that when this project was adopted—Mr. LEMKE says, "Stick to the law," and that is what I ask you to do—it was adopted in 1944, and it was estimated then to cost $130,000,000. This project would cost, according to the estimates now, $188,000,000.

The restrictions and limitations that have heretofore been put on it at the request of the gentleman from North Dakota were not at all effective. I say, take the law as it is. The dam is being constructed under that law. The effect of the amendment proposed is to destroy the project and the amendment to the amendment—and I have just this to say about the amendment offered by the gentleman from South Dakota [Mr. CASE], it was not adopted by the Committee on Appropriations of which he is a member, and certainly he ought not to be asking the House to adopt it.

Reference has been made to the John Martin Dam, by my good friend [Mr. BURDICK]. He was not here when the gentleman from Colorado [Mr. MARSALIS] in whose district that dam is located spoke. He made a statement this morning, and he said that the information which the gentleman had received and that he brought forward in the CONGRESSIONAL RECORD a few days ago respecting the John Martin Dam, was absolutely incorrect. Instead of that dam being completed last April, it was completed 6½ years ago. It was named for my dear old friend, John Martin, of Colorado. The engineers gave me a statement. They said that a flood occurred there this year. It was 10 or 12 inches that occurred below the dam, and along tributaries and of course there was an overflow. This dam was never intended to provide against cloudbursts.

I talked with the gentleman from Kansas [Mr. HOPE], who represents a district below the dam. He said the dam was effective. The engineers say instead of being filled with silt it has not been filled with silt and that it will last for 50 years. That is the view made by the gentleman from Colorado [Mr. MARSALIS]. That is a sample of the language and the statements that have been used in favor of these two amendments by the gentleman from North Dakota.

Boiled down, it means this, and nothing more: The United States of America is appropriating $188,000,000, and this amendment would say, "All right. We do not object to the appropriation. We do not object to the building of the dam" but they say, "You shall not use the last 20 feet of that dam." The Chief of Engineers, General Pick, said, and he was before our committee, that this amendment will destroy the project. He furthey said—and I am here to ask you if it is not utterly unsound and unthinkable that the United States of America should spend $188,000,000, and they are not asking to repeal, they are not attempting to limit construction, they merely want you to prevent the use of that last 20 feet, and that will prevent the acquiring of lands 10 miles below Williston and 10 miles above Williston to the mouth of the Yellowstone River. I am not giving you my figures. We have the engineers. They are here as impartial representatives of the Congress of the United States. The engineers tell me, and I give you their figures, that in that area above 1,830 feet elevation there would be 10 miles up to Williston and approximately 10 or 11 miles above Williston to the mouth of the Yellowstone River, in which there are 22,000 acres, and that about 15,000 acres are used in irrigation districts. My good friends, and I esteem them both highly, say that the engineers are unsound when they say they are going to protect those irrigation districts with a 10-foot levee. Can the United States Army engineers build a 200-foot dam and not protect 15,000 acres with a 10-foot levee?

Again they say that this amendment would destroy Williston. General Pick testified that it would take only three or five small houses in the outskirts of Williston, and he further testified that they were going to put a levee of 10 or 11 feet to protect Williston. Now my good friend the gentleman from North Dakota [Mr. BURDICK]——

Mr. DONDERO. It was five inexpensive frame houses.

Mr. WHITTINGTON. From three to five inexpensive frame houses. My good friend said that the engineers could not build a 10-foot levee there or a 7-foot levee because it would not stay. If they can build a 200-foot dam certainly they can build a 10-foot dam or levee.

What do the engineers say? Oh, there is something said about the differences between the Corps of Engineers and the Bureau of Reclamation. Here is what General Pick said:

I am amazed—

That is his language. He said that the record was that Mr. Comstock, of the Bureau of Reclamation, attended the meeting and they agreed to the 1,850-foot height. He said that in the original plan approximately 17,000,000 acres was in the development but that it turned out to be 23,000,000 acres. General Pick said that maps were not available or accurate and that that was a rough estimate and when they came to construct the dam they had been building all along to an elevation of 1,850 feet. He said that to reduce it to 1,830 feet would cause the loss of 6,000,000 acre-feet needed for storage and to protect the area below the dam. He said that there would be a cost of 40 cents for each acre-foot, and that there would be $2,000,000 a year lost in the development of power. Power, flood control, navigation, and irrigation are involved; and the adoption of this amendment destroys the project that these gentlemen advocate. At this point, and at the risk of repetition, I extend my remarks. My whole thought is to protect the investment of the Government. Many thousands of acres of land are involved. The dam is being built on the basis of 1,850 feet. The amendment would prevent acquiring only 6,000 acres of land. About 96,000 acres are involved throughout the entire reservoir above the 1,830-foot pool, but only 6,000 acres outside of the drainage districts is involved

in the 10 miles below Williston and in the 10 miles above Williston to the mouth of the Yellowstone River at the railroad bridge. Again, the Chief of Engineers will protect Williston and the drainage district by levees. The amendment would prevent the building of these levees. It is utterly unsound.

GARRISON DAM

The Garrison Dam is estimated to cost $188,000,000 and is about 25 percent completed. The gentlemen from North Dakota [Mr. LEMKE and Mr. BURDICK] appeared before the committee and offered an amendment to provide that the dam should not be operated at a higher maximum normal pool elevation than 1,830 feet and the dykes and levees should not be constructed or lands acquired, except for a reasonable shore line and for reclamation purposes, which would permit a higher normal pool level than 1,830 feet.

First. The dam was authorized in 1944. Like other dams no final estimates of plans had been made. The report, however, was made by Maj. Gen. Lewis A. Pick, then division engineer, now Chief of Engineers. It is true that the report stated that the reservoir would be approximately 17,000,000 acre-feet but the reservoir had not been actually located. General Pick says that the elevation was always to be at 1,850 feet and not 1,830 feet and he testified that he repeatedly advised that the reservoir would extend from the mouth of Yellowstone River along the Missouri River by Williston to the dam and that the upper location was approximately the railroad bridge. The original construction cost was estimated at $130,000,000. The increased costs of construction now make the cost $188,000,000.

Second. The amendment should not be adopted for many sound reasons:

First, the appropriations were made based on a 1,850-foot elevation. The Government has expended approximately $50,000,000, with a $30,000,000 appropriation for the current fiscal year.

Secondly, the amendment would place the Government in the absurd position of building a dam and then not being permitted to use the last 20 feet.

Third. It is urged that the dam will contain 23,000,000 acre-feet. This is not disputed. It is urged that the Reclamation Bureau agree. General Pick testified that he was amazed at this statement. He advised that at a meeting of the Missouri Basin Interdepartmental Committee, composed of the Army engineers, representatives of the Bureau of Reclamation, the Department of Agriculture, the governors, and others of the region, there was no reservation or objection on the part of the Reclamation Bureau, but that after the meeting had been held the Bureau of Reclamation reserved the right to object to the agreement reached at that meeting. However, appropriations were made and construction proceeded and no changes were made.

Fourth. It is not unusual for either the height or the area of dams to be increased. Dams are to be constructed along the Missouri, not only by the Corps of Engineers, but by the Bureau of Reclamation. The Bureau of Reclamation has enlarged the capacity of a number of dams. In one case, at Shade Hill, S. Dak., the capacity was increased more than 300 percent, or from 134,000 to 465,000 acre-feet. At Heart Butte, N. Dak., the dam capacity was increased from 110,000 to 428,000 acre-feet. At Boysen Dam in Montana the capacity was increased from 730,000 to 1,493,000 acre-feet.

General Pick testified that maps available, when the plans were first drafted, were inaccurate and that this largely accounted for the difference in the capacity of the reservoir. He stated that from the beginning it was understood the elevation was to be 1,850 feet.

There must be no misunderstanding. The word "elevation" means mean gulf elevation. The actual height of the dam is about 200 feet.

Fifth. The purpose of the dam is to provide for irrigation, to provide for flood control, to provide for navigation. General Pick stated that the proposed amendment, if adopted, would destroy the value of the project. He stated that it would result in the loss of 6,800,000 acre-feet of needed storage which is not only necessary to flood control on the lower river but for irrigation; that it would result in the loss of 294,000,000 kilowatt-hours of electric power worth $2,000,000 annually; that it would deprive 40,000 farms of the source of power for rural electrification, and that it would increase the cost of pumping 40 cents for each acre-foot of irrigation water.

The gentlemen from North Dakota have let their enthusiasm get the better of their judgment. My good friend the gentleman from North Dakota, Representative BURDICK, in the extension of his remarks in the CONGRESSIONAL RECORD of August 16, 1949, continuing his censure of the Army engineers, criticized the operation of the John Martin Dam. It is typical of his arguments on this subject. He is perfectly sincere, but absolutely wrong.

Without replying to other arguments in his extension of remarks criticizing the Army engineers, I call attention to the fact that he stated that the John Martin Dam was on the upper Colorado River. The fact is that it is on the Arkansas River. He stated that, following the dedication of the dam on April 1, there was a great flood less than 3 months later, and that silt deposits caused the greatest overflow in the history of that part of the country. He repeated that the John Martin Dam "catastrophe" should be used against the use of the last 30 feet of the Garrison Dam.

Someone has misinformed Representative BURDICK The dam was completed and put into operation in 1943. It has functioned for 6½ years. There was a flood this year. It was below the dam. It was on the minor tributaries. It did not prevent the functioning of John Martin Dam. The life of that dam is 50 years. It has operated efficiently. It provides for flood control, storage, and irrigation. It has accomplished the purpose for which it was constructed. There was a 9- or 10-inch rainfall below the dam, and there will always be a flood when there is a 9- or 10-inch rain anywhere. A 9- or 10-inch rain is the equivalent of a cloudburst, and will naturally cause a flood.

Sixth. It has been charged that the higher pool elevation will endanger Williston. The Chief of Engineers advised it would only be necessary to move three or five houses, and the city would be protected by dykes.

It was said that three irrigation districts would be affected. General Pick has given assurances that they would be protected by levees.

The fact is that with a 1,830-foot pool the reservoir would extend 10 miles down the stream from Williston. The land acquired above that point is 21,000 acres. Within that is 15,000 acres protected by levees. The remaining 6,000 acres will have to be acquired, and 2,000 of these are under cultivation.

The dam is being constructed, and will be completed, with or without the amendment, based upon a 1,850-foot elevation, and this means that the foundation of the dam, that the elevation in all parts of the river basin, extending 10 or 12 miles above Williston, will be based upon a 1,850-foot level. It means that lands will be acquired, highways will be relocated, railways will be changed, at the expense of millions of dollars, along the river in the reservoir, and that after that expenditure the dam will not be permitted to function as planned.

The amendment is utterly unsound and should be defeated.

At this point, and under permission to revise and extend my remarks, I include under leave granted a letter addressed to the chairman of the committee on June 15, 1949, containing a general description of the area in which the Garrison Dam is located from the Chief of Engineers:

JUNE 15, 1949.

Hon. WILL M. WHITTINGTON,
Chairman, Committee on Public Works, House of Representatives, Washington, D. C.

DEAR MR. WHITTINGTON: Reference is made to my statement before the Committee on Public Works on June 1, 1949, at which time I advised the committee that in drawing up the comprehensive plan for the Missouri River Basin I had set the normal operating pool for the Garrison Dam and Reservoir project at elevation 1,850 feet above mean sea level, and had estimated the capacity of the reservoir at 17,000,000 acre-feet from the limited topographic maps then available. In addition, I advised the committee that after a survey had been made and new topographic maps had been compiled it was found that a reservoir with pool at elevation 1,850 mean sea level had a capacity of 23,000,000 acre-feet.

In accordance with the permission of the chairman that I be allowed to extend my remarks, and in further substantiation of my statement before the committee I am enclosing a photostatic copy of a data sheet which was prepared in 1943, at the time of the submission of my report, for use in explaining the various components of the comprehensive plan to the Chief of Engineers, to the Board of Engineers for Rivers and Harbors, and to your committee during the hearings in 1944 on the authorization of the comprehensive plan. This sheet contains a general description of the Garrison project. It was prepared as one of a set of 31 descriptive sheets, each covering one of the proposed reservoir or levee units in the comprehensive plan.

You will note on the enclosed sheet that the plan shows the Garrison Reservoir extending beyond the town of Williston, N. Dak., to the Great Northern Railroad bridge just above the mouth of the Yellowstone River. It may also be noted that the crest of the dam would be at elevation 1,875 mean sea level; that the capacity of the reservoir would be 17,000,000 acre-feet at elevation 1,858 mean sea level; and that the normal pool would be at elevation 1,850 mean sea level.

At no time during my development of the plan as authorized in accordance with House Document No. 475, Seventy-eighth Congress, did I consider any other normal operating pool level for the Garrison Reservoir than elevation 1,850 mean sea level.

The minutes of the second meeting of the Missouri Basin Interagency Committee held in Omaha on August 16, 1945, have been placed in the record and were discussed to some extent. Paragraph 9 of those minutes reads as follows:

"After hearing further discussion on the height of the Garrison Dam in North Dakota by Lt. Col. Freeman of the Corps of Engineers, Governor Aandahl of North Dakota, Mr. Comstock of the Department of the Interior, Mr. McClymonds of the Department of Agriculture, and Mr. Greene of the Federal Power Commission, it was agreed unanimously by the members and representatives of the Missouri Basin Interagency Committee that the Garrison Dam be constructed to a height permitting operation at a maximum normal pool elevation of 1,850 feet. Mr. Comstock concurred in this agreement with the understanding that the elevation of the spillway sill and the plan of initial operation will be determined after further study and consideration."

The last sentence of paragraph 9 regarding Mr. Comstock's concurrence in the agreement was inserted in the minutes at Mr. Comstock's request after the meeting had adjourned. Since that time, no representative of the Bureau of Reclamation has indicated any objection to the operating pool at elevation 1,850. In fact in numerous meetings between the Bureau of Reclamation and the Corps of Engineers with regard to schedules for filling the Garrison Reservoir and with regard to the power output from the project, both agencies have always recognized that operation at the 1,850 elevation is necessary to obtain the power required to supply the market now indicated in North Dakota, and the discussions have been based on operation at 1,850 elevation.

Sincerely yours,

LEWIS A. PICK,
Major General, Chief of Engineers.

GARRISON RESERVOIR

MISSOURI RIVER

General description of area affected: The dam would be located approximately 695 miles above Sioux City, Iowa (1,455 miles above the mouth). The drainage area at the dam site is approximately 180,850 square miles. This project would reduce floods on the Missouri and Mississippi Rivers, and assist, with the four reservoirs downstream, in reducing floods to the capacity of the levees proposed for the areas downstream from Sioux City. The reservoir would provide water for navigation, power production, irrigation and water supply. It would allow the development of multiple-purpose water uses from the reservoir system without detrimental effect downstream. Water releases for power generation would be regulated to produce the maximum firm power available to the multiple-purpose reservoir system. Power produced at this site would be utilized in the surrounding territory for irrigation pumping, and municipal and rural consumption. Diversion of water into the James and Devils Lake regions of the Dakotas would be accomplished in connection with the proposed project.

Purpose of project: Flood control, navigation, power, irrigation and water supply.

Location map.

Description of project: The dam would be earth fill with crest length 11,400 feet at elevation 1,875 mean sea level, maximum height above streambed 195 feet. The spillway would be a chute-type in right abutment. Conduits would be constructed in the right abutment. Provision would be made for an ultimate installation of a powerhouse of 10 units, 40,000 kilowatts each, which would be located on the right bank. The reservoir would have a capacity of 17,000,000 acre-feet, at maximum pool elevations of 1,858 mean sea level. Area submerged at normal pool elevation of 1,850, 320,000 acres.

First costs: [1]

Construction costs	$114,000,000
Lands, easements and rights-of-way	12,000,000
Relocations and damages	4,000,000
Total first costs	130,000,000

[1] Includes cost of diversion into the Dakotas.

Finally, it is urged that 10- or 11-foot levees cannot be built to protect Williston and irrigation districts. The Fort Peck Dam has been in existence for some 12 years. It is 200 feet high. It is unthinkable that Garrison Dam, 200 feet high if this amendment is adopted, would be constructed along the very river where the Representatives from North Dakota insist that a 10-foot levee cannot be built.

Again, Gov. Fred G. Aandahl wired the committee on May 29, 1949, urging the construction to 1,850 feet and his telegram may be found on page 1085 of the hearings and is as follows:

The North Dakota Water Commission and I, after years of study, have repeatedly supported and approved construction of Garrison Dam to 1,850 feet capacity. Limitations proposed to your committee by Congressmen LEMKE and BURDICK would be a disadvantage to North Dakota and entire Missouri Basin. We need full storage capacity for power development and irrigation purposes construction. Economy requires that full preparation for maximum use be made now.

Those proposing the establishment of elevation 1,830 as the pool level for the Garrison Reservoir claim that the 17,000,000 acre-feet capacity estimated for that reservoir in the authorizing documents, House Document 475 and Senate Document 247, Seventy-eighth Congress was based on a pool elevation of 1,830 feet above mean gulf sea level; and, therefore, construction should be limited to operation at the 1,830 level under the authorization.

House Document 475, Seventy-eighth Congress, was prepared and signed by Maj. Gen. Lewis A. Pick while division engineer, Missouri River division. General Pick, now Chief of Engineers, has testified before the Committee on Public Works that the 17,000,000 acre-feet estimated for Garrison Reservoir, as shown in House Document 475 and Senate Document 247, was based on a pool elevation of 1,850 feet mean sea level. He stated that when he prepared the report, the topographic maps then available were limited in coverage, that the capacity of 17,000,000 acre-feet was his best estimate for a reservoir with pool level at 1,850, and that when new topographic maps had been completed, it was found that a reservoir with pool at elevation 1,850 mean sea level had a capacity of 23,000,000 acre-feet.

Furthermore, General Pick furnished the Committee on Public Works with a copy of the original data sheet for Garrison Reservoir which had been prepared in 1944 before authorization of the project. It is stated on this data sheet that the normal pool level was to be at elevation 1,850 feet mean sea level. The location map on the data sheet clearly shows that the reservoir was planned to extend beyond Williston to the mouth of the Yellowstone River and not stop short of Williston as claimed by those preparing an 1,830 pool level.

Congress has always recognized that a Federal construction agency should be granted sufficient authority to make changes in their plans as basic data are gathered and as the blueprints for a project develop from the preliminary to final stage. In fact, the authorizing documents for the Missouri Basin comprehensive project, House Document No. 475 and Senate Document No. 191, both carry language permitting the Corps of Engineers and the Bureau of Reclamation to make such modifications and changes as may be indicated, from time to time, as the plan is effected.

There are other cases where capacities of reservoirs in the Missouri Basin have been increased as a result of more complete mapping of further studies. The Oahe Reservoir, of the Corps of Engineers, just down river from the Garrison Reservoir, was authorized by the same Flood Control Act as Garrison to have an approximate capacity of 19,600,000 acre-feet. It is now under construction by the Corps of Engineers with a capacity of 21,000,000 acre-feet, apparently without protest by the Bureau of Reclamation and the Department of the Interior.

The CHAIRMAN. The time of the gentleman from Mississippi has expired. All time has expired.

The question is on the amendment offered by the gentleman from South Dakota to the amendment offered by the gentleman from North Dakota [Mr. LEMKE].

The amendment was rejected.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from North Dakota.

The question was taken; and on a division (demanded by Mr. LEMKE) there were—ayes 53, noes 73.

So the amendment was rejected.

Mr. LEMKE. Mr. Chairman, I demand tellers.

Tellers were refused.

Mr. WHITE of Idaho. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITE of Idaho: On page 24, line 4, after the words "Columbia River Basin", strike out lines 5 to 9, inclusive.

Mr. WHITE of Idaho. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. WHITE of Idaho. Mr. Chairman, the amendment I have offered is really a serious amendment and is very important to the people I have the honor to represent in the great State of Idaho. It may be contended that this power site at Albeni Falls is needed, but if you will examine the record you will find they are building now at the headwaters of the Clarks Fork River a dam known as Hungry Horse, which has a capacity of 186,000 kilowatts. They are also building farther down the Columbia River the McNary Dam, which is now in the course of construction, and which will have a capacity of 449,000 kilowatts. They are building a dam also at Foster Creek which will have a capacity of 564,000 kilowatts.

Now, before these dams are built and this tremendous amount of power generated, there is no need to depart from our flood-control program and go down to the west side of Idaho and put in a dam that will flood and destroy good fertile bottom lands along the Clark Fork River around Lake Pend Oreille and along the Pend Oreille River.

Here is a map of that general district out there. Here is the Montana State line. Here is the Idaho-Washington State line. Here is the proposed project.

You will notice in red that it is proposed to flood land all the way from where the river enters the State of Idaho, down to where Clark Fork is located, all of the land around that town and around Lake Pend Oreille and on down here. The water runs out of the lake down the Pend Oreille River to the Washington State line where they are going to build the Albeni Dam. They are building the Hungry Horse Dam. Below Hungry Horse Dam is another dam site at Glacier View Dam site, all in the flood-control plan. Farther down is the Paradise Dam site, then farther down is a natural site at Cabinet Gorge.

This proposed power dam will generate a lot of cheap power that will be sold to the local power companies in the State of Washington that already have down here at Newport a transmission line right up to the Abonai Falls Dam site. Not a dollar on their part will have to be spent to get this power from the proposed dam. They are buying power now from the Government at 2½ mills and selling it at the minimum for commercial purpose at 1¼ cents, making a clear profit of 1 cent.

That is why this project has been railroaded through and that is why we must sacrifice all of this land, reverse our flood-control program, flood all this land in order to develop this power for one company. That dam and that power will be a gold mine for this power company. I put the annual report in the hearings. They are doing an $8,000,000 business now and if they can get this power for 2½ mills and sell it at current rates, it will be a real gold mine. They are buying Government power now from Bonneville and retailing it at 1¼ cents to the local people on commercial rates. It is the best gold mine that has ever been struck in Idaho for one outfit, and it is not an Idaho outfit at that. It is the Washington Water Power Co., a subsidiary of Electric Bond & Share. That is why this project is being railroaded on us. That is why we are bypassing this flood-control project. This is not flood control; this is a flood program to flood all the good lands along these rivers and lakes in Idaho. It will flood the land around this lake; you must remember that behind the valley land there are high mountains. The good land will all be flooded and ruined along Clark Ford River, around Pend Oreille Lake, and Pend Oreille River, and out this way.

If this committee is sincere and if the Army engineers are sincere in a flood-control program, then this amendment should be adopted, and this project should be taken out of the bill in its present form and the project brought back in an orderly plan to provide flood control for the people of Idaho just as well as you provide flood control for the people down in the Southern States along the Mississippi River.

The gentleman from Mississippi has been chairman for many years of this flood-control committee, and this is the first time that this committee has ever brought in a bill here that will reverse the flood-control program and flood this beautiful productive country. I ask this committee to support my amendment. If this flood-control program means anything at all, let us take this power project out until we can have real flood control. You have Hungry Horse, you have the McNary Dam and you have Foster Creek Dam all under construction and when these dams are finished the Government will have plenty of power that is now being developed. Why destroy these Idaho communities and rich farm land that has been reclaimed from the forest with so much labor, to make some money for the local utility? I am not exaggerating when I tell you the amount of money they are making. They are getting this power for 2½ mills a kilowatt with little invested. They are buying it now from Bonneville, that is Grand Coulee and Bonneville combined. They are getting it out of the pool and selling it to consumers at a minimum of around 1 cent a kilowatt. They are charging most of the industrial users 1¼ cents a kilowatt. As a domestic rate they are charging you around 3 and 4 cents. If you are a large consumer and use enough, you may be able to get a 3-cent rate. It is a tremendously profitable thing and I ask that the committee support my amendment.

If there is any virtue or any reason for protecting the people who have gone into this country some fifty or sixty years ago, cleared away the forests, taken the stumps off the land and built these beautiful homes and created this farm land by toil and hard work, you should vote for this amendment. It is these same people, whom it is my responsibility to represent. I am not opposed to the bill; I am for every project in the bill except the one that will flood out the great town of Williston, N. Dak. I think the gentleman from North Dakota [Mr. LEMKE] was right. The town of Williston was built up around this Great Northern terminal and if you take the railroad yards and terminal away from them you will wreck the town. But, that is their problem. Our problem is to protect the farm land that has been cleared from the forests and protect the people who built these beautiful communities that will be destroyed by building this dam down at the lower side of the State without any regard to the flood-control project upstream. If the Army engineers and the committee want to carry forward flood-control projects in an orderly manner, as by carrying forward the flood-control program that was started with the building of Hungry Horse, then let them carry it through in a logical, orderly manner and not destroy our north Idaho country by passing up the flood-control dams upstream at Glacier View, Paradise, and Cabinet Gorge, that would give us flood control instead of flood destruction.

Mr. WHITTINGTON. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTINGTON. Mr. Chairman, these two amendments we have had are a fair example of some of the objections to the bill. The purpose of the amendment offered by my good friend the gentleman from Idaho [Mr. WHITE], whom I esteem most highly, is to eliminate from this bill a project recommended by the Chief of Engineers in a report transmitted to the Congress at an estimated cost of $31,000,000.

When the committee began its hearings on this bill we followed the request of the President. He said, "I want you to emphasize projects where there is power, particularly in those areas where there is a shortage, and I want you to emphasize the projects where there is flood protection," so we have sounded a lesser note on navigation. We have this statement to our committee by the Chief of Engineers, "This project is favorably recommended by the Chief of Engineers." It is the only major project along the Columbia River for power, navigation, and flood control transmitted this session to the Congress. According to the undisputed testimony, it is one of the most valuable and most economic power projects that can be constructed, and will be of benefit to make effective Bonneville, Grand Coulee, and the other dams that are being constructed.

Secondly, and I read from the report, "The project also will provide substantial navigation, recreation, conservation, and flood-control benefits," as well as power.

Again, the commission appointed by the President with respect to the security of the Nation made a report, and they set out that in the Columbia there was a shortage of power, and the one dam they recommended for immediate construction was this dam.

I sympathize with the gentleman. It is impossible to construct a dam unless you

take some land. However, with all deference to the gentleman, the Governor of Idaho, the other Member of Congress from Idaho, and all the other people in the Columbia River Basin testifying before us advocated this dam.

My devoted friend the gentleman from Idaho [Mr. WHITE] came before us. We gave him more time than we did any other two Members of Congress, except the gentlemen from North Dakota [Mr. BURDICK and Mr. LEMKE] and the committee unanimously rejected his proposal that we eliminate this dam, because the gentleman's proposal was that we eliminate this dam, at an estimated cost of $31,000,000, and he said that we ought to include a dam called Libby that would cost $239,000,000. We told him we could not do that because, among other reasons, we did not have any recommendation from the Chief of Engineers.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. WHITE of Idaho. The gentleman mentioned flood control and navigation. Where will you improve navigation, and where will you have any flood control?

Mr. WHITTINGTON. I told the gentleman that I did not give him my opinion, and I am putting my opinion against his. I read the language of the Chief of Engineers, who advises the Congress. I stated that was his statement. I read from the report. I wanted to emphasize to the gentleman that we included this project in this bill because it was recommended as the most beneficial project. With respect to Sandpoint, that the gentleman said would be overflowed, the committee went into that carefully, and the Chief of Engineers said all points and places, when necessary, would be protected by levees.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from Washington.

Mr. HORAN. The point has been made of the amount of land that would be flooded by this dam. I feel the point needs clarification. The engineers' report indicates there would be only 6,300 acres flooded above the existing meander lines. Of this amount three-fourths would be pasture, waste, brush, or wooded, or grass-hay land. Certainly the great need for this project should outweigh the small amount of acreage to be flooded. I should add that a small freeboard will be required to care for wave wash.

Mr. WHITTINGTON. I do not know of another project where flood control and navigation are involved that has had a higher percentage of benefits. There is not a single project in this bill where the costs are more than the benefits. One of the high ratio of cost-to-benefit projects is this project which my good friend wants to strike out. I trust that his amendment will be rejected.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. WHITE of Idaho. I want to say to the gentleman with reference to this cheap overflowed pasture land that my good neighbor made $35,000 clear on some of the lowest land, about 100 acres of it, raising potatoes in the past few years. He made $35,000 clear.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Idaho [Mr. WHITE].

The question was taken; and on a division (demanded by Mr. WHITE of Idaho) there were—ayes 11, noes 92.

So the amendment was rejected.

Mr. WHITTINGTON. Mr. Chairman, I ask unanimous consent that the Clerk be authorized to correct and renumber sections according to the amendments which have made such changes necessary.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. BURDICK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BURDICK: On page 19, line 10, strike out lines 10, 11, 12, 13, 14, and 15 and insert "$250,000,000."

Mr. WHITTINGTON. Mr. Chairman, I make a point of order against the amendment, that the amendment is really without meaning or significance, because it authorizes no appropriation. The Congress cannot make an appropriation unless it is authorized by law. There is no authorization. The gentleman from North Dakota wants to strike out the entire paragraph and merely insert $250,000,000. He wants to strike out on page 19 this language:

In addition to previous authorizations there is hereby authorized to be appropriated the sum of $250,000,000 for the prosecution of the comprehensive plan for the Missouri River Basin to be undertaken by the Corps of Engineers, approved by the act of June 28, 1938, as amended and supplemented by subsequent acts of Congress.

He wants to insert "$250,000,000", without saying it is an authorization or what it is. The amendment is without meaning. It is frivolous—meaningless.

The CHAIRMAN. The Chair cannot pass upon the question of inconsistency of an amendment.

Mr. TABER. Mr. Chairman, I make a point of order against the amendment that it is an appropriation which does not come from the Committee on Appropriations and therefore it is not in order at this point.

The CHAIRMAN. The Chair is ready to rule on the point of order.

Mr. HALE. I make the point of order, Mr. Chairman, that under the rule all points of order were supposed to be waived.

The CHAIRMAN. Points of order on the bill.

Mr. TABER. But not on points of order on amendments to the bill.

The CHAIRMAN. The Chair will address himself to the point of order and say that, in the opinion of the Chair, the point of order is not well taken, for the reason that whether or not this is consistent is not within the province of the Chair.

Mr. TABER. It does not make any difference about that, Mr. Chairman, because if it is an appropriation it is in violation of the rules.

The CHAIRMAN. The Chair holds that it is not an appropriation and it is not anything in connection with an appropriation. The gentleman will proceed.

Mr. BURDICK. Now, if you have got everything all set, I would like to make a few remarks in my feeble way. You are going to vote "No," and I do not care. You just go ahead. That is the way I vote. You vote the way you want to, but you are authorizing $250,000,000 for the prosecution of the comprehensive plan of the Missouri River Basin, and you do not say what for at all. Just $250,000,000. That is all. Sometimes you criticize the Committee on Appropriations for digging into legislation, but they will surely have to dig into this one to find out what they are spending it for. That is all I wish to say on this.

However, I wanted to ask the gentleman from Mississippi a question. He never let me get around to asking it, so I will take this occasion to ask it.

Is the gentleman in favor of having the Army engineers and the Bureau of Reclamation competing in North Dakota for two different irrigation projects? And is the gentleman in favor of having those two bureaus competing in North Dakota for two diversion ditches to Devil's Lake, when one is enough? Is the gentleman in favor of that program?

Mr. WHITTINGTON. I have stated that I am opposed to any duplication, and I have offered an amendment, whenever it has been pointed out that there was a duplication, to the pending bill.

Mr. BURDICK. That is just exactly what you are doing when you vote a high dam, because they want to use it for irrigation and not flood control. I just wanted to ask you that question.

Mr. WHITTINGTON. Well, you got the answer. Go right ahead.

Mr. BURDICK. Well, I got an answer, but it is one that you think is good, but I do not.

Mr. WHITE of California. Mr. Chairman, will the gentleman yield?

Mr. BURDICK. Yes; I will yield to anybody.

Mr. WHITE of California. I would like to direct a question to the gentleman from Mississippi at this time.

Mr. BURDICK. You have my permission to ask him questions during the rest of my time.

Mr. WHITE of California. This deal gets a little rough, and this may be putting the gentleman on the spot, but I would like to ask him how he stands on the proposed consolidation of the civil functions of the Army engineers, and the Bureau of Reclamation, as recommended by the Hoover Commission?

Mr. WHITTINGTON. My view is well known. When President Hoover, whose reorganization plan I generally favored, submitted a recommendation to the Congress in 1932 to transfer the civil functions of the Corps of Engineers to a proposed Department of Public Works, it was rejected by the most overwhelming vote of any reorganization plan ever submitted to Congress. I have not changed my mind since about stripping the engineers of their civil functions.

Mr. BURDICK. Now, that is an answer. Why did you not answer me in that way?

I yield back the remainder of my time, Mr. Chairman.

Mr. WHITTINGTON. Mr. Chairman, I move that all debate on this amendment, and all amendments thereto, close in 2 minutes.

The motion was agreed to.

Mr. WHITTINGTON. Mr. Chairman, this is a sample of what my good friend, the gentleman from North Dakota [Mr. BURDICK] is asking you to do. In the Missouri River Basin the language is, page 19 of the bill, "In addition to previous authorizations there is hereby authorized to be appropriated the sum of $250,000,000," and the gentleman said it was not for any purpose, but the bill does say, and I continue to quote, "for the prosecution of the comprehensive plan for the Missouri River Basin to be undertaken by the Corps of Engineers, approved by the act of June 28, 1938, as amended and supplemented by subsequent acts of Congress.

They cannot spend it except, as I told you in the beginning, for the completion of works that are now under way. The gentleman would strike that clause out of the bill. That amendment is on a par with the other amendment which the gentleman is asking you to adopt, "Missouri River Basin, blank, $250,000,000." I take my stand with the Governor of North Dakota and his commission who wired, as I have said, to our committee. He said, and I quote the Governor again:

I have supported and approved construction of Garrison Dam to 1,850-foot capacity. Limitations proposed to your committee by Congressmen LEMKE and BURDICK would be a disadvantage to North Dakota and the entire Missouri River Basin. We need full storage capacity for power development and irrigation purposes. Construction economy requires that the full preparation for maximum use be made at this time.

Mr. Chairman, I ask for a vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Dakota [Mr. BURDICK].

The amendment was rejected.

Mr. COLE of Kansas. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COLE of Kansas: On page 20, line 18, after "$76,000" insert the following: "The project for stream and channel straightening and drainage and related purposes in the Stonehouse Drainage District, Jefferson County, Kans., is hereby authorized substantially in accordance with the recommendation of the Chief of Engineers at an estimated cost of $174,500."

Mr. COLE of Kansas. Mr. Chairman, Stonehouse Creek Drainage District includes an area of approximately 3,000 acres of very fertile Kansas river-bottom farm land, the village of Williamstown, Kans., several miles of United States highways 24 and 59 and approximately 31½ miles of the main line of the Union Pacific Railroad operating west through Topeka.

The flood plain of Stonehouse Creek includes approximately 3,500 acres of Kansas River bottom farm land which is subject to frequent flash floods, causing property, crop, utility, and highway damage. The project proposed by the Army engineers will, of course, relieve the farm owners from the frequent flash floods and, in addition to that, lateral ditches included in the proposed plan will permanently drain and permit the annual cultivation of approximately 700 acres of farm land which has never produced crops.

The proposed project is unanimously approved by residents and property owners in the district and the drainage district board has already agreed in writing, with the Army engineers to furnish the right-of-way and maintain the improvements, if and when they are made. In fact, approximately 40 percent of the right-of-way has already been acquired.

The proposed plan of the Army engineers has been approved by the district's private engineer. It has likewise been approved by Mr. George S. Knapp, chief engineer, of the Division of Water Resources for Kansas and by a special advisory committee of engineers appointed by Governor Carlson, of Kansas.

Numerous well-advertised public hearings have been held on the proposed project, all of which were attended by the writer and the drainage district board and I am glad to state that there has never been any opposition to the plan whatever. Those present have always expressed the utmost confidence in the work of the Corps of Engineers. The project, if completed, will not displace any person or family.

It is estimated that more than 50 flash floods have occurred in the flood plain of Stonehouse Creek during the past 30 years, some of which have completely destroyed growing or ripened crops, damaged homes, the schoolhouse and church at Williamstown, Kans., United States Highways 24 and 59, and main-line tracks of the Union Pacific Railroad.

Mr. Chairman, the Kansas River, is included in the Missouri River Basin comprehensive plan proposed for flood control. The comprehensive plan for the Kansas River has not been approved by the Bureau of the Budget; however, it is approved by the Army engineers. The Stonehouse Drainage Creek project being a part of that plan, it is true, has not yet been approved by the Bureau of the Budget. However, the Chief of Engineers has approved this one project, and the people of this area are extremely anxious and interested that the project be included in the present bill. Therefore, Mr. Chairman, I ask that the committee favorably consider this one small project, and vote for this amendment.

Although the project is part of the comprehensive plan, yet it merely calls for straightening of channels and related drainage purposes and therefore can be authorized prior to the other projects.

Mr. WHITTINGTON. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 2 minutes, and I shall not use the two.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTINGTON. Mr. Chairman, briefly, the committee conducted no hearings on this project; this project is still in the Bureau of the Budget or it has not been transmitted to Congress. It would utterly undermine the policy of the committee and of the Congress if it were included at this time. We do not know what this project is. It is not yet a recommended project, so that the committee could have considered the project. I ask that the amendment be voted down.

Mr. COLE of Kansas. Mr. Chairman, if the gentleman will yield, I think the gentleman is in error about not having hearings on this project.

Mr. WHITTINGTON. We had hearings based on a favorable report and advised the gentleman.

Mr. Chairman, I ask for a vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas [Mr. COLE].

The amendment was rejected.

Mr. SCUDDER. Mr. Chairman, I arise in support of the rivers and harbors authorization bill, H. R. 5472. I believe this is the type of legislation that will continue to make America great. We cannot subordinate our local development and improvements, which provide employment and add to our resources, to our dreams of looking across the seas and spending billions of our hard-earney taxpayers' money to build up the economy of other countries in the world. Projects included in this bill will make America strong, conserve our lands and our natural resources, so that posterity may enjoy some of the things that have been our privilege.

For several months I have been endeavoring to have included in this omnibus bill a project in northern California and more specifically described as the Russian River project. It concerns the Russian River Basin affecting two large counties in northern California, and provides for the construction of the Coyote Valley Dam. This is a project long overdue for consideration. The preliminary work and surveys have all been completed, but the report of the engineers came in too late to have this project included in this pending bill. However, since the hearings on this bill, the California Department of Public Works and Gov. Earl Warren have recommended its adoption. Reports are now in the hands of the various Governmental agencies and may, before the bill passes the Senate, be in the hands of the Senate committee.

This is a multiple-purpose project. The engineers' report shows that an anual flood loss in this area amounts to $750,000. A great recreational area along this river is being jeopardized because of the taking of the water from the river for irrigational purposes. Several municipalities within the area are direly in need of domestic and industrial water to support their growing population. Agriculture is becoming more intensified. This is a participating project, where the Federal Government will only be required to advance 40 percent of the cost, the remaining 60 percent to be borne by local interests.

While it is impossible for the House at this time to consider this Russian River project, I desire you to be informed because without a doubt, time

permitting, it should be ready for inclusion when this bill is considered by the Senate committee.

Mr. BROOKS. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. BROOKS. Mr. Chairman, I have heard several attacks on the Army engineers which I feel are unfair. I think the Army engineers are a great organization with a great and patriotic history behind them. I think it is indispensable to national defense.

It has been said on the floor of this House that there is overlapping of functions between the Interior Department and the Army engineers. It has been said as a result of this fact, the Corps of Engineers should be shorn of its civil functions and forced to perform only military work in both war and peace. Mr. Speaker, I have been a member of the Armed Services Committee of the House of Representatives since its creation to the present time. I have had occasion to find out just how this integral part of the Army, the Army engineers, functions when under the stress and strain of war. I believe I look at this problem from a little different angle than many of the other Members of the House.

The civil functions work of the engineers gives to these people the full opportunity of peacetime training and experience. It gives to them the chance to handle great engineering projects when the country is in a state of peace. It gives to them the chance to organize the projects, to handle large numbers of personnel, and to properly staff them, the experience of handling heavy construction machinery and of checking their calculations with the results obtained. This experience to them is invaluable in time of war. It is priceless. Were we in Congress to undertake to give them the same amount of training without the civil-functions work, it would cost this Government many hundreds of millions of dollars. We are not rich enough and powerful enough to give the Corps of Engineers such valuable peacetime experience other than in the manner provided by our handling of the civil-functions projects.

There may be some overlapping and some little duplication in some of these matters. This can be ironed out without the necessity of taking from the Army engineers some of its vital authority. It can be done in such a way that the work of this Corps of Engineers will go on without interruption in such a way to continue them in the status of the best Army Engineers Corps of any army anywhere.

My own State of Louisiana has a number of important projects in this bill. Louisiana is vitally interested in flood control and in navigation and, of course, I want to see this bill passed unanimously. Some of the projects of a vast importance to the lives of the people of central and southern Louisiana who live in constant fear of the swollen waters of the Mississippi and its tributaries. I shall not take the time of this House to enumerate them here or to attempt to explain and describe them. They are well known to those who have to meet the hazard of the flood as it winds its way down the Mississippi.

I have been disturbed by the fact that this bill has been delayed through inaction of one of our committees. I have feared that the House might recess before proper action could be taken in approving this measure. I am happy that the bill is now before this body and should shortly be on its way to the Senate for consideration by this other body.

Mr. WHITTINGTON. Mr. Chairman, I ask unanimous consent that all Members may have unanimous consent to extend their remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. D'EWART. Mr. Chairman, two projects in my congressional district are authorized in the bill now under consideration. I am particularly interested in the project at Miles City, Mont., which would provide protection against the frequent floods which do great damage to this city.

Miles City's flood problem occurs most frequently during the early spring when it often happens that the ice in the Tongue River, a tributary of the Yellowstone, breaks up at an earlier date than the ice in the Yellowstone. The Tongue flows into the Yellowstone at Miles City, and as a result sections of the town are often inundated when an early break-up occurs on the Tongue River.

Miles City is a rapidly growing center of business and industry in eastern Montana. It has been called the cow capital of the West because of its importance as the trade center for the vast cattle-raising country of eastern Montana. It badly needs the flood protection which would be provided by the relatively inexpensive project we seek to authorize in this bill.

The bill also contains authorization for flood protection for a highway bridge near Miles City and for flood protection at Billings, Mont., both of which are necessary and desirable projects that will render much-needed flood control.

Mr. O'SULLIVAN. Mr. Chairman, I intend to support this bill, H. R. 5472, with a few exceptions urged by Congressmen BURDICK and LEMKE. I believe it to be a good bill. It is not a waste of public money but a fine investment for the United States of America. The cautionary words of the gentleman from New York [Mr. WADSWORTH] were very ill-timed and ill-advised in my opinion. It is always the finest and the best economy to repair one's property when it is in a state of disrepair, because continued disrepair may destroy the property in its entirety. To follow the gentleman's philosophy would be equally logical for a man to say I will not repair the leaky roof on my house, because I will use up all my present savings and it will use up all of my surplus money for years to come. I shall let the roof leak and rot my house down and be a master of real economy in my neighborhood. Would not that be a fine economy to pursue? Just how many people do you think would subscribe to such an economic philosophy?

That man would be strangely lucky if he was permitted to be at liberty at all.

Though my analogy may appear to be somewhat farfetched, yet when you think it over it is much in point.

It has been some years since we have authorized all-out work on projects such as have been set up in H. R. 5472, and in the interests of a better economy we need this development work not in the far-distant future but some right now and others as the years go on.

I have nothing but words of praise for the capable Army Corps of Engineers. Under the able leadership of its Chief Engineer, Gen. Lewis A. Pick, much good work has been done for the States bordering on the Missouri River.

After my election and before I came to this Eighty-first Congress as a Member thereof, I made it a point to call on General Pick at his Omaha, Nebr., office and learn from him first-hand what had been done to develop the Missouri River Basin to date, and what was contemplated in the future. General Pick took almost one-half a day in going over these matters with me and explaining them from documents and wall maps in detail.

I left General Pick with the firm belief that what had been done was very worth while, and that the future held for the Missouri River Basin much necessary and valuable improvements.

Every real American should realize that the Army Corps of Engineers is the greatest corps in all the world. They have the courage, industry, capacity, foresight, over-all know-how, and mindful honesty to do this job and any other job expeditiously and well.

To that great Alabamian and great American, Gen. Lewis A. Pick, now Chief Engineer of the corps under the appointment of President Harry S. Truman, I take off my hat and say your work with the Army Corps of Engineers has been the fairest, the best, and the most profitable to date to this, your Nation, the United States of America.

For anyone to speak lightly or disparagingly of the Army Corps of Engineers is neither right nor proper. By their excellent work, from their very beginning up to this very day, you should know them and knowing them, truly appreciate their great constructive efforts for their country and its people in war as well as in peace.

The congressional district which I represent, the Second, Nebraska, comprises five Nebraska counties immediately to the west of the west bank of the Missouri River and naming them from north to south, they are as follows: Washington, Douglas, Sarpy, Cass, and Otoe Counties.

This particular area can boast rightfully as containing some of the richest agricultural lands in the Nation and some of the choicest sites for manufacturing institutions. Omaha, the 38th largest city in the United States, is really the true gateway to the West and Northwest.

The Missouri River is the greatest river in the United States. It is formed by

the confluence of the Gallatin, Madison, and Jefferson Rivers at Three Forks, Mont. It flows in a general southeasterly direction to where misinformed geographers claim it joins with the Mississippi River 17 miles above St. Louis, Mo. As a matter of fact, the Mississippi River is one of its tributaries. If its vast basin had been properly explored and charted history would record that fact now that the Mississippi River was one of the important tributaries of the Missouri River, the real father of the waters.

Nebraska has more miles of running water than any other State in the Union and nearly all of these rivers run in an easterly or southeasterly direction and empty, like the Mississippi River, into the Missouri River. The total length of the Missouri River from its source to where the Mississippi River empties into it is 2,460 miles and from that point to the Gulf of Mexico it is 1,265 miles, making a total length of 3,725 miles.

In past years the Missouri River which flows along the eastern boundary of Nebraska has flooded many acres of fertile farm lands and has done great damage to person and property in addition to causing tremendous erosion damages.

I have endeavored to secure for you the latest data as to the damage which is done yearly by this river, but have not been too successful in that regard.

However, I can quote from the booklet, Presenting Nebraska, the Cornhusker State, some matter which should be thought provoking to all of you:

In 1935 the Missouri River put on a flood which caused nearly $10,000,000 property damage and the loss of 105 lives.

Again it is stated: "The Missouri River, the big muddy" has been carrying annually for years 135,000,000 tons of silt past Omaha, Nebr., on its course to the sea. The water that has been devastating the lower reaches of the river has been slipping past the dry-land farmsteads of the upper portion of the basin where it is desperately needed. In 1943 the Missouri River spread disaster from Bismark, in North Dakota, to St. Louis, Mo., and did damage estimated at $68,000,000. Since then this angry, unleashed giant of a waterway has flooded millions of acres and has done damage totaling $277,000,000.

My secretary, Mr. Thomas W. Ingoldsley, has just presented to me the following information which he just secured from the United States Corps of Army Engineers:

From 1944 through 1947, in the Missouri River Basin, floods caused $250,500,000 property damage and 35 lives were lost.

On the upper Mississippi, that is roughly from St. Louis north to the Twin Cities, the loss in property was $132,900,000 and 38 lives were lost.

On the lower Mississippi, from St. Louis to the Gulf, which is properly protected, the property damage in that period was only $12,100,000, and only one life was lost through floods.

No figures for 1948 were available.

The committee report accompanying this bill states: That from 1900, but not including the flood of 1943, the direct property damage in the Missouri River Basin is estimated at over $160,000,000. Damages from the floods of 1943, 1944, 1945, and 1947 is estimated at $267,000,000, and 65 lives were lost from 1943 through 1947.

If we could prevent the passage of this 135,000,000 tons of silt past Omaha, Nebr., to the sea each year, we would not only save our valuable topsoil, but we would spare the United States and the Delta States much unnecessary labor and expenditures. I have been told that millions of dollars have been spent to date dredging the delta so that shipways and harbors would not become landlocked by these enormous and continuing erosion deposits coming from the upper Missouri River States.

Instead of spending money to dredge out the erosion deposits, why not spend it to keep the Missouri River reasonably free from such floating soil?

I regret very much that there has been some debate here contending that the United States Army Corps of Engineers is an organization of the Republican Party—a Republican Party institution.

With this I cannot agree. Its great leader, General Pick, is a Democrat and is one who really sorrowed because he could not vote the Democratic ticket in his home State of Alabama at the last Presidential election, because the Democratic Party was not functioning nationally in that State during the last Presidential campaign. No, the Republican Party does not stand by or for a Democratic leader.

I do not believe the claim that the United States Army Corps of Engineers is the handmaid of private power companies.

General Pick told me personally that he and his able corps would do everything in their power always to see that faith was kept with the people and that every public power project which was feasible would be developed to its fullest extent. He, General Pick, now heads the corps, and I shall never be gullible enough to believe that these tried and true patriots would be anything but the faithful defenders of their Nation and its people and all of their best interests, regardless of what private power companies might desire to the contrary.

The concluding report of the Hoover Commission to the Congress issued during May 1949 has been referred to in this debate.

On pages 27 to 29, section IV had this to say about this matter:

IV. THE WASTES OF OVERLAPPING AND DUPLICATION

There is probably no place in the Government where waste is more conspicuous than in the overlapping services of the Government. Many of these duplicating and competing services have stubbornly survived through repeated exposures and attempts at reorganization. Our reports and those of the task forces give numerous examples of overlapping and duplication throughout the Government. Here, for the purpose of highlighting the problem and pointing the way toward its solution, we shall briefly cite only three.

A. WATER RESOURCES DEVELOPMENT

In this area of Government service, two large Federal agencies—the Army Corps of Engineers and the Department of Interior's Bureau of Reclamation—have conflicting jurisdiction in river development work. Operating under separate statutes and appropriations one is primarily concerned with local flood control, the other with irrigation. With differing purposes they work on the same rivers, the Corps working up the river, meeting the Bureau coming down. There have been repeated instances where each competes with the other to begin construction on the same project. The result has been hasty planning, lack of sufficient basic data, duplicating costs of surveying and estimating, failure to consider the entire needs of the area, and the creation of strong and opposing local pressures each seeking special benefits. The end result has been needless delay, confusion, and gross waste of the taxpayers' money. The history of the operation of these agencies in the Columbia and Missouri Valleys and Central Valley of California provides eloquent testimony to the disastrous consequences of the competition between these Federal agencies.

This language in no way denounces the United States Army Corps of Engineers as catspaws for private power companies but merely denounces the overlapping of the two agencies, the Army Corps of Engineers and the Department of Interior's Bureau of Reclamation.

Of course the reports of the Hoover Commission are not to be taken as absolutely perfect doctrine, and can be in error too, as all finite bodies are and will always be prone to err.

The thing the Hoover Commission denounced was the overlapping of these two agencies which were not in the interests of governmental economy and this I agree with heartily.

In this bill H. R. 5472, at pages 17 and 18 under the heading "Missouri River Basin" the following very necessary projects are listed:

Missouri River	$250,000,000
Yellowstone River Basin	6,524,000
South Platte River Basin in Colorado	26,300,000
Elkhorn River Basin in Nebraska	2,428,000
Heart River, Mandan, N. Dak.	76,000

It must be understood that this bill does not appropriate any money whatsoever for these projects. This is merely creative legislation which must be implemented by legislation allotting the necessary money. This is a long-time project and only the necessary money will be appropriated each year.

In the future if times become bad and there is much unemployment these projects may be stepped up. We must be prepared to save our country from any and all destructive things; from floods, erosion, loss of life and property, as well as depressions and their consequent unemployment, distress, and suffering.

As has been pointed out in debate the Hoover Commission strongly recommends a good public-works program being set up and this bill does that very thing.

Mr. BARRETT of Wyoming. Mr. Chairman, I am deeply appreciative of the provisions in section 204 for the flood-control measures on the Big Horn and Powder Rivers and their tributaries in Wyoming.

The estimated average annual flood damages in rural areas on these streams during the periods of record, for which data are sufficient for reasonable estimates, amount to $700,000 along the Big

Horn River, $32,000 in the Tongue River basin, $25,000 in the Powder River basin, and $9,000 in the basins of minor tributaries. Cities and towns along the major streams have sustained severe flood losses.

The estimated construction costs on 1946 price levels on the Wyoming flood-control projects with the proposed Federal contributions are as follows: Greybull, $457,350, with Federal contribution of $420,250; Monarch, $146,700, with Federal contribution of $135,900; Dayton, $76,500, with Federal contribution of $68,700; Sheridan, $1,360,300, with Federal contribution of $1,335,300; Buffalo, $445,100, with Federal contribution of $364,500. The detail work on each of these projects will unquestionably correct the flood situation in these communities.

The proposed plan of improvement at Greybull consists of a levee 12,300 feet long along the west bank of the Big Horn River. The levee will tie into the bluff at the south end of town and the Chicago, Burlington and Quincy Railroad track at the north end, near Dry Creek. The estimated cost of the project is $457,350 of which $420,250 is Federal cost and $37,100 is non-Federal cost. The estimated non-Federal expenditure includes the provision of right-of-way, relocation of buildings and utilities on the proposed levee alinement, and highway alterations.

The proposed project consists of a levee at Monarch, 5,700 feet long on the right bank for the protection of the municipal area, and a 2,200-foot levee along the left bank for the protection of railroad property. The estimated cost is $146,700 which includes a non-Federal cost of $10,800 for rights-of-way, removal or relocation of structures on the levee alinement, and raising of bridge approaches.

It is proposed that a levee be constructed along the right bank of the Tongue River, extending from the downstream end of the town of Dayton to a point one-half mile upstream from town. The Little Tongue River channel will be improved from United States Highway No. 14, south of Monarch, to the confluence of the two rivers, and levees will be provided along the banks of the Little Tongue. The estimated cost is $76,500 which includes $7,800 for rights-of-way, alterations to structures on the project location, and bridge modifications.

The proposed plan of improvement at Sheridan consists of levees and flood walls in combination with channel improvements on Goose Creek and Little Goose Creek. Approximately 8 miles of levee will be required, in addition to several hundred feet of flood wall. The creek channels will be improved over a distance of approximately 2 miles. The estimated cost is $1,360,300 which includes a non-Federal cost of $25,000 for rights-of-way, road and bridge alterations, house relocations and utility changes.

The proposed plan of flood protection at Buffalo consists of a low diversion dam to be constructed on Clear Creek about a mile upstream from Buffalo, and a canal about 1,900 feet long which will divert excessive flows from Clear Creek into an existing drainage channel bypassing Buffalo. The existing drainage channel will be improved where necessary. The estimated cost is $444,500, including $80,000 as the estimated amount of non-Federal participation for rights-of-way and road modifications. The major portion of the non-Federal cost is for construction of a bridge on Highway No. 87 over the existing drainage channel.

Mr. JENSEN. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, this bill comes to the floor of the House after months of hearings by the Public Works Committee of the House. I wish to compliment the distinguished chairman, Mr. WHITTINGTON; the distinguished minority Member, Mr. DONDERO; our distinguished Iowa Member, Mr. CUNNINGHAM, and every member of the committee for materially reducing the budget requests.

Flood control on our large rivers and all navigable tributaries is not within the province of the local governments to administer. The law of the land provides that only the Federal Government has jurisdiction over such streams, hence the Congress must provide for such construction as is contained in this bill, 70 percent of which is for continuation or completion of projects already under construction. The remaining 30 percent is for new projects which, after months of hearings, the conservative, conscientious members of the committee agree are urgently needed and fully justified.

Mr. Chairman, I must call attention to the fact that we are working backward in too many of our flood-control problems by practicing too little soil conservation on the land in many of the areas where we have already spent billions in building great flood-control dams, multi-purpose dams, and thousands of miles of levees, and so forth. Here we are about to authorize another billion plus before we adopt proper valley-wide soil conservation. May I remind you, my colleagues, that by proper soil conservation we get flood prevention, which means holding the raindrops where they fall, keeping the priceless topsoil on the land, keeping that soil from rushing into the tributaries and reservoirs, filling up the very flood-control projects in this very bill with silt which will in the too-near future render useless these expensive reservoirs, dams, and levees.

The last session of the Eightieth Congress authorized and appropriated over half a million dollars to be expended by the Soil Conservation Service and the Forest Service to make surveys and studies of the flood problem in the Missouri Valley and to submit a report to Congress through the Department of Agriculture. This report was submitted to the Secretary of Agriculture on March 24, last. Here is a copy of that report which carries out the authority of Congress, but, I am sorry to say that instead of this report being sent to Congress for action as Congress had directed, some one in authority in the Department of Agriculture saw fit to hold the report until all or most all other agencies of Government operating in the Missouri Valley had submitted their ideas to the Secretary of Agriculture on this question of flood control and which were all included in a later report calling for an expenditure of three billion dollars plus, over the period of 30 years as against the amount of one billion dollars plus provided in the bill which Congress had authorized in the Eightieth Congress. To date the Bureau of the Budget has refused to approve the more expensive over-all report, hence neither that report nor the properly authorized report has yet been submitted to the Public Works Committee of the House for its consideration and action. Unless the Secretary of Agriculture can be induced to send the authorized report to congress very soon it cannot possibly be adopted during this session of Congress. The Soil Conservation Service has to date designated about 25 valley-wide soil conservation and flood control projects in the Missouri Valley Basin but unless the report I have referred to receives congressional approval during this session, at least one more year of precious time will be lost during which time millions of tons more of good earth will be washed off the land to do its dirt in the streams of our valley.

I urge every Member of Congress who is interested in soil conservation, flood prevention and flood control to insist that henceforth Congress put first things first.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. Of course, I think the gentleman is absolutely right in his emphasis upon soil conservation. The best conservation would be to stop this water where it falls.

Mr. JENSEN. That is right.

Mr. WHITTINGTON. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto do now close.

Mr. FULTON. I object, Mr. Chairman.

Mr. WHITTINGTON. Mr. Chairman, I move that all debate on this amendment and all amendments thereto do now close.

Mr. FULTON. Mr. Chairman, will the gentleman withhold that temporarily? I would like to strike out the last word in order to ask some questions of the chairman on the bill.

Mr. WHITTINGTON. I will withdraw it for the moment, Mr. Chairman.

Mr. FULTON. Mr. Chairman, in the bill there is provision for the investigation of a possible canal in the Genesee and Allegheny Rivers.

Mr. WHITTINGTON. What page does the gentleman refer to?

Mr. FULTON. I do not know the page, but it is page 450 of the hearings, and it is the project that the gentleman from Pennsylvania [Mr. GAVIN] is interested in.

Mr. WHITTINGTON. I understand.

Mr. FULTON. In addition to that, there is a previous investigation, already started and tentatively approved by an Army district engineer, for the building of the Lake Erie-Ohio River Canal. Since this report the Board of Engineers

has been sitting in judgment on the final approval of the Lake Erie-Ohio River Canal. Do I understand that that investigation of the Lake Erie-Ohio River Canal will be held up pending completion of the investigation of the gentleman from Pennsylvania's [Mr. GAVIN] project, the Allegheny River-Genesee River Canal, which is an alternative route?

Mr. WHITTINGTON. My understanding is that the first project to which the gentleman referred is now pending before the Board of Rivers and Harbors. At all events, it has never been transmitted to us. My further understanding is that the examination and survey authorized in this bill will stand on its own merits.

Mr. FULTON. There are no appropriations in here to build the Lake Erie-Ohio River alternative route?

Mr. WHITTINGTON. No, sir; because this is not an appropriation bill. There is no appropriation or authorization for either route.

Mr. FULTON. Nor are there any authorizations for any part of the Lake Erie-Ohio River project.

Mr. WHITTINGTON. They are not in this bill.

Mr. FULTON. Let me ask one other question. We had a former district engineer in Pittsburgh recently by the name of Colonel Lorence, who was sitting in judgment on the Lake Erie-Ohio River Canal as to whether or not it should be built. As soon as he left the district engineers' office he turned up as a paid lobbyist of the association advocating the construction of the Lake Erie-Ohio River Canal, upon which he had just been sitting in judgment. Is there any way that an amendment could be put through on these authorization bills that would prevent these district engineers from turning lobbyists immediately after they resign, on the very things on which they have just sat in judgment?

Mr. WHITTINGTON. That is a matter for Congress to decide. It has already been done as to the Bureau of Internal Revenue.

Mr. FULTON. I do not believe there is in this bill the authorization for the work to be done on the improvement of the locks in the upper Monongahela. Is this correct?

Mr. GAVIN. It is not now in it.

Mr. WHITTINGTON. That report has not come in.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. WHITTINGTON. Mr. Chairman, I move that all debate on the bill and all amendments thereto do now close.

The motion was agreed to.

The CHAIRMAN. Under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. LYNCH, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5472) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes, pursuant to House Resolution 302, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

Mr. MARCANTONIO. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. MARCANTONIO. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read, as follows:

Mr. MARCANTONIO moves to recommit H. R. 5472 to the Committee on Public Works with instructions to report it forthwith to the House with the following amendment: After the period on line 20, page 33, insert a new section:

"SEC. 215. None of the funds authorized to be appropriated in title II of this act shall be paid to any person, firm, or corporation which denies equality in employment because of race, color, or creed."

Mr. WHITTINGTON. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The question was taken, and the Speaker announced that the noes appeared to have it.

Mr. MARCANTONIO. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and seventy-five Members are present, a quorum.

So the motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demand by Mr. EBERHARTER) there were—ayes 202, noes 1.

So the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. WHITTINGTON. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days within which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. McDaniel, its enrolling clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4177) entitled "An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1950, and for other purposes."

The message also announced that the Senate agrees to amendments of the House to Senate amendments 11, 13, 54, 63, 77, and 85 to the above entitled bill.

The message also announced that the Senate agrees to the amendments of the House to Senate amendments 46 and 74 of said bill, each with an amendment.

UNITED STATES TAX COURT

Mr. SABATH, from the Committee on Rules, reported the following privileged resolution (H. Res. 335, Rept. No. 1301), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3113) to amend title 28 of the United States Code, "Judiciary and Judicial Procedure," and incorporate therein provisions relating to the United States Tax Court, and for other purposes. That after general debate which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

AMENDING NATIONAL HOUSING ACT

Mr. SABATH, from the Committee on Rules, reported the following privileged resolution (H. Res. 336, Rept. No. 1302), which was referred to the House Calendar, and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6070) to amend the National Housing Act, as amended, and for other purposes. That after general debate which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

INTER-AMERICAN AFFAIRS ACT

Mr. KEE submitted the following conference report and statement on the bill (S. 1250) to amend the Institute of Inter-American Affairs Act, approved August 5, 1947:

CONFERENCE REPORT (H. REPT. NO. 1303)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S.

1250) to amend the Institute of Inter-American Affairs Act, approved August 5, 1947, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following: "That the Institute of Inter-American Affairs, created by Public Law 369, Eightieth Congress, shall have—

"(a) Succession until June 30, 1955; and

"(b) Authority, within the limits of funds appropriated or specific contract authorizations hereafter granted to it, to make contracts for periods not to exceed 5 years and not to extend beyond June 30, 1955, in any case.

"SEC. 2. There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums, not to exceed $35,000,000, as may from time to time be necessary to carry on the activities of the Institute during the period ending June 30, 1955, and the appropriations hereby authorized shall be in addition to appropriations pursuant to authorizations granted in Public Law 369, Eightieth Congress."

And the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title of the bill, and agree to the same.

JOHN KEE,
JAS. P. RICHARDS,
MIKE MANSFIELD,
ROBERT B. CHIPERFIELD,
DONALD L. JACKSON,
Managers on the Part of the House.

BRIEN MCMAHON,
THEODORE FRANCIS GREEN,
J. W. FULBRIGHT,
ALEXANDER WILEY,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1250) to amend the Institute of Inter-American Affairs Act, approved August 5, 1947, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The differences between the Senate version of the bill and the House version of the bill were with respect to (*a*) form, and (*b*) amount.

With respect to the form of the bill, the Senate recedes and accepts the language of the House version. With respect to the amount authorized for appropriation, the Senate version provided for $25,000,000 whereas the House version provided for $40,000,000. The conferees have agreed on a compromise figure of $35,000,000.

The view of the committee of conference was that the program of the Institute should give increasing emphasis to the opportunities offered in the field of educational cooperation.

JOHN KEE,
JAS. P. RICHARDS,
MIKE MANSFIELD,
ROBERT B. CHIPERFIELD,
DONALD L. JACKSON,
Managers on the Part of the House.

Mr. KEE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill (S. 1250) to amend the Institute of Inter-American Affairs Act, approved August 5, 1947.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, I understand this is the unanimous report of the conferees and that actually the amount is reduced by $5,000,000.

Mr. KEE. That is correct.

Mr. MARTIN of Massachusetts. That is the only change?

Mr. KEE. Yes. And the Senate agreed to the form of bill as passed by the House.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The Clerk read the conference report.

Mr. KEE. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

INDEPENDENT OFFICES APPROPRIATION BILL, 1950

Mr. THOMAS of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 4177) making appropriations for the Executive Office and sundry independent bureaus, boards, commissions, corporations, agencies and offices for the fiscal year 1950, and for other purposes, with amendments of the Senate to the amendments of the House to Senate amendments Nos. 46 and 74, and concur in the same.

The Clerk read the title of the bill.

The Clerk read the amendments of the Senate to amendments of the House to Senate amendments Nos. 46 and 74.

Senate amendment to House amendment to Senate amendment No. 46.

After "$17,500,000" insert the following: *Provided further,* That the appropriation and authority with respect to the appropriation in this paragraph shall be available from and including July 1, 1949, for the purposes provided in such appropriation and authority. All obligations incurred during the period between August 15, 1949, and the date of the enactment of this act, in anticipation of such appropriation and authority, are hereby ratified, and confirmed, if in accordance with the terms thereof.

Senate amendment to House amendment to Senate amendment No. 74.

In lieu of the House amendment to the Senate amendment insert the following: shall not, in the absence of substantial evidence to the contrary, be considered avocational or recreational when a certificate in the form of an affidavit supported by corroborating affidavits by two competent disinterested persons has been furnished by a physically qualified veteran stating that such education or training will be useful to him in connection with earning a livelihood: *Provided further,* That no part of this appropriation for education and training under title II of the Servicemen's Readjustment Act, as amended, shall be expended subsequent to the effective date of this act for subsistence allowance or for tuition, fees, or other charges in any of the following situations:

(1) For any veteran for a course in an institution which has been in operation for a period of less than 1 year immediately prior to the date of enrollment in such course unless such enrollment was prior to the date of this act.

(2) For any course of education or training for which the educational or training institution involved has no customary cost of tuition, until a fair and reasonable rate of payment for tuition, fees, or other charges for such course has been determined. In any case in which one or more contracts providing a rate or rates of tuition have been executed for two successive years, the rate established by the most recent contract shall be considered to be the customary cost of tuition notwithstanding the definition of "customary cost of tuition" as hereinafter set forth. If the Administrator finds that any institution has no customary cost of tuition he shall forthwith fix and pay or cause to be paid a fair and reasonable rate of payment for tuition, fees, and other charges for the courses offered by such institution. Any educational or training institution which is dissatisfied with a determination of a rate of payment for tuition, fees, or other charges under the foregoing provisions of this paragraph shall be entitled, upon application therefor, to a review of such determination (including the determination with respect to whether there is a customary cost of tuition) by a board to be known as the Veterans' Tuition Appeals Board consisting of three members, appointed by the Administrator for such purpose. Such board shall be subject, in respect to appointment, hearings, appeals, and all other actions and qualifications, to the provisions of sections 5 to 11, inclusive, of the Administrative Procedure Act, approved June 11, 1946, as amended. The decision of such board with respect to all matters shall constitute the final administrative determination. In no event shall the board fix a rate of payment in excess of the maximum amount allowable under the Servicemen's Readjustment Act, as amended. The term "customary cost of tuition" as employed herein and in paragraph 5, part VIII, Veterans Regulation No. 1 (a), as amended, is regarded as that charge which an educational or training institution requires a nonveteran enrollee similarly circumstanced to pay as and for tuition for a course, except that the institution (other than a nonprofit institution of higher learning) is not regarded as having a "customary cost of tuition" for the course or courses in question in the following circumstances:

(a) Where the majority of the enrollment of the educational and training institution in the course in question consists of veterans in training under Public Laws 16 and 346, Seventy-eighth Congress, as amended; and

(b) One of the following conditions prevails:

1. The institution has been established subsequent to June 22, 1944.

2. The institution, although established prior to June 22, 1944, has not been in continuous operation since that date.

3. The institution, although established prior to June 22, 1944, has subsequently increased its total tuition charges for the course to all students more than 25 percent.

4. The course (or a course of substantially the same length and character) was not provided for nonveteran students by the institution prior to June 22, 1944, although the institution itself was established before June 22, 1944: *Provided further,* That nothing in the foregoing proviso shall be construed to affect adversely any legal rights which have accrued prior to the date of enactment of this act, or to affect payments to educational

or training institutions under contracts in effect on such date.

Mr. JAVITS. Mr. Speaker, reserving the right to object, is this the appropriation that contains funds for the Office of Housing Expediter, that was the subject of consideration in the Senate today on a month to reconsider?

Mr. THOMAS of Texas. That is correct. What we are doing is moving to concur in the Senate amendment.

Mr. JAVITS. What is that amendment?

Mr. THOMAS of Texas. It simply provides that obligations incurred by the Housing Expediter between August 15 and the date of enactment of this act shall be legal and valid. In other words, it permits the Housing Expediter to incur obligations on the same basis as did the continuing resolution passed several days ago as to other agencies.

Mr. JAVITS. Is the gentleman aware of the debate which took place in the other body today, that emphasized the fact that if the work load of the Housing Expediter did not taper off as the conferees expected it would, and hence the reason for their action, it was understood generally in the debate, without any commitments, that the Housing Expediter would feel free in January, if his work load had not tapered off, to come in and seek a deficiency appropriation.

Mr. THOMAS of Texas. That is correct.

Mr. CASE of South Dakota. Reserving the right to object, Mr. Speaker, no such understanding could be binding upon the Congress. There is a necessity for concurring in this Senate amendment, if the gentleman wants the Housing Expediter to have any funds with which to function at all, because the amendment, as I understand it, proposed by the Senate provides that there shall be validated expenditures that the Expediter might make under the $17,500,000. Without this amendment he will not have any money at all.

Mr. JAVITS. Further reserving the right to object, I understand, of course, that no binding commitment can be made. Nevertheless, we are anxious to legislate for the country. All I have done is to repeat what took place in the other body, and the conception that they had as to why it was being done as it was done. There is no effort to bind anybody, and obviously, as the gentleman says, they could not.

Mr. CASE of South Dakota. The debate that took place in the Senate on Friday, running through about nine pages of the CONGRESSIONAL RECORD, shows that this question was raised then, and the last word that was said brought out the fact that, in view of the antideficiency statute, no understanding was had that would create any authority. It would be a matter for the Congress to decide. I think, if the gentleman is interested in getting some additional funds for the Housing Expediter, he ought to be willing to agree to this amendment, because without this amendment he will not have any. If additional funds are to be required they can be put into the supplemental bill which is pending there now.

Mr. JAVITS. I would hazard that this gentleman is at least as interested as the gentleman from South Dakota in getting funds for the Housing Expediter. I am just stating here, so that the record may be clear, why people like myself are concurring in the amendment at all.

Mr. CASE of South Dakota. I have no objection to that, but the record cannot show that there was any understanding or any agreement with respect to additional funds.

Mr. MULTER. Mr. Speaker, a parliamentary inquiry.

Is it not a fact that the confirmation of this conference report will in no way affect the action of the Congress if it sees fit to make an additional appropriation at a later time so that the Housing Expediter can function properly?

The SPEAKER. That is not for the Chair to determine as a parliamentary inquiry.

Mr. MARCANTONIO. Reserving the right to object, Mr. Speaker, I believe the House should concur in the Senate amendment, because there is now before us no other recourse. However, I hope that this removes from Mr. Tighe Woods the alibi he has been advancing for decontrolling and for raising rents. I have heretofore given the House facts upon which Mr. Tighe Woods should be removed. I reiterate that request. He is serving the real-estate interests, and his office is definitely operating against the best interests of the tenants of this country. Mr. Woods is an agent of the real-estate gang and it is high time that we recognize his real role.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. BENNETT of Florida. Reserving the right to object, Mr. Speaker, I am informed that the agreement changes the law as we sent it to the Senate with regard to veterans' schools. It contains a provision as to a 12-month period. Is that so?

Can the chairman of the committee advise me about that? I am told by our State superintendent of education that it is going to make a difficult situation in Florida because we do not have enough trade schools there at the present time and it will discourage the establishment of new schools.

Mr. THOMAS of Texas. That point is not in disagreement now; but, for the gentleman's information, a school that has been established for a year or longer will not be affected, and if a school has been in operation less than a year and a veteran has already enrolled in it, he is not affected.

Mr. JAVITS. Mr. Speaker, will the gentleman yield further?

Mr. THOMAS of Texas. I yield.

Mr. JAVITS. I wish to ask the gentleman whether the gentleman has inquired from the Housing Expediter whether if these amendments are accepted he does or does not intend to go through with this announced decontrol of one-third of the country?

Mr. THOMAS of Texas. Let me say to the gentleman from New York that I have not had an opportunity to talk to him about his newspaper statement. Perhaps he might be a little bit in error as to his intentions. But be that as it may, the conferees have no intention of trying to hurt rent control, and if the funds that are provided are not sufficient that can be worked out, because I know we are not trying to break up rent control. We think he can get along with this money, but if he cannot, certainly the deficiency committee will be in session and can consider his needs at a later date.

Mr. JAVITS. Does not the gentleman feel that under these circumstances any impression that has gone out that one-third of the country is to be decontrolled ought to be negated?

Mr. THOMAS of Texas. I think that perhaps was unfortunate, but Mr. Woods is a very capable man; he is quick on his feet, and he can take care of himself.

Mr. JAVITS. I thank the gentleman.

Mr. HESELTON. Mr. Chairman, will the gentleman yield?

Mr. THOMAS of Texas. I yield.

Mr. HESELTON. I would like to ask the gentleman from South Dakota if this contains an amendment also covering the matter of aviation training for veterans? It is my understanding that such action was taken, but I want to be sure we are doing what we thought we were.

Mr. CASE of South Dakota. That question is one of the matters which really is not in disagreement at the present time, for both the House and the Senate concurred in the language relating to aviation training. I may, however, say that the original Senate language was modified somewhat in conference and has now been approved by both bodies. It was modified in this respect, that when a veteran seeks to get flying training, instead of its being sufficient for him to supply two affidavits the new language requires that those affidavits be by noninterested persons so as to avoid what was thought to be an abuse where the recruiting sales agent for a flying school might supply one affidavit and some other interested party the second affidavit.

Mr. HESELTON. Then do I understand that if a veteran makes a sincere application supported by affidavits that he intends to use this as his vocation and furnishes the individual affidavits that there is a commitment upon which the Veterans' Administration must grant him the right to take that training?

Mr. CASE of South Dakota. Yes; if the man can show that he intends to use it in connection with earning a livelihood.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman from Texas yield for me to ask a question of the gentleman from South Dakota?

Mr. THOMAS of Texas. I yield.

Mrs. ROGERS of Massachusetts. Is a sufficient amount included for operation of the insurance fund?

Mr. CASE of South Dakota. The House agreed the other day in the conference report to adding something over $400,000,000 for the purpose of providing for the insurance program on the basis of the supplemental estimate. That went to the other body. That was agreed to the other day and is not now in disagreement.

Mrs. ROGERS of Massachusetts. I think they have enough money but they should get out their checks much more promptly if they would.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The amendments of the Senate to the amendments of the House to the amendments of the Senate No. 46 and No. 74 were concurred in.

A motion to reconsider was laid on the table.

Mr. BENNETT of Florida. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

PROPOSED FEPC BILL

Mr. BENNETT of Florida. Mr. Speaker, I oppose the enactment of the proposed FEPC bill. Regardless of the motivation for such a law, it will not accomplish its avowed objectives. There never has been a human being or a group of human beings with sufficient insight into the minds of men to determine whether or not unfair discrimination is present in any particular instance. Such a law would be impractical. It would be merely a source of litigation, strife, and harassment.

The South favors segregation. In the North there is apparently a desire by some people to enact laws against segregation, not only for the North but for the entire Nation. FEPC would seek to destroy segregation of the races, at least in the employment phase of social behavior. This would not improve the opportunities of colored people.

Segregation is a natural thing. Everywhere in nature we find it. The cactus and the tiger lily usually cannot even live side by side. It is manifest that there are no equal people or even approximately identical individuals, regardless of the question of race. In human nature segregation is natural. For example, young people who habitually attend Christian Endeavor meetings seldom find their usual companionships among young people constantly frequenting taverns and bars.

The laws of nature cannot be changed by human laws. Laws not first written in the souls of men, like tracings by finger tips in wet beach sands, dissolve by force of the superior laws of nature.

Aside from the impracticality of the FEPC bill, the objectives of better opportunities for all are more readily achievable in a segregated system of society. The northern approach of abolishing segregation has resulted in fewer opportunities for colored people than the southern approach of preserving segregation. This we can see from even a casual study.

Recently a colored man from the North visited the South and affirmed in widely distributed news releases that opportunities for Negroes are better in the South than they are in the North. He pointed out that Negroes could be taxicab drivers in the North but could not get franchises to run taxi companies as they could in the South.

The same can be said for opportunities in professional groups. For instance, out of every 1,000 Negroes in the South, 7 Negroes have professional jobs in education, while in the rest of the Nation the ratio is only 1 out of every 1,000 Negroes. The ratio—on a per capita population of Negroes basis—is 7 to 1 in favor of the segregated system of the South. I am told that not a single college president in the North is a Negro, while over 200 Negroes are college presidents in the South.

In the North there are today less than 100 Negroes in medical and dental schools, while in the South, in 2 segregated medical schools alone, there are 1,100 Negroes enrolled. For example, there are more Negroes from Pennsylvania in one of these southern schools than there are Pennsylvania Negroes in all of the medical schools in Pennsylvania.

In the South, where segregation in employment is practiced, Negroes traditionally do certain types of work; and if they have the desire to advance themselves they have a better chance to achieve employer status and professional types of work than they do in the North. There are Negroes in my home town who employ many other Negroes in such varied fields as construction and insurance. In my section of the country there are substantial numbers of Negro lawyers, doctors, preachers, and educators. From the observations and statistics available to me, the segregated pattern of the South seems to offer more opportunities to the colored people than the system urged by some people in the North.

There are many other objections to the contemplated FEPC bill. Besides denying the right of an employer to select agents and employees to handle his affairs it would deny the rights of employees to choose their associates in business. It would deny employees the right to bargain collectively in this field. It would deny the employer the right to hire, promote or discharge employees on the basis of efficiency or faithfulness, because the legal prohibition of discrimination could often be raised when the employer would have difficulty in explaining the intangible things which enter into a determination of confidence between employer and employee.

As the law is drawn, an employer could be compelled to pay wages to persons who had never been in his employment. The right to contract in this specific field would be abridged. The right of trial by jury is also destroyed in this field, and the employer would be required by law to give testimony against himself and to expose his private papers to public scrutiny. Employers would be subject to investigations, harrassment, fines and penalties without end.

FEPC has been considered in about a score of States. Sixteen of these States have rejected the proposal. California recently turned it down by about a million votes. Clearly, intervention in this field is against the will of the vast majority of those who have spoken on the subject.

Who then seeks such a law? There are some misled idealists who have endorsed such legislation. There are some people who think that backing such legislation would be politically helpful to themselves. Finally, there are the Communists who welcome the disunity that is inherent in the agitation for this law. They also have the most to achieve by the passage of the bill. Because of the potential expansion of such a law into attempts to control thought by law and in the further regimentation of people through socialistic bureaucracy, the Communists would make the only real gains that would come out of such an enactment.

I submit that the proposed FEPC legislation is impractical, that better means are available for helping colored people and they are now being used in the South and that the bill as drawn violates fundamental American rights and would be just another step toward statism and totalitarianism.

EXTENSION OF REMARKS

Mr. MURRAY of Wisconsin (at the request of Mr. AUGUST H. ANDRESEN) was given permission to extend his remarks and include extraneous matter.

SPECIAL ORDER VACATED

Mr. JAVITS. Mr. Speaker, I ask unanimous consent to vacate the special order that I have for today.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

EXTENSION OF REMARKS

Mr. BEALL asked and was given permission to extend his remarks in the RECORD and include an editorial from the Baltimore Sun.

Mrs. ROGERS of Massachusetts asked and was given permission to extend her remarks in the RECORD and to include an editorial from the Lowell Sun regarding a bill that she introduced to create a Department of Psychological Warfare, and to include an editorial appearing in the Boston Advertiser of last Sunday.

Mr. DOYLE asked and was given permission to revise and extend the remarks he made in Committee today and include appropriate material.

Mr. MULTER asked and was given permission to extend his remarks in the RECORD in three instances and include extraneous matter.

Mr. BURKE asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article from the UAW-CIO Ammunition, also copy of two resolutions adopted by the UAW convention on housing.

Mr. JUDD asked and was given permission to extend his remarks in the RECORD in three instances, in each to include extraneous material.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in connection with a special order I have and to include certain statements and excerpts.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PUBLIC SWIMMING POOLS IN THE CITY OF WASHINGTON, D. C.

Mr. YATES. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. YATES. Mr. Speaker, during the past few months I have followed closely the efforts of the Department of the Interior to improve the unjust situation prevailing in the City of Washington over the use of public swimming pools. During these same months I have heard on two occasions the actions of Secretary Krug labeled as purely vote-getting and as a hollow gesture aimed at corralling the Negro support for this administration.

The effort by the Secretary to attain a reasonable and honorable answer to this pressing problem by engaging a specialist in the field, Dr. Joseph Lohman, professor of sociology at the University of Chicago, has met with ridicule on the part of certain Members of the House. I resent very much the easy manner in which they tagged him as subversive and left-winger, without any foundation in fact but solely because they believed the use of such labels would serve their purposes.

I am a graduate of the University of Chicago. I take great pride in its accomplishments and the great social work which members of its faculty are doing in their attempt to work through difficult problems of human rights.

Dr. Lohman did a similar job for us in the city of Chicago during two city administrations as counsel to the mayor's committee on human relations. He conducted a course of instruction for the metropolitan police in Chicago and for the Chicago park district police. In connection with his work on race relations for the city of Chicago he has written a manual for the use of the police department in dealing with riots and race brawls, which if unchecked often result in loss of life. Dr. Lohman has also been called in as a consultant by the cities of St. Paul, Milwaukee, Denver, Louisville, and Gary, Ind.

The charges of left-winger and subversive are unfounded and irresponsible when made against this valuable public servant. Dr. Lohman is the first to recognize the nuisance tactics of the Communists in any racial difficulties and is a better equipped individual to combat them, by recognizing real Communist tactics, than are his uninformed critics.

Secretary Krug engaged Dr. Lohman as a mechanic in a difficult operation and not as a policy maker. His lectures to the police are confined to methods of dealing with race problems, avoiding riots, recognizing troublesome elements and means employed in avoiding damaging incidents. I wish to commend the Secretary for his wise use of such talent in handling this problem so vital to peace and democracy here in the Nation's Captal.

Tax-supported recreational facilities must be made available to those same people whose taxes have built them. We must work for that day when we can afford all of our citizens equality in work and in play. I believe that the actions of the Secretary of the Interior and his Department are steps in that direction.

The SPEAKER. Under previous order of the House, the gentleman from Nebraska [Mr. MILLER] is recognized for 20 minutes.

SOCIALIZED MEDICINE: WHAT IS IT?

Mr. MILLER of Nebraska. Mr. Speaker, there is some agitation in this country for compulsory health insurance which stems from the President and his busy little group of planners who are determined to make the United States a welfare state.

Compulsory health insurance is socialized medicine pure and simple and it would mean nationalizing the health services of the country.

Compulsory health insurance is political distribution of the health services. It is an old nostrum done up to look like an attractive package. It would put Federal Government bureaucrats and all of their bungling inefficiency into the sick rooms and the hospitals of the Nation.

The same groups who are nationalizing the basic industries of Great Britain into ruin are also behind the efforts to nationalize medical administration. They advance their program in America under the name of compulsory national health insurance. The word "compulsory" is the warning signal to Americans. Compulsion, meaning you must, is the trademark of the police state, the final flower of state socialism. The health insurance bill proposed by the President says nothing about compulsion, but read the bill and you will find the word "compulsion" written all over it in big, black letters.

Let me quote a statement by Lenin, the creator of the police state. He said:

Socialized medicine is the keystone of the arch of the socialistic state.

The sponsors of the compulsory health plan estimate that it will cost $5,600,000,000 a year. Others say it would go as high as 18 billion dollars annually. This, they say, would be the cost for medical and hospital insurance, for nursing care and dental services. A tax levy of from 3 to 10 percent would be made on every salary check up to $4,800, half to be paid by the wage earner and half by the employer.

Farmers and other self-employed persons would have to pay the full amount. The bill fails to give adequate health protection to those who have no earning capacity. These people would certainly be at the mercy of a political machine.

Under the administration bill no one is exempt from these compulsory health insurance taxes whether he or she is a veteran and entitled to some medical services automatically, whether he or she is covered by a group or a voluntary medical plan.

The cost of administering a compulsory health plan would be enormous. It would mean the creation of another gigantic Government agency which would have regional administrators in every city, town and village, to be appointed like a postmaster. These local czars, appointed from far-away Washington, would function much like OPA directors did during the war. Thus it would be impossible to keep politics out of the medical care system. Inevitably private information on a patient's health would become public records available for the scrutiny of the type of politician who hangs around the courthouse.

Socialized medicine would mean a political pill mill, with the good jobs going to the loyal party henchmen. Remember the witness at the investigation of the 5-percenters who quoted General Vaughan as saying: "We must take care of our friends." The medical field would be a fertile one for the corrupt Pendergast politics. Everyone connected with the plan, from the doctor on down, would be on the Government pay roll.

In every modern nation which has tried socialized medicine the costs have far exceeded the taxes collected and the quality of medical care has declined. Socialized medicine has been tried in Germany, Russia, Austria, France, and England, and some smaller countries. In Germany we find that it took 1 clerk for every 100 persons insured. Just think of the number of clerks, administrators, and auditors who would go on the pay roll if such a scheme was put into effect.

In England—where socialized medicine has been in force for only 1 year—many of their physicians are pulling out of the medical socialization program. They withdrew on the ground that they cannot find time to treat their patients properly after executing all the paper work necessary under the Government red tape. The British plan has gone $200,000,000 in the red in the past 9 months. Here in the United States the public has always expected and received high-quality medical and hospital care. The type of service being rendered in England would not be satisfactory to the public, the physician, or the taxpayers.

It seems ironic that the United States with its outstanding leadership in medical and health affairs should even consider adopting a European system unsuccessful from start to finish.

We all know that America today enjoys the highest standards of medical care in the world. In relation to our total population we have more doctors, dentists, nurses, and hospital technicians than any other nation. We have more hospital beds than any other nation. Our hospital equipment and laboratory machinery is the finest in the world. The type of research carried on in this country has no equal in any part of the world. It will continue to progress if unhampered by Government regulation.

Today there are some 60,000,000 Americans participating in various voluntary medical-care plans. In addition to this there are industrial, fraternal, and labor health plans, and private-group clinics. There are approximately 100 nonprofit, prepaid medical-care plans operating in the United States. The people participating in these plans buy as much protection as they wish to pay for. They have written contracts telling them exactly what they are entitled to receive for their

voluntary insurance payments. Prepaid voluntary insurance plans have been growing rapidly. This is the traditional American way of thrift and honest acceptance of responsibility for one's family. Our Socialist planners would wipe out all this great advance toward solvent prepayment medical insurance.

Advocates of this compulsory health plan allege that 325,000 persons die needlessly every year. They ignore the fact that most of these people do not die because of the lack of the best medical care in the world but in spite of it.

Every physician has seen many people die of conditions that are easily curable in others and are at a loss to explain why they did not respond to treatment that proved effective in other cases.

They do not tell you that 40,000 died of accidents which any form of health insurance could not prevent. Nor did they say that 120,000 died of communicable diseases, although this cause of death is being reduced every year by the outstanding accomplishments of American medicine.

They fail to mention that 115,000 deaths were due to cancer and heart disease, both in the main afflictions of old age.

They make a point of the great number of draft rejections during the war. But they fail to mention that rejections were made for illiteracy, mental deficiency, venereal disease, defective vision, amputations, heart ailments, color blindness, asthma, and deafness. I wish to point out here that the treatment of the mental deficiencies has been under the care of the Government for many years, and yet half the hospital beds of the United States are occupied by those who are mentally ill.

Dr. Leonard Rowntree, medical director of selective service, has said that only 6 percent of all men examined had defects that might have been cured by medical treatment. The Brookings Institution—an impartial research organization—says that the draft-rejection figures "are wholly unreliable as a measure of the health of the Nation."

After reading the proposed 87-page bill which would set up compulsory health insurance one can hardly call the plan health insurance. It is dishonest and unfair to even term it insurance. The benefits are neither specified nor guaranteed. Certain services are evasively promised in typical language. We find such phrases as "Insofar as possible" and "When facilities permit." These are the universal tricks of administrative discretion. Now I ask, when you take out life insurance, or a health policy, do you find such reservations? Of course not.

Here is another alarming and significant fact. The legislation proposing to set up the compulsory health program does not require that the head of the proposed service even be a physician. The Federal Security Administrator would be the chief of the medical agency. A man with no medical knowledge would be in charge of all the medical funds and would be the director of every medical service in the country. Your health would be in the hands of a politician.

I know that we all believe that when an American citizen is ill he or she is entitled to consult a doctor of medicine and not a doctor of political philosophy or a Fair Deal doctor of civil administration.

The essence of bureaucratic administration is remote control. Under such Government control all the hospitals and medical schools, those vital institutions of public service, soon would show a steady deterioration in every aspect of their services.

Every doctor, every dentist, and every nurse would be on the Federal pay roll, forever obligated to the daily grist of rules, regulations and executive orders promulgated by a planner sitting in a plush swivel chair in Washington. When the doctor, dentist, hospital, druggist, and nurse receive their pay from the Government they become civil servants following orders with a diminishing interest in those who are ill.

Nobody would be authorized to consult a specialist in any field of medicine without prior approval of the politically appointed regional medical commissar. Under socialized medicine in England the records show that some patients now get as little as 2½ minutes of the doctor's personal time on every call. Do you think the American people are going to stand for that? I do not.

Russia has had socialized medicine of one kind or another for more than 30 years. The Communist Party line in the United States demands socialized medicine for this country. At the Sixteenth Communist Congress in Moscow, compulsory health insurance was advocated as a permanent part of the world-wide Communist program.

And on September 29, 1947, a special committee of the House of Representatives reported on the Communist propaganda drive for socialized medicine in the United States. Here is what that report said:

> Suffice it at this time to report our firm conclusion that American communism hold this program (socialized medicine) as a cardinal point of its objectives; and that, in some instances, known Communists and fellow-travelers are at work diligently within the Federal agencies and with Federal funds, in furtherance of the Moscow Party line in this regard.

So now we know just who is fighting to put over this compulsory health insurance, the Fair Dealers and star-gazing planners, the Communists, the fellow travelers, the pinks and the left-wingers. All united to change the American way of life in every segment of its wonderful and successful operation.

Now that we know just who is back of this radical plan to foist a festering old-world born plan of health regimentation on the American people let us take a look at some of those who oppose it. Included are:

The General Federation of Women's Clubs, with 5,000,000 members; the American Legion; the American Farm Bureau; the American Bar Association; the United States Chamber of Commerce; the Association of Small Businessmen; the National Grange; the DAR; the American Legion Auxiliary; nearly all the service clubs of the Nation; the National Catholic Welfare Conference; Protestant, Catholic, and other hospital groups; at least 40 of the present State governors and hundreds of organizations interested in public welfare. They do not wish to trade the American medical system for the wasteful, inefficient, and corrupt record that politically controlled medicine has made wherever it has been tried.

America today enjoys better health than the people of any other country on the face of the globe. The average span of life in the United States has increased from 49 years in 1900 to 67 years in 1948. Our mortality rate established an all time low in 1948, less than 10 for each 1,000 population. We are blessed with more resources for scientific research than any other nation. Up to date we have enjoyed a freedom which has kept the medical profession and scientific development unfettered by political machines and their handcuffs.

Now I ask, why change all this, why toss overboard the American health way in favor of a foreign plan with its record of consistent failure in every country it has been tried?

I am going to be told that the compulsory health insurance scheme is not socialized medicine. I say it is. It is because the Government proposes to collect the tax, control the money, determine the services, maintain the records, and lay down the regulations for the patient and the doctor to participate in the program. The Government would control not only the medical and dental professions but all the hospitals, clinics, nursing and all allied professions.

When the Government dominates the medical affairs of every citizen from the Central Government in Washington down to the grass roots, then it is socialism and I challenge any one to honestly call it anything else.

If the Government can nationalize doctors, why not lawyers, miners, businessmen and farmers? This compulsory health plan is a dangerous scheme. It is my considered judgment that to accept socialized medicine is a final surrender of the liberties and freedom of the people.

If you take this step there will be no turning back, no matter how great the confusion, the lack of satisfactory treatment and the bitter disappointment that would be sure to come.

There is no doubt but what there are some deficiencies in our present medical-care program. But they are being corrected daily. Certainly compulsory medicine would have deficiencies and just as certainly that is not the answer to any existing problems.

The primary responsibility in the field of health and welfare should rest with the Government at local levels. The Constitution does not direct a grant of power to the Federal Government to deal with these questions. In the welfare state the Government undertakes to supply all the wants of the people. Indeed the Government becomes your master and not your servant. I have often wondered just how long the people of the United States could live their lives as

they see fit under the moderate restraints of the Constitution, or are we to accept the alien notion that the Government knows best and you as a citizen have no rights the Government needs to respect. The Government cannot commence to efficiently control the spending of funds, regulate the methods, and give the day-to-day administration of the health activities in the States and the counties.

Compulsory health insurance would make an assembly line of medical care. It might be fine for automobile production but it is scarcely the way to tend to the health of our people. Government control of medicine with its consequent OPA means of operation would find the fingers of the Nation's doctors covered with ink instead of iodine.

No, socialized medicine is not for America. I am for Government aid and assistance to the States in the fields of preventive medicine. The Federal Government can properly assist the States in building public hospitals and health centers. The Central Government could also give assistance to worthy medical, dental, and nursing students, but the administration should be under the control of the States and local communities. The Government is already active in the field of research, providing funds for research, in cancer, heart disease, tuberculosis, poliomyelitis, and many other diseases affecting humanity. This is good. It is in the field of preventive medicine. It is entirely different from entering the field of treatment and regimenting every one from the cradle to the grave.

I have told you just who the people are that want to put over compulsory health insurance in the United States. Their objective is statism. We had a warning the other day from a great American—Herbert Hoover—that the Nation is on the last mile to collectivism. Socialized medicine, I tell you, is a long leap down that last mile.

I say to you again that socialized medicine is political medicine. It would regiment not only the medical profession but would regiment the sick and the suffering. It would force the patient into a mechanical goose step automatically following the tune being placed in Washington. It is not for America.

The SPEAKER. Under previous order of the House, the gentleman from Illinois [Mr. VURSELL] is recognized for 30 minutes.

RECIPROCAL TRADE AGREEMENTS

Mr. VURSELL. Mr. Speaker, today I want to discuss and point out the damage the so-called reciprocal-trade agreements are having on agriculture and the laboring men and women of the Nation.

First, let me point out "reciprocal" was written into the trade agreements when they were enacted in 1935 as a sugar-coated covering to make them more acceptable to the people. In fact, there has been no reciprocity or advantage coming to the people under these treaties.

I am not opposed to, but want to see the greatest possible trade between our Nation and the other nations of the world. I want to encourage imports that we need, and am willing to accept as much as we can take of competitive imports, but not to the extent of destroying our home market. We can bring about this result by fixing proper import duties, and encourage world trade as we did before these trade treaties were enacted, yet give proper protection to our own people.

Since 1935 we have entered into trade agreements with 41 nations and in a majority of instances we have lowered the import or tariff duties on most goods from those nations coming into the United States. Today we generally have the lowest import duties in the world compared with other nations.

Prior to the trade treaties a scientific Tariff Commission composed of able men worked constantly to determine how low, or how high, tariff import duties should be set, to provide for the expansion of agriculture and business so that production would go forward and labor might be steadily employed.

This Nation, during the past 50 years, operating under such a policy was builded into the most powerful nation in the world. The South, having little industrial development, being the most powerful element in the Democratic Party, consistently called for free trade. The Republican Party, largely representing the North and the industrial sections, supported the policy of collecting a protective duty on imported goods.

In 1935, the Democratic Party in power, established the free-trade policy by enacting reciprocal trade agreements. Since that time import duties have been constantly lowered.

Mr. Speaker, the protective tariff policy on imports simply means that we try to preserve the American market for the American people, the farmers and the laboring people, and to give the American laboring men and women an opportunity to have a job producing the goods the American people buy.

Let me explain import duties by using shoes for example. When we reduced import or tariff duties on shoes, by 1937 so many million pairs of shoes came in from Czechoslovakia and other countries where laborers in those countries were paid less than a dollar a day, that over 50 percent of the men and women working in the shoe factories of America were out of a job. This happened because foreign imported shoes could be sold here at retail for less than our higher paid workers could make them. Millions of shoe workers throughout the Nation were idle. A like condition showed up in many other industrial lines throwing millions of people out of work.

Mr. Speaker, now had the scientific Tariff Commission been allowed to fix the duties at our shores on imported goods, such duties would have been raised to a point where imported goods and products of every kind coming into this country would have been assessed a tariff or import duty equal to the cost of production in this country, whether it be agricultural or manufactured products. The duties collected at the ports of entry which ran into billions of dollars in the past, would have gone into the United States Treasury to help pay the cost of operating our Government. We must return to such a policy in the interest of all of our people.

The power to fix the level of import duties under the present trade agreements has been taken away from the scientific Tariff Commission and the able men who have constantly studied the economy of the Nation for years, and has been placed under the State Department whose business has been international diplomacy. In other words, the State Department which knows little or nothing of the economy of our country and which has been infiltrated with left-wingers, fellow travelers, and at times Communists, is today the tariff-making power, or should I say, the tariff-destroying power. They say these treaties should be used as an arm to strengthen their policy of international diplomacy. The present administration takes the same position.

Tariffs or import duties which saved the American market throughout the past for the American laboring man and the American farmer is no longer used by the State Department to protect them.

A year ago the State Department and the administration, after having given to foreign countries over $15,000,000,000 since the war, put through the Congress the Marshall plan to give to western European nations $17,000,000,000 more over a 4-year period to build these European countries up to a point where they would again become powerful manufacturing nations, and to increase their agricultural production so that they might export to this country and other nations their greater production of goods and agricultural products.

The State Department continues to lower our import duties which is giving away our market to these foreign countries, and is displacing millions of laboring men of the farms and factories of the United States. The State Department argues that if we lower our tariffs making a market for their exported goods it will keep them more friendly to our country. That is their idea of using their tariff-reducing power as an arm of diplomacy. Their policy in fact exports the jobs and work, which rightfully belong to our workers.

Mr. Speaker, since these free-trade agreements were enacted, import duties on goods coming into this country have been constantly reduced. The bill now before the Senate gives the President and the State Department the power to further reduce them up to 75 percent.

When the Trade Treaties Act was extended by the Eightieth Republican Congress for 1 year, we wrote what is termed "peril points" into the bill. Peril points in the bill provided that import duties could not be set at a point so low that a business in this country could be destroyed with a flood of imports. In the bill now before the Senate the administration forces, when it was considered in the House, took out this peril-point protection for a United States business and the administration forces will probably leave it out in the Senate.

This shows you how far the administration is willing to go in allowing import goods to come into this country destroying the business and jobs of the men it employs.

The result of these free-trade treaties will be to drag down the present high

standard of living of our people more nearly to the low standard of living of the other countries of the world.

The laboring man is being hit quicker and harder in the loss of his opportunity to have a job than is agriculture. Labor will find out within the next few years that while this administration has boasted of its great friendship for the workingman, that it has pulled the rug out from under him with this free-trade policy; that it has taken the opportunity to work and manufacture the products away from him because they will be shipped in from low-wage foreign countries. He will find that high wages will do him no good, when this administration has taken his job away from him and given it to a worker in a foreign country.

FARMERS FEEL THE EFFECT

The farmer is, and will be, harder hit by these treaties. Let me give you, for example, the effect of reciprocal trade treaties on the sheep and wool industry to date in this country.

Since these reciprocal trade treaties were passed, the sheep population has gone down from 56,000,000 head to 31,000,000 sheep January 1, 1949. This makes lamb chops higher to the consumer. We have less sheep in this country today than we had 50 years ago. At the Geneva Conference on Trade Agreements in 1947, import duties or tariff on wool were further reduced by 50 percent.

Here are the results to date of the reduction of duties on wool. We produced in this country 309,398,000 pounds of wool in 1947. We imported that same year 640,240,000 pounds. In 1948 our production dropped to 280,524,000 pounds, but imports were upped to 757,086,000 pounds. Now we support wool at 42 cents a pound. Instead of increasing the duty or tariff, this administration is using a subsidy to support the price for wool. Consumers and everyone pay higher taxes for these subsidies. No wonder the sheep population and likewise wool production keeps going down as imports from other countries into this country keep going up. This policy will destroy profitable production of wool, mutton, lamb, and the sheep industry of the Nation. If import duties were collected on excess imports, millions would be paid into the Treasury as in former years under our protective tariff system, rather than taken out of the pockets of our people in higher taxes.

By supporting the price at 42 cents the importers and speculators who buy wool from other countries as cheaply as they can, get the benefit of our support price. The people are more heavily taxed, the prices of wool fabrics remain high, and foreign countries reap the benefit of higher prices at our expense.

Mr. Speaker, let me give you an example which affects the consumers of which this administration, for political effect, has talked so much about protecting. While this Government was supporting the price of potatoes during the past year at an expense of $225,000,000, there was imported from Canada over 6,000,000 bushels of potatoes. It cost this Government over $3,000,000 to subsidize these imported Canadian potatoes. Had we not reduced the tariffs or import duties, the Government would have been saved this expense.

HOW ABOUT HONEY?

It is important to the fruit growers that the proper amount of honeybees are continued in this country because they pollenize fruit trees during the blooming season and make possible the production of fruits of various kinds. In addition, the production of honey is also important as a food.

Import duties on honey were reduced to 1.2 cents a pound in 1939 and again they were reduced to 1 cent per pound in 1947 at the Geneva Conference. Since that time United States honey has dropped from 22 cents a pound to 14 cents a pound.

Imports during this time have increased to 36,000,000 pounds per year which broke the price of honey down to 14 cents. Last week in order to encourage honey production which means greater bee production so necessary to horticulture, clover seed, and so forth, the Congress passed legislation to support the price of honey at 90 percent of parity which will increase the price and maintain proper bee production.

Had the import duties been kept at proper levels the Government would have received the tariff duties on honey as on potatoes and every other imported product running into millions of dollars a year, and it would not be necessary in many instances to pass legislation to support the price of honey or other agriculture products.

Since these trade treaties lowering our tariff or import duties went into effect in 1936, agricultural imports coming into the United States have jumped from $1,072,000,000 to $3,150,000,000 in 1948, an increase of over 100 percent. During most of this time, we have had a surplus of agriculture products and have tried to hold the price to the farmers up to 90 percent of parity. Had we been collecting proper import duties, less agricultural imports would have come into this country, millions of dollars would have been collected on the imports that did come in, and millions of dollars would have been saved to our people in taxes necessarily used in support prices.

LIVESTOCK IMPORTED

Mr. Speaker, during the present fiscal year seven times as much live cattle came into this country, and three times as much processed meat as came in the previous year. This year over a billion pounds of beef on the hoof was imported. This because practically all import or tariff duties on cattle have been wiped out.

It is evident that we cannot continue to keep farm prices at a level that will keep the farmer reasonably prosperous and keep up farm-support prices, when we give the farmers' market here at home away to the countries of the world by allowing them to flood this Nation with unlimited agricultural and livestock products.

If we are going to guarantee a parity price to the farmer, we must also apply parity to imports.

We must limit agricultural imports by imposing import tariff duties, or we will be compelled to abandon our agricultural programs, lowering the standard of living of the farmers of this Nation to nearer the low standard of living of foreign nations.

If the farmer is struck this blow, prosperity will vanish, and the standard of living of all of the American people, including the workers, will be greatly reduced.

Let me give you another illustration. China and other countries for years have furnished most of the tung oil used in paint, varnishes, and so forth. Our Government decided to encourage the growth of tung-nut trees in the favorable climate of Louisiana and adjoining States. Considerable progress has been made. We now produce 16,000,000 pounds a year. There is no tariff or import duties on tung oil.

During the past year imports on tung oil into the United States rose to 133,000,000 pounds. Tung-oil producers in the United States found their market had dropped to the point where their orchards would have to be destroyed because of this import competition in low-wage countries unless they get relief. This Eighty-first Congress passed a bill last week to support tung oil at 90 percent of parity, which will raise its price to about 25 cents a pound. In other words, again we failed to raise our import duties. Instead, we go into the pockets of our taxpayers to protect this American industry from destruction.

These are but a few of hundreds of illustrations that could be given if time would permit.

HOW FREE TRADE AFFECTS LABOR

Mr. Speaker, I want to give a few illustrations showing how present free-trade policies are taking jobs away from the American working men and women and what may be expected in the future. For many years, when this country was being builded into an industrial Nation, it was the policy of the Republicans and most of the Democrats from the North to support a tariff on imports designed to equal the difference in the cost of production of foreign-made goods, and goods made in the United States.

For instance, let us say it cost $1 at low-wage standards in a foreign country to produce and deliver an article to our shores, which, because of higher wages paid to the American workmen, it would cost $1.25 to produce it here. Those of us who oppose free trade which would allow this article to come in without a tariff-import duty which would be sold in our markets in great quantities because it cost 25 cents less, say that 25 cents should be collected at the port of entry in order to prevent this unfair competition, and to preserve the American labor market for the American worker.

Such a tariff import duty would help to hold back the volume of imports, help to keep more American workers employed and the Government would collect millions of dollars on the imports that would come in. That explains the difference between a free trade policy and a protective tariff policy.

OIL WORKERS ARE LOSING THEIR JOBS

Mr. Speaker, let me briefly illustrate what these trade agreements are doing to the oil workers and oil producers. The tariff duty on crude oil per barrel in 1932 was 21 cents. Under these trade agreements there have been three reductions in crude oil, gasoline, and all other oil imports amounting to approximately 50 percent. The results are that 700,000 barrels of crude oil are imported into the United States daily, that our own production has been cut back 600,000 barrels a day with the result that 20 percent of the oil-drilling rigs of the Nation are standing in the yards idle, and 20 percent of those engaged in producing oil are out of a job. Thousands of others servicing oil production have also lost their jobs for the same reason.

In June 1949 there were 1,000 less oil-drilling rigs in operation than in June of last year. In southern Illinois 25 percent of the oil workers are idle.

It is estimated that over 50,000 people in the entire oil industry have been made jobless because of the importation of 700,000 barrels of oil a day from foreign countries.

At a recent hearing before a House Small Business Committee in Dallas, Tex., a representative of the Oil Workers International Union, CIO, testified that from July, 1948 to February this year 7,000 people lost their jobs in crude and natural gas production in that area.

Mr. Speaker, independent refineries have been forced to discontinue operation because of competition of low-cost foreign oil and this again has thrown thousands of workers out of jobs.

Recently Carl Mattern, representing the Oil Workers Union appeared before a group of independent oil men in Washington, D. C., and stated that some oil companies in the Southwest were laying off up to 20 percent of their employees.

Had the import duties remained at 21 cents instead of being cut to 10½ cents per barrel on oil, only a part of the 700,000 barrels per day would have come in. On what did come in the Government would have collected 21 cents. Oil workers would not have been thrown out of their jobs. The Government would have collected taxes on their wages and on the producers' volume of business to help defray its expenses.

FREE TRADE PUTS WORKS ON DOLE

Those oil workers who cannot get jobs in other industries must go on unemployment compensation and the Government pays them only a pittance out of the Treasury.

To show you how expensive this is to the Government I quote the following figures furnished me this week by the Federal Security Administration.

They inform me that during the first 6 months of this year they have paid out $800,000,000 in unemployment compensation. That they expect it to run that much during the second 6 months which will amount to a total of $1,600,000,000 for 1949. This does not cover certain benefits under the G. I. bill of rights and the 12 months compensation provided for service men under what some call the 52-20 club. In all, it will run $2,000,000,000 for the year 1949.

It certainly does not make sense to bring about a condition through this free trade policy that lowers business productivity in our country with a loss of the taxes on such activities so much needed; that takes the jobs away from these high-paid and efficient laboring men and forces them to seek other jobs or go on a Government dole of $24 a week.

THOUSANDS OF WATCHMAKERS LOSE JOBS

Mr. Speaker, the trade treaties operated under the State Department during the past few years has allowed such a flood of millions of watches mostly made in Switzerland to come into this country that it has driven out of business all but three big watch manufacturing concerns and the old Waltham Watch Co., with the fine reputation built up for the past 50 years, has been driven into bankruptcy with 2,300 of its watch workers losing their jobs.

Watch workers throughout the United States have been growing less in numbers each year as factories were driven out of business with the result that over 8,000 mechanics formerly employed in the watchmakers business have gone into other trades since the reciprocal trade treaties were adopted.

Let me quote from the testimony of Walter W. Cenerazzo, national president, American National Watch Workers Union, Waltham, Mass., when he appeared last January before the Ways and Means Committee. I quote:

> The American jeweled watch industry is in dire straits because it has no opportunity to compete with the Swiss on a fair and equal basis. Today as I appear before you 2,300 employees of the Waltham Watch Co. are unemployed. The problem of the American jeweled watch industry is simple. It is a matter of competitive factors.
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> The Swiss watch importer buys the uncased watch movement in Switzerland at a cost of $6.50 for these movements. This figure is furnished by the Department of Commerce. Add to this the general average import duty of $2.10 per watch and you have $8.60, the total cost of the movement. The lowest cost of any jeweled watch movement made by the American workers is $13. Many cost much more. This gives imported Swiss watches a minimum advantage of $4.40 per unit that the Swiss watch has over the American jewel watch manufacturers.

Further quoting from Mr. Cenerazzo's testimony, he says:

> The largest Swiss watch importer in the United States, the Bulova Watch Co., in the year ending March 15, 1947, sold in the United States approximately 3,000,000 watches. Its gross sales totaled $38,000,000; its net profit after spending more money for advertising than any other concern in America and after taxes, showed a net of $3,800,000.

When you take into consideration that all these 3,000,000 watches made in Switzerland came into the American market at a cost production, because of lower wages in Switzerland of $4.40 less than a comparable American watch can be made by an American workman, you can understand why these low import duties are taking jobs away from the American workers because of this unfair competition.

If you multiply 3,000,000 Bulova watches by the $4.40 import advantage, they get a $13,200,000 advantage over the American watchmaker. That is the reason Bulova spent more money advertising last year than General Electric, Ford, or any business organization in the United States. They had a $13,200,000 advertising fund, so to speak, given them by the State Department in setting their import duties so low.

Mr. Speaker, throughout the past number of years you constantly hear the Bulova watch advertised. Remember in the future when you hear the Bulova watch or other Swiss watches advertised over the radio, that such advertisement and sales of these foreign products are driving thousands of American watch workers out of employment. That many of them are losing their homes and an opportunity to give their children the proper education. That more of them will lose their jobs and an opportunity to make a living because of these trade treaties that have wrecked every big watch manufacturing concern in the United States with the exception of three.

I have referred to only one Swiss watch organization, the Bulova. There are the Gruen, Benrus and many others. The total importation of watch movements into the United States in 1948 was 8,500,000. If you multiply this by the $4.40 advantage they get on every watch because of the lower wages paid in Switzerland as against the high wages paid the American watch workers, you will note that the Swiss importers by reason of this low import duty start off in the competitive field in our American market with an advantage of $37,400,000.

Mr. Speaker, to show you how devastating this low tariff on watches has been to the watch industry here in America, you will be amazed to know that these foreign Swiss companies are supplying 80 percent of the market in the United States. They have such an advantage by reason of this low tariff that the American watch companies and the American watch workers have lost all of their market in the United States but 20 percent of it. The State Department gave the American watch producers and the watch workers market away.

The effect these trade treaties have had on the watch industry, as administered by the State Department, can best be proved by the following startling statistics:

Swiss watch imports into the United States in 1934, the last year before the trade treaties became effective, were only 831,000. Swiss watch imports for the year 1948 under these trade treaties have increased to the tremendous volume of 8,500,000.

I have given only one of a few illustrations of the damaging effect of the administration of these trade treaties under the State Department. Thousands of pottery, china, and glass workers throughout Ohio, West Virginia, and other States are losing their job opportunities because of the effect of these trade treaties. While the American worker engaged in the manufacture of china, pottery, and glassware received a wage of $1.30 an hour in 1948, through these low import duties items are coming into our country in increased amounts made in England where the wage scale in 1948 for the production of these articles

was 43 cents an hour, in Belgium 31 cents an hour, in Germany 30 cents an hour, in France 26 cents an hour, in Italy 25 cents an hour, in Czechoslovakia 22 cents an hour, and in Japan 9 cents an hour. You can see from these figures how impossible it is for the American manufacturer or American worker in these lines to compete with these foreign imported goods made at the low wage level in these foreign countries.

You can also understand why we must provide more adequate duties or drive the laboring men in these industries out of jobs into other work if they can find it, or on to the unemployment dole of $24 a week.

Thousands of men and women in other lines of employment are likewise losing their jobs. The effect is only beginning to show up. Imports have been held back 5 years during the war. The effect of these trade treaties against the economy of our country, the farmers and the workingmen will become progressively worse in the years just ahead because there is little protection under the present trade treaties set up for the American workman and the American farmer.

The present trade treaties will prove how worthless they are, and how damaging they are to the Nation in the years of peace we hope are ahead.

While our Government continues to lower its tariff or import duties, European governments and others, while agreeing with us in some instances to lower their import duties, nullify their concessions by the use of an import license. They require their importers to take out a license and clear all imports with the head of the state. The state authority in most instances refuses to allow the importer to bring in goods that are competitive in their markets. They also resort to quota, exchange control, barters, and state trading.

For instance, England, within the past few months has violated nearly every stipulation in the trade treaties made with her. She has put an embargo against most of the United States imports coming into that country. She has made barter agreements with Argentina of vast scope, with Spain for over $300,000,000 of trade, and with other sterling-area countries. In fact, her barter agreement with Argentina not only takes most of our trade that otherwise would go to England, but takes the Argentina market for American exports.

Mr. Speaker, we must get back to the establishment of import duties that will be fair to the American people, and that will encourage the freest possible flow of world goods between nations. We can never develop agreements that are fair to the American people unless we take the power to fix import duties away from the State Department and return it to the scientific Tariff Commission. None of us wants to go back to where tariff import duties are set on the floor of Congress, but we do want this power returned to the scientific Tariff Commission, and enlarge its staff and powers if necessary so that it can determine how high or how low import duties should be set in dealing with foreign nations.

If such a scientific Tariff Commission were given the power to fix such duties, the interest of our Nation and the world, so far as trade and commerce is concerned, would be best served.

OUR RESPONSIBILITY TO LABOR

Mr. Speaker, it is our responsibility and duty to try to keep 56,000,000 workers supplied with jobs here at home. We cannot keep them employed if we allow an unlimited flood of manufactured goods to be shipped into this country, made by low-wage foreign workers in other countries. Labor must soon make a decision as to whether it will support an administration that is, and will continue to give their jobs away to foreign countries, or whether it will turn to a party that believes in preserving the labor market in this Nation through adequate import duties for the American laboring men and women.

Unless the present policy is changed, and more adequate duties are established, many more millions of laboring men and women will be added to the over 4,000,000 now unemployed.

Let me quote again from the testimony of Walter W. Cenerazzo, national president, American National Watch Workers Union. I quote:

> When you look back at the debates since the days of Andrew Jackson on the tariff issue between the protectionists and free traders, one can not help but realize that the free trader is one who is an idealist, or an importer. The importer is he who gains, by taking a product made much cheaper and selling it on the American market making a far greater profit than if he produced the product in the United States.
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> The Reciprocal Trade program is the idealist without a plan of operation to make it work. The present Reciprocal Trade Act does not furnish the plan by which world commerce can be helped and American industry and American workmen given due consideration.

The SPEAKER. Under previous order of the House the gentleman from New York [Mr. MULTER] is recognized for 20 minutes.

EXCISE TAXES AND XMAS

Mr. MULTER. Mr. Speaker, I take this time to call attention to the fact that we have 102 shopping days to Xmas. It presently appears to me that we will not be out of these trenches by Xmas. Accordingly I want to leave the thought with you and your families and your friends that for every dollar they intend to spend they must add on additional 20 percent for excise taxes.

My bill H. R. 2324 was intended to relieve that situation by repeal of the wartime excise taxes on the retail sales of luggage, furs, jewelry, and toilet preparations.

When it appeared that I could not get a hearing for my bill, I initiated petition No. 6 to discharge the committee from consideration of the bill in order to bring it before this House for action.

If you desire to accomplish that purpose, the petition is on the Clerk's desk awaiting your signature.

These taxes were never intended for the purpose of raising revenue. As a matter of fact for the fiscal year ending June 30, 1949, these taxes brought to the United States Treasury only $469,000,000. For the fiscal year ending June 30, 1949, the aggregate was $449,000,000.

These taxes were imposed during the war in order to restrict consumer purchases and in order to keep the basic raw materials, which were then in short supply, primarily available for war use. Neither reason for continuing these taxes exists any longer. None of the materials going into these items is in short supply. Everyone must agree that the time for restricting retail purchases of those items has long since passed. Those industries now need incentives and inducements to consumers in order to keep their sales up. All of these industries are suffering from consumer resistance with resultant increase in unemployment in all of those fields beginning with the production of basic raw materials and continuing right on down through each successve step of manufacture and wholesaling of the component parts as well as retailing of the finished product. The repeal of these taxes will result in increased revenue to the Federal Treasury because it is estimated that the less than one-half billion dollars released from tax collections into consumer purchases will result in an aggregate of four to five billion dollars in over-all sales, increasing income and profits taxes. It will also bring about a general improvement in all of these trades with the benefits that necessarily accrue to the general economy therefrom.

By increasing employment, the national treasury is increased first by collection of more contributions and secondly by paying out less unemployment insurance.

I have been asked why I do not urge the repeal of all excise taxes. The answer is simple. In principle, I am opposed to all excise taxes. Bear in mind that our President during the Eightieth Congress asked that they be continued on a temporary basis for 1 year. If his request had been complied with, they would have automatically have expired on June 30, 1949. Instead, however, the Eightieth Congress made these excise taxes part of our permanent tax structure and at the same time eliminated other taxes which we now sorely need.

If we repeal all of those excise taxes we will lose more than $7,500,000,000. We cannot now afford to eliminate liquor taxes of more than $2,000,000,000, tobacco taxes of more than $1,500,000,000 and taxes on other items of $3,500,000,000. We can however afford to experiment with the less than one-half billion dollars collected from retail sales in order to determine whether the incentive to buying and to our general economy will more than make up that small loss.

Let me try to bring the tax problem home to you and your own pockets. Do you know how many items you have on your own person which cannot be bought today except that you add 20 percent of the cost as an excise tax? These are not luxuries, but necessities of which I speak. Follow me for a moment as I recount these items.

I carry a wallet. If you do not carry one you undoubtedly carry a money clip. They are both taxable. In my other pocket I have a key container. If you do not carry one you probably carry a key ring and chain. They are taxable. We carry pocket diaries and address

books. They are taxable. Your paper folder is taxable as are your brief case and your card case. My tie clasp and cuff links and your collar pin are taxable. Your cigarette case and lighter are taxable. So is your belt. None of us will lose our pants for lack of the tax. Some of you may lose seats for failure of repeal. Why, even our fountain pens and mechanical pencils are taxable, as are our wrist and pocket watches, as well as your alarm clock. Do not you hear the alarm? Wake up! Let us repeal these taxes.

Mr. DAVENPORT. Mr. Speaker, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from Pennsylvania.

Mr. DAVENPORT. Mr. Speaker, I rise in support of the gentleman from New York and in support of the bill to abolish the excise taxes. Those taxes were originally levied in 1941 not for the purpose of raising revenues but for the purpose of discouraging the purchase of certain items which were scarce. I have here, to give you a graphic example, my wife's handbag. In order for her to purchase it she has to pay 20 percent on top of the regular retail price. A man has 10 pockets in his suit. A woman does not have 10 pockets in her suit, and it is just as ridiculous to tax the pockets in a man's suit as it is to tax this handbag.

My wife has been through my pockets many times, and I guess she will not object to my going through her purse once. I just want to show you a few items that are taxed today, items which they call luxury items but which are actually necessities. For instance, take this tube of lipstick. Who could call lipstick a luxury? Today it is a necessity. We want our women to look glamorous and, as the gentlewoman from Utah [Mrs. BOSONE], has expressed it, a woman would rather go without her girdle than without her lipstick.

Here is lady's powder and a compact. Why should they tax them? They are absolutely necessary. I would like to ask the gentlemen in this House who might be supporting the continuance of these excise taxes if they would go out with their girl friends or with their wives unless they were properly cosmeticed. Why, they are even taxing the little babies. They are putting a 20-percent tax on a can of baby powder. Gentlemen, I am telling you that is carrying luxury taxes too far. When you tax baby oil which every mother needs to soothe the little baby's what-do-you-call-it, well, I believe that is carrying luxury taxes a little bit too far.

Here is a billfold. Every woman needs a billfold to carry whatever money she is able to get from her husband, but there are a lot of things she must carry in it in addition to the money, and I do not believe that a lady's billfold should be burdened with this luxury tax. Here is hand lotion. Our wives who have to struggle in the kitchens all day while we are down in these cool halls, wash dishes and clothes, and naturally they get chapped and dish-panned hands, and they need this hand lotion. I do not think that we should continue the 20-percent luxury tax on hand lotions.

I believe that the gentleman from New York has a bill that we should strongly urge everybody to support, and that we do something about it. Here, for instance, are a couple of theater stubs. The very glamorous Member from California who knows this problem very well because of her connection with the movie industry realizes that it is discrimination against the common people of this ccuntry who need a little recreation when they come home from work at night. The family wants to go to the theater, but they cannot get past the door unless they pay a 20-percent amusement tax. I happen to know that that 20-percent tax is making it impossible for thousands and thousands of our people to go to shows. Yes, take the kiddies who go to the roller-skating rinks on Saturdays, they are taxed. I would rather have them go to the rinks than be playing in the streets, and, besides, it is a healthy exercise.

I could go on and on, but let us get rid of this pocketbook plague. Let us get some sense in our tax system. Let us get rid of these nuisance taxes.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from Massachusetts.

Mr. MARTIN of Massachusetts. I am delighted at the activity of the gentleman from New York and the gentleman from Pennsylvania in fighting for the removal of these excise taxes. It is a little late, the Congress is getting ready to adjourn, but it is better late than never, and I think if we bring all the influence we can to bear upon the leadership of the House and upon the Committee on Ways and Means, possibly we can get these taxes repealed before we adjourn. I think it would be the best contribution we could make for the recovery of these industries that are so heavily taxed, and put people to work, save unemployment insurance, and it would be, in my judgment, a real boon to business in this country. I congratulate the gentlemen.

Mr. MULTER. I thank the gentleman for his contribution.

Mr. DAVENPORT. Mr. Speaker, if the gentleman will yield further, I forgot to mention fur coats. I happen to be in a business which brings me into contact with a lot of furriers back in Pittsburgh. I know what a hardship it has been to the consumer. A fur coat is not a luxury in the climate where we come from. Up around Pittsburgh a woman needs a fur coat to keep her warm. A fur coat lasts for two, three, or four years. It is not a luxury, it is a necessity. This tax on fur coats is driving hundreds of retailers out of the fur coat business. There have been more than 300 bankruptcies in the past couple of years, which I believe will be confirmed by the gentleman from New York, who has made a complete study of the subject.

Mr. MULTER. Not only are the items the gentleman mentions taxable, but one could find on the person of every man in this room any number of items that are taxable.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. MULTER. Gladly.

Mr. MARTIN of Massachusetts. I might add that we provide housing for the veterans, and then we tax them 20 percent on the things that go into the house. Of course, every veteran has to have a stove, and we tax him 20 percent on that.

Mr. MULTER. And on the electric bulbs in his home and in every building. Electric bulbs are subject to a manufacturers' excise tax, as are all electrical appliances.

Mrs. DOUGLAS. Mr. Speaker, will the gentleman yield?

Mr. MULTER. I yield to the gentlewoman from California.

Mrs. DOUGLAS. I believe it is proper to point out to the House that excise taxes in the last analysis are nothing more than a national sales tax. Certainly the Democratic Party is on record against a national sales tax.

Excise taxes were imposed during the war for very sound reasons. We needed additional funds to finance the running of the war. We wanted to keep people off railroads. We wanted to keep people out of stores, buying nonessentials. We wanted to limit the flow of consumer goods. These reasons no longer exist. We want consumer goods to flow. Why? Not only so the lady in Pittsburgh can wear her coat but so that the good people may work in the factories making the fur coats, and so that the money that is put into circulation will keep our production running at the highest possible point, and keep the greatest number of people working.

The great challenge to this administration and to every Member of this House, whether they be Democrats or Republicans, is that if you remove the excise taxes, in view of the great cost of Government with what will we replace them? I have been working on that issue, I may say to the gentleman from Massachusetts [Mr. MARTIN], who also has a petition on the desk on this matter, for some months with some of the best tax experts in the country. I have about come to the decision that most of the excise taxes ought to go, even if we do not replace the amount of taxes that we lose, because I think we will make it up in greater production and greater man-hours. I do not say all excise taxes should go. I do not think the excise taxes on liquor, on tobacco, on gasoline, and maybe a few other items in these categories ought to be removed; but I think at this time most excise taxes ought to be removed. I hope this will be something that we will deal with when we come back in the second half of this session of Congress.

Mr. MARTIN of Massachusetts. If the gentleman will yield further, may I say that I do not think we are going to lose any revenue. I believe the stimulation that would be given to business would create greater revenue at the reduced rates.

Mrs. DOUGLAS. That is one of the things that has been debated, as the gentleman knows, with some of the best tax experts in the country. I can say I have been working on the reimposition of

the excess-profits tax. I think probably you could reimpose it except that people just are not in the mental frame of mind to take such a tax at this moment.

Mr. DAVENPORT. Mr. Speaker, will the gentleman yield further?

Mr. MULTER. I yield.

Mr. DAVENPORT. Here is a wedding ring. Imagine putting a tax on falling in love. That is carrying taxation to the ridiculous. I have here a series of articles in pamphlet form prepared by an expert on the subject for the Pittsburgh Sun-Telegraph. This covers the matter more thoroughly than I have ever seen it covered. Anybody who would like to have a copy of it can have one. I have extra copies here. I agree with the gentlewoman from California that not only would we not lose anything but we would gain. The gain in retail sales and the extra income taxes which the Government would collect would more than justify removing this tax in toto—not just half of it, but removing all excise taxes which were levied as wartime luxury taxes.

Mr. MULTER. My suggestion at the present time is that we should at least experiment with removing the excise tax on the four retail industries, which are the only retail industries affected by this excise tax. That will cost the Government less than half a billion dollars in taxes, while if you removed all the excise taxes we would lose about $7,500,000,000 in taxes. Let us see what will happen if you repeal this half billion dollars' worth of taxes on retail sales and if it has the desired effect, let us go forward then and remove the rest of them.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. MULTER. I yield.

Mrs. ROGERS of Massachusetts. The gentleman from Pennsylvania spoke about a tax on wedding rings. Certainly we do not want to put Cupid out of business. I would like to say to the gentleman that I have received thousands of letters asking for the repeal of these excise taxes.

Mr. CARROLL. Mr. Speaker, will the gentleman yield?

Mr. MULTER. I yield.

Mr. CARROLL. Will the gentleman take a minute or so to explain the difference between your discharge petition and the one which was presented by the gentleman from Massachusetts? Is there any great difference between the two?

Mr. MULTER. Yes; the difference is this: The petition No. 5, of the gentleman from Massachusetts, is to discharge his bill which will call for the repeal of all excise taxes, which means the loss of $7,500,000,000 in revenue.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. MULTER. I yield.

Mr. MARTIN of Massachusetts. The gentleman is mistaken as to what my bill calls for. My bill calls for the taxes to be restored as they were previous to the war. It does not call for the elimination of all excise taxes.

Mr. MULTER. I am pleased to accept the correction. What would the amount of the tax-revenue loss be under your bill?

Mr. MARTIN of Massachusetts. I do not admit that there will be any loss, but those who take the opposite side say that it will be $750,000,000.

Mr. MULTER. Petition No. 6 in my bill (H. R. 2324) affects only retail excise taxes on four industries. Those are the only retail industries affected by the excise tax. They are luggage, jewelry, furs, and toilet preparations. For the last fiscal year we collected $449,000,000 from those four taxes. I say let us take those off, and whether it be $3,500,000,000 or $7,500,000,000 that would go off by eliminating all the other taxes, let us start with these retail taxes and put all retail business on the same basis. Let us stop singling out these four for special treatment especially bad treatment.

The SPEAKER. The time of the gentleman has expired.

The SPEAKER. Under previous order of the House, the gentleman from Massachusetts [Mr. LANE] is recognized for 15 minutes.

UNCLE SAM PEGS POTATOES SO HIGH THAT PEOPLE CANNOT BUY

Mr. LANE. Mr. Speaker, in one county, Aroostook of one State, Maine, the United States Government spent more than $65,000,000 last year to support potato prices at the highest peacetime figure on record. In June, according to the Bureau of Agricultural Economics, potatoes sold at 93.6 cents a peck.

This wasteful program is creating a fortune for a handful of growers at the expense of millions of consumers. The formula behind it is artificial, promoting widespread discontent, and threatening the normal operations of the potato industry itself.

To protect a few this utterly unrealistic approach will bring grief to many.

Twenty thousand people out of a population of 125,000 in the greater Lawrence area of Massachusetts are unemployed, and have been for some time. Unemployment benefits are running out. What are these people going to do for food in the face of a government-inspired policy which insists that one of the staple commodities shall be maintained at a price beyond their reach, and in defiance of economic laws. Every man, woman, and child in Lawrence is being taxed 40 cents to keep the price of tubers at a peak where they cannot afford to buy them. And this tax is being paid by every other person in the United States.

And what is the alleged justification for this lop-sided program? To protect the income of growers from a drop which would naturally result from overproduction, if the law of supply and demand were allowed to follow its normal course.

But now we have gone to the other and ludicrous extreme, as a result of a price-support law passed by Congress, which ignores the economic realities.

Former Secretary of Agriculture CLINTON P. ANDERSON opposed the price-support program for potatoes, a perishable commodity. The present Secretary, Charles F. Brannan, is against it. This year, the price-support level has been cut from 90 percent of parity to 60 percent. In addition, Maine growers have entered into marketing agreements and acreage restrictions. The more efficient use of fertilizers and insecticides tends to offset these reductions. Furthermore, potatoes are being planted in rows about 7 inches apart instead of 12, 14, and 16 as in previous years. Everyone wants to push production in order to share in the Government's bounty, and with no thought as to the long-range fate of the potato industry and the potato market. The "grab" is on.

For the year ending June 30, 1949, the Government spent $225,000,000 to buy potatoes throughout the United States and thereby keep prices up. The Government distributed these through the media of school lunches, State and Federal institutions, charities, and so forth. Starch mills took some. Distilleries took the rest. Some spuds wound up as commercial alcohol or potato flour.

Maine's harvest comes late. Although it has no superior in quality, the Commodity Credit Corporation got almost nothing back on the $67,000,000 it dropped into virtually one county, Aroostook. There was an additional loss in shipping these purchases to Philadelphia and other points, bearing always in mind that potatoes can only be stored for a brief period before they spoil.

It is not my purpose to attack the general theory and practice of price supports. I do single out its application to the one commodity—potatoes—because this program is full of contradictions. The formula based on parity is supposed to harmonize the conflicting interests of growers and consumers. It cannot be unilateral or one-sided, as it is in Maine, without having serious repercussions on the industry itself.

The growers are making fortunes and the consumers are taking a licking which they resent.

Let us look at Aroostook County, Maine. It is so far north that it is surrounded on three sides by Canada. It is a one-community area. It has a total acreage of 4,209,053, of which only 193,000 were under potato cultivation in 1948. The population of Aroostook is estimated at 100,000. But what a harvest comes from 193,000 acres, to the 100,000 people, and paid for by the rest of us.

Last year, the Government bought 60 percent of the entire crop, thereby setting an exorbitant price which helped the rest of the crop in the free market. It averages out—that is, the Government subsidy—to about $670 for every individual in the county.

But wait until you hear what the big-time operators collected.

Two of them—partners—sold 99 percent of their crop to the Government for $495,000. A few more got Government checks of $500,000. In the $150,000 or more class, you can find a dozen who have reaped a financial harvest. The average payment to each potato farm in the State eligible for price supports was slightly less than $15,000. There are thousands of farmers eligible, and most of them live in Aroostook. Now I have no objection to a man making money, but these figures seem to be entirely out of proportion to the economic value of the work done. As I recall, Maine prides itself of being the citadel of Republicanism and free enterprise. But it is not averse to getting money from the

United States Government in large doses and in a thinly populated area. I wonder what the heads of our large industrial corporations with their tremendous responsibilities think of these Government-supported incomes? Or the unemployed industrial worker whose twenty-odd-dollar unemployment compensation check has stopped, and whose larder is bare? Perhaps even we should shut up shop and raise potatoes, not for food, not for industrial uses, but simply to collect a fat Government check. The one-time poor man's food has become a luxury through manipulation. A new form of blackmail has come upon the scene. Perhaps, not for use, but to force the Government to buy what it cannot dispose of in order to keep a few rural, feudal barons happy.

This is a prime example of parity completely out of balance and reduced to absurdity. In fact, it places a premium on uneconomic production completely divorced from adequate distribution and consumption.

Carvell E. Foster, buyer for the Production and Marketing Administration and the CCC in Aroostook County, recently came up with the following estimates concerning "gold-rush" incomes from family-sized potato farms.

One hundred and forty-six had gross incomes of $50,000 to $100,000.

Four hundred and sixty-eight collected from $25,000 to $50,000 apiece.

One thousand two hundred grossed between $15,000 and $35,000.

The Department of Agriculture is not to blame, for it must administer the program set up for it by the Congress. As a matter of record, Agriculture has asked, on numerous occasions, for a revision of this particular project. I sympathize with this department of the Federal Government because of the contradictions in which it is involved, through no fault of its own.

At Presque Isle, situated in Aroostock County, there is one office whose function is to buy the surplus potatoes. In the first fiscal year, this outlet of the Production and Marketing Administration, cleared 57,782 separate purchasing accounts to the State PMA office. Here, a like number of checks, totaling more than $67,000,000, was sent out to 4,503 growers in payment for surplus spuds. To carry out the bill of the Congress, $25,000,000 more were spent to get rid of $67,000,000 worth of potatoes.

At this point we meet up with the grand daddy of all inconsistencies. It is the left hand knowing what the right hand is doing, but determined to pull against its partner nevertheless.

Up to this point we have been concerned with the problem of what to do with surplus potatoes.

Now we change our approach, and bend every effort to increase the surplus. How? Down the street from the purchasing office, the Government maintains the Extension Service and the Soil Conservation Service. Through countless manuals and frequent demonstrations, the farmers are taught the advantages of improved insecticides and fungicides, closer planting, and the use of more potent fertilizers in greater quantities.

In other words, the reduction expected from acreage cuts, will be restored by improved methods of production. A mystifying example of two related endeavors working at cross purposes. One agency says we have too many spuds, while another agency is working with might and main to produce more spuds. The result is an extravagant deadlock, with no progress made toward the solution of the basic problem. The economic well-being of a few thousand growers is overprotected, but even this honeymoon cannot last much longer. And the consumers cannot get the product they want at a price they can afford to pay. After all the parity plays have been worked out, we find that the public is holding the ball on the fourth down with 100 yards to go. It is time to "kick."

The failures and the abuse which are part and parcel of the price-support program for potatoes may well open up the whole, broad program of subsidies for agriculture to a searching overhaul. This much is certain: some revision of policy pertaining to potatoes is necessary.

The interests of the consumers, long neglected, are due for their day in court. This business of carrying price-supports too far, has all the appearances of a gilt-edge welfare program, this time for the benefit of those who do not need it. And public opinion will not stand for it.

Listen to these typical stories of the 1949 gold rush in Aroostook County, Maine, underwritten by United States taxpayers.

In 1939, a man at Presque Isle bought a 30-acre farm for $100 per acre, including house, barn, tool shed, and potato-storage building. Even from this humble beginning, the Government loaned him the money to pay for it. The Government set him up in the farming business and the Government is guaranteeing that he will not fail in that business. With such support, how could he? Last year he netted $13,160 on 30 acres.

This highly favored ward of an overindulgent Government cries to high heaven when we suggest raising the minimum wage for workers above the substandard 40-cent level.

Or what about the 19-year-old boy who was rejected by the Army because he was physically unfit? Now he owns 200 acres of productive land and has $50,000 in the bank, even though he has not reached his twenty-third birthday.

This is what you might call living in clover—Government clover, grown by the labor and sweat of other taxpayers. With this incentive, in a land of equal opportunity, we can expect other groups to step forward and demand equal treatment under the law. For the precedent has been established for lush subsidies to all. Before such a move gains headway, I suggest that we tone down this fantastic precedent.

Even the Canadians are getting in on the act. Millions of bushels have been smuggled into the American purchase program, or have taken over the normal markets left vacant when the Government bought up most of the Maine crop. From 1937 to 1941, Canada sent an average of 994,000 bushels of potatoes to the United States each year. That figure is now in the vicinity of 10,000,000 bushels a year. Cheaper freight rates, and the artificially inflated values established for potatoes due to price-support purchases, have invited this Canadian invasion. The program established by Congress has backfired. By paying exorbitant prices to buy up our own surplus we are encouraging Canada to add to that surplus. Under the reciprocal trade agreements, Canada can send 2,500,000 bushels of seed potatoes to the United States at 37½ cents duty. Beyond that amount, it is 75 cents. It is allowed to export 750,000 bushels of table potatoes to the United States on which the duty is 37½ cents. However, the duty is more than offset by the fact that Canadian shipping rates are cheaper than American freight rates. And there is no coastwise shipping service from Maine to Southern markets.

Virginia, North Carolina, South Carolina, Georgia, and Florida, for instance, plant northern-grown seed potatoes. These States accounted for most of the prewar imports. Canadian potatoes are shipped as seed and there is no difference in price between seed and table potatoes. You can plant or eat seed potatoes as you choose. In the South, we find that seed potatoes, in most cases, go directly to the tables instead of the fields. That is how Canada is taking away the domestic market in the United States from the Aroostook growers.

The future of Maine's potato business can be ruined by continuation of a support program that is pricing it out of the commercial markets. The gravy train is heading for a crack-up because it is top-heavy.

Consumption of spuds is dropping because the public resents high prices maintained by Government supports. The average per capita consumption last year was 108 pounds each annually. Figure it out for yourself. We have the highest peacetime price for this perishable commodity and the all-time low in consumption. You are trying to hold up the top while the bottom is dropping. Better look to foundations first.

We have got to weed out the excesses from this high-bracket WPA for Aroostook growers to save them from themselves and to enable families of industrial workers to buy potatoes at prices they can afford to pay. How about giving the consuming public a break for a change?

The SPEAKER pro tempore (Mr. PRIEST). Under previous order of the House, the gentleman from Texas [Mr. PATMAN] is recognized for 15 minutes.

BASING-POINT SYSTEM PRACTICES INDICTED IN SENATE SMALL BUSINESS REPORT ON CHANGES IN DISTRIBUTION OF STEEL 1940–47—FREIGHT ABSORPTION, PHANTOM FREIGHT, AND DELIVERED PRICES SHOWN UP AS PHONIES DURING STEEL SHORTAGE PERIOD—S. 1008 SHOULD BE SOUNDLY BEATEN WITHOUT FURTHER DELAY—SMALL BUSINESS AND CONSUMING PUBLIC DEPENDING ON CONGRESS FOR SQUARE DEAL

Mr. PATMAN. Mr. Speaker, we have all witnessed within the past few weeks, in fact for the past year and a half, a

great hue and cry about freight absorption and delivered prices. The hue and cry has arisen by propaganda methods to a great crescendo which is even now beating about Capitol Hill in an effort to secure final passage of a bill vicariously known as the basing-point bill; the freight absorption bill; the delivered price bill; and, astonishingly, a bill to aid small business. It is, as many of us realize now, among other purposes, a bill to legalize the basing-point system which inherently includes freight absorption and phantom freight. The delivered price part of it is, and has always been, pure bunk. The consumer always pays the freight whether he be a fabricator, a wholesaler, a processor, a contractor, or any other form of business endeavor. And in the end the ultimate consumer, the tax-paying public is the one that pays the freight. What we have been fighting for in the final analysis is to protect the consumer from paying no more than the lowest transportation charge on any of our basic products, be it steel, cement, sugar, lumber, oil, asphalt, or any other product; and, all manufactured products, including automobiles.

S. 1008 SHOULD BE SOUNDLY AND CONCLUSIVELY BEATEN

What we have been fighting for also is to protect the consumer from price discrimination, from monopolistic practices, and from the predatory interests which plead with the Congress for legislation every time an adverse court decision is rendered against them. In passing laws of any kind, the Congress presumably is acting in the interest of all the people. Certainly it was in the people's interest, which we call the public interest, to pass antitrust laws. Enforcement of the antitrust laws, like any other law, is a congressional mandate upon the enforcement agency. Congress selects the agency to enforce the laws, and should such an agency be derelict in its duty, I am sure congressional criticism would be vitriolic. Why, then, when an agency charged with the enforcement of our antitrust laws painstakingly gathers evidence which is supported by the courts do we, as the Congress, attempt to strike down the court decisions which have been rendered foursquare with the law. It is not logical nor is it practical to follow this course of action.

As representatives of the people it is our duty to strengthen and protect our antitrust laws. It is our duty in protecting such laws to keep in mind that the antitrust laws were passed to prevent unfair trade practices, price discrimination, artificial pricing systems, and, above all, to prevent small groups of monopolists from wielding a powerful and destructive weapon against our fundamental system of free enterprise. This is what we are trying to do in preventing the passage of S. 1008, and which we have conclusively demonstrated in both Houses of the Congress will destroy small business and free enterprise. S. 1008, if it becomes law, without the Carroll amendments and without the House version of section 4 of the bill, will effectively destroy the last vestige of protection for small business. Monopolistic grocery chains, drug chains, and the steel, cement, and oil trusts will move in stronger than ever and eventually control every line of business in this country. For my part I do not think there should be any bill. For my part I think that S. 1008 must be finally defeated in this Congress if small business enterprise and the consuming public are to be properly protected from the monopolistic tendencies of our time.

SENATE SMALL BUSINESS REPORT SHOWS UP FREIGHT ABSORPTION AND PHANTOM FREIGHT PRACTICES IN STEEL

The Senate Small Business Committee of the Eightieth Congress, pursuant to Senate Resolution 20, made a study entitled "Changes in Distribution of Steel 1940–47" which was printed as Senate Report No. 44 of the Eighty-first Congress on February 10, 1949. This report contains valuable information on freight absorption, phantom freight, and delivered pricing practices. At the time the Senate Small Business Committee made its study of the changes in the distribution of steel there was a shortage of steel in this country; a great shortage from which the steel companies milked the last dollar of profit from the tax-paying public. During this shortage the steel companies were not worried about freight absorption because, as the study shows, they were not absorbing any freight. Their shipments, that is the steel companies' shipments, were to the consumers, of whatever nature, who afforded them the greatest opportunity for the collection of phantom freight in addition to the highest prices ever known to the steel industry in the United States.

I want to point out that the Small Business Committee of the Senate in the Eightieth Congress was composed of a distinguished membership headed by Senator KENNETH S. WHERRY, of Nebraska. The chairman of the Senate subcommittee was Senator EDWARD MARTIN, of Pennsylvania. Chairman MARTIN, in reporting to Senator WHERRY, as the chairman of the Small Business Committee, stated that the hearings which had been held for a year and a half "have shown that disruptions to normal channels of trade, caused by withdrawal of distribution by major steel companies—and increased integration—have left many smaller businesses without sources of supply for steel."

It is noted in Senator MARTIN'S letter of transmittal that the survey covered the distribution of 14 major steel companies and without the information which was supplied, "the Senate Small Business Committee could not properly evaluate the claims of small business—nor take effective action to remedy conditions which may threaten the American system of free, competitive enterprise."

Since the findings of the subcommittee blamed the situation confronting small business efforts to secure steel supplies in many areas upon the changed distribution methods of the steel companies from a freight absorption to a nonfreight-absorption basis during the shortage period, it would appear more positive than ever that freight absorption is a price-fixing device; a handy instrument for the elimination of price competition.

STEEL COMPANIES WITHDRAW FROM MANY STATES TO AVOID FREIGHT ABSORPTION

On page 19 of the report—Senate Report No. 44—changes in distribution of steel entitled "Withdrawals From Areas," it is stated that practically all of these complaints advanced as the reason for the withdrawals the reluctance of the producers to absorb freight under the basing-point system.

Remember that this survey covered a period from the cessation of hostilities through 1947 although the report, of course, was written subsequently and makes mention of the decision of the Supreme Court in the Cement case on April 26, 1948, and therefore covers a period when presumably the basing-point system was in full force and effect in the steel industry. The report proves as conclusively as any document that I have ever seen that the basing-point system is a system primarily for the manipulation of prices. As I have stated many, many times, it is a system to extract the last possible dollar from the consuming public and to create monopolies.

Although the report deals with the steel shortage generally, the most exhaustive study was on shipments of hot-rolled sheets to various consuming districts in 1940 and 1947, as set out in table 4 on page 24 of the report.

An indictment of the basing-point system is to be found on page 19 in the following words:

> Under the basing-point system, as it was followed in the years covered by the survey, each customer has one official delivered price, which is the sum of the base price at the basing point nearest the customer, plus rail freight from that basing point. Thus when one mill ships into the territory of another mill located at a basing point, the shipping mill must absorb sufficient freight to make the delivered price the same as if the steel had been purchased from the nearer mill.
>
> * * * In short, it was held that one of the inherent features of the basing-point system was a centripetal movement of shipments in toward the steel mills during a period of shortage, a movement which would only be reversed when the shortage had disappeared.
>
> Some of the small-business men who voice this complaint contended that they had offered to buy steel f. o. b. mill and pay the cost of transportation themselves, thereby obviating any necessity on the part of the mill to absorb freight. In each case the witnesses stated that the mills had refused to sell steel on this basis, apparently for the reason that they did not wish to deviate in any way from the basing-point method of pricing.

SMALL BUSINESS HAD TOUGH BATTLE BUCKING BASING-POINT BOYS

This whole chapter—withdrawals from areas, page 19–37—is worth the time and trouble for a reading and thorough analysis by every Member of Congress. It shows conclusively what happens in a period of shortage of steel and it can be applied to any product sold under the basing-point system, and, by a logical deduction, what happens in the periods of plentiful supplies. Whether it be a short-supply market or a long-supply market the basing-point

system of pricing operates solely in the interest of the large, integrated steel producers. At no time does the basing-point system, as the report proves, operate to the benefit of the consumer. In this very recent hearing, steel producers admitted as much, without saying so directly. Basing-point proponents never admit anything directly. Basing-point proponents always pretend consumer benefits which never occur. The report quotes in part the testimony of Mr. Frank J. Daugherty, vice president of the Gate City Iron Works, Omaha, Nebr., a large warehouse firm in the Missouri Valley area. Counsel for the committee asked the question:

Have you noticed any change in attitude at all since the Cement case decision by the Supreme Court?

Mr. Daugherty replied:

None at all. These dislocations started to take place some two years ago.

Mr. Daugherty also testified that he had offered to buy f. o. b. mill on most any basis but steel companies were not interested.

Mr. A. J. Hazlett, of Jones & Laughlin, replied, as set out on page 22 of the report, in answer to a question by the distinguished Senator from Louisiana [Mr. ELLENDER], regarding the selection of customers:

Well, in some cases we exercised our selection on the basis of the profitableness or the prospective profitability of the business and the potentials for the future.

The report states that Mr. Walter S. Tower, president of the American Iron and Steel Institute, acknowledged that he had heard reports of withdrawals from markets because of freight absorption. The report continues with the statement:

Perhaps the most clear-cut statement made by any member of the steel industry outlining a definite and positive policy of withdrawal from a major consuming area was presented by H. G. Morrow, Spang-Chalfant division, of the National Supply Co., Pittsburgh, Pa.

Mr. Morrow was quoted as follows:

On April 15, 1946, the Spang-Chalfant division of the National Supply Co. discontinued doing business in its former Chicago district territory, which included the States of Illinois, Wisconsin, Minnesota, Iowa, and Nebraska.

Mr. Morrow went on to state, in effect, one of the principal reasons for withdrawal was to avoid freight absorption. This withdrawal occurred despite the fact that the foregoing States had long been markets for this company. Committee counsel asked the question:

How long has Spang-Chalfant been in this midwestern market—had it been prior to its withdrawal?

Mr. Morrow replied:

Fifty years, I would say; 35 to 50 years.

Further testimony elicited from Mr. Morrow pointed out the fact that other withdrawals from the midwestern territory had been the Bethlehem Steel Co., the Pittsburgh Tube Co., the Mercer Tube Co., and the Wheatland Tube Co. Thus, as a matter of convenience and a matter of greater profits, steel companies at will, without any regard for public convenience or necessity, withdrew from the sales territory of the great States of Illinois, Wisconsin, Minnesota, Iowa, and Nebraska. Is it any wonder that small business complained that it could not secure steel products during the period of the great shortage? Is it any wonder that in the face of such tactics small business is rendered helpless by the arbitrary basing-point system? I say by the arbitrary basing-point system because had there been no basing-point system the pattern of distribution of steel products would not have been disrupted to the extent shown in Senate report No. 44. Natural advantages and natural sources of supply would have worked to the benefit of the consumer. Unnatural pricing systems, such as the basing-point system, work to the disadvantage of the consumer because no account is taken of geographical location or the cost of producing any given product sold under these iniquitous and monopolistic pricing systems.

SENATE REPORT MAKES DETAILED ANALYSIS OF FREIGHT ABSORPTION

To continue, the report, commenting on the shortage and advancing various reasons for the changes in steel distribution, states:

Nonetheless, despite the existence of these various other important factors which affect the distribution of steel, the data obtained in this survey, when studied in conjunction with other available information, reveal the widespread influence of freight absorption.

On page 25 of the Senate Small Business Committee report on Changes in Distribution of Steel, it is stated:

The remaining part of this section will be devoted to a detailed analysis of the freight-absorption problem.

And it is a problem. At the moment it is a problem for the Congress. It is a problem for the Congress because the terms "freight absorption" and "delivered prices" are phony terms as the Senate Small Business report clearly indicates. Where you have freight absorption you have phantom freight. When you have both freight absorption and phantom freight you have the basing-point system. Where you have the basing-point system in an industry you have a monopolistic device to control prices; fixed prices. When prices are fixed or rigged, you know who pays the freight—literally and figuratively who pays the freight. It is you and I and the consuming public; it is the taxpayer. And yet, seemingly, we are willing, some of us, to pass this bill, S. 1008, which is a congressional charter to the monopolists and the price fixers.

If by any chance this Congress should finally pass this bill, we will not have heard the last of it. I am not a prophet, nor do I indulge in any useless predictions, but I sincerely hold to the opinion that once this bill becomes law the people who may not now realize its dangers will make their voice heard when they begin to pay the toll which will be exacted as a result of the passage of S. 1008.

The Senate report, from page 25 through page 37, called the roll State by State, as set forth in table 4 on page 24 of the same report. Each and every page is a severe indictment and condemnation of the practices of the steel companies under the basing-point system of pricing. The terms "freight absorption" and "phantom freight" appear on practically every page. For instance, on page 30 of the report we find this statement:

On the other hand, shipments to both Louisiana and Texas were actually less in 1947 than in 1940, the reductions amounting to 48.8 percent and 11.3 percent, respectively. These declines are particularly interesting as both States were "phantom-freight" areas for Birmingham in 1939. That is to say, the official delivered prices for these areas was based upon rail freight, whereas the Birmingham mills could ship for a lesser rate by utilizing barge shipments.

Thus we see what has often been pointed out: No matter where a consumer is located he never benefits from low water rates of freight on the products of an industry which uses the basing-point system such as does the steel industry, the cement industry, and many others. The all-rail freight is charged regardless of transportation methods.

SMALLER CONSUMING AREAS STARVED BY FREIGHT-ABSORPTION PRACTICES

The New England story on pages 30 and 31 is particularly interesting since the report points out that New England presented a complex type of situation, stating:

It may be concluded that, insofar as New England is concerned, freight absorption was probably responsible for much of the decline in shipments to the smaller consumer districts, but apparently had little influence on shipments to the larger consuming States.

On page 32 another stimulating illustration is set out in the report, which states:

Similarly the producers in West Virginia are so located that they would be required to absorb freight—or rather, to forfeit the opportunity to take phantom freight—on shipments in almost any direction, except for limited distances to the South and Southwest, more particularly in the State of West Virginia itself.

Speaking of the State of Delaware, the report points out that—

Shipments from Sparrows Point to this area require no freight absorption. Moreover, shipments originating from the Philadelphia area provide opportunity for substantial phantom freight. * * * Here again the record is not incompatible with the idea that producers channeled supplies to those areas where freight absorption could be avoided, or where phantom freight could be collected.

On page 33 of the report, Kentucky is mentioned as a surplus area where shipments increased by 152.4 percent. The report concludes that:

This increase is probably a reflection of the fact that the producers in this State are so located that they would be required to absorb freight, or at least take decreasing amounts of phantom freight, on shipments to any of their former customers located in Northern and Eastern States, where as they are able to take phantom freight on shipments to customers in Kentucky.

With respect to Indiana the report reveals that:

Consideration of the surplus position of the State as a whole might lead to the conclusion that opportunities open to local producers to avoid freight absorption could have led to an even greater increase in receipts of Indiana customers. However, the location of customers in the southern part of the State is such as to impose limits on the possibilities of avoiding freight absorption. * * * shipments to customers in the upper part of the State can be made without freight absorption, customers located in the lower sections of the State are within the St. Louis basing-point zone which means that shipments to these customers would require freight absorption—

That is from Indiana mills in the northern part of the State.

AUTOMOBILE SCARCITY DUE TO BASING-POINT PRICING

On page 34 of the report a well-known fact is pointed up, namely, that Detroit is the greatest consuming area of hot-rolled sheets in the country, principally because of the manufacturing of automobiles centered in that area. The report says, with regard to Detroit, that—

Detroit, the greatest single consuming area of hot-rolled sheets received almost exactly the same tonnages in 1947 as in 1940. That local production is not nearly adequate to meet the demands of this area, together with the fact that substantial freight absorption was required on any imports into the area, would be sufficient to account for the failure of Detroit to share in the larger supply of hot-rolled sheets in 1947.

S. 1008 WANTED AS A CHARTER TO FIX PRICES AND RIG MARKETS

Page after page in the Senate report points to the reluctance of steel producers to absorb freight, which leads one to the ultimate conclusion that in reality it is not freight absorption which is wanted in S. 1008. It must be something else. Even phantom freight is not the answer. The answer is fixed prices. A charter to fix prices, to rig markets, to withhold supplies when short, to dump the surplus when the supply is long, and to engage in the monopolistic framework of the basing-point system of pricing and the discriminatory practices forbidden by the Robinson-Patman Act.

In summing up the results of its study on page 36, which I shall quote only in part, the report states conclusively that producers have acted in such a way as to avoid freight absorption.

Thus, in the face of a severe steel shortage, the steel industry is shown in the Senate small-business report to have manipulated the basing-point system so as to increase the phantom freight factor and avoid the freight absorption factor. As I stated above, in a long-supply market we will find the big boys in the steel industry, if S. 1008 is passed, dumping its surplus to the disadvantage of the smaller members of the steel industry. This dumping process will not be confined to steel, but will include cement, sugar, and all of the other industries using a legalized basing-point system. In neither of these situations does the consumer benefit. In the end, through the monopolistic controls of the basing-point system, despite freight absorption, the prices will be rigged. In other words, prices under any artificial system of pricing are rigged to take care of any situation in the market and always work to the advantage of the largest units in an industry. The smaller units in a basing-point industry sit in fear and trembling of their financial lives. The smaller units in price-fixing industries are not allowed to grow beyond a certain point. Furthermore, manufacturing plants do not come into being at points where they are needed, close by the market.

THE LOCAL MONOPOLY SMOKE SCREEN

The talk which is loosely thrown about regarding local monopoly is without foundation of fact. There may be an occasional instance somewhere in the country where a certain unit of an industry has a monopoly of a sort. This monopoly, however, is soon overthrown if prices get out of line. In basing-point and other artificial-pricing industries it is impossible to have the proper plant distribution. For my part, I would much prefer to have, if one must have a monopoly, a minor local situation than to have the whole steel industry or the sugar industry or any other industry in the hands of the giant monopolists who, if allowed to continue, will eventually become more powerful than government itself.

IT WILL BE TOO LATE ONCE S. 1008 BECOMES THE LAW OF THE LAND

On Monday, August 15, the House passed under suspension of rules, a bill (H. R. 2734) designed to plug up the loopholes in the merger provisions of the Clayton Act. This bill very definitely is legislation strengthening the antitrust laws. It should have been passed years ago. It is the sort of bill which Congress should pass to protect small business and our free enterprise system.

Diametrically opposed to strengthening our antitrust laws is Senate bill, S. 1008. This bill, even in its very best form, weakens our antitrust laws and lessens the effectiveness of our enforcement agencies, particularly the Federal Trade Commission. Senate report No. 44 of the Senate Small Business Committee of the Eightieth Congress conclusively demonstrates the falseness of the issues of "freight absorption" and delivered prices. These terms are phony, as the report proves beyond a reasonable doubt.

The assertion that small business institutions need this bill to operate effectively is without a scintilla of truth. To say that small business needs this bill is to say that small business needs a club to hand the giant monopolists in order to break small business necks and crack small business skulls. The argument has been advanced that unless S. 1008 is passed the Federal Trade Commission will become the enemy of small business. It has been said that the Federal Trade Commission will place small business in fear of its life every time it makes a sale that is not on a strictly f. o. b. basis. We know there is no substance to this type of an argument and that it is used as a smoke screen in the propaganda campaign of fear and intimidation.

The Federal Trade Commission has been described as the watchman in the tower, created by the Congress for the purpose of assuring a fair and honest market place where buyers and consumers would receive a fair deal under a fair and free bona fide, free enterprise system.

There is no doubt of the intention of the Congress which established the Federal Trade Commission under the act of 1914. There is no doubt that the Congress intended the Federal Trade Commission to fairly enforce our antitrust laws and to keep a constant watch on unfair trade practices, pricing systems, monopolistic tendencies, and other stifling influences in trade and commerce. If this were not the case, there would have been no use or purpose in establishing the Federal Trade Commission. On the whole, the Federal Trade Commission has done its job well and has been upheld by the courts many, many times. There may have been, and there may be, commissioners or employees of the Commission whose perspective is or has been incompatible with the antitrust laws which they enforce. If so, it is a matter easily corrected. It is neither necessary nor desirable to weaken our antitrust laws by passing legislation which will have a crippling effect on the enforcement of the antitrust laws by the Federal Trade Commission. Undoubtedly this is the effect which S. 1008 will have, not only on the Federal Trade Commission but on the courts.

Those of us who have the real interest of small-business institutions and free enterprise close to our hearts are appalled at the prospect of the years of litigation which will be required to define new terms, new phrases, and new substantive law. Meanwhile all of the pernicious practices inherent in artificial pricing systems, which involve the terms "freight absorption," "phantom freight," and "delivered prices," will become the order of the day in our trade and commerce. Once again I invite the attention of the membership to the Senate Small Business Committee report of the Eightieth Congress—Report No. 44, Eighty-first Congress, first session, February 10, 1949. I am sure a careful reading of this document will dispel all doubt in any Member's mind as to the phony aspects of freight absorption, phantom freight, and delivered prices as used in the basing-point and other artificial pricing systems. I do not believe that small business or anybody else need have any fear under present court decisions and Federal Trade Commission practice so long as the ordinary everyday acts performed in trade and commerce do not restrain such trade and commerce, and are not discriminatory or monopolistic. It is my sincere belief that S. 1008 should be either cast aside or soundly beaten.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. HOFFMAN of Michigan (at the request of Mr. TABER), on account of official business.

To Mr. SMITH of Kansas (at the request of Mr. REES), on account of attendance at military maneuvers.

EXTENSION OF REMARKS

Mr. DONOHUE asked and was given permission to extend his remarks in the RECORD and include an editorial.

ENROLLED BILLS SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 781. An act to amend title II of the Civil Aeronautics Act of 1938, as amended;

H. R. 997. An act to extend the benefits of section 1 (c) of the Civil Service Retirement Act of May 29, 1930, as amended, to employees who were involuntarily separated during the period from July 1, 1945, to July 1, 1947, after having rendered 25 years of service but prior to attainment of age 55;

H. R. 2859. An act to authorize the sale of public lands in Alaska;

H. R. 2877. An act to authorize the addition of certain lands to the Big Bend National Park, in the State of Texas, and for other purposes; and

H. R. 4498. An act to amend section 6 of the act of April 15, 1938, to expedite the carriage of mail by granting additional authority to the Postmaster General to award contracts for the transportation of mail by aircraft upon star routes.

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1647. An act to eliminate premium payments in the purchase of Government royalty oil under existing contracts entered into pursuant to the act of July 13, 1946 (60 Stat. 533), and for other purposes.

ADJOURNMENT

Mr. BUCHANAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 49 minutes p. m.) the House adjourned until tomorrow, August 23, 1949, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

877. A letter from the Secretary of Commerce, transmitting certifications by the Administrator of Civil Aeronautics of the cost of rehabilitation and repair of damages caused by the United States Military Forces at certain public airports; to the Committee on Interstate and Foreign Commerce.

878. A letter from the Archivist of the United States, transmitting a report on records proposed for disposal and lists or schedules, or parts of lists or schedules covering records proposed for disposal by certain Government agencies; to the Committee on House Administration.

879. A communication from the President of the United States transmitting a supplemental estimate of appropriation for the fiscal year 1950 in the amount of $1,210,000 for the Department of Agriculture (H. Doc. No. 312); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SABATH: Committee on Rules. H. Res. 326. Resolution authorizing and directing the Committee on Public Works to conduct surveys of certain works of improvement; without amendment (Rept. No. 1288). Referred to the House Calendar.

Mr. HARRIS: Committee on the District of Columbia. H. R. 5912. A bill to amend the District of Columbia Alcoholic Beverage Control Act to restrict the sale on credit of beverages, except beer and light wines, not consumed on the premises where sold; without amendment (Rept. No. 1290). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOBBS: Committee on the Judiciary. H. R. 483. A bill to extend the time limit within which certain suits in admiralty may be brought against the United States; with an amendment (Rept. No. 1292). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOBBS: Committee on the Judiciary. S. 88. A bill to amend section 60 of an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, as amended; with an amendment (Rept. No. 1293). Referred to the Committee of the Whole House on the State of the Union.

Mr. GOSSETT: Committee on the Judiciary. H. R. 3001. A bill to authorize the admission into the United States of certain aliens possessing special skills; with an amendment (Rept. No. 1294). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee on Banking and Currency. H. R. 6070. A bill to amend the National Housing Act, as amended, and for other purposes; without amendment (Rept. No. 1295). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H. R. 2419. A bill relating to the disposition of moneys received from the national forests; with an amendment (Rept. No. 1296). Referred to the Committee of the Whole House on the State of the Union.

Mr. MURDOCK: Committee on Public Lands. H. R. 5506. A bill to authorize the Palisades Dam and Reservoir project, to authorize the north side pumping division and related works, to provide for the disposition of reserved space in American Falls Reservoir, and for other purposes; with an amendment (Rept. No. 1297). Referred to the Committee of the Whole House on the State of the Union.

Mr. BURLESON: Committee on Foreign Affairs. H. R. 5902. A bill for the relief of the Pan American Union; without amendment (Rept. No. 1298). Referred to the Committee of the Whole House on the State of the Union.

Mr. MANSFIELD: Committee on Foreign Affairs. H. R. 5773. A bill to authorize the carrying out of the provisions of article 7 of the treaty of February 3, 1944, between the United States and Mexico, regarding the joint development of hydroelectric power at Falcon Dam, on the Rio Grande, and for other purposes; with an amendment (Rept. No. 1299). Referred to the Committee of the Whole House on the State of the Union.

Mr. DOUGHTON: Committee on Ways and Means. H. R. 6000. A bill to extend and improve the Federal Old-Age and Survivors Insurance System, to amend the public assistance and child welfare provisions of the Social Security Act, and for other purposes; without amendment (Rept. No. 1300). Referred to the Committee of the Whole House on the State of the Union.

Mr. DELANEY. Committee on Rules. House Resolution 335. Resolution providing for the consideration of the bill H. R. 3113, a bill to amend title 28 of the United States Code, "Judiciary and Judicial Procedure," and incorporate therein provisions relating to the United States Tax Court, and for other purposes; without amendment (Rept. No. 1301). Referred to the House Calendar.

Mr. SABATH: Committee on Rules. House Resolution 336. Resolution providing for the consideration of the bill H. R. 6070, a bill to amend the National Housing Act, as amended, and for other purposes; without amendment (Rept. No. 1302). Referred to the House Calendar.

Mr. KEE: Committee of conference. S. 1250. An act to amend the Institute of Inter-American Affairs Act, approved August 5, 1947 (Rept. No. 1303). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SMITH of Virginia: Committee on the District of Columbia. S. 973. An act to exempt from taxation certain property of the National Society of the Colonial Dames of America in the District of Columbia; without amendment (Rept. No. 1289). Referred to the Committee of the Whole House.

Mr. HARRIS: Committee on the District of Columbia. House Joint Resolution 337. Joint resolution extending the time for payment of the sums authorized for the relief of the owners of certain properties abutting Eastern Avenue in the District of Columbia; without amendment (Rept. No. 1291). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. SPENCE:

H. R. 6070. A bill to amend the National Housing Act, as amended, and for other purposes; to the Committee on Banking and Currency.

By Mr. CROOK:

H. R. 6071. A bill to direct the Interstate Commerce Commission to establish minimum standards with respect to the exits on passenger motor vehicles used by motor carriers; to the Committee on Interstate and Foreign Commerce.

By Mr. DAVIES of New York:

H. R. 6072. A bill to amend title 17 of the United States Code entitled "Copyrights," for clarification as to certain code writings of an author for which copyright may be secured; to the Committee on the Judiciary.

By Mr. LYNCH:

H. R. 6073. A bill to amend section 501 (b) (6) of the Internal Revenue Code; to the Committee on Ways and Means.

By Mr. WALTER:

H. R. 6074. A bill to amend section 2 of the Settlement of War Claims Act of 1928, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. BENTSEN:

H. R. 6075. A bill to amend section 12B of the Federal Reserve Act (pertaining to the Federal Deposit Insurance Corporation) to provide for a lower assessment rate on insured banks when the Corporation's surplus exceeds $1,250,000,000, and for other purposes; to the Committee on Banking and Currency.

By Mr. LYLE:

H. R. 6076. A bill to amend section 12B of the Federal Reserve Act (pertaining to the Federal Deposit Insurance Corporation) to provide for a lower assessment rate on insured banks when the Corporation's surplus exceeds $1,250,000,000, and for other purposes; to the Committee on Banking and Currency.

By Mr. VINSON:

H. R. 6077. A bill to clarify the status of inactive members of the Naval Reserve relating to the holding of offices of trust or

profit under the Government of the United States; to the Committee on Armed Services.

H. R. 6078. A bill to authorize attendance of civilians at schools conducted by the Departments of the Army, Navy, and Air Force, and Joint-Service schools, and for other purposes; to the Committee on Armed Services.

By Mr. PETERSON:

H. R. 6079. A bill to authorize additional funds to continue the rehabilitation of civilian facilities on the Island of Guam, and for other purposes; to the Committee on Public Lands.

By Mr. KEE:

H. R. 6080. A bill to authorize temporary aid to and repatriation of needy nationals of the United States in foreign countries, and for other purposes; to the Committee on Foreign Affairs.

H. R. 6081. A bill to authorize the Secretary of State to evaluate and to waive collection of certain financial assistance loans, and for other purposes; to the Committee on Foreign Affairs.

By Mr. BARING:

H. R. 6082. A bill to establish the office of Federal Minerals Coordinator; to the Committee on Public Lands.

By Mr. DOYLE:

H. R. 6083. A bill to provide for direct Federal loans to meet the housing needs of moderate-income families, to provide liberalized credit to reduce the cost of housing for such families, and for other purposes; to the Committee on Banking and Currency.

By Mr. FULTON:

H. R. 6084. A bill to establish a Federal Commission on Services for the Physically Handicapped, to define its duties, and for other purposes; to the Committee on Education and Labor.

By Mrs. ST. GEORGE:

H. R. 6085. A bill to provide that persons who served in the Women's Army Auxiliary Corps, under certain conditions, shall be deemed to have been in the active military service for the purpose of laws administered by the Veterans' Administration; to the Committee on Veterans' Affairs.

By Mr. SUTTON:

H. J. Res. 346. Joint resolution to establish a National Children's Day; to the Committee on the Judiciary.

By Mr. FLOOD:

H. Con. Res. 127. Concurrent resolution relative to aid to Ecuador; to the Committee on Foreign Affairs.

By Mr. GOSSETT:

H. Con. Res. 128. Concurrent resolution authorizing the Committee on the Judiciary of the House of Representatives to have printed additional copies of the hearings held before said committee on the bills entitled "Amend the Constitution with Respect to Election of President and Vice President"; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOLTON of Maryland:

H. R. 6086. A bill for the relief of Miss Nelly Jarg; to the Committee on the Judiciary.

By Mr. COUDERT:

H. R. 6087. A bill for the relief of Mrs. Oksana Stepanovna Kasenkina; to the Committee on the Judiciary.

By Mr. JAVITS:

H. R. 6088. A bill for the relief of Josef Rubinsztjn; to the Committee on the Judiciary.

H. R. 6089. A bill for the relief of Nahum Bomze; to the Committee on the Judiciary.

H. R. 6090. A bill for the relief of Jose Ramon Pineiro; to the Committee on the Judiciary.

H. R. 6091. A bill for the relief of Stanislawa Waclawa Baltrunas; to the Committee on the Judiciary.

By Mr. JENNINGS:

H. R. 6092. A bill for the relief of Eleanor Deloris Woodward and Paul Woodward; to the Committee on the Judiciary.

By Mr. LESINSKI:

H. R. 6093. A bill for the relief of Masami Hiroya and Aiko Hiroya; to the Committee on the Judiciary.

By Mr. SADOWSKI:

H. R. 6094. A bill for the relief of Nikolas (Miklos) Fenakel and his wife, Millie (Mollie) Weiman Fenakel; to the Committee on the Judiciary.

By Mr. WILSON of Texas:

H. R. 6095. A bill for the relief of Universal Corp., James Stewart Corp., and James Stewart & Co., Inc.; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1440. By Mr. SMITH of Wisconsin: Resolution of Wisconsin Society of Professional Engineers at a meeting of the board of directors at Green Bay, Wis., August 5, 1949, opposing Federal aid for local public works planning; to the Committee on Public Works.

1441. By the SPEAKER: Petition of Dr. George C. Shivers, secretary of the American Goiter Association, Colorado Springs, Colo., requesting to be placed on record as against any form of compulsory health insurance or any system of political medicine designed for bureaucratic control; to the Committee on Interstate and Foreign Commerce.

1442. Also, petition of Robert Yellowtail, chairman, Crow Tribal Council, Crow Agency, Mont., relative to requesting Congress to pass H. R. 4941 dealing with the Indian liquor law, which would save the young people of the Indian tribes of the United States; to the Committee on Public Lands.

1443. Also, petition of Harriett Holmberg and others, Warren, Pa., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1444. Also, petition of Oscar Fjarli and others, DeRidder, La., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1445. Also, petition of E. M. Coe and others, Miami, Fla., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1446. Also, petition of Charles Foster and others, Orlando, Fla., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1447. Also, petition of Mrs. L. D. Glenn and others, Pinellas County Townsend Clubs, St. Petersburg, Fla., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1448. Also, petition of L. R. Hayes and others, Bushnell, Fla., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

SENATE

TUESDAY, AUGUST 23, 1949

(Legislative day of Thursday, June 2, 1949)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Robert N. DuBose, D. D., executive secretary, Commission on Christian Higher Education of the Association of American Colleges, Washington, D. C., offered the following prayer:

Almighty God, from whom every good and perfect prayer cometh, grant us in all our doubts and uncertainties the courage to ask what Thou wouldst have us do; that the spirit of wisdom may save us from false choices, and that in Thy light we may walk courageously.

We pray Thy blessing upon our national leaders. May they continue to give themselves in willing effort and patient toil, in sincerity of heart and purity of life, in unselfish service beyond the call of moral responsibility in their supreme duty of this hour. Give to them the spirit of love in the bond of peace, diligence, and guidance that with these tasks there may come a sense of dedication to Thee and to their fellow men. Save us from the perils of self-deception.

We pray for wisdom to use wisely the good things that still abound in this world, for courage to speak the truth with boldness, and for grace to speak the truth with love. Amen.

THE JOURNAL

On request of Mr. JOHNSTON of South Carolina, and by unanimous consent, the reading of the Journal of the proceedings of Monday, August 22, 1949, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS AND JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts and joint resolution:

On August 19, 1949:

S. 1949. An act to authorize the lease of the Federal correctional institution at Sandstone, Minn., to the State of Minnesota;

S. 1977. An act to extend the time within which legislative employees may come within the purview of the Civil Service Retirement Act; and

S. J. Res. 79. Joint resolution authorizing Federal participation in the International Exposition for the Bicentennial of the Founding of Port-au-Prince, Republic of Haiti, 1949.

On August 22, 1949:

S. 2170. An act for the relief of W. P. Bartel.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1250) to amend the Institute of Inter-American Affairs Act, approved August 5, 1947.

The message also announced that the House had agreed to the amendments of the Senate to the amendments of the House to the amendments of the Senate Nos. 46 and 74 to the bill (H. R. 4177) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1950, and for other purposes.

The message further announced that the House had passed a bill (H. R. 5472)

authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 259. An act to discontinue divisions of the court in the district of Kansas; and

S. 331. An act for the relief of Ghetek Pollak Kahan, Magdalena Linda Kahan (wife), and Susanna Kahan (daughter, 12 years old).

CALL OF THE ROLL

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. WHERRY. My understanding is that there is a unanimous-consent agreement to divide the time between 12:30 and 2:30 o'clock.

The VICE PRESIDENT. The time is to be divided from 12:30 until 2:30 o'clock.

Mr. WHERRY. In view of that, I suggest to the acting minority leader that there should be a quorum call.

Mr. JOHNSTON of South Carolina. I think so, and I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Anderson	Hill	Mundt
Baldwin	Hoey	Murray
Bricker	Holland	Myers
Bridges	Humphrey	Neely
Byrd	Hunt	O'Mahoney
Cain	Ives	Pepper
Capehart	Jenner	Reed
Chavez	Johnson, Colo.	Robertson
Connally	Johnson, Tex.	Russell
Cordon	Johnston, S. C.	Saltonstall
Donnell	Kefauver	Schoeppel
Douglas	Kem	Smith, Maine
Downey	Kerr	Smith, N. J.
Dulles	Knowland	Sparkman
Eastland	Langer	Stennis
Ecton	Lucas	Taylor
Ellender	McCarthy	Thomas, Okla
Ferguson	McClellan	Thomas, Utah
Flanders	McFarland	Tobey
Frear	McGrath	Tydings
Fulbright	McKellar	Vandenberg
George	McMahon	Watkins
Gillette	Magnuson	Wherry
Graham	Malone	Wiley
Green	Martin	Williams
Gurney	Maybank	Withers
Hayden	Miller	Young
Hendrickson	Millikin	
Hickenlooper	Morse	

Mr. MYERS. I announce that the Senator from Kentucky [Mr. CHAPMAN] is absent on public business.

The Senator from West Virginia [Mr. KILGORE] and the Senator from Maryland [Mr. O'CONOR] are necessarily absent.

The Senator from Louisiana [Mr. LONG] and the Senator from Nevada [Mr. MCCARRAN] are absent by leave of the Senate.

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN], the Senator from Nebraska [Mr. BUTLER], the Senator from Massachusetts [Mr. LODGE], and the Senator from Minnesota [Mr. THYE] are absent by leave of the Senate.

The Senator from Maine [Mr. BREWSTER] and the Senator from Ohio [Mr. TAFT] are necessarily absent.

The VICE PRESIDENT. A quorum is present.

LEAVES OF ABSENCE

Mr. BALDWIN. Mr. President, on behalf of the Senator from Wyoming [Mr. HUNT] and myself, I ask unanimous consent that we may be absent from the Senate on official business of the Senate beginning on Thursday next and continuing until on or about September 30, and on behalf of the Senator from Tennessee [Mr. KEFAUVER] I ask unanimous consent that he may have leave of absence beginning on September 2 and continuing until on or about September 30.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. WHERRY. Mr. President, I ask unanimous consent that the Senator from Vermont [Mr. AIKEN] and the Senator from Nebraska [Mr. BUTLER] be granted an extension of leave until Friday night of this week.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. TOBEY. Mr. President, on behalf of the entire membership of the Senate, who have been long suffering under the abuse of their time and energies by reason of a long-delayed and inefficient and impotent session, which exasperates the patience of mankind, to say nothing of irking the Senators, I ask unanimous consent that they may have leave of absence from now until January 3, 1950.

Mr. LANGER. Mr. President, I object.

The VICE PRESIDENT. Objection is heard, and the order is not entered.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. LUCAS, and by unanimous consent, the Committee on Armed Services and the Committee on Foreign Relations, meeting jointly, were granted permission to meet during the session of the Senate today.

INTERSTATE ADVERTISING OF ALCOHOLIC BEVERAGES—NOTICE OF HEARING

Mr. JOHNSON of Colorado. Mr. President, the Committee on Interstate and Foreign Commerce has received a substantial number of inquiries regarding hearings on the Langer bill, S. 1847, which would prohibit interstate advertising of alcoholic beverages.

I desire to announce on behalf of the committee that hearings will be held on this bill on January 12 and 13, next year, shortly after the second session convenes. Requests for appearances to be heard may be addressed to the committee.

Considerable attention has been focused on the problem of liquor advertising over the radio as a result of a recently announced proposal that one of the large distilling companies plans this type of advertising. The committee has received a very large number of protests against radio advertising of liquor, and it is expected that this phase of the question will be dealt with during the hearings on the Langer bill.

TRANSACTION OF ROUTINE BUSINESS

Mr. LUCAS. Mr. President, I ask unanimous consent that Senators be permitted to introduce bills and resolutions and submit petitions and memorials and other routine matters, without debate.

The VICE PRESIDENT. Without objection, it is so ordered. That will have to be concluded by 12:30 o'clock. From that time until 2:30, the time is equally divided.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

DAMAGES CAUSED AT PUBLIC AIRPORTS BY UNITED STATES MILITARY FORCES

A letter from the Secretary of Commerce, transmitting, pursuant to law, certifications by the Administrator of Civil Aeronautics of the cost of rehabilitation and repair caused by United States military forces at certain public airports (with an accompanying paper); to the Committee on Interstate and Foreign Commerce.

RELIEF OF CERTAIN CERTIFYING OFFICERS OF TERMINATED WAR AGENCIES

A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to authorize relief of authorized certifying officers of terminated war agencies in liquidation by the Department of Commerce (with an accompanying paper); to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate and referred as indicated:

By the VICE PRESIDENT:

A petition of sundry citizens of the State of Massachusetts, relating to the inclusion of alcoholic beverages in any reduction of so-called luxury taxes; to the Committee on Finance.

The petition of the Coconut Grove (Fla.) Townsend Club No. 2, praying for the enactment of the so-called Townsend plan, to provide old-age assistance; to the Committee on Finance.

A letter in the nature of a memorial from M. S. Venable, China Lake, Calif., remonstrating against the closing of the Navy commissary at the United States Naval Ordnance Test Station, China Lake, Calif.; to the Committee on Armed Services.

A memorial of sundry citizens of the United States, remonstrating against the enactment of legislation providing military assistance to foreign nations; to the Committee on Foreign Relations and Armed Services, jointly.

A resolution adopted by the Crow Indian Tribal Council, favoring the enactment of House bill 4941, to remove the discrimination against Indians in the enforcement of Federal and State laws concerned with the use and sale of intoxicating beverages; to the Committee on Interior and Insular Affairs.

A resolution adopted by the Riverside County Medical Association, Riverside, Calif., protesting against the enactment of legislation providing compulsory health insurance; to the Committee on Labor and Public Welfare.

A letter in the nature of a petition from the National Association of Physically Handicapped, Inc., Washington, D. C., signed by Mary Ruth Bass, president, relating to a circular letter over the signature of Paul A. Strachan, and stating "that the National Association of the Physically Handicapped was not affiliated with the American Federation of the Physically Handicapped"; to the Committee on Labor and Public Welfare.

NATIONAL HEALTH PROGRAM—MEMORIAL

Mr. McCARTHY. Mr. President, I present for appropriate reference a memorial signed by 20 citizens of Brodhead, Wis., remonstrating against the enactment of Senate bill 1581, creating a national health agency, and I ask unanimous consent that the memorial may be printed in the RECORD with the signatures attached.

There being no objection, the memorial was referred to the Committee on Labor and Public Welfare and ordered to be printed in the RECORD, with the signatures attached, as follows:

AUGUST 9, 1949.

To Senator McCARTHY:

We, the undersigned citizens of Brodhead, Wis., and outlying rural communities, do hereby earnestly petition you, our honorable Senator McCARTHY, to vigorously protest bill S. 1581, which would disrupt the effective services now being provided by the Food and Drug Administration and further dismember the Children's Bureau. We request that this petition be inserted in the CONGRESSIONAL RECORD.

Mrs. F. A. TenEyck, Mrs. Cora Berryman, Miss Laura Mitchell, Mrs. Charity Henry, Miss Bessie M. Lake, Mrs. Beatrice Wheeler, Mrs. Elma Stephens, Mrs. Claire Miller, Mrs. Jessie Newcomer, Mrs. Millicent Mitchell, Mrs. Jessie Douglas, Mrs. Nellie Fleek, Mrs. Lesa Wraight, Jessie B. Atkinson, Helen J. Beckworth, Elizabeth Bernstein, Minnie Douglas, Zell Barnes Gordon, Mrs. Emma Condon, Mrs. Henry Schrader, all of Brodhead, Wis.

UNIFORM CODE OF MILITARY JUSTICE

Mr. TOBEY. Mr. President, I present for appropriate reference, a letter and resolution which I have received from George L. Rodgers, Jr., past commander of the American Legion Securities and Exchange Commission Post, No. 65, Department of the District of Columbia. The letter and resolution pertain to my amendments (a to z) which have been printed and which I propose to offer when the uniform code of military justice bill, H. R. 4080, is before the Senate for thorough discussion and legislative action.

I ask unanimous consent that the letter and resolution be printed in the RECORD.

There being no objection, the letter and resolution were ordered to lie on the table and to be printed in the RECORD, as follows:

THE AMERICAN LEGION,
SECURITIES AND EXCHANGE
COMMISSION POST, No. 65,
Washington, D. C., August 8, 1949.

Hon. CHARLES TOBEY:
Senate Office Building,
Washington, D. C.

DEAR SENATOR TOBEY: It occurred to me that you might be interested in the enclosed copy of a resolution relating to the uniform code of military justice which was sponsored by our post and was adopted on July 29, 1949, by the department convention of the Department of the District of Columbia of the American Legion. The resolution will be presented in due course to the national convention of the American Legion at Philadelphia, which convenes on August 29, 1949.

I understand that you have introduced various amendments to the proposed code (H. R. 4080) designed to correct some of the defects in this legislation. On behalf of the members of our post I desire to wish you the best of success in securing adoption of amendments which will eliminate those features of the code which would impair the rights now given by law to accused personnel.

Very truly yours,
GEORGE L. RODGERS, Jr.,
Post Commander.

[Enclosure]

RESOLUTION RELATING TO UNIFORM CODE OF MILITARY JUSTICE PRESENTED BY SECURITIES AND EXCHANGE COMMISSION POST, NO. 65, ADOPTED BY THE DEPARTMENT CONVENTION, DEPARTMENT OF THE DISTRICT OF COLUMBIA, THE AMERICAN LEGION, ON JULY 29, 1949

Whereas by legislation previously endorsed by the American Legion, approved June 24, 1948, certain amendments were made to the Articles of War which improved the system of military justice in the Army and Air Force and created additional safeguards for the benefit of accused military personnel; and

Whereas there is now pending in the Senate of the United States a bill (H. R. 4080) to establish a so-called "uniform code of military justice," which would, if enacted in the form passed by the House of Representatives, substantially impair many of the rights now given by the Articles of War to accused personnel in the Army and Air Force, including, among other things the rights of accused enlisted men to have enlisted men sit on court martials, the right to demand trial by court martial in lieu of accepting disciplinary punishment imposed by commanding officers, the right to have a legally trained law member sit as a member of a general court martial, protection from the imposition of penitentiary punishment for minor offenses, protection of Reserve personnel on inactive duty from jurisdiction to be tried by court martial, and effective protection of a statute of limitations against trial of stale offenses; and

Whereas, an opportunity should be given for a fair trial by the Army and Air Force of the changes made in the 1948 law, prior to making additional changes in the Articles of War, without prejudice to the enactment of whatever changes may be appropriate in the articles for the government of the Navy: Therefore be it

Resolved, That this department disapproves of the proposed uniform code of justice to the extent that it would alter or impair any of the above specified or other rights now given by law to accused personnel in the Army and Air Force.

RESOLUTIONS OF ANNUAL CONVENTION OF OREGON STATE FEDERATION OF LABOR

Mr. MORSE. Mr. President, I present a series of resolutions adopted by the forty-sixth annual convention of the Oregon State Federation of Labor, A. F. of L., with which I am happy to associate my own views, and I ask unanimous consent that they be printed in the RECORD.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

Whereas there is now before the Congress proposed legislation which would insure greater educational opportunities for children by authorizing the Federal Works Administrator to make loans and grants to local public-school agencies to assist them in constructing adequate public schools, but none of such legislation has as yet been passed; and

Whereas an educated child becomes a part of an informed citizenry which is able, intellectually and morally, to face the grave problems confronting the Nation, with the consequence that Federal aid to education will safeguard the welfare of all the people; and

Whereas parents are handicapped today in educating their children because of social and economic conditions beyond their control and, as a result, many thousands of children are not receiving the educational opportunities which could otherwise be provided for them: Therefore be it

Resolved by the Oregon State Federation of Labor, American Federation of Labor, as follows:

1. That the secretary forward copies of this resolution to the President of the United States, the Governor of the State of Oregon, each Member of Congress from the State of Oregon, and the Federal Works Administrator; and that the secretary request W. C. Hushing, chairman of the national committee of the American Federation of Labor, to take all action appropriate to encourage the enactment of necessary legislation as recommended by this resolution;

2. That the time has come for Congress to face the educational problem and fulfill the grave responsibility the Federal Government has toward the children of the Nation by passing the legislation necessary to give them educational opportunities;

3. That the passage of legislation which would authorize the construction of public schools with the help of Federal grants or loans, or both, would constitute a realistic and practical solution to a problem which is becoming ever more acute; and

4. That the Federal Government must, as part of its true functions, render financial aid to provide for the education of children; and be it further

Resolved, That the State federation of labor go on record as favoring Federal aid to schools, either for building purposes or for the promotion of general education, only if funds are allocated on the basis of need and with proper safeguards to prevent the Federal Government from interfering with the administration of schools either on the local or the State level.

Whereas a much bigger shelf of State and local public works blueprinted and ready for the contractor is required satisfactorily to meet the need of providing employment should the occasion arise therefore; and

Whereas the reservoir of public works which had been created with the aid of advances made by the Federal Works Administrator pursuant to the War Mobilization and Reconversion Act of 1944 is rapidly dwindling as more and more construction is being undertaken, and

Whereas a program of advance planning for public works is necessary to assure the highest selection and orderly flow of public construction, and the range of needs is so great that careful selection and timing are imperative; Therefore be it

Resolved by the Oregon State Federation of Labor, American Federation of Labor, as follows:

1. That the secretary forward copies of this resolution to the President of the United States, the Governor of the State of Oregon, each Member of Congress from the State of Oregon, and the Federal Works Administrator; and that the secretary request W. C. Hushing, chairman of the national committee of the American Federation of Labor, to take all action appropriate to encourage the enactment of necessary legislation as recommended by this resolution;

2. That Congress pass the legislation which is now pending before it to give the Federal Works Administrator the basic authority under which he can make advances for the planning of public works;

3. That such a forward-looking policy should include the reestablishment of the authority of the Federal Works Administrator to make advances to States and local public bodies to prepare plans, designs, and studies of the public works requirements of their localities; and

4. That this federation is of the opinion that such a sound public construction policy can held us meet the future with confidence.

Whereas this federation is appalled at the terrific pollution of the Nation's streams because of waste products and the fact that we are not meeting the problem adequately, notwithstanding the antipollution legislation that has already been adopted; and

Whereas because action cannot be undertaken under the Water Pollution Control Act, residues and wastes and industrial wastes are still polluting the Nation's streams; and

Whereas the solution of the problem cannot be worked out until funds have been appropriated with which to inaugurate the program authorized by the Water Pollution Control Act: Therefore be it

Resolved by the Oregon State Federation of Labor, American Federation of Labor, as follows:

1. That the secretary forward copies of this resolution to the President of the United States, the Governor of the State of Oregon, each Member of Congress from the State of Oregon, and the Federal Works Administrator; and that the secretary request W. C. Hushing, chairman of the national committee of the American Federation of Labor, to take all action appropriate to encourage the enactment of necessary legislation as recommended by this resolution;

2. That the restrictions upon the amounts of loans and grants now embodied in the Water Pollution Control Act be eliminated so that projects which are necessary to effectuate the purposes of the act may be undertaken;

3. That the immeasurable value to the country, resulting from preserving the Nation's waters unpolluted and preventing disease to the people and further mass death of wildlife, warrants Congress immediately appropriating the funds necessary to commence the water-pollution control program; and

4. That the time has come for action by the Congress to make Federal appropriations available to preserve the Nation's streams unpolluted.

Whereas Robert N. Denham, general counsel for the National Labor Relations Board, has by his every action shown himself to be hostile to the American labor movement in general and to the International Typographical Union in particular; and

Whereas from the moment of his appointment until the present time, Robert N. Denham, by his arbitrary, biased, and contradictory rulings and unjust decision has proven himself to be wholly unfitted for the office he now holds; and

Whereas the National Labor Relations Board, under Labor Dictator Denham, has been converted into an agency for antiunion employer organizations; and

Whereas Government injunctions in labor disputes have been issued against American Federation of Labor, Council of Industrial Organizations, and independent unions, with the sole purpose of destroying historic collective-bargain rights of labor: Therefore be it

Resolved, That the officers and delegates to the Oregon State Federation of Labor voice their disapproval and condemnation of Mr. Denham and request that Harry S. Truman, President of the United States, remove him from office; and be it further

Resolved, That copies of this resolution be forwarded to President Truman and to our Representatives in Washington.

Whereas great numbers of workers have and many are still working for various political subdivisions, not covered by the Social Security Act; and

Whereas many of them have already lost credits earned prior to this work, and many more will in the future: Therefore be it

Resolved, This forty-sixth annual convention instruct its officers to present to the A. F. of L. convention a resolution asking them to work for an amendment to the Social Security Act, whereby those workers penalized at the present time for having worked for a political subdivision of the Government not covered by the act, shall have credit allowed the same as though they had worked for a covered employer; and be it further

Resolved, That our Congressmen and Senators from Oregon be asked to work for such an amendment, as well as various State federation of labor organizations of other States.

Whereas the Social Security Act having now been in operation for more than 10 years, and the contributions to the act have been frozen at the original 1 percent, instead of the proposed 3 percent in the original act; and

Whereas the benefits being paid by the Social Security Act, due to the low contributions to the fund by the workers and the employers, are very small and inadequate making it impossible for anyone to live on; and

Whereas by increasing the contribution by the employer and the workers to 5 percent instead of the present 1 percent now being collected, an adequate and just and livable benefit would be paid; and

Whereas many of our members never reach the retirement age of 65 and if they do they are too old to enjoy retirement; and

Whereas a great number of our members do not come under the act due to the nature of their work; and

Whereas if everyone were covered under the act at a 5-percent contribution, labor would not have to negotiate pension plans in their collective bargaining agreements, but instead could get the cost of such plans included in the wage scales; and

Whereas under this liberalization of the Social Security Act, many now on city, county, or State welfare would find such relief unnecessary, thereby relieving the taxpayers of a heavy tax burden: Therefore be it

Resolved, That the Oregon State Federation of Labor Convention of 1949 go on record advocating the following amendments to the Social Security Act:

1. Increasing the present 1-percent contribution to 5 percent for both the employer and the worker, and the benefits increased in accordance to the increased contributions.

2. Include all workers under the act, regardless of whether they are agricultural workers, State, county, or city employees or whatever other category they may come under.

3. That the age for eligibility be lowered from 65 to 60 for both male and female workers.

4. That the minimum benefits under the act be not less than $75 per month; and be it finally

Resolved, That copies of this resolution be sent to Oregon's Senators and Representatives in Congress, to the A. F. of L., and to each State Federation of Labor in the United States and its Territories, requesting their assistance in enacting these proposed amendments into the Social Security Act.

MIDDLE-INCOME HOUSING BILL—ATTITUDE OF VETERANS OF FOREIGN WARS

Mr. SPARKMAN. Mr. President, I ask unanimous consent to have printed in the RECORD a telegram received by me today from Lyall T. Beggs, commander in chief of the Veterans of Foreign Wars of the United States, telling of the action of the annual convention of the Veterans of Foreign Wars unanimously approving a resolution asking Congress to enact a middle-income housing bill, reported from the Senate Banking and Currency Committee as Senate bill 2246.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

MIAMI, FLA., *August 22, 1949.*

Senator JOHN SPARKMAN,
United States Senator,
Washington, D. C.:

Fiftieth Annual Convention, Veterans of Foreign Wars of the United States, today unanimously adopted resolution calling upon Congress to enact middle-income housing bill in form as reported from Senate committee, S. 2246. Opposed to H. R. 5987 in form as bill emerged from House committee. Convention unalterably opposed to any legislation which would continue in effect so-called section 505 combination GI-FHA loan. Strongly urge Congress to continue and expand GI loan program of GI bill of rights. Convention would be exceedingly grateful for your assistance in further objectives of this mandate for a million and one-half overseas veterans.

LYALL T. BEGGS,
Commander in Chief, Veterans of Foreign Wars of United States.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. KERR, from the Committee on Interior and Insular Affairs:

H. R. 5205. A bill to quitclaim certain property in Enid, Okla., to H. B. Bass; without amendment (Rept. No. 949).

By Mr. McFARLAND, from the Committee on Interior and Insular Affairs:

S. 1542. A bill to authorize the withdrawal of public notices in the Yuma reclamation project, and for other purposes; with an amendment (Rept. No. 953).

By Mr. MURRAY, from the Committee on Labor and Public Welfare:

S. 1706. A bill to authorize the Public Health Service to admit to its hospitals persons committed by State courts who are beneficiaries of the Service or narcotic addicts, and for other purposes; without amendment (Rept. No. 950);

S. 2227. A bill to amend the act approved July 18, 1940 (54 Stat. 766; 24 U. S. C., 1946 edition, sec. 196b), entitled "An act relating to the admission to St. Elizabeths Hospital of persons resident or domiciled in the Virgin Islands of the United States," by enlarging the classes of persons admissible into St. Elizabeths Hospital and in other respects; without amendment (Rept. No. 951); and

S. 2228. A bill to amend the Public Health Service Act with respect to venereal disease rapid-treatment centers, and for other purposes; with amendments (Rept. No. 952).

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, August 23, 1949, he presented to the President of the United States the following enrolled bills:

S. 259. An act to discontinue divisions of the court in the district of Kansas; and

S. 331. An act for the relief of Ghetel Pollak Kahan, Magdalena Linda Kahan (wife), and Susanna Kahan (daughter, 12 years old).

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. KERR:

S. 2469. A bill for redress of grievances of Milton Roe Sabin and Bertha Florence Sabin, husband and wife; to the Committee on the Judiciary.

By Mr. WILEY:

S. 2470. A bill for the relief of Brother John Muniak; to the Committee on the Judiciary.

By Mr. MORSE:

S. 2471. A bill to provide for the operation of general surgical and medical hospitals at the Veterans' Administration domiciliary facility, Clinton, Iowa, and at the Veterans' Administration domiciliary facility, Medford, Oreg.; to the Committee on Labor and Public Welfare.

By Mr. FULBRIGHT:

S. 2472. A bill to amend the Reconstruction Finance Corporation Act, as amended, and for other purposes; to the Committee on Banking and Currency.

By Mr. TYDINGS:

S. 2473. A bill to authorize additional funds to continue the rehabilitation of civilian facilities on the island of Guam, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MCFARLAND:

S. 2474. A bill to amend the act of August 24, 1935, so as to bring issuers of workmen's compensation insurance policies within the protection of payment bonds required of contractors under such act; to the Committee on Public Works.

By Mr. MYERS:

S. 2475. A bill for the relief of Dr. Yuan Yuen Kwei; to the Committee on the Judiciary.

AMENDMENT OF FAIR LABOR STANDARDS ACT—AMENDMENT

Mr. FLANDERS (for himself, Mr. WHERRY, and Mr. GILLETTE) submitted amendments intended to be proposed by them, jointly, to the bill (S. 653) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes, which were ordered to lie on the table and to be printed.

INTERIOR DEPARTMENT APPROPRIATIONS—AMENDMENT

Mr. MURRAY submitted an amendment intended to be proposed by him to the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes, which was ordered to lie on the table and to be printed.

MILITARY ASSISTANCE TO FOREIGN NATIONS—AMENDMENTS

Mr. RUSSELL (for himself, Mr. BYRD, Mr. GURNEY, Mr. SALTONSTALL, and Mr. MORSE) submitted amendments intended to be proposed by them, jointly, to the bill (S. 2388) to promote the foreign policy and provide for the defense and general welfare of the United States by furnishing military assistance to foreign nations, which were referred to the Committees on Foreign Relations and Armed Services, jointly, and ordered to be printed.

INCREASE OF PAY OF MEMBERS OF ARMED SERVICES—AMENDMENT

Mr. MYERS submitted an amendment intended to be proposed by him to the bill (H. R. 5007) to provide pay, allowances, and physical disability retirement for members of the Army, Navy, Air Force, Marine Corps, Coast Guard, Coast and Geodetic Survey, Public Health Service, the Reserve components thereof, the National Guard, and the Air National Guard, and for other purposes, which was ordered to lie on the table and to be printed.

HOUSE BILL REFERRED

The bill (H. R. 5472) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes, was read twice by its title, and referred to the Committee on Public Works.

ADDRESS BY SENATOR WILEY TO THE ST. BARTOLOMEO SOCIETY AT WAUKESHA, WIS.

[Mr. WILEY asked and obtained leave to have printed in the RECORD an address delivered by him on August 20, 1949, to the St. Bartolomeo Society at Waukesha, Wis., which appears in the Appendix.]

LUCAS DAY—EDITORIAL FROM THE PEORIA JOURNAL

[Mr. DOUGLAS asked and obtained leave to have printed in the RECORD an editorial entitled "LUCAS Day," published in the Peoria Journal of August 19, 1949, which appears in the Appendix.]

PENNSYLVANIA'S OIL VALUES

[Mr. MARTIN asked and obtained leave to have printed in the RECORD an article entitled "Chemist Foretold Pennsylvania Oil's Value as Early as 1855," which appears in the Appendix.]

KAISER ALUMINUM HAS BANNER YEAR—ARTICLE FROM AMERICAN METAL MARKET

[Mr. CAIN asked and obtained leave to have printed in the RECORD an article regarding the Permanente Metals Corp., published in the August 23, 1949, issue of the American Metal Market, which appears in the Appendix.]

BAN ON GIVE-AWAYS—EDITORIAL FROM THE WASHINGTON POST

[Mr. JOHNSON of Colorado asked and obtained leave to have printed in the RECORD an editorial entitled "Ban on Give-Aways," from the Washington Post of August 23, 1949, which appears in the Appendix.]

COLOR TELEVISION—EDITORIAL BY FRED OTHMAN

[Mr. JOHNSON of Colorado asked and obtained leave to have printed in the RECORD an article entitled "Killjoy FCC," by Fred Othman, from the Washington News of August 23, 1949, which appears in the Appendix.]

FEDERAL POWER POLICY FOR THE PACIFIC NORTHWEST

[Mr. MORSE asked and obtained leave to have printed in the RECORD an article entitled "Case for a Federal Power Policy for Pacific Northwest, Stated by H. G. West," written by H. G. West, vice president of the Inland Empire Waterways Association, which appears in the Appendix.]

THE SPANISH PROBLEM

[Mr. MORSE asked and obtained leave to have printed in the RECORD a letter received by him on a certain phase of the Spanish problem, which appears in the Appendix.]

LOYALTY PLEDGES—EDITORIAL FROM EUGENE (OREG.) REGISTER-GUARD

[Mr. MORSE asked and obtained leave to have printed in the RECORD an editorial entitled "Why Not a Constructive Pledge?" published in the Eugene (Oreg.) Register-Guard of July 25, 1949, which appears in the Appendix.]

DON'T SELL EDUCATION SHORT—EDITORIAL FROM JOURNAL OF THE ASSOCIATION FOR EDUCATION BY RADIO

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an editorial entitled "Don't Sell Education Short," written by Tracy F. Tyler, and published in the Journal of the Association for Education by Radio for September 1949, which appears in the Appendix.]

PAY OF CLERICAL ASSISTANTS OF SENATOR MCGRATH

Mr. HAYDEN. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be discharged from the further consideration of Senate Resolution 159, submitted by Mr. GREEN on August 22, 1949, and that the Senate proceed to its consideration.

The VICE PRESIDENT. Is there objection?

There being no objection, the resolution was considered and agreed to, as follows:

Resolved, That the clerical assistants in the office of Senator J. HOWARD MCGRATH, appointed by him and carried on the pay roll of the Senate when his resignation from the Senate takes effect, shall be continued on such pay roll at their respective salaries for a period not to exceed 15 days, to be paid from the contingent fund of the Senate.

AMERICAN TREATY RIGHTS IN MOROCCO

Mr. ELLENDER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter dated August 22, 1949, addressed to me by Robert Emmet Rodes, commander of Morocco Post, No. 1, of the American Legion, commenting on remarks made by me during the debate on an amendment to the ECA bill together with certain related papers.

There being no objection, the letter and other documents were ordered to be printed in the RECORD, as follows:

AUGUST 22, 1949.

Hon. ALLEN J. ELLENDER,
United States Senate,
Washington, D. C.

DEAR SENATOR ELLENDER: You hit the nail on the head in your remarks to the Senate about State Department acceptance of a Moroccan decree which nullifies a treaty ratified by the Senate. I refer to the following from page 10816 of the CONGRESSIONAL RECORD:

"It seems to me that such a decree was in direct violation of the treaty; and if I am correct, then the Executive has no right to assent to such a decree. The treaty should have been presented to the Senate in a revised form so as to cover the action taken by the Moroccan authorities and thereby affect our nationals."

It has long been the custom of the Moroccan Government to submit local laws to our Government prior to their promulgation if there appeared to be a question of noncompliance with treaty arrangements. If our Government determined there was no treaty violation, the law was accepted; if it determined that the law was contrary to treaty, it stated its reasons, and enforcement was delayed until an agreement was concluded.

This procedure is not and never was intended to be a mechanism for the voiding of one of our treaties. This question has been raised with the State Department by Foreign Service personnel and American citizens in Morocco and by Members of the Senate and

House of Representatives. The Department of State has carefully refrained from giving an official opinion.

On March 12, 1949, I wrote to the chairman of the Foreign Relations Committee on this subject as follows:

"When action changing our status is taken, it should be judged immediately, solely on legal grounds and solely by experienced legally qualified persons. The status quo should be preserved strictly until the decision is made. Any other procedure subjects United States citizens to government by decree and to loss of property without process of law."

"If a modification of the existing status is desired it should be proposed in an orderly way with reasons advanced by the proponents. (Such proposals should not be considered until any unilateral action already taken were rescinded and appropriate restitution made). The views of technical and liaison personnel of the State Department and other agencies should be sought and considered only in connection with such proposed revisions. Certainly our Government should not tolerate an illegal impairment of its citizens' rights no matter how much sympathy its perpetrators find among their American opposites. Furthermore, Americans whose interests are affected should have every opportunity of expressing their views. The burden of proof should rest upon proponents of changes of the status quo."

A reply has not been received, undoubtedly because the State Department is unwilling to admit that it has usurped functions of the Senate.

In some instances the Department of State has said that our treaty rights are fully protected because the assent to the embargo against our trade is temporary. This excuse was advanced by Mr. Ernest Gross in his reply to Senator SALTONSTALL (p. 10764 of the CONGRESSIONAL RECORD of August 4, 1949):

"This Government did not relinquish the rights of most-favored-nation and 'open door' treatment in assenting to this decree. United States assent was given as a temporary expedient with full reservation of existing United States treaty rights."

The foregoing was the State Department's contention in a discussion with the Department of Commerce. I wrote the Secretary of Commerce, with a copy to the Secretary of State, on April 12, 1949, as follows:

"Our most-favored-nation agreements with Morocco are in the form of treaties ratified by the Senate. If such an agreement may be abrogated for a limited period by the executive branch, it follows that the period may be extended, even indefinitely. This is tantamount to alteration of treaties by simple Executive action, nullifying the constitutional requirement of Senate approval."

Answers carefully avoid this question.

Mr. Gross' letter to Senator SALTONSTALL ends:

"The Department's objective is to assure an appropriate measure of protection to the interests of Americans in the French Protectorate of Morocco, and the choice of methods for achieving this objective has to be determined in the light of changing circumstances."

This would lead to chaos if applied generally to the carrying out of treaty provisions, just as it would if other officers charged with administering laws took it upon themselves to enforce, disregard, or alter them "in the light of changing circumstances." The handling of this decree is an excellent example. It completely upsets traditional commercial relations that had always been jealously guarded, and on which dozens of businesses were based. These all lost the fruit of years of work, with only 13 days' advance notice.

This was after Americans in Morocco had been informed, with State Department knowledge and approval, that certain redress would be required and other safeguards established that could not have been accomplished in less than 6 months. The attached letter to the Department of State, dated March 25, 1949, and a cable sent, with State Department approval to Americans in Morocco, indicate the arrangements. These were the basis of all discussions and were reported, with State Department knowledge, to interested Senators.

The State Department suddenly changed its decision and none of the conditions promised were carried out. The official most closely concerned excused this by saying that they merely represented what the Department of State considered reasonable demands, but that heavy French pressure had made it impossible to obtain them. This "heavy French pressure," undoubtedly, is what Mr. Gross describes as "changing circumstances."

What happened was that Frenchmen who oppose Americans in Morocco saw high French officials, including the Prime Minister. (While the Under Secretary of State was too busy to see me.) The Secretary of State was in Paris at the time. A French newspaper stated that the French delegation had been assured on June 8 that we would capitulate on June 10. This was entirely correct, although on June 9 I was informed verbally that negotiations were in process, but were secret and could not be revealed to me. On June 11 the Department of State advised me that negotiations were still in progress. This was in a letter signed by C. H. Humelsine, Chief, Executive Secretariat, which ended:

"Assent to the decree in question, if given, would be predicated on terms considered satisfactory by this Department and other interested agencies of the Government."

As Senator RUSSELL stated, the Moroccan situation is small in dollar volume but broad fundamental principles are involved. The Constitution provides legislative safeguards to protect our citizens from precisely the foregoing type of abuse. If they had been followed the political pressure of a French financial clique, converted into heavy French (diplomatic) pressure could not have caused a notoriously weak government agency to abandon its own citizens' admitted rights and interests.

Another question far graver than Morocco is raised by this whole action. When the Department of State, in granting voluntary concessions to a friendly nation to which we are giving $60,000,000 per month, cannot obtain what it has determined to be reasonable and equitable for our citizens, what earthly chance has it of defending our rights under less auspicious circumstances? It would seem that the recent record of the Department requires more, rather than less, legislative restrictions.

One of the questions asked the Department of State but avoided in Mr. Gross' reply, is:

"I would appreciate * * * your opinion as to how far the executive branch may go in abrogating a treaty without formal modification, including Senate ratification."

Apart from legality, a very dangerous precedent is being set because all of our postwar relationships in Morocco have shown that any yielding on our part is seized as a precedent by the anti-American clique.

As Senator SALTONSTALL informed the Senate, this acceptance was given June 10, 1949, for a temporary period of 3 months. It is tantamount to the abrogation of a treaty of the executive branch, rendering the constitutional requirement of Senate ratification meaningless. It causes ruinous losses to a group of Americans who had assumed that they could rely on our treaties as they could on any other law. It represents a backward step, regimenting an economy that was gradually freeing itself. (Please see the attached copy of letter to Willard Thorpe.)

The State Department relies on its Commercial Policy Division for formulation of policy in this matter. That Division (which would become useless with the establishment of free economy) has consistently shown partiality for regimentation. It also has shown that it is unwilling to press European nations in order to obtain fair treatment for Americans. If the Senate does not intervene, the State Department will continue in its acquiesence in the abrogation of our treaty rights.

On my own behalf and on that of the Americans in Morocco, I take this opportunity of thanking you for your support, and of hoping that some type of Senate action will reestablish constitutional law in our relations in Morocco and will block the anti-American campaign, beginning with the refusal to continue the embargo on our trade when it expires September 10.

Yours sincerely,

ROBERT EMMET RODES,
Commander, Morocco Post, No. 1, American Legion; President, American Trade Association of Morocco.

COPY OF CABLE TO AMERICAN TRADE ASSOCIATION OF MOROCCO

MARCH 24, 1949.

After full conference state proposes consider Dahir (Decree) without commitment to accept, after performance. To test protectorate's treatment of Americans including: Release all merchandise, reimbursement all over payments customs and taxes, full share all official business, discontinuance all discrimination. Business as usual during trial period. Am insisting ultimate acceptance unsatisfactory any basis but conceding foregoing acceptable compromise if trial basis 1 year if officials consistently guilty anti-American acts removed and if US sole judge performance. Please comment.

R. E. RODES.

MARCH 25, 1949.

The honorable the SECRETARY OF STATE,
Washington, D. C.

MY DEAR MR. SECRETARY: In a conference yesterday with members of your staff concerned with the Moroccan situation, I repeated that Americans in Morocco are unalterably opposed to any arrangement to accept the Moroccan Protectorate's decree of December 30, 1948, restricting imports. I suggested that the Resident General of Morocco be informed that, whatever the Department's original intentions had been, it could not act favorably because of the illegal and discriminatory acts against Americans that have come to light during your consideration of the matter; of the anti-American official statements made when the decree was promulgated; and of the illegal application of the decree to Americans, without your Department's consent. I asked that this be accompanied with a demand that all illegal or discriminatory acts against Americans cease; that officials consistently guilty of them or of public anti-American utterances be removed and that customs duties and taxes paid in excess of legal rates be reimbursed.

After further discussion, it was proposed that the Department instruct the Chargé d'Affaires at Tangier to inform General Juin that we would agree to consider, without commitment to accept, the decree in question on condition that Americans participate in official business fairly; that all discriminatory and illegal acts cease; that duties and taxes collected in excess of legal amounts be reimbursed; that final judgment would be after a trial period had proved that the conditions had been met, not on any promise or engagement of the Protectorate.

I repeated my views on acceptance but stated that if the trial period is for 1

year; if consistently anti-American personnel are removed and if United States Foreign Service officers are final judges in all matters of equal treatment, this formula might be acceptable.

Mr. Martin indicated that the trial period might be less than 1 year, and that consideration would be given to removal of anti-American officials. Mr. Vernon stated that the designation of our consular officials as sole judges would be asking for considerably more than we are allowed at the present time. I explained that all action on economic affairs in Morocco is based on our having accepted wartime exchange controls; since this was with the proviso that the acceptance could be withdrawn at any time, we may insist on any condition that pleases us in refraining to withdraw this acceptance.

As you will see from the above, the two positions are not nearly so divergent as they were during the first discussions with State Department personnel. The admission by all concerned that there is a definite anti-American policy in Morocco and that this policy has caused many illegal, discriminatory, and unfair acts against Americans, is extremely gratifying.

It is suggested that instead of linking acceptance of the decree with the insistence on adjustment of our complaints, that the failure to make these adjustments be pointed out and that remedial action be required and observed over a long period. If this action proves satisfactory, the matter of acceptance of the decree then might be considered but Foreign Service Field personnel would not be informed of this intent.

There are three reasons: One is that the proposal to consider after certain action has been taken might create misunderstanding with the French claiming a commitment to accept. Another reason is that the acquisition of rights which already are our due should not be linked with any other promise or concession on our part. If our diplomatic officers are unable to obtain these rights simply because our treaties assure them without other inducement, this inability should govern future decisions. This course, although only a slight modification of what your Department proposes, would remove all urgency from the problem and give ample time for full objective consideration of the whole Moroccan policy as related to the many long-range considerations that are fundamentally involved.

I sincerely hope that your decision may be modified to the extent requested above, but if it cannot, I shall appreciate the opportunity of going over the matter again personally with Mr. Gross before final action is taken.

I have cabled Casablanca and shall write you again suggesting points for consideration in requesting action by Protectorate officials, and shall appreciate an opportunity of conferring with your personnel assigned to work out the details.

Yours sincerely,

ROBERT EMMET RODES,
President, American Trade Association of Morocco.

JUNE 2, 1949.

Mr. WILLARD THORPE,
Assistant Secretary of State,
New State Building,
Washington, D. C.

DEAR MR. THORPE: One point I neglected to stress this morning is that our treaty situation permits the achievement in Morocco of all our stated objectives for foreign trade and world economy. The assertion of our rights will divorce Moroccan and French exchange, making the former seek its real level. American investments in this backward area are perfectly protected. Treaties preclude confiscation, either admitted or in the guise of taxes. All litigation is before our own courts. Return on investments is assured by the right to unlimited export of their product. Unrestricted imports, also guaranteed by treaty, permit acquisition of equipment, supplies, and raw materials under the most favorable circumstances. Equal treatment allows enterprises to bring in American skilled personnel without visas or formalities.

It seems entirely logical to use Morocco to show the Eastern Hemisphere what our system can accomplish. Evidently people whose jobs, power, and profit depend on regimentation believe this. Their efforts to remove our foothold is far greater than justified by our present trade. In addition to demonstrating the soundness of the broader aspects of our economy, especially to the French Empire and the rest of Africa, Morocco will permit unequivocal comparisons of our products, methods, and skills with those of Europe. In the competitive situation that is rapidly developing this will be extremely important.

Freeing Moroccan economy will have the approval of almost the entire French and Moslem population.

Thanking you again for the attention you are giving this matter, I am,

Yours sincerely,

ROBERT EMMET RODES.

WORK OF THE COMMITTEE ON AGRICULTURE AND FORESTRY

Mr. GILLETTE. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a statement which I made this morning before a subcommittee of the Committee on Agriculture and Forestry relative to the work of that committee.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR GILLETTE

The subcommittee meets this morning pursuant to the call of the chairman to take testimony from Mr. Isaac Fogg, president, Atlas Powder Co., Wilmington, Del. He represents a concern that makes a food emulsifier.

Before we hear from Mr. Fogg I should like to make a statement for the record and for the benefit of those who have been following the hearings.

This distinguished Senator from North Dakota [Mr. YOUNG] and myself, on behalf of the subcommittee, introduced S. 2432 last week proposing to provide a 4-percent minimum content of fats and oils in bread. The bill has been referred to the Senate Committee on Interstate and Foreign Commerce, which is, according to the Parliamentarian, the proper committee to handle such legislation. The decision to introduce the legislation was not hastily arrived at, was not intended to be conclusive as to the need therefor, but was rather a belief gained from these hearings that the American people were not in all cases securing the nutrient value in bread they had a right to expect, and a belief that the time had come for the proper committee of the Senate to look into the matter in greater detail. It seemed the only proper way to bring the matter to the attention of the Senate Committee on Interstate and Foreign Commerce.

At least a half dozen reputable witnesses have testified before this subcommittee since April 27 on this subject of bread emulsifiers, and I should like briefly to review some of that testimony.

Mr. Carl H. Wilkin, economic analyst, Raw Materials National Council, told the committee:

"With the use of 1 pound of chemical with a fatty base that can be made from petroleum, the experts claim that they can replace 6 pounds of fats and oils by adding 5 pounds of water to their pound of chemicals."

Mr. L. Blaine Liljenquist, representing the Western States Meat Packers Association, said:

"Lard and vegetable shortenings are facing a serious threat from so-called chemical emulsifiers or bread softeners which are beginning to be used in volume in the bakery industry. Advertisements have stated that in one bakery mix 1 pound of the chemical compound, plus 5 pounds of water, will replace 6 pounds of shortening."

The general counsel of the National Independent Meat Packers Association, Mr. Wilbur La Roe, Jr., stated:

"There is a tremendous new chemical development in the field of fats and oils. The potentialities are so great that we are at a loss to know how to appraise them. We do know that chemicals resulting from the work of chemists employed by I. G. Farben Co. in Germany, and more recently by Procter & Gamble, Atlas Powder Co., and others in this country have resulted in developing chemicals to be used as a total or partial substitute for lard and for shortening which are being extensively used by bakers in the United States.

"I am not a chemist, but the chemicals are the mono- and di-glyceride concentrates and the Atlas 'Tweens and Spans.' Whatever these chemicals are, some sellers are advertising widely in their literature that they can do away with a large part of shortening, if not with all shortening, and also that they will eliminate all milk and other so-called bread improvers. One advertiser says that egg yolks can be reduced by 20 to 50 percent by the use of these chemicals. * * *

"When we bear in mind that the baking and cereal industries consume 1,350,000,000 pounds of lard and shortening annually, we see the terrific potentialities of these new chemicals."

Mr. George L. Prichard, Director, Fats and Oils Branch, Production and Marketing Administration, Department of Agriculture, appeared before the subcommittee on several occasions. He told the committee that:

"It is known that synthetic materials manufactured from petroleum and coal tar are entering into competition with fats and oils as raw materials not only in the detergent field, but to some extent in varnishes, and in food products."

There was placed in the record the text of Mr. Prichard's speech at Urbana, Ill., on March 30, last, in which Mr. Prichard stated:

"There is one adverse factor which should be mentioned. That is the so-called chemical emulsifier or bread softener. These softeners are now being used to some extent in the baking industry. Incidentally, fats and oils are not the only farm commodities which would be affected by their use. Advertisements have stated that in one bakery mix 1 pound of chemical compound, plus 5 pounds of water, will replace 6 pounds of shortening. In addition, it is alleged that eggs can be reduced from 15 to 4 pounds per mix and that in some cases milk may be entirely eliminated.

"The baking industry's consumption amounts to about 40 percent of the lard and shortening production. It is estimated that if these softeners come into widespread use in the baking industry, six hundred to seven hundred million pounds of shortening, lard, butter, and oils would be eliminated from the baking industry's annual consumption of fat. This is equivalent to the production of soybeans from approximately 3,500,000 acres."

The Honorable FRANK B. KEEFE, Member of the House of Representatives from the Sixth District of Wisconsin, described to the committee the hearings currently being held by the Pure Food and Drug Administration to establish new bread standards so as to include in the standards of bread these chemical emulsifiers and bread softeners. Mr. KEEFE stated:

"That these chemical manufacturers have developed and are developing products designed to supplant and replace nature's products, to inject into the food supply of the Nation inorganic materials as against the utilization of organic materials.

"Now, they are not seeking it; they are doing it."

So far as I am aware there has not been a single witness appeared before this subcommittee to refute any of the statements or charges—if they be considered charges—referred to above. The subcommittee has been patient and I believe has given a hearing to everyone who requested same, and has heard many who came on invitation from the chairman.

I feel that the members of this subcommittee would be remiss in their duties as Senators if, on the basis of this record, they did not call the attention of the proper standing committee of the Senate to the situation. That has been done through the introduction of S. 2432 by Senator YOUNG and myself. The introduction of the bill is by no means a final determination. Any objecting to it will be given their day when the bill comes up for hearings in the Senate Committee on Interstate and Foreign Commerce.

There is one more thing I want to mention. This subcommittee is not primarily interested in the question of whether or not the so-called emulsifiers are toxic or injurious. The present food and drug laws should be broad enough to give the Federal Security Agency power to act if they are such. Yet if there is developed in the course of these hearings a basis for believing the public is being sold products that are toxic or injurious, and the Federal Security Agency lacks proper authority to act, or is failing to act, it becomes the duty of myself, the subcommittee or any other Senator to take action in the public interest. The Congress will not consent to having its hands tied, nor protection of the public delayed, by administrative agencies. Primarily, the administrative agencies are best suited to determine such things as to what ingredients are injurious or as to the nutrient required in food. But the Congress can act in these matters if it becomes necessary. And it may become necessary if the Federal Security Agency prolong their hearings, or fail in their duty to protect the public.

Nor do I believe the people of the country or the Congress, in view of the growing demand for clarification, definition, prohibition or whatever is necessary, will long be satisfied with answers such as we received from the Acting Secretary of Agriculture the other day in which it is stated:

"We need much more information than is presently available as to the extent to which the use of agricultural products is being reduced by technological developments, as well as the effects upon the nutritive value and the wholesomeness of the resulting products."

It is pertinent to inquire, in view of the statement that has been made, what steps have they taken or do they contemplate taking to acquire this information? The question is immediate and vital and if they are not assiduous in pursuing it this subcommittee intends to be. In any event we will gladly supplement the work they are doing in gathering the necessary information.

INTERIOR DEPARTMENT APPROPRIATIONS, 1950

The Senate resumed the consideration of the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes.

Mr. KERR. Mr. President, yesterday I advised the Senate that today I would offer an amendment to House bill 3838. I now offer the amendment, which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment offered by the Senator from Oklahoma will be stated.

The LEGISLATIVE CLERK. In the committee amendment on page 7, it is proposed to strike out lines 21 and 22 which read "of transmission lines and appurtenant facilities of public bodies, cooperatives, and privately owned companies," and insert in lieu thereof "of facilities for the transmission and distribution of electric power and energy to public bodies, cooperatives, and privately owned companies."

Mr. KERR. Mr. President, in the debate on this bill objection has been made to the provision adopted by the House for the continuing fund for the Southwestern Power Administration, on the basis that under the language in the bill the Administrator would be authorized to rent generating facilities from rural cooperatives or others. It was not the purpose of the language of the bill to make that provision. It is not the desire of the Administrator to have authority. It is the purpose of this amendment to clarify the language so that there can be no misunderstanding, and in order that any doubt that might exist in the mind of any Senator that this continuing fund, if authorized, would be used for that purpose, may be removed.

The VICE PRESIDENT. The hour of 12:30 having arrived, the time from now until 2:30 p. m. will be equally divided, to be controlled by the Senator from Oklahoma [Mr. THOMAS] and the Senator from Alabama [Mr. HILL], under the unanimous-consent order previously entered.

The Senator from Oklahoma is recognized.

Mr. THOMAS of Oklahoma. Mr. President, I yield myself whatever time I desire to take, of the 1 hour available to my side.

The VICE PRESIDENT. The Senator from Oklahoma may proceed.

Mr. THOMAS of Oklahoma. Mr. President, the time I shall consume will be devoted entirely to an explanation of the issue now before the Senate.

The VICE PRESIDENT. The Chair will state, before the Senator begins his address, that the pending question is the amendment offered by the Senator from Oklahoma [Mr. KERR] to the committee amendment on page 7, in lines 21 and 22.

Mr. THOMAS of Oklahoma. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. THOMAS of Oklahoma. Will the time to discuss that amendment come out of the time between now and 2:30?

The VICE PRESIDENT. It will.

Mr. THOMAS of Oklahoma. I shall discuss it very briefly, then.

Mr. President, the section which was passed by the House proposes to amend the existing section of the law. It proposes to increase the existing allowance of $100,000 a month as a continuing fund to $300,000 as a continuing fund. That is amendment No. 1. Of course, that is legislation.

The amendment further provides for broadening the authority of the Administrator. Under section 5 of the Flood Control Act, the Administrator can do only one thing, namely, sell electricity. Under this amendment, if it is agreed to, he cannot only sell electricity, but he can purchase electricity and can rent transmission lines and can rent appurtenant facilities. That is wholly legislation. The purpose of the amendment is to enable the Western Electric Cooperative, consisting of 11 companies in southwestern Oklahoma, to build a power plant at Anadarko, and then rent that power plant to the Southwestern Power Administration.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. Mr. President, I cannot yield; my time is limited. The Senator from Texas will have his own time to discuss this matter.

Mr. President, the purpose is to enable the Administrator to have sufficient money with which to pay rent on a steam plant that is now proposed to be built not by an appropriation from the Congress but by a loan from the REA to these cooperatives, so as to generate electricity and to firm up whatever hydroelectric power may be developed.

Mr. President, the Administrator has this checking fund. At this time I pause to inquire whether any Senator knows of any department of the Government, save the high-ranking officials, that has a checking fund. I hear no response.

But under existing law—not under this amendment but under the present law, which was slipped through the Congress 4 or 5 years ago—the Administrator has $100,000 a month as a checking fund, subject only to his check. Now the proposal is to increase that checking fund from $100,000 a month to $300,000 a month, which means, in 12 months, $3,600,000 a year. Or to give the matter a different construction from that given by the Treasury Department, if we may assume that the $300,000 checking fund will be available to the Administrator every day, that could amount to almost $100,000,000 a year.

Mr. President, as I said the other day, this section is a joker in the proposed legislation. Six thousand pages of testimony, embraced in four books the size of the two I now display to the Senate, were taken; but the Administrator never mentioned the purpose for which he desires this increase in his continuing fund.

So this matter is one of the amendments upon which we shall vote en bloc, altogether.

The first amendment upon which the Senate will be called upon to vote will, if agreed to, increase the Senate committee's recommendation. The House approved the appropriation of $4,000,000 cash to be available for the building of transmission lines. The Senate committee cut that amount down to $1,616,115. The House approved an item of $525,000 for overhead expenses—management and operation expenses. The Senate committee cut that down to $330,000. The House approved $5,000,000 for the purpose of authorizing expenditures to be paid for next year. The Senate committee cut that amount down to $2,257,905. In other words, the Senate committee recommends that the Senate approve sufficient funds for the completion of the lines that already are under construction, namely, the line from the Denison Dam, in Texas, up through central Oklahoma, and then northeast to Norfork, Ark. This map [indicating]

does not show Arkansas, but it does show all of Oklahoma. That line has been begun. The money to be appropriated by this bill will complete it, but that is not all. The money recommended by the Senate committee will provide for the construction of a branch line from the main line to the Fort Gibson Dam, which will be in production in the next 3 or 4 years. It will also provide for the construction of a branch line from the main backbone line to Tenkiller Ferry Dam, which will be in production in the next 3 or 4 years. It will also provide for the construction of a branch line from Norfork to the Bull Shoals Dam, which likewise will not be in production until the next 3 or 4 years—all depending upon how liberal Congress may be in appropriating money to complete the work.

So the issue is plain and simple. It is a question of whether we shall appropriate money—$9,000,000 for the building of transmission lines, when there is little power now to be distributed.

So it is the opinion of the committee, as I understand, that when we provide the funds for completing the line which now is under construction and also for building three branch lines to the three dams which will come into production in the next 3 to 5 years, that is all we should be asked to do at the present time; and that is what the committee recommends.

Mr. President, I shall devote myself strictly to what I conceive to be the issue in this case. I have talked about this continuing fund. That is the fourth part of the amendment.

In order that I may not be mistaken, I exhibit to the Senate the law approved December 23, 1943. It is the act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1944. On page 12, there is found the original law which created and set up the Southwestern Power Administration; and in that appropriation act, one section provided that there should be set aside as a continuing fund, from the receipts from these dams, the sum of $100,000. Here is what the existing law says:

> This money shall be put up to the credit of the Administrator, subject to check by him to defray emergency expenses and to insure continuous operation.

In the amendments on which we shall vote in a few minutes, it is proposed to amend that section by increasing the $100,000 continuing fund to a $300,000 continuing fund.

The existing law also gives the Administrator the right to use the fund for emergency expenses and to insure continuous operation. The amendment now before the Senate would broaden that authority so as to enable the Administrator to purchase electricity and power and to pay rentals for the use of transmission lines and appurtenant facilities of public bodies, and so forth. The term "appurtenant facilities" is intended to cover the steam plant, when it is constructed.

We have heard much about the Texas contract. We have heard it said the Administrator offered the Texas contract to these companies. We have his word for that. But if he has offered the Texas contract to the companies, the companies now are willing to accept the Texas contract. I shall place in the RECORD a letter signed by the head of the 11 companies, operating in the Southwest, the names of which are found in the letter. The head of the organization comprising those companies is Mr. R. K. Lane, president, of Tulsa, Okla.

I desire to place in the RECORD at this time, if I may, a copy of a letter sent by Mr. Lane, representing all the companies, to the chairman of the subcommittee, the Senator from Arizona [Mr. HAYDEN], under date of July 21, 1949. I shall read a portion of it:

> In this connection, I am unanimously authorized by the companies submitting these contracts to say that they do not agree that this is a correct statement.

That is a reference to the statement made by Mr. Wright that they had refused. Mr. Lane further says:

> And all of these companies now specifically state and make it clear that they stand ready and willing to execute agreements containing the identical provisions of the Texas Power & Light Co. contract with the Southwestern Power Administration.

That is a positive statement on behalf of the 11 companies that they will accept the Texas Power & Light Co. contract, the only necessary changes being in the names of the companies and the dates.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

Hon. CARL HAYDEN,
Member Senate Committee on Appropriations, Senate Office Building, Washington, D. C.

DEAR SENATOR: With reference to appropriations for the Southwestern Power Administration contained in the Department of the Interior appropriations bill, it has been suggested in the testimony of Mr. Douglas Wright, Administrator of the Southwestern Power Administration, that the contracts which the private power companies in the area have executed and tendered to the Administrator materially differ from the contract which the Administration has entered into with the Texas Power & Light Co. covering the distribution of hydroelectric power from the Denison Dam on Red River.

In this connection, I am unanimously authorized by the companies submitting these contracts to say that they do not agree that this is a correct statement, and all of these companies now specifically state and make it clear that they stand ready and willing to execute agreements containing the identical provisions of the Texas Power & Light Co. contract with the Southwestern Power Administration.

The companies also want to make it clear that they will construct, maintain, and operate their systems such that they will be adequate to receive the hydroelectric power from the reservoir projects in the Southwest area and to deliver firm continuous power from their systems to the Government for the supply by the Government to its customers, as provided in the above-mentioned Texas Power & Light Co. contract.

Very truly yours,

R. K. LANE,
President, Public Service Co. of Oklahoma.

(Chairman, negotiations for the following Southwestern companies tendering contracts: Arkansas-Missouri Power Co., Arkansas Power & Light Co., Empire District Electric Co., Gulf States Utilities Co., Louisiana Power & Light Co., Missouri Public Service Corp., Missouri Utilities Co., Oklahoma Gas & Electric Co., Public Service Co. of Oklahoma, Southwestern Gas & Electric Co.)

Mr. THOMAS of Oklahoma. Mr. President, yesterday the Administrator, Mr. Wright, sent to the Senator from Arizona, chairman of the subcommittee, a letter, dated August 22, 1949, in which he takes almost a page and a half, single space, to say what he will do. But at no place does he say in the letter that he will give the companies the Texas contract. He so evades the question that it would take what we term in my country a Philadelphia lawyer to find out just what he does say. Without trying to interpret his letter, I ask that it be made a part of the RECORD, at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES
DEPARTMENT OF THE INTERIOR,
SOUTHWESTERN POWER ADMINISTRATION,
Washington, D. C., August 22, 1949.

Hon. CARL HAYDEN,
United States Senate,
Washington, D. C.

MY DEAR SENATOR HAYDEN: In reply to your inquiry I am pleased to advise that it has always been the policy of this Administration to utilize existing facilities in discharging our responsibility of distributing and marketing power wherever it has been possible to make reasonable arrangements to do so. Insofar as I know no agency of the Department of the Interior has rejected any reasonable offer of this character. I am very happy to outline to you the basic principles stated in my testimony before the Senate committee which I believe might form a basis for such arrangements in the Southwest area to permit the maximum possible utilization of existing facilities.

Stated briefly the principles would include (1) the right in the Government to request the contracting company to deliver to the Government or for its account to a certain customer or customers certain specified amounts of electric power and energy; (2) the right in the contracting company to determine whether or not it desired to comply with the Government's request and an obligation on the company to advise the Government within 30 days whether it would or would not comply with the Government's request; (3) if the company determined that it would not comply with the Government's request such advice to the Government would constitute fulfillment of its obligations in this connection; (4) if the company determined that it would comply with the Government's request then it would be obligated to undertake delivery of the required power and energy to specified customers as soon as facilities could reasonably be provided for such delivery; (5) the Government would be obligated to undertake the delivery to the company of a compensating amount of power and energy to the company when the company started delivery to or for the account of the Government; (6) the compensating amounts of power and energy to the company to be in accordance with the principles of the Texas Power & Light Co. contract; and (7) the Government's obligation to deliver power to the company to be related to and exist only so long as the company is delivering power to or for the account of the Government to each such customer or customers.

As I advised your committee it is our intention to continue our efforts in negotiations with the companies to arrive at reasonable arrangements for the maximum utilization of existing facilities wherever possible and it will not be our policy to construct transmission lines whenever reasonable arrangements for the use of existing facilities can be made. It is our opinion that

the chances of our completing successful negotiations for the use of existing facilities will be greatly increased if the appropriations passed by the House of Representatives are allowed us by the Senate.

I trust that this furnishes you with the information you desire in this connection. If I can be of any further service to you do not hesitate to call upon me.

Sincerely yours,

DOUGLAS G. WRIGHT,
Administrator.

Mr. THOMAS of Oklahoma. Mr. President, after this letter was made public, I asked Mr. Lane, the head of these various companies, to consider it, and I now have before me a copy of a letter of this date, August 23, 1949, sent to the Senator from Arizona, the chairman of the subcommittee, signed by Mr. Lane, in which he reiterates the desire of all of these companies to accept the Texas contract. He tries to explain what Mr. Wright's letter means, but it will take too long for me to explain it, so I submit it for the RECORD, for what it stands for.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AUGUST 23, 1949.

Hon. CARL HAYDEN,
United States Senate,
Washington, D. C.

MY DEAR SENATOR: I have a copy of the letter of Mr. Douglas G. Wright, Administrator of Southwestern Power Administration, addressed to you dated August 22, 1949, outlining seven provisions of an agreement between the private power companies of the southwest area and the Southwestern Power Administration proposed by Mr. Wright. These provisions are not the same as those contained in the Texas Power & Light Co. agreement which the Appropriations Committee on July 13, 1949, recommended should be the basic principles on which the companies and the Southwestern Power Administration should get together. Under the provisions proposed by Mr. Wright, the Southwestern Power Administration would not be obligated to request the companies to serve any customer of the Government. The companies would not be obligated to serve any customer of the Government if requested by Mr. Wright. It is therefore clear that the proposals of Mr. Wright would not constitute a binding contract upon either the Government or the companies.

Under the provisions of the Texas Power & Light Co. contract, the Government would agree to deliver and the companies would be required to take and pay for all of the power from Government projects, whether firm, secondary, or dump power. The companies would be required to deliver to the Government for its customers continuous firm power equal to a minimum of 70 percent, and a possible 100 percent, of the electric energy taken from Government projects.

It is said by some that the companies would receive free 30 percent of the power taken from Government. This is not the fact. The companies would pay for 100 percent of all of the power received from the Government. The Government would pay to the companies the same average rate for the amount of power delivered to Government for its customers. It is therefore clear that companies would get no power free.

To be entirely frank, the proposal of Mr. Wright is a complete evasion and avoidance of the terms and provisions of the Texas Power & Light Co. contract which the Southwestern Power Administration has entered into for the distribution of power in Texas. All of the companies in the southwest area stand ready and willing to enter into such contract for the distribution of power in their respective service areas. I enclose copy of my letter of July 21, 1949, on behalf of the 10 companies involved.

If the Congress appropriates the money requested by the Southwestern Power Administration for the building of these unnecessary lines in the Southwest area, the result will be that all of the money will be spent and all of the lines requested by Mr. Wright will be built. The companies in the southwestern area will not be given a contract containing the provisions of the Texas Power & Light Co. contract for the distribution of power for the Government as intended by the Senate Appropriations Committee. These conclusions are implicit in the letter written to you by Mr. Wright.

Sincerely yours,

R. K. LANE,
President, Public Service Co. of Oklahoma.

(Chairman, negotiations for the following southwestern companies tending contracts: Arkansas-Missouri Power Co., Arkansas Power & Light Co., Empire District Electric Co., Gulf States Utilities Co., Louisiana Power & Light Co., Missouri Public Service Corp., Missouri Utilities Co., Oklahoma Gas & Electric Co., Public Service Co. of Oklahoma, Southwestern Gas & Electric Co.)

Mr. THOMAS of Oklahoma. Mr. President, I am supporting the recommendation of the subcommittee to the main committee. The main committee accepted the recommendation of the subcommittee, and it becomes the recommendation of the Appropriations Committee of the Senate. The recommendation, found in the committee report, in part, reads as follows:

TRANSMISSION OF ELECTRIC ENERGY

The private electric utility companies, operating in the area of the Southwestern Power Administration, have advised the committee that they will make the entire transmission and related facilities of their respective systems available to the Government, without charge to the Government's customers, for the carrying of electric power and energy from the Government-owned transmission system to preferred customers of the Government as defined in section 5 of the Flood Control Act of December 1944.

I desire to place the remainder of that portion of the report in the RECORD.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

These companies have also advised the committee that they will supply all the electric energy which may be required by the Government, in addition to that produced by the Government at its hydroelectric plants, for the service of preferred customers of the Government. The compensation for such transmission and additional energy to be in conformance with the principles found in the contract between the Southwestern Power Administration and the Texas Power & Light Co.

The committee directs that the Administrator of the Southwestern Power Administration report to the Senate and House Appropriations Committees by January 1, 1950, on progress made on entering into contracts with private power companies in the area where the Southwestern Power Administration operates.

Mr. THOMAS of Oklahoma. With respect to the continuing fund, the committee said:

The said "continuing fund" was intended to be used for the "purchase of electric power and energy and rentals for the use of transmission lines and appurtenant facilities of public bodies, cooperatives, and privately owned companies," and the committee reports that no law exists authorizing appropriations for such purposes.

That is the recommendation of the Senate Appropriations Committee. It recommends in effect that we appropriate the money with which to complete the lines. It further recommends that the Interior Department be directed, acting through Mr. Wright, to tender and if possible execute a contract with the 10 companies serving the southwestern area of the United States. If he will do that, and if the companies will accept the contract—and they say they will—then there is no excuse for any larger appropriations than those carried in this bill as reported by the committee. Of course, when a line is started it should be completed. The committee is anxious and willing to appropriate money with which to complete the line which has already been started. Then, when the line is completed, every dam now in operation, and three dams which are to come into operation during the next period of from 3 to 5 years, will be connected with the backbone line. Then, in the future, if the companies will not build lines where, in the opinion of Congress, they should be built, all that will be necessary will be for the REA's to come to Washington and say the companies refuse to build a line where they know it is needed, and convince the Congress it should be done. If I am in the Senate at that time I shall favor appropriations in such amount as may be necessary in order to build lines where they are needed, in the event the companies refuse and fail to build such lines.

Mr. President, I think that is a fair proposition. Before I conclude, I desire to say I am receiving a vast number of telegrams. As I walked from my office a few moments ago I was handed the last batch of telegrams that has been delivered. I have in my hand something like 75 such messages. In order that the RECORD may show the tenor of the telegrams, I shall read a few of them. I have not read them all. There may be some telegrams which criticize me, but as I come to them I shall read them. Here is one from my home county seat of Lawton:

LAWTON, OKLA., *August 20, 1949.*

Hon. Senator ELMER THOMAS,
Senate Office Building,
Washington, D. C.:

I own a farm, operate a dairy, and have electric service. Satisfied with my rate. Agree with you we do not need SPA lines.

J. N. SUTTON.

The next is from my home town of Lawton:

LAWTON, OKLA., *August 20, 1949.*

Hon. Senator ELMER THOMAS,
Senate Office Building,
Washington, D. C.:

I am a farmer on REA line and still believe in a democratic Government. I don't want SPA lines duplicating private company lines and increasing our tax burden. Keep up your good fight.

HORACE PORTER.

The next is from Altus, in the second county west of me:

ALTUS, OKLA., *August 20, 1949.*
Hon. ELMER THOMAS,
Senate Office Building,
Washington, D. C.:

I am a farmer. Have dependable electric service at reasonable rates. Please don't have my taxes increased further to provide me with electricity.

L. V. ETHERIDGE,
Headrick, Okla.

The next is from Temple, in the next county south of me:

TEMPLE, OKLA., *August 20, 1949.*
Hon. ELMER THOMAS,
Senate Office Building,
Washington, D. C.:

I am definitely opposed to Government building "high" lines when it is not necessary. The first thing the Communists did in Russia was to take over the electric utilities and build the big Dneiper Dam. The SPA is trying to do the same thing in this county. Help keep our freedom by keeping the private utilities that serve the public.

PERRY A. CAMPBELL.

The next is from Temple:

TEMPLE, OKLA., *August 20, 1949.*
Hon. ELMER THOMAS,
Senate Office Building,
Washington, D. C.:

I am a farmer. Use REA service. Unnecessary to spend Government funds to build "high" lines.

F. W. GOODWIN.

The telegrams are not from city people, Mr. President, They are from people living on farms, people who get their mail through the rural free delivery. I have another telegram from Sayre, in the western part of my State, adjoining the great State of Texas, reading as follows:

SAYRE, OKLA., *August 22, 1949.*
Senator THOMAS,
Senate Office Building,
Washington, D. C.:

United States farmers already have cheap and plenty of power, thanks to the private utilities companies. Keep out Government ownership through SPA.

JOHN W. CAMPBELL.

The next is also from Sayre:

SAYRE, OKLA., *August 22, 1949.*
Senator THOMAS,
Senate Office Building,
Washington, D. C.:

The stand you have taken against SPA will help us farmers. I have REA and am well satisfied with it. We do not want Government ownership.

RAYMOND WILLIAMS.

The next is from Grandfield, south of my town, in the next county, reading:

GRANDFIELD, OKLA., *August 22, 1949.*
Hon. Senator ELMER THOMAS,
Senate Office Building,
Washington, D. C.:

From the farmers standpoint it looks like his Government is trying to socialize the power industry. Let's stop this un-American trend.

HERMSO MOTOR.

The next is from Altus, reading:

ALTUS, OKLA., *August 22, 1949.*
Hon. ELMER THOMAS,
Senate Office Building,
Washington, D. C.:

I have dependable electric service to my farm home at reasonable cost. Please see that my taxes are not increased to furnish me with more electric power.

AGGIE HARRIS.

The next telegram is from Altus, Okla., reading as follows:

ALTUS, OKLA., *August 22, 1949.*
Hon. ELMER THOMAS,
Senate Office Building,
Washington, D. C.:

I am a farmer and have adequate electric service at reasonable cost. Don't increase our taxes in an effort to furnish us cheaper electricity.

H. P. DARBY,
Duke, Okla.

The next telegram is from Sayre, Okla., reading as follows:

SAYRE, OKLA., *August 22, 1949.*
Senator ELMER THOMAS,
Senate Office Building, Washington, D. C.:

I am a farmer using REA and I am well satisfied with my rates. We have plenty of electricity to spare. Keep out Government ownership.

ROY WALL.

The next telegram is from Grandfield, Okla., reading as follows:

GRANDFIELD, OKLA., *August 22, 1949.*
Hon. ELMER THOMAS,
Senate Office Building, Washington, D. C.:

I am a farmer and I am highly in favor of the Government stopping this unnecessary spending for high-voltage transmission lines.

Mrs. EWELL M. HART.

The next telegram is also from Grandfield, reading as follows:

GRANDFIELD, OKLA., *August 22, 1949.*
Hon. Senator ELMER THOMAS,
Senate Office Building, Washington, D. C.:

I am a farmer and have been for a number of years and I have no complaints about my electric service. But I would definitely like to see the Government get out of the power business.

PAUL BURCH.

The next telegram is from Weatherford, Okla., reading as follows:

WEATHERFORD, OKLA., *August 22, 1949.*
Senator ELMER THOMAS,
Senate Office Building, Washington, D. C.:

Even the women of our community are watching with interest your opposition to SPA appropriations and urge you to continue your fight.

Mrs. CLYDE GORDON.

The next telegram is from Hollis, Okla., reading as follows:

HOLLIS, OKLA., *August 22, 1949.*
Hon. Senator ELMER THOMAS,
Washington, D. C.:

I farm 640 acres of land, have good electric service at my farm home at a reasonable rate, and am serving as county commissioner in my county. I ask you not to destroy any of our taxpaying industries by trying to furnish us with a service we are now receiving. We need tax money far more than we need Government in business.

SAM EARLS,
Gould, Okla.

The next telegram is also from Hollis, reading as follows:

HOLLIS, OKLA., *August 22, 1949.*
Hon. Senator ELMER THOMAS,
Washington, D. C.:

We don't need duplicating transmission electric lines in Oklahoma, but we do need REA lines of larger size so that we farmers can use motors and appliances at a reasonable rate.

CHARLES E. CURRY.

Mr. President, there is complaint from some sources that farmers are not receiving the kind of voltage they require. Here is the difficulty: These electric lines were built away back when there were only a few members, a few contributors, so they started to build lines with small wire. Later, as the farmers saw the benefits of electricity, the lines were extended, until today the lines are too long and the wires are too small. It is not because of lack of electricity, but it is because the small wires will not carry the volume of electricity the farmers can consume. It is true that in some places in my State the voltage is low, but that is not the fault of the power companies. They have power to sell. They have made a low rate of 5 mills, ½ cent, a kilowatt-hour. The difficulty is with the lines. In order to give the farmers better service they must rebuild the lines by putting in larger wires or having more connecting points on the highline to tap at certain points so the power can be firmed up.

Mr. President, the next telegram is from Elk City, Okla., which reads as follows:

ELK CITY, OKLA., *August 22, 1949.*
Senator ELMER THOMAS,
Senate Office Building,
Washington, D. C.:

The REA is a big help to us farmers. The rates are fair to us with plenty of electricity. SPA couldn't do any better. Keep it out.

F. H. SCHWER.

The next telegram is from Altus, Okla., which reads as follows:

ALTUS, OKLA., *August 22, 1949.*
Hon. ELMER THOMAS,
Senate Office Building,
Washington, D. C.:

I have good electric service to my farm at reasonable cost and would not want my taxes increased to supply me power by the Government.

W. D. SMITH,
Elmer, Okla.

The next telegram is from Hollis, Okla., which reads as follows:

HOLLIS, OKLA., *August 22, 1949.*
Hon. ELMER THOMAS,
Washington, D. C.:

Most of we farmers already have electricity. The rate isn't too high. I ask you to oppose those appropriations that would increase our taxes to provide us with service we are now receiving.

CECIL SANFORD.

The next telegram is from Altus, Okla., which reads as follows:

ALTUS, OKLA., *August 22, 1949.*
Hon. ELMER THOMAS,
Senate Office Building,
Washington, D. C.:

I am a farmer and have adequate electric service at reasonable cost. Please see that my taxes are not increased to supply me with more electricity.

BOB HARRIS.

The next telegram is from Hartshorne, Okla., which reads as follows:

HARTSHORNE, OKLA., *August 20, 1949*
Senator ELMER THOMAS,
Washington, D. C.:

Appreciate your efforts to prevent destruction of private enterprise by Government competition.

S. W. MITCHELL.

Mr. President, I could go on reading telegrams. They are all of the same tenor, so far as I know. This is only the latest batch which came to my office. I have telegrams by the thousands. Occasionally I receive one on the other side of the subject, but now they are running 100 to 1 in favor of the position which

I took on the floor of the Senate last Monday.

Mr. President, in order that those who read the RECORD may have an opportunity to express their viewpoint with respect to this debate, at this point I ask that there be inserted in the RECORD, as a part of my remarks, what I choose to call a ballot. It asks two questions. I am having it inserted in the RECORD so that those who read the RECORD and thereafter have any convictions about the matter may clip this ballot and fill it in with their names and mark their answers, "Yes" or "No," and send it to one of their Senators.

There being no objection, the ballot was ordered to be printed in the RECORD, as follows:

BALLOT ON A PUBLIC POWER POLICY

(Clip this ballot, mark it, and mail it to your Senators)

How do you feel about:

1. A public power policy requiring the Government to build steam plants and a network of transmission and distribution lines with substations and related facilities in order to develop and deliver electric power and energy to preferred consumers (rural electric cooperatives and public bodies). Yes ☐. No ☐.

(Secretary Krug estimates that such a program will cost from twelve to fifteen billion dollars over a period of 20 years.)

2. A public power policy calling for the development of electric power at flood control and reclamation dams to be absorbed by the existing power systems under contracts providing that such existing systems will purchase all of the power produced at rates to be fixed by the Federal Power Commission and thereafter permit the Government to withdraw from such systems firm continuous power to serve preferred customers (rural electric cooperatives and public bodies) at the same rate fixed by the Federal Power Commission for such power. Yes ☐. No ☐.

(This plan will produce power to preferred customers (rural electric cooperatives and public bodies) at the same rate that the Government receives for such power and will save the twelve to fifteen billion dollars estimated by the Secretary of the Interior.)

Name _____
Street address _____
City and State _____

Mr. THOMAS of Oklahoma. Mr. President, before I conclude, let me say that our difficulty is that we have no public power policy. The only such policy we have is found in one section of the flood-control law of 1944. That is the difficulty in which we find ourselves.

The law is not all-embracing; it is not explicit. When bills come before the Appropriations Committee all we can do is to say either "Yes" or "No" to the amount requested in the House bill. The House is presuming to make the public power policy for the United States. I will go further back. It is not the House of Representatives in the first instance. It is the appointed officials in the Interior Department, who were never elected to any office. They are the ones who are endeavoring to make the public power policy for the United States.

I have called the attention of the Congress to this defect on numerous occasions, but so far Congress has not even undertaken to develop an over-all public power policy. I have introduced a bill which is now before the appropriate committee. The chairman of the committee having jurisdiction over the subject, the Senator from New Mexico [Mr. CHAVEZ], promised that when the bill reached the committee he would send it to the proper department having jurisdiction of the subject matter, with the request that the Department advise his committee with respect to the provisions of the bill and make such suggestions, criticisms, and amendments as the Department deems appropriate. The Senator from New Mexico has advised me that not only has he asked the Department to advise the committee of what it thinks about the public power bill but he is going out through the country during the coming fall to hold hearings before a subcommittee in areas where public power is being developed, and he will hear witnesses who will tell him what they think should be incorporated in a public power policy.

The chairman of the committee further states that when he comes back to Washington at the next session of Congress in January he is planning to hold open hearings on the subject of the development of a public power policy. During the first few weeks of the session there will not be much business to be transacted, and if he carries out his promise, which he will if he can, his committee will consider the recommendations, information, and data coming from all available sources. I am hopeful that the committee may agree on some kind of a public power policy. I cannot write the public power policy for the Congress. I think I know what it should be, but no one person can write a public policy on anything for the Congress of the United States. When the committee has completed its hearings and begins to write a bill, and when later on it brings the bill before the Senate, we shall have an opportunity to consider it and pass upon it, and then, in cooperation with the other House, I hope we may finally get together on what may be construed to be a satisfactory public-power policy for the Nation. When that time comes, as a member of the Appropriations Committee, I shall be glad to follow the dictates of the public-power policy thus established. If the Congress says it shall be the policy of the Congress and of the Nation to build competing transmission lines and competing steam plants, to go into business on a grand scale, I shall be bound by the law, except to point out extravagancies in the amounts of money appropriated for that purpose.

I hope, Mr. President, that that may be the outcome of these unending fights which come before the Senate each year. As I remember, the first pronounced fight was in 1946.

Later we did not have such fights, because for some reason the money was not requested. But now the officials come forward with this new request. The request now is for $31,000,000 over the period of the next 3 years, and of the $31,000,000 they are asking for $9,000,000 now. If we approve the $9,000,000 now, then in a sense we commit ourselves to the balance of that appropriation, which will be subject to requests in the next 3 years. This appropriation is not necessary; it is entirely out of order from my standpoint.

I should like also to say for the RECORD something as to the condition of the Federal Treasury. I read in a newspaper, I think last night, that the total budget requests for 1951 will amount to more than $44,000,000,000. If we add to the $44,000,000,000 the $17,000,000,000 required by cities, counties, States, and districts, what will the total tax bill be? The total tax bill for all purposes each year is now more than $60,000,000,000, and gradually increasing at the rate of from two to five billion dollars a year.

Mr. President, how much money is $60,000,000,000? It is equal to twice the amount of all the gold in the world. Gold is one of the most precious of metals. It has been sought for and hunted for ages and centuries, and of all the gold in the world about which we now know, gold that is used for money, the people of this country are required to earn by the sweat of their brows sums which, when added together in taxes, total twice the value of all the monetary gold in the world.

Mr. President, that is not all. In this country we produce about a billion bushels of wheat a year. The yield is more than that this year. It was more than a billion bushels last year, but an average of a billion bushels a year is produced. Suppose that all the wheat produced in America, a billion bushels a year, were sold for a dollar a bushel. I have seen it sell for as low as 19 cents a bushel in my State, and for a high as $3 a bushel and more. But for the purposes of my argument, let us suppose that all the wheat grown in America, a billion bushels a year, were selling for a dollar a bushel. It would take 44 crops, 44 years, to produce enough wheat at a dollar a bushel to pay the taxes collected by the Federal Government for just one year. In addition, it would take all the wheat we could grow, a billion bushels a year, selling for a dollar a bushel, 17 years of wheat supply, to pay the city, county, district, and State taxes for 1 year.

Mr. President, I have said many times before the committee that we cannot continue on this road. The tax load will be too topheavy after a while—and I fear very soon. People cannot continue to pay these heavy taxes, $60,000,000,000 a year of Federal, State, county, city and district taxes. It is impossible. If prices should go down perceptibly, if they should fall again to the point they reached in 1931 and 1932, all the money all the people of America could earn, gross, would pay only about two-thirds of the tax bill now for 1 year.

The only way to stop this increase in taxes is to cut out unnecessary appropriations, and here we have a chance to save $5,000,000 and perhaps the balance of $31,000,000. That expenditure is not necessary. It is a waste of money, as is said in thousands of telegrams I have in my office from farmers, who reiterate what I have been trying to say.

Mr. President, in a few minutes we will have a chance to pass on this matter. It is now 1 o'clock and 5 minutes, and I yield the floor for the time being for some of the opposition to speak.

Mr. HILL. Mr. President, I yield 20 minutes to the junior Senator from Texas [Mr. JOHNSON].

The PRESIDING OFFICER (Mr. GRAHAM in the chair). The Senator from Texas is recognized for 20 minutes.

Mr. JOHNSON of Texas. Mr. President, since so many have said so much about this question and since many others are prepared to say still more, I hope to be brief.

Our primary purpose here, as representatives of the people, is to determine the wisest use of the people's money—including money already invested, as well as money which we may now commit to public service.

The people have invested heavily in public power. That investment has been sound. Time has proved it safe. Insofar as the Southwestern Power Administration is concerned, Congress has appropriated $8,601,000 to the agency during the six fiscal years of its existence, since 1944. Of this amount, $173,417 has been returned to the Federal Treasury, unexpended; $6,533,524 in revenues from projects operated by the agency has been deposited with the Treasury. Eventually, the agency will pay for itself—and that is good business.

The investment with which we are now concerned, however, includes more than the expenses of the Southwest Power Administration. Fifty-four million of the taxpayers' dollars have been invested in Denison Dam, on the Red River; $30,000,000 have been invested in the Norfork Dam, on the White River in Arkansas. These dams, costing $80,000,000 in public funds, are, at present, generating the hydroelectric power which the Southwestern Power Administration was created to sell.

In addition to these investments in dams, the taxpayers have loaned $27,760,025 to rural cooperatives in western Oklahoma to build distribution systems dedicated to serve the farm homes in that area; $7,000,000 more will be invested before the work is complete. In southeastern Missouri and northwestern Arkansas, the taxpayers have loaned $19,642,127 for construction of cooperative distribution systems, and approximately $5,000,000 more will be loaned. Thus, the taxpayers have an investment of about $59,400,000 in distribution systems in these three States: Oklahoma, Missouri, and Arkansas. That is not the complete total investment, but it is the investment with which we are concerned in this debate.

At the moment, we are not debating the merits of these investments. This Congress, or no future Congress, is likely to undo what has been done.

Five years ago Congress passed the Flood Control Act of 1944. That act set forth a fair and prudent power policy for the use of the people's power generated at dams built with the people's money. It was decided, at that time, by the Congress that the people's power would be dedicated primarily to the use of the people's customers—thus, the rural cooperatives and public bodies were designated as preferred customers, entitled to first call on public power.

This designation and this policy were wise for two reasons: First, a supply of power was assured for the market in which the taxpayers had made great investments; and, second, a demand was assured for the supply in which the taxpayers had large investments. Furthermore, the policy was a measure of self-control and self-discipline for public power. Notice was served that public power would not be permitted to run rampant into the province of private enterprise, but would serve as a supplement, rather than as a substitute, for private power.

Obviously, in such an arrangement, transmission is the whole heart and soul of the policy. Without transmission facilities to wheel the power from the dam sites to the distribution systems, and to the farmers' homes, the taxpayers' investment in the dams would be futile and the investment in distribution systems would be wasted.

That is our problem in this debate today. How shall we transport the people's power from the dams to the customers the Congress said we should reach?

We have two choices to answer that question: First, the Government can build the transmission lines itself; or, second, the Government can let someone else build the transmission lines and let someone else transport the power.

Before that choice is made, let us consider these things:

First. Congress' first and foremost responsibility is to guarantee that transmission of this power will be accomplished; in other words, Congress is committed to get the power from the dams to the customers. How that is done, is, as I see it, a secondary matter. Whatever we do must be judged by the guaranty we have made.

Second. Congress cannot, without changing the basic law and fundamental philosophy of this Nation, exercise any control—and should not attempt to exert force—over anyone except governmental agencies. We cannot compel a private citizen or a private power company to work for the Government on the Government's terms.

Third. Congress cannot and should not attempt to negotiate and write detailed technical contracts in these Chambers. Our power is the power of law making, not the power of negotiating technical arrangements with power companies. If the will of Congress is to be binding, it must be expressed through a law—to which all concerned will be subject; it cannot be expressed by mere hopes.

With those thoughts in mind, consider what the Appropriations Committee proposes that the Senate do. The bill now before us contains no guaranty that transmission will be accomplished. That guaranty has been stricken out.

I might say in passing that this is not the first time the Senate committee has stricken out this guaranty. Before the Texas contract was entered into the House of Representatives appropriated $7,500,000 for construction by the Southwestern Power Administration, and as a result of appeals made during the hearings conducted by the same Senate committee—appeals made by the same individuals who were so persuasive this year—the Senate committee struck out the entire $7,500,000 appropriated by the House for that agency. I say to my colleagues that if the Members of the Senate had not at that time voted to override their committee and restore on the Senate floor, by a vote of 34 to 32, the House appropriation for the Southwestern Power Administration, there would be no Texas contract today.

What happened? By a vote of 34 to 32 men sitting in this Chamber restored that appropriation, $2,547,000 of which was for the building of transmission lines. The President signed that bill.

Mr. Douglas Wright, the Administrator of the Southwestern Power Administration, immediately returned to Texas and called in the representatives of the utility company involved. He said: "Gentlemen, the Congress has made provision for transmission of the people's power from the people's dam to the people's homes. If you will transmit that power for us on reasonable terms we will enter into a contract with you. If you will not, the Congress has provided me with the money to transmit it myself." Confronted with that dilemma, the power company, very wisely I think, said, "Tell us where you want us to pick up the power and tell us where you want us to take it, and we will contract with you to perform that service."

So, as the result, the Texas contract was born. The Texas contract was criticized by the extremists. I know that in this country we have some people who earnestly believe that we should have complete public ownership in the utilities field; that everything should be public power. There are, also, some who go to the other extreme and argue that everything should be private power; that for the Government to build a dam is to invade the province of free enterprise.

Mr. President, I associate myself with neither of those schools. I believe we can live and let live. I believe that public power can supplement and assist and advance the interests of the private utilities, and vice versa.

The bill which is before the Senate today contains no guarantee whatever that all the power which the Government has spent millions of dollars to produce will never be transmitted away from the dam site. Such a guaranty has been stricken from the bill. A casual reading of the record will show why it was stricken out. It was stricken out because certain private power companies came before the committee and asked that it be stricken out, and they were as persuasive with the Senate committee in the Eighty-first Congress as they were with the Senate committee in the Seventy-ninth Congress. If we should follow the proposal of the committee we would rest our entire policy in the hands of and leave it to the decision of a few power companies. These companies are immune from our control. Furthermore, the Senate cannot write a power contract and force these companies to sign it.

Mr. HILL. Mr. President, will the Senator yield for a brief question?

Mr. JOHNSON of Texas. I yield.

Mr. HILL. Are not these the same power companies which denounced so bitterly, as being criminal, the Texas contract?

Mr. JOHNSON of Texas. Mr. President, I should like to say to the Senator from Alabama—and if I may, I should like to have the attention of the senior Senator from Oklahoma [Mr. THOMAS] because he did not do me the courtesy of yielding to me although I wanted to give him some information which I thought would be helpful to him—that I should like to make a statement respecting the Texas contract. I understood the Senator from Oklahoma to say that he was not sure that the Texas contract had been offered to these power companies prior to this time. My time is limited, but, in view of the many years' experience I have had with public power projects in my State, in view of the part I took in the negotiation of the Texas contract, and the great pride I take in its operation, I think I should review the history of what has taken place, for the benefit of the Senator from Oklahoma, who stated that he was not sure the SPA had offered the Texas contract to other utilities.

When the Texas contract was entered into, then, as now, we had a problem of two extremes. The public power advocates felt that no kind of arrangement should ever be made with a private power company. The private power interests felt that no kind of a contract should ever be signed with the Government. Mr. Wright, who I think is a sound, able, constructive public servant, took the money which the Congress had appropriated and went to the power companies—not only the Texas Power & Light Co., but others. I should like to say for the benefit of the Senator from Oklahoma and the Senator from Alabama that Mr. Wright went to the Oklahoma companies, and the other power companies in the area, and said, "Here is an arrangement which we have worked out for the benefit of the Government, the private companies, and, more important, the people. The Texas Co. has agreed to sign it, and we would like to have you sign it, so that we will not have these constant fights before the Appropriations Committee over the question of transmission lines."

If the Senator from Oklahoma is doubtful about whether such a contract was offered, I remind him that the power companies branded it as "criminal." That was the first thing. They said that any power company agent who would sign such a contract would be performing a criminal act. Second, they said that it was an "inquitous" contract. Iniquitous" is the word used for the president of one of the power companies which was offered this contract. Third, they said that it would break any company which signed it.

That was what we were confronted with from the utility industry when we offered them this contract which the Texas Co. had signed. What did they say? They said that the contract was iniquitous, that it would be criminal for them to sign it, and that it would break them if they did sign it.

On the other hand, there were certain advocates of public power who, as I stated a few moments ago, thought that any arrangement with a private power company was a bad arrangement. They said, "You are selling the REA into slavery."

Mr. President, I am glad to say that Mr. Wright did not allow himself to be subjected to the pressures of either extreme. He signed the contract with the Texas Power & Light Co., and he offered it to the other companies. His offer was answered with the statement that it was criminal, iniquitous, and would break the companies. So let there be no doubt in the mind of anyone as to whether this contract has been offered to the companies.

What happened after that? The Texas contract was put into operation. The Government said to the Texas Co., "We generate power at Denison. We want it delivered over here. You have a line already built. We would like to have you carry the power. If you do, we will put in 100 kilowatts here and take out 70 there, which will compensate you for operating losses and line expenses." The Texas Co. said, "You tell us where to pick it up and deliver it, and we will act accordingly." That did not involve duplication. That did not involve paralleling lines. That did not involve confiscating anyone's property. The proposal before us today is the same proposal.

Then what happened? Mr. Wright said, to the other utilities, "Submit to me the kind of a contract that you will sign." The companies said, "We will sign a contract that provides that you sell us your power at the dam site and let us do what we wish with it." But that would have been contrary to the provisions of the Flood Control Act of 1944.

The Flood Control Act of 1944 is the policy of the United States, as declared by the Congress. Yet I hear men seriously argue that we have no power policy. We have one. We enacted it in 1944. It is now on the statute books. What does that policy say? It says that the people's power shall go to a preferred group, namely, cooperatives, municipalities, and other public bodies. It provides that they shall have first call on the people's power.

The PRESIDING OFFICER. The time of the Senator from Texas has expired.

Mr. HILL. Mr. President, I yield 5 minutes more to the Senator from Texas.

Mr. JOHNSON of Texas. Can the Senator make it 10 minutes? I am just getting warmed up.

Mr. HILL. Certainly. Mr. President, I yield 10 minutes more to the Senator from Texas.

Mr. JOHNSON of Texas. Mr. Wright said, "I would be violating the Flood Control Act if I agreed to turn over to you for your own use all the power which we have spent millions to generate. But if you will take the power and distribute it to the customers Congress has specified, we can work out an arrangement." The power companies said, "No."

Confronted with such obstinacy, confronted with that state of mind, which held such a contract to be iniquitous and criminal and which would break any company which entered into it, what choice did Mr. Wright have? He had the choice of coming to the Congress and saying, "You have already spent millions to generate power here, and you have spent millions to distribute power over there. I want you to give me the money for a line to connect the two projects."

The House of Representatives in its wisdom provided a little more than $5,000,000 to build such lines, as compared with the hundreds of millions which we have appropriated for other projects of this type. Notice went out to the power companies. They had another decision to make. They had submitted a contract for the sale of power to them at the dam site, a contract which violated the Flood Control Act. They had been given the choice of transmitting power for the Government, which they said was an iniquitous idea. They had to make a decision. They had to make is quickly, because a committee was in session representing this body. The private power companies had met with that committee before. It was a committee which had stricken out $7,500,000 before, in the Seventy-ninth Congress and this body had to override its own committee.

So, the representatives of the power companies hurried here again this year and went before our appropriations committee. They said, "Me no Alamo. We are now willing to sign the Texas contract. All we ask is that you not give Mr. Wright any money for transmission lines." Of course, if they later changed their minds and did not sign a contract, the people's power would stay at those dams, and the people's customers would want for it.

When Mr. Wright was asked before the House committee why he did not sign a Texas type of contract with these people, he said, "Because they refused to do so." The committee said, "Mr. Wright, will you not negotiate with them further, and try to arrive at a contract?" he said, "I certainly will. I would like to have the Texas contract where it will work. Why should I want to spend Government money appropriated for my administration to transmit this power if the private power companies already have lines which would do the same job? Remember, I am the one who wrote the Texas contract. I am not one who believes that everything should be public power."

The Senator from Nebraska [Mr. WHERRY], the Senator from Arizona [Mr. HAYDEN], and other able Members of this body said in the Senate Appropriations Committee hearings, "Mr. Wright, can you not work out some kind of an arrangement similar to the Texas contract?" Mr. Wright said, "I have tried to do so. I will try again. I think it is a good arrangement. But do not take my clothes off me. Do not strip me. Do not give away your plane and your atomic bomb and then try to work out a peaceful arrangement with nothing but your bare fists. I wrote the Texas contract. I think it is good. The people who now insist on it once thought it was bad. Do not let those people come before the Senate

committee and urge that this appropriation for construction be stricken out, because this program will be delayed until the next session of Congress in January, and probably until March."

I met Mr. Wright myself. I asked him what was wrong with the Texas contract. He said, "Nothing. It is an ideal arrangement." I met with officials of the Texas Co. only 2 or 3 weeks ago. I asked, "Is the contract working?" They replied, "It is working well. It is working for the benefit of all."

I predict that if the Senate in its wisdom now restores the funds carried in the bill as passed by the House of Representatives, the man who negotiated the original Texas contract, Mr. Wright, will negotiate another contract if the companies are willing. But he cannot negotiate if he has nothing with which to negotiate. He cannot negotiate if the Senate follows the suggestions of the power companies and, line for line and item for item, strips Mr. Wright of any bargaining power he may have. The Congress did not do that in the Texas situation. The power companies wanted Congress to do so. The Senate committee voted to do so; but, Mr. President, thank goodness, the Senate in its wisdom overrode its committee, as it is going to override it today.

The only binding, permanent action we could take would be to enact a law, force these companies to do our work, and force them to do that work on our terms. Personally, I would not vote for such a law. I do not think the majority of the Senate wants such a law.

So, the committee proposal does not guarantee that power will be transported from dam to customer; it cannot guarantee that transmission contracts will be signed; it forfeits all governmental rights and voice in making any contracts which might be offered or signed. It expresses the pious hope that perhaps, maybe, the people who said the Texas contract was iniquitous and criminal, and who did nothing about entering a similar arrangement until the appropriation reached the Senate, will agree to such a contract.

For those reasons, the committee proposal is unacceptable to me. If this proposal protects anyone at all, it protects only the freedom of the private-power companies, but offers no protection whatsoever to the taxpayer in his investment or to the customer in his expectations.

I do not object to transmission contracts between the Government and private companies. I do not object to the proposal to let private companies build transmission lines and transport public power. I know that such an arrangement has worked successfully in Texas—the only place in the Nation where it has been tried; and the man who put it into effect is the head of this Administration. But if the Senate follows the committee's lead and the committe's recommendation, I say to the Senate that it will be picking roses in a poison-ivy patch, and the Senate will not realize that its judgment has been made until it is too late.

The so-called Texas contract—between SPA and the Texas Power & Light Co.—was the result of independent negotiations; Congress had nothing to do with it. That contract was made possible because Congress had already declared its intent that certain lines in Texas should be built and had made appropriations to provide for building those lines. Consequently, Congress had fulfilled its fundamental obligation; there was no doubt that the power would reach the customers. So Congress appropriated the money. Mr. Wright did not use it to build transmission lines in Texas. That so-called Texas contract was made possible because Congress had already declared its intent that certain lines in Texas should be built. Since there was no uncertainty about the result, SPA and T. P. & L. did not bog down in a quarrel about power policy making. The policy was already fixed by Congress, as it should have been. SPA and T. P. & L. were thus able to proceed in a strictly businesslike manner—both sides retained their integrity and their liberty. The result has been happy.

This committee proposal now before us leaves all policy making to the discretion of SPA and the private power companies operating in SPA territory. It leaves considerable doubt as to whether power ever will reach the customers. It sends SPA to the bargaining table without bargaining power.

Mr. President, if this committee proposal is allowed to stand, I foresee a regrettable and unnecessary era of hostility and suspicion ahead in the relations between private enterprise and public power. People who have no authorized policy-making powers will be writing our public power policy. Nothing in this proposal would promote harmony or guarantee success. I sincerely fear that if we adopt this plan we will go whistling in the dark down a winding road, and end up where we started from—right back here next year fighting this same fight.

The only way we can guarantee success—the only way we can be sure that the job we want done will be done—is to put into this appropriation the funds necessary to build the transmission lines which are needed by the Southwestern Power Administration. In other words, the only way we can be sure that the job we want done will be done is to restore to the bill the amount of the appropriation as passed by the House. If that is done, Congress will have been true to its trust, and nothing will stand in the way of SPA and these private power companies if they wish to negotiate transmission contracts.

I am hopeful that something can be worked out. I am sure, though, that the bargin will be better if there is some bargaining power on the side of the public interest. That bargaining power can only be expressed in terms of dollars to do the job Congress and the people want done.

For that reason, I shall vote to restore in full the appropriations which the Senate committee voted to cut out of Southwestern Power Administration funds.

I shall do so in the belief that only by such a course can we keep our power policy on a businesslike basis. If we restore the funds, nothing will be taken away from either side. SPA will still have its liberty and integrity, and the private power companies will still have every opportunity and every reason to continue negotiations.

The companies have said they are willing and apparently anxious to negotiate. During the committee hearings of this bill, Mr. Douglas Wright, SPA Administrator, said—as appears on page 1301:

> I have assured the companies that if they are sincere in wanting to work out arrangements along a Texas Power & Light Co. pattern, the Government is willing to meet with them and see what we can do; with this promise, that both people maintain their liberty and their right to decide their own business in the way they should.

This, to my mind, is a sound and reasonable view. I think it entitles Mr. Wright to the confidence of the Senate. After all, Mr. Wright authored the original Texas contract and helped make it work. Congress cannot share the credit for that success, neither can the power companies that seek assistance at our hands today, claim any of the credit for that success. If we entrust Mr. Wright now with the funds to do what must be done by somebody—that is, get the power from the dams to the customers—I am sure he will not relax his vigilant and successful defense of the public interest.

The PRESIDING OFFICER (Mr. HOEY in the chair). The time of the Senator from Texas has expired.

Mr. JOHNSON of Texas. Mr. President, I ask the Senator from Alabama to yield me one more minute.

Mr. HILL. I yield one more minute to the Senator from Texas.

Mr. JOHNSON of Texas. I thank the Senator.

Mr. President, Congress should and must make the policy which affects our power investment. Once we have made that policy—once we have made clear what we want done—then we can safely leave to Mr. Wright, the Southwestern Power Administrator the matter of deciding how that policy shall be carried out.

I believe that is the only proper way to proceed and I can support nothing less than that. It is not necessary, and certainly it is not wise, for us to substitute a gamble—a vague mass of promises and hopes—for a crystal-clear guaranty. The guaranty of service is our responsibility and our duty. We will lose nothing by putting that guaranty into this bill before it leaves our hands; we will lose much if we fail to include that guaranty in this bill.

So, Mr. President, in conclusion, I say that the wise thing for the Senate to do is to restore the items in this appropriation to the amounts passed by the House of Representatives, but cut out by the Senate committee. We should say to Mr. Wright, "You negotiated the Texas contract, and it is working well. We send you forward to negotiate another contract following the pattern of the Texas contract. But if you meet refusal, or if you are unable to reach agreement, we are not going to ask you to let Government power remain idle for many months while you come back before the

Senate Appropriations Committee next year and fight the battle all over again."

The PRESIDING OFFICER. The time of the Senator from Texas has expired.

Mr. THOMAS of Oklahoma. Mr. President, I yield to the chairman of the subcommittee, the Senator from Arizona [Mr. HAYDEN], such time as he may desire.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. HAYDEN. Mr. President, I shall be very brief. The senior Senator from Oklahoma [Mr. THOMAS] has placed in the RECORD a letter addressed to me on August 22 by Mr. Douglas G. Wright, Administrator of the Southwestern Power Administration, and a letter addressed to me today by Mr. R. K. Lane, president of the Public Service Co. of Oklahoma, speaking in behalf of the several power companies in that area.

Mr. Wright's letter was written at my request. I asked him for a statement of what his policy as Administrator would be in the event Congress appropriated the funds as provided in the bill as passed by the House.

The letter from Mr. Wright begins as follows:

> In reply to your inquiry, I am pleased to advise that it has always been the policy of this Administration to utilize existing facilities in discharging our responsibility of distributing and marketing power whenever it has been possible to make reasonable arrangements to do so. Insofar as I know, no agency of the Department of the Interior has rejected any reasonable offer of this character.

That is a correct statement, namely, that neither the Southwestern Power Administration, as a branch of the Department of the Interior, nor the United States Reclamation Service, as a branch of the Department of the Interior, should at all times be willing to negotiate for the transmission of power. So that policy should be uniform throughout the United States.

In his letter, Mr. Wright states the principles upon which he expects to carry out a mandate of Congress, under which Congress fully realizes that there is not sufficient public power in the southwestern area to supply all the possible preferred customers of the Government.

When applications are received, say from cooperatives, to the effect that they desire as preferred customers to obtain power generated at a Government dam—and there will undoubtedly be groups of them—if those preferred customers are located within the territory presently being served by a private utility, Mr. Wright, as Administrator, will advise the private utility that he has these applications for Government power, and will inquire of the utility, "Are you willing to transmit Government power to these cooperatives?" If the utility agrees to do that, Mr. Wright, as the Administrator, will enter into a contract with it on the basic principles of the Texas contract, which is, realizing that the hydroelectric power is not firm, if 1,000 kilowatts of power of any kind is fed into their lines, they will take out of their lines 700 kilowatts at any place where the Government has a preferred customer.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from Texas?

Mr. HAYDEN. I yield.

Mr. JOHNSON of Texas. What will happen, though, if the Senator's committee's recommendations prevail, and Mr. Wright goes to the companies in the latter part of August and says, "Here is power I want you to carry over here for me," and they are unable to agree?

Mr. HAYDEN. Mr. Wright is then in a position, if Congress provides the money——

Mr. JOHNSON of Texas. But if the Senator's committee's recommendations prevail, what will Mr. Wright be in a position to do?

Mr. HAYDEN. Mr. Wright will have to come back to the Congress and state just what has happened.

Mr. JOHNSON of Texas. He will have to wait until Congress meets in January, with the power he has available which he would like to distribute. Then when the Congress meets in January how long does the Senator think it would take Mr. Wright to fight this thing through the Congress again?

Mr. HAYDEN. I am not anticipating that much trouble at the moment. I want to state what I understand Mr. Wright has committed himself to do, beyond any question, in this letter. He has agreed that if preferred customers of the Government located within the territory of a private utility apply to him for power he will contact the private utility and say, "If you will wheel power to these Government customers on the same basis as that on which power is now wheeled by the Texas Power & Light Co. you will get a contract to do that, and the Southwestern Power Administration will not build any transmission lines in your territory." The private power company will have an option of performing the wheeling service or not. If the company says, "We are ready, able, and willing to build the required transmission lines," or "We already have them," then it will get a contract. If they say "We do not care to serve your customers," the Southwestern Power Administration will then be provided with the money with which to build transmission lines and to serve the preferred customers. But we do expect Mr. Wright to make a sincere effort, and we do expect the power companies, in accordance with the representations they have made, to accept that kind of offer. Of course, if some preferred customers at a great distance applied for power it would not be feasible for the Government to build long transmission lines to serve them, and the request would have to be denied. But where the situation fits, both as to the group of customers and as to the location, so that a private power company can do the transmission job, we expect it to be done. As chairman of the subcommittee handling the appropriation bill, I am going to hold Mr. Wright responsible for carrying out the pledge which he has made. He ends his letter by saying:

> As I advised your committee, it is our intention to continue our efforts in negotiations with the companies to arrive at reasonable arrangements for the maximum utilization of the existing facilities wherever possible, and it will not be our policy to construct transmission lines whenever reasonable arrangements for the use of existing facilities can be made.

By "reasonable arrangements" we understand is meant an arrangement similar to, or upon the basic principles of, the Texas contract.

Mr. HILL and Mr. JOHNSON of Texas addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Arizona yield; if so, to whom?

Mr. HAYDEN. I yield first to the Senator from Alabama.

Mr. HILL. Of course, when the Senator says "under the basic principles," he means in accordance with the spirit, the intent, and the terms of section 5 of the Flood Control Act of 1944, which gives preference to municipalities, governmental bodies, and cooperatives, and provides for the widest economical distribution of the power. Is that not true?

Mr. HAYDEN. Wherever there is a preferred customer of the Government as defined now by the law, which the Senator from Alabama has cited.

Mr. HILL. That is correct.

Mr. HAYDEN. That is, if it is located within the territory of a private utility. If preferred customers apply to the Southwestern Power Authority for power, it is Mr. Wright's first duty to go to the private power utility and say, "We have this application; we are required under the law to serve these people; but if you will wheel the power on the basis of the Texas contract, we will give you a contract to transport it."

Mr. JOHNSON of Texas. Mr. President, will the Senator yield for one question?

Mr. HAYDEN. I yield.

Mr. JOHNSON of Texas. I assume the Senator knows that if the recommendation made by his subcommittee is carried out, Mr. Wright will find great difficulty in making, if not he will not actually be precluded from making, the Texas contract.

Mr. HAYDEN. It is a question, of course, of money.

Mr. JOHNSON of Texas. The Texas contract provides that the Government shall sell the power to the company, and the Government buys back the power which it has sold to the company. Yet the Senator's committee has stricken out every dollar Mr. Wright could use in order to buy that power. In one breath it is said, "Go forward and make the contract." In other words, it is as though the committee said to him, "Go forward and swim, but do not go near the water." It says, "Go forward and make a contract, but we will not give you a dime with which to buy power." That is the effect of the subcommittee's recommendation.

Mr. HAYDEN. The fact remains that, in my opinion, there will be sufficient money in the bill before we get through with it whereby Mr. Wright will be able to make the power-wheeling contracts. That is my guess about it. He had money on hand at the time the Texas contract was made with which to build

transmission lines. The testimony given by representatives of the Texas Power & Light Co.—and I can read it from the record if necessary—was that the Southwestern Power Administration was surveying power lines in that area, and they decided they had better make a contract. They did so, because they knew that the Southwestern Power Administration had the ability to build the transmission lines.

Mr. JOHNSON of Texas. But assuming the subcommittee's recommendations prevail, and that the reduction of approximately $6,000,000 is effected; and assuming that tomorrow Mr. Wright signs the contract with these companies, what would he use for money to carry out the contract and buy the power from the power companies, as he is required to do under the contract?

Mr. HAYDEN. The Southwestern Power Administration would have to come back to the Congress to get it.

Mr. JOHNSON of Texas. Therefore, he could not do it.

Mr. HILL. Mr. President, I yield 5 minutes to the junior Senator from Arkansas [Mr. FULBRIGHT].

The PRESIDING OFFICER. The Senator from Arkansas is recognized for 5 minutes.

Mr. FULBRIGHT. Mr. President, I desire to try to clarify my own position on the issue. It is a problem which has bothered us a great deal in the Southwest. As I see it, the majority on both sides really wish to bring about an equitable contract for the utilization of the private power lines in the distribution of power. It is a question of how best to achieve the purpose. I have decided that I think the House appropriation is the better way by which to achieve the purpose for two or three reasons. We know that the Interior Department, through Mr. Wright, about 2 years ago offered a contract similar to the Texas contract to the private power companies and they refused it. They have subsequently, as we have been told, offered to take it. But the Congress does not retain or have any control over the actions of the private companies directly, which it has over the Interior Department.

I am supporting the appropriation carried in the House bill upon the assurance and with the understanding that the Interior Department will make a good-faith offer and enter into negotiations with the power companies in an effort to work out a contract based upon the principles and following the pattern of the one which has been adopted in Texas. In my judgment, the course which is more likely to result in such a contract is to adopt the amounts carried in the House appropriation.

I know that on both sides of the issue there are extremists who wish to have nothing to do with the other side. That is, there are certain groups who are interested in public power who want no contracts at all; there are certain people in the private power industry who want no contract at all. On the other hand, there is a substantial body of men on both sides wanting to work out a means by which both interests can be coordinated and to bring about the most efficient distribution of this power according to the Texas pattern. I feel it is more likely to result in an accommodation of the two interests if the appropriation is granted.

The only time a contract was executed was when an appropriation had been granted, somewhat similar to the one in the House bill, for the construction of lines, and the Department of the Interior was equipped with that power to aid it in its negotiations. Subsequent to that time experience has shown that the contract was beneficial to both sides, and both sides are quite contented with it.

I think the two sides in the Senate are not far apart on their objective. They differ as to the best way to achieve it. After very thorough consideration, I feel that the appropriation of the House is more likely to bring about a solution. The ultimate solution of the whole problem is quite different in different areas. Some Senators have stated that the public-power policy to be applied in this area cannot be the same as that in the Northwest, because of the character of the public power. I am quite willing to admit that. I do not think it is profitable to pick out one situation in the Southwest, with its particular kind of hydroelectric power which must be integrated with private power, and say that the policy followed in that instance necessarily should be taken as the final policy to be applied all over the United States. I think one of the great faults in our national approach to all legislation is the effort to make a rigid pattern in every field to be applied in every area when there are basic differences, certainly in power, in wages, in rents, and in other respects. It seems to me to be a mistake to attempt to apply national policies which ignore substantial economic differences and lay down a definite pattern. I think the same thing can be said in connection with the question we are now discussing.

I hope the Senate will support the motion of the Senator from Oklahoma, for the reason that I think it will result in the solution of this very difficult problem.

Mr. THOMAS of Oklahoma. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. THOMAS of Oklahoma. How much time is left to each side?

The PRESIDING OFFICER. The Senator from Oklahoma has 15 minutes; the Senator from Alabama has 23 minutes.

Mr. HILL. Mr. President, I yield the remainder of my time to the junior Senator from Oklahoma [Mr. KERR].

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. KERR. Mr. President, in a little while the Senate will vote, first, on the clarifying amendment offered by the junior Senator from Oklahoma with reference to the fourth amendment of the Senate committee in the House bill relative to the appropriation to the Southwestern Power Administration. The purpose of the clarifying amendment with reference to the continuing fund is to make it crystal clear that there is no purpose, desire, nor authority for the Administrator to rent any generating facilities with the money in the so-called continuing fund. There is at this time a continuing fund of $100,000. The sole purpose of the language in this bill to increase it to $300,000 is to enable the Administrator to handle the increased volume. The Senate committee has indicated that he may make contracts with utility companies similar to the Texas contract. The Administrator has said it was his purpose to do that. If he does, he will be in the position of selling power on the one hand and buying it on the other hand. The sole purpose of the continuing fund is to enable him to do that; and the sole purpose of the clarifying amendment is to make this crystal clear.

Mr. President, I should like to invite the attention of the Senate to the report of the committee:

TRANSMISSION OF ELECTRIC ENERGY

The private electric utility companies, operating in the area of the Southwestern Power Administration—

I am reading from the committee's report—

have advised the committee that they will make the entire transmission and related facilities of their respective systems available to the Government, without charge to the Government's customers, for the carrying of electric power and energy from the Government-owned transmission system to preferred customers of the Government as defined in section 5 of the Flood Control Act of December 1944.

Mr. President, I have searched the record diligently, I have had it searched by others, and I cannot find that language in the record. It is not there. If it were there, I would not believe it. Can Senators imagine the directing officers of these companies doing such a thing or anything like it? They would no more make to the Appropriations Committee or to the Senate a definite proposal binding upon their companies to "make the entire transmission and related facilities of their respective systems available to the Government without charge to the Government's customers" than they would attempt to fly to heaven. They would not do it if they could; they could not do it if they would. Their facilities are even now overburdened with carrying to their present customers the electricity which they have. They are even now behind on a schedule to increase facilities to meet their existing demands. Therefore, would it not be senile and futile for them to come to the Senate of the United States and say they would make the entire "transmission and related facilities of their respective systems available to the Government without charge to the Government's customers for the carrying of electric power and energy from Government-owned transmission systems to preferred customers of the Government as defined in section 5 of the Flood Control Act of December 1944?"

Mr. President, the National Government is not the object of charity from the utility companies of the Southwest. If the Government were looking for

charity, the last place any intelligent Senator would go would be to the public utilities of the Southwest. They just do not feel that way about this program. Besides that, the laws of their States would not permit it.

Mr. President, reference has been made in the debate to facilities for firming-up power. The distinguished Senator from Oregon referred to the different kinds of hydroelectric energy. He referred to the necessity of firming-up facilities where hydroelectric power is being used. I remind Senators that such facilities are even now in operation in the area of the Southwestern Power Administration and are being added to constantly. In the first place, on the basis of the contemplated program, hydroelectric power from five widely separated hydroelectric plants will be hooked into one system. In Arkansas, northeastern Oklahoma, eastern Oklahoma, and in southern Oklahoma those hydroelectric projects will firm up each other. In addition, as of this hour, there are municipally owned generating plants of 460,000-kilowatt capacity, industrially owned generating plants of 1,750,000-kilowatt capacity, and cooperative generating plants now operating, or building, or planned to be built, of tens of thousands of kilowatt capacity.

Mr. President, it is the purpose of the Administrator to make contracts with the utilities whenever they will rise above the position which they have taken for years that these are iniquitous, criminal contracts. If they will make a contract that is equitable, the Administrator stands ready and willing to enter into it.

The lines which are proposed to be built under this proposed legislation are not duplicating lines. There is no line from Norfolk, in northern Arkansas, to Essex, in southeastern Missouri. There is no line from Lulu, in eastern Oklahoma, to Anadarko, in western Oklahoma. It is not the purpose of this legislation to enable the Administrator to build competing or duplicating lines. It is the purpose to permit him to build transmission lines to carry Government power to preferred Government customers. It is the purpose of the Administrator to make contracts with private utilities, where it can be done on an equitable basis, to eliminate the necessity for the Government building these lines.

In view of the fact that there are no lines now available to carry this power from the places where it is to be generated to the places where Government-specified special customers want it, the question is: Shall it be done by the Government, or being in favorable position, shall it negotiate an equitable contract to have it done, or will the Senate by its act say that unless the bitter enemies of public power do it, it shall not be done?

Oh, but Senators say they are no longer enemies, and perchance they are not. But I wish to say that their conversion is of very recent date and of very limited degree. I am reminded of the story of the hillbilly in the Ozarks, in the eastern part of our State or the western part of our great neighbor State. He came into the doctor's office one Saturday morning with a tall, gangling boy, and he said, "Doc, I wish that you would fix up my son-in-law."

The doctor said, "What's the matter with him?"

"Oh," he said, "I shot him in the leg yesterday and lamed him up a mite."

The doctor said, "Why, shame on you, shooting your own son-in-law."

"Aw, doc," he said, "he warn't my son-in-law till I shot him." [Laughter.]

I want to see contracts made with the utilities, but if there is going to be any shooting done, I want the Government in the position to do it, and not put the Administrator in the position where he will have to take all the shooting.

The Senate cannot escape its responsibility to see that facilities are available by which to deliver the power. Therefore we must either give our representative equal bargaining position and power to negotiate for its delivery, or put him in such a position that the utilities will be the judge of whether or not a contract is to be made, and on what basis.

As between the two, which one is entitled to the confidence of Senators, the Administrator or the public utilities? Which one is accountable to us? The utilities are not, the Administrator is. Which one's failure would reflect upon us?

I wish to refer again to the committee report. My experience with committee reports is limited, but too seldom have my eyes been gladdened by the symmetry and majesty of such words. Too rarely have my ears been ravished by the dulcet tones of such harmonious language. I find something in this committee report which reaches a new high in my brief experience. I read:

> The committee directs that the Administrator of the Southwestern Power Administration report to the Senate and House Appropriations Committees on January 1, 1950, on progress made on entering into contracts with private power companies in the area where the Southwestern Power Administration operates.

Above that it is said:

> These companies have also advised the committee that they will supply all the electric energy which may be required by the Government * * *. The compensation for such transmission and additional energy to be in conformance with the principles found in the contract between the Southwestern Power Administration and the Texas Power & Light Co.

I should like to ask Senators a question which they might answer to themselves: What is the Texas Power & Light contract? Where is the Senator who knows what it contains? There are some 36 closely typed pages in the contract.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Oklahoma yield?

Mr. KERR. I yield to the Senator from Texas.

Mr. JOHNSON of Texas. Does the Senator know of any Senator or anybody else who contends that the Texas Power & Light Co. contract does not provide compensation to the Texas Power & Light Co.?

Mr. KERR. I am glad the Senator brought that question up.

Mr. JOHNSON of Texas. In other words, at one place in the report the committee says they are going to transport it without cost, in the next place they say they are following the Texas Power & Light contract.

Mr. KERR. The Texas Power & Light Co., according to its own record, as I am advised, admits that it makes better than 3 mills for every kilowatt of power which it transports. That information is consistent with their long record of being able to take care of themselves. If they make a contract with the Administrator—and I hope they will—I am not uneasy that the utility companies will fail to provide methods to secure ample payments.

But I return to my question. Suppose that by our action here today we compel the Administrator to make a "Texas Company contract," and suppose that tomorrow alert members of the press should ask Senators, "What are the provisions of the Texas Light & Power contract which yesterday by the action of the Senate was imposed upon the Administrator of the Southwestern Power Administration?" I have read the contract several times, I have studied it diligently, and I sincerely hope that they will not ask me that question and compel me to answer.

Mr. President, there are a million farm families in the area affected, seeking to be served by this power. It is their "emancipation proclamation." They have come by the hundreds to the Senate and asked that the action of the House of Representatives be accepted and approved by the Senate. I say to my colleagues that on the basis of the record there is not a single private citizen who has come forward and asked the Senate to do otherwise. On the basis of the record of the hearings there is not a single private citizen who is asking that the Administrator be compelled to tie up and commit every kilowatt of hydroelectric power, already created or to be created in the Southwest, under the terms of the Texas contract.

Bear in mind that I have the objective that equitable contracts may be made wherever possible to prevent the necessity for the building of transmission lines; but I do not conceive it to be the exercise of the best judgment in bringing that about to say to the Administrator, "You can do this and nothing else."

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. JOHNSON of Texas. Does not the Senator believe that the only reason why the companies now offer to enter into the Texas contract is because the House provided the money for transmission lines?

Mr. KERR. They said so in the record, and the senior Senator from Arizona [Mr. HAYDEN] said that he heard it with amazement. They said that only when it looked as if the Government were going to do it were they willing to negotiate.

Mr. JOHNSON of Texas. And up until the time the House provided the

money for the transmission lines, the Senator never heard one word from any of the utility companies involved that they were willing to enter into the Texas contract?

Mr. KERR. Quite the contrary. I am glad the Senator from Texas asked that question. I heard from many of them who said they would not do it under any circumstances. They did not say, "We will meet the need." They did not say, "If there is a need we will build the lines." They did not say, "If there are rural electric cooperatives out yonder needing this power we will contract to transmit it to them." They said, "They will never ram that kind of a contract down our throats."

Mr. JOHNSON of Texas. And if now the Senate takes this money away, what does the Senator think the attitude of the companies will be, judging the future by the past?

Mr. KERR. I will say to the Senator from Texas that I do not think their attitude has changed. I do not think their objectives have changed. I think the only thing that has changed is their tactics.

The Senate will participate in the appropriation of some $40,000,000,000 in the budget of this great Government for the present fiscal year. I ask Senators: For what amount of that money will contracts be written on the Senate floor? A little while ago in this Chamber I heard men qualified to speak debate the question of limitations on the Administrator of the ECA program. I heard them arise to heights of eloquence and wisdom and judgment, in which they took the position, and persuaded the Senate, that it would be unwise to attempt on the floor of the Senate to tie the hands of an administrator who was going out yonder with the responsibility to do a job. I ask Senators now, what there was about an appropriation of between five and six billion dollars designed to accomplish a great objective which made it necessary that the Administrator be left with some discretion as to how he should carry out the mandate of Congress, and yet, when the Administrator of the Southwestern Power Administration is charged with the responsibility of transmitting electricity to Government-preferred customers, which involves the appropriation of only a few million dollars, it is proposed to strip him of his discretion and say, "We will not let you have one penny until we have written the contract on the floor of the Senate?"

Is there a shaft of truth that shines with the glory of the Pleiades when placed in the firmament of foreign relations, but which pales into the darkness of a lunar eclipse when applied to the efforts of the Government to make the wonders of electric energy available to the farm homes of the Southwest?

I say that we have no greater objective than to implement the rural electric cooperatives' program so that electricity may be made available to every farm home. Experience has proved that the method we seek is the best. The voice of the people themselves has been heard here asking for it. I do not believe the Senate of the United States will take from them that opportunity.

Mr. THOMAS of Oklahoma. Mr. President, I have 15 minutes left and I want to answer one or two points which have been made on the floor. In the first place, there is a letter before the Senate signed by each of the 11 companies, not only agreeing to accept the provisions of the Texas contract, but pleading for the opportunity.

It has been stated on the floor just recently that if one of these companies makes a contract with the Government and receives power, that they pay for only 70 percent of that power, and the balance of 30 percent, is profit. That statement, Mr. President, is not correct. The Texas Co. is now paying for every kilowatt of power it receives from the Denison Dam. I pause for some Senator to contradict that statement. Every kilowatt-hour of power that is now being fed into the Texas Power & Light system is being paid for at rates confirmed and approved by the Federal Power Commission.

Mr. President, the contract provides that the Government has the right to take out 70 percent of the power delivered, but the Texas Light & Power contract, so I am advised, would give the Government 100 percent of the power delivered to it if the Government wanted it. But the Government has no use for all the power. It could not use even 70 percent of the power that is being fed into the system. But the Texas Power & Light Co. contract provides that every kilowatt-hour of power fed into its systems shall be paid for at the rate fixed by the Federal Power Commission.

Mr. President, one of the speakers this afternoon stated that he favored the provisions of the Texas Power & Light contract. I favor the provisions of the Texas Power & Light Co. contract. The Speaker of the House, Mr. RAYBURN, favors the provisions of that contract. The 11 companies involved want the provisions of the Texas contract made available to them. So the question comes down to this: How are we going to get the Government and the utilities together to make such a contract? The House placed in the bill $9,000,000 to build transmission lines. The Senate reduced that $9,000,000 to a little more than $3,000,000. The saving is more than $5,000,000.

Mr. President, Senators have been called upon this afternoon to place in the hands of an appointed official, Mr. Wright, the sum of $5,000,000—for what purpose? To use it as a club to make these companies sign a contract. Now if I may have the attention of my distinguished colleagues on my right, Senators of the majority, I should like to suggest to them that it would be much cheaper to buy a shotgun and give that to Mr. Wright rather than to give him $5,000,000.

Mr. President, $5,000,000 is a great deal of money. The Congress of the United States controls the resources of this Republic. The national income this year is some $250,000,000,000. Federal taxes will amount to more than $40,000,000,000. We have those resources in the hands of Congress, in the hands of the Committee on Appropriations, and the money for this bill was placed in the bill on the recommendation of the committee of the Congress. So who has the most powerful club—Mr. Wright, with his $5,000,000, if he receives it from Congress, or the Congress of the United States, with unlimited billions? That is the issue. If Senators think more results can be obtained with $5,000,000 placed in the hands of Mr. Wright to force the companies to sign contracts, if Senators think better results can be obtained in that way, then Senators would be justified in voting the increased funds. Senators heard the Senator from Arizona [Mr. HAYDEN] when he said:

> We are going to hold Mr. Wright to the provisions of the letter which he sent on yesterday to the chairman of our committee when he promised he would make this contract if he had the opportunity.

In conclusion, I wish to show Senators what we shall be voting on in the next few minutes. We shall be voting on four amendments en bloc. The first amendment is to increase the cash appropriations from $1,616,115 to $4,000,000. We are voting to increase the contract authorization from $2,257,905 to $5,000,000. Then we are committing ourselves to a total over-all appropriation of $31,000,000 to be appropriated during the next 3 years. We do not need it. If the lines were built now, there would be little power to transmit. There will be no additional power to distribute during the next 3 to 5 years. Practically all the power we have now at the Denison Dam is being sold in Texas. We get 4,500 kilowatts in Oklahoma, but all of the power from the Norfork Dam is being sold in Arkansas.

One of the amendments before us is an amendment which increases the continuing fund from $100,000 to $300,000. That is to be used in buying electricity and renting appurtenant facilities. What does a $300,000 continuing fund mean? I tried to state earlier that it was my understanding from one of the officials of the Treasury Department that it meant $300,000 a month. But, Mr. President, that is not the correct interpretation of the continuing fund. Since I came to the Chamber today I have received an interpretation from the Treasury Department as to what the $300,000 fund means. I hold in my hand that interpretation, which is dated today. It is signed by J. W. Woodson, of the Treasury Department. Let me read to Senators what the continuing fund means:

> DEFINING A CONTINUING FUND FOR EMERGENCY EXPENSES
>
> A continuing fund for emergency expenses (as referred to in Interior Department legislation) is an appropriation of specific receipts up to an amount necessary to maintain the fund in the maximum amount authorized by law, provided receipts are available. The receipts from sources involved in excess of amounts required to maintain the maximum amount authorized, are covered into the general fund of the Treasury as miscellaneous receipts.

What does that mean? The fund must be maintained at its maximum. Its maximum is $300,000. Under that

interpretation, if Mr. Wright draws a check of $300,000 on the fund today, tomorrow the fund is replenished to the extent of $300,000, provided receipts are available, and all receipts from all the dams, whatever they may be, go into this fund, from which the money may be drawn.

There are about 300 business days in a year. Multiply 300 by $300,000, and what is the total? It is $90,000,000. Under such interpretation some are voting to give Mr. Wright a continuing fund totaling possibly $90,000,000, on which he can draw his checks. It never has been done in the history of this Republic. So far as I am advised there is nothing like this anywhere in any law. In view of the condition of our Treasury today, when we are borrowing money to pay public expenses, I wonder if Senators, under their solemn responsibility, will vote a possible $90,000,000 to be placed in the hands of a single official, one who is not elected but appointed.

In the remarks which I made the other day I tried to show that the Texas contract is a desirable contract. I am supporting such contract. The companies want to sign it. It is a contract which Mr. Wright says he wants to give them, a contract which Speaker RAYBURN says is fine, a contract which the distinguished junior Senator from Texas [Mr. JOHNSON] says is fine, and a contract which the junior Senator from Arkansas [Mr. FULBRIGHT] says is fine.

The chairman of our committee says he plans to hold Mr. Wright, the SPA Administrator, to the promises he made in the letter he received on yesterday.

What is that contract? The contract provides that an arrangement will be made to feed all the power developed at the dams into existing lines at a price to be fixed by the Federal Power Commission. Government agencies are privileged to take out of the system the same power—if it can be called the same power—at the same price to be fixed by the Federal Power Commission up to the limit of 70 percent. That is in the Texas contract. The companies might modify that and make it 100 percent, or any other percentage. They might say, "We will give you all the power you need, at the same rate we pay for it." The rate is left up to the Federal Power Commission.

This contract would get the most money for the power we produce, because under the terms of the contract we would sell all the power we can produce. We would sell little power when we had low water. When we had an average amount of water we would sell all the power we can produce. When we had rains and floods, and a great deal of water, we could sell the maximum that we could produce at rates fixed by the Federal Power Commission. So this proposal would get the largest possible number of dollars from the sale of our electricity.

A private company could not do that. A hydro company could not sell all the power it can produce, because it can sell only firm power, as I understand. When the water is low their power is down and consumers will not purchase uncertain or nonfirm power. So this proposal would get the Government the largest amount of returns. Second, the proposal in the Texas Light & Power contract saves the Government the expense of building lines and the expense of building substations and generating plants. Furthermore, it saves maintenance of the lines and generating plants. On the one hand, we would get more revenue, and, on the other hand, we would spend less money.

The Texas Light & Power contract provides that the power will all be firmed, so the consumers will get firm power. That gives the consumers more firm power.

Last, but not least, the terms of the Texas contract provide that the REA's and the consumers shall get their power at cheaper costs. The Federal Power Commission takes into consideration in fixing rates, first, the cost of each dam allocated to the production of power. Second, it takes into consideration the cost of all the transmission lines which are built. Third, if steam plants are built, the cost of such steam plants are taken into consideration. Then, on the basis of the total over-all investment, rates are fixed, including, of course, estimates for maintenance, operation, interest, and amortization. The fewer lines the less costs, and the less costs the cheaper the rates. The fewer steam plants built the less costs to the Government and consequently the lower rates. If we accept the provisions of the Texas contract, the only expense necessary will be that part of the cost of any dam allocated to the hydroelectric equipment. I contend that this means the cheapest electricity in the Southwest that can be produced at any point anywhere in the United States, with the single exception of the great Bonneville project.

Mr. President, I contend that we have in our hands a more powerful club to make the companies sign a contract, and a larger club to make Mr. Wright sign such a contract, than the $5,000,000 mentioned in the bill.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The roll was called, and the following Senators answered to their names:

Anderson	Hill	Mundt
Baldwin	Hoey	Murray
Bricker	Holland	Myers
Bridges	Humphrey	Neely
Byrd	Hunt	O'Mahoney
Cain	Ives	Pepper
Capehart	Jenner	Reed
Chavez	Johnson, Colo.	Robertson
Connally	Johnson, Tex.	Russell
Cordon	Johnston, S. C.	Saltonstall
Donnell	Kefauver	Schoeppel
Douglas	Kem	Smith, Maine
Downey	Kerr	Smith, N. J.
Dulles	Knowland	Sparkman
Eastland	Langer	Stennis
Ecton	Lucas	Taylor
Ellender	McCarthy	Thomas, Okla.
Ferguson	McClellan	Thomas, Utah
Flanders	McFarland	Tobey
Frear	McGrath	Tydings
Fulbright	McKellar	Vandenberg
George	McMahon	Watkins
Gillette	Magnuson	Wherry
Graham	Malone	Wiley
Green	Martin	Williams
Gurney	Maybank	Withers
Hayden	Miller	Young
Hendrickson	Millikin	
Hickenlooper	Morse	

The VICE PRESIDENT. A quorum is present.

All debate is concluded on the pending committee amendments which are being considered en bloc and the amendments thereto.

The question now before the Senate is on agreeing to the amendment offered by the Senator from Oklahoma [Mr. KERR] as a substitute for certain language in the House text of the bill on page 7 in lines 21 and 22.

Mr. KERR and other Senators asked for the yeas and nays, and they were ordered.

Mr. MAGNUSON. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. MAGNUSON. A vote "yea" will be a vote for the so-called Kerr amendment, will it not?

The VICE PRESIDENT. Yes.

Mr. MAGNUSON. And a vote "nay" will be a vote for the committee amendment, will it not?

The VICE PRESIDENT. A vote "nay" would be a vote against the Kerr amendment, but not necessarily for or against the committee amendment.

The yeas and nays having been ordered, the Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FREAR (when his name was called). On this vote, I have a pair with the Senator from West Virginia [Mr. KILGORE]. If he were present and voting, he would vote "yea." If I were permitted to vote, I would vote "nay." I withhold my vote.

Mr. HOLLAND (when his name was called). On this vote, I have a pair with the junior Senator from Kentucky [Mr. CHAPMAN]. If he were present, he would vote "yea." If I were permitted to vote, I would vote "nay." I withhold my vote.

Mr. ROBERTSON (when his name was called). On this vote, I have a pair with the junior Senator from Louisiana [Mr. LONG]. If he were present and voting, he would vote "yea." If I were permitted to vote, I would vote "nay." I withhold my vote.

The roll call was concluded.

Mr. MYERS. I announce that the Senator from Kentucky [Mr. CHAPMAN] is absent on public business.

The Senator from West Virginia [Mr. KILGORE] and the Senator from Maryland [Mr. O'CONOR] are necessarily absent.

The Senator from Louisiana [Mr. LONG] and the Senator from Nevada [Mr. MCCARRAN] are absent by leave of the Senate.

If present and voting, the Senator from Nevada [Mr. MCCARRAN] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN] and the Senator from Nebraska [Mr. BUTLER] are absent by leave of the Senate, and they have a general pair.

The Senator from Maine [Mr. BREWSTER] is necessarily absent.

The Senator from Massachusetts [Mr. LODGE] is absent by leave of the Senate. If present and voting, the Senator from Massachusetts would vote "nay."

The Senator from Ohio [Mr. TAFT], who is necessarily absent, is paired with the Senator from Minnesota [Mr. THYE], who is absent by leave of the Senate. If present and voting, the Senator from Ohio would vote "nay" and the Senator from Minnesota would vote "yea."

The result was announced—yeas 47, nays 35, as follows:

YEAS—47

Anderson	Kefauver	Myers
Connally	Kerr	Neely
Douglas	Knowland	O'Mahoney
Downey	Langer	Pepper
Fulbright	Lucas	Russell
George	McCarthy	Smith, Maine
Gillette	McFarland	Sparkman
Graham	McGrath	Stennis
Green	McKellar	Taylor
Hayden	McMahon	Thomas, Utah
Hill	Magnuson	Tobey
Hoey	Malone	Tydings
Humphrey	Maybank	Wiley
Hunt	Miller	Withers
Johnson, Tex.	Morse	Young
Johnston, S. C.	Murray	

NAYS—35

Baldwin	Ellender	Millikin
Bricker	Ferguson	Mundt
Bridges	Flanders	Reed
Byrd	Gurney	Saltonstall
Cain	Hendrickson	Schoeppel
Capehart	Hickenlooper	Smith, N. J.
Chavez	Ives	Thomas, Okla.
Cordon	Jenner	Vandenberg
Donnell	Johnson, Colo.	Watkins
Dulles	Kem	Wherry
Eastland	McClellan	Williams
Ecton	Martin	

NOT VOTING—14

Aiken	Holland	O'Conor
Brewster	Kilgore	Robertson
Butler	Lodge	Taft
Chapman	Long	Thye
Frear	McCarran	

So Mr. KERR's amendment was agreed to.

The VICE PRESIDENT. The question now is on agreeing to the four amendments en bloc as modified by the amendment just voted on.

Mr. THOMAS of Oklahoma. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. KERR. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state the inquiry.

Mr. KERR. As I understand, this vote is as to whether the amendments of the Senate committee shall be approved or rejected.

The VICE PRESIDENT. The question is on agreeing to the committee amendments. A vote "yea" is a vote in favor of the committee amendments as modified. It is a vote on all four of them. They are to be voted on en bloc. A vote "nay" is against the committee amendments. The Secretary will call the roll.

The legislative clerk proceeded to call the roll, and Mr. ANDERSON voted "nay" when his name was called.

Mr. KERR. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state the inquiry.

Mr. KERR. I should like to have the Chair advise the junior Senator from Oklahoma, who wants to vote to restore the language as passed by the House and as now amended by the amendment just adopted, how he should vote.

The VICE PRESIDENT. Does the Senator from Oklahoma want the Chair to advise him how to vote?

Mr. KERR. If there is a man on earth to whom the Senator from Oklahoma would accord that privilege, it is the present occupant of the chair.

The VICE PRESIDENT. A vote "nay" is a vote against the committee amendments, as modified by the Senator's amendment, recently adopted. A vote of "yea" is for the committee amendments.

Mr. HILL. Mr. President, we do not want the committee amendments. We want the House provisions.

Mr. JENNER. Mr. President, I ask for the regular order.

The VICE PRESIDENT. The regular order is demanded. The Secretary will proceed with the calling of the roll.

The legislative clerk resumed the calling of the roll.

Mr. HOLLAND (when his name was called). On this vote I have a pair with the senior Senator from Kentucky [Mr. CHAPMAN]. If he were present, he would vote "nay." If I were permitted to vote, I would vote "yea."

Mr. ROBERTSON (when his name was called). On this vote I have a pair with the junior Senator from Louisiana [Mr. LONG]. If he were present, he would vote "nay." If I were permitted to vote, I would vote "yea."

The roll call was concluded.

Mr. MYERS. I announce that the Senator from Kentucky [Mr. CHAPMAN] is absent on public business.

The Senator from West Virginia [Mr. KILGORE] and the Senator from Maryland [Mr. O'CONOR] are necessarily absent.

The Senator from Louisiana [Mr. LONG] and the Senator from Nevada [Mr. MCCARRAN] are absent by leave of the Senate.

The Senator from West Virginia [Mr. KILGORE] is paired on this vote with the Senator from Nevada [Mr. MCCARRAN]. If present and voting, the Senator from West Virginia would vote "nay" and the Senator from Nevada would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN] and the Senator from Nebraska [Mr. BUTLER] are absent by leave of the Senate, and they have a general pair.

The Senator from Maine [Mr. BREWSTER] is necessarily absent.

The Senator from Massachusetts [Mr. LODGE] is absent by leave of the Senate. If present and voting, the Senator from Massachusetts would vote "yea."

The Senator from Ohio [Mr. TAFT], who is necessarily absent, is paired with the Senator from Minnesota [Mr. THYE], who is absent by leave of the Senate. If present and voting, the Senator from Ohio would vote "yea" and the Senator from Minnesota would vote "nay."

The result was announced—yeas 38, nays 45, as follows:

YEAS—38

Baldwin	Cordon	Flanders
Bricker	Donnell	Frear
Bridges	Dulles	Gurney
Byrd	Eastland	Hendrickson
Cain	Ecton	Hickenlooper
Capehart	Ellender	Hoey
Chavez	Ferguson	Ives
Jenner	Mundt	Tydings
Johnson, Colo.	Reed	Vandenberg
Kem	Saltonstall	Watkins
McClellan	Schoeppel	Wherry
Martin	Smith, N. J.	Williams
Millikin	Thomas, Okla.	

NAYS—45

Anderson	Kefauver	Murray
Connally	Kerr	Myers
Douglas	Knowland	Neely
Downey	Langer	O'Mahoney
Fulbright	Lucas	Pepper
George	McCarthy	Russell
Gillette	McFarland	Smith, Maine
Graham	McGrath	Sparkman
Green	McKellar	Stennis
Hayden	McMahon	Taylor
Hill	Magnuson	Thomas, Utah
Humphrey	Malone	Tobey
Hunt	Maybank	Wiley
Johnson, Tex.	Miller	Withers
Johnston, S. C.	Morse	Young

NOT VOTING—13

Aiken	Kilgore	Robertson
Brewster	Lodge	Taft
Butler	Long	Thye
Chapman	McCarran	
Holland	O'Conor	

The VICE PRESIDENT. On this vote the yeas are 38, the nays 45. The four committee amendments which were voted on en bloc are rejected. The result of this vote is to restore the House language as modified by the amendment of the Senator from Oklahoma [Mr. KERR].

Mr. HILL. Mr. President, I move to reconsider the vote by which the amendments were rejected.

Mr. KERR. I move to lay that motion on the table.

The VICE PRESIDENT. The question is on agreeing to the motion of the junior Senator from Oklahoma.

The motion to lay on the table was agreed to.

The VICE PRESIDENT. The .clerk will state the next committee amendment.

The CHIEF CLERK. On page 5, it is proposed to strike out lines 10 to 19 inclusive.

Mr. HAYDEN. Mr. President——

Mr. MCGRATH. Mr. President, will the Senator yield for several minutes?

Mr. HAYDEN. I yield.

RETIREMENT OF SENATOR MCGRATH FROM THE SENATE

Mr. MCGRATH. Mr. President, my resignation from the Senate becomes effective at the close of business of the Senate this afternoon. Tomorrow afternoon at 4 p. m. in the great hall of the Department of Justice I shall take the oath of the Attorney General of the United States. [Applause.]

May I say, Mr. President, that I am extremely grateful to the President for the honor of this appointment, and I am equally grateful to the Members of the Senate who unanimously paid me a great tribute in confirming my nomination for the position.

I most certainly have enjoyed every moment of my service in the Senate. I did not expect to be leaving it so soon. I want Senators to know that the decision I have reached has not been a matter of choice, as I see it, between two great offices, probably the greatest in the world—membership in this body, and a place in the Cabinet of the President of the United States. I rather like to feel

that I have responded to a call which one could hardly decline to answer.

For what each and all the Senators have done for me during my term of service here, the personal kindnesses and the friendliness, I shall always and forever be grateful. I feel that the position of Senator of the United States is indeed the greatest honor that can come to a man. I shall always carry with me the memories of my service here and the sense of responsibility to uphold the dignity that a senatorship confers upon one privileged to be so honored.

I hope my service in the Senate in some small measure may fit me to assume the administrative role of Attorney General. I hope what I have learned here will be of profit in some measure by helping me to administer laws in the spirit in which you Senators enact them.

If at any time during my service in the Department of Justice I can be of help or assistance to any of my dear colleagues, I beg of them to call upon me.

I may say as a final word that there will come here, sometime this week, to succeed me, by appointment of the Governor of Rhode Island, the Honorable Edward L. Leahy, a distinguished lawyer who has given long years of valiant service to his State. I am sure Senators will find in him a pleasant and pleasing colleague for whom I hope there will grow up a fondness equal to that which has been shown me. [Applause, Senators rising.]

Mr. LUCAS. Mr. President, as the majority leader of the Senate I cannot let this opportunity pass by without making a few brief remarks with regard to our distinguished colleague from Rhode Island [Mr. McGRATH] who is about to leave the halls of the United States Senate for the purpose of assuming the duties and obligations as Attorney General of the United States.

It has been my good fortune during the years the Senator has been a Member of this body to be closely allied and associated with him in many progressive legislative adventures. We also enjoyed close political and social ties.

Mr. President, there is no Member of the United States Senate who is more sincere, who has been more devoted to his duties as a Senator, and who has shown more ability and integrity than our friend the Senator from Rhode Island. I am sure I speak for all Members of the Senate when I say that we wish for him continued success, which we know he will have in the administration of the affairs of what is one of the most important offices in the President's Cabinet—that of Attorney General of the United States. That the Senator will be fair and honorable in that office no one questions. That he will mete out justice in accordance with legal and equitable principles no one doubts. I bespeak for him a most successful career of meritorious and exemplary service in the enforcement of the laws of a free and independent Government.

We dislike very much to see him leave the Senate, and we pay tribute to the splendid service he has rendered here. But with his youth, vigor, and industry, his integrity and his vitality, he will accomplish even greater things in his new office for the welfare of his country than he has in the Senate.

To lose him as a Senator is a personal loss to me as well as to the entire Senate, but what we lose through his retirement, the President and the country gain in securing a good and faithful servant.

Mr. NEELY. Mr. President, Plato thanked the gods for permitting him to live in the age of Socrates. I thank the benign fate or destiny that permits me to live in the age of the distinguished junior Senator from Rhode Island [Mr. McGRATH], work with him in the Senate, and serve with him as a member of the Committee on the District of Columbia over which he presides as chairman with a degree of dignity, grace, and efficiency as rare as a day in June.

The fascinating hero of the famous Peter B. Kyne's inspirational story The Go-Getter should have been the illustrious Senator McGRATH instead of Private "Bill" Peck because the Senator's accomplishments are much more diversified, extraordinary, and thrilling than were those of the immortalized young veteran who, in this gripping story, conclusively demonstrated that nothing earthly is impossible of achievement by the possessor of lofty ambition, tireless energy, ceaseless industry, and never-ending determination.

For example, the Senator has had conferred upon him so many earned and honorary college degrees such as Ph. B.'s and LL. D.'s that an adding machine would be required to determine their number. The high official honors which the Senator has won are fully as numerous as the university degrees that troop after his name. He has held more high offices than anyone else in the United States of his age has ever attained. Please remember that this eminent man is in the middle forties—in the very prime of life—with every door in the world of infinite opportunity still wide open to receive him.

He began his rapid ascent on the ladder of fame by serving as solicitor for the city of Central Falls. Thereafter he served as United States district attorney. Subsequently, he was three times elected Governor of Rhode Island. From his gubernatorial office he was promoted to Solicitor General of the United States. He thereby achieved the distinction of being one of the youngest men upon whom the appointment to that office was ever bestowed. His prudent people next made him a member of the United States Senate. For 4 years he was chairman of the Democratic State Executive Committee of Rhode Island. In 1947 he became the chairman of the Democratic National Committee. Under his leadership his party, last year, won the most unexpected, and one of the most brilliant political victories in the annals of time.

The President recently nominated Senator McGRATH for Attorney General of the United States. The Senate which has unanimously confirmed him will tomorrow grow much poorer and the Department of Justice will grow much richer when his resignation from this body becomes effective and he, as a member of the President's Cabinet, enters upon the discharge of his new duties. He will be among the youngest who have ever held the exalted office he is about to honor.

Senator McGRATH, as Governor of Rhode Island, was great. His greatness increased after he became one of the 96 Senators who help to make the laws that govern 145,000,000 people and largely determine the fate of all mankind. As the highest law-enforcement officer of the Nation, at the most momentous time in the history of the world, he will become one of the greatest of the great.

Throughout his official life Senator McGRATH has known no dictator but his conscience, no guide but his judgment, and no purpose but to serve his country. He has walked the rugged road of right. He has never for a moment wandered from the way to loiter in alluring shade, or drink the bacchanalian draught, or pick the idle flowers that fringe the banks wherein temptation's wooing tide forever flows.

Where duty has beckoned he has unhesitatingly, courageously, and faithfully followed on, unseduced by flattery, unawed by opposition, and unspoiled by such unusual success as only one in many, many millions ever achieves. Upon every official trial of his life, he has demonstrated that—

> His heart is as stout as the Irish oak
> And as pure as the Lakes of Killarney.

The record of his service shines with the splendor of the bright and morning star. It is my fervent hope and my confident prediction that as the result of Senator McGRATH'S great service in the past and the great service he will render as Attorney General, he will eventually be made a member of the Supreme Court of the United States—the greatest judicial tribunal on the globe.

Senator McGRATH, distinguished statesman, beloved colleague and cherished friend, our regret that you are leaving the Senate is greater than it is possible for us with tongue or pen to portray. As you, among many, many other important things, assume the herculean task of protecting the American people and the American way of life against all the blighting subversive activities that may be launched against them, be assured that—

> Our hearts, our hopes, our prayers, our tears,
> Our faith, triumphant o'er our fears, are all
> with thee—are all with thee.

We wish for you unlimited happiness and an unbroken continuation of that brilliant success—in the mastery of which you have proved again and again that you have no superiors and few, if any, peers. As you say good night to the Senate and good morning to the Department of Justice, rest assured that we shall never remember you but to love you; we shall never name you but to praise; and our fond recollections of the delightful companionship and friendship

with which you have so generously blessed us will be—

* * * the rainbow to our storms of life,
The evening beam that smiles the clouds away,
And tints tomorrow with prophetic ray!

[Applause]

Mr. SALTONSTALL. Mr. President, let me add just a word to the tribute which has been paid to our colleague, the junior Senator from Rhode Island [Mr. McGRATH].

As the governor of a neighboring State, the Commonwealth of Massachusetts, I worked with Senator McGRATH for 4 years. We worked together and trusted each other, and as Members of the Senate we have continued to work together and to trust each other, just as every Member of this body has trusted Senator McGRATH. I am confident that in his new position he will administer his office with credit to himself and with justice and fairness to all the people of this great country.

Mr. WHERRY. Mr. President, I know that I express the sentiment of every Senator on this side of the aisle when I say that the highest tribute that could have been paid our colleague, Senator McGRATH, was the unanimous vote for his confirmation as Attorney General. We all wish him Godspeed in the new office upon which he will now enter.

INTERIOR DEPARTMENT APPROPRIATIONS, 1950

The Senate resumed the consideration of the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes.

The PRESIDING OFFICER (Mr. McFARLAND in the chair). The clerk will state the pending amendment.

The CHIEF CLERK. On page 5, after line 9, the committee proposes to strike out the following:

Salaries and expenses, southeastern power marketing: For expenses necessary to carry out the provisions of section 5 of the Flood Control Act of 1944 (16 U. S. C. 825s), as applied to the area east of the Mississippi River, for marketing power produced or to be produced at multiple-purpose projects of the Corps of Engineers, Department of the Army; purchase (not to exceed two) and hire of passenger motor vehicles; services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a); and printing and binding; $70,000.

Mr. RUSSELL. Mr. President, I trust that the Senate will disagree to the action of the committee in striking out this little proviso. Not a great deal of money is involved, only $70,000, but in view of the circumstances which obtain in the southeastern area of the United States, the item is of tremendous importance.

It so happens that this year the Government will sell only $1,000,000 worth of power in the Southeast. Within a period of 3 years dams will come into operation which will step that up to $10,000,000 a year. Certainly this small item of $70,000 should be allowed in order to enable those who are charged with the responsibility of selling the power to know what they are dealing with when the time comes to sell the power.

At one dam in my own State, at Allatoona, the power has already been sold, and the generation of power will start about the 1st of September, just a few days from now. That is a comparatively small project. The Clark's Hill project is under way, and will be completed in a year or two. The Jim Woodruff Dam is another construction in that area. The great project at Buggs Island is under construction, and numerous other dams are under construction. If the Government of the United States is to receive the full value of the power generated at these dams studies should begin at this time, not only with relation to the sale of power, but after the contracts have been consummated with the private power companies studies should be made of the purchase of current from them. I hope the Senate will disagree to the committee amendment.

Mr. HILL. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. HILL. The item in no way involves any question respecting transmission lines. We are not building a steam plant. The item relates merely to the orderly, businesslike sale by contract of the power that is to be generated by these Government dams. Is that not correct?

Mr. RUSSELL. The Senator has stated the situation very succinctly and correctly.

Mr. HILL. Is it not also true that there are 8 projects now under actual construction, totaling $335,000,000 in cost, and, in addition, there is the Buford Dam, involving an additional $25,000,000? All that would be done under the item under consideration would be to provide for the orderly, businesslike sale of the power from these Government dams, without in any way whatever dealing with transmission lines.

Mr. RUSSELL. That is my understanding of the item.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. MAYBANK. Does the Senator from Alabama include in that amount of money the Hartwell Dam?

Mr. HILL. There has been no appropriation as yet for the Hartwell Dam.

Mr. MAYBANK. I merely wish to say, Mr. President, that I thoroughly agree with what the distinguished Senator from Georgia has said. I want to remind the chairman of the subcommittee on the Interior Department appropriation bill that I raised a point respecting the southeastern power at the time we were writing the bill, because I was quite concerned about the matter at that time. I assure the Senator from Georgia that I thoroughly agree with what he has just stated, and I hope the Senate will restore the House language, in order that there may be some agency of Government to sell the power in the Southeast. The building of transmission lines is not involved.

Mr. HILL. As the Senator from Georgia has suggested one contract has already been made with the Georgia Power Co. for the sale of power from the Allatoona Dam. This power will come into being about the 1st of December. It must be administered. Power cannot be generated and then left without being administered. More or less day to day attention must be given to it. Some will be prime power, some will be secondary power, other power will be more or less dump power. All the amendment does is to provide for a businesslike and orderly sale of the power, just as any private power company would dispose of its power. All the power goes to the Georgia Power Co., is that not true?

Mr. RUSSELL. The power from the Allatoona Dam goes to the Georgia Power Co.

Mr. MAYBANK. The item affects the Santee Dam in my State and the Buzzard's Roost Dam which was built in 1939. Representatives from my State were in Washington the other day endeavoring to confer with representatives of the Department of the Interior in an effort to find out what would be done to obtain additional power. They were told that unless some funds were provided in the bill now before the Senate, nothing could be done by way of telling them what to do respecting the purchase and sale of additional power.

Mr. HILL. Mr. President, the amendment involves the States of Virginia, North and South Carolina, Florida, Georgia, Alabama, Tennessee, and Kentucky, so that power generated in those States may be disposed of in a businesslike, wise manner.

Mr. RUSSELL. The amendment simply provides the precaution that any prudent businessman would take in conducting a business enterprise. When the magnitude of the project involved is considered, the appropriation is an extremely modest one.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 5, lines 10 to 19, inclusive. [Putting the question.] The "noes" seem to have it. The "noes" have it, and the committee amendment is rejected.

Mr. BRICKER. Mr. President, I call for a division.

The PRESIDING OFFICER. The Chair has already announced the result of the vote.

The clerk will state the next committee amendment.

The next amendment of the committee was under "Bonneville Power Administration," on page 8, line 20, to strike out "$29,927,500" and insert "$30,284,500."

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The CHIEF CLERK. The next amendment of the committee is on page 9——

Mr. CORDON. Mr. President, I was endeavoring to obtain recognition when the amendment on page 8, line 21, I believe, was referred to. That is the amendment, is it not?

The PRESIDING OFFICER. Yes; in lines 20 and 21.

Mr. CORDON. Mr. President, an amendment is about to be offered by the senior Senator from Washington [Mr. MAGNUSON] which is a language amendment. I have just discussed the matter with the Senator and called his attention to the fact that if his language amendment is adopted, then the figures in line 21 on page 8 and in lines 5 and 6 on page 9 should be increased in order

that the funds necessary to carry out the additional objective which would be included in the bill if his amendment be adopted, can be provided.

Mr. President, in the event of the adoption of the Senator's proposed amendment, the figure in line 21, $30,284,500, should be increased to $30,488,500, and the committee figure in lines 5 and 6 on page 9 of $15,916,500 should be increased to $16,035,500. I call attention to this fact and ask unanimous consent that before we vote on either of these two amounts we may consider the language amendment suggested by the Senator from Washington so that if it is adopted we may correct the other figures, in order to carry out the purposes the Senator has in mind.

Mr. HAYDEN. Mr. President, will the Senator yield to me for a moment?

Mr. CORDON. I am glad to yield.

Mr. HAYDEN. My recollection is that what the Senate committee did was to rearrange certain expenditures within the amount of money appropriated by the House, and subsequently we received supplemental estimates, which makes the difference between $29,927,500 and $30,284,500. Am I correct about that?

Mr. CORDON. The Senator is substantially correct. The situation is this: The committee took the itemized justification of the Bonneville Administration. It went over that itemized justification and eliminated certain items. That, of course, made funds available that were justified for those particular purposes. The items eliminated appear in the Senate committee's report. Then when the Senate committee considered the supplemental budget items which had been sent to the Senate committee and which had not had consideration by the House committee, the Senate committee reached its conclusion as to which items should be included, and got the total. It applied, of course, the funds that were remaining as the result of readjustment to them, and then added a sufficient amount to take care of those additional items, and the totals are the figure which appears in line 21 as the committee's recommendation, and the figure which appears in lines 5 and 6 on page 9.

Mr. HAYDEN. The Senator's statement conforms to my recollection. Now, as I understand, his suggestion is that if the language amendment be adopted without any change in the figures, there then must necessarily be a considerable rearrangement within the sum of money appropriated by the House and recommended by the Senate committee, whereas if the language amendment is to be adopted, then the wise thing to do would be to add to the total.

Mr. CORDON. Exactly. The amount which was requested for the particular object embraced within the Senator's amendment, that of a backbone transmission line from Kerr Dam to Anaconda Dam, both in the State of Montana, is justified for this year with a budget request for cash of $240,000 and contract authority of $140,000. The House, in acting on those two figures, believing that the figures should be reduced inasmuch as no contracts were let and costs were dropping, reduced both figures by 15 percent. The Senate committee in its recommendations adopted that reduction in all cases where there were no contracts outstanding at the time of the Senate committee action. This is one of those cases. The figures which it is necessary to add in this instance are $204,000 for the cash item in line 21 on page 8, and $119,000 to the contract authority on lines 5 and 6, page 9. That would carry out the basic formula on which the committee has worked, if we may assume the adoption of the Senator's language amendment.

Mr. MAGNUSON. Mr. President, I thank the Senator from Oregon for calling my attention to the necessity, if the amendment should be adopted, of adding to these figures. The reason I did not propose it in the beginning was that I had the understanding that the situation could be handled within the figures stated, but I can see that it is a much better procedure to add the amounts suggested if the amendment is to be adopted.

The amendment proposed by several other Senators and myself involves the same matter of policy which was involved in the Southwestern Administration amendment just voted upon. I shall not take the time of the Senate to discuss it further. I discussed it at some length yesterday. It involves an appropriation for a backbone transmission line to become an integral part of the Bonneville power grid system. It is not a duplication of any line in existence, because with the completion of Hungry Horse Dam and other power projects in the area, the necessity for a minimum 230,000-volt transmission line is obvious from the testimony. The present line, operated by the Montana Power Co., is a 115,000-volt line. It is not adequate. It will not be adequate. Even the power company admits that. The testimony is clear that there is no present plan for the company to build any such line of the nature of a 230,000-volt line, which is necessary if cheap power is to reach an area which is not now served by the great Bonneville power pool.

This question involves the same matter which was before us in connection with the Southwestern transmission line, the vote on which has just been concluded by the Senate. I hope that the Senate will not adopt the committee amendment, but that it will agree with the House that this line should be made a part of this year's appropriation.

Mr. CORDON. Mr. President, I desire to present my views on this particular question. I cannot say that these are the views of the committee, nor can I speak for any other individual member of the committee. The views of the committee are set forth in the report of the committee, and cover only a very few words. The committee states, in substance, that its view is that before money is appropriated for this line there should be a determination of whether the Government or the private utility should construct the line. Therefore, I am presenting only my views on this question.

Let me say at the beginning that the testimony indicates that by the time the Hungry Horse Dam in the northwestern part of the State of Montana is completed, this line will be necessary from Hungry Horse Dam down to the Anaconda area.

Mr. MURRAY. Mr. President, will the Senator allow me to correct him on that point?

Mr. CORDON. I yield.

Mr. MURRAY. It does not come from Hungry Horse Dam. It comes from a point near the Kerr Dam. The line comes from Spokane to a point near the Kerr Dam, and from there down to the Anaconda area.

Mr. CORDON. I appreciate the position of the Senator. I now restate my position. The testimony is that when Hungry Horse Dam is completed, there will be necessary a line from Hungry Horse Dam to Anaconda. That is in the testimony. If that line were not there, then it would be utterly idle to spend one red cent on this line.

It happens that the line from Hungry Horse Dam to Kerr Dam is to be built whether this line is built or not. It is authorized in this appropriation bill. Funds to begin its construction are included in this appropriation bill, in connection with the backbone construction program which has been carried forward in the Pacific Northwest for the purpose of integrating, pooling, and exchanging as necessary, all the power in the dams in the Columbia Basin. The line from Hungry Horse Dam in northwestern Montana south to the Kerr Dam in northwestern Montana, then west from that point to Spokane and connecting with the Grand Coulee Dam, is being authorized, and the committee has reported favorably on it. At the present time there is a very much lighter transmission line running from Kerr Dam to Hungry Horse Dam, which is being used for the purpose of supplying electricity for construction purposes at Hungry Horse Dam. The line which is here under consideration is a line which is essential if the people of Montana are to have the value of the hydroelectric power which will be generated at Hungry Horse Dam in the State of Montana. There is no question about that.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. CORDON. I yield.

Mr. MURRAY. My understanding is that the present line from the Hungry Horse Dam to the Kerr Dam is a 115,000-volt line, and that that would not be heavy enough to carry the load which will eventually be necessary.

Mr. CORDON. The Senator is correct.

Mr. MURRAY. Therefore the program of the Bonneville Administration is to carry the power from Spokane to a point near the Kerr Dam, and then bring it on down to the Anaconda area by means of a 230,000-volt line.

Mr. CORDON. I believe the Senator is in error. The program for that area is predicated upon the use of Hungry Horse power in Montana to the extent that it can be used. There would be an unconscionable and terrific line loss if power from Grand Coulee were to be carried across Idaho and south to Anaconda to be used there. That would not be

done. I believe that I am familiar with every line which now exists, and everyone which is projected. In the past 5 years it has been one of my major jobs in the Senate to assist, so far as I could, in carrying out the major backbone construction in that area. The program is for the use of Hungry Horse power in this area.

Incidentally, the Hungry Horse Dam is being built by the Government. The Kerr Dam, which has been constructed, is owned and operated by the Montana Power Co. Both will be integrated in the Northwest power pool, as are other generating plants of the Government and of private industry.

The line that is under construction begins at Kerr Dam and goes south 155 miles to Anaconda. The amount of funds necessary to begin the construction of that dam during the fiscal year 1950 was estimated by the Bureau of the Budget to be $240,000 in cash and $140,000 in contract authority. The House applied its 15 percent reduction to both figures, and arrived at the figures we were discussing a few moments ago, namely, $204,000 cash, and $119,000 in contract authority.

The total cost of building this particular line is very considerably in excess of those figures, however. I have the figures available, and will endeavor in a moment to locate the figures indicative of the total cost of this line, exclusive of the substation. Those figures are as follows: $6,816,000.

So we see that the total cost of the line would be in the neighborhood of $7,000,000. The cost of the substation in the Anaconda area would be an additional $2,000,000. I call attention to those figures solely to indicate that the question is not one revolving about this year's appropriation only. The total amount of money is of sufficient size to warrant the careful consideration of the Congress in determining what should be done with reference to this appropriation, which represents the beginning, the initiation, of this construction. If we begin it, we must complete it, or else of course we shall lose whatever we put into it.

Mr. President, the question before the committee and the question now before the Senate is simply, Shall the Government appropriate some $9,000,000 for this purpose, over the next two or three years, and construct this line and substation; or shall the Government negotiate an agreement with the Montana Power Co., under the terms of which that company will make the capital investment and will wheel the Government's power over the line, which the company constructs, at reasonable rates; or shall the Government deliver the power to the Montana Power Co. under a contract which definitely requires the redelivery of that power to preferred and other customers on a basis satisfactory to the Government and in accordance with existing law?

It may surprise some persons to learn that the power from only Bonneville Dam already constructed, McNary Dam in the course of construction, and the four lower Snake River Dams, is directed by law to be sold under the terms of the Bonneville Act. This act spells out in detail how that power is to be handled. Power from Hungry Horse Dam does not come in that category. The power from Hungry Horse hydroelectric generation is not subject to the terms of the Bonneville Act. It is sold under the terms of section 9 of the Reclamation Act of 1939, pursuant to an Executive order which directs the Bonneville Administrator to sell it, but does not place it under the terms of the Bonneville Act.

Frankly, Mr. President, I wish to say that I think that situation should be corrected by Congress. I am satisfied that careful consideration must be given to that entire problem, and any deficiencies in the law corrected. I simply say that is the situation at this time.

Consequently, when this body comes to consider the Hungry Horse hydroelectric power and the disposition of that power, it has before it a new question. It is not a matter of applying the specific directions of the Bonneville Act, but of applying the general directions of general law. Whether we should continue the type of operation which has grown up under the Bonneville Act or whether we should differentiate at this point, is, as my friend the Senator from Washington and I agreed the other day on the floor, a straight question of policy. That is the situation which faced the committee when for the first time we were met with the necessity of making an appropriation for a backbone line in Montana for use in carrying the electric current from the Hungry Horse Dam.

I say again that line must be built. I say also that it should be built and completed by the time the power from Hungry Horse is ready for distribution. There is no question about either of those facts.

Again I say it is a question of who shall build it. Shall the Government build it or shall the Government first, before it spends its money, attempt to get a sound contract with the power company?

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. CORDON. I yield.

Mr. MAGNUSON. I understand the Senator to say that this will be a necessary line.

Mr. CORDON. There can be no question about that.

Mr. MAGNUSON. But when the Senator says the committee was faced with a question of policy, I wonder why the committee was faced with it at this session. Money has been appropriated for many years for backbone transmission lines which have become a part of the Bonneville grid system. I do not think there is any contention that this will not be a part of that system or that it will not become an integral part of it. I wonder why the committee, this year, all of a sudden, at this session, went into the matter and knocked out all the transmission lines which the private power interests came here and testified against. I have been very intimate with these things now for 15 years in the Congress, both in the House and in the Senate, and I did not know there was a question on this policy until all of a sudden it happens this year. I wonder why.

Mr. CORDON. Mr. President, I should be glad to discuss the matter for the sake of the Senator from Washington. Let me first turn to the implication I find in his words, that members of the Appropriations Committee have suddenly become tools of the Power Trust. I say I do not like it. That implication has been heard on this floor for several days. I want to say now, Mr. President, the committee has gone into this matter from the standpoint of representatives of the American Government trying to do a job for the American Government, and trying to save as many dollars as can be saved in doing that job while trying to get a good job done. Let us have that understood first.

Mr. MAGNUSON. Mr. President, will the Senator yield at that point?

Mr. CORDON. I yield for a question.

Mr. MAGNUSON. I should like to ask the Senator whether it is not correct that on yesterday I made it perfectly plain? I thought I did. I merely said what the Senator from Oklahoma has said. I said these people had a perfect right to present opposition. They have done it for many years. But we could not understand why, all of a sudden, this year, the transmission lines they have opposed were all stricken out and the ones to which they agreed were all put in. I said there was no implication of anything improper on the part of members of the Appropriations Committee. I think if the Senator will read the record, and particularly my statement, he will find I made it perfectly clear, as clear as I could by the use of the English language. I appreciate the fact there are many people who do not believe in public transmission lines. There is nothing wrong with that, and surely there is nothing wrong with the private power interests opposing these things. If I were working for the private power interests, I should do the same thing. There are numerous Senators who agree with that viewpoint. I do not think there is any personal implication. I think it is clearly a question of how Senators feel about the matter. There is no Member of the Senate who is a tool of anyone, and there is no such implication. I think this is a very serious question. I merely posed the question why, this year, the matter should arise, when for the past 14 or 15 years, to my knowledge, we have gone ahead with similar appropriations, and the question has never before come up.

Mr. CORDON. Mr. President, the trouble with the Senator is that his knowledge is incorrect. The transmission lines were cut out last year in Montana, and the year before, in Montana, and for several years, one year after another, in Texas, in Oklahoma, in Arkansas.

Mr. MAGNUSON. Mr. President, will the Senator yield at that point?

Mr. CORDON. I shall be glad to yield to the Senator, if he will pardon me, in a few minutes. That has been going on because the Appropriations Committee has been faced with the necessity not only of determining an amount of money, but with the necessity of determining a statutory construc-

tion as to whether the requirements come within existing law. We have had to do that. There are matters here, as I have said before, which should not be before the Appropriations Committee, but with the type of statute we have had to deal with, the generalities such as are found in the Flood Control Act of 1944, section 5, and in the Reclamation Act of 1939, section 9, one interpretation will permit one thing to be done, a different interpretation will prohibit that thing being done. We have found interpretations there that some of us felt were unwarranted, interpretations which some of us felt perhaps were warranted, and so forth.

For instance, when in section 4 of the 1944 Flood Control Act the Secretary of the Interior is directed to build only such transmission lines as are necessary to deliver power, what does it mean? What is he permitted to do? What is he prohibited from doing? Who makes the determination? When is the building of a line necessary? When is it simply desirable but not necessary? Those things have been before the committee. We have taken days and weeks trying to work them out.

When the Senate looks at an item in the appropriation bill, such as the item of Bonneville, it is but a single figure. But, before the Appropriations Committee, it represented pages and pages and pages of data. There were a multitude of items in many instances within a single justification, which appears in the bill as one figure. The committee has had to go through them, determining, first, Is it an authorized expenditure? Second, Is the authorization one which is found in the general law? Is it based perhaps on some authority heretofore put in by way of a rider on an appropriation bill? And so on. Those things we have had to determine. In that connection, over the years there have been presented to us various programs carrying out the law, as the departments felt the law to be.

Mr. HAYDEN. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Arizona?

Mr. CORDON. I yield for a question.

Mr. HAYDEN. In fairness to the Senator from Oregon, I think it is proper to point out to the Senate that we did not do everything the Montana Power Co. requested us not to do.

Mr. CORDON. No; we have not been in the habit of doing that.

Mr. HAYDEN. There was submitted a list of transmission and substation facilities contained in the Department of the Interior appropriation request for 1950, which this company said was unnecessary and should not be constructed with Federal funds, since the companies are ready and willing to supply all needed transmission facilities. They were: Item 3, the Hungry Horse-Kerr line No. 2, $598,000; item 4, the Kerr switching station, $186,000; item 5, the Kerr-Anaconda line No. 1, $380,000; and item 6, the large one, the Kerr-Spokane line No. 1, $2,136,000. All that money is in the bill, except for the one line about which the Senator is talking.

Mr. CORDON. I thank the Senator for the additional information.

Mr. President, I want to proceed a little further, now, in answer to my friend from Washington, with reference to the history of the Appropriations Committee in these matters. In the Southwest area where the question first was raised—that was a number of years ago, immediately after the first of the dams was finished—the question arose then with reference to a very ambitious plan in that area running into tens of millions of dollars. I do not recall the over-all amount. There, over the years, the committee has followed the practice of authorizing funds for backbone lines to connect and integrate the power from all the dams in that area, and, in one or two other rare instances, for minor spurs, where there was no other way of getting the power to a point in question. In doing that the committee has denied any request for many additional lines.

In Montana there has been a question for a number of years with reference to power from Fort Peck flowing westward. The State of Montana is sharply divided on the issue. The Senators from Montana hold conflicting views. Citizens of Montana appeared over the years in very considerable number on both sides of the question. The committee, always over the opposition of some power company, except in the last 2 years, in the Pacific Northwest, where the power companies have joined, has uniformly gone forward in a program of integration of Federal dams, so as to get the greatest value out of the power from those dams. It has carried that policy all the way through. This year for the first time since I have been on the committee—and I have been on it ever since this question has been a live one—we had No. 1, a pattern of a contract which the Government had executed with a private utility with reference to the wheeling of electric power. That is what we have talked about here as the Texas contract.

That situation was before us last year, but this year there was before us a second situation which had never been before the Appropriations Committee previous to that time. The companies said they were prepared to deal on the same terms as did the Texas Co. I imagine I can safely say that no member of the committee had made a careful and thorough study of the Texas contract. I am one who has read it and considered it, but I have not made that kind of a study, and could not make it without expert advice from electrical engineers. But the contract had been made. It was satisfactory to the company and to the Government, and the companies which had denounced it previously came in this year and said they were prepared to make a like contract. To the committee it seemed that if the companies were prepared to make such contracts in those instances, this was the time to go slowly and see if it could be done before we went further into the policy question. That is the reason for the action of the committee in the situation.

In Montana the particular line which I called a backbone line—it actually is not a backbone line in the sense that it connects with or integrates dams; it is a main-line transmission line, a backbone without being an integrated line—that line, Mr. President, may or may not become part of an integrated grid. Dams not yet authorized must be authorized before it takes on that characteristic.

A question which is dividing the people of Montana was before the committee—the question of whether the Bonneville pattern, which is in existence in the Bonneville area, should be spread out to include Montana. That is a question which the committee felt it should not determine in an appropriation bill. Next year funds can be provided and the line constructed in plenty of time. Hungry Horse will not be finished until 1953, and there is adequate time for this matter to be determined.

I think the committee acted soundly. I shall support the committee's position. It was not done to enrich the Montana Power Co. It was not done as a part of any deep and dark plot to sell out Government power to private power. It was not done because we who acted suddenly decided that Federal power should be handed at the bus bar without let or hindrance to a group of power trusts. There was no such thought in any Senator's mind at any time. It is utterly silly and wholly ridiculous even to intimate there was any such thought. The thought in the committee's mind was that if we are going to use facilities that are there, if we are going to use facilities that could be created without dipping into the Federal Treasury, this was the time to make the determination, when we were at a reasonably sharp line of demarcation.

On the other hand, Mr. President, with reference to a brand new line, running from Spokane, in the State of Washington, across Idaho, into Montana, and ultimately to the Hungry Horse Dam, a line which was opposed by power companies on both ends, all the power companies in that area, that line was authorized and funds to construct it were provided. It was essential, from the Government's own standpoint, that we furnish the money.

Mr. MAGNUSON. Mr. President, will the Senator yield for a question?

Mr. CORDON. I shall be glad to yield.

Mr. MAGNUSON. I think the Senator has answered my question.

Mr. CORDON. I am happy if I have been able to do so.

Mr. MAGNUSON. I did not say that appropriations over a period of years have not cut out one line and added another line, but they followed a policy of putting in Government transmission lines wherever it was believed they were advisable at the time. There was always a question of whether the area was ready for the line. The Senator has answered my question. He states that this time something new happened. That was what I wanted to have clear. That was the Texas contract.

Mr. CORDON. That is correct.

Mr. MAGNUSON. I understand that position; but the Senator said, as I understood, that the committee had left the matter open. In effect, with the

knocking out of the Kerr-Anaconda line, would not that be making a decision the other way?

Mr. CORDON. The Senator from Oregon does not take that view. The question here, under the committee's own language, is what decision the Government is going to make in this field. It has made a decision in another field. Here is a situation in which a decision must be made. Let us make it, first, in a new area, where the policy of building transmission lines, other than those which are interconnecting, has not yet been embarked upon. There is the Kerr Dam, which is privately owned; there is the Hungry Horse Dam, which is publicly owned; and probably the Libby Dam. In the eastern part of the State there is Fort Peck Dam, and probably there will be others. Let us find out whether this policy is to be carried out, in view of the fact that there is no language in the law so directing. The committee did no more than to sidestep what otherwise it might have met head-on. To my mind, that is a wise position for the committee to take when it can do so.

Mr. MAGNUSON. Mr. President, will the Senator yield for a further question?

Mr. CORDON. Yes.

Mr. MAGNUSON. If this is a part of the Bonneville grid system, does the Senator feel that under the Bonneville Act the authority does not exist, or the directive does not exist, to build transmission lines? The policy has been established under the Bonneville Act.

Mr. CORDON. The answer to the first assumption, that it is part of a grid, is, that it is not at this time. I think it will be, but it is not now part of a grid, because it does not go anywhere or connect anything, in the over-all program of the Pacific Northwest. I want to be as frank with the Senator as I can be.

Mr. MAGNUSON. We proceed with certain segments. We do not do the whole thing completely at one time.

Mr. CORDON. But this happens to be in an area where the necessary connections require the building of dams which Congress has not even authorized. So, to that extent, it is a service line, a high-power service line, one which must be built; and the sole question is, Shall the Government build that line along a competing private line, the two going right along together, in view of the offer which has been made before the committee of the building of such a line by the Montana Power Co. and the handling of Government power, according to the statements in the RECORD, as cheaply as the Government can do it?

Mr. MAGNUSON. May I ask the Senator one further question? I have read the testimony of Mr. Corette, the vice president of the Montana Power Co., and the statement of Dr. Raver.

I do not find any statement in the testimony by Mr. J. Corette, vice president of the Montana Power Co., that they have prepared any plans to build any line. There is no contract.

Mr. CORDON. That is correct.

Mr. MAGNUSON. They say a survey has been made by Electric Bond & Share in cooperation with Washington Water Power. They are all the same, as a matter of policy. They say they made a survey for a future transmission line, but I am sure from the testimony there has been no plan prepared on the part of either company, or of the Montana Power Co., to build such a line.

Mr. CORDON. There was merely an offer to build it, so far as I know. The Senator is correct with reference to the testimony. There is no testimony indicating that plans have been made by either side.

Mr. MAGNUSON. Is not that somewhat parallel to the same offer made by the Texas Co. after they felt Congress was about ready to appropriate money for the lines? They have never heretofore made this offer.

Mr. CORDON. Mr. President, let me make another statement. In my humble opinion, no private utility has ever made an offer to do anything but buy Federal power at the bus bar and use it the way it wants to use it, until it was compelled to do so. Let us be perfectly frank. I hold no brief for private utilities. I know that the private utility is going to make the best bargain it can. I know it would prefer merely to buy the electricity when it leaves the bus bar at the dam, and be responsible only to State regulation thereafter for its use. I know that. I know it would prefer that the Government not even generate the electricity. There is no question about those matters. But when, in these areas, where the Government now is generating these vast amounts of hydroelectric power, we set up the private utilities in those areas as power trusts, as great, nefarious robbers of the people, who are prepared also to swallow the Government, we are just being utterly silly, because the Government has the whip hand now. In the place of being a big bad wolf, the power companies in the area where the Government has competing power are foxes running for cover. The extent to which they will be given any consideration will be determined by Congress, and not by them or their boards of directors. We ought to have that perfectly clear. The question is, What do we want to do? How far will we let them go? What will we require them to do, or prohibit their doing? That only is the question, and we decide it; the decision is in our power, and in no sense in theirs.

Mr. MAGNUSON. Mr. President, I dislike to interrupt the Senator, but I should like to ask him one further question, and then I shall be through. After listening to Mr. Corette and to Dr. Raver, and to all the numerous witnesses—and much has been said about waiting until we meet in January—I wonder if the Senator really feels that a contract can be made between the Government and the Montana Power Co. for the wheeling of this power to the best advantage of the people within the period of time indicated.

Mr. CORDON. The Senator from Oregon will again be as frank as he can be. He thinks a contract can be made, but he is reasonably sure that one will not be made. He is pretty well satisfied that Mr. Corette has not had enough whipping yet. He is just as well satisfied that Dr. Raver would not deal with Corette if he could help it, because he wants to construct and operate the lines himself.

Mr. MAGNUSON. I appreciate the Senator's frankness. It is refreshing.

Mr. MURRAY. Mr. President, will the Senator from Oregon yield?

Mr. CORDON. I yield to the Senator from Montana.

Mr. MURRAY. I wish to express my agreement with the Senator from Oregon that no such contract will be entered into. I say that because we have been endeavoring for a long time to enter into contracts with the private utilities. We had very considerable experience with a private utility in connection with the Fort Peck project. We had a long period of correspondence with them, with no results, no effort being made on the part of the company to enter into an agreement. That is in the record already.

In connection with the Canyon Ferry project, we had the same experience.

Mr. CORDON. Will the Senator please stay on this project until we get through with it?

Mr. MURRAY. Yes; I will stay with that. I wish to call the attention of the Senator to the record in connection with this matter.

In the testimony, the Senator from South Dakota [Mr. GURNEY] was questioning Mr. Corette. Mr. Corette said in his statement that if there was a dam they would build the needed line from the junction halfway from Kerr and Hungry Horse to take 100,000 kilowatts down to the area we are discussing. I read:

> Dr. RAVER. They could build it themselves?
>
> Senator GURNEY. They said they would.
>
> Dr. RAVER. I assume they would follow the recommendations of their own engineers, which are for a 230,000-volt line all the way from Hungry Horse Dam.
>
> Senator GURNEY. Whatever size may be needed.
>
> Dr. RAVER. That size line will carry the 100,000 kilowatts. They must have some reason for thinking they would need that much power. Otherwise they would not recommend that size line.
>
> Senator GURNEY. If the people of western Montana are entitled to 100,000 kilowatts—I do not know whether they are or not, but I think they are—the Montana Power Co. people say they will build that line from this junction point or from Kerr Dam to take the power down there. Then, in accordance with the latest plan we have here before us on plate 12, you could take the balance of the power of 185,000 kilowatts west through Libby or through Paradise or through wherever you want to take it, into the Bonneville system.

Mr. President, I think it is obvious that the Montana Power Co. has no intention of building this 230,000-volt line, and the engineers of the Montana Power Co. have indicated that it requires such a heavy line. The line which already is in existence is only a 115,000-volt line, which is already loaded, and would not be capable of carrying this power into that area, where it is needed for industrial development.

Mr. CORDON. Mr. President, let me say that I have already endeavored to

make it clear that in my opinion the testimony indicates conclusively that another line must be built.

Mr. MURRAY. Another line must be built?

Mr. CORDON. Yes.

Mr. MURRAY. I think the Senator is absolutely correct. I think the testimony proves conclusively that another line must be built. The point is, when is it to be built? If the Hungry Horse Dam is going to be completed in 1952, then we should commence now to build the line, because the line is to go over a very rugged territory, over the mountains.

Mr. CORDON. It will not be needed until 1953.

Mr. MURRAY. Very well; I will take 1953. They cannot work all year around in that area. It is a very heavy piece of construction. Its construction will require several years. It would be impossible to construct that line, if it is not constructed now, in time to distribute the power from Hungry Horse Dam when it is completed.

Furthermore, when that line is authorized, and it is understood that there is going to be power transmitted into that area, there will be an effort upon the part of businessmen, industrialists, who may be interested in developing the resources there, to undertake to provide for contracts to get power to carry on the development. To have this transmission line provided for is necessary in order to make the Government's program successful, and in order to be able to make it repay its costs. It is absolutely necessary to bring those conditions about.

Mr. CORDON. Mr. President, I appreciate what the Senator from Montana has just said. The testimony is not open to any question as to how long it would require to build the transmission line. If begun under an appropriation in this year, it will be finished in 1952. If begun under an appropriation next year, it will be finished in 1953. Testimony to that effect is in the record, and, I believe, is not open to question.

Mr. President, I have indicated my views with reference to the situation. It seems to me the Government of the United States is never justified in taking Federal money from the Treasury to expend in doing anything it can get done as well by private enterprise and private funds. I think the Government of the United States, which does not make any money, but obtains its money after the money has been created by production at the hands of its citizens, should jealously guard its obligation to take from those citizens only as many dollars as it must take to do the job which must be done. When these dollars are building, they are building only after findings by the agencies of Government that they will serve a purpose that is in the interest of the economy of the country. The Government is justified in furnishing money for that purpose. I think the Government is obligated to do it if it is to be a Government of, by, and for the people of this country.

When money has been furnished for that first step, which is the construction of a dam, and in that construction we have been able to integrate hydroelectric generation and have made it available to the people, then the government is faced with the same question again: To what extent is it necessary that the Government take funds from the people for investment to get to the people all the values out of the hydroelectric power which is being generated?

That was the view of the first committee which considered this matter in 1944. I can speak with assurance on that point, Mr. President, because it was the first committee on which I served in the United States Senate. The first committee hearings I attended after I came to the Senate were the hearings on the Flood Control Act of 1944. I sat through all those weary weeks while we went into the projects embraced in that act and heard all the arguments with reference to section 5, which is the power section of the act.

Mr. President, as I see it, what was intended in that Flood Control Act, and what should be the policy now, is for the Government of the United States, in the distribution of one of its properties, hydroelectric energy, to use to the limit all existing capital investment that will do that job. In using those facilities the Government has an equal obligation to see that they are used for the benefit of the people who use the electricity, and not primarily for the benefit of the stockholders of any utility which might be of service. I think there is no question as to whether the Government, if it approaches this over-all problem on that basis, can deal with private utilities.

Mr. President, in every case where the Government generates power it can deal with private utilities. It is the duty of the Government to see to it that that power is distributed wisely, as need for it exists, and as economically as it is possible to do it, as efficiently as it is possible to do it, and at the same time to spend not one dollar out of the Federal Treasury that is not necessary to spend to get the job well done. That is my view.

I wanted to express my view chiefly because I have felt that there were those who believe that we who are members of the committee, who have agreed to the committee report were, for some reason, partial to the private utilities. Mr. President, I owe just one obligation. That obligation is to the people of the United States of America, and not more to one than to another.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Washington [Mr. MAGNUSON], for himself and other Senators, on page 8, line 21, to insert the words "including funds for construction of the Kerr-Anaconda transmission facilities."

Mr. CORDON. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The roll was called, and the following Senators answered to their names:

Anderson	Cain	Cordon
Baldwin	Capehart	Donnell
Bricker	Chapman	Douglas
Bridges	Chavez	Downey
Byrd	Connally	Dulles
Eastland	Johnston, S. C.	O'Mahoney
Ecton	Kefauver	Pepper
Ellender	Kem	Reed
Ferguson	Kerr	Robertson
Flanders	Knowland	Russell
Frear	Langer	Saltonstall
Fulbright	Lucas	Schoeppel
George	McCarthy	Smith, Maine
Gillette	McClellan	Smith, N. J.
Graham	McFarland	Sparkman
Green	McGrath	Stennis
Gurney	McKellar	Taylor
Hayden	McMahon	Thomas, Okla.
Hendrickson	Magnuson	Thomas, Utah
Hickenlooper	Malone	Tobey
Hill	Martin	Tydings
Hoey	Maybank	Vandenberg
Holland	Miller	Watkins
Humphrey	Millikin	Wherry
Hunt	Morse	Wiley
Ives	Mundt	Williams
Jenner	Murray	Withers
Johnson, Colo.	Myers	Young
Johnson, Tex.	Neely	

The PRESIDING OFFICER (Mr. THOMAS of Utah in the chair). A quorum is present.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (H. R. 4177) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1950, and for other purposes, and it was signed by the Vice President.

INTERIOR DEPARTMENT APPROPRIATIONS, 1950

The Senate resumed the consideration of the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes.

Mr. KEFAUVER. Mr. President, national policies, painstakingly developed by the Congress over a period of nearly 43 years, beginning with the Reclamation Act of 1906, were jeopardized last April with the attempt to defeat appropriations for the New Johnsonville steam plant in the Tennessee Valley. Now in the same session of the Congress, Federal power policy is again threatened, this time on the issue of the President's budget for electric transmission lines in the Interior Department appropriation bill. Last April, when the Members of the Senate became fully informed on the implications of the New Johnsonville issue, they voted to preserve the public interest. I am satisfied when the Members of the Senate learn the full implications of this latest attempt to destroy a proven policy, the majority vote will be solidly in support of the President's program.

Appropriation bills are not the medium through which to rewrite or nullify congressional policies built up over a period of years in many organic legislative acts. Yet the Interior appropriation bill, as it has recently been proposed to be amended, will do just that.

Construction of transmission lines by the Federal Government, to deliver power from taxpayer-financed, multipurpose projects, has been given repeated approval by many Congresses. There has been sound reason for this. Repeated

examination of the Federal river-development program has convinced successive Congresses that Federal transmission lines are a prime necessity if the public interest is to be safeguarded.

This has certainly proved to be the case in the Tennessee Valley; and any objective observer will be struck by the great similarities between the power problem as it once existed in the Tennessee Valley and as it still exists in the Southwest, the Southeast, and the Pacific Northwest.

The experience in the Tennessee Valley, in the Pacific Northwest, and in the area served by the Southwestern Power Administration, shows that adequate return on the Federal investment in multipurpose projects cannot be assured without Federal ownership of the basic transmission facility which delivers electric power from these projects to load centers.

In these cases it is important to remember that Federal dams are built primarily for purposes which cannot be served by private enterprise. Federal dams are built primarily for navigation improvement, for flood control, and for irrigation. These are public interest purposes. They are not private profit purposes. They are not suited to the accrual of private profit. Private enterprise, accordingly, is not interested, nor is it equipped, to build such projects.

Commercial power from these multipurpose projects is an incidental or surplus item; yet, in the last analysis, it is the power component, and the revenues derived from this power, which make these great public enterprises possible.

For these reasons, it is vitally necessary that the surplus energy from these multipurpose projects must be sold under policies in which the public interest comes first. The power must be sold in such a way as to bring adequate funds to the Government for repayment of the reimbursable portions of the Federal investment. It must be sold in such a way as to benefit the general public through widespread use.

Therefore, if these criteria are to be met, the Federal Government must have flexibility in power management.

It cannot have such flexibility if the power market is monopolized. To prevent monopolization, Federal transmission lines are required.

The producer who has but a single buyer for his product is the slave of that buyer. Having no place else to turn, he must sell at the buyer's price. He must sell on that buyer's terms. He is at the complete mercy of a monopolized market. His whole capital investment is thereby threatened.

So it is with these Government dams. Without transmission lines, the Government is at the complete mercy of a monopolized market. The Government must sell the power from its dams on the buyer's terms. It can sell only such quantities as the monopoly wishes to purchase. It has no bargaining power with which to see that its customer adopts resale policies which will benefit the public interest.

As in the case with a private producer, the Government's entire investment is thus threatened.

I have been at some pains to obtain a rough idea as to the amount of the investment which will be threatened if the terms of the present Senate appropriation bill prevail and if the Federal agencies are not provided with transmission facilities.

I find that the Government is to spend $108,000,000 on Hungry Horse Dam. I find the Canyon Ferry Dam in Montana will cost $21,000,000. I find Anderson Ranch Dam in Idaho will cost $32,234,000. I find that the dams which produce electricity for the Southwestern Power Administration have a total cost of $81,000,000.

These are rough figures. They are not complete, but they give an idea as to the gross expenditure which the Government is committed to make, or has made, on these facilities without regard to cost allocations.

I state them merely because I want to make the point that we have already, as a matter of policy enunciated in many statutes, decided to spend huge sums of public money for these multiple public purposes; and, since we are already committed to this work as a matter of sound policy, I believe we must fulfill our responsibilities in full and provide the remainder of the funds required to see that these projects are used in the public interest and that they return as much as possible on the Federal investment.

To spend money for generators and then to leave out the transmission lines is a good deal like buying a bathtub and making no provision for water pipes. It is not very businesslike.

The language of the report defending this position is very persuasive in several instances. The report disallows funds for transmission on the basis that the Interior Department has negotiated or will negotiate wheeling contracts with nearby utility companies. By these contracts, it is proposed that these companies will provide the transmission and will wheel power from the Federal dams to the Government's customers with little cost to the consumer.

Wheeling service, sometimes known as common-carrier transmission, is defined by the Federal Interagency River Basin Committee as an electrical operation wherein transmission facilities of one system are utilized to transmit power of another system.

Wheeling is not new. As a matter of fact, it is a common practice between utilities operating in adjacent areas whereby the surplus capacity inherent in one system is utilized by a second system. This arrangement is perfectly satisfactory, providing that there is surplus capacity in a line which will not be needed by the owner of that line during the term of the wheeling arrangement and provided, further, that the location of the transmission system, with respect to the generating facilities and the delivery points of the second party, are within reasonable distances. Such an arrangement is made between two operating companies with the express understanding that the power to be transmitted by the second company shall be used on a basis agreeable to the owner of the line.

Obviously, the owner of the transmission facilities would not agree to a wheeling arrangement if there were any disparity between the rates of the two companies. The arrangement is made because the two companies are in agreement as to rates, policies, and desirable facilities to the supply of power needs of the region.

On the above three points there is not now, nor is there likely to be, agreement between private power companies and agencies of the Government as to the proper rates for federally developed hydro power. Certainly there is every evidence that the private power lobby is diametrically opposed to the Federal power policies which have been hammered out over the past forty-odd years. The private power companies do not agree that nonprofit organizations, Federal agencies, and others should have preference in regard to purchasing of power. They do not agree that the power should be distributed at the lowest possible rates. In some quarters they do not agree that the natural resources of the United States should be developed for the benefit of the region in which they are located.

If private power companies were in agreement as to the Government's policies, there would be no disagreement as to the facilities which are needed to transmit the Government's power. Time and again utility representatives have complained of the white elephants, the alleged duplication of facilities. They have claimed that there existed in their own systems sufficient capacity to supply all the needs of all the industry within their area; yet developments during the past years have shown that, even with all of the Federal facilities available, the electric industry in the United States met its challenge only by the narrowest of margins and then only by curtailing loads with the cooperation of the people brought about by an expensive campaign to reduce the use of electricity.

If the industries of the country are to expand to maintain the high standard of living enjoyed by our people, electricity must be available in unlimited quantities at reasonable cost. Curtailment can lead only to economic chaos.

There are those electric industry leaders who predicted that there would never be enough load in the Pacific Northwest to utilize the capacity available at Bonneville and at Grand Coulee. On this basis they have repeatedly opposed Government projects and this opposition has slowed Federal power development. It is these same utility leaders who now point with glee to the fact that the worst power shortage area in the United States is in the Pacific Northwest.

In my own area of the Tennessee Valley Authority one needs only to recall the charges made that the Government was providing facilities for the generation of transmission of power which would never be utilized but which were another waste of Federal funds. The contribution made by the Tennessee Valley Authority during the past war has more than compensated the country for its confidence in the deevlopment. The utilities, however, have not relaxed their determined effort to block any power development,

regardless of its contributions to the welfare of the country. Their line of attack this year has been augmented by the suggestions adopted by the committee: that transmission lines should not be built by the Government, but rather the Government should make arrangements to utilize the private transmission facilities of the same utilities who have in the past opposed every effort to benefit the country through public power development.

What does this mean? It means that the utility company becomes, in effect, a party to every Government power contract for the delivery of Government power. This means not only the contracts which the utilities may sign themselves, but contracts which the Government may seek to execute with public agencies.

How does the so-called wheeling contract operate?

Under such a contract a utility and the Government agree that the company will serve Government power to other purchasers over its facilities.

At the time a wheeling contract is executed the Government may not know who its future customers may be or where these future customers may require a delivery of power. So the wheeling contract simply provides a basic principle.

Then, later, when the time comes to carry out the agreements, there must be long discussions between the Government and the utility company as to whether the company provides service facilities on its system for some specific customer at some specific point of delivery.

At this point it is then possible for the company to engage in a long delaying argument to the effect that it cannot provide facilities at such a point; or that its system in that area is already overloaded for its own needs; or that the installation of the necessary facilities will reach an excessive cost.

Weeks and months can be lost in this sort of negotiation, with the utility finding excuse after excuse.

Government engineers may know full well that the proposal can be made to work, but they will be at the mercy of the delaying tactics of the utility. In the meantime the customer who requires service will have to wait.

The Government will have no bargaining power such as it would have if it had its own system.

There have been many cases of this kind in actual practice in the past. There have been bases where the power companies have agreed to wheeling power from the Government to public agencies as a matter of principle; and then have found specific reasons and specific instances where they cannot fulfill such a contract. These reasons usually emerge in instances where the company fears that the utility to be served may sell power at lower rates than they sell power. In any case the utility acts as a middleman and exacts the middleman's profit from a public resource.

By such tactics a utility company, through its control of transmission, can nullify congressional policy which in the case of Federal dams gives preference and priority to public agencies.

To my mind, that is the whole point of this debate.

Now, what do we find in the report of the committee on this bill? They have adopted the recommendation of the president of the Pacific Gas & Electric Co., that the Central Valley project's west-side transmission lines not be built and have by inference directed the Bureau of Reclamation to work out a wheeling contract.

The committee has denied funds for transmission facilities for the Southwestern Power Administration and directed the Administrator to attempt to work out a satisfactory wheeling agreement. The companies in this area have in the past made it quite clear that they desire to monopolize all of the Federal power in the area. It is quite clear that this committee action is another step in this direction.

In the report we find the committee has denied transmission lines for the Bureau of Reclamation in Colorado with instructions to work out a wheeling contract in lieu thereof.

One can only conclude that the committee has determined it is desirable to adopt as a policy the practice of imposing private power facilities between the Federal developments and the municipalities, cooperatives, and the Federal agencies which have preference under the law. It has directed the power agencies for the Government to negotiate with companies under circumstances which make negotiations impossible. Such a procedure can only serve to deny the people of the country the great benefits which belong to them and to create a condition foreign to anything contemplated by law. We must defeat this new approach of the Power Trust to monopolize the power benefits from our Federal developments. We must defeat the action taken by the committee which completely nullifies existing laws of the land.

If these restrictions imposed by the bill and the committee report are enacted with the approval of this House, there will be not only a retrogression in policy back to the old discredited bus-bar sales principle, but there will be an even further retrogression which would take us back to the concept of giving a monopoly of falling water subsidized at taxpayers' expense.

If we take this step—if we ratify the proposals as they now stand—we will reverse long-standing Federal policy. Such a reversal of policy will undoubtedly protect and benefit the power companies. I believe the power companies have rights, and I believe that they should be protected in these rights; but I do not believe this protection should be provided by giving them monopoly control of a public resource.

Mr. MORSE. Mr. President, in rising to support the amendment to restore funds for the construction by the Bonneville Power Administration of a high-voltage line to Anaconda, Mont., I regret that I find myself in disagreement with a majority of the members of the Appropriations Committee. I particularly regret that I find myself in disagreement on this particular issue with my distinguished senior colleague, the Senator from Oregon [Mr. CORDON]. I wish to make perfectly clear for the RECORD that in my opinion the senior Senator from Oregon is just as sincere in his convictions on this issue as I am in mine. For the reasons he set forth in his very able address this afternoon, I think he has made very clear to the Senate that he believes the merits are on his side of the issue. With equal sincerity, Mr. President, I believe that public policy dictates the adoption of the Magnuson amendment.

I wish to say an additional word about my senior colleague because of a comment he made during the course of his speech, when he answered as effectively as I think it can be answered the implication that one sometimes reads in the press about this issue, namely, that those who support the position taken by my senior colleague must, in some way, somehow, be tools of the private utilities. I wish to say that I resent as much as does the senior Senator from Oregon, as he indicated this afternoon, any such implication, because I know my senior colleague, and I wish to say that when he takes a position on an issue, he takes it because, as he pointed out this afternoon, he believes he is representing the best interests of the American people rather than the interests of any particular private group which may be in conflict with the public interest. Therefore, although I differ fundamentally with my colleague on the public policy question which I think is involved in this amendment, I wish to support him in his observation that there is no basis for the implication that those who support the Appropriations Committee's recommendation on this issue are in any sense the tools and spokesmen for the private utilities.

I think a very important question of public policy is involved in the Magnuson amendment and I think we should settle it now once for all.

I followed with interest the Democratic Party's campaign promises last year relative to the Federal power program.

I suffered, with other Members of the Senate on my side of the aisle, from the slings and arrows of opprobrium which were directed at the Eightieth Congress in the not too distant past for our alleged unfriendliness to Federal power projects.

I want to say, as a resident of the Pacific Northwest, it is my judgment that one reason the Democratic Party obtained as many votes as it did in the last election in the Pacific Northwest was that Democratic speakers were successful in their campaign in giving to thousands of voters in my section of the country the impression that a Democratic victory was essential if the Federal power projects were to be completed and administered in the people's interest. In that campaign there was a great deal of discussion on the part of Democratic speakers, raising the argument that the election of the Republicans would endanger a transmission grid system to be bui'; by the Federal Government in connection with the multiple-purpose dams in the Pacific Northwest.

I call attention to that political reality, Mr. President, because I think the report of the Appropriations Committee cannot

be reconciled on this point with the political representations which a great many Democratic speakers made during the campaign in the Pacific Northwest, and which I am satisfied resulted in the Democratic Party obtaining many thousands of votes in my section of the country on this very issue. Thus I say in looking over the bill which has come from the Appropriations Committee in this Eighty-first Congress, I find it difficult to reconcile it with the Democratic Party's promise to the people of the Pacific Northwest that it would protect the people's interest in these power projects, including the building of a transmission line grid system by the Federal Government.

On page 19 of the committee's report I find, in the case of Montana's Canyon Ferry Dam, that under the terms of the committee report the Eighty-first Congress will direct that no funds can be spent on the Canyon Ferry Dam for the acquisition of power facilities. In other words, if I read this provision correctly, the Eighty-first Congress will limit expenditure of the taxpayers' money to concrete structures at Canyon Ferry while the power company will be permitted to monopolize this investment by putting in the power house and converting falling water into electricity for its own monopoly purposes.

This is what the Eighty-first Congress proposes to do in the Interior Department appropriation bill for 1950.

I cannot help but contrast this with a similar situation which arose during the Eightieth Congress, in connection with the Clark Hill project on the Savannah River in Georgia. If I remember correctly, a bill was introduced at the second session of the Eightieth Congress to authorize and direct the Federal Power Commission to grant a license to the Savannah River Electric Co. to construct, operate, and maintain the powerhouse of the Clark Hill Reservoir project which had been authorized for construction by the Army Corps of Engineers. Here was an exactly similar case in which it was proposed that the taxpayers should build a dam and let the power company put in the powerhouse and monopolize the falling water.

I ask permission, Mr. President, to have inserted at this point in my speech an analysis which I have prepared of the history and the action which was taken on the Clark Hill project.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

THE CLARK HILL PROJECT

In 1928 the Savannah River Electric Co., a subsidiary of the Georgia Power Co., applied for and secured a license from the Federal Power Commission to construct the Clark Hill project. Construction was never commenced by the company, and in 1932, with the approval of the Commission, the license was surrendered.

In 1939 the Commission wrote a letter to the President endorsing the project and recommending its early construction by the United States. In the meantime, in the Flood Control Act of 1936, the Secretary of War was authorized and directed to cause examinations and surveys to be made of a number of localities including Savannah River in Georgia.

The Army engineers then made a study for a comprehensive development of the Savannah River and arrived at a plan consisting of 11 reservoir projects including the Clark Hill project. It appears from this report that the Clark Hill project was the most valuable of all the 11 projects and more valuable than all the other 10 projects put together.

Before submitting his report to Congress, the Chief of Engineers transmitted the report of the engineers to the Federal Power Commission. After concurring in the recommendation of the Board of River and Harbor Engineers that the 11-project plan for the comprehensive development of the Savannah River be undertaken on a step-by-step basis, the Commission stated:

"The Commission agrees with the Board that the Clark Hill project would constitute a desirable initial step in the development of the Savannah River."

The Chief of Engineers then transmitted his report and recommendations to Congress, and Congress, in the Flood Control Act of 1944, approved the general plan for the comprehensive development of the Savannah River as recommended by the Chief of Engineers in House Document No. 657, Seventy-eighth Congress, second session, and authorized the construction of the Clark Hill project substantially in accordance with the recommendations of the Chief of Engineers.

After money was appropriated for the construction of this project and construction was begun, the Savannah River Electric Co. filed an application in 1946 for a license to construct a project at the Clark Hill Dam site. The applicant sought to have the Commission make a new determination and either grant a license or if it arrived at the conclusion that the project should be constructed by the United States, that it make new examinations, surveys, and reports and transmit them to Congress, in accordance with section 7 (b) of the Federal Power Act.

After a hearing the Commission held that having already recommended the project for construction by the United States, and those recommendations having been before Congress, it was not necessary for the Commission to make further reports, and dismissed the application.

The Savannah River Electric Power Co. appealed to the Circuit Court of Appeals for the Fourth Circuit. This court affirmed the order of dismissal. After reviewing the facts of the case, Judge Parker, delivering the opinion of the court, said:

"Under the facts as stated, there is grave doubt whether there was jurisdiction in the Commission to entertain an application for a private license or make recommendations to Congress as to the development of the project" (*Savannah River Electric Co.* v. *Federal Power Commission* (164, Fed. 2d, 408–411)).

The court even questioned the propriety of the Federal Power Commission to make any further recommendations to Congress after what had occurred.

Obviously, after Congress has approved a plan of development, the proper forum to come to for a change in that plan, was not the Federal Power Commission, but Congress. Accordingly, the Savannah River Electric Co. sought to have the electric facilities of the project turned over to it for development, and Representative DONDERO introduced a bill, H. R. 3826, Eightieth Congress, second session, to authorize and direct the Federal Power Commission to grant a license to the Savannah River Electric Co. to construct, own, operate, and maintain the powerhouse of the Clark Hill Reservoir project. Under section 2 of this bill, all the elements of the project other than the powerhouse with the generating and distribution facilities incidental thereto were to be completed, maintained, and operated under the direction of the Secretary of War and supervision of the Chief of Engineers with funds provided by Congress. Under section 3 of the bill, the powerhouse with the generating and distributing facilities incidental thereto, were to be constructed, owned, maintained, and operated by the Savannah River Electric Co. with funds to be provided by that company. The Federal Power Commission was to fix the charges to be paid by the company to liquidate over a period of 50 years the Federal costs of the project allocated to power.

The significance of the bill, based on the data contained in House Document No. 657, upon which Congress approved the comprehensive plan of development of the Savannah River is this: The net benefits of the 10 upstream projects totaled $1,832,000 per year, the net benefits of the Clark Hill project was $2,234,000 per year, the net power benefits of the entire development was $4,066,000 per year. According to the Flood Control Act of 1944, these net power benefits of over four million per year were to be distributed to the people by giving preference in the disposition of the power to public bodies and cooperatives. According to the proposed bill, $2,234,000 of net power benefits were to be turned over to the power company, and $1,832,000 in net power benefits were to be distributed to the people.

Extensive hearings were held, but the bill was never reported out.

Mr. MURRAY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Montana?

Mr. MORSE. I prefer not to yield until I finish this statement.

The Eightieth Congress, according to the RECORD, did not let the Clark Hill project bill get out of committee.

Yet, now, the Eighty-first Congress proposes to legislate in an appropriation act a similar measure involving a project in the State of Montana.

I am sure the distinguished Senators here will sympathize with me when I say that this confuses me a great deal.

What I had thought to be white turns out to be black.

The appropriation bill, as reported out by the committee, shows other evidences of confusion over policy.

In its action on the Canyon Ferry Dam it takes us back to the old, largely discredited policy of selling falling water at Federal power sites to private monopoly.

In its disallowance of funds for transmission lines for the Southwestern Power Administration, for the Southeastern Power Administration and the Central Valley project, the committee report establishes a still different policy. It urges that the transmission facilities be built by power companies and it delivers a mandate to the Federal agencies to make wheeling agreements with these power companies. In essence these proposals are a return to the bus-bar sales principle—a principle, I might add, which has been decisively rejected in past sessions on numerous occasions.

From this I must assume the committee recommends we have two policies: First, of selling falling water, and, second, of bus-bar sales.

However, there seems to be still a third policy initiated in the Senate bill and report. This appears in the committee

recommendations on the proposed Bonneville power line to Anaconda, Mont. The committee has disallowed funds for this line, also. There is no suggestion, however, that the Canyon Ferry policy be followed—that the power company should be permitted to buy falling water at Hungry Horse Dam; nor is there any apparent proposal that the power company should wheel power from that dam to the Government's customers, as was suggested in the case of the Southwestern Power Administration and the Bureau of Reclamation.

In this case, rather, the committee suggests that perhaps the Government should build the power line—and then again perhaps it should not. The committee suggests that the decision be postponed, although it is clearly recognized by the supporters of the committee report that the power line must eventually be built. I say not only, "Why not now" but that now is the time to build it, so that we can have the line ready in order to transmit the power to the load centers when Hungry Horse Dam is completed. It should be built now so that the taxpayers of this country can get back, at the earliest possible date, the money which is cost them to build the dam.

As the Senator from Montana [Mr. MURRAY] has pointed out in the debate, if the power line which we are discussing must be built in order to have maximum use of the power to be generated by the dam, then I think we should proceed now to build the line as a part of the backbone grid, so it will be ready for the transmission of the power to the load centers when the generation starts, with the water falling over the dam.

In other words, postponement is the policy which I think is inherent in the recommendations of the committee report. In the case of the Anaconda line, the committee adds a policy of wait and see to its policy of bus-bar sales and its policy of selling falling water. All this confusion of policies in an appropriation bill should be ended, and it should be ended by a favorable vote on the Magnuson amendment. A favorable vote on the Magnuson amendment will make clear again that the policy of the Congress is to build the transmission line grid system.

I think the report of the appropriations committee on this particular issue constitutes not only unsound public policy in respect to transmission lines but I think it is unsound from the standpoint of parliamentary procedure. In the first place, money bills are not the place to make or change national policy.

Yet, that is what seems to me to be one of the results of the committee amendment.

In the second place, when policies are changed, it seems to me the change should be in the direction of simplicity, rather than toward the creation of new confusion.

Yet, here, a single, well-established policy is overthrown and a policy of delay is substituted.

I am particularly interested, of course, in the effects such a bill as this will have upon the Pacific Northwest region in which I live. My interest, therefore, in this particular measure is concerned primarily with the Senate action on the line to Anaconda, Mont.

I followed the course of the committee's hearings on the Anaconda line, and I assume from the committee's action the distinguished members must have decided to give major weight to the arguments opposing it.

It has occurred to me, too, that considerations of economy in the Federal budget, about which I shall have something to say before I close, may have been considered as overriding, in producing the committee's recommendation. I believe that both these viewpoints are mistaken viewpoints. The principal arguments used before the Appropriations Committee against the construction of the line to Anaconda appear to have been advanced by the officials of the Montana Power Co., and by interests friendly to that company.

I want to make clear my belief that the company has a perfect right to take this position and to present its viewpoint; but I believe that in this case it is not a public-interest viewpoint.

A reading of the hearing records shows the company's position to have been that the Anaconda line would be wasteful duplication of existing facilities.

Implicit in the company's argument is the belief that there should be no Government-owned transmission lines from Hungry Horse to western Montana load centers.

Implicit in the company's opposition is the belief that transmission from Hungry Horse Dam in western Montana should be left to the private utilities.

I disagree with that position, on the ground that I do not think it is consonant with the people's interests.

In other words, the company, it seems to me, is seeking a bus-bar sales policy for Hungry Horse Dam.

Such a policy will undoubtedly protect and benefit the power companies. I believe the power companies have a right to protection, but I do not believe this protection should be provided by giving them monopoly control over a public resource developed at the taxpayers expense.

Yet, failure by the Congress to authorize the Anaconda transmission line will do just that.

I am opposed, and I believe many of the Senators here on both sides of the aisle are opposed, to the idea that after great power projects have been built and paid for by taxpayers, private utility companies should be given a special privilege, through priority right, to obtain power at the bus bar.

It is no news, I am sure, to my colleagues in the Senate that this matter of bus bar sale is bound to be an exceedingly important issue in the senatorial contest in the State of Oregon next year. But on this issue, as on all issues, once I am satisfied I understand the facts, Mr. President, I have taken an unequivocal position, because I do not want to run in for the Senate of the United States next year in my State with a single voter in the State having any doubt as to where I stand on the bus-bar issue. Thus, Mr. President, I want to read into the RECORD at this point, as part of my remarks, the public position which I have already taken in a telegram to some people in my State, some time ago, in connection with the matter of bus-bar sale. It was a public position which I took when certain individuals in the State of Oregon, among them being Mr. Henry Hanzen, editor of the Salem Capital Press, telegraphed me asking for my specific position in regard to bus bar sale. I read it because I think it is pertinent to the Magnuson amendment. It involves a fundamental question of public policy in respect to the development of the power projects in my section of the country. I said in my telegram to Mr. Hanzen:

JULY 9, 1949.

Mr. HENRY HANZEN,
Salem Capital Press,
Salem, Oreg.:

Sorry that I have not answered your wire of June 29 before this but I can assure you I have not delayed action on its contents. I agree with you that we must constantly be on guard against an attempt by private utilities to defeat BPA transmission grid system and integration of river projects as mentioned in your wire. I am opposed to idea that after great power dams of Pacific Northwest have been built and paid for by taxpayers private utilities should be given special privilege priority by way of taking all power they want at bus bar. I think private utilities are entitled to fair consideration in respect to negotiating contracts with Government for sale of power but I think people of area are entitled to have power distributed to them over BPA transmission grid system if they want to obtain their power that way. Therefore I shall oppose any attempt on part of private utilities to block BPA transmission grid system. I fully appreciate fact that this issue of power transmission is very complex one but it never will be made less complex by turning the power generated at the dams over to the private utilities on any priority basis. Opposition to BPA transmission grid system is only going to intensify demand over next few years in Pacific Northwest for more rather than less public power transmission. This issue makes very clear need for greater coordination of administration policies connected with river resources in our section of country and it shows and illustrates once again that one of the things needed is for all interests concerned to sit down together and work out regional program which seeks to accomplish primary need, namely, providing a maximum electric power service for all people in all parts of Pacific Northwest which can be served by various dams. I am convinced that nothing but turmoil and conflict over this issue will prevail in Pacific Northwest until private utilities recognize fact that a Government transmission grid system should be built by Federal Government if people of area are to receive full value of dollars which they have spent in building the power dams. I think private utilities are following a mistaken course of action in their opposition to skeleton grid system which BPA plan calls for because I think that system is necessary if we are to protect true value of public investment which people of country have in dams. Too frequently we hear business leaders proclaim that Government cannot operate efficiently and profitably an enterprise charged with a public interest such as a power development project. Bonneville's operation to date has proved fallacy of that argument and if Bonneville is permitted to complete its skeleton grid system it will be an even greater success and return to people of country over years many times original cost of these power projects. I am satisfied that private utilities can exist profitably in Bonneville area and continue to serve those districts that want to be served by private

power lines but I don't think argument is sound that private utilities should have the first claim to the power developed at these dams at bus bar and that people of region must necessarily take their power from a private utility whether they want to or not.

Regards.

WAYNE MORSE,
United States Senator.

I am also aware, Mr. President, as a candidate for reelection in 1950 that as I make this speech this afternoon not only great interest in my State, but undoubtedly great political implications, so far as the campaign is concerned, will flow from the speech.

Again I say, Mr. President, I am ready to make my fight on this issue, because I am satisfied that the people's interest in obtaining an adequate supply of cheap power will not be protected unless the Federal Government completes the projects for the continuation of Federal power dams in the Pacific Northwest. The completion of the projects for constructing the Federal dams, in my judgement, as a matter of public policy, calls for the building of high-voltage transmission systems by the Government for the transmission of power into the load centers.

The financial interests of the people of the Pacific Northwest, in my judgment, will not be protected by any proposal which seeks either to delay or ultimately to prevent the building by the Federal Government of the transmission line called for by the Magnuson amendment. So I say, Mr. President, that my position in support of federally built high-voltage grid-system transmission lines is in the people's interest, and I think that in the long run it will be established that such a policy is also in the interest of the private utility companies. Such will be the case once the private utilities recognize and reconcile themselves to the fact that the people desire that the Government complete the proposed Federal dams such as Hungry Horse and provide also the transmission lines of the high-voltage type necessary to transmit the power to the load centers.

I think the people of the Pacific Northwest indicated very clearly in the election of November 1948 that they favored the representations that were made by many Democratic speakers to the effect that the Democratic Party would carry forward a transmission line grid system serving these multiple-purpose dams built with the taxpayers' money, and to be paid for, in the long run, out of the pockets of the taxpayers.

The private utility companies have the right to and are entitled to fair consideration with respect to negotiating contracts with the Government for the sale of power.

I know this can be given them without guaranteeing them a monopoly position.

Furthermore, failure now to extend to the people of Montana the same opportunities which the people of neighboring States enjoy will create added confusion and delay in the development of a sound Federal power policy.

Nullification of the Federal transmission policy, as set forth in a number of organic statutes, by ill-advised restrictions in appropriation acts, will inevitably result in a complete failure to work out a proper coordination of western resource development.

This line to Anaconda, which has been disapproved by the committee, is a basic high-voltage addition to the Federal grid system. Failure by the Congress to complete the development of this grid system, which has saved private enterprise millions and millions of dollars in the Pacific Northwest, is going to intensify demand in that region, over the next few years, for more, rather than less, public power.

The people in the Columbia Basin are intensely aware that their economic well-being depends primarily upon their water resource. This is the great asset which they hold. They are determined that it shall not be monopolized for narrow uses. They are determined that there shall be a broad, progressive public policy relative to the development of hydroelectric power.

They have been relatively well satisfied in the past with Federal policies in this regard. They have seen the growth of the basic transmission grid system connecting Bonneville and Grand Coulee Dams. They have seen the tremendous savings in power production resulting from the Northwest power pool, which was made possible by the creation of this grid system. They have seen the benefits of the postage stamp rate, which spreads the benefits of Federal hydroelectric power throughout the region. They have seen the tremendous growth of pay-roll industries which have resulted from this progressive public policy of transmission construction by the Federal Government.

It is now proposed to halt and limit this well-established, tried, and proven public policy. I know the people of the Northwest well enough to know that such action will result in an intensified effort on their part to prevent this stoppage.

The strife and confusion that will be aroused by the reversal of a proven public interest policy will create a political climate in which it will be very difficult for all interests concerned to sit down together and work out a regional program which seeks to accomplish a primary need—that of providing a maximum electric power service for all people in all parts of the Pacific Northwest which can be served by various dams now authorized or building.

The line to Anaconda is not "wasteful duplication" of existing facilities. A careful reading of the record made before the Senate committee shows this clearly. The record shows that transmission lines now existing in the area are inadequate to carry Hungry Horse power.

There is nothing in the record to show that the company's fears of competition have any true basis in fact. There is nothing in the record which shows that an extension of the Federal transmission grid should be abandoned. The power companies and the people in the States of Oregon and Washington have repeatedly gone on record in support of Federal transmission system.

The record of the Bonneville Power Administration, the agency which constructs and administers the system, is an enviable record for efficiency and profit, both to the people, to the Federal Treasury, and to private enterprise.

I am satisfied that private utilities can exist profitably in the Bonneville service area, and continue to serve those districts that want to be served by private power lines; but it is not sound to claim that private utilities should have the first right to the power developed at Hungry Horse Dam or any other Federal dam.

Now as to the economy argument, I believe the distinguished Members of the Senate are familiar with my position on such matters. I agree that there is waste in Government. I agree that economies can be effected. I do not agree that true economy can be effected by random or blanket cuts in appropriations.

There are many types and kinds of public works. Appropriations for some are susceptible of reduction without damage to the national economy. Reductions in appropriations for reimbursable public works projects are not true economy. The Hungry Horse-Anaconda transmission line is a case in point. Tremendous sums of money have been authorized and will be spent on the construction of Hungry Horse Dam. Costs of this dam are to be paid out of power revenues. If this dam is to pay out, it will be necessary not to sell 10 percent of its power production, or 20 percent of its power production, or 50 percent of its power production. All the effective power production of Hungry Horse Dam must be marketed as rapidly as possible. Before it can be marketed, the power must be delivered to load centers. The lines which deliver this power to the load centers must be of sufficient capacity to deliver not 10 percent, or 20 percent, or 50 percent of Hungry Horse power. The lines must be sufficient in capacity to deliver all the salable power available wherever it can be sold.

If construction of these lines is left to the limited abilities of the power companies, there is no assurance that the Federal investment will be returned as rapidly as is desirable.

Private power companies are not prepared to make the heavy investments as rapidly as required.

If the Congress wants assurance of repayment on the investment it is making on Hungry Horse Dam, it can only provide such assurance by authorizing construction of lines such as the transmission line to Anaconda, provided for in the Magnuson amendment.

For these reasons, it is my hope that the Senate will approve restoration of this item in the Interior Department appropriation, and carry out what I am satisfied is the preponderant will of an overwhelming majority of the people of the Pacific Northwest.

Mr. HUMPHREY. Mr. President, I wish to make a few general remarks with reference to the subject which is under debate, pertaining to transmission lines and the appropriations or lack of appropriations therefor. A portion of my State of Minnesota lies in the Missouri River Basin, and therefore it is in my opinion entitled to secure a portion of the power which will ultimately be generated from the water resources of that

basin. I believe that if the recommendations of the Senate Committee on Appropriations were approved by the Congress, my State would be barred from securing the power to which it is entitled.

Mr. ECTON. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. ECTON. Does not the Senator realize that the particular amendment now pending pertains to the Columbia Basin, and not to the Missouri Basin?

Mr. HUMPHREY. The Senator from Minnesota is very familiar with what the pending amendment pertains to, but the Senator said he wished to make some general observations with reference to the entire struggle which is taking place on the floor of the Senate over the matter of federally owned transmission lines emanating from publicly financed hydroelectric development, and in the discussion the Senator from Minnesota will direct his remarks to the particular amendment now pending. However, it is not my purpose to speak as an expert, but as a Senator representing the people of my State, who are vitally concerned with cooperatives and public-power projects.

Mr. ECTON. Mr. President, I merely wanted the able Senator from Minnesota to know that the amendment pertains to the Columbia River Basin and not to the Missouri River Basin.

Mr. HUMPHREY. Thank you, I am aware of it. I may say, however, after having listened to many debates on the floor of the Senate, that my remarks, as they deal with public power, are very much germane to the subject. I have witnessed these debates on transmission lines interrupted by dissertations on British socialism and on all the subjects in the encyclopedia. I shall attempt to keep the subject matter within the confines of the issue of private power versus public power, of public transmission lines versus private transmission lines.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MURRAY. The Twin Cities of Minnesota and some of the larger centers in that State have become very important in the industrial development of the West, and in connection with its commercial business. They are interested in the development of other sections of the great West. They will be benefited as the result of the development we are undertaking in connection with dams and water projects. Naturally, the Senator from Minnesota is interested in the subject from that standpoint, as well as from the standpoint that the whole Nation will be benefited by such developments.

Mr. HUMPHREY. I appreciate the comments of the senior Senator from Montana because what he has said exactly represents my philosophy. It has also been my understanding of my obligations as a Senator that I, as is true of all Senators, am here not only to legislate for my own State but I am here to work in behalf of the public interest throughout all the United States, and the Territories of this great Nation.

So I continue my remarks and point out that, in particular, there are many rural electrification projects in the rural areas of my State and that it is the clear, undisputed policy of the Federal Government, as expressed in many laws, that public bodies, municipalities, and cooperatives should have preference in the purchase of federally generated power. Obviously the private utilities do not like this policy, and the recommendations as contained in the testimony of private-utility interests are all aimed at nullifying this policy and the laws which form its basis. Unfortunately, the committee seems to have been receptive to the requests of those who were in opposition to the public-power policy of the Government and has made recommendations which are 100 percent in accordance with the point of view and the attitude of those who represent the private-policy field.

Mr. President, I favor the Federal power policy as it is now, and unless I am greatly mistaken, the majority of the voters in the United States also favor it, as was so ably and well expressed by the distinguished Senator from Oregon [Mr. MORSE]. The people of this country are definitely in favor of the existing public-power policy adopted by our Government, and I shall elaborate upon that point. This was certainly demonstrated at the polls in the election of last November.

I also favor Federal Government development of multipurpose projects needed to conserve our water resources and to make the maximum of hydroelectric power available. Such developments offer increasing opportunities for industry and the maintaining or raising of our standard of living. They help repay the cost of irrigation projects, and make notable contributions to the saving of our exhaustible gas and oil resources, and give added strength to our national defense.

I may point out that if we had listened to the requests of the private utilities in the late thirties and the early 1940's, had we taken the advice of the private utility companies, we could not have won the war, because the private utilities always said we had more electricity than we needed. They were the same utilities which fought every public-power project on the basis that we already had enough electricity for the customers' demands. Yet we know that the way we were able to make aluminum was by taking bauxite, which is the basic ore, through the basis of electricity to convert it into aluminum oxide, and from aluminum oxide into aluminum which was used for the making of bombers, and it was bombers that helped win the war.

I submit that if we had listened to the testimony and the advice and the counsel of the private utilities we would be indeed fortunate at this hour if we were still in the war and fighting it with hopes of victory, because they did not advise us as to what the potential needs of the Nation would be.

They have always been short-sighted, as was exemplified by the Rural Electrification Act which permitted private power companies to borrow money to provide rural electrification facilities to farmers, but the private power companies did not borrow money to provide rural electrification facilities to the farmers, so the farmers themselves joined up in cooperatives to provide themselves with electricity. That is a matter of history. That is a matter of record. The private power company officials were men of little faith who did not have an understanding even of the potential need of the American people.

That which helps North and South Dakota also helps Minnesota, as was so well pointed out by the distinguished senior Senator from Montana [Mr. MURRAY]. The Twin Cities, Minneapolis and St. Paul, cities which represent a million people, one of the great industrial areas of the upper Midwest, depend for their business not merely upon the trade territory within Hennepin and Ramsey Counties, or upon the State of Minnesota, but upon North and South Dakota, upon Montana, upon Wyoming and the other neighboring States.

There are strong trade and economic ties between these States, and I wish to see the best results secured for the Dakotas, and all other States, as well as for my own State. As a native of South Dakota, I can speak with some understanding of the need of power in South Dakota. When I see, for example, in the State of South Dakota less than 30 out of every 100 farms supplied with electricity, I know there is a need for power, and I know that the private utilities in South Dakota have not met that need. As one who lived in South Dakota for 27 of the years of my life, and whose family lived there for 50 years, I can say that I know the private power companies will never meet the need.

If the private utilities win the fight to which they are devoting so much of their time and energy at this time, I think it is inevitable that the next move will be to attempt to at least tie the power in the Dakotas to sale at the bus bars, or perhaps there might even be an attempt to tie the sale to falling water. This is the situation in Montana, from my understanding of the subject, where the Montana Power Co. is attempting to prevent the Federal Government from developing the power which will be potential at the Canyon Ferry Dam. The maximum beneficial use of the water resources in any river basin can only be achieved if the agency responsible for those developments has the fullest flexibility in controlling and integrating the water from one end of the river system to the other. A hampering of this flexibility would be the certain result if the Montana Power Co. is successful in its endeavors, and would be so short-sighted as to be almost criminal, in my opinion.

The failure of the Congress to appropriate money for transmission lines so that federally owned and generated power can be made available at load centers where those entitled to preference under the law can secure it, would have exactly the opposite effect from that intended by present laws.

As a citizen of the State of Minnesota I look with considerable envy at times

upon the Pacific Northwest, with its tremendous potential water power. I may say to my distinguished friend and colleague, the Senator from Washington [Mr. MAGNUSON] that thousands and thousands of the people of my State have gone to the State of Washington. Some of the great industrial development of my State has gone to the Senator's State, and primarily because of the power potential, primarily because of the opportunity for cheap electrical power which has been available.

The farmers of my State know what it is to be without electric power. They know also what farmers' cooperatives have been able to do in the way of obtaining electric power. The farmers of the State of Minnesota know what was attempted in the Eightieth Congress. They know the amendment that was proposed on the Rural Electrification program to prevent REA cooperatives from building their own generating plants. They know that the present fight is part and parcel of the same fight. Had that amendment been attached to the REA appropriations the farmers of my State and the other rural areas of this country would today be at the mercy of private utilities, and they would have just as much rural electrification in the future as they had 25 years ago, which was little or nothing.

The good folks in the Midwest also know what a power monopoly can do to deprive farmers of an adequate power supply at a cost sufficiently low so that it can be used in farm production. That is why we believe that the potential electric power in our rivers must be a public resource. Any attempt to monopolize this resource for a narrow and limited private profit should not be tolerated by the Congress.

As for my own position—and I say this categorically—such a monopoly will not be tolerated by my vote. It may be said that Minnesota is a long way from Oregon, Washington, and Montana; but Minnesota and every other of the 48 States has a direct interest and stake in the Columbia River.

One of the great and outstanding characteristics of western civilization is its growing dependence upon machine production; and machine production, in turn, depends to a greater and greater extent upon electrical energy.

In every-day terms this means that our growing population must have more and more jobs if it is to be fed. These jobs depend upon the turning of more and more wheels. This, in turn, depends upon more and more electricity.

This makes our power supply a basic national problem. The resources which create this power are basic and national resources. I am told that more than one-half of the remaining low-cost hydroelectric power which can be developed in this country lies in the western river systems. I do not see how any Member of Congress can be willing to leave the control of so basic a national resource in the hands of a limited few for exploitation on a purely private profit basis.

Monopoly is the issue here. I know that the private power utility companies have given no thought to the expanding power needs of this country in purely public-interest terms. The private utility companies have given no thought to the basic humanitarian needs of the American people when it comes to electric power. They are in business for profit, and their vision is sorely limited.

It is true that they have built and are building more generating plants all the time; but the primary purpose of those plants is to obtain profits. Do not misunderstand me. That is not a bad purpose. In fact, it is a very worthy purpose; but in view of the critical nature of the situation and the basic need for electric power, I say that profit is a limited purpose.

The Congress owes it to the Nation to take a broader view; and to this end the public sources of power—that is, the hydro power of our rivers—must be sufficiently controlled in their development so that the widest public interest possible can be protected.

What I am saying here has had the agreement of the majority of both Houses of the Congress for many sessions past.

Mr. ECTON. Mr. President, will the Senator yield?

Mr. HUMPHREY. I prefer not to yield until the conclusion of my remarks, when I shall be more than happy to entertain any questions.

Evidence of this lies not only in the many statutes which have been passed by successive Congresses protecting the public interest in electric power, but also in the heavy appropriations which have been made almost every year for the construction of dams by the Federal Government on our rivers. It is apparent from these acts of previous Congresses that the power in our rivers has been and is now considered a public responsibility.

If, however, we follow the line now proposed—that is, building the dams but leaving the power bottled up in those dams by our failure to build transmission lines—we are nullifying the entire policy. I know that the power companies have said that they will build the lines; and perhaps some of them will build some lines. But that is not the point. The point is that if the power companies build the lines, they will have just as much of a monopoly of the power as if they had themselves built the dams.

It does one no good to dig a well if, after having dug it, he lets another man control the pump or the bucket and the rope. The well may be his, but he must depend upon someone else to get the water; and he must take the water on the other's terms. It does one no good to own an automobile if he lets another man have the gas tank and the keys to the ignition.

That is the policy which is proposed here. The taxpayers are to be allowed to put up the money to build the dams and produce the power, and then they are to be forced to turn over to the power companies the entire means for distributing the power. They will be able to get only such power as the companies allow them to have, and only on such terms as the power companies permit.

I note that the committee report on the Interior Department appropriation bill disallows money for a number of public transmission lines on the assumption that the power companies will provide for the delivery of the power under what are called "wheeling contracts." I do not know much about the techniques of power contracts; but I do know that it is impracticable to sign a contract with a man for service which he does not want to give, and which he is being forced to give under the terms of the contract.

That is true of nations as well as of men. It is commonplace to refer to certain treaties as scraps of paper because there have been deep, fundamental differences between the signatories as to philosophies and approach to problems. This will also be true in the case of contracts which are forced and loveless because of basic differences in policies among the parties involved.

The language of the Senate committee report on the West Side transmission line of the Central Valley project forces two parties to get together when they really have no basis on which to get together. The Government, by law, must take one approach relative to disposal of power in the Central Valley. The power companies take another approach relative to power in the Central Valley. To try to force them together and expect to get a contract which will be operative is, in my opinion, somewhat impracticable.

The same principle applies to the Montana transmission lines, the Idaho transmission lines, and the Southwestern Power transmission lines. The companies do not want to meet the statutory public interest requirements of the Government. It would be ridiculous to take the position that once contracts are signed they can be readily and quickly enforced. No contract is going to force them to meet the requirements of the Government.

Of course, we can go to court and engage in months—not months, but years—of litigation to enforce a contract. Years can go by and the question still will not be settled. In the meantime the customers and taxpayers who paid for the dams will be left holding the bag, and the companies will still be getting the power.

I suggest that we be a bit practical about these things. Let us put the Government in a position to protect the public interest by giving the Government agency something with which to bargain.

The power companies have their rights, but I do not believe anyone has monopoly rights. I think the Senate will regret the day—if that day ever comes—when it subscribes to a policy which permits monopoly of a public resource.

So, Mr. President, I rise today to add my voice to the many against the action taken by the Senate Appropriations Committee in regard to the Interior Department appropriation for the fiscal year 1950. I sincerely believe that the action taken by the committee jeopardizes our huge investment in many Government-financed hydro projects, and that it is an absolute repudiation of the platforms of the Democratic and Republican parties.

Let me interject this thought: I was a member of the Democratic Platform Committee. I remember the argument which prevailed in the Democratic Platform Committee on the matter of federally owned transmission lines. I wish to state for the RECORD that the committee of more than 200 members representing the Democratic Party at the Philadelphia National Convention voted unanimously in favor of federally owned transmission lines. We made that pledge. My party went up and down the country, particularly in the Pacific Northwest, and said, "If you want low-cost public power, if you want federally owned transmission lines, so that you can have low-cost public power, vote the Democratic ticket."

As has been so well stated by the distinguished Senator from Oregon [Mr. MORSE], that single issue in the rural areas and in the Pacific Northwest had more to do with the votes than possibly any other issue.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. HUMPHREY. Mr. President, I want to be perfectly fair. I have already stated that I would prefer not to yield until the conclusion of my remarks.

The action of the committee is also contrary, it seems to me, to every act passed by the Congress during the past 50 years in regard to the development of our Nation's power resources.

This is not something that was conceived by the New Deal for those who did not like the New Deal. It is not something that was conceived in the Fair Deal for those who do not like the Fair Deal. The public-power policy of the country goes back to the very first days of the 1900's. It was a policy arrived at because of the basic needs of the American people.

The action of the committee would turn over control of these resources to the monopolistic private utilities. It would deny the benefits of low-cost hydroelectric power to the little people of our country.

I do not forget that the monopolistic power utilities have fought these projects. If the private utilities had had their way, there would be no electricity in the homes of my relatives and friends. There would be no rural electrification in the State of Minnesota if they had had their way. Not long ago we had the Insull scandals. Not long ago we had the bitter fight against TVA. If the fight against the TVA had been successful, today the South would be literally in slavery. It is only raising itself up now because of the chance to have cheap power. Those who were the financial manipulators, who did not know the difference between a kilowatt and a baseball bat, finagled in the operations of the holding companies of companies of this country to deny farmers, workers, and ordinary, plain people a chance to have electric power so they could live like civilized, decent, twentieth century Americans. I speak with deep conviction on the subject of whether we should have public power at cheap rates for the people of this country or whether there should be a private power monopoly.

The action the committee has taken would mean, if adopted by the Senate, that control of these resources would be turned over to the monopolistic private utilities. Mr. President, I do not see anyone coming around and building my family or my friends a great big enterprise at public expense, and saying, "You take it and run it and make millions of dollars." Even in selling the war plants, we got for the Government 10 cents on the dollar. But the action of the committee, if enacted into law, would deny the benefits of low-cost Government hydroelectric power to the little people of the country. The committee's action, if enacted into law, would mean that the utility leaders would control the disposition of our hydroelectric power, rather than to have that power controlled by the Government. It would mean that these monopolistic utilities, which have fought these projects, would stand to make millions of dollars in profits, without the investment of one cent of capital expenditure for production facilities. That would mean that the utility leaders would control the disposition of our hydroelectric power, rather than that the Government would control it. That would be an indefensible delegation of Government responsibility to monopolistic interests.

Mr. President, the committee's action emphasizes again the fundamental conflict which has arisen in America. It is an open battle to determine whether the monopolistic utilities will be allowed to exploit our Government investment at the expense of the people's interests. I can recount example after example—many of them first revealed to the public by Senators on this floor—of how these utilities by ruthless financial schemes bilked and defrauded the investors; how they fought and smeared every effort to regulate their activities by both Federal and local governments; and how they vilified and damned those who sought to restore competition to the utility field.

Our national problems are no longer simple. Yet, I believe the problem we debate today is as simple as this: Are we going to encourage the full development of our Nation's water resources for the good of all, or are we to limit the benefits to a few monopolistic power companies? I think that is the issue. I submit that in view of the reputation and background and vision of those who today are around here as private lobbyists, trying to advise us. I say this without fear of successful contradiction, for the private utilities of my State have lobbied me half to death on this issue; they have called me on the long-distance telephone, but I have reminded them that there was a day when they should have been sending some long-distance transmission lines to people out in the country, and then perhaps they would not be having this struggle. Mr. President, this struggle is the result of the indifference and selfishness of people who, when they had their chance, refused to take it. Now the American people have looked over the national domain and have said they are going to have some of the resources of this country.

Mr. President, as I have said, the basic question is whether we are going to encourage the full development of our Nation's water resources for the good of all, or whether we are going to limit the benefits to a few monopolistic power companies. Certainly that is the issue now before us.

My position is that we in the Senate must take a strong stand to see that Government-generated power is used to benefit all, rather than a few. I urge the Senate restore funds to the Interior appropriation bill so as to accomplish this policy.

Let us look at these projects and try to evaluate them in the light of past congressional policy. Let us evaluate them so our action will mean that all people will have a chance to benefit by the orderly and systematic development of our power resources. This issue must be met head-on, and we must so resolve it that never again will greedy interests seek to dictate to this Senate what it shall do.

The fight is in the Southeast, in the Southwest, in Colorado, in California, and particularly in Montana and the Pacific Northwest. Tomorrow, unless we go on record convincingly now, it will be in every area where the Federal Government uses the peoples' money to build a Federally owned dam.

The committee's action would prevent the people of Montana from sharing in the power resources of the Pacific Northwest. Let us examine the situation there.

First. The committee failed to approve funds for the Kerr-Anaconda transmission line in Montana. That heavy transmission line would transmit power from Hungry Horse Dam to a load center in southwestern Montana. The dam, being built on the Flathead River, is to be paid for by sale of electric power. The Kerr-Anaconda line would make it possible for the people of Montana to share in the benefits of low-cost hydroelectric power.

The committee's reason—and for the life of me I cannot understand it—was that it would withhold these funds until Congress made a decision as to whether the Montana Power Co. should be given the authority to buy all this power for its own profit or whether the Federal Government should build a transmission line to deliver this power to suppliers which can pass on to the people directly the benefits from low-cost hydroelectric power.

Many of us had thought this question had been answered so clearly in the vote cast by the people last November and had been answered so directly by Congress on so many occasions that no doubt about it ever would be raised. For almost 50 years the policy of Congress has been clear. That policy substantiates the position I take today. Mr. President, it is good to be defending the traditions of America. It is a privilege to stand on the floor of the Senate and defend the great traditions of 52 years of the best Americanism, against those who would try to destroy the fabric of our Republic. I wonder how they like the sound of those words, now that the situation is reversed.

Second. The committee withheld use of any funds for the construction of generation and transmission facilities at Canyon Ferry Dam. The committee's thought on this was "to encourage" the development of the generation and transmission facilities at Canyon Ferry by the Montana Power Co.

What was the company's offer? They offered to build all generation and transmission facilities and pay an annual rental of $300,000 a year for the use of the dam. In other words, despite the fact that Congress authorized the Bureau of Reclamation to build these facilities, such action would repudiate the action of both Houses; and this valuable right would be given to the Montana Power Co. Then that company, not the Government, would own the facilities. The Government would not have one word to say about how the power was used, to whom it was sold, or what the rate would be.

The $300,000 a year is not sufficient to pay for the dam. The cost of the dam has to be amortized by the sale of power. That will be how the Government will recoup its investment in the project. But the Montana Power Co. says, "We will pay $366,000 in taxes to State and Federal Governments, which, together with the $300,000, will mean a return of $666,000."

What right have they to say that an indirect payment of taxes ought to be credited to the direct cost of that dam?

Mr. President, I am not fooling myself. As one who is interested in a business, I know that taxes are a part of the cost of doing business and are charged as a part of the cost of the commodity produced. Are there those who would tell me that the cost of a public utility does not include the taxes? The utility that says, "We are paying taxes" is not saying that it is doing any more than any other American is doing, for I know of no American who is not paying taxes. Even those who receive the lowliest little pension pay taxes. When people buy a package of gum or a package of cigarettes or a cigar, they pay taxes, because in this integrated economy of ours we pass along the general tax levies, one to another.

If Congress should decide by proper action—not by Appropriation Committee edict—that private power companies have the right to install and own the facilities, then they ought to make a direct payment to the Government for that power.

The proposition that the committee suggests the Bureau follow—a policy to let the Montana Power Co. build the power plant—is one of the most one-sided propositions I have ever examined. Testimony before the committee repudiated the power-company claim that this arrangement would be more advantageous to the Government than if the Government built the power plant.

The testimony showed that over a period of 68 years, the Bureau's plan would return $18,632,000 more in net revenues to the Government than the private company was willing to pay.

This net did not include a tremendous savings of millions of dollars in wholesale power costs to municipalities and REA-financed cooperatives in the State. These large purchasers would be forced to pay the Montana Power Co. about 9 mills per kilowatt-hour, while the cost to them by purchase from the Bureau would be 5.5 mills—two-thirds of the power-company rate.

The committee withheld funds for the third straight year for construction of a transmission line and related substation facilities between Havre and Shelby, Mont. This line would take a large part of Montana's share of Fort Peck power across northern Montana.

This line would serve a number of municipalities in northern Montana and two REA-financed cooperatives in northern Montana. The growth of this part of our Nation depends upon the availability of low-cost hydroelectric power. As I have said, rural people—and they are the ones injured by this action of the committee—cannot be encouraged to use large blocks of electricity unless the rates are such that encourage use. The power company has declared that their system, with only minor changes, can deliver sufficient power to these cooperatives.

This power company does not have any faith in its part of the country. It declares in its double talk that the use of power in northern Montana will not increase. This is contrary to the conclusive evidence provided by experience in every part of the Nation that the use of electric power in rural areas has doubled in 3 years and is expected to double again in the next 3. If Montana is to get the power it needs to grow and improve both the living and working standards of its people, it is not going to get it from the Montana Power Co. This company says in other words that Montana now has sufficient power available for both present and future needs. I heard that on the floor of the Senate. I submit without fear of contradiction and without any claims to prophetic vision that 10 years from now, if the power facilities of this country do not continue to expand, no area of America will have the kind of electricity it needs, or the amount it needs. I repeat, the same people who 15 years ago said we had all the electricity we needed were the very same ones who, during the war and during the immediate prewar years and in the postwar years, have been hungry for electricity. We had electricity rationing in this country, and we had it, of course, because of tremendous production.

I, for one, do not want the Montana Power Co. to control the power from Fort Peck Dam. The people of my State are helping pay for Fort Peck Dam. We are interested in Fort Peck Dam. So let us face facts. Power use is going to increase in all the areas. That means that if the people are going to get the power they need, the Montana Power Co. will have to rebuild its lines in the area if they are going to do it alone. It also means, for example, in Montana, that the Montana Power Co. will sit astride the two cooperatives' lines of supply. This means that the power company will dictate to them their wholesale power costs.

Officials of the two cooperatives estimated that this control will mean that the rural people of northern Montana will pay an extra $10,000,000 in the next 50 years for their power bills.

I hate to think of where this country would have been if the interests which opposed the Nation's great highway system had used the same tactics as the power companies. They would have argued that the Government should not have aided the States to build our Nation's vast system of transcontinental highways because such would "duplicate" the then system of county roads. It was not long ago when all we had were county roads. Mr. President, you and I can see the fallacy of that argument now. But will we swallow it when the subject is electric lines?

Some day the people of Montana are going to sit in judgment on the Montana Power Co.

Mr. President, I should like to place in the RECORD at this point in my remarks two brief articles, taken, for example, from the Daily Tribune, of Dillon, Mont., both published in January 1949.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Dillon Daily Tribune of January 10, 1949]

SAYS OTHER STATES ARE STEALING OUR POWER WE HELP PAY FOR—IS OUR WATER GOING SAME WAY?

It is to be regretted that every citizen of Beaverhead County could not have attended the Chamber of Commerce banquet held in the high school Friday evening. They would have been given a clear picture of that controversial subject on Montana's power situation and on the intent and purpose of the dam projects.

Speakers were E. G. Ferguson and C. Brazil, the two best-posted authorities on these Federal projects in Montana. Mr. Brazil is consulting engineer for region six of the upper Missouri district in developing power from Montana rivers. Mr. Ferguson is supervisor of the Bureau of Reclamation which is impounding Montana waters before they are passed on to other States.

Mr. Brazil said emphatically that if Montana didn't wake up and demand its rights to power being developed through harnessing our State's rivers, this energy was going out of the State to the west coast and east to the States of North and South Dakota, Minnesota, Iowa, and Nebraska.

STEALING OUR POWER

The power to be developed at the Hungry Horse dam is now slated for Idaho, Oregon, and Washington. The power now generated at the Ft. Peck dam is already going into eastern States with the exception of a small surplus which is presently being transmitted to Great Falls. But even the surplus will be taken away from us and given to the eastern States shortly unless Montana asserts its rights. Power generated at other Montana dams to be constructed will be hooked up to the transmission lines going into the other States to furnish additional power needed by them. That is the picture of our power situation today, which every citizen in Montana is helping pay for through taxes. The question is, do we taxpayers want our just share of this power? We're paying for it, why not get the use of it?

"Industry follows the cheap transmission lines," Mr. Brazil said, and cited the industrial development of the coast. "Montana can have similar industries with their immense taxable wealth if it can furnish cheap power."

He cited that 40 percent of aluminum production was now located in the Pacific Northwest, due to cheap power. The raw product is being shipped from the east across Montana to the coast for this purpose, he said. "Why shouldn't Montana get its share of this growing industry?" Mr. Brazil asked. That was only one of many examples he cited where Montana could grow industrially if it encouraged the business.

Mr. Brazil stressed that the demand for power was constantly increasing. He said that only 50 percent of the Nation's farms had been electrified. Rural electrification is constantly spreading. That is where much of Montana's power is going today in the eastern States and they are just getting started.

Mr. Brazil also said that the increasing demand for electrical equipment by power users on farms, ranches, and in town and city dwellings will increase the use of electricity 35 percent in the next 5 years, according to manufacturers of this equipment.

REMEMBER DROUTH?

Mr. Ferguson, in his talk on dams, stated that the movement was started during the drouth of the thirties. Farmers and ranchers agitated for impounding the waters of the rivers for irrigation purposes to raise feed for their livestock. Because of this agitation Congress appropriated money to study the situation and sent out Army engineers to investigate the feasibility. From this start the great Missouri Basin project was born. It grew to take in flood control, navigation, and the development of power to help pay the cost of the dams.

He cleared up two points which have caused considerable controversy. The first was that those persons now having water rights cannot be deprived of them as they are protected by a State law, which the Reclamation Bureau cannot violate but must respect. The second was that unless 60 percent of those owning the land to be irrigated, signed permission for the irrigation of their land, the Reclamation Bureau could not go ahead with plans to build a dam. This sign-up of property owners must take place in organizing an irrigation district.

Regarding the 160-acre limit of irrigated land per person, Mr. Ferguson said this did not mean that a family could only possess 160 acres of irrigated land. Each member of the family, husband, wife, son, daughter, etc., of legal age could own 160 acres each. He also said that a plan was now under consideration whereby the number of acres could be increased per person in areas where production was limited because of climatic conditions and adaptability of soil.

[From the Dillon Daily Tribune of January 11, 1949]

CHATS WITH YOUR EDITOR

(By Edwin S. Townsend)

Those of us who attended the Beaverhead Chamber of Commerce banquet last week, saw a sordid picture painted of how other States are stealing the power being generated by harnessing Montana's streams. Perhaps this doesn't mean anything to you, yet you are helping pay for this immense project so why shouldn't you reap some of the benefit as well as citizens in other States?

How can Montana stop it before it is too late? In Washington we have two United States Senators and two Congressmen. They are your representatives sent there to protect your interests. You have trusted them to see that it is well done. One of these Senators is a Republican and one Congressman is a Republican. The other two are Democrats, so this is by no means a political argument against any of them.

Protecting Montana's power and water rights should be nonpartisan. These are the most important issues for Montana today, that should demand their immediate attention. The first step is to let them know that we as Montana citizens expect them to look out for our interests in Washington. This can be done by sending them telegrams, letters, resolutions passed by every organization which has the welfare of Montana at heart. It will serve notice on them that we are interested and watching their progress.

But it takes more than this. Our governor and our legislators should receive similar notification. And their reaction should be noted carefully in what they do. The legislature appropriated $50,000 a year 2 years ago to advertise and promote tourist attractions of our State. Surely a similar appropriation would be a splendid investment to assure that we have the right kind of lobbying in Washington to back up our Senators and Congressmen.

How are the other States getting away with our power and water rights? By taking the same steps as recommended above. They have been at it for several years. They have the inside track at present by getting the jump on us but it is not too late to change the picture. But action must be prompt. We can't sit back any longer and blandly think that we'll get our share without fighting for it. We have got to let out a roar that will awaken Washington to the fact we are not a door mat to be safely trodden upon.

There is going to be strong opposition to changing the present set-up. Today present plans for building the Canyon Ferry Dam do not call for installing power equipment. That is a direct slap at Beaverhead County's face. Our power, if we get it, will come from that dam. But it is not enough to have power equipment installed. We must have a transmission line built to carry the increased load that Beaverhead County needs today to assure firm power. Firm power is constant power, not fluctuating in strength.

When your lights dim and your heating elements fail to throw off the same heat when wanted, you do not have firm power.

What are transmission lines? Ever drive to California and see those big lines carrying electricity from Nevada to California? Those are transmission lines. One reason Montana is losing its power to other States is that these transmission lines are being built into other States. Consequently it is vital that Montana have transmission lines to serve its own people. Remember that when you write your elected representatives. You are paying your share of those transmission lines going into the other States. Why shouldn't they be built to serve us as well?

Act on this now and don't be like the voter who doesn't go to the polls and then cusses at the consequences. Its up to you individually to see that Montana gets attention today. If you'll do it individually and collectively we will get results.

Mr. HUMPHREY. Mr. President, I believe, too, that many Senators will be interested to read an editorial taken from the Western News of last September. The Western News is published at Hamilton, Mont. I ask unanimous consent that it may be printed in the RECORD at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MONTANA POWER WAGES A COLD WAR

As you jolt over the highways of Montana billboards alongside regale you with the statement that electricity is plentiful and cheap and has not increased in price in Montana.

That's been going on for a number of years.

When you read advertisements of the Montana Power Co. in about 100 Montana newspapers, you are told therein that electrical energy in Montana is cheap, is plentiful, and has not increased in price.

That's been going on for a long time.

The National Association of Electric Power Companies has been maintaining a large and well-financed staff of lobbyists in Washington, D. C., for a number of years which has been intent on butchering each and every attempt on the part of independent Members of the Congress to extend REA, to secure Federal appropriations for power installations on the streams of the Nation. This group of Power Trust lobbyists have endeavored to block all efforts to provide cheap and bountiful power to the American people. They have tried, and to a measure succeeded, in blocking appropriations to build needed power plants. Among the plants which the Power Trust opposed is the Canyon Ferry development near Helena. They were willing only to have the dam built by Uncle Sam but insisted that the power rights should be left to the Montana Power Co. An authorization was passed by Congress but an appropriation was held back. This was despite every effort of Senator JAMES E. MURRAY and Representative MIKE MANSFIELD to get the appropriation and power for the people of Montana.

The national weeklies and the press of the Nation, as well as the newspapers of Montana, are filled with Power Trust propaganda telling the American people that no additional electrical energy development is needed. They have been doing this same thing ever since the first Roosevelt administration. If F. D. R. had listened to that sort of baloney I do not know what this country would have done in World War II for the Power Trust would not have permitted TVA or Grand Coulee developments. Without those developments our victory in World War II would have been far more difficult.

One of the bitter things about this power-trust propaganda is that the users of electrical energy are the people who pay for the advertising as well as for the salaries of the lobbyists. This is true because the cost of such lobbying and advertising comes out of gross receipts of the various power companies. Thus the users of electricity in America are buying the poison which is fed to them by the power-trust propaganda artists.

This leaves a bad taste in the mouths of thoughtful people.

For just one moment let us analyze the fable of the Montana Power Co. that electricity is ample to supply the needs of Montanans, that it is about the only thing that has not increased in price, etc. * * *

The possibilities of electricity for heating purposes in Montana have been coming to the minds of people forcibly of late due to the high cost of fuels for heating by other means. The easy, clean, and quick efficacy of electric heat appeals to people in Montana. * * * So more people have been turning to the use of electric heat in Montana of late. Merchants of Montana have been securing improved heating devices and making ready to install same by the employment of informed employees.

It began to look as though electrical heating in Montana had a fine future.

Then, about the middle of August 1948, representatives of the Montana Power Co. sought a conference with the Montana Railroad and Public Service Commission at which conference the Montana Power Co. men suggested that they be permitted to place into effect a new rate schedule on the sale of electricity for residences in Montana.

Although the Montana Power Co. does not print its rate schedule on its monthly statements I believe that the following table will

give you the information about the old residential rate and the new rate obtained by the Montana Power Co.:

Kilowatts	Old rate	New rate
	(*cents each*)	(*cents each*)
First 12	6½	6½
Next 88	3½	3½
Next 100	2½	2½
Next 800	1	1
Each 1 thereafter	1	1½

The Montana Power Co. officials told the Montana Public Service Commission members that the new rate schedule was necessary in order that people of Montana could be discouraged from installing electrical heating.

The MP monopoly agents told the utility commission members that only a negligible 400 of 90,000 users of electricity in Montana would be affected by the rate increase sought. The power-trust agents told the commission that if people continued to change to use of electrical heating a peak load would be built up that would be embarrassing to the power company.

In other words the Montana Power Co. was not able or willing to furnish large numbers of Montana people with electric heat. This somewhat demolishes the power company's claim that there is ample juice to serve Montanans. So the future of electric heating in Montana becomes clouded.

The increase after 1,000 kilowatts of the rate from 1 cent to 1½ cents for each kilowatt was a device resorted to by the Montana Power Co. to discourage people from changing to electric heat from whatever other type they might be using. It would make electric heating prohibitive in the colony called Montana. The Montana Power Co. agents said only about 400 Montana residences would be affected. Those 400 "subjects" of the Montana Power Co., as well as the merchants who have stocked heating devices, are left holding the sack by the Montana Power Co.

Maybe the merchants can save their situation by taking their supplies of electric heating units to the TVA region or to the State of Washington where the Federal Government is furnishing ample power that can be purchased cheaply by people of those areas who wish to heat their homes. Our merchants might sell their heating units to the people of Washington, Oregon, or the TVA served by Government power.

The WN was informed by a member of the Montana Railroad and Public Service Commission over the telephone last night that no publicity was given the conference between the commission members and the Montana Power Co. officials at which the new rate schedule was suggested by the company and accepted by the commission. The commission member told the WN that there was no opposition to the Montana Power Co. proposal of a rate increase. But how could there have been opposition when there was no publicity of the impending conference? The people of Montana were as much in the dark about the increase in Montana Power Co. rates as was the proverbial blind man in the dark room looking for the black hat that was not there.

The WN was advised by the Commission member that if opposition to the new rates developed the Commission would hold a public hearing. I am somewhat dubious about 400 people—among 90,000 people—being capable of making enough noise to convince the Montana Power Co. that they are in opposition. They have just been fed to the wolves.

I dislike seeing the economic interests of the estimated 400 Montana people and the Montana merchants affected injured. But the matter has much broader implications. It is a move which will give license to further increases in the cost of other fuels because people will be unable to turn to electric heating. It is an undemocratic method of handling a public utility. It is an example of how inadequate is the regulation by State commissions of public utilities. It is a brazen display of the attitude of the public be damned on the part of the Power Trust. But it is also rather convincing evidence of the folly of permitting a natural resource to be exploited for profit by individuals or corporations at the expense of the public at large. Natural resources, which on account of their peculiar characteristics function best as monopolies, should always be operated first, last, and all the time in the public interest. No private interest should ever override the needs of the public. The waters of our rivers, like the air we breathe, should be a common heritage to all mankind, which no man or group of persons in form of a corporation, should ever be permitted to use to exact a tribute from the mass of mankind.

What do you think about the Montana Power Co.'s boast that electricity is so cheap and plentiful that no further development of it should be tolerated in Montana? If this were so would the Montana Power Co. be erecting hurdles to keep Montana people from buying the only thing they have to sell—electricity—which by the way is what they don't advertise?

The Montana Power Co. advertising is propaganda first, a pressure upon the policy of newspaper publishers second, and as full of holes as the highways of Montana, for truth is often foreign to their context, and garbled half-truths are compounded to the limits which can be accommodated in the space bought by the money of electricity users and expended to poison the wells of public information. The instance at hand is but one of a multitude of similar cases. It happens, however, in this instance, that Montana Power Co. is caught red-handed and everyone in Montana is likely to know it.

Mr. HUMPHREY. Mr. President, I believe many Senators would like to know something about the Idaho Power Co. The Idaho Power Co. was involved and has been involved in the controversy over the use of certain hydroelectric facilities at the Anderson Dam, in Mountain Home, Idaho. The committee recommended deletion of funds to build a transmission line from Anderson Dam to Mountain Home, Idaho.

The committee made this decision by presuming that the Idaho Power Co. would build these facilites and would negotiate a contract wth the Secretary of the Interior in accordance with the basic principles found in the contract between the Southwestern Power Administration and the Texas Power & Light Co., commonly called the Texas contract. I will discuss the fallacy of this suggestion before I conclude.

This action by the committee would turn over the transmission of all power from this $33,000,000 Government project to the Idaho Power Co. This company would stand to make a tremendous profit off the Government's investment without one cent of capital expenditure. The company, when it opposed the lines, declared before the committee that this line would duplicate existing and adequate transmission lines. Such again is not the case, because no line exists between Anderson Dam and any power system except a low-voltage line supplying working power to the dam itself.

I hesitate to believe that Congress, when the dam was authorized, intended to turn over the exclusive benefits from this project to the Idaho Power Co. In fact, I know it did not. The policy of this Congress has been to direct the Bureau of Reclamation to distribute this power so that it can do the most good for the most people. The action by the committee would give a power company a monopoly for purchase of this power and excludes the preferred purchasers—those purchasers which Congress since 1906 has directed to be given preference in purchase of this power.

To carry out the true policy of Congress, the Bureau of Reclamation must be given funds to build this line. This Federal dam's power output must be made available to the preferred purchasers, in this case a number of rural electric cooperatives in Idaho. As nonprofit businesses they can see that this power is distributed to the people of Idaho at cost.

As I mentioned a moment ago, I believe many Senators would like to know something about this Idaho Power Co. For a background report on the tactics this company uses to stamp out and destroy competition I am submitting for the record an article taken from the June 1949 issue of the Pacific Northwest Cooperator.

The power company recently closed a deal to buy out an REA-financed cooperative, the Malheur Electric Cooperative, of Vale, Oreg. They forced this cooperative out of business.

Ten years ago when this power company refused to serve farmers in the Boise Valley, the farmers organized their own cooperative. Stung by the threat of competition, Idaho Power Co. went into the area and cream-skimmed the best areas. They left all the lean areas for the cooperative. The farmers tried hard for 10 years to make a go of their project. But they had to buy their power from Idaho Power Co. With this company controlling their lifeblood, and no way to get a lower-cost wholesale power contract, the co-op did not have a chance. I submit this is a classic example of what has taken place all over the country that when a rural electrification distribution cooperative must buy its power from a private power-generating company. In such a case the rural electric cooperative is at the mercy of the private generating company at any time the company wants to put on the pressure.

This is the same company to which the committee turns over all the power output from Anderson Dam Ranch. It would not be long before this company dictated to the Department of the Interior just how much they would pay for the power. Without a way to get the power out from the dam, and without ability to sell the power to other customers, Interior would be forced to accept the Idaho Power Co.'s offer without recourse.

I believe many Senators will want to read this article and I am submitting it for the record. I ask that it be incorporated in the body of the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Pacific Northwest Cooperator for June 1949]

IDAHO POWER CO. PERFECTS PATTERN FOR SLAUGHTER OF REA COMPETITION—SPITE-LINE CONSTRUCTION, PLUS MONOPOLY GRIP ON POWER SOURCE, RATES, TURNS TRICKS—FINANCIAL STRANGULATION FORCES REA TO LIQUIDATE HALF-MILLION-DOLLAR MORTGAGE; $200,000 GOOD WILL

VALE, OREG., May 16.—Idaho Power Co. today evicted a "nester"—Malheur Electric Cooperative (REA)—after 10 years of unrelenting warfare.

To make it legal and assuage the final bitterness, it is paying $66,648 defaulted interest and matured principal payments before REA sells the $472,000 mortgage on 365 miles of lines and equipment. The 621 members mainly are located in the rich irrigated territory on the western edge of the Boise Valley including part of the Payette County, Idaho, and Malheur County, Oreg. Attenuated lines tap sparsely settled ranch country to north and west.

After various bookkeeping adjustments are made, REA will get a check for approximately $501,800, members were told at the final sell-out meeting in community hall this afternoon.

Actual construction cost of the lines was $527,863. Depreciation was estimated by REA at $69,000. Inasmuch as practically all of the REA mileage was paralleled by competing IPC lines, the cost of dismantling and integration will be high. And adding in the expense of its swarm of public-relations agents who intensified their switch-over pressure on REA patrons in recent months, the charge-off by Idaho Power to good-will is estimated well beyond $200,000.

"A magnanimous gesture to a crushed rival," is expected to be the common comment.

But "penny ante" may be more accurately descriptive for those appraising future stakes in this Pacific Northwest development game. What do these stakes include?

1. Farm cooperatives of Midwest and Northwest now preparing to build their own electric furnace plants to process phosphate fertilizer in the Nation's richest deposits—southeast Idaho—could be taxed millions of dollars by Idaho Power in higher production costs. Idaho Power has quoted the co-ops a 5-mill rate—double the Bonneville rate. This means an $8-a-ton increase in production cost on treble-super-phosphate.

2. The Atomic Energy Commission would pay toll in wheeling charges over private lines to its projected new plant in eastern Idaho.

3. Taking no chances on possible failure of the power lobby in Congress to block construction of gigantic Hell's Canyon Dam on the Snake River it is rushing plans to build its own transmission lines to block Bonneville extension into Idaho or the construction by any CVA or other Federal body of public transmission lines from any federally built dam.

It all adds up to posting of Idaho borders with "No Trespassing—Private Property" signs.

Significance of Malheur Co-op's demise may be widespread. Kermit Overby, REA information chief, replied to a query: "The attack upon this co-op follows the pattern appearing in other sections of the country. So far, Idaho Power is the only company to take over an operating cooperative and this will be the third (and largest) it has absorbed. In the early days of our program, several co-ops relinquished their independent status during early organizational stages, some of them having progressed to the point of staking lines. Attacks on co-ops in service have been succesfully repulsed in Virginia and Michigan in rather spectacular campaigns. Less serious steps have been brushed aside in many other places.

Jordan Valley, and Long Valley REA's—to the south and north of this area—are the two previous "absorptions."

The "pattern" to which Overby refers is the military type pincers or financial nutcracker applied by Idaho Power precision, speed, and force, to struggling Malheur. Isolated from low-cost Bonneville 2½ mills wholesale power, it was forced to buy from IPC at 10 and 11 mills. Through its competing lines, Idaho Power, drawing energy largely from Bureau of Reclamation dams, then undercut the co-op rates. (That these were not in the loss-leader class was indicated by a recent tabulation published by the Pacific Northwest Cooperator showing that IPC's "irrigation pumping rate" was some 40 percent higher than that charged by representative PUD's and co-ops with access to Bonneville power.)

The inevitable happened today as members' ballots upheld the Board decision and the REA recommendation to sell rather than face mounting operating deficits as customers were picked off lines.

As summarized by Overby:

"Farmers in these rich valleys had been trying for more than 10 years (before the co-op was organized in 1939) to get service at a rate they could afford to pay, and had been unable to get it from the company. But when they formed their own cooperative and were about to begin construction, the company started a program of harassment by spite-line construction.

"The minute the co-op applied for a loan, the company would race ahead into the area striking straight at the heart of sections of lines the farmers proposed to build. Always the company lines served the more densely populated areas, thus leaving the farmers on the fringes of the valleys and in the more remote places for the co-op to serve.

"These constructive tactics compelled the cooperative to resort to uneconomical construction with the result that it has had larger expenses and lower revenues than those on which REA loan approvals were based. The last loan to the cooperative was approved by REA last June ('48) when there was some hope that low-cost public Bonneville power might come into this area. It appears now that this will not happen soon, if ever."

Speaking for the Board in a consolation statement, President Harry B. Wilcoxon of Vale said:

"We lost the fight, but I believe we won a technical decision. We got electricity."

Others with whom the reporter talked pointed to two weaknesses in cooperative organization:

1. Failure of the organization to exert strong enough educational counter pressure, and development of member participation.

2. Passive acceptance by the owner-consumer of favors granted; too many victims of high-pressure salesmanship; too few who saw their long-range economic stake and were willing to fight for it.

Mr. HUMPHREY. The committee has recommended exclusion of funds to build a transmission line from the Big Thompson between Brighton, Valmont, Flatiron, Fort Collins, and Greeley Gap.

This line was opposed by the Public Service Co. of Colorado. The company came up with a new twist on that fallacious argument of "duplicating adequate transmission facilities." They claimed it would duplicate a line which they proposed to build.

This line is necessary to carry out the mandate of Congress to the Bureau to make available this power to certain classes of preferred purchasers. In this case the preferred purchasers of this power are three municipalities, Loveland, Longmont, Fort Collins, and one REA-financed cooperative, the Union Rural Electric Cooperative of Brighton. The action of the committee is a repudiation of former congressional action, and again I emphasize, it is an interference with work of other committees.

The committee eliminated funds to build a steam plant and certain transmission facilities for the Central Valley project in California.

The committee's policy is the same as that discussed before. They recommended exclusion of these funds and directed the Secretary of the Interior to negotiate with the Pacific Gas & Electric Co. for a contract "in accordance with the basic principles found in the contract between the Southwestern Power Administration and the Texas Power & Light Co." I am saving discussion of that type of contract for the last.

Here is a Government project totaling $440,000,000 with the ability to produce two and one-third billion kilowatt-hours a year being turned over to a private power company. The steam plant is necessary if the hydro power is to be firmed up. The transmission facilities are necessary to see that the people of California get the benefit from low-cost hydro power. Any other alternative—the alternative as recommended by the committee—is a reversal of our basic power policy. It is a surrender of the Government to one private, monopolistic power company.

Mr. James E. Black, president of the Pacific Gas & Electric Co., appeared before the committee and opposed these items. The committee followed every one of his recommendations.

This is the same Mr. Black who appeared before a congressional committee in 1945 and declared—in opposition to the power facilities in the Central Valley area—that there was no threat of a power shortage in California.

I do not know why we should listen to a man who does not have any better vision than that, a man who, in 1945, appeared before a congressional committee as an expert in the field of public utilities and said there was no power shortage in California. Yet, within 1 year, California began its 2 years of power shortage and rationing. Why did he appear before the committee and say that? So as to stop action of the Congress in the construction of hydroelectric power facilities.

The committee has recommended elimination of a small appropriation for the Southeastern Power Marketing staff.

Their suggestion was that the function of this staff be assumed by the office of the Secretary.

Apparently their recommendation was based upon the fact that there is only one flood-control project now in operation in this area. But the committee failed to take into consideration the fact that other projects will be coming into production within the next 2 to 3 years and it is power from these projects that the staff was set up to sell.

The Southeastern Power Marketing Division was set up by the Interior Department to carry out the mandate of the Flood Control Act of 1944. This act gave the Secretary of the Interior the authority to market all power from flood-control dams built by the Army engineers. Municipalities, public bodies, and cooperatives were given preference to buy this power. But they cannot buy this power unless some means are devised to deliver the power to them. Such means cannot be devised until arrangements can be made by the preferred purchasers to buy this power.

The denial of these funds is again a denial by the committee of the basic hydroelectric marketing laws of this country.

The committee deleted all funds to build a transmission system by the Southwestern Power Administration for delivery of power generated at Government-built dams in the Southwest to the preferred customers, municipalities, public bodies, and cooperatives.

The committee recommended that the eight private electric utility companies be allowed to take this power in conformance with the same basic principles found in the contract between the Southwestern Power Administration and the Texas Power & Light Co.

Before discussing this contract, I would like to tell a story which I believe will illustrate the lack of good faith on the part of these utilities in their dealings with the cooperatives.

A Missouri cooperative, which sells power to a number of distribution cooperatives, needed immediate delivery of a sizable amount of power. Its power situation was critical. A transmission line—one classified as a 69,000-kilovolt line—had been built by SPA and the cooperative from the Norfork Dam up to West Plains, Mo., and Willow Springs, Mo.

To get power from this Government-built dam, the cooperative, because of the emergency, had to build a 7-mile stretch of transmission line to tap a bank of 33,000 kilovolt-ampere transformers owned by the Arkansas Power & Light Co. The cooperative's substation, being built by the Army engineers, will not be completed until April 1950.

Ham Moses, hailed by the utilities as one of their enlightened leaders, said, yes, he would sell power to the cooperative through their substation; the co-ops could have the power for 9 mills a kilowatt hour. This offer was on a take-it-or-leave-it basis. The cooperative had to take it at 9 mills.

But here is the crux of the story. The Arkansas Power & Light Co. was buying that power from the SPA at a rate varying from 1½ mills up to 5½ mills.

I believe that story illustrates how the cooperatives would fare in any future contract negotiations with any of these utilities.

These transmission lines eliminated by the committee are the rural people's only assurance that the power will be available to them at a rate they can afford to pay and at a rate which will encourage the maximum development of the Southwest.

Let us now analyze the Southwestern Power Administration's contract with Texas Power & Light. This contract was designed for a specific situation—conditions not found in the Pacific and Idaho areas.

The Texas contract was signed in 1947, after the Congress had appropriated funds for transmission lines in territory claimed by the Texas Power & Light Co. It was drawn up to handle only the public power developed at Denison Dam.

Let me recite some of the conditions which are peculiar to this particular situation. First of all, Denison Dam was built by Army engineers as a flood-control project on the Red River. The flow of this river, which marks the boundary between southern Oklahoma and Texas, is highly variant. It is low at some seasons, not supplying enough water to make possible steady supplies of power by the generators at Denison Dam. However, in seasons of heavy rainfall, the water held at the dam is sufficient to make possible the delivery of a good quantity of secondary power for short or limited periods.

This has meant that Denison can deliver firm power for a few hours each day, and, in addition, has available limited secondary power.

Now for one of the particulars. Here the Government had available firm power for a few hours each day and limited secondary power. There were rural electric cooperatives, the preferred customers, in the area desperately in need of power. But the Government had no transmission lines. It had some power and some customers, but no lines for delivery.

Who had the transmission lines in that area? Texas Power & Light. Texas Power & Light needed reserve capacity for its peak-load periods in the afternoon and evening. It had the lines but not the power necessary to take on new customers.

This was a situation whereby both parties, and the people who really wanted that electricity in the first place, could benefit from an agreement.

Briefly, the Southwestern Power Administration agreed to trade its secondary power for delivery at peak-load periods for firm power from Texas Power & Light for delivery to the Government's customers. It was a fair deal and a good one for all concerned.

Here are the specific terms of the Texas contract, as brief as I can make them:

They outlined in specific detail the contract terms and also the peculiarities in the relationship between the Government and the Texas Power & Light Co.

The Texas Power & Light Co. agrees to purchase 120,000,000 kilowatt-hours of firm energy and available secondary energy from the first unit at Denison Dam, except that from 5,000 kilowatts reserved for Oklahoma companies.

Texas Power & Light agrees to pay $59,000 a month less credit, for power taken out of its system by the Government at a rate slightly higher than the SPA rate.

Texas Power & Light agrees to take 70,000,000 kilowatt-hours after the second unit is installed and one-half of the secondary energy, and agrees to pay $52,000 a month less credit for power taken out of its system by the Government at a rate slightly higher than the SPA rate.

Texas Power & Light agrees to take 70,000,000 kilowatt-hours after the third unit is installed and half the secondary energy produced from all three units, plus the output of the third unit which is not needed by SPA, and agrees to pay $6,000 a month additional to the $52,000 above.

The Government is given permission to take 20,000 kilowatts from the company's system and 25,000 kilowatts after the third unit is installed. The company agrees to firm it up to meet the needs of the customers.

The Government agrees to dispose of all its power to preferred customers and not to others as long as it can be marketed to the preferred classes.

The Government agrees not to sell power to other than preferred classes for a period of 18 months. If the Government violates this agreement, the company can terminate the contract on 3 years' notice.

The Government cannot sell power to any town or municipality which the company serves or may later serve at retail unless it builds a line from the dam to the customers and pays the company a penalty equal to the difference between their rates.

The Government cannot serve any customer on another system interconnected with the company.

The Government cannot serve any customer that is now served or may be served later by the company, except on penalty.

The company agrees to provide the necessary facilities, except those of excessive cost, for rendering service to Government customers.

The company agrees to release its customers, when requested by the customer, to the Government entitled to receive service under the contract.

The contract is for 20 years and is subject to termination on 6-year notice.

It is well to note at this point that there is no State regulatory commission in Texas which could increase rates to the co-ops. But there are in other States—Arkansas, Kansas, Louisiana, Missouri and Oklahoma—in SPA territory.

These are the main provisions of the Texas contract. It is obvious what dangers could arise if these terms were imposed in areas where the same specific conditions are not present. It would put the Government in the position of selling secondary power to monopolies which have already imposed on the people.

It would violate one of the firmly established tenets of our public power policy—to dispose of electric energy from public sources in a way so as to benefit the greatest number of people. If the Government finds itself with power to sell and no facilities for delivery, it would again be caught in the pincers of the utility monopolies.

Mr. President, at this point I ask unanimous consent to insert in the RECORD an editorial comment by Mr. Peter Edson, of the Washington Daily News, published on July 27, 1949.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

JOKER

(By Peter Edson)

A huge joker has been found in the Senate Appropriations Committee recommendations against the building of Government transmission lines from Bureau of Reclamation power dams.

It relates to proposed orders that the Interior Department make contracts with Pacific Gas & Electric Co. and Idaho Power Co., similar to a contract now in force between the Government's Southwestern Power Administration and the Texas Power & Light Co.

The catch is that the Texas Power & Light contract was a special agreement made to fit peculiar circumstances not found in the California and Idaho areas. Forcing a Texas Power & Light type contract on other power projects would in effect restrict the Government to developing only secondary power to supplement primary power developed by the private companies.

The Texas contract was drawn up to handle only the public power developed at Denison Dam. This is a flood-control dam built by the Army engineers on the Red River, which forms the boundary between southern Oklahoma and Texas.

Not enough water flows through the Red River throughout the year to make possible the delivery of a large load of firm power by Denison Dam generators. But the water held at Denison Dam during heavy rainfall run-off is sufficient to deliver a fair quantity of secondary power for limited periods.

About the best Denison can do is deliver firm power for 8 hours a day, plus limited secondary power. This is hard power to sell. Southwestern Power Administration has no other generating capacity in this territory to tie into. But it does have a number of potential preference customers among rural cooperatives in the area. They could not be served, though, because Texas Power & Light controls all the transmission lines.

On the other hand, Texas Power & Light was in the position of needing reserve power for its peak load periods in the afternoon and evening. So here were all the elements for a good trade.

Under the law, Interior Department is selling agent for power generated at flood-control dams built by Army engineers. So in April 1947 Southwestern Power Administrator Douglas Wright made a contract for the Department with Texas Power & Light.

In brief, Southwestern Power swapped its secondary power for delivery at peak load periods in exchange for firm power from Texas Power & Light for delivery to the Government's customers. It is a good deal for both sides. It increased the company's capacity. It marketed the Government's power and delivered it to its customers.

The unsuitability of this Texas Power & Light type contract for other Government installations having the capacity to deliver large quantities of firm power is obvious.

A Senate floor battle has been promised by Senators O'MAHONEY of Wyoming, JOHNSON of Texas, SPARKMAN of Alabama, and others who want committee restrictions on the public-power program removed. If committee recommendations are adopted, they will put the Government in the role of being secondary suppliers to private monopolies.

Mr. HUMPHREY. Mr. President, the committee makes one recommendation which I urge the Senate to approve. That is approval by the committee of a cash appropriation to start construction immediately on a grid to serve central North Dakota and parts of western Minnesota. I believe this appropriation, as approved by the committee, is a forward-looking one.

Briefly, a number of REA-financed cooperatives in North Dakota are hard up for power. Without power they will not be able to extend service to thousands of rural people in their State. They propose to build a steam plant near Garrison Dam and will operate that plant for 5 years before Garrison Dam power will be available. They will use this transmission system to distribute their power.

Thousands of Minnesota farmers, as well as those in North Dakota, stand to gain by this program. These Minnesota farmers are members of distribution cooperatives which are served by the Minnkota Power Cooperative, of Grand Forks, N. Dak. The Minnkota co-op will tie in its system with the Bureau's. As soon as power is available from Garrison, these farmers will benefit, too.

The Department of the Interior is responsible for marketing power from multiple-purpose water-control projects constructed by the Bureau of Reclamation of that Department and those constructed by the Corps of Engineers of the Department of the Army. This means that Interior markets all Federal power except in the area served by TVA. The various laws providing for this power-marketing job require Interior to give preference in the sale of power to public bodies and cooperative organizations. They also require that the power is to be sold on a basis which will encourage its widespread use at the lowest rates consistent with sound business principles. Interior is authorized to build the transmission lines necessary to market the power. It is supposed to carry out its power job on a businesslike basis and return to the Treasury the costs allocated to power.

The privately owned electric utilities have contended that they should be permitted to buy all of the power generated at Federal projects and to distribute it to their customers along with their own power. The policy of Congress has been, however, that the privately owned utilities should not be permitted to monopolize the power from projects built with Federal funds, and it is for this reason that preference is given to public bodies and cooperatives.

The private utilities have also contended that if they cannot buy all of the power from Federal projects, they should provide the transmission facilities necessary to carry the power to market rather than having these facilities provided directly by the Government. This would have the effect of placing the private utilities in a position between the Government and the public bodies and cooperatives to which power is to be marketed. The utilities have opposed the appropriations for Federal transmission lines on the ground that these lines should be provided by them instead. In several instances, in the past, particularly in the Southwest, Congress has refrained from appropriating money for transmission facilities in the hope that the Government and the utilities could arrive at a mutually satisfactory agreement under which the policies required by law could be protected and, at the same time, the Government could avoid the expenditure required for transmission facilities. Very few such contracts have been worked out. In no case has an agreement been reached for the use of transmission lines when no appropriations for them have been made by the Congress. The opposition to appropriations by the utilities has been primarily a tactic employed to delay the marketing program of the Government.

In the 1950 appropriation bill for the Department of the Interior, the House of Representatives provided funds for the marketing of Federal power in the Southeast, Southwest, Missouri Basin, Northwest, Colorado, and California. The appropriations requested were supported by representatives of cooperatives in practically all of these areas, and many of the appropriations were opposed by private utility companies.

Mr. President, none of these items in the 1950 appropriation bill directly affect Minnesota. However, the problem represented by the conflicting action of the House and Senate committees, and the differences in policy involved have great future significance for Minnesota and its neighboring States. At the present time there are under construction, as part of the great Missouri Basin project, the Garrison Dam in North Dakota and the Fort Randall Dam in South Dakota. Early construction is being urged of the Oahe Dam in South Dakota. These three dams will have initial power installations totaling about 500,000 kilowatts. Interior must build transmission lines connecting these dams together and market their power output to public agencies and rural cooperatives and other customers in the region. Part of this power will undoubtedly flow to Minnesota.

The construction of these transmission lines in the future will assure the REA cooperatives, municipalities and other preferred customers in Minnesota their fair share of this Federal power. It will thus be made available to them when they want it and where they want it. The provision of these lines will assure that the power from these projects will not be monopolized by a few private companies in the area. In the next year or so, appropriation requests will be made for these facilities, and undoubtedly there will be the same kind of opposition which is being met in other areas this year.

The power from Federal projects, which belong to the people of the whole United States, can and should be put to work as a dynamic element in resource development in the regions in which it becomes available. Congress has developed over the last forty years the policies under which this power is to be sold. Without the provision of adequate funds, these policies can be rendered entirely ineffective. That is the effort being made this year by the private utilities. If these policies are to be nullified, the job should be done through the regular legislative process, with public hearings and full consideration of the effect of that nullification on the public interest.

I repeat, if we are to change the public power policy of this country, let us do it through legislation, let us change it on the basis of hearings and testimony,

soundly arrived at decisions. It should not be done by denying the appropriations which are essential if the responsibilities which the Congress has imposed upon the Bureau of Reclamation, and which policies have already become the established policies of this country, are to be discharged.

Mr. CAIN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Washington.

Mr. CAIN. I was very much interested in the area and scope of the Senator's discussion, and particularly about the beginning. I was intrigued to hear the Senator from Minnesota say that he approved conclusively the prevailing Federal power policy. From my point of view that is worthy of note, and particularly for the reason that the Senator from Minnesota is the first Senator I have heard say there is a public-power policy. I know I would benefit from his definition of what that policy has been, is, and presumably will continue to be in the future.

Mr. HUMPHREY. I would refer the distinguished Senator from Washington back to the Flood Control Act of 1944, which placed upon the Reclamation Service the responsiblity for the marketing of the power generated at the flood-control dams. We have quite a policy in the matter of the Tennessee Valley Authority, we have quite a policy on the part of the Federal Government in the matter of generating plants for rural REA cooperatives.

I also call to the attention of the Senator that both political parties, in their pious pronouncements to the American people as they get vote hungry, have said repeatedly that they are for federally owned transmission lines, for Federal power projects—both parties.

Mr. CAIN. I was concerned as to how the Senator from Minnesota would define a Federal power policy, and he has given to us the benefit of his own definition.

One other question. The Senator from Minnesota has spoken with some authority on the problems which concern all of us in the Pacific Northwest. I should like to ask the Senator from Minnesota whether it is his considered judgment that we need more transmission lines in the Pacific Northwest today, or whether we need more generated kilowatts of power. I ask that seriously, because it is obvious to everybody who has ever been in the Pacific Northwest, certainly in recent years, that we suffer from a lack of adequate power. We have not sufficient power to satisfy the needs of our present customers. If we build more transmission lines, are we not going to reduce the service which we are presently giving to our customers, not all of whom are being properly served today? The Senator will recognize the validity of the question.

Mr. HUMPHREY. I recognize the validity of the question. I also am greatly appreciative of the answer which the questioner has presented to me.

It is perfectly true that the great Pacific Northwest needs more power and it is perfectly true that the great Middle West needs more power, and it is perfectly true that none of the private utilities ever thought we did need any more power. In my own city of Minneapolis they condemned the building of a hydroelectric plant on the St. Croix River. I remember that the private utility company in my own city said, "That is surplus power," and after the cooperative built it, the private company was over there to see how much electricity they could get out of it.

I know of no private utility man who ever came before the Congress who ever had any faith in the American people consuming electricity. They kept the country in darkness until somebody put a little light on the subject about the possibility of getting electrical power for the plain people, and we started getting hydroelectric projects and transmission lines.

As to the other part of the question—because the Senator answered the first part of it—it is certainly true that we need more hydroelectric development in the great Pacific Northwest, and if we are to generate more power, it seems very obvious to this amateur in the electrical business that we need transmission lines to carry the power. My point is that if the Government of the United States, with the people's money, builds a hydroelectric power project, erects a dam and puts in the generating facilities, no private company should have a monopoly in taking that power off that public property.

Mr. CAIN and Mr. ECTON addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Minnesota yield; and if so, to whom?

Mr. HUMPHREY. I yield to the Senator from Washington.

Mr. CAIN. How are we in the Pacific Northwest to get a sufficient amount of power from all sources, both public and private, to distribute on the lines which are of such great concern to us this afternoon? If we have these new lines in the months to come, we are not going to have any power to distribute over them. That happens to be basic, and we are all in agreement on that. My great desire is to get the power. Where is the power coming from?

Mr. HUMPHREY. The junior Senator from Minnesota, because he is interested in the development of regional river projects and believes in the multiple-purpose type of project, thinks the best thing for us to do is to get the Columbia River project completed as fast as we can.

Mr. CAIN. Is there a single kilowatt of electricity available in the power project to which the Senator has referred?

Mr. HUMPHREY. I am sure there is.

Mr. MURRAY. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield to the Senator from Montana.

Mr. MURRAY. The junior Senator from Washington is greatly disturbed over the fact that we are building these transmission lines, and that we have not power to carry over the transmission lines.

Mr. CAIN. I am not greatly disturbed, I am raising a question which perplexes me.

Mr. MURRAY. The transmission lines are being provided for in order to have them ready when the various projects are completed, and when the power will become available. If we do not have them ready, then we will have these great projects producing power but no transmission facilities, no possibility of disposing of the power. So provision is being made for the power lines in order to take care of that situation.

For instance, take the situation in the State of Montana. We have the Hungry Horse Dam, which is going to become a very important part of the Columbia River development. It is going to provide a tremendous amount of power. We must have transmission lines in order to integrate that power with the Columbia Valley program.

Mr. CAIN. Mr. President, my understanding, and I may be mistaken, is that the transmission lines we presently have in the Northwest are capable of carrying a considerably greater amount of power than is being generated now. I approach this problem from the point of view of emphasis: Which should we do first?

Mr. HUMPHREY. Mr. President, I will say that I would give the Pacific Northwest both. I think both dams and transmission lines should be constructed. When I was mayor of the city of Minneapolis I heard argument over the question: "Should we put in the sewers first or should we wait until the houses were built and then put in the sewers? If we put in the sewers first we will have to wait until the houses are built before the sewers can be made use of. But on the other hand if we have the houses without the sewers we cannot use the houses." What kind of talk is that? What we need is electric power and we need transmission lines to carry that power. If there is any doubt as to which should come first, the junior Senator from Minnesota, because of the fact that he is not given credit for being among those who compose the economy bloc, is willing to vote to give both. I think both should be constructed in the great Northwest, which is a wonderful area. I think the great Northwest should also be generous in dealing with the Midwest.

Mr. President, the argument the distinguished Senator from Washington [Mr. CAIN] is making on the floor now was made by every utility man in the country respecting the TVA and respecting every public works project we have had which generates public power. First of all, they say we have too much electric power. Then when it is discovered that there is not sufficient power, the statement is made that there is no need for the building of transmission lines because there is not enough power being generated to call for construction of such lines. It is a nice Mexican bean game. When we have too much power there is no need for constructing more dams, because we do not have sufficient transmission lines to carry the power. When we have too little power the claim is made that because we have so little power there is no need to construct more transmission lines.

Mr. CAIN. Mr. President, will the Senator permit me to say that at the

moment I am not attempting to make an argument.

Mr. HUMPHREY. I surely agree that the Senator has not made an argument.

Mr. President, had we listened to the proponents of private utilities in this country I believe half the people would be living in darkness, and more darkness than just the lack of electric bulbs.

Mr. CAIN. Will the Senator permit me to finish? I wish to have the situation made quite clear, and I want to let the people in the Northwest know what the situation is, because I bear a considerable responsibility in that area, as the Senator from Minnesota also shares a considerable interest in the affairs of that region. If we build additional transmission lines without having an answer to when and how we are going to obtain additional power, we are merely going, in the immediate years ahead, to provide less service than the prevailing meager service we unfortunately have been required to provide for our people. We are going to have more miles of transmission lines to serve more customers with the same quantity of power. Now, if my people at home understood what they are getting, that is one thing. But my chief concern goes back to generating additional power.

I am not critical of the Senator from Minnesota, because I think he is adding a great deal of substance to the debate. But if I am not mistaken, the Senator's interest is almost entirely restricted to transmission lines, for I do not recall that the Senator was among those of us who appeared before the committees of the Congress to plead as best we could, on the basis of documented cases, for more money with which to generate additional power.

Mr. HUMPHREY. If the Senator will look into the record I think he will find that while it was not my privilege to be present in body, I was present in spirit, and by written testimony. I should like to make it crystal clear that not only the matter of transmission lines is involved, but also the matter of public power is involved. I am not going to be placed in the position of voting simply to build power projects, without the transmission lines, and then have someone say, "Look at me. I obtain power from a private power company at 5.8 mills a kilowatt-hour. Let that company have the monopoly on Uncle Sam's power projects." Not on your life, Mr. President. I say that if there is now a little shortage of power in the Northwest, and if the question is whether or not there ought to be built additional transmission lines, I say, build them. The fact remains that 80 percent of the power potential of electric power is to be found in the Senator's section, in the great Pacific Northwest.

Mr. CAIN. That is correct.

Mr. HUMPHREY. I say the Congress has been quite generous with the Pacific Northwest, and if there are a few transmission lines out there for which ready kilowatts cannot be found, dams can be built to keep the lines loaded. Where these great hydroelectric projects have been built, they are meaningless unless transmission lines exist to carry the current. The question is, Who is going to build the lines? I say it should be the Federal Government, if the project is federally owned. If it is a private dam or a private project, more power to the private company. That is my answer.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Illinois.

Mr. LUCAS. I should like to see if we can secure a unanimous consent agreement to vote on the amendment. As I understand only two Senators, the two Senators from Montana, expect to speak on the amendment. Am I wrong in that assumption?

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MAGNUSON. I should like to have not more than 10 minutes at some time tomorrow.

Mr. LUCAS. I think the amendment has been quite well debated. I should very much appreciate it if we could secure a unanimous consent agreement. How much time will the senior Senator from Montana require?

Mr. MURRAY. Speaking for myself I wish to take some time to go over the program in its entirety. I want to take considerable time on it.

Mr. LUCAS. I expect the Senate to take a recess until 11 o'clock tomorrow. How long does the senior Senator from Montana expect to take?

Mr. MURRAY. I want at least an hour.

Mr. LUCAS. And how about the junior Senator from Montana? How long does he expect to speak?

Mr. ECTON. Mr. President, I am willing to do anything within reason to secure an agreement.

Mr. LUCAS. If the Senate meets at 11 o'clock a. m., will it be satisfactory that the time for voting on the amendment be fixed at 3 o'clock tomorrow?

Mr. CAIN. Mr. President, reserving the right to object, and I certainly have no disposition to object, I will say that the minority leader, the Senator from Nebraska [Mr. WHERRY] before he left, did not anticipate any unanimous-consent request to be made at this time. With the Senator's permission I should like to endeavor to get the Senator from Nebraska on the telephone and pose to him any unanimous-consent request the Senator seeks to have reached.

Mr. MURRAY. I spoke to the Senator from Nebraska just before he left the Chamber and he indicated to me that no effort would be made to secure a unanimous-consent agreement this evening.

Mr. LUCAS. Mr. President, I shall start asking for unanimous-consent agreements upon practically everything that comes before the Senate with the view of trying to advise the country that, insofar as the majority leader is concerned, I am not holding up the Senate of the United States in the matter of legislation.

It is my understanding that tomorrow the House will send to the Senate a concurrent resolution asking the Senate to join with the House in giving the House a 3 weeks' recess because the House does not have anything to do. I am as anxious to get away from the Senate of the United States as is any other Senator. We have important measures before us. I appreciate and realize that fully. But I am going to start to ask for unanimous-consent agreements on practically every measure that comes before the Senate and upon every amendment which gives rise to debate, with a view to try to tell the country at least that we are endeavoring to make some speed with respect to the adjournment of Congress. Of course, it is within the province of any Senator who wishes to do so to object.

I ask unanimous consent that not later than 2 o'clock tomorrow afternoon the Senate proceed to vote without further debate upon the pending amendment and all amendments thereto.

The VICE PRESIDENT. Is there objection to the request of the Senator from Illinois?

Mr. MURRAY. Mr. President, I have no objection if we meet at 11 o'clock and vote at 2 o'clock.

Mr. LUCAS. That is my intention.

Mr. FERGUSON. Mr. President, reserving the right to object, the Senator from Michigan does not state this definitely, but he has in mind a motion to recommit the bill to the committee.

The VICE PRESIDENT. That would have no effect on the vote of the amendment.

Mr. FERGUSON. It would relate to the bill itself.

The VICE PRESIDENT. The unanimous-consent request relates to the vote on an amendment.

Mr. FERGUSON. Did I correctly understand the Senator from Illinois to say that he wished an agreement with respect to a vote on the bill?

Mr. MAGNUSON. No; only the pending amendment and all amendments thereto.

Mr. FERGUSON. I have no objection.

Mr. ECTON. Mr. President, is it assumed that the time will be equally divided?

Mr. LUCAS. That is correct. The time is to be equally divided between the junior Senator from Montana and the senior Senator from Montana.

Mr. FERGUSON. And time may be assigned to any Senator.

Mr. LUCAS. Certainly.

Mr. CAIN. Mr. President, knowing of the continuing desire of the Senator from Nebraska [Mr. WHERRY], the minority leader, to cooperate with the majority leader, and the wish of Senators on this side of the aisle to get on with the transaction of the business of the Senate, I think I can safely speak in this instance for the minority leader. I have no objection.

The VICE PRESIDENT. Is there objection to the request of the Senator from Illinois? The Chair hears none, and it is so ordered.

Mr. LUCAS. Mr. President, in view of what the able Senator from Michigan said with respect to recommitting the bill to the committee, I presume the motion will be made on the ground that it contains legislation. If that is the viewpoint of any Senator, and if that is what is expected, if the point of order is good

it should be made at once. I have not examined the bill from that angle.

Mr. FERGUSON. Mr. President, will the Senator yield for a moment?

Mr. LUCAS. I yield.

Mr. FERGUSON. It is not on that ground. It is on the ground that so much has been added to the bill, and that there are so many unbudgeted items in the bill, that the committee should have the right to reconsider the entire bill. The motion would be based on that ground, rather than on the ground of legislation.

Mr. LUCAS. I appreciate the Senator's statement. The Senator from Michigan would probably make the motion to recommit.

Mr. FERGUSON. Yes. I merely wished to explain the grounds for the motion.

Mr. LUCAS. I am very appreciative of the Senator's statement. I was about to suggest that in the event the other situation was involved, instead of going through the bill we should consider that question immediately.

Mr. FERGUSON. No. My motion would not be based upon any technicality. The idea would be to send the bill back to the committee with all the amendments which the Senate has made. I am not trying to eliminate those amendments, but merely to have them considered by the committee.

Mr. LUCAS. I am grateful to the Senator for that explanation.

Mr. MYERS. Mr. President, as chairman of the Committee on Resolutions of the 1948 Democratic National Convention which drafted the platform on which President Truman successfully ran for election, I should like to make only a brief comment on the issue which is now before the Senate.

At Philadelphia last July our intent was to draft a platform which said as specifically as possible just where we, as a party, stood on the major issues before the country. We made no attempt to erect a tent under which any candidate, regardless of his views, could conveniently pause whenever it became important for him to identify himself with the Democratic party.

The platform was drafted to outline clearly and without any doubts where President Truman stood. It was drafted to suit his candidacy. It was drafted to demonstrate the clear continuation of Roosevelt policy in the Truman administration.

This is what we said on this issue of power—and I emphasize that there was no attempt whatsoever at the convention to erase any of this from the platform:

> The irrigation of arid land, the establishment of new, independent competitive business and the stimulation of new industrial opportunities for all of our people depend upon the development and transmission of electric energy in accordance with the program and the projects so successfully launched under Democratic auspices during the past 16 years.
>
> We favor acceleration of the Federal reclamation program, the maximum beneficial use of water in the several States for irrigation and domestic supply. In this connection, we propose the establishment and maintenance of new family-size farms for veterans and others seeking settlement opportunities, the development of hydroelectric power and its widespread distribution over publicly owned transmission lines to assure benefits to the water users in financing irrigation projects, and to the power users for domestic and industrial purposes, with preference to public agencies and rural electrification administration cooperatives.
>
> These are the aims of the Democratic Party which in the future, as in the past, will place the interest of the people as individuals first.

That is what we said, and we said it straightforwardly and, I trust, sincerely.

Our purpose is to assure that the power developed by the Federal Government, through facilities paid for by all of the people of the United States, is distributed fairly, equitably, and efficiently. This power belongs to all the people, and is not the private preserve of any interest except the public interest. The Government must not be forced to sell this power to monopolies unless private utilities show clearly that they will cooperate in the distribution of it on a proper basis.

Mr. President, although I have supported the administration's position and the Democratic platform on this matter, and intend to vote against the committee amendments on public power, I am struck by the fact that there is evidence of sizable opposition in Pennsylvania to the position which I am taking.

I am a little puzzled by an influx of mail from the eastern area of the State, particularly in the anthracite region, opposing any publicly owned transmission lines as constituting competition with private enterprise.

Although this is not a matter of direct geographical interest to this section of Pennsylvania, since we have no public-power projects anywhere in the State, I am impressed by the intensity of the feelings which these Pennsylvanians indicate on this subject.

As I have said, since I do not intend to support the position urged upon me by so many Pennsylvanians, I think it only fair to them that their views are brought directly before the Congress, and I therefore ask unanimous consent to have inserted at this point in the RECORD, as a part of my remarks, communications from individuals in Pennsylvania urging support for the Senate Appropriations Committee amendments limiting the construction of publicly owned transmission lines.

There being no objection, the communications were ordered to be printed in the RECORD, as follows:

POTTSVILLE CHAMBER OF COMMERCE,
Pottsville, Pa., August 2, 1949.

Hon. FRANCIS J. MYERS,
Senate Building,
Washington, D. C.

DEAR SIR: Your help and support on the Senate Appropriations Committee's recommendation of bill H. R. 3838 will be appreciated.

This bill will eliminate the destructive and costly competition of the Federal Government against private enterprise in the generation and distribution of electric power.

Very truly yours,

ROBERT B. GABLE,
President.

WILMER FASHION,
Lehighton, Pa., August 2, 1949.

Hon. FRANCIS J. MYERS,
Washington, D. C.

DEAR SENATOR MYERS: We would like you to support Senate Appropriations Committee recommendations in Report No. 661 on the Interior Department appropriations bill H. R. 3838, in order to eliminate the destruction and costly competition of the Federal Government against private enterprise in the generation and distribution of electric power.

These recommendations in Report No. 661 will be a means of protecting investors in privately owned electric companies from destructive Federal competition, and should also be supported to stop wasting the taxpayers' money in building electric lines and plants where they are not necessary or where they are already built, for the Government to build additional transmission lines would only be a costly duplication of facilities.

It is important and desirable to stop the threatened nationalization of one of America's key industries.

Your support of this request will be appreciated.

Very truly yours,

PETER MERLUZZI.

THE UNION NATIONAL BANK,
Minersville, Pa., August 1, 1949.

Hon. FRANCIS J. MYERS,
United States Senator,
Washington, D. C.

DEAR SENATOR MYERS: Hearing that the Senate Appropriations Committee Report No. 661 on the Interior Department appropriation bill, H. R. 3838, is coming up for discussion, I would earnestly request you support this Report No. 661.

This, I believe, will stop the destructive and costly competition between Federal Government and private enterprise in the generation and distribution of electric power. It is also important to bring a halt to the threatened nationalization of one of America's key industries. This should be done to stop wasting taxpayers' money in the building of electric lines and plants where they are not necessary or where they now exist, therefore, we are asking for the support of this recommendation.

Very truly yours,

FRED J. WIEST.

DEPARTMENT OF PUBLIC SAFETY,
CITY OF POTTSVILLE, PA.,
Pottsville, Pa., August 1, 1949.

Hon. FRANCIS J. MYERS,
Senate Building,
Washington, D. C.

DEAR SIR: I am writing you with reference to bill H. R. 3838. This bill will eliminate competition of the Government with private utilities in the manufacture and distribution of electric power. This bill will also stop costly duplication of electric facilities and protect the investors in the privately owned electric companies.

Your help and support of this bill will be appreciated.

Yours respectfully,

EARL J. HOWELLS,
Director.

BERKELEY BAGS, INC.,
Mauch Chunk, Pa., August 1, 1949.

Hon. Senator FRANCIS MYERS,
United States Senate,
Washington, D. C.

DEAR SENATOR MYERS: We strongly approve the above bill which is now up for consideration in the Senate. We are writing this letter to you to make our viewpoint clear with regard to our position on the

principles of public utilities and private enterprise.

We are deeply concerned with the current trend of philosophy wherein the Government seeks to gradually encroach upon private enterprise or such public utilities as power, light, railroads, etc. We hope that you are in agreement with us that what has happened in Britain shall not be permitted to happen here.

We shall appreciate hearing from you as to your position on the above bill. We trust that you are in accord with us in the principle of not permitting the Government to go into competition with either public or private industry. We cannot begin to stress too much that if we are not continuously on our guard the Government may gradually gain a foothold from whence it would be easy to expand into other industries.

Very truly yours,

MILTON SAMUELSON,
President.

MINERSVILLE, PA., *August 1, 1949.*

Hon. Senator MYERS,
United States Senate,
Washington, D. C.:

We urge that you support the Senate recommendation 661, referring to the bill H. R. 3838, as we feel if this bill is passed it will not only help our community but every taxpayer in the United States.

JOHN RADZIEVICH.

C. V. CONVERSE & CO.,
Allentown, Pa., August 1, 1949.

Hon. FRANCIS MYERS,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MYERS: As vendors of public utility securities, we are very interested, as are many of our clients, in the Interior Department appropriations bill, H. R. 3838. We understand the Senate Appropriations Committee has recommended the disapproval of appropriations for the Central Valley steam plant and certain transmission lines in the Southwest as well as funds for the Southwestern Power Marketing Division.

We respectfully request that you support the recommendations of the Senate Appropriations Committee on the floor of the Senate.

Nationalization of industry regardless of the type is not the American way, and incidentally, does not seem to be doing so well in other parts of the world. We urge you to help keep our Government out of business.

Thanking you in advance for consideration in this matter, I am,

Very truly yours,

C. V. CONVERSE.

CHAMBER OF COMMERCE,
Ashland, Pa., August 1, 1949.

Senator FRANCIS J. MYERS,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MYERS: We are requesting that you lend your support to the Senate Appropriations Committee's recommendations on the Interior Department appropriations bill, H. R. 3838. Report No. 661.

We consider this very important in stopping the threatened nationalization of one of America's key industries. We certainly do not want a duplication of electric facilities and we would like to see the investors of private-owned electric companies protected from destructive Federal competition.

Thanking you in advance.

Very sincerely yours,

FRANKLIN L. LANE,
Secretary.

ALLENTOWN, PA., *July 29, 1949.*

Hon. FRANCIS MYERS,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MYERS: It is my understanding that the Senate Appropriations Committee has reported out the Interior Department appropriations bill, H. R. 3838, with certain definite recommendations, among which is the disapproval of appropriations for the Central Valley steam plant and certain transmission lines in the Southwest and adjacent Rocky Mountain States. I further understand that funds were disapproved for the Southeastern Power Marketing Division.

My only quarrel with the Senate Appropriations Committee is that it did not go far enough as I feel very keenly that neither Federal, State, nor municipal governments have either constitutional or moral right to enter into the power business, or any other business.

It is my firm conviction that the Socialists are using the so-called theory of byproduct electric energy as a vehicle to infiltrate in industry with the ultimate objective of socializing, and eventually communizing, this great country of ours.

I respectfully request that you support the recommendations of the Senate Appropriations Committee when the bill is brought on the floor of the Senate. This, I understand, will be very shortly.

Thank you for the courtesy extended in this matter.

Very truly yours,

W. C. MCHENRY.

LAUBENSTEIN MANUFACTURING CO.,
Ashland, Pa., August 1, 1949.

Hon. FRANCIS J. MYERS,
United States Senate,
Washington, D. C.

MY DEAR SENATOR: I am taking the opportunity to ask you to support the Senate Appropriations Committee's report on the Interior Department Appropriations bill H. R. 3838, Report No. 661.

My reasons for asking you to support the committee's recommendations are to have eliminated the destructive and costly competition of the Federal Government against private enterprises in the generation and distribution of electric power, and to stop the costly duplication of electric facilities. I remain,

Your very truly,

RAYMOND P. LAUBENSTEIN.

MERCHANTS' BUREAU,
POTTSVILLE CHAMBER OF COMMERCE,
Pottsville, Pa., August 2, 1949.

Hon. FRANCIS J. MYERS,
Senate Building, Washington, D. C.

DEAR SIR: Your help and support on the Senate Report No. 661, bill H. R. 3838, with reference to making appropriations for the year of 1950, will be appreciated.

We hope this bill will stop the costly duplication of facilities and protect the investors in the privately owned electric companies, from destructive Federal competition. This bill would also stop the wasting of the taxpayers' money in building electric lines and plants where they are not necessary or where they may already exist.

Yours respectfully,

HENRY J. FICK,
President.

MAUCH CHUNK KIDDY KLOES,
Mauch Chunk, Pa., August 2, 1949.

Hon. FRANCIS J. MYERS,
Washington, D. C.

DEAR SENATOR MYERS: The Senate Appropriations Committee has reported out of committee the Interior Department appropriations bill H. R. 3838, which has been approved by the House. We desire your support of the Senate Appropriations Committee Report No. 661.

We urge you to support the recommendations in the report. It is important to eliminate the costly and destructive competition of the Federal Government against private enterprise, in the generation and distribution of electric power.

We feel it is important and desirable to stop the threat of nationalization of one of America's key industries.

The costly duplication of facilities and wasting the taxpayers money in building lines and plants where they are not required should be stopped to protect the investors in privately owned electric companies.

Anything you can do to have the recommendations approved will be appreciated.

Very truly yours,

JOSEPH R. MICALE, *Manager.*

SCHARADIN'S PHARMACY,
Frackville, Pa., August 1, 1949.

Hon. FRANCIS MYERS,
United States Senate,
Washington, D. C.

MY DEAR SENATOR: Your support of the Senate Appropriations Committee recommendations to bill H. R. 3838 is urgently requested so that costly Government duplications of electric power facilities will not take place and which will save the taxpayers money.

Sincerely,

WILLIAM L. SCHARADIN.

BETHLEHEM, PA., *August 3, 1949.*

Hon. FRANCIS J. MYERS,
Senate Office Building:

It is our understanding that the Senate Appropriations Committee has reported out the Interior Department appropriations bill (H. R. 3838), and we wish to commend those features of the bill which declined approval of the Central Valley steam plant and separate funds for southeastern power marketing division.

We believe that the bill as reported out is substantially satisfactory because it achieves desirable savings and at the same time is in line with our interpretation of maintaining the free-enterprise system.

HARRY K. TREND,
General Secretary, Bethlehem Chamber of Commerce.

CHAMBER OF COMMERCE OF ALLENTOWN,
Allentown, Pa., July 29, 1949.

Hon. FRANCIS J. MYERS,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MYERS: For reasons which we believe to be sound, we are most anxious that you support the Senate Appropriations Committee recommendations with respect to H. R. 3838. It is our understanding that the committee has disapproved appropriations for the Central Valley steam plant and transmission lines in the Southwest and Rocky Mountain States, and that funds were disapproved for the Southeastern Power Marketing Division.

This organization is strongly opposed to the socialistic principle involved in legislation providing for governmental ownership and operation of what is presently private industry. That principle is very apparent in H. R. 3838 as originally drawn. The Appropriations Committee has rendered a fine service in its recommended revisions.

Again, may we ask your support of the committee recommendations on this bill.

Cordially,

COMMITTEE ON GOVERNMENTAL AFFAIRS,
CHAMBER OF COMMERCE OF ALLENTOWN, ALLENTOWN, PA.
WINFIELD CLEARWATER, *Secretary.*

ARCADY BAG CO.,
East Mauch Chunk, Pa., August 2, 1949.
Hon. FRANCIS J. MYERS,
Washington, D. C.

DEAR SENATOR MYERS: The Senate Appropriations Committee has reported out of committee the Interior Department appropriations bill, H. R. 3838.

My purpose in writing this letter is to urge your support of the Senate Appropriations Committee recommendations on their Report No. 661.

My reasons for requesting your approval of these recommendations are because the competition of the Federal Government with private enterprise is not only costly but destructive.

In order to protect the investors in private owned electric companies it is necessary to eliminate the duplication of facilities such as building electric lines and plants where they are not required.

Your cooperation will be greatly appreciated.

Very truly yours,

SAMUEL SAMUELSON.

MINERSVILLE PLANNING COMMISSION,
Minersville, Pa., August 1, 1949.
Hon. FRANCIS J. MYERS,
Senate, Washington, D. C.

DEAR SENATOR MYERS: After having looked into the provisions of the Interior Department appropriation bill, H. R. 3838, and the supporting Senate Appropriations Committee recommendation No. 661, we believe this to be the best program so far proposed in connection with Federal power, therefore, we ask you to support recommendation No. 661.

As we understand it this will certainly eliminate costly competition in the generation and distribution of electric power and will prevent the threatened naturalization of one of our key industries.

This will permit the Nation as a whole and every taxpayer to enjoy the fullest values of the development in its own way, each separately, Federal power and private power. This would stop wasting of taxpayers' money in building lines and plants where not necessary or where they already exist, thus protecting the investors in private owned electric companies from destructive competition.

For these reasons we ask your support of these bills.

Very truly yours,

F. T. TRAFFORD, *President.*
JOHN A. MOWER, *Secretary.*

BLACKWOOD COAL CO., INC.,
Minersville, Pa., August 2, 1949.
Hon. FRANCES J. MYERS,
Senate, Washington, D. C.

DEAR SENATOR MYERS: Having heard that the Interior Department appropriation bill H. R. 3838 has passed and that the Senate Appropriation Committee Report No. 661 on this bill is coming up for discussion, I would earnestly request you support this Report No. 661.

This will stop the destructive and costly competition between Federal Government and private enterprise in the generation and distribution of electric power. It is important in that it will stop the threatened nationalization of the electric industry in America. This should be done to save taxpayers' money in the building of electric lines and plants where they are not necessary or where they now exist, therefore we are asking for the support of this recommendation.

Very truly yours,

JOHN RADZIEVICH,
President.

TAMAQUA MERCHANTS ASSOCIATION,
Tamaqua, Pa., August 1, 1949.
Hon. FRANCIS J. MYERS,
United States Senate,
Washington, D. C.

DEAR SENATOR MYERS: Please give your urgent support to the passage of the Interior Department appropriation bill H. R. 3838. The committee Report No. 661 on this bill H. R. 3838 appears to have some merit in the solution of the wasteful power project programs that are currently raging. We know that you are no more in sympathy with nationalization of electric industry or any other than we are. Therefore we again ask that this situation be carefully studied and the Report No. 661 above referred to shall be included in the bill.

H. R. FENSTERMACHER,
President.

THE FREE PRESS,
Minersville, Pa., August 11, 1949.
Hon. FRANCIS J. MYERS,
Senate, Washington, D. C.

DEAR SENATOR MYERS: According to congressional reports, the Senate Appropriation Committee recommendation No. 661 on the Interior Department appropriation bill H. R. 3838 is up for hearing, I would ask that you support this recommendation No. 661.

This will stop the costly competition and bring a halt to the threatened nationalization of one of our key industries, also permit the Nation and every taxpayer to enjoy the fullest values of the development, each in its proper sphere, Federal power and private power. This would save the taxpayers money in building electric lines and plants where they are not needed or where they already exist.

There may be many more good reasons but I believe this is sufficient for you supporting this Report No. 661.

Very truly yours,

IRA B. JONES,
Publisher.

MESSNER & HESS STORES,
Minersville, Pa., August 11, 1949.
Hon. FRANCIS J. MYERS,
Senate, Washington, D. C.

DEAR SENATOR MYERS: Hearing that the Senate Appropriation Committee Report No. 661 on the Interior Department Appropriation bill H. R. 3838 is coming up for discussion, I would ask that you support this recommendation No. 661.

This will eliminate costly competition and is necessary to bring a halt to the threatened nationalization of one of our key industries, also permit the Nation and every taxpayer to enjoy the fullest values of the development, each in its proper sphere, Federal power and private power. This would stop wasting the taxpayers' money in building electric lines and plants where they are not needed or where they already exist.

There may be other good reasons but I believe this is enough to warrant the support of this recommendation No. 661.

Very truly yours,

CLARENCE MESSNER.

LYKENS CHAMBER OF COMMERCE,
Lykens, Pa., August 11, 1949.
Hon. FRANCIS J. MYERS,
United States Senate,
Washington, D. C.

DEAR SENATOR: We feel that the Senate Appropriation Committee's Report No. 661 on recommendations to the Interior Department bill H. R. 3838, is very beneficial and important. If it is adopted, our people's confidence in our Government will be restored, knowing that they are not wholly competing with the industries of our country.

Your support of this bill will be greatly appreciated.

Yours respectfully,

PETER J. MCCORMICK,
Secretary.

WILLIAMSTOWN CHAMBER OF COMMERCE,
Williamstown, Pa., August 11, 1949.
Hon. FRANCIS J. MYERS,
United States Senate,
Washington, D. C.

DEAR SENATOR: The Senate Appropriation Committee's Report No. 661 on Recommendations to the Interior Department bill, H. R. 3838, seems to us to be most constructive. If adopted, it would be reassuring to the American people to know that their Government is not going socialistic, deviating from the American way of life by being competitors with private industry.

May we respectfully ask your support in its adoption.

Respectfully yours,

ANTHONY J. CAMER,
Secretary.

WEISS'S, INC.,
Lansford, Pa., August 4, 1949.
Senator FRANCIS MYERS,
The Senate,
Washington, D. C.

DEAR SENATOR MYERS: We urge you to support Senate committee recommendations contained in Report No. 661 on the Interior Department appropriations bill H. R. 3838. Passage of this bill will eliminate the costly competition of the Federal Government against private enterprise in the generation and distribution of electric power.

It is desirable to stop threatened nationalization of one of America's key industries and permit the taxpayers to enjoy the fullest values of Federal power and private power, each in its own way. It is also desirable to stop costly duplication of facilities caused by Federal competition where facilities already exist and this will protect the investors in privately owned electric companies.

Very truly yours,

JOSEPH P. WEISS.

SUNBURY CHAMBER OF COMMERCE,
Sunbury, Pa., August 5, 1949.
The Honorable FRANCIS J. MYERS,
United States Senate,
Washington, D. C.

DEAR SENATOR MYERS: We are advised that the Senate Appropriations Committee has reported out Interior Department appropriation bill H. R. 3838.

We have studied the provisions of this bill and our executive committee has directed that we urge your support of this bill when it is presented in the Senate.

We are satisfied that the provisions of this bill are in the interest of individual citizens as well as industry throughout the area and will have the hearty endorsement of the general public.

Yours very truly,

E. L. GILL,
Secretary.

POCONO MOUNTAINS
CHAMBER OF COMMERCE,
Stroudsburg, Pa., August 3, 1949.
Senator FRANCIS J. MYERS,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: We note that the Senate Appropriations Committee has reported out the Interior Department appropriations bill (H. R. 3838), and in so doing has declined to approve Central Valley steam plant and many transmission lines there, in the Southwest

and the Rocky Mountain States, assuming that affected companies will negotiate contracts and thus avoid duplication of facilities. We also note that it decided against approving separate funds for Southeastern Power Marketing Division.

We strongly urge that you give your individual support to the recommendations of this committee because of the desirable savings effected and the limitations imposed against further trends toward socialism in our form of government.

Sincerely yours,

CARL B. SEARING,
Executive Secretary.

LANSFORD BUSINESSMEN'S ASSOCIATION,
Lansford, Pa., August 4, 1949.

Senator FRANCIS MYERS,
The Senate, Washington, D. C.

DEAR SENATOR MYERS: We ask you to support Senate Appropriations Committee recommendations contained in Report No. 661 on the Interior Department appropriations bill H. R. 3838. We believe the support of these recommendations to a successful passage of the bill will eliminate the destructive and costly competition of the Federal Government against private enterprise in the generation and distribution of electric power.

This is important and desirable to bring to a halt the threatened nationalization of one of America's key industries and permit the Nation to enjoy the fullest values of the development, each in its proper sphere, of Federal power and private power.

We believe costly duplication of facilities must be stopped to protect the investors in privately owned electric companies from destructive Federal competition where electric facilities already are built.

Very truly yours,

RODMAN MORGAN,
President.

HAZLETON, PA., *August 5, 1949.*

Hon. FRANCIS MYERS,
Senate Office Building,
Washington, D. C.

DEAR SIR: I have noted that the Senate Appropriations Committee has reported out the Interior Department appropriations bill H. R. 3838. It seems to me that the committee report and the bill are steps in the right direction in the interest of economy in Government, cooperation of Government and business, and efficient use of the facilities of both.

For a long time the sharp and unfair competition existing between Government and business has cost the taxpayers of the United States millions of dollars. Why should citizens of Pennsylvania be billed for subsidized electrical energy provided citizens of Tennessee or Missouri or California? Why should Government be allowed to build steam electric-generating plants in direct competition with and ofttimes in duplication of privately owned and operated utilities? Why should transmission facilities be duplicated all over the land? Ever since the founding of this great Nation of ours private initiative and enterprise has been responsible for the enormous strides which have been made in every field of endeavor without unfair competition from our Government. Let's keep our Government out of business. Remember the mess we made of running the railroads and the air-mail service?

H. R. 3838 at least indicates a willingness on the part of Government and business to cooperate and live together. I therefore wholeheartedly solicit your support for this bill and let's keep America safe for free Americans.

Yours very truly,

ROLAND E. EDMUNDS.

HAZLETON, PA., *August 5, 1949.*

Hon. FRANCIS MYERS,
Senate Office Building,
Washington, D. C.

DEAR SIR: The established course over the past years which our Government has taken regarding the huge expenditures spent for ventures into fields which rightfully belong to private initiative is appalling. Millions for this business venture and millions for that venture, most of which are unnecessary and could be more efficiently and economically handled by privately owned business, are being approved with regularity. This needless spending has had its effect on the mounting Federal debt.

I am, therefore, pleased to note the report of the Senate Committee on Appropriations on the Interior Department appropriation bill, H. R. 3838. This report indicates a spirit of cooperation between Government and business in the elimination of a measure of destructive and unfair competition of the Federal Government against private enterprise in the generation and distribution of electric energy. It is in this field particularly, where large amounts of money have needlessly been spent and where the taxpaying public utilites could have done the job just as well.

I would appreciate your favorable consideration and support of this bill and any other measures which will preserve the long-established American way of working together for the common good.

Yours very truly,

DAVID J. RODERICK.

TREMONT, PA., *August 10, 1949.*

Senator FRANCIS MYERS,
Senate Office Building,
Washington, D. C.

DEAR SIR: I urgently solicit your support of the Senate Appropriation Committee's Report No. 661 on their recommendations on the Interior Department appropriation bill, H. R. 3838.

This will eliminate the destructive and costly competition of the Federal Government against private enterprise in the generation and distribution of electric power. It is time to call a halt to the wasting of the taxpayers' money.

Respectfully yours,

W. E. JONES.

HAZLETON, PA., *August 8, 1949.*

Hon. FRANCIS MYERS,
Senate Office Building,
Washington, D. C.

DEAR SIR: Your active support of Interior Department appropriations bill H. R. 3838 is earnestly solicited.

From reports which I have recently read this bill together with the Senate Appropriations Committee report on the bill indicate a trend of thinking which we believe is consistent with good, sound American common sense. I see no reason for the widespread cutthroat competition now existing between Government and business which is costing the taxpayers of the Nation countless millions of dollars at a time when the need for curtailment of Government spending is most urgent in order that a balanced economy may be obtained. I believe that private industry can do the job efficiently and at a saving, and they certainly should be allowed to do so.

Government certainly has no right to set itself up in business against private interests and thus reduce the potential tax revenues and increase the financial burden of all of us. Those burdens have become almost too heavy already. Great Britain is now in the throes of economic bankruptcy brought on purely by their Government dabbling very inefficiently in business for which it is not fitted. We in America prefer the American way of doing things which has proved so successful since 1776.

Yours very truly,

FRED BICKING.

HAZLETON, PA., *August 8, 1949.*

Hon. FRANCIS MYERS,
Senate Office Building,
Washington, D. C.

DEAR SIR: I am happy to note from the report of the Senate Appropriations Committee on Interior Department appropriations bill (H. R. 3838) that a realization of the necessity for cooperation between Government and private enterprise is at last evident. The needless construction by the Government of electric power generation and transmission facilities, duplicating in many instances those of privately owned companies, has cost the American taxpayer countless millions of dollars.

Consider the expenditures approved for New Johnsonville steam electric generating station. This plant will merely firm up installed hydroelectric power generation and this could just as easily have been accomplished by privately owned, taxpaying public utilities.

It seems to me that the obvious course to be followed today is to trim Government expenditures wherever possible in order that a stable economy may be assured. With this fact in mind, the elimination of Government spending in direct and unfair competition with private business would certainly be one place in which tremendous savings could be made.

It is therefore in the interest of good government that I earnestly solicited your support of this bill.

Yours very truly,

JOHN S. DAVIDSON.

TREMONT, PA., *August 10, 1949.*

Senator FRANCIS MYERS,
Senate Office Building,
Washington, D. C.

DEAR SIR: I urgently solicit your support of the Senate Appropriations Committee's Report No. 661 on their recommendations on the Interior Department appropriation bill, H. R. 3838.

This will stop the costly duplication of facilities and protect the investors in private-owned electric companies from destructive Federal competition.

Respectfully yours,

MORGAN S. FELLOWS.

POTTSVILLE, PA., *August 11, 1949.*

Hon. FRANCIS J. MYERS,
Senate Building, Washington, D. C.

DEAR SIR: Your help and support on the Senate Report No. 661, bill H. R. 3838, with reference to making appropriations for the year of 1950, will be appreciated.

I hope this bill will stop the wasting of the taxpayers' money in the building of electric lines and plants where they are not necessary.

Very truly yours,

MATT J. MCDONALD.

PITTSBURGH, PA., *August 11, 1949.*

Senator FRANCIS J. MYERS,
United States Senate,
Washington, D. C.

DEAR SENATOR MYERS: Undoubtedly, you are being overwhelmed with communications urging you to reconsider the action of the Senate Committee on Appropriations in disallowing certain funds for use by the Government in building duplicate transmission lines and other power facilities.

My judgment is that this action of the Senate committee is one of the first hopeful signs that our legislative leaders are beginning to think in terms of economy in the

use of taxpayers' funds. I sincerely hope that you will use your great influence to maintain a trend in this direction.

There is no better way to economize than to avoid duplicating and unnecessary expenditures of taxpayers' money. It is especially true when these duplications compete with American business enterprise. No branch of this enterprise has done a better job for the country than that accomplished by the electric utilities. There is no need for the Government in the power business on the basis of power supply or transmission of energy from existing plants.

If we are to preserve America, we must stop competing with the industries that made America possible and we must stop wasting taxpayers' money. I hope you will agree that these nonessential appropriations should not be authorized again and will use your influence accordingly.

Very truly yours,

P. H. POWERS.

Mr. SPARKMAN. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a copy of a letter addressed to the Senator from Tennessee [Mr. MCKELLAR], chairman of the Senate Committee on Appropriations, by Wesley R. Nelson, Acting Commissioner of the Bureau of Reclamation, regarding efforts which have been made from time to time by the Bureau of Reclamation to obtain a so-called wheeling arrangement with various private power companies, which, if entered into, would put into effect a plan similar to the so-much-discussed Texas contract plan.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES
DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D. C., August 9, 1949.

Hon. KENNETH MCKELLAR,
Chairman, Senate Committee on Appropriations, United States Senate.

MY DEAR SENATOR MCKELLAR: In reading the report of the Committee on Appropriations on the Interior Department appropriation bill, 1950 (S. Rept. No. 661), I note that in a number of instances in which the committee has recommended against the appropriation of funds for the construction of certain Bureau of Reclamation proposed transmission lines and other power features, the committee has stated that its recommendation is based upon the assumption that contracts can be negotiated which will provide, in effect, that the companies concerned will deliver Government-generated electricity to customers having a preference by law in the purchase of power from the Government. This service is, as you know, sometimes referred to as "wheeling" service. The report states that the Commissioner of Reclamation shall report to the Appropriations Committee by January 1, 1950, on the progress made in entering into such wheeling contracts for service to preferred Government customers.

I am in a position at this time to inform you as to the results of our previous attempts to obtain wheeling service with the companies in question in order to serve preferred Government customers. A brief résumé of the status of those negotiations with each company is set forth in the following paragraphs.

PACIFIC GAS & ELECTRIC CO.

Active negotiations with the Pacific Gas & Electric Co. to obtain wheeling arrangements whereby the Government could serve preferred customers of the Central Valley project were resumed in 1948. Several requests have been made of the company. The only wheeling service that the Pacific Gas & Electric Co. has indicated a willingness to render is limited to wheeling to deliver power for project irrigation pumping and certain other direct project uses. The company has not agreed to supply wheeling service to any preferred customers of the United States. The company has also refused, in the face of requests from the Bureau of Reclamation so to do, to provide wheeling service in order to permit the Central Valley project to supply electric power and energy for the direct use of other agencies of the United States in California. It is apparent, therefore, that over an extended period of time the Bureau of Reclamation has been unable to secure from the company an agreement to wheel power along the lines indicated in the committee report.

IDAHO POWER CO.

In reply to a request made to the Idaho Power Co. early in 1949 as to the willingness of the company to wheel Bureau power to serve preferential customers and for Bureau use, the company has replied indicating a willingness only to transfer power from Anderson Ranch for the service of irrigation pumping customers. Here again this Bureau has seen no evidence of a willingness on the part of the Idaho Power Co. to render the type of wheeling service concerning which the committee has indicated that negotiations should be undertaken.

MONTANA POWER CO.

In 1947, request was made of the company that it provide a general wheeling service in order to enable the United States to serve preference customers. This request was twice repeated. The only reply that this Bureau has been able to obtain is that the company was giving the wheeling question consideration. I think you will agree that such an answer from the company does not indicate much promise that preference customers of the United States will be afforded an opportunity to purchase power from the United States through wheeling arrangements with the Montana Power Co. Further light on the attitude of the Montana Power Co. in connecting with wheeling is shed by the fact that the company has been unwilling to entertain arrangements for the wheeling of power even for the purpose of supplying construction power at the Hungry Horse and Canyon Ferry projects, both of which are under construction by the Bureau of Reclamation.

PUBLIC SERVICE CO. OF COLORADO

The Public Service Co. of Colorado was contacted as early as September 1947 to discuss mutual power problems. At that time the company representatives appeared to be amazed at the temerity of the Bureau officials in suggesting that consideration be given to wheeling. However, at a later date, in conversation with an REA project, the company apparently indicated that it was willing to consider wheeling if the charges for wheeling were paid by the REA project involved over and above the charges which that project would pay for Bureau power. In all such discussions, the company appeared to be willing to consider only one REA cooperative and not the general class of preferred customers as indicated by reclamation law. It is noted in the hearings before the Senate Appropriations Committee that the company made the statement that now they did not care who paid the wheeling charge, although the company has never presented any such proposal to the Bureau of Reclamation. Such proposal as the company made to the REA project did not appear very attractive because of the high price indicated for a relatively short transmission distance. What arrangements might be made with the company for a wider service area for wheeling of Government power are not definitely known, but unofficial comments made by company representatives would not make the possibilities look too bright.

CONCLUSION

In summary then, the Bureau has not thus far found in its discussions with the companies concerned reason to believe the preference to public bodies and cooperatives embodied in the reclamation law can be achieved through wheeling arrangements of the type the committee has in mind.

Sincerely yours,

WESLEY R. NELSON,
Acting Commissioner.

SENATOR FROM RHODE ISLAND

The VICE PRESIDENT. The Chair lays before the Senate a copy of a letter from the Senator from Rhode Island [Mr. MCGRATH] addressed to the Governor of that State on August 19, 1949, submitting his resignation as United States Senator, effective at the close of business of the Senate on Tuesday, August 23, 1949.

Without objection, the letter will be printed in the RECORD, and ordered to lie on the table.

The letter is as follows:

AUGUST 19, 1949.

The Honorable JOHN O. PASTORE,
Governor of Rhode Island,
State House, Providence, R. I.

DEAR GOVERNOR: I hereby submit my resignation as United States Senator for the State of Rhode Island, to be effective at the close of business for the United States Senate Tuesday, August 23, 1949.

I plan to take my oath of office as Attorney General of the United States on the 24th after I have relinquished my position as chairman of the Democratic National Committee. It would please me very much if you could be in Washington on that occasion. However, I realize that you may already be irrevocably committed to other engagements and I will certainly understand if that is the situation.

The decision which I have reached, I need not tell you, was not an easy one at which to arrive. However, I have made the decision more in the nature of responding to a call than of making a choice between two great offices.

Also, through you as Governor of the State, I would like to say to all of our people that the opportunity of becoming Attorney General of the United States through the direct appointment of the President is an honor which could come only through the support which the people of Rhode Island have given to me throughout my public career, and I shall always try to repay their kindnesses through devotion to my official duties and an ever-readiness to serve our State in any way that I can.

Every assistance will be extended by myself and my staff to whomever you appoint to the United States Senate.

Yours sincerely,

J. HOWARD MCGRATH,
United States Senate.

RECESS

Mr. MYERS. I move that the Senate take a recess until 11 o'clock a. m. tomorrow.

The motion was agreed to; and (at 6 o'clock and 30 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, August 24, 1949, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate August 23 (legislative day of June 2), 1949:

COAST AND GEODETIC SURVEY

The following-named employee of the Coast and Geodetic Survey to the position indicated:

To be ensign

John J. Dermody, effective August 10, 1949.

IN THE ARMY

Brig. Gen. Elbert Louis Ford, O5251, United States Army, for appointment as Chief of Ordnance, United States Army, and for appointment as major general in the Regular Army of the United States, under the provisions of section 12, National Defense Act, as amended, and title V, Officer Personnel Act of 1947.

Lt. Gen. Wade Hampton Haislip, O3374, Army of the United States (major general, U. S. Army), for appointment as Vice Chief of Staff, United States Army, with the rank of general under the provisions of section 504 of the Officer Personnel Act of 1947.

Maj. Gen. William Henry Harrison Morris, Jr., O3102, United States Army, for appointment as commander in chief, Caribbean, with the rank of lieutenant general under the provisions of section 504 of the Officer Personnel Act of 1947.

IN THE AIR FORCE

The following-named persons for appointment in the United States Air Force, in the grade and corps indicated, with dates of rank to be determined by the Secretary of the Air Force, under the provisions of section 506, Public Law 381, Eightieth Congress (Officer Personnel Act of 1947), and title II, Public Law 365, Eightieth Congress (Army-Navy-Public Health Service Medical Officer Procurement Act of 1947):

To be majors, Medical Corps

Andres I. Karstens, O542449.
Paul E. Lance, O480242.

To be captains, Medical Corps

Robert R. Kessler, O1746057.
Carl B. Richey, Jr., O435892.

To be captains, Dental Corps

Leonard S. Johnston, Jr., O356385.
Thomas K. Jones, O360089.

To be first lieutenants, Medical Corps

Neill H. Baker, O962711.
Charles G. Campbell, O965830.
Philip C. Canney.
Hugh H. Curnutt, O963956.
Toby Freedman.
Ned T. Gould, O954270.
Gene A. Guinn, O961037.
Eugene T. Hansbrough, O961453.
William C. Hedberg, O963363.
Prescott B. Holt, O965461.
Sidney B. Kern.
Paul J. LaFlamme, O965462.
James T. Leslie, Jr.
Benjamin J. Meadows, Jr., O961040.
Richard C. Peterson, O962718.
Rhea S. Preston.
Walter P. Reeves, O965463.
Fabian J. Robinson, O961438.
Warner M. Soelling, O961549.
Robert J. Suozzo, O963142.
Archie E. Van Wey, O953811.
Charles J. Weber, Jr., O962730.
Robert L. Williams, O1718921.
Joseph B. Workman, O1727509.
Richard L. Zettler, O961435.
Louis H. Zucal, O953813.

To be first lieutenants, Dental Corps

Salvatore A. Cordaro, O959922.
Sterling H. Kleiser, O966172.
Joseph F. Welborn, O962112.

The following-named persons for appointment in the United States Air Force, in the grade indicated, with dates of rank to be determined by the Secretary of the Air Force, under the provisions of section 506, Public Law 381, Eightieth Congress (Officer Personnel Act of 1947), and section 2, Public Law 775, Eightieth Congress (act of June 25, 1948):

To be first lieutenants

Robert B. Booz, O434631.
John E. Cleary, AO1593501.
Vincent J. Del Beccaro, AO319095.
Francis C. Eberhart, AO406720.
Leonard Eichner, O1171524.
Fred B. Hammond, Jr., O351266.
F. Ned Hand, O423267.
Raphael J. Hogan, O361965.
Henry M. Klein, AO566934.
William L. Koch, AO703274.
Joseph E. Krysakowski, AO725888.
Jonah Lebell, AO949879.
Henry S. Lewis, Jr., MO16867.
Robert W. Michels, AO409120.
Gilbert E. Montour, AO435975.
Lee G. Norris, AO1849788.
Peter Portrum, AO569807.
Donald H. Smith, AO728118.
Ralph Trabb, AO794905.
Joseph R. Wine, Jr., AO376451.
Gust J. Yandala, AO789852.

The following-named persons for appointment in the United States Air Force, in the grade indicated, with dates of rank to be determined by the Secretary of the Air Force, under the provisions of section 506, Public Law 381, Eightieth Congress (Officer Personnel Act of 1947):

To be second lieutenants

Joseph O. Beard, Jr.
Marion C. Becker.
Joe L. Bradley.
Allen C. Clark.
Guy F. Collins.
William R. Coughlin.
Robert S. Cruikshank, AO1849578.
John S. Finlay III.
Robert E. Gabosch.
Francis L. Gasque.
Richard C. Golden.
Edgar B. Gray.
Warren L. Hildebrandt.
Lauren D. Hobbs, AO1849258.
Hoyt F. Holcomb.
Bondy H. Holcombe, AO1847999.
Samuel B. Love, AO1904202.
Ralph A. Magnotti.
Ramon McKinney.
Richard R. Moore, AO932640.
Ralph A. Morgen.
David W. Sharp.
Kemon P. Taschioglou.
Walter T. Wardzinski.
Donald F. Wischow.

HOUSE OF REPRESENTATIVES

TUESDAY, AUGUST 23, 1949

The House met at 12 o'clock noon.

The Acting Chaplain, the Reverend James P. Wesberry, pastor, Morningside Baptist Church, Atlanta, Ga., offered the following prayer:

Gracious Father, we unite our prayer today with the prayers of millions of earnest, sincere, God-fearing citizens of our Nation who thank Thee and pray each day for these great and good leaders who serve so faithfully and untiringly.

Overshadow each of them, we pray, with Thy loving and providential care. Endow them with health and strength for their bodies. Give them wisdom for the great decisions they must inevitably make. Bless and keep their families. Comfort and heal any of their loved ones who may be sick.

When we have served our day and generation, and evening wanes, may it come as the close of a perfect day, as we hear Thee say:

Well done, thou good and faithful servant: thou hast been faithful over a few things, I will make thee ruler over many things: enter thou into the joy of thy Lord.

In the name of the Supreme Judge of all mankind. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Miller, one of his secretaries.

PERMISSION TO SIT DURING SESSION TODAY

Mr. STANLEY. Mr. Speaker, I ask unanimous consent that the Subcommittee on Accounts of the Committee on House Administration may sit during general debate during the session of the House today.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

EXTENSION OF REMARKS

Mr. SIKES asked and was given permission to extend his remarks in the Appendix of the RECORD and include a resolution from the Florida State Legislature.

Mr. HEDRICK asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article from the Atlantic magazine of August 7, 1949, by Mr. Soterios Nicholson, entitled "World Federation."

BIRTHDAY CONGRATULATIONS TO JOHN KEE

Mr. CAVALCANTE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. CAVALCANTE. Mr. Speaker, yesterday was the seventy-fifth birthday of our esteemed chairman of our House Committee on Foreign Affairs, the gentleman from West Virginia [Mr. KEE]. It is regrettable that the press of business yesterday did not permit us to extend our felicitations to him on the record. I know that the gentleman from West Virginia [Mr. KEE] will overlook our unintentional inadvertence and accept the belated congratulations of his colleagues. May time and health extend his span of life into the years to come and then beyond, until the cup of life is brimly coned to overflow.

Mr. Speaker, may I extend, at this point in my remarks, an article written by Mr. John White in the Times-Herald, Washington, D. C., of August 22, 1949, entitled "Did You Happen To See Representative JOHN KEE?"

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. CAVALCANTE. The article is as follows:

DID YOU HAPPEN TO SEE REPRESENTATIVE JOHN KEE?

(By John White)

If friendliness is an asset in men who help direct their country's foreign affairs, then the United States is fortunate indeed in having JOHN KEE as chairman of the powerful House Foreign Affairs Committee. He is one of the friendliest men in Congress.

Or outside of Congress.

He is the joiner of joiners.

He is a past governor of the Bluefield, W. Va., lodge of Moose; he has been West Virginia State president of the Elks; he belongs to the Odd Fellows and the Knights of Pythias; he is an active Episcopalian; he is an honorary member of the Veterans of Foreign Wars; he belongs to various other groups too numerous, as the society editors say, to mention.

If he can't find some outfit to join he gets so restless he is liable to start one of his own.

He just naturally likes to be with people.

JOHN KEE has been a joiner all his life.

When he was only 19 he was State councilor for the Junior Order of American Mechanics. He has belonged to something or other as long as he can remember.

He was born in Glenville, W. Va., August 22, 1874 (Happy birthday, sir! May all your organizations prosper), and for a long time there was a story in his family that he made his first public appearance at the age of 6, campaigning for his father, who was running for county clerk.

There is no truth to this rumor, KEE reports. Actually he had made his initial public appearance several years before that time. "My mother nearly fainted when I came out to give a recital. My dress was rumpled."

Along with his love of organizations he very early showed a knack for the law. After Glenville State Normal School he went to law school at West Virginia University and for years was a successful lawyer.

He practiced in West Virginia and was an attorney for oil companies. In 1902 he opened the first office the Virginia railroad ever had. It was in Beckley, W. Va., and it possessed exactly six chairs, a flat-top table, a roll-top desk, a broom, and a sprinkler. Eight years later that railroad was a $42,000,000 affair.

In 1914, KEE tried politics. He was defeated for prosecuting attorney. In 1922, however, he was elected to the West Virginia State Senate and served for 4 years in that body. He was nominated in 1928 in the Democratic primary for Congress and was defeated. His fourth try came in 1932, when he was elected to Congress, ousting the man who had defeated him in 1928. He has never had much trouble getting back in since. He became chairman of the Foreign Affairs Committee recently when Sol Bloom died.

JOHN KEE is a gentleman with kind brown eyes, soft gray hair, and a most polite manner. People automatically call him "Judge." He loves to tell stories like this:

Once a friend of mine, an ex-judge, asked a friend of his, a many-time offender, how things were going.

"Well, Judge," said the man, "I reckon that I've been impleaded criminally before the bar of every court in West Virginia, from the slopes of the Alleghenies to the falls of the Great Kanawha, but, thank God, now I've got rid of all my troubles except for three little darn insignificant indictments down here in Boone County; one for murder, one for horse stealing, and one for highway robbery."

EXTENSION OF REMARKS

Mr. MITCHELL asked and was given permission to extend his remarks in the RECORD in two instances and include extraneous material.

Mr. BIEMILLER asked and was given permission to extend his remarks in the RECORD in two instances and include in one a speech he delivered before the convention of the American Federation of Teachers and in the other an editorial from the Milwaukee Journal.

Mr. FLOOD asked and was given permission to extend his remarks in the RECORD and include a statement made by former Assistant Secretary of Labor Hon. John T. Kmetz.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the RECORD in three instances and include excerpts.

Mr. AUCHINCLOSS asked and was given permission to extend his remarks in the RECORD and include a letter.

Mr. STOCKMAN asked and was given permission to extend his remarks in the RECORD and include an article.

ECUADOR

Mr. FLOOD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FLOOD. Mr. Speaker, yesterday I introduced a concurrent resolution asking the Congress to extend its sympathy to our sister Republic of Ecuador because of the disastrous and tragic earthquake which recently occurred there, and also asking the Congress to express its intent that the Government of the United States take some formal monetary action of assistance, as has been done by other American Republics.

I hope that the Committee on Foreign Affairs, through the chairman or some member thereof, will see fit to introduce the necessary legislation to execute the intent of the concurrent resolution, and I hope the chairman of the Committee on Foreign Affairs will take immediate action as far as the House is concerned on such resolution.

H. R. 4495

Mr. DAVENPORT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. DAVENPORT. Mr. Speaker, in the interest of all postal employees I urgently request the Members to sign discharge petition No. 18, introduced on Thursday, August 18, by Congressman ROBERT J. CORBETT, of Pennsylvania, to discharge the House Committee on Rules in order to bring H. R. 4495 to the floor of the House for action. This bill provides for a general salary increase, which is vitally necessary. It provides for an annual wage increase of $150. It grants the postal employees 20 days' annual leave, which is an increase of 5 days over and above what he now receives; but 6 days less than civil-service employees enjoy. It provides for the crediting of all past service in order that the older employees in point of service may enjoy the longevity grades which are so rightfully theirs.

There are 495,000 employees serving the public in the United States post offices. They, together with their families, total up to millions of law-abiding, hard-working American citizens. They represent a sizable segment of the Nation's population. It is an important segment, reaching into every city, village, and hamlet. They have rendered good service and fully deserve your support.

DEFICITS IN THE POST OFFICE DEPARTMENT

Mr. WITHROW. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. WITHROW. Mr. Speaker, today I have presented a bill which I commend for especial study by all Members of the Congress. This bill deals with the Post Office Department's recurring deficits, a subject of concern to all of us.

As a member of the Post Office and Civil Service Committee, I have been particularly interested in this subject for several reasons. I am offering my bill in the sincere belief that a method at last can be found for abolishing postal deficits, thus enabling the Post Office Department to demonstrate how well it can operate within its income and still meet ordinary expenses.

We have been totally unfair toward the Department in expecting it to meet its obligations from its appropriations when all sorts of extraordinary expenses are piled high, thus forming a drain upon its income. I wonder that the deficit is not even more than $325,000,000 this year.

In any event, I find myself entirely opposed to withholding from the postal employees the fair play they should receive in better salaries and in working conditions and at the same time confronting these employees with this ever-mounting deficit as the reason why we should not pass pending legislation.

At the same time, the public is entitled to know the whole truth and nothing but the truth on the subsidy issue—just what is being paid to whom for what services to the Government. I doubt that any Member of the Congress has these answers.

Eminently unfair is the threat to increase postal rates, or even to lower them, unless and until we know by what amount the postal system fails to discharge its duties with the operating funds it receives and the revenues it produces—minus the subsidies.

Just now I am not specifically expressing opposition to subsidies until we can know what these subsidies consist of and for what reasons. Therefore, I propose in my bill the simple expedient of crediting the Post Office Department for all services it performs for all other branches of the Government, including all so-called penalty and franked mail. In addition, the bill would credit the Department with all subsidies. Later, after our committee has had opportunity to study the entire field, we can find ways and means of authorizing direct appropriations to the cause of subsidies and not

clutter up the orderly process of delivering the mails with all kinds of extraneous matter. Last of all must we retard the even flow of justice to the postal employees by using the postal deficit as an excuse.

I appreciate the desirability of balancing the postal budget. However, I realize that that cannot be done until the encumbrances which are forced upon that Department are credited to the proper departments. As an example, the Hoover report stated that more than $100,000,000,000 in free services are rendered by the Postal Department to other departments of the Government, including the Members of the Senate and the House. I have no complaint as to the advisability of granting these services, however, I feel that it is manifestly unfair to charge the Postal Department with the administering of these services and not credit the service to their account. The cost of these services should be charged to the departments that receive the service.

In my opinion, the same yardstick should be applied to all the departments that is applied to the Post Office Department. Particularly in view of the fact that it is in reality a service department and has done more to develop this great Nation of ours than any other one Government agency.

LEAVE OF ABSENCE

Mr. BYRNES of Wisconsin. Mr. Speaker, I ask unanimous consent that the gentleman from Iowa [Mr. MARTIN] may be granted a leave of absence for 10 days on account of official business.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

REMOVE EXCISE TAXES

Mr. SADLAK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. SADLAK. Mr. Speaker, Sunday afternoon I had the opportunity to visit and attend some four outings in Connecticut. During the course of the afternoon I met a great number of people, particularly in the Meriden-Wallingford area, who were greatly concerned about the excise taxes, especially the taxes on silverware. They are of the belief that if these taxes were removed or reduced that a considerable amount of silverware would be purchased which, in turn, would mean employment for many people who are now unemployed in that area; layoffs due to present large inventories. One particular observation, Mr. Speaker, still baffles me and perhaps the Speaker and the distinguished minority leader might be able to resolve this bafflement for me. It arises from a remark made by one of the ladies expressing her belief that if, perchance, there were more married persons in the Congress, perhaps the Congress would then more readily and more quickly remove all of these burdensome wartime taxes, especially those on such necessities as baby oils and ladies' handbags.

EXTENSION OF REMARKS

Mr. RICH asked and was given permission to extend his remarks in the RECORD in two instances and include in each an editorial.

Mr. PATMAN asked and was given permission to extend his remarks in the RECORD and include an address delivered by Alexander M. Campbell, Assistant Attorney General, at the State convention of the Department of Texas of the American Legion.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

Mr. THOMPSON. Mr. Speaker, I offer a resolution (H. Res. 337) and ask unanimous consent for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That House Resolution 44, Eighty-first Congress, as amended, providing that the Committee on Merchant Marine and Fisheries, making a study and analysis of the financial operation of the Panama Canal; shall report its findings not later than September 1, 1949, is hereby amended to extend the time of such report until January 31, 1950.

The SPEAKER pro tempore (Mr. PACE). Is there objection to the request of the gentleman from Texas?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, I understand this is just merely postponing the time for the filing of a report.

Mr. THOMPSON. That is correct.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

CIVIL FUNCTIONS APPROPRIATION BILL, 1950

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, I will shortly offer a motion which will be found on the first page of yesterday's RECORD to instruct the conferees on the civil functions appropriation bill.

As soon as I am recognized for that purpose, I expect to go into the matter in detail and show just what it means. I trust that every Member will stay here, for the reason that this is of vast importance to the people of every section of the country. This bill has been in conference since the first of June. Here it is almost September.

The SPEAKER pro tempore. The time of the gentleman from Mississippi has expired.

Mr. RANKIN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

(For motion of Mr. RANKIN, see pages 11931–11933 of the House proceedings of August 22, 1949.)

Mr. RANKIN (interrupting the reading of the motion). Mr. Speaker, I ask unanimous consent that further reading of the motion be dispensed with. I will discuss it as we go along.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

CALL OF THE HOUSE

Mr. CANFIELD. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. PRIEST. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 193]

Allen, Ill.	Halleck	Phillips, Calif.
Bailey	Hand	Pickett
Bates, Ky.	Hart	Poulson
Bates, Mass.	Hays, Ark.	Powell
Blackney	Hébert	Quinn
Bland	Heffernan	Redden
Blatnik	Heller	Reed, Ill.
Bolton, Md.	Hill	Reed, N. Y.
Bolton, Ohio	Hinshaw	Regan
Breen	Hoffman, Ill.	Rhodes
Brehm	Hoffman, Mich.	Ribicoff
Brown, Ohio	Jackson, Calif.	Richards
Buckley, N. Y.	James	Rivers
Bulwinkle	Jenkins	Roosevelt
Burke	Kee	Sadowski
Byrne, N. Y.	Keogh	Shafer
Chatham	Kilburn	Simpson, Pa.
Clevenger	Latham	Smith, Kans.
Cole, N. Y.	Lodge	Smith, Ohio
Coudert	McCormack	Stigler
Curtis	McGregor	Thomas, N. J.
Dingell	McSweeney	Tollefson
Durham	Mack, Ill.	Towe
Eaton	Macy	Underwood
Elston	Madden	Velde
Fogarty	Marshall	Vursell
Gamble	Martin, Iowa	Whitaker
Gilmer	Morgan	Wilson, Ind.
Gore	Morton	Woodhouse
Gorski, Ill.	Murdock	Woodruff
Gorski, N. Y.	Murray, Wis.	Zablocki
Hall, Edwin Arthur	Noland	
Hall, Leonard W.	Norton	
	Pfeiffer William L.	

The SPEAKER. On this roll call 331 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

CIVIL FUNCTIONS APPROPRIATION BILL, 1950

Mr. TABER. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. TABER. Mr. Speaker, I make a point of order against the motion that it is not a proper motion to instruct the conferees. It relates to a bill which has come from the Senate with numerous amendments running from 1 to 17. It does not give any instructions as to details relating to the bill.

I make the further point of order that the motion is in violation of clause II, rule XX and of clause II of rule XXI in that it includes items that are not authorized by law. It is not a separate motion relating to those items required in clause II of rule XX, which rule says "unless specific authority to agree to such amendments shall be first given by

the House by a separate vote on every such amendment."

Now, as to that particular point of order I wish to call the Chair's attention to the report of the Committee on Public Works, which committee reported a bill which was passed yesterday, and particularly to pages 106, 107, and 108 of that report. If the Chair would like a copy, I have a duplicate of that report here. This relates to the Missouri Valley Basin and on page 108 the report states:

Additional authorization. The committee notes that the cost of work completed and under way under the basin plan approval exceeds the monetary authorization for the approved basin plan by $391,363,600. Thus monetary authorizations are not sufficient to cover the completion of work now under way; and there is no backlog of authorizations for the initiation of new projects.

In other words, none of the projects in that particular basin that have not been started are authorized.

This motion provides $500,000 for the Gavins Point Reservoir to start in Nebraska, and it appears on page 44 of the Senate report that the over-all cost of that project will be $23,300,000.

In addition to that item there is the Optima reservoir project in Oklahoma. The Optima project, it was stated in the hearings before the Senate by the engineers, was authorized by the Flood Control Act of 1936. On page 1577 of the laws of 1936 it appears that an authorization for that project was made to the tune of $1,530,000. The estimated cost of that project as appears on page 47 of the Senate report is $18,150,000, so that this project is not authorized by law.

I have some precedents that I would like to call to the attention of the Chair. The first is paragraph 3235 of Cannon's Precedents of the House of Representatives, volume 8, 1936, page 724:

The ruling out of a motion to instruct conferees does not preclude the offering of a proper motion to instruct.

Instructions to managers of a conference may not direct them to do that which they might not do otherwise.

A motion to instruct conferees may not include directions which would be inadmissible if offered as a motion in the House.

A motion to instruct conferees to concur in a Senate amendment with an amendment not germane thereto was ruled out of order.

It goes on there for quite a distance, and follows the same sort of set-up.

Then on page 730, a point of order was made on a tariff bill. This is section 3244:

Instructions to managers of a conference may not direct them to do that which they might not otherwise do.

Instructions may not require conferees to report back amendments outside the subjects in disagreement between the two Houses.

That was in 1922, on a point of order made by Mr. Garner of Texas. The motion attempted to direct the conferees to report a rate lower than that in disagreement between the two Houses.

On page 737 of the same volume there was a question as to whether conferees could go beyond what they were authorized to do. The Speaker ruled that they could not be so instructed. That was on a point of order made by Mr. Fitzgerald of New York, in 1912.

In Hinds' Precedents, volume 5, 1907, a ruling of the same kind was made on page 701, paragraph 6386:

Instructions to managers of a conference may not direct them to do that which they might not otherwise do.

In paragraph 6387, it is stated that Speaker Keifer ruled in 1882 that it was not in order to recommit a conference report with instructions for them to do something which they might not have done in the first instance.

On page 720 it is stated that in 1898 a similar point of order was sustained, and it was held that the committee of conference had no jurisdiction to agree to anything of that kind.

I submit this to the Chair, feeling that when we take up matters of this kind we should not try to bypass the rules of the House and provide for things on which, if any action is to be taken, it should be taken on a reporting back of the items in disagreement in the regular way in accordance with the rules.

Mr. RANKIN. Mr. Speaker, the gentleman from New York [Mr. TABER] has wobbled all over the lot and has not put his finger on a single item that is not authorized by law.

This resolution comes under section 910 of the Rules of the House of Representatives which was adopted, I believe, in 1931. It reads:

After House conferees on any bill or resolution in conference between the House and the Senate shall have been appointed for 20 calendar days and shall have failed to make a report, it is hereby declared to be a motion of the highest privilege to move to discharge said House conferees and to appoint new conferees or to instruct said House conferees.

That is what this motion provides, Mr. Speaker. The gentleman from New York attempts to tell the Chair that there are some projects covered by this resolution which have not been authorized.

If that is true, the point of order should be directed at those specific projects. The truth is I think every project included here has not only been approved or authorized by the Congress, but has also been passed by the United States Senate.

So I submit, Mr. Speaker, that the gentleman's point of order is not well taken and I trust the Chair will overrule the point of order.

Mr. CASE of South Dakota. Mr. Speaker, will the Chair indulge me for just a brief comment?

The SPEAKER. The gentleman may proceed.

Mr. CASE of South Dakota. Mr. Speaker, with reference to the Gavins Point Reservoir, which was cited by the gentleman from New York, that is a part of the comprehensive plan for the Missouri River Basin which was authorized by the Flood Control Act of December 22, 1944. As I understood the remarks of the gentleman from New York, he was calling attention to the report of the Committee on Public Works and the bill which was considered by the House yesterday carrying additional authorizations in dollar amounts. It is true that the bill which first authorized the Gavins Point Reservoir as a part of the comprehensive plan for the Missouri River Basin carried an authorization for appropriations for the prosecution or partial accomplishment of the program to the extent of $200,000,000. There has been one addition to that, of another $200,000,000 of authorization. Both were applicable to the comprehensive plan as a whole, and were not specified as related to the individual projects. The bill which the House considered yesterday carried an additional general authorization for $250,000,000. It is true that the committee report on the bill considered yesterday, the public works bill, did list the Gavins Point Reservoir as a project on which actual construction has not yet started. It is also true the report stated the projects already started exhausted the prior authorizations. But I would call the attention of the Speaker to the fact that the original project was authorized as a comprehensive plan and that Gavins Point Dam is a unit in that plan.

Mr. FERNANDEZ. Mr. Speaker, may I be heard on the point of order?

The SPEAKER. The gentleman may proceed.

Mr. FERNANDEZ. Mr. Speaker, in line with the point of order which was made by the gentleman from New York, I would like to propound a parliamentary inquiry because if this motion to instruct is a motion which in arriving at the total under dispute would limit the conferees to the items included in the motion, then the point of order, I think, is good insofar as, for example, an item in New Mexico, the Chamita Reservoir, for which $75,000 for planning was included in the budget report and included in the total amount which the House approved for flood control when the bill was passed here first, and then included by the Senate as part of the construction money provided by the Senate. In effect, it has been approved by both the House and the Senate, and yet is not included in this motion to instruct.

Consequently if the motion limits the conferees to an amount within which they cannot include that sum, then we would be requiring them to do that which they could not do otherwise, that is to say, to eliminate an item already approved by both the House and the Senate.

The SPEAKER. In answer to the gentleman's parliamentary inquiry, the Chair would state that the conferees can only be instructed on matters set out in the motion. Other matters would be in conference just the same. It would not be an exclusion of anything not contained in the motion.

Mr. FERNANDEZ. But this item is a part of the total made up by the items contained in this motion. If they are not

limited to the amount of the total made up by the items included here, then, of course, that is all right.

The SPEAKER. Those matters are in conference. This motion would not affect them at all, one way or the other.

Mr. ENGEL of Michigan. Mr. Speaker, I would like to be heard on the point of order.

It is my judgment that the motion to instruct conferees should be directed toward each individual amendment by number, and give instructions as to that particular amendment. The weakness of the present motion to instruct is that it attempts to instruct the conferees on a particular list of projects. On page 9 of the bill, pertaining to flood control, amendment No. 7, the Senate increased the amount for flood control from $321,000,000 to $415,084,300. The committee report to the House in addition to the amount in the bill but not a part of the bill specifies the projects which the committee and the House recommends the money be spent on. It is not legally binding on the engineers; they have an option to change if projects run short of money; they can increase and finish a project. It is merely advisory. The engineers have always followed the advice of the Congress as nearly as they could.

My contention is that a proper motion to instruct would instruct the House conferees as to just what amount they want that $321,000,000 to be increased to. The motion should instruct us either to recede or concur in the Senate amendment for the $415,084,300, or the motion should specify the exact amount. So unless the motion includes the amount specified and exact instructions on each amendment it is absolutely out of order.

Mr. RANKIN. Mr. Speaker, in reply to the two gentlemen who have just spoken, I call attention to the fact that the rule provides that where a conference between the two Houses shall have been pending for more than 20 days and the conferees shall have failed to make a report this motion is in order. These conferees were appointed on June 1, almost 3 months ago; so from that standpoint I note they raise no point of order.

On August 17 the gentlemen speaking about these projects—they are so accurately described that I do not believe even that member of the conference can misunderstand them, but the gentleman from Missouri [Mr. CANNON] on the 17th of August inserted in the CONGRESSIONAL RECORD in the Appendix, page A5382, a list of the projects that the House conferees were willing to accept. Nobody misunderstood what that meant, and nobody misunderstands what my motion means.

Mr. CANNON. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. CANNON. The citation to the CONGRESSIONAL RECORD which the gentleman just gave us does not include the items which the gentleman has since that time added.

Mr. RANKIN. I understand; if it had it would not be necessary to offer the motion.

Mr. CANNON. And they do not include those complained of in this point of order.

Mr. RANKIN. What are you complaining of in this point of order? Let us see about it. They talk about budget recommendations. According to the statement of the gentleman from Missouri [Mr. CANNON] there were 25 projects on the first page of his table that he proposes to approve, that have no budget estimates.

Now the gentleman comes back and attempts to ring down the curtain of limitations on the project in Nebraska, Gavins Point Reservoir, for which we propose to instruct the conferees in this motion to provide $500,000. There was no limitation on the authorization or that of the Tennessee-Tombigbee, or the Buford Dam in Georgia.

There is no limitation whatsoever on these projects in Nebraska and at Tucson, Ariz. They were simply authorized by Congress. There is one at Rutland, Vt., and also one in Ohio, namely, the Martin's Ferry project. There was no limitation on those authorizations. They have not put their finger on a single project, Mr. Speaker, that violates the rules of the House and if they did, if there should be one in here, it would be their duty to point it out and make the point of order against that specific provision or specific project.

I submit, Mr. Speaker, this motion is thoroughly in order. Here we are almost ready to adjourn or to take a recess for 30 or 60 days, I do not know how long; yet this bill is hanging fire. It involves every section of the United States. This is the only method, the only way that we can bring the conferees to a decision to present this bill back to the House and Senate and let both Houses pass it in the regular way.

Mr. Speaker, I submit that the gentleman's point of order is not well taken.

Mr. TABER. Mr. Speaker, I should like to call the attention of the Speaker to the fact that rule XXVIII, paragraph 1½a, which allows a motion to instruct conferees to come up after 20 days, does not waive the requirements of clause 2, rule XX, in the slightest degree. I really think I should read that so that it may be fully before the House:

> No amendment of the Senate to a general appropriation bill which would be in violation of the provisions of clause 2 of rule XXI, if said amendment had originated in the House, nor any amendment of the Senate providing for an appropriation upon any bill other than a general appropriation bill, shall be agreed to by the managers on the part of the House unless specific authority to agree to such amendment shall be first given by the House by a separate vote on every such amendment.

Now, clause 2 of rule XXI prevents appropriations being made without authorization by law. The Committee on Public Works itself has stated to the House in its report that there is no authority in law for the Gavins Point Reservoir which is mentioned on page 107 of their report and as the Optima project; it was stated in the Senate hearings to be only authorized by the law of 1936, which I referred to in detail to the amount of $1,520,000, and the cost will be $18,100,000.

Of course, the point of order could be made just to the two items which are out of order, but I have made it to the whole motion. The whole motion is out of order.

Mr. ENGEL of Michigan. Mr. Speaker, I want to insist upon the point of order that the motion to instruct must be directed at a particular amendment; for instance, amendment 2, which is an appropriation for rivers and harbors, increasing it from $176,000,000 to $229,000,000.

The gentleman from Mississippi would write the entire list of projects into the bill. He cannot tell me now whether his motion will increase this from $176,000,000 to $200,000,000 or $225,000,000. The same is true with regard to amendment No. 7, flood control.

There is nothing in this motion which instructs the committee as to how much money they should provide in this bill for either flood control or rivers and harbors. It may even exceed the Senate figures.

The SPEAKER. The Chair is prepared to rule.

The Chair has been very much interested in the discussion of the point of order from both angles.

Attention has been called to rulings of Speakers in the past. The Chair has examined those precedents and finds that they were motions to recommit conference reports with instructions that were either not germane to a Senate amendment or directed House conferees to change the text of a bill that had been agreed to by both Houses.

When it comes to clause 2 of rule XX, to which the gentleman from New York called attention, that clause is simply a limitation on the authority of House conferees.

That rule, I think, was adopted about 1920, but in 1931 the following became a part of the rules of the House.

Rule XXVIII, clause 1½a:

> After House conferees on any bill or resolution in conference between the House and Senate shall have been appointed for 20 calendar days and shall have failed to make a report, it is hereby declared to be a motion of the highest privilege to move to discharge said House conferees and to appoint new conferees, or to instruct said House conferees—

And so forth. Clause 2 of rule XX is a restriction on the powers of House conferees; a limitation upon their authority. This rule that the Chair has just read, adopted in 1931, goes to the authority and the power of the House of Representatives to instruct its agents.

The only question before the Chair then is as to whether or not the items included in the motion to instruct are in conference. The Chair thinks they are in conference between the Senate and the House, and therefore holds that it is in order under clause 1½a of rule XXVIII to instruct House conferees on any matter in disagreement.

The Chair overrules the point of order.

Mr. RANKIN. Mr. Speaker, I have made this motion in order to bring this bill to the floor of the House and to approve those projects that are absolutely necessary.

As I pointed out, on the seventeenth the gentleman from Missouri [Mr. CANNON] inserted in the RECORD the projects that the House conferees were willing to accept. Some of the most vital and necessary projects in this bill were left out. The gentleman from South Dakota, [Mr. CASE] was contemplating and had worked out a motion to instruct. I simply took the figures that he had and included them in my motion.

Now, let us see what we propose to do.

The first one is the Tennessee-Tombigbee inland waterway. I took the figures of the gentleman from South Dakota and reduced them to the irreducible minimum, $625,000. The Army engineers said that they needed $5,000,000. They are ready now to begin work. We are going to have a great deal of unemployment in that area in the next few months. This work needs to be started right now. Again, it will provide a slack-water route from the Gulf of Mexico to Pittsburgh, Pa. There will be a slack-water route up the Tombigbee to the Tennessee, then a downstream route 215 miles to Paducah, Ky., and then you have, I believe, 46 locks and dams between Paducah and Pittsburgh, Pa., which provide a slack-water route all the way. At the same time it saves the downstream current of the Mississippi for descending traffic.

It will provide a slack-water route all the way from the Gulf to Chicago, and all the way to Minneapolis and St. Paul, and all the way up the Missouri River behind those dams that are being constructed and, provided for in this bill.

Again, the greatest defense plant on earth is at Oak Ridge, Tenn. The greatest defense plant on earth, I repeat, is at Oak Ridge, Tenn., on the Tennessee River. This project will cut the water distance from Oak Ridge to the Gulf of Mexico by 800 miles and reduce the cost by more than $30,000 on a barge load of 14,000 tons going from Mobile to Oak Ridge.

Then, from Demopolis, to which point we already have navigation provided, it would cut that cost $38,000 going from there to the Oak Ridge plant on the Tennessee River.

You talk about war. You are not going to have a war with bows and arrows.

If there should be another war, it will be a war with atom bombs and airplanes. Where are your bombs made? They are made at Oak Ridge on the Tennessee River. For you to quibble about starting this project that means so much from that standpoint, and then vote billions and billions and billions of dollars to give to foreign countries, the loyalty of many of which is in question, is about the most ridiculous performance I have even seen.

Again, you have this Buford Dam in Georgia. They did not attack it; did they? Why did they leave it out? This Buford Dam is one of the great projects of the South. It needs to be developed. We provide here $750,000. If my motion is carried today, this bill will be adopted, I will guarantee you that. It will be accepted at the other end of the Capitol, and that will be the end.

Then we have in Texas the Intracoastal Waterway from Galveston. That is only planning money, $50,000.

What is the objection to that? None whatever. With the Intracoastal Waterway, when this project is provided, the Tennessee-Tombigbee inland waterway, you will have a slack-water route from Brownsville, Tex. to Pittsburgh, Pa.

Mr. DAVENPORT. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Pennsylvania.

Mr. DAVENPORT. Mr. Parrish, the president of the Alleghany Asphalt Co., told me here a couple of months ago that it would save his company thousands and thousands of dollars a year.

Mr. RANKIN. I thank the gentleman from Pennsylvania.

I know Mr. Parrish. They have a large number of barges, many of them 14,000 tons capacity. When one of them goes down the Ohio and the Mississippi to the Gulf what do you suppose it costs to go from Mobile back to Pittsburgh? What would be the saving? If that barge should pick up a load of, we will say, bauxite or lumber or oil or cottonseed meal and hulls, what would it save in going from Mobile back to Pittsburgh, Pa.? It would save $22,000 on its fuel bill alone.

Yes, the businessmen of Pittsburgh and Cincinnati, and of every other town along the Ohio, the upper Mississippi, the Missouri and the Illinois, that understand what this project means, are for it. This attempt to smother it is one of the most ridiculous performances I have ever known.

Tucson, Ariz.: We provide there $500,000 for that project, that is long overdue. The opposition did not attempt to tell you that it was not authorized.

You take the one at the Toronto Reservoir, in Kansas, on the Missouri River. We provide $400,000, not as much as the Senate provided. None of these items are up to the Senate's provisions. We cut them down to the irreducible minimum.

For the House Montana project we provide $200,000.

At Gavins Point Reservoir, in Nebraska, $500,000: If there is anything wrong with the authorization of the Gavins Point project, why do they not make a direct attack on it? Why do they not make a point of order against that one project?

Mr. LECOMPTE. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Iowa.

Mr. LECOMPTE. I notice the gentleman has included in his motion a considerable number of flood-control projects. The Red Rock project on the Des Moines River, long ago authorized, and with some money appropriated for it, and included in the Senate bill to the extent of $500,000, is not in the gentleman's motion, if I read it correctly.

Mr. RANKIN. But it still is in conference.

Mr. LECOMPTE. But you do not include it in your motion today.

Mr. RANKIN. I will say to the gentleman that I overlooked that.

Mr. LECOMPTE. But we are out—you do leave it out of your motion.

Mr. RANKIN. But it is in conference.

Mr. LECOMPTE. It may be in conference, but it is not included in the resolution today.

Mr. RANKIN. I believe there are five or six projects in Iowa.

Mr. LECOMPTE. But we do not have anything for the Red Rock Dam proposition, a flood-control project for the richest agricultural valley in the world.

Mr. RANKIN. I will say to the gentleman from Iowa that if the other body includes it I will support it when it comes to us.

Mr. LECOMPTE. But you did not put that in.

Mr. RANKIN. I am sorry, but nobody called it to my attention. I took the list that my distinguished friend, the gentleman from South Dakota, had. I conferred with men at the other end of the Capitol and worked out the best list we could.

Mr. LECOMPTE. Will you be willing to accept an amendment to the resolution?

Mr. RANKIN. I will have no objection to it, I will say to the gentleman.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. CASE of South Dakota. The gentleman from Mississippi has referred two or three times to a list that I had, as if it were something which I had originated.

Mr. RANKIN. I know that you did not.

Mr. CASE of South Dakota. I think the Members are entitled to know what that list was. It was not a list which I originated and it was not my list or my selection.

Mr. RANKIN. I know. I did not say it was the gentleman's list.

Mr. CASE of South Dakota. It was not a list which I prepared.

Mr. RANKIN. I know that; but it was a list which the Senate conferees were willing to agree to.

Take this one—the Rutland, Vt., or take the Martin's Ferry, Ohio, project, or the Optima reservoir in Oklahoma. If they are not authorized, why did they not make a point of order against them?

In New Mexico there is the Rio Grande floodway—$50,000 for planning. All we are doing here is trying to iron things out and bring out a bill which the House can agree to and the Senate will adopt.

Mr. FERNANDEZ. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. FERNANDEZ. In New Mexico there is one project, the Chamita project, for which the Bureau of the Budget approved $75,000. That amount of $75,000 was approved by the House in the bill and was included in the total amount in the bill. It was included by the Senate in the total amount of its bill except they added construction money. That is not in the gentleman's list. I am certain, after talking to the gentleman this morning, that it was probably left out

inadvertently. It is not in the list of the gentleman from Missouri [Mr. CANNON]. I am sure it was not intended to be disapproved by not being in that list—I am so advised. But can the gentleman advise what is going to be the effect of his motion on the conferees? Will they have the right to put that item, which is not in dispute, back in their total?

Mr. RANKIN. They will have the right to adopt the Senate amendment.

Mr. FERNANDEZ. I make this inquiry because I realize I am not in a position to offer a motion to amend the gentleman's motion, unless he were to yield to me for that purpose.

Mr. RANKIN. They will have the same right as with reference to the project mentioned by the gentleman from Iowa [Mr. LECOMPTE].

Mr. SHEPPARD. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. SHEPPARD. Do I understand correctly the gentleman's statement a moment ago that the list he was referring to included projects which the Senate put in the bill, which were not in the House but had been authorized by law?

Mr. RANKIN. No.

Mr. SHEPPARD. Did the gentleman from Mississippi [Mr. RANKIN] make that statement?

Mr. RANKIN. I made the statement that the gentleman from Missouri [Mr. CANNON] inserted in the RECORD a list of projects which the House conferees were willing to accept. This is a list that the Senate insisted on, I will say to the gentleman from California; this is a list to which I added other projects in order that I might get this instruction and get this bill out of the way before the House went into recess.

Mr. SHEPPARD. What I am trying to establish, if the gentleman please, is that the Senate put in a certain amount of other projects over and above those that came from the House.

Mr. RANKIN. That is right.

Mr. SHEPPARD. Does the gentleman's list include all of those which the Senate put in, or does it not?

Mr. RANKIN. It does not include all of them—no; not all of them.

Mr. Speaker, I reserve the balance of my time and now yield 15 minutes to the gentleman from Missouri [Mr. CANNON].

CALL OF THE HOUSE

Mr. McGRATH. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] Evidently no quorum is present.

Mr. HARRIS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 194]

Allen, Ill.	Bland	Bulwinkle
Bailey	Blatnik	Burke
Bates, Ky.	Bolton, Md.	Byrne, N. Y.
Bates, Mass.	Bolton, Ohio	Celler
Bentsen	Breen	Chatham
Biemiller	Brehm	Chiperfield
Blackney	Brown, Ohio	Clemente
Clevenger	Hoffman, Mich.	Poulson
Cole, N. Y.	Jackson, Calif.	Powell
Combs	James	Quinn
Coudert	Jenkins	Redden
Cox	Kee	Reed, Ill.
Curtis	Keogh	Reed, N. Y.
Dawson	Kilburn	Regan
Dingell	Latham	Ribicoff
Durham	Lesinski	Richards
Eaton	Lodge	Rivers
Evins	McCarthy	Roosevelt
Fellows	McCormack	Sadowski
Fisher	McGregor	Shafer
Fogarty	McSweeney	Short
Gilmer	Madden	Simpson, Pa.
Gorski, Ill.	Marshall	Smith, Kans.
Gorski, N. Y.	Martin, Iowa	Smith, Ohio
Gross	Morgan	Stigler
Hall, Edwin Arthur	Morton	Thomas, N. J.
Hall, Leonard W.	Moulder	Tollefson
Halleck	Murdock	Towe
Hand	Murray, Wis.	Underwood
Hart	Norton	Velde
Hébert	O'Neill	Vinson
Heffernan	O'Sullivan	Vursell
Heller	Pace	Welch, Mo.
Hill	Patman	Whitaker
Hinshaw	Pfeiffer, William L.	Withrow
Hoffman, Ill.	Phillips, Calif.	Woodhouse
	Pickett	Woodruff
		Zablocki

The SPEAKER. On this roll call 331 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

CIVIL FUNCTIONS APPROPRIATION BILL, 1950

The SPEAKER. The Chair recognizes the gentleman from Missouri [Mr. CANNON] for 15 minutes.

Mr. CANNON. Mr. Speaker, in order that we may understand exactly what is before us and what we are asked to vote on here, let us try to analyze this motion. The motion proposes to instruct the House conferees to agree to certain items in the bill.

But it is to be noted that those items include all the items listed in the table the committee put in the RECORD on August 17. In other words the principal part of this motion is to instruct the conferees to agree to what the conferees have already agreed to include in the bill. Every item that is in the table on page A5382 of the CONGRESSIONAL RECORD is, in effect, already in the bill. There is no question about these items. We are already pledged to agree to them—every one of them—as is.

So that part of the motion is superfluous. The conferees will approve every item in the table which you have before you—whether this motion is approved by the House or not.

The issue, therefore, is on the remaining items which the gentleman from Mississippi [Mr. RANKIN] has added in his motion. It is these few items added by Mr. RANKIN which are at issue in this motion. It is these few items which are holding up the bill. And they are significant.

They consist of items which ought not to be in any bill—and I trust will not be in any bill passed by this Congress.

How have they been brought before the House? Why have they been allowed to interrupt the prompt enactment of this legislation?

There is a custom on the other side which has for many years complicated the appropriation bills—especially appropriation bills of this character. Under that custom anyone may put in an appropriation bill almost any proposal for expenditure within and for the benefit of his particular State vast sums of money—millions of dollars—as in the present bill, with very little attention to the best interests of the rest of the Union and the taxpayers who pay the bill.

These are the amendments which are holding up this bill. They are unbudgeted, unwarranted, unjustified, and unconscionable.

The House conferees will include in the bill every item for which there is a budget estimate. And many others for which we could find some extenuating excuse. The only items in disagreement in this motion are items for which there is no budget estimate and no reasonable justification.

The budget is not sacred. Lack of a budget estimate does not preclude appropriation. But the conditions under which budget estimates are submitted are so liberal that failure to secure an estimate warrants the closest scrutiny. So generous are the estimates sent to Congress and so all-inclusive are the annual and supplementary budgets, that it is an unwritten rule in the House Committee on Appropriations to cut the budget estimates except under unusual circumstances. Every chairman in submitting his bill to the committee and to the House points with pride to the amount he has been able to cut below the budget. Invariably the first paragraph of any subcommittee report lists the cuts below the budget estimates. So there is something radically wrong with an appropriation for which no budget estimate can be secured.

These amendments which the gentleman from Mississippi proposes to add to the committee program in his motion to instruct have not only been rejected by the Budget but they are so unjustified and so profligate that even on reconsideration the Bureau has refused to approve them. Since the conferees have been in session advocates of these expenditures recommended by the gentleman from Mississippi have besieged the Bureau of the Budget and ordered the Bureau to include them, and all but sandbagged the Bureau personnel in an endeavor to secure an estimate, but the proposed expenditures were so lacking in merit and so unreasonable a drain on the Public Treasury that the Bureau cannot approve them and does not approve them. And it is this lack of merit and this exorbitant cost that has made it impossible for the House conferees to agree to them—rather than the failure of the Budget to recommend them—although their rejection by the Bureau corroborates the judgment of the managers on the part of the House in disagreeing to them.

But the question before this House today as embodied in this motion is not merely a question of who can get his hands in the United States Treasury and how much bacon he can carry home. It reaches far beyond that simple problem. It is not only of national but of world-wide importance. It is a question

of national solvency and financial integrity. While it does not directly involve defense against predatory forces abroad or against depression at home, it is inseparably concerned with both. If the financial stability of the Nation is threatened or undermined we are handicapped in fighting either a war or a depression. And both are an ever-present possibility.

We owe today more than a quarter of a trillion dollars. The national debt is vastly in excess of a quarter of a trillion dollars. It is such a debt as men never dreamed of—of such vast magnitude as to be beyond the finite mind of man to comprehend.

But the disturbing feature of the national debt is not its size. The alarming feature of the debt is the fact that instead of decreasing it, we are steadily increasing it. Although a man's obligations may be heavy, as long as he is paying them off he is still an eligible risk. It is only when he continually sinks deeper and deeper in debt that his case becomes hopeless. We had planned to pay each year not less than $5,000,000,000 annual reduction on this debt. Instead we are each year adding $5,000,000,000 to it. In the next 2 years—and I hope the House will hear this carefully considered statement—in the next 2 years we will spend over $10,000,000,000 more than the Government takes in. Think what that means if we continue such a policy for even 5 more years. Unless we expect a crash ahead we must stop spending. That is the only alternative. And here is one of the places to stop. Half a billion dollars we do not have for things we can get along without.

Remember, the gentleman from Mississippi [Mr. RANKIN], is not proposing to spend money out of the Treasury. He is proposing to spend money we do not have. We will either have to start the printing presses or we will have to try to sell more bonds. Which plan do you recommend when you vote to spend this half billion dollars we do not have?

And selling bonds is not the simple uninhibited procedure it used to be during the war. Week before last the Treasury found it had to have $200,000,000—just the comparatively small amount of $200,000,000. They had to appeal to every bank in the country to help sell that many bonds. Every bank in the Nation, even the little country bank in the hinterland, was importuned to help sell United States bonds.

And here these Senate amendments propose to spend more than twice that amount on extravagances that even the budget will not approve. That is the question before us. Will you demand that the House conferees stultify themselves by signing a conference report containing such expenditures above and beyond the national revenues?

Do you know that in London this week English Government bonds are selling at less than 70 cents on the dollar? Do you want to invite such a situation over here? Do not say "it can't happen here." It has happened here. In 1921, as you very well remember, United States Government bonds sold at $84. You pushed a $100 liberty bond across the counter and they gave you $84.

What would happen in this country if Government bonds dropped one point? Every bank in United States is jammed with Government bonds. The drop of a single point would be catastrophic. But that is what you are inviting when you continue to vote money here when we will have to sell Government bonds to get it. How many here want to personally contribute to such a situation by their vote to spend half a billion dollars for these Senate amendments that will have to be borrowed?

But, Mr. Speaker, bonds do not have to drop on the open market to leave us with a loss. They can still sell for a hundred cents on the dollar and leave us out of pocket. Inflation necessarily follows deficit spending. The buying power of the dollar drops. Runaway prices follow. Your salary will buy less. Your life insurance will leave your family with depleted resources. We increase wages to 75 cents and the 75 cents will not buy more than they previously got. We increase veterans' allowances which will buy less than the old allowance. We raise old-age pensions and our aged will have less than they had before. It is not a theory. You have seen it happen. The country has gone through it.

What does the country think about it? Sitting here listening to the importunities of the spenders and their lobbies we are prone to forget the people back home. What do they think about spending money we do not have for things we can get along without? If you will read your mail and note the increasing demands for tax reduction that come in with every mail delivery you will have no misconceptions about that. There is a growing demand throughout the country for a reduction in taxes. And taxes ought to be reduced. The excessive taxation under which we are laboring is a brake on national prosperity. It is accentuating unemployment and decline in volume of business. But how can we reduce taxes when the national income is insufficient to meet national expenses, when the income from taxes is not sufficient to pay the money Congress is appropriating?

The way to reduce taxes is to reduce expenditures. There is no other way in the world to do it. And here is the place to start—right here on these outrageous Senate amendments.

Now, Mr. Speaker, I do not condemn States for coming in here and asking for everything that is not nailed down and carrying away everything they can get their hands on. But I do wish to call their attention to the fact that in the end they themselves will have to help shoulder the ultimate cost. I would like to quote from an eminent American statesman of our own generation—a man who has served with rare distinction in the legislative, executive, and judicial branches of the Government. Here is what he said just this month:

> Federal aid is deceptive. It is an opiate. It leads people to believe that Federal funds come from a Christmas tree. The truth is there are no Federal-aid funds except those taken from your pockets. If the people generally will ever come to understand this, there will be less demand for Federal aid.
>
> The States may have failed to make adequate expenditures in some fields. That does not justify the transfer to the Federal Government of powers it was never intended to exercise. In every State there have been increased expenditures for welfare purposes. Give the States a chance.
>
> —*James F. Byrnes.*

And if I may be pardoned for going a little further back to the men who founded the Nation and who pledged their lives, their fortunes, and their sacred honor in order to place it on a sound basis I would like to include another quotation appropriate at this hour:

> I place economy among the first and most important virtues and public debt as the greatest of dangers. To preserve our independence, we must not let our rulers load us with perpetual debt. We must make our choice between economy and liberty, or profusion and servitude. If we can prevent the Government from wasting the labors of the people under the pretense of caring for them, they will be happy. The same prudence which in private life would forbid our paying our money for unexplained projects, forbids it in the disposition of public money.
>
> —*Thomas Jefferson.*

Mr. Speaker, let us not lose sight of the real question involved in this motion. A vote for the pending motion by the gentleman from Mississippi to instruct the House conferees to agree to these Senate amendments, is a vote for extravagance; it is a vote to spend money we do not have; it is a vote to start the printing presses or compel the Treasury to go to the banks of the country peddling bonds; it is a vote to menace national defense in time of war and national prosperity in time of depression; it is a vote to increase the national debt already beyond the point of prudence; it is a vote to encourage inflation; to reduce the buying power of the dollar; it is a vote to increase taxes; it is a vote against ordinary business judgment and common sense; it is a vote to burden future generations with debts they did not create.

I trust the House will vote down the motion.

The SPEAKER. The time of the gentleman from Missouri has expired.

Mr. RANKIN. Mr. Speaker, I yield myself 2 minutes. That is all the time I need to answer the speech of the gentleman from Missouri. You would think to hear him talk that these items would cost more than all the money you are pouring into all the foreign countries. I added up what these amendments will amount to for the next fiscal year and find it is $4,400,000.

Mr. CANNON. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I will yield.

Mr. CANNON. The gentleman will note that is merely the first cost. Before the items are concluded, they will, according to the engineers, cost a minimum of $469,000,000. That is the minimum and unquestionably before completion they will require in excess of half a billion dollars.

Mr. RANKIN. Congress authorized them and we do not intend for one or two

men on the Committee on Appropriations to block these developments. That is what you are trying to do here. The idea of accusing us of wasting money is ridiculous.

Mr. Speaker, the money that is spent on these projects will enrich the American people, it will enrich the country, instead of dragging it into bankruptcy.

Mr. Speaker, I reserve the balance of my time and I yield 7 minutes to the gentleman from Michigan [Mr. ENGEL].

Mr. ENGEL of Michigan. Mr. Speaker, while I have worked on this particular appropriation bill for 13 years, this is the first time in those 13 years that I have had nothing to do with the hearings or with drafting the bill. I am acting here only as a conferee.

In the short time at my disposal I want to discuss just two things. I have tried to have a balanced flood-control program. By a balanced program I mean that I have always tried to put in the bill for each project an amount which sound engineering requires on a particular project to get the most flood control for the flood-control dollar. We put that plan into force and effect in 1947.

The first dirt job we let was Garrison Dam. There were seven bidders, and the lowest bid was a million and a half dollars below the Army engineers' estimate. The next was Randall Dam. The low bid was a million dollars below the engineers' estimate.

I am not opposed to any particular project, but I am anxious to keep that plan going. Let us take the Gavins Point, S. Dak., for instance. We have in North Dakota $192,000,000 worth of projects going on with a budget estimate for 1950 of $31,800,000. In South Dakota we have $385,000,000 worth of projects going with a budget estimate for 1950 of $28,000,000. In Nebraska we have $60,890,000 worth of projects going with a budget estimate of $14,000,000. In other words, we now have under construction in these three States $638,000,000 worth of projects, and the Budget has sent down estimates for 1950 of not quite $74,000,000, or almost 18 percent of the total budget flood-control estimate for the 48 States.

Do you want to vote to put in Gavins Point and add $25,000,000 more, or do you want to go ahead and follow through on these projects in a logical manner?

Let us take the Tombigbee project. The engineers' estimate as given by the Senate for this project is $169,000,000. I believe this to be a very low estimate. It does not include the 18 locks, which I am told will cost in excess of $200,000,000 more. The gentleman from New York [Mr. TABER], will speak on that.

The total budget estimate for all the rivers and harbors projects in this bill for 1950 is only $146,000,000. So you are adding on to this bill one project that exceeds in total cost the amount allowed for all rivers and harbors projects in the entire bill by $20,000,000. Do you want to do that?

What else are you doing? To construct a job economically, after you have commenced construction, you should put in your bill 10 percent the first year, 20 percent the second, third, fourth, and fifth years, and end it up with 10 percent the sixth year. You are adding on the annual bill $34,000,000 a year for 4 to 5 years. And some of you are not going to get adequate funds for your project because the budget tells the engineers how much money they are going to have and they have to apportion it. The more projects, the smaller the allocations. Two years ago we completed this bill the last night of the session at 2 o'clock in the morning, but we got a good bill, and if you will leave this conference committee alone we will get a good bill and put in projects which should go in there and no others.

I am not opposed to any project, but I do not think we ought to start any more large projects at this time until we have finished some of those we now have under way. The Tombigbee may be a worthy project, but I am thinking of the time when some of you people came to me as chairman and pleaded with me for projects and produced pictures with houses going down the river. I had to say "No," because I could not conscientiously put them in and have the money spread out so thin as to increase costs.

We have a good program going now. Let us not upset that program. I have here a list of the projects. I have had as much to do with marking up this bill as any one member of the committee. I know the bill and I know we tried to be fair.

You have two Tombigbee projects in this bill, one a $169,000,000 construction project with $2,500,000 allowed by the Senate for this year, and another $200,000 a year for planning for the same Tombigbee.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. ENGEL of Michigan. I yield to the gentleman from Mississippi.

Mr. RANKIN. Why, yes, that $200,000 was included in the Senate's $2,500,000 that they provided for the Tennessee-Tombigbee.

Mr. ENGEL of Michigan. No. The gentleman is in error. I have the list right here. You have two projects here. On page 1, rivers and harbors, the Senate put in $2,500,000 construction money for Tombigbee, and I have an "SR" opposite it. You can guess what that means? Who receded? The second is in the planning part down here: Alabama, Tennessee-Tombigbee, $200,000 for planning. There is a question mark there as far as the Senate is concerned.

Mr. RANKIN. The gentleman said in his speech $200,000 a year.

Mr. ENGEL of Michigan. Not $200,000 a year. I said $200,000 in the bill for planning for Tombigbee.

Mr. RANKIN. The gentleman said $200,000 a year, and I thought the gentleman was going off on a tangent.

Mr. ENGEL of Michigan. I know, and my good friend from Mississippi always gets up here and says, "That is ridiculous, that is absurd." I want to ask the gentleman from Mississippi this question: Can he tell the Members of this House the total amount of money you are going to have in this bill for flood control or rivers and harbors if you pass this resolution to instruct the committee? Can the gentleman tell us?

Mr. RANKIN. Yes, I can.

Mr. ENGEL of Michigan. How much?

Mr. RANKIN. Does the gentleman mean for next year?

Mr. ENGEL of Michigan. Yes.

Mr. RANKIN. $4,400,000 for next year.

Mr. ENGEL of Michigan. I am talking about the number of projects you have got.

Mr. RANKIN. And every one of those flood control and river and harbor projects adds to the wealth of the Nation.

Mr. ENGEL of Michigan. Oh, yes, I know that, but you cannot cash them in and pay taxes with them.

Mr. RANKIN. The gentleman is just lined up with that element that is determined to destroy the Tennessee-Tombigbee.

Mr. ENGEL of Michigan. I am not trying to destroy anything. I am merely trying to follow an orderly program.

The SPEAKER. The time of the gentleman from Michigan has expired.

Mr. RANKIN. Mr. Speaker, I yield 3 minutes to the gentleman from Georgia [Mr. WOOD].

Mr. WOOD. Mr. Speaker, I believe that my record in this Congress will demonstrate that there is not a man here that has been more consistently favorable to economy in Government than I. But, sometimes I get a little weary of hearing preached by some people the doctrine of economy on small items such as are contained in this motion, while at the same time being a party to voting to take billions of the American taxpayers' dollars and turning them over to the peoples of foreign countries who have absolutely no interest in our welfare. As for my part, I have long ago reached the point where I feel that we ought to start doing a little something for our own people at home.

I have particular reference to the item in this motion known as the Buford Dam, which happens to be located in the district which I serve, and which is the only project that that district ever had in the more than 100 years of its existence. That project has been recommended by the Army engineers for more than 10 years. It has been approved by the Congress and there has already been expended on it by the Congress $650,000 for a preliminary survey and preparation for the construction of that dam. The Senate put into the bill, when it was on the Senate side, $2,261,000 for that project. This motion has cut it down to $750,000 to begin the construction of that project which not only will aid in the control of floodwaters throughout the whole Chattahoochee-Flint-Appalachicola River system from Buford south to the Gulf of Mexico, but is recognized as the key project to the Woodward Dam now nearing completion on the lower reaches of this river system at a cost of $30,000,000. Not only that, but the construction of this project will insure available year around water supply for the city of Atlanta, Ga., and in addition to that will make it possible for the people

of that entire area to have competitive water freight rates from the city of Atlanta, a great metropolis and shipping point for the entire Southeast, and which will tie in with all of the adjacent territory. In addition to that, the power produced on this project will add to the economic worth of every man, woman, and child in the whole area of the Southeast.

It seems to me that when you spend a small sum of $750,000 for the initiation of a project which will bring that character of benefit to the number of people involved in this area, starting in with the real development of the Appalachicola system, where you have already spent approximately $15,000,000 in the construction of a dam now nearing completion, it is poor economy to junk the whole project at this time, and I earnestly urge favorable action on the pending motion.

The SPEAKER. The time of the gentleman from Georgia has expired.

Mr. RANKIN. Mr. Speaker, I yield such time as he may desire to the gentleman from Georgia [Mr. DAVIS].

Mr. DAVIS of Georgia. Mr. Speaker, I wish to commend my colleague, the gentleman from Georgia [Mr. WOOD] for the splendid statement he has just made regarding the Buford Dam on the Chattahoochee River, which is one of the four projects on the Chattahoochee, Flint, Apalachicola system.

The Buford Dam was authorized in 1946. In 1947 there was an appropriation of $250,000 for advance planning, for the fiscal year 1948. For the fiscal year 1949 a further appropriation of $400,000 was made for further planning.

This is not one of the unauthorized projects referred to by the gentleman from New York [Mr. TABER] in his speech.

This dam has had the careful consideration of the Army engineers, who have made plans to spend $3,000,000 on construction of this dam for 1949, $2,500,000 for 1950, $5,000,000 in 1951, 1952, and 1953, leaving a remainder of $1,788,000 to be spent in 1954, the year of completion. The total amount of the cost of this dam is $22,538,000.

General Feringa testified regarding the Buford Dam before the Senate Civil Functions Subcommittee, and when he was asked by Senator RUSSELL:

> Of course, the Buford Dam is the key dam on water storage in this area?

He replied:

> That is right. The Buford Dam is an important part of the plan, because without the Buford Dam we will not be able to assure positive navigation below Columbus, and as it also will be a power dam, certain water will be discharged as a result of generating the power. Hence, the low water flow of the river will be augmented.

Senator RUSSELL asked this further question:

> So far as the Chattahoochee is concerned, for anything that is north or west of the junction dam, for flood control or navigation, the Buford site is the key site?
>
> Colonel FERINGA. The Buford is the only one for flood control?

It is well understood by all who have given consideration to the Jim Woodruff Dam at Chattahoochee, Fla., and the Buford Dam, that the Buford Dam is necessary in order for efficient use of the Jim Woodruff Dam to be realized. There are months during the dry season of the year when there will not be sufficient water coming down the Chattahoochee River to make it possible for a 9-foot channel for navigation to be maintained through use of the Jim Woodruff Dam, and to provide against this dry period, it is absolutely necessary to hold water in the storage reservoir which the Buford Dam will provide.

The Jim Woodruff Dam is now nearing completion, and for it to be used efficiently, it is essential and necessary that the Buford Dam be constructed. It is wasteful to delay its construction. This is a project which certainly cannot be lumped with those referred to by the gentleman from New York [Mr. TABER].

I did not prepare or introduce this motion, but since the Buford Dam is included in it, I do not want the House to have a wrong impression regarding the Buford Dam. It may be that the House will want to vote down this motion because of some other items which are in it. I, therefore, want to point out the difference between the Buford Dam and any other projects which may have been in the mind of the gentleman from New York [Mr. TABER] when he made his remarks.

Mr. RANKIN. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts [Mr. WIGGLESWORTH].

Mr. WIGGLESWORTH. Mr. Speaker, I am in entire sympathy with the desire of the gentleman from Mississippi [Mr. RANKIN] to see the conferees conclude their work on this bill. In all my experience over the years in Congress I have never seen such delays in respect to conference reports as I have seen recently in this Eighty-first Congress. In my opinion, these delays are inexcusable.

I cannot support his motion, however. I am opposed to the motion for two very simple reasons.

First. I am opposed to it because I am convinced that it is not the proper method to bring about a completed bill in this instance.

There are some 400 items in this measure. It is impossible to write the bill on the floor of the House. Moreover we have had experience recently with an instruction to conferees in respect to another bill, the ECA appropriation bill, which has held up the conference on that bill day after day after day in respect to a matter which should have been settled long since in the spirit of common sense and compromise.

Second. I am opposed to the motion because, as already pointed out, if agreed to it commits this Government over the years to an expenditure of over $500,000,000, a commitment in respect to items all of which are unbudgeted, some of which are unauthorized, all of which ought to be dealt with individually in conference.

There are 14 of these items. I have a list of them here but there is not time to read and discuss them in the brief time at my disposal.

The Tombigbee item alone, heretofore estimated to cost $169,000,000, according to the most recent information, will call for an ultimate expenditure of some $375,000,000. Whatever value this project may have, it must be considered from the standpoint of priority and in the light of available funds. This has been done repeatedly. The members of this committee know that this item has been passed upon again and again in this House and turned down.

The Gavins Point item is, I am sure, a very worthy project. It is only fair to say, however, that it calls for a very large ultimate commitment, and that it calls for it at a time when there are some $745,000,000 worth of projects in the same general area now under construction.

Other projects included in the list also call for very large commitments by the Federal Government.

The Senate has raised the appropriations made by the House to the extent of about $158,000,000.

Mr. Speaker, this motion in my judgment goes too far. Despite the delay, I urge its defeat, and the leaving of adjustment in the hands of the conferees.

Mr. RANKIN. Mr. Speaker, I yield 3 minutes to the gentleman from Florida [Mr. PETERSON].

Mr. PETERSON. Mr. Speaker, I take this time to call attention to the problem in central and southern Florida, particularly with reference to the Kissimmee River Okeechobee flood-control area in central and southern Florida. That is an area in which it is estimated by the Corps of Engineers that the loss in a single year amounted to $59,000,000. The project has been authorized. The budget approved $4,000,000 and the Senate included the item of $4,000,000.

Immediately after the approval of that item our Senators and Representatives in the House appeared before the Florida legislature and told them the item had been included in the Senate bill. The item had been approved by the budget and the President of the United States. Florida then called together their committee and the Florida legislature authorized and had allocated Florida's part of the program. That is the situation. In this area in a single year while the losses there amount to far more than the amount which would be expended the income tax in the area in 1946 amounted to $115,783,000, as paid by individuals, and another $50,000,000 by corporations. The losses in the flooded area would prevent a great portion of that sum from coming into the Federal Treasury. In addition to that, there are losses which are charged off by reason of the damage to privately constructed dikes which are lost at the time of the flood. It was pitiful to go into that area and see them trying to get their cattle out using rowboats. It was pitiful to see them trying to save their little pigs and get them on dry land out of the areas covered by water. Vast areas of land, streets, farms, orange groves were under water at the same time. We are merely asking that the

$4,000,000 approved by the budget be included.

The income tax paid by the people of Florida in that area will more than pay that back in a single year. We hope we may be able to be protected in this particular amount. This project is designed for orderly building of levees. Coordinating the work and this amount is essential. The benefit ratio is 2.23 to 1.

Mr. Speaker, I ask unanimous consent that I may revise and extend my own remarks and that the other members of the Florida delegation also may extend their remarks at this point.

The SPEAKER. Without objection it is so ordered.

There was no objection.

Mr. PETERSON. Mr. Speaker, I yield back the balance of my time.

Mr. BENNETT of Florida. Mr. Speaker, as a Congressman from a northern part of Florida, I take this opportunity to join my colleagues from southern Florida in hearty endorsement of the funds sought for flood control in central and southern Florida. The amount sought is small in comparison with what is really needed; but it will do a great deal of good toward saving life and property. It will pay for itself by indirectly increasing income taxes to the Federal Government.

Mr. ROGERS of Florida. Mr. Speaker, I rise to support the amendment offered by the gentleman from Florida [Mr. PETERSON] to increase the sum in the appropriation as set out in the motion on the project known as central and southern Florida, for the sum of $1,500,000 to $4,000,000.

I regret that the time allotted to me forbids my enumerating the merits of the project as well as detailing to you and particularly outlining the benefits, not only to the State of Florida, but to the Nation. I believe that if there was ever a project that should have favorable consideration in an appropriation bill, it is this comprehensive plan for flood control in central and southern Florida.

I quote to you from the report of Gen. R. A. Wheeler, Chief, Corps of United States Army Engineers, as follows:

> The area under consideration embraces some 15,570 square miles in central and southern Florida. Development and settlement of this area has progressed in spite of the difficulties inherent in a land where there is either too much or too little water, according to variations of the seasons and changes from year to year. Hurricane-driven floods of 1926 and 1928 resulted in the loss of some 2,500 lives in the area around Lake Okeechobee, producing one of the greatest disasters in the history of this Nation. The existing Federal project for flood control and navigation on Lake Okeechobee and its outlets has afforded a high degree of protection against a repetition of such a disaster. In addition, numerous drainage and flood-control works constructed by local interests have been instrumental in bringing the area to its present degree of development. However, the problem of too much water has not yet been solved, as the recent flood of 1947 caused damages estimated at $59,000,000 during the summer and fall of that year, even though direct overflow from Lake Okeechobee was prevented by Federal protective works. Recession of floodwaters has been so slow that gravity drainage from some agricultural areas is not yet possible as of the date of this report. Floods of similar magnitude occur with relative frequency, and minor flooding occurs almost every year. On the other hand, during the dry years, from 1943 through 1946, cattle died in the pastures of the Kissimmee Valley for lack of water; smoke from burning muck lands of the Everglades darkened the coastal cities, and salt water moved inland along drainage canals and through the underlying rock as the supply of fresh water diminished.

This project has the full cooperation of the various State and local interests behind it. This is also a mutual undertaking on the part of the Nation and the State of Florida. The Legislature of the State of Florida will provide an appropriation of not less than $3,000,000 to comply with that part of the State's contribution, as recommended in the report of the Army engineers. As a matter of fact, the past session of the Legislature of Florida created a flood-control district consisting of 18 counties for the purpose of giving full and complete cooperation in conjunction with the Federal Government in completing this project. I might say, over the years, this will be a self-liquidating project.

This comprehensive plan of improvement is actually a plan for the conservation and use of the water and land resources of a large part of Florida, as well as for protection from floods. The Everglades, which comprise the agricultural heart of southern Florida, are the largest single area of rich muck land in the United States and probably in the world; while the prairies of the Kissimmee, upper St. Johns and North Fork St. Lucie River areas, which lie north of Lake Okeechobee, are rapidly developing cattle and farming lands. Winter vegetables, citrus fruit, sugarcane products, and cattle are shipped from this area to all parts of the Nation, and make an important contribution to its food supply. Thus the Everglades and prairie lands to the north are no longer the watery waste of popular imagination; except when great floods occur as in 1947, when damages of over $59,000,000 were incurred, when the development built up patiently over a period of years is swept away and our people must start over again.

I will state that during the Eightieth Congress the project was approved by the Congress, and an appropriation of $16,300,000 for the first phase was authorized for initiating the first phase of the comprehensive plan for flood control in central and southern Florida.

The Florida delegation appeared during the Eighty-first Congress before the Subcommittee on Civil Functions of the Committee on Appropriations, seeking an appropriation to begin work on this project this year. The House Appropriation Subcommittee recommended the sum of $1,000,000. However, after the House Committee included this sum in the appropriation bill there was recommended by the Bureau of the Budget, in which the Bureau of the Budget filed a supplemental estimate, with the consent of the President, $4,000,000. Then a hearing was had before the Senate Subcommittee on Appropriations, and the sum of $4,000,000 was recommended in the Senate bill.

We consider this an emergency undertaking in the State of Florida, and I beseech the House to go along with the recommendation of the Bureau of the Budget and of the President, and approve the sum of $4,000,000. This sum is absolutely necessary to provide operation on the first step in the first phase of the plan as outlined by the United States Army engineers.

While making appropriations all over the world, I appeal to the Members of this House to become home-appropriation conscious and let us do something for our home folks, where property is preserved, lives are saved, and taxes are paid.

Mr. SMATHERS. Mr. Speaker, I am happy to join my colleagues in this amendment to the Rankin motion with the understanding that it is not the purpose of any one of the Florida delegation to force this issue of appropriations for the Florida flood-control program at this time. However, in view of the fact that Mr. RANKIN'S motion seeks to instruct the House conferees on the civil functions appropriations bill to stand by the recommendations of the House Appropriations Committee and not accede to the Senate conferees; and because at the time this appropriations bill was passed it did not contain the $4,000,000 for Florida flood control, we must either oppose this motion outright or amend it so that it will include the $4,000,000 recommended by the President, approved by the Bureau of the Budget, and passed by the Senate as this year's allotment for the Florida flood-control program. There is some possibility of Mr. RANKIN'S motion being adopted, and for that reason and because of the absolute necessity and the overwhelming desire of the people of our State to proceed with our flood-control project, we deemed it advisable to proceed in this parliamentary fashion.

In view of the limited time at our disposal, I shall not again detail to this House the very urgent necessity for a Florida flood-control project. In 1947 there was approximately $4,000,000 damage to the State of Florida by reason of floods. Some 20,000 square miles were under water, and approximately 20,000 families were driven from their homes. There was immediate and grave danger of an epidemic breaking out in the highly populated areas of south Florida. The epidemic was only averted at the last minute by the excellent work and tireless efforts of the various State, county, and municipal agencies and the Red Cross. We do not want that to happen again, and if the $4,000,000 which we seek is appropriated, it will greatly minimize the danger to life, limb, and property in our State.

In addition to these facts, it has been well demonstrated even by the Army engineers, who are notably conservative, that if this flood-control program is put into effect there will be a benefit to the national economy in an amount of approximately $25,000,000 annually. This $25,000,000 would be broken down into

increased production of winter vegetables, increased cattle production, and increased citrus production. The taxes which the Federal Government would realize from this increased production would total in the neighborhood of eighty to one hundred million dollars. Therefore, this is a program of economy, one by which we can invest and be certain of a greater return.

The cost of this program will not be borne exclusively by the Federal Government. The State of Florida, through its State legislature, has already or will make available approximately 18 percent of the cost of this entire program, and, in addition, will pay the cost of all future maintenance for the project. The State of Florida has done this upon the recommendation of the two United States Senators and we six Members of the delegation in the House of Representatives after we had been advised by the President, the Bureau of the Budget, and the Senate committee had all urged the appropriation of the $4,000,000 for Florida flood-control work. If, by some strange circumstance, all of this $4,000,000 should not be appropriated, it would mean a great set-back to the economy of the entire State.

In view of these facts, which of necessity have been briefly given, I trust that you will vote enthusiastically and solidly for this amendment offered by the gentleman from Florida, Congressman PETERSON.

Mr. RANKIN. Mr. Speaker, I yield myself 1 minute to reply to the gentleman from Massachusetts [Mr. WIGGLESWORTH].

He is worse than the gentleman from Michigan [Mr. ENGEL]. He got up here and said that the Tombigbee would cost $370,000,000. Here is the testimony of the Army engineers stating that it will cost $136,000,000.

Every time they take a shot, you understand, they increase the scope. So it is utterly ridiculous to say it will cost about $370,000,000.

Mr. WIGGLESWORTH. If the gentleman will yield, the gentleman from New York [Mr. TABER] will establish the figure which I mentioned.

Mr. RANKIN. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. TABER].

CALL OF THE HOUSE

Mr. CANNON. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. COOPER. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 195]

Allen, Ill.	Brehm	Combs
Anderson, Calif.	Brown, Ohio	Coudert
Bailey	Bulwinkle	Curtis
Bates, Ky.	Burdick	Davies, N. Y.
Bates, Mass.	Byrne, N. Y.	Dingell
Blackney	Celler	Durham
Bland	Chatham	Eaton
Bolton, Md.	Clemente	Elston
Bolton, Ohio	Clevenger	Evins
Breen	Cole, N. Y.	Fellows
Fogarty	Lucas	Richards
Furcolo	McCormack	Rivers
Gilmer	McGregor	Sabath
Gorski, Ill.	McSweeney	Sadowski
Gorski, N. Y.	Macy	Scott, Hugh D., Jr.
Hall, Edwin Arthur	Madden	Shafer
Hall, Leonard W.	Martin, Iowa	Short
Halleck	Morgan	Simpson, Pa.
Hand	Morton	Smith, Kans.
Hart	Moulder	Smith, Ohio
Hébert	Murdock	Stefan
Heffernan	Murray, Wis.	Stigler
Heller	Norton	Thomas, N. J.
Hill	Patman	Tollefson
Hinshaw	Pfeiffer, William L.	Towe
Hoffman, Ill.	Phillips, Calif.	Underwood
Hoffman, Mich.	Pickett	Velde
Jackson, Calif.	Poulson	Vinson
James	Powell	Vursell
Jenkins	Quinn	Welch, Mo.
Keogh	Redden	Whitaker
Kilburn	Reed, Ill.	Woodhouse
Kilday	Reed, N. Y.	Woodruff
Lodge	Regan	Zablocki
	Ribicoff	

The SPEAKER. On this roll call 324 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

CIVIL FUNCTIONS APPROPRIATION BILL, 1950

The SPEAKER. The Chair recognizes the gentleman from New York [Mr. TABER] for 5 minutes.

Mr. TABER. Mr. Speaker, the gentleman from Missouri [Mr. CANNON], the chairman of the Committee on Appropriations, has been exceedingly liberal in the conference. He placed in the RECORD on Wednesday, August 17, a list of the figures to which the House was prepared to go on the different projects, and that was a long way toward the $128,000,000 increase that the Senate put in.

He has not agreed to and the conferees have not agreed to certain items that are presently in disagreement. At the top of the list is the Tombigbee waterway, which is sponsored by the gentleman from Mississippi [Mr. RANKIN]. That project, according to the figures I have, consists of 18 locks, which, on the basis of what the other locks cost, will cost $12,500,000 apiece, or $225,000,000. The excavation proposed will cost at least $150,000,000. It goes through a mountain 170 feet high, and they will have to spread out from either side so that there is a width at the top of the ditch of 2,000 feet. Otherwise, they would have landslides. They could not avoid that.

Going up through that river you go through a limestone formation that is cracked, and it would have to be concreted in order to protect it.

On top of that, the Board of Engineers in considering this project in 1945 reported to the chairman of the Committee on Rivers and Harbors that the gross benefits would be $6,250,000 a year.

The major barge line in New Orleans, which operates on the Mississippi River, I understand has said that it could not use this waterway if it was built. So we ought not to be led astray by such a thing.

All the way through the only projects that have been stood out against are unbudgeted items. Many of these items not only are unauthorized by law, such as the Optima project, and there is doubt about this Oologah project, but they are unbudgeted.

The total of all these projects that are involved in this motion would increase the over-all ultimate cost by upward of $500,000,000. It means that every time there is a river-and-harbor bill and every time there is a flood-control appropriation the money must be spread out a little thinner, and that we must slow up on the construction of the projects.

One of the curses of a lot of these projects, especially those on the Missouri River, has been that instead of taking a project and carrying it through full sledge so that it would be promptly completed and the people down below would have flood control, they have spread themselves out into project after project and got them started and moving along very slowly, so that they almost never will be completed.

The total appropriations and allotments on projects that have been started there will cost upward of $450,000,000.

Let us not approach this proposition from the standpoint of what might be the local interests of somebody. Every one of these people whose project was named by the gentleman from Missouri [Mr. CANNON] on the 17th, which was last Wednesday, in the extension of his remarks, can count on having that amount of money if they vote against this motion.

We stand a chance of getting a bill that way, but I do not believe we have a chance if we adopt the motion of the gentleman from Mississippi [Mr. RANKIN].

The SPEAKER. The time of the gentleman from New York has expired.

Mr. RANKIN. Mr. Speaker, I yield myself 1 minute to answer the gentleman from New York [Mr. TABER].

He is as far away off as the gentleman from Massachusetts [Mr. WIGGLESWORTH]. The Army engineers testified when this bill was before the other body that it would cost $133,000,000 and not $370,000,000. Not only that, but the project is already completed up to the mouth of the Warrior—from Mobile up to the mouth of the Warrior.

Furthermore, the barge lines at New Orleans made no such statement as the gentleman quoted. A gentleman from Louisiana said they never said the barge line could not use this slack-water route. Besides all this bunk about cutting through rocks has been answered by the Army engineers for years.

Mr. Speaker, I yield 2 minutes to the gentleman from Nebraska [Mr. O'SULLIVAN] and reserve the balance of my time.

Mr. O'SULLIVAN. Mr. Speaker, great hue and cry has been raised by certain of the House Members to the effect that we should now be economywise when considering this resolution. For the first time some of these voices have reached the very zenith of their fervent appeal and a hitherto unsurpassed volume. They act as if this money would be thrown away, would be lost to the American people. It is neither a give-away nor a throw-away program, but is

a sound investment for our people and their Government.

Please realize that such is the case. These projects will be a fine investment for the American people. They will pay back one hundredfold all the costs of the contemplated improvements. These improvements will be the greatest boon to States which are treated now as national stepchildren. Heretofore only a few States have been granted any consideration whatsoever as far as improvement projects are concerned. One of these States is Nebraska.

This bill contemplated the following projects for Nebraska:

Gavin's Point Reservoir	$500,000
Harlan County Reservoir	11,250,000
Missouri River agricultural levees (Nebraska and Kansas)	5,952,700
Missouri River, Kensler Bend, Nebr., to Sioux City, Iowa	380,000
City of Omaha, Nebr	1,500,000

All of the projects in same are not burdensome expenses but are in the real interests of national economy.

The Nebraska projects are well known to me and are badly needed for flood prevention and other purposes and will pay off to the State of Nebraska and the Nation splendid dividends if they are authorized. The projects for all other States are equally splendid. All of them are long-time programs and the yearly cost of same will never be missed.

My colleague the gentleman from Mississippi, JOHN RANKIN, is to be complimented for the persistent and splendid work he has done in bringing this resolution before us today and I shall wholeheartedly support this resolution and hope that all of you may see your way clear to do something for the Republic today.

Mr. RANKIN. Mr. Speaker, I yield 1 minute to the gentleman from Idaho, [Mr. WHITE].

Mr. WHITE of Idaho. Mr. Speaker, I think this is one of the greatest improvements and one of the greatest money-saving programs that has ever been brought forth to connect the southern part of the country to give water transportation with the North and the East and the West, with the industrial and manufacturing sections of the country along the great Ohio River; and the Mississippi River down to the Gulf of Mexico and back through this waterway to the Ohio River.

Mr. Speaker, I would like to call the attention of the gentleman from New York to the fact that the figure he has quoted here as to the cost of this project is not one-tenth of the money that this Government has thrown away in China.

If he will look at the little country of Holland, one of the richest countries in the world, he will discover that it is the system of canals and water navigation that has made Holland great.

I would like, too, to call his attention to what Holland has accomplished with her canals and waterways. When he and I studied geography in school as children we learned that the capital of every State was on some river or waterway.

He knows, too, that practically every great city of the United States are on such rivers or waterways. That access to navigation has been the prime factor in the upbuilding of our industrial centers and great cities. Where would Detroit, Chicago, St. Louis and Pittsburgh be without navigation. Let us construct this waterway to fully utilize water transportation between the great industrial sections along the Ohio and the commercial centers on both streams down to the Gulf.

Mr. RANKIN. Mr. Speaker, I yield to the gentleman from Oklahoma [Mr. WILSON].

Mr. WILSON of Oklahoma. Mr. Speaker, I rise to speak concerning Mr. RANKIN'S pending preferential amended motion to instruct the House conferees on the Army civil functions appropriation bill for 1950.

My particular interest therein is in connection with the Optima Dam and Reservoir project in Texas County, Okla. Notwithstanding statements or references to the contrary previously made here today it should be clearly understood from the record that this worthy project has heretofore been approved by Congress and was first authorized for construction by the Flood Control Act of June 22, 1936. This project received allocations for preliminary planning in 1944. Preliminary plans were prepared and submitted in November 1945 and approved by the Chief of Engineers in March 1946. While $50,000 was allotted in the 1949 Army Civil Functions Appropriation Act for preparation of detailed plans for this project, such was not intended to be sufficient, and in fact was not sufficient to cover the detailed survey necessary and the final preparation and completion of the detailed plans for this project.

This project consists of a rolled earth-filled structure located on the North Canadian River about 623 miles above its mouth and about 4½ miles northeast of Hardesty, Okla. The dam is to be 10,800 feet long with a maximum height of 85 feet above the valley floor. In addition to 100,000 acre-feet of flood control, storage in the project, an allocation of 70,000 acre-feet has been made for irrigation storage and municipal water supply to supplement the needs in the completed Canton Reservoir located downstream.

Some work in regard to survey and planning in detail has already been done and the Senate, looking to completion of the plans and perhaps a beginning on the actual construction, approved $500,000 to be allotted to the Optima Dam and Reservoir project in the Army civil functions appropriation bill of 1950. It is now desired to instruct the House conferees on this measure to agree to an authorization for this purpose in the amount of $100,000 as contained in the proposed preferential motion.

I need not tell you of the importance of water and water conservation to this area of the high plains that was once a part of the Dust Bowl. The North Canadian River, which this dam would help control, yearly goes upon a rampage and inundates thousands of acres of rich farm land. Then between floods the river recedes into the sands of its shallow bed and the parched lands about cry for moisture. Floodwaters from this river cast their muddy burden into the Arkansas River and thence into the Mississippi at times when those streams are already overburdened with floodwaters. The Optima Dam would have as its primary purpose flood control. That is what it was authorized for and that is what it would be built for. But in this semiarid region the possibilities of irrigation have not been overlooked. The Bureau of Reclamation has promised to cooperate to the fullest practicable extent to insure that the potentialities for irrigation are properly evaluated.

In addition to the many incidental benefits from the construction of such a dam I must point out the vital interest of cities in the surrounding area in having an adequate source of water supply. My own home city of Enid over 150 miles away has expressed its keen interest in this project and is looking to this project as a potential source of water supply. Oklahoma City 200 miles down river has always looked to the North Canadian River for its water supply. The Canton Reservoir recently completed above Oklahoma City on this river would be protected and supplemented by this dam. The Bureau of Reclamation has called my particular attention to the value of the Optima Dam to prevent siltation of the Canton Reservoir. In addition floodwaters which already have strained the Canton Reservoir's capacity and required the hasty dumping of water from that reservoir in order to receive more anticipated floodwaters, could be easily contained and controlled.

I urge serious consideration of this worthy project.

Mr. RANKIN. Mr. Speaker, this brings us to the close.

We have asked for only $625,000 on the Tennessee-Tombigbee, whereas the Senate gave us $2,500,000. We have gone just as far as we can. The opposition cannot any more kill this project than they can turn back the waves of the ocean.

On this project in Nebraska, the one in Georgia, the one in New Mexico, the one in Kansas, the one in Ohio, and the ones in other sections of the country are absolutely necessary for the improvement of the United States of America. It will be interesting to read this roll call and the roll call on the expenditure on those bills that have been pouring billions into other countries by Members of this House.

I sincerely trust that this motion will be carried by a unanimous vote.

Mr. PETERSON. Mr. Speaker, will the gentleman yield for an amendment?

Mr. RANKIN. I yield for an amendment.

Mr. PETERSON. Mr. Speaker, I offer an amendment, which is on the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. PETERSON to the motion by Mr. RANKIN to instruct the managers on the part of the House who were appointed by the Speaker for a conference with the Senate on H. R. 3734: In the item "Florida: Central and southern," strike out the figure "$1,500,000," which appears in the

column "Amount to which House conferees are instructed to agree," and insert in lieu thereof "$4,000,000"; and following the item "Jemez Reservoir" under the item "New Mexico," add "Chamita Reservoir, $750,000."

Mr. RANKIN. Mr. Speaker, I move the previous question.

Mr. TABER. Mr. Speaker, a point of order. I make the point of order that the Chamita Reservoir is not authorized by law. I make that point of order against the amendment.

The SPEAKER. Is it in conference?

Mr. TABER. It was in the Senate bill, but it is not being presented for a separate vote. It is being presented with other items, and it does not comply with the provisions of clause 2, rule XX.

The SPEAKER. The Chair will hold the same as he held earlier today, that the matter is in conference, and therefore overrules the point of order.

Mr. RANKIN. Mr. Speaker, I move the previous question on the amendment and the motion.

Mr. LECOMPTE. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. LECOMPTE. Is it in order to offer an amendment to the pending motion?

The SPEAKER. There is an amendment pending now.

Mr. LECOMPTE. But after this amendment is acted upon.

The SPEAKER. If the previous question is ordered, it will not be.

Mr. RANKIN. Mr. Speaker, I yield to the gentleman from Iowa for that purpose.

The SPEAKER. The gentleman has moved the previous question on the amendment and the motion.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the amendment offered by the gentleman from Florida [Mr. PETERSON].

The amendment was rejected.

The SPEAKER. The question is on agreeing to the motion offered by the gentleman from Mississippi [Mr. RANKIN].

The motion was rejected.

EXTENSION OF REMARKS

Mr. MANSFIELD asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article by Senator BRIEN MCMAHON.

Mr. McDONOUGH asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article.

Mr. JUDD asked and was given permission to extend his remarks in the Appendix of the RECORD in two separate instances and in each to include extraneous matter.

AMENDMENT OF NATIONAL HOUSING ACT

Mr. SABATH. Mr. Speaker, I call up House Resolution 336, providing for the consideration of the bill (H. R. 6070) to amend the National Housing Act, as amended, and for other purposes, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6070) to amend the National Housing Act, as amended, and for other purposes. That after general debate which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final pasage without intervening motion except one motion to recommit.

Mr. SABATH. Mr. Speaker, this rule makes in order the bill H. R. 6070 in lieu of the original bill H. R. 5987, as reported by the Committee on Banking and Currency. After several hearings on the bill H. R. 5987 the Committee on Rules unfortunately could not agree to reporting it out. Finally, after several efforts on the part of the Committee on Rules, with which I had a little something to do, I received the consent of the committee that a rule should be reported out provided agreement were entered into between the chairman of the Committee on Banking and Currency, the gentleman from Kentucky [Mr. SPENCE] and the ranking minority Member, the gentleman from Michigan [Mr. WOLCOTT]. They finally agreed, and this compromise bill was granted a rule by the Rules Committee. It strikes out a provision of the original bill providing for direct loans.

I was of the opinion that the rule should be granted on the original bill which contained the provision for direct loans because I did not feel it should be necessary for an ex-serviceman to be required to obtain loans through the banks at greater cost to him. It is our duty, the duty of the Congress, to aid the ex-serviceman in every way possible; especially if it does not mean added expense to the Government.

We are trying to bring about as much economy as we can and to eliminate unnecessary expenditures. So why eliminate a provision, as has been done by the agreement to get this rule, prohibiting direct loans to these deserving men?

There is no objection to titles I and VI of the bill or to many of the provisions of title III. There is a general demand for legislation to enable the middle man, the man of medium earnings, to obtain a home in which to live. Unfortunately, by the elimination of that provision we do not accomplish the aims of those who are interested not only in the ex-serviceman but in those of the middle class.

May I say to you that the American Federation of Labor, the CIO, the various veterans' organizations, including the American Legion, and many civic organizations are pleading for a broad bill. I hope you will realize the necessity for this legislation.

I have many telegrams which I intended to read to you. They are all of the same character. It is felt that the Senate bill as reported is the bill that should be adopted. It has been suggested that it might be well to substitute the Senate bill for the House bill. But that is up to the membership of the House. You will have the right and opportunity to amend the bill under the rule that is before us reinserting the provisions that have been stricken out. In view of the fact that the bill will be explained to you not only by the chairman of the Committee on Banking and Currency but by many of the able men who worked with him to bring about favorable legislation demanded by the country, I feel I should not take up any more of your time.

Mr. Speaker, I ask unanimous consent that I may include as a part of my remarks from among the many letters, telegrams, and petitions which I have received up to now, a telegram signed by Lyall T. Beggs, commander in chief, Veterans of Foreign Wars, now holding its annual convention in Miami, Fla.

The SPEAKER pro tempore (Mr. BOGGS of Louisiana). Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SABATH. The telegram is as follows:

MIAMI, FLA., *August 22, 1949.*

Congressman ADOLPH SABATH,
Chairman, House Rules Committee,
House of Representatives,
Washington, D. C.

Fiftieth annual convention Veterans of Foreign Wars of the United States today unanimously adopted resolution calling upon Congress to enact middle-income housing bill in form as reported from Senate committee, S. 2246. Opposed to H. R. 5987 in form as bill emerged from House committee. Convention unalterably opposed to any legislation which would continue in effect so-called section 505 combination GI-FHA loan. Strongly urge Congress to continue and expand GI loan program of GI bill of rights. Convention would be exceedingly grateful for your assistance in furthering objectives of this mandate for a million and one-half overseas veterans.

LYALL T. BEGGS,
Commander in Chief, Veterans of Foreign Wars of United States.

Mr. EBERHARTER. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. I wonder if the gentleman could tell the House whether or not, in his opinion, the provisions of the original measure which the Committee on Rules insisted on the Committee on Banking and Currency eliminating were desirable provisions in the first instance, and whether he would like to have them retained in the measure now before the House.

Mr. SABATH. I believe a motion will be made to reinstate the provisions that were stricken out because of the unfavorable action on the part of the Committee on Rules. I was obliged to agree, to get the rule out; otherwise it would

have been impossible to bring the rule to the floor.

Mr. EBERHARTER. I am sure the gentleman has always favored the most liberal housing provisions possible to pass in this House, and I certainly did not mean to intend that he favored the elimination of any of these desirable provisions.

Mr. SABATH. I repeat; if there is any legislation that is needed in this country it is legislation to provide for the hundreds of thousands of deserving ex-servicemen and those in the so-called middle class. I feel that the Committee on Banking and Currency has done a good job, taking into consideration the various interests that were at work to emasculate the bill. I feel that they brought in a fairly good bill, although they, too, have their own troubles, and they have not included certain provisions that should be included in the bill.

In view of the fact that we have been able to bring in an open rule so that the Members will have an opportunity to offer amendments, I hope that all amendments offered to improve the bill will be acted on favorably so that the bill will be more workable and more advantageous to the deserving ex-servicemen and the people in general.

I now yield 30 minutes to the gentleman from Massachusetts [Mr. HERTER].

Mr. HERTER. Mr. Speaker, as far as I know there is no objection whatsoever to the rule. In addition, so far as I know, there is no objection to the bill as it now stands. It is my belief that there may be some debate over what may be inserted in the bill. Insofar as the text of the bill at the present time is concerned, there seems to be no division of opinion on that. For that reason it seems to me that there is no necessity of explaining the terms of the bill, as that will be done by members of the Banking and Currency Committee, nor have I any requests for time on this side.

Mr. Speaker, I hope the rule will be adopted.

Mr. SABATH. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan [Mr. O'BRIEN].

Mr. O'BRIEN of Michigan. Mr. Speaker, I favor the adoption of this rule, inasmuch as it is an open rule which will permit the offering of amendments.

Mr. Speaker, I am in favor of H. R. 6070 reported by our Committee on Banking and Currency providing substantial extension from the present expiration date for FHA insurance on homes. I am also in favor of certain amendments that will be proposed to the bill that would authorize direct loans to certain cooperatives and veterans at 3-percent interest to be amortized over a period as high as 60 years for durable construction or during the useful life of the dwellings. There is no greater bulwark for the present and future strength of the Nation than the largest possible scope of home ownership. Down payments that are beyond the reach of many and high interest rates make it completely discouraging for a multitude of moderate-income people in this country to undertake the ownership of a home. The usual prevailing interest rate now is about 4½ percent. The reduction of interest rates and the longer period of amortization will inevitably add greatly to the number of families in this Nation that will own or be buying their homes for a cost and on an amortization basis that is within their economic means. It is regrettable that we cannot provide universally for an interest rate of not more than 3 percent for home purchasing, but this program will directly aid many thousands and will tend to set standards which will ultimately redound to the good of all. I hope the amendments which were recommended by a better than 2-to-1 vote in our committee, later to be stricken by the insistence of a majority of the Committee on Rules, will be restored to the bill when it is read for amendment in the Committee of the Whole.

Mr. SABATH. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6070) to amend the National Housing Act, as amended, and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 6070, with Mr. MANSFIELD in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. SPENCE. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. BUCHANAN].

Mr. BUCHANAN. Mr. Chairman, in the first 7 months of this year, 1949, the building industry has surpassed any previous 7-month period of construction in the history of the Nation. Total construction in dollar volume amounts to $10,300,000,000 for the first 7 months of this year. If this pace continues, it is likely that 1949, as far as dollar volume output is concerned, will exceed or approach $19,000,000,000.

It is true that residential construction in this same period is about 3 percent below the similar period in 1948, whereas public construction is up about 33⅓ percent, that is, as far as hospitals, schools, and public highways are concerned. Industrial and commercial construction is off about 5 percent.

I cite these figures to point out that at the present time, in spite of a recession or a disinflation or whatever economic term you want to apply to the present stabilizing period, we are enjoying a relatively high productive year as far as building construction is concerned.

It has been the endeavor of the Committee on Banking and Currency to bring out this year a well-rounded, comprehensive housing program. With the support of the House, the other body concurring, we have enacted into law, now, slum-clearance and public-housing legislation which provides a long-range housing program for those in the $2,000-income level and below. Since the year 1946, the private building industry has devoted its efforts largely to the higher-price home market. This level has been above the reach of many of those in what is known as the middle-income group. It was the intention of the committee in reporting legislation that we would try to cover that middle-income bracket from $2,500 to $4,000. We have in the pending legislation liberalized title I of FHA, title II and title VI and with amendments to the Federal National Mortgage Association have probably given to the building industry and to private enterprise in the private construction phase of that industry more liberalized aids and supports than possibly any Congress has ever done in the past.

I will just run briefly over some of the high lights of what this bill does in its present form.

These are the high lights of the bill, H. R. 6070:

FHA TITLE I AMENDMENTS

House bill, H. R. 6070 extends title I to July 1, 1952, in amount $1,250,000,000. Class 3 loans reduced from $4,500 to $3,000, and new section 8 with maximum mortgage amount $4,750 for 95 percent 30-year loans may be increased by FHA to $5,700 maximum in high-cost areas.

FHA TITLE II AMENDMENTS IN H. R. 6070

Title II revolving fund increased by $1,250,000,000. Section 203 (b) 2 (B) now providing 90 percent $3,600 loans repealed. Section 203 (b) 2 (c) amended to provide 95 percent of $7,000 value plus 70 percent of the excess up to total of $11,000 on owner-occupant 25-year mortgages.

Present law 90 percent of $7,000 and 80 percent of excess to $11,000.

Section 203 (b) 2 (D) provides maximum mortgage amount $6,650 on a 95 percent 30-year mortgage with $950 additional for each bedroom in excess of two but not exceeding four—85 percent firm commitment for the builder. Maximum of $6,650 may be increased by FHA to $7,600 in high-cost areas.

FNMA AMENDMENTS

The 50-percent restriction is lifted for GI loans not exceeding $10,000, loans under section 8, title I, section 203 (b) 2 (D), section 207, section 213, section 608, section 611, and section 803.

Prior to sale to FNMA, VA must certify that dwelling conforms with minimum VA construction standards and the mortgagee must certify that "no bonus, fee, or other charges in excess of those expressly authorized by the Association have been or will be charged or received by such mortgagee to or from the builder or the mortgagor in connection with such mortgage."

FHA TITLE VI AMENDMENTS

House bill extends section 608 to June 30, 1950, with one-half billion increased authorization; no reduction in 90 percent insurance features.

The bill raises section 611 insurance percentage from 80 to 85 percent—$5,950 per individual unit with $850 for

each additional bedroom in excess of two.

Where construction is initiated under section 611 the mortgage may be replaced by individual mortgages covering each individual dwelling upon completion and insured under this section on the same basis as loans under section 203 (b) 2 (D).

FHA BUDGET AMENDMENT

The bill provides that FHA expenses for examination and insurance of loans and other field expenses not attributable to general overhead, can be paid out of income received by FHA from premiums and fees during the previous fiscal year, provided that not more than 35 percent of such previous year's income can be so used.

The FHA is authorized to process applications and issue commitments under section 8 of title I, title II, title VI, or title VIII, even though the permanent home financing may not be insured by FHA. If not so insured, FHA is authorized to charge additional reasonable application fees.

House bill changes present 501 loans guaranty from 50 percent or $4,000, to 60 percent or $7,500. The mortgaged property would have to conform with VA minimum construction requirements.

House bill extends loan term of GI mortgages from 25 to 30 years.

For an $800 mortgage this would amount to a reduction of $4 per month.

HOUSING FOR EDUCATIONAL INSTITUTIONS

House bill authorized RFC to purchase obligations of and to make loans to nonprofit educational institutions of higher learning for the construction of student and faculty housing, such loans to be at 4 percent and up to 40 years but no special fund is set aside for that purpose.

PREFAB DISTRIBUTION LOANS

House bill gives RFC authority to make loans directly to any business enterprise or financial institution to finance the purchase and erection, including the distribution and marketing, of prefabricated houses manufactured with financial assistance under section 102; the total amount of such loans not to exceed $75,000,000 outstanding at any one time.

Title VI is likewise liberalized.

In all, this might be said to be a bill which really goes all out for the private construction industry.

I would like to read, for the benefit of the House, a telegram from Gen. John Thomas Taylor, director of the national legislative commission of the American Legion, and his comments on this particular bill:

WASHINGTON, D. C., *August 22, 1949.*

Hon. FRANK BUCHANAN,

House Office Building, Washington, D. C.:

Last year the House Rules Committee bottled up housing proposals of the American Legion and prevented them from reaching the floor. Censuring these tactics, the 1949 national convention of the Legion castigated Congress for its confused treatment of housing legislation and its callous refusal to afford World War II veterans preferred consideration on an effective basis.

Once again the Banking and Currency Committee because of action by the Rules Committee has been forced to change reported legislation which contained the recommendations of the American Legion. For the last 18 months World War II veterans have sought vainly to exercise the guaranty benefit held out to them by the Congress in the Servicemen's Readjustment Act. The private investor, avid for higher interest rates, has in many areas closed the door to the veteran coming in for a loan to finance his purchase of a home or farm. The American Legion sought to amend that picture. The proposed direct loan was the keystone of its plan. It proposed that the World War II veterans who proves himself qualified, and who has been denied credit by private institutions, can get a loan from the Federal Government at a 4-percent interest rate to purchase his home or farm. The Rules Committee forced the jettisoning of the direct loan.

We urge your support of an amendment which will be offered to H. R. 6070 to reconstitute the direct loan provisions for veterans. The defeat of this amendment will charge the Congress with again having turned its back on shelter-seeking veterans and with again sidestepping payment of the promise it made to him while he was still in uniform.

We also ask you resist any attempt made on the floor to strike out the provision contained in the bill designed to eliminate the combination FHA-VA (section 505 (A)) loan. So long as the combination loan is authorized Congress will leave in the hands of the builder and the broker a tool which will frustrate successful seeking by a veteran of a 4-percent loan. So long as this type of loan remains there will remain a question of whether it was the veteran or the builder and lender that Congress proposed to take care of in the GI loan program.

We ask, therefore, for your support of the amendment to reinstate the direct loan provisions requested by the American Legion and resistance against any other amendments to title II of H. R. 6070.

JOHN THOMAS TAYLOR,
Director, National Legislative Commission.

Likewise, a telegram from Veterans of Foreign Wars in convention now at Miami, Fla., endorsing the principles that were cut out of this bill and asking that we attempt to restore these provisions.

This telegram is as follows:

Congressman FRANK BUCHANAN,
Washington, D. C.:

Fiftieth annual convention Veterans of Foreign Wars of the United States today unanimously adopted resolution calling upon Congress to enact middle income housing bill in form as reported from Senate committee, S. 2246. Opposed to H. R. 5987 in form as bill emerged from House committee. Convention unalterably opposed to any legislation which would continue in effect so-called section 505 combination GI-FHA loan. Strongly urge Congress to continue and expand GI loan program of GI bill of rights. Convention would be exceedingly grateful for your assistance in furthering objectives of this mandate for a million and one-half overseas veterans.

LYALL T. BEGGS,
Commander in chief,
Veterans of Foreign Wars of United States.

The American Federation of Labor calls upon Congress in a three-point program to combat sporadic unemployment by resolution to wit:

Furthermore, the executive council calls upon Congress to approve before adjournment pending legislation to encourage the construction of moderate rental apartments for families just above the low-income group. This legislation, which would involve no Government subsidies but would authorize low-interest loans to cooperatives and nonprofit groups to build apartments, is badly needed to supplement the public housing and slum-clearance program already approved by Congress. The shortage of rental housing in the $50 and $60 a month level is acute and new construction activity in this field would serve as a stimulus to all of industry.

So, in the full review of today's general debate, you will have presented the picture of what is needed insofar as comprehensive housing legislation is concerned.

I might point out, too, that as far as this direct loan feature is concerned, it is certainly not a new thing. There are already provisions in existing law under REA, Farmers Home Administration, the Federal National Mortgage Association, and previous legislation under HOLC and under RFC for direct loans.

So my appeal to the House today is to support the bill as reported, with amendments that will be offered by various members of the committee, to restore the bill as originally reported by the commiteee. I am sure that if we are able to report that kind of bill it can truthfully be said that a comprehensive program will have been enacted and the building construction boom that is presently at a high level will continue at an extremely high level and be able to bring about complete recovery in this Nation to the full employment era of 1948.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. BUCHANAN] has expired.

Mr. WOLCOTT. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Chairman, it is very difficult to understand why we must face constantly and stubbornly a resistance against the direct-loan program to aid the lower middle income groups to get housing.

I notice that the very bill which the Rules Committee has given a rule on, H. R. 6070, does carry a provision for a direct loan. It carries that provision on page 33 with respect to aiding in the distribution, erection, and marketing of prefabricated houses. Provision is made there for $75,000,000 of direct loans by the RFC.

I think it has become clear by now that the housing program in the country, upon which we made a start in the previous Housing Act, must have more aid for its solution than is given by the FHA or than is given by enlargement of the so-called "Fannie May." Apparently the only plan upon which a very large number of Members of the House have been able to agree, and which the Committee on Banking and Currency in the other body has incorporated in its bill, is this provision for direct loans for housing middle-income families.

In the other body they provided for only $500,000,000 in lending authority with the right of the President to increase it to a billion dollars. That differs rather materially from the bill offered by the 10 Republican Members of this House way back in January of this year which pioneered this direct loan idea to provide housing that families in the lower middle-income groups

can afford. This is truly a bipartisan approach to the solution of this problem. While it does not do all that the original sponsors of direct loans for such housing wanted, acceptance of this billion dollar proposal would at least be an approach and a fair trial of a plan to do something for the lower middle-income families.

Over 50 Members of the House have introduced almost identical bills on this subject—Members on both sides of the aisle. But there was always an undercurrent of resistance despite the fact that a majority of the House wanted housing legislation—that majority not confining itself to one side, but coming from both sides of the aisle. They wanted the Taft-Ellender-Wagner bill, but there was a stubborn resistance from those who could to try to prevent the bill from reaching the floor.

The Members representing districts such as my own where families in the lower middle-income groups urgently need housing aid, were all for public housing under the assurance that we would have a balanced housing program that would extend to the lower middle-income groups. They are taken care of in this bill to a certain extent and we are giving them aid in getting housing for themselves as they are entitled to.

This principle of direct Government loans is carried out in the REA for the benefit of the farmers, it is carried out in the farm programs, and it is carried out for business through the RFC. No one seems to raise any alarm when it is done in those quarters but when it is proposed to extend the same principle to city dwellers who urgently need it, it is called socialistic. Yet city dwellers in the lower-middle income brackets in this whole housing program have been overlooked, those earning in the range of $3,000 a year—the great bulk of the middle-income group—about 15,000,000 American families. Whenever anything is endeavored to be done for them, there is this constant cry of socialism, that the program is to become socialistic; yet it is not socialistic in REA and it is not socialistic when it comes to maintaining farm prices or helping business.

I hope that the Committee of the Whole will see fit to accept an amendment which will let this one innovation that anyone has been able to think of—direct loans for housing—to be put into effect, which will bring housing within the reach of the lower middle-income groups, reduce the rental of four-room apartments from what it is now when built under title VI of this act, about $80 or $85 a month, to about $55 or $60 a month. We took care of the lowest income groups when we passed the Housing Act a few weeks ago. I hope the Committee will at long last give the lower middle-income group a chance and balance out this housing program which should have been done from the beginning.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from Georgia [Mr. BROWN].

Mr. BROWN of Georgia. Mr. Chairman, the passage of H. R. 6070 is most important in stimulating home construction and ownership at this time.

H. R. 6070 will enable more people to own their own homes. It does not contain any really new program. Our Government has been helping people to own and improve their own homes through the FHA insurance programs since 1934, without costing the taxpayers a penny or increasing the Federal debt. All the Government has done is to insure loans made by private lending institutions to finance the construction, purchase, or improvement of homes. Over $11,000,000,000 of mortgages and nearly $3,500,000,000 of small loans for repairs and improvements have been insured. Not only has the FHA paid its own way, but it has also built up substantial reserves to take care of any future losses.

We have been helping veterans own their own homes through the GI home loan program since 1944. Here again, except for the small gratuity payments amounting to not more than 2 percent of the loans, no Government money is involved. The Veterans' Administration has simply guaranteed lending institutions loss up to 50 percent, or a maximum of $4,000, on the face amount of home loans. Over $8,000,000,000 in such loans have been made to veterans.

I introduced an amendment to the extension of the RFC Act in 1946 creating a secondary market for GI loans, which enabled the Corporation to give a full 100-percent secondary market. This proved very effective in making credit available to veterans in small towns and outlying areas.

The present law makes the GI loans available only up to the extent of 50 percent of GI home loans guaranteed after April 30, 1948.

The secondary market made it possible for local lending institutions to sell FHA or GI mortgages when other outlets have been unavailable.

What H. R. 6070 does is to liberalize these established financing aids so that more people who can pay their way will be able to take advantage of them to own their own homes. These changes will be particularly helpful to families who want new homes in outlying areas and in the smaller towns and to veterans who want to build homes on farms.

One of the most important hurdles to home ownership for many families is getting enough money together to make the required down payment. Except for new homes costing up to $6,300, a purchaser now has to put up at least 10 percent for a new house. At present prices, this means at least $700 or $800 or more. H. R. 6070 would reduce the required down payment for an FHA loan to 5 percent on lower priced houses and give 30 years, instead of 25, to pay out the balance. Furthermore, special allowance is made for larger houses. Thus a buyer could get a 95-percent loan or $6,650 on a house of two bedrooms or less valued at $7,000, or $7,600 on an $8,000 house if it contained three bedrooms, or $8,550 on a $9,000 house if it contained four bedrooms. The bill authorizes the FHA to make further allowance for higher cost areas by insuring 95 percent loans on values $1,000 above the ordinary limits.

The effect of these provisions is to cut the down payment in half for houses in this price class. These liberalized terms, by encouraging lower-priced construction, will help principally people in cities and towns and in the built-up suburbs. The secondary market is made fully available for these loans.

For people in outlying areas and in the smaller towns another change should be most helpful in encouraging home ownership. While the FHA has been authorized in the past to insure loans in such areas actually very few people in small country towns have been able to get FHA loans. The neighborhood standards established by the FHA have been a very fine thing in assuring stability in city areas, but people in small towns have just not been able to meet them.

A special type of FHA loan to take care of such situations has been available under the FHA's title I program of small loans principally for property improvements. At the present time a borrower could get a $4,500 loan payable in 20 years on a new house in an outlying area or small town where ordinary FHA neighborhood standards cannot be met. But lending institutions in small towns have not been making many of these loans. For one thing, they are insured only on 10 percent of their total volume of loans, instead of the full amount of the loan as under the regular FHA mortgage insurance program. Few small-town lenders are in a position to build up a large volume of these loans with so small a guaranty. Further, large financial institutions have not wanted to purchase these loans from local banks, and there is no Government secondary market for them.

I believe H. R. 6070 will eliminate these difficulties. In the first place it provides, in a new section 8 of the National Housing Act, full insurance, instead of 10-percent protection, to mortgage lenders for 95 percent 30-year loans on new houses which are acceptable risks but do not have to meet all FHA neighborhood requirements. The loans may be up to $4,750 and the FHA Commissioner is authorized to increase the maximum amount to $5,700 in higher-cost areas. Further, such mortgages are made fully eligible for the Government's secondary market. These provisions, I believe, will make these loans attractive to small banks and other lending institutions. The purchaser is protected by the FHA construction requirements and FHA inspections.

When a full Government secondary market was available for GI loans, this type of credit requiring little or no down payment was generally available to veterans to finance the purchase of homes, except on farms. After the secondary market was eliminated in 1947, veterans found their sources of credit drying up, particularly in the smaller communities where the lending institutions were fairly well loaded up. The situation has not improved greatly since the secondary

market for GI loans was partially restored a year ago.

H. R. 6070 will restore the effectiveness of the GI loan program by making the Government secondary market fully available for GI loans up to $10,000, made after September 1, 1949, and by making other improvements.

With a full secondary market in which to sell mortgages and with these other changes, I believe that veterans will be able to get 4-percent money as Congress intended in the GI bill of rights. Because of this fact, your committee decided to eliminate the combination FHA-GI loan, with its higher interest rates, as no longer necessary.

The bill would also make GI loans generally applicable, for the first time, to veterans living on farms who want to build houses. It would permit the portion of the farm on which the house is to be located to be separated for mortgage purposes or, if that is not feasible, permit the Veterans' Administrator to waive the first-mortgage requirement as security. The effect of the latter would permit a GI loan to be secured by a second mortgage when the farm is encumbered by a first mortgage.

All of us who know about farm credit are well aware of the difficulty which farmers have in financing homes when their farms already are mortgaged. Congress has already recognized this difficulty in the Housing Act of 1949, when it authorized the Secretary of Agriculture to make a loan to a farmer for the provision of housing, with the loan being secured by the farmer's equity in the property. The principal difference here is that a farm veteran will be able to go to his bank and borrow the money for his house, instead of getting the money from the Government.

I have called attention to these provisions because they will broaden home ownership, a desired objective which we can all support. This bill also extends FHA repair loans and certain rental-housing provisions and liberalizes FHA insurance for cooperative housing. The full secondary market is made available for such loans. Thus, from the point of view of encouraging private-housing construction and financing, it is a balanced bill which fully deserves prompt enactment.

Mr. WOLCOTT. Mr. Chairman, I yield 15 minutes to the gentleman from Kansas [Mr. COLE].

Mr. COLE of Kansas. Mr. Chairman, the members of the committee who have spoken before have generally outlined the provisions of the present bill with which perhaps there are no disagreements. However, one issue is clear in this bill and if it does not pass in this bill the issue will be presented to the Congress not only at this time but next year and probably the year after. It is to that particular issue, which is a fundamental one, I wish to address my few remarks this afternoon.

You know, there was a legendary creature in our past history known as Steve Brody. Steve, you recall, took a chance. There are other legendary creatures and persons in our history who have taken a chance. I recall that George Washington and his ragged Continental Army took a definite chance in establishing this great country of ours.

This has been a Nation of chance takers. The pioneers who left the eastern shores of our country to make the West what it is today took a chance. So, finally, at long last the chance takers of this great Nation developed it into the most powerful Nation in the world today. It was those people who took a chance, who were willing to take a risk, that made our Nation great.

Then there were other chance takers. Those chance takers were the men who risked their money that they might see the great production of this country rise to such heights that we were able to win World Wars I and II. In regard to these risk takers I want to quote to you a statement made by Mr. Thomas B. McCabe, Chairman of the Board of Governors of the Federal Reserve System, as presented to a subcommittee of the Committee on Banking and Currency on August 5, 1949, in which he said:

> Until recently there has never been a general unwillingness on the part of investors in this country to take reasonable risks with their savings. At times we have experienced an actual shortage of savings, but rarely a significant lack of interest in risking those that were available if there was a prospect of sizable return. Such risk-taking had long been an American tradition. It resulted in the rapid development of our resources, expanding production, and a steadily rising standard of living.
>
> As everyone recognizes, the supply of equity or ownership capital is of vital importance to a dynamic, expanding economy. By equity capital I mean those funds supplied to a business which do not involve any fixed lien or debt obligation and on which no fixed return is guaranteed. Equity capital is essential to a business because it permits growth and risk taking without fear that a temporary period of poor earnings will mean hardship.
>
> DESIRE FOR SECURITY
>
> There is no single reason why investors do not buy equity shares in business. We know that the volume of individual savings today is tremendous, and it is not therefore a shortage of available funds that prevents people from buying stock. I am firmly convinced that an important reason for people not buying common stocks is the increased emphasis which they place upon security and safety of their savings rather than upon prospects of gain. Security rather than opportunity has recently become more and more a part of our national philosophy. The disappearance of the frontier and the end of geographic expansion, the unsettled state of international affairs since the turn of the century, and the dark memories of financial collapse and depression in the early thirties have caused people to seek security in investment as well as in Government intervention to mitigate economic and social disparities and instability.

Now, there are those today on our American scene who would remove chance taking. There are people who would remove risk taking in the financial picture. These are the same people who propose that the Government make direct loans to business, that we have direct loans to all sorts of enterprises in this country. So, it is to that particular issue I want to direct your attention today and say there are three reasons why we should not at this time expand the direct loan program of the Government. The first is, there is no emergency. Secondly, the direct-loan program will cause higher prices; and, third, we will find that the direct-loan program is in direct competition with private business.

First, does an emergency exist? Heretofore direct loans have been proposed by the Government on the basis of an emergency. The RFC was set up originally because it was an emergency corporation to meet emergency circumstances. Is there an emergency today which requires direct loans in the housing field?

I direct your attention to a report issued by the United States Department of Labor, Bureau of Labor Statistics, which reads:

> Over half a million new permanent nonfarm dwelling units were put under construction during the first 7 months of 1949, according to estimates of the United States Department of Labor's Bureau of Labor Statistics. Preliminary estimates of new houses started indicate a 549,100-unit total for the first 7 months of 1949, which comes within 4 percent of equaling last year's final count for the same period.
>
> Homebuilders doubled their operations between January and June, as measured by new dwelling units begun, and they started an additional 96,000 units in July. Although July's performance represents a decline of 4,000 from the June peak, it was the third successive month this year in which housing starts were at or near the 100,000 mark.
>
> The high level of housing activity this year has been supported by an increasingly large volume of apartment house construction. A review of local building permits issued in urban places throughout the country shows that rental housing (units in two-or-more family structures) more than doubled between the first and second quarters. When building-permit reports for the first half of 1948 and 1949 are compared, urban rental housing this year almost equals the volume for 1948, but the number of single-family houses authorized is less by 16 percent.

They started an additional 96,000 units in July. Although July's performance represents a decline of 4,000 from the June peak, it was the third successive month this year in which housing starts were at or near the 100,000 mark.

Do we have a shortage of homes today? During the rent-control debates we were warned, and people said, that if we put in the local-option provision in connection with the rent-control bill it would be a catastrophe, that the people of the country would find they would be evicted from homes and rents would rise sky high, and that it would be a terrible thing for the country. Many localities have been decontrolled under the local-option provision. I want to inquire from the members of this committee how many of their constituents find that within their districts where individual towns have been decontrolled the dire predictions of those prophets of doom have been carried out.

True it is that some rents have been raised. True it is that some maladjustments have occurred. But finally and at long last, as it can operate under this restrictive law, housing is now being made available to the people. In 1940 there were 15,000,000 homes occupied by

owners. In 1947 there were 23,000,000 houses occupied by home owners, an increase of 25 percent. The housing shortage is being met.

No one who appeared before our committee has contended that by reason of an emergency due to the housing shortage we should have direct loans. So I say, Mr. Chairman, that, item No. 1, there is no emergency today by which the Government should step out into a new field, an entirely experimental field, and compete with private business.

Secondly, direct lending causes a rise in prices of homes. Those who say that direct lending will give the middle income class and the lower-income class homes at a lower cost are not looking the economic facts of life in the face. Why? Let us give a little illustration. Suppose on September 1 we passed a bill saying that down here at the Bureau of Printing and Engraving they would print enough $10,000 bills to give everybody in the country a $10,000 bill with which to buy a satisfactory home. You know very well what the result would be. The following day the people would rush to the available homes, and the $10,000 bill would be practically worthless. So it is in direct proportion that we increase the cheapness of the credit that we increase the price to the individual home buyer.

Mr. Chairman, that is true because the costs of home building during the year 1939 were 86 percent less than they are today, or conversely, the cost of building a home today is 86 percent greater than it was in 1939. The only thing that goes into building houses today which is cheaper is the interest rate. Therefore, as we have reduced the interest rate, the cost of homes has risen. The reduction of the interest rate has not brought about a reduction in the price of the home.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. COLE of Kansas. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. Can the gentleman tell us what proportion of that 86 percent is material and labor?

Mr. COLE of Kansas. No, I cannot; I am sorry. I do not have those figures.

Thirdly, this bill provides for the Government's entering into competition with whom? It provides for the Government's entering into competition with the laboring man. It provides for the Government's entering into competition with the farmer. It provides for the Government's entering into competition with every businessman in the United States. Why? Because these people who make a salary, because these people who make a profit, invest a part of that profit and wage. They place that profit in a lending institution. They take the pay check down to the building and loan association, or they buy insurance policies, or they do other things with it from which they expect to receive a return upon their investment. What is that return? It is the money which that institution loans to other people. So if we permit the Government to continue to extend its direct Government-lending program, we permit the Government to enter into competition with every individual in this country who saves a little money. We do more. We place a huge barrier between business and those chance takers who want to invest in American ingenuity. If we continue to do that, then why should we not permit the Government to continue in its business operations in direct competition with people who sell clothing and with people who sell shoes and with people who sell food? The people of this great Nation of ours do not have all the clothing they need. They do not have all the food they need. They do not have all the basic necessities that they need. But we believe in the private enterprise system. Frankly, in this great Republic in which we believe, we believe that private enterprise is proper.

We believe it is proper for individuals to make a profit and to make more wages than to just buy necessities. It is proper for them to invest that profit and surplus wage in a lending institution or invest it in whatever investment they care to make. So, if the Government sells credit, it enters into competition with that individual who wants to sell the use of his surplus wage earnings.

What do the proponents say about this bill? I had the opportunity to sit in the committee and listen to the testimony which was presented to the committee. I said to one of them, "What about the credit of the Nation? If we continue to expand these direct loans, are you not worried a little bit about the fact that your money will be considerably cheaper and that the man who works today for a dollar will work tomorrow for a dollar, but that dollar will not buy on tomorrow what that dollar buys today?"

And he said, "If you are going to discuss finances, you would have to discuss that separately from the need for housing in this country."

Mr. Chairman, that is the philosophy of the people who propose direct lending in this bill.

Mr. Chairman, the two are wound up inseparably, entirely and absolutely together as one problem. That is what the bill provides for. So it is tremendously important that we know where we are going.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WOLCOTT. Mr. Chairman, I yield 3 additional minutes to the gentleman.

Mr. COLE of Kansas. A quite telling argument is sometimes suggested by the proponents wherein they say, "Well, we have the REA. We have the farm subsidies, and we have the RFC for business, and we have direct loans here and there throughout the Government. Why do we not continue that?"

If we continue each legislative proposal, it must be considered upon its merits. It is not proper for us to say that because we have one program, we ust adopt all of them. If that sort of thinking is correct, then we should have direct Government purchases and gifts in direct competition to every business.

There is a distinction, however, between this program and others. The RFC first was set up as an emergency agency. It lends money to business corporations, on a limited basis. If the direct lending program is approved it will provide for one more tremendous, and unnecessary step further for Government competition with private business. In closing I want to quote to you a great Democrat of the past. Some of you gentlemen do not believe in his philosophy, but I do think it is important that we think about it today because, Mr. Chairman, and Members of the Committee, this Government is faced with the possibility that not today—not with this one program, but with each encroaching program, in the end there will be no private business. This great Democrat, Thomas Jefferson, said:

> I am not among those who fear the people. They, and not the rich, are our dependence for continued freedom. And to preserve their independence, we must not let our rulers load us with perpetual debt. We must make our election between economy and liberty, or profusion and servitude * * * private fortunes are destroyed by public as well as by private extravagance. And this is the tendency of all human governments.

Now, this is the important thing, and is an answer to the gentleman from Pennsylvania:

> A departure from principle in one instance becomes a precedent for a second; that second for a third; and so on—

And I add in parentheses (perpetually)—

> till the bulk of the society is reduced to be mere automatons of misery, and to have no sensibilities left but for sinning and suffering. * * * And the fore horse of this frightful team is public debt. Taxation follows that, and in its train wretchedness and oppression.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from Texas [Mr. TEAGUE].

GEN. LEWIS A. PICK, CHIEF, CORPS OF ENGINEERS

Mr. TEAGUE. Mr. Chairman, I do not hesitate to come to the defense of someone whom I feel has been wronged, and I assure you that I will not make the same personal attack upon the honesty and integrity of an individual that has been made against Gen. Lewis A. Pick, Chief of the Corps of Engineers.

I believe that most of us are familiar with the manner in which our flood-control projects are authorized and provided for and we realize the long period of time for studying and planning that necessarily goes into each project which is ultimately built. The Corps of Engineers makes detailed studies of our various river basin areas and from these surveys their reports are carefully scrutinized by the Bureau of the Budget, other interested Federal agencies and by the appropriate State agencies involved. These revised reports and opinions are then submitted to the Public Works Committee of the House of Representatives and extensive hearings are held before any new project is authorized. Anyone for or against proposed projects

may appear and be heard and have their opinions considered by the Public Works Committee.

In a like manner, the Appropriations Committees of the Senate and House give very careful consideration to these authorized projects, before the funds are made available to construct a project. The specifications for any one flood control project are not the work of just one person.

Mr. Chairman, the Appendix of the CONGRESSIONAL RECORD has recently had several extensions of remarks which have been very unfair to General Pick who has taken over as Chief of the Corps of Engineers in March 1949. The most recent attack makes a charge that the general is wasting the taxpayers' money. This is just one of many attacks against General Pick because of the Member's disagreement with him and with the majority of Congress over the proposed specifications of a flood-control project.

I have known General Pick since the late twenties when he was an instructor in the ROTC program at Texas A. and M. College. General Pick has a marvelous war record, having accomplished many engineering feats and has contributed materially to the Missouri River flood-control project. General Pick cannot defend himself against these unwarranted attacks in Congress, but his fine record speaks for itself.

General Pick is a native Virginian and a graduate of VPI. He was an engineer officer in World War I and has received additional training from the Engineers' School at Fort Belvoir, Command and General Staff School, Fort Leavenworth, and the Army War College, as recently as 1939.

His duties have called him to Europe in World War I, to the Philippines from 1920–23, and as district engineer to New Orleans and Omaha. During World War II General Pick commanded the group in China-Burma-India, which constructed the Ledo Road. Before becoming the Chief of the Corps of Engineers, the general was assigned to the Missouri River division engineers.

I am glad we have such a well qualified man to direct our flood-control and navigation-improvement projects, a man who will not let political pressure sway his thinking of what is right and wrong. General Pick is a fine Army officer and a great American. There is no part of our Government which is more respected than our Corps of Engineers and I am sure that under General Pick's leadership the Corps of Engineers will be more and more respected.

Mr. SPENCE. Mr. Chairman, I yield 10 minutes to the gentleman from Oklahoma [Mr. MONRONEY].

Mr. MONRONEY. Mr. Chairman, it was a little amusing to listen to my able colleague from Kansas [Mr. COLE] bemoan what we have done to the American people through the FHA. I can remember 10, 12, and 15 percent interest rates for home building that he seems to want to go back to. I can remember when most of the people of this country could look forward only to renting houses from some landlords. Now, instead, they can own them at a price and at finance charges that are comparable to rents they once had to pay.

I think this trend of mortgage insurance that the Government has put upon home building through the FHA, while it is true it has lowered the interest return, it has encouraged more investment and more free enterprise than we ever had under the old system of second mortgages and 10- and 15-percent home-finance money.

HAVE AIDED FREE ENTERPRISE

One of the best examples of that would be the situation of the Home Builders Association. Up until we had FHA we had a series of little contractors who lacked capital, equipment, and who each built a few houses each year. We have added to the home-building techniques through this FHA program a great new industry in America, the home-building industry. This private enterprise has built millions of homes on mass-production basis, putting into them new labor-saving devices and new methods of improved construction.

I am sure most of the Members will say that it is a live and aggressive organizaton and has a very definite interest in all types of housing legislation that came before this committee.

NATION OF HOME OWNERS

I do not think we want to go backward. I do not think we want to have a nation of tenants. I think we want to have a nation of home owners that can pay out, in a period of reasonable time, the mortgages on their own homes. I do not think we want to go back to the 5- or 10-year mortgages, with a big balloon note at the end, on which you pay a several hundred dollars' finance charges to get somebody to take a new refinancing mortgage.

What we have done is to put orderly and modern financing into the home-construction field so that when a man buys his home under FHA, or under the GI loan, he can spread his payments on an amortized basis over 25 or 30 years, including the taxes and all of the other charges, and know that he is going to be able to own that home at the end of that definite period. Each year he lives in it he creates a genuine and valuable lasting equity.

HAVE ADDED INCENTIVES

In this bill we have enlarged tremendously the benefits to encourage, through free enterprise, the construction of the millions of homes that America needs. We have enlarged and improved and increased the FHA titles so that people who want to buy homes under the FHA plan can now buy them on very liberal terms. We have not limited that, as it has been in the past, to homes built within city limits, measuring up to zoning requirements and other requirements.

Title I of this act is an effort to get suburban and rural homes, home built on the perimeter of a city that do not need the more expensive qualifications that FHA has insisted upon in other types.

ACCENT ON LOW-COST HOMES

We have increased the time limit and raised the total amount in FHA title II in an effort to do what? To bid out through free enterprise and incentives the construction of medium- and low-priced homes. It is not going to do us any good to build thousands and thousands of $25,000 and $30,000 homes because buyers for such homes are not suffering from any housing shortage.

We need homes running from $5,000 to $8,000, and this bill is tailored and designed to make possible and to stimulate through additional credit help the construction of this type of housing. There are many things in this bill that I believe will help not only the builders, because we would not be legislating only for builders, but will help the actual purchasers, veterans and nonveterans, of this housing; and, after all, if we get the price down so that you can own a house at less money per month there will be a great many more American citizens and GIs buying homes of their own.

LOWERS COSTS BY $4 PER MONTH

One amendment offered by the gentleman from Pennsylvania [Mr. BUCHANAN] that was put into the bill will do more than almost anything else in this bill to put this type of housing, low- and middle-income housing, into the hands of the GIs who need it so badly by extending the total amortization time on the GI loans from 25 years to 30 years.

The rate of interest, 4 percent, remains the same. We raised the total amount of insurance guarantee from $4,000 to $7,500, and from 50 percent to 60 percent which means that a GI can now buy about a $10,000 home at 4 percent interest over a period of 30 years.

This one amendment by the gentleman from Pennsylvania [Mr. BUCHANAN] will lower the average monthly rent by $4 per month, and that will put it within the reach of the great mass of GI's in this country.

GOAL 1,000,000 HOMES A YEAR

There are several other sections of the bill that I think are of much interest and importance in trying to reach and continuing to reach through free enterprise and private building the million homes a year that are necessary if this country is to approach a solution of its housing problem. About a million homes were built last year under the stimulus of Government financing helps to private efforts. Not quite a million homes will be built this year, and we need this bill if we are to get back to the million homes goal next year.

We recognize that every person cannot have a house and lot of his own in the city; particularly in our metropolitan centers do we have an unusual situation which makes it impossible for the individual buyer of a home to procure or build an individual $8,000 home that we are driving for in most places in the country.

That problem has been given a great deal of attention and thought by the committee. Much testimony was taken

by the committee, relative to ownership of apartments in cooperative housing in the big cities.

LEGION SPONSORS VET CO-OPS

There were two programs in the original bill introduced, one was the program advocated by the American Legion which provided for FHA insurance of these cooperative houses based on a unit cost of $8,550 per unit, or $1,800 per room, payable in 40 years at 4 percent. There was another section called title III that had a great deal of support in the House that provided for 3 percent, 60-year money and cut down the payment and set up a new system of finance outside of the FHA but inside of the Federal Housing Agency. It was a new type of operation.

CAREFUL STUDY GIVEN TO PROGRAM

Recognizing and realizing that cooperative housing is a somewhat experimental program, we heard a lot of testimony on this and did not vote to report title III but left it in abeyance until we could experiment more, on this 40-year 4 percent proposition. We have had something similar to this in FHA for the past few years, but it has been ineffective because the private lenders of money and the buyers of FHA mortgages have had no basis of experience with such cooperatives, and were reluctant to originate or take this type of mortgages.

So you had only a few thousand units built under the present cooperative program. In the bill originally—before the Rules Committee that told us what we could and what we could not report to this House—we provided for access to FNMA to make direct loans for these 40-year 4-percent cooperative housing for veterans and for nonveterans.

We did not follow the no-down-payment plan because we felt that if these cooperatives were to succeed, the people should have some serious good intention of putting some money up as evidence of good faith.

When the project is organized, unless they make a down payment of some kind to show their serious intent, the project might be finished and you might find several of the people who you expected to move in had bought houses elsewhere or decided they did not want to come into the program.

So under the program we reported out, we provide a 5-percent down payment for veterans and 10 percent for nonveterans. If we are to experiment on a cooperative housing program, we felt that this is neither to the extreme right or to the extreme left but right down the middle.

It would give us a test whether America will support a cooperative program based on sound financing and by loans, where necessary, by the Federal National Mortgage Association, a subsidiary of RFC.

The amendment that I will offer, which was cut out at the direction of the Rules Committee, will provide that the Federal National Mortgage Association can make loans to these cooperatives under these terms where no private financing is available on those terms. That was cut out of the bill.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. SPENCE. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. MONRONEY. Mr. Chairman, I believe if we start in a small way and under this sound program we may be able to justify a solid substantial program of cooperative housing that is needed in the larger centers where individual home ownership is impossible.

VETERANS' LOANS ARE NEEDED

Another section of the bill that was cut out at the dictates of the Rules Committee, which was advocated by the American Legion and the Veterans of Foreign Wars, not just their housing committees, but in national conventions assembled, provided for direct stand-by Government loans where in areas veterans could not avail themselves of the 4-percent interest pledge for home ownership that the Government had promised them when they were fighting overseas.

Nobody is going to drive the private lenders out of business; nobody wants to compete with private lenders when they will follow the program that Congress during the war period promised the veterans when they were in uniform.

This is limited so that the Veterans' Administrator must first find that in the area where the homes are to be built there is no private financing available under the 4-percent terms and under the GI bill of rights to veterans.

It is not going to do the veteran any good out in a small county in west Texas to know that in Oklahoma City or Dallas or Fort Worth or St. Louis veterans are getting their homes built at 4 percent and he is still asked to pay 8, 10, or 12 percent because there happens to be no financial institution of any strength existing in his community willing to take his mortgage.

So, on the finding of fact by the Veterans' Administrator that there is no private financing available, and only if there is no private financing available, then he may engage in a program of direct loans in that area, and in that area only, and it is limited to $300,000,000 for the year. Three hundred million dollars, I think, is about 6 weeks' production of the home-building industry of this country. So you can see we are not going into a direct lending program in a big way.

This is stand-by credit that I think if Congress meant what it said when we promised the veterans 4 percent loans on their homes, then being unable to obtain that in certain areas of the country, we should go ahead and go the rest of the way. I say that we intend to make good on that promise.

Mr. TACKETT. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Arkansas.

Mr. TACKETT. Suppose that there are but two banks in a given town, but neither care to handle the GI loans, can that individual case be handled under the gentleman's bill?

Mr. MONRONEY. This is designed to take care of area instead of the individual. The GI might have a bad credit rating or his income is not such as to handle the loan. This is not designed to take care of him. It is to take care of an area where there is no financial institution willing, able, and ready to take these 4-percent home loans.

Mr. TACKETT. If there is a banking institution and it is not willing to handle the loan, then this bill becomes operative; is that correct?

Mr. MONRONEY. Yes; it is stand-by only.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Georgia.

Mr. BROWN of Georgia. Who will decide whether or not the veteran can or cannot obtain the money?

Mr. MONRONEY. The Veterans' Administrator, probably asking the local district to check and find out.

Mr. BROWN of Georgia. That is provided in the gentleman's amendment?

Mr. MONRONEY. That is right. I cannot look with great askance on this because of all of the evidence we have had in the past on direct lending. I particularly remember the billions of dollars that were lent under HOLC.

HOLC LOANS PAID OUT AT PROFIT

I recall reading in the paper, I think it was last Sunday, where those billions of dollars have been cut down to about $350,000,000, and almost every private lending institution throughout the country is trying to now buy this paper. This HOLC direct-lending program was of the greatest size for home ownership that this country ever had.

Mr. COLE of Kansas. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Kansas.

Mr. COLE of Kansas. Certainly, the gentleman knows that the HOLC was an emergency proposition.

Mr. MONRONEY. Certainly, it was. But, I am trying to say to the gentleman that if, in times of grave emergency, when people are out of work, when the factories are idle, when there are millions of unemployed, we assist people to hold on to their homes, then we are not taking any great risk loaning to the GI's at 4 percent now.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from California.

Mr. HOLIFIELD. We all know that the RFC has extended many hundreds of millions of dollars to industry on a lesser percent than 4 percent, and on long terms for the purchase of factories and other things, available under the War Assets Administration. So, in the making of this extension we are just putting the veteran on somewhat of a par with the favors that have been granted to industry.

Mr. MONRONEY. This is not a favor to the veteran. This is part of a program that Congress has enacted.

Mrs. DOUGLAS. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentlewoman from California.

Mrs. DOUGLAS. I just want to ask my question in relation to the other question that was asked. Does the gentleman not think that it is an emergency, if you have a job and you have a family, but the interest rates are so high that you cannot buy or build a home?

Mr. MONRONEY. Of course and also at that time it was the financial institutions that were in an emergency; they were going broke by the scores, so the Government acted quickly to save them. Today the emergency is on the part of the borrower, and he is certainly entitled to some consideration by the Government.

Mrs. DOUGLAS. The Federal Government also acted in that emergency and saved homes.

Mr. MONRONEY. Yes.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from New York.

Mr. JAVITS. I think the cause of the present emergency is the drastic housing shortage, and that is why you are in here with all these bills.

Mr. MONRONEY. If it was not for the housing shortage we would not be doing a lot of these things.

Mr. LANHAM. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Georgia.

Mr. LANHAM. I want to join with the gentleman in saying that this, in some sections, is the only solution of the problem. In my own district the banks will simply not make a 4-percent loan over a long period of time, and all of the provisions made for the benefit of the veteran are of no avail because they cannot get the loan.

Mr. MONRONEY. I will say to the members of this committee that if we do not put back this stand-by direct-lending section in this bill then we are taking a chance of being criticized for writing a one-sided bill, a bill that will do a great deal to help the home-building business and help the private builder, and to help the veteran incidentally. But this stand-by loan authority is something that the veterans themselves want, where private financing for their homes at 4 percent is not available from private sources. I think we should legislate for all.

Mr. HAYS of Arkansas. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Arkansas.

Mr. HAYS of Arkansas Another illustration of the Government's success in direct lending is that of the farm-home ownership program under the Bankhead-Jones Act, which has been very impressive and practically all of that has been repaid.

Mr. MONRONEY. The American people will pay for their homes, if the terms are made within their reach, every time.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from North Carolina [Mr. DEANE].

Mr. DEANE. Mr. Chairman, following the excellent statement made by the gentleman from Oklahoma [Mr. MONRONEY] in which he discusses the amendment which he proposes to offer tomorrow to restore the direct lending to GI's, I think he would agree with me as well as the majority members of the committee that this bill has been so watered down that it could very well have been passed on the Consent Calendar. However, it does carry some very outstanding and far-reaching legislation.

I am going to direct my very brief remarks, and I am sure we all wish to hasten the conclusion of this day's work, to title I with reference to slum clearance. The members of the House Committee on Banking and Currency received within recent days from Mayor William O'Dwyer a report showing the wonderful and thrilling story of slum clearance in the city of New York. I am requesting that this publication be made available to every Member of the House, because to me it represents one of the most far-reaching housing programs ever contemplated or entered into by any State or political jurisdiction.

Briefly, in that great city as pointed out by the New York Times within recent days 42 public-housing projects valued at $540,000,000 have been started in 42 months, or 1 a month. At the end of the war 17,000 public-housing living units had been built and 20,700 had been planned. Now there are 63,000 built or under construction and more than 5,000 scheduled for an early start. In addition, 49 proposed sites for new public housing are being screened and cleared for action when funds are available.

I will not go into this report further, and I mention it with the hopes that various municipalities throughout this country will follow through and pattern a program after this great program as promoted by the New York City Housing Authority.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. DEANE. I yield to the gentleman from New York.

Mr. JAVITS. Does not the report show, as far as New York City itself is concerned, that it has used up all its money for housing, and all these projects the gentleman describes are projects financed by State and expected to be financed by Federal money, the very thing we are providing for?

Mr. DEANE. That is true.

My remarks now point up slum clearance under the Housing Act of 1949. This statement is placed in the RECORD and directed toward every American municipality to do something about its slums.

I might point out that 30 political jurisdictions in the United States have passed slum clearance and urban redevelopment enabling legislation. This statement will indicate those particular States. There are 21 States, including my own State of North Carolina, that have not passed such enabling legislation.

I recall that during the session of the last North Carolina Legislature there were those who contended that no action should be taken because no authority had been passed at the Washington level. Now under the provisions of title I it offers a challenge to those 21 States without enabling legislation as well as those Members of Congress who are interested in slum clearance to take advantage of this wonderful program.

In my statement, Mr. Chairman and members of the committee, I outline briefly the contents of my remarks, followed by a rather complete statement pointing out ways and means by which the various jurisdictions may take advantage of the slum-clearance feature of title I, and other significant data.

Introductory statement:

What is the basic authority provided in title I?

What local agencies can participate in this program?

What types of local projects can be assisted?

What kinds of work and redevelopment activity are eligible for Federal assistance?

What types of Federal loans are available under title I?

Facilities for private financing:

What are the requirements as to Federal capital grants and local grants-in-aid?

Legal authority required for local participation in title I program.

What are the other requirements for local participation in title I?

SLUM CLEARANCE UNDER THE HOUSING ACT OF 1949—A PRELIMINARY EXPLANATORY STATEMENT TO AMERICAN CITIES

With the enactment of the Housing Act of 1949 the Federal Government for the first time is in a position to extend financial aid to communities for the clearance of their slums and blighted areas so that those areas can be soundly redeveloped in a manner that will contribute to improved conditions for American families and to the healthy growth of American communities.

The authority for this new program is contained in title I of the Housing Act of 1949. Its approval by the Congress followed more than 4 years of intensive investigation and study by congressional committees, leading to the conclusion that Federal financial assistance is essential if progress is to be made by communities and private enterprise in overcoming the obstacles that have blocked the clearance and redevelopment of slum areas on any sizable scale during the past.

This legislation affords an unprecedented opportunity for a joint attack on the social and economic evils of the slums by communities and the Federal Government, with the active participation of private enterprise. It also presents an unprecedented challenge to local governments and to the Federal Government to carry out this pioneering program in a manner that will effectively accomplish the objectives laid down by the Congress. This challenge is high-lighted by the fact that actual operating experience in this field has by necessity been extremely limited. American communities have been devoting increasing attention to the problems created by their slums and blighted areas and to possible ways and means of eradicating these areas. While many of them have eliminated some slum housing as an incident to the provision of low-rent public housing and other public improvements, with

but few exceptions they have been unable to proceed with programs directed to the clearance of slums for general redevelopment by the reason that they have lacked the resources necessary for such undertakings. Likewise, while there has been intensive study within the Federal Government of the basic principles and problems of slum clearance and urban redevelopment, until now there has been no agency charged with operating responsibility and authority in this field.

The purpose of this preliminary statement is to provide American communities with information on the basic provisions, requirements and principles of title I of the Housing Act of 1949. It is also intended to acquaint those communities which are interested in planning specific projects with the main requirements of title I with respect to local responsibilities and preparations.

Since this is an entirely new Federal program, the development of definitive operating policies and procedures, rules and regulations, and application forms and contract forms for financial assistance must necessarily await action on the necessary appropriations for the administration of the program and on the subsequent recruiting and organization of an administrative staff. At the same time, there is much preliminary work which must be done by communities before formal application for financial aid can be submitted in accordance with the provisions of title I. It is hoped that the information contained in this preliminary statement will be of assistance to interested American cities in moving forward with their plans and preparations for slum clearance and urban redevelopment projects, without delay. During this interim period, the Housing and Home Finance Agency will be glad to confer with communities on their plans to the extent that its presently limited staff resources permit.

The Housing and Home Finance Agency will also proceed with the drafting of rules and regulations and with the initiation of actual operations under the program as rapidly as possible. The Agency intends to develop the operating policies of the program in close consultation with representatives of local government and with other interested groups so that the program may get into operation on a sound basis, responsive to the spirit and letter of the law and to the practical needs of communities.

WHAT IS THE BASIC AUTHORITY PROVIDED IN TITLE I?

Title I authorizes the Housing and Home Finance Administrator to make loans and grants to assist communities in eliminating their slums and blighted areas through the assembly, clearance, preparation, and sale or lease of land for redevelopment at its fair value for the uses specified in local plans. This financial assistance would not be available for new construction of buildings on the cleared sites, except for loans for public buildings and facilities needed to support the development of open land.

To obtain funds for loans the Administrator is authorized to borrow from the Treasury up to a total of $1,000,000,000 outstanding at any one time. This loan authorization becomes available over a 5-year period at the following rate: $25,000,000 on and after July 1, 1949; an additional $225,000,000 on and after July 1, 1950; and additional amounts of $250,000,000 on and after July 1 in each of the years 1951, 1952, and 1953. Subject to the over-all limit of $1,000,000,000, the President is authorized to increase the loan authorization in any one year by up to $250,000,000, if he finds such action to be in the public interest.

A total of $500,000,000 in Federal capital grants is authorized and the Administrator is authorized to enter into capital-grant contracts aggregating not more than $100,000,000 on and after July 1, 1949. This limit is increased by further amounts of $100,000,000 on and after July 1, 1950, 1951, 1952, and 1953. The President also is authorized to increase the contractual authority becoming available in any year by up to an additional $100,000,000, subject to the over-all limitation of $500,000,000.

WHAT LOCAL AGENCIES CAN PARTICIPATE IN THIS PROGRAM?

Contracts for loans and grants can be entered into only with duly authorized local public agencies with the necessary powers under State and local law to carry out the functions and fulfill the obligations of a slum-clearance and redevelopment program as provided for under title I. The act defines "local public agency" as meaning "any State, county, municipality, or other governmental entity or public body which is authorized to undertake the project for which assistance is sought." Thus, depending on the requirements of State law or on local designation, the local agency may be a specially created local redevelopment agency, or a local housing authority, or a city or county itself. The program also includes the District of Columbia, and the Territories, dependencies, and possessions of the United States.

The legal authorities required for local participation in the program are discussed further on page 8.

WHAT TYPES OF LOCAL PROJECTS CAN BE ASSISTED?

The provisions of title I and of the declaration of national housing policy contained in the Housing Act of 1949, together with the reports of the congressional committees which considered this legislation, make it clear that the basic purpose of Congress in authorizing the title I program was to help remove the impact of the slums on human lives and that therefore the projects assisted should all be related to the improvement of housing conditions in the localities involved. Accordingly, Federal financial assistance is limited to the assembly and clearance of areas which either are predominantly residential in character prior to clearance or which will be redeveloped primarily for residential use.

Within this basic framework, the provisions of title I will permit assistance to a considerable variety of projects, in accordance with local plans for the development and redevelopment of communities. The four broad categories contained in title I are as follows:

First. Slums or blighted residential areas: Any slum area or any other deteriorated or deteriorating area which is predominantly residential in character prior to redevelopment may be eligible for loan and grant assistance without restriction as to the types or categories of new uses for which such an area is to be redeveloped. Accordingly, such areas may be redeveloped for whatever new uses are considered most appropriate by the community, whether they be housing, public uses, commercial or industrial uses, or any combination or mixture of such uses.

Eligible projects in this category will permit a high degree of flexibility in the types of redevelopment activity that can be carried out under the program. It is to be noted also that the test of eligibility is whether the area is predominantly residential in character rather than predominantly residential in use. For example, any eligible area under this criterion could include a number of old residential structures converted in whole or in part to commercial uses as well as other structures used for commercial purposes, provided the area as a whole remained predominantly residential in character. Likewise, such an area could include blighted industrial or commercial tracts within their boundaries, if the area as a whole met the above test.

Second. Nonresidential blighted areas: Any deteriorated or deteriorating area which, prior to redevelopment, is not predominantly residential in character is eligible for loan and grant assistance provided it is to be redeveloped for predominantly residential uses. This category of eligible projects may include blighted commercial or industrial areas which are isolated from residential slum areas and hence must be redeveloped separately. While the new uses of such tracts must be predominantly residential, some commercial or public uses could also be included.

Third. Predominantly open areas: Any land which is predominantly open and which because of obsolete platting, diversity of ownership, deterioration of structures or of site improvements, or otherwise, substantially impairs or arrests the sound growth of communities is eligible for loan and grant assistance provided it is to be developed for predominantly residential uses. Defunct or arrested subdivisions are typical of the areas which will be eligible for assistance in this category. While both loans and grants are available for such projects, it is anticipated that both the acquisition and write-down costs for this type of project will generally be much less than for a built-up slum area.

Fourth. Open areas: Any open land, within or without the corporate limits of a municipality, which is necessary for sound community growth and which is to be acquired and developed for predominantly residential uses is eligible for loan assistance but not for capital grants. The inclusion of open and predominantly open sites within the categories of eligible projects under title I was predicated

primarily on recognition of the fact that the clearance of congested slum areas and their redevelopment either in housing at decreased densities or for other uses will necessarily involve a considerable dispersion of the families now living in such areas, and consequently the development of new areas may be necessary to provide the housing required for the families displaced by such clearance.

WHAT KINDS OF WORK AND REDEVELOPMENT ACTIVITY ARE ELIGIBLE FOR FEDERAL ASSISTANCE?

In general, Federal financial assistance is available to assist communities in the necessary activities and work of a local public agency incident to a redevelopment project up to the point of sale or lease of the project land for redevelopment. These may include such activities as:

First. Administrative and planning costs and carrying charges, incident to the project.

Second. The acquisition of the land in the project area.

Third. The demolition and removal of existing structures and improvements.

Fourth. The installation, construction, or reconstruction of streets, utilities and other site improvements essential for the new land uses contemplated.

Fifth. Making the land available for development or redevelopment by private enterprise or public agencies for uses in accordance with the redevelopment plan.

Federal financial aid under title I for the construction of any of the buildings contemplated by the redevelopment plan is expressly barred except in the case of temporary loans for the provision of new schools or other necessary public facilities needed to support the new uses of land in open or predominantly open areas. In such cases, the temporary loans will be repaid as soon as the development of the area and of its tax base permits the school district or other appropriate body to issue its regular bonds to cover the cost of such construction.

WHAT TYPES OF FEDERAL LOANS ARE AVAILABLE UNDER TITLE I?

The Administrator is authorized to make loans or advances to local public agencies for four general purposes. In all cases, such loans or advances must bear interest at not less than the going rate of interest on long-term Federal bonds as of the date the loan contract is concluded—currently 2½ percent.

First. Advances of funds to local public agencies for surveys and plans in preparation of projects which may be assisted under title I: Such advances may be made upon the condition that they will be repaid, with interest, out of any funds made available to the local public agency for the undertaking of the project or projects involved. Since the purpose of these advances is to facilitate plans and surveys needed in preparation of projects eligible for assistance under title I, they would not be available for the purposes of general city planning, such as the preparation of master city plans. However, advances may finance general surveys necessary to bring out data needed for planning a project or projects to be assisted under title I. While these advances may be made only to local public agencies authorized to undertake projects under title I, they may be used to finance planning or surveys in connection with proposed projects by city planning commissions or other agencies if such arrangements are considered desirable and appropriate by the locality and are approved by the Administrator.

Second. Temporary loans to local public agencies to finance the expenditures to be made by those agencies in carrying out an eligible project under title I: It is contemplated that these loans will be repaid, with interest, from the proceeds of (a) the sale of land in the project area, (b) the long-term financing to carry any portion of the project site which is leased rather than sold, and (c) the Federal capital grants and local grants-in-aid.

Third. Temporary loans to municipalities or other public bodies for the provision of public buildings or facilities needed to support the new uses of land in connection with any project on land which is open or predominantly open. Such loans must be repaid with interest in not to exceed 10 years. For example, where a school district for an outlying area does not have a tax base sufficient to permit the issuance of bonds for building a new school until the project area is actually developed, this provision permits a temporary loan to be made to the school district itself, or alternatively a loan may be made to the local public agency undertaking the project which may then construct the school and lease it to the school district pending the ability of the district to acquire the building through the issuance of its own bonds.

Fourth. Long-term definitive loans to local public agencies. It is contemplated that these loans will generally be used only to finance that portion of a project site which is leased rather than sold for redevelopment and will be repaid through the revenues from the lease. These long-term loans must be repaid with interest within not to exceed 40 years.

FACILITIES FOR PRIVATE FINANCING

The administrator is also authorized to permit local public agencies to substitute private financing for Federal financing if at any time private funds are available at lower interest rates than those provided for in the Federal loan contract and to pledge the Federal loan contract as security for the repayment of the private loan funds. This provision is generally similar to the arrangement under which local housing authorities undertaking federally assisted low-rent housing projects secure temporary financing in the private capital markets at advantageous interest rates through the pledge of their loan contracts with the Federal Government.

WHAT ARE THE REQUIREMENTS AS TO FEDERAL CAPITAL GRANTS AND LOCAL GRANTS-IN-AID?

Title I of the Housing Act of 1949 recognizes that, in carrying out slum clearance and urban redevelopment projects, it will generally be necessary to write off a portion of the costs of acquisition, clearance, and the preparation of the sites for reuse in order that the land in project areas may be made available for sound redevelopment at its fair value for the uses specified in the local redevelopment plans and on a basis that will contribute to sound community development. Title I therefore provides for Federal capital grants to finance such write-offs, in conjunction with local grants-in-aid. Federal grants are not available, however, in connection with projects consisting of open land.

The Federal capital grants are limited in amount to not more than two-thirds of the aggregate write-offs or net project costs of all the projects assisted under title I in the locality involved. These net project costs represent the difference between the total costs of the projects and the proceeds received from the disposition of the land, including the capitalized value of the land that is leased or retained by the local public agency for use in accordance with the redevelopment plan. The local grants-in-aid contributed by the locality must amount to at least one-third of the aggregate net project costs.

Thus, under this formula, if the local grants-in-aid on the first project undertaken by this formula were in excess of one-third of the net project cost, the local contribution on a second project could be less than one-third, provided that the Federal capital grants did not exceed two-thirds of the net costs of both projects. This provision for the pooling of the Federal capital grants and the local grants-in-aid in terms of all the projects undertaken by a locality permits substantial flexibility in the planning of projects, particularly with reference to the provision of necessary public facilities by the city government.

With respect to any one project, the Federal capital grant cannot exceed the difference between the net project cost and the local grants-in-aid actually made to that project. Thus, if a project cost $1,000,000—including $150,000 in site improvements and public facilities paid for by the municipality as local grants-in-aid—and if the proceeds from disposition were $700,000, resulting in a net project cost of $300,000, the Federal grant would then be limited to $150,000—being the difference between the loss of $300,000 and the local grants-in-aid of $150,000—rather than $200,000—being two-thirds of the loss of $300,000. In the event that local grants-in-aid were sufficient to cover the entire loss, no Federal grant would be made for the project. However, in such cases, the Federal grant to a subsequent project could represent more than two-thirds of the net project cost, as explained in the preceding paragraphs.

Projects consisting of open land, which are not eligible for Federal grants, would be excluded in computing aggregate project costs, local grants-in-aid and net project costs for the purpose of determining the Federal and local grants for all other projects in the locality.

Under the provisions of title I, local grants-in-aid may consist of the following items:

First. Cash grants.

Second. Donations of land, at cash value.

Third. Demolition or removal work, or site improvements in the project area, at their cost.

Fourth. The provision, at their cost, of parks, playgrounds, and other public buildings or facilities which are primarily of direct benefit to the project and which are necessary to serve or support the new uses of land in the project area.

In connection with item 4, where such facilities are of direct and substantial benefit both to the project and to other areas, an appropriate portion of their cost may be allowed for in computing the local grants-in-aid for the project. Thus, if a new school were constructed at a cost of $300,000 to serve the project area and other areas and if one-half of the school's capacity would be required for children in the redeveloped project area, then one-half of the cost of the school could be credited to the local grants-in-aid for the project.

The following items may not be counted in computing local grants-in-aid:

First. The value of any land in streets, alleys, and other public rights-of-way which may be vacated in connection with the project.

Second. Any low-rent public housing.

Third. Any demolition or removal work, improvement or facility for which a grant or subsidy is to be made by any department or agency of the Federal Government.

If any of the public improvements or facilities provided are charged to specific property owners through special assessments, the portion of the amount so charged would not be eligible for inclusion as a local grant-in-aid.

Local public buildings or facilities, which are otherwise eligible as local grants-in-aid, will remain eligible even though they are assisted by a temporary loan made under title I. This provision would be applicable to projects consisting of predominantly open land, which are eligible for Federal capital grants and not to projects consisting of open land, which are not eligible for capital grants.

LEGAL AUTHORITY REQUIRED FOR LOCAL PARTICIPATION IN TITLE I PROGRAM

As pointed out previously, the Housing and Home Finance Administrator may enter into loan and grant contracts under title I only with local public agencies—as defined in the statute—which are authorized to undertake the project for which assistance is sought. A determination whether the designated local public agency in any specific locality has authority under existing State or local statutes to meet the legal requirements of title I is therefore a prerequisite to the advance of funds for project planning or to the granting of loan and grant assistance. The Housing and Home Finance Agency will undertake a survey of State and local statutes for this purpose as soon as its staff resources permit. Communities interested in applying for assistance under title I should also examine their legal authority in this respect.

According to a preliminary survey, the following 30 political jurisdictions have enacted some type of slum clearance and urban redevelopment enabling legislation: Arkansas, California, Colorado, Connecticut, District of Columbia, Florida, Georgia, Hawaii, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Missouri, New Hampshire, New Jersey, New York, Ohio, Oregon, Pennsylvania, Puerto Rico, Rhode Island, South Carolina, Tennessee, Virginia, and Wisconsin.

In the case of Indiana, Missouri, and New York, the urban-redevelopment laws do not specifically authorize the borrowing of Federal funds and the acceptance of Federal grants. In Kansas and Kentucky, the urban-redevelopment laws do not create or provide for the creation of local public agencies with authority to undertake slum-clearance projects. In some of the other jurisdictions listed above, amendments may be necessary to comply with all of the Federal requirements that must be met under the provisions of title I.

The 21 States listed below do not have enabling legislation specifically authorizing the undertaking of slum-clearance and urban-redevelopment projects, as indicated by preliminary survey: Alabama, Arizona, Delaware, Idaho, Iowa, Maine, Mississippi, Montana, Nebraska, Nevada, New Mexico, North Carolina, North Dakota, Oklahoma, South Dakota, Texas, Utah, Vermont, Washington, West Virginia, and Wyoming.

In the States which do not have legislation expressly authorizing slum-clearance and urban-development projects in accordance with the requirements of title I, participation under the title I program may nevertheless be authorized under some of the State enabling laws for public housing, or in other general legislation. In such cases a judicial determination of such authority in a test suit may be necessary before the Federal Government could proceed to make loans and grants under the title I program.

Legal authority to comply with the Federal requirements must exist in the locality in some form before Federal assistance can be extended and should cover at least the following matters:

First. Establishment of a local public agency (which may consist of the city itself, a local housing authority, or a special redevelopment agency) with powers to engage in slum clearance and urban redevelopment undertakings.

Second. Authority for the development of a general or master city plan.

Third. Authority to make plans for the redevelopment of project areas which must be in conformity with the general plan and approved by the local governing body.

Fourth. Authority to acquire property for slum clearance and private or public redevelopment under the power of eminent domain, or otherwise.

Fifth. Authority to clear acquired sites and prepare them with streets, utilities, and other site improvements for ultimate redevelopment.

Sixth. Authority to sell and lease at reuse value property acquired, cleared, and improved to private persons for private use and to prescribe conditions governing such use, and to sell or transfer such property to public agencies for public use.

Seventh. Authority to borrow money and accept capital grants from the Federal Government and also to borrow funds from other sources and pledge such security as may be required. If State or local funds will be made available for project purposes, it may be possible for a community to receive Federal grants without any Federal loans.

Eighth. Authority to make local grants-in-aid to a project, including cash, land, services, and facilities.

Ninth. Authority to plan and accomplish the temporary and permanent rehousing of families displaced from project areas.

Tenth. Authority to comply with other conditions required by the provisions of title I and regulations which may be issued thereunder.

WHAT ARE THE OTHER REQUIREMENTS FOR LOCAL PARTICIPATION UNDER TITLE I?

The provisions of title I of the Housing Act of 1949 are based firmly on local responsibility, local initiative, and local operation. Every project assisted under title I must be a local undertaking, locally planned, locally approved, locally managed, and designed to serve local needs, with a maximum opportunity for participation by private enterprise in redevelopment activities consistent with the sound needs of the locality as a whole. The responsibilities of the Housing and Home Finance Administrator, in extending financial assistance under title I, are concerned primarily with assuring that the policies, standards, and requirements set forth in the law are fully carried out.

Communities interested in proceeding with projects under title I or in exploring the possibilities of participating in the program should therefore check their own plans and state of readiness against the local requirements specified in title I. In addition to those hitherto described in this statement, the principal requirements for local participation include the following:

First. A general plan for the development of the locality as a whole: Title I requires a finding by the governing body of the locality that the redevelopment plan for a proposed project area conforms to a general plan for the locality as a whole.

Second. Local programs to encourage housing-cost reductions and to prevent the spread or recurrence of slums and blight: Title I requires the Housing and Home Finance Administrator, in extending financial assistance under the title, to give consideration to the extent to which appropriate local public bodies have undertaken positive programs in furtherance of those two objectives. Steps toward the first objective would include the adoption, improvement, and modernization of building and other local codes and regulations so as to permit the use of appropriate new materials, techniques, and methods in land and residential planning, design and construction, and the elimination of restrictive practices which unnecessarily increase housing costs. Steps toward the second objective would include the adoption, improvement, modernization, and application of local codes and regulations relating to land use and to adequate standards of health, sanitation, and safety for

dwelling accommodations. Communities should also examine their local police power ordinances relating to the compulsory closing or demolition of unsafe or insanitary dwellings.

Third. Metropolitan-area operations: Title I also directs the Administrator, in extending financial assistance under the title, to encourage the operations of those local public agencies which are established on a State or regional—within a State—or unified metropolitan basis or which are so organized as to contribute effectively toward the solution of commmunity development or redevelopment problems on a State, or regional—within a State—or unified metropolitan basis.

Fourth. Ability to furnish the required amount of local grants-in-aid for a proposed project or projects: Under title I, such local contributions may be furnished by a State, municipality, or other public body, or any other entity.

Fifth. A detailed redevelopment plan for the area in which the proposed project is located: Title I requires such a plan to be sufficiently complete, first, to indicate its relationship to definite local objectives as to appropriate land uses and improved traffic, public transportation, public utilities, recreational and community facilities, and other building improvements; and, second, to indicate proposed land uses and building requirements in the project area. Title I also requires the Administrator to take such steps as are necessary to assure consistency between the redevelopment plan and any highways or other public improvements in the locality receiving financial assistance from the Federal Works Agency, now the General Services Administration.

Sixth. Approval of the redevelopment plan by the governing body of the locality: Such approval is a requirement for the making of contracts for financial aid under title I. While approval of a detailed redevelopment plan is not required in connection with an application for advances of funds for plans and surveys in preparation of projects, such applications will be required to be accompanied by an official statement of intent by the local governing body that a project or projects will be undertaken within a reasonable period of time and by sufficient data to indicate generally that an eligible project can be developed through the planning advance.

Seventh. A finding by the local governing body that the financial aid to be provided is necessary to enable the land in the project area to be redeveloped in accordance with the redevelopment plan: Such a finding is a condition to the making of contracts for financial assistance under title I.

Eighth. A finding by the local governing body that the redevelopment plans for the redevelopment areas in the locality will afford maximum opportunity, consistent with the sound needs of the locality as a whole, for the redevelopment of such areas by private enterprise: Such a finding is also a condition to the making of contracts under title I. This requirement runs to all the proposed projects in a locality, considered as a group. While this requirement does not preclude the redevelopment of project land for public purposes, including the provision of low-rent public housing, where such uses are considered most appropriate by the community, it does express the fundamental intent of title I that there be major reliance upon private enterprise in the redevelopment of the projects as a whole which are assisted under the title. Where a low-rent public housing project is located on a site assisted under title I, the local public housing agency will be required to pay the fair value of the land for the uses specified in accordance with the redevelopment plan.

Ninth. Assurances as to redevelopment of project areas: Title I requires, as a condition to the making of contracts for financial assistance, that, when land in the project area is sold or leased for redevelopment by the local public agency, the purchasers or lessees shall be obligated, first, to devote such land to the uses specified in the redevelopment plan for the area; second, to begin the building of their improvements on the land within a reasonable time; and, third, to comply with such other conditions as the Administrator finds, prior to the execution of the loan or grant contract, are necessary to carry out the purposes of the title.

Tenth. Plans for the temporary and permanent relocation of displaced families: Title I requires, as a condition to the making of contracts for financial aid, that there be a feasible method for the temporary relocation of families displaced from the project area. It also requires, as a further condition to the making of such contracts, that there be assurance of adequate permanent housing for those families. In the latter connection, title I requires that decent, safe, and sanitary dwellings are available or are being provided for such families at rents or prices within their financial means, located either in the project area or in other areas not generally less desirable in regard to public utilities and public and commercial facilities and reasonably accessible to their places of employment. Private housing may be available for this purpose. For displaced families of low income, communities, if authorized by State public housing laws, may obtain Federal aid under title III of the Housing Act of 1949 for the development of low-rent public housing. Under title III, low-income families displaced by any public slum clearance or redevelopment project initiated after January 1, 1947, have first preference for admission to the low-rent projects assisted under that title. Communities interested in proceeding with slum clearance and redevelopment projects under title I should therefore examine their local public housing program and plan in relation to the requirement for permanent rehousing of the low-income families to be displaced by the title I projects. Such examination of rehousing needs is particularly important with respect to the needs of minority group families which may be living in project areas.

Deferment of clearance if hardship will be caused: Title I requires that each contract for financial aid entered into prior to July 1, 1951, shall provide that there shall be no demolition of residential structures in connection with the project prior to July 1, 1951, if the local governing body determines that such demolition would reasonably be expected to create undue housing hardship in the locality.

Public hearing prior to land acquisition: Title I requires that no land for any project to be assisted under the title shall be acquired by the local public agency except after public hearing following public notice of the date, time, place, and purpose of such hearing.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. O'HARA].

Mr. O'HARA of Illinois. Mr. Chairman, I arise to speak for a decent roof for every American family. The men and women of the district in Illinois that I have the honor to represent sent me as their representative to this Eighty-first Congress with the expectation that I would not return to their midst until I had done everything in my power to make possible just this—a decent roof for every American family.

I sat here in this Chamber in wonderment when my dear friend and distinguished colleague from Kansas was speaking. I heard sounding from the land of the sunflower the voice of the money changers in the temple. I thought of the days when in the land of the sunflower a cruel sun burnt up the crops, and the money changers came in, not with food and succor, but with foreclosure papers. In those days, Mr. Chairman, there was poverty on every farm and practically in every home in the land of the sunflower. Those were the days when "Sockless Jerry" Simpson, Governor Llewellyn, called from the plow to the executive office, and other great friends of the common people arose to give greatness to the land of the sunflower as the birth State of a great popular political upheaval which today finds expression in those termed "Liberal Democrats."

I have such high regard for the brilliant mind and the great integrity of my friend and colleague from Kansas that I regretted that, in his lack of close familiarity with the housing conditions in other States, especially in the urban centers, apparently he had taken too seriously the propaganda of the extravagantly paid experts in the advertising agencies employed by the dear old real-estate lobby.

It was, however, Mr. Chairman, with puzzled wonderment that I heard coming from the land of the sunflower the voice of the money changers in the temple. I agree completely and with enthusiasm with my dear friend and distinguished colleague from Kansas that the greatness of these United States was built upon the chance taking of our people. I cannot agree with him, however, that the chance taker who built America and who is to be glorified, as well as protected by law, is the banker who loans his money at interest rates determined

only by himself and on security which satisfies him that he is taking no risk.

Such a banker takes the minimum chance on the maximum of security. The young man and young woman starting out in the important business of adding another family unit to our national wealth takes the maximum chance on the minimum of security. They are starting out in life, they are to have children, they are to have the expense of rearing and educating and training these children, and usually they have no money. Their wealth is in the richness of love, of faith, of courage.

Why should they be left, when they need a decent roof over their family, why should they be left at the mercy of private bankers, who now object to direct loans for the purchase of homes merely because they desire to perpetrate their monopoly over money?

No one has more respect for private business, honestly and legitimately conducted with due regard of the public welfare, than have I, but, Mr. Chairman, I maintain that the private business of rearing a family is just as important as any other private business. I think I will go even further than that, Mr. Chairman; the most precious private business in all the world is the partnership of a man and woman which has for its purpose the building of a family unit. That is the private business that demands our first attention.

Let my colleagues in the Eighty-first Congress make no mistake about what the decency and honesty of the American people expect of us in the way of housing legislation. I know that I came to this body with a mission. That mission was to find a way by which our people could have homes, decent homes, within their means either to purchase or to rent.

What is the sense in maintaining that the necessary is the impossible? And how long do my distinguished colleagues think that the American people will remain patient when we remain under the spell of the fallacy that that which is absolutely necessary is the unattainable?

The beloved chairman of our Banking and Currency Committee, the great statesman and humanitarian, the gentleman from Kentucky [Mr. SPENCE], introduced a bill which provided on sane and constructive lines a complete legislative program for the attainment of our goal of a decent roof for every American family. Unfortunately for the fate of the bill, it was not written in obedience to the dictates of the money changers in the temple. It did make every possible provision for the proper functioning of private industry and the legitimate contribution of honest financing. There were six titles in the original Spence bill and included was one for direct loans to cooperatives. There were provisions which would have made it possible for a family in the city of Chicago to obtain a home of several bedrooms either by purchase or rental for approximately $50 a month.

A majority of the members of the Banking and Currency Committee had declared themselves in approval of this bill. We had spent days upon days listening to the testimony and studying every phase of the problem, and a majority of the membership of our committee was convinced that the program was sound and that definitely it promised a complete solution of the housing problem. Yet we were informed that if we approved the bill, the Rules Committee would refuse to give us a rule, and there was not sufficient time remaining to get it on the floor of the House without the rule. So the committee drafted another bill, retaining all the cream which the private bankers wanted, and also a few simple direct-loan provisions demanded by the American Legion, the Veterans of Foreign Wars, and other worthy and patriotic organizations. Then came word from the Rules Committee that even this simple bill, which gave the very minimum to our veterans and our other worthy home seekers, would not be granted a rule unless we took out the direct-loan provisions demanded by the American Legion, the Veterans of Foreign Wars, our veterans generally throughout the Nation, as well as by the millions of other decent and honest men and women who were looking for homes that private industry and private bankers kept outside of their ability either to purchase or to rent.

What is this interest that has set itself up in arrogance to defy the decency and honesty of America? From whence does this little band of willfulness derive its strength? I do not think there should be any doubt in any American mind on that point.

People have to have homes in which to live. As long as people needing homes can obtain them only on the terms of those who control the supply of money they must either accept the terms or sleep in the streets. Direct loans provide the only means for the escape of the American people from this situation.

I have no quarrel with the investment of private capital in home mortgages. I do not think that such private capital, legitimately invested and on fair terms, has any better friend on the floor of this body, but I do not regard as legitimate private capital the money changers in the temple who object to direct loans to veterans and others because such a procedure would operate to help veterans and also reduce the number of customers forced to come to the money changers in the temple.

As a member of the committee I have supported all provisions in the bill which it seemed to me were necessary in the interest of legitimate private industry and honest private financing. I shall continue to support as long as I am a Member of this Congress all legislation which will help private industry as long as such legislation is not a trespass upon the God-given rights of our people and is not predicated upon a theory of exploitation for selfish and privileged enrichment.

Let me digress a moment from the subject of financing in housing to touch upon the subject of the financing of the workers in their immediate needs, occasioned usually by sickness, deaths, or similar unusual circumstances. I refer to the financing known as salary loans. The usual interest rate charged the worker is 3 percent a month. Yet the large financing companies that loan out this money at 36 percent interest per year borrow the same money from the banks at not more than 4 percent per year. Upon what security do they borrow it? The security, Mr. Chairman, of the very same salary loan notes that they receive from the workers and on which they charge the workers 36 percent interest.

That sort of financing we do not want to stand between homeless American men and women and the decent roofs they have every right to expect to be within their means. I say to my colleagues and to the country that the only reason the original Spence bill which definitely would have made possible decent roofs for all American families never reached the floor of this House was because of the power of those who placed the dollar of unholy financing in priority to the right of human beings to find shelter under leakless roofs.

One-third and more of our population is earning from $2,500 to $4,000 a year, and yet not in Chicago or in any other place in this Nation are there homes to be found which are within their means to buy or to rent. Mr. Chairman, those people back home—one-third and more of them earning from $2,500 to $4,000 a year—expected us to do something about it here in the Eighty-first Congress. Yes, we did something. We did something to clear the slums and to open to the sunshine of hope the families in the low-wage brackets. That was a glorious thing we did—something that will redound forever to the credit of the Eighty-first Congress. But make no mistake; I never deceived myself; the clearing of slums and the furnishing of decent homes to these children of the slums was as a scratch upon the surface. We have taken care of the low-wage group; we have provided for a brighter tomorrow through the research provisions; and because of that every Member of the Eighty-first Congress is living more comfortably with his own conscience.

But what about the one-third and more of our population earning from $2,500 to $4,000 a year? The original Spence bill provides a sound and comprehensive program for them. Enact that bill and there will be decent roofs available for every family within this wage group either to buy or to rent. Keep that bill stamped down under the feet of the money changers in the temple, and millions of American families will continue to face the mockery of homes priced at $11,000 to $12,000 and upwards with payments they cannot make and on terms as impossible to meet as to reach up and touch the moon.

How long do my distinguished colleagues, who are bound to the money changers in the temple by the ropes of a similar philosophy, imagine the decency and honesty of America will continue to be patient?

There is one course open to us. The voice of the men and women of our country commands more attention from us than respect for the prestige and power of the Rules Committee, which despite the pleading of its great and beloved chairman, my distinguished colleague from my own State of Illinois [Mr. SABATH], has forced upon this floor

the kind of a bill the Banking and Currency Committee thought entirely inadequate, entirely one-sided, and by its omissions a direct slap in the face to our homeless war veterans. Mr. Chairman, the only course open to us in honor is to take matters into our own hands here on the floor and substitute the original Spence bill for that which came out at the point of the gun.

Leave out from the bill we pass the direct loans which the war veterans with one voice demand, and you may be sure that just as certainly as tomorrow's sun will follow the darkness of tonight those that we now kick around will take the rider's seat in the fall of 1950.

Leave out all the other provisions of the original Spence bill—provisions that will place decent roofs over every American family—and the eruption of the little people in November of 1948 will be as a pebble by the side of a mountain compared with what will come to pass in November of 1950.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. O'HARA] has expired.

Mr. SPENCE. Mr. Chairman, I yield 4 minutes to the gentleman from Arkansas [Mr. HAYS].

Mr. HAYS of Arkansas. Mr. Chairman, I think it would be well at this point in general debate to have further reference, if none has been made, to the provisions in the bill of which the gentleman from Oklahoma [Mr. MONRONEY] is author, providing for a new and perhaps experimental approach to the matter of financing farm homes.

Under the various programs that we have authorized in the last few years, there are about $18,000,000,000 of loans for the construction of urban homes, and scarcely any at all for farm homes. That is because the farm home is not only his home, but his factory—his source of living.

There is a situation where the equity in his farm could be used for security, and yet, because of the lien on his factory, his farm, there is difficulty in securing, through conventional methods, the money that he needs for an improved and adequate home.

I do not want to labor this point. I realize we are pressed for time, but I want, since the gentleman from Oklahoma [Mr. MONRONEY] is present, to have him take some of my time to elaborate on what I consider to be a very sound idea. From my point of view it is sound, of taking a part of the farm for a home site and securing a release from the lien that is on the entire farm. We try to approach it from the standpoint of separating the home site from the general farm mortgage. I think it is important during this general debate to have reference made to this approach.

Mr. MONRONEY. The approach is to try to divorce the farm plant from the farm site by carving out a 5-acre portion of the farm, somewhere at the crossroads, where it is accessible to transportation, and let the farmer secure a release from the whole farm mortgage of that 5 acres, or, if the mortgage holder will not release the site without cost, to allow him to use a part of his GI loan to pay for a release of the 5 acres. I admit it is a new and experimental approach. It may not work. The FHA was new when it started. But it is unreasonable to expect a farmer-veteran to put up the equity in 160 acres in order to get his home when the city man is putting up 50 feet in the outlying portion of a city to get his home. We believe that 5 acres, which we suggest as a reasonable home site, independent of the mortgage on the farm plant might prove the approach that might be workable.

I appreciate the gentleman's support of that provision.

Mr. DEANE. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield.

Mr. DEANE. I wonder if the gentleman from Oklahoma [Mr. MONRONEY] would further elaborate on this particular point. The objection that was raised in the Rules Committee was that the farm was one economic unit, and to separate one part, with a residence on it, from the other part of the farm, was not practical and was not sound.

Mr. MONRONEY. The objectors to this program, it would seem to me, would expect a Chinese wall or a Grand Canyon between the acres on which the farm home is located and the acres of farm worked.

I do not see why it would not be workable if the home is adjacent to and abutting the farm itself. One mortgage on the farm plant, and another on the farm home site, would not interfere with farming.

If you just divide the mortgage on a 5-acre tract from the farm plant acreage I believe you will start a new approach that might work. It may be an experiment. If it does not work, there will not be any loss. The only expense will be the cost of printing one paragraph in a bill, the first paragraph that will be designed to bring one thin dime to the farmer to improve his housing situation in this country.

Mr. HAYS of Arkansas. I thank the gentleman. I just wanted to focus attention on that part of the bill which the gentleman from Oklahoma has introduced. We did only a partial job in the former provisions of the public housing bill passed by this Congress. We need to complete that job by inserting these farm provisions in the pending bill.

Mr. MONRONEY. These farm home loans would apply only to GI's, too.

Mr. HAYS of Arkansas. And that applies only to GI's, of course.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. SPENCE. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. DAVENPORT].

Mr. DAVENPORT. Thank the Almighty God. At long last something is going to be done on housing for the middle-income groups. Seventy-five percent—not one-third, but 75 percent of American families are over the income limitation which would enable them to get into public housing. The cold fact simply is this: That families with incomes of from $2,500 to $4,500 are left out in the cold as far as housing is concerned; and remember that hundreds of thousands of workers in steel, in autos, in the electric plants, in the mines, and railways are also left out in the cold; office workers, teachers, nurses, salespeople, all white collar workers in the $2,500 to $4,500 per year income groups are neglected by Congress as far as housing legislation is concerned. And think of the millions of veterans, the boys who had only a fox hole to live in on the battlefields of Africa, Europe, and the Pacific. They, who deserve so much from us, should at least have the opportunity to have a decent home in which to raise a family.

A couple of months ago we passed a housing bill, but that was only half a bill. That took care of—not adequately, however—the problem of slum clearance and housing for the very low-income groups. If this bill is passed with the necessary amendments we will have at least given the great middle class a housing bill which they deserve and which we promised to them.

The CIO, the A. F. of L., the UEW, the United Mine workers, the railway brotherhoods, the National Catholic Charities Conference, the Social Action Committee, Protestant Congregational Church, the AMVETS, the American Legion, the Veterans of Foreign Wars, the National Council of Jewish Women, these organizations are in favor of the passage of a bill as good as that reported out by the Senate Banking Committee, and I do not know how any of us can go back home and face our constituents if we do not do everything in our power to pass a bill which will provide $1,000,000,000 in loans to nonprofit cooperatives to construct housing for the millions of families in the $2,500-to-$4,500-income groups. The middle class is the solid, bedrock foundation of democracy; let us do something for the middle class.

Mr. Chairman, may I take this opportunity to congratulate my colleagues who are so earnestly working to put some guts in this bill so that it will mean something. I refer to the very able gentleman from Pennsylvania, Mr. FRANK BUCHANAN; the gentleman from Oklahoma, Mr. MIKE MONRONEY; the gentleman from North Carolina, Mr. CHARLES B. DEANE; the gentleman from Kentucky, Mr. BRENT SPENCE; and the gentlemen from New York, Mr. ABE MULTER and Mr. JACOB JAVITS.

We must not allow the emasculated, emaciated, and watered-down-to-nothing bill that came out of the Rules Committee to pass without the amendments which will be presented by the above gentlemen. If all of us who are in favor of the kind of middle-income housing bill that came to the House from the Senate Banking Committee will just stay on the floor and drive hard we are going to win. Then we can go back home and have something to brag about.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. MULTER].

Mr. MULTER. Mr. Chairman, I agree with my colleague from Kansas [Mr.

COLE] but only to the extent that he says that this country in large part owes much of its success and prosperity to the so-called chance takers. From that point on we disagree pleasantly and respectfully, but disagree we do, as to what should be done by this bill. We are a country of chance takers. I think one reason why we do not move forward fast enough probably is that we have not enough chance takers in this House. I believe when it comes to legislation of this kind that we should always resolve the doubt in favor of taking the chance; let us try the experiment. If it does not work we will try something else, but let us move forward and not stand still.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield.

Mr. NICHOLSON. Always taking chances with somebody else's money.

Mr. MULTER. We are not taking chances with anybody else's money; this is our money, yours and mine, and your constituents' and my constituents'; and I think that is what we were sent here for, and that is the job we are going to try to do. And do not overlook that there is not one single dollar of grants or subsidies in this bill or in this bill as we hope to amend it.

There is nothing new about this business of making direct loans. At this session we passed a bill making it possible to make loans for rural telephone service, direct loans. Those loans will be under the REA program, direct loans for rural electric power; $1,500,000,000 at 2 percent interest, loans at 100 percent of value for 35 years. The Farmers' Home Administration is making direct loans under our authorization of $330,000,000 for 40 years. FNMA makes direct loans. You can call it purchase, if you wish, but what are you doing? You are actually lending a billion and a half dollars to the lending institutions of this country by buying from them their mortgages and making that much more money available to them to lend again for housing and construction.

The Home Owners' Loan Corporation made direct loans of three and a half billion dollars. There are only $400,000,000 of them outstanding today. We made a profit on those transactions and saved the homes of our people at the same time.

RFC is making direct loans to business, loans to railroads, loans to cooperatives, commodity loans, facility loans, at 2 percent, 3 percent, and 4 percent interest to all of these American ventures, American enterprises. The Reclamation Service is making loans for irrigation purposes for a period of 40 years without interest.

There is nothing new in this direct loan proposition in the bill that your committee sought to report to you and did report and the bill which I hope will be the one that will finally pass rather than the one on which we now have the rule. I trust that by amendment we will put back into this bill the direct loan provisions we are talking about.

One of those will be direct loans to cooperatives if the cooperatives cannot get their financing in the regular business market.

The other direct loans are to veterans. And that is not new. I emphasize again what the gentleman from Oklahoma [Mr. MONRONEY] said so well a few moments ago, this is not a new program of direct loans to veterans. You have on the statute books today provisions for direct loans to veterans. They have not been able to take advantage of those provisions, they have not been able to get the homes that we said we would help them get.

We hope that by these provisions which will be offered by way of amendment to the pending bill we will be able to facilitate their getting those homes by means of these direct loans. Let me repeat the direct loans will not be made to them unless they cannot get the money in the lending market. If they go out and apply to the local lending institutions in their home communities and cannot get the loans, then they will go to the Administrator and say: "Mr. Administrator, I have exhausted the means in my community to finance my home purchase. Will you help me?" Then the Administrator will help him.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. SPENCE. Mr. Chairman, I have no further requests for time on this side.

Mr. WOLCOTT. Mr. Chairman, we have no further requests for time.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That this act may be cited as the "Housing Amendments of 1949."

Mr. SPENCE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MANSFIELD, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 6070) to amend the National Housing Act, as amended, and for other purposes, had come to no resolution thereon.

VERMEJO RECLAMATION PROJECT, NEW MEXICO—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 316)

The SPEAKER laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I am returing without my approval H. R. 3788, "To authorize the Secretary of the Interior to construct, operate, and maintain the Vermejo reclamation project, New Mexico."

The bill would authorize the Secretary of the Interior, through the Bureau of Reclamation, to construct, operate, and maintain the Vermejo reclamation project for the purposes of irrigating approximately 7,200 acres of semiarid land in Colfax County, N. Mex.; controlling floods; providing for the preservation and propagation of fish and wildlife; and providing recreational facilities.

The total cost of this project is estimated to be $2,959,000 with tentative allocations as follows:

Reimbursable: Irrigation	$1,788,080
Nonreimbursable:	
Sediment control	222,000
Fish and wildlife	718,590
Recreation	134,880
Flood control	95,450

The project report shows the benefit-cost ratio to be 1.76 to 1.

It is estimated that the reimbursable costs would be repaid by the water users without interest in 67 years (plus a 7-year development period). This estimate is based upon an economic analysis which indicates that the water users will be able to meet annual water charges of $6.30 per acre. Of this amount $2.61 per acre will be required for operation and maintenance, thus leaving $3.69 per acre available for application against construction charges.

These estimates of the ability of the water users to repay the costs allocated to irrigation were not officially reviewed by the Department of Agriculture in the usual manner before the Congress took action on this bill. Time has not permitted such review to be made within the period allowed for Presidential action on enrolled bills. Therefore, I am unable to report to the Congress whether the conclusions reached by the Bureau of Reclamation with regard to the agricultural and economic feasibility of the proposed plan are concurred in by the Department of Agriculture.

While I consider this to be a serious deficiency, I am more concerned about the fact that there are included in the $1,170,920, proposed to be charged off against nonreimbursable benefits, classes of such benefits not now permitted under federally constructed irrigation projects. Neither sediment control nor recreation is currently authorized as a benefit against which nonreimbursable allocations of costs may be made. It seems to me highly questionable to approve the inclusion of such benefits with respect to this one project before the Congress has reviewed the desirability of making charges to such benefits generally possible under basic reclamation law.

Furthermore, it is proposed to allocate $718,590 for fish and wildlife. While such nonreimbursable allocations are permitted in water resources development projects, they are usually restricted in scope to the prevention of loss of and damage to wildlife. In this project, about one-half of the allocation is proposed as a benefit from the creation of a wildlife management and development area of 5,200 acres not required for operation of the irrigation project or for protection of existing wildlife resources of this specific area. There are instances where waterfowl eventually discover and use some of the backwater areas of federally owned reservoirs where no allocation of cost is assigned for wildlife benefits. If such use develops into substantial proportions, an appropriate area may later be established as a refuge for such waterfowl without in any manner affecting cost allocations. Such areas are then operated and maintained by the Fish and Wildlife Service. The creation of new

wildlife areas is normally a part of the regular program of the Fish and Wildlife Service. In this instance, because the area is made up of low-lying land in the district and since it is located along an important fly-way, the establishment of resting and nesting areas for waterfowl has been included in the project. It seems to me this establishes a dangerous precedent for charging off an appreciable amount of the actual project costs.

The costs allocated to flood control are relatively small and permitted under reclamation law. However, they have been differently computed by the Secretary of the Army. His letter of May 19, 1949, to the Secretary of the Interior points out that assuming a 50-year useful project life and a 3 percent interest rate, the annual flood control benefits are considered to justify flood control costs of only $72,800 as compared with the $95,450 figure computed by the Bureau of Reclamation. The relationship between this allocation and that for sediment control, which was inserted by the Congress, is not apparent.

I wish also to point out to the Congress that H. R. 3788 deals with another issue which I believe should be first considered in basic law. I refer to the authorized period of repayment. There has been a tendency during our some 45 years of experience under the reclamation laws to increase the period of repayment of construction costs. Despite this trend I believe the matter of further extensions to periods greatly in excess of the 40 years—plus, in some cases, a 10-year development period—now generally authorized, is a matter of such vital concern to the Nation as a whole that it should be carefully reviewed as a principle of general application. It is not a matter to be treated in piecemeal and isolated consideration on the basis of apparent needs of one or another small project to which no need for urgent action is attached.

The policy with respect to the repayment period for rehabilitation and betterment of federally constructed reclamation projects has not yet been established although two measures dealing with this problem are now pending—H. R. 1694 and S. 1239. There seems to be no reason why rehabilitation and betterment of a single nonfederally constructed reclamation project should receive treatment which may be different from that finally authorized for Federal projects.

On July 29, 1949, when I approved the bill authorizing the Federal Government to take over the Fort Sumner irrigation project, I indicated that my action was in recognition of an emergency created by the unsafe condition of the dam, which is threatened with destruction if a flood should occur. I further pointed out that approval of that bill did not constitute a precedent for the approval in the future of other bills authorizing Federal assistance for individual projects where no emergency exists. None of the facts before me supports the conclusion of emergency in connection with the Vermejo project.

The Vermejo project can no longer be self-sustaining because the financial resources of the landowners are insufficient to accomplish the needed rehabilitation. Similar conditions undoubtedly prevail in other irrigation districts. I believe that an equitable and just basis for granting Federal aid to any irrigation district which is in financial distress should be established by enactment of legislation similar to that under which the Federal Government formerly carried on a program for extending assistance to non-Federal irrigation districts.

The records indicate that there are 86 landowners and 45 farm operators within the Vermejo district. I sympathize fully with the situation in which they find themselves, and I recognize that in disapproving H. R. 3788 I am taking an action which they may at first find it difficult to understand. Nevertheless, I believe that they will accept my action as an indication of the need for basic legislation under which all projects requiring Federal assistance will be treated alike. Recommendations for such legislation are being developed for presentation to the next session of the Congress. If the Congress acts upon them promptly, little time will have been lost and there will be established principles for Federal aid which can be equitably administered over the years as needs arise.

HARRY S. TRUMAN.

THE WHITE HOUSE, *August 23, 1949.*

The SPEAKER pro tempore (Mr. MONRONEY). The objections of the President will be spread at large upon the Journal.

Mr. PETERSON. Mr. Speaker, I move that the bill and message be referred to the Committee on Public Lands and ordered to be printed.

The motion was agreed to.

MRS. T. A. ROBERTSON—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 314)

The SPEAKER laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I return herewith, without my approval, the enrolled bill (H. R. 1282) "for the relief of Mrs. T. A. Robertson."

The bill provides for payment of the sum of $3,000 to Mrs. T. A. Robertson, of Murfreesboro, Tenn., in compensation for the uninsured portion of the loss sustained by her when a fire destroyed her house and household goods on January 13, 1944, the fire department having been delayed by traffic congestion created by United States Army convoys.

It appears that on January 13, 1944, a fire truck, answering a call from Mrs. Robertson that her house was on fire, was delayed at an intersection in Murfreesboro, Tenn., by two Army convoys, one traveling east and the other west. The fire truck driver was finally able to break into the east-bound convoy which was proceeding at an estimated speed of 15 miles per hour. It appears that there was not sufficient room for him to pass to the left of the convoy he was following, for the reason that the other convoy was not far enough to the side of the street to allow for clearance.

It is stated that as a result the fire truck was delayed in arriving at claimant's house. Estimates as to the length of this delay range from 8 to 25 minutes. It further appears that the fire chief and several members of the fire department asserted that if they had been able to arrive at the fire earlier they could have saved the house except for part or all of the roof. The claimant valued the house and furnishings at $14,656.80, of which amount she was reimbursed $8,000 through insurance. The house was of frame construction and was not equipped with fire stops in the wall. It was old and covered with cedar shingles.

Regrettable as this incident was, there appears to be no grounds upon which the Government can be held responsible for the loss. Concededly, the presence of the Army convoys on the road was lawful and the operation of them, so far as appears, was without fault. The movement of military equipment and personnel in convoys is necessary to the national defense, particularly in time of war. Such activities, like other wartime and defense measures, have an inevitable impact upon the lives of private citizens which is sometimes unfortunate. The Federal Government should be liable in proper cases for direct damage or injuries resulting from such activities. But it should not be liable for the many indirect and remote repercussions of these activities. In the present case, it is significant that had the traffic in question been of a nonmilitary character and so heavy as to delay the fire equipment, the claimant would not have had any recourse against the civilian drivers involved.

Whatever delay was caused the fire department by the military convoys was not the proximate cause of the damage. Furthermore, the estimates as to the length of the delay vary widely and it is pure speculation as to how much of the house could have been saved if there had been no such delay. The enactment of this bill would open the door to a wide and uncharted field of Federal liability.

In view of these facts, I am constrained to withhold my approval from the bill.

HARRY S. TRUMAN.

THE WHITE HOUSE, *August 23, 1949.*

The SPEAKER. The objections of the President will be spread at large upon the Journal, and without objection the bill and message will be referred to the Committee on the Judiciary and ordered to be printed.

There was no objection.

PEARSON REMEDY CO.—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 313)

The SPEAKER laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I am withholding my approval of a bill (H. R. 4366) for the relief of Pearson Remedy Co. The bill would authorize a claim of the Pearson Remedy Co., Burlington, N. C., for draw-back under section 3250 (1), Internal Revenue Code, of tax paid with respect to distilled spirits

used in manufacturing nonbeverage products to be considered and acted upon as if it had been filed within the period of limitation applicable thereto.

The records of the Bureau of Internal Revenue show that the claim was rejected for the reason that it was not filed within the time prescribed by the statute. The statute, section 3250 (1), Internal Revenue Code, provides that no claim thereunder shall be allowed unless filed with the Commissioner within the 3 months next succeeding the quarter for which the draw-back is claimed. This limitation was apparently intended to protect the Treasury by enabling the Bureau of Internal Revenue to make timely investigation of such claims.

The claim was rejected under a statute having general application. Special legislation would, therefore, be in contradiction of the general policy. It would also be discriminatory. During the calendar year in which the claim was disallowed 70 other draw-back claims were similarly disallowed because they were not filed within the required time. Legislative relief in this case would discriminate against such of the other 70 taxpayers who may not secure the benefit of special legislation. No facts appear in connection with this case which warrant a departure from the general policy of the law.

In view of the foregoing, I am withholding my approval of the bill.

HARRY S. TRUMAN.

THE WHITE HOUSE, *August 23, 1949.*

The SPEAKER. The objections of the President will be spread at large upon the Journal and without objection the bill and message will be referred to the Committee on the Judiciary and ordered to be printed.

There was no objection.

JANSSON GAGE CO.—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 315)

The SPEAKER laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I return herewith, without my approval, the enrolled bill (H. R. 1034) "for the relief of the Jansson Gage Co."

The bill provides for payment of the sum of $59,899.22 to the Jansson Gage Co., Detroit, Mich., in full settlement of all claims against the United States for reimbursement of labor cost increases over its contract with the Treasury Department, Procurement Division, entered into during 1943, for the manufacture of essential war materials.

The Jansson Gage Co. is a manufacturer of measuring instruments. Assertedly at the request of the War Production Board, this company entered into a contract for the manufacture of vernier calipers, in which the company had not had previous experience. The company delayed in completion of the contract, assertedly due to difficulties in obtaining equipment and material and in training additional labor force. After expiration of the contract delivery period, but prior to the completion of delayed performance by the company, the War Labor Board issued a directive increasing the labor rate. At the company's request, the contract was amended to give it an increase in the price of articles delivered after March 2, 1945. The company apparently suffered a net loss under the contract.

A claim in the amount of $75,970 filed by the company with the Treasury Department was disapproved on the ground that the facts did not warrant a further increase, particularly, because the action of the War Labor Board would not have affected the cost of performance if the company had adhered to the delivery schedule agreed to in the contract. The claim was subsequently submitted to the General Accounting Office which advised the company that it had no authority to grant relief. A claim in the amount of $74,248.58 filed by the company with the Treasury Department under the Lucas Act (60 Stat. 902), which claim was subsequently reduced to $57,522, was ascertained to be defective because it did not prove or allege, as required by section 2 (a) of the act, that the company had suffered a net loss on all contracts and subcontracts held by it under which work, supplies, or services were furnished for the Government between September 16, 1940, and August 14, 1945. Claimant was given an opportunity to amend its statement to correct this defect but failed to do so. The Treasury Department then concluded that the claimant must have realized a profit on all of its war contracts taken together. Therefore, relief under the Lucas Act was not authorized, and no further action was taken on the claim.

The company's claim is not based upon any failure of the Government to live up to its contract obligations. The increase in its labor costs following the War Labor Board directive was a risk assumed in its contract and represents a type of additional expense incurred by a great many war contractors. Furthermore, it appears that this expense would not have been incurred if the company had not delayed in performance of the contract, since, in that event, it would have completed performance before the effective date of the labor increase. While the company's delay in performance may have been due to causes beyond its control, it was not caused by any fault of the Government. Increased expenses as a result of delays due to wartime conditions were frequently incurred by large numbers of war contractors.

In its enactment of the Lucas Act, Congress adopted a general and, what seems to me to be, a very liberal policy of relieving war contractors against any over-all net loss suffered on their war contracts and subcontracts. But even under this policy, a contractor would not be relieved against a loss on a particular contract when he made profits on other contracts that offset the loss. The justice of this would seem apparent. A contrary rule would permit a contractor to realize large profits on hundreds of contracts and, in addition, be reimbursed for a loss he suffered on a single contract. Although the company suffered a loss under this contract, it has not pursued the opportunity afforded it by the Lucas Act to secure relief by a showing that it suffered a net loss on all of its war contracts including this one. Therefore, enactment of this bill would place this one company in a preferential position as compared with many other war contractors who failed to make a profit on individual contracts. It would be difficult to justify departing from the rule of the Lucas Act in the case of a single company unless the Congress was prepared to do the same for all others similarly situated.

For the foregoing reason, I am constrained to withhold my approval from the bill.

If, however, the Jansson Gage Co. is now barred by statutory limitation from pursuing its remedy under the Lucas Act, I should not, in view of all the circumstances, object to special legislation authorizing that company to file a new claim under the Lucas Act, subject, of course, to the requirements of that act that, in order to obtain relief, it must make a showing of a net loss on all its wartime contracts.

HARRY S. TRUMAN.

THE WHITE HOUSE, *August 23, 1949.*

The SPEAKER. The objections of the President will be spread at large upon the Journal.

Without objection, the bill and message will be referred to the Committee on the Judiciary, and ordered to be printed.

There was no objection.

COMMITTEE ON PUBLIC WORKS

Mr. SABATH. Mr. Speaker, I call up House Resolution 326 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Committee on Public Works of the House of Representatives is authorized and directed to conduct investigations and surveys of certain works of improvement under its jurisdiction, and located in the United States with a view to determining if legislation relating to such projects should be enacted.

The committee shall report to the House as soon as practicable during the present Congress the results of its investigations, together with such recommendations as are deemed desirable.

For the purposes of this resolution, the committee or any subcommittee thereof is authorized to sit and act during the present Congress at such times and places, whether or not the House is sitting, has recessed, or adjourned, to hold such hearings, to require the attendance of such witnesses and the production of such books, papers, and documents, and to take such testimony, as it deems necessary. Subpenas may be issued under the signature of the chairman of the committee or any member designated by him and may be served by any person designated by such chairman or member. The chairman of the committee or any member thereof may administer oaths to witnesses.

Mr. SABATH. Mr. Speaker, I favored this investigatory resolution in the sincere hope that it would be considered before any action might be taken on the rivers and harbors-flood control.

I felt that the Committee on Public Works would make investigations of the Columbia River Basin project and many others while holding in abeyance the discriminatory, lopsided, pork-barrel rivers and harbors bill. Unfortunately, the latter bill passed this body. Notwithstanding this fact, I hope that the Committee on Public Works will now, in the interest of the country, conduct the investigation called for in this resolution. I hope the committee will use outstanding engineers in their investigation—engineers who are not dominated or controlled by the interests or by the most reckless spending unit of our Army, the Corps of Army Engineers. I hope too, that this investigation will bring about close harmony and cooperation between the Corps and the Bureau of Reclamation, for the latter Bureau has for years maintained a splendid and outstanding record of economy and efficiency.

WHERE WILL THE RIVERS AND HARBORS AUTHORIZATIONS GO?

Some of my southern colleagues felt that I unjustly attacked the rivers and harbors pork barrel bill, and further that I was unfair in pointing out that of the major portion of the $1,100,000,000 authorization, namely, $93,000,000 of the rivers and harbors section, and $500,000,000 of the flood control section, would go to 11 Southern States. The remaining 37 States share in the balance of $26,000,000 under rivers and harbors, and about half of the flood control items of the $995,000,000 called for in the bill. Had the gentleman from Mississippi, the chairman [Mr. WHITTINGTON] and others, not laid such great stress on the fact that most of the projects provided for would inure to the benefit of the entire Nation from the East to the West to the North to the South, I would not have been obliged to call attention to these startling and discriminatory authorizations.

IN REPLY TO CHAIRMAN WHITTINGTON

Consequently, the chairman, Mr. WHITTINGTON, in answering me, stated among other things that I did not have very much to say in opposition to the Corps of Engineers when the Congress authorized the development of the Illinois waterway and the Calumet River and Harbor improvements. He pointed out that the city of Chicago is one of the greatest ports on Lake Michigan.

In answer to the chairman's statement I wish to point out that the great waterway that connects the Great Lakes with the Gulf of Mexico not only originated in Chicago by the city of Chicago but has been constructed by the district of Chicago at their expense, expending some $280,000,000 thereon.

As to the amount authorized for the Calumet River sag I wish to say that this project should have been built by the railroads and steel companies whose interest it serves and who benefit directly therefrom.

Unfortunately, I could not answer Mr. WHITTINGTON'S remarks at the time they were made, since the time for debate expired immediately thereafter. I am, however, availing myself of the opportunity so to do at this time.

WONDERFUL RECORD OF THE CORPS

Several of the gentlemen who spoke on the river and harbor bill in answer to my justified criticism of the Corps of Engineers, no doubt recommending some projects in their own respective districts, maintained that my criticism of the corps was unwarranted. To these gentlemen I say that I agree with them when they state that the corps has a wonderful record. They have a wonderful record for reckless spending. If they are as familiar with the corps record as I am, I am sure they would not lend their support to the corps' reckless and wasteful suggestions.

CHICAGO SANITARY DISTRICT CANAL

When I was quite a young man, the city of Chicago started a project to link the lake—Lake Michigan—to the Illinois and Mississippi Rivers and construct a deep waterway so as to enable trade and commerce to reach the Gulf of Mexico. As I said before, the city of Chicago spent over $280,000,000 to build that great canal which links Chicago and the Great Lakes with the Illinois and Mississippi River. We provided a great waterway which is of great benefit to the entire Nation, and in particular to the Middle West. But in order to do so, we were obliged to reverse the flow of the Chicago River because at that time the Lake waters were being polluted by the river emptying into the Lake. At the same time that we built the great waterway we also made it a sanitary waterway to relieve the sanitary conditions of Chicago and safeguard the lives of almost 4,000,000 people.

At that time, I was one of those who helped obtain a permit from the Secretary of War to use 10,000 cubic feet of water per second from Lake Michigan for this great canal. Some of our friends, however, from Michigan, Ohio, and Wisconsin, working in the interest of the navigation companies, complained that this canal was lowering the level of Lake Michigan so as to adversely affect navigation on the Lake. A great deal of trouble ensued and finally the sanitary district, which is the title of the organization which helped construct this great canal, was sued for using too much water on the theory that it was lowering the level of the Lake. Those great and respected engineers, of whom I previously mentioned in passing, maintained and testified that if we continued using any more than 2,000 cubic feet of water per second, Lake Michigan would be lowered to such an extent that it would endanger navigation.

Finally, upon the evidence presented by this body of engineers, the United States Supreme Court held that we must cease and desist from utilizing that amount of water, and consequently we were restricted to only one-fifth of what was originally approved by the then Secretary of War Taft. Thirty-five years have elapsed and we have been using that water right along. Yes; we increased that amount to 3,000 cubic feet per second, but lo and behold, the level of the lake is higher today than it was then, all this notwithstanding the evidence presented by this Corps of Army Engineers.

REMEMBER THE PANAMA CANAL

I recall vividly another blundering experience attributed to the Corps of Engineers. Witness the building of the Panama Canal, when the corps used a tremendous amount of dynamite that rocked the entire mountain and Culebra Cut, bringing about landslides and destruction which cost our Government over $50,000,000 and delayed the opening of the Canal for about 2 years. Is this efficiency?

VOCATIONAL AND EDUCATIONAL REHABILITATION PROJECT AT STOCKTON, CALIF., AFTER WORLD WAR I

As to the corps record of designation and construction of sites for vocational and educational rehabilitation, I remember vividly what took place in this regard after World War I near Stockton, Calif., when the Corps of Engineers approved a site on the river near Stockton to be used for this purpose. Many millions of dollars were expended and a great deal of construction was done without ever being utilized. An outstanding Republican leader named Lindley happened to own this property and consequently the work was done on that site by the engineers. Mr. Lindley succeeded in having the engineers reinforce a mile or two of his levees surrounding the site at a great expense to the taxpayers, by building cement to strengthen these levees which within 2 years was washed away. It should be remembered by you gentlemen that the then Colonel Forbes and several others were indicted for fraud in connection with this vocational and educational rehabilitation program.

KINGSFORD HEIGHTS, IND.

I also remember when the corps built the Kingsford Heights project in Indiana. They erected 3,000 homes of which only 300 were ever occupied or used. They also built a plant there which was never utilized, and they insisted on the need for these 3,000 homes and this project.

GARY, IND., PROJECT

Yes, I also recollect when the corps started to construct a plant in Gary, Ind., for making synthetic rubber at a cost of $110,000,000 of the taxpayers' money. This brought the resignation of several engineers who called attention to the fact that other plants could be erected at one-half the cost and yet be more advantageous from all aspects. The Government canceled the erection of the $110,000,000 plant upon a showing that it could be done at less expense. I could call attention to many other examples of recklessness on the part of the corps.

CORPS ADVISORY BOARD

I also am aware of the fact that the corps appointed a so-called Advisory Board. The Board consisted of all the corps' favorite contracting firms who invariably received the contracts for construction. These plants were in most instances away from transportation and housing accommodations and required the spending of millions of dollars for roads, sewers, improvements, and so forth. Upon completion it was discovered that many of these plants could

not be utilized to advantage and they were consequently abandoned and sold for 10 and 15 cents on a dollar. The end result was a loss of millions of dollars to the Government.

SOME NOT ENTITLED TO RETIREMENT PAY

Mr. Speaker, from time to time I have heard complaints about the retirement pay that is being drawn by officers of the Corps of Engineers; they were in a position to befriend and in some case favor corporate interests while in the service of their country. In return for their friendship many have been engaged by these corporate interests. I will in the near future present the membership with the actual number of field grade officers and up who were parties to this abuse of our retirement system. In many cases an understanding was reached while the particular officer was in service, that upon retirement his services would be utilized by these companies. Many of these field-grade officers have obtained lucrative positions which pay, in many instances, as much as $25,000 per year or more. It is my sincere feeling that whenever or wherever such an officer has retired and obtains compensation from an outside source in excess of the amount he would draw under the retirement laws, such an officer should not continue to draw such retirement pay. We must eliminate the unjustifiable and unwarranted retirement payments to these officers of the Corps of Engineers who accept these highly paid positions from private interests.

I do not maintain they should not be permitted to utilize their knowledge and experience, but I feel that in view of what the Nation has done for them by way of experience, education at West Point, and knowledge that they have obtained in the service of their country, when they retire and engage in private business at great salaries they are not entitled to the retirement pay.

MOST POWERFUL LOBBY IN WASHINGTON

But unfortunately for the country, the corps is still very powerful, yes, more so than any other unit of the Army or the Government. Yes, they excel, they have real ability when it comes to imposing upon the Congress. As is written by many papers and stated many times, the Corps of Engineers is the most powerful lobby in Washington. They have in the past overridden Presidential orders, and continue to override and ignore the orders of the President. They even ignored the report of the Hoover Commission and opposed the reorganization proposed by President Truman, which would bring about efficiency and economy in that unit.

EXCELLENT RECORD OF THE BUREAU OF RECLAMATION

I dislike criticizing and finding fault, but when this corps displays such indifference to every proposal that means economy and efficiency, I feel it is my duty to call attention to their transgressions.

As I pointed out previously, the Bureau of Reclamation has built some of our greatest dams and has some of the finest engineers. Roosevelt Dam, Boulder Dam, Grand Coulee Dam, Shasta Dam, and Elephant Butte Dam are examples of the Bureau's splendid work. Instead of cooperating in the reclamation activity, the corps prefers to usurp the authority of the Bureau of Reclamation.

HARPER'S MAGAZINE AND THE CHICAGO SUN-TIMES

I have called attention to the article that appeared in the August issue of Harper's magazine entitled, "The Lobby That Can't Be Licked," which referred directly to the Corps of Engineers. I also inserted in the RECORD on August 22, 1949, an editorial that appeared in the Chicago Sun-Times on August 10, 1949, on this very point, which bears out what I have been alleging about the corps. Anyone reading the Harper's article or the editorial above mentioned must come to the same conclusion, that something must be done in the very near future to stop this reckless corps from proceeding along such a wasteful path.

All in all, one thing is quite evident and that being that the power companies have greater influence with the corps than the President of the United States. There is no question about the fact that the Corps of Engineers have had a great deal of influence on the former rivers and harbors committee and flood control committee, now known as the Committee on Public Works. They will continue unless we intercede.

I do not know whether gentlemen on the other side desire any time on this resolution. I think it will be passed, but I had hoped it would pass before we voted on the river and harbor bill, as I said before.

With that I conclude my remarks, Mr. Speaker, and I ask unanimous consent that I may have the right to revise and extend my remarks and insert a few of my personal experiences and knowledge showing specifically where they have failed the country, notwithstanding the recommendations and the confidence that some other gentlemen have displayed in this reckless unit.

The SPEAKER. Without objection, the gentleman may revise and extend his remarks.

There was no objection.

Mr. SABATH. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

TREATY BETWEEN THE UNITED STATES AND MEXICO REGARDING THE JOINT DEVELOPMENT OF HYDROELECTRIC POWER AT FALCON DAM

Mr. KEE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 5773) to authorize the carrying out of the provisions of article 7 of the treaty of February 3, 1944, between the United States and Mexico, regarding the joint development of hydroelectric power at Falcon Dam, on the Rio Grande, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, I wonder if the gentleman from West Virginia will explain the bill and also tell us whether this has the unanimous approval of the minority as well as the majority members of the Committee on Foreign Affairs.

Mr. KEE. Mr. Speaker, this bill has the unanimous approval of all of the members of the Committee on Foreign Affairs.

Mr. WOLCOTT. Will the gentleman give us a brief report of the purpose of the bill?

Mr. KEE. I shall be very happy to have the author of the bill, the gentleman from Texas [Mr. BENTSEN] explain the bill.

Mr. BENTSEN. Mr. Speaker, I will try to give a brief history of the bill so the membership may know the reason for this authorization.

In 1944 the United States and Mexico entered into a treaty after extensive hearings in the Senate for the building of a dam on the Rio Grande called the Falcon Dam. Under the treaty the first dam is to be completed in 1953.

The treaty also provided for negotiations with Mexico on the building of a hydroelectric plant. This hydroelectric plant is the only means the United States has of getting its funds out of the dam. Attorneys in the State Department have informed me that it is necessary that this technicality be complied with, that authorization of Congress be given to section 7 of this treaty to provide for the authorization of the hydroelectric plant, although negotiations are already under way and the plans are drawn up to include it; it is an integral part of the plan and the only way we can get our money out of the structure.

The Committee on Foreign Affairs wisely adopted the amendment to the bill providing that this hydroelectric plant must be self-liquidating.

The estimate of experts before the committee shows the United States share of the annual revenue was about $437,500, although the Federal Power Commission estimates that the annual revenue will be somewhat higher. Under this plan the hydroelectric plant will pay out the United States share in 45 years.

Mr. WOLCOTT. Then, I understand that there is no additional authorization for expenditure on the part of our Federal Government in respect to this bill?

Mr. BENTSEN. This authorization is for the building of the hydroelectric plant for which we have already appropriated a little over $9,000,000. The building of the Falcon Dam has been approved by the Congress.

Mr. WOLCOTT. This does not increase that appropriation?

Mr. BENTSEN. The plant is figured in as part of the cost of the dam. The total cost for both Mexico and the United States will be around $12,000,000, but the money for the plant is completely reimbursable to the United States. Mexico, of course, has already appropriated money for her part.

Mr. WOLCOTT. In view of the fact that this bill has unanimous support of the Committee on Foreign Affairs and

I have been informed, the approval of the leadership or at least has received clearance from our leadership, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in accordance with the provisions of understanding (a) of the Senate resolution of ratification of the treaty of February 3, 1944, between the United States and Mexico, the approval of the Congress is hereby given to the negotiation of an agreement, in accordance with the provisions of article 7 of said treaty, for the joint construction, operation, and maintenance, by the two sections of the International Boundary and Water Commission, United States and Mexico, of facilities for generating hydroelectric energy at the Falcon Dam on the Rio Grande being constructed by the said Commission under the provisions of article 5 of the said treaty.

SEC. 2. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this act: *Provided*, That funds heretofore appropriated to the Department of State under the heading "International Boundary and Water Commission, United States and Mexico" shall be available for expenditure for the purposes of this act.

With the following committee amendment:

Page 2, line 1, after the word "maintenance" insert the following: "on a self-liquidating basis for the United States share."

This committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENDING TIME LIMIT FOR CERTAIN ADMIRALTY SUITS

Mr. HOBBS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 483) to extent the time limit within which certain suits in admiralty may be brought against the United States.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, will the gentleman explain the bill and also the attitude of the minority members of the committee, in view of the fact I see no one on the floor to speak for the minority Members at the present time.

Mr. HOBBS. Mr. Speaker, this bill carried a unanimous report in the Eightieth Congress and also has a unanimous report in the Eighty-first Congress. It also has the unanimous approval of the leaders, so far as I know, as it has been "cleared" with both sides.

This is a technical bill relating to the subject of admiralty litigation. There have been four decisions of the Supreme Court—the Lustgarten case, the Brady case, the Hust case, and the Caldorola case. Then there were a group of decisions handed down by the Supreme Court just before recessing this summer, headed by the McAllister case. That is why the Committee on the Judiciary has been waiting, until those decisions were rendered, so that we would know exactly what the law would be.

We reached the conclusion that the same bill which the House passed in the Eightieth Congress was the identical measure we cared to recommend at this time.

Mr. Speaker, in the whole Nation, as far as we have been able to discover, this bill affects only 12 cases, but those 12 individual cases have become barred by reason of decisions of the Supreme Court. For instance, the Lustgarten case held that the Suits in Admiralty Act precluded suits against agents of the Fleet Corporation for their maritime torts, arising out of the operation of merchant vessels. But since the Brady case it has been thought that the Suits in Admiralty Act by furnishing an in personam remedy against the United States did not free the agent from liability for his own torts. Many claimants, relying on the Brady decision or upon the Hust case, have not sued the Government, but have sued the general agents.

In the Hurst case the Supreme Court unequivocally held that a seaman could maintain an action under the Jones Act for negligence resulting in personal injuries, against a War Shipping Administration general agent. The court further held that for purposes of the Jones Act, the seaman and the general agent were in the relationship of employee and employer. The Court took occasion to comment that the opposite conclusion would resurrect the Lustgarten ruling in the face of the Brady decision.

In the Caldarola case the Supreme Court held that a War Shipping Administration general agent was not liable to a stevedore's employee for injury aboard a War Shipping Administration vessel. The Caldarola case limited the general agent's liability for negligence to seamen. Obviously no question of the application of the Jones Act was involved, since the case did not deal with a seaman. However, the Court distinguished but did not overrule the Hust decision.

Now the McAllister decision denies recovery to seamen against general agents.

This bill seeks to restore to those who have lost their rights of action by trying to comply with the Supreme Court's decision.

It gives them their day in court in lieu of one they lost through no fault of their own. It restores to them their day in court, and makes it clear that they must sue the United States Government and no other, which the Supreme Court in its latest decision says is the proper party defendant. Second, it lays down for the guidance of the public the rule as to interest which the Supreme Court has uniformly approved, I believe.

If there are any others who need a remedy they are at perfect liberty to have their day in court in hearings before our committee. We have had seven solid days of hearings on this bill. It is reported in exactly the same form that it passed the House in the Eightieth Congress. There was no action in the Senate.

Mr. WOLCOTT. Mr. Speaker, in view of the gentleman's statement, and the further fact an identical bill passed the Eightieth Congress, which is a further testimonial for it, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 5 of the Suits in Admiralty Act (41 Stat. 525, 46 U. S. C. 741–745), approved March 9, 1920, is amended to read as follows:

"SEC. 5. That suits as herein authorized may be brought only within 2 years after the cause of action arises: *Provided*, That where a remedy is provided by this act it shall hereafter be exclusive of any other action by reason of the same subject matter against the agent or employee of the United States or of any incorporated or unincorporated agency thereof whose act or omission gave rise to the claim: *Provided further*, That the limitations contained in this section for the commencement of suits shall not bar any suit against the United States brought hereunder within 1 year after the enactment of this amendatory act if such suit is based upon a cause of action whereon a prior suit in admiralty or an action at law was timely commenced and was or may hereafter be dismissed solely because improperly brought against any person, partnership, association, or corporation engaged by the United States to manage and conduct the business of a vessel owned or bareboat chartered by the United States or against the master of any such vessel: *And provided further*, That after June 30, 1932, no interest shall be allowed on any claim prior to the time when suit on such claim is brought as authorized by section 2 of this act unless upon a contract expressly stipulating for the payment of interest."

With the following committee amendments:

Page 1, line 4, after "1920", insert "as amended."

Page 1, line 5, after the word "is", insert the word "hereby."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. CRAWFORD asked and was given permission to extend his remarks in the RECORD and include an address by Mr. Spruille Braden.

Mr. HALE asked and was given permission to extend his remarks in the RECORD and include an article by Stewart Alsop.

Messrs. DAVENPORT and O'SULLIVAN asked and were given permission to extend their remarks in the RECORD.

CALENDAR WEDNESDAY

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday of this week be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

SPECIAL ORDER GRANTED

Mrs. ROGERS of Massachusetts asked and was given permission to address the House today for 3 minutes following any special orders heretofore entered.

EXTENSION OF REMARKS

Mr. D'EWART asked and was given permission to extend his remarks in the RECORD and include a resolution.

The SPEAKER. Under previous order of the House, the gentleman from New York [Mr. JAVITS] is recognized for 15 minutes.

MODERN ART—A REPLY TO A COLLEAGUE

Mr. JAVITS. Mr. Speaker, my distinguished colleague, Representative DONDERO, of Michigan, has on a number of occasions attacked modern art as a medium for the infiltration of communism. The final attack, entitled "Modern Art Shackled to Communism" was made on the floor of the House on August 16, 1949.

Criticism of the record of individuals as citizens or residents of the United States and discussion of their political backgrounds and present beliefs is one thing, but an effort to discredit all modern art forms is quite another and one of which note should be taken and which should be deprecated, for my colleague's personal opinion of modern art is his privilege, but my colleague's suggestion that it should all be lumped together and discredited — perhaps suppressed — because he believes it is being used by some—even many—artists to infiltrate Communist ideas is a very dangerous use of the word "communism." The very point which distinguishes our forum of free expression from communism is the fact that modern art can live and flourish here without state authority or censorship and be accepted by Americans who think well of it. I point out to my colleague that the work of Grandma Moses, John Steuart Curry, Grant Wood, and Thomas Hart Benton is also modern art. These are among our most outstanding Americans by anyone's standards.

It is very significant that the very example given by my colleague, the $30,000 contest of the Hallmark Co., of New York City, is concentrated on modern art showing that it is getting broad-scale acceptance among our people. Grandma Moses' modern painting Christmas card put out last year sold more copies to the American people, I am informed, than any other of the year. In his day, Rembrandt was a modern artist, as witness his painting of The Night Watch, which almost deprived him of his livelihood under much the same kind of attack as my colleague is now making on modern art generally. It is also an example, not infrequent, of an academic artist turning to modern art.

That my colleague is not confining his attack to individuals and their political or ideological beliefs—which he is perfectly justified in doing—but rather to the whole of modern art is shown by these excerpts from his address:

> The human art termites, disciples of multiple "isms" that compose so-called modern art, boring industriously to destroy the high standards and priceless traditions of academic art, find comfort and satisfaction in the wide dissemination of this spurious reasoning and wickedly false declaration, and its casual acceptance by the unwary.
>
> So-called modern or contemporary art in our own beloved country contains all the "isms" of depravity, decadence, and destruction.

In seeking to discredit modern art by its wholesale condemnation as communistic my colleague—I am sure unwittingly—falls into the trap of the same propagandistic device the influence of which we have all decried in the Soviet Union, Nazi Germany, and Fascist Italy, for it is condemnation by class and broad-scale labeling without individual evaluation and, beyond everything else, without a patient confidence in the ultimate judgment of our people and their capability for discerning the good from the evil, the artistic from the propagandistic and the true from the false.

In a distinguished editorial in the Art Digest, issue of June 1, 1949, Peyton Boswell, the editor, under the title of "A Plea for Tolerance" has analyzed this point of view as follows:

> You hate communism and you hate modern art. Therefore, according to mathematical principles, the two are equal to each other and per se, modern art is communistic.
>
> The truth is the opposite. Misnamed "modern" art is one of our strongest outposts of rugged individualism, or private enterprise and the valuable human desire to build that better mouse trap—even in the face of public censor and private hunger. It takes indeed a rugged individual to resist the temptation to rewrite another's best seller. On such meat it has been proved that conformity is the opiate of the masses.
>
> Perhaps more acres of canvas have been ruined in the name of modern art than ever suffered from academic brushes, but it was not because of the politics of the artists. No number of words or political connections will ever make a bad painting good, or hide a good one from the generations to come.

Mr. Boswell's editorial produced a flood of approving comment from among the most distinguished museums. I am appending a number of these letters to my remarks.

It is my purpose in these brief remarks to endeavor to contribute a sense of hearing both sides of the case in respect to my colleague's remarks. In this way, under the same circumstances, the voice of modern art may be heard in response to the effort to destroy it on political or ideological grounds.

It is very significant that the overwhelming majority of our young people are devotees of contemporary and modern art. I have a profound confidence in their balance, their good sense, and their spirit of freedom. I do not believe that they will be contaminated by modern art and I do believe that they themselves will evaluate and reject the art which is being used as a propaganda front.

I would fight to the last breath to preserve to my colleague the right to make his case against any particular artist or his work, but I feel it my duty to protest just as vigorously any effort to smear all modern art and contemporary art with one brush as communistic. It is the essence of reliance on the judgment of the people that such sweeping and unselective condemnation should not be left unanswered.

NATIONAL ACADEMY OF DESIGN,
New York, N. Y., June 16, 1949.

Mr. GEORGE BURNLEY,
Art Digest, New York, N. Y.

DEAR MR. BURNLEY: * * *

* * * * *

As president of the Academy for many years, I have been constantly associated with a large number of artists, among whom I note some named by Mr. DONDERO as being either Communists or fellow-travelers. As many of those thus stigmatized are distinguished for outstanding traditional work, Mr. DONDERO's thesis is not convincing. He demands that we cleanse our organization of this subversive element, but I hope we will continue to hold to our criterion of artistic integrity only.

* * * * *

Sincerely yours,

HOBART NICHOLS,
President Emeritus.

THE BALTIMORE MUSEUM OF ART,
Baltimore, Md., June 8, 1949.

Mr. PEYTON BOSWELL, Jr.,
Editor, the Art Digest,
New York City, N. Y.

DEAR MR. BOSWELL: I add my commendations to the many others that should come pouring into your office for your splendid plea-for-tolerance editorial. It is indeed timely, and needs to be shouted from the housetops to keep our Nation vital and free, in its art channels as well as its expression through the press.

* * * * *

Sincerely,

ADELYN D. BREESKIN,
Director.

CALIFORNIA SCHOOL OF FINE ARTS,
San Francisco, Calif., June 13, 1949.

Mr. PEYTON BOSWELL,
Editor, the Art Digest,
New York, N. Y.

DEAR MR. BOSWELL: May I compliment you on your editorial of June 1, in which you promptly counter recent statements against freedom of the press and the maintenance of responsible standards of criticism. No doubt there is room for improvement in art criticism today, but the term "supervision", which you quote, suggests conditions that would degrade what we have.

A politically imposed directive that falls short of full allowance for optimum consideration and expression in this field would be unfaithful to the values on which the cultural institutions of this country, including its political system, are based. One of the major functions of scholarship and criticism, through the mediums of museum and university as well as the printed word, is to develop and maintain public access to the events of our environment. Standards of value, which are formed in relation to an awareness of such events, could be stunted to the point of atrophy by curtailment of accessibility to what is happening in the world. Reports of the slow and painful progress of postwar educational programs in western Germany may well indicate the lasting mental effects of totalitarian supervision.

Identification of modern art with communism is not even plausible. Officials of the U. S. S. R. have been engaged for many years in an unremitting attack on modern art and forbid it within their frontiers. Their attitude is entirely comprehensible because the very implications which make modern art a positive and enlightening activity in a democratic country are the ones which do not accord with the principles of thought control by which a totalitarian state survives. Nazi Germany, as we know, acknowledged this risk by forcibly excluding the forms we call modern and by fostering art styles that closely resemble the ones favored in Russia today. Indeed, the recognized vitality of modern art in the United States may be taken as an emblem of the liberty and progress we prize.

The interests of national security in the face of current world conditions have made the location of potential enemies within the borders a matter of indisputable importance. There is no doubt that some individuals in

this country would work for totalitarian interests which are at variance with our standards of value. But we should take exacting precautions against defensive techniques that could land us in a totalitarian straightjacket of our own making. I take it that your plea for tolerance is in fact a plea for intelligent investigation of a matter of national importance, and that autopsy is a fateful prelude to diagnosis where American culture is concerned.

Yours sincerely,

DOUGLAS MACAGY, *Director.*

THE MUSEUM OF MODERN ART,
New York, June 16, 1949.

Mr. PEYTON BOSWELL,
The Art Digest, Inc., New York.

DEAR MR. BOSWELL: * * *

Because a large part of the public is unfamiliar with the background of modern art, such attacks are extremely dangerous if they remain unchallenged. The assumption that the political affiliation of a few modern painters makes the entire movement of modern art a tool of a political party would seem absurd to everyone if it were applied to a field better known by the general public. Nobody would believe that sports are subversive activities because a few sportsmen have been known to associate with Communists. This accusation, if applied to art, becomes even more ludicrous if one realizes that modern artists have been ruthlessly persecuted by all totalitarian governments and that the Kremlin has officially branded modern art as a danger to Communist society.

Can both the Kremlin and the Congressman be right?

Faithfully yours,

RENE D'HARNONCOURT.

WHITNEY MUSEUM OF AMERICAN ART,
New York, N. Y., June 15, 1949.

Mr. PEYTON BOSWELL, Jr.,
The Art Digest, New York, N. Y.

DEAR MR. BOSWELL: * * *

If critics demand the right of free expression, they should extend this right to artists, according them the utmost liberty in the choice of subject and treatment. Painters have the same right as Congressmen and spokesmen for the National Association of Manufacturers to comment unfavorably on what they believe to be faults and injustices in our political system. We have laws to protect us if artists as citizens engage in subversive activities that are seditious and treasonable. Obviously the function of art critics is to criticize art. They should not be asked to assume the responsibility of guarding the public against the almost limitless range of aesthetic, moral, and political ideas Mr. DONDERO brands as subversive in art.

Yours sincerely,

HERMON MORE, *Director.*

PORTLAND ART MUSEUM,
Portland, Oreg., June 9, 1949.

Mr. H. GEORGE BURNLEY,
Business Manager, the Art Digest,
New York, N. Y.

DEAR GEORGE: Thanks for yours of June 7. I enclose copy of a letter I have just written to Senator MORSE, which you are at liberty to use as you wish,

* * * * * *

Sincerely,

THOMAS C. COLT, Jr., *Director.*

JUNE 9, 1949.

The Honorable WAYNE MORSE,
United States Senate,
Washington, D. C.

DEAR SIR: * * *.

The essense of the matter, however, is deeper than these incidentals. Modern art is the product of our democratic society, which grants each man the right and freedom to search his own soul, discover his own values, and to express his findings. It could not have happened in a totalitarian society.

Our society for the past 150 years has been largely concerned with scientific, technological, and material advancement. The more fundamental thinkers of today diagnose the ills of today as based on too much materialism in the face of delayed development in the fields of values and human relationships. Unless we develop rapidly in these latter fields, the future is dim.

But it is expressly in the fields of values and human relationships that our more important contemporary artists are concerned. To quote your own wisdom, "the spiritual value of the individual citizen is the very core of self-government" and the core of the democratic principle.

Modern art is not concerned with politics or communism; it is engaged in a deeper quest, a quest very fundamental to our future, in illuminating new beauty, clarifying new relationships in nature, and extending mankind's values.

* * * * * *

With highest respect, dear Senator, I am

Sincerely yours,

THOMAS C. COLT, Jr.

The SPEAKER. Under previous order of the House, the gentleman from Iowa [Mr. DOLLIVER] is recognized for 15 minutes.

REPORT ON REORGANIZATION, EXECUTIVE BRANCH OF THE GOVERNMENT

Mr. DOLLIVER. Mr. Speaker, the following is a summary of my remarks on the reorganization of the executive branch of the Government:

First. The Commission on Organization of the Executive Branch of the Government was created by act of Congress on July 7, 1947.

Second. Its work was essential because of the huge size, complexity, overlapping, and inefficiency existing in our Government.

Third. Task forces revealed astounding conditions, and recommendations were made by the Commission in a series of 19 reports, to correct and alleviate the situation.

Fourth. The Congress and the Executive have taken important action to carry out the Commission's recommendations.

Fifth. The work is not completed but must go on in the never-ending task of securing better government.

I

Mr. Speaker, in Iowa and throughout the country there is widespread interest in the proposals made for the reorganization of the executive branch of the Government. These proposals come as a result of the legislation enacted on July 7, 1947, setting up a 12-man commission to report upon the executive branch and make recommendations for its reorganization.

The fact is, the United States Government is the largest enterprise on earth. It is charged with carrying out vast and complex programs affecting not only this country, but also many other parts of the world. The Federal Government employs 2,200,000 people, the vast majority in the executive branch. By far the largest part of the huge Federal budget of $42,000,000,000 is spent by executive agencies. A multitude of commissions, branches, departments, and corporations carry on the work of the United States Government.

II

Because of its huge size and the importance of its activities, it becomes the more important that the executive branch of the Federal Government be operated in an efficient, economical, and understandable manner.

The reorganization of the executive branch has been a subject of much discussion over a long period of time. For example, Franklin Roosevelt said in 1937:

> Neither the President nor the Congress can exercise effective supervision and direction over such a chaos of establishments, nor can overlapping, duplication, and contradictory policies be avoided.

United States Comptroller General Lindsay Warren said in 1945:

> The present set-up is a hodgepodge and crazy quilt of duplications, overlappings, inefficiencies, and inconsistencies with their attendant extravagance.

Successive Presidents from Theodore Roosevelt, William H. Taft, Woodrow Wilson, and Herbert Hoover had made repeated but not wholly successful attempts to deal with the problem.

Pursuant to the action of the Eightieth Congress, the Commission on Organization of the Executive Branch of the Government was appointed with the following personnel:

Herbert Hoover, Chairman, President of the United States, 1929–33.

Dean Acheson, Vice Chairman, Secretary of State since 1949.

Arthur S. Flemming, Civil Service Commissioner, 1939–48.

George H. Mead, board chairman, the Mead Corporation.

George D. Aiken, United States Senator from Vermont since 1940.

Joseph P. Kennedy, Ambassador to Great Britain, 1937–41 (resigned November 1948).

John L. McClellan, United States Senator from Arkansas since 1943.

James K. Pollock, professor of political science, University of Michigan.

Clarence J. Brown, United States Representative, Ohio, since 1939.

Carter Manasco, United States Representative from Alabama, 1941–48.

James H. Rowe, Jr., assistant to the President, 1939–41.

Four of these men were appointed by the President of the United States, four by the President of the Senate, and four by the Speaker of the House of Representatives. They chose their own chairman. For nearly 2 years this Commission worked unceasingly and untiringly to study and recommend what ought to be done to reorganize the executive branch of the Federal Government. They made the most comprehensive examination ever undertaken in the history of this country. They enlisted to help them, make inquiry and recommendations, the most distinguished and ablest experts in the country; more than 300 of them. These so-called "task forces" were in turn assisted by professional research and management organizations.

III

The reports of the task forces were the basis on which the Commission formed its own analysis and made its reports. Those reports were submitted to the Congress of the United States in 19 installments from January to April 1949.

There is no doubt but that big Government offers one of the gravest long-term issues of our time. Over the period of more than a generation, there has been an ever-increasing personnel in Government, an ever-increasing number of agencies and constantly increasing intrusion of the Federal Government into local and private affairs. Looked at over a period of time, it becomes a definite trend. Federal Government unfortunately has become so large, so sprawling, so variegated, and so constantly increasing, that it presents a great threat, if not a menace, to the continuation of free government. It has become so big that scarcely anyone can realize its scope and ramifications.

The earliest task forces came up with some revealing and alarming findings. For example, in the general management of the executive branch, the principles of good administration had been violated. There is no clear line of command nor clear line of responsibility in the Government. Its multitudinous agencies make for divided responsibilities, engender wasteful conflict and duplication, and are too numerous for effective direction from the top.

With respect to budgeting and accounting of Government funds, it is difficult and sometimes impossible to tell how much any particular Government project is expected to cost or, after its completion, what it actually has cost. This trouble stems from the outmoded and ancient Federal budget system. Some of the practices date back to the first days of the Republic. Government accounting is a hodgepodge of varying systems among different agencies.

Management of the supplies, equipment, and property of the Federal Government likewise is a complex and confusing operation. Nobody can even guess the amount of Government property actually in use. For example, there is no inventory of the motor vehicles. Many agencies do not know what supplies they have or what condition their supplies are in. Approximately 50 percent of the 3,000,000 Government purchase orders issued each year are for $10 or less, but the paper work and red tape involved in each order far exceeds the $10 cost of the purchase.

The State Department is sadly in need of reorganization to simplify its structure, so as to eliminate duplication and conflicting authority.

In the Department of National Defense, clearer lines of authority are urgently needed. With our peacetime defense spending at an all-time high, such expenditures may wreck the national economy and renew the ancient danger of national domination by a military clique.

The Treasury Department has had an increasingly complex task, because of the rise of big Government, and the increase in Federal revenues and expenditures. The Treasury should function as the real fiscal center of the Government. This requires a reorganization and reshuffling. For example, there are now, believe it or not, 30 agencies actively engaged in lending, guaranteeing, or insuring loans.

In the case of river development there is a constantly recurring conflict between the Bureau of Reclamation, Department of Interior, and the Army's Corps of Engineers. There are serious rivalries between these two agencies and they duplicate each other's surveys and other activities, each outbidding the other for local support at the Federal Government's expense. Because of this situation, natural resources are wasted, and the best possible development of the Nation's resources is impeded.

In the Department of Agriculture, vast new responsibilities have been taken on during this present generation. In 1928 this Department spent less than $26,000,000. In 1948 it spent $834,000,000. As a result of this gigantic growth, there are many wasteful overlappings in the Department and between it and State and county farm services.

The Post Office Department runs the world's biggest business. Its income is a billion and a third dollars per year. But it has an obsolete and overcentralized administrative structure, clogged by a maze of outmoded laws, regulations, and traditions. It needs to be modernized and ought to make much better use of modern equipment.

The Department of Labor is one which has been largely stripped of its powers and functions in recent years. There is room here for strengthening and building up this Department.

Despite the fact that we have a Department of Commerce, there is nowhere an agency in the Government which is empowered to look at our transportation system as a whole and to study it in all its many phases. The Department of Commerce was originally intended to do this. But with the development of new forms of transportation the task of over-all determination of the best public interest has been parcelled out among a great many different departments and agencies. The result has been wasteful duplication and lack of unified plan.

In addition to these various departments of Government, the United States is engaged in various enterprises to an extent that makes our large corporations look insignificant. There are about 100 important enterprises that the Government owns or is financially involved in. Through this maze of varying activities, each one of them needs to be run more efficiently and economically.

The unnecessary number of agencies is deplorable and results in wasteful confusion and duplication. In addition there are several regulatory agencies as well as special agencies, administering the great fields of social security, public health, veterans' affairs and overseas administration. And superimposed upon this whole gigantic hodgepodge are the intricate questions of State and Federal relationships. The situation is such that it demands and must receive the earnest attention of the American people and decisive action to improve the situation.

The conditions just related are only a few of those making for waste and confusion in our Federal Government, as revealed by the task forces.

As a matter of fact, the Commission made 318 recommendations in its voluminous report. Obviously, only a small number of those recommendations can be referred to in this statement.

Of the 318 recommendations, about 25 percent can be carried out by the executive departments themselves without any intervention on the part of the Congress. Between 35 and 40 percent of the recommendations require legislative action on the part of the Congress and the remainder of the recommendations take permissive action by the legislative body. Thus it appears that the Congress of the United States has a major responsibility in carrying out the recommendations of the Hoover Commission.

IV

As this session comes to a close, the question immediately arises as to what has thus far been accomplished, and if the Eighty-first Congress has taken any real steps to carry out the recommendations of the special commission set up more than 2 years ago.

It is a pleasure to report that very substantial steps have been taken in connection with the Hoover Commission report. Without attempting to deal chronologically or exhaustively with the situation, let me mention some of the important matters that have been accomplished thus far in the reorganization of the executive branch of the Government.

First. Public Law 109 was enacted on June 20, 1949. This law directs the President to prepare and transmit to the Congress reorganization plans by which the agencies may be regrouped, coordinated, or otherwise altered, within certain limitations. This is basic enabling legislation. It permits the President to use his own initiative in bringing about economical and efficient operation. Plans may be submitted by the President up to April 1, 1953, and each plan, unless it is rejected by a constitutional majority of either House of Congress, will go into effect as the law 60 days after its submission. This is the most important act so far passed and perhaps the most important piece of legislation that will be passed in connection with the report of the Hoover Commission. It is fundamental to carrying into effect the recommendations for organizing the executive branch.

Second. Public Law 152 enacted June 30, 1949, establishes a new agency called the General Services Administration. This deals with the so-called housekeeping functions of the Government. Purchase, storage, disposal of property, keeping of records, management of buildings, and other services of this character are brought together under one head. The new agency consolidates the War Assets Administration, Federal Works Administration, Bureau of Federal Supply, Office of Contract Settlement, and Office of National Archives.

It is one of the largest consolidations in Government history.

Third. Public Law 73, enacted May 26, strengthens the staff of the Secretary of State and prepares the way for consolidation of the foreign services and the regulation and administration of departments of the State Department. This law was in compliance with the recommendations of the Hoover Commission. Some measures have also been taken by the Secretary of State himself.

Fourth. The National Security Act of 1947 and Public Law 36 enacted April 2, 1949, provide for a unified Department of Defense. These are the first steps in the better organization of the armed services. A further step was taken by the Congress and was approved by the President, in Public Law 216, which became law August 10, 1949. This law contains fiscal and budgetary provisions involving the National Military Establishment. The major items in this legislation concerning the unification of the armed services are these:

(a) As to the powers of the Secretary of Defense.

(b) As to the Chairman of the Joint Chiefs of Staff.

(c) As to the transformation of the National Military Establishment into a Department of Defense. The ramifications and effects of this legislation are of extreme importance to all branches of the armed services and to the defense of our country. It is the hope and expectation that this legislation will make possible the saving of from a billion to a billion and a half dollars in the Defense Establishment. It is so estimated by Secretary of Defense Johnson.

Fifth. Under the provisions of Public Law 109, the President has sent to Congress seven reorganization plans, all of which were subject to the veto of a constitutional majority of either House of Congress. Only one of these plans—No. 1—has been rejected by the Congress. On August 16, 1949, the Senate by a constitutional majority passed a resolution vetoing plan No. 1.

All the other six plans went into effect as of August 20, 1949. A résumé of these reorganization plans is as follows:

RÉSUMÉ OF REORGANIZATION PLANS TRANSMITTED TO THE CONGRESS JUNE 20, 1949

Reorganization Plan No. 1 of 1949—Welfare Department:

(a) Transforms the Federal Security Agency into the Department of Welfare.

(b) Provides for a Secretary of Welfare, an Under Secretary of Welfare, and three Assistant Secretaries of Welfare.

(c) Transfers to the Secretary the functions of all officers and constituent units of the Department, subject to delegation by the Secretary.

NOTE: This plan has been rejected by Senate vote.

Reorganization Plan No. 2 of 1949—Bureau of Employment Security:

(a) Transfers the Bureau of Employment Security from Federal Security Agency to Labor Department. This Bureau administers the employment service and unemployment compensation programs.

(b) Transfers to the Secretary of Labor the functions of the Veterans' Placement Service Board and of its Chairman and abolishes the Board. This Board determines policies for the Veterans' Employment Service in the Bureau of Employment Security.

Reorganization Plan No. 3 of 1949—Post Office Department:

(a) Transfers the functions of all subordinates to the Postmaster General, subject to delegation.

(b) Creates a Deputy Postmaster General and reestablishes four Assistant Postmasters General (omitting numerical designation of rank).

(c) Abolishes the Bureau of Accounts of the Post Office Department and the offices of Comptroller and Purchasing Agent.

(d) Creates an Advisory Board on Post Office matters, consisting of the Postmaster General as chairman, the Deputy Postmaster General, and seven persons appointed by the President.

Reorganization Plan No. 4 of 1949—National Security Council and National Security Resources Board:

Transfers the National Security Council and National Security Resources Board to the Executive Office of the President.

Reorganization Plan No. 5 of 1949—Civil Service Commission:

(a) Makes the Chairman, who is designated by the President, the chief executive and administrative officer of the Commission and transfers to him the functions of appointing—with certain exceptions—supervising, and directing the personnel of the agency, preparing and executing the budget, executing and administering the civil-service rules and regulations, and performing other activities not reserved to the Commission.

(b) Reserves to the Commission as a body the promulgation of rules and regulations, the enforcement of the Hatch Act, the hearing of appeals, the investigation of civil-service administration, the making of recommendations to the President for improving the service, and the revision of the budget.

(c) Creates an Executive Director appointed by the Chairman.

Reorganization Plan No. 6 of 1949—United States Maritime Commission:

(a) Makes the Chairman the chief executive and administrative officer of the Commission.

(b) Transfers to the Chairman the functions of the Commission as to appointing, supervising, and directing the personnel of the agency and determining the internal organization.

Reorganization Plan No. 7 of 1949—Public Roads Administration:

Transfers the Public Roads Administration to the Department of Commerce.

Thus it will be seen that substantial progress has been made both in the Congress and in the executive department in carrying out the recommendations of the Hoover Commission for the reorganization of the executive branch of the Government.

v

It cannot be too greatly emphasized that the work is not completed and that it may take a period of a good many months, even stretching into years to complete the task. For example, there are at least nine reorganization proposals which have yet to be considered and acted upon:

First. Integration of transportation agencies.

Second. Assignment of responsibility for public works planning and construction.

Third. Integration of natural resources activities, both water and land.

Fourth. Disposition of lending and financial functions.

Fifth. Organization of the health activities of the Government.

Sixth. Strengthening the authority and responsibility of the President and agency heads for general management.

Seventh. Improvement of budgeting and accounting organization and procedures.

Eighth. Decentralization and other changes in the administration of the civil-service laws.

Ninth. Changes in the financial operation and control of the post office, putting the postal service on a business basis.

This list of nine actions remaining to be taken is not necessarily meant to be complete, but merely to suggest that much, much more remains to be done.

It is hoped that in this recital of the progress of the Hoover reorganization plans, it will be remembered that the work of the Government is never ending. In a very real sense the task of achieving efficient and economical Government is a continuous work. With an organization so complex as the executive branch of the Government, with changes in our domestic economic situation, with our relations to foreign powers, there is ever present a problem of securing economy, competence, and efficiency.

The work of the Hoover Commission is a monumental one. The task of carrying out its recommendations has been well begun, and will continue into the future. It is most encouraging for Members of Congress to know that there is a great interest in this matter among the people of the United States. The support of the voters is essential to carrying out any great and lasting program for the public benefit. Their interest and comments are solicited.

The SPEAKER. Under previous order of the House, the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 3 minutes.

TRANSPORTATION FOR AMPUTEES

Mrs. ROGERS of Massachusetts. Mr. Speaker, the Committee on Veterans' Affairs reported some eight bills this morning. All should be passed, but there is special need for immediate passage for S. 2115. Mr. Speaker, I know that most of the Members of the House will rejoice with me that the bill S. 2115, that passed the Senate, to provide transportation for the amputees, the blind, certain paraplegics, and so forth, passed our Committee on Veterans' Affairs today. It was amended to include World War I veterans.

Mr. Speaker, many, many promises have been made by Members of the House that they would support this legislation when it came to the floor. There is whispering that we are going to recess

soon. This bill should be brought up and passed before recess.

I remind the House that many of these men have been in hospitals and have just had operations on their legs there, on their stumps, and it is very difficult to use their artificial prosthetic appliances, particularly in the hot months, and that transportation would be invaluable to them. Transportation is very difficult and very painful to these veterans included in S. 2115 at all times.

I alone have received some 5,000 letters regarding the passage of this legislation, and some 15 Members have introduced bills of this kind. Last year our Committee on Veterans' Affairs reported out a similar bill. The Senate in two sessions of Congress passed favorably similar legislation unanimously. Veterans ask, Does the Senate care more for us than the House. They say the Senate understands our problems better than the House.

We have heard so much about helping the seriously disabled, but judging by the lack of time that has been spent in discussing that legislation, the men in the hospitals who are badly disabled must feel very cynical. I know, Mr. Speaker, the House really is interested in these men. They must show it by action, and while other legislation seems to have crowded this to the background, I know Members will arise and beg for its passage soon. It is something that we can do for these men who are so pitifully disabled and something that will require merely a "yea" vote when the bill is up for passage. It means so much to these disabled—so little to the taxpayers. It will be hard to face these men if we recess without taking action. Lip service is so easy in promises. It should be just as easy to use the lips to keep those promises. So many, many promises were made to pass this legislation to the amputees.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. LODGE (at the request of Mr. MARTIN of Massachusetts), for 1 month, on account of official business.

ENROLLED BILLS SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 4177. An act making appropriations for the Executive Office and sundry independent executive bureaus, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1950, and for other purposes.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 259. An act to discontinue divisions of the court in the district of Kansas; and

S. 331. An act for the relief of Ghetek Pollak Kahan, Magadalena Linda Kahan (wife), and Susanna Kahan (daughter, 12 years old).

ADJOURNMENT

Mr. PRIEST. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 21 minutes p. m.), the House adjourned until tomorrow, Wednesday, August 24, 1949, at 12 o'clock noon.

MOTION TO DISCHARGE COMMITTEE

AUGUST 18, 1949.

To the CLERK OF THE HOUSE OF REPRESENTATIVES:

Pursuant to clause 4 of rule XXVII, I, Hon. ROBERT J. CORBETT, move to discharge the Committee on Rules from the consideration of the resolution (H. Res. 319) entitled "A resolution providing for the consideration of H. R. 4495, a bill to provide additional benefits for certain postmasters, officers, and employees in the postal field service with respect to annual and sick leave, longevity pay, and promotion; and for other purposes," which was referred to said committee August 8, 1949, in support of which motion the undersigned Members of the House of Representatives affix their signatures, to wit:

1. Robert J. Corbett.
2. James G. Fulton.
3. George P. Miller.
4. Thurman C. Crook.
5. Earl T. Wagner.
6. Hugh B. Mitchell.
7. Anthony F. Tauriello.
8. Karl Stefan.
9. Jacob K. Javits.
10. Abraham Ribicoff.
11. Harold C. Hagen.
12. James J. Heffernan.
13. Eugene J. McCarthy.
14. Richard Bolling.
15. Charles A. Wolverton.
16. H. R. Gross.
17. Richard J. Welch.
18. Clair Engle.
19. Louis B. Heller.
20. Donald L. O'Toole.
21. Arthur G. Klein.
22. William J. Green, Jr.
23. Isidore Dollinger.
24. Harold D. Donohue.
25. Vito Marcantonio.
26. Adam C. Powell.
27. Franck R. Havenner.
28. Philip J. Philbin.
29. Homer D. Angell.
30. Cecil F. White.
31. George M. Rhodes.
32. Harry P. O'Neill.
33. Barratt O'Hara.
34. Frank A. Barrett.
35. Thomas J. Lane.
36. Hugh J. Addonizio.
37. Chester A. Chesney.
38. Charles E. Bennett.
39. John Davis Lodge.
40. Roy W. Wier.
41. John H. Marsalis.
42. Joseph R. Bryson.
43. Norris Poulson.
44. Ralph E. Church.
45. James F. Lind.
46. Carroll D. Kearns.
47. Donald W. Nicholson.
48. Andrew J. Biemiller.
49. A. L. Miller.
50. Bernard W. Kearney.
51. Dean P. Taylor.
52. Paul W. Shafer.
53. James H. Morrison.
54. Thomas H. Werdel.
55. Ernest K. Bramblett.
56. James W. Trimble.
57. Winfield K. Denton.
58. Toby Morris.
59. Walter B. Huber.
60. Frank M. Karsten.
61. Henry J. Latham.
62. Thomas S. Gordon.
63. James V. Buckley.
64. Ray J. Madden.
65. Chester C. Gorski.
66. Mike Mansfield.
67. George H. Fallon.
68. Neil J. Linehan.
69. Eugene J. Keogh.
70. Edward A. Garmatz.
71. Augustine B. Kelley.
72. Francis E. Walter.
73. J. Hardin Peterson.
74. Dwight L. Rogers.
75. George A. Smathers.
76. Lansdale G. Sasscer.
77. Ben F. Jensen.
78. Merlin Hull.
79. Martin Gorski.
80. Carl D. Perkins.
81. Gardner R. Withrow.
82. Morgan M. Moulder.
83. Clare Magee.
84. Foster Furcolo.
85. Robert L. Ramsay.
86. Harley O. Staggers.
87. George D. O'Brien.
88. John C. Kunkel.
89. William Lemke.
90. Clinton D. McKinnon.
91. Charles R. Howell.
92. Peter W. Rodino, Jr.
93. Pat Sutton.
94. Henry O. Talle.
95. John A. Carroll.
96. Carl T. Curtis.
97. Anthony Cavalcante.
98. Michael A. Feighan.
99. George H. Christopher.
100. Abraham J. Multer.
101. Gordon L. McDonough.
102. Cecil R. King.
103. Helen Gahagan Douglas.
104. Boyd Tackett.
105. John B. Sullivan.
106. Harry R. Sheppard.
107. Hubert B. Scudder.
108. Prince H. Preston.
109. Clement J. Zablocki.
110. John A. Blatnik.
111. Overton Brooks.
112. Christopher C. McGrath.
113. John W. Heselton.
114. Reva Beck Bosone.
115. Walter K. Granger.
116. Walter A. Lynch.
117. Raymond W. Karst.
118. Aime J. Forand.
119. Thomas J. O'Brien.
120. John R. Walsh.
121. James C. Auchincloss.
122. Carl Elliott.
123. Usher L. Burdick.
124. Herbert A. Meyer.
125. Wayne L. Hays.
126. Robert Crosser.
127. Charles P. Nelson.
128. John J. Rooney.
129. Clyde Doyle.
130. Lawrence H. Smith.
131. Tom Steed.
132. Charles E. Potter.
133. Leonard Irving.
134. Walter S. Baring.
135. Paul Cunningham.

136. C. W. (Runt) Bishop.
137. George H. Wilson.
138. Katharine St. George.
139. Edwin Arthur Hall.
140. Edgar A. Jonas.
141. Victor Wickersham.
142. Chester E. Merrow.
143. W. F. Norrell.
144. Hamilton C. Jones.
145. Ivor D. Fenton.
146. E. C. Gathings.
147. John C. Davies.
148. John A. McGuire.
149. E. H. Hedrick.
150. Alvin E. O'Konski.
151. H. Carl Andersen.
152. Gerald R. Ford, Jr.
153. A. S. J. Carnahan.
154. John Kee.
155. Dayton E. Phillips.
156. Thomas H. Burke.
157. Frank B. Keefe.
158. Harry J. Davenport.
159. Jack Z. Anderson.
160. Melvin Price.
161. L. Gary Clemente.
162. Sidney R. Yates.
163. Oren Harris.
164. Leon H. Gavin.
165. John E. Fogarty.
166. Wesley A. D'Ewart.
167. Wayne N. Aspinall.
168. Antoni N. Sadlak.
169. Norris Cotton.
170. Lowell Stockman.
171. Herman P. Eberharter.
172. Daniel J. Flood.
173. Carl Albert.
174. Jesse P. Wolcott.
175. William A. Barrett.
176. William T. Granahan.
177. Michael J. Kirwan.
178. James G. Polk.
179. John Jennings, Jr.
180. James E. Van Zandt.
181. Harold O. Lovre.
182. Joe L. Evins.
183. Frank Buchanan.
184. Adolph J. Sabath.
185. Joseph L. Pfeifer.
186. Hardie Scott.
187. Franklin H. Lichtenwalter.
188. Lindley Beckworth.
189. Cecil M. Harden.
190. Edward T. Miller.
191. Edward H. Kruse, Jr.
192. Andrew Jacobs.
193. Hugh D. Scott, Jr.
194. Edwin E. Willis.
195. Earl Chudoff.
196. J. Glenn Beall.
197. Gordon Canfield.
198. Chet Holifield.
199. James T. Patterson.
200. Walter Norblad.
201. Earl Wilson.
202. James J. Murphy.
203. Hugo S. Sims.
204. Albert M. Cole.
205. Charles B. Hoeven.
206. John Lesinski.
207. Compton I. White.
208. Peter F. Mack, Jr.
209. Charles A. Buckley.
210. Clifford P. Case.
211. Henry M. Jackson.
212. James B. Hare.
213. Angier L. Goodwin.
214. Robert B. Chiperfield.
215. Fred Marshall.
216. J. Caleb Boggs.
217. Edward deGraffenried.
218. Stephen M. Young.

This motion was entered upon the Journal, entered in the CONGRESSIONAL RECORD with signatures thereto, and referred to the Calendar of Motions to Discharge Committees, August 23, 1949.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. THOMPSON: Committee on Merchant Marine and Fisheries. Interim report pursuant to House Resolution 44, Eighty-first Congress, first session. Resolution to prescribe tolls to be levied for the use of the Panama Canal, and for other purposes; without amendment (Rept. No. 1304). Referred to the Committee of the Whole House on the State of the Union..

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FUGATE:

H. R. 6096. A bill to amend the Trading With the Enemy Act; to the Committee on Interstate and Foreign Commerce.

By Mr. MURPHY:

H. R. 6097. A bill to amend section 8 of the act of June 25, 1936; to the Committee on Merchant Marine and Fisheries.

By Mrs. NORTON:

H. R. 6098. A bill to reincorporate the Girl Scouts of the United States of America, and for other purposes; to the Committee on the District of Columbia.

By Mr. RANKIN (by request):

H. R. 6099. A bill to amend the Servicemen's Readjustment Act of 1944 to extend the period during which readjustment allowances may be paid in certain cases, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. RODINO:

H. R. 6100. A bill to extend to July 25, 1950, the time within which readjustment allowances may be paid under section 700 of title V of the Servicemen's Readjustment Act of 1944, as amended; to the Committee on Veterans' Affairs.

By Mr. TALLE:

H. R. 6101. A bill to provide for the operation of general surgical and medical hospitals at the Veterans' Administration domiciliary facility, Clinton, Iowa, and at the Veterans' Administration domiciliary facility, Medford, Oreg; to the Committee on Veterans' Affairs.

By Mr. THORNBERRY:

H. R. 6102. A bill to provide for the payment of compensation for overtime service to substitute post-office employees, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. WITHROW:

H. R. 6103. A bill to determine what credit the Post Office Department should have for the diversified services it is rendering to other departments of our Government; to the Committee on Post Office and Civil Service.

By Mr. SMITH of Virginia (by request):

H. R. 6104. A bill to authorize the establishment of an educational agency for surplus property within the government of the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. DAVENPORT:

H. R. 6105. A bill to amend the National Housing Act, as amended, and for other purposes; to the Committee on Banking and Currency.

By Mr. FULTON:

H. J. Res. 347. Joint resolution to exempt State clubs and fraternal organizations from filing form 990; to the Committee on Ways and Means.

By Mr. DOUGHTON:

H. Res. 338. Resolution authorizing the printing of additional copies of House Report No. 1300 on the bill (H. R. 6000) to extend and improve the Federal old-age and survivors insurance system, etc.; to the Committee on House Administration.

By Mr. WHITTINGTON:

H. Res. 339. Resolution providing expenses for conducting the investigations and surveys authorized by House Resolution 326 of the Eighty-first Congress; to the Committee on House Administration.

By Mr. DAVIS of Georgia:

H. Res. 340. Resolution to authorize the Committee on the District of Columbia to investigate and study crimes committed in the District of Columbia in recent years; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FULTON:

H. R. 6106. A bill for the relief of Daniel Kokal; to the Committee on the Judiciary.

By Mr. MAHON:

H. R. 6107. A bill for the relief of Mrs. Billy J. Knight and Dorothea Knight; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1449. By the SPEAKER: Petition of Walter L. Blatchford and others, Ellwood City, Pa., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1450. Also, petition of Mr. and Mrs. Alfred Samdahl and others, Montevideo, Minn., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1451. Also, petition of Tymie T. Fulford and others, Enterprise, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1452. Also, petition of Mrs. Lela Clay Owen and others, Miami, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1453. Also, petition of Mr. and Mrs. Tim Donohue and others, Enterprise, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

SENATE

WEDNESDAY, AUGUST 24, 1949

(Legislative day of Thursday, June 2, 1949)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Rev. H. Frank Ledford, D. D., minister, First Methodist Church, Ashland, Ala., offered the following prayer:

O God, our Heavenly Father, our speech is failing when we try to express our great thanks for Thy manifold blessings. Continue Thou Thy mercies upon us!

Look with favor upon these, Thy servants, as they deliberate, and guide them by Thy spirit. May wisdom and strength be with our President, Vice President, and the Cabinet.

In every hour,
Keep our Nation
By Thy power;
Until age and ages cease,
And the whole world
Is wrapped in peace.

In the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. HAYDEN, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, August 23, 1949, was dispensed with.

INTERIOR DEPARTMENT APPROPRIATIONS, 1950

The Senate resumed the consideration of the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes.

The VICE PRESIDENT. The time from now until 2 o'clock is to be equally divided, to be controlled by the senior Senator from Montana [Mr. MURRAY] and the junior Senator from Montana [Mr. ECTON].

THE CHINESE WHITE PAPER

Mr. HAYDEN. I ask unanimous consent that the Senator from Rhode Island [Mr. GREEN] may make a brief statement.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. GREEN. Mr. President, I have here a letter which is of great interest to me, and which I think will be of interest to my colleagues in the Senate. For that reason I desire to let them have the benefit of it. It is a letter from the Secretary of State dated August 23, and is in reply to one which I addressed to the Secretary the day before. It is unnecessary for me to read my letter, but I ask unanimous consent that it be printed in the RECORD at this point as a part of my remarks.

The VICE PRESIDENT. Is there objection?

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AUGUST 22, 1949.

The SECRETARY OF STATE,
Department of State,
Washington, D. C.

MY DEAR MR. SECRETARY: From time to time I read certain statements made concerning alleged distortions and omissions in the Chinese white paper and would like to have them clarified for my information.

It has been said that the State Department suppressed one of the most important documents on Chinese-American relations in that it did not in its compilation of documents include the directive of General Marshall, wartime Chief of Staff, while he was undertaking a trip to China with rank of Ambassador in late 1945.

It is also alleged that there is no mention of the arms embargo in the white paper, which the State Department through General Marshall lodged against the Nationalist Government, following Marshall's visit to China.

Again I have heard it charged that the so-called Wedemeyer report, even though included in the white paper, has been considerably edited in order to suppress its unfavorable aspects.

Any information which you could give me concerning these three points would be appreciated.

Yours very truly,

THEODORE FRANCIS GREEN.

Mr. GREEN. Mr. President, the letter of the Secretary of State reads as follows:

AUGUST 23, 1949.

The Honorable THEODORE FRANCIS GREEN,
United States Senate.

MY DEAR SENATOR GREEN: I want to thank you for your letter of August 22 asking for information concerning certain alleged distortions and omissions in the white paper on China.

The first point covered in your letter is that the State Department suppressed one of the most important documents on Chinese-American relations in that it did not in its compilation of documents include the directive of General Marshall, wartime Chief of Staff, while he was undertaking a trip to China with rank of Ambassador in late 1945. The facts on this point are that the directive of President Truman to General Marshall, dated December 15, 1945, appears on pages 605 to 609 of the white paper. The directive consisted of a letter and three enclosures. One of these enclosures was a statement of United States policy toward China which did not differ substantially from the statement of our policy toward China, publicly issued by President Truman on December 15, 1945. Accordingly, the public statement was printed in the white paper as annex 62, on pages 607 to 807, while the other enclosure was omitted for the sake of brevity. This is explained in footnote 1 on page 605 of the white paper.

The second point referred to in your letter is that it is also alleged that there is no mention of the arms embargo in the white paper, which the State Department, through General Marshall, lodged against the Nationalist Government, following Marshall's visit to China. This embargo is mentioned on page 181 of the white paper, and in greater detail on pages 354–356, where the exchange at Senate hearings between Secretary Marshall and Mr. VORYS is printed in full.

The third point you mentioned is that the so-called Wedemeyer report, even though included in the white paper, has been considerably edited in order to suppress its unfavorable aspects. On page 764 of the white paper it is stated that those passages of the Wedemeyer report dealing with Korea have been deleted from the printed version. Since the white paper deals with China rather than Korea, this deletion was obviously justified in the interest of coherence and brevity. There is no foundation whatsoever for the suspicion that the Wedemeyer report was edited in some tendentious fashion.

Sincerely yours,

DEAN G. ACHESON.

Mr. President, I may say that I asked the questions contained in my letter to the Secretary of State, not because I had doubts of my own, but because doubts had been expressed orally, in writing, and in print, and it seemed to me that it was well that they should be removed.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. HAYDEN, and by unanimous consent, the Committee on Armed Services and the Committee on Foreign Relations, sitting jointly, were authorized to meet during the session of the Senate today.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 483. An act to extend the time limit within which certain suits in admiralty may be brought against the United States; and

H. R. 5773. An act to authorize the carrying out of the provisions of article 7 of the treaty of February 3, 1944, between the United States and Mexico, regarding the joint development of hydroelectric power at Falcon Dam, on the Rio Grande, and for other purposes.

INTERIOR DEPARTMENT APPROPRIATIONS, 1950

The Senate resumed the consideration of the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Washington [Mr. MAGNUSON] for himself and other Senators. As the Chair has previously stated, the two Senators from Montana are in control of the time until 2 o'clock, if they care to exercise control.

Mr. MURRAY. Mr. President, I yield 15 minutes to the senior Senator from Arizona [Mr. HAYDEN].

The VICE PRESIDENT. The Senator from Arizona is recognized for 15 minutes.

Mr. HAYDEN. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Anderson	Hill	Mundt
Baldwin	Hoey	Murray
Bricker	Holland	Myers
Bridges	Humphrey	Neely
Byrd	Hunt	O'Mahoney
Cain	Ives	Pepper
Capehart	Jenner	Reed
Chapman	Johnson, Colo.	Robertson
Chavez	Johnson, Tex.	Russell
Connally	Kefauver	Saltonstall
Cordon	Kem	Schoeppel
Donnell	Kerr	Smith, Maine
Douglas	Kilgore	Smith, N. J.
Downey	Knowland	Sparkman
Dulles	Langer	Stennis
Ecton	Long	Taft
Ellender	Lucas	Taylor
Ferguson	McCarthy	Thomas, Okla.
Flanders	McClellan	Thomas, Utah
Frear	McFarland	Tobey
Fulbright	McKellar	Tydings
George	McMahon	Vandenberg
Gillette	Magnuson	Watkins
Graham	Malone	Wherry
Green	Martin	Wiley
Gurney	Maybank	Williams
Hayden	Miller	Withers
Hendrickson	Millikin	Young
Hickenlooper	Morse	

Mr. MYERS. I announce that the Senator from Mississippi [Mr. EASTLAND] and the Senator from South Carolina [Mr. JOHNSTON] are absent on public business.

The Senator from Maryland [Mr. O'CONOR] is necessarily absent.

The Senator from Nevada [Mr. MCCARRAN] is absent by leave of the Senate.

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN], the Senator from Nebraska [Mr. BUTLER], the Senator from Massachusetts [Mr. LODGE], and the Senator from Minnesota [Mr. THYE] are absent by leave of the Senate.

The Senator from Maine [Mr. BREWSTER] is necessarily absent.

The VICE PRESIDENT. A quorum is present.

The question is on agreeing to the amendment offered by the Senator from Washington [Mr. MAGNUSON] for himself and other Senators.

Mr. MURRAY. Mr. President, I yield to the Senator from Arizona [Mr. HAYDEN] as much time as he may require.

Mr. HAYDEN. Mr. President, I wish to point out to the Senate that in various sections of the United States the private-power companies and the Federal Government have actually arrived at mutually satisfactory understandings of the fields to be occupied by each of them with respect to the generation and distribution of electric power.

For example, the creation of the Tennessee Valley Authority was bitterly contested by all the southern private-power companies, but they are now working in harmony with the TVA to improve economic conditions in the States in that region.

The latest illustration was when Congress had under consideration, at the present session, appropriations for the construction of the New Johnsonville steam plant. The public utilities of the North, represented by the National Association of Electric Companies, did everything possible to prevent the use of Federal funds for that purpose. I have heretofore placed in the RECORD a statement by Mr. Eugene A. Yates, president of the Commonwealth & Southern Co., a holding company which controls four operating companies in the South, which shows that he and his associates took no part in the fight against the New Johnsonville steam plant. On the contrary, the Mississippi Power Co., the Alabama Power Co., and the Georgia Power Co. are all cooperating with the TVA to their advantage. So far as I know, that may also be true of the Gulf Power Co., a fourth subsidiary of the Commonwealth Co., which operates in Florida.

The same thing happened at an earlier date with respect to the construction of the Boulder Canyon project on the Colorado River. The private utilities in that area fought appropriations designed to enable the Government to build the Hoover Dam, but it was constructed, and they have learned that the production of hydroelectric power there is to their advantage. They and the great city of Los Angeles, which operates the largest municipal power development in America, obtain their power from the falling water at Hoover Dam. Each serves its own territory. Each obtains all the power it can get. Unfortunately there is not enough of it. The city of Los Angeles and the private-power companies are working together, serving the public in southern California to the satisfaction of all concerned.

The Boulder Canyon project power plant itself cost a very large sum of money, but the money is being returned to the Treasury of the United States on schedule. The power companies are paying their taxes. They are paying interest on the money that they have borrowed; they are paying dividends to their stockholders. All of the utilities, municipal and private, are working together, and are profiting by the use of the power developed on the Colorado River by the Federal Government.

The same kind of a dispute occurred in my own State. There was considerable conflict between the private utilities and the public power agencies. The Arizona Legislature enacted a statute requiring each to stay in its own territory, and further requiring that if new territory was to be occupied, there should be a hearing to determine who would occupy it. We will soon have two backbone transmission lines coming from the source of power on the Colorado River down into central Arizona. Today there is no serious conflict between the power distributors in Arizona. We are getting along so well that last September when the President of the United States was in Phoenix, he complimented the private power companies on the way in which they are getting along with the Federal power authorities.

As a further illustration of cooperation let me say that this appropriation bill contains items for $4,000,000—$2,000,000 in cash, and another $2,000,000 in contract authority—for the construction of backbone transmission lines in North Dakota and South Dakota, which will ultimately be used to carry Missouri River power into those States. The private power companies have agreed to energize those lines far in advance of the time when the power will be available at the Government dams. When the dams on the Missouri River are completed and power is generated there, that power will be carried by these same backbone transmission lines for delivery to both private power companies and to public power agencies in the two States.

On yesterday the vote in the Senate was another demonstration of how the Federal Government and the private-power companies can find a way to get together to their mutual advantages. Until the private utilities got firmly fixed in their minds the idea that Congress would do the transmission job if they did not do it, there was no cooperation. But from now on I am sure that the private-power companies of Arkansas, Oklahoma, northern Louisiana, and southern Missouri, and Kansas are going to get together with the Southwestern Power Administration. They will make power-wheeling contracts based on the Texas contract, to deliver power to the preferred customers of the Government in that entire area. Cooperation will take the place of disunity. They will work together, and there will be in those States a situation exactly similar to the situation we find today in the deep South in the relationship between the Tennessee Valley Authority and the private-power companies. The only way to bring it about was for Congress to create a condition whereby the Federal Government is in position to transmit power to its preferred customers if the private-power companies will not.

Let us consider the case now before us, regarding the pending amendment. The Montana Power Co. up to this time has never supported any kind of Federal power development in that State. The company first opposed the construction of the Hungry Horse Dam. Representatives of the company appeared before the Senate Appropriations Committee this year opposing the construction of transmission lines to connect western Montana with the Bonneville power area. But in this very bill provide money is appropriated for those connecting transmission lines. Nearly $3,000,000 for that purpose has been provided in the bill, over the opposition of the Montana Power Co., because the appropriations Committee realized that it is necessary to combine power wherever it can be found. Wherever there are two sources of power which can be put together, there is mutual gain regardless of how the power is generated.

Now the Senate is faced with the proposition which was before the Appropriations Committee, namely, would it be wise for the Congress to provide money for the transmission line from Kerr to Anaconda? My judgment has always been that where the Government of the United States builds a great power development back in the mountains, as it is necessary to do, it is wise for the Government to provide a means whereby the power generated there can be brought out to a load center. Then the Government is then in position to deal with the private-power companies wherever they may be situated. However, if Congress fails to do that, the result is that one power company can go into a remote region and can get all the power at the bus bar, which ends the possibility of proper cooperation.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. MURRAY. I wish to congratulate the Senator from Arizona on his very clear explanation of this problem and the need for this new spirit of cooperation. That is what we need in our State, I know; and I am sure the same situation exists in other parts of the country. That spirit is developing out there. Former Governor Ford testified here. He testified here while he was Governor of the State of Montana, back in 1948. His testimony will be found in the printed hearings on the appropriation bill for 1948, at page 667. Here is what Governor Ford, a Republican, and a very close friend of the management of the Montana Power Co., said:

> I say to you that I am informed there is a decided shortage of power in northwestern Montana. The construction of Hungry Horse will firm up the power at Kerr Dam and at Thompson Falls and firm up the power at Grand Coulee and Bonneville; and that power and that water are going to be needed.

There is an illustration of the point. This development will firm up the power of the Montana Power Co. at Kerr Dam and also at Thompson Falls. So the Montana Power Co. will get the benefit of this development, and there is every reason why it and the public authorities should cooperate.

I continue to read from the testimony of former Governor Ford:

> I think the Montana Power Co. is shortsighted; I think they are not justified in

appearing here in opposition to this development. It means too much to the State; it means too much to the Northwest; they will probably object to an appropriation for Canyon Ferry, because the Government contemplates installing a 35,000-kilowatt generator, and they are opposed to the Government's generating power; and I hope that this committee will not take too seriously the statements with reference to these matters.

Mr. HAYDEN. Mr. President, I remember very well when Governor Ford testified before the Committee on Appropriations and his recommendations were absolutely sound and correct.

Mr. MURRAY. Yes. I thank the Senator for that comment.

Mr. HAYDEN. The electric power companies throughout the United States should stop fighting and feuding with the power-developing agencies of the Federal Government as they have been doing in the past. When they abandon that unwise and unprofitable procedure and cooperate, it will be to their advantage, as much as it is to the advantage of the Government. Each can help the other. That is what I should like to see happen in this instance and elsewhere in the United States.

Mr. MURRAY. Mr. President, if the Senator will further yield, let me say that is what all the people in the State of Montana want to have happen. We do not want to be fighting a great organization such as the Montana Power Co. or the Anaconda Copper Co., which is closely allied with it. These are organizations which should contribute a great deal to the State of Montana. Therefore, it is important that we have a spirit of cooperation out there.

Along this line, Mr. President, I have received a number of telegrams from Montana. I shall not put all of them in the RECORD, but I wish to call attention to telegrams I have received from the Governor of the State of Montana.

The first telegram I have received from Governor Bonner, of Montana, is as follows:

HELENA, MONT., *July 22, 1949.*
JAMES E. MURRAY,
United States Senator:
Urge restoration of funds for transmission lines which are vital to welfare of this State. Regards.

JOHN W. BONNER,
Governor.

The second telegram from Governor Bonner reads as follows:

HELENA, MONT., *August 11, 1949.*
Hon. JAMES E. MURRAY,
United States Senator,
Washington, D. C.:
Re your wire August 9. I also support construction by Bureau of Reclamation of Canyon Ferry power facilities in addition to transmission lines.

JOHN W. BONNER.

I have also received a telegram signed by all the State officials of the State of Montana. It is in the form of a resolution authorizing the telegram, and reads as follows:

HELENA, MONT., *August 17, 1949.*
Hon. JAMES E. MURRAY,
United States Senate,
Washington, D. C.:
Mr. Chairman (chairman recognizes Mrs. Kingsbury), I move that the chairman of the Democratic State Central Committee be empowered to forward the following telegram to Senator JAMES E. MURRAY and Representative MIKE MANSFELD:

"We, the undersigned members of the Democratic State Central Committee and elected Democratic State officeholders this day assembled in Helena, endorse your efforts to restore appropriations for the Hungry Horse-Anaconda and Shelby-Havre transmission lines and your efforts to strike provision contained in appropriation bill prohibiting installation of Government-operated power facilities in Canyon Ferry Dam now under construction. We also wholeheartedly endorse the immediate placing of projected Yellowtail Dam in Big Horn County in phase A.

"John W. Bonner, Governor; Paul Cannon, Lieutenant Governor; Mary Condon, State Superintendent, Public Instruction; Neil Fisher, State Treasurer; Horace F. Casey, Railroad Public Service Commission; Arnold Olson, Attorney General; Bernice Kingsbury, State Vice Chairman; Lena Bissonette, Congressional Vice Chairman, First District; Mrs. Tom G. Beazley, Congressional Committeewoman; Mrs. W. W. Hamilton, National Committeewoman; E. J. Byrne, Second District Congressional Committeeman; H. B. Landoe, State Chairman, Democratic Central Committee."

Mr. HAYDEN. I yield back the remainder of my time.

The VICE PRESIDENT. Does the Senator from Montana wish to use some time?

Mr. MURRAY. Mr. President, in addition to the telegrams and the brief statement which I just made, I wish to call attention to the fact that under a proper spirit of cooperation between the power utilities and the Government agencies, the private utilities will be tremendously benefited as a result of the great program which is being carried on in the West and in other sections of the country. As an illustration of how they benefit I call attention to a statement I have here, showing the comparative earnings of private utilities in the Pacific Northwest. The statement shows their earnings in 1936 and 1937. It shows the tremendous increase in their earnings as a result of this development. I ask unanimous consent to have it printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Comparative earnings of private utilities in the Pacific Northwest[1]

Utility	Total operating revenues (sales)		Net income (after taxes)	
	1936	1947	1936	1947
Portland General Electric Co.	$8,977,200	$16,712,955	$1,015,336	$2,847,629
Washington Water Power Co.	8,528,845	15,190,718	2,569,890	3,115,963
Puget Sound Power & Light Co.	15,006,747	27,215,363	1,662,600	5,118,824

[1] These figures show the comparative earnings and profits of these 3 companies before and after the Bonneville plant went into operation.

Mr. MURRAY. Mr. President, I think this is a splendid—a striking—example of the results of a live-and-let live policy. What more beneficial results can the private utilities ask for? As a result of the experience of the private utilities in the Pacific Northwest, they are now wholeheartedly supporting this program. At first they objected to the whole program, as was stated a day or two ago by the Senator from Washington [Mr. MAGNUSON]. They were expressing fear that it was a wild, extravagant program which was being undertaken in that area, and they wanted to know where the power was going to be sold and who was going to utilize it—the jackrabbits? The country of course was not so well settled—industry had not developed as it has been since that program was put into operation.

We find the same kind of opposition by the local private utility in the State of Montana. The vice president of the Montana Power Co. testified before the Senate committee. Senators on that committee will recall his testimony. He was expressing the view that Montana should not expect to have any power, or any need for development; and he used these words: "Montana has the kind of economy that you would expect from a State of that kind." What does he mean by saying "Montana has the kind of economy that you would expect from a State of that kind"? In area Montana is the third largest State in the United States. It has resources beyond anything found in any other part of the United States. It has almost unlimited water resources. But in addition to that, it has very extensive mineral resources. We have produced from one little hill in Silverbow County, near the area to which the transmission line is being carried for the purpose of further development, $3,000,000,000 in silver, gold, zinc and copper. That is a sizable sum of money. It has made a great contribution to the development of this country.

But we have other vast resources needing development in that area. For instance, we have tremendous deposits of phosphate rock, essential in the manufacture of fertilizer. Fertilizer is badly needed. We buy our fertilizer now and have to pay freight on it from points across the country, and we are shipping our phosphate rock away up into British Columbia, in Canada, to be converted into fertilizer by the plants located there. If we had cheap electricity in our State, we could manufacture fertilizer in Montana.

Furthermore, we have tremendous deposits of manganese. In World War I when we were being shut out from manganese in other parts of the world, we in Montana began to develop a manganese industry. Little attention was paid to it at first. The larger companies took no interest in it. But we started in. We began to develop manganese. We built a huge plant. Private industry did this. We produced a tremendous amount of manganese in World War I. When World War II came on, we again started the production of manganese. We succeeded in making a very valuable contribution to the war effort.

Moreover, we have huge deposits of tungsten. I have been out on the hills myself. An engineer called me up one day and made an appointment to show me the wonderful tungsten deposit we have. It is necessary to go in the nighttime, in order to see it. It is a strange thing. Phosphorescent lights are played on the rock in the darkness. That shows the purple spots all through the rock, indicating the presence of tungsten. It is a veritable mountain of tungsten. All it requires is new technological methods of production and treatment. It is low-grade tungsten. It would require some kind of mass-production system utilizing electricity. That is another illustration.

Again, in World War II we were shut off from chrome. We could not get chrome. It had to come from Russia. It became extremely vital that we should develop chrome in this country. We had a huge deposit of chrome in Stillwater County, near Billings, Mont. The Government opened that deposit, utilizing the Anaconda Copper Co. to manage production. They went to work on the project. But they had to ship the low-grade ore all the way to Pittsburgh and Niagara Falls for treatment. Of course, that was a great burden on the cost of production, making it more expensive. Had we had a ferrochrome plant within the area itself, the ore could have been treated in Montana. But that required power. The War Production Board offered to recommend funds for the purpose of constructing a plant of that kind. Businessmen of Billings, Mont., went to the power officers in Butte, Mont., and asked them for a contract to supply power for the purpose. The Montana Power Co. told them they did not have the power, and therefore could not supply it. They also told them that, even if they had the power, they did not have a line on which to carry it to the end of the State where it was needed.

Those are a few illustrations of what could be done in the State of Montana in reference to a new spirit of cooperation in developing its resources and expanding its population.

Mr. HUMPHREY. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from Minnesota?

Mr. MURRAY. I yield.

Mr. HUMPHREY. The Senator is familiar, is he not, with the low-grade iron ore deposits in northern Minnesota, which are somewhat similar to the low-grade ore of Montana, to which he has been referring?

Mr. MURRAY. That is correct.

Mr. HUMPHREY. The problem in Minnesota was exactly similar. With literally billions of tons of low-grade iron ore available, with the top-grade iron ore already being creamed or skimmed off, the problem now is a matter of processing what we call taconite. The taconite process requires power. With this tremendous resource, we are without the power to be able to transform the low-grade iron ore into what we call powdered iron, and from that, into a commodity which can be used in steel production. The situation is very much the same. I merely wanted to point out that our problem is almost identical with the problem in Montana.

Mr. MURRAY. Yes. Similar illustrations can be provided from all sections of the country, especially in the West, and in this Anaconda area where we so greatly need such development. Very few people realize that our population has been dwindling in the whole Missouri Valley. The States down the Missouri Valley have all lost in population. They have not maintained par with the remainder of the country in the matter of industrial activity and population growth. In the State of Montana we have lost population. We have fewer people in Montana today than we had 40 years ago. Mr. President, think of that. Yet the State could easily accommodate a population many times larger than its present population.

We are not looking for any huge industrial development, but we do believe that the natural resources of Montana which are lying undeveloped should be developed, especially when such development would contribute to the industrial progress of the entire Nation. I cannot understand how anyone could argue against that. Unfortunately, away back in the early history of the State a system of antagonism between conflicting industrial camps developed. There were the Daly camp, representing the Anaconda Copper Co., and the Clark camp. These two camps were at swords' points all the time, fighting each other. After Heinze came in, he became one of the battlers, so that the State was "riled" up and there ensued conflict and bitterness that obstructed progress. The Montana Power Co. was organized and developed in that kind of an atmosphere. It was organized mainly by officials connected with the Anaconda Copper Co. and others interested in some local utilities in approximately 1910. It has not seen fit to cooperate with the Government in these programs. If it did, it would benefit tremendously from such cooperation. The Senator from Washington [Mr. MAGNUSON] knows that to be so, and the Senators from the Tennessee Valley area know how their area benefited from a program of this kind. But those companies are sometimes short-sighted, as the former Governor of Montana, Sam Ford, stated in his testimony which I read this morning. I hope we shall get over that sort of lack of good will in Montana, and, for the benefit of the people of our State, go forward in a spirit of cooperation. The businessmen want to see the development of power.

I have here a statement from the president of the Great Northern Railway. He is no reactionary. It cannot be claimed that he is a politician or a New Dealer. He is a farsighted businessman. He is looking out for the development of business and industry in Montana. The Great Northern Railway runs all through that great State, and the officials of the company know how important it is to develop the resources of Montana. I read:

> Cheap power will have a great deal to do with the development of the raw materials of Montana, Frank J. Gavin, president of the Great Northern Railway Co., said Saturday in Great Falls in an interview. "Though manufacturing usually goes where it can be done cheapest," he continued, "power has a lot to do with development. And Montana certainly has the raw materials. I don't know why Montana can't have manufacturing, if it has power, labor, and population."
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> * * * * *
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> "We're very enthusiastic about Montana and all its resources," Gavin said. "The railroad is keeping a number of men busy investigating development possibilities in the State, including agricultural men and geologists, on the theory that now is the time to look ahead to future development."

To show that there is no politics involved, let me say that Republicans in the State of Montana are just as strongly in favor of the program of development of low-cost power in Montana for industrialization and rural electrification as are the Democrats. I have in my hand an editorial from a newspaper, the Cut Bank Pioneer Press, dated June 2, 1944. This newspaper is owned by a former Republican committeeman of Montana, Dan Whetstone, who is in support of the program. The editorial reads as follows:

> Surprisingly little attention was paid to a statement made last week at Great Falls by Frank J. Gavin, president of the Great Northern Railway Co.
>
> It was printed in but one daily paper, so far as I could check, and there was no editorial comment in the daily papers anywhere in the State.

Let me explain that situation before I go any further. All the newspapers in the State of Montana are owned by the Montana Power Co. and the Anaconda Copper Co. They do not print news they do not want to print. For instance, they never carry any editorials glorifying me in my campaigns in Montana. I receive very scant recognition from those newspapers. But it is unfortunate that they do not carry an article so important as that to which I have just called attention. But here is the national committeeman of the Republican Party in Montana, who operates a newspaper, saying that the article "was printed in but one daily newspaper, so far as I could check, and there was no editorial comment in the daily papers anywhere in the State."

I read further:

> He urged consideration for the development of Montana's raw materials and said this could be tied with abundant power.

He is for abundant power.

> "Though manufacturing usually goes where it can be done cheapest," said he, "power has a lot to do with development."
>
> And Montana has the raw materials, said the road president.
>
> Population is certain to flow back from the Pacific coast, where it has gone on account of the war industries. There is in the United States a definite trend in population shift to the West, all of which will attract industry.

In its issue of May 7, 1943, the Pioneer Press printed a lengthy editorial, along lines parallel to the statement of Mr. Gavin, and adding that it was time Montana ceased going hat in hand to Washington, asking for Federal largess and set up a program of development of its resources—mineral and agricultural—by processing them into products vital to industry; not by trying to realize a system of big industries but a number of small ones strategically located. In short: Power brought to the industry near the source of production.

Another weekly, the Glasgow Courier, commented with approval. Assurance was given that the matter would be discussed at a meeting of Montanans, the State chamber, but I never learned whether it was presented to any meeting of that body.

In my opinion this is far more important than some postwar plans that are getting black headlines.

The views of an important business leader, who is no visionary, ought to revive interest in a matter that should take precedence of all others in planning for the years after the war.

Mr. President, we have some people in Montana affected by the same psychology possessed by some of the members of the management of the Montana Power Co. They think we should not expect to grow or develop. In the early history of the country it was taught all over the United States that the West was a wild region, not worth paying any attention to. In the Senate of the United States, in those early years around 1800, there were debates here in the Senate criticizing the appropriation of any funds in connection with the western Territories. I think some of that kind of propaganda is still in existence in some sections of the Nation.

I have here an extract from a statement made by Daniel Webster, back in 1838. Speaking of the western area, he said:

What do we want with the vast worthless area—this region of savages and wild beasts, of deserts of shifting sands and whirlwinds of dust, of cactus and prairie dogs? To what use could we ever hope to put these great deserts, or these endless mountain ranges, impenetrable, and covered to their base with eternal snow? What can we ever hope to do with the western coast, a coast of 3,000 miles, rock-bound, cheerless, and uninviting, and not a harbor on it?—

That is where the Senator from Washington [Mr. MAGNUSON] lives—

What use have we for such a country? Mr. President, I will never vote 1 cent from the Public Treasury to place the Pacific coast 1 inch nearer to Boston than it is now.

Mr. President, I think that all Senators who are familiar with the situation in the Western States, and the other sections of the country where the power problem exists, are anxious and willing to see a better understanding brought about between the private utilities and the Government agencies so that we may go forward with this great program, which means so much to the future progress and prosperity of the country. We find that when Senators on both sides of the aisle come to understand the problem with which we are confronted they join wholeheartedly in supporting the program.

I have here some extracts from the CONGRESSIONAL RECORD of August 7, 1948, page 10170. One is a statement by the able Senator from Nebraska [Mr. WHERRY], another a statement by my good friend, the distinguished chairman of the Senate Committee on Appropriations, the Senator from Tennessee [Mr. MCKELLAR].

In the statement by the Senator from Nebraska, he said:

Mr. President, I was with the distinguished Senator from Montana at the very place where the proposed dam is to be built. He came to me, and I said, "Senator, we are going to do our level best to get the money to be spent there this year." He told me personally that he thought we had done a good job. I know he can stand here and make a good case for building the Hungry Horse Dam faster than has been contemplated in the program. I know the transmission lines should be built. The farmers want them; they want them in my State, and in every other State.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. MURRAY. I yield to the Senator from Nebraska.

Mr. WHERRY. The transmission lines about which I was speaking at that time have been authorized. The only question here is whether we want to authorize a transmission line to Anaconda. The backbone system which was discussed at that time has been authorized. I was for it a thousand percent, and I wish to state to the Senate that if a private contract could not be worked out for a line to Anaconda, I would be for the Anaconda line, even though it is not a part of the system we were discussing when we authorized the transmission line.

Mr. MURRAY. I am glad to hear the Senator's statement, because he has always been extremely cooperative. But I am not talking about the Anaconda line.

Mr. WHERRY. I will ask the Senator to excuse me, then.

Mr. MURRAY. I am talking about the general program. I am talking about a better understanding.

Mr. WHERRY. I am for it.

Mr. MURRAY. I am talking about getting the private utilities to cooperate with the Government agencies and the Government agencies to cooperate with the private utilities. That is what I am talking about.

Mr. WHERRY. I wish to thank the Senator for the time he allotted me.

Mr. MAGNUSON. Mr. President, will the Senator from Montana yield?

Mr. MURRAY. I yield to the Senator from Washington.

Mr. MAGNUSON. I think the RECORD should be corrected. The transmission line involved here has been authorized.

Mr. WHERRY. That is correct.

Mr. MAGNUSON. What is now involved is the question of the appropriation.

Mr. WHERRY. Not for the Anaconda line.

Mr. MAGNUSON. It has been authorized.

Mr. WHERRY. I do not agree with that.

Mr. MURRAY. The Senator never mentioned any particular line, but he said "transmission lines," and he meant by that necessary, essential transmission lines.

Mr. WHERRY. The backbone transmission lines to connect up the dams; that is correct.

Mr. MURRAY. That is right.

Mr. President, I ask that the extracts from the RECORD to which I have referred be printed in the RECORD as a part of my remarks.

There being no objection, the extracts were ordered to be printed in the RECORD, as follows:

[From the CONGRESSIONAL RECORD of August 7, 1948, p. 10170]

Mr. WHERRY. Mr. President, I was with the distinguished Senator from Montana at the very place where the proposed dam is to be built. He came to me and I said, "Senator, we are going to do our level best to get the money to be spent there this year." He told me personally that he thought we had done a good job. I know he can stand here and make a good case for building the Hungry Horse Dam faster than has been contemplated in the program. I know the transmission lines should be built. The farmers want them; they want them in my State, and in every other State. The only question is how fast we should proceed.

This matter has been worked out in fairness to every State in connection with all the projects, and if we increase the appropriation for the project of the Senator from Wyoming, who is most persuasive, and if we do the same for the Senator from Montana, then each Senator who was denied has just as much right to come forward and say to the committee, "We want our appropriations restated, too," because there are other cases just as meritorious as these.

Mr. President, I wanted to make this statement, and to reiterate that I wish to be fair. The Senator from Wyoming was most cooperative, and I agree with him in his appeal. The situation is very difficult for me, because the very appropriation for which he is asking is for a project which comes into western Nebraska, and I should like very much to have it completed. I worked for it, and we got what the committee felt should be allotted to that particular project. We did our level best. When we have done that, I think the matter should not be disturbed, but we should proceed to do the best we can next year.

Mr. BRIDGES. I yield to the Senator from Tennessee.

Mr. MCKELLAR. Mr. President, I wish to call the attention of the Senate to what happened in the committee this morning. As everyone knows, I am very greatly interested in power projects in Tennessee under what is known as the Tennessee Valley Authority. I have been interested in that nearly all my official life, which has been a long time.

The committee has been most generous to the Tennessee Valley Authority all along the line. The present committee feels about it as others have. I offered an amendment, a very necessary amendment, in the interest of the Tennessee Valley Authority, for the erection of a steam plant at New Johnsonville, Tenn.

Mr. President, I was told by the chairman of the committee that under an arrangement which had been made it would be impossible, owing to a situation which existed, to get the appropriation through at this session of the Congress, and after hearing it discussed in the committee it seemed to me that what the chairman of the committee had said was very reasonable, and I withdrew the amendment. If the Senate were

to adopt an amendment making appropriation for the Missouri Valley, naturally the people in my section would want to know why appropriation was not made for the Tennessee Valley. I feel that such action would place me in a very bad situation. I believe the committee has been very generous, and that both branches of Congress have been very generous to the power projects of the country. We have built them just as rapidly as we could. The Senator from New Hampshire said that in January these matters would all be straightened out, and I am going along with him. I think it is probably best to consider them when Congress meets next year.

I again say that I thank the Senate and the House for the generous attitude they have shown toward power development in my State, and I want to go along as best I can and in a manner which will be fair and just to everyone. I am extremely interested in the projects in the West. I think they should be built, and as rapidly as we can build them. I want to vote for measures along that line.

I felt that I should let the Senate and the country know just what has happened, and just what we in the Appropriations Committee of the Senate think about the subject.

Mr. MURRAY. Mr. President, as a result of this opposition to the development of the West, great interest has been created by editorials and news items appearing in the press, and by articles and books which have been written in recent years discussing the problem resulting from the neglect of the West. I call the Senate's attention to a book entitled "Divided We Fall," written by a man named Bell. I do not have his full name. I have seen the book. It is a very valuable book. It sets forth how the country is divided into three sections, one section being the big industrial North and East, another section the great West, and the third section, the South; and how the economic development of the West has been delayed as the result of misunderstanding about and opposition to proper programs which, if carried out, would have a tremendously beneficial effect in improving conditions in the West and benefiting the entire Nation.

Another book on the same subject is "Revolt of the South and the West," by Mezerik. Another book is entitled "Economic Freedom for the West," written by Wendell Berge. Still another one is entitled "Our Plundered Colonies," written by Bernard De Voto.

So, Mr. President, it seems to me the time has arrived when we should begin to think about cooperating in the development of these backward areas of our country. We are talking about developing backward areas in all parts of the world, but we have not done very much so far for the backward areas of our own country. I am in favor of this program because it is going to develop greatly our section in the West.

Mr. MAGNUSON. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER (Mr. STENNIS in the chair). Does the Senator from Montana yield to the Senator from Washington?

Mr. MAGNUSON. I wonder if the Senator feels like many of us feel about the situation, even if we leave out the merits of the Texas contract. I wonder if the Senator in his wildest imagination—and I know the Senator does not indulge much in imaginings, because he is very factual—could point out what harm could be done to the State of Montana by the building of the proposed transmission line.

Mr. MURRAY. Absolutely no damage could be done by the building of the line. It would be of immeasurable value.

Mr. MAGNUSON. Does not the Senator believe the building of the line would hold out great possibilities for good?

Mr. MURRAY. Absolutely yes. As a matter of fact, the engineers of the Montana Power Co. have recommended the construction of this line. They say it is absolutely necessary. Of course, it will be built.

Mr. President, the members of the Senate Committee on Appropriations seem to be divided on the question of building transmission lines and on other questions which have been dealt with in the debate. I think the able Senator from Arizona [Mr. HAYDEN], with his usual hard-headed common sense, has the correct answer to this problem which is perplexing our minds. He suggested in his opening statement in the debate, and again today that the power-development program is a proper one, and that there should be a better spirit of cooperation and understanding developed between the private utilities and the public agencies. He advises a live-and-let-live policy which will permit us to go forward with this great national program which will benefit the whole country, without in the least injuring the private utilities which are already in the field. As a matter of fact, Mr. President, it will greatly benefit the private companies. The history of power development in every section of the country proves that public development greatly benefits the private companies. I believe the private companies would all favor the program once they thoroughly understood it.

In 1947 all the power utilities on the Pacific coast joined together and issued a statement in support of the program. They sent representatives to the Senate committee, who supported the program for the construction of the Hungry Horse Dam, when the Montana Power Co. was still opposing it. They supported it because they could see what the demand was in that section of the country, and how important it was to obtain more power.

All existing private utilities, under the program and policies of the Government, are entitled to purchase power developed by these projects at wholesale rates for resale at handsome profits. The Senator from Arizona thinks that the private utilities should not try to hamstring the Government program, but should go along with it on a live-and-let-live basis. They can easily work side by side, the Senator from Arizona says, if they honestly undertake to cooperate, and not oppose and delay and render more costly these great projects.

Mr. President, those of us who advocate construction of the Hungry Horse Dam have been trying to secure sufficient sums to speed up its construction, because the more quickly it is constructed the sooner it can begin to supply power, and the sooner the money expended for its construction will be paid back.

The same is true respecting the transmission line. The line we are now talking about would carry the power over a very rugged area. The altitude in some spots is seven or eight thousand feet. The weather is very cold in the wintertime. Work on that line can be done only in the summer months. Considerable time will be required for its construction. Construction of a transmission line of that kind is a huge undertaking. The experts in the Bureau of Reclamation figure that they should begin immediately in order to have the line available when the Hungry Horse Dam begins to turn out power. So it seems to me that the argument that we can pass over the provision for the transmission line and take it up next year is not sound.

Heretofore some of the private power companies have deliberately sought to delay and make more expensive the construction work on projects in order to be able to point out how inefficient the Government programs are, and to be able to say that Government projects could not produce power and sell it at as cheap a rate as the private companies could sell power to the public.

That, of course, has been the history of the private utility in my State. It has bitterly opposed the program and sought to delay it by every possible means, thereby greatly increasing the eventual cost of the program. It bitterly opposed the construction of the Hungry Horse Dam, and by its pressure and influence delayed the commencement of that project, and subsequently sought to slow down its construction. As late as 1947 representatives of the Montana Power Co. under the direction of the Electric Bond & Share Co. of New York, which controls that utility, appeared before the Appropriations Committee and claimed that the project was unnecessary; that we had plenty of power in Montana and did not need it. The vice president of the Montana Power Co. claimed that Montana was not entitled to industrial development. He belittled the State in this respect. As I pointed out a little while ago, he contended that Montana was not a State which should expect any great industrial development. So it seems to me the Senator from Oklahoma [Mr. THOMAS] is wrong in his conclusion that our power policy may head the country into socialism or communism.

One of the statements made at the opening of the debate was that the program is a socialistic one. In a measure he admitted that he might be wrong when I interrogated him on the floor. When I pointed out that the British nationalization was the result of monopoly conditions which had broken down

their economy and forced socialization on that country, the Senator from Oklahoma replied:

The Senator may have some foundation for his conclusion. I am not disputing it.

Mr. President, I think the greatest mistake the Senate could possibly make would be to accept the committee amendments advocated by the private power interests. Such action would place the private utility interests in complete control of power. It would destroy the established policy of Congress intended to encourage industrial development, rural electrification, and a wider use of electricity in the homes and cities of the country. It would, in effect, create a new policy which would eventually lead to complete, Nation-wide, monopoly of power.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. MURRAY. I yield.

Mr. KEFAUVER. I did not clearly hear the statement the Senator made as to when the Hungry Horse Dam will be completed. When will it be completed?

Mr. MURRAY. In the fall of 1952.

Mr. KEFAUVER. As matters now stand is it not well to rush the program so as to get the power lines and transmission lines erected by the time the dam is completed, so as to take care of the power developed?

Mr. MURRAY. Yes. If we could get this appropriation now for the Kerr-Anaconda line and begin its construction, we would have that line ready for operation about the time the dam is completed and the power facilities are ready.

Mr. KEFAUVER. But if it were necessary to wait a year in beginning construction of the transmission lines they would not be ready in time?

Mr. MURRAY. They would not be ready in time, and we would lose the opportunity to utilize the power produced at the dam during that period.

Mr. KEFAUVER. While there has been some indication that the Montana Power Co. might wheel the power, does not experience show, in view of their other efforts to delay the construction of the lines, such an arrangement would be a very unsatisfactory one to rely upon?

Mr. MURRAY. Yes. We could not rely upon such an arrangement, because we have had very extensive experience with them along that line, and I placed a record of that experience in the CONGRESSIONAL RECORD the other day.

Mr. FLANDERS. Mr. President, will the Senator yield?

Mr. MURRAY. I yield.

Mr. FLANDERS. I wish to ask a very simple question. From time to time in this debate I have heard the phrase "wheeling power." Can the Senator tell those of us who do not know what is meant by "wheeling power"?

Mr. MURRAY. That means that where an existing private utility has lines in the area and the Government wants to supply customers in some section of the State where the customers are not able to connect with the bus bar at the Government dam, an arrangement can be agreed on with the private utility whereby the private utility will carry the power on its line and deliver it to the preferred customer of the public-power program.

Mr. FLANDERS. I thank the Senator. I now understand more of the discussion than I did before.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. MURRAY. I yield.

Mr. KEFAUVER. In connection with the Hungry Horse Dam, I understood the Senator from Oregon [Mr. CORDON] to say that there had to be constructed a basic transmission line connecting Hungry Horse with Kerr Dam, and that even if the private power company were willing to enter into a wheeling contract, there are no present transmission facilities to take care of the output of the Hungry Horse Dam. Is that correct?

Mr. MURRAY. I did not quite understand the Senator's question.

Mr. KEFAUVER. Even if the private power company were willing to enter into some kind of a wheeling contract, and even if that were satisfactory, still there are no present sufficient facilities to take care of the transmission of electric power.

Mr. MURRAY. That is correct. That was brought out in the hearings.

Mr. President, this is a program of a character which cannot be undertaken by a private industry. This is indisputable. It is a program that must be undertaken by the Government in sheer necessity for the protection of our country from the inroads of erosion, waste of resources, and for needed industrial expansion and employment of our growing population. The history of public programs of this character demonstrates their beneficial effect on industrial and population growth.

By carrying out this unified program, with hydroelectric power as the base, it is possible for the Government to accomplish a broad program of flood control, irrigation, and reclamation, on a reimbursable basis. The public power feature, through the sale of electricity, carries the major part of the costs of the general program, and thus renders reclamation, irrigation, and power development self-liquidating. United these programs can stand, but divided they fall. Unless we can have a complete program of reclamation, flood control, and hydroelectric power all at the same time, the program cannot be reimbursable. That is to say, we could not build a dam for irrigation purposes alone, or for reclamation alone, and expect it to pay out from the income from sale of water to the farmers, because it would be too costly. But if we unite power with it, and power is sold, that power helps to defray the cost of the total program. So it is absolutely true that united the program will stand, but divided it will fall.

Thus the Government's program contributes to an expansion of industrial growth and development without placing an unbearable burden on the taxpayers.

Of course, we all know that there has been quite a power lobby, and that there has been a great deal of power propaganda. The private power utilities have organized to fight the national program of public power development and distribution. They oppose this policy because the private utilities are denied the exclusive right or monopoly of taking over all electric power at the bus bars for resale at private profit. This policy was fixed long ago by the Congress because it was found necessary to protect the public from excessive power rates and encourage rural electrification, resources development, and industrial growth, and encourage a more widespread use of electricity by the people.

The private power interests, of course, are not satisfied with the right to purchase public power at low wholesale rates or with anything short of complete monopoly control. They have always heretofore asserted that the Federal power program is an attack on private enterprise, although under it they have the right to purchase electric power at wholesale rates to be resold at handsome profits. All over the Nation where public power has been developed they have been tremendously benefited and have greatly expanded their operations.

Their profits have become so lavish they are now spending millions of dollars seeking to fasten a complete monopoly on the Nation.

They have established at great cost a power-lobby organization, to discredit the public-power program as set up by the Congress, and to require that all publicly developed power be sold to the private utilities at the bus bars.

BUS-BAR LEGISLATION

In response to all this lobby pressure, and in pursuance of this design to monopolize public power, bills were introduced in the Congress in recent years under which these private utilities sought, through direct legislation, to gain complete control of power produced at Government-constructed dams. They sought to shut out the municipalities, farmers, public bodies, small homes, and small-business men from getting electricity at reasonable rates. They have maintained for many years this huge lobby in Washington, seeking to provide through acts of Congress that all hydroelectric power must be sold at the point of production to the private utilities, to be resold at private profit without any preferences to the public. A series of bills of this character were introduced in past sessions of the Congress.

I refer to the Dondero bill—H. R. 3036; the Miller bills—H. R. 2972 and 2973; the Mills bill—H. R. 608; and the Rockwell bill—H. R. 2873. Similar bus-bar legislation was filed in the Senate—all during recent years.

All such direct efforts on the part of the power monopoly have been defeated by the Congress. They were rejected because the Congress recognized the evil consequences of such legislation. The Congress recognized that it would lead to a complete monopoly and therefore voted to protect the established national power policy. It would have been well-nigh criminal to have done otherwise.

But now, Mr. President, we are witnessing a strange paradox. After having been completely defeated by an alert and conscientious Congress in all their direct efforts to grab control of power produced in Government projects, the power utilities have shifted their tactics and are engaging in a rear-guard movement. They are now endeavoring, through secret political pressure, underhanded efforts, and back-door connivance in the Congress of the United States, to accomplish by indirection all the evil designs and purposes they failed to accomplish by direct efforts. To achieve this they recently reorganized and revitalized their national power lobby organization and have placed at its head Purcell Smith, a well-known expert on political connivance, with a salary of $65,000 a year and a full treasury, to support its devious efforts to destroy our well-established national power policy.

The national power lobby has always taken a vital interest in the political campaigns of the country, with a view of electing men to the Congress who could be relied on to carry out their bidding. In the elections of last November it was one of the most important issues in the campaign which raged up and down the Nation, with the power monopoly furnishing unlimited funds in an effort to influence results. In that election the national platform of the Democratic Party pledged 100-percent support of the national power program. The Democratic platform in the 1948 elections reads as follows:

> We propose the development of hydroelectric power and its widespread distribution over publicly owned transmission lines to assure benefits to the water users in financing irrigation projects and to the power users for domestic and industrial purposes, with preference to public agencies and REA cooperatives. These are the aims of the Democratic Party, which puts the interest of the people as individual citizens first.

I will not take the time here to discuss that election as it relates to national power politics. The able senior Senator from Oregon has already told that story, particularly as it related to the Pacific Northwest.

But, Mr. President, this is no New Deal program evolved by Franklin Roosevelt, nor is it the Fair Deal program of Harry S. Truman. It is a program to develop and preserve the great natural resources of our country for the welfare of all the people.

ORIGIN OF NATIONAL POWER POLICY

Our national power policy grew out of and is a part of the great movement for the conservation of natural resources which originated 47 years ago at the hands of far-seeing scientists both inside and outside the Government. It was promptly championed by Republican President Theodore Roosevelt and by progressives in all parties, like Gifford Pinchot, Republican; Senator Newlands, of Nevada, a Democrat; and President Charles W. Eliot, of Harvard University, one of the greatest citizens and educators of his day, without respect to politics. It is supported today in the Senate and in the House of Representatives by Republicans and Democrats alike. In this great national power program which we are defending against the power monopoly, some of our ablest supporters come from the other side of the aisle, both in the House and in the Senate of the United States.

Mr. President, typical of the fruits of this great movement are a series of important statutes passed by the Congress, which have established the permanent policy of this country in regard to public power.

The Reclamation Act of 1902 was the first. This act was signed by President Theodore Roosevelt. It could never have been passed, however, without the help of progressive Democrats in the Senate at that time led by Senator Newlands, of Nevada, a pioneer in reclamation.

The Reclamation Act of April 16, 1906, provided that the Secretary of the Interior may lease surplus power from reclamation projects, "giving preference to municipal purposes."

The Raker Act of December 19, 1913, in granting national-park land to the city of San Francisco for the purpose of storing water, prohibited the city from "ever selling or letting to any corporation or individual, except a municipality or a municipal water district or irrigation district the right to sell or sublet the water or the electric energy sold or given to it or him" by the city.

The Federal Water Power Act of June 10, 1920, provided that the Federal Power Commission shall "give preference to applications * * * by States and municipalities" for permits and licenses to build and operate works upon navigable waters.

The Boulder Canyon Project Act of December 21, 1928, provided that contracts for use of hydroelectric energy must be let "in conformity with the policy expressed in the Federal Water Power Act as to conflicting applications."

The TVA Act of May 18, 1933, as amended, provides that surplus power "shall be considered primary as for the benefit of the people of the section as a whole, and particularly the domestic and rural consumers to whom the power can economically be made available."

The Rural Electrification Act of May 20, 1936, provides for preference "to be accorded public and cooperative bodies seeking loans under the terms of the act."

The Bonneville Act of August 20, 1937, provides for "preference and priority to be accorded to public bodies and cooperatives." It further states the policy of Congress to preserve the preferential status of public bodies and cooperatives, and it instructs the Bonneville Administrator to build transmission lines. This instruction is not permissive; it is mandatory.

The Fort Peck Act of May 18, 1938, provides for "preference to be accorded public bodies and cooperatives * * * for the benefit of the general public."

The Reclamation Act of August 4, 1939, provides for "preference in sales of power to be given public bodies and to cooperatives and other nonprofit organizations financed in whole or part by the Rural Electrification Administration."

The Flood Control Act of December 22, 1944, provides for "preference to be given in the sale of energy * * * to public bodies and cooperatives; and, where necessary, transmission lines and related facilities to be constructed or acquired to make such energy available."

These statutes which I have just summarized set forth a consistent congressional policy relative to protection of our invaluable power resources against monopoly. These statutes recognize in numerous specific instances that such protection against monopoly requires the establishment of priorities and Federal construction of transmission lines.

The proposed amendments in the appropriation bill, if adopted, would render the policies which we have been talking about absolutely unenforcible and wholly ineffective. This is done not by frank amendment of the basic laws after full and open debate, but by a manipulation of money items and by legislative language in the bill and in the committee report. That these measures establishing the national power policy of our country have been of incalculable value to the American people and competitive private enterprise, the national defense, and the national welfare, no intelligent person can deny. Let it be stated on the record in boldfaced italic that these results, in stopping destructive floods and soil erosion, and in advancing the great program of reclamation and hydroelectric power development, would never have been undertaken by private utilities, or even by the individual States.

Why, then, is this national policy of power production and distribution under attack? The answer is that the utility corporations are organized and are determined to capture control of and cash in on the hydroelectric power generated at these multiple-purpose Government dams. They think that the time is ripe for a raid on the Congress in this back-door fashion.

Mr. President, as I have already proved, the national power policy of this country is not a new idea. It is a policy which has been achieved by the people through the united efforts of progressive Republicans and Democrats in a period of political warfare which has lasted more than 45 years, beginning with the administration of Theodore Roosevelt. Here in the Senate, as I have stated, we have always had able, courageous Republican Members who have helped to lead the fight against the power monopoly. Here will be an acid test of what the Republican Party stands for today.

The private-utility interests have fought this national power policy from

the start, and have lost in all their direct efforts before the Congress and in the Supreme Court of the United States. But now they have launched this highly organized and extravagantly financed and very powerful campaign. They have now laid down the clever strategy of persuading and inducing the Appropriations Committee to hamstring our national power policy. Through denial of essential appropriations and clever maneuvering of legislative verbiage in the appropriation bill, they seek to emasculate and subvert the basic national policies which govern this program. Mr. President, I certainly do not believe that the Senate is going to permit that purpose to be accomplished.

The record of the Senate committee hearings shows that four power companies—the Pacific Gas & Electric Co., of California; the Public Service Co., of Colorado; the Idaho Power Co., of Idaho; and the Montana Power Co. system in Montana—were represented in the hearings and arbitrarily demanded the rejection of appropriations called for under the Government program. They crowded the committee room with their army of highly paid agents and attorneys. Their testimony, in effect, called for a scuttling of the long-established power policies of our country, which have accomplished so much for industrial growth and prosperity in many areas of the Nation.

All the recommendations of the power utilities and their representatives at the hearings were received and exactly followed in each instance, despite the fact that several hundred people from four States traveled thousands of miles to Washington to appear as witnesses before the committee in support of the Government's program. The record of the hearings shows that these witnesses substantiated in every respect the rights and economic needs of their areas for the power plants and facilities proposed to be constructed. The committee, however, accepted all the recommendations of the power utilities and rejected all the recommendations of the scores of witnesses who appeared in support of the Government program. Their demands were totally rejected. As Peter Edson, in the Washington News of July 19, 1949, said, "They never had a chance."

Mr. President, these witnesses represented the people in the areas involved. They were not representing soulless corporations seeking private advantage. They were seeking a fair deal for the public. They were interested in programs of vast economic importance to their respective areas—programs of flood control, reclamation, power development, rural electrification, and resources development, which could be effectively carried out only under the Government's program. They demanded that the committee carry out these policies laid down by the Congress and provide these transmission lines and facilities essential to the public power program. But, Mr. President, they were turned down cold.

In commenting on the activities of the power lobby before the committee hearings Marquis Childs, in the Washington Post of July 15, 1949, commented:

> While President Truman won the election with his Fair Deal program last November, the private-power lobby has just won one of the most notable victories in its long and aggressive history. That victory will have the effect, unless it is reversed by subsequent action, of nullifying most of the President's campaign promises on public power.
>
> The power lobby got in its licks through a subcommittee of the Senate Appropriations Committee passing on the bill for funds for the Department of the Interior.

Another able commentator, Joseph Alsop, commenting on appropriation bills in the Congress a few days ago, pointed out that the tendency is growing constantly for appropriation committees to cripple vitally important national policies by this sort of "hole in corner" legislation, as he designated it. Mr. President, this is having a serious effect on public confidence. Members of the Congress are being suspected, and frequently openly accused in the press and on the radio, of standing in with big business and monopoly. Mr. President, if we are to avoid this suspicion and abuse, congressional appropriation committees should meticulously avoid attempts to change well-established policies through their action on appropriation bills.

Mr. President, I direct no criticism at the private utilities except insofar as they seek to prevent these sound public programs which mean economic growth and progress for the country. I am willing to join with them in Montana in a spirit of cooperation to help develop our State. I think that is the attitude of the people of Montana. It is the attitude of the former governor and the present governor.

The private utilities can serve a legitimate purpose, and render convenient service to the people at a handsome profit. But to be granted monopoly control over hydroelectric power produced at the taxpayers' expense would be a special privilege and a discrimination against the public interest which should not be tolerated in a free country.

Private monopoly of power cannot be a satisfactory agency for public service. History shows that the establishment of monopoly in any industry has been destructive of public welfare in every country in the world where it has been permitted to run rampant. In several other countries it has brought on conditions which finally resulted in the destruction of democratic government. It is the most serious problem confronting our country today. Monopoly has brought economic ruin and loss of democratic freedom to many of the large nations of the world.

Mr. President, as I have already said, these private utilities are not constituted to carry out programs of the character we are here considering. Private utility corporations quite properly, are organized to make profit from everything they undertake. They give nothing away and, very properly, their chief thoughts are devoted to dividends. But they should be fair dividends—not dividends on "watered stock."

In organizing these companies, the practice of writing up the capital structure is notoriously known. It is well known that the capital structure of private utilities is usually so heavily watered that in order to earn dividends on such fictitious capitalization they are compelled to restrict expansion of service and to exact excessive power rates. That is the reason they refused to undertake rural electrification before the Government took it up. That also is the reason they are unable to make any contribution to the development of our natural resources or extend aid to agriculuture in the way of low power rates for rural electrification, or to towns and cities in bringing about a more widespread use of electric power. Their tendency is to make power expensive and to curtail its general use. In this way, they make profits far beyond their actual investment.

Dr. John Bauer, in his able analysis of private utilities, indicates that as now set up in the United States they are an outgrowth of modern frenzied finance. Their worst characteristic is their gross overcapitalization. He says:

> As a rough average the capital structure imposed upon the operating utility companies is twice the present fair service value of their properties, or the reasonable investment required to establish modern properties of equal service capacities.

With further reference to holding companies, he says:

> The holding company systems as of the early 1930's consisted of fantastic corporate and capital structures. The capitalization embodied not only the earning power that had been developed during the prior decade of rapid technological advance and growth in utilization, but also buoyant expectations and dreams of empire expansion. (Public Organization of Electric Power, pp. 20 and 21.)

The organization of the Montana Power Co. in Montana is a good illustration of this point I am making. The Montana Power Co. was organized about 25 years ago by a consolidation of a number of smaller utilities. In consolidating these utilities, in each instance there was a considerable mark-up of the capital represented. Thereafter, as the Montana Power Co. grew and expanded, in each instance where a new property was taken in, the capital investment was marked up until it became so overloaded that it was top-heavy. Nevertheless, it demanded rates to provide dividends on the basis of its watered capital stock.

In 1945 the Federal Power Commission conducted hearings bearing on its capitalization. These hearings were conducted jointly by the Federal Power Commission and the State Railroad Commission, which had jurisdiction over utilities. As a result of those hearings, the capital structure of the Montana Power Co. was shown to be watered to the extent of over $50,000,000.

This is the company which appeared before the Senate committee and opposed the Kerr-Anaconda transmission line and the Havre-Shelby transmission line,

and demanded control of power developed at Canyon Ferry. It had able, influential lawyers representing it at the hearings. Also, Mr. President, it is a subsidiary of the Electric Bond & Share Co., of New York, one of our principal electric cartels, exercising powerful influence in Washington, and is one of the chief sponsors of that notorious lobby called the National Association of Electric Companies.

EXCESSIVE RATES BLOCK DEVELOPMENT

The high rates which these private utilities are required to exact under their heavy capitalization constitute a burden and an injustice on the consumers; but the effect of these high rates in holding back progress is the vital concern of the public. All economists who have given study to these matters agree that low-cost power is essential to the expansion of our economy of free enterprise.

I should like to call attention to the findings of Dr. John Bauer in his recent textbook entitled "Public Organization of Electric Power."

Mr. President, what is the explanation of this congressional psychosis we seem to be affected by? The answer appears to be that the power lobby is engaged in hypnotizing the Congress and the public with their smooth propaganda to the effect that these public-power programs are socialistic and that the private utilities are quasi-philanthropic organizations, the very epitome of justice and fair dealing. This is the kind of fight which is always put up against those who seek to guard against the snares of monopoly. The CONGRESSIONAL RECORD contains volumes of denunciation and recrimination heard on the floor of the Senate in the famous Muscle Shoals fight of 1921 and in the fight to establish a national public-power policy under the TVA in 1933.

As Bauer also points out, that—

> Private utilities always seek to make the industrial and commercial groups regard the proposals for public power as an attack against private business in general. They foster the idea that battling against public power is a joint fight against socialism. (Public Organization of Electric Power, by Bauer, p. 120.)

Mr. President, this struggle we are here waging against the inroads of monopoly and collectivism in our economic system is the gravest problem before the American people today. In this example before the Senate, the private power interests would deprive the people in many sections of the United States of an effective program for the conservation of resources and the development and expansion of industry so important in meeting the problems of our growing population.

Recent estimates by the Twentieth Century Fund and the Brookings Institution indicate that our population is mounting so rapidly that we gained 17,000,000 since 1940, and we will have a population of 300,000,000 in this country within a century. What are we going to do with these people if we permit a handful of men to gain control over our great potential resources, to be exploited for private gain?

Mr. President, let us beware of the dangerous consequences of monopoly in the United States. In the name of protecting the country from communism or socialism, some here propose to turn over the control of all hydroelectric power developed by the Government to private industry. Mr. President, this will mean we are taking the main road to totalitarianism.

A few years ago Walter Lippmann, discussing this conflict between Government and business, said, and I quote:

> The development of combinations in business which are able to dominate the markets in which they sell their goods and in which they buy their labor and their materials must lead irresistibly to some form of state collectivism. So much power will never for long be allowed to rest in private hands, and those who do not wish to take the road to the politically administered economy of socialism must be prepared to take the steps back toward the restoration of the market economy of private competitive enterprise.

Mr. President, the trend of monopoly in this country is creating a profound feeling of apprehension and distrust among the people. If the power utilities succeed in their present efforts we shall witness a gradual slow-down of growth and progress in the great western and southern stretches of our country. They are seeking to create in the South and the West the same identical conditions which have grown up in the New England States, where the power monopoly has been in full control. In that section of the Nation the private utilities have successfully fought the development of low-cost power, notwithstanding the tremendous hydroelectric potentialities of the New England area. There they have maintained high rates; they have overcapitalized their utility companies, and have exploited that region of the country to such a degree that there is a flight of business and industry from that area to other sections of the country where reasonable power rates can be secured.

Last year alone, the people of the New England States paid approximately half a billion dollars more for electric power than they would have paid under a TVA. This national power program which we espouse does not mean supplanting the private utilities; it means stimulating them. The private utilities will have access to this power at wholesale rates and prosper along with the entire area. On such a live-and-let-live policy they can grow and prosper with the rest of the country.

But, Mr. President, let me warn that this effort on the part of the power interests to create a national electric monopoly is creating anger and bitterness in the South and the West. Articles are beginning to appear in the press, by well-known authors and writers, severely condemning these conditions and indicating a break-down in the confidence of the American people in the integrity of Congress. Almost daily we find columns, editorials, and special articles appearing in the press of the country condemning this movement to sabotage the national public power policy—a policy under which outstanding progress has been made in various parts of the country in expanding free enterprise, raising the standards of living, and making our American democratic system serve the people better than ever before in its history.

Mr. President, no truer statement has ever been made on the floor of the Senate than the statement made by the able Senator from Alabama [Mr. HILL] during the debate on the basing-point problem, under consideration on Wednesday and Thursday of last week. In that debate the Senator from Alabama said:

> If monopoly and monopolistic practices continue and if the American people reach the point of believing that the monopolistic system cannot be ended, that they must accept it and live under it, then they are going to say, "If we must have a monopoly, we will have the Government as the monopoly. We will have Uncle Sam as the trustee of all the people, to own and hold and operate this monopoly."
>
> I am for the free-enterprise system. The astounding thing to me is that many persons who hate and fear most the destruction of the free-enterprise system, embrace and advocate and take to their bosoms these very steps which in the end will prove the destruction of the free-enterprise system. (CONGRESSIONAL RECORD, August 11, 1949, p. 11272.)

What the Senator from Alabama said there, is exactly correct. What all of us want to do is avoid that situation. We wish to make our American economic system operate by preventing monopoly in all fields, especially in the field of power in the West. It would have a very serious retarding effect upon the development of our resources if such a thing should happen.

A similar warning was given to the people of this country by the Fortune magazine in its June issue of 1938. At that time, in commenting on the growth of monopoly in this country and the serious effects of monopoly on free enterprise, that able magazine pointed out that if something was not done to stop this trend our American system of free enterprise would be totally destroyed. In the course of its article the Fortune magazine said:

> There are, of course, two alternatives. If the present system is allowed to work badly enough for long enough it is conceivable that the people, seizing the economic power, will rise up against the principle of capitalism and abolish it in favor of the public ownership of all industry and finance. This would be a solution along the lines of communism, effected at the expense of private enterprise. Or again, if the system is allowed to work badly enough for long enough, it is conceivable that the people will tire, not of capitalism but of democracy itself and will accept the leadership of some powerful person, who, by controlling alike the industrial forces and the political forces, will be able to guarantee them a livelihood. This utter sacrifice of liberty for security would be a solution along the lines of fascism, as, for instance, in Germany.

In commenting on this article in the Fortune magazine in 1938, the Washington Daily News of May 24, 1938, in an editorial said:

When business is criticized by the New Deal, that's no surprise. But when Fortune blames business for a lot of our economic ailments, business should at least give heed.

On the table of every Union League Club in the land, but pretty much out of the reach of the rank and file because of its $10-a-year price, Fortune in its June issue talks like a Puritan father to business.

Its theme is that the doctrine of laissez faire is dead, but that business doesn't know it; that the fundamental assumption of laissez faire, of no Government concern in our economic system, is gone where the woodbine twineth. And that if we all don't watch out there may come a time when the people may tire not only of capitalism but of democracy itself and become willing to sacrifice political liberty for what at the moment resembles economic security. In other words, that, like it or not, there is going to be more and more Government in business, if democracy is to be preserved, and that it is up to business and Government to work together toward that end, not battle and die in a civil war.

Mr. President, the Members of this body must give serious consideration to these conditions. They must reverse the action of the Appropriations Committee on these several vital matters covered by the committee amendments. By doing so they will lay the groundwork for a genuine spirit of cooperation—a spirit of live and let live between the private utilities and these public agencies working in the interest and welfare of the people.

Mr. President, I do not wish to take too much time. How much time have I remaining?

The PRESIDING OFFICER. The Senator has 12 minutes remaining.

Mr. MURRAY. Very well.

Mr. President, the policy of the private utilities is to develop power and provide for the transmission of power only as the demand comes into existence. They do not develop power in advance of demand. On the other hand, the public power policy is to develop power in advance of demand, and build transmission lines to carry it to the load centers, where it may be used for the development of resources and industry. This is a policy which recognizes the need of an expanding economy to encourage new industry and new development, thus providing for a growing population.

As the able Senator from Arizona [Mr. HAYDEN] has said, the Montana Power Co. has always opposed this Government policy. It opposed the construction of the Hungry Horse Dam from the commencement. Mr. Corette, president of the Montana Power Co., at the hearings in 1947 testified against the construction of the Hungry Horse Dam. He said there was an excess of power in Montana and that there was no need for the dam. He opposed the construction of the dam again in 1948. At the same time, the private utilities on the Pacific coast, realizing the shortage of power, were demanding its construction. It was not until after the dam was authorized and construction had begun that the Montana Power Co. finally discontinued opposition to the project.

The private utilities do not fit into national plans for economic expansion. They provide no direct incentive to economic expansion. They merely take advantage of the growth of industry and the resulting demand for power. They then undertake to supply the power that is needed, but at rates too high to encourage further development. That is the history of the private utilities generally.

Another illustration of the failure of a private utility to encourage economic expansion and growth is its attitude toward rural electrification. The Montana Power Co. has consistently refused and neglected to do anything toward bringing power to the farmers of Montana until after the rural electrification program was set in motion. Then it began building spite lines and engaging in other efforts to break down and render inefficient the rural cooperative systems. It consistently refused to furnish Fort Peck power to the farmers of northern Montana on a wheeling arrangement; and by blocking the farmers of that section from getting Fort Peck power, it was able to secure a monopoly of power from the Fort Peck Dam at a very low rate, 2.5 mills per kilowatt. By its opposition methods, and failure to cooperate, the Montana Power Co. has seriously retarded the expansion of rural electrification in Montana.

This is not a fight against the private utilities. We take the position simply that the private utilities do not cooperate in these programs and are not organized or constituted so as to contribute as effectively as public power agencies to the upbuilding and development of industry. The private utilities do not lead, but just follow the growth of business and industry. We have no objections to that. They are organized to make as much profit as possible, without taking any chances. They have all greatly benefited as a result of the low-cost public power development in the country. I need only to point to the TVA area and the Pacific Northwest power development. In the Pacific Northwest the local private utilities have all greatly expanded, and are now cooperating with the Federal program.

Mr. President, the matter before us upon which we will soon vote is the appropriation for the Kerr-Anaconda transmission line. This matter has been discussed heretofore by the able Senator from Washington [Mr. MAGNUSON]. I concur in everything he said in his statement the other day.

The Kerr-Anaconda transmission line is one of the backbone transmission lines in the Bonneville system. It is intended to carry power developed at the Hungry Horse power plant in northwestern Montana to the industrial centers of southwestern Montana. In connection with the construction of the Hungry Horse Dam, a transmission system is being provided which will connect that dam and integrate its power production with the Bonneville transmission grid system. This Kerr-Anaconda line will connect with that system and will assure a supply of power from the Hungry Horse Dam to meet the demands for industrial development in the State of Montana. The Kerr-Anaconda line is necessary to carry power down into the southwestern part of Montana, where it can be made available for the development of extensive natural resources found in that area, as well as for other general commercial, agricultural, and domestic uses. I mentioned some of those resources earlier in my remarks.

Mr. President, this line is a high-voltage line. Its major purpose is not the delivery of power directly to farms or homes or individual plants. It is, in effect, an extension of the Hungry Horse Dam bus bar into the State of Montana. These backbone transmission facilities are recognized as essential to carry the power into load centers where it will be in demand.

Lines of this character have, on the basis of their performance, received full approval and support by the private power interests in the States of Oregon and Washington.

In fact, Mr. President, a short time ago I told how the private power companies out there on the Pacific coast have joined together and have issued a public statement in which they supported this program, and their representatives appeared here in Washington and testified before the committee in support of the Hungry Horse Dam. So I do not think it is necessary for me to say much more on that subject.

Private power companies have been greatly benefited by the grid system as set up by the Bonneville Power Administration, and therefore they have publicly supported it. As evidence of this, I hold in my hand a statement of policy issued on January 22, 1947, by the five power companies operating in Oregon and Washington. This statement was the first of several similar statements which have been issued by these companies since 1947. This statement was prepared by these private power utilities for presentation to the Congress in support of the Bonneville Power Administration grid system. It was intended also to justify the construction of the Hungry Horse Dam, which they recognized as essential to the program for expansion of hydroelectric power in the Northwest. Let me read this statement:

It is recognized that provision for future supplies of electric power adequate to maintain continued industrial, agricultural, and utility development in the Pacific Northwest depends upon the construction of multiple-purpose projects on the Columbia River

and its tributaries. The Federal Government, by numerous acts of Congress, has assumed responsibility for the construction of these multiple-purpose projects.

Recognizing that the existing generating capacity in the Northwest is now fully utilized and that the maintenance of an adequate power supply is of extreme importance, the undersigned privately and publicly owned utilities, after conferring with representatives of the Federal agencies concerned, have given careful consideration, first, to the power requirements by year through 1953, and second, to the requirements for the construction of additional backbone transmission circuits needed to bring power supplies from Federal projects to the region's load centers.

As a result of these extended deliberations, and detailed load studies, it is determined and agreed that new Federal generating capacity in the amount of 318,000 kilowatts, over and above the 745,000 kilowatts of generating units now on order, will be required between now and November 1, 1949, to meet the present critical power-supply problem; and 1,565,000 kilowatts will be required by November 1, 1953.

Inasmuch as these Federal generating plants are located a considerable distance from the region's load centers, and inasmuch as present transmission facilities of the Bonneville Power Administration are already approaching conditions of full load, it is agreed as essential that appropriations for backbone transmission facilities be made available to the Bonneville Power Administration on an annual and continuing basis adequate to provide a means for the delivery of power to load centers.

That statement was adopted at a conference in Tacoma, Wash., on January 22, 1947, of representatives of the Washington Water Power Co., the Portland General Electric Co., the Pacific Power & Light Co., the Northwestern Electric Co., the Puget Sound Power & Light Co., the city of Seattle's department of lighting, and the city of Tacoma's department of public utilities.

Mr. President, I wish to point out that the transmission lines which we are considering will benefit the entire Northwest region and will relieve the crucial power shortage in that area. Taken in conjunction with construction of the Hungry Horse Dam, they will provide the greatest single force for the development of new industrial pay rolls in an area which now has roughly from two to three times the percentage of unemployment existing in the rest of the country.

Originally these private power interests of the Northwest had opposed the construction of Federal power facilities, but after the Bonneville power system was constructed and placed in operation it was found that they were greatly benefited as a result of the huge industrial development that followed in that area, and thereafter generally supported the program of Federal power development, including transmission lines.

Private enterprise and the power-consuming public in the States of Oregon and Washington have for years enjoyed the benefits of Federal power transmission. This great Federal program of power development has attracted industry to that section of the country. There they have enjoyed the fruits of great new pay-roll industries, made possible by the delivery over transmission lines of low-cost power. The farmers of these States also have been benefited through irrigation development which was made possible through multiple-purpose projects, where the revenues from power aid in defraying the costs of irrigation and reclamation. The farmers also were benefited from the expansion of rural electrification in those areas. Low-cost power was carried to the farms, greatly expanding production and lessening the drudgery of farm life. All this has been made possible by the wise power policies established by Congress during the last 40 years, as has heretofore been explained on the floor during this debate.

Recently, however, the private power utilities have organized and have been carrying on propaganda for the purpose of securing control of all public power developed in the Nation. Having greatly expanded, and having made handsome profits from the sale of power which they have been able to secure at low wholesale rates, they are now seeking to gain a complete monopoly of all Federal power. To this end, they are opposing the congressional policy which grants priorities to municipalities, public bodies, and rural cooperatives, and are seeking to block the construction of Federal transmission lines which are necessary to give effect to these priorities I have mentioned. They are seeking to discredit the Federal program of making low-cost power available to municipalities, rural cooperatives, and public bodies. They call this program socialistic and contrary to our system of free enterprise. In other words, they are seeking to deprive the American people of rights guaranteed by established congressional policy. Their plan is to gain complete control over the distribution of Federal power on the pretense that this is in furtherance of our system of capitalistic enterprise.

The public-utility companies of the United States have organized a gigantic propaganda campaign for the purpose of influencing public opinion and the Congress in this matter. They appeared in great force at the committee hearings. It was upon their representations before the Senate committee that these items which we are now seeking to restore were striken from the bill as it came from the House. This line, as I have heretofore stated, carries the power developed at the Hungry Horse plant down into the southwestern section of the State, where it will be used for the development of the rich resources that prevail in that area.

There is no question as to the essential need of the Kerr-Anaconda line. If we are to develop our resources in southwestern Montana and overcome the trend of a declining population, it can only be accomplished through the utilization of low-cost power. This has been demonstrated in every section of the Nation. This particular area of Montana abounds in vast natural resources. It has enormous deposits of phosphates essential in the manufacture of fertilizers. It also contains vast deposits of manganese, tungsten, and other minerals which may be developed and will be of great effect in providing business and industrial expansion and employment opportunities for the people of Montana. The State of Montana is the third largest State in the Union, but as a result of lack of industrial development its population has been dwindling, and as a consequence we have fewer people in the State today than we had 30 or 40 years ago.

It has been suggested that these transmission lines should be built only where the local utility has failed to provide them or has provided inadequate service, and it is contended that the Montana Power Co. has transmission lines already in operation carrying power to this area. The testimony, however, shows that these lines of the Montana Power Co. are totally inadequate for the purpose intended. During the course of the hearings before the committee, these matters were considered and it was there demonstrated that the existing lines of the Montana Power Co. were totally inadequate.

The power companies have claimed that the construction of the Anaconda transmission line is duplication of existing facilities. The engineering facts, as set forth by the power companies' own consulting engineers, refute that claim. The existing lines owned by the power company are not adequate to carry the large amount of hydroelectric power to be made available at Hungry Horse for Montana's use. Without Federal lines, no adequate provision will be made for carrying Hungry Horse power to market.

I was impressed, while sitting in with the Senate committee, over the very evident desire of the committee members to make no mistake on this hotly debated issue. It was apparent to me, from the questions asked by some of the members, that they feared extension of the Federal transmission system might be an adventure in state socialism. Certainly the representatives of the Montana Power Co. played upon these fears. However, the history of the Federal power development on the Columbia River refutes all such claims.

In Oregon and Washington the power companies have benefited by the construction of high-voltage transmission lines such as the one proposed for Anaconda. Not only the power companies, but all private industrial enterprise in those States, has benefited by the delivery of large quantities of hydroelectric power to load centers at low wholesale rates. Many new private enterprises have been created as a result of the development of the transmission grid system. Many new pay rolls have been developed.

The transmission grid system as built by the Bonneville Power Administration in the States of Oregon and Washington has made possible the creation of

the Northwest power pool, which has resulted in great savings to utility companies, both public and private, and to power consumers generally. Power companies in Oregon and Washington obtain, and have obtained, a large share of the power production from Bonneville and Grand Coulee Dams by deliveries over this grid system. They have made handsome profits from the sale of this power at retail. The total of gainfully employed people in private enterprise resulting from this enlightened Federal policy has increased materially in the States of Oregon and Washington over the years.

For these demonstrably proven reasons, it seems to me that it would be a tragic mistake for this Congress now to attempt to limit extension of the transmission policy and deprive the State of Montana of the benefits which its neighboring States have enjoyed. It would be a discrimination against Montana that could not be justified.

It seems to me that limitation of this policy now would create a dangerous precedent for all sections of the country where the widespread use of Federal power is dependent upon the construction of Federal transmission facilities. I cannot believe that any Federal policy which results directly in the development of new private-enterprise pay rolls, and which pays utility companies a profit, can be described as socialistic in any true sense of the word. On the other hand, failure to provide transmission facilities for power developed at Hungry Horse Dam will, in effect, be a revival of the bus-bar sales principle which, in effect, creates and fosters the development of monopoly, and, in the last analysis, discriminates against the rural and small-business consumers of electricity.

There is one other point which should be cleared up in connection with this important item. It has been suggested that congressional approval of the line to Anaconda might be deferred since power from Hungry Horse Dam will not be available until late in 1952. Those who subscribe to this view are certainly not familiar with the geography of western Montana, where this line must be built. It is as I heretofore stated, in the heart of the Rocky Mountains, just west of the Continental Divide. The elevation is high. The terrain is rugged, and the winters are long and severe. Construction of a heavy transmission line is a major undertaking. It requires good weather. That is particularly true of such work as surveying, right-of-way appraisal, clearing the land of trees, and construction of steel towers. During 5 months of the year these activities must cease entirely or be conducted under highly adverse and expensive conditions. All this means that several summer seasons must be available for the completion of facilities such as this transmission line.

The Interior Department engineers tell me that much of the design work on a line of this kind cannot be developed until field data are made available to the designers. These field data are collected during good-weather months by survey crews and others. Certain types of materials on which the manufacturers require long delivery dates cannot be ordered until design work depending on field surveys is completed. Therefore, if this line is to be built and in service at the time Hungry Horse power is available, the work must start, in some degree at least, during the coming fiscal year.

Delay in the authorization of funds will be uneconomic. It would be a great pity if generators were installed at Hungry Horse Dam and there were no power lines available which would provide a prompt return of revenue through the sale of Hungry Horse production.

These considerations are important. But of overriding importance is the issue of national policy. Failure to authorize transmission lines from these new Federal dams will be a reversal of policies long established by the Congress. Failure to authorize and appropriate funds for the construction of the Anaconda line will be a first retrogressive step. The Senate should reject this effort to repudiate the well-established policies of the Congress regarding public power development and distribution.

Mr. President, I do not think it is necessary for me to say anything further in connection with the Anaconda transmission line. I think the matter has been covered very satisfactorily; but I should like to have printed in the RECORD a statement I have with reference to the raw material resources which may be developed.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

ANACONDA TRANSMISSION LINE

There can be no question as to the need of constructing a high-capacity transmission line to carry Hungry Horse power into southwestern Montana. This area is a veritable storehouse of minerals and raw materials. Out of one hill in Silver Bow County $3,000,000,000 in mineral wealth have been extracted, making an invaluable contribution to American industry.

In this area to be served by the Anaconda line we have vast deposits of phosphate rock, essential in the manufacture of fertilizer. Latest figures available establish an estimated reserve in this area 391,323,000 long tons of phosphate rock, some of which runs better than 60 percent phosphorus. Estimates of 97,000,000 tons have been made for the Garrison field alone. We also have estimates of 86,000,000 tons in the Elliston field, and 120,000,000 tons in the Philipsburg field, all of which would be served by this line. In general, all these deposits are near, or can be easily reached by, railroads.

Evidence of experts indicates that rock of the type found in Montana can be more economically treated by the electric-furnace method than by the acid method. If low-cost power can be secured, the electric-furnace method of treatment will prove feasible.

There is great need for fertilizer in Montana and in all Western States. Farmers in these States now have to pay around $60 a ton for phosphate fertilizer. Few of them can afford this price. Yet the farm lands of these Western States are being robbed of their phosphorus supply at the rate of about 800,000 tons a year.

The excessively high prices which farmers are now required to pay for phosphate fertilizer are due to the fact that it must now be shipped from the East, subject to high freight rates. If phosphate-reduction plants can be established right at the site of these deposits, with the use of low-cost Government power delivered over Federal transmission lines, there is no question but that a great new phosphate industry can be developed. Some experts have indicated that it could be even a greater industry than copper itself, which has made Montana famous.

The employment which would result from such development, and the increased farm production resulting from the liberal use of fertilizer, would be of tremendous advantage to our State. We have a dwindling population because of the lack of any industrial development. Fewer people live in Montana today than 30 or 40 years ago. This industry alone would be of tremendous benefit.

But this is not the only raw material we have which can be processed if low-cost public power becomes available. In this same region we have vast deposits of manganese and tungsten. Right in this area we have a veritable mountain of tungsten ore. This ore is of a low grade, but with modern technological methods, coupled with low-cost power, a tungsten industry could also be developed.

Already we have succeeded in developing considerable manganese ore, but with low-cost electricity manganese production can be greatly expanded. During the war Montana was the main source of supply of manganese for war production. With low-cost electric power it can be made a very profitable industry, furnishing employment for thousands of workers. This would, at the same time, make our country independent of reliance on foreign sources, and would be a great security to the Nation.

One can see at a glance that these new industries will be of tremendous value to our State in balancing our economy. But it will not alone be of benefit to our State; it will be of benefit to the whole Nation, because the demand for these minerals in the country is tremendous.

With reference to the development of a phosphate industry in Montana, we must not overlook the fact that the Montana Power Co., which is opposing this transmission line to carry power into the area where these deposits are found, is closely associated with the Anaconda Copper Co., which at present is engaged in producing fertilizer. The Anaconda Copper Co. practically holds a monopoly on fertilizer production, and its rates are so high that Montana farmers cannot afford to use it. The Montana Power Co., which seeks to block this industrial development, was organized by the officials of the Anaconda Copper Co. and is closely related in a business way with the Electric Bond & Share Co., of New York, which now controls the Montana Power Co. The Anaconda Copper Co. is the chief purchaser of electric power from the Montana Power Co., and together in Montana they are known as "The Montana Twins."

It is, therefore, only natural that the Montana Power Co. should be opposed to the construction of this transmission line, because, if it is constructed, these new industries to be developed in Montana will secure more favorable power rates. If Montana is to have any industrial development whatever as a result of this Government hydroelectric power development, it can only secure it through this proposed Kerr-Anaconda transmission line.

Mr. MURRAY. Mr. President, earlier today I introduced in the RECORD telegrams from the former Governor of Montana and from the present Governor of Montana, and also a statement signed by the various Government officials of the State of Montana, all urging this program.

I now hold in my hand a great number of telegrams from various individuals and businessmen calling upon the Congress to support us in this program. I do not ask that all these telegrams be printed in the RECORD, but I ask that they be filed for reference purposes, for anyone who desires to inspect them.

Mr. President, in conclusion, I wish to say that the people of Montana are relying upon the wisdom and fairness of Congress in this matter. It is a matter of great importance to our State, which has suffered so severely, as I pointed out in the early part of my remarks, because of the lack of a balanced economy. In our State we have been operating on the basis of a raw-material economy. The longer we operate on that basis, the poorer we become, because as we ship our resources away, we are that much poorer every day.

So it is very important that we get a program of this kind, which will permit us to establish processing plants and small industries which will provide employment and will give the young people of our State an opportunity, after they complete their education, to obtain employment and live in our great State.

Mr. President, I ask unanimous consent to have inserted in the RECORD at this point in my remarks an article by Thomas L. Stokes, entitled "Power Project Fight," published in the Washington Star of Wednesday, August 3, 1949; an article by Lowell Mellett, entitled "On the Other Hand," published in the Washington Star of Thursday, July 21, 1949; an article by Marquis Childs, entitled "State Versus Federal Control of Power," published in the Washington Post of September 12, 1948; and two additional articles by Marquis Childs on the same subject.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Star of August 3, 1949]

POWER PROJECT FIGHT—ELECTION RETURNS FROM FAR WEST FAIL TO SEEP INTO SOME QUARTERS OF SENATE

(By Thomas L. Stokes)

The far West and Pacific coast contributed heavily to President Truman's surprise election victory last November.

A big factor in his strength in that area was his forthright stand for Government transmission lines from the great public projects there, so-called multiple-purpose projects because they furnish irrigation, reclamation, and electric power. But the election returns seem not yet to have seeped into certain quarters. The Senate Appropriations Committee has deleted funds that the House voted in the Interior Department Appropriation bill for construction of eight Government transmission lines from projects in California, Oregon, Idaho, Montana, and Colorado, as well as for money for two Government power plants and six substations. It likewise reduced appropriations for transmission lines for the Southwestern Power Administration in Missouri, Oklahoma, Arkansas, and Texas, and eliminated funds for contracting and marketing power from flood control projects in eight Southeastern States.

YIELDED TO BIG UTILITIES

The committee yielded to the great private utilities involved, which want to build their own lines from the Government projects so they can control distribution and sale of the power themselves.

In a few days the issue will be fought out in the Senate, where an attempt will be made to restore the funds voted by the House for Government construction of the transmission lines and other facilities. It is a basic issue. If the private utilities should win, this would reverse a policy for equitable and adequate distribution of power from multiple-purpose projects that was laid down by Congress as far back as the 1906 Reclamation Act and reaffirmed and strengthened by Congress from time to time since, most recently in the 1944 Flood Control Act.

The outcome is of national interest, for the principle involved applies to projects elsewhere in the country other than those directly affected in this bill which, as can be seen, are widely scattered.

This transmission line battle represents the latest strategy of the private utilities to check and control the public power program. For many years they tried to prevent approval by Congress of multiple-purpose projects. They are still busy at that in their fight against creation of authorities for the Missouri River Valley and the Columbia River Valley, the MVA and CVA, patterned after TVA in Tennessee. But Congress has approved many projects. The aim now is to hamstring these, along with trying to stop the authorization of others.

POLICY LAID DOWN

The policy laid down by Congress in successive statutes for the multiple purpose projects is threefold. Preference in sale of power must be given to municipalities, other public corporations or agencies and to cooperatives and other nonprofit organizations. Rates shall be the lowest consistent with sound business principles. Power shall be distributed so as to encourage the widest possible use and to prevent monopoly.

If a single private utility controls the distribution and sale of power in an area, as would be authorized in the cases involved in the Senate bill, these objectives could be diluted. It could withhold the service from certain areas or certain customers. It could fix its rates, since it is the sole purchaser of power from the Government. The Government, without transmission lines of its own, could not move to prevent monopoly.

[From the Washington Star of July 21, 1949]

ON THE OTHER HAND—MIDDLEMAN'S DREAM COMES TRUE IN SENATE APPROPRIATIONS COMMITTEE

(By Lowell Mellett)

The rawest raid in many years on the United States Treasury is now being attempted. It will succeed if the Senate accepts the lead of its Appropriations Committee and the House then yields to the Senate. However, there is an excellent chance that the Senate will repudiate the committee action or, if that doesn't happen, that the Senate will be forced to yield to the House.

Involved is about a quarter of a billion dollars of the taxpayers' money invested or to be invested in western public-power projects.

The Interior Department appropriation bill as it passed the House 6 weeks ago contained a few million dollars for transmission lines to carry the power developed on reclamation projects to the distribution centers. Private utility interests sought to have this item eliminated and provision made for themselves to build and operate the transmission lines. This would have made them the sole distributors of the Government power. In effect it would have made them a present of the dams and power plants, built or being built at the people's expense.

REVERSAL OF POLICY

The issue was settled on the floor of the House, with Speaker RAYBURN, Appropriations Chairman CANNON, and Representative MICHAEL J. KIRWAN leading the fight against this reversal of national policy.

In the Senate Appropriations Committee the private utilities had their way. Chairman MCKELLAR, Senators MCCARRAN, and THOMAS of Oklahoma swung a majority in their favor over the opposition led by Senators O'MAHONEY and HAYDEN. The bill as reported out by the committee would turn the people's power over to the private utilities at the power plants on the dam sites. The private utilities would get the power at whatever price they were willing to pay, since they would be the only customers.

Some idea of what the private utilities would have had to spend to provide themselves with the dams and power plants can be obtained by a glance at what the Government is putting into a few of them: Shasta, $140,000,000; Big Thompson, $105,000,000; Canyon Ferry, $28,500,000. The principal beneficiaries of the subsidy are Pacific Gas & Electric Co., Montana Power Co., and Public Service of Colorado.

For these companies, the action of the Senate committee is a middleman's dream come true. They would be able to buy at their own price from the Government and sell at their own price to the public—all without investing their own money in the basic project.

REASON FOR ABOUT-FACE

Years back when the State of California undertook the great Central Valley project, of which Shasta Dam is a part, Pacific Gas & Electric opposed it bitterly, but finally lost. In time, the State found itself unable to carry it through and turned it over to the Government. Recently the Pacific Gas & Electric has been heard to praise the project. The reason for the about-face is revealed by the success it and the other big utility companies have just registered in the Senate committee.

Under the Reclamation Act it is required that public bodies, such as municipalities and irrigation districts, shall be given preference over any other purchasers of power generated at Government dams. The Senate bill virtually repeals this provision. The private companies would sell as much or as little as desired to the public bodies and would sell at a price that represented their own idea of a fair profit. Irrigation farmers would be at their mercy.

This question of who shall own the transmission lines was an issue in the last campaign, an important issue in the Western States. President Truman declared that the Government should build and operate them. Candidate Dewey favored turning them over to the private operators. At the moment, thanks to the Senate committee, the election returns seem in danger of being upset.

[From the Washington Post of September 12, 1948]

CALLING WASHINGTON

(By Marquis Childs)

STATE VERSUS FEDERAL CONTROL OF POWER

PORTLAND, OREG.—Two hundred miles up the Columbia River from this flourishing city the Army engineers are building a great new power and flood-control dam that will cost, when completed, nearly a quarter of a billion dollars. Fittingly, it will be called McNary Dam.

The late Senator Charles L. McNary, of Oregon, Republican, was minority leader in the Senate through the New Deal years. On the development of hydroelectric power with Federal money, McNary always voted with the New Deal.

When he was running as Vice-Presidential candidate with Wendell Willkie in 1940, McNary's strong views on public power were the subject of a joke widely circulated in Oregon. It was said that if Willkie wanted to debate the power issue, taking the private-utility side, he could find an able and informed opponent in his running mate.

The vast Columbia River power system is either built or in process of being built. That is a fact which no one can dispute. Almost every politician professes to be in favor of public power. When Gov. Thomas E. Dewey and Harold Stassen toured this State in the primary campaign, they promised to put dams over every housewife's kitchen sink.

But what is to be done with this vast reservoir of power is something else again. This is a question that touches high politics both in Government and industry.

Congress created the Bonneville Power Administration to distribute the power generated at Bonneville Dam built by the Army engineers. Grand Coulee Dam, twice as big, was built by the Bureau of Reclamation. By Executive order of President Roosevelt, power from Coulee also was turned over to the Bonneville Administration for sale and distribution.

The Bonneville Power Act provides that the benefits of low-cost power be passed on to the individual consumer. Voters in a number of communities have banded together, formed utility districts, and these districts have voted to acquire the distributing facilities of private companies.

Using Bonneville's cheap power, they have one of the lowest power rates in the country. It is so low that it would be practical to heat homes with it in this mild climate, if the power were available. In view of the acute power shortage, however, nothing is said about the possibilities of house heating.

It is the distribution of power to consumers and the formation of public-utility districts which have aroused private interests. Private-utility executives do not quarrel with the idea of the Government building vast hydro projects. Only Government has the resources to build on this scale—Grand Coulee is the largest structure man has ever put together, dwarfing even the Panama Canal.

But the private companies want the right to distribute the power from Government dams. That is where the political controversy comes in.

The Bonneville Administration has been under attack from various sources, with private utilities believed to be the guiding force back of most of these attacks. Henry P. Carstensen, head of the Washington State Grange, denounces Bonneville and argues for a State power authority which would oust the Federal Government.

The private utilities argue that the Government should sell its power at the bus bar, which is the engineer's term for the point at which the power leaves the generators and passes onto the high lines. The Idaho Power Co. recently applied for a permit to build a power line across public lands. This is believed to be a move to block a Government line from McNary Dam when it is completed and thus stop the extension of the Bonneville system.

Where does Dewey stand on this question vital to the Northwest? While he has never said so definitely, it is believed here that he favors taking the Government out of the distribution end of the power business.

But if that is to be the policy, then many people here want to know who is to get the benefits of the great Government projects. Will they go in larger profits to the utilities instead of lower rates to the consumer? The private-power executive is likely to answer that the consumer will get protection from State utility commissions. That, however, is no answer here in the Northwest, where the public is well informed on the power issue and aware of the failures of State regulatory bodies.

[From the Washington Post of July 15, 1949]

WASHINGTON CALLING

(By Marquis Childs)

POWER LOBBY

While President Truman won the election with his Fair Deal program last November, the private-power lobby has just won one of the most notable victories in its long and aggressive history. That victory will have the effect, unless it is reversed by subsequent action, of nullifying most of the President's campaign promises on public power.

The power lobby got in its licks through a subcommittee of the Senate Appropriations Committee passing on the bill for funds for the Department of the Interior. That bill, as it came from the House contained appropriations for power lines to be built and operated by the Government in order to carry low-cost power from Government-built dams to towns and cities where the power would be used.

Advocates of public power say that this is the heart of the program. If private utilities can buy low-cost Government power, transmit it on their private lines and charge what they want to for it—the only restraint being the feeble regulation of State utility commissions—then the private utilities become the chief beneficiaries of the Government-power program.

This was the point of view of Democrats in the House who fought, and successfully, to keep the power lines in the Interior bill. They were led by Representative MICHAEL J. KIRWAN, of Ohio, who showed great resourcefulness and tenacity in beating back the determined assault of the private-power lobby.

KIRWAN and the Fair Deal Democrats were dismayed when they saw what the Senate committee had done. Key projects in various parts of the country were stricken out in instance after instance.

What made them especially indignant was their realization that among the lobbyists and special pleaders were highly placed Democrats who claimed to have the ear of the President. One such special pleader who is known to have approached several Congressmen was Richard Nacy, of Jefferson City, Mo.

Nacy was an assistant in Democratic headquarters during the last campaign and prior to that he was executive vice chairman of the national committee. In a column to follow this I will show how the power program was sabotaged from the inside.

The Senate committee cut back drastically appropriations and authorizations to market power produced by the Southwestern Power Authority. Instead of $4,000,000 requested, the committee allowed $1,616,115, and the contract authority was cut from $5,800,000 asked to $2,257,905.

The committee also denied the establishing of a $300,000 revolving fund to be replenished from power receipts for expenses to insure continuity of electric service. Out of 115 items allowed by the House, most of them covering separate projects, the Senate committee allowed only 17, and those only in part.

The southwestern power program always has had the ardent sponsorship of Speaker SAM RAYBURN. If the sweeping cuts made by the Senate committee are allowed to stand, it will wreck the Southwest project, in view of those most familiar with it.

Often the cuts seem small, but they are considered vital in that they provide the outlet for public power dams, without which the power must be sold at whatever a private utility cares to pay for it. That is true of $70,000 requested for marketing personnel for the Southeastern Power Authority and which was cut out.

Power projects that are part of dams being built by the Bureau of Reclamation were similarly slashed. Thus a number of key items were stricken from the funds provided for the Central Valley project in California.

On the Canyon Ferry Reservoir Dam in Montana, the Senate committee went so far as to restore the language that had been written in by the Eightieth Congress. This would give the Montana Power Co. the right to build power plant and generating facilities. In the view of Representative MIKE MANSFIELD, of Montana, one of the House group to fight for public power, this would give to the private company virtually all the benefits of the project.

The little group of Senate insiders who engineered these changes can hardly claim that they made the cuts in the interest of economy. The total voted by the House for the Interior Department was $536,461,908, while the Senate committee recommended $590,685,911. That difference of more than $54,000,000 includes a lot of pork for individual Senators. The likelihood is that the Senate will approve the action of its committee and then the only chance of restoring the power projects will be in conference between the two Houses.

[From the Washington Post of July 16, 1949]

WASHINGTON CALLING

(By Marquis Childs)

SABOTAGE OF PUBLIC POWER

Even though political memories are notoriously short, few politicians can have forgotten President Truman's repeated campaign pledge to work for low-cost public power. At every whistle stop in the West he talked about the need not only for Government-owned power dams but for Government-owned transmission lines to carry public power at low rates.

Those promises helped to carry many Western States, which at the beginning of the campaign were considered sure for Governor Dewey. Yet now with the sizable Democratic majorities in Senate and House, a vital feature of the program has been given the ax.

In areas where large public-power projects have been built the advocates of low-cost power believe it is essential that the Government construct and operate transmission lines. Otherwise, a private utility—a private monopoly instead of a public monopoly—buys the power at the dam at a low price and sells it to the consumer at a considerably higher price.

Republicans in the Eightieth Congress cut out funds for such lines. Now Democrats have joined Republicans in a Senate committee report to take the same action.

How can this happen in the face of repeated Democratic campaign pledges? One answer is that highly placed Democrats who participated directly in the Truman victory did not seem anxious to make good on the pledges. On the contrary, they were working for the private utilities.

William M. Boyle, Jr., executive director of the Democratic National Committee, wrote a letter to the Department of the Interior as the representative of Southwest utilities opposing publicly owned transmission lines for the Southwest Power Authority. When Speaker SAM RAYBURN got wind of this he charged down to the White House and it was not long afterward that Boyle ceased his private law practice and became full-time paid director of the Democratic committee.

A little later a former executive of the committee, Richard Nacy, Jefferson City, Mo.,

banker, asked congressmen to vote against the power lines. As in the case of Boyle, several Fair Deal Democrats protested to the White House.

Even though the impression was spread by these friends of the President that a vote against this phase of the public-power program was O. K., the House approved it. In the Senate, however, the private-power lobby found allies in a few Senators who occupy highly strategic positions.

On the Senate subcommittee considering the Interior Department bill were Senator PAT MCCARRAN, of Nevada, and Senator ELMER THOMAS of Oklahoma, both Democrats. They are credited with doing more than anyone to see that items fought by the power lobby were stricken out of the bill as it came to the Senate from the House. And highest honors and quite generally awarded to MCCARRAN.

The stout Senator from Nevada has in this session of Congress made himself the outstanding champion of special interest and special prejudices. Even though there is considerable rivalry, he stands at the head of that list.

Almost single-handed MCCARRAN has bottled up the displaced persons bill. He got committee approval of $50,000,000 for Franco in Spain, he engineered a 10-percent cut in the ECA appropriation. And that is only a part of his accomplishments.

MCCARRAN is elected, of course, by a handful of voters in Nevada, which has a much smaller population than most of the industrial districts in the populous States. If he gets a certain number of irrigation projects for his State, as he did when the Senate committee added to the Interior bill $54,000,000 above the total approved by the House, he is free to represent any and all special interests that he fancies.

The Democratic Senators who chopped away the President's program seemed perfectly willing to accept the assurances of private power companies that they would carry and distribute the Government power as cheaply as a public-power authority. That is not what the President said on the stump last October. Failure to follow through on the campaign promises will leave many Americans wondering whether there is any meaning in a campaign promise or whether it is all "just campaign oratory."

SENATOR FROM RHODE ISLAND

During the delivery of Mr. MURRAY'S address, the following occurred:

Mr. LUCAS. Mr. President, will the Senator from Montana yield?

Mr. MURRAY. I yield.

Mr. LUCAS. There is present a very distinguished gentleman from Rhode Island who has credentials from the Governor of his State to become a United States Senator. Will the distinguished Senator from Montana yield long enough so that he may be sworn in at this time?

Mr. MURRAY. I take great pleasure in yielding for that purpose.

Mr. GREEN. Mr. President, it gives me great pleasure to be able to announce to the Senate that the Governor of the State of Rhode Island has appointed as my colleague, to be the junior Senator from Rhode Island, Hon. EDWARD L. LEAHY, from the town of Bristol, R. I. He has had a long and distinguished career in the government of the State.

The VICE PRESIDENT. Will the Senator present the credentials to be read at the desk?

Mr. GREEN presented the credentials of EDWARD L. LEAHY, of Rhode Island, appointed a Senator from that State for the unexpired term of Hon. J. Howard McGrath, which were read, as follows:

STATE OF RHODE ISLAND
AND PROVIDENCE PLANTATIONS,
EXECUTIVE CHAMBER,
Providence.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that pursuant to the power vested in me by the Constitution of Rhode Island and Providence Plantations, I, John O. Pastore, the Governor of said State, do hereby appoint EDWARD L. LEAHY, of the town of Bristol in the State of Rhode Island and Providence Plantations, a Senator from said State to represent said State in the Senate of the United States until the vacancy therein, caused by the resignation of the Honorable J. Howard McGrath, is filled by election, as provided by law.

Witness: His excellency our Governor, John O. Pastore, and our seal hereto affixed at Providence in said State, this 23d day of August, in the year of our Lord 1949.

JOHN O. PASTORE,
Governor.

By the Governor:

ARMAND H. COTE,
Secretary of State.

The VICE PRESIDENT. The credentials will be placed on file.

Mr. GREEN. Mr. President, as I have stated, the Senator-designate from Rhode Island is present, and desires to take the oath of office.

The VICE PRESIDENT. If the Senator-designate will present himself at the desk, the oath will be administered to him.

Mr. LEAHY, escorted by Mr. GREEN, advanced to the desk, and the oath of office prescribed by law was administered to him by the Vice President.

INTERIOR DEPARTMENT APPROPRIATIONS, 1950

The Senate resumed the consideration of the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes.

During the delivery of Mr. MURRAY'S address, the following occurred:

Mr. HUMPHREY. Mr. President, will the Senator from Montana yield?

Mr. MURRAY. I yield to the Senator from Minnesota.

Mr. HUMPHREY. During the course of the debate on the question of the restoration of the funds for the purpose of constructing federally owned transmission lines, as of yesterday, I was asked whether or not the Federal Government had a national public power policy. My reply to the Senator from Washington [Mr. CAIN] during our discussion as of Tuesday, August 23, was in the affirmative. Yes, we do have a public power policy of long duration.

I wish to submit a statement as evidence in support of my position, and to ask the privilege of having it printed at the conclusion of the remarks of the Senator from Montana, so as not to interrupt the presentation of his argument.

I would say that this particular analysis of the Federal power policy traces the development of that power policy from the Reclamation Act of 1902 down to the very present day, indicating the most recent legislative enactments, particularly the 1944 Flood Control Act. I am sure the matter will be enlightening to those who study the background and who are particularly interested in the question of Federal power policy.

The VICE PRESIDENT. Is there objection to the request of the Senator from Minnesota? The Chair hears none, and it is so ordered.

The analysis prepared by Senator HUMPHREY is as follows:

FEDERAL POWER POLICY—GUARDIAN OF THE PUBLIC INTEREST

During the past 15 years the entire world has watched with wonder and hope the growth of a twentieth-century miracle, a miracle of man's working with nature and with the resources of nature with which he has been so richly endowed in this country of ours to produce for himself and his fellow man a richer life. This miracle we call TVA. Truly, the transformation of the Tennessee Valley during the past 15 years is an epoch in the history of man's utilization of his basic wealth of waters, soils, forests, and minerals.

The development of the Tennessee River, the first large river system to be completely controlled by multiple-purpose dams and reservoirs, was a pioneering project designed to provide more economical flood control, navigation, and power; the record of the Tennessee Valley Authority has been heralded throughout the world as a brilliant accomplishment of these basic objectives.

The generation and transmission of wholesale electric power by TVA has been a vital factor in the industrial and agricultural development of the area, and has contributed immeasurably to the economic wealth of the valley. During the year 1948, the integrated power system of TVA generated nearly 15,000,000,000 kilowatt-hours, or about 10 times as much power as the same region had in 1933.[1] Here is a dramatic illustration of a Federal power policy being administered in the public interest.

History is also being made today in the valley of the Columbia River in the far West. There, too, the great multiple-purpose projects of Bonneville and Grand Coulee Dams are breathing new life into the economy of the region; there in the West man is creating new frontiers by controlling the vast power of the natural resources of the area and putting these resources to work for the public welfare. The riches of the earth are being unlocked to create new and tremendous opportunities for the peoples of this region; and, as in the case of the Tennessee Valley, the key to these new riches is the creation of great multiple-purpose projects to harness the power of the Columbia River, to put the river to work for the people.

Here, as in the TVA, the factor of the generation and transmission of wholesale electric power is vital to the creation of greater economic wealth in the area. In the year 1948, electric energy generated at Bonneville and Grand Coulee Dams totaled nearly 11,000,000,000 kilowatt-hours; this figure represents 61 percent of the total energy produced in the States of Oregon and Washington, and over 50 percent of the total produced in the Northwest during the 12-month period.[2] And here, too, is demonstration of a dynamic Federal power program.

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[1] Annual Report of the Tennessee Valley Authority, 1948. See this report for an excellent detailed summary of the growth of the Valley during the first 15 years of TVA.

[2] Report on the Columbia River Power System, 1948, U. S. Department of the Interior, Bonneville Power Administration.

It is obvious that such programs of development of natural resources are not to be confined merely to the valleys of the Tennessee and Columbia Rivers. There are, at the present time, bills pending in the Congress of the United States which would create a similar authority in the valley of the Missouri River. And hearings are currently being held before committees of both the Senate and the House on proposed legislation to authorize a Columbia Valley Administration, legislation whose purpose it is to integrate the various projects on the Columbia River to create a program capable of developing the resources of that river to the greatest possible extent.

An essential and vital phase of the existing valley authorities, and certainly of any and all such projects to be authorized in the future, is that of the generation and transmission of wholesale electric energy. The planned utilization of the power created by the vast number of multiple-purpose dams throughout the country which form the very heart of a successful program of river development is essential to the economic feasibility of such programs, not to mention the vital contribution to the economy of a region which is effected by development of the full power resources of the project.

The authorization and subsequent administration of the Tennessee Valley Authority and the Bonneville Power Administration, plus the numerous other multiple-purpose projects now in existence, are reflective of an over-all Federal power policy which has been years in the making and which is now firmly established both in law and in practice as is evidenced by such projects as cited above. Such a policy has perhaps been best expressed in the actual administration of the various Government projects, but little public attention has been given over the years to statements of the policy of the Federal Government in regard to the utilization of multiple-purpose projects for the development of electric energy or to the historical development of such a policy.

Because of the very nature of the Government programs of river development—the comparative historical recency of such programs, the fact that the greater task still lies ahead—the power policy of the Federal Government is not a static, inflexible statement; on the contrary, like the projects in which it finds expression, the Federal power policy is dynamic, and constantly growing. However, a study of the legislation enacted by Congress during the past 50 years which concerns itself with the interest of the Federal Government in the production and distribution of electric power reveals basic principles emerging which form a foundation for the Federal power policy.

The Reclamation Act of 1902[3] did not include provision for the development and disposal of electric power at authorized irrigation projects.

However, Congress, in the Reclamation Act of April 16, 1906,[4] gave recognition to the principle that the waters conserved for irrigation could also be utilized for the production of power. This act authorized the Secretary of the Interior to lease surplus power from irrigation projects, "giving preference to municipal purposes."

An act of July 25, 1912,[5] provided that works desirable for development of water power be authorized to be provided in all navigation dams "in order to make possible the economical future development of water power."

In the Raker Act of December 19, 1913,[6] the use of national park lands was granted to the city of San Francisco for the purpose of storing water for domestic use and developing power. This act also provided that the city was "prohibited from ever selling or letting to any corporation or individual, except a municipality or a municipal water district or irrigation district, the right to sell or sublet the water or the electric energy sold or given to it or him."

The Federal Water Power Act of June 10, 1920,[7] stated that the Federal Power Commission "shall give preference to applications * * * by States and municipalities" for permits and licenses to build and operate works upon navigable waters.

In the Boulder Canyon Project Act of December 21, 1928,[8] Congress specified that contracts for the use of hydroelectric energy were to be let "in conformity with the policy expressed in the Federal Water Power Act as to conflicting applications."

The Tennessee Valley Authority Act of May 18, 1933,[9] emphasized that the surplus power generated at the project "shall be considered primarily as for the benefit of the people of the section as a whole and particularly the domestic and rural consumers to whom the power can economically be made available, and accordingly that sale to and use by industry shall be a secondary factor, to be utilized principally to secure a sufficiently high load factor and revenue returns which will permit domestic and rural use at the lowest possible rates and in such manner as to encourage increased domestic and rural use of electricity." The act also specified that, in the disposition of surplus power, preference be given to States, counties, municipalities, and cooperative organizations "not organized or doing business for profit, but primarily for the purpose of supplying electricity to its own citizens or members."

The Rural Electrification Act of May 20, 1936,[10] provided the means by which farmers could organize into nonprofit groups for the purpose of constructing or acquiring facilities for the transmission and distribution of electric power to their members; preference was accorded in this legislation to public and cooperative bodies seeking loans under the terms of the Act.

The Bonneville Act of August 20, 1937,[11] authorized transmission facilities to be constructed and operated to prevent monopolization of electric energy generated at the Bonneville project, and specified that public bodies and cooperatives be accorded preference and priority to insure the operation of the project "for the benefit of the general public, and particularly of domestic and rural consumers." In this act the policy of the Congress was declared to preserve the preferential status of public bodies and cooperatives, and to give people within economic transmission range reasonable time and opportunity to organize such bodies for purchase of electric energy.

The Fort Peck Act of May 18, 1938,[12] declared that "the facilities for the generation of electric energy at the Fort Peck project shall be operated for the benefit of the general public, and particularly of domestic and rural consumers," and required that preference be given to public bodies and cooperatives. The act also authorized transmission lines and appurtenant facilities to be provided at the Fort Peck project to encourage the widest possible use of electric energy.

The Flood Control Act of 1936,[13] in authorizing the construction of a number of flood-control projects, provided that "penstocks or other similar facilities adapted to possible future use in the development of adequate electric power may be installed in any dam herein authorized when approved by the Secretary of War upon the recommendation of the Chief of Engineers."

The Congress, in the Flood Control Act of 1938,[14] ordered that such facilities be installed, by stating that penstocks or other facilities adapted to future use in the development of electric power "shall" be installed in any dam therein authorized, when approved by the Secretary of War upon the recommendation of the Chief of Engineers and the Federal Power Commission.

The Reclamation Project Act of August 4, 1939,[15] once again provided that preference in the sale of electric power be given to public bodies and to cooperatives.

The Flood Control Act of December 22, 1944,[16] created the necessary administrative machinery for the disposition of electric power generated at Federal projects, and authorized the Secretary of the Interior to market the surplus power and energy generated at all reservoir projects under the control of the Department of the Army. Disposal of such energy is to be accomplished "in such a manner as to encourage the most widespread use thereof at the lowest possible rates to consumers consistent with sound business principles." The act again provides for preference to be given to "public bodies and cooperatives," and provides that, where necessary, transmission and related facilities are to be constructed or acquired to make such energy available, in wholesale quantities, "on fair and reasonable terms and conditions to facilities owned by the Federal Government, public bodies, cooperatives, and privately owned companies."

The foregoing acts of Congress were summarized in a memorandum of January 3, 1946, by Harold L. Ickes, Secretary of the Interior, in which he stated that "most, but not all of these acts relate specifically to the Department of the Interior. The others serve equally to fix the general policy that must guide all Interior Department staffs and officials in their administration of power programs." In this summarization, the Department of the Interior declared the primary objectives of the acts of Congress to be as follows:

1. Federal dams shall where feasible include facilities generating electrical energy. Reclamation Act of April 16, 1906; act of July 25, 1912; the Tenessee Valley Authority Act of 1933; the Flood Control Acts of 1938, 1944, and 1945.)

2. Preference in power sales shall be given to public agencies and cooperatives. (Reclamation Act of April 16, 1906; the "Raker Act" of December 19, 1913; Federal Water Power Act of 1920; Boulder Canyon Act of 1928; Tennessee Valley Authority Act of 1933; Rural Electrification Act of 1936; Bonneville Act of 1937; Fort Peck Act of 1938; Reclamation Project Act of 1939; Flood Control Act of 1944.)

3. Power disposal shall be for the particular benefit of domestic and rural consumers. (Tennessee Valley Authority Act of 1933; Rural Electrification Act of 1936; Bonneville Act of 1937; Fort Peck Act of 1938.)

4. Power shall be sold at the lowest possible rates consistent with sound business principles. (Tennessee Valley Authority Act of 1933; Bonneville Act of 1937; Fort Peck Act of 1938; Flood Control Act of 1944.)

5. Power disposal shall be such as to encourage widespread use and to prevent monopolization. (Tennessee Valley Authority Act of 1933; Rural Electrification Act of 1936; Bonneville Act of 1937; Fort Peck Act of 1938; Flood Control Act of 1944.)

[3] 32 U. S. Stat. 388.
[4] 34 Stat. 117.
[5] 37 Stat. 233.
[6] 38 Stat. 242.
[7] 41 Stat. 1067.
[8] 45 Stat. 1060.
[9] 48 Stat. 58.
[10] 49 Stat. 1363.
[11] 50 Stat. 731.
[12] 52 Stat. 403.
[13] 49 Stat. 1570.
[14] 52 Stat. 1215.
[15] 52 Stat. 1187.
[16] 58 Stat. 887, sec. 5.

The Bureau of Reclamation declares its general power policies to be: [17]

A. To secure optimum development and utilization of power potentialities of water resources developed by the Bureau consistent with prior uses of project water.

B. To encourage and facilitate the most widespread use of electric power in the public interest.

C. To secure for the ultimate consumer the benefits of low-cost power.

D. To assure the most effective and efficient utilization of the Bureau's power resources.

E. To give preference to municipalities and other public corporations or agencies, and to cooperatives and other nonprofit organizations financed in whole or in part by loans made pursuant to the Rural Electrification Act of 1936.

F. To assure that where power is sold from a project governed by the reclamation laws, only such power sales contracts shall be made as will not impair the efficiency of the project for irrigation purposes.

It will be noted that the basic principle underlying the legislation cited and the administrative objectives noted is that the primary objective of the Federal power policy is to encourage and facilitate the most widespread use of electric power in the public interest. As a positive means of achieving this end, Congress has repeatedly expressed authorization of a policy of establishing preference in the sale of wholesale electric power to public bodies and cooperatives. (Reclamation Act of 1906, "Raker Act" of 1913, Federal Water Power Act of 1920, Boulder Canyon Act of 1928, Tennessee Valley Authority Act of 1933, Rural Electrification Act of 1933, Bonneville Act of 1937, Fort Peck Act of 1938, Reclamation Project Act of 1939, Flood Control Act of 1944.)

A further essential means of achieving this objective is that power shall be sold at the lowest possible rates consistent with sound business principles "to secure for the ultimate consumer the benefits of low-cost power." [18] Congress has consistently recognized the necessity of making power available to consumers at the lowest possible rates.[19]

As to the administrative machinery vital to the effective realization of these stated objectives, the Department of the Interior declares the following to be the principles of planning and construction to implement policy as enacted by Congress: [20]

(a) Hydroelectric generating facilities shall be designed and installed in all projects where feasible. The project shall have its own steam stand-by and reserve facilities where necessary to independent operation on an economical and efficient basis.

(b) Facilities shall be designed and installed to provide the type of power and service required by public agencies and cooperatives.

(c) Construction shall be economical and efficient.

(d) Government hydroelectric plants within a region shall be integrated by transmission ties.

(e) Transmission outlets to existing and potential wholesale markets shall be adequate to deliver power to every preferred customer within the region upon fair and reasonable terms. They must be owned and controlled by the Government unless privately owned facilities should be made available upon terms which assure full accomplishment of the basic objectives of the congressional power policy and which do not reward the private company simply because of its strategic location or monopolistic position.

(f) Allocations of costs on multiple-purpose projects shall not result in power consumers paying for facilities not fairly to be attributed to the operation of the power system, except as may be necessary to make the project feasible as required by law.

Perhaps the most crucial phase of the Government's power program in fulfilling the objectives of the Federal power policy is that of transmission of wholesale electric energy generated at Government hydroelectric plants. As noted in the above memorandum, an effective program is dependent upon two equally important functions—that of integrating the Government hydroelectric plants within a region by means of transmission lines, and the construction and operation of transmission lines for the purpose of delivering power wholesale to every preferred customer within the region upon fair and reasonable terms. The Flood Control Act of 1944 [21] calls attention to the critical role of an adequate transmission program in carrying out the objectives of the Government's power policy by stating that transmission lines and related facilities are to be constructed or acquired to make energy available, in wholesale quantities, on fair and reasonable terms and conditions to facilities owned by the Federal Government, public bodies, cooperatives, and privately owned companies."

Here, too, legislative intent and directive is clear in specifying that "transmission facilities are to be constructed and operated to prevent monopolization of electric energy generated at Bonneville project." [22]

The Fort Peck Act of 1938 [23] states that transmission lines and appurtenant facilities are to be provided at Fort Peck project to encourage the widest possible use of electric energy and to prevent monopolization thereof by limited groups.

Thus it becomes apparent that an adequate and expanding transmission system is another vital link in any comprehensive Government program developing the water resources of an area; the power generated at such projects and intended for the preferred use of public bodies and cooperatives can only reach the public and be of benefit to the public through a system of Government constructed and operated transmission lines.

The transmission phase of the Government's power policy, the sole means by which public power can be made available to the public for whom it was intended, is an expression of long-standing theory and opinions of courts of the United States that the water power created at Government dams belongs to the United States as owner of the dams and, like other property of the United States, is held in trust for the people and may be disposed of in the public interest pursuant to the property clause of the Constitution.[24]

Furthermore, in disposing of the surplus power at Government dams, Congress has adopted the long-established policy of assuring widespread distribution of the benefits of Government-owned property. That policy has governed the disposal of public lands from the beginning of our Government, and also is responsible for the undertaking by the Government of extensive reclamation projects in preference to reliance upon private enterprise, which would require large grants to a few individuals.

The administration by Congress of property belonging to the United States and held in trust for the people in the interest of conservation and widespread utilization of such public properties has been repeatedly sustained by the courts. The Supreme Court of the United States has uniformly sustained the power of Congress to adopt all reasonable means of disposition in order to make a widespread distribution of the benefits of Government property, to enact regulations, and to undertake extensive affirmative projects as well.[25]

Such a national policy of the disposition of public properties in such a manner as to achieve the most widespread utilization of the benefits of such properties in the public interest has been expressed in the practice of distributing public lands,[26] in the disposition of valuable mineral lands,[27] and most emphatically in the Reclamation Act of 1902,[28] a vigorous enactment by the Congress to prevent exploitation of the Government's resources of forest lands and minerals and to assure widespread utilization of public property.

In applying this principle to the Tennessee Valley power generation and transmission program, the Authority stated [29] that in the Tennessee Valley Authority Act, as well as in the Reclamation Act of 1902, the Congress determined that its policy could not be served by disposing of the property to a limited group, and chose instead to establish a Government agency with authority to sell the surplus power and acquire transmission lines. "Such a means of disposition," the Authority states, "are surely no less reasonable than the construction and operation of dams, reservoirs, and canals, and the appropriation of waters under State laws to make marketable the arid public lands. In order to make possible a widespread distribution, the Wilson Dam power must be converted into electric energy capable of minute subdivisions, and transmitted to the market."

The Government brief for the Tennessee Valley Authority in the case of *George Ashwander et al., petitioners,* v. *Tennessee Valley Authority et al,*[30] states that:

"Under the property clause the Federal Government may dispose of the water power necessarily created by Wilson Dam and may authorize generation of electric energy and acquisition of transmission lines as a means of disposal."

Mr. Chief Justice Hughes, delivering the opinion of the Court in this case,[31] emphasized the vital nature of an adequate transmission system to market public power created at a Government dam by stating: "These lines provide the means of distributing the electric energy, generated at the dam, to a large population. They furnish a method of reaching a market. We know of no constitutional ground upon which the Federal Government can be denied the right to seek a wider market. We suppose that in the early days of mining in the West, if the Government had undertaken to operate a silver mine on its domain, it could have acquired the mules or horses and equipment to carry its silver to market. And the transmission lines for electric energy are but a

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[17] United States Department of the Interior—Bureau of Reclamation, Power Handbook, volume VI, chap. 1, 2.

[18] Ibid.

[19] Tennessee Valley Authority Act of 1933, Bonneville Act of 1937, Fort Peck Act of 1938, Reclamation Project Act of 1939, Flood Control Act of 1944.

[20] Memorandum on Power Policy, the Secretary of the Interior, Jan. 3, 1946.

[21] Footnote 16.

[22] Bonneville Act of 1937—footnote 11.

[23] Footnote 12.

[24] *United States* v. *Gratiot,* 14 Pet. 526; *United States* v. *Beebe,* 127 U. S. 338; *Camfield* v. *United States,* 167 U. S. 518; *Light* v. *United States,* 220 U. S. 523; *Ruddy* v. *Rossi,* 228 U. S. 104.

[25] *United States* v. *Gratiot; Camfield* v. *United States; Ruddy* v. *Rossi.*

[26] The Homestead Act of 1862, 12 Stat. 392.

[27] *United States* v. *Sweet* (245 U. S. 563; 13 Stat. 529; 16 Stat. 217; 29 Stat. 526; 17 Stat 91).

[28] Footnote 3.

[29] Supreme Court of the United States, October Term, 1935; Nos. 403 and 404.

[30] Ibid.

[31] Ibid.

facility for conveying to market that particular sort of property, and the acquisition of these lines raises no different constitutional question, unless in some way there is an invasion of the rights reserved to the State or to the people."

Thus it is apparent that there is firmly established in law and in policy the right of the Government to construct, or acquire, and operate the transmission lines [32] so necessary to the fulfillment of the objectives of the Government's policy of encouraging and facilitating the most widespread use of electric power in the public interest.

Secretary of the Interior, J. A. Krug, recently stated [33] "Even power-industry spokesmen now agree that more river development is on the way and that hydroelectric power should be produced at the great multiple-purpose projects which are needed to do the job. But the argument continues on whether this power should be sold at cost by the Government with the preferences for public agencies and rural cooperatives as now required under Federal law, or whether the power should be sold at the dam to privately owned companies, and distributed by them to their financial gain. We cannot accept this kind of a monopoly by private interest of a great resource of the people of the United States. No person or corporation can be permitted to stand at the gate and levy toll on the product of our public wealth."

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to a concurrent resolution (H. Con. Res. 129) providing for the adjournment of the House of Representatives on August 26, 1949, until September 21, 1949, in which it requested the concurrence of the Senate.

INTERIOR DEPARTMENT APPROPRIATIONS, 1950

The Senate resumed the consideration of the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes.

Mr. ECTON. Mr. President, I imagine the world will little note nor long remember what we say here on the pending question this morning, but I am convinced it will remember for a long time to come what we eventually do in regard to it. I realize it is almost futile for me in my humble capacity even to attempt to influence any votes on this issue. It has all been cut and dried through methods other than that of debate on the floor of the Senate.

The senior Senator from Oregon [Mr. CORDON] recently made reference to certain insinuations which had been made regarding those who even attempt to say a good word for a utility company at this time. I want to refer to that also, because certain insinuations have been made in my home State regarding my attitude. For the RECORD, I merely want to state that I have never owned, and I do not now own, any stock in any public-utility corporation whatever. Neither do I own any stock in any oil company, in General Motors, or in any other company which is listed either on the New York Stock Exchange or on the New York Curb. Therefore, what I have to say this afternoon I say because I believe it. Except for the allegiance I owe to my own conscience I owe no allegiance to anyone. I have always told all the lobbyists, all the companies, all the big fellows and all the little fellows, "I recognize there are two sides to every question. I shall always be pleased to listen to you, and to get your views. If I agree with you, I shall be for you. If I disagree with you, I shall be against you." That has been my policy ever since I entered politics.

Yes, Mr. President, I have been warned on this proposition. I have been told, "It is foolish for you to stick your neck out on this question, because it will surely mean your defeat when you run for reelection." Mr. President, I say most emphatically I think it is the sacred duty of every Member of the United States Senate and of the Congress to think more about the trends, the conditions, and the road we are traveling in this country, to preserve something for our children and for our children's children, than it is to seek reelection to any public office.

Mr. President I am not standing on the floor of the United States Senate defending any public utility whatsoever. I hold no brief for any of them. I have always found they were able to take care of themselves; and before I finish my speech this afternoon, I propose to show what has happened and how the public utilities took care of themselves in the neighboring State of Washington and in other States. I am here representing hundreds of taxpayers in my State who have sent me letters and telegrams. They include farmers, home owners, small-business men, and labor unions. They are the people for whom I am attempting to speak on the floor of the Senate this afternoon. If the Montana Power Co. happens to fall into a category in which it may receive some defense from me, it is because it likewise is a taxpayer in my State.

Yes, Mr. President; I know to what extent every Senator has been subjected to pressure. I know what every Senator has had to confront in connection with the public-power issue. The question is, Are we going to proceed further to completely federalize and socialize the power industry of the United States or are we going to follow the recommendations laid down by the Senate Appropriations Committee? That is the issue.

I have a clipping entitled "Washington Merry-Go-Round," written by Robert S. Allen, which appeared in the Washington Post on August 14, 1949. Mr. Allen says:

William Boyle, Democratic National Committee Executive Director, has mobilized party forces in every affected State to put the heat on their Senators.

He says, further, that the assistant to Mr. Boyle has made more than 300 long-distance calls to State and local leaders to round up Senate votes.

Then he says:

The drive has apparently paid off, as the administration appears very confident about the outcome.

I did not realize that all this was so very important. I always supposed, before I got into it, that this was a nonpartisan issue. I had always thought reclamation and the power development of the country were as much the handiwork of Republicans as of Democrats. I resent the implication that the Democratic Party is the only party that knows what is good for the people of the Nation. I have always supported multiple-purpose dams. I supported Hungry Horse Dam in Montana. I spoke for it constantly in my campaign in 1946. I have consistently supported appropriations for it, every dollar that was necessary. I am for REA. I have been a farmer, myself, and I know what electricity means to all the farmers throughout the land. I have always supported REA and shall continue to support it.

But what have the lobbyists done? They have gone into my State and have told the REA cooperatives that we are sabotaging the REA program in Washington. Mr. President, that is absolutely ridiculous. But we cannot blame the farmers. They are confused; they do not know what is going on. There are many fancy figure-jugglers on the Federal pay roll, spending their time, on taxpayers' money, receiving per diems from the Government, going around to all the cooperatives, belittling some of our efforts in the Congress and saying that we are against REA and are trying to sabotage the whole program.

Mr. President, I like fair play, and I detest such underhanded work on the part of some of our public officials. If they did it on their own money I could forgive them a little bit more easily, but when it is done on taxpayers' money I do not like it.

The Federal power lobby is exceedingly well entrenched in this country. I do not need to remind any Senator that it is far-flung and most vociferous. It derives its potency from the fact that approximately three-fourths of it is a Government lobby consisting of public-power pressure groups.

Mr. President, the amendment which has been offered by the Senator from Washington [Mr. MAGNUSON] and my very distinguished and able colleague [Mr. MURRAY] is, to my mind, asbolutely unnecessary. I have listened most attentively to all the arguments, and, so far, I have failed to discern one legal, valid argument in favor of the amendment or which would cause me to want to amend the particular item brought forth by the Appropriations Committee. Why? I think the Appropriations Committee went far enough. I think, to all purposes and intents, the committee actually recommended the very thing the distinguished Senators across the aisle want to accomplish.

I gathered from the arguments of the Senator from Washington that the main thing he desired to accomplish was to hook up Hungry Horse Dam with Bonneville. There is nothing in the appropriation bill which would preclude that from being done. I am not insisting that Hungry Horse not be connected up with Bonneville, not at all. Those in charge can go ahead and hook it up. The

[32] The Federal Government has approximately 14,000 circuit miles of transmission lines in operation at the present time.

[33] Speech before the Sixth Annual Convention of the American Public Power Association, May 12, 1949.

chairman of the subcommittee, the Senator from Arizona [Mr. HAYDEN], said that there was nothing in the bill to keep them from hooking up Hungry Horse and Bonneville.

They even are permitted to build another power line from Hungry Horse Dam to Kerr Dam. So Bonneville would be hooked up with Hungry Horse through Kerr Dam. What the amendment proposes is the extension of another line, an additional line, from Kerr Dam into Anaconda. That is the thing to which I object, because it is absolutely useless, it is needless, it is expensive, and it parallels already existing facilities.

Mr. President, there is one thing I want my colleagues to remember. Kerr Dam is owned by the Montana Power Co. They built it. They have a power plant there. That dam is hooked up with their network all over Montana, and likewise Kerr Dam has been hooked up with the power divisions in the State of the Senator from Washington. As I said the other day, all during the war the Montana Power Co. sent additional power into Washington and Oregon. That was the area where there were black-outs and brown-outs, and if it had not been for excess power developed by a private utility, there would have been many more black-outs and brown-outs in Washington and Oregon than actually occurred.

Mr. President, the people I represent, the labor unions, the electricians, the farmers, the small-business men, and the taxpayers in the State of Montana, are against this Kerr-Anaconda line, for the simple reason that it is an absolute duplication. It parallels already existing facilities.

The Montana Power Co. has been supplying the smelter at Anaconda for years, and the A. C. M. Co., in Butte, on their line which runs to Kerr Dam. If they can get hooked up with Hungry Horse and Bonneville, as provided, according to the statement made by the distinguished Senator from Arizona [Mr. HAYDEN], there is no possibility that all future demands in that area cannot be taken care of.

Mr. President, one thing has come up, time and time again. The line running to Kerr Dam is a 115,000-volt line, and the proponents of the amendment have consistently said that this line was not of sufficient capacity, that the Government would necessarily have to build a larger line, and that the Montana Power Co. would not build it. Let us see what the testimony shows.

When Mr. Corette was before the Committee on Appropriations these questions were asked:

Senator WHERRY. The testimony was that the line was not big enough, strong enough, or large enough to do the job, to take care of the industry that might come in there if we had more energy. How about that?

Mr. CORETTE. The line is entirely ample for the needs of the area at this time. We plan, in future years, if we need additional lines, to build them. If we should put in another unit at Kerr, we would put in another transmission line.

Senator WHERRY. Then, for the record, will you continue to provide the facilities that are necessary to furnish the energy that they need in the development of industry in that territory?

Mr. CORETTE. We will do that in every part of the territory, and we will build lines from any point at which we can buy Government power to carry that Government power throughout the entire State.

Senator WHERRY. Then why would they prefer to buy the power from a Government agency rather than from a power company?

Mr. CORETTE. There is just one reason, and that is because it is tax-free and the rate is lower.

Senator GURNEY. Mr. Corette, you said you would install another generating unit at Kerr Dam if you found need for it.

What could you ultimately make the production at Kerr Dam?

Mr. CORETTE. We have only talked about the possibility of a third unit, and a third unit would undoubtedly not be installed unless additional storage facilities were built upstream.

So the Montana Power Co. is able and willing to meet any future demands on that power line. All that is necessary is that they have assurance that they will be let alone, that the Federal Government will not come in there, get its nose under the tent, and eventually expand and expand and put the company out of business. That is what they are afraid of, and we cannot blame them.

Mr. President, we have heard much on this floor about the Montana Power Co. and the public utilities fighting the Government. I desire to know what has happened to the American way when a private industry, regardless of its kind or description, has to send its officials away from their homes and their business and their families to come to Washington to protect themselves against their own Government. What has happened in this country?

I say, Mr. President, if it happens to be the Democratic Party that is responsible for this, as has been intimated by some, then I say shame upon that party, or upon any party that makes it necessary for a businessman to have to come to Washington annually to defend himself and his property and his business against his own Government. Something is wrong when people have to do that.

While the public utilities have been castigated for being monopolistic, the greatest argument against them, so far as I have been able to observe, is that really they have not expanded enough, that they have not become monopolistic enough. It is said, "They have not done this and they have not done that," yet they are accused all the time of doing everything they can do so that they may become monopolies. I simply cannot follow such a line of reasoning. While they are condemning a private monopoly they are advancing every conceivable argument for creating a greater Government monopoly. We have all kinds of Government monopolies in existence today. That is why Congress has so much difficulty in dealing with the recommendations contained in the Hoover Commission reports. Under the reorganization program we are trying to do something about the great overlapping bureaucratic monopolies within our Government. We are trying to reorganize them. We are trying to stop them from becoming greater. We are trying to keep them from mushrooming and expanding and branching out like cancerous growths upon the body politic. Still there are some who desire to expand and make still greater the Bonneville power project.

Mr. President, the bill contains proposed appropriations for automobiles and airplanes for the Bonneville Power Administration. I do not think the Montana Power Co. owns any airplanes in which their men can fly around and look over its facilities. But the Government must have such things. And why should it not have them? They do not cost Government officials anything. The taxpayers will take care of the cost. The taxpayers of the country have their noses so close to the grindstone and are so busy taking care of their businesses and their farms that they do not have time to find out what is going on in Washington. They are going to find out some of these days, Mr. President, but I fear when they do, it will be all too late.

My first point was that the people who asked me to represent them are opposed to the building of this line.

My second point is they know that it will mean a great waste of the taxpayers' money, and that it is absolutely useless. They believe the Federal Government should keep its nose out of private business insofar as is humanly possible. They know that the Federal Government should not do anything which a private business or organization can, will, and is able to do. That is why they are opposed to the Kerr-Anaconda line.

My point No. 3 is that they know there has been no power shortage in the area in question. They know that the Montana Power Co. pioneered hydroelectric power and light in this country. If one were to listen to some of the public power advocates one might honestly believe that we did not have electric light until public power came upon the scene. We have had light and power in Montana for many years. I have lived there more than 40 years, and the people of Montana had power and light 40 years ago. It was private industry and private capital that took the old grease lamp out of the homes of our country. Private capital and private investment can put electricity into every home of America if the Government will leave them alone and cooperate with them instead of fighting them.

Mr. President, there have been many insinuations made here about holding companies which control power companies. I do not know anything about them, but I do know that whenever there is a company or a corporation it means that a great many individuals have pooled their money and own stock in such a company or corporation. If we do not have some private industry in which people can invest their money, such as holding companies, utility companies, companies like General Motors, oil companies, and other companies, how are investments to be made in this country? More than 75,000,000 people in the United States hold life insurance policies. If we do not have some private industry and private investment, what is going to happen to the life insurance companies?

They cannot hold all their assets in Government bonds.

Some people throughout the country must be working in order to make money to pay the enormous taxes needed for the maintenance of the Federal Government, in order to meet the $42,000,000,000 load we are packing every single year merely for current expenses, to say nothing of the $252,000,000,000 national indebtedness which not only will hang over our heads the rest of our lives, but which will hang over the heads of our children and our children's children. Yet some want to put out of business the one great industry we have in our State.

It may be said, "Oh, that will not happen. It cannot happen. All that is necessary is to cooperate." Mr. President, I could not maintain a fruit stand and sell apples for a nickel apiece if the Government operated a fruit stand immediately across the street and sold the same kind of apples at a penny apiece. People do not primarily patronize a business simply because they like the one who operates the business. A private individual simply cannot continue to do business when the Federal Government goes into business in competition with him. There is simply too much money behind a bureaucratic branch of the Government to make it possible for a private individual to compete with the bureaucratic organization. With all the money behind it it can produce in large quantities. It is simply useless for anyone to endeavor to prove that both can operate side by side.

Mr. President, I admit that there are places in our country where we may have to have one or the other. I would be perfectly willing to back up a Federal power project anywhere, if that was the only way to get electricity into a certain area of the country. That, however, would be a different situation from the one with which we are dealing. In the pending amendment we are dealing with a competitive and a parallel line. It is unnecessary and wasteful and extravagant to construct such a parallel line.

My point No. 4 is that those who advocate construction of the proposed Kerr-Anaconda line know that for years to come it would not benefit a single REA cooperative in that community. In the first place, there will be no electricity to put over the line until after 1952. No provision is made in the bill to build substations. Even if the electricity were available, electricity could not be taken off the main line unless there were substations. I admit that eventually they would come. But this project is the beginning of an effort to root in and put a taxpaying business out of business.

Mr. President, I am for business expansion anywhere and everywhere it is possible, practicable, feasible, and economical. Running this 230,000-volt parallel power line into Anaconda does not necessarily mean that we would have a great business expansion in that area. There would have to be someone who had money to invest. There would have to be someone who wanted to live in that section of the country. There would have to be some corporation which wanted to do business in that area.

Moreover, if the Government has a monopoly, the Government has the right to determine what kind of business or what corporation can come in. That is the way it works. One must get along with representatives of the Government agency. He must be on their side, or he cannot get electricity. One must be on their side or he cannot be reelected. That is the deal and it is potent. There is a far-flung army all over the country to take care of those who do not go along.

There is another thing of which the group I represent are afraid. I know that probably I cannot even obtain an admission from the opposition in this respect, because they have denied it time and time again. But my people are afraid when they see what is proposed. When Senators see what is proposed, they can understand the reason for the fear on the part of the people of my State.

We have heard a great deal about the 230-kilovolt grid system into Anaconda. It would be strange, indeed, if the proponents of this project were satisfied to whack it off at Anaconda. That is only the start. It will be extended a little farther and a little farther. The main idea is to get started, do the job piecemeal, and continue to expand and expand until the entire system is hooked up. What a system we will have in the Northwest.

I do not want the Senator from Washington [Mr. MAGNUSON] to misunderstand my position. I am not fighting the Bonneville project in his State. I have supported Bonneville. I get just as big a thrill as does the Senator from Washington when I go to Washington and see those mammoth generators whizzing around. I am proud of that project. I even contributed a few dollars to it. But I do not want the Government to come into Montana and put a taxpaying business out of business. That would throw additional taxes on every businessman, every farmer, every laborer, and every home owner in my State.

Getting back to the line to Anaconda, it is a 230-kilovolt line to Anaconda, but according to the map which I have before me, it does not stop there. This map was prepared by the Bonneville Power Administration, Department of the Interior. It shows a 230-kilovolt line running down from Anaconda into Idaho. It makes a bend down to Pocatello, Idaho.

It will be remembered that last winter there was a little controversy over an atomic-energy plant in Montana. We thought we had it. We thought we had been promised it at Fort Peck. Suddenly the decision was reversed. Some of my people in Montana thought that perhaps the change was made to Pocatello so that the plant could be hooked up with the Bonneville project. So the congressional delegation became excited. We had assurances from Mr. Lilienthal and Mr. Raver. Mr. Raver is the head of the Bonneville Power Administration, and Mr. Lilienthal is the head of the Atomic Energy Commission. They both assured us that no such thing was being contemplated.

Mr. President, I always believe that everyone is honest until I learn differently. I still think they are honest. They told us that there was nothing to fear. When the people of Montana see a map like this, they cannot be blamed for being afraid. As I have said, this map is issued by the Bonneville Power Administration. It shows a proposed line into Pocatello, where the atomic-energy plant is supposed to be located. I am not saying that that is where it will be, but I am saying that the people of my State cannot be blamed for entertaining fears, even though they have demeaned the Montana Power Co. many times. Probably everyone, especially if he has run for political office, has done so at one time or another. I do not know what connections my colleague [Mr. MURRAY] has had with the Montana Power Co., or his dealings with it, but evidently his attacks upon that company have helped him more than they have hurt him. He has been reelected time after time. So even though the power company owns the newspapers of Montana, and apparently my colleague feels that they are against him, yet I do not believe they are half as influential as he would have the rest of us believe. They have never tried to defeat him to my knowledge.

The people of Montana are fearful that if the Bonneville public-power network gets into Montana any farther, it will eventually put the business of the private utility in the State of Montana on the rocks. Why are they worried about that? Several thousand of them own stock in it. It is not all owned by outsiders. Many people in Montana have $500, $1,000, or $15,000 invested in the power company. They receive interest. There is no reason why they should not make such an investment. Those people are interested in this question. Businessmen are interested. Communities are interested, because they know if the utility company is forced to fold up, the entire tax structure of the State will be upset. They are thinking of their school districts, their towns, their cities, and their counties. They are really worried. The Members of the Senate who come from thickly populated States which have many industries do not think so much about this problem; but in a sparsely settled State, where the people of the State are dependent on the payment of taxes by a few big businesses or industries, the situation is quite different. It is easy to understand why the people of the State are legitimately aroused over this development. They do not want their tax structure upset. Government power is tax-free power.

In Montana, we have the lowest average public-utility power rate in the United States. The private-utility rate in Montana is a great deal less than it is in many other sections of the United States where there is nothing but Government power—believe that or not. The Montana Power Co. in its rate structure allows probably about 3 mills per kilowatt-hour for taxes. So if we figure the Fort Peck rate, for instance, at 5½ mills, and add 3 mills to it for taxes, that makes a rate of 8½ mills.

In many sections there the private-utility rate is 9½ mills. A great cry and clamor is raised about that 9½-mill rate. However, that is less than 1 cent per kilowatt-hour. If we add 3 mills to the 5½-mill rate at Fort Peck, we find that the total is 8½ mills, which leaves 1 mill for line maintenance, serving the distribution points, and other overhead. So the 9½-mill rate is not excessive at all.

My people realize that if their tax structure is upset and completely thrown out of gear, they will be in trouble. They conscientiously and honestly believe that eventually that will happen if this development continues, and that is what I believe will happen if public power is extended and extended and extended in these areas. In other words, the power company will have to fold up, and then the tax structure will be completely thrown out of balance.

What will that mean, Mr. President? It will mean that the farmers and the home owners will have to pay higher property taxes, in order to make up the difference. There is simply no getting around that. It will also mean—and this is something that is scaring the very daylights out of our people—that, with the tax structure upset, they will eventually have to come to a sales tax in the State of Montana. That realization does not set very well with the labor groups and with the little fellow in my State.

If Senators will forgive me for some personal references, I should like to tell about a few of my own experiences. When my distinguished colleague [Mr. MURRAY] was first elected to the United States Senate, I happened to be a mere representative in the Montana Legislature; I had been there a little over a year; I went there in January 1933. In the State of Montana, during that period, we had been hard hit by drought, hail, grasshoppers, and low prices. There were over $22,000,000 worth of delinquent taxes on the books of the State at that time. Our warrants were registered; we could not cash them. I remember that I had to trade my warrants for groceries, rent, and gasoline. I had my family with we, with two little children to care for. When I got home, I had one $70 warrant left, which I had not traded off. That is how much I had saved at the end of that session. In order to get any cash on it at the local bank, I had to leave that $70 warrant as collateral and had to sign a note at 8 percent interest.

As legislators, we were confronted with the necessity of raising sufficient taxes to keep the State of Montana going. We could not raise property taxes. We even had to cut the license fee on automobiles to $5, so that people could run their cars legally. We scoured every conceivable corner and crevice to find some place where we could get additional taxes. In those times people naturally looked to the business companies and the public utilities. They were sound and we thought all their employees received good salaries. Someone suggested a sales tax for the State of Montana. I have fought a sales tax consistently right down through the years. I even voted against a sales tax for the District of Columbia. I do not want a sales tax in my State. So, in order to keep from having to impose a sales tax, we adopted a State income tax, in preference, so that we could reach the people with salaries. But, Mr. President, if we in Montana ever get hard up again, if by that time we have run the power company, for instance, out of business, a sales tax will have to be clamped on in Montana. In proof of that, despite all the grandiose arguments to the contrary—arguments that cheap public power brings in more business and new branches of already established businesses—let me cite the State of my genial friend the Senator from Washington [Mr. MAGNUSON]. In Washington there is a sales tax. Oh, yes; the State of Washington has cheap power, but it has to raise money somewhere in order to make up the difference.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. ECTON. I yield.

Mr. MAGNUSON. I think the RECORD should be corrected on that point. We do not have a sales tax in my State because of power or the lack of power. We happen to have a State constitutional limitation of 40 mills on real-estate taxes, and the State constitution prohibits a State income tax. Normally, real estate is assessed around 60 or 70 percent. The difference has to be made up, because of the limitation of 40 mills on real-estate taxes; and, as I have said, the State constitution prohibits a State income tax.

I may say that when I was in the State legislature, I tried to change that situation, so that we could have a State income tax, because, like the Senator from Montana, I have always opposed a sales tax.

So we tried to get the State constitution amended so as to be able to have a State income tax. But because we were not able to have that done, we had to have a sales tax. It has nothing to do with our power system or with anything else. It is because of the 40-mill constitutional limitation on real-estate taxes.

Mr. ECTON. We have a much smaller limitation than that.

Mr. MAGNUSON. I think every other State in the Union taxes real estate more than we do, because we have this limitation.

Mr. ECTON. I may say to my distinguished friend, that is one of the things my people fear. I think the thing which scares them most is the Bonneville Power Authority. I did not take a great deal of stock in it until certain things came up on the floor of the Senate yesterday. They recognize that the Bonneville Power Authority is an ever-expanding Government bureau. They recognize that the people who are managing it are energetic, that they are good planners, and that they are always looking for the possibility of taking in more territory, to increase their power and to increase their effectiveness.

My people know that power feeds on power. We have been surprised by the number of those who have been favorable to the Tennessee Valley Authority, for example, who have constantly talked about what we in Montana could do, how we should run our business, what we should do with our facilities, and what would be good for the people. I do not know whether such persons have ever been in my State, but they seem always to know what we should do. I want them to do whatever they want. If they want a TVA, that is their business; but I do not want them even to intimate that it is what we ought to have in Montana. My people are opposed to the MVA's and the CVA's. They are most fearful that, if the Bonneville Power Administration continues to expand, increasing its power, its territory, and its authority, the CVA's are going to come in on them through the back door. Our people cannot be blamed for feeling that way about it, for it has been mentioned here on the floor of the Senate. Some of the people who are most ardent advocates of the line in question have been backing the other authorities. My people cannot be blamed for being fearful.

Mr. President, I should now like to read a short excerpt from a speech by Representative BEN F. JENSEN.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. ECTON. I yield.

Mr. MAGNUSON. I wish to inquire about the remaining time.

The PRESIDING OFFICER. The Senator from Montana [Mr. ECTON] has about 11 minutes remaining; the Senator from Montana [Mr. MURRAY], 5.

Mr. MAGNUSON. I thank the Chair.

Mr. ECTON. Mr. President, I should like to read a few sentences from a speech made by Hon. BEN F. JENSEN, of Iowa, in the House of Representatives, on Tuesday, March 29, 1949. Senators who have not read the speech I think should do so. They may not agree with all of it, but they will certainly have to admit he has given the subject considerable study and thought. There can be no question that he spoke from his very heart.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. ECTON. I yield.

Mr. MAGNUSON. I am sorry, I did not hear. Is the Senator referring to Representative JENSEN, of Iowa, a member of the House Appropriations Committee?

Mr. ECTON. Yes.

Mr. MAGNUSON. That is the committee which approved the item to which the Senator is now addressing himself, is it not?

Mr. ECTON. I am referring to Represenative JENSEN's speech. He is against the Anaconda line.

Mr. MAGNUSON. But did not the House Appropriations Committee approve it?

Mr. ECTON. Representative JENSEN did not. I am referring to his speech. I want to read a little of what Mr. JENSEN had to say in regard to the public-power issue. He was speaking of the two schools of thought in this country, one, the socialistic, the other, the Marxist. He was discussing the points on which they differ. In the course of his remarks, Mr. JENSEN made this statement:

> If you do not believe that, read the writings of Stephen Raushenbush, who advised the Socialist Party 20 years ago that "one

man within the Department of Interior is worth one hundred working outside." When the Eightieth Congress moved in, Steve Raushenbush left his position "within the Interior Department."

Raushenbush has probably left the Interior Department, but he has, I imagine, left behind him many admirers and pupils. Mr. JENSEN proceeds further:

The Bonneville Power Administration, as everyone knows, is regarded by its masters as merely an interim agency—an interim agency which up to now has unwillingly had to permit private enterprise in the electric field to live under a sword that hangs by a thread. It is an interim agency which is very impatient with the legislative processes of the Congress. It wants to be turned loose from any congressional controls, wants to be the complete and undisputed master of the Pacific Northwest region. That is why the BPA, the Interior Department, and all the motley forces of Marxism are now centered on a thrust to reach their objective through a Columbia Valley Authority.

Once they get a CVA, if they do, you will see the same forces moving with increased strength to take control of the Missouri Valley, the Central Valley of California, the Colorado, the Arkansas, the Rio Grande—the whole of America west of the Mississippi River. And preceding them will be Guy Myers, stirring up the public confusion which is so essential to the success of his money racket—and also to the advance of Marxism.

These are serious charges which I make, and I make them most seriously, because I have the proof to back them up.

Mr. President, that is from a speech made by Representative BEN F. JENSEN, of Iowa, in the House of Representatives, March 29, 1949. These are some of the reasons for our opposition to the Kerr-Anaconda line.

Mr. President, I want to call attention to what the Senator from Oregon [Mr. CORDON] said yesterday in explaining how far the Bonneville Power Administration should go in Montana. In his remarks he cited the law. He said:

I call attention again to the only portion of this section which is applicable and the only provision, so far as I know, in the laws of the United States, which has any application to our situation.

This is the provision of law which he quoted:

The Secretary of the Interior is authorized, from funds to be appropriated by the Congress, to construct by purchase or other agreements, only such transmission lines and related facilities as may be necessary in order to make the power and energy generated at said projects available in wholesale quantities.

By no stretch of the imagination can anyone contend that that provision in the law gives Bonneville the necessary authority to extend its line into Anaconda, paralleling already existing lines.

Mr. President, I desire to invite the Senate's attention to the recommendation of the Hoover Commission in connection with the power situation. The Hoover Commission has recommended "that the Congress consider in each case whether transmission and distribution of power can be secured under advantageous long-term contracts by selling the power at the generating point, before deciding to authorize the construction of Government transmission and distribution lines."

The Montana Power Co. is willing to cooperate in every way possible. It has a contract with Fort Peck, and has had it for years. It would be willing to make some agreement to distribute the power from Kerr Dam and thus give everyone in the State of Montana the benefit of any reduction in cost of the power generated at the Government dam. There is absolutely no reason, and there has been no valid reason given here, to justify the expenditure of public funds to build a parallel line into Anaconda.

So I ask the Senate to decide this question on its merits and to sustain the Appropriations Committee. If we do not stop the constant Federal encroachment on private business and get more business in government and less government in business, this country will land in the ditch. What a fall that will be, my countrymen.

Mr. MAGNUSON. Mr. President, I have only 5 minutes left of the allotted time before a vote is taken on the question, and I should like very much to be able to answer some of the statements made by the very able junior Senator from Montana [Mr. ECTON], but time will not permit. I think, however, that the Senate should know what the facts are relating to the amendment proposed by myself and several other Senators.

In the first place, if I thought all the dire things were going to happen to the State of Montana that the junior Senator from Montana suggested might happen, that a sales tax would be imposed, that the school systems would fold up, and all those things, because a little line from Hungry Horse Dam is run to the load center in the most populated portion of the State, to give those people the advantage of the Bonneville grid system, I would be with the Senator from Montana and would vote against the amendment. But the experience all over the country, in the Tennessee Valley, on the Pacific coast, right next door to where the Senator lives, in Oregon, in California, in the Southwest, the Southeast, and all the places where we have been able to have grid systems and transmission lines to direct cheap public power into the private power systems, has been just the opposite. It has enhanced business and developed the resources of the area, particularly in Montana, which probably needs development of its raw materials to a greater extent than does any other section in the entire country. It needs cheap power in order to do so.

The Senator also made the point—and this is the meat of the coconut—that the amendment restores the sum which the House, after lengthy hearings, put into the appropriation bill.

The map before us shows the entire Bonneville grid system. Congress has provided millions of dollars for the construction of Hungry Horse Dam in northwestern Montana. This line connects up with the grid system. We hope to build another line to the load center in the populated part of Montana so that anyone who wants to take advantage of cheap power in the load center may do so. It is not a duplicating line; it is not a parallel line.

The truth of the matter is that the Montana Power Co. has a line from Kerr Dam running to this area, but it is a 115,000-volt line. All the testimony, even of those who opposed the amendment, was to the effect that when Hungry Horse Dam comes into being, when the generators start, there will be a need for a 230,000-volt line into that area so that the people of Montana may have the advantage not only of the great Bonneville pool of power which comes from any State, but the advantage of cheap power to be produced at Hungry Horse.

The Montana Power Co. has never evidenced any desire or done anything about the building of a 230,000-volt line. I do not have time to read the testimony of Mr. Corette, but it is to the effect that possibly that company will build a line after Hungry Horse is built and it can get the power at the bus bar. The only reason the Senate committee suggested that it be postponed was that there was some vague, faint hope that there might be a wheeling contract with the Montana Power Co. It cannot make a wheeling contract until there is a 230,000-volt line. Even if it signed a contract tomorrow to build such a line, it would be at least 3 years before it was constructed. Everyone agrees that the line must be built sometime. We say it is good business to build it now, so that when Hungry Horse comes into operation in 1952 or 1953, the 230,000-volt line will be ready for the people of the State of Montana to take advantage of the power which they so sorely need. The sooner we build it the more quickly we can integrate the system which is now in operation, and the sooner the Government will receive its money back. Bonneville is away ahead of its schedule.

Mr. President, I hope the Senate will agree to the amendment.

I ask unanimous consent to place in the RECORD my complete statement regarding electric power in Montana.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

REMARKS OF SENATOR WARREN G. MAGNUSON, OF WASHINGTON, ON HIS AMENDMENT TO THE INTERIOR APPROPRIATIONS BILL (FISCAL 1950), AUTHORIZING BONNEVILLE POWER ADMINISTRATION TO INITIATE CONSTRUCTION ON KERR-ANACONDA LINES

Mr. President, I now call up an amendment to the committee's amendment relating to the appropriation for the Bonneville Power Administration. The amendment is at the desk. I ask the clerk to read the amendment.

Mr. President, this amendment will not increase the money allowances recommended by the committee. It will restore authority for initiating construction of a 230,000-volt transmission line from the vicinity of Kerr Dam in Montana to Anaconda, Mont.

This facility was approved in the House bill. The total amount of money required at this time is relatively small—$240,000 in cash and $140,000 in contract authorization. However, because the Senate has already increased the total money allowances granted by the House, it will not be necessary to increase the total appropriation as it is now stated. It merely will be necessary to remove the committee's restrictive action against beginning construction of this facility during the coming year—restrictive action contained in the committee's report.

My amendment to the committee's amendment will accomplish this objective.

The Anaconda line, which was approved by the House and deferred by the Senate committee, is a 230,000-volt backbone line. It is designed to be a major element in the Federal Government's Pacific Northwest power grid.

The Senate committee has suggested that this line be deferred, although the committee in its report admits that this line must be built sometime.

The committee recommends deferral apparently on two grounds: First, that construction will not be needed immediately since Hungry Horse Dam, which will supply power to the line, is still in the relatively early stages of construction; and, second, that there should be a policy decision as to whether the Government should build this line or whether the Montana Power Co. should be permitted to build it.

I believe the committee's views are mistaken on both counts.

Construction of the line should not be deferred on the mistaken viewpoint that there is plenty of time until Hungry Horse power is ready for delivery. This is a major high-voltage line. It is a long line. It requires 3 years usually to construct such a line. The first Hungry Horse power will be available in 1952 or 1953. Prior to that time rights of way must be acquired, surveys must be undertaken and completed, rugged terrain must be traversed by construction crews, rights of way must be cleared, materials and equipment which have long delivery periods must be designed and ordered well in advance. It takes money and men to do these things. The time to start these activities is now. The amount of money required for this first year is relatively small. It is time that is important. The Bonneville Power Administration must have the authority now to go ahead if there is to be full assurance that the line is to be ready.

I am particularly distressed over the committee's second reason for deferral. The committee wants to wait until some unspecified later time when there shall be a determination as to whether the Montana Power Co. should build it. It seems strange to me, after millions and millions of dollars have already been appropriated for construction of transmission lines in the Columbia Basin by the Federal Government, that now, all at once, there should be doubt as to whether this program should be completed.

Hungry Horse power is to be marketed, pursuant to law, by the Bonneville Power Administration, which operates under terms of the Bonneville Act—a statute passed in 1937. This act clearly states that it is the policy of the Congress that the Bonneville Administration shall build transmission lines. The Bonneville Act does not say the Administrator may build transmission lines, or can build transmission lines if he happens to feel like it. The Bonneville Act says the Administrator must build transmission lines.

Is it proposed now to nullify this statutory language?

It is difficult to understand what the committee means when it says:

"The committee also feels that the question of policy as to whether the line is to be built by the Federal Government or by the public utility presently serving the area should receive further study."

How much further study is required?

Who is going to make this further study?

Time is wasting here. In the meantime while Congress delays, the private power company monopoly has everything its own way.

In the meantime, Hungry Horse Dam is building and Hungry Horse cannot pay out the investment unless there are transmission facilities with which to market its power.

Does the committee report mean that the conferees are to make this further study on a question of basic policy?

Or does the committee mean that this line should be deferred until the Bonneville Act, and a number of other statutes which enunciate a public power transmission policy, should be amended?

Above all, why should there be a further study on this matter?

Congressional policies relative to public power have been formulating for the last 40 years or so. Is it proposed now to change that policy?

I can see no good reason for a change in that policy. It has proved itself time after time. It has proved itself in the case of the Bonneville Dam, in the case of the Grand Coulee Dam, and in the case of the great TVA project, and in many other instances.

Attempts have been made in the past on the floor of this Senate, and in the House of Representatives, to change that policy, and have been rejected repeatedly.

Is it the belief of the Members here that the policy is now going to be reversed and that power companies should be given a monopoly of power from Federal projects through control of facilities by which such power can be marketed?

I think not. I think most of the Members of the Senate on both sides of the aisle, realize the importance of preventing monopolization of these great projects.

If I am correct in this assumption, there is really no choice in the matter of this Anaconda line. The committee amendment should be amended to permit the Federal Government to build this line, and to build it in sufficient time so that it can do some good.

For this reason, I hope the distinguished Members here will give sympathetic attention to my proposal.

Mr. MURRAY. Mr. President, I ask unanimous consent to place in the RECORD at this point my statement in answer to the Montana Power Co.'s claim that it has a surplus of electric power.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

ANSWER TO MONTANA POWER CO. CLAIM THAT IT HAS A SURPLUS OF ELECTRIC POWER

Power furnished through Montana Co. facilities to Northwest pool is delivered to the Washington Water Power Co. (Ebasco subsidiary) at Burke, Idaho. The water-power company has a contract with Montana Power Co. for 20,000 kilowatts of these total deliveries for peaking on its own system. The remainder of the deliveries are made available to the pool under terms of a contract executed by all five of the major power companies in the pool.

Under terms of this five-way contract, the supplies of all five companies, including those delivered from Montana, are apportioned so as to result in the lowest cost of the total power supply to the parties consistent with equitable distribution of costs between the parties. Costs are apportioned among them.

The Government is not a signatory of these intercompany contracts and we have no way of knowing what the companies pay for power delivered at Burke.

Following are comments on the sources of the power furnished to the Northwest power pool through Montana Power Co. facilities:

Mr. Corette's statement should not be interpreted as meaning that the Montana Power Co. had or has excess capacity of between 40,000 and 90,000 kilowatts with which to take care of growth in power use in Montana.

During the 1948-49 winter months of peak load from 10,000 to 50,000 kilowatts of total Montana deliveries to the pool were the result of an hour's differential between mountain time and Pacific time. In other words the 6 p. m. daily peak load period on the coast came an hour later than the 6 p. m. peak period in Montana, Utah, and Idaho. This means that the 10,000 to 50,000 kilowatts which Montana used for its own 6 p. m. peak would be available to the west coast an hour later after the Montana peak load had fallen off.

Thus any implication that because Montana could furnish 10,000 to 50,000 kilowatts of capacity to meet the power pool's western peaks, it has a surplus of power in Montana which could be used for further industrial expansion, is a wrong implication. It needs this power itself now to meet its own winter peaks. It can spare this power for the pool only during its own off-peak hours.

Therefore, if we subtract this 10,000 to 50,000 kilowatts available as a result of time diversity from the 40,000 to 90,000 mentioned by Mr. Corette we find Mr. Corette's figures reduced to 30,000-40,000 kilowatts.

Even this corrected figure is somewhat hypothetical since the total delivery which Mr. Corette discussed was made up not of Montana Power Co. surpluses but of a combined surplus provided largely by the Utah and Idaho power systems and delivered over Montana lines. Furthermore the Utah surplus was augmented by an unusual situation: The Kennecott Copper Co. was undergoing a long strike of copper workers at this period and did not need power for its operations. This was made available through the Montana system to the power pool. Fifty to sixty percent of the power delivered by the Montana Co. to the western pool came from the combined Utah and Idaho systems. Therefore, if we reduce the corrected figure of 30,000-40,000 kilowatts by the approximately 50 percent provided by the Utah and Idaho systems we find Mr. Corette's figure further reduced to 15,000-20,000 kilowatts.

An even further modification of Mr. Corette's figures is necessary. He admits that part of his company's claimed deliveries came from Fort Peck Dam. This amounted to 14,000 kilowatts. It is well known that the power company's contract with the Government for Fort Peck power is such that the company will be able to draw upon this source to a lesser and lesser degree as preferred customers' loads grow.

Finally the operating records of the Northwest power pool on January 3, 1949, which was the peak day of last winter are revealing as to the amount of power the Montana Power Co. actually was delivering to the pool.

This record states:

"During this operation there were about zero kilowatts following from Montana to the western group at 5:05 p. m. Pacific time (at time of Montana peak), and this rose to 55,000 kilowatts westward at 5:35 p. m. (at beginning of western peak). The transfer held at 55,000 kilowatts until after the low-frequency period."

The above quotation indicates that during the pool's peak day last winter Montana had no kilowatts to spare for the pool during its own peak hours.

The outlook for the coming winter indicates there will be even less available for delivery to the power pool from Montana. If "median water" conditions obtain, eastern pool members, such as Montana, Utah, Idaho, and Fort Peck, will be able to supply approximately 64,000 kilowatts of peak power and an average of 44,000 kilowatts of power over the winter period to western members of the pool. All of this 44,000 kilowatts, 20,000 kilowatts from the Utah-Idaho system and the balance from Fort Peck, must be imported. Excluding these, deficit of 12,000 kilowatts.

If minimum water conditions obtain during the coming winter, eastern members of the pool will have an energy deficit and will be able to supply peaking to western members only if western members can return the energy supplies during off-peak periods.

All this adds up to the fact that any statement which implies that Montana Power Co.

has a surplus of power for new industry is misleading.

Following are comments on manganese situation:

Corette stated on page 1165 of Senate hearings that Anaconda's fire furnaces have sufficient capacity to care for all ore that can be produced from the known manganese reserves in the area and that no new manganese furnaces could be developed even if there was a power line. If new ore reserves are developed, Anaconda has plenty of power to supply new furnaces that would be built. The answer to Corette is that—

1. Anaconda may possibly control all of the presently most economical manganese ores in the area, but this is not a positive fact, due to the uncertainties of the mining business.

2. There do exist around Phillipsburg, Mont., certain ores not controlled by Anaconda of equal grade to Anaconda's but in smaller bodies and less accessible. These might be attractive under certain conditions to a new producer as well as to Anaconda.

3. There is pending in the Senate Interior and Insular Affairs Committee a mining bill that might encourage the development of manganese ores that Anaconda does not control. This bill, introduced by O'MAHONEY, sets up a board in the Interior Department to offer financial support for development of those minerals essential to security or industrial needs of the country. Wall Street Journal on August 19 says the bill has good prospects as a substitute for the straight subsidy bills hitherto introduced. In view of the national deficiency of manganese as well as other critical materials, it is sound to conclude that some legislation will pass and that aid to marginal or submarginal manganese mining will be provided.

4. Thus, there is a possibility that new competitor of Anaconda could operate an electric furnace to produce ferro manganese, using either the Phillipsburg ores or other ores that may be discovered, and this could take place without subsidy, but would be more likely to take place with subsidy.

5. Monopoly would be fostered if these ores were forced to go to Anaconda furnaces or if Anaconda's associates in Montana Power Co. were to dictate the price of power from a Montana line.

6. Competition would be encouraged if a new producer could buy power from the Federal line on terms not set by Montana Power Co.

Mr. PEPPER. Mr. President, I ask unanimous consent that a statement which I have prepared on the same subject be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Mr. President, the many issues that have been brought out in discussions relative to the development and the utilization of public power have led to a great deal of confusion and misapprehension as to the part the Government should play in the development of the major resources of the country. We are all aware of the lands and properties protected by flood-control dams and also of the great good that has been done by harnessing the rivers for the development of arid and semiarid lands. The control of water for these useful purposes does not provide the full beneficial use unless the stored water is utilized in the development of hydroelectric energy. This has been recognized for many years and has resulted in the development of some of the greatest projects in the world, such as the Boulder Canyon project, the Columbia River Basin project, the Tennessee Valley Authority, and many others. In the early years there was great apprehension as to the possibility of these great developments ever being more than "white elephants" on the hands of the Government. Experience has taught us that since the development of these great projects the Government has realized benefits beyond comprehension in the control of floods, the development of new lands, and the production of hydroelectric energy. We all recognize the great contribution hydroelectric energy made to the successful conclusion of our last world conflict.

It is my belief that the main issue before us today is, "Shall the Government continue to develop these vast water resources for public benefit and pass these benefits to the people?" There seems to be some apprehension on the part of Members of the Senate that Secretary of the Interior Krug has pointed out the need for the development of approximately 40,000,000 kilowatts of additional hydroelectric generating capacity, of which approximately 30,000,000 kilowatts would be constructed by the Federal Government. I wish to point out that the developments undertaken by the Federal Government which would be represented by the 30,000,000 kilowatts of additional capacity could not readily be developed by private companies. These projects, of necessity, are of the multipurpose type which provide for many projects controlling irrigation, navigation, and many other beneficial purposes including the production of electric power which is so essential to the future growth of this Nation. The Federal Government is the only organization capable of undertaking such developments.

Much has been said relative to the cost of the projects presently under construction and those which may be developed in the future. I wish to call your attention to the fact that many flood-control projects have been constructed for the benefit of the people, without considering any return to the Federal Government as repayment for these benefits other than the protection of the lives and property of the citizens. I wish to make it clear that I am for these projects and believe that the Government, wherever possible, should protect its citizens and their property. Let us not forget, however, that these developments can also be utilized to generate hydroelectric power, and the Government can thereby receive a return on its investment commensurate to the utilization of reservoir storage for power-production purposes. By the completion of these multiple-purpose features it is possible to so construct these works that the cost of energy production can be accomplished at a very low rate.

In the case of flood protection, the public receives the benefit and the protection. In the case of power production, laws have been enacted in the Congress over a long period of years to assure that the benefits derived from the production of hydroelectric power by the Government would benefit the public to the greatest extent possible. In order to achieve these widespread benefits, it is essential that the agencies responsible for the carrying out of the provisions of the law receive the necessary funds to bring this power to the load centers of the public agencies, cooperatives, and the municipalities.

The interior appropriation bill, which is now before you, contains the necessary funds to carry out the program to the greatest benefit to the public bodies, rural cooperatives, and municipalities. The House of Representatives in hearing testimony both "pro" and "con" relative to this program, approved the Department's program in its entirety with one or two exceptions. The bill, as it appears before you today, however, is accompanied by a committee report which contains many provisions, which, in effect, hinder the carrying out of this program without first reaching an agreement with private utilities.

It behooves me to call to the attention of the Senate that the people in the Department of the Interior responsible for carrying out this program authorized by previous legislation, have conducted negotiations with all of the power companies that were represented before both the Senate and the House Subcommittees on Interior Appropriations. In many instances these negotiations have been over an extended period of time and, up to the present, the large majorities of the companies have not reacted favorably to the extension of the benefits of public power to those customers having a preference under the law.

Furthermore, I believe it is essential that this service be provided in the most economical manner. Where unused capacity exists in private utility systems and the proper contract can be entered into between the Government and the utility, such a contract should be welcomed, provided that the present provisions of the law are carried out without detriment to the financial feasibility of the Federal project and the preferenced customers. I understand that the Bureau of Reclamation has such a contract in effect with the Montana-Dakota Utilities Co. wherein the unused capacity of the utility system has been made available at a very reasonable cost to provide service to rural cooperatives which cannot otherwise be reached by project lines for some time to come. However, I wish to emphasize that this type of contract should be entered into only when it is to the mutual benefit to all parties concerned.

As a case to point out, I wish to invite the Senate's attention to a statement on the Colorado-Big Thompson project, appearing in the hearings before the Subcommittee of the Senate on H. R. 3838. Under the provisions contained in the Senate committee report, the statement appearing on page 13, essential lines for serving several municipalities and an REA cooperative were denied on the premise that the Public Service Co. of Colorado would recognize a contract to provide this service in conformance with the present principles found in the contract between Southwestern Power Administration and the Texas Power & Light Co. I wish to point out that, in the testimony given by the President of the Public Service Co. of Colorado, which appears on page 1236 of the hearings before the Senate subcommittee, H. R. 3838, the company offered to provide wheeling service at 1.25 mills per kilowatt-hour. In a statement before the House subcommittee, the president of the company suggested that the preference customers pay this wheeling charge. Under ultimate development, this would mean that these customers would be required to pay approximately $120,000 annually to the company for this service and, in addition, pay the project rate for power. In testimony before the Senate, the President of the company suggested that the Government pay this wheeling charge. Examination of a statement appearing on page 2588 of the hearings before the Senate subcommittee shows that the cost of providing this power over the company's facilities would reduce the net revenue to the project by approximately $95,000 annually. In this instance, it is indicative to me that the construction of the proposed transmission lines on the Colorado-Big Thompson project are essential in order that the Government can recover this additional revenue to assist in repaying the cost of the Colorado-Big Thompson project.

I also wish to call to the attention of the Senate a provision which appears in the body of the bill beginning on page 54, line 21,

relative to the Canyon Ferry project. This provision, in effect, prevents the Government from installing generating capacity, in its own power plant. The Montana Power Co. has offered to pay $300,000 annually for the right to install generating equipment in the Canyon Ferry power plant and utilize the falling water for power generation. Mr. Corette of the Montana Power Co. stated, and I quote from page 1190 of the hearings before the Senate subcommittee on H. R. 3838, "We offered a rental charge we thought was so attractive that the Bureau could not turn it down, but the Bureau did turn it down."

Let's just examine this offer. The estimated reimbursable cost of the dam itself is $20,492,000, of which approximately one-half of the cost or roughly $10,000,000 is allocated to power. Power revenues must, however, return the entire cost of the dam in order to maintain a feasible project. In other words, disregarding interest or any other factors, revenue from the power plant constructed by the Government must return over $20,000,000 in a period of 50 years. Now, this proposed attractive offer made by the Montana Power Co. would, over a period of 50 years, return to the Government only $15,000,000. It is very evident why the Bureau of Reclamation could not accept this offer. This offer would represent a subsidy to the power company of $5,000,000 over a period of 50 years and would not cover one cent of interest on the investment in the dam which is allocated to power production.

A more detailed analysis of this financial arrangement is shown on page 2586 of Senate hearings on H. R. 3838, which shows that an annual deficit of nearly $250,000 or $12,500,000 in 50 years would result if all factors are taken into consideration.

I merely wish to point out to the Senate that the restrictive clause contained in the bill relative to the Canyon Ferry project, and the recommendations contained in the Senate report on H. R. 3838, may result, and no doubt in many instances will result in private gain from Federal expenditures at the expense of the taxpayers and higher cost of power for rural cooperatives and other public agencies.

I sincerely urge that the restrictions relative to power facilities contained in this bill be removed and that the Senate take favorable action to restore the programs contained in the Interior appropriation bill as submitted by the President.

UNITED STATES,
DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, August 9, 1949.

Hon. KENNETH MCKELLAR,
Chairman, Senate Committee on Appropriations, United States Senate.

MY DEAR SENATOR MCKELLAR: In reading the report of the Committee on Appropriations on the Interior Department appropriation bill, 1950 (S. Rept. No. 661), I note that in a number of instances in which the committee has recommended against the appropriation of funds for the construction of certain Bureau of Reclamation proposed transmission lines and other power features, the committee has stated that its recommendation is based upon the assumption that contracts can be negotiated which will provide, in effect, that the companies concerned will deliver Government-generated electricity to customers having a preference by law in the purchase of power from the Government. This service is, as you know, sometimes referred to as wheeling service. The report states that the Commissioner of Reclamation shall report to the Appropriations Committee by January 1, 1950, on the progress made in entering into such wheeling contracts for service to preferred Government customers.

I am in a position at this time to inform you as to the results of our previous attempts to obtain wheeling service with the companies in question in order to serve preferred Government customers. A brief résumé of the status of those negotiations with each company is set forth in the following paragraphs.

PACIFIC GAS & ELECTRIC CO.

Active negotiations with the Pacific Gas & Electric Co. to obtain wheeling arrangements whereby the Government could serve preferred customers of the Central Valley project were resumed in 1948. Several requests have been made of the company. The only wheeling service that the Pacific Gas & Electric Co. has indicated a willingness to render is limited to wheeling to deliver power for project irrigation pumping and certain other direct project uses. The company has not agreed to supply wheeling service to any preferred customers of the United States. The company has also refused, in the face of requests from the Bureau of Reclamation so to do, to provide wheeling service in order to permit the Central Valley project to supply electric power and energy for the direct use of other agencies of the United States in California. It is apparent, therefore, that over an extended period of time the Bureau of Reclamation has been unable to secure from the company an agreement to wheel power along the lines indicated in the committee report.

IDAHO POWER CO.

In reply to a request made to the Idaho Power Co. early in 1949 as to the willingness of the company to wheel Bureau power to serve preferential customers and for Bureau use, the company has replied indicating a willingness only to transfer power from Anderson Ranch for the service of irrigation pumping customers. Here again this Bureau has seen no evidence of a willingness on the part of the Idaho Power Co. to render the type of wheeling service concerning which the committee has indicated that negotiations should be undertaken.

MONTANA POWER CO.

In 1947, request was made of the company that it provide a general wheeling service in order to enable the United States to serve preference customers. This request was twice repeated. The only reply that this Bureau has been able to obtain is that the company was giving the wheeling question consideration. I think you will agree that such an answer from the company does not indicate much promise that preference customers of the United States will be afforded an opportunity to purchase power from the United States through wheeling arrangements with the Montana Power Co. Further light on the attitude of the Montana Power Co. in connection with wheeling is shed by the fact that the company has been unwilling to entertain arrangements for the wheeling of power even for the purpose of supplying construction power at the Hungry Horse and Canyon Ferry projects, both of which are under construction by the Bureau of Reclamation.

PUBLIC SERVICE CO. OF COLORADO

The Public Service Co. of Colorado was contacted as early as September 1947 to discuss mutual power problems. At that time the company representatives appeared to be amazed at the temerity of the Bureau officials in suggesting that consideration be given to wheeling. However, at a later date, in conversation with an REA project, the company apparently indicated that it was willing to consider wheeling if the charges for wheeling were paid by the REA project involved over and above the charges which that project would pay for Bureau power. In all such discussions, the company appeared to be willing to consider only one REA cooperative and not the general class of preferred customers as indicated by Reclamation law. It is noted in the hearings before the Senate Appropriations Committee that the company made the statement that now they did not care who paid the wheeling charge, although the company has never presented any such proposal to the Bureau of Reclamation. Such proposal as the company made to the REA project did not appear very attractive because of the high price indicated for a relatively short transmission distance. What arrangements might be made with the company for a wider service area for wheeling of Government power are not definitely known, but unofficial comments made by company representatives would not make the possibilities look too bright.

CONCLUSION

In summary then, the Bureau has not thus far found in its discussions with the companies concerned reason to believe that the preference to public bodies and cooperatives embodied in the reclamation law can be achieved through wheeling arrangements of the type the committee has in mind.

Sincerely yours,

WESLEY R. NELSON,
Acting Commissioner.

The VICE PRESIDENT. All time for debate on the matter has expired.

Mr. MURRAY. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Anderson	Hill	Morse
Bricker	Hoey	Mundt
Bridges	Holland	Murray
Byrd	Humphrey	Myers
Cain	Hunt	Neely
Capehart	Jenner	O'Conor
Chapman	Johnson, Colo.	O'Mahoney
Chavez	Johnson, Tex.	Pepper
Connally	Kefauver	Reed
Cordon	Kem	Robertson
Donnell	Kerr	Russell
Douglas	Kilgore	Saltonstall
Downey	Knowland	Schoeppel
Ecton	Langer	Smith, Maine
Ellender	Leahy	Smith, N. J.
Ferguson	Long	Sparkman
Flanders	Lucas	Stennis
Frear	McCarthy	Taft
Fulbright	McClellan	Taylor
George	McFarland	Thomas, Okla.
Gillette	McKellar	Thomas, Utah
Graham	McMahon	Tobey
Green	Magnuson	Watkins
Gurney	Malone	Wherry
Hayden	Martin	Williams
Hendrickson	Maybank	Withers
Hickenlooper	Millikin	Young

The VICE PRESIDENT. A quorum is present. The question is on agreeing to the amendment offered by the Senator from Washington [Mr. MAGNUSON], which will be stated.

The LEGISLATIVE CLERK. On page 8, line 21, after the numerals "$30,284,500", it is proposed to insert "including funds for construction of the Kerr-Anaconda transmission facilities."

Mr. MAGNUSON. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. MAGNUSON. A vote "yea" would be a vote for the amendment, would it not?

The VICE PRESIDENT. For the Senator's amendment.

Mr. MAGNUSON. Which amends the committee amendment.

Mr. WHERRY. Mr. President, there was so much confusion in the Senate, will not the distinguished Vice President again state the parliamentary situation?

The VICE PRESIDENT. The Senator from Washington asked the Chair if a "yea" vote would be a vote in favor of his amendment. The Chair said that, of course, a "yea" vote would be in favor of the amendment and that a "nay" vote would be against the amendment.

The question is on agreeing to the amendment of the Senator from Washington.

Mr. WHERRY. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. FREAR (when his name was called). On this vote I have a pair with the senior Senator from South Carolina [Mr. JOHNSTON]. If the Senator from South Carolina were present and voting, he would vote "yea." If I were permitted to vote, I would vote "nay." I therefore withhold my vote.

Mr. MYERS. I announce that the Senator from Mississippi [Mr. EASTLAND] and the Senator from South Carolina [Mr. JOHNSTON] are absent on public business.

The Senator from Nevada [Mr. MCCARRAN] is absent by leave of the Senate, and if present and voting, would vote "nay."

The Senator from Idaho [Mr. MILLER] is necessarily absent.

The Senator from Maryland [Mr. TYDINGS] is detained on official business in connection with the consideration by a subcommittee of the Committees on Armed Services and Foreign Relations, meeting jointly, considering the military assistance program.

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN] and the Senator from Nebraska [Mr. BUTLER] are absent by leave of the Senate, and they have a general pair.

The Senator from Maine [Mr. BREWSTER] is necessarily absent.

The Senator from Massachusetts [Mr. LODGE] and the Senator from Minnesota [Mr. THYE] are absent by leave of the Senate. If present and voting, the Senator from Minnesota [Mr. THYE] would vote "nay."

The Senator from Connecticut [Mr. BALDWIN], the junior Senator from New York [Mr. DULLES], the senior Senator from New York [Mr. IVES], the Senator from Michigan [Mr. VANDENBERG], and the Senator from Wisconsin [Mr. WILEY] are detained on official business. If present and voting, the junior and senior Senators from New York and the Senator from Michigan would vote "nay."

The result was announced—yeas 45, nays 35, as follows:

YEAS—45

Anderson	Humphrey	Morse
Chapman	Hunt	Murray
Chavez	Johnson, Tex.	Myers
Connally	Kefauver	Neely
Douglas	Kerr	O'Conor
Downey	Kilgore	O'Mahoney
Flanders	Knowland	Pepper
Fulbright	Langer	Smith, Maine
George	Leahy	Sparkman
Gillette	Long	Stennis
Graham	Lucas	Taylor
Green	McKellar	Thomas, Utah
Hayden	McMahon	Tobey
Hill	Magnuson	Withers
Hoey	Maybank	Young

NAYS—35

Bricker	Hickenlooper	Reed
Bridges	Holland	Robertson
Byrd	Jenner	Russell
Cain	Johnson, Colo.	Saltonstall
Capehart	Kem	Schoeppel
Cordon	McCarthy	Smith, N. J.
Donnell	McClellan	Taft
Ecton	McFarland	Thomas, Okla.
Ellender	Malone	Watkins
Ferguson	Martin	Wherry
Gurney	Millikin	Williams
Hendrickson	Mundt	

NOT VOTING—16

Aiken	Frear	Thye
Baldwin	Ives	Tydings
Brewster	Johnston, S. C.	Vandenberg
Butler	Lodge	Wiley
Dulles	McCarran	
Eastland	Miller	

So the amendment offered by Mr. MAGNUSON on behalf of himself and other Senators was agreed to.

OVERLAPPING TAXATION—NEED FOR LEGISLATION

(The following statement by Mr. HENDRICKSON, made during the course of Mr. ECTON'S speech, was, on request of Mr. HENDRICKSON and by unanimous consent, ordered to be printed at this point in the RECORD:)

Mr. HENDRICKSON. Mr. President, will the Senator yield for a statement?

Mr. ECTON. I am glad to yield.

Mr. HENDRICKSON. I thank the Senator.

Mr. MAGNUSON. Mr. President, will the Senator from New Jersey yield to me for a moment?

Mr. HENDRICKSON. I yield.

Mr. MAGNUSON. Will the Senator from New Jersey, at the conclusion of his remarks, kindly ask that they be placed at the end of the remarks on the pending subject, so we may have a complete RECORD?

Mr. HENDRICKSON. I make that request now, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HENDRICKSON. Mr. President, on the calendar of the Senate, there is a bill S. 1946 to provide for the establishment of a bipartisan Commission on Intergovernmental Relations which will examine all aspects and phases of national, State, and local government with special attention to the serious fiscal problems which threaten to overwhelm us today. This bill is completely in accord with the recommendations of the Hoover Commission and its great need is emphasized by a situation which occurred in my neighboring State of Pennsylvania recently where a resident of New Jersey was thrown into prison for nonpayment of a tax imposed by the city of Philadelphia.

If I am not mistaken, taxation without representation was the basic principle which gave rise to the Declaration of Independence and led to our ultimate separation from the mother country.

In the case of George E. Ross, a resident of New Jersey, and a civilian employee of the United States navy yard, we find this same principle involved and the entire situation arises out of our present hodgepodge method of enacting tax legislation at the various levels of government. In this instance, the unfortunate Mr. Ross is not guilty of violating any Federal statute or any statute in his own State but he is charged with violating a wage tax imposed by the city of Philadelphia where he has neither voice in government nor residence of any character. Indeed, Mr. Ross receives not the slightest benefits from the city of Philadelphia. In his daily travels to and from his work, he goes to Philadelphia from New Jersey by way of a ferry operated by the navy yard and during the course of his employment, his operations are confined entirely to lands owned by the Federal Government—a Federal reservation. He has neither the benefit, directly or indirectly, of the police, fire, education, or other municipal services of the city of Philadelphia but now he finds himself in prison for not paying the taxes which provide those public facilities.

Of course, it might be argued that the Philadelphia Navy Yard has the benefits of some of the services to which I have referred, but let any one even suggest that the navy yard be removed from the confines of the city of Philadelphia and Congress would be besieged by the civic leaders of the area, denouncing such a proposal. Moreover, it should be noted that aside from the educational facilities, the navy yard conducts its own fire and police needs.

Mr. President, it was to prevent such a situation that I introduced, together with my colleague, the senior Senator from New Jersey [Mr. SMITH], Senate bill 864 whereunder Federal employees would be exempt from such a tax. I conceded that this was only a stopgap measure to protect Federal employees who reside in one State from being improperly taxed in another, but this does not excuse the Judiciary Committee for not granting adequate public hearings on the measure. I hope that this incident will cause the committee in question to at least give this bill a proper hearing because in my opinion it is an outrage for a citizen of a great State who works for the Federal Government on an operation in another State and upon a Federal reservation, to be taxed for governmental services in which he has no voice or benefit whatsoever, but Mr. President, the issue raised here is much deeper than the Philadelphia wage tax. It high lights the need, and it is a very growing need, for a complete reappraisal of the several fields of taxation at all levels of government so that we can relieve our citizens and taxapyers of the terrific burdens which come from overlapping, duplication, and waste. Senate bill 1946 is the only long-range answer to the many untold cases which involve taxation without representation and subject good, honest, God-fearing American citizens to legalisms which can send them to jail.

Mr. President, I ask unanimous consent that the attached editorial from the Camden Courier be incorporated in the body of the RECORD at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

IMPRISONMENT OF DEBTOR REOPENS WAGE TAX FIGHT

Imprisonment of George Ross of Fairview, a naval base worker, by Philadelphia for failure to pay that city's wage tax is the most high-handed action yet taken in the long struggle of Philadelphia to enforce this outrageous tax on nonresidents and make them like it.

Ross, a pipefitter and the father of three children, refused to allow his wife to post the necessary $300 bail to release him because he feels that might imply the tax was just and that a Philadelphia court would forfeit the bail to pay the wage tax he "owes."

He also hopes his willingness to stay in jail rather than surrender a principle will dramatize the fight of "outsiders" against this form of taxation without representation and lead to abolition of the tax on nonresidents of Philadelphia.

If necessary, Ross hopes to carry his case to the Supreme Court as a test of the constitutionality of the wage tax, although the Pennsylvania State Supreme Court upheld it several years ago.

Ross has an exceptionally strong case since he does not even pass through Philadelphia on his way to work at the naval base, where he has been employed for 9 years. He goes to work by way of the National Park ferry and does not set foot in Philadelphia itself—except that the naval base, though Government property, has been ruled part of the city for purposes of wage-tax collection.

Through his wife he has appealed to Congressman WOLVERTON and Senators SMITH and HENDRICKSON, who have sponsored legislation to outlaw the wage tax on nonresidents, for legal advice. Mrs. Ross also called Governor Driscoll's office for aid but did not talk to the governor and says she "got what you would probably call a runaround" from those to whom she did talk.

It may well be that the Ross case will turn out to be a more favorable one on which to challenge the constitutionality of the law than any that have come up in the past. Generally speaking, however, all efforts to prevent enforcement of the wage tax against non-Philadelphians through the courts in the past have failed and too much reliance cannot be placed in the hope that they will succeed now.

The wage tax, as the Courier-Post and South Jerseyites have long contended, is inherently vicious because it is taxation without representation. This Nation fought and won its independence from Great Britain because it refused to bow to such taxation, and it is amazing and disheartening to think that 170 years later anyone can be found in America who will uphold it.

But in the face of all objections Philadelphia continues to impose it, and to justify its imposition with the argument that "outsiders" working in the city benefit by city services—services some of which, such as water, are notoriously among the worst provided by any great American municipality.

In the case of a naval base worker like Ross, who does not utilize any Philadelphia city service, even this feeble argument does not stand up, but at best it is as flimsy as a sheet of tissue paper.

Congressman WOLVERTON for years has been battling for Federal legislation to knock out the tax on nonresidents. He and the two New Jersey Senators again have bills in this Congress for the purpose. But in the past Philadelphia's representatives have been able to kill all such measures and probably, as long as it wishes, the city can block them.

The most determined effort in the Pennsylvania Legislature to make the tax inapplicable to nonresidents was made last spring, when Senator Watkins, of Delaware County introduced a bill to that end. But the Philadelphia delegation formed an alliance with senators from a number of up-State counties, giving a quid pro quo in the promise to vote for bills in which those senators were interested, and succeeded in defeating Watkins' measure by a vote of 38 to 11.

A year ago last January the Courier-Post said of the wage tax:

"Every avenue of legislative and judicial recourse should be explored until Philadelphia is compelled to restrict the tax to its own residents, and cease inflicting taxation without representation on outsiders who carry burdens of their own at home with no aid from Philadelphia."

Those words still hold good. Perhaps the Ross case will provide a judicial recourse, or perhaps it will be the spur to bring about a legislative recourse.

In principle the tax is so clearly wrong that sooner or later it surely must be lifted from nonresidents and they can only keep on exploring every avenue of recourse until the right one finally is found.

Mr. HENDRICKSON. I thank the Senator from Montana.

Mr. SMITH of New Jersey. Mr. President, will the Senator yield?

Mr. ECTON. I yield.

Mr. SMITH of New Jersey. I should like merely to endorse what my distinguished colleague from New Jersey has said with reference to the tax situation. It has been very embarrassing to residents of southern New Jersey, who are working in the city of Philadelphia.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. McFARLAND, from the Committee on Interstate and Foreign Commerce:

H. R. 1824. A bill to amend the act of July 23, 1947 (61 Stat. 409); without amendment (Rept. No. 954).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WILEY:

S. 2476. A bill for the relief of Antonio Ubaldino Trombetta; to the Committee on the Judiciary.

By Mr. McFARLAND:

S. 2477. A bill to amend the act of July 23, 1947 (61 Stat. 409), to equalize pay and retirement benefits of certain classes of commissioned officers appointed to the regular Coast Guard; to the Committee on Interstate and Foreign Commerce.

By Mr. MARTIN:

S. 2478. A bill for the relief of Tibor Kahan and Mrs. Ilona Kahan; to the Committee on the Judiciary.

By Mr. McMAHON:

S. 2479. A bill for the relief of A. D. Strenger and his wife, Claire Strenger; to the Committee on the Judiciary.

By Mr. KEFAUVER:

S. 2480. A bill granting the consent of Congress to a compact or agreement between the State of Tennessee and the State of Missouri concerning a Tennessee-Missouri Bridge Commission, and for other purposes; to the Committee on Public Works.

AMENDMENT OF DISPLACED PERSONS ACT—DISCHARGE OF COMMITTEE

Mr. LUCAS (for himself, Mr. TAFT, Mr. FERGUSON, Mr. SMITH of New Jersey, Mr. MAGNUSON, Mr. McMAHON, Mr. MYERS, Mr. MORSE, Mr. SALTONSTALL, Mr. IVES, Mr. DOUGLAS, Mr. NEELY, Mr. GRAHAM, Mr. DULLES, Mr. FLANDERS, and Mr. KILGORE) submitted the following resolution (S. Res. 160), which was ordered to lie over under the rule:

Resolved, That the Committee on the Judiciary is hereby discharged from the further consideration of the bill (H. R. 4567) to amend the Displaced Persons Act of 1948.

MILITARY ASSISTANCE TO FOREIGN NATIONS—AMENDMENT

Mr. BALDWIN submitted an amendment intended to be proposed by him to the bill (S. 2388) to promote the foreign policy and provide for the defense and general welfare of the United States by furnishing military assistance to foreign nations, which was referred to the Committee on Foreign Relations and Armed Services, jointly, and ordered to be printed.

AMENDMENT OF FAIR LABOR STANDARDS ACT—AMENDMENTS

Mr. BALDWIN submitted an amendment to be proposed by him to the bill (S. 653) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. GEORGE submitted an amendment intended to be proposed by him to Senate bill 653, supra, which was ordered to lie on the table and to be printed.

INTERIOR DEPARTMENT APPROPRIATIONS—AMENDMENTS

Mr. RUSSELL submitted amendments intended to be proposed by him to the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes, which were ordered to lie on the table and to be printed.

Mr. MURRAY submitted an amendment intended to be proposed by him to House bill 3838, supra, which was ordered to lie on the table and to be printed.

AMENDMENT OF CERTAIN PROVISIONS OF INTERNAL REVENUE CODE—AMENDMENTS

Mr. MARTIN (for himself and Mr. McKELLAR) submitted amendments intended to be proposed by them, jointly, to the bill (H. R. 5268) to amend certain provisions of the Internal Revenue Code, which were ordered to lie on the table and to be printed.

Mr. MARTIN (for himself, Mr. CONNALLY, and Mr. CHAPMAN) submitted amendments intended to be proposed by them, jointly, to House bill 5268, supra, which were ordered to lie on the table and to be printed.

THIRD DEFICIENCY APPROPRIATIONS—AMENDMENT

Mr. MAGNUSON. Mr. President, on behalf of myself, the Senator from Connecticut [Mr. BALDWIN], the Senator from Maine [Mr. BREWSTER], the junior Senator from Washington [Mr. CAIN],

the Senator from Kentucky [Mr. CHAPMAN], the Senator from California [Mr. DOWNEY], the Senator from Iowa [Mr. GILLETTE], the Senator from Rhode Island [Mr. GREEN], the junior Senator from New Jersey [Mr. HENDRICKSON], the senior Senator from Alabama [Mr. HILL], the Senator from New York [Mr. IVES], the Senator from Texas [Mr. JOHNSON], the Senator from Colorado [Mr. JOHNSON], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Montana [Mr. MURRAY], the Senator from Pennsylvania [Mr. MYERS], the Senator from Oregon [Mr. MORSE], the Senator from Arizona [Mr. MCFARLAND], the Senator from Maryland [Mr. O'CONOR], the Senator from Florida [Mr. PEPPER], the senior Senator from New Jersey [Mr. SMITH], the junior Senator from Alabama [Mr. SPARKMAN], the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from Idaho [Mr. TAYLOR], and the Senator from New Hampshire [Mr. TOBEY], I submit an amendment intended to be proposed by us, jointly, to the bill (H. R. 5300) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1949, and for other purposes.

The amendment provides for $25,000,000 to finance repair of 134 ships in our reserve fleet. I make the announcement and submit substantiating data at this time so all Senators may know in advance the compelling arguments for this expenditure.

I ask unanimous consent that an explanatory statement by me, together with the substantiating data, be printed in the RECORD.

The VICE PRESIDENT. The amendment will be received, printed, and lie on the table, and, without objection, the statement and data will be printed in the RECORD.

The statement presented by Mr. MAGNUSON is as follows:

Mr. MAGNUSON. The Ship Sales Act of 1946 states in pertinent part: "The Commission shall place in a national defense reserve—such vessels owned by it as, after consultation with the Secretary of War and Secretary of Navy, it deems should be retained for national defense. Unless otherwise provided for by law, all vessels placed in such reserve shall be preserved and maintained by the Commission for the purpose of national defense. A vessel placed in such reserve shall in no case be used for commercial operation."

Here in unequivocal language the Congress directed the Maritime Commission to preserve and maintain in a national-defense reserve such ships as it, and the Secretaries of War and Navy, deem essential to our national security. The Congress did not say the Commission may take such action—the Congress said the Commission shall take such action.

The Commission would be derelict in its duty to the Congress and the people if it failed to live up to this mandate. Without funds, however, the Commission is helpless. I propose that we provide the funds it must have to carry out our directive.

Some will ask, "Is this job necessary? Is repair of these ships vital to national security? Could this expenditure be postponed?" Let me give you the facts.

No thoughtful and informed man will deny that we as a Nation have twice risked losing a world war through failure to maintain an adequate reserve of ships, construction facilities, and trained personnel. Leading military authorities, who actually faced the problem of fighting World War II, flatly state that lack of ships modified our entire strategy. For instance Admiral Ernest King said in a report dated March 1944:

"Maintenance of the flow of ocean traffic has been, and continues to be, a vital element of all war plans.

"Operating on exterior lines of communication on almost every front, the United Nations have been dependent largely upon maritime transportation. The success of overseas operations, landing attacks, the maintenance of troops abroad, and the delivery of war materials to Russia and other allies concerned primarily with land operations has depended to a large extent upon the availability of shipping and the ability to keep it moving. Shipping potentialities have been the major factor—often the controlling factor—in most of the problems with which the Allied high command has had to deal."

The identical problem, in lesser degree, confronted and plagued us in World War I. For months in the recent conflict we fought a defensive war because we lacked the ships to deliver men, munitions, and matériel. As President Roosevelt stated to Congress in June 1942, "With available cargoes in excess of available ships, loading and routing have become matters of strategic selection among conflicting needs."

Men and nations should learn from experience. Yet here we are, 4 years after the greatest blood bath the world has ever known, with the greatest fleet ever built by a single nation, repeating the same errors which have twice led us to the brink of disaster. A major portion of that greatest fleet is today slowly rusting to destruction. What enemy action failed to accomplish, our own continued neglect will surely achieve.

We speak of our moth-ball fleet. This is a misnomer. Our merchant vessels, many of them auxilliary types, went into reserve status just as they came from the high seas—no repairs, no preservatives, and hence no possibility of breaking them out of reserve without major reconditioning.

What has the Maritime Commission done or tried to do to correct the situation? In April 1948 the Commission, through its vice chairman, addressed a memorandum to the Bureau of the Budget requesting approval of funds to repair 910 vessels to be held in a national-defense reserve, as contemplated by the Ship Sales Act of 1946. In June 1948, the Bureau denied the request saying, "The recommended program is of insufficient priority to warrant action being taken at this time."

Subsequently at meetings of the Joint Army, Navy, and Maritime Plans Committee, it was agreed that this matter should be submitted to Joint Chiefs of Staff for their recommendation as to the urgency of the program. Bureau of Budget representatives attended at least one of these meetings.

On March 22, 1949, Gen. Omar Bradley, on behalf of the Joint Chiefs of Staffs, addressed a restricted memorandum to the Secretary of Defense, setting forth their views on the need for undertaking immediate repairs of a limited number of ships of the national defense reserve. For obvious reasons, I cannot quote the entire Bradley memorandum. I have a copy in my files, however, in the event any Senator would like to read the entire statement.

In effect the general said: "Minimum essential repairs of all vessels at this time is highly desirable. For economic reasons, rather than military, however, a modest program of $25,000,000 initially is recommended, as a matter of high priority and essential to the national security. The Joint Chiefs of Staff urged further that a program of similar proportions be carried out on an annual basis, until such time as at least 439 military auxiliary vessels now in the Commission's reserve fleet are placed in condition.

The Commission estimates that 134 of these 439 vessels can be repaired during fiscal 1950, providing Congress votes the $25,000,000. The Commission pointed out to the Director of Budget that the scope of the program will be influenced by such other factors as availability, dry docking facilities, and the intent to retain the benefits of a competitive market by not saturating the repair industry.

In part a letter addressed by the Commission to the Director of the Budget on May 5, 1949, reads: "The Commission is fully conscious of its responsibilities under the Merchant Sales Act of 1946, which directs that all vessels placed in the reserve fleet shall be preserved and maintained by the Commission for the purpose of national defense. In keeping with this responsibility, the Commission emphasizes that the proposed repair of only 134 of a total of 439 military auxiliary vessels, with no provision for the repair of other than military auxiliary vessels, is the minimum of repairs which should be accomplished during fiscal year 1950 on this vital program."

Despite the high priority placed on this program by the Joint Chief of Staffs and the Maritime Commission, Bureau of Budget again declined to authorize. In a letter addressed to General Fleming, Commission Chairman, Director Frank Pace stated that whereas the Bureau had not approved the $25,000,000 for expenditure by the Maritime Commission, it would consider authorizing the National Military Establishment to take this amount from its 1950 appropriation. The Director went on to say that since the program has vital national defense features, it should be handled by the Military Establishment. I mention this so Senators will be fully informed on the events preceding the action we now contemplate.

Subsequently, the Secretary of Defense asserted that the National Military Establishment could not divert to this purpose funds it had budgeted for other essential items in fiscal 1950. The door was left open, however, for inclusion of the $25,000,000 in fiscal 1951 estimates.

In my considered judgment, action by the Bureau of Budget, which I have just cited, is wrong on at least three counts. First, we will spend approximately $15,000,000,000 this year for preparedness and national defense. It is shortsighted planning to neglect placing in operating condition the 134 auxiliary type vessels I have referred to. The hospital, towing, troop ships, and torpedo boat tenders represented in the 134 vessels are indispensable in the event of conflict. Failure to repair them now is to incur the risk of further deterioration and the even worse risk of entering an emergency with inadequate transport facilities.

Second, such action is in direct conflict with the mandatory language contained in the Merchant Ship Sales Act of 1946. I allude again to the pertinent sentence, "Unless otherwise provided for by law, all vessels placed in such reserve shall be preserved and maintained by the Commission for the purpose of national defense." Congress has passed no law transferring responsibility to the national Military Establishment. Until Congress does so, responsibility for repair and reconditioning of vessels in the national defense reserve rests with the Maritime Commission.

Third, if we are going to place under the National Military Establishment every activity closely related to national defense, we will have the military operating in innumerable fields beyond its legitimate jurisdiction. Roads, airports, aircraft, factories, shipyards, and many other installations and activities are related to nationl defense. To the best of my knowledge, no one has proposed that appropriations for these facilities be placed under the jurisdiction of the military.

The Maritime Commission has been severely criticized on many counts. Here is a case, in my considered opinion, where the Commission is eminently correct in the position it has taken. Congress has the ultimate responsibility for deciding what programs shall be financed in any particular year. It cannot and should not permit the Bureau of Budget or any other administrative office to decide issues for it. To do so is to surrender our constitutional prerogatives to the executive branch. The mere fact that the Bureau has not seen fit to clear this program should in no way deter Congress from acting upon it.

Just a few words now concerning the location and repair costs of these vessels. I have already stated the list includes transports, hospital ships, cargo attack ships, attack transports, towing vessels, provision ships, and motor torpedo boat tenders. At the end of my remarks I will include the names, locations, and types of all 134 ships. At this point let me give you a few summary figures.

On the Atlantic coast, 62 of these vessels are berthed in the James River, one in the Hudson, and one at Wilmington, Del. In the Gulf, 14 are berthed at Mobile, Ala., and 3 at Beaumont, Tex. On the Pacific coast, 34 are anchored in Suisun Bay, Calif., 10 at Astoria, Oreg., and 9 at Olympia, Wash. In summary, 64 are on the Atlantic coast, 17 on the Gulf, and 53 on the Pacific coast.

Now, as to cost: the Commission estimates it will cost on the average $180,000 per vessel to finance needed minimum repairs on the 134 ships. This is for the actual physical repairs themselves—materials, labor, and contracts. Administrative expenses, including inspection, warehousing, inventory, etc., will add about $6,500 per vessel.

When built, these ships cost the American people an average of $3,000,000 each. The replacement cost on today's market would be about $5,000,000 per vessel. Our total investment in construction of these 134 ships is about $402,000,000. Replacement costs would run close to $700,000,000. No prudent businessman with an investment of that magnitude in plant and equipment would be so shortsighted as to neglect essential repairs. We are asking here for a $25,000,000 appropriation to protect a $400,000,000 investment. There is no economy, as I see it, in leaving $400,000,000 unprotected, either from a business or national security point of view.

There is still another factor which has a bearing on this problem. From January 1947 to May 1949, employment in private shipyards in this country has declined from 152,900 to 80,900—a decrease of 41 percent. This alarming loss of shipbuilding and repair skill has not been uniform throughout the country. In North Atlantic yards employment has decreased 25,400 or 35.6 percent; on the Gulf, employment in private shipyards has decreased by 17,500 or 62.5 percent; and on the Pacific Coast by 21,500 or 69.6 percent.

I do not assert that the shipping industry and economy can or should sustain employment at the January 1947 level. I do contend, however, that the drastic loss in trained personnel which has occurred in 2½ years, represents a matter of vital concern to the Senate and the country.

The President's Advisory Committee on the Merchant Marine reported in November 1947. Speaking of an adequate merchant marine, the Commission stated: "It must be supported by an active shipbuilding and ship-repair industry to insure continued technical progress in ship design and construction and to provide a nucleus of key managerial, technical and skilled labor personnel upon which wartime expansion may be built."

Today unemployment in the metal trades is rapidly reaching depression proportions. In the $25,000,000 we are requesting we have a program involving work essential to national security, essential for protection of a $400,000,000 investment, and a program which will arrest the alarming dissipation of shipbuilding personnel, capital, and managerial know-how.

Earlier in these remarks I said that some Senators will ask: "Is this job necessary? Is repair of these ships vital to national security? Could this expenditure be postponed?" The facts I have attempted to give you answer those questions. The answers are: The job is necessary. Repair is vital to national security. The expenditures should not be postponed.

Mr. Chairman, I wish to insert as part of my remarks a table showing the total employment on shipbuilding and repair by region, January 1947 through May 1949—a table showing the location and type of ships included in this program, together with a part of the estimates submitted to Bureau of Budget by the United States Maritime Commission as justification for this $25,000,000 repair program. The list of vessels I am including should not be regarded as the final word in every instance on the ships to be repaired. Some adjustments may prove necessary. In the main, however, the list is correct.

I urge every Senator to examine these data. I urge every Senator to support the amendment.

The data presented by Mr. MAGNUSON is as follows:

United States Maritime Commission, estimated appropriation requirements for repair of military auxiliary vessels in reserve fleet by objects, fiscal year 1950

Obligations by objects	Administrative			Operating (field)		Total
	Departmental	Field	Total	Warehousing	Vessel repairs	
01 Personal services	$16,178.16	$711,273.60	$727,451.76	$71,500.00		$798,951.76
02 Travel		48,768.00	48,768.00			48,768.00
03 Transportation of things		1,000.00	1,000.00			1,000.00
06 Printing and binding	4,350.00		4,350.00			4,350.00
08 Supplies and materials	225.00	6,480.00	6,705.00	1,125.00		7,830.00
09 Equipment	548.86	15,807.09	16,355.95	2,744.29		19,100.24
Subtotal						880,000.00
Vessel repairs					$24,120,000	24,120,000.00
Total	21,302.02	783,328.69	804,630.71	75,369.29	24,120,000	25,000,000.00

Total employment on shipbuilding and repair by region, 1947–49

ALL REGIONS

Year and month	Employment (in thousands)			Percent of employment in private shipyards
	Total	Navy yards	Private shipyards	
1947—January	242.4	89.5	152.9	63.1
February	239.8	87.2	152.6	63.6
March	239.2	86.6	152.6	63.8
April	240.5	87.3	153.2	63.7
May	238.2	87.1	151.1	63.4
June	230.2	86.5	143.7	62.4
1948—January	212.6	87.0	125.6	59.1
February	209.3	87.2	122.1	58.3
March	207.5	87.5	120.0	57.8
April	205.3	87.8	117.5	57.2
May	200.7	88.3	112.4	56.0
June	195.4	88.6	106.8	54.7
1949—January	182.1	93.1	89.0	48.9
February	179.1	92.6	86.5	48.3
March	176.8	91.7	85.1	48.1
April	172.2	90.5	81.7	47.4
May	169.3	88.4	80.9	47.8
Decrease			72.0	
Percent			40.8	

SOUTH ATLANTIC

1947—January	30.3	16.9	13.4	44.2
February	30.5	16.9	13.6	44.6
March	30.7	17.0	13.7	44.6
April	29.7	16.7	13.0	43.8
May	30.6	16.6	14.0	45.8
June	29.4	16.6	12.8	43.5
1948—January	28.9	16.6	12.3	42.6
February	29.1	16.5	12.6	43.3
March	28.5	16.6	11.9	41.8
April	29.0	16.8	12.2	42.1
May	28.8	16.9	11.9	41.3
June	28.9	16.9	12.0	41.5
1949—January	29.1	17.6	11.5	39.5
February	28.3	17.5	10.8	38.2
March	28.4	17.5	10.9	38.4
April	27.6	17.3	10.3	37.3
May	27.1	17.1	10.0	36.9
Decrease			3.4	
Percent			25.5	

Total employment on shipbuilding and repair by region, 1947–49—Continued

NORTH ATLANTIC

Year and month	Employment (in thousands)			Percent of employment in private shipyards
	Total	Navy yards	Private shipyards	
1947—January	107.6	36.2	71.4	66.4
February	105.6	35.4	70.2	66.5
March	104.2	35.6	68.6	65.8
April	106.9	36.0	70.9	66.3
May	106.8	35.9	70.9	66.4
June	105.8	35.6	70.2	66.4
1948—January	95.7	35.9	59.8	62.5
February	96.2	36.1	60.1	62.5
March	97.3	36.4	60.9	62.6
April	100.4	36.8	63.6	63.3
May	99.4	37.0	62.4	62.8
June	95.9	37.3	58.6	61.1
1949—January	85.3	40.1	45.2	53.0
February	83.9	39.8	44.1	52.6
March	83.8	39.5	44.3	52.9
April	84.2	39.1	45.1	53.6
May	84.8	38.8	46.0	54.2
Decrease			25.4	
Percent			35.6	

PACIFIC

1947—January	67.3	36.4	30.9	45.9
February	65.6	35.0	30.6	46.6
March	64.4	33.9	30.5	47.4
April	64.4	34.5	29.9	46.4
May	62.9	34.5	28.4	45.2
June	59.8	34.3	25.5	42.6
1948—January	55.7	34.5	21.2	38.1
February	52.6	34.6	18.0	34.2
March	51.7	34.5	17.2	33.3
April	49.5	34.3	15.2	30.7
May	48.0	34.3	13.7	28.5
June	47.1	34.4	12.8	27.2
1949—January	47.6	35.4	12.2	25.6
February	46.6	35.2	11.4	24.5
March	44.9	34.7	10.2	22.7
April	44.1	34.1	10.0	22.7
May	41.9	32.5	9.4	22.4
Decrease			21.5	
Percent			69.6	

Private shipyards

Year and month	Gulf	Great Lakes	Inland
1947—January	28.0	6.2	3.0
February	29.0	6.3	2.8
March	30.9	6.3	2.7
April	31.2	5.7	2.6
May	29.9	5.3	2.7
June	29.4	3.3	2.5
1948—January	25.1	3.9	3.3
February	23.9	4.1	3.4
March	22.6	4.1	3.3
April	19.4	3.7	3.3
May	18.0	3.5	3.0
June	17.2	3.1	3.0
1949—January	13.2	4.1	2.8
February	13.5	4.1	2.7
March	13.3	3.7	2.7
April	10.6	3.0	2.7
May	10.5	2.4	2.6
Decrease	17.5	3.8	.4
Percent	62.5	61.3	13.3

Source: U. S. Department of Labor, Bureau of Labor Statistics (Aug. 3, 1949).

List of 134 vessels

ATLANTIC

Name	Type	Fleet
	Transports:	
Marine Angel	C4	James.
Marine Raven	C4	Do.
Marine Robin	C4	Do.
Guiding Star	C2 cargo	Do.
C. C. N. Y. Victory.	VC-SAP2	Do.
Frostburg Victory	VC-SAP2	Do.
Hagerstown Victory.	VC-SAP2	Do.
Maryville Victory	VC-SAP2	Do.
Pachaug Victory	VC-SAP2	Do.
Adabelle Lykes	C1A	Do.
Agwiprince	C1B	Do.
Cape Henlopen	C1A	Do.
Cape Neddick	C1B	Do.
Mormacdove	C1B	Do.
Mormacwren	C1B	Do.
Fred Morris	C1B	Do.
General J. R. Brooke.	C4SA1	Do.
General G. O. Squier.	C4SA1	Do.
	Army hospital ships:	
Blanche F. Sigman	EC2-S-C1	Do.
Jarrett M. Huddleston.	EC2-S-C1	Do.
Zebulon B. Vance	EC2-S-C1	Do.
Saturn	Provision stores ship: Overage.	Do.
	Cargo attack ships:	
Artemis	S4-SE2-BE1	Do.
Circe	S4-SE2-BE1	Hudson.
Denasa	S4-SE2-BE1	James.
Lacerta	S4-SE2-BE1	Do.
Ostara	S4-SE2-BE1	Do.
Polana	S4-SE2-BE1	Do.
Selinur	S4-SE2-BE1	Do.
Sirona	S4-SE2-BE1	Do.
Troilus	S4-SE2-BE1	Wilmington.
Turandot	S4-SE2-BE1	James.
Valeria	S4-SE2-BE1	Do.
Vanadis	S4-SE2-BE1	Do.
Veritas	S4-SE2-BE1	Do.
	Net cargo vessels:	
J. Fred Essary	EC2-S-C1	Do.
Theodore Roosevelt.	EC2-S-C1	Do.
William R. Cox	EC2-S-C1	Do.
	Attack transports:	
Allendale	VC2-SAP5	Do.
Attala	VC2-SAP5	Do.
Audubon	VC2-SAP5	Do.
Bandera	VC2-SAP5	Do.
Beckham	VC2-SAP5	Do.
Bergen	VC2-SAP5	Do.
Bingham	VC2-SAP5	Do.
Bland	VC2-SAP5	Do.
Basque	VC2-SAP5	Do.
Bowie	VC2-SAP5	Do.
Braxton	VC2-SAP5	Do.
Broadwater	VC2-SAP5	Do.
Buckingham	VC2-SAP5	Do.
Clearfield	VC2-SAP5	Do.
Clermont	VC2-SAP5	Do.
Collingsworth	VC2-SAP5	Do.
Cattle	VC2-SAP5	Do.
Darke	VC2-SAP5	Do.
Dickens	VC2-SAP5	Do.
Drew	VC2-SAP5	Do.
Eastland	VC2-SAP5	Do.
Effingham	VC2-SAP5	Do.
	Towing vessels:	
Black Rock	V4-MA1	James.
Burnt Island	V4-MA1	Do.
Montauk Point	V4-MA1	Do.
Pigeon Point	V4-MA1	Do.

List of 134 vessels—Continued

ATLANTIC—continued

Name	Type	Fleet
	Cargo attack ships:	
Aurelia	S4-SE2-BE1	Mobile.
Birget	S4-SE2-BE1	Do.
Corvus	S4-SE2-BE1	Beaumont.
Lumen	S4-SE2-BE1	Do.
Medea	S4-SE2-BE1	Do.
	Towing vessels:	
Anacapa	V4-MA1	Mobile.
Bald Head	V4-MA1	Do.
Bodie Island	V4-MA1	Do.
Dry Tortugas	V4-MA1	Do.
Fire Island	V4-MA1	Do.
Point Sur	V4-MA1	Do.
Race Point	V4-MA1	Do.
Sands Point	V4-MA1	Do.
Scotch Cap	V4-MA1	Do.
Sombrero Key	V4-MA1	Do.
Southwest Pass	V4-MA1	Do.
Two Harbors	V4-MA1	Do.

PACIFIC

	Transports:	
Marine Cardinal	C4	Suisun.
Marine Devil	C4	Do.
Marine Dragon	C4	Do.
Marine Fox	C4	Do.
Marine Panther	C4	Do.
Marine Serpent	C4	Do.
Marine Wolf	C4	Do.
Bonita	C2 Cargo	Do.
Aiken Victory	VC2-AP2	Do.
Alhambra Victory	VC2-AP2	Do.
Blue Ridge Victory	VC2-AP2	Do.
Brandon Victory	VC2-AP2	Olympia.
Eufaula Victory	VC2-AP2	Suisun.
Frederick Victory	VC2-AP2	Do.
Kingston Victory	VC2-AP2	Olympia.
Montclair Victory	VC2-AP2	Suisun.
Sedalia Victory	VC2-AP2	Do.
Zanesville Victory	VC2-AP2	Do.
Cape Bon	C1A	Do.
Cape Cleare	C1B	Do.
Cape Meares	C1B	Do.
Cape Mendocino	C1B	Do.
Cape Newenham	C1B	Do.
Cape Perpetua	C1B	Do.
Cape Victory	C1B	Astoria.
Mormachawk	C1B	Do.
Cape Johnson	C1B	Olympia.
General H. L. Scott.	C4SA-1	Do.
General O. H. Ernst.	C4SA-1	Suisun.
General T. H. Bliss.	C4SA-1	Olympia.
	Army hospital ships:	
Dogwood	EC2-S-C1	Suisun.
St. Olaf	EC2-S-C1	Astoria.
Wisteria	EC2-S-C1	Do.
Latonia	Provision stores ship: R1MAV3.	Suisun.
	Miscellaneous (AG):	
Baham	EC2-S-C1	Do.
Basilan	EC2-S-C1	Do.
Burias	EC2-S-C1	Do.
Zanian	EC2-S-C1	Do.
	Motor torpedo boat tenders:	
Cape Carthage	C1A	Do.
Cape Farewell	C1A	Do.
Rescue	Hospital ship: Overage.	Olympia.
	Cargo attack ships:	
Athene	S4-SE2-BE1	Suisun.
Roxane	S4-SE2-BE1	Olympia.
Sappho	S4-SE2-BE1	Do.
Sarita	S4-SE2-BE1	Suisun.
Scania	S4-SE2-BE1	Do.
Sidonia	S4-SE2-BE1	Olympia.
Sylvania	S4-SE2-BE1	Astoria.
	Towing vessels:	
Jupiter Inlet	V4-M-A1	Do.
Libby Island	V4-M-A1	Do.
Point Arguello	V4-M-A1	Do.
Point Loma	V4-M-A1	Do.
Sanibel Island	V4-M-A1	Do.

CIVILIAN EMPLOYEES IN THE ARMED SERVICES—STATEMENT BY SENATOR BYRD

Mr. BYRD. Mr. President, as chairman of the Joint Committee on Reduction of Nonessential Federal Expenditures, I ask unanimous consent to have printed in the body of the RECORD a statement by me relating to civilian employees in the armed services, together with a table showing departmental figures since the Unification Act became effective in personnel records.

There being no objection, the statement and table were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BYRD, CHAIRMAN, JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES

The action of Secretary Johnson in relieving the Government service of unnecessary civilian employees in the armed services is timely and will have a wholesome effect on efforts toward more economical government.

It is the first honest-to-goodness effort that has been made toward reduction in Government personnel during the 10 years I have been chairman of the Joint Committee on Reduction of Nonessential Federal Expenditures. It comes after a period when the number of Federal civilian personnel for many months was increased at the rate of 300 employees a day.

When Secretary Johnson came into office he was confronted with the fantastic situation that the armed services employed 895,462 Federal civilian employees as compared to 1,642,790 men in uniform, giving a ratio of more than 1 civilian employee to 2 men in uniform.

The action taken by Secretary Johnson is the result of a careful survey of all civilian employment in the armed services, and all of us can be assured that the reductions to be made will be among civilian personnel who are surplus and unnecessary to adequate national defense.

Virginia is second only to California in naval installations, and the impact of this reduction in personnel will be felt throughout Virginia, but I am assured by my consultations with Secretary Johnson during the period of this survey that the action he has taken represents a fair and equitable adjustment in consideration of the requirements of national defense.

Reports of the Joint Committee on Reduction of Nonessential Federal Expenditures repeatedly have shown that the number of civilian employees of the Federal Government could be reduced by 500,000 without impairment of Government efficiency.

The committee still stands on this statement and, as the chairman of the committee, I want to express my gratification over the fact that the Secretary of Defense has undertaken this survey for reduction in civilian personnel. This has shown very conclusively that a surplus of employees does exist throughout the entire public service. I hope that other department heads will follow his example.

Our only hope for solvency is to perform the gigantic task the Federal Government has undertaken with efficiency and economy. This is particularly true with respect to our vast expenditures for national defense. This reduction in civilian employment by the armed services would save approximately $400,000,000 annually. In my judgment, several billion dollars additional could be saved by a thorough overhauling of the defense program, which I sincerely hope Secretary Johnson will undertake.

It is ominous to every straight-thinking person that in this day of high prosperity in national income we are in a period of deficit spending. We ended fiscal year 1949 with a deficit of nearly $2,000,000,000. In the first 54 days of the current fiscal year the deficit already has reached $1,700,000,000, or an average of $30,000,000 per day, which means the Federal debt—already above a quarter of a trillion dollars—is increasing every day.

It is my sincere hope that this action by Secretary Johnson indicates an appreciation, on the part of the administration of the fiscal dangers which confront our country and the risk of insolvency which we face unless a policy of efficiency and retrenchment

is substituted for the waste and extravagance which for so many years has characterized virtually every activity of the Government.

I express the hope that all Members of Congress will cooperate to the fullest extent in all measures which may be undertaken to eliminate surplus employment, waste and inefficiency in the Federal structure. The cost of the Federal Government this year to every man, woman, and child in the country is averaging $300.

Civilian and military personnel of the National Military Establishment, June 1945 to March 1949—showing departmental figures since the Unification Act became effective in personnel records [1]

Month	Total, National Military Establishment				Department of the Army [2]				Department of the Air Force [2]				Department of the Navy				Secretary of Defense	
	Civilian employees	Increase (+) or decrease (−)	Military personnel	Increase (+) or decrease (−)	Civilian employees	Increase (+) or decrease (−)	Military personnel	Increase (+) or decrease (−)	Civilian employees	Increase (+) or decrease (−)	Military personnel	Increase (+) or decrease (−)	Civilian employees	Increase (+) or decrease (−)	Military personnel	Increase (+) or decrease (−)	Civilian employees	Increase (+) or decrease (−)
1945:																		
June	2,634,078		12,295,091															
July	2,630,361	−3,717	12,245,261	−49,830														
August	2,532,313	−98,048	12,082,212	−163,049														
September	2,271,217	−261,096	11,519,532	−562,680														
October	2,161,126	−110,091	10,090,953	−1,428,579														
November	2,082,043	−79,083	8,575,585	−1,515,368														
December	1,814,540	−267,503	7,047,984	−1,527,601														
1946:																		
January [3]	1,743,938	−70,602	5,861,359	−1,186,625														
February	1,707,067	−36,871	4,881,728	−979,631														
March	1,635,365	−71,702	4,277,892	−603,836														
April	1,607,872	−27,493	3,803,578	−474,314														
May	1,529,904	−77,968	3,409,528	−394,050														
June	1,417,314	−112,590	3,022,870	−386,658														
July	1,348,904	−68,410	2,722,540	−300,330														
August	1,220,108	−128,796	2,452,068	−270,472														
September	1,131,565	−88,543	2,455,352	+3,284														
October	1,084,177	−47,388	2,418,933	−36,419														
November	1,034,070	−50,107	2,181,321	−237,612														
December	1,006,577	−27,493	1,957,518	−223,803														
1947:																		
January	985,055	−21,522	1,878,790	−78,728														
February	976,471	−8,584	1,814,555	−64,235														
March	947,047	−29,424	1,755,116	−59,439														
April	932,431	−14,616	1,681,779	−73,337														
May	913,225	−19,206	1,611,239	−70,540														
June	861,645	−51,580	1,572,971	−38,268														
July	850,173	−11,472	1,556,392	−16,579														
August	841,450	−8,723	1,538,287	−18,105														
September	837,042	−4,408	1,523,956	−14,331														

THE ARMED SERVICES UNIFICATION ACT OF 1947 BECAME EFFECTIVE WITH RESPECT TO PERSONNEL RECORDS IN THE MILITARY ESTABLISHMENT AS OF OCTOBER 1947

1947:																		
October	841,303	+4,261	1,470,990	−52,966	362,705		590,521		138,006		329,523		340,159	−1,656	550,946		433	
November	831,087	−10,216	1,432,939	−38,051	352,161	−10,544	575,866	−14,655	139,252	+1,246	335,671	+6,148	339,219	−940	521,402	−29,544	455	+22
December	829,233	−1,854	1,392,345	−40,594	349,249	−2,912	559,226	−16,640	140,080	+828	339,246	+3,575	339,268	+49	493,873	−27,529	636	+181
1948:																		
January	834,376	+5,143	1,389,105	−3,240	353,125	+3,876	552,150	−7,076	141,037	+957	353,143	+13,897	339,620	+352	483,812	−10,061	594	−42
February	836,690	+2,314	1,389,635	+530	352,848	−277	544,307	−7,843	143,036	+1,999	365,186	+12,043	340,131	+511	480,142	−3,670	675	+81
March	845,945	+9,255	1,384,107	−5,528	359,376	+6,528	537,884	−6,423	145,911	+2,875	368,348	+3,162	339,907	−224	477,875	−2,267	751	+76
April	853,611	+7,666	1,399,937	+15,830	363,904	+4,528	541,416	+3,532	147,951	+2,040	375,299	+6,951	340,929	+1,022	483,222	+5,347	827	+76
May	862,055	+8,444	1,418,684	+18,747	367,635	+3,731	545,456	+40,040	150,190	+2,239	384,460	+9,161	343,355	+2,426	489,768	+6,546	875	+48
June	871,746	+9,691	1,443,260	+24,576	370,684	+3,049	552,238	+6,782	152,391	+2,201	387,730	+3,270	347,687	+4,332	503,202	+13,524	984	+109
July	877,650	+5,904	1,493,559	+50,299	370,948	+264	578,806	+26,568	153,798	+1,407	399,539	+11,809	351,911	+4,224	515,214	+11,922	995	+11
August	885,246	+7,596	1,527,053	+33,494	373,654	+2,706	608,543	+29,737	154,131	+333	401,080	+1,541	356,442	+4,531	517,430	+2,216	1,019	+24
September	884,431	−815	1,527,790	+737	368,439	−5,215	635,540	+26,997	154,962	+831	406,088	+5,008	359,976	+3,534	522,162	+4,732	1,054	+35
October	887,130	+2,699	1,588,456	+60,666	368,459	+20	646,865	+11,325	155,752	+790	410,237	+4,149	361,815	+1,839	531,354	+9,192	1,104	+50
November	890,415	+3,285	1,606,337	+17,881	369,016	+557	661,659	+14,794	156,679	+927	409,959	−278	363,588	+1,773	534,719	+3,365	1,132	+28
December	890,228	−187	1,622,025	+15,688	367,365	−1,651	676,595	+14,936	157,799	+1,120	412,312	+2,353	363,874	+286	533,118	−1,601	1,190	+58
1949:																		
January	892,184	+1,956	1,664,670	+42,645	367,884	+519	711,668	+35,073	158,789	+990	415,576	+3,264	364,285	+411	537,426	+4,308	1,226	+36
February	894,737	+2,553	1,658,355	−6,315	370,024	+2,140	702,686	−8,982	160,232	+1,443	417,028	+1,452	363,186	−1,099	538,641	+1,215	1,295	+69
March	895,462	+725	1,642,790	−15,965	370,903	+879	689,083	−13,603	162,697	+2,465	417,024	−4	360,527	−2,659	536,683	−1,958	1,335	+40
April	896,721	+1,259	1,626,490	−16,300	374,463	+3,560	673,469	−15,614	164,870	+2,173	418,494	+1,470	355,909	−4,618	534,527	−2,156	1,479	+144
May	897,892	+1,171	1,614,700	−11,790	377,310	+2,847	664,208	−9,261	167,289	+2,419	418,037	−457	351,771	−4,138	532,455	−2,072	1,522	+43
June	884,728	−13,164	1,610,858	−3,842	368,960	−8,350	658,694	−5,514	168,958	+1,669	419,347	+1,310	345,280	−6,491	532,817	+362	1,530	+8
Change [4]	+43,425		+139,868		+6,255		+68,173		+30,952		+89,824		+5,121		−18,129		1,530	

[1] All figures are as of the last day of the month.

[2] Military figures for the Department of the Army and the Department of the Air Force are "command strength" figures, and as such represent the uniformed personnel on duty with the respective services.

[3] The Coast Guard was transferred from the Department of the Navy to the Treasury Department as of Jan. 1, 1946, and its personnel is excluded from this table as of that date.

[4] Net change since unification, October 1947.

NOTE.—The Air Force was divorced from the War Department as of September 1947, pursuant to Public Law 253, 80th Cong. The figures in this table for the period between the end of World War II and September 1947, when the Air Force was separated from the Army, are shown only in composite monthly totals. The figures for the period since the Unification Act became effective in the records of civilian and military personnel in the National Military Establishment are broken down to show not only the composite total but also the departmental totals within the Military Establishment, including the Office of the Secretary of Defense which was established under the reorganization.

Source: Bureau of Labor Statistics; Personnel Statistics Division, Department of the Air Force; Monthly Reports on Civilian Personnel in the Executive Branch, Joint Committee on Reduction of Nonessential Federal Expenditures.

ORDER OF THE DAY ISSUED BY GEN. JULIUS KLEIN AND ADDRESS BY SENATOR WILEY AT AMERICAN LEGION CELEBRATION AT COLUMBUS, WIS.

[Mr. WILEY asked and obtained leave to have printed in the RECORD an address entitled "The Minute Men of 1949," delivered by him at the American Legion celebration at Columbus, Wis., on August 21, 1949, and an order of the day issued by Brig. Gen. Julius Klein, of the Illinois National Guard, which appears in the Appendix.]

MILITARY AID TO EUROPE—LETTER BY ROBERT S. FIELD

[Mr. GEORGE asked and obtained leave to have printed in the RECORD a leter from Robert S. Field regarding military aid to Europe, published in the New York Times of August 4, 1949, which appears in the Appendix.]

EXPORTS AND IMPORTS FROM THE MARSHALL PLAN COUNTRIES—EDITORIAL FROM THE BALTIMORE SUN

[Mr. GEORGE asked and obtained leave to have printed in the RECORD an editorial entitled "Uncomfortable Figures on Marshall Plan Area Trading," from the Baltimore Sun of August 14, 1949, which appears in the Appendix.]

RENT DECONTROL

[Mr. CAIN asked and obtained leave to have printed in the RECORD an article from the Wall Street Journal of August 11 entitled "Decontrolled Cities," and an article from the Baltimore Evening Sun of August 18, entitled "Rent Decontrol in Texas," which appears in the Appendix.]

APPEAL TO THE NATION—EDITORIAL FROM THE NEW YORK TIMES

[Mr. LUCAS asked and obtained leave to have printed in the RECORD an editorial entitled "Appeal to the Nation," from the New York Times of August 23, 1949, which appears in the Appendix.]

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed, without amendment, the bill (S. 1565) for the relief of Dr. Ludovit Ruhmann.

The message also announced that the House had passed a joint resolution (H. J. Res. 348) amending an act making temporary appropriations for the fiscal year 1950, as amended, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were severally read twice by their titles, and referred as indicated:

H. R. 483. An act to extend the time limit within which certain suits in admiralty may be brought against the United States; to the Committee on the Judiciary.

H. R. 5773. An act to authorize the carrying out of the provisions of article 7 of the treaty of February 3, 1944, between the United States and Mexico, regarding the joint development of hydroelectric power at Falcon Dam, on the Rio Grande, and for other purposes; to the Committee on Foreign Relations.

H. J. Res. 348. Joint resolution amending an act making temporary appropriations for the fiscal year 1950, as amended, and for other purposes; to the Committee on Appropriations.

PROPOSED ADJOURNMENT OF THE HOUSE OF REPRESENTATIVES

The VICE PRESIDENT. The Chair lays before the Senate a privileged matter, a concurrent resolution coming from the House of Representatives, which the Secretary will read.

The resolution (H. Con. Res. 129) was read as follows:

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on Friday, August 26, 1949, it stand adjourned until 12 o'clock meridian on Wednesday, September 21, 1949.

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. LUCAS. Am I correct in my understanding that the concurrent resolution is not debatable?

The VICE PRESIDENT. It is not debatable.

Mr. WHERRY. Mr. President, I wish to submit a unanimous-consent request, which is, that the rule which provides that the concurrent resolution is not debatable be waived, and that the Senate proceed to debate the concurrent resolution.

Mr. MAGNUSON. Mr. President, reserving the right to object, I wonder if the Senator from Nebraska will yield so the Senator from Oregon [Mr. MORSE] may move that the vote by which the amendment of the Senator from Washington for himself and other Senators was agreed to be reconsidered, and that the Senator from Alabama [Mr. HILL] may move to lay that motion on the table.

Mr. WHERRY. I withhold my request, Mr. President. However, I do not want to lose the floor. I have the floor.

Mr. HILL. Mr. President, will the Senator yield to the Senator from Oregon and the Senator from Alabama for the purposes suggested?

Mr. WHERRY. I am glad to.

The VICE PRESIDENT. The Senator from Nebraska, as the Chair understood, said he yielded the floor. Therefore, the Chair recognizes the Senator from Oregon [Mr. MORSE].

Mr. WHERRY. No, Mr. President; I said I did not want to yield the floor. I said I would yield so the Senator from Oregon could be recognized.

The VICE PRESIDENT. Very well. The Chair recognizes the Senator from Oregon.

Mr. MORSE. Mr. President, I move that the Senate reconsider the vote by which the amendment offered by the Senator from Washington [Mr. MAGNUSON] for himself and other Senators, was agreed to.

Mr. HILL. Mr. President, I move to lay that motion on the table.

The VICE PRESIDENT. The question is on the motion of the Senator from Alabama.

The motion to lay on the table was agreed to.

Mr. WHERRY. Now, Mr. President, I have made a unanimous-consent request because I feel that the concurrent resolution sent over to us from the House, asking the Senate to concur in the provision for an adjournment by the House, involves not only the House of Representatives, but it involves the procedure on most important bills which are now before the Senate for consideration. May I not present arguments in favor of my unanimous-consent request? Would it be in order for me to do so?

The VICE PRESIDENT. The regular order is the concurrent resolution adopted by the House.

Mr. WHERRY. I have the floor.

The VICE PRESIDENT. The Senator from Nebraska has asked unanimous consent——

Mr. WHERRY. That is correct; that the rule be waived and that the resolution be debated.

The VICE PRESIDENT. No; the unanimous-consent request is not debatable.

Mr. WHERRY. Mr. President, may I make a parliamentary inquiry?

The VICE PRESIDENT. The Senator will state it.

Mr. WHERRY. If the unanimous-consent request is agreed to, and the junior Senator from Nebraska should move to proceed to debate the resolution, in view of the ruling already made by the President of the Senate that the question is not debatable, I ask the distinguished President of the Senate if an appeal were to be taken from that ruling, whether or not the appeal would be debatable?

The VICE PRESIDENT. The appeal would not be debatable.

Mr. WHERRY. Then, Mr. President, I renew the unanimous-consent request, and ask for action upon it without argument.

The VICE PRESIDENT. The Senator from Nebraska asks unanimous consent that the rule of the Senate be suspended in order that the House concurrent resolution providing for an adjournment may be debated. Is there objection?

Mr. CHAVEZ. I object.

The VICE PRESIDENT. Objection is heard.

Mr. WHERRY. Mr. President, there is no way then for the junior Senator from Nebraska, either by unanimous consent or by motion, to get the concurrent resolution before the Senate for debate before the vote is taken on it?

The VICE PRESIDENT. Under the rule, the precedents, and the unbroken practice of the Senate, the concurrent resolution is not debatable. Objection being heard to the request of the Senator from Nebraska does not change that situation.

Mr. TAFT. Mr. President, I ask for the yeas and nays.

Mr. CAPEHART. Mr. President, I offer a substitute for the concurrent resolution.

The VICE PRESIDENT. The Senate will be in order. The Senator from Indiana offers an amendment to the concurrent resolution by way of a substitute, which will be stated.

The legislative clerk read as follows:

That when the House of Representatives and the Senate adjourn on Friday, September 30, 1949, the two Houses shall stand adjourned sine die.

Mr. LUCAS. Mr. President——

The VICE PRESIDENT. That is not debatable. The Senator from Illinois.

Mr. WHERRY. Mr. President, I ask for the yeas and nays.

The VICE PRESIDENT. The question is on agreeing to the substitute.

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. LUCAS. May we have order, Mr. President?

The VICE PRESIDENT. The Senate will be in order. Senators will resume their seats and cease conversation.

Mr. LUCAS. Mr. President, am I to understand that this is an amendment to the resolution sent to the Senate by the House?

The VICE PRESIDENT. It is an amendment by way of a substitute.

Mr. LUCAS. I respectfully request that the clerk reread the amendment so that all Senators will know exactly what they are voting on.

The VICE PRESIDENT. Without objection, the Secretary will again read the substitute.

The LEGISLATIVE CLERK. The substitute proposed by the Senator from Indiana is as follows:

That when the House of Representatives and the Senate adjourn on Friday, September 30, 1949, the two Houses shall stand adjourned sine die.

Mr. CAPEHART. Mr. President——

The VICE PRESIDENT. For what purpose does the Senator from Indiana rise?

Mr. CAPEHART. I rise to submit a parliamentary inquiry. I intended to offer this as an amendment, not as a substitute.

The VICE PRESIDENT. The Senator said it was a substitute, but it does not make much difference. It is an amendment by way of a substitute for the House concurrent resolution which is now under consideration.

Mr. CAPEHART. It is an amendment to the pending resolution.

The VICE PRESIDENT. It would be in addition to it.

Mr. CAPEHART. If it carries, it will take the place of the resolution which came over from the House, will it not?

The VICE PRESIDENT. So far as the Senate is concerned, it would.

Mr. TAFT. Mr. President, do I correctly understand that the Senator from Indiana offers his amendment in addition to the concurrent resolution, so that if both his amendment and the other provision should be adopted there would then be consent to the House to adjourn until the 21st of September, and then there would be a joint adjournment on the 30th of September. Is that the effect?

The VICE PRESIDENT. That might be the legal effect of it, but that is not necessarily a parliamentary inquiry.

Mr. TAFT. I am not clear whether the Senator is leaving in the concurrent resolution the provision consenting that the House may take a recess.

The VICE PRESIDENT. The Senator's amendment seems to be an addition to the House concurrent resolution providing that it shall adjourn on Friday of this week until the 21st of September. The Senator from Indiana offers an amendment to that, which he first described as a substitute, providing that when the two Houses adjourn on the 30th of September, they shall stand in adjournment sine die.

The question is on agreeing to the amendment offered by the Senator from Indiana [Mr. CAPEHART].

Mr. WHERRY. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. LUCAS. Mr. President, a further parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. LUCAS. Before the amendment offered by the Senator from Indiana could be effective, it would have to be agreed to by the House of Representatives, would it not?

The VICE PRESIDENT. The Senator is correct.

The Secretary will call the roll.

The roll was called.

Mr. MYERS. I announce that the Senator from Mississippi [Mr. EASTLAND] and the Senator from South Carolina [Mr. JOHNSTON] are absent on public business.

The Senator from Iowa [Mr. GILLETTE] and the Senator from Kentucky [Mr. WITHERS] are unavoidably detained.

The Senator from Nevada [Mr. MCCARRAN] is absent by leave of the Senate.

The Senator from Idaho [Mr. MILLER] is necessarily absent.

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN] and the Senator from Nebraska [Mr. BUTLER] are absent by leave of the Senate, and they have a general pair.

The Senator from Maine [Mr. BREWSTER] is necessarily absent.

The Senator from Massachusetts [Mr. LODGE] and the Senator from Minnesota [Mr. THYE] are absent by leave of the Senate.

The Senator from Connecticut [Mr. BALDWIN], the Senator from Michigan [Mr. VANDENBERG], and the Senator from Wisconsin [Mr. WILEY] are detained on official business. If present and voting, the Senator from Connecticut and the Senator from Michigan would vote "nay."

The result was announced—yeas 34, nays 48, as follows:

YEAS—34

Bricker	Fulbright	Reed
Bridges	George	Robertson
Byrd	Hendrickson	Smith, N. J.
Cain	Ives	Stennis
Capehart	Jenner	Taft
Chapman	Johnson, Colo.	Tobey
Donnell	Kem	Tydings
Ecton	Long	Watkins
Ellender	McClellan	Wherry
Ferguson	Malone	Williams
Flanders	Martin	
Frear	Morse	

NAYS—48

Anderson	Hunt	Mundt
Chavez	Johnson, Tex.	Murray
Connally	Kefauver	Myers
Cordon	Kerr	Neely
Douglas	Kilgore	O'Conor
Downey	Knowland	O'Mahoney
Dulles	Langer	Pepper
Graham	Leahy	Russell
Green	Lucas	Saltonstall
Gurney	McCarthy	Schoeppel
Hayden	McFarland	Smith, Maine
Hickenlooper	McKellar	Sparkman
Hill	McMahon	Taylor
Hoey	Magnuson	Thomas, Okla.
Holland	Maybank	Thomas, Utah
Humphrey	Millikin	Young

NOT VOTING—14

Aiken	Gillette	Thye
Baldwin	Johnston, S. C.	Vandenberg
Brewster	Lodge	Wiley
Butler	McCarran	Withers
Eastland	Miller	

So Mr. CAPEHART'S amendment was rejected.

The VICE PRESIDENT. The question is on agreeing to the concurrent resolution.

Mr. WHERRY. I ask for the yeas and nays.

The yeas and nays were ordered.

The VICE PRESIDENT. The Secretary will call the roll.

The legislative clerk proceeded to call the roll; and Mr. BRICKER voted in the negative, when his name was called.

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. DOUGLAS. What is the resolution on which we are now voting?

The VICE PRESIDENT. The vote is being taken on the House concurrent resolution providing for an adjournment of the House of Representatives from August 26 to September 21.

Mr. HILL. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. HILL. The concurrent resolution applies, does it not, only to an adjournment of the House of Representatives, and does not affect the Senate?

The VICE PRESIDENT. Yes; it does not affect the Senate.

Mr. TAFT. Mr. President, I object to that statement, because I think it very materially affects the Senate.

Mr. LUCAS. Mr. President, I demand the regular order.

The VICE PRESIDENT. That was not really a parliamentary inquiry on the part of the Senator from Alabama, the Chair will state.

The Secretary will proceed with the calling of the roll.

The legislative clerk resumed and concluded the call of the roll.

Mr. MYERS. I announce that the Senator from Mississippi [Mr. EASTLAND] and the Senator from South Carolina [Mr. JOHNSTON] are absent on public business.

The Senator from New Mexico [Mr. ANDERSON], the Senator from Iowa [Mr. GILLETTE], and the Senator from Kentucky [Mr. WITHERS] are unavoidably detained.

The Senator from Nevada [Mr. MCCARRAN] is absent by leave of the Senate.

The Senator from Idaho [Mr. MILLER] is necessarily absent.

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN] and the Senator from Nebraska [Mr. BUTLER] are absent by leave of the Senate, and they have a general pair.

The Senator from Maine [Mr. BREWSTER] is necessarily absent.

The Senator from Massachusetts [Mr. LODGE] and the Senator from Minnesota [Mr. THYE] are absent by leave of the Senate.

The Senator from Wisconsin [Mr. WILEY] is detained on official business.

The result was announced—yeas 25, nays 58, as follows:

YEAS—25

Chapman	Hunt	Neely
Douglas	Johnson, Tex.	O'Mahoney
Downey	Kefauver	Pepper
George	Leahy	Russell
Graham	Lucas	Sparkman
Hayden	McFarland	Taylor
Hill	McMahon	Thomas, Utah
Holland	Mundt	
Humphrey	Myers	

NAYS—58

Baldwin	Hickenlooper	Murray
Bricker	Hoey	O'Conor
Bridges	Ives	Reed
Byrd	Jenner	Robertson
Cain	Johnson, Colo.	Saltonstall
Capehart	Kem	Schoeppel
Chavez	Kerr	Smith, Maine
Connally	Kilgore	Smith, N. J.
Cordon	Knowland	Stennis
Donnell	Langer	Taft
Dulles	Long	Thomas, Okla.
Ecton	McCarthy	Tobey
Ellender	McClellan	Tydings
Ferguson	McKellar	Vandenberg
Flanders	Magnuson	Watkins
Frear	Malone	Wherry
Fulbright	Martin	Williams
Green	Maybank	Young
Gurney	Millikin	
Hendrickson	Morse	

NOT VOTING—13

Aiken	Gillette	Thye
Anderson	Johnston, S. C.	Wiley
Brewster	Lodge	Withers
Butler	McCarran	
Eastland	Miller	

So the concurrent resolution was not agreed to.

LEGISLATIVE PROGRAM

Mr. LUCAS. Mr. President, I desire to make a brief announcement for the benefit of Senators who are now present.

Following the disposition of the Interior Department appropriation bill, now the pending business, it is the desire of the majority leader to have the calendar considered. A number of Senators, including the Senator from Nebraska [Mr. WHERRY], the distinguished minority leader, have inquired about a call of the calendar. I presume that would be about as good a time as any to have the calendar called. Just when that will be, of course, no one knows definitely. I should like to ask the able Senator from Arizona [Mr. HAYDEN], who is more or less in charge of the pending appropriation bill, how long he believes the Senate will take in the further debate on it.

Mr. HAYDEN. Mr. President, I am hopeful that we can conclude action on most of the bill this afternoon. I understand that some Senators desire to be absent from the Senate this afternoon to attend the swearing in of our former colleague as Attorney General. In that case, if during the further consideration of the bill we reach any amendments about which there is any controversy, I shall ask that they be passed over, and that we proceed to consider the remainder of the bill. I do not see why we cannot conclude action on the bill tomorrow.

Mr. LUCAS. Mr. President, the Senator from Arizona is correct when he says that a number of Senators desire to witness the swearing in ceremonies—both of Tom Clark, as Associate Justice of the Supreme Court of the United States, and of our former colleague, J. Howard McGrath, as Attorney General of the United States. If we can have an understanding that the Senate will act on all the noncontroversial amendments this afternoon, and that if there are any controversial amendments, to be debated, we shall pass them over until tomorrow, I think that will enable us to expedite the handling of the bill. Will that be satisfactory?

Mr. WHERRY. That is satisfactory to me. I do not think unanimous consent is needed for that purpose.

Mr. LUCAS. No; I do not think so, either.

Mr. President, I may add that I sincerely hope we can conclude action on this appropriation bill tomorrow. Thereafter, following the call of the calendar, probably we shall take up a deficiency appropriation bill, which I think the Senator from Tennessee [Mr. MCKELLAR], the chairman of the Appropriations Committee, is anxious to have the Senate consider. Then there is also another appropriation bill, or perhaps two, which we must take up, following that.

I ask for the full cooperation of all Members of the Senate in order that we may expedite the business as rapidly as possible. Now that the Senate has kept the House in session, I know the Members of the House are very anxious that the Senate send the bills to the House as soon as possible, in order that they can be worked out in conference. It may be a little difficult, now that we have said they cannot go home for a little while, but I think they are very generous and fair-minded.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. MAYBANK. I should like to remind the distinguished majority leader that title I, particularly, and also certain other titles of the housing bill, which is on the calendar, will expire September 1. It is essential that between now and that date the Senate do something about the bill, particularly the section which used to be known as title I, dealing with mortgages, insurance, and other titles in the bill. I hope the majority leader will give consideration to calling up that bill.

Mr. LUCAS. I shall discuss that with the Senator from South Carolina, because there is a deadline in connection with that bill, among others, and it is important.

Mr. WHERRY. Mr. President, I desire to obtain the floor in my own right.

Mr. DOWNEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from California?

Mr. LUCAS. I yield.

Mr. DOWNEY. Is it the plan of the majority leader to have the calendar called at an evening session tomorrow?

Mr. LUCAS. I cannot tell when the calendar will be called. No one knows exactly when we are going to finish consideration of the appropriation bill. I hope we may, tomorrow, get a unanimous-consent agreement to finish consideration of the bill tomorrow.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. GEORGE. I should like to make a statement to the majority leader. We are in this Chamber without many conveniences. We have no desks. We cannot conveniently bring papers into the Chamber, for there is no place to deposit them. I think a definite time for the call of the calendar should be announced. I do not mean it should be announced at this moment, but I mean, before the calendar is considered. I make the suggestion so that those of us who have papers, documents, and amendments in our offices which we may need to bring to the Senate Chamber when the calendar is called, may have timely notice of the calendar call.

Mr. LUCAS. I assure the able Senator from Georgia such notice will be given.

Mr. GEORGE. I thank the Senator.

Mr. WHERRY. Mr. President, I wish to thank the Senator from Arizona for permitting me to make an observation or two, although I now have the floor in my own right. I do not want to delay passage of the pending bill, but I cannot allow the opportunity to pass without explaining at least why I voted as I did, to adjourn, and also why I voted against the concurrent resolution.

I appreciate the fact that we are all anxious to conclude consideration of the Interior Department appropriation bill. I have taken very little time on it, because I think the evidence which was adduced makes clear in itself what the Senate should do with respect to the committee amendments. But inasmuch as a concurrent resolution received from the House was a privileged matter, not subject to debate, I cannot let the opportunity pass without at least explaining my vote on the amendment offered by the distinguished Senator from Indiana [Mr. CAPEHART], and also my vote in opposition to the concurrent resolution itself, after the amendment had been rejected.

I think the time has really gone by—it has certainly arrived now, at any rate—when there ought to be laid down by the majority a program of "must" legislation which the majority feels should be passed in the present session of the Congress. When that is done, we should all work toward the end of seeing that such legislation is brought up and debated, and further to the end that, when such legislation has been debated and disposed of, we may conclude the first session of the Eighty-first Congress. I felt that the dead line of September 30 was sufficient to accomplish the premise which I have stated relative to the adjournment of the first session of the Eighty-first Congress. I felt that in order to do that, an orderly program should be arranged, under which we could vote the issues up or down, after which the first session of the Eighty-first Congress could be adjourned and Senators could go home. I felt that if the amendment of the Senator from Indiana were adopted it would serve notice not only on Members of the Senate but also on Members of the House that we felt both Houses should be able to pass whatever legislation is absolutely necessary, and terminate their work at that time. The amendment did not prevail. I could give many good reasons in addition to those I have already given for thinking the date of adjournment should have been agreed upon, or at least a dead line set at which both Houses of Congress could adjourn.

But Mr. President, I think a further explanation should be made of my vote against the proposed adjournment of the House. I feel very strongly that each House should be permitted to act according to its own wishes in regard to staying in session or taking a vacation. I voted against the concurrent resolution because I feel the House should not take a vacation until certain of the conference reports are adopted and the legislation passed.

I first mention the conference report on the civil functions bill. Twice, possibly three times, we have now adopted extension resolutions to permit the payment of personnel and the continuance of work on most important projects which ought to be concluded. We shall be called upon to adopt another such resolution. Certainly, Mr. President, if the House were to take a vacation on September 15, it would be necessary for us to adopt such a resolution now in order to continue the authority after that time.

The House has not reached a compromise with the Senate nor has the bill been reported back for action in either House. It is certainly an important bill. It is important to the Middle West and to most of the States of the Union. Until that bill is passed, I think the House should not take a recess. It should not take a recess until the conference report is agreed to.

That is only one piece of legislation. We then have the ECA appropriation, concerning which I think I can speak with equal candor and with fairness; certainly without prejudice. I happened to be one of those opposed to the authorization, yet, as a member of the Appropriations Committee and as a Member of the Senate, I have always taken the position that, once the Congress determines a policy, the appropriation should be provided. Under the leadership of the distinguished Senator from Tennessee [Mr. MCKELLAR], chairman of the committee, I have met repeatedly with the conferees on that bill. We are now down to two small amendments. The conferees have taken the Senate figures so far as the appropriations are concerned, and are in practical agreement. The only two amendments now at issue are, first, whether we shall continue the watchdog committee, and, second, whether the amendment to review the dismantling of plants in Germany should be retained in the bill. For the watchdog committee the Senate provided an appropriation of $344,000. To show how far the Senate conferees have gone, I may say we have offered to split in two the $344,000, in order to continue the watchdog committee. I think the Senate should insist upon the provision continuing the watchdog committee, for the reason that such a committee has already been authorized. The law provides that a watchdog committee shall operate under ECA. Why should the Senate recede and sabotage the authorization itself by withholding the appropriation? In order to effect a compromise, the Senate conferees have gone halfway in all appropriations.

The other amendment, to review the dismantling of plants in Germany, I think is a very important one, especially in view of the statement just issued by the Administrator. I have received word from Germany. There have been persons in my office in whom I have implicit confidence who have told me that the morale of the German people was immediately raised by that statement. Today the morale is at the highest point it has ever been. The reason for that is that the Bridges amendment to review the dismantling of plants has encouraged the German people and German industries. To reject that amendment would have the opposite effect upon the people of Germany. The amendment provides that if the Administrator, in his own discretion, wants to use $25,000 in connection with the work, he may do so.

I am not complaining about the rights or the prerogatives of conferees. I know that all questions in controversy have to be resolved. But I do say that until the ECA bill is passed, and differences have been resolved by the conferees, and until the civil functions bill is passed, I do not believe the House merits a vacation while the Senate works on trying to pass legislation and to effect an agreement on conference reports.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. WHERRY. I shall be glad to yield to the Senator from Michigan.

Mr. VANDENBERG. As one of the devoted friends of ECA, I think the attitude of the Senate conferees has been eminently fair and square. To me it is unthinkable that there should be now a deliberate postponement of the conference for another 30 days. I do not believe it can be defended by any process of alleged logic.

Mr. WHERRY. I deeply appreciate that statement from the distinguished Senator from Michigan.

I wanted the Senate to know how hard we had tried, and I wanted it to know why I voted against the House taking a vacation. I cannot conceive of the House going home and asking to have continuing resolutions passed when the House refuses adamantly to adopt conference reports.

The distinguished Senator from Arizona [Mr. HAYDEN], chairman of the committee, is doing his level best, and I hope he will not criticize me for taking these few minutes, because I have cooperated with him in an effort to have the Interior Department appropriation bill passed. The minute it is passed it will go to conference. There are some highly controversial issues to be resolved. After we finish the Interior Department appropriation bill, we have the military appropriation bill, amounting to $16,000,000,000. It is the hope of the Senate that it can be taken up after the call of the calendar. No doubt the majority leader will make that bill the next order of business. There will be more controversy, because I understand there will be an amendment offered providing for a rescission of 10 percent. Look at what the military did today. I am not saying that I agree with every cut they made, especially in Nebraska [laughter], but that is how fair I am. I want to commend them for their course of action. I believe that at long last there is an agency in the Government which sees that we need to economize. I have always supported appropriations for defense. I was one of the seven Senators about whom the Senator from Michigan has spoken, who voted for a large sum of money when we were at war. If our defense agency says it can reduce expenditures, certainly every other agency in the Federal Government can do likewise. It is certainly a very forceful argument in support of a rescission of 10 percent in the appropriations we have already made.

I do not want to delay longer the consideration of the Interior Department appropriation bill, but I feel that every Member of the Senate was justified in holding the House here until these important appropriation bills are out of the way.

Important "must" legislation will be brought up on the floor of the Senate for discussion and action. There is the armaments bill; there is the reciprocal trade agreements bill. How I would like to see that brought up when Sir Stafford Cripps comes over to discuss the economic union. I should like to debate the reciprocal trade agreements bill at that time. It is important legislation. There was in my office recently a man who manufactures watches in Lincoln, Nebr. He said, "Before you go home, extend the escape clause to the watch manufacturers of the country, or, believe me, that industry will be driven out of business." So I think that bill is very important.

There is a great deal of other important legislation to come before the Senate. I should like to agree to take up whatever legislation should be considered, allocate the time, if possible, and wind up the first session of the Eighty-first Congress. The amendment providing for adjournment on a date which I thought gave ample time and which I supported, was rejected. That is the reason I voted against the House taking a vacation until it agrees to these conference reports, so that we can do the job which the Eighty-first Congress set out to do.

Mr. LUCAS. Mr. President, I desire to reply briefly to my good friend from Nebraska, who is so anxious to get out of Washington on September 30 of this year. That is the amendment which is vital to him, so far as legislation is concerned. The Senator from Nebraska spent most of his time discussing why he voted to keep the House in session in order to get conference reports agreed to. There is merit in that argument. Conference reports should be agreed upon as soon as possible. However, Mr. President, if the attitude of the House of Representatives and the attitude of the Senate conferees on, for instance, the civil functions bill, the ECA bill, and other appropriation bills continues, it makes no difference whether the House of Representatives is here during the next 20 or 30 days. How long has the civil functions bill been in conference? It has been there for weeks, Mr. President, and the conferees cannot come to an agreement.

The most important vote taken today, one which the country will understand and know about, is the one by which Senators on the opposite side of the aisle sought to adjourn the present session of Congress on the 30th day of September of this year. The minority ask the majority leader for a program. The committees, of which Republicans are members just as are Democrats, have ground out more legislative measures during this session of Congress than in any session in the recent history of the United States Senate. From the beginning of the session until now there have been more controversial measures on our calendar, more important legislation, than at any time in the history of the Congress.

Certainly the Senator from Illinois is not guilty of failing to attempt to speed up the amendment of legislation by the Congress. All one has to do is to examine the CONGRESSIONAL RECORD from January 3 last until now to determine who has spent most of the time on the floor of the Senate in a lot of wasteful, unnecessary, extraneous talk.

In the beginning of the session the Senator from Illinois attempted to hold night meetings, and attempted to bring the Senate together in the morning at 11 o'clock, in order that we might make some speed and conclude the session by July 31, or at least by the middle of August. But was I successful? Did I get cooperation in that attempt? No. I was condemned in the corridors by Senators for attempting to speed up legislation, holding here at night Senators who wanted to go home.

Mr. President, I learned that not much speed could be made by trying to make haste, and that we must let nature take its course in the Senate, and that is what I expect to do from now on until we finish the session.

Mr. CHAVEZ and Mr. TAFT addressed the Chair.

The PRESIDING OFFICER (Mr. HUNT in the chair). Does the Senator from Illinois yield; and if so, to whom?

Mr. LUCAS. I yield first to the Senator from New Mexico.

Mr. CHAVEZ. The Senator from Illinois discussed the conference on the civil functions appropriations bill, and I got the impression, possibly incorrectly, that the Senator from Illinois was blaming the Senate conferees.

Mr. LUCAS. No; I am not blaming anyone. The only thing I am saying is that the bill is tied up in conference, and has been, as the Senator knows, for many weeks.

Mr. CHAVEZ. I know that, and it is because we feel that, after all, the Senate of the United States is a part of the legislative branch of the Government.

Mr. LUCAS. I am not condemning the conferees on the part of the Senate for anything they do. I stand back of the conferees in whatever decision they make, as the Senator well knows, as I have stood back of the Committee on Appropriations on everything that has been reported in the way of a cut.

Mr. CHAVEZ. If the Senator from Illinois will be so good as to indulge me briefly again——

Mr. LUCAS. I yield to the Senator.

Mr. CHAVEZ. What I want to impress on the Senator from Illinois and the Senate is that the conferees would have agreed possibly early in June on the bill which is in conference if we had agreed that the only thing that should go into the bill was what the House put it. The Senate, in its wisdom or otherwise, did dare to put in some items.

Mr. LUCAS. There happen to be two legislative bodies of the Congress.

Mr. CHAVEZ. The point I am trying to make is that the Senate conferees have been most fair. We have had 15 different conferences with the House conferees, and they say, "You take what we do or nothing else," and so far as I am concerned, I am not going to do that.

Mr. LUCAS. I do not blame the Senator from New Mexico at all. I agree with him wholeheartedly. The whole business of legislation is a give-and-take proposition, and it is not right for the Senate or the House to take an arbitrary or capricious attitude and say, "This is it or nothing."

Mr. CORDON. Mr. President, will the Senator from Illinois yield?

Mr. LUCAS. I yield to the Senator from Oregon.

Mr. CORDON. Does the Senator feel that an early agreement between the conferees on the civil functions appropriation bill could be assured, or that there could be more hope for it, if we adopted a concurrent resolution which guaranteed that the conferees could not even meet until after the 21st of September?

Mr. LUCAS. I do not know that it would have helped any if we had agreed to the concurrent resolution. I merely say that in view of the fact that for weeks and weeks the conferees have not gotten anywhere, another 21 days probably would not make any difference.

Mr. CORDON. Will the Senator yield for another question on the same subject, the conference?

Mr. LUCAS. I yield.

Mr. CORDON. The Senator is of course, aware of the fact that we have the Interior Department appropriation bill before us, which, I hope may be passed within the next few days; but it must go to conference. The third deficiency appropriation bill will follow that, and it must go to conference. A fourth will follow that. We might at least hope that some conferees will agree, even if those on the civil functions bill have not done so, but is it not true that if the House were to adjourn until the 21st of September, we would simply guarantee that the conferences which could be held in the interim would have to await that date, would not that require the work of the Senate and the House to be extended much further into the future before there could be any hope of adjourning?

Mr. LUCAS. The Senator may be correct, but "far into the future" is beyond the 30th day of September, under the conditions existing.

Mr. President, let me refer to some of the bills which the Senate has placed upon the calendar. I do not know why they were put on the calendar if Senators did not expect to have them acted on by the Senate. I do not know why individual Senators who are members of the committees reported bills unanimously unless they expected to have them acted on.

The Senator from Nebraska was extremely anxious about his basing-point bill when it was before the Senate.

Mr. WHERRY. Mr. President, that bill was passed. That is one of the bills in conference, on which we cannot get any agreement. It has been in conference for 3 weeks and the conferees cannot get together.

Mr. LUCAS. I am speaking about how anxious certain Senators are to have action on certain pet measures which are on the calendar. I referred to the basing-point bill, and it is now in conference, after days were spent in the Senate debating it.

Mr. WHERRY. Will the Senator yield?

Mr. LUCAS. I yield.

Mr. WHERRY. I appreciate what the majority leader has said, but I also remind him that when I asked that the bill be brought up, the distinguished Senator agreed with me 100 percent.

Mr. LUCAS. Certainly I agreed with the Senator, because the Senator from Nebraska and the Senator from Pennsylvania advised me that the moratorium bill could be passed in about 3 hours. Instead of that, we discussed it about 3 weeks before we passed it.

Mr. WHERRY. Let us get the record straight.

Mr. LUCAS. As a result of whatever the Senator from Nebraska says, the record will be straightened.

Mr. WHERRY. I did remark about the moratorium, and when the bill was brought up, we thought it would be a moratorium, but in the meantime the Senator from Wyoming [Mr. O'MAHONEY] offered an amendment, and once again it was not the Republicans having any trouble. We tried to get the Senator from Wyoming, the Senator from Illinois [Mr. DOUGLAS], and the Senator from Tennessee [Mr. KEFAUVER], together on the other side of the aisle, and tried for 3 weeks to do it.

Mr. LUCAS. We have before us now the Interior Department appropriation bill, and how long have we been debating that bill? We have been debating it 5 days.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. LUCAS. I yield to the Senator from Indiana.

Mr. CAPEHART. Who controls the United States Senate? There are 54 Democratic Members sitting on the other side of the aisle. They can pass any bill they want to pass. Let them use their leadership, use their 54 votes and put their program through, and quit complaining about the Republicans or anybody else. The Democrats control the United States Senate. They have the votes. They are Democrats. They are not Republicans. Quit playing politics. The President of the United States played politics a year ago when he said that the Senate could pass certain measures in 15 days—and I will put the names of the bills in the RECORD.

Mr. LUCAS. What is the Senator's question?

Mr. CAPEHART. The Senator from Indiana does not have a question, but he is getting sick and tired of having the President of the United States, the leader of the Senate, and the New Deal Party, playing politics and fooling the American people, not giving them the facts, play "drop the handkerchief," instead of getting down to business and getting their job done.

Mr. LUCAS. I thank the Senator for his invaluable contribution. I hope the Senator will ask me another question soon, because I enjoy debating with the Senator. I enjoy debating with him because he conducts the debate, largely, with himself. He makes a speech in my time or in any other Senator's time if he gets an opportunity to do so.

Now I refer again to the Interior Department appropriation bill.

Mr. President, the Senate has been considering the Interior Department appropriation bill for 5 days. The Senate considered the independent offices appropriation bill for, I think it was, 6 days. The Senate had 16 roll-call votes on the independent offices appropriation bill. I

challenge anyone to show me a record like that on any previous independent offices appropriation bill in the history of the United States Senate.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. Mr. President, I did not bother the Senator from Nebraska, and I should like to continue.

Mr. WHERRY. I do not want to bother the Senator from Illinois, but I wish to keep the record straight.

Mr. LUCAS. I know that no speech I could make would go unchallenged by some of my distinguished friends: by the Senator from Nebraska or the Senator from Indiana. I am glad the Senator from Indiana is still in the Senate Chamber. I thought he had left.

Mr. CAPEHART. I shall remain.

Mr. WHERRY. Mr. President, will not the Senator yield to me?

Mr. LUCAS. Yes, I yield.

Mr. WHERRY. I believe the majority leader knows that I am really and truly sincere in what I have done. I have done my level best to cooperate with the majority leader by way of securing unanimous-consent agreements. I know it is difficult to get a program through, especially toward the end of a session.

The Senator from Illinois has complained about the Republicans and the record they have made. If the Senator will examine the RECORD respecting the Interior Department appropriation bill and the independent offices appropriation bill and the last five or six bills which have been under consideration, he will find that the debate has largely been between Senators on the Senator's side of the aisle.

Mr. LUCAS. Very well. If the Senator from Nebraska will examine the RECORD he will find that during the 136 days the Senate has been in session, in the period from January 3 to August 10, the Republicans have spoken more on 81 days than the Democrats did, and the Democrats have talked more than the Republicans on 55 days.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. The Republicans have used about 57 percent of the time, aside from the period when we endured a filibuster, and the Democrats have used about 42 percent of the time.

Mr. WHERRY. Mr. President, will the Senator yield for another observation?

Mr. LUCAS. No, Mr. President. I am going to continue my speech.

Mr. WHERRY. Will not the Senator please yield so I may give the figures I have?

Mr. LUCAS. The Senator can do so in his own time.

Mr. WHERRY. Very well.

Mr. LUCAS. I should like to move on. I have just come to the Interior Department appropriation bill. I have a list of many bills which the Senator from Nebraska says should be passed as "must" legislation before the 30th of September. After I read this list of bills, sir, if the Senator from Nebraska and the distinguished Senator from Ohio [Mr. TAFT] and other leaders on the other side can seriously contend that these bills can be passed within 30 days' time, then I will eat a hat from any one of the stores in the Senator's city of Omaha, Nebr.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield for a question.

Mr. WHERRY. I thank the Senator. Since the Senator thinks that is impossible, does not the Senator believe the Eightieth Congress did a magnificent job when it passed as much legislation as it did? The President of the United States, during the Eightieth Congress, and the acting majority leader as well, said the Congress should pass 31 bills which were just as important as those the Senate is speaking of, all in 15 days. What does the Senator have to say about that?

Mr. LUCAS. I will reply——

Mr. WHERRY. What does the Senator say about that?

Mr. LUCAS. I will answer.

Mr. WHERRY. What does the Senator say about that?

Mr. LUCAS. The Senator has asked me that question three times.

Mr. WHERRY. Well, will not the Senator answer it?

Mr. LUCAS. The people answered it on November 2, last year.

Mr. WHERRY. Oh——

Mr. LUCAS. That is the answer. The Senator may say "Oh" if he will, but if that is not an answer I do not know what would be an answer. What happened on November 2 last year is the answer. When the President told the American people what the Eightieth Congress had done and what it had not done, he convinced the people that they should extend his term and return him to Washington for another 4 years, and give him a Democratic Congress.

Mr. WHERRY. Why does not the Senator use that Democratic Congress?

Mr. LUCAS. I know how the boys on the other side of the aisle were greatly disappointed by the 1948 election. The boys on the other side of the aisle are still smarting under their defeat of last November, and I do not blame them.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. CHAVEZ. I wonder if we can enter into a unanimous-consent agreement.

Mr. LUCAS. I have not completed talking about the Interior Department appropriation bill.

Mr. CHAVEZ. I have reference to the Interior Department bill.

The PRESIDING OFFICER. The Senator from Illinois declines to yield.

Mr. LUCAS. I should like to proceed. We have under consideration the Interior Department appropriation bill. The Senator from Nebraska has been very cooperative in trying to secure unanimous-consent agreements. In fact, he sometimes arranges such agreements for me in advance. But there are some Senators who object when we try to enter into unanimous-consent agreements.

In addition to the Interior Department bill we have three additional appropriation bills. The national military appropriation bill will, I understand, take some time to consider, because the great economy amendment is going to be presented and tacked onto that bill. That amendment is one under which many Senators want to give the President of the United States complete power to reduce the expenditures of Government. It will probably require about 3 or 4 days' debate to dispose of that one amendment alone.

Then we have to consider the minimum-wage bill. Does anyone believe the Senate is going to finish action on the minimum-wage bill in a couple of hours? It is going to be brought up, Mr. President, unless somebody takes the leadership out of my hands and brings about an early adjournment. The minimum-wage bill is going to be brought up.

Then we have the reciprocal-trade-agreements bill. My friend, the Senator from Colorado [Mr. MILLIKIN], one of the ablest Members of the Senate, is now in the Chamber, and I will ask him if he thinks we can finish action on the reciprocal-trade-agreements bill within 10 days or 2 weeks? Will the Senator answer that question?

Mr. MILLIKIN. I shall respond to the Senator's question. I think it would be a miracle to finish action on it in less than 10 days.

Mr. LUCAS. There you are. The Senator from Colorado thinks it would be a miracle if we could finish that bill in less than 10 days. If I were to consult with the eminent senior Senator from Georgia [Mr. GEORGE], who is chairman of the committee dealing with that legislation, I am sure he would say it would be a miracle if we could finish that bill in 2 weeks. Yet Senators say they want the Senate to adjourn on September 30.

Mr. President, I am just getting started. There is also the executive pay bill. That is going to be passed, if I can possibly get it through the Senate before we adjourn. When I see employees of certain congressional committees drawing $15,000 a year, such as the former Representative from my State, Mr. Dewey, as an agent for the "watchdog committee" on ECA, and when I see men in the White House and in other branches of the executive department working day and night for $10,000 or $12,500 a year, I believe we had better give the executive branch of the Government better compensation in order to keep more competent and capable men working there.

Then we have the armed forces pay bill. That is going to be brought up.

Then we have the servicemen's pay bill.

Then there is a bill providing for aid to Korea. That is on the calendar at the present time. That, in my opinion, Mr. President, is an important measure.

Then there is a bill providing for advance planning on public works, which has been reported by the distinguished Senator from New Mexico [Mr. CHAVEZ]. That is a tremendously important piece of legislation.

The arms program will be considered, Mr. President. That is going to be considered if I have anything to do with it.

Today, Mr. President, 14 members of the Committee on the Judiciary, 7 Democrats and 7 Republicans, filed a motion to discharge the Committee on the Judiciary from further consideration of the

House bill to liberalize the Displaced Persons Act of 1948. Do Senators know what the Senator from Nevada [Mr. McCARRAN] said when we sought action on that bill? He said he would put so much material in the RECORD when that bill came up for consideration, that some Senators would be reading it from now until Christmas, which is an implied filibuster upon that bill.

Mr. WHERRY. Mr. President——

Mr. LUCAS. Just a moment. Yet the Republican Senators who signed that petition today want to get the Senate out of here on September 30 and apparently would be willing to let that bill go over, after they have signed such a petition.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I say it will take some time to consider that bill. It is an important bill. It is a delicate thing to discharge a committee. But the Senator of Illinois tried and tried, by persuasion and every other means to have action taken on that bill, and I was happy to have the Republicans join with Democrats in filing a motion to discharge the committee from the further consideration of that important measure. But action on that measure is not going to be taken in a couple of days, Mr. President.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield to the Senator from Nebraska.

Mr. WHERRY. May I ask the distinguished majority leader this question: Does the Senator have any adjournment date in mind at all?

Mr. LUCAS. I have no adjournment date in mind whatever.

Mr. WHERRY. Between now and January 1?

Mr. LUCAS. I have not. I did say the other night when speaking on the radio, that Congress might get away from here by Thanksgiving.

Mr. WHERRY. So we can plan on Thanksgiving as the date?

Mr. LUCAS. No.

Mr. WHERRY. I think the time has come when the Senator from Illinois should insist upon bringing before the Senate the measures he has mentioned. He has not mentioned the farm bill, which I think is the most important bill of all.

Mr. LUCAS. That is right. I am coming to that.

Mr. WHERRY. I think the Senate should be informed of a date when in the opinion of the majority leader we can adjourn, so we may make our plans accordingly.

Mr. LUCAS. I cannot tell the Senator that.

Mr. WHERRY. I think it is only fair to do so.

Mr. LUCAS. It is not fair at all. How can I do so when I see what happens on the floor of the Senate day after day? How can I say we are going to adjourn upon a certain date when I see what happens here? I am not going to do so. I am not going to make any statement about when we are going to adjourn, and then run into a filibuster upon certain measures which will result in the Senator from Illinois holding the bag. I did not get to the Senate by making such agreements.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WHERRY. If the distinguished Senator from Indiana [Mr. CAPEHART] were to change his amendment so as to provide for an adjournment by Thanksgiving Day——

Mr. LUCAS. I would not even agree to that. I do not know, and I cannot tell when Congress can get away. I wish it could get away tomorrow. As I stated in the beginning, I have done everything I could possibly do. As majority leader I have cooperated in every way to speed the consideration of these various measures. I have not been able to get action from my distinguished colleagues. I do not propose to lay down any dead line with respect to adjournment. Washington is just about as good a place as we could be.

Mr. President, we have work to perform in the Congress. Whether we believe it or not, and whether we like it or not, the mantle of world leadership has been hung on our shoulders. This is practically a year-round job. During the war we remained here for 8 years——

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. LUCAS. I decline to yield at the moment. I do not want the Senator to make a speech at this time.

Mr. CAPEHART. Mr. President——

The PRESIDING OFFICER. The Senator from Illinois declines to yield.

Mr. LUCAS. We remained here for practically 8 years continuously during the war. We adjourned only for short periods. Now, in one of the most important periods in the reconstruction of the world and the rehabilitation of western democracies in the interest of peace for all mankind, some Members of Congress want to get away from Washington to take a rest. The people hired us to stay here the year-round, if necessary. It is not like the good old days, when Congress could meet, spend 3 weeks on the tariff, pass a few appropriation bills, and go home.

All these controversial, important, world-shaking measures are on the calendar, and Members of the Senate are crying to go home. Why do they want to go home? There are no political fences to mend this fall.

Mr. CAPEHART. Mr. President——

Mr. LUCAS. There will be plenty of time during the campaign next year. We shall try to get away from here early next year if we can, in order that Republicans, as well as Democrats, may make their campaigns.

Mr. WHERRY. Mr. President——

Mr. LUCAS. I yield to my delightful and genial, and efficacious friend.

Mr. WHERRY. Mr. President, I like the "delightful" and "genial" part. I do not know whether I like the last word or not.

Mr. LUCAS. Look it up sometime.

Mr. WHERRY. In response, I may say that I also love the majority leader. We try to cooperate with each other. I ask the majority leader this question: Why did he vote to permit the House to take a recess if he feels that we should remain in session the year round?

Mr. LUCAS. Of course I voted for the concurrent resolution to permit the House to take a recess. The House ought to conduct its own affairs. If it wishes to take a recess for 3 or 4 weeks, that is its business, in my humble opinion. Let the country be the judge, rather than the Senate. The Senate should not take it upon itself to discipline the House of Representatives because it has not been cooperative with us. That is all there was to that vote. I do not propose to take that responsibility. I know what the Senate would say if the positions were reversed.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. VANDENBERG. Does not the Senator recognize the force of the argument that until the conference reports are in there is no justification for suspension of operations in either House? If we are prepared to reconsider our position after the conference reports are in, have we not laid a perfectly honest proposition at the bar of Congress?

Mr. LUCAS. The Senator may be partially correct. I do not wholly disagree with that phase of his argument. It seems to me that this is a correct assumption, in view of what has happened. I do not know how long it has been since there was a meeting of the conferees on the civil functions bill, for example.

Mr. THOMAS of Oklahoma. Three or four days. The bill has now been in conference for 85 days.

Mr. LUCAS. Perhaps the conferences will continue for another 85 days. I do not know. I hope not. Undoubtedly, the Members of the House of Representatives believe that they would not be able to get together with the Senate during the next 21 days in connection with the conferences.

Mr. CAPEHART. Four weeks.

Mr. LUCAS. Twenty-one days, 4 weeks, or whatever the time may be.

I do not absolve the Senate from responsibility for what it has done. I merely say that what the House does is its own business.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. LUCAS. I do not presume to encroach upon the prerogatives of the House of Representatives. What will happen? I will tell the Senate what will happen. During the next few weeks there will not be a corporal's guard in the House of Representatives. All it will do will be to meet every 3 days and adjourn. Everyone knows that who knows anything about the parliamentary situation in the House of Representatives. The Members will all go home just the same. All we are doing is making it necessary for two or three Members of the House to come back every 3 days. Three Members of the House who live in the city of Washington will open the House of Representatives and adjourn for 3 days. That is all there will be to it.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. VANDENBERG. I quite agree with the Senator's general theme that

the House is entitled to take responsibility for its own action. The House is perfectly capable of dealing with its share of responsibility. That is its right. I speak with greatest respect for the House. But I suggest to the Senator that when he voted to allow the House to adjourn or recess for 4 weeks, he voted, as a Senator, that the Senate should conspire in an arbitrary 4-week postponement of two of the most important decisions pending for congressional action. I am speaking of Senate responsibility, not House responsibility.

Mr. LUCAS. I did not vote for any conspiracy.

Mr. VANDENBERG. I respectfully submit that the Senate cannot shed its responsibility for joining in a 4-week arbitrary postponement of essential decisions.

Mr. LUCAS. The Senator has his own views on that question, but I did not join in any conspiracy with the House of Representatives when I voted. I voted upon a principle which I have followed during all the time I have been in Congress. I previously served in the House of Representatives. I was a Member of that body for 4 years. I looked up to the Senate as being a body which was a little superior. When I came over here I was not so sure that it was. But having looked up to the Senate as a superior body, I always believed that what the Senate wanted to do was its own business.

If there were an opportunity to do what the Senator from Michigan suggested, there might be something in his argument; but I undertake to say that we would get no results during the next 21 days, 4 weeks, or 30 days, with respect to the bills which have been mentioned, because there would not be enough conferees in the city to confer.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield. This is the most attention I have had on the floor of the Senate while I have been majority leader.

Mr. WHERRY. I thank the Senator.

Following up the observation made by the distinguished Senator that the House will have 3-day sessions, I think the Senator from Illinois stated that there would not be a corporal's guard in the House, or words to that effect. Will there not be the same impact on the Senate? Will it not be difficult to obtain a quorum? I have in mind now 5 or 6 Senators—or perhaps as many as 10—on both sides of the aisle who are going to Europe. They have asked for leave. It is said that although the House will be in session, nothing can be done. Will there not be the same impact and effect on the Senate?

Mr. LUCAS. If 20 Senators, 10 on each side of the aisle, want to leave, perhaps we can get more business done, as long as we can get a quorum.

Mr. WHERRY. But the Senator will agree that the impact is present, will he not?

Mr. LUCAS. I do not agree that there is any comparison whatsoever——

Mr. WHERRY. Not in the slightest degree?

Mr. LUCAS. I do not believe that there is any comparison, in the slightest degree, between what the Senator is talking about and what I am talking about.

Mr. JOHNSON of Colorado and Mr. FERGUSON addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Illinois yield, and if so, to whom?

Mr. LUCAS. I yield first to my good friend the Senator from Colorado. I am always a little frightened whenever he rises to ask a question.

Mr. JOHNSON of Colorado. Mr. President, I understood the Senator from Illinois to say that the House can go its way and the Senate can go its way, and that it is none of our business what the House does. If that be true, why was the provision inserted in the Constitution requiring the permission of the other House whenever one House or the other wishes to adjourn or take a recess for more than 3 days?

Mr. LUCAS. The Senator is correct. With respect to concurrent resolutions of that kind, we must agree or disagree. The Senate has exercised its prerogative in a most forceful and vigorous way, but it does not change my position with respect to how I feel about the House. If the majority of the membership of the House feel that they can accomplish nothing in the next 21 days, 30 days, or whatever the time is, and if they wish to take a recess, that is all right with me.

Mr. President, I have only started on the list of bills which must be acted upon if we are to adjourn by the 30th of September. All the talk has been with respect to one particular phase of the concurrent resolution. We have said to the House of Representatives, "You cannot go home." I repeat, Mr. President, that the most important vote which has been taken was on the amendment to the concurrent resolution, providing for an adjournment of Congress on September 30.

Senators want to get away. From what? They want to get away from passing legislation which has been reported by the committees. I am speaking primarily of domestic legislation. Some Senators would like to avoid consideration of a great deal of legislation which has been reported by committees, so that they can go back home and tell their friends what a failure this Congress has been. It will be perfectly all right; they probably will tell them that, any way. But we are going to make a record.

Mr. IVES. Mr. President, will the Senator yield?

Mr. LUCAS. I yield to my good friend, the Senator from New York.

Mr. IVES. Mr. President, the Senator from New York happens to have been among those who voted in favor of the motion to amend the House concurrent resolution so as to provide for an adjournment of the entire Congress on September 30. The Senator from New York voted that way because he feels very strongly that if the Senate were to settle down to business and have night sessions and convene and continue in session each day until we had accomplished the work of the day, we could easily adjourn by September 30. It was not with the idea of trying to escape any duty or obligation whatever that the Senator from New York voted the way he did. Rather, it was with the idea of trying to expedite the work of the Senate.

In that connection, the Senator from New York would like to point out that it seems to him that the Members of the Senate and of the House of Representatives have a very definite responsibility to the people of the United States in making contacts with their constituents at home, to find out what the people themselves are thinking. Oftentimes it seems to the Senator from New York that we are too remote from the people of the United States; we do not know the popular will as we would if now and then we were able to go home.

The Senator from New York has been unable to visit his own home since the second day of last November. To be sure, the Senator from New York has been in New York State on numerous occasions, but not in his own home. That is one of the chief reasons why the Senator from New York voted for an adjournment of the Congress on September 30—in order to fulfill our complete obligation not only to ourselves, but principally to our constituents, to the people of the United States. We have it as our duty as much now and then to go home and sound out public opinion as to remain here in Washington in session in Congress.

Mr. LUCAS. Mr. President, the Senator from New York may be correct in his assumption that he would like to go home and report to his people; and of course it is a little difficult to do that, I admit, when we are here in session, attempting to enact legislation. But I seriously submit that the people back home would rather have us here working on this program, instead of being back home, rushing around, playing a little politics, to see what the situation may be back home.

We might just as well be frank about this situation, Mr. President. When we go back home, we do so primarily to find out what the political situation is there and to see how our fences are holding up, and one thing and another. We are always looking to the future, and that is a perfectly natural thing to do.

Some of us do not get back home as often as the people think we should; I agree as to that. But at the same time, I think the great majority of the people of the United States are interested in legislation. The Senator from New York knows as well as anyone else does, I am sure, that they are, because I am certain the Senator from New York gets as much mail across his desk as does perhaps any other Member of the United States Senate; and it demonstrates that the people of the United States are vitally concerned with what we are doing here.

The Senator from New York seldom gets any mail from his home people asking the Senate to adjourn, does he?

Mr. IVES. Mr. President, will the Senator yield?

Mr. LUCAS. Is the Senator from New York getting any mail along that line?

Mr. IVES. Yes; I am.

Mr. LUCAS. How much?

Mr. IVES. I have not kept a record of the amount of it.

Mr. LUCAS. I do not imagine it is very much.

Mr. IVES. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. IVES. The Senator from New York would like to point out, in connection with the distinguished Senator's comment regarding going home and mending fences and playing politics, that in this particular year, insofar as the Senator from New York is concerned, that has nothing whatever to do with the matter.

Mr. LUCAS. The Senator from New York has a number of friends who are interested in politics there, of course.

Mr. IVES. Mr. President, in New York State there are a number of situations of an economic nature and a number of situations even of a social nature which the Senator from New York would like to check into and find out about, and learn at first hand the facts. The Senator from New York cannot find out those things, he cannot keep track of conditions in the State of New York, if he remains in Washington all the time.

Mr. LUCAS. Well, some Senators are going to Europe.

Mr. IVES. The Senator from New York is not going to Europe.

Mr. LUCAS. The Senator from New York might take a week off to find out what the home folks are thinking.

Mr. IVES. The Senator from New York would like to go to Europe, but the Senator from New York cannot.

Mr. LUCAS. I am not going to keep the Senator from New York from going home if he wants to go. He can get unanimous consent for that purpose at almost any time.

Mr. President, we have the proposed legislation for advance planning of public works, and we have the arms program legislation. I know that interests the Senator from Michigan and the distinguished senior Senator from New York, who, by the way, voted against the 30-day adjournment requested by the House of Representatives, as I recall, whereas I think the Senator's colleague, the junior Senator from New York [Mr. DULLES] did not vote in line with the vote of the senior Senator from New York on the request by the House that it be permitted to take an adjournment for 30 days. Of course, the junior Senator from New York has been in the Senate only a little while, but I certainly wish to commend him for that vote, because apparently he understands the implications of all the important measures which are on the calendar at the present time.

Mr. IVES. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. IVES. The senior Senator from New York would like to point out that the junior Senator from New York is much more qualified to take care of himself and answer those questions for himself.

The senior Senator from New York in this instance is speaking only for himself, and desires to have his remarks understood in that way.

Mr. LUCAS. Mr. President, I am not questioning the senior Senator from New York. I merely pointed out that the junior Senator from New York voted differently from the senior Senator from New York—something which frequently happens on the floor of the Senate. I was merely commending the junior Senator from New York, who has been here only a short time, for what seemed to me to be the wisdom of his decision, because apparently he has taken a look at the legislative calendar and apparently he understands the implications that are involved in a number of the bills involving either domestic or the international fronts. So I was happy when I heard the junior Senator from New York speak out so forcefully, when his name was called during the roll call, against an adjournment of Congress on the 30th of September.

Of course, that has nothing to do with the senior Senator from New York. He has made his position clear, and I want him to go home.

Mr. IVES. I thank the Senator very much.

Mr. President, will the Senator yield further?

Mr. LUCAS. I yield.

Mr. IVES. The Senator from New York would like the Senator from Illinois to understand that he has no intention of going home—at least, not for any length of time—so long as the Senate of the United States is in session. His first job is to attend the sessions of the Senate. The Senator from New York assumes that every other Member of the Senate understands that his first job is to be in the Senate when it is in session.

Mr. LUCAS. Mr. President, I am very happy to hear the Senator state that, because that refutes the argument which was made a few moments ago by the Senator from Nebraska [Mr. WHERRY]. So the Senator from New York is not in the category of Senators who the Senator from Nebraska said are getting ready to leave Washington.

Mr. IVES. Mr. President, I should like to point out that if the Senator from Illinois will examine the voting records of the junior Senator from New York and the senior Senator from New York, he will find they very closely correspond all the way through.

Mr. LUCAS. Until today. I compliment both Senators very much upon that record.

Mr. IVES. I thank the Senator.

Mr. LUCAS. Furthermore, Mr. President, we have the bill for a uniform code of military justice. That is a very important measure.

We have the bill to authorize certain construction of naval and military installations. The Senator from Maryland is very anxious to have that bill considered.

We have the farm bill, Mr. President. I have been attending the hearings before the Committee on Agriculture on the farm bill. It is a very controversial issue, and there will be plenty of talk on the floor of the Senate before we get the farm bill through the Senate, and also before it is through the House of Representatives.

Then we have the antilynching bill.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. LUCAS. I yield to the Senator from Ohio.

Mr. TAFT. Does not the Senator from Illinois think that in view of the promises made by the Democratic Party, the Democratic House should stay in session at least until a farm bill is on the House program and is on the calendar? We have been here 8 months, and the House of Representatives has wholly failed to keep any of the promises made by the Democratic candidate for the Presidency and by the Democratic Party in their determination to provide a new farm program.

So does not the Senator from Illinois think that is a reason why he should have voted against the resolution to permit the House of Representatives to leave at this time?

Mr. LUCAS. The Senator from Ohio usually keeps abreast of what is going on around the Capitol, but the House has passed the farm bill. I do not know whether the Senator knew it or not. They passed the farm bill, I may say to my distinguished friend from Ohio, and it is now in the Agricultural Committee of the Senate. I am somewhat surprised that the Senator from Ohio did not know that.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. YOUNG. Is the House farm bill which is before the Senate committee, what the Democrats promised the farmers last year? It is a 1-year extension. It is not a new farm bill, at all, is it?

Mr. LUCAS. No.

Mr. YOUNG. The farmers in my State believed they were going to have a new and improved farm bill.

Mr. LUCAS. The Senator and I agree upon that. We are going to have one. I see eye to eye with the Senator on practically everything in connection with the farm situation. I do not know why my friend from North Dakota is getting in on this argument now. He and I agree.

Mr. YOUNG. Mr. President, if the Senator will yield, I may say I was afraid the 1-year extension about which the Senator was talking represented all the Democratic Congress was going to do.

Mr. LUCAS. Oh, no. The Senator knows I am against that. I stated this morning before the committee, and I stated yesterday morning, and I have stated repeatedly in the newspapers that I am opposed to the so-called Gore bill as passed by the House. But they have passed a farm bill. That is the only point I make.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. TAFT. It is an extension for 1 year.

The PRESIDING OFFICER. The Senator from Illinois yields to the Senator from Nebraska.

Mr. LUCAS. I yield to the Senator from Nebraska. I do not want the Senator from Ohio to interrupt us.

Mr. WHERRY. Is the Senator from Illinois for the Brannan plan?

Mr. LUCAS. The Senator from Nebraska is branching off into a completely different subject. The Senator knows all about the Brannan plan. He knows

what was done in the House, and he knows what we are doing in the Senate. The Senator does not need to try to drag me down some alley into a dead-end street. I also could turn aside to many questions, and I could ask the Senator what he is for and what he is against.

Mr. WHERRY. I am not for the Brannan plan, if the Senator asks me.

Mr. LUCAS. No; the Senator is not for very much that the Republican Party is for, on that side of the aisle. He seldom votes that way.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I want to mention the last measure.

Mr. WHERRY. Mr. President, does the Senator from Illinois yield?

The PRESIDING OFFICER. The Senator from Illinois declines to yield to the Senator from Nebraska.

Mr. LUCAS. Mr. President, I have gone over the program. There is some other legislation to be reported, as I understand. In all good conscience—and I say this with utmost sincerity—I do not see how I could agree upon any specific date for the adjournment of Congress. There has been talk of night sessions. If that would speed matters along, I should be glad to have night sessions. But every afternoon, along about 5 o'clock, we are asked, "Are you going to have a vote?" And we are told, "Do not have a vote until tomorrow—I want to go home." If we reply, "You had better stay around; we may have a vote at 6 o'clock, or 6:30," and then if we do not have a vote, the majority leader is in trouble.

Mr. President, I want to do everything within my power that is fair and reasonable to speed up the program of legislation which is upon the calendar. But no one is going to rush me into making a statement as to a particular date for adjournment. We are going to stay here, so far as I am concerned, until we act upon the emergency bills which are on the calendar. Perhaps we cannot remain that long. Possibly some day another of these resolutions will come along. Perhaps the time will come when the Republicans will suggest another date for adjournment. The time may again come when they will want to go home and want to leave the Capitol; when they will want to leave the business of the Congress on the calendar until next year, and go home. I may say it is just as comfortable in Washington as it is back home. I do not know of anyone around the Capitol who is very tired at the present time.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. LUCAS. I shall finish in a moment.

I say this without the slightest attempt to threaten anyone. I do not want to do that. I want to cooperate. But so long as committees report bills and the bills are placed on the calendar, and there is an interest in them throughout America, as there is in the case of practically every one of those I have been naming, the Senator from Illinois is not going to move to adjourn Congress, so far as he personally is concerned. If a unanimous-consent agreement is wanted on the measures, one after another, as they come up, that will be wonderful. I should like to get unanimous consent to vote on the pending bill tomorrow afternoon at 1 o'clock, if it could be done, and to go through with it. I am going to make a unanimous-consent request on every bill, in order to find out whether anyone wants to speed up the work of the Congress and get away from Washington. I am going to ask unanimous consent on every measure that comes up, in order to find out who does the objecting to unanimous-consent agreements to limit debate on some of these important measures.

Mr. CHAVEZ and Mr. TAFT rose.

The PRESIDING OFFICER. The Chair, in an effort to get the business of the Senate moving, recognizes the Senator from Arizona.

Mr. HAYDEN. I cannot take a Senator off his feet.

Mr. LUCAS. I am through. I yield to the Senator from New Mexico.

Mr. CHAVEZ. Mr. President, I wanted to ask the Senator from Illinois a question.

Mr. LUCAS. I yield.

Mr. CHAVEZ. I will stay here as long as any other Senator will stay. I am not in a hurry to go home, in spite of the fact that I happen to be ill. But the Senator from Illinois has mentioned several bills which I believe the Senate should act upon. There are other bills, and the one particular bill about which I get inquiries from my State, even more so than on the question of relief to Europe, or anything that may go across the ocean—is the oleomargarine bill.

Mr. LUCAS. I am very happy the Senator mentioned that. That is a tremendously important bill. Everyone voted for it in the Finance Committee, as I remember. It was passed by the House, I may say, unanimously. Certainly the bill is an important one, and I think we could pass it in about 12 to 14 days, from what I have heard from the dairy sections of the country.

Mr. CHAVEZ. Then, Mr. President, do I correctly understand it is the purpose of the Senator from Illinois, if he can, to bring up that bill before we adjourn?

Mr. LUCAS. The Senator is correct. If we can possibly get it on the agenda some place and can get a unanimous-consent agreement to debate it for about 2 days, it certainly will be brought up.

Mr. CHAVEZ. Mr. President, just one more question, if the Senator from Illinois will yield. The Senator mentioned the planning bill which came from the Committee on Public Works, did he not?

Mr. LUCAS. That is correct.

Mr. CHAVEZ. It is now on the calendar. Is it the purpose of the Senator from Illinois to try to bring up that bill?

Mr. LUCAS. The Senator is correct.

Mr. CHAVEZ. One more question, Mr. President: As the Senator from Illinois knows, day before yesterday the House of Representatives passed the general omnibus rivers and harbors and flood-control bill. The Senate Committee on Public Works has been having lengthy hearings on that particular bill, in order to be ready by the time the House got through with it. If the Senate committee, whose intention it is to report the bill in the very near future, reports it, can the Senator from Illinois tell us whether he will endeavor to bring up that bill?

Mr. LUCAS. I cannot say until the bill is reported and placed on the calendar. I may say I know it is an important measure. If we can keep enough Senators in Washington to consider these measures, we may get to it.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. LUCAS. Mr. President, I am going to yield the floor, if the Senator wants me to.

Mr. FERGUSON. The Senator introduced the antilynching bill, and it is now on the calendar.

Mr. LUCAS. I mentioned that.

Mr. FERGUSON. Mr. President, will the Senator yield, then, that I may make a few remarks?

Mr. LUCAS. Yes. I yield the floor, Mr. President.

Mr. TAFT. Mr. President——

The PRESIDING OFFICER. The Senator from Ohio rose first. The Chair recognizes the Senator from Ohio.

Mr. TAFT. Mr. President, I shall take but a few moments from the consideration of the Interior bill. I may say first that while I agree with all the reasons stated by the Senator from Nebraska in voting against the resolution permitting the House to adjourn, I have one other reason. If we permit the House to adjourn from now until the 21st of September, it means that we shall certainly be here until Thanksgiving. There is no question in my mind if we permit the House to go away for a month that when they come back we shall begin all over again. There is no question in my mind that if we permit such an adjournment now on the part of the House, we shall be here indefinitely, until practically the end of this year.

The Senator from Illinois made a statement that during the war we were here throughout all those years. As a matter of fact, that statement should be corrected. In the year 1943, in the Seventy-eighth Congress, under the very able management of the distinguished Vice President, Congress recessed from July 8 to September 14, a period of over 9 weeks. In 1944, in the midst of the war, Congress recessed from June 23 to August 1, and again, from September 21 to November 14, a total period of 3 months. In 1945, in the Seventy-ninth Congress, under the very able management of the distinguished Vice President, Congress recessed from July 21 to September 5. In 1946, under the able management of the distinguished Vice President, Congress adjourned sine die on August 2. In the Eightieth Congress we recessed from July 27, 1947, to November 17, 1947.

Mr. LUCAS. Mr. President, will the Senator yield at that point?

Mr. TAFT. No; I decline to yield at the present moment, and until I finish.

Mr. LUCAS. The Senator referred to the Vice President in 1946. I do not think——

Mr. TAFT. In 1947 and 1948, the occupant of the chair was the distinguished

senior Senator from Michigan, President pro tempore.

Mr. President, it seems to me that, finally, I have an explanation of the utter lack of plan which is being pursued in the present Congress. It is perfectly easy to say that the Senate can talk indefinitely. That is correct. But an able leadership of the Senate can so operate that the Senate can perform its duties in approximately half the time in which it otherwise would perform them. I think the distinguished Senator from Illinois has made it clear that he wishes to keep the Senate here indefinitely. That is the only conclusion I can reach from his statement; and that must explain the reason why we have proceeded as we have, because I cannot think that he would have pursued a course so utterly lacking in plan except for some deliberate purpose. I can see no reason why we are now here except that there has been no determination or wish to adjourn the Senate, but, apparently, a wish to keep us indefinitely in session. The distinguished Senator from Illinois made it perfectly clear. He said, "I have decided that the best policy is to let nature take its course." If that policy be followed, we shall be here every day of every year as far forward as we can see.

Mr. President, there is no way finally to adjourn the Senate except to make a plan and ask for the cooperation of Senators in that plan, in order that we may adjourn at some definite time. The distinguished Senator from Illinois has deliberately chosen not to pursue that policy. We have offered cooperation, but it has been ignored. As long as we shall be here anyway, the natural tendency of Senators is to talk indefinitely. They have talked indefinitely, and too much, on both sides of the Chamber. I do not defend that. It requires a deliberate intention on behalf of the management if we want to conduct our business expeditiously and get away. The administration leadership has full control of the Executive, of the Senate, and of the House of Representatives.

I do not think the House ought to take a recess, but if it insists upon it, I should be willing, provided the recess is a part of some definite plan to complete the business of Congress and get away on some definite date. But there is no such plan.

Mr. President, I ask permission to file a motion to reconsider the action by which the House joint resolution was defeated. I should like to file that motion at this time, for consideration later, if that is in order. I hope it may lead the leaders of the House and Senate to get together and make a plan so as to be able to say, "Here are the things we want to do, and we want you to cooperate in order that the business of Congress may be finished this year."

Consideration of many of the bills mentioned by the Senator from Illinois can be postponed until January. We are getting pretty close to January, and that would not be very much of a postponement.

The Senator says there have been a few night sessions. I cannot believe they were held with any deliberate idea of hastening the business of the Senate. I cannot think of any better way of slowing up the business of the Senate than to have a calendar call in a night session. We cannot get a single bill through without discussion, and usually objection. On the other hand, if the statement is made, with determination, that we are going to stay on until we get a vote on the measure, as a rule Senators who want to talk can be persuaded to stop.

I have previously suggested that the majority leader should say, "Here is the program. We want to get away on a definite date."

I recognize the difficulty of passing an adjournment resolution for a certain date. It places a tool in the hands of those who are opposed to certain legislation, but it seems to me, if this motion can be considered, if the distinguished leaders of the Senate can talk to the distinguished leaders of the House, if they really desire to adjourn Congress at any time on which they can agree, and if they can agree on what measures they want to pass, and if they can tell how long they want to take in connection with certain measures, 3 days for this measure, for instance, we shall try to do our best to cooperate; to the end that we may finally get an agreement on a particular bill and vote on it. But so long as we proceed as we are doing at the present time, and if there is no plan before the Senate, then it seems to me perfectly clear that we are going to be here until Thanksgiving time. I can only conclude that that is the desire and the intention of the Senator from Illinois. If it is, I suggest that he admit that intention and inform the Senate. Then we can make our plans accordingly and proceed to adjust them in other ways, so that we can take what time we can get at home, considering that the Senate is in session.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. VANDENBERG. Mr. President, I do not want the Senator to commit himself to remaining here until Thanksgiving unless he can be assured that the administration will not revert to the old habit of changing the date of Thanksgiving, which was one of the New Deal tricks. [Laughter.]

Mr. LUCAS. Mr. President, I want to say a word in reply to the distinguished Senator from Ohio. He has filed a motion to reconsider the action which the Senate took a short while ago, in the hope that the leaders of the Senate and the House can get together.

Mr. President, taking a look at the accomplishments of the Senate during the Eighty-first Congress, as one Member of the Senate I am proud of the bills which we have passed up to this time. I violently disagree with the Senator from Ohio in his statement that I have definitely concluded to remain here until Thanksgiving time. I have no date in mind, and I shall not fix a date. When the Senator from Ohio imputes that conclusion to the Senator from Illinois, he just does not know what he is talking about.

I have gone over the bills which have been reported by committees and which are on the calendar for consideration by the Senate, and I wish Senators could see the amount of mail coming to my office from all over the United States requesting action on practically every bill on the calendar. Maybe that does not mean anything, Mr. President; but why do committees report bills if they do not want action upon them?

The Senator from Ohio says there is lack of leadership on this side of the aisle. Call it what you will, Mr. President, but when the record of this Congress is written, even though it shall take until Thanksgiving, or possibly until Christmas, it will be a very good record from the standpoint of the American people, and it will not be the Senator from Ohio who is going to determine about how the record looks. It will be the people of the country who will make the determination.

The Senator from Ohio can take the bills I have suggested today and put them before his policy committee, and find out how long he thinks it will take to pass those bills I have mentioned, which are on the calendar for consideration. If he thinks we can get that group of bills through by September 30, I should like to have him make a report to me, but if he thinks he can control all the Republicans on the other side of the aisle with respect to a unanimous-consent agreement, I must say they have more faith in his judgment than I have.

Mr. President, I should like to have Congress get away as soon as it finishes its business. I should like to adjourn the Congress by Labor Day if it could possibly be done. But I am not going home when there is work to be done. Others may go if they care to, and find out what the folks think, but as far as the Senator from Illinois is concerned, I have a duty to perform as majority leader, and I am going to perform it in the best way I know, in the most conscientious manner possible, and no amount of double talk or any other kind of talk is going to change the position of the Senator from Illinois.

Mr. FERGUSON. Mr. President, I have here a few figures prepared by the Library of Congress which I think pertinent to the question we have before us now on the question of adjourning.

From January 3, 1949, through August 15, 1949, the Senate has been in session 140 days. The time the Senate has been in session in that period has been a total of 836 hours and 40 minutes.

The total number of working days in the period mentioned has been 195, which excludes Sundays and the four holidays occurring during that period. The difference between the number of working days, namely, 195, and the days in session, namely, 140, is 55 days, of which 32 were Saturdays. One Saturday was Lincoln's Birthday, and excluding this, there remained 54 days on which sessions could have been held. If we exclude all the Saturdays, there were 23 week days on which we could have worked.

The CONGRESSIONAL RECORD was checked as to the number of pages used during the period from January 3 through August 15, 1949, and as to the amount of time consumed by the Members of the present Congress. For this

period, the Republicans used 1,563⅛ pages, and the Democrats used 1,612⅛ pages. This analysis covered only spoken words and did not include insertions printed by leave of the Senate.

The pages were divided into ninths, with the columns divided into thirds, and three columns to a page, in order to simplify the estimates. Daily totals were taken for each Member of the Senate, and Senators who spoke less than one-ninth of a page a day were not counted. It is very seldom that any Senator speaks for less than one-ninth of a page, so very little has been omitted in that regard. The difference in the previously listed figures shows that the Democrats, through August 15, had consumed 49 more pages than the Republicans.

Where has been the real delay in the enactment of the various appropriation bills? Delays have been occasioned by the conferees of the Senate and the House getting together. Who controls the conferences? The majority party, or the Democrats at present. Under the rules relating to conferees, the Democrats, who are in control of both Houses of Congress, are also in control of the conferences. A majority vote of the respective conferees controls the action of the conference.

Only one conclusion can be reached, namely, that with their majority control, the Senate Democrats cannot get together with the Democrats of the House of Representatives, and that is displayed every day in the conferences.

I have here also a list of the appropriation bills which have remained in disagreement in conference an undue length of time.

Treasury and Post Office appropriation bill, 44 days; Labor and Federal Security appropriation bill, 18 days; civil-functions appropriation bill, up to the time the figures were prepared, 52 days. I think the exact date when the bill went to conference was June 1, and just day before yesterday the conference broke up with the determination on the part of the House conferees that there would be no meeting on the civil-functions bill until after the conference had been concluded on the ECA bill and the armed services appropriation bill, and the armed services bill has not yet been passed by the Senate. That is the position in which we find ourselves today.

We heard announced on this floor a few minutes ago that the House has passed a continuing resolution, continuing the appropriations until the first of October, indicating, as was said by the majority leader, that the Members of the House are going home, and I assume they are going home without completing the conference on the ECA and without completing the conference on the civil-functions bill.

I resume my statement of the time the conferences have lasted. The conference on the agricultural appropriation bill lasted 18 days; on the State, Justice, Commerce bill, 37 days; on the independent offices bill, 20 days; on the foreign-aid appropriation bill, 14 days, until the time I made up these figures. That bill is still in conference, and, as I have indicated, there seems to be no chance of an agreement at the present time. As I stated before, the civil-functions conference will not be resumed until after the ECA and the armed-services conferences have been completed.

So we find ourselves in this position, that if the House went home, these two conferences, the one on the civil functions bill and the other on the ECA bill, would have no more meetings until the Members of the House returned on the 26th of September.

Is there any wonder that on this side of the aisle, as well as on the other side of the aisle, there were those who voted against the House going home? I think it will be plain to the people that there were at least two jobs which the House could have performed, and could, in the opinion of the junior Senator from Michigan, even perform between now and Friday, the recess day, if the conferees would meet. But they have determined that as to the one bill they are not even going to meet until the Senate passes the military appropriation bill, although there is no connection between the military bill and the civil functions bill. There is no connection between the ECA bill and the civil functions bill, but we find that there will be no meeting of the conferees on the civil functions bill until after the conferences on the ECA and the military appropriation bills are over.

If we check the number of conferences with the average number of days taken on each, I think the last remark of the Senator from Illinois was correct, that we will be here Christmas Day.

Mr. HAYDEN and Mr. CAPEHART addressed the Chair.

The PRESIDING OFFICER [Mr. MAGNUSON in the chair]. The Senator from Arizona is recognized.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. HAYDEN. Just one moment I should like to remark that it has been just 2 hours since we voted on an amendment on the appropriation bill, and I should like to have another amendment considered. I should be glad to yield very briefly.

Mr. CAPEHART. Having offered an amendment providing that Congress should adjourn on September 30, I should like to say a few words.

Mr. HAYDEN. I yield to the Senator.

Mr. CAPEHART. Mr. President, if we should adjourn September 30, that would be 38 days away. We have now been in session nearly 8 months. The President of the United States in Philadelphia in July of 1948 called the Congress back in special session and made the statement that the Congress could pass in 15 days the following pieces of legislation:

A price control bill.
A housing bill.
A minimum wage bill.
A Federal aid to education bill.
A Social Security extension bill.
A national health program.
Civil rights legislation—antilynching, FEPC.
A public power projects bill.
A displaced persons bill.

The President of the United States said Congress could do all those things in 15 days. The present Congress, the Eighty-first Congress, has been in session nearly 8 months, and the Eighty-first Congress has passed only one of the pieces of legislation which the President said a special session could pass in 15 days, namely, the housing bill.

Mr. President, there is no question in my mind—and I shall speak as an individual Senator now; other Senators may have their own ideas—that the Eighty-first Congress has passed only a very small amount of legislation. If my memory serves me correctly, outside the appropriation bills, and most of them are in conference, Congress has passed only three major pieces of legislation, the housing bill, rent control, and crop storage, plus raising the salary of the President of the United States. We have passed a few small bills, but I am speaking about major legislation. We have passed only three pieces of major legislation. If we have not been able to do more than that in 8 months, are we going to be able to pass the remaining legislation in the next 4 months or in the next 8 months?

Mr. President, in my opinion, what is wrong with the Senate is that it has no leadership. The Democratic leadership of the Senate and the leadership by the President of the United States of the Congress is absolutely void, in my opinion. There is no leadership. We have a Coxey's army here. No one is leading that army. No one is making any effort to set down a program. No one is making any effort to do anything. We have no program. We have no plan. We have no policy. The Eighty-first Congress is going down in history as the world's worst Congress. The Eightieth Congress, in comparison with the record of the Eighty-first Congress, has a perfect record. The Eightieth Congress had passed its program and had recessed by June 20 last year, though it had an 11-day session from July 27 to August 7. The Eighty-first Congress has not even got started.

The able majority leader [Mr. LUCAS] a moment ago read a list of bills which must yet be passed, as he said, which are on the calendar. Yet we have been here 8 months. The test of leadership is getting the job done. The test of leadership is leading. I say to the Senate that the majority leader of the United States Senate has in my opinion failed 100 percent. In fact, a moment ago he practically threw up both hands and he said, "Let nature take its course. I made an effort," he said, "to run things a few months ago, and I discovered I could not, so from now on I am going to let nature takes its course." He practically said he did not care when Congress gets away from here.

Well, I do not care either. I am willing to vote tomorrow on every so-called major piece of legislation on the President's program. In fact, I am delighted and anxious to vote against the great majority of it. Nothing would please me any better than to be able to vote on the President's program. I am ready to vote on it. I speak very little on the floor of the Senate, but I am ready to vote.

I want to give Members of the Senate the score card on the Democratic platform pledges and Mr. Truman's campaign promises.

No. 1. Reciprocal trade agreements. What happened to that legislation? It is still pending.

No. 2. Displaced persons legislation. What has happened to that? It is still in the committee.

No. 3. Higher pay for officials. What has happened to that? Nothing.

No. 4. Statehood for Hawaii. What has happened to that? Nothing.

No. 5. Statehood for Alaska. Where is it? The legislation has not been passed.

No. 6. District home rule. Where is it? The legislation has not been passed.

No. 7. The long-range agricultural plan. The President talked much about that, but really said little, and most of what he said was not according to the facts. Where is it? It has not passed either House.

No. 8. Crop storage. That legislation has been passed.

No. 9. Farm credit extension. Where is it? Nothing has happened to it.

No. 10. Where is the oleo tax-repeal bill? Nothing has happened to it.

No. 11. Price controls. Senators remember those.

No. 12. Income-tax revision. What has happened? Nothing.

No. 13. Excess-profits-tax law. What has happened? Nothing.

No. 14. Repeal of the Taft-Hartley law. What has happened? Nothing. The President went up and down the land and said he was going to repeal the Taft-Hartley law. He said, "Give me a Democratic Congress and I will repeal the Taft-Hartley law." Well, if I read the record correctly, he was given a Democratic Congress.

No. 15. Equal pay for equal work. What has happened to it? Nothing.

No. 16. Minimum wage. Congress has been in session 8 months, and that legislation has not been passed.

No. 17. St. Lawrence seaway. Nothing has happened about that.

No. 18. Federal tidelands title. What has happened to that legislation? Nothing.

No. 19. Power development. We are talking about it at the moment, but legislation has not yet been passed.

No. 20. Public transmission lines? We are talking about that at the moment, but it has not been passed.

No. 21. Inland Waterways Corporation. What has happened to that? Nothing.

No. 22. Housing? That legislation has been passed. It is one of the three major pieces of legislation.

No. 23. Rent control? We extended rent control.

No. 24. Veterans' benefits. I do not believe we have done anything yet for the veterans during the present session of the Congress.

No. 25. Extension of social security. We certainly have not extended social-security coverage. There is no law on the subject of the extension of that coverage yet.

No. 26. National health program, the so-called socialized medicine. Nothing done about that.

No. 27. Federal aid to education. That bill is lying in the House of Representatives, which is controlled by the Democratic Party. The House of Representatives earlier today sent to the Senate a concurrent resolution in which it asked the concurrence of the Senate to permit the House to adjourn for 30 days. Yet the President of the United States promised the American people that if they would elect a Democratic Congress he would see that legislation providing Federal aid to education was passed. The Senate passed the bill and it is lying in the House. Yet the majority leader of the Senate voted for a resolution to permit the House to adjourn for 30 days.

No. 28. National Science Foundation. What has happened to that legislation? Nothing.

The civil rights program comes next. Where is that? We heard much about that during the campaign.

No. 29. FEPC. What has happened to it?

No. 30. What has happened to the antilynching bill?

No. 31. What has happened to the anti-poll-tax bill?

No. 32. What has happened to the antisegregation measure?

The measures I have just mentioned have not been passed, although they relate to subjects which were contained in the Democratic platform and in Mr. Truman's pledges to the American people. That is the record of the Eighty-first Congress.

If I were responsible for such a record as the Eighty-first Congress has up to this time, and if I were the majority leader and had such a poor record up to this time after 8 months, I would be the first to recommend that Congress adjourn and get away from here. If he does not make a better record in the next 4 months than he has made in the first 8 months, there is no question that the Eighty-first Congress will be considered to be the world's worst Congress. It certainly holds the record up to this time.

I read a few remarks the President of the United States made during his campaign. The President said on October 7, 1948, at Elizabeth, N. J.:

> The only way you can get the kind of government you need is by going to the polls and voting the straight Democratic ticket on November 2. Then you will get a Democratic Congress, and I will get a Congress that will work with me.

Now that is a joke; is it not? The President has had a Democratic Congress for 8 months, and what has happened? What has happened in 8 months? The President said, "Give me a Democratic Congress, and I will get the job done." He said, "The reason I cannot get the job done in the Eightieth Congress is because the Republicans control the Eightieth Congress." He could not work with the Eightieth Congress, but he said, "Give me a Democratic Congress, and I will get the job done." Now he has had a Democratic Congress for 8 months. There are 54 Democratic Senators against 42 Republican Senators in the Senate, and I forget what the alinement is in the House.

What has happened? As I said a moment ago when the able Senator from Illinois, the majority leader [Mr. LUCAS] was present, and when he was throwing up both hands and crying to the high heavens that he could not get anything accomplished, his party controls the Senate. Senators on his side of the aisle have 54 votes.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. CAPEHART. I am sorry that the able Senator from Illinois has left the Chamber. I sat here and listened to his tirade against the Republicans for suggesting that we might adjourn. I wish he were present. I say to him that the responsibility is 100 percent his. I say that his record up to this time has been as empty as the seat I am looking at, in which he is not sitting, but where he should be sitting.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. CAPEHART. I am happy to yield.

The PRESIDING OFFICER. The Senator from Arizona [Mr. HAYDEN] has the floor.

Mr. CHAVEZ. Mr. President, the suggestion I would like to make is this: Irrespective of what we might think of the majority leader or the Republican side, the patience of the Senator from Arizona [Mr. HAYDEN] has been sorely tried. I think if we will give him an opportunity, he will make a record this afternoon, and probably we can pass the Interior Department appropriation bill.

Mr. CAPEHART. I am very happy to take my seat, but I assure the Senator that the minute anything comes up for a vote I shall seek recognition. So no time would be saved. It will require only about one more minute for me to conclude.

The able Senator from New Mexico evidently forgets that the majority leader, after having voted to permit the House to take a recess for 30 days and go home, knowing that there were appropriation bills in conference, knowing that the ECA appropriation would be delayed for 30 days, stood upon the floor and threw his hands in the air and said, "Republicans want to adjourn. They want to go home. I do not want to go home." But he is perfectly willing to have the House go home for 30 days and delay the work of the Congress. That is playing politics. Politics have been played with the American people ever since July 1948, when the President called the Congress back into special session to make a laughing stock of it. Politics are being played today on the floor of the United States Senate.

Mr. CHAVEZ. Mr. President, will the Senator yield.

Mr. CAPEHART. I yield.

Mr. CHAVEZ. Let me say to the Senator from Indiana that if there is one bill that is close to the cross-roads in America it is the Interior Department appropriation bill. I am not pleading for the Senator from Illinois. He can take care of himself. Neither am I pleading for the Republican side. But I am pleading that the Senator from Arizona, who has been so patient, be permitted to try to have this bill passed.

Mr. CAPEHART. I appreciate the Senator's concern. I want to get on with the appropriation bills. I have talked less than any other Senator since I have been in the Senate for 4½ years. I want to get on with the appropriation bill which is now before us. I want to get on with voting on every bill which is on the calendar. I am willing to stay here night and day. I serve warning now on the able majority leader that we are to have some night sessions, because I intend to object to unanimous consent to recess. We are going to get the job done.

Mr. LUCAS entered the Chamber.

Mr. CAPEHART. I am delighted to see that the able Senator from Illinois has returned to the Chamber. I assure him that I am going to work with him to insure consideration of every bill on the calendar. I shall vote against many of them. But never again will he be able to stand on the floor of the Senate and say that he is unable to get cooperation, because personally I am going to see that we remain in session 10 or 12 hours a day. I want to see him make a better record than he has made up to date. As I said a moment ago, the record up to this time has been almost as empty as the seat in which the distinguished majority leader was not sitting.

Mr. LUCAS. I thank the Senator.

Mr. CAPEHART. Mr. President, a moment ago I stated that since July 1948 the President of the United States and the leadership of the Democratic New Deal Party have been playing politics with the Congress.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. CAPEHART. A moment ago the able Senator from Illinois, just as the President did a year ago last July when he called the Congress back in special session to pass a list of bills which I have just read, was playing politics, and making no effort to get the job done.

I invite the able Senator from Illinois to cooperate with me, because I will rise on this side of the aisle and say, "No recess until we get this job done." We shall have many night sessions; and I suggest that we hold sessions on Saturday. Let us get the job done which the able Senator from Illinois feels is so important to the American people. Let us consider the program which was read a moment ago. I do not agree that it is so important; but if the majority leader thinks it is, let us get the job done. I assure the able Senator from Illinois that I will cooperate with him to the *n*th degree in getting the job done. Being from a neighboring State, I want to see the Eighty-first Congress under his leadership show a better record than it has had up to this time.

Mr. LUCAS. Mr. President, I dislike to prolong this debate——

Mr. HAYDEN. Mr. President, I am most anxious to proceed with the pending appropriation bill.

Mr. LUCAS. Mr. President, in view of the fact that the Senator from Indiana has been discussing me in my absence, and referring to me since my return to the Chamber, I want to thank him for his speech on cooperation. It is about the first one I have heard along that line for some time. If he can control a few Members, I will try to control a few on this side, and perhaps we can get some of these bills out of the way.

So far as politics is concerned, the Senator from Indiana should not charge anyone else with playing politics, because he knows more about politics in a minute than I do in a week. He plays it 24 hours a day. He can hardly sleep at night because of the political situation which exists in his State. He has reason to think about politics. He and I will probably both be up for reelection next year. I am sure that at least he will be a candidate. The political situation is pretty rough in both Indiana and Illinois, and I think the Senator from Indiana will probably have some pretty tough sledding.

Mr. WHERRY. Mr. President, would the distinguished majority leader be willing to ask unanimous consent that it be the sense of the Senate that we authorize the majority leader and the minority leader of the Senate to consult with the majority and minority leaders of the House with the idea of at least working toward a goal for adjournment and submitting a program to both the Senate and the House to carry out the objectives?

Mr. LUCAS. After the appropriation bills are out of the way, if we can ever get them out of the way, I will sit down with the Senator and discuss the subject. I should like to take that proposal up with our own policy committee.

I hope the Senator feels that I am serious in connection with the subject of adjournment. If night sessions are the answer, as proposed by the Senator from Indiana, we shall have night sessions.

Mr. WHERRY. Would the Senator from Illinois object if I made that unanimous request?

Mr. LUCAS. I would not want it proposed now.

Mr. WHERRY. Would the Senator object if I made the request?

Mr. LUCAS. After all, only a few Members are present.

Mr. HAYDEN. Mr. President, I will object, because I want to get on with the Interior Department appropriation bill.

Mr. WHERRY. Would the Senator from Illinois object if I were to make the request? I should like very much to cooperate.

Mr. LUCAS. I should like to take the question up with our Policy Committee. Unless the Senator from Nebraska confers with the Republican Policy Committee, I do not think he should take up a matter of that kind.

Mr. WHERRY. The Senator from Nebraska will take the responsibility. I should like to make the unanimous-consent request, if permitted to do so, to carry out the objective which the majority leader has been talking about, that it be the sense of the Senate to authorize the majority leader and the minority leader to work with the majority and minority leaders of the House toward a goal for adjournment, and to suggest a program for the consideration of the Senate and the House in order to carry out those objectives.

It seems to me that that is a constructive suggestion. The request is reasonable. I should like to make the request, if there is no objection. I know that my distinguished friend from Arizona will not object to such a request.

Mr. HAYDEN. I will, because I want to get through with the Interior Department appropriation bill.

INTERIOR DEPARTMENT APPROPRIATIONS, 1950

The Senate resumed the consideration of the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes.

Mr. HAYDEN. Mr. President, I invite the attention of the Senate to the suggestion made yesterday by the senior Senator from Oregon [Mr. CORDON] to the effect that if the Senate adopted the amendment on page 8, line 20, which it did by a yea-and-nay vote, directing that the sum of money, $30,284,500, contained in the bill, should include funds for the construction of the Kerr-Anaconda transmission line, in order to facilitate matters in conference it would be advisable to increase the amount by $204,000, which is the sum of money required to do the work. I should like to inquire whether the committee amendment on page 8, line 20, has been agreed to.

The PRESIDING OFFICER. The committee amendment on page 8, line 20, has been agreed to.

Mr. HAYDEN. Mr. President, I ask unanimous consent to reconsider that amendment in order that I may move to amend the committee amendment by striking out "$30,284,500" and inserting "$30,488,500."

Mr. JENNER. I object.

The PRESIDING OFFICER. The Senator from——

Mr. JENNER. Mr. President, I do not care what the Senator has in mind. I object.

The PRESIDING OFFICER. The Chair will state to the Senator from Indiana that the request has not yet been put by the Chair.

Mr. JENNER. I thought the Senator from Arizona requested unanimous consent. If he has requested unanimous consent, I object.

The PRESIDING OFFICER. The Chair thinks the Senator from Indiana had better wait until there is something to object to.

Mr. JENNER. All right; I shall be glad to, Mr. President. I thought the Senator from Arizona was requesting unanimous consent. Is not that correct?

Mr. HAYDEN. Then, Mr. President, I move that the Senate reconsider the vote by which the committee amendment on page 8, in line 21, was agreed to.

Mr. JENNER. To that, I object, Mr. President.

Mr. HAYDEN. Inasmuch as I have now made a motion, it is not subject to objection.

The PRESIDING OFFICER. The question is on the motion of the Senator from Arizona to reconsider the vote by

which the committee amendment on page 8, in line 21, was adopted.

Those in favor——

Mr. JENNER. Mr. President, I suggest the absence of a quorum.

Mr. HAYDEN. Mr. President, before a quorum call is had, let me point out to the Senator that I am trying to carry out a suggestion made by the Senator's colleague, the senior Senator from Oregon [Mr. CORDON], that this should be done in order to facilitate matters when the bill goes to conference.

Mr. JENNER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum having been suggested, the clerk will call the roll.

Mr. HAYDEN. Mr. President, I appreciate the Senator's assistance in passing the bill.

Mr. JENNER. Yes; and I myself appreciate a great many things around here.

The legislative clerk called the roll, and the following Senators answered to their names:

Anderson	Hill	Mundt
Baldwin	Hoey	Murray
Bricker	Holland	Myers
Bridges	Humphrey	Neely
Byrd	Hunt	O'Conor
Cain	Ives	O'Mahoney
Capehart	Jenner	Pepper
Chapman	Johnson, Colo.	Reed
Chavez	Johnson, Tex.	Robertson
Connally	Kefauver	Russell
Cordon	Kem	Saltonstall
Donnell	Kerr	Schoeppel
Douglas	Kilgore	Smith, Maine
Downey	Knowland	Smith, N. J.
Dulles	Langer	Sparkman
Ecton	Leahy	Stennis
Ellender	Long	Taft
Ferguson	Lucas	Taylor
Flanders	McCarthy	Thomas, Okla.
Frear	McClellan	Thomas, Utah
Fulbright	McFarland	Tobey
George	McKellar	Tydings
Gillette	McMahon	Vandenberg
Graham	Magnuson	Watkins
Green	Malone	Wherry
Gurney	Martin	Williams
Hayden	Maybank	Young
Hendrickson	Millikin	
Hickenlooper	Morse	

The PRESIDING OFFICER. A quorum is present.

Mr. HAYDEN. Mr. President, I withdraw the motion I made.

The PRESIDING OFFICER. The motion is withdrawn. The clerk will state the next amendment.

The next amendment was, on page 9, line 5, after the words "in excess", to strike out "$15,725,000" and insert "$15,916,500."

Mr. HAYDEN. Mr. President, in conformity to the action taken by the Senate, I move to strike out "$15,916,500" and insert "$16,239,000."

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Arizona.

The motion was agreed to.

The amendment, as amended, was agreed to.

The next amendment was, on page 9, line 6, after the amendment just above stated, to insert a colon and the following additional proviso: *"Provided further,* That not exceeding 8 percent of any construction appropriations for the Bonneville Power Administration contained in this act shall be available for construction work by force account, or on a hired-labor basis, except in case of emergencies, local in character, so declared by the Bonneville Power Administrator."

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Land Management," on page 9, line 19, after the word "proceedings", to strike out "$975,000" and insert "$1,035,000."

The amendment was agreed to.

The next amendment was, on page 10, line 14, after the word "buildings", to strike out "$3,300,000" and insert "$3,525,000."

The amendment was agreed to.

The next amendment was, on page 12, line 9, after the word "binding", to strike out "$500,000" and insert "$675,000"; in line 12, after the word "obligations", to strike out "and enter into contracts for construction of access roads, including acquisition of rights-of-way and existing connecting roads" and insert "for the acquisition of rights-of-way, and to incur obligations and to enter into contracts for construction of access roads, and the acquisition of existing connecting roads"; and in line 18, after the word "exceed", to strike out "$150,000" and insert "$250,000."

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Indian Affairs," on page 15, after line 2, to insert:

National Indian Institute: For necessary expenses of the National Indian Institute for the United States of America in the performance of its functions as prescribed by Executive Order No. 8930, November 1, 1941, including personal services in the District of Columbia; services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55 (a)); and printing and binding, $22,500.

The amendment was agreed to.

The next amendment was, on page 15, line 14, after the word "binding", to strike out "$3,000,000" and insert "$3,200,000."

The amendment was agreed to.

The next amendment was, on page 16, line 4, after the word "service", to strike out "$5,000,000" and insert "$5,350,000."

The amendment was agreed to.

The next amendment was, on page 16, after line 11, to insert:

Vessel conversion: For expenses necessary in converting and outfitting a vessel for use as a service and supply ship by the Alaska Native Service, $150,000, to remain available until expended.

The amendment was agreed to.

The next amendment was, on page 17, line 2, after the word "exploration", to strike out "$3,000,000" and insert "$3,075,000."

The amendment was agreed to.

The next amendment was, on page 17, line 10, after the word "organizations", to strike out "$5,000,000" and insert "$6,014,975."

The amendment was agreed to.

The next amendment was, on page 18, line 8, after the name "Arizona", to strike out "$12,200,000" and insert "$12,982,000."

The amendment was agreed to.

The next amendment was, on page 18, line 20, after the word "binding", to strike out "$7,731,000" and insert "$7,917,000."

The amendment was agreed to.

The next amendment was, on page 18, line 25, after the word "festivals," to strike out "$500,000" and insert "$900,000"; and on page 19, line 2, after the word "service," to strike out the colon and the following additional proviso: *"Provided further,* That no payment shall be made from this appropriation to Indians who are eligible for benefit payments under the Social Security Act."

The amendment was agreed to.

The next amendment was, on page 20, line 16, after the word "Indians," to strike out "$850,000" and insert "$860,000."

The amendment was agreed to.

The next amendment was, on page 20, line 22, after "(25 U. S. C. 471)," to strike out "$500,000" and insert "$3,400,000."

The amendment was agreed to.

The next amendment was, on page 21, line 2, after "(25 U. S. C. 465)," to strike out "$125,000" and insert "$150,000."

The amendment was agreed to.

The next amendment was, on page 21, after the amendment just above stated, to insert a colon and the following proviso: *"Provided,* That no part of the sum herein appropriated shall be used for the acquisition of land within the States of Arizona, California, Colorado, New Mexico, South Dakota, Utah, and Wyoming outside of the boundaries of existing Indian reservations: *Provided further,* That no part of this appropriation shall be used for the acquisition of land or water rights within the States of Montana, Nevada, Oregon, and Washington either inside or outside the boundaries of existing reservations."

The amendment was agreed to.

The next amendment was, on page 22, line 6, after the word "expenses," to strike out "$450,000" and insert "$469,800"; and in line 7, after the word "which," to strike out "$315,453" and insert "$335,253."

The amendment was agreed to.

The next amendment was, on page 22, line 25, after the name "Flathead," to strike out "$127,500" and insert "$150,000."

The amendment was agreed to.

The next amendment was, on page 23, line 9, after the word "unit," to insert "numbered 3."

The amendment was agreed to.

The next amendment was, on page 24, line 7, before the name "San Carlos", to insert "Pima, $15,000"; and in line 10, after the name "Kayenta", to insert "Truxton Canon, the prior year appropriation of $8,000 for the replacement of the Camp Verde, Ariz., Indian school is hereby made available for cooperation with the public school district of Camp Verde, Ariz., for public school facilities."

The amendment was agreed to.

The next amendment was, on page 24, after line 14, to insert:

Minnesota: Red Lake School, $68,000.

The amendment was agreed to.

The next amendment was, on page 24, line 19, after the name "western Oklahoma", to strike out "$76,500" and insert "$244,500."

The amendment was agreed to.

The next amendment was, on page 24, line 20, after the figures "$79,050" to insert "Umatilla, $15,000."

The amendment was agreed to.

The next amendment was, on page 24, after line 22, to insert:

Washington: Colville, $86,000.

The amendment was agreed to.

The next amendment was, on page 25, line 7, after the word "exceed", to strike out "$637,500" and insert "$1,387,500."

The amendment was agreed to.

The next amendment was, on page 25, line 13, after the word "binding", to strike out "$233,750" and insert "$237,750"; and in line 22, after the word "transfer", to insert a colon and the following additional proviso: "*Provided further,* That unobligated balances in the amount of $202,418 of specific authorizations in appropriations for prior years under the heading 'Construction, and so forth, buildings and utilities' are hereby rescinded and such sum shall be carried to the surplus fund and covered into the Treasury immediately upon the approval of this act."

The amendment was agreed to.

Mr. RUSSELL. Mr. President, I regret very much to interrupt the regular procedure of the Senate when we are making such splendid progress, but it is absolutely necessary for me to leave the floor very shortly, and I have an amendment to the bill, with which the Senator from Arizona is completely familiar. It is on page 86, line 13. I wondered if I might obtain consent to deal with the matter at this time, as it will be necessary for me to leave the floor, and I feared that the item might be reached during my absence.

Mr. HAYDEN. Mr. President, I hope that the request will be agreed to.

The PRESIDING OFFICER. Without objection, the clerk will state the amendment offered by the Senator from Georgia to the committee amendment.

The CHIEF CLERK. In the committee amendment on page 86, line 13, which proposes to strike out "$1,985,000" and insert "$2,630,500", it is proposed to insert "$2,696,500" in lieu of "$2,630,500"; and on page 86, line 15, after the word "Dakota," it is proposed to insert the following: "and including not to exceed $66,000 for repair of flood damage and rehabilitation of fish cultural facilities at Warm Springs, Ga."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Georgia to the committee amendment.

Mr. RUSSELL. Mr. President, this item deals with the fish hatchery located at Warm Springs, Ga., which was practically destroyed by a flood which occurred in the fall of 1947. The House allowed for this item, but it was involved in a number of other items which were added by the Senate. Through an error in the writing of the bill in the Appropriations Committee, this item was not dealt with as were some four or five other items for fish hatcheries damaged by storm. I have here some pictures, which, if any Senator is interested, will show the complete destruction of this fish hatchery, which is the second oldest in the United States.

The amount sought by the amendment is merely to repair and rehabilitate the fish hatchery and restore it to its former condition. I do not think there can be any question about it.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. RUSSELL. I am glad to yield to the Senator from Oregon.

Mr. CORDON. I will say to the Senate that, as one who sat through the hearings and considered the item in question, I hope the Senate will agree to the amendment offered by the Senator from Georgia.

Mr. RUSSELL. I thank the Senator from Oregon.

Mr. SALTONSTALL. Mr. President, I should like to ask the Senator from Arizona whether this item will take care of the problem in North Attleboro, Mass.?

Mr. HAYDEN. It will do so very much better by the adoption of the provision which the Senator from Georgia has offered, because the money for the Georgia item was mixed up with money for the construction of new hatcheries. The Senator from Georgia is asking that the money be provided and earmarked in the bill for hatcheries damaged by flood.

Mr. SALTONSTALL. Is the language in the bill broad enough to include it?

Mr. HAYDEN. Yes.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Georgia to the committee amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The PRESIDING OFFICER. The next amendment will be stated.

The next amendment was, under the subhead "Miscellaneous Indian tribal funds," on page 27, line 6, after the word "expenses", to strike out "$390,000" and insert "$440,000"; and in line 9, after the word "tribe", to insert "and the authorization from tribal funds for the payment of salaries of necessary employees and other expenses for the distribution of per capita payments authorized by the act of July 2, 1942 (56 Stat. 528), is hereby increased from $1,500 to $4,500."

The amendment was agreed to.

The next amendment was, on page 27, line 19, after the name "Oregon", to strike out "$300,000" and insert "$304,500."

The amendment was agreed to.

The next amendment was, on page 28, line 3, after the name "Wisconsin", to strike out "$234,000" and insert "$235,000."

The amendment was agreed to.

The next amendment was, on page 31, line 18, after the word "Interior", to Strike out "$55,000" and insert "$86,800."

The amendment was agreed to.

The next amendment was, on page 31, after line 20, to insert:

The sum of $10,000 of tribal funds of the Indians of California heretofore appropriated and made available until used by the act of July 1, 1946 (60 Stat. 348, 361), for services and expenses of attorneys is hereby made available for the payment of services and expenses of the attorneys under and in accordance with contracts of employment approved by the Secretary of the Interior in the prosecution of the class suit numbered 31 before the Indian Claims Commission in behalf of the Indians of California, heretofore recognized as an identifiable group of American Indians and enrolled under the act of May 18, 1928 (45 Stat. 602), as amended by the acts of April 29, 1930 (46 Stat. 259), and June 30, 1948 (Public Law 852, Eightieth Congress, second session), which are hereby recognized as an identifiable group of American Indians within the meaning of the Indian Claims Commission Act of August 13, 1946 (60 Stat. 1049).

The amendment was agreed to.

The next amendment was, on page 32, line 20, after the word "thereof", to strike out "$396,000" and insert "$495,000" and in line 25, after the figures "$125,000", to insert "Blackfeet, Montana, $100,000."

The amendment was agreed to.

The next amendment was, on page 34, line 21, after the word "than", to strike out "$987,000" and insert "$1,014,000."

The amendment was agreed to.

The next amendment was, on page 34, after line 23, to insert:

Construction, tribal community hall, Yakima Indian Agency, Washington (tribal funds): For the construction and equipment of a community hall at Yakima Indian Agency, Washington, for the Yakima Tribe of Indians, $75,000, payable out of funds on deposit in the Treasury to the credit of said tribe.

The amendment was agreed to.

The next amendment was, on page 35, line 7, after the word "exceed", to strike out "two hundred passenger motor vehicles" and insert "two hundred and fifty passenger motor vehicles, of which two hundred and twenty-five shall be."

The amendment was agreed to.

The next amendment was, on page 36, line 14, after "(5 U. S. C. 55a)", to insert "except that not to exceed $5,000 out of irrigation appropriations shall be available for such services at rates for individuals not in excess of $100 per diem."

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Reclamation," on page 37, line 14, after the word "binding," to strike out "purchase of not to exceed 200 passenger motor vehicles for replacement only in the current fiscal year" and insert "purchase of not to exceed 230 (including 201 for replacement only) passenger vehicles in the current fiscal year"; in line 22, after "(5 U. S. C. 55a)", to strike out "(not exceeding $100,000)," and insert "in an amount not to exceed $100,000: *Provided,* That the rates for individuals shall not exceed $100 per diem"; on page 38, line 12, after the word "property," to insert a semicolon and "payments to school districts in acordance with the act of June 29, 1948 (Public Law 835), including payments on account of dependents of employees in field offices in project areas engaged in construction and related activities"; and on page 39, line 3, after "United States", to insert a colon and the following additional proviso: "*Provided further,* That funds appropriated for the Bureau of Reclamation shall be available for expenditure through the facilities of the National Park Service in amounts of not to exceed $25,000 for any one reservoir area for studies of recreational areas and planning for their utilization, and in amounts of not to exceed $25,000 for any one reservoir area for the investigation and recovery of

archaeological and paleontological remains in reservoir areas in which said Bureau is performing work, in the same manner as provided for in the act of August 21, 1935 (49 Stat. 666), and funds so expended shall not be reimbursable or returnable under the reclamation law."

The amendment was agreed to.

The next amendment was, under the subhead "General investigations," on page 40, line 25, after the word "Commission," to strike out "$3,500,000" and insert "$3,700,000."

The amendment was agreed to.

The next amendment was, on page 41, after line 14, to insert:

Investigations, upper Colorado River Basin: For engineering and economic investigations and studies of water conservation and development plans, in the upper Colorado River Basin States, such investigations, surveys, and studies to be carried on by said Bureau either independently, or in cooperation with State agencies and other Federal agencies, $500,000, to remain available until expended, and which shall be in addition to any other funds available for expenditures for such investigations in said area.

The amendment was agreed to.

The next amendment was, under the subhead "Construction," on page 42, after line 16, to strike out:

Santa Barbara County project, California, Cachuma unit, $5,185,000.

Mr. KNOWLAND. Mr. President, this amendment deals with the Santa Barbara-Cachuma project which was started during the Eightieth Congress. Surveys have been made of the situation there as to the urgency of a water supply. It is one of the few places in the country where the situation became so desperate that a year ago, and for that matter, for the past several years, it was necessary for the community of Santa Barbara to impose a penalty upon the use of water for lawns, for the washing of cars, or for any other purpose other than the essential domestic and agricultural purposes. The wells in that area of the Pacific coast, along the southern portion of the coast, have been lowered constantly, so that there is now salt water incursion in them. It is a very important area to the State of California. It has been generally understood that there would be an election held prior to the work on this project proceeding. My own belief, from reading the committee report, is that the committee was not in opposition to the project itself, because Congress, at the last session, made appropriations of funds, but felt that in view of the fact that contracts were required between the locality and the Federal Government, an election should be held prior to the time further expenditures were made.

The only point I wish to make at this time, and ask the Senate conferees to consider it when they take the matter up with the House, is that, while I am perfectly agreeable that an election should be held—quite properly it should be held—I do think that the equities of the situation would not be served if the whole project stopped and we were not able to proceed with it until the next session of Congress beginning in January.

I shall not take the time of the Senate to read these communications into the RECORD, but I ask that at this point in my remarks there appear a letter dated July 28, 1949, addressed to me, from the Acting Commissioner of Reclamation, dealing with this subject;

A copy of a letter from the Department of the Interior, Bureau of Reclamation, addressed to Hon. GUY CORDON relative to the authority for the water supply;

A letter from Mr. Markwell, Acting Commissioner of Reclamation, dated August 15, 1949, dealing with this project and the building of the tunnel, to which is attached a letter addressed to my colleague, the senior Senator from California [Mr. DOWNEY];

A telegram which has been received from the Santa Ynez Water Conservation District, signed by Arden T. Jensen, Secretary, which clears up the point that as far as the local people are concerned, they intend to have an election on the project;

A communication signed by the Carpinteria County Water District, under date of August 15, and other water districts in that area, in which they also give their positive assurances of the intention to have an election;

A telegram which I have received from C. M. Pinkham, water superintendent of the city of Santa Barbara, dealing with the production of sulfur-laden water in that area, pointing out why they cannot pump the maximum from the wells because of the sulfur content;

A telegram from Norris Montgomery, mayor of the city of Santa Barbara, which I think very clearly offsets a telegram sent to the committee by one of the opponents of the project;

A letter dated August 15 from the Santa Barbara County Water Agency, signed by the Chairman of the Board of Directors, Mr. T. A. Twitchell;

A telegram which I have received from a number of agencies dealing with the emergency nature of this project, and the reason why work should be pursued;

A telegram I have received from Santa Ynez River Water Conservation District, signed by Robert Hibbits, president, and Arden T. Jensen, secretary;

A letter dated July 27, signed by T. A. Twitchell and C. W. Bradbury, dealing with this project;

A telegram dated August 1 from the Governor of California, Earl Warren, pointing out the emergency character of the work, and the necessity for proceeding with it; and

A copy of a telegram from Robert G. Sproul, president of the University of California, pointing out the importance, from the university's point of view, of an adequate water supply in that area.

Mr. President, I ask that all these matters be printed in the RECORD as a part of my remarks, and most respectfully call the attention of the conferees to the information contained in the communications, because I am certain that if they will examine the record of the situation, keeping in mind that the local authorities are agreeable and intend to have elections, sufficient funds will be provided to permit this work to proceed just as soon as the elections are out of the way.

The PRESIDING OFFICER. Is there objection to the request of the Senator from California?

There being no objection, the communications were ordered to be printed in the RECORD, as follows:

UNITED STATES
DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D. C.

Hon. WILLIAM F. KNOWLAND,
United States Senate.

MY DEAR SENATOR KNOWLAND: Pursuant to your request for further information concerning the amount of water which may be available by virtue of the drilling of the Tecolote tunnel which is a part of the Santa Barbara County project work, I am pleased to furnish the following estimates. You appreciate, of course, that until the actual tunnel is drilled it is impossible to state specifically how much water will be tapped by the initial or even the final boring operations, and that therefore the following are, of necessity, only the best estimates that can be made from studies of the geology of the area and of the experience at other, but smaller tunnels in the general vicinity.

There is a vertical geological fault about two-thirds to three-fourths of the way between the south portal of the tunnel and the north portal of the tunnel. It is likely that the maximum accretion of water will take place as the tunnel approaches and passes through this area. There are lesser faults due to the geological stratification of other areas between the south portal and this major fault where appreciable quantities of water are also expected to be found. It appears likely that a supply ranging from 500,000 gallons to a million gallons per day may be reached within a year from the commencement of drilling from the south portal and that this rate of accretion will greatly increase as the tunnel is extended and may reach a rate of four to five million gallons a day between the second and third years of drilling operations after which over a reasonable period of time such as 2 to 3 years that rate may again be expected to decline to a rate of one to two million gallons per day for the next several years. By that time, of course, the reservoir and other works will have been completed so that the dependence upon this tunnel accretion will no longer be important even though it will continue to be of value for a very considerable number of years if not permanently to some degree.

I hope this information will fill your needs.

Sincerely yours,

WESLEY D. NELSON,
Acting Commissioner.

UNITED STATES
DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D. C., August 17, 1949.

Hon GUY CORDON,
United States Senate,
Washington, D. C.

MY DEAR SENATOR CORDON: I am informed by Mr. T. A. Twitchell that you have expressed a wish to be referred to the statutory authority pursuant to which the Bureau of Reclamation may provide water for municipal purposes; the statutory authority pursuant to which the Bureau of Reclamation may provide for the return of costs allocated to municipal water supply within periods exceeding 40 years; and, finally, the statutory authority pursuant to which the requirement of return of interest on sums allocated to municipal water supply is discretionary.

The answers to all three of these questions are to be found in section 9 of the Reclamation Project Act of 1939 (53 Stat. 1187). Under subsection (a) of that section, the Secretary of the Interior is authorized to find the part of the estimated cost of a proposed reclamation project "which can properly be allocated to municipal water supply * * * and probably be returned to the United States. And subsection (c) of that section provides as follows:

"The Secretary is authorized to enter into contracts to furnish water for municipal water supply or miscellaneous purposes: *Provided*, That any such contract either (1) shall require repayment to the United States, over a period of not to exceed 40 years from the year in which water is first delivered for the use of the contracting party, with interest not exceeding the rate of 3½ percent per annum if the Secretary determines an interest charge to be proper, of an appropriate share as determined by the Secretary of that part of the construction costs allocated by him to municipal water supply or other miscellaneous purposes; or (2) shall be for such periods, not to exceed 40 years, and at such rates as in the Secretary's judgment will produce revenues at least sufficient to cover an appropriate share of the annual operation and maintenance cost and an appropriate share of such fixed charges as the Secretary deems proper, and shall require the payment of said rates each year in advance of delivery of water for said year."

You will note from the foregoing that discretion is vested in the Secretary of the Interior under clause (1) to require the return of the amount allocated to municipal water supply within a 40-year period "with interest not exceeding the rate of 3½ percent per annum if the Secretary determines an interest charge to be proper." That is to say, it is only if the Secretary determines that an interest charge is proper that such a charge is required to be made. You will note, further, that under clause (2) the Secretary is authorized to contract for the delivery of water for municipal purposes "for such periods, not to exceed 40 years, and at such rates as in the Secretary's judgment will produce revenues at least sufficient to cover an appropriate share of the annual operation and maintenance costs and an appropriate share of such fixed charges as the Secretary deems proper." There is no requirement under this latter clause for including an interest charge. So far as the term of the contract is concerned in this case, the statute requires only that it shall not exceed 40 years. There is nothing in the statute which forbids the Secretary to execute additional contracts after the first and any succeeding contracts have expired. In this respect clause (2) of section 9 (c) is analogous to the portion of this same section which deals with sales of electric power and leases of power privileges and to section 9 (e) which authorizes contracts for the funishing of water for irrigation purposes. The Solicitor of the Department of the Interior has advised in both of these cases that the law does not require recovery of the costs allocated to the functions involved within the 40-year maximum term of the initial contract.

If you have any further questions with respect to the matters covered by this letter, please call upon us.

Sincerely yours,

MICHAEL W. STRAUS,
Commissioner.

UNITED STATES
DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D. C., August 15, 1949.

Hon. WILLIAM F. KNOWLAND,
United States Senate.

MY DEAR SENATOR KNOWLAND: In response to inquiry from your office, and as stated in our letter of July 29, 1949, to Senator SHERIDAN DOWNEY (copy attached), the Bureau of Reclamation has no intention of starting construction of the Tecolote Tunnel, the Cachuma Dam, or the related works of the Santa Barbara County project until the results of the election to be held by the water districts are known to be favorable.

Sincerely yours,

KENNETH MARKWELL,
Acting Commissioner.

UNITED STATES
DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D. C., July 29, 1949.

Hon. SHERIDAN DOWNEY,
United States Senate.

MY DEAR SENATOR DOWNEY: This is in reply to your request that we express to you the views of the Bureau of Reclamation regarding the possibility of starting construction on the Santa Barbara County project, California, prior to the election by the several water districts which is expected to be held in September.

The Bureau's position on this matter has been made plain to the Appropriation Committee. So that there may be no misunderstanding on anyone's part, we have no intention of starting construction of the Tecolote Tunnel, the Cachuma Dam, or the related works until the results of the election are known to be favorable.

With regard to your second question, it would be highly desirable, not only because of the vital need of the area to receive water at the earliest possible time but also in order to maintain an efficient continuity of work, to have the appropriation available immediately after the outcome of the election is known.

Since Senator KNOWLAND has asked substantially the same questions, I am sending him a copy of this letter.

Sincerely yours,

WESLEY R. NELSON,
Acting Commissioner.

SANTA BARBARA, CALIF., *August 18, 1949.*

Senator WILLIAM S. KNOWLAND,
United States Senate,
Washington, D. C.:

Assertions apparently have been made that the Reclamation Bureau proposes to proceed with Cachuma project without a vote of the people affected. Insofar as this district is concerned, we know of no such plans. This district will call an election to vote on approval of necessary contract as soon as possible.

SANTA YNEZ RIVER WATER
CONSERVATION DISTRICT.
By ARDEN T. JENSEN, *Secretary.*

SANTA BARBARA, CALIF., *August 15, 1949.*

Hon. WILLIAM F. KNOWLAND,
Senate Office Building,
Washington, D. C.:

We, the duly elected boards of directors of the undersigned county water districts, again wish to give strongest, most positive possible assurance of our intention to call for vote on Cachuma project at earliest possible date. Unavoidable delay caused by working out details for eight separate contracts necessary to calling election. Have held special meetings repeatedly to expedite legal machinery. We know of no effort, intention, or move on part of Reclamation Bureau to start project until after favorable vote by all districts.

STANLEY SHEPARD,
President, Carpinteria County Water District.

CECIL LAMBERT,
President, Summerland County Water District.

ARTHUR OGILVIE,
President, Montecito County Water District.

FRED STEVENS,
President, Goleta County Water District.

SANTA BARBARA, CALIF., *August 15, 1949.*

Hon. WILLIAM F. KNOWLAND,
United States Senator,
Senate Office Building
Washington, D. C.:

Reported statement by Lewis W. Welch that the city of Santa Barbara has found a new source of water and has developed a new well producing 1,000,000 gallons daily is untrue. Well referred to was drilled by the city of Santa Barbara in April 1949, and is capable of producing on test approximately 500,000 gallons daily of sulfur-laden water. City's present daily consumption 8,000,000 gallons. Wells in operation unable to meet this demand and it is therefore necessary to put the sulfur well into operation, although from test this well gives evidence of drawing from underground source of present producing wells and produces water of inferior quality.

C. M. PINKHAM,
Water Superintendent, City of Santa Barbara.

SANTA BARBARA, CALIF., *August 15, 1949.*

Hon. WILLIAM F. KNOWLAND,
United States Senator,
Senate Office Building
Washington, D. C.:

The reported statement of Lewis W. Welch addressed to Senator MCKELLAR to the effect that the city of Santa Barbara has found a new source of water and has either abandoned or postponed indefinitely the election for approval of a contract for the building of the Cachuma project as a source of water for the city of Santa Barbara is untrue. The need for a new water supply is becoming more acute daily. Election will be held as soon as possible after the terms of the proposed contract have been accepted by the Bureau of Reclamation. Construction of the project will not start until the people have approved the contract at such election.

NORRIS MONTGOMERY,
Mayor of the City of Santa Barbara.

SANTA BARBARA COUNTY WATER AGENCY,
Santa Barbara, Calif., August 15, 1949.

Hon. WILLIAM F. KNOWLAND,
United States Senator,
Washington, D. C.

DEAR SENATOR KNOWLAND: You have handed me a copy of a telegram forwarded to Senator KENNETH MCKELLAR by Lewis Welch worded as follows:

"Interior Department bill Senate Appropriations Committee, Washington, D. C. Please be advised that city of Santa Barbara, Calif., has just completed another water well capable of producing over 1,000,000 gallons a day. Also be advised September election that was promised has been postponed indefinitely, which bears out my statement that if money is appropriated Cachuma would be put under construction before people had a voice in the matter."

This telegram is largely incorrect.

With regard to the Ortega well, this well was drilled by the city of Santa Barbara and completed the early part of this year. This well produced water containing a very high sulfur content and was not turned into the reservoir of the city because of the contamination which would result therefrom.

This well when produced at capacity would produce approximately 1,200 gallons per minute or something in excess of 1,000,000 gallons of water per day. If producing at capacity the well would also produce considerable quantities of sand and mud.

The present critical situation of the water supply of the city of Santa Barbara has made it necessary to open this well and to produce it at a limited rate of production of 350 gallons of water per minute. The water will be run through a chlorination plant but even so it will undoubtedly render the water supply of the city of Santa Barbara extremely distasteful. However, the water supply of the city is so low that it is necessary to do this.

The telegram quoted above further states that the elections which were originally planned for September 6 have been indefinitely postponed. It is true that it is not legally possible to hold these elections on September 6. These elections will be held as soon thereafter as they can be called legally. There has been a delay in holding the elections but this is due entirely to the multitude of legal complications which arose out of the contract between the Santa Barbara County Water Agency and the United States and out of the supporting contracts between the agency and the member districts which will utilize the water. These complications have all been cleared and as soon as Mr. Bradbury and I return to Santa Barbara from Washington, the Santa Barbara County Water Agency will authorize the execution of the contract with the United States and the elections will follow as soon as they can be called and still comply with the election laws of the city of Santa Barbara and of the State of California. It is necessary for either Mr. Bradbury or me to return to California before the elections can be held because a four-fifths vote of our board is required in order to authorize execution of the contract and we operate with a board of five members.

If there are any further questions regarding this matter I will be pleased to answer them. In my opinion the telegram addressed to Senator McKellar by Mr. Welch is very misleading and it is my further opinion that the true situation must be understood clearly by all concerned.

Sincerely yours,

T. A. Twitchell,
Chairman, Board of Directors.

Santa Barbara, Calif., *July 25, 1949.*

Hon. Wm. F. Knowland,
Senate Office Building,
Washington, D. C.:

Information from Washington indicates that allegations have been made that people in this area do not need water from the Cachuma project and that the cost of water from the project will be excessive. Also, that tunnel water will not be available and elections may not be held. All elected officials have considered and studied this project for years and are convinced of the necessity for it. The people here not only can afford to pay for the project but cannot afford to be without it. If the water supply here is depleted further, as appears to be imminent, it is a reasonable price to pay to save the economy of the city and its neighboring citrus, walnut, avocado, and farm lands. The situation is now critical. Any delay may prove disastrous. We have checked within the last week with local engineers of the Bureau of Reclamation and they again assure us that there will be an early emergency supply from the proposed Tecolote tunnel. We are convinced opposition stems largely from one absentee landowner, a minor portion of whose large holdings will be acquired on account of the project. We do not believe that the personal interests of one man should be allowed to seriously affect the welfare of 60,000 people and thousands of acres of the most productive land in California. We believe that all officials of the city and the various water districts represent the will of the majority of the residents of this area. We are now preparing to call elections whereby the people themselves can pass upon the project. We strongly urge that funds be made immediately available so that upon proof of favorable elections construction can start at once. Kindly see that the foregoing information is placed before the joint committee which will consider appropriations for the Interior Department Tuesday.

Santa Barbara County Water Agency, by Paul E. Stewart, director; city of Santa Barbara, by Norris Montgomery, mayor; Goleta County Water District, by Fred G. Stevens, chairman of board; Carpinteria County Water District, by Stanley Shepard, chairman of board; Montecito County Water District, by Arthur Ogilvie, chairman of board; Summerland County Water District, by Cecil Lambert, chairman of board; Montecito Sanitary District, by Robert T. Hodges, chairman of board; Goleta Sanitary District, by Stanley Pateman, secretary of Board.

Solvang, Calif., *July 26, 1949.*

Hon. William F. Knowland,
United States Senate,
Washington, D. C.:

The directors of the Santa Ynez River Conservation District have approved as to form the proposed contract between the Santa Barbara County Water Agency and the Bureau of Reclamation for construction of Cachuma project. Negotiations between this district and the Bureau are progressing satisfactorily toward an agreement to fully and adequately protect the water rights of the residents of the Santa Ynez River watershed.

The board of directors of this district represent the area below Cachuma Dam, served by water from the Santa Ynez River, from which source the proposed diversion is to be made.

Kindly communicate the contents of this message to the joint congressional committee which will consider appropriation for Interior.

Santa Ynez River Water Conservation District,
Robert Hibbits, *President.*
Arden T. Jensen, *Secretary.*

Santa Barbara County
Water Agency,
Santa Barbara, Calif., July 27, 1949.

Senator William F. Knowland,
Senate Office Building,
Washington, D. C.

Dear Senator Knowland: The sole question raised in connection with the appropriation for the above project for the fiscal year 1950 is whether to appropriate funds for construction subject to elections or to withhold any appropriation until elections are held in the water districts affected by the project and in the city of Santa Barbara.

The water situation in the southern part of Santa Barbara County contains all the elements necessary for disaster dependent solely upon the rainfall during the next few years, which, of course, is unpredictable. If future rainfall is unfavorable a delay of 1 year in the construction of this project may cause loss and suffering to some 65,000 people from which they cannot recover for many, many years.

The elected officials of all units of local government dealing with the project have always insisted that the people who must pay the cost of the major part of this project by purchase of water must signify their approval thereof by a free and legal election held within the city of Santa Barbara and within the districts affected.

The major question now involved is, Should an appropriation be made subject to expenditure only if elections are held and the results are favorable, or should the appropriation be withheld completely, thus causing a delay of at least 1 year?

The former course, originally suggested by you, protects everyone. The latter course may well cause untold suffering to a large portion of the people of our country.

We sincerely hope you may have the opportunity to present the views herein contained to your fellow Senators who will pass upon this matter when it comes before the Senate-House conference committee on appropriations for Interior.

Sincerely,

T. A. Twitchell,
Chairman, Santa Barbara County Water Agency.

C. W. Bradbury,
Chairman, Board of Supervisors, Santa Barbara County.

Sacramento, Calif., *August 1, 1949.*

Senator William Knowland,
Senate Office Building,
Washington, D. C.:

Have just wired Senator Cordon as follows: "Dear Senator, would appreciate your serious consideration of funds for Cachuma project, Santa Barbara, Calif., in Interior appropriation bill. This section of our State in critical situation as to both municipal and irrigation water supplies. Depletion of present sources due to dry years and rapid populations increase has placed southern Santa Barbara County in jeopardy of water famine. It is of utmost importance that Bureau of Reclamation Cachuma Dam and Tecolote tunnel be continued without interruption and adequately financed this year. This would make it possible for work on tunnel to start this fall after contract is made between Bureau of Reclamation and consumers who can vote on the subject in September. Thus emergency water will be assured at an early date.

Among other important factors the University of California has established a new campus there, the development of which will be dependent on water from this project. There is practically unanimity of opinion in the community favoring the project.

Sincerely,

Earl Warren,
Governor."

Berkeley, Calif., *July 23, 1949.*

Senator William F. Knowland,
Senate Office Building,
Washington, D. C.:

Returning from short vacation I am informed funds for Cachuma Dam project have been eliminated from legislation pending in Congress. Unless restored University of California development of Santa Barbara College on New Goleta Campus will be seriously jeopardized because no other adequate future water supply is available. I urge you do everything possible to insure building of Cachuma Dam.

Robert G. Sproul,
President, University of California.

Mr. CORDON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from Oregon?

Mr. HAYDEN. I yield.

Mr. CORDON. With reference to the particular matter just discussed, and the action taken by the committee, I wish to confirm what the Senator from California has said, that the item was stricken solely because the elections which should be held had not been held, and because the rules of the Senate prohibit an appropriation based upon a contingency. So the committee was in such a position that it could not recommend an appropriation at this time. If it is possible for the conferees to overcome the prohibition in the rules, it

would permit the appropriation to be made, and leave the expenditure contingent upon approval by the people in the elections, as has been stated by the Senator from California.

Mr. HAYDEN. Mr. President, the Senator from Oregon has correctly stated the attitude of the committee. While we felt that this committee amendment, striking out the appropriation, should be agreed to, because there is no way, under the Senate rules, by which we can make an appropriation subject to something happening in the future, I wish to say to the Senator from California that his proposal has my entire sympathy. I have visited Santa Barbara many times. It is one of the most highly cultivated sections and one of the most delightful places in America in which to live. The situation there is very similar to that in sections of my own State. The water resources of the area have been exhausted, both surface water and well water. It is necessary to go to another watershed in order to bring in an additional supply. That is the sole way of securing a supply.

The question is, Will the people in the area be willing to obligate themselves to repay the costs, and until we can know that, we will not be justified in making an appropriation. That will be determined by the elections which are to take place in the near future.

When we go to conference I shall, as one of the conferees, certainly bear in mind what the Senator from California has said. I have great sympathy with his position.

Mr. KNOWLAND. The Senator has very aptly stated the conditions. There is no way in which we can make a conditional appropriation, but I think that in view of the material I have put into the RECORD today, from all the responsible elected officials in the area, in which they have given their word the elections will be held, the area should not be penalized in this emergency situation by having to wait until Congress meets in January.

Mr. HAYDEN. Mr. President, I ask for the adoption of the committee amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee on lines 17 and 18, page 42.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment of the committee.

The next amendment was, on page 42, after line 18, to insert:

San Luis Valley project, Colorado, $250,000.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. HAYDEN. I yield.

Mr. WHERRY. As I understand, the Senate agreed to the amendments on lines 17 and 18.

Mr. HAYDEN. We are on page 42.

Mr. WHERRY. Yes; and the amendment on lines 17 and 18 was adopted by the Senate, was it not?

Mr. HAYDEN. Yes. The amendment on lines 20 and 21 is one of the transmission-line matters, and I ask unanimous consent that the amendment be passed over temporarily.

The PRESIDING OFFICER. The question is on agreeing to the amendment on line 19.

The amendment was agreed to.

The PRESIDING OFFICER. The Senator from Arizona asks that the amendment on lines 20 and 21, page 42, be passed over temporarily. Is there objection? The Chair hears none, and it is so ordered.

The clerk will state the next amendment of the committee.

The next amendment was, on page 42, line 22, after the name "Idaho", to strike out "$229,500" and insert "$270,000."

The amendment was agreed to.

The next amendment was, on page 43, line 3, after the name "Idaho", to strike out "$174,250" and insert "$205,000."

The amendment was agreed to.

The next amendment was, on page 43, line 5, after the word "division", to strike out "$60,775" and insert "$62,240."

The amendment was agreed to.

The next amendment was, on page 43, after line 5, to insert:

Humboldt project, Nevada, $500,000, toward emergency rehabilitation of irrigation and drainage facilities, and flood protection subject to allocations under section 7 of the Reclamation Project Act of 1939, and repayment of reimbursable amounts under terms satisfactory to the water users and the Bureau of Reclamation.

The amendment was agreed to.

The next amendment was, on page 43, after line 11, to strike out:

Tucumcari project, New Mexico, $582,250.

The amendment was agreed to.

The next amendment was, on page 43, line 13, after the name "Texas", to strike out "$17,000" and insert "$14,450."

The amendment was agreed to.

The next amendment was, on page 43, line 16, after the name "Oregon", to strike out "$1,162,800" and insert "$1,464,700"; in line 17, after the word "exceed", to strike out "$32,300" and insert "$38,000"; in line 20, after the word "Interior", to strike out "and"; in line 21, after the word "exceed", to strike out "$977,500" and insert "$1,150,000"; and in line 25, after the word "Reclamation", to insert "and not to exceed $100,000 shall be available for emergency reconstruction of the northwest unit pipe line of the Grants Pass irrigation district, the full amount to be repayable under terms satisfactory to the district and the Bureau of."

The amendment was agreed to.

The next amendment was, on page 44, line 6, after the name "California", to strike out "$850,000" and insert "$803,460."

The amendment was agreed to.

The next amendment was, on page 44, line 7, after the name "Utah", to strike out "$242,250" and insert "$219,170."

The amendment was agreed to.

The next amendment was, on page 44, line 8, after the name "Utah", to insert "including the south division of Utah Lake Distributing Co. canal, which is hereby authorized"; and in line 10, after the amendment just above stated, to strike out "$3,400,000" and insert "$4,542,600."

The amendment was agreed to.

The next amendment was, on page 44, line 11, after the word "division", to strike out "$382,462" and insert "$413,205."

The amendment was agreed to.

The next amendment was, on page 44, line 13, after the name "Wyoming", to strike out "$1,423,000" and insert "$1,327,910."

The amendment was agreed to.

The next amendment was, on page 44, line 14, after the name "Wyoming", to strike out "$2,321,350" and insert "$2,632,750"; and in line 16, after the word "Pavilion", to strike out "division" and insert "and Pilot Butte divisions."

The amendment was agreed to.

The next amendment was, on page 44, line 18, after the word "division", to strike out "$119,000" and insert "$107,400; Willwood division, $60,000."

The amendment was agreed to.

The next amendment was, under the subhead "Operation and maintenance," on page 44, line 22, after the word "exceed", to strike out "$3,200,000" and insert "$3,369,200."

The amendment was agreed to.

The next amendment was, on page 45, line 4, after the word "maintenance", to strike out "$365,900" and insert "$392,200"; and in line 5, after the word "exceed", to strike out "$1,034,100" and insert "$1,108,400."

The amendment was agreed to.

The next amendment was, on page 45, line 9, after the word "exceed", to strike out "$400,000" and insert "$437,150."

The amendment was agreed to.

The next amendment was, on page 45, line 13, after the word "maintenance", to strike out "$300,000" and insert "$350,000."

The amendment was agreed to.

The next amendment was, on page 45, line 23, after the word "exceed", to strike out "$300,000" and insert "$330,500."

The amendment was agreed to.

The next amendment was, on page 46, line 7, after the word "exceed", to strike out "$375,000" and insert "$529,700."

The amendment was agreed to.

The next amendment was, on page 46, line 11, after the word "maintenance", to strike out "$150,000" and insert "$172,000."

The amendment was agreed to.

The next amendment was, on page 46, line 13, after the word "maintenance", to strike out "$285,000" and insert "$303,000."

The amendment was agreed to.

The next amendment was, on page 46, line 19, after the word "maintenance", to strike out "$350,000" and insert "$370,000."

The amendment was agreed to.

The next amendment was, on page 46, line 21, after the word "exceed", to strike out "$2,100,000" and insert "$2,190,000."

The amendment was agreed to.

The next amendment was, on page 47, line 2, after the word "maintenance", to strike out "$402,000" and insert "$441,000"; and in line 3, after the word "exceed", to strike out "$23,000" and insert "$25,000."

The amendment was agreed to.

The next amendment was, on page 47, line 9, after the word "maintenance", to strike out "$161,950" and insert "$185,000"; and in line 10, after the word "exceed", to strike out "$98,050" and insert "$112,000."

The amendment was agreed to.

The next amendment was, on page 47, line 14, after the word "maintenance", to strike out "$89,000" and insert "$101,100"; and in line 15, after the word "exceed", to strike out "$186,000" and insert "$211,295."

The amendment was agreed to.

The next amendment was, under the subhead "General fund, Alaskan investigations," on page 48, line 16, after the word "thereon", to insert "to Congress"; in line 18, after the name "Alaska", to insert "to remain available until expended"; and in line 19, after the amendment just above stated, to strike out "$150,000" and insert "$250,000."

The amendment was agreed to.

The next amendment was, under the subhead "General fund, construction," on page 49, line 5, after the name "Arizona", to strike out "$4,250,000" and insert "$4,833,750, including $25,000 for plans and designs for reconstruction, repair, and improvement of the desilting basin and appurtenant works of the Gila project at Imperial Dam."

The amendment was agreed to.

The next amendment was, on page 49, line 9, after the name "Nevada", to strike out "$32,928,150" and insert "$37,504,860."

The amendment was agreed to.

The next amendment was, on page 49, line 12, after the name "California", to strike out "$117,300" and insert "$110,290."

The amendment was agreed to.

The next amendment was, on page 50, after the figures "$5,100,000" to insert "and in addition thereto the Commissioner of Reclamation is authorized to enter into contracts in an amount not in excess of $2,975,700."

The amendment was agreed to.

The next amendment was, on page 50, line 20, after "(43 U. S. C., ch. 12A)", to strike out "$6,375,000" and insert "$6,761,650."

The amendment was agreed to.

Mr. HAYDEN. Mr. President, the Central Valley project and the Colorado-Big Thompson project on pages 50 and 51 contain controversial transmission-line questions, and therefore I ask that they be temporarily passed over.

Mr. HILL. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. HILL. And the next project, in lines 19 and 20, should be passed over.

Mr. HAYDEN. An amendment is to be offered from the floor to that amendment, but we might as well pass over that committee amendment.

Mr. HILL. Yes; that committee amendment should be passed over.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. WHERRY. Will the Senator state what amendment he expects to be offered from the floor?

Mr. HAYDEN. The Senator from Montana [Mr. MURRAY] and other Senators propose to offer an amendment to the committee amendment on page 51, lines 19 and 20, to increase the amount contained in the bill in order to take care of the transmission lines. So I ask unanimous consent that all three of those projects be passed over.

The PRESIDING OFFICER. The Senator from Arizona asks unanimous consent that the Senate temporarily pass over the amendments on page 50, beginning in line 23, involving the Central Valley project, the amendment on page 51 beginning on line 14, involving the Colorado-Big Thompson project, and the amendment on page 51, lines 19 and 20, involving the Fort Peck, Mont., project.

Is there objection?

Mr. WHERRY. Did the Senator also include the amendment in line 22?

The PRESIDING OFFICER. The Chair understands that the Senator from Arizona wants to have passed over only the Fort Peck amendment on that page.

Mr. HAYDEN. Yes.

Mr. WHERRY. May I ask the distinguished Senator from Arizona a question? The amendment on line 22 should not be passed over. Is that correct?

Mr. HAYDEN. Yes. That is simply restoring the difference between 10 and 15 percent.

Mr. WHERRY. I see.

The PRESIDING OFFICER. Without objection, the amendments referred to will be passed over. The clerk will state the next committee amendment.

The next amendment was, on page 51, line 22, after the name "Montana", to strike out "$20,400,000" and insert "$23,786,250."

The amendment was agreed to.

The next amendment was, on page 51, after line 23, to insert: "Tucumcari project, New Mexico, $582,250."

The amendment was agreed to.

The next amendment was, at the top of page 52, to insert:

Fort Sumner project, New Mexico, $750,000, and in addition thereto the Commissioner of Reclamation is authorized to enter into contracts in an amount not in excess of $1,000,000;

The amendment was agreed to.

The next amendment was, on page 52, line 8, after "(57 Stat. 14)", to strike out "$59,075,000" and insert "$70,034,390."

The amendment was agreed to.

The next amendment was, on page 52, line 17, after the numerals "1946", to strike out "$824,500" and insert "$970,000."

The amendment was agreed to.

The next amendment was, on page 53, line 6, after the word "power", to insert "and emergency reconstruction of the La Prele unit, Wyoming.

The amendment was agreed to.

The next amendment was, on page 53, line 9, after the word "development", to strike out "$73,822,500" and insert "$81,668,560."

The amendment was agreed to.

The next amendment was, on page 53, line 10, after the word "expended", to insert "and in addition thereto the Commissioner of Reclamation is hereby authorized to incur obligations and enter into contracts for additional work, materials, and equipment in an amount not exceeding $6,364,000, including not to exceed $2,000,000 for power transmission lines."

The PRESIDING OFFICER. The Chair will state that an amendment will be offered to this committee amendment.

Mr. HAYDEN. Is it an amendment to the amendment, to be offered from the floor?

The PRESIDING OFFICER. An amendment to this committee amendment will be offered by the Senator from Wyoming.

Mr. HAYDEN. That amendment should be passed over. I ask unanimous consent that it be passed over.

The PRESIDING OFFICER. The Senator from Arizona asks unanimous consent that the Senate temporarily pass over the amendment on page 53, beginning on line 10.

Mr. HAYDEN. Yes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the amendment will be temporarily passed over. The clerk will state the next committee amendment.

The next amendment was on page 53, in line 18, after the word "further", to strike out:

That no part of this appropriation may be used for surveys, design, or construction of the Glendo project, Wyoming, or any feature thereof to a greater capacity or for other purposes than set forth in Senate Document No. 191, Seventy-eighth Congress, second session, without the specific authorization of Congress.

And in line 23, after the amendment just above stated, to insert:

That in order to promote agreement among the States of Nebraska, Wyoming, and Colorado and to avoid any possible alteration of existing vested water rights, no part of this or of any prior appropriation shall be for construction or for further commitment for construction of the Glendo unit or any feature thereof, until a definite planned report thereon has been completed, reviewed by the States of Nebraska, Wyoming, and Colorado and approved by Congress: *Provided further*, That no part of this or prior appropriations shall be used for construction, nor for further commitments to construction of Moorhead Dam and Reservoir, Mont., or any feature thereof until a definite plan thereon has been completed, reviewed by the States of Wyoming and Montana, and approved by the Congress: *Provided further*, That no part of this appropriation shall be available or used to maintain or operate Canyon Ferry Reservoir at a higher maximum normal pool elevation than 3,766 feet, unless and until new land in Broadwater County, Mont., equal in acreage to the irrigated land to be inundated in Canyon Ferry Reservoir above elevation of 3,766 feet is provided with facilities for irrigation; or for or in connection with the acquisition of the power facilities or transmission facilities for delivering power from the Canyon Ferry project, Montana.

Mr. HILL. Mr. President, the committee amendment on page 53, beginning in line 18, should be passed over. It contains a proviso, and there is a question of a transmission line involved. The amendment on page 54, lines 21, 22, and 23, involves the question of transmission lines.

Mr. HAYDEN. Yes, but these are separate amendments, if the Senator from Alabama will permit me to say so, and

it does not come to a question of transmission lines or power until we get to line 13 on page 54.

Mr. HILL. That is correct. I want that understood. But I do not want to agree to that part.

Mr. HAYDEN. We can go that far.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. WHERRY. The Senator from Wyoming [Mr. O'MAHONEY] is on the floor. I suggest to the distinguished Senator from Wyoming that in line 3, on page 54, after the word "be" the word "used" does not appear.

Mr. HAYDEN. What line is that?

Mr. WHERRY. Line 3. I am sure the distinguished Senator from Wyoming recalls that I asked, when the amendment was adopted in the committee, whether it should not read "be used for construction."

Mr. O'MAHONEY. Oh, yes, of course.

Mr. WHERRY. Mr. President, I ask unanimous consent that after the word "be" in line 3 on page 54, the word "used" be inserted.

Mr. O'MAHONEY. Yes; the word "used" should be inserted after the word "be."

The PRESIDING OFFICER. The Chair might say that the Senate has not yet adopted the committee amendment on page 53, beginning on line 17.

Mr. HAYDEN. The amendment is to strike out and insert. It is all one amendment.

The PRESIDING OFFICER. Without objection, the amendment to the committee amendment on page 54, line 3, is agreed to.

Mr. O'MAHONEY. Mr. President, in the committee amendment, on page 54, line 5, I ask unanimous consent to strike out the word "planned" and insert in lieu thereof the word "plan."

The PRESIDING OFFICER. Without objection, the amendment offered to the committee amendment on page 54, line 5, is agreed to.

Mr. O'MAHONEY. So the amendment which is now being considered extends to the word "Congress" in lines 12 and 13 on page 54, and the proviso beginning with the words "provided further" in line 13, will go over because of the request of the Senator from Alabama.

The PRESIDING OFFICER. The Senator from Arizona asks unanimous consent that the amendment beginning on line 23, of page 53, and over to page 54, beginning on line 1 to the bottom of the page, be temporarily passed over.

Mr. O'MAHONEY. No, Mr. President; that is not the request.

Mr. HAYDEN. We want to strike out the language beginning in line 18 on page 53.

The PRESIDING OFFICER. The Chair corrects himself. The Senator will make his request.

Mr. HAYDEN. On page 53, line 18, after the words *"Provided further,"* strike out the language which is blocked out until we come to line 23. That is the language of the House. And insert in lieu thereof——

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. O'MAHONEY. The Senator said we strike out *"Provided further."* We do not. We strike out beginning in line 18 with the word "That."

Mr. HAYDEN. That is correct.

Mr. WHERRY. Mr. President, in order that I may understand what the Senate has done——

The PRESIDING OFFICER. If the Senator from Arizona will again make his request, the Clerk will restate it.

Mr. HAYDEN. Mr. President, I ask the Senate to agree to the committee amendment striking out lines 18 to 23 on page 53, ending with the word "Congress," and inserting in lieu thereof the language printed in italic, beginning "That in order to promote agreement among the States of Nebraska, Wyoming, and Colorado" down to the word "Congress" in line 7, as amended.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. CORDON. I take it the Senator seeks only to pass over the portions of the amendment which deal with the power question.

Mr. HAYDEN. The Senator is correct.

Mr. CORDON. Is it not a fact that the only portion of the committee language dealing with the power question begins after the semicolon in line 21?

Mr. O'MAHONEY. No; in line 13.

Mr. CORDON. The portion from line 13 to line 21 has nothing to do with power.

Mr. ECTON. That is correct.

Mr. CORDON. It involves a question which has been raised in Montana, where there was a considerable area to be flooded; and the provision was to prohibit the flooding of that land until other land was available.

Mr. HAYDEN. Mr. President, each of these amendments will be numbered separately when we go to conference; and in order to do that we shall have to pass over everything from line 13 on, and when we do adopt it, we can have it all together. I do not want to pass on it now.

Mr. WHERRY. Mr. President, as I understand, the amendment which the Senator is now asking the Senate to accept begins on page 53, line 18, striking out the language down to line 23, ending with the words "authorization of Congress," and inserting in lieu thereof the Senate committee language, modified in line 3 on page 54 after the word "be," by inserting the word "used," and in line 5, by striking out "planned" and inserting the word "plan." That language extends through the words "by the Congress," ending in line 13, on page 54.

The PRESIDING OFFICER. Without objection, the amendment as amended, will be agreed to, beginning on page 53, line 18, striking out down to line 23, and inserting the language beginning "That in order to promote agreement," and extending over to page 54, line 13, ending with the word "Congress."

Is there objection to that amendment, as amended?

Mr. HAYDEN. They should be considered as separate amendments, the first one extending to line 7 on page 54. That will go to conference. The next amendment begins *"Provided further,"* and extends from line 7 to line 13. That is another matter. I should like to have that amendment considered separately.

The PRESIDING OFFICER. Without objection, the amendment as amended is agreed to down to line 7 on page 54; and without objection, the amendment beginning in line 7 on page 54 with the words *"Provided further"* is agreed to, down to line 13 on page 54, ending with the colon. Is there objection? The Chair hears none, and the amendment is agreed to.

The Chair understands that the Senator from Arizona asks unanimous consent that the remaining portion of the committee amendment on page 54 be passed over temporarily.

Mr. HILL. Not the remaining portion of that amendment. As I understand, it is an amendment in itself.

Mr. HAYDEN. It is an amendment in itself.

Mr. ECTON. Mr. President, reserving the right to object, I should like to ask the distinguished Senator from Arizona what the objection is to the amendment from line 13 down to line 21. That is merely a limitation to protect the farmers who are going to be flooded out.

Mr. HAYDEN. I can find no one who objects to that part of it. The objection which will have to be debated is whether to strike out the words "or for or in connection with the acquisition of the power facilities or transmission facilities for delivering power from the Canyon Ferry project, Montana."

Mr. ECTON. It is all one amendment, is it not?

Mr. HAYDEN. Yes; but those three lines are debatable and controversial, and I should like to pass them over.

The PRESIDING OFFICER. Without objection, the amendment is temporarily passed over.

The clerk will state the next committee amendment.

The next amendment was, under the subhead "Colorado River Dam Fund", on page 55, line 7, after the numerals "1948", to insert a colon and the following proviso: *"Provided,* That not to exceed $5,662.22 from the unobligated balance of the appropriation for operation, maintenance, and replacements of the dam, power plant, and other facilities of the Boulder Canyon project contained in the Interior Department Appropriation Act, 1948, may be utilized for additional payments to the Boulder City school district for the school year 1947-1948, to carry out the purposes of said Public Law 528."

The amendment was agreed to.

The next amendment was, under the subhead "Colorado River Development Fund", on page 57, after line 16, to insert:

> Not exceeding 8 percent of the construction appropriation for the Bureau of Reclamation for any project contained in this act shall be available for construction work by force account and on a hired-labor basis; except that not to exceed $250,000 may on approval of the Commissioner be expended for construction work by force account on any one project when the work is unsuitable for contract or when excessive bids are received; and except in cases of emergencies local in character, so declared by the Commissioner.

The amendment was agreed to.

The next amendment was, under the heading "Geological Survey," on page 59, line 1, before the words "of which", to strike out "$5,500,000" and insert "$6,000,000"; and in the same line, after the word "exceed", to strike out "$650,000" and insert "$666,666."

The amendment was agreed to.

The next amendment was, on page 59, line 15, after the word "reports", to strike out "$3,500,000" and insert "$3,520,000."

The amendment was agreed to.

The next amendment was, on page 59, line 19, after the name "Alaska", to strike out "$425,000" and insert "$500,000."

The amendment was agreed to.

The next amendment was, on page 60, line 2, after the word "resources", to strike out "$4,000,000" and insert "$4,125,000"; in line 4, after the word "exceed", to strike out "$350,000" and insert "$368,900"; and on page 61, line 2, after the word "tributaries", to insert "and for the payment of compensation and expenses of the person appointed by the President to participate as the representative of the United States in the administration of said compact as approved by the Congress (Public Law 82, Eighty-first Congress)."

The amendment was agreed to.

The next amendment was, on page 62, line 15, after "(5, U. S. C. 55a)", to strike out "$700,000" and insert "$750,000."

The amendment was agreed to.

The next amendment was, on page 63, after line 23, to insert:

The Geological Survey is hereby authorized to acquire by transfer without exchange of funds, for 1 year beginning July 1, 1949, from executive departments or independent establishments, equipment, materials, and supplies of all kinds, with an appraised value of not to exceed $150,000 from the surplus stores of these agencies: *Provided*, That the authorization in this paragraph shall not be construed to deny to veterans the priority accorded to them in obtaining surplus property under Public Law 375, approved May 3, 1946.

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Mines", on page 65, line 23, after the word "Columbia", to strike out "$500,000" and insert "$250,000."

The amendment was agreed to.

The next amendment was, on page 67, line 14, after the word "Columbia", to strike out "$621,000" and insert "$656,000."

The amendment was agreed to.

The next amendment was, on page 70, line 20, after the word "private", to insert a colon and the following additional proviso: *"Provided further*, That the Director of the Bureau of Mines, for the purpose of the project now in progress under this appropriation on chromite deposits near Nye, Mont., is authorized to reacquire for the Government certain land, buildings, and other facilities essential to the conduct of that project and known as Plancor 587, at a price not to exceed $44,000."

The amendment was agreed to.

The next amendment was, on page 71, after line 2, to insert:

Drainage tunnel, Leadville, Colo.: To enable the Bureau of Mines to extend and operate the present Leadville, Colo., drainage tunnel for the purpose herein authorized or by Public Law 133 of the Seventy-eighth Congress, $250,000, and in addition the Secretary is authorized to enter into contracts in an amount not to exceed $250,000.

The amendment was agreed to.

The next amendment was, on page 72, line 2, after the word "binding", to strike out "$650,000" and insert "$690,000"; and in line 3, after the word "exceed", to strike out "$46,000" and insert "$51,600."

The amendment was agreed to.

The next amendment was, on page 72, after line 11, to insert:

Construction planning: For the preparation of plans and specifications, including administrative expenses for an experiment station building to be constructed on Government-owned land, Reno, Nev., $30,000, to remain available until expended: *Provided*, That any part of this amount may be transferred, upon the request of the Secretary of the Interior, to the General Services Administration.

The amendment was agreed to.

The next amendment was, on page 73, line 17, after the word "improvements", to strike out "$250,000" and insert "$260,000."

The amendment was agreed to.

The next amendment was, on page 74, line 7, after the word "foregoing", to strike out "$800,000" and insert "$950,000"; and in line 8, after the word "exceed", to strike out "$660,000" and insert "$792,250."

The amendment was agreed to.

The next amendment was, on page 76, line 23, after the word "exceed", to strike out "one hundred and thirty-seven" and insert "one hundred and fifty-one, of which one hundred and thirty-seven shall be."

The amendment was agreed to.

The next amendment was, on page 77, after line 8, to insert:

The last paragraph under the head "Bureau of Mines" in the Interior Department Appropriation Act, 1949, is amended to read as follows: "The Department of the Army is authorized to transfer to the Department of the Interior, for the use of the Bureau of Mines, without compensation therefor, full jurisdiction, possession, and control of a parcel of 10 acres, more or less, from that portion of Fort Douglas Military Reservation in the county of Salt Lake, State of Utah, which lies directly north and east of the site of the Bureau of Mines Intermountain Experiment Station and is described substantially as follows: All of that parcel of land bounded on the north by the southerly margin of Fort Douglas Boulevard; bounded on the west by the easterly margin of Fifteenth East Street extended and by a line running south from monument No. 6, Fort Douglas Military Reservation, Utah, a distance of 480 feet, to a point in line with the southerly margin of the 5-acre tract at present occupied by the Department of the Interior, Bureau of Mines, bounded on the south by a line running east from said point in line with the southerly margin of said Bureau of Mines property, and by a line running west from monument No. 6, Fort Douglas Military Reservation; and bounded on the east by a north and south line so located as to make the total enclosed area approximately 10 acres."

The amendment was agreed to.

The next amendment was, under the heading "National Park Service," on page 78, line 14, after the word "binding", to strike out "$756,000" and insert "$856,000."

The amendment was agreed to.

The next amendment was, on page 79, line 13, after the word "binding", to strike out "$410,000" and insert "$227,800."

The amendment was agreed to.

The next amendment was, on page 81, after line 15, to insert:

For investigations and studies (exclusive of the preparation of detailed plans and working drawings) of the recreational resources and for the survey and excavation of archeological resources in the river basins of the United States (except the Missouri River Basin and in areas under the primary jurisdiction of the National Park Service), including personal services in the District of Columbia, and printing and binding, $180,000.

The amendment was agreed to.

The next amendment was, on page 82, line 9, after "(5 U. S. C. 55a)", to strike out "$250,000" and insert "$300,000."

The amendment was agreed to.

The next amendment was, on page 82, line 23, after the word "expended", insert "and, in addition, the Secretary is authorized to incur obligations and enter into contracts, not exceeding a total of $3,935,000, for the acquisition of lands for purposes of the Independence National Historical Park."

The amendment was agreed to.

The next amendment was, on page 83, line 10, after "(16 U. S. C. 451)", to strike out "$6,600,000" and insert "$7,500,000"; and in line 14, after the numerals "1949", to insert "and, in addition, the Secretary is hereby authorized to incur obligations and enter into contracts, not exceeding a total of $1,750,000, for the construction of the Blue Ridge, Natchez Grace, George Washington Memorial, Colonial, and Foothills Parkways."

The amendment was agreed to.

The next amendment was, on page 83, line 24, after the word "Columbia", to strike out "$7,500,000" and insert "$7,368,200"; and at the top of page 84, to insert "and, in addition, the Secretary is hereby authorized to incur obligations and enter into contracts, not exceeding $3,250,000, for the purposes authorized in section 4a of said act."

The amendment was agreed to.

The next amendment was, on page 84, line 10, after the word "Columbia", to strike out "$3,500,000" and insert "$3,847,450."

The amendment was agreed to.

The next amendment was, on page 87, line 6, after the name "Alaska", to strike out "$1,250,000" and insert "$1,290,000, and in addition, the Secretary is authorized to incur obligations and enter into contracts for additional work, materials, and equipment in an amount not exceeding a total of $50,000."

The amendment was agreed to.

The next amendment was, on page 88, line 14, after the figures "$900,000", to insert "together with the unobligated balance of the appropriations under this head in the Interior Department Appropriation Act, 1949."

The PRESIDING OFFICER. The Chair would like to request the Senator from Arizona to have that item passed over.

Mr. HAYDEN. Mr. President, I ask unanimous consent that this amendment be passed over temporarily, at the request of the Chair.

The PRESIDING OFFICER. The Senator from Arizona asks unanimous consent that the amendment on page 88, involving the matter of Pacific fisheries, be temporarily passed over. Is there objection? The Chair hears none, and it is so ordered.

The clerk will state the next committee amendment.

The next amendment was, on page 89, line 21, after the name "Alaska", to strike out "$340,000" and insert "$394,000."

The amendment was agreed to.

The next amendment was, on page 90, line 25, after the word "investigations", to strike out "$388,000" and insert "$410,000."

The amendment was agreed to.

The next amendment was, on page 92, line 8, before the word "and", to strike out "$1,600,000" and insert "$1,819,500."

The amendment was agreed to.

The next amendment was, under the subhead "Federal aid in wildlife restoration," on page 93, line 17, after the word "exceed", to strike out "$1,250,000" and insert "$1,282,860"; and in line 21, after the word "exceed", to strike out "sixty-four passenger motor vehicles" and insert "sixty-six passenger motor vehicles, of which sixty-four shall be."

The amendment was agreed to.

The next amendment was, under the heading "Government in the Territories—Territory of Alaska," on page 96, line 8, after the word "grounds", to strike out "$67,700" and insert "$72,700."

The amendment was agreed to.

The next amendment was, on page 97, line 24, after the word "expended", to strike out "$25,692,000" and insert "$26,762,000"; and on page 98, line 9, after the word "of", to strike out "$7,000,000" and insert "$8,000,000."

The amendment was agreed to.

The next amendment was, on page 98, line 23, after the word "appropriated", to strike out "$17,000,000" and insert "$25,000,000"; on page 99, line 24, after the word "exceed", to strike out "$10,000" and insert "$13,000"; on page 100, line 1, before the word "Provided", to strike out "$8,500" and insert "$11,000"; and in line 5, after the word "of", to strike out "$12,000,000" and insert "$22,000,000."

The amendment was agreed to.

The next amendment was, under the subhead "Territory of Hawaii," on page 101, line 3, after the word "hire", to strike out "$26,800" and insert "$32,633."

The amendment was agreed to.

The next amendment was, under the subhead "Government of the Virgin Islands," on page 101, line 16, after the name "Saint Croix", to strike out "$223,000" and insert "$225,583"; and in line 17, after the word "Governor", to insert a colon and the following proviso: *"Provided,* That the Department of the Army or any other agency of the United States Government having title thereto is authorized to transfer, without charge to the government of the Virgin Islands or any agency thereof, materials, equipment, machinery, supplies, buildings, and docks surplus to its needs in the Caribbean area, which may be certified by the Department of the Interior as needed for any authorized activity of the government of the Virgin Islands."

The amendment was agreed to.

The next amendment was, under the subhead "General provisions—Department of the Interior," at the top of page 104, to insert a new section 110, as follows:

SEC. 110. No part of any appropriation contained in this title shall be used directly or indirectly by way of wages, salaries, per diem or otherwise, for the performance of any new administrative function or the enforcement or issuance of any rule or regulation occasioned by the establishment of the Jackson Hole National Monument as described in Executive Proclamation No. 2578, dated March 15, 1943.

The amendment was agreed to.

The next amendment was, on page 104, after line 7, to insert a new section 111, as follows:

SEC. 111. Where appropriations in this title are available for expenditure for services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a), such expenditures shall be at rates not exceeding $35 per diem for individuals (unless a higher rate is otherwise authorized by law or unless a higher rate, not exceeding $50, shall be approved by the Director of the Bureau of the Budget).

The amendment was agreed to.

The next amendment was, under the heading "Title II—Virgin Islands Company," on page 104, line 15, after the word "Islands", to strike out "Company" and insert "Corporation."

Mr. HAYDEN. Mr. President, by direction of the committee, I wish to offer from the floor an amendment to strike out all the matter in the bill relating to the Virgin Islands Corporation. That subject is covered by legislation passed subsequent to the reporting of the bill.

I offer the amendments which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendments will be stated, and, if there is no objection, they will be stated and considered en bloc.

The amendments were stated en bloc, as follows:

On page 104, beginning in line 15, strike out all down through and including line 25, and on page 105, strike out lines 1-16, inclusive.

On page 106, in line 13, strike out Roman numeral "III" and insert in lieu thereof Roman numeral "II."

On page 106, in line 14, strike out the figures "301" and insert in lieu thereof the figures "201."

On page 108, in line 1, strike out the figures "302" and insert in lieu thereof the figures "202."

The PRESIDING OFFICER. The question is on agreeing to the amendments en bloc, as just stated.

The amendments were agreed to.

The PRESIDING OFFICER. The next committee amendment will be stated.

The next amendment was, on page 105, after line 16, to strike out:

SEC. 202. Section 304 (b) of the Government Corporation Control Act, as amended (Public Law 248, approved December 6, 1945), shall not be applicable with respect to the Virgin Islands Company until after June 30, 1950.

The amendment was agreed to.

The next amendment was, on page 105, after line 21, to strike out:

SEC. 203. The Virgin Islands Company is authorized to borrow from the Treasury of the United States not to exceed $100,000, for which purpose there is hereby appropriated out of any money in the Treasury not otherwise appropriated, $100,000. The Secretary of the Treasury is authorized to make such loans to the Company for repayment not later than 1 year after the making thereof, at rates of interest determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the making of any such loan to the Company: *Provided,* That the Secretary of the Treasury is authorized to extend the maturity dates for repayment of notes issued under authority of the Government Corporations Appropriation Act, 1949, to 2 years after the making thereof.

The amendment was agreed to.

Mr. HAYDEN. Mr. President, we now have completed action on all the noncontroversial committee amendments.

I should like to offer an amendment relating to the Department of the Interior, Office of the Secretary. The amendment is based upon a supplemental estimate, and I offer the amendment by virtue of an instruction by the committee.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 2, in line 4, it is proposed to strike out "$1,275,000" and insert in lieu thereof "$1,282,675."

Mr. WHERRY. Mr. President, why is that amendment offered?

Mr. HAYDEN. It is based upon a supplemental estimate which states:

DEPARTMENT OF THE INTERIOR

OFFICE OF THE SECRETARY

Salaries, Office of the Secretary

For an additional amount for "Salaries, Office of the Secretary," $7,675.

The purpose of this estimate is to provide funds to meet the increased cost of certain positions which were removed from the Classification Act of 1923, as amended, pursuant to Departmental Circular No. 609, Supplement No. 1, issued by the United States Civil Service Commission on February 8, 1949, and made subject to rates of pay established by the Interdepartmental Lithographic Wage Board. On July 8, 1949, the wage scale established for these positions was approved to be effective July 10, 1949.

So the budget estimate was sent here in the amount of $7,675.

Mr. WHERRY. Was that evidence presented to the committee?

Mr. HAYDEN. No; this estimate came in subsequently. It will amount to only a little more than $7,000, and it is based upon a budget estimate. Therefore, I am offering the amendment, in order to have it included in the bill. That is the proper place.

Mr. WHERRY. No doubt it is the proper place, but this is another item which has not been considered by the committee.

Mr. HAYDEN. The committee could not consider it.

Mr. WHERRY. Of course it could not. Why should it be considered now, when it was submitted on August 8,

according to the estimate. It seems to me that if we are to open the door for any number of additional matters, we shall never complete action on the bill.

Mr. HAYDEN. This is the only one about which I know. It involves a small amount of money which is necessary in order to carry out the award of rates of pay established by the Interdepartmental Lithographic Wage Board.

Mr. WHERRY. Very well.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arizona on page 2, in line 4.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. HAYDEN. Mr. President, there are a number of amendments to be offered from the floor.

Mr. FERGUSON. Mr. President, do I correctly understand that the committee amendments have been disposed of?

The PRESIDING OFFICER. The noncontroversial committee amendments have been disposed of. Certain of the committee amendments have been passed over by unanimous consent.

Mr. FERGUSON. Mr. President, I have a motion to offer, but I wish to present it at the end of the bill, before the final vote on the bill is taken. So I shall wait until the other amendments are acted upon.

I shall, however, read the motion into the RECORD at this time. I shall offer the motion on behalf of myself and the Senator from New Hampshire [Mr. BRIDGES]. It will be in the following language:

I move that the bill (H. R. 3838) be recommitted to the Committee on Appropriations, with instructions to reconsider the amounts provided therein for budgeted and nonbudgeted items, other than those adopted by floor amendments, and to report the same back to the Senate in a total amount in cash and contract authority not in excess of the original committee recommendations—

Which was, by the way, 5.4 percent below the budget estimates.

I send the motion to the desk, and I shall ask to have it considered before the final vote on the bill is taken.

The PRESIDING OFFICER. The motion will be received and lie on the table.

Mr. HAYDEN. Mr. President, the bill is open to individual amendments.

The Senator from Oklahoma was authorized by the committee to offer an amendment.

Mr. THOMAS of Oklahoma. Mr. President, I have two small amendments which involve no money whatever. One of the amendments is now at the desk, and I ask that it be stated. Let me say that it is for the Kiowa, Comanche, and Apache Indians. On a former occasion—2 years ago, I believe—the Congress adopted, to the Interior Department appropriation bill, a provision directing the Secretary of the Interior to negotiate with the city of Lawton, Okla., for the purchase of a half section of land for use by the city for public purposes. In the negotiations, the city council would never agree what the land was worth. Naturally, they would be apprehensive about coming to some agreement in that respect. The Indian tribal council, on the other hand, was in the same situation, and could not agree what the land was worth.

So now we have an amendment to place the matter in the court and to let the court say what the land is worth. Then both the city and the Indians will be satisfied.

That is the only purpose of the amendment, namely, to allow the city to condemn the land.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 21, in line 11, after the word "reservation", it is proposed to insert the following:

Provided further, That jurisdiction is hereby conferred upon the United States District Court for the Western District of Oklahoma of any condemnation proceedings which may be instituted in such court by the city of Lawton, Okla., for the acquisition for municipal and public purposes of all or any part of the following-described tract of land located in Comanche County, Okla.: The north half of section 30, township 2 north, range 11 west, of the Indian meridian.

Proceeds from the condemnation proceedings shall be deposited in the United States Treasury to the credit of the Fort Sill Indian School: *Provided, however*, That the Secretary of the Interior with the consent of the Kiowa, Comanche, and Apache Indian Tribes may use all or part of such fund to acquire additional lands for the use of the school.

If any land taken, as herein provided, be used other than for municipal and public purposes, title to same shall revert to the United States.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oklahoma.

The amendment was agreed to.

Mr. THOMAS of Oklahoma. Mr. President, I offer a further amendment which affects the same Indian tribe. This amendment is in the form of a bill (S. 2086) which already has been passed by the Senate. I send it to the desk and ask to have it stated as an amendment to this bill. Then I shall make a brief explanation.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 21, in line 11, following the amendment just adopted, it is proposed to insert the following:

That the following-described tract of public land: The north half of the south half of section 19, township 2 north, range 11 west, Indian meridian, Comanche County, Okla., being a part of the Fort Sill Indian School reserve, and formerly transferred to the Department of Agriculture for use as a dry-farming experimental station, is hereby, together with all buildings, improvements, and appurtenances, transferred back to the said Fort Sill Indian School for use in connection with the agriculture training program of such institution.

Mr. THOMAS of Oklahoma. Mr. President, let me give just a word of explanation. The land involved in this matter used to be a part of the Fort Sill Indian School. In 1915 the Congress passed a law making available a quarter section of land for use by the Department of Agriculture as a dry-farm experiment station. Now the Department of Agriculture is through with the land, and wishes to get rid of it. Inasmuch as the land originally was a part of the Indian school, it is only natural that the land be returned to the Indian school.

The Senate has already passed the bill (S. 2086) to which I have referred, this amendment would simply incorporate that provision as a part of this appropriation bill, because otherwise I do not know when action would be taken on this item by the House of Representatives.

So I offer the amendment and ask for its adoption.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oklahoma.

The amendment was agreed to.

Mr. WHERRY. Mr. President, I should like to ask the distinguished chairman of the subcommittee whether he has any reports of the different Indian tribes running out of money because of the portions that have been allotted to them? I received a telephone call today from one in Niobrara, who is very much concerned about the funds having been depleted, wanting to know if there was any relief to be forthcoming. Does the Senator know of any other circumstances like that around the country?

Mr. HAYDEN. I know we have had things like that happen heretofore. They have usually been cared for in deficiency bills. What they are operating on now undoubtedly is an amount of money equivalent to what they had last year, which may be different from the amount in the pending bill. I think the easiest, the best, and the proper way to correct it would be to do so in connection with the next deficiency bill, which will be before the Senate within a few days.

Mr. WHERRY. The deficiency bill has already been reported and is on the calendar.

Mr. HAYDEN. There is a supplemental bill in the committee, a bill which passed the House last Friday.

Mr. WHERRY. This bill will still be open to amendments tomorrow, will it not?

Mr. HAYDEN. It will be.

Mr. WHERRY. I shall look into the matter tonight. If it can be done the other way, I shall be glad to do it. I feel something ought to be done in the matter.

Mr. HAYDEN. That will be all right. The bill of course will be open to amendment until finally passed.

Mr. WHERRY. That is what I mean.

Mr. HAYDEN. The Senator may determine overnight what course he wants to follow.

Mr. WHERRY. I thank the Senator.

Mr. HUNT. Mr. President, because of the fact that I shall be forced because of official business to be absent from the Senate tomorrow and on several subsequent days, I should like to make a statement in connection with the committee amendment on page 83, line 24, with reference to roads and trails in national parks. The Bureau of the Budget allowed only $7,500,000 for the 1950 fiscal year for this purpose, while the National Park Service has a backlog of $175,000,000 of highway construction. The $7,500,000 allowed by the Bureau of the Budget is simply not sufficient for good maintenance, to say nothing of making any start on the

construction program. The Senate Appropriations Committee has been kind enough in the exercise of what I think was exceedingly good judgment, to raise the appropriation approximately $3,000,000. It is my hope that the Senate will agree to the recommendation of the Senate Appropriations Committee, for I can say that at least one road, the entrance to a national park, is approximately in exactly the same condition as it was 28 years ago when that entrance to the park was opened. It is really a dangerous highway. The additional amount will provide for the completion of a new highway at that place.

EXECUTIVE SESSION

Mr. LUCAS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

By Mr. JOHNSON of Colorado, from the Committee on Interstate and Foreign Commerce:

Harold R. Daniels, and sundry other officers for promotion in the United States Coast Guard; and

John J. Dermody, an employee of the Coast and Geodetic Survey, to be ensign.

By Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce:

John Carson, of Michigan, to be a Federal Trade Commissioner for the unexpired term of 7 years from September 26, 1945.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will proceed to state the nominations on the Executive Calendar.

DIPLOMATIC AND FOREIGN SERVICE

Mr. LUCAS. Mr. President, the name of W. Walton Butterworth, to be Assistant Secretary of State; the name of Ellis O. Briggs, to be Ambassador Extraordinary and Plenipotentiary of the United States to Czechoslovakia; and the name of Nathaniel P. Davis, to be Envoy Extraordinary and Minister Plenipotentiary of the United States to Hungary, will be passed over.

The PRESIDING OFFICER. Without objection, the nominations mentioned by the Senator from Illinois will be passed over.

CALIFORNIA DEBRIS COMMISSION

The legislative clerk read the nomination of Col. Walter D. Luplow to be a member of the California Debris Commission.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED STATES PUBLIC HEALTH SERVICE

The legislative clerk proceeded to read sundry nominations in the Public Health Service.

Mr. LUCAS. I ask that the nominations in the Public Health Service be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations in the Public Health Service are confirmed en bloc.

Mr. LUCAS. I ask that the President be immediately notified of all nominations confirmed today.

The PRESIDING OFFICER. Without objection, the President will be immediately notified. That completes the call of the Executive Calendar.

REPORT ON ECONOMY OF THE SOUTH

The Senate resumed the consideration of legislative business.

Mr. O'MAHONEY. Mr. President, for 25 cents the Superintendent of Documents now has for sale a report on the economy of the South. It is a report entitled "The Impact of Federal Policies on the Economy of the South," which the Joint Committee on the Economic Report, in accordance with its intention to provide the Congress wherever possible with analyses of significant economic problems, has had printed for the use of the committee and the Senate, as a committee print. This was completed by the National Planning Association, and represents the first of the series of reports which will be made on various parts of the United States. The report is the work of two highly competent southern economists working in conjunction with the members of the Committee of the South of the National Planning Association, to whom the report was presented for review and criticism. Since the Committee of the South is made up of more than 50 southern leaders from agriculture, labor, business, education, government, and other fields, the report represents a breadth of thinking and understanding that could not be achieved merely by a group of students working in seclusion. It may well pave the way toward similar research undertakings with respect to other great regions of the country.

This report, of some 90 pages, examines carefully the economic development problems and needs of the 13 Southern States stretching from the Potomac River to the Rio Grande, and analyzes and makes recommendations with respect to the major Federal policies affecting that region. The principal objective, the report concludes, is to increase living standards and per capita real income by improving the ration of developed resources to population and by encouraging a higher level of productivity in both industry and agriculture.

The Joint Committee on the Economic Report has arranged with the Superintendent of Documents to have the report placed on sale. Orders should be directed to the Superintendent of Documents, United States Government Printing Office, Washington 25, D. C. The price per copy is 25 cents.

I felt that this statement would be of value in the RECORD for those who are interested in this regional development.

PROGRAM FOR SENATE SESSIONS—RECESS

Mr. WHERRY. Mr. President, in view of the statements made by several Senators relative to Saturday sessions, and so forth, today, does the majority leader contemplate a Saturday session this week?

Mr. LUCAS. I had not contemplated it, but if the Senate desires it and we can accomplish anything, I shall be very happy to cooperate. I should even be happy to have night sessions. If the Senator from Nebraska or other Senators believe we can accomplish something by it, we would be glad to try a night session, if necessary.

Mr. WHERRY. I think a Saturday session is important. Today is Wednesday, tomorrow is Thursday. If we are going to have a Saturday session, I think it would be acceptable if the Senator would announce it.

Mr. LUCAS. I shall talk to some of the members of the policy committee. If it is decided to have a session Saturday, I shall make the announcement, I may say to my friend, tomorrow.

I am about to move a recess until 11 o'clock in the morning. There are meetings of the Armed Services Committee and of the Agricultural Committee, which are very important, but it is my hope that the committees will soon terminate hearings so they may attend a morning session, without any question.

I now move that the Senate stand in recess until 11 o'clock a. m. tomorrow.

The motion was agreed to; and (at 5 o'clock and 47 minutes p. m.) the Senate took a recess until tomorrow, Thursday, August 25, 1949, at 11 o'clock a. m.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 24 (legislative day of June 2), 1949:

CALIFORNIA DEBRIS COMMISSION

Col. Walter D. Luplow, Corps of Engineers, to be a member of the California Debris Commission.

UNITED STATES PUBLIC HEALTH SERVICE

PROMOTIONS IN THE REGULAR CORPS OF THE PUBLIC HEALTH SERVICE

To be medical directors (equivalent to the Army rank of colonel)

Ralph L. Lawrence	Sidney P. Cooper
Ernest E. Huber	Waldemar C. Dreessen
William H. Gordon	Noka B. Hon
Edwin G. Williams	Otis L. Anderson
Gerald M. Kunkel	Mason V. Hargett
Harold D. Lyman	Cassius J. VanSlyke
John D. Lane, Jr.	Erwin W. Blatter
Chapman H. Binford	Victor H. Vogel
John A. Trautman	Thomas B. McKneely
Joseph A. Bell	William G. Workman
Edward C. Rinck	Robert K. Maddock
Gordon A. Abbott	Alfred B. Geyer

To be senior surgeons (equivalent to the Army rank of lieutenant colonel)

Emanuel E. Mandel	Thomas F. Crahan
James G. Telfer	Raymond F. Kaiser
Dale C. Cameron	Glenn S. Usher
Leo D. O'Kane	James V. Lowry
John A. Lewis, Jr.	John P. Turner
Jack L. James	Michael L. Furcolow
Leon S. Saler	Robert T. Hewitt
Thomas A. Hathcock, Jr.	Aaron W. Christensen
	Francis T. Zinn
Randall B. Haas	Max R. Kiesselbach
Charles G. Spicknall	Robert R. Smith
Vernam T. Davis	Weldon A. Williamson
Harold T. Castberg	Harald M. Graning
Terrence E. Billings	Karl Habel
James R. Shaw	Robert L. Zobel
Lewis H. Hoyle	Murray A. Diamond
James Watt	Robert D. Wright
Edgar B. Johnwick	Joseph S. Spoto
Lawrence W. Brown	William Ford
Francis J. Weber	Waldron M. Sennott
Thomas R. Dawber	Benjamin Highman
Theodore F. Hilbish	

To be senior dental surgeon (equivalent to the Army rank of lieutenant colonel)

William C. Neaf

To be dental surgeon (equivalent to the Army rank of major)

Peter J. Coccaro

To be sanitary engineer directors (equivalent to the Army rank of colonel)

Carl E. Schwob
Ellis S. Tisdale
Omar C. Hopkins
Vincent B. Lamoureux
Maurice LeBosquet, Jr.
Mark D. Hollis

To be senior sanitary engineers (equivalent to the Army rank of lieutenant colonel)

Frank E. DeMartini
Gordon E. McCallum
Vernon G. Mackenzie
Duncan A. Holaday

To be senior pharmacists (equivalent to the Army rank of lieutenant colonel)

Guy H. Trimble
J. Solon Mordell

To be pharmacists (equivalent to the Army rank of major)

Ernest J. Simnacher
Carmen A. Carrato
Boyd W. Stephenson

To be senior scientist (equivalent to the Army rank of lieutenant colonel)

Martin D. Young

To be senior dietitians (equivalent to the Army rank of lieutenant colonel)

Fonda L. Dickson
Clare B. Baldauf

To be dietitians (equivalent to the Army rank of major)

Janet E. Eley
Myrtle M. Morris
Engla J. Anderson

HOUSE OF REPRESENTATIVES

WEDNESDAY, AUGUST 24, 1949

The House met at 12 o'clock noon.

The Acting Chaplain, the Reverend James P. Wesberry, pastor, Morningside Baptist Church, Atlanta, Ga., offered the following prayer:

O Thou who art the life of all that lives, we shudder as multiplied millions of people in war-torn Europe and the bleeding Orient cry to us for world leadership. We dare not accept this challenge without Thy help. Arm us, therefore, Almighty Father, with the shield of faith, the helmet of salvation, and the breastplate of righteousness, for we wrestle against principalities and powers, and rulers of darkness and of wickedness in high places.

Through Thy mercy, gracious God, our Nation is blessed beyond measure spiritually and materially. Gladly do we lay this great reservoir of rich treasure, which Thou hast given us, at Thy feet, for the alleviation of suffering and the liberty of the enslaved.

For the sake of Him who, though rich, yet for our sakes became poor, that we, through His poverty, might become rich. Amen.

The Journal of the proceedings of yesterday was read and approved.

ADJOURNMENT OVER

Mr. PRIEST. Mr. Speaker, I offer a resolution (H. Con. Res. 129), which I send to the Clerk's desk, and ask for its immediate consideration.

The Clerk read as follows:

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on Friday, August 26, 1949, it stand adjourned until 12 o'clock meridian on Wednesday, September 21, 1949.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

CUT IN CIVILIAN PERSONNEL OF MILITARY ESTABLISHMENT

Mr. SIKES. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. SIKES. Mr. Speaker, Secretary Johnson's summary reduction in civilian personnel at military establishments is to me completely unjustifiable. Our only real protection lies in our military strength. We can write treaties until we are blue in the face, but they will provide small protection without force of arms to back them.

These cuts cannot in any sense be laid at the door of Congress. They represent a complete departure from the figures recently presented to Congress by the armed forces as the minimum required for the proper defense of the Nation.

Admittedly there is need for economy, but I do not want to cripple defense. It is far better that we reduce foreign aid, whose value is now being questioned, or that we spread the cuts over all the agencies of Government.

Since there is mounting unemployment, many of the people discharged will be unable to find jobs. Thus the effect of the Nation's general economy may be more damaging than the actual savings to the Government.

Mr. O'TOOLE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. O'TOOLE. Mr. Speaker, the Secretary of National Defense has announced that because of appropriation cuts made by the Congress it will now be necessary to reduce the number of civilian employees in the national military establishments. This of course will lead to great hardships to thousands of our taxpayers with an accompanying loss to the communities wherein they reside.

If the military is sincere in their desire to bring about a state of efficiency and economy, why do they not rectify a condition that has existed for many years? Why does the Secretary of National Defense allow the continued existence of many obsolete and inefficient military establishments that were created as far back as the War of 1812? Scattered all over this country today are the ancient and obsolete coast artillery, cavalry, infantry, and other military posts that have absolutely no value whatsoever in the national defense scheme. Their garrisons are nothing more than police troops spending the greater part of their time in policing, painting, and cleaning the grounds. The military training is the least part of their work.

Let the Secretary of National Defense close all of these posts and place his troops in the great cantonments where they can train as regiments and divisions—where their officers will become accustomed to handling large numbers of men—where they will have an opportunity to really work out staff problems and where a much better esprit de corps may be developed due to the proximity and rivalry with other military outfits making up the group.

If this is done, hundreds of millions of dollars can be saved and a far more efficient Army developed. This challenge has existed for many, many years, and I wonder if the present Secretary of National Defense has the courage to pick up the challenge?

PERMISSION TO ADDRESS THE HOUSE

Mr. WICKERSHAM. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

[Mr. WICKERSHAM addressed the House. His remarks appear in the Appendix.]

CUT IN AIR FACILITIES

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, the action of Secretary Johnson in cutting down our air facilities in America seems to me to be wholly unjustified.

In 1937 I was in Hawaii. I pointed out then that the air force in Hawaii was absolutely inadequate. The man who was in charge of the air force said: "I could hug you for that; you are absolutely right." Yet, 4 years later the Japs came 5,000 miles across an open sea and destroyed our Navy at Pearl Harbor as a result of our inadequate air force in Hawaii.

One of the projects they are reducing is the air base at Columbus, Miss., which is in a key position.

If we ever have another war, it is going to be an air war with atomic bombs. Every intelligent man knows that. For Secretary Johnson to try to turn the wheels of progress backward, or go back to the old regime, is absolutely unjustified, from every standpoint.

We need the strongest air force on earth and the air base at Columbus should be activated and strengthened, as should every other key air base throughout the country.

The SPEAKER. The time of the gentleman from Mississippi has expired.

MR. TITO

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. SMITH of Wisconsin. Mr. Speaker, last week the State Department announced that it was about to do business with Mr. Tito, on the theory that Mr. Tito was about to break away from Mr. Stalin. Yesterday we read the news that Mr. Tito was about ready to kiss and make up with Uncle Joe. Now what happens to the steel mill that Mr. Acheson has permitted Yugoslavia to buy in this country? I wonder if it is not about time for the State Department to get busy and announce to this country just what our foreign policy is under the Truman administration. There obviously is no consistent foreign policy; it is one thing in western Europe and quite another in Asia. We are rapidly losing face all over the world.

EXTENSION OF REMARKS

Mr. KUNKEL. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD in three separate instances, and to include extraneous matter; and I wish the permission to extend to the end of next week.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

THE RECESS OF THE HOUSE OF REPRESENTATIVES

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, we just passed a resolution recessing until the 21st of September, which is a lot of folly. We ought to finish up the business of the Congress in about 2 weeks and adjourn sine die.

It will be remembered that last year we had a man running all over the United States in a great big pullman train of 12 coaches saying to America that if he had a Democratic Congress he could call them back and in 2 weeks pass any legislation he wanted to, including doing away with the Taft-Hartley Act.

The Democratic administration has now had 8 months to do all this, but has not accomplished anything. They are only prolonging the agony and will probably stay here all year and not do anything constructive. They pass a great deal of poor legislation, sinking us deeper and deeper into the pit of financial destruction.

It seems to me we were mighty foolish in passing this resolution. Personally, I voted against it and I want the people to know that, because I want the Congress to adjourn sine die. Save the country from the New Deal. That is the only way to clean up our work, because the Congress will be spending every day it is in session in squandering and squandering. This is an irresponsible Congress, it is Democratic, just what the President asked for last fall. It is a failure if there ever was one. Why it has given to foreign countries billions for us to pay. It will arm foreign countries in the name of peace. Is it not time for the American people to wake up, ere it is too late? The only way we can save ourselves against ourselves is to wipe out the New Deal, the Fair Deal, and the raw deal the American taxpayer is getting from this administration.

EXTENSION OF REMARKS

Mr. GOODWIN asked and was given permission to extend his remarks in the RECORD in four instances, in three to include editorials and in the fourth a newspaper article.

Mr. AUGUST H. ANDRESEN asked and was given permission to extend his remarks in the RECORD.

Mr. JAVITS asked and was given permission to extend his remarks in the RECORD in two instances.

BRITAIN'S CRISIS

Mr. JAVITS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. JAVITS. Mr. Speaker, the British dollar crisis which will be the subject of conversations between the United States and British Governments beginning September 6 is a production and a governmental crisis as well, and has within it the means for destroying the whole fabric of not only Anglo-American, but Marshall plan and Atlantic Pact cooperation with western Europe as well. The responsibility is as great as that when the European recovery program was under consideration. The Congress as well as the Executive should know what is afoot and should have its facts at hand so that when appealed to for action—as undoubtedly it will be—it need not depend solely upon information from the Executive. The Committee on Foreign Affairs is taking action to see that this is done.

I urge action also on House Resolution 286 which I introduced over a month ago and which calls for the appointment by the Speaker of a select committee on post-European recovery program policy paralleling the work of the Eaton-Herter committee in the Eightieth Congress which prepared the ground for congressional approval of the European recovery program. Congress, too, can make its contribution to a solution of the momentous British crisis and such section will go far toward avoiding the dangerous recriminations now coming from both sides of the Atlantic.

Berating the Labor Government is fruitless; we would not tolerate any interference with our internal political affairs and we can hardly expect that the British will do so, nor would we want them or any other free people to do so. What we have a right to insist on are measures for stimulating British production efficiency and reducing production costs, also measures for British and European currency stabilization and better financial management in Britain. These points are well made in two pertinent editorials from the London Economist which I am inserting in the Appendix.

PHILADELPHIA WAGE-TAX REPEAL

Mr. WOLVERTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks and include an editorial and some newspaper articles in connection with the same subject.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. WOLVERTON. Mr. Speaker, I wish to call to the attention of the House an outrageous situation that now exists in the city of Philadelphia. I refer to the arrest and imprisonment of George Ross, an employee at the Philadelphia Navy Yard, for upward of 10 years by the authorities of the city of Philadelphia. During that time he has been continuously a resident of the State of New Jersey. But, notwithstanding this fact, the city of Philadelphia has placed upon him a wage tax, based upon his earnings as a Federal employee. Because of his refusal to pay the tax on the ground that it is unconstitutional, the authorities of the city of Philadelphia have caused his arrest and he is now an inmate of Moyamensing Prison in the city of Philadelphia, and has been since last Thursday. This honorable citizen, with a wife and three children, is in jail with common criminals because of his resistance to the payment of an unfair, unjust, and unconstitutional tax. This case shows in a dramatic way not only the unfairness and injustice of the tax but also the lengths to which the authorities of the city of Philadelphia will go to collect this unjust and unconstitutional tax. The good repute of this man and the fact that for 10 years, in wartime and peacetime, he has rendered faithful, conscientious service as a Federal employee means nothing to the tax grabbers in the city of Philadelphia.

The arrest and imprisonment of Mr. Ross, a resident of New Jersey, who does not even use the facilities of Philadelphia for himself and other members of his family, who pays taxes in the State of New Jersey, is an illustration of what is faced by 25,000 or more residents of New Jersey who are employed in the city of Philadelphia.

In the name of justice, I call upon the committees of this House to report legislation that I have introduced to correct this situation.

EXTENSION OF REMARKS

Mr. SADLAK asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. HUBER asked and was given permission to extend his remarks in the RECORD.

Mr. GATHINGS asked and was given permission to extend his remarks in the RECORD and include an article.

Mr. DAVIES of New York asked and was given permission to extend his remarks in the RECORD.

Mr. SCUDDER asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. KEATING asked and was given permission to extend his remarks in the RECORD in three instances and include extraneous matter.

Mr. JUDD asked and was given permission to extend his remarks in the RECORD in two instances and include extraneous matter.

Mr. RODINO asked and was given permission to extend his remarks in the RECORD in two instances and include editorials.

Mr. PATTEN (at the request of Mr. RODINO) was given permission to extend his remarks in the RECORD and include newspaper articles.

ECONOMY IN MILITARY ESTABLISHMENT

Mr. MILLER of Nebraska. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. MILLER of Nebraska. Mr. Speaker, I note there are those in the House, who this day condemn the action of the Secretary of Defense, Louis Johnson, when he makes a reduction in the civilian personnel of the Military Establishment.

I want to speak in his defense. In my judgment he is making a wise move in trying to establish some economy in the military branch.

It is my understanding that there are about 900,000 employees now in the civilian branch of the Military Establishment. This is nearly half of the total number of employees in the Federal Government.

I note from the headlines in the paper that the Secretary proposes to cut this employment by 147,000. The Secretary notified Members of Congress by telephone and wire that a meeting would be held this morning in the Pentagon, to discuss this cut in employment of civilians. It is interesting to note that there were several Members of Congress present who violently protested the action by the Secretary. I want to say to my colleagues, and I so notified the Secretary of Defense, Mr. Johnson, that I was behind him 100 percent if he would establish some efficiency and business-like methods of operation in the several branches of the military. It seems to me that this type of employment ought to be cut back to the prewar ration. In my opinion the cut could well have been 400,000 instead of 147,000. This would have brought it into proper relationship with the employment needs in peacetime.

The action taken by the Secretary conforms to the Hoover Commission report and recommendation. It seems to me that we Members of Congress who want economy and efficiency ought to support the Secretary of Defense in this move. I commend him for the action he has taken.

The SPEAKER. The time of the gentleman from Nebraska has expired.

LIQUOR INDUSTRY BROADCASTING

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CRAWFORD. Mr. Speaker, a financially powerful segment of the liquor industry appears stubbornly bent on an advertising spree designed to carry its intoxicating products into the parlors of American homes where children will be entertained midst fantastic stories of alleged "rare" qualities of a certain distiller's products.

This brazen attempt of a distiller to defy the principles of good public relations and common sense is almost inconceivable in the face of recent developments which indicate the citizens of the country by no means had in mind giving the still operators a free pass to do as they please when prohibition was repealed.

Recently the press and trade journals carried stories to the effect that Schenley Distillers, Inc., is studying the possibility of using radio for advertising. Apparently this organization, headed by Lewis S. Rosenstiel, intends to flaunt the established policy of the majority of distillers. By this I mean to say the Distilled Spirits Institute, representing about 70 percent of the distilling industry has taken a positive stand against radio and television advertising of liquor and has otherwise attempted to maintain other high standards for this industry so vulnerable to attack.

The Alcohol Tax Unit of the Bureau of Internal Revenue, whose job it is to enforce the Federal Alcohol Administration Act, has already admitted that its hands are tied with respect to keeping whisky advertisements from mingling with bedtime stories on the radio: And the Federal Communications Commission has only a weak crutch in the form of license renewal, at which time it takes into consideration whether a station has operated in public interest in its community. There is similarly an absence of effective weapons of control for television.

Once the booze barons break the precedent and get onto the air waves to extol alcoholic beverages, they will then inch their way onto the television screens and visibly shove cocktails and highballs toward our teen-age generation in our own homes by means of the projection tubes of television sets.

In an attempt to halt this daring move, I have today introduced a bill to prohibit the use of radio and television in the advertising of distilled spirits, wines or malt beverages.

Based on reports in the press and in trade journals, Schenley's will first attempt to siphon its whisky into radio by means of a subterfuge. One trade publication somewhat aptly described it as a semisubtle advertising gambit. Using Blatz beer as a front in sponsoring the radio show called Duffy's Tavern, these reports say the program will inject three new characters—all having the trade names of Schenley products. They are listed as Sir John Schenley, Mr. I. W. Harper, and James Pepper. Blatz Brewing Co., I am informed, is a Schenley subsidiary.

Thus, these liquor lords seek to hitchhike a ride on beer advertising and condition the public for the next step when they will brazenly come out and openly put John Barleycorn on the air.

The whisky still-tenders will argue that beer—one form of alcoholic beverage—is already on the air, so why discriminate against hard liquor, by keeping it off the air, and that there is little reasoning in permitting a wine of 20 percent alcoholic content to advertise and ban advertising a cocktail which may not contain as much. Under the bill I have introduced, the radio and television advertising of distilled spirits, wines, and malt beverages, are all prohibited.

Whisky makers backing this medium for promoting consumption of intoxicants seem to have permitted their product to go to their head, as evidenced by their present arrogance. It is evident there are one or two men in high positions who have rather Czaristic ambitions. These men can well be watched. I fear they somewhat groggily misinterpret the legislation of the industry and the sale of its product with the repeal of prohibition.

The fact that it is now a lawful industry does not mean it can do as it pleases. In approving repeal the citizens of the country never had in mind that this industry would operate uncontrolled by appropriate restrictions. Schenley's may claim discrimination as a defense. If Schenley's officials are unwise enough to overlook the fact that this discrimination is backed up by public opinion, that will be bad for Schenley. For example, liquor dispensing establishments are properly discriminated against with respect to their location. Except for zoning restrictions, grocers, druggists and others may open a business without much difficulty as to location. However, our citizens have seen fit to provide legal controls governing location of whisky sales places with respect to their proximity to schools and churches. There are other restrictions which the industry might claim are discriminatory.

It is unforunate that the hand of greed in this industry is to be plunged into this field of public service. It is unfortunate, too, that over 200 radio stations, according to figures of Schenley's advertising department, are sufficiently hungry that they are willing to grab the revenue from whisky programs.

Both Schenley's and these 200 or more broadcasting stations appear to be ignoring the considered judgment of the minds of the two industries. As long ago as 1935, the Distilled Spirits Institute adopted a resolution providing that radio should not be used by its members in the advertising of their liquor products. The institute has also endeavored to keep the industry in a favorable position by refraining from using advertisements

in Sunday newspapers, by not featuring women, children, or religious figures in advertising, by not advertising in religious publications and by not advertising in sections of publications printed principally for children. With television becoming popular, the directors of the institute last year adopted a similar resolution with respect to refraining from use of television. A few days ago Howard T. Jones, executive secretary of the institute, said in referring to the proposal of one distiller to use radio:

We definitely are not in accord with this attempt to upset a long-standing precedent.

In the field of radio, the magazine Broadcasting says editorially in its current issue:

Meanwhile, we think radio, by adhering to standards of good taste and good judgment, can forego hard-liquor revenues, and voluntarily draw the line.

I am convinced, however, based on information I have obtained, that good taste and good judgment may not prevail insofar as one distiller is concerned. Since the FCC and the Alcohol Tax Unit are powerless to keep whisky off the air, I am asking early consideration of my bill.

Mr. JONES of Missouri. Mr. Speaker, I was one of several Members of Congress who accepted the invitation of Secretary of Defense Johnson to attend the meeting at the Pentagon this morning when the announcement was made of a proposed reduction of approximately 135,000 from the civilian rolls of the Department of Defense. I wish to commend the courageous action of Secretary Johnson, who in making this announcement stated that this reduction over a period of the next 4 months is because these civilians "are not necessary in the sufficiency of the defense of the United States."

Despite the statements which have been made to the contrary by certain Members in whose districts the reductions are rather substantial, I believe the public will applaud the statement of the Secretary when he said "we want a dollar's defense for each dollar you give us, and I personally will tolerate no WPA in the administration of the Defense Department." Likewise, I believe that Members of Congress who preach economy should applaud this action of the Secretary of Defense. Truly, actions speak louder than words.

If other department heads will follow the example set by Secretary Johnson we can begin to effect the economy and efficiency in Government which a tax-burdened public is demanding.

MILITARY DEFENSE

Mr. HUBER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HUBER. Mr. Speaker, I too was interested in the announcement by the Secretary of Defense, Mr. Johnson, that many lay-offs would occur in defense establishments. I am sure that he has gone into this matter very carefully. If it does cause slight unemployment, that is unfortunate, but I do not believe that any of us feel that our armed forces should be conducting a WPA program. One of my colleagues just mentioned the cost of telegrams that were sent to Members of Congress announcing the proposed lay-offs. While it may be substantial, I do not believe the cost will be nearly as great as the clerical cost would have been to answer the many letters that Members of Congress would have showered upon the Secretary if he had not announced the reductions in advance.

EXTENSION OF REMARKS

Mr. MULTER asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

LEON MOORE

Mr. WALTER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 627) for the relief of Leon Moore.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Attorney General is authorized and directed to cancel forthwith any outstanding warrant of arrest, order of deportation, warrant of deportation, and bond in the case of Leon Moore, and is directed not to issue any further warrants or orders in the case of the alien based upon such alien's membership in the Communist Party prior to the enactment of this act.

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That in the administration of the immigration and naturalization laws, the Attorney General shall not consider as applicable to Leon Moore (a) the provisions of (1) the act relating to certain excludable classes of aliens, approved October 16, 1918, as amended (U. S. C., 1940 ed., title 8, sec. 137), and (2) sections 3 and 19 (a) of the Immigration Act of February 5, 1917, as amended (U. S. C., 1940 ed., title 8, secs. 136 and 155 (a); supp. V, title 8, sec. 155); and (b) the provisions of section 305 of the Nationality Act of 1940 (U. S. C., 1940 ed., title 8, sec. 705)."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DR. LUDOVIT RUHMANN

Mr. WALTER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1565) for the relief of Dr. Ludovit Ruhmann.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That, in the administration of the immigration and naturalization laws, Dr. Ludovit Ruhmann, of Bethesda, Md., shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of his last entry into the United States, upon payment of the required head tax and visa fee.

SEC. 2. The Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the nonpreference category of the first available immigration quota for nationals of Czechoslovakia.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ITZCHAK SHAFER

Mr. WALTER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 5354) for the relief of Itzchak Shafer.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the bill as follows:

Be it enacted, etc., That for the purposes of subsection (a), section 12, of the Immigration Act of 1924, as amended, Itzchak Shafer, of unknown origin, recently domiciled in an orphanage in France, shall be deemed to have been born in France.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANTHONY CHARLES BARTLEY

Mr. WALTER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 6006) for the relief of Anthony Charles Bartley.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the bill as follows:

Be it enacted, etc., That the Attorney General be, and he is hereby, authorized and directed to record the lawful admission for permanent residence of Anthony Charles Bartley as of September 1, 1948, the date of his lawful admission into the United States.

Upon the enactment of this act the Secretary of State shall instruct the proper quota-control officer to deduct one number from the quota for India of the first year that such quota number is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HERMINIA RICART

Mr. WALTER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 6007) for the relief of Herminia Ricart.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the immigration and naturalization laws, Herminia Ricart shall be deemed to have been born in Spain and shall be considered to be the natural born daughter of Professor and Mrs. Domingo Ricart who were admitted to

the United States in October 1947 as nonquota immigrants.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CALL OF THE HOUSE

Mr. RICH. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. PRIEST. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 196]

Angell	Halleck	Poulson
Bailey	Hand	Powell
Bates, Ky.	Harrison	Quinn
Blackney	Hart	Reed, Ill.
Bland	Hays, Ark.	Reed, N. Y.
Bolton, Ohio	Hébert	Regan
Boykin	Heffernan	Ribicoff
Breen	Heller	Richards
Brehm	Hill	Rivers
Brown, Ohio	Hinshaw	Rooney
Bulwinkle	Hoffman, Ill.	Sadowski
Byrne, N. Y.	Hoffman, Mich.	Scott,
Cannon	Jackson, Calif.	Hugh D. Jr.
Chatham	Jenkins	Shafer
Chiperfield	Kee	Sheppard
Chudoff	Kilburn	Simpson, Pa.
Clemente	Lodge	Smith, Kans.
Clevenger	Lyle	Smith, Ohio
Cole, N. Y.	McCormack	Stigler
Combs	McGregor	Stockman
Coudert	McMillen, Ill.	Taylor
Curtis	McSweeney	Thomas, N. J.
Davenport	Macy	Thornberry
Davies, N. Y.	Madden	Tollefson
Davis, Tenn.	Martin, Iowa	Towe
Dingell	Mason	Underwood
Doughton	Morgan	Velde
Doyle	Morton	Vinson
Durham	Moulder	Vursell
Eberharter	Murphy	Walsh
Elston	Murray, Wis.	Welch, Mo.
Engel, Mich.	Norton	Whitaker
Evins	O'Sullivan	Wier
Fellows	Patman	Woodhouse
Fogarty	Pfeifer,	Woodruff
Gilmer	Joseph L.	Zablocki
Gorski, Ill.	Pfeiffer,	
Gorski, N. Y.	William L.	
Hall,	Phillips, Calif.	
Edwin Arthur	Pickett	

The SPEAKER. On this roll call, 316 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

AMENDMENTS OF NATIONAL HOUSING ACT

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 6070) to amend the National Housing Act, as amended, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 6070, with Mr. MANSFIELD in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, the Clerk had read through line 4 of the bill.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that the further reading of the bill be dispensed with, that it be printed in the RECORD at this point, and be open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

TITLE—AMENDMENTS OF NATIONAL HOUSING ACT

SEC. 101. Section 2 of the National Housing Act, as amended, is hereby amended—

(1) by striking out of the first sentence of subsection (a) thereof "September 1, 1949" and inserting in lieu thereof "July 1, 1952";

(2) by striking out the last sentence of subsection (a) and inserting in lieu thereof the following: "The aggregate amount of principal obligations of all loans, advances of credit, and obligations purchased with respect to which insurance may be heretofore or hereafter granted under this section and outstanding at any one time shall not exceed $1,250,000,000.";

(3) by striking out of clause No. (1) in subsection (b) "$4,500" and inserting in lieu thereof "$3,000";

(4) by striking out of clause No. (2) in subsection (b) the words "residential or"; and

(5) by striking out of subsection (f) the word "title" in each place it appears therein and inserting in lieu thereof the word "section".

SEC. 102. Title I of said act, as amended, is hereby amended by adding at the end thereof the following new section:

"INSURANCE OF MORTGAGES

"SEC. 8. (a) To assist in providing adequate housing for families of low and moderate income, particularly in suburban and outlying areas, this section is designed to supplement systems of mortgage insurance under other provisions of the National Housing Act by making feasible the insurance of mortgages covering properties in areas where it is not practicable to obtain conformity with many of the requirements essential to the insurance of mortgages on housing in built-up urban areas. The Commissioner is authorized, upon application by the mortgagee, to insure, as hereinafter provided, any mortgage (as defined in section 201 of this act) offered to him which is eligible for insurance as hereinafter provided, and, upon such terms as the Commissioner may prescribe, to make commitments for the insuring of such mortgages prior to the date of their execution or disbursement thereon: *Provided*, That the aggregate amount of principal obligations of all mortgages insured under this section and outstanding at any one time shall not exceed $500,000,000.

"(b) To be eligible for insurance under this section, a mortgage shall—

"(1) have been made to, and be held by, a mortgagee approved by the Commissioner as responsible and able to service the mortgage properly;

"(2) involve a principal obligation (including such initial service charges, appraisal, inspection, and other fees as the Commissioner shall approve) in an amount not to exceed $4,750, except that the Commissioner may by regulation increase this amount to not to exceed $5,700 in any geographical area where he finds that cost levels so require, and not to exceed 95 percent of the appraised value, as of the date the mortgage is accepted for insurance, of a property, urban, suburban, or rural, upon which there is located a dwelling designed principally for a single-family residence, the construction of which is begun after September 1, 1949, and which is approved for mortgage insurance prior to the beginning of construction: *Provided*, That the mortgagor shall be the owner and occupant of the property at the time of insurance and shall have paid on account of the property at least 5 percent of the appraised value in cash or its equivalent, or shall be the builder constructing the dwelling, in which case the principal obligation shall not exceed $4,250, except that the Commissioner may by regulation increase this amoung to not to exceed $5,100 in any geographical area where he finds that cost levels so require, and shall not exceed 85 percent of the appraised value of the property: *And provided further*, That the Commissioner finds that the project with respect to which the mortgage is executed is an acceptable risk, giving consideration to the need for providing adequate housing for families of low and moderate income particularly in suburban and outlying areas;

"(3) have a maturity satisfactory to the Commissioner but not to exceed 30 years from the date of insurance of the mortgage;

"(4) contain complete amortization provisions satisfactory to the Commissioner requiring periodic payments by the mortgagor not in excess of his reasonable ability to pay as determined by the Commissioner;

"(5) bear interest (exclusive of premium charges for insurance and service charges, if any) at not to exceed 5 percent per annum on the amount of the principal obligation outstanding at any time;

"(6) provide, in a manner satisfactory to the Commissioner, for the application of the mortgagor's periodic payments (exclusive of the amount allocated to interest and to the premium charge which is required for mortgage insurance as hereinafter provided and to the service charge if any) to amortization of the principal of the mortgage; and

"(7) contain such terms and provisions with respect to insurance, repairs, alterations, payment of taxes, service charges, default reserves, delinquency charges, foreclosure proceedings, anticipation of maturity, and other matters as the Commissioner may in his discretion prescribe.

"(c) The Commissioner is authorized to fix a premium charge for the insurance of mortgages under this section, but in the case of any mortgage, such charge shall not be less than an amount equivalent to one-half of 1 percent per annum nor more than an amount equivalent to 1 percent per annum of the amount of the principal obligation of the mortgage outstanding at any time, without taking into account delinquent payments or prepayments. Such premium charges shall be payable by the mortgagee, either in cash or in debentures issued by the Commissioner under this section at par plus accrued interest, in such manner as may be prescribed by the Commissioner: *Provided*, That the Commissioner may require the payment of one or more such premium charges at the time the mortgage is insured, at such discount rate as he may prescribe not in excess of the interest rate specified in the mortgage. If the Commissioner finds, upon the presentation of a mortgage for insurance and the tender of the initial premium charge or charges so required, that the mortgage complies with the provisions of this section, such mortgage may be accepted for insurance by endorsement or otherwise as the Commissioner may prescribe. In the event that the principal obligation of any mortgage accepted for insurance under this section is paid in full prior to the maturity date, the Commissioner is further authorized, in his discretion, to require the payment by the mortgagee of an adjusted premium charge in such amount as the Commissioner determines to be equitable, but not in excess of the aggregate amount of the premium charges that the mortgagee would otherwise have been required to pay if the mortgage had continued to be insured until such maturity date; and in the event that the principal obligation is paid in full as herein set forth, the Commissioner is authorized to refund to the mortgagee for the account of the mortgagor all, or such portion as he shall

determine to be equitable, of the current unearned premium charges theretofore paid.

"(d) The Commissioner may, at any time under such terms and conditions as he may prescribe, consent to the release of the mortgagor from his liability under the mortgage or the credit instrument secured thereby, or consent to the release of parts of the mortgaged property from the lien of the mortgage.

"(e) Any contract of insurance heretofore or hereafter executed by the Commissioner under this section shall be conclusive evidence of the eligibility of the mortgage for insurance, and the validity of any contract of insurance so executed shall be incontestable in the hands of an approved mortgagee from the date of the execution of such contract, except for fraud or misrepresentation on the part of such approved mortgage.

"(f) In any case in which the mortgagee under a mortgage insured under this section shall have foreclosed and taken possession of the mortgaged property in accordance with the regulations of, and within a period to be determined by, the Commissioner, or shall, with the consent of the Commissioner, have otherwise acquired such property from the mortgagor after default, the mortgagee shall be entitled to receive the benefits of the insurance as provided in section 204 (a) of this act with respect to mortgages insured under section 203 (b) (2) (D) of this act.

"(g) Subsections (c), (d), (e), (f), (g), and (h) of section 204 of this act shall be applicable to mortgages insured under this section except that all references therein to the Mutual Mortgage Insurance Fund or the fund shall be construed to refer to the Title I Housing Insurance Fund, and all references therein to section 203 shall be construed to refer to this section: *Provided*, That debentures issued in connection with mortgages insured under this section 8 shall have the same tax exemption as debentures issued in connection with mortgages insured under section 203 of this act.

"(h) There is hereby created a Title I Housing Insurance Fund which shall be used by the Commissioner as a revolving fund for carrying out the provisions of this section, and the Commissioner is hereby directed to transfer immediately to such fund the sum of $5,000,000 from the account in the Treasury of the United States established pursuant to the provisions of section 2 (f) of this title.

"(i) (1) Moneys in the Title I Housing Insurance Fund not needed for the current operations of the Federal Housing Administration under this section shall be deposited with the Treasurer of the United States to the credit of the Title I Housing Insurance Fund, or invested in bonds or other obligations of, or in bonds or other obligations guaranteed as to principal and interest by, the United States. The Commissioner may, with the approval of the Secretary of the Treasury, purchase in the open market debentures issued under the provisions of this section. Such purchases shall be made at a price which will provide an investment yield of not less than the yield obtainable from other investments authorized by this section. Debentures so purchased shall be canceled and not reissued.

"(2) Premium charges, adjusted premium charges, and appraisal and other fees received on account of the insurance of any mortgage accepted for insurance under this section, the receipts derived from the property covered by such mortgage and claims assigned to the Commissioner in connection therewith shall be credited to the Title I Housing Insurance Fund. The principal of, and interest paid and to be paid on debentures issued under this section, cash adjustments, and expenses incurred in the handling, management, renovation, and disposal of properties acquired under this section shall be charged to the Title I Housing Insurance Fund."

SEC. 103. Section 203 (a) of said act, as amended, is hereby amended by striking out of the proviso "$5,300,000,000" and inserting in lieu thereof "$5,500,000,000", and by striking out "$5,500,000,000" and inserting in lieu thereof "$7,000,000,000."

SEC. 104. (a) Section 203 (b) (2) of said act, as amended, is hereby amended to read as follows:

"(2) Involve a principal obligation (including such initial service charges, appraisal, inspection, and other fees as the Commissioner shall approve) in an amount—

"(A) not to exceed $16,000 and not to exceed 80 per centum of the appraised value (as of the date the mortgage is accepted for insurance) of a property upon which there is located a dwelling or dwellings designed principally for residential use for not more than four families in the aggregate, irrespective of whether such dwelling or dwellings have a party wall or are otherwise physically connected with another dwelling or dwellings, or

"((B) Repealed.)

"(C) not to exceed $9,450 and not to exceed the sum of (i) 95 percent of $7,000 of the appraised value (as of the date the mortgage is accepted for issuance) and (ii) 70 percent of such value in excess of $7,000 and not in excess of $11,000, of a property, urban, suburban, or rural, upon which there is located a dwelling designed principally for a single-family residence and which is approved for mortgage insurance prior to the beginning of construction: *Provided*, That with respect to mortgages insured under this paragraph the mortgagor shall be the owner and occupant of the property and shall have paid on account of the property at least 5 percent of the appraised value, or such larger amount as the Commissioner may determine, in cash or its equivalent, or

"(D) not to exceed $6,650, except that the Commissioner may by regulation increase this amount to not to exceed $7,600 in any geographical area where he finds that cost levels so require, and not to exceed 95 percent of the appraised value (as of the date the mortgage is accepted for insurance) of a property, urban, suburban, or rural, upon which there is located a dwelling designed principally for a single-family residence and which is approved for mortgage insurance prior to the beginning of construction: *Provided*, That if the Commissioner finds that it is not feasible, within the aforesaid dollar amount limitation, to construct dwellings containing three or four bedrooms without sacrifice of sound standards of construction, design, and livability, he may increase such dollar amount limitation by not exceeding $950 for each additional bedroom (as defined by the Commissioner) in excess of two contained in such dwelling if he finds that such dwelling meets sound standards of design and livability as a three-bedroom unit or a four-bedroom unit, as the case may be: *Provided further*, That with respect to mortgages insured under this paragraph (D) the mortgagor shall be the owner and occupant of the property and shall have paid on account of the property at least 5 percent of the appraised value in cash or its equivalent, or shall be the builder constructing the dwelling in which case the principal obligation shall not exceed $5,950 for a one-bedroom unit or a two-bedroom unit, $6,800 for a three-bedroom unit, or $7,650 for a unit having four or more bedrooms, except that the Commissioner may by regulation increase each of the maximum dollar amount limitations contained in this proviso by not to exceed $850 in any geographical area where he finds that cost levels so require, and shall not exceed 85 percent of the appraised value of the property: *And provided further*, That the Commissioner may by regulation provide that the maximum dollar amount limitations in this paragraph (D) shall be fixed at lesser amounts where he finds, for any section or locality or for the country as a whole or at any time, that it is feasible, within such lesser dollar amount limitations, to construct dwellings for families of lower income without sacrifice of sound standards of construction, design, and livability."

(b) The repeal of section 203 (b) (2) (B) of said act, as provided by subsection (a) of this section, shall not affect the right of the Commissioner to insure under said section any mortgage (1) for the insurance of which application has been filed prior to the effective date of this act, or (2) with respect to a property covered by a mortgage insured under any section of the National Housing Act, as amended.

SEC. 105. Section 204 (a) of said act, as amended, is hereby amended by inserting in the second proviso in the last sentence after the words "of this act," the following: "or under section 213 of this act,".

SEC. 106. Section 207 (c) of said act, as amended, is hereby amended—

(1) by striking out the second proviso in paragraph No. (2), and inserting in lieu thereof the following: *"And provided further*, That, notwithstanding any of the provisions of this paragraph No. (2), a mortgage with respect to a project to be constructed in a locality or a metropolitan area where, as determined by the Commissioner, there is a need for new dwellings for families of lower income at rentals comparable to the rentals proposed to be charged for the dwellings in such project may involve a principal obligation in an amount not exceeding 90 percent of the amount which the Commissioner estimates will be the value of the project when the proposed improvements are completed, and";

(2) by amending paragraph No. (3) to read as follows:

"(3) not to exceed $8,100 per family unit for such part of such property or project as may be attributable to dwelling use, except that with respect to mortgages insured under the provisions of the second proviso of paragraph No. (2) of this subsection, the mortgage may involve a principal obligation not to exceed $6,300 per family unit for such part of such property or project as may be attributable to dwelling use."; and (3) by striking out of the second sentence the words "date of the insurance" and substituting in lieu thereof the words "beginning of amortization."

SEC. 107. Section 207 (f) of said act, as amended, is hereby amended by striking out "section 210" wherever appearing therein and inserting in lieu thereof "section 210 and section 213."

SEC. 108. Section 207 (q) of said act, as amended, is hereby amended by inserting "and section 213 of this title," after the words "this section," and by inserting the words "and in said section 213" after the words "in said proviso."

SEC. 109. Section 212 (a) of said act, as amended, is hereby amended by deleting the words "or under title VIII, a mortgage" immediately after the words "effective date of this section," and by inserting in lieu of the words deleted the following: "or under section 213 of this title, or under title VII pursuant to any application filed subsequent to October 31, 1949, or under title VIII, a mortgage or investment."

SEC. 110. Title II of said act, as amended, is hereby amended by adding after section 212 of the following new section, reading as follows:

"COOPERATIVE HOUSING INSURANCE

"SEC. 213 (a) In addition to mortgages insured under section 207 of this title, the Commissioner is authorized to insure mortgages as defined in section 207 (a) of this title (including advances on such mortgages during construction), which cover property held by—

"(1) a nonprofit cooperative ownership housing corporation, or a nonprofit cooperative ownership housing trust, the permanent

occupancy of the dwellings of which is restricted to members of such corporation or to beneficiaries of such trust; or

"(2) a nonprofit corporation or nonprofit trust organized for the purpose of construction of homes for members of the corporation or for beneficiaries of the trust;

which corporations or trusts are regulated or restricted for the purposes and in the manner provided in paragraphs No. (1) and (2) of subsection (b) of section 207 of this title.

"(b) To be eligible for insurance under this section a mortgage on any property or project of a corporation or trust of the character described in paragraph No. (1) of subsection (a) of this section shall involve a principal obligation in an amount—

"(1) not to exceed $3,000,000;

"(2) not to exceed $8,100 per family unit for such part of such property or project as may be attributable to dwelling use, except that if the Commissioner finds that the needs of individual members of the corporation or of individual beneficiaries of the trust could more adequately be met by per room limitations, the mortgage may involve a principal obligation in an amount not to exceed $1,800 per room for such part of such project to be occupied by such members or beneficiaries: *Provided*, That the maximum dollar amount prescribed in this paragraph (2) shall be increased by $4.50 per family unit or $1 per room, as the case may be, for each 1 percent of the membership of the corporation (or of all the beneficiaries of the trust) which consists of veterans of World War II; and

"(3) not to exceed 90 percent of the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed improvements are completed, except that such maximum mortgage amount shall be increased by one-twentieth of 1 percent of such estimated cost for each 1 percent of the membership of the corporation (or of all the beneficiaries of the trust) which consists of veterans of World War II: *Provided*, That the maximum mortgage amount shall not be increased as provided in paragraph (2) or paragraph (3) of this subsection unless evidence satisfactory to the Commissioner is furnished to establish that the benefits of such increases will accrue to the members of the corporation, or the beneficiaries of the trust, who are veterans of World War II in the form of reduction of the down payments which the corporation or trust would otherwise require from such veteran members or beneficiaries in order to supply the difference between the amount of the mortgage loan and the estimated replacement cost of the property or project.

"(c) To be eligible for insurance under this section a mortgage on any property or project of a corporation or trust of the character described in paragraph No. (2) of subsection (a) of this section shall involve a principal obligation in an amount not to exceed $3,000,000 and not to exceed the greater of the following amounts:

"(1) A sum computed on the basis of a separate mortgage for each single-family dwelling (irrespective of whether such dwelling has a party wall or is otherwise physically connected with another dwelling or dwellings) comprising the property or project, equal to the total of each of the maximum principal obligations of such mortgages which would meet the requirements of paragraph (A), paragraph (C), or paragraph (D) of section 203 (b) (2) of this act if the mortgagor were the owner and occupant who had made any required payment on account of the property prescribed in such paragraph.

"(2) A sum equal to the maximum amount which does not exceed either of the mortgage limitations prescribed in paragraphs numbered (2) and (3) of subsection (b) of this section.

"(d) Any mortgage insured under this section shall provide for complete amortization by periodic payments within such terms as the Commissioner may prescribe but not to exceed 40 years from the beginning of amortization of the mortgage, and shall bear interest (exclusive of premium charges for insurance) at not to exceed 4 percent per annum on the amount of the principal obligation outstanding at any time. The Commissioner may consent to the release of a part or parts of the mortgaged property from the lien of the mortgage upon such terms and conditions as he may prescribe and the mortgage may provide for such release, and a mortgage on any project of a corporation or trust of the character described in paragraph numbered (2) of subsection (a) of this section may provide that, at any time after the completion of the construction of the project, such mortgage may be replaced, in whole or in part, by individual mortgages covering each individual dwelling in the project in amounts not to exceed the unpaid balance of the blanket mortgage allocable to the individual property. Each such individual mortgage may be insured under this section. Property covered by a mortgage, insured under this section, on a property or project of a corporation or trust of the character described in paragraph numbered (1) of subsection (a) of this section may include such commercial and community facilities as the Commissioner deems adequate to serve the occupants.

"(e) The provisions of subsections (d), (e), (g), (h), (i), (j), (k), (l), (m), (n), and (p) of section 207 of this title shall be applicable to mortgages insured under this section.

"(f) The Commissioner is authorized, with respect to mortgages insured or to be insured under this section, to furnish technical advice and assistance in the organization of corporations or trusts of the character described in subsection (a) of this section and in the planning, development, construction, and operation of their housing projects. In the performance of, and with respect to, the functions, powers, and duties vested in him by this section, the Commissioner, notwithstanding the provisions of any other law, shall appoint an Assistant Commissioner to administer the provisions of this section under the direction and supervision of the Commissioner."

SEC. 111. Section 301 (a) of said act, as amended, is hereby amended—

(1) by striking out of paragraph (1) the words "title VIII of" and inserting in lieu thereof the words "title VIII, or section 8 of title I of";

(2) by striking out of paragraph (1) the words "*Provided, however*," and inserting in lieu thereof the following: "*Provided*, That no deposit or fee required or charged by the Association for the commitment to purchase a mortgage hereunder shall exceed 1 percent of the original principal obligation of such mortgage: *And provided further*,";

(3) by striking out the proviso at the end of paragraph (1) (E) and inserting the following: ": *Provided*, That this clause (2) shall not apply to (nor shall any terms therein include) any mortgage which after September 1, 1949, is (i) guaranteed under section 501 or section 502 of the Servicemen's Readjustment Act of 1944, as amended, and made for the construction or purchase of a family dwelling or dwellings in an original principal amount or amounts which does not exceed $10,000 per dwelling unit, or (ii) insured under section 8, section 203 (b) (2) (D), section 207, section 213, section 608 (including section 608 pursuant to section 610), section 611, or section 803 of this act"; and

(4) by amending paragraph (1) (F) to read: "(F) no loan guaranteed under section 501 or section 502 of the Servicemen's Readjustment Act of 1944, as amended, which is made to finance all or part of the purchase price or construction cost of a dwelling, shall be purchased by the association (except pursuant to a commitment made or issued prior to the effective date of this paragraph) unless the Administrator of Veterans' Affairs certifies that such dwelling conforms with minimum construction requirements prescribed by him, nor unless the mortgagee certifies that no bonus, fee, or other charges, in excess of those expressly authorized by the association, have been or will be charged or received by such mortgagee to or from the builder or the mortgagor in connection with such mortgage.": *Provided*, That this clause (4) shall become effective 90 days after the date of the approval of the Housing Amendments of 1949.

SEC. 112. The first sentence of section 302 of said act, as amended, is hereby amended to read as follows:

"The total amount of investments, loans, purchases, and commitments made by the Association shall not exceed $3,000,000,000 outstanding at any one time."

SEC. 113. Section 305 of said act, as amended, is hereby amended by adding the words "or credit, or otherwise dispose of" immediately after the word "cash".

SEC. 114. Section 4 (c) of the Reconstruction Finance Corporation Act, as amended, is hereby amended by striking out "$2,500,000,000" and inserting in lieu thereof "$4,000,000,000."

SEC. 115. Section 603 (a) of the National Housing Act, as amended, is hereby amended by striking out of the first proviso "$5,750,000,000" and inserting in lieu thereof "$6,150,000,000" and by striking out "$6,150,000,000" and inserting in lieu thereof "$6,650,000,000", and by striking out of the second proviso "August 31, 1949" in each place where it appears therein and inserting in lieu thereof "June 30, 1950."

SEC. 116. Section 608 (g) of said act, as amended, is hereby amended by striking out the words "title II" in each place they appear therein and inserting in lieu thereof "title I or title II."

SEC. 117. Section 610 of said act, as amended, is hereby amended—

(1) by inserting in paragraph (4) of the first sentence, immediately after the words "section 603 (b) (2)", the words "or section 603 (b) (5)"; and

(2) by striking out in the proviso the word "and" after the words "date of insurance" and by striking out the period at the end of the proviso and inserting a comma and the following: "and (4) bear interest (exclusive of premium charges) at not to exceed 5 percent per annum on the amount of the principal obligation outstanding at any time if such mortgage covers property on which there is located a dwelling designed principally for residential use for not more than four families in the aggregate, irrespective of whether such dwelling or dwellings have a party wall or are otherwise physically connected with another dwelling or dwellings, or bear interest at not to exceed 4½ percent per annum on the amount of the principal obligation outstanding at any time if such mortgage covers property upon which there is located a dwelling or dwellings designed principally for residential use for more than four families."

SEC. 118. Section 611 of said act, as amended, is hereby amended—

(1) by striking out in clause (A) of subsection (b) (3) the figure "80" and inserting in lieu thereof the figure "85," and by amending clause (B) of said subsection to read as follows: "not to exceed a sum computed on the individual dwellings comprising the total project as follows: $5,950 or 85 percent of the valuation, whichever is the lower amount, with respect to each single-family dwelling: *Provided*, That if th Commissioner finds that it is not feasible, within the dollar amount limitation in

clause (B) on the principal obligation of the mortgage, to construct dwellings containing three or four bedrooms without sacrifice of sound standards of construction, design, and livability, he may increase such dollar amount limitation by not exceeding $850 for each additional bedroom (as defined by the Commissioner) in excess of two contained in each such dwelling if he finds that such dwelling meets sound standards of design and livability as a three-bedroom unit or a four-bedroom unit, as the case may be, but the amount computed under clause (B) for each such dwelling shall not exceed, in any event, $7,650."

(2) by striking the period at the end of subsection (b) (4) and inserting the following: ", and the mortgage may provide that, upon the completion of the construction of the project, such mortgage may be replaced by individual mortgages covering each individual dwelling in the project. Each such individual mortgage may be insured under this section with the mortgagor being either the builder who constructed the dwellings or the owner and occupant of the dwelling at the time, and where the mortgagor is the owner and occupant, may involve a principal obligation in such amount and have such maturity and interest rate as a mortgage eligible for insurance under section 203 (b) (2) (D) of this act."

SEC. 119. Section 1 of said act, as amended, is hereby amended by striking the period at the end of the fourth sentence thereof and inserting a colon and the following: "*Provided*, That, notwithstanding any other provisions of law except provisions of law hereafter enacted expressly in limitation hereof, all expenses of the Federal Housing Administration in connection with the examination and insurance of loans or investments under any title of this act, all properly capitalized expenditures, and other necessary expenses not attributable to general overhead in accordance with generally accepted accounting principles shall be considered nonadministrative and payable from funds made available by this act, except that, unless made pursuant to specific authorization by the Congress therefor, expenditures made in any fiscal year pursuant to this proviso, other than the payment of insurance claims and other than expenditures (including services on a contract or fee basis, but not including other personal services) in connection with the acquisition, protection, completion, operation, maintenance, improvement, or disposition of real or personal property of the administration acquired under authority of this act, shall not exceed 35 percent of the income received by the Federal Housing Administration from premiums and fees during the preceding fiscal year."

SEC. 120. The National Housing Act, as amended, is hereby amended by inserting a period after the word "Senate" in the first sentence of section 1 and striking out the balance of said first sentence, and by striking out the word "Administrator" wherever it appears in said act, as amended, and substituting in lieu thereof the word "Commissioner."

SEC. 121. The National Housing Act, as amended, is hereby amended by adding the following section under title II thereof after section 214:

"ISSUANCE OF COMMITMENTS

"SEC. 215. The Commissioner is hereby authorized to process applications and issue commitments with respect to insurance of mortgages under section 8 of title I, title II, title VI, or title VIII of this act, even though the permanent mortgage financing may not be insured under this act, and in the event the mortgage is not so insured the Commissioner is authorized to charge an additional application fee determined by him to be reasonable. The Commissioner is authorized to make such rules and regulations as may be necessary to carry out the the provisions of this section."

TITLE II—AMENDMENTS OF SERVICEMEN'S READJUSTMENT ACT OF 1944

SEC. 201. The Servicemen's Readjustment Act of 1944, as amended, is amended—

(a) By striking out "25 years" in the second proviso of section 500 (b) and inserting in lieu thereof "30 years."

(b) By inserting "(a)" after "SEC. 501." and before the word "Any", and by inserting at the end of section 501 the following new subsection:

"(b) Any loan made under this title to a veteran who has not previously availed himself of its benefits, the proceeds of which loan are to be used for purchasing residential property or constructing a dwelling to be occupied as his home may, notwithstanding the provisions of subsection (a) of section 500 of this title relating to the percentage or aggregate amount of loan to be guaranteed, be guaranteed, if otherwise made pursuant to the provisions of this title, in an amount not exceeding 60 percent of the loan: *Provided*, That the amount of any such guaranty shall not exceed $7,500, nor shall the gratuity payable under subsection (c) of section 500 of this title exceed that which is payable on loans guaranteed in accordance with the maxima provided for in subsection (a) of section 500 of this title."

"(c) By inserting "(a)" after "SEC. 502.", and by inserting at the end of section 502 the following new subsection:

"(b) For the purpose of encouraging the construction and improvement of farm housing the Administrator is authorized to guarantee a loan for the construction or improvement of a farmhouse, which loan is secured by a first lien on a portion of the farm suitable in size and location as an independent home site, and to permit payment out of the proceeds of such loan any sum required to obtain the release of such site from existing indebtedness: *Provided*, That the Administrator may, in his discretion, except any loan for the construction or improvement of a farmhouse from the first lien requirement imposed by subsection 500 (b) of this title."

(d) By redesignating section 504 as section 504 (a) and by adding to that section a new subsection (b) reading:

"(b) No loan for the purchase or construction of residential property on which construction is begun subsequent to November 1, 1949, shall be financed through the assistance of the provisions of this title unless the property conforms to minimum construction requirements prescribed by the Administrator."

(e) By striking out all of subsection (a) of section 505 and by redesignating subsection (b) of said section 505 as "SEC. 505.": *Provided*, That this subsection shall become effective 180 days after the date of the approval of the Housing Amendments of 1949.

TITLE III—MISCELLANEOUS PROVISIONS

SEC. 301. (a) Section 4 (a) of the Reconstruction Finance Corporation Act, as amended, is amended by adding at the end thereof the following new paragraph:

"(5) To purchase the obligations of and to make loans to nonprofit educational institutions of higher learning for the construction of housing for their students and faculties, if the housing will be undertaken in such a manner that economy will be promoted in its construction, and if the housing will not be of elaborate or extravagant design or materials. Any such obligation or loan may be in an amount not exceeding the total development cost (including the cost of land acquisition and site improvements) of the housing, and shall bear interest at not to exceed 4 percent per annum. No loan, including renewals or extensions thereof, may be made under this paragraph for periods exceeding 40 years and no obligations maturing more than 40 years from date of purchase by the Corporation may be purchased under this paragraph."

(b) The second sentence of paragraph (1) of section 4 (b) of the Reconstruction Finance Corporation Act, as amended, is amended by striking out "(1), (2), and (3)" and inserting in lieu thereof "(1), (2), (3), and (5)."

SEC. 302. (a) Section 313 of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended, is hereby amended by striking out "January 1, 1950" where such appears therein and inserting in lieu thereof "July 1, 1950."

(b) Section 505 (b) of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended, is hereby amended by striking out the first sentence and inserting in lieu thereof the following: "The filing of a request under this section must be made on or before January 1, 1950, and shall be authorized by the board of trustees or other governing body of the institution making the request."

SEC. 303. Section 10 of the Federal Home Loan Bank Act, as amended, is hereby amended—

(1) by striking out of subsection (a) (1) the words "titles II and VI" and inserting in lieu thereof the words "title I, title II, or title VI"; and

(2) by inserting the following after the word "maturity," in the first sentence of subsection (b): "unless such home mortgage is insured under the National Housing Act, as amended,".

SEC. 304. Section 24 of the Federal Reserve Act, as amended, is hereby amended—

(1) by striking out the second sentence thereof and inserting in lieu thereof the following: "A loan secured by real estate within the meaning of this section shall be in the form of an obligation or obligations secured by a mortgage, trust deed, or other instrument upon real estate, which shall constitute a first lien on real estate in fee simple or, under such rules and regulations as may be prescribed by the Comptroller of the Currency, on a leasehold (1) under a lease for not less than 99 years which is renewable or (2) under a lease having a period of not less than 50 years to run from the date the loan is made or acquired by the national banking association, and any national banking association may purchase any obligation so secured when the entire amount of such obligation is sold to the association."; and

(2) by striking out of the third sentence "titles II and VI" and inserting in lieu thereof the words "title II, title VI, or title VIII, or section 8 of title I."

SEC. 305. The Housing Act of 1948 is hereby amended by inserting before section 103 thereof the following new section:

"SEC. 102a. For the purpose of aiding the distribution, erection, and marketing of prefabricated houses manufactured with financial assistance under section 102 of this act, and to overcome the delays which arise when permanent financing must otherwise be arranged in advance of the distribution, erection, and marketing of such houses, the Reconstruction Finance Corporation is authorized to make loans directly to any business enterprise or financial institution to finance the purchase and erection of such houses or for site improvements or other financing connected therewith, which loans may be made under such terms and conditions and with such maturities as the Corporation may determine: *Provided*, That no financial assistance shall be extended under this section unless it is not otherwise available on reasonable terms: *And provided further*, That

the total amount of loans, including commitments, under this section shall not exceed $75,000,000 outstanding at any one time."

SEC. 306. Insofar as the provisions of any other law are inconsistent with the provisions of this act, the provisions of this act shall be controlling.

SEC. 307. If any provision of this act or the application of such provision to any person or circumstances shall be held invalid, the validity of the remainder of the act, and the applicability of such provision to other persons or circumstances, shall not be affected thereby.

Mr. SPENCE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think the Members of the House are generally familiar with the provisions of this bill. The Committee on Banking and Currency reported the bill H. R. 5987 and instructed the chairman to take such steps as were necessary to bring that bill to the consideration of the House. Pursuant to those instructions we appeared before the Rules Committee. The Rules Committee refused to grant a rule.

Time is of the essence on this bill. We are working against a dead line on the extension of very important legislation that means much to the future of the building industry and to provide homes for our people.

The Rules Committee then finally made a proposition, that if we would strike out the provisions of the bill which provided for direct loans to cooperatives and direct loans by the Veterans' Administration to veterans, they would report a rule on the bill. Under compulsion and under duress, we agreed to this proposition.

The Rules Committee was probably acting within its parliamentary authority because it had the authority to grant or refuse a rule for the consideration of the bill. But it seems to me it was somewhat the disposition of the policeman who, when asked why he hit the prisoner, said it was because he had the authority.

We accepted the proposition in order to obtain a rule. That rule is an open rule. The conscience and the judgment of the members of the Committee on Banking and Currency are not under subjection to the Rules Committee. I think it would be entirely proper, if Members desire to do so, to offer amendments to restore the provisions that were stricken out in order to obtain a rule.

Title I and title II and section 608 of title VI of the Housing Act are important provisions of the law at this time to stimulate our private industry in the building of homes. Two of these provisions, title I and section 608 of title VI, expire on the 1st of next month. Unless some action is taken to continue them, I have no doubt there will be great curtailment in the building industry and a great curtailment in the construction of homes, which is a critical matter at this time.

It is also essential that additional authorization be granted to title II for insurance, because its authorization has almost been exhausted. These are important matters. I hope the House will keep them in view in consideration of this bill.

There is one important matter in the building of homes, as important as the price we pay for them, that is the interest rate. Over a long period of time the borrower pays more interest than he pays upon principal. I think these direct loans would have had the effect of reducing the interest rate, thereby saving great sums of money to the home owner. The usurer has always been held in contempt. Sir Francis Bacon says, "He who taketh usury earns bread in the sweat of another man's brow and ploweth on Sunday." That is true. The interest works around the clock, on holidays and Sundays. It is just as essential to protect those who are attemtpting to secure homes from exhorbitant charges as it is to protect them from exorbitant interest rates.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. SPENCE. Mr. Chairman, we have treated the problem of housing for the people of America, not only from the point of view of their comfort and welfare, but as a matter having a great deal to do with the stability of our very institutions, because a contented and happy people are always good citizens. So I think it is very essential that we should be doing everything we can to speed up the building of homes. In an emergency not long ago the Government assumed the mortgages of all the home owners in order that they might retain their homes. It is just as essential today to see that those who have no homes and want them should acquire homes as it was to see that the people who are about to lose their homes by foreclosure proceedings should be protected and should retain them.

Mr. Chairman, I do not think there is very much controversy about this bill. I hope it can be passed shortly in order that this legislation may be finally acted upon before the immediate adjournment of Congress.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. MONRONEY. Mr. Chairman, I offer an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. MONRONEY: On page 30, immediately following line 2, insert the following new clause (f) as follows:

"(f) By the addition of two new sections reading as follows:

"'SUPPLEMENTAL DIRECT LOANS TO VETERANS

"'SEC. 512. (a) In any case in which a veteran, eligible under section 500 (a) of this title, as amended, has not previously availed himself of his guaranty entitlement and shows to the satisfaction of the Administrator that he is unable to obtain from private lending sources at an interest rate not in excess of 4 percent per annum a loan for which he is qualified under section 501 or section 502 of this title to finance the purchase or construction of a dwelling to be owned and occupied by him as a home or for the construction or improvement of a farm house, and the Administrator has found that in the area in which such dwelling is located or is to be constructed private capital is not available for the financing of the purchase of homes by veterans under this title, the Administrator is authorized and directed to make, or enter into a commitment to make, such veteran a loan for such purpose, which loan shall bear interest at the rate of 4 percent per annum and shall be subject to such requirements or limitations prescribed for loans guaranteed under this title as may be applicable: *Provided*, That—

"'(A) the original principal amount of any such loan shall not exceed $10,000;

"'(B) the guaranty entitlement of the veteran shall be charged with the same amount that would be deducted if the loan had been guaranteed to the maximums permitted under section 500 (a) of this title;

"'(C) the amount of loans made under this section shall not exceed $300,000,000; and

"'(D) the authority to make loans under this section shall expire June 30, 1951.

"'(b) In connection with any loan under this section, the Administrator is authorized to make advances in cash to pay the taxes and assessments on the real estate, to provide for the purpose of making repairs, alterations, and improvements, and to meet the incidental expenses of the transaction, and shall credit to the principal of the loan an amount equal to that which would have been payable under section 500 (c) of this title had the loan been made by a private institution.

"'(c) The Administrator is authorized to sell, and shall offer for sale, to any private lending institution evidencing ability to service loans, any loan made under this section at a price not less than par; that is, the unpaid balance plus accrued interest, and may guarantee any loan thus sold subject to the same conditions, terms, and limitations which would be applicable were the purchaser entitled to an automatic guaranty under section 500 (a) of this title.

"'(d) This section shall take effect 90 days after the date of enactment of the Housing Amendments of 1949.

"'SEC. 513. (a) For the purposes of section 512 of this title, the Secretary of the Treasury is hereby authorized and directed to make available to the Administrator such sums, not in excess of $300,000,000, as the Administrator shall request from time to time except that no sums may be made available after June 30, 1951. After the last day on which the Administrator may make loans under that section, he shall cause to be deposited with the Treasurer of the United States, to the credit of miscellaneous receipts, that part of all sums in the special deposit account referred to in subsection (c) of this section, and all moneys received thereafter, representing unexpended advances or the repayment or recovery of the principal of loans made pursuant to section 512 of this title. Interest collected by the Administrator on loans made under section 512 in excess of the amount payable by him to the Treasurer of the United States under subsection (b) of this section, together with any miscellaneous income or credits, shall constitute a reserve for payment of losses, if any, and expenses incurred in the liquidation of said obligations. The Administrator shall have power to invest such reserves, or any unexpended part thereof, from time to time in obligations of the Government of the United States.

"'(b) On advances by the Secretary of the Treasury under subsection (a) of this section, less those amounts deposited in miscellaneous receipts under subsections (a) and (c) hereof the Administrator shall pay semiannually to the Treasurer of the United States interest at the rate or rates determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the advance.

"'(c) In order to make available the sums payable under subsection (a) of this section

and to effectuate the purposes and functions authorized in section 512 of this title, the Secretary of the Treasury is hereby authorized to use, as a public-debt transaction, the proceeds of the sale of any securities issued under the Second Liberty Bond Act as now in force or as hereafter amended, and the purposes for which securities may be issued under the Second Liberty Bond Act as now in force or as hereafter amended, are hereby extended to include such purposes. Such sums, together with all receipts hereunder, shall be deposited with the Treasurer of the United States, in a special deposit account, and shall be available, respectively, for disbursement for the purposes of section 512 of this title. Except as otherwise provided in subsection (a) of this section, the Administrator shall from time to time cause to be deposited into the Treasury of the United States, to the credit of miscellaneous receipts, such of the funds in said account as in his judgment are not needed for the purposes for which they were provided, including the proceeds of the sale of any loans, and not later than June 30, 1952, he shall cause to be so deposited all sums in said account and all moneys received thereafter in repayment of outstanding obligations, or otherwise, except so much thereof as he may determine to be necessary for purposes of liquidation. Without regard to any other provisions of this title, said Administrator shall have authority to take or cause to be taken such action as in his judgment may be necessary or appropriate for or in connection with the custody, management, protection, and realization or sale of such investments, to determine his necessary expenses and expenditures, and the manner in which the same shall be incurred, allowed, paid, to make such rules, regulations, and orders as he may deem necessary or appropriate for the carrying out of the functions hereby or hereunder authorized and, except as otherwise expressly provided in this title, to employ, utilize, compensate, and delegate any of his functions hereunder to such persons and such corporate or other agencies, including agencies of the United States, as he may designate.'"

Mr. MONRONEY (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent that the remainder of the amendment be considered as read and be printed in the RECORD.

Mr. WOLCOTT. Reserving the right to object, Mr. Speaker, is the language identical with the language which was stricken out of H. R. 5987?

Mr. MONRONEY. It is, with the exception of the deletion of four words which the General Accounting Office asked to have deleted in order to make certain that these loans and other operations would be audited by the General Accounting Office. Striking those four words does make certain that the General Accounting Office will be able to audit them. Otherwise, it is identical with the language which was in the former bill.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. GORE. Mr. Chairman, I ask unanimous consent that the gentleman's time may be extended 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The CHAIRMAN. The gentleman from Oklahoma [Mr. MONRONEY] is recognized for 10 minutes.

Mr. MONRONEY. Mr. Chairman, this amendment is identical, as I explained a moment ago, excepting for four words, with the bill that was reported by a heavy majority of the Committee on Banking and Currency.

Realizing that it was necessary to get this bill to the floor before the House recessed, we were virtually ordered by the Rules Committee to delete this section of the bill.

In order not to delay the passage of what we considered very important legislation, believing that the House would sustain the majority members of the committee in putting this section of the bill back, which the Rules Committee had ordered us to delete, we met after that session with the Rules Committee and deleted this section, and we bring it to you Members now to give you an opportunity to vote for placing it back in the bill in virtually the same condition it was when it was first reported by the Committee on Banking and Currency.

This section of the bill is endorsed not just by the housing committees of the Veterans of Foreign Wars and the American Legion, but it was endorsed by their national conventions, as a means of trying to make available, particularly to the veterans in the small towns and in the rural communities, the advantage of this 4-percent home-loan money that the Congress intended to make available to veterans everywhere.

In the larger centers there is no question whatever about the veterans being able to get their money at 4 percent interest. But in many of the small farming communities, where there are only one or two, or perhaps three, sound financial institutions in existence, many of those institutions, because they do not like to trouble with the red tape of Government procedures, are refusing to make these 4-percent loans to the veterans.

Therefore, while Oklahoma City, Kansas City, St. Louis, and Memphis veterans are able to get their money at 4 percent to buy their own homes, the veterans in the small towns are being denied loans for their homes in communities, most of which need this housing as urgently as it is needed in the big cities.

Mr. BARDEN. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield.

Mr. BARDEN. Do I understand this amendment requires the veteran to make a reasonable effort to place his loan with a private institution?

Mr. MONRONEY. Yes, sir.

Mr. BARDEN. And then if they refuse, it provides a method for them to obtain the loan?

Mr. MONRONEY. Not quite as easy as that. The Veterans' Administration must make a finding of fact that in that area 4 percent money is not available to veterans. It is not individual. It works on the area basis—the high plateau of interest area, where all veterans of that community cannot have access to this 4 percent money.

Mr. BARDEN. But it boils down to the point that if a veteran cannot get it at a private institution, then the Veterans' Administration can find that they are entitled to it?

Mr. MONRONEY. That is exactly right, on an area basis.

Mr. BARDEN. I want to say to the gentleman, as one who comes from a section where small towns are the only type of towns we have, that for a long time we were virtually without the loan provision of the acts we have passed previously. The institution simply would not handle it, and they are very slow to do it now. I congratulate the gentleman on putting that amendment in.

Mr. MONRONEY. I thank the gentleman for supporting this because it aids the veterans in the small communities.

I do not say we are in the business of making direct loans but we are doing it by in direction because in a big city a veteran can apply for a GI loan, a mortgage broker can take that application, he can charge the veteran 1 percent for financing, for handling, and engineering that mortgage.

He can make the GI mortgage and he goes with it to the Federal National Mortgage Association, a subsidiary of the RFC and gets 100 percent of that loan. In the absence of an understanding how to comply with the provisions of the law the veterans of those small communities are not having access to the same thing that the city people are having, and yet the Government is accepting the entire risk in what amounts virtually to a direct loan through the Federal National Mortgage Association today. So we just allow the Veterans' Administration where no private financing is available to do what is now being done virtually by mortgage brokers.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Michigan.

Mr. FORD. In those cases where the Veterans' Administration makes this finding that there is no 4 percent money available will the Veterans' Administration when loans are made follow the same type of procedure as to risk elements of down payments so that it is a substantial loan which the Government makes?

Mr. MONRONEY. The gentleman is absolutely correct. We are merely trying to supplement existing procedure that now operate in these communities under ordinary financing provisions to act in the absence of this service in rural areas.

We are trying to protect the veterans by letting the Veterans' Administration handle it where there are no lenders or mortgage brokers. This is limited because there is $300,000,000 authorized for this type of loan. As a matter of fact over $8,000,000,000 in veterans' mortgages under the GI bill have been written. The Veterans' Administration cannot afford to use this in a prodigal way; they must conserve it for the areas where there is absolutely no private financing facilities available.

Mr. GORE. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Tennessee, a Member who has done so much for the veterans on farms and also in cities and communities.

Mr. GORE. Do I understand from the gentleman's explanation that if the fi-

nancial institutions within a given area should object to the application of his amendment within that area, all they need do to forestall its application would be to cooperate with the GI bill of rights in the extension of 4-percent loans on home construction?

Mr. MONRONEY. The gentleman is a thousand percent correct. Wherever loans are available this does not become operative. We guarantee these financial institutions up to $7,500 on the home mortgage under this bill, or 60 percent of the value of the house. The Government takes the first loss of 60 percent of the value of the house; in other words, if the house should sell for 40 percent of the mortgage that is against it then the lender of that money has complete assurance as to the safety of his investment.

Mr. GORE. Mr. Chairman, will the gentleman yield further?

Mr. MONRONEY. I yield.

Mr. GORE. Then the gentleman's amendment seeks to restrict its application to this part of the GI bill of rights.

Mr. MONRONEY. The gentleman is absolutely correct. We are trying to make it applicable in these cases.

Mr. GORE. One other question: The gentleman also referred to the GI home loans to the Reconstruction Finance Corporation.

Mr. MONRONEY. To the Federal National Mortgage Association, its subsidiary.

Mr. GORE. Are those loans made without recourse?

Mr. MONRONEY. Exactly, without recourse.

Mr. GORE. So, what the gentleman from Oklahoma is proposing is a method of applying almost exactly the same kind of loans which the Government now assumes in areas where 4-percent money is available to those marginal areas in which it is not available.

Mr. MONRONEY. The gentleman is absolutely correct, and our risk will not be one infinitesimal bit increased, because we are taking those loans at 100 percent of their face value that originate through mortgage brokers, and the mortgage broker charges one-half of 1 percent for handling those loans which he has sold to the Federal National Mortgage Association in the RFC. So our risk is not increased a bit; we merely make them available in places where no one has taken the trouble to go into this to find out the regulations or the rules that must be followed in originating these mortgages.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Georgia.

Mr. BROWN of Georgia. The gentleman is seeking by his amendment to treat the veteran like the businessman is treated by the RFC. A businessman gets his loan direct from the RFC if in his locality the lending institutions will not accommodate him. By the gentleman's amendment the veteran can go direct to the Veterans' Administration in localities or in areas where he is not accommodated by the lending institutions of that area?

Mr. MONRONEY. The gentleman is correct.

Mr. ROGERS of Florida. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Florida.

Mr. ROGERS of Florida. Does the gentleman's amendment take care of the small farmer so that the Veterans' Administration can make a loan to him instead of guaranteeing it?

Mr. MONRONEY. It will help considerably in connection with the new provision that is in the bill. Working with the bill as it stands today and with this direct lending provision in areas where financing is not available, it will help the small veteran farmer a very great deal; it will help him to build a house.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. MONRONEY. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. ROGERS of Florida. I would like to know definitely, will the Veterans' Administration have authority to make loans direct to these little farmers?

Mr. MONRONEY. Where private financing at 4 percent is not available for the purpose of home construction.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Kansas.

Mr. HOPE. I happen to come from a district where there have been many complaints that loans were not available. I have carefully investigated these complaints, and I have found that they were based upon fact. They are not available. I know that the same condition must prevail in a good many other parts of the country. I am very happy that the gentleman has offered this amendment, and I hope it will be agreed to.

Mr. MONRONEY. I thank the gentleman. Where these loans are not available, in practically every instance it is in the rural communities, where there is in existence one or two financial institutions that do not like the idea of 4-percent money or Government requirements, therefore they are not going to have anything to do with the red tape of originating these loans, although the next morning they could turn them over to the National Mortgage Insurance Association and get 100 percent of the loans back without recourse and still make one-half of 1 percent on servicing the loan.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. Will these also be available to Indians who live on allotted land?

Mr. MONRONEY. If they are GI's. I am not familiar with all the Indian regulations. If they are restricted Indians I imagine it would have to be approved by the Indian Office. This applies only to GI's.

Mr. CASE of South Dakota. Of course, I assume it does apply to GI's; but the Indian GI s feel they have been discriminated against in the whole GI program because they have not been able to get any loans up to this time. If he has an allotment of land and the Secretary of the Interior were to issue a patent for a home site on there, would he then be eligible?

Mr. MONRONEY. I presume he would be on that basis if there are no private financing facilities available generally at 4 percent in that area.

Mr. CASE of South Dakota. He would not be discriminated against because he is an Indian or that originally his land was in trust?

Mr. MONRONEY. I would not think so, but I am not familiar with all the Indian laws and the restrictions.

Mr. CASE of South Dakota. If the land were released from the trust?

Mr. MONRONEY. If he had free title to the land and there is no private money available to finance that home, he would be eligible.

Mr. SMATHERS. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Florida.

Mr. SMATHERS. First, may I congratulate the gentleman on offering his amendment, but in order to get several points cleared up I would like to ask a question or two. Would this amendment require the Veterans' Administration to see that houses which are built by veterans conform to the same construction standards that the FHA now requires?

Mr. MONRONEY. That is another part of the bill. It is not in my amendment. We have safeguarded the bill to provide that it must conform not only to the FHA requirements but in order to be eligible for sale to the Federal National Mortgage Association there must not be any unusual charges in the way of financing or otherwise.

The CHAIRMAN. The time of the gentleman from Oklahoma has again expired.

Mr. SMATHERS. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for an additional 3 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. SMATHERS. The amendment requires also that this lending of money to the veterans must be economically sound; in other words, the Veterans' Administration will not be throwing away money?

Mr. MONRONEY. It is on the same basis that loans are made now by private lenders except where private lenders are not functioning and 4-percent loans are not available, the Veterans' Administration is authorized to go in there.

The Veterans' Administration is authorized under this amendment also to later sell these mortgages to private investors. So actually we think that when the mortgage market settles a little bit it will be a reservoir in which these veterans who have not been able to get financing may be able to secure such

financing and then as the private market becomes more available they will be sold out to the insurance companies and to others and will continue to pay out and relieve the Government of any responsibility.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Michigan.

Mr. RABAUT. As to this 4-percent financing, where does the money to the Veterans' Administration come from, the RFC?

Mr. MONRONEY. No; it comes from the Treasury.

Mr. RABAUT. Direct from the Treasury to the Veterans' Administration?

Mr. MONRONEY. Yes. They are authorized to get it from the Treasury.

Mr. RABAUT. Then as the Veterans' Administration disposes of this paper to private industry, they return it to the Treasury.

Mr. MONRONEY. The money will be returned to the Treasury, exactly, sir.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Michigan.

Mr. DONDERO. Who will determine what areas may be serviced by banks or financial institutions?

Mr. MONRONEY. The Veterans' Administration is required to make a finding of fact that there is no private money available in those areas at the 4-percent interest rate that we have provided under the GI bill of rights.

Mr. DONDERO. And their decision would be final?

Mr. MONRONEY. Yes; their decision would be final, but anyone who wants to protest that it is available certainly could make GI loans and prove that private money is available. They will not have any difficulty in determining that, because the Veterans' Administration knows how many GI loans are being made in these areas, so you already have the record.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. First, let me congratulate the gentleman on his fine work. The gentleman has no doubt of the passage of his amendment, has he?

Mr. MONRONEY. With the strong support of many Members here in the House who realize the plight of the veterans in small communities who have been denied the advantages of the GI bill of rights through the unwillingness of financial institutions to make these 4-percent loans, although they are completely guaranteed, I feel sure that the amendment will pass.

Mrs. ROGERS of Massachusetts. It has many of the provisions of the Homestead Act.

Mr. MONRONEY. Many, indeed. I remember the splendid service that the gentlewoman rendered when she was chairman of the veterans' committee.

Mrs. ROGERS of Massachusetts. I do hope the House will accept the gentleman's amendment.

Mr. MONRONEY. It is a correction that needs to be be made.

The CHAIRMAN. The time of the gentleman from Oklahoma has again expired.

Mr. MONRONEY. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. CARROLL. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Colorado.

Mr. CARROLL. I also want to compliment the gentleman from Oklahoma for his splendid work. I cannot understand why the Committee on Rules would have forced the exclusion of this section from the bill.

May I say that the point cannot be reemphasized too much that under existing circumstances private enterprise had full opportunity to give this relief. If they have failed—and it does not apply to my district, because I think they are amply protected, but in other parts of the West certainly they need this financial aid. All this amendment does is to expedite and make available to those men funds that should have been provided by other means.

Mr. MONRONEY. The gentleman is exactly right.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Wisconsin.

Mr. KEEFE. I shall support this amendment because I believe that it is in the public interest. But I would like to ask the gentleman to address himself to this practical situation. We must secure legislation to extend title I and the provision of title II and title VI in this bill. Now is there any possibility that by the inclusion of these amendments that are to be offered, when this bill goes to the Senate, some recalcitrant individual over there or group of individuals may take it into their heads to talk this thing to death, and we will find that the 30th of August will pass and we will not have any bill at all?

Mr. MONRONEY. This amendment is identical with the Senate bill, with one minor change.

Mr. KEEFE. It is identical with the Senate bill reported by the committee.

Mr. MONRONEY. Yes.

Mr. KEEFE. It has not been acted upon by the Senate itself, and time being of the essence, someone over there that has the ability to organize a little talkfest could very well kill the whole thing.

Mr. MONRONEY. I will say to the gentleman that I am as much interested in continuing without interruption the FHA titles as he is, and the committee is working on it today.

Mr. KEEFE. The gentleman believes that with the addition of the amendment he has offered no obstacle will be presented to its ultimate adoption before the expiration of titles I, II, and VI of the present law?

Mr. MONRONEY. The adoption of this would expedite rather than hinder the adoption of this legislation.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Kentucky.

Mr. SPENCE. The bill, with the amendment offered by the gentleman from Oklahoma in it, is in closer conformity with the Senate bill than if it were not in the bill. We hope the Senate will accept the bill with this amendment in it. I do not know what action the Senate will take, but the Senate bill is exactly in conformity with the amendment offered by the gentleman from Oklahoma.

Mr. KEEFE. I sincerely hope this bill will be passed, because it is absolutely vital that nothing happen to the provisions of titles I, II, and VI.

Mr. MONRONEY. The gentleman is absolutely correct. I share his concern.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Oklahoma.

Mr. ALBERT. I congratulate my colleague on this amendment. The need for this amendment in my district is acute. The veterans simply have not been able to get these loans through local financial institutions in that area of Oklahoma.

Mr. MONRONEY. I thank the gentleman for his contribution.

Mr. BUCHANAN. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Pennsylvania.

Mr. BUCHANAN. I want to emphasize again that this is a stand-by provision only, and it may aid in prying loose the policy of some of the financial institutions who have heretofore refused to grant this type of loan.

Mr. MONRONEY. No financial institution could object to it, because if they do not wish it to become operative all they need do is cooperate with the GI bill of rights.

Mr. Chairman, I hope the amendment is adopted.

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, we have listened to a great deal of interesting discussion in respect to this amendment. I do not think there is a Member of the House who does not want to do everything he possibly can to make financing for homes more readily available to veterans. This Congress has done just that. We must be very careful that we do not do anything to dry up the sources of credit which are now available to our GI's.

The President, sensing that this amendment constituted a very important departure from the manner in which homes were financed, justifiably or not, took a position against it. Now, when I hear the gentleman from Oklahoma arguing against the position which the President himself has taken, I wonder if perhaps we are not, as is suggested by the gentleman from Wisconsin [Mr. KEEFE], writing something into this bill which will make it so controversial as to make it impossible for the Senate to accept it in time for the continuance of titles I, II, and VI, FHA financing.

On page 29 of the hearings Mr. Foley had this to say in respect to the language which is before us in this amendment:

With respect to title IV—

Title IV of the bill which was before the House Committee on Banking and Currency at that time, H. R. 5631, was almost identical in language with that offered by the gentleman from Oklahoma as an amendment to the bill pending before this committee.

With respect to title IV of the bill, as indicated in our formal report, I have been authorized by the Director of the Bureau of the Budget to advise that the enactment of legislation to authorize direct loans, as provided in section 401 (d) of the bill, would not be in accord with the program of the President.

The Bureau of the Budget has refused to budget this item on the advice of the President, or at least with his approval. The Bureau of the Budget is the right hand of the President in budgetary matters and in matters of this kind, he disapproves this language.

Let us look for a moment at the history of GI 4-percent loans. The law at the present time provides that a GI may get a fully guaranteed mortgage under the GI bill of rights at 4 percent. He is not getting it. He is not getting it under that section of the GI bill of rights for the very reason that the Veterans' Administration up to as recent as this year has made no provision for the inspection of homes and for standards under which these homes would be built. In consequence our veterans have been impelled to commit themselves to pay $9,000 or $10,000 for homes which you and I recognize, and which apparently the banks recognize, as shacks. You see them studded all over the United States.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. WOLCOTT. Mr. Chairman, a good many good homes—solid, substantial, well-built homes have been built under that program, but unfortunately most of the shacks which you see around the country today, which probably will not stand up during the period of amortization, have been built under these same provisions. The reason why the banks, I am told, have not been enthusiastic about making these 4-percent loans is that only 50 percent of the loan is guaranteed, not to exceed $4,000. In many cases the banks and other financial institutions have concluded that the property was not worth the amount of the guaranty. In the second place, a 4-percent loan will not yield as much to a bank as a tax-free municipal bond. To correct that situation in this bill we have provided for insurance by the Veterans' Administration of the total amount of the loan, not to exceed 60 percent of the appraised value of the property, or $7,600. So we have given this additional encouragement to GI's to seek financing under the GI bill of rights and have increased the insurance on the property sufficient to offset the rapid depreciation due to the fact that the premises are not necessarily built in accordance with FHA standards.

To protect the veteran against these shoddy houses, last year we said that this paper would not be eligible for sale to the Federal National Mortgage Association unless it met FHA standards.

FHA standards are applied to all title II and title VI FHA construction and a veteran has assurance that if it is built according to FHA standards, the house is at least going to last during the period of amortization. Without these standards he has no assurance that he is going to get anything but a shack. It is no service to the GI, demagogue as you will about it, to encourage him to pay $9,000 or $10,000 for a shack that you and I recognize is not worth the $4,000 that is guaranteed. So that is why you do not have any more enthusiasm than you have for these GI guaranteed loans.

That can be corrected without putting the Government into the borrowing business. I do not think there is a place in the United States where this amendment would not apply, because I do not know of any bank or insurance company in the United States which, by paying premium charges, carrying charges, inspection charges, and so forth, which bring the amount of yield on this loan down to something below 3 percent, which would not prefer to buy tax-free municipal bonds than to indulge in this kind of financing. That is not the way to open lines of credit to the veteran to build. The veteran today can get a fully insured loan, and it is lamentable that in this bill, and under the sponsorship of the American Legion, if you please, they delete from the GI bill of rights the only certainty that a veteran has that he is going to get a 100-percent guarantee.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. WOLCOTT. I have been active in the American Legion. I have been a department commander of the Veterans of Foreign Wars. As a matter of fact, there are many Members of this Congress today who are fighting the battle of the veteran and have been doing it in what we consider an intelligent and constructive manner, without demagogy, up to the present time. I know my veterans, and you should know them. We talk their language. I know what they want. They want fully guaranteed loans which they cannot get today. In this bill you repeal the provision which authorizes a veteran to get 20 percent of the loan guaranteed fully by the Veterans' Administration at 4 percent, and then you repeal the assurance that he is going to have that coupled with that loan, are FHA inspection guaranties and FHA standards, which is the protection he wants and needs.

If you went into an American Legion Post today, or a Veterans of Foreign Wars Post, and told them that although you made available to them a direct loan but you took away from them the security they have now against shoddy construction of their homes, they would take the assurance that they were going to have a substantial home in place of the one-half of 1 percent or one-eighth of 1 percent interest, spread over a 30 years' period, which means little or nothing to them. Unfortunately there are those in the American Legion, in the housing committee of the American Legion, who would lead the American Legion to the left; and those of us in the American Legion who have got the courage have got to stand up to our original position and prevent the American Legion unconsciously from going further to the left. That is what I propose to do and what you should do if you have the intestinal fortitude to do it here today.

Mr. SPENCE. Mr. Chairman, I would like to see if we can reach an agreement on time.

I ask unanimous consent that all debate on this amendment and all amendments thereto conclude at 2 o'clock.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. BUCHANAN] is recognized.

Mr. BUCHANAN. Mr. Chairman, the distinguished former chairman of the Committee on Banking and Currency in commenting on this amendment referred to former abuses that have been corrected by successive amendments to the original legislation introduced and passed in 1944. I am sure that in the time the GI loan program has been in effect it has proved its feasibility, because over $8,500,000,000 of home loans have been made to veterans.

What is contemplated under this bill is to correct a situation whereby loans will be available to areas wherein financial institutions do not now choose to make those particular types of veterans' loans. As for the discussion about shoddy housing and shoddy construction let me say that these loans, of course, would be extended and would still be under FHA and VA administration. The abuses enumerated that occurred in past years have been largely eliminated so that in the final inspection I am sure that the builders of this Nation are approaching market conditions whereby there are more exacting terms being required by the purchaser than formerly when a more acute housing condition existed in many areas. I want to point out in my appeal to the Members of the House and the committee that General Taylor, director of the national Legion's commission asked that this provision be restored in this bill. I quote from his testimony to the effect that the American Legion considers the proposed direct loan feature to the veterans as the keystone of its entire housing plan. Certainly, General Taylor, one of the members of the American Legion's housing policy, cannot be construed as being to the left in his thinking in regard to veterans' legislation on housing. In this appeal which was in the RECORD yesterday and the provisions of which I shall reincorporate today he makes a strong appeal

that we reinstate and support the amendment offered by the gentleman from Oklahoma.

I am sure that in the program that is to follow in the period of the intervening 12 months ahead that an extended program of building construction can be continued, and especially at a price level that is not out of the reach of the veteran, especially in the low income group. That is the group earning $3,750 and below. We extended the time of amortization from 25 years to 30 years so as to cut down the monthly payments that he would have to make.

We are trying to make it possible for our Nation to become a nation of homeowners and most certainly with the added provision of this amendment incorporated in the bill as originally reported by the committee, we ask that you support the amendment and make this bill fuller, more complete, and a more liberalized version, especially in regard to veterans.

I am sure that if we stand up on this amendment the continued high level of building construction that is now in existence will continue. In the month of June there were 100,000 new starts, in the month of July 96,000 new starts. We want to continue through the remaining months of this year and in the months of next year the continued high level of business and building activity. The only way we can do it is to reach down a little farther to the man in the so-called middle-income brackets, who has as yet been unable to see his way clear to begin the purchase of a new home for himself and his family.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

The Chair recognizes the gentleman from Iowa [Mr. CUNNINGHAM].

Mr. CUNNINGHAM. Mr. Chairman, there is considerable merit in the amendment offered by the gentleman from Oklahoma. There is also some need for it, but the need and the reason for it are not so much because of the interest rate as because the Veterans' Administration is bypassing and violating the laws passed by this Congress in the form of the GI bill of rights.

I happened to be a member of the Veterans' Committee in 1944 when the original law was passed. I was also a member of the conference committee. I was a member in 1945 when it was rewritten and also a member of the conference committee. The chairman of the committee, the gentleman from Mississippi [Mr. RANKIN] at that time delegated to me the task of rewriting title III of the GI bill.

I want to tell you why they are violating the law and what the real trouble is. I have talked to many bankers and many small-town lending institutions and I know the reason is not the interest rate. They are willing to make the loans if it were not for the red tape. I see the gentleman from Louisiana present and I know he will agree with me.

We wrote into that bill a provision that if the lender or the banker made a loan to a veteran not in excess of the appraised value of the property as fixed by an authorized appraiser selected by the Veterans' Administration then the guarantee became automatic. Nothing more was required from the Veterans' Administration.

But what does the Veterans' Administration do? It has sent our circulars and directives to all the bankers telling them that they need something more, that they must have a certificate of approval of a loan before they are protected. I have talked to banker after banker in small communities. I told them, "Here is the law; you do not need that certificate. Your loan is guaranteed. Go ahead and make it." I received the reply, "I know it is, I know that is the wording of the law, but I am scared to make it because they may find some way to get around me and I will not be protected."

That is the reason why the veteran has been discriminated against under the GI bill of rights in the small communities. I may say to the gentleman from Oklahoma and the members of this committee that if the Congress would direct the Veterans' Administration to follow the law as written by the Congress in 1945 the majority of the reasons which make necessary the amendment offered by the gentleman from Oklahoma would not exist. We should compel the Veterans' Administration to follow the law as written by the Congress and the veteran would then be much better off and able to get a great many more loans. That is your real trouble.

However, I will admit that in some localities, Alaska, for instance, and certain Western and Southwestern States, where the legal rate of interest is as high as 8 percent, and the banker can loan all the money he has at that rate of interest, there is not much incentive for him to loan at 4 percent. Yet, the patriotism of these men has convinced me that they would loan to the veteran at 4 percent if the Veterans' Administration did not impose so much red tape on them; red tape that is not called for in the present law, because there is the automatic guarantee the moment the loan is made not to exceed the appraised value as fixed by the authorized appraiser of the Veterans' Administration, and nothing more is required. But the Veterans' Administration has persuaded the bankers and loan agencies that something more is required than is called for in the law, and that has scared them to death, and the veteran suffers as a consequence.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. CUNNINGHAM. I yield to the gentleman from Iowa.

Mr. JENSEN. I am pleased to substantiate what the gentleman has just said. I have talked to many bankers in my district, and I know that the gentleman's statement is right. I also know, as do most Members of Congress that served at the time this bill was written, the original GI bill, that the gentleman from Iowa had more to do with the perfection of that bill and the good parts of that bill than any other Member of Congress, and he knows more about the GI bill, I dare say, than any Member of Congress does this day.

Mr. CUNNINGHAM. I thank the gentleman, but he is entirely too generous.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

The Chair recognizes the gentleman from New York [Mr. MULTER].

Mr. MULTER. Mr. Chairman, sometimes it appears that the rule of liberality of discussion as applicable to amendments leads to confusion rather than to helping us to make up our minds with reference to the amendment. The gentleman from Michigan may or may not be right in what he said about the repeal of section 505 (a) for the combination FHA-VA loans. That is not the issue being presented to you by this amendment offered by the gentleman from Oklahoma [Mr. MONRONEY]. That provision for repealer was in the bill H. R. 5631; it was in the bill as it was voted out by the committee in H. R. 5987; and it is in the bill H. R. 6070 reported by the committee and by the Committee on Rules. There is no amendment pending to strike it out. So we should not be discussing that provision now.

If and when a motion is made, or an amendment offered, to strike it out, we can discuss it, but do not be confused in determining the issue before us by anything that may be said for or against the repealer of section 505 (a) for the combination FHA-VA loans. That is not the issue being presented here.

The sole issue presented to you at the moment by the amendment offered by the gentleman from Oklahoma is whether or not we should put this bill back in the form as it was agreed upon by our committee and give to the veteran the right to go in and get a direct loan if he cannot otherwise get it from any lending institution in his community. I do not care whether it is red tape or violation of regulations or what it may be that is keeping that veteran from getting his loan and buying his home now. This amendment is one way that he can get money with which to buy that house. If the lending institutions will not let him have it, we make provision here so that he can get it. Let us keep that clearly in mind as we consider this amendment. I trust the amendment will prevail and that the veteran will be given this opportunity of buying his home.

Mr. SUTTON. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from Tennessee.

Mr. SUTTON. This provision was in the original bill reported out by the committee, was it not?

Mr. MULTER. Yes; it was.

Mr. SUTTON. And it was taken out by the Committee on Rules.

Mr. MULTER. The provision we are talking about, sought to be replaced by the amendment of the gentleman from Oklahoma, was taken out at the insistence of the Committee on Rules; otherwise we could not get a rule. The Committee on Rules should not try to legislate for us. This provision should go back in. You will put back in the bill a provision overwhelmingly approved by the Committee on Banking and Currency if you approve this amendment.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Chairman, my primary interest in the bill under discussion is centered in those of its provisions which are designed to supply credit to veterans for the purchase or construction of homes of their own. Those provisions, after intensive analysis of their meaning and effect, have been actively sponsored by the American Legion, and are supported by other major veterans' organizations.

During the 1948 legislative session, the Committee on Veterans' Affairs of the House, under my chairmanship, made an extensive inquiry into the problem of housing shelter for World War II veterans. That study convinced the committee that a crucial need was present to solve which Federal action was more than justified. The committee unanimously reported out the Veterans' Homestead Act in May 1948. That bill embodied in substance many of the features contained in the measure under discussion here today. I regret only that it omits the plan for veterans' housing cooperatives which my committee urged so strongly. Had that bill been accorded the acceptance it deserved, today's discussion would have been obviated, and many veterans still denied suitable shelter today would be occupying the homes it would have provided. A year has been lost. Let us not lose still another year. Let us vote for the enactment of this bill inclusive of those features designed to assure the availability of loans to veterans who want to purchase suitable shelter for their wives and babies. Let us here today fulfill the fair promise we held forth to the man who had still to doff his uniform.

The CHAIRMAN. The Chair recognizes the gentleman from Colorado [Mr. CARROLL].

Mr. CARROLL. Mr. Chairman, it seems to me every argument that has been made here, even by the gentleman from Michigan, is in favor of this amendment. This is a very simple amendment. I agree with the gentleman from Iowa [Mr. CUNNINGHAM], who spoke here a little while ago, that since 1946 the Veterans' Administration, which in the beginning was extremely lax, now has tightened up. Even real estate appraisers have written me saying, "I am afraid to sign an appraisal affidavit." Some of the bankers have written me that too many restrictions are placed around the loans. In a sense, it is red tape which interferes with the extension of the loan program. Nevertheless, I think it is intended to protect the veterans from this very "shack" incident of which the gentleman from Michigan has spoken. I think the veterans need that protection.

All we are asking, as I understand the amendment offered by the gentleman from Oklahoma, is an opportunity for these veterans in outlying areas to have the facilities for getting a loan, whether it is regulated by red tape or not.

I should like to ask the gentleman from Oklahoma this question, because the gentleman from Michigan makes what seems to me to be a quite serious charge. He has said that the Veterans' Administration has no program for the extension of loans, that it has no program to protect the veteran. Will they set up standards under this direct loan provision, as FHA does?

Mr. MONRONEY. The hearings were filled with evidence from the Veterans' Administration, which was convincing to me as a member of the Committee on Banking and Currency, that their inspection service and their investigation service are now on a par with FHA. As a matter of fact, about 95 percent of the homes that are being built today are being built under FHA construction insurance. It is carried over into the Veterans' Administration program with FHA. The homes are built on the same standards. When they reach completion, then they may be financed either by the Veterans' Administration route or by the FHA. So any intelligent builder wanting to sell to veterans or nonveterans is going to live up to FHA standards. I believe the service today is as good in the Veterans' Administration as it is under FHA.

Mr. CARROLL. I thank the gentleman for his explanation.

May I say that I am a member of the Veterans of Foreign Wars and the American Legion, and have been for 25 years or more. When the gentleman from Michigan says it is our duty to keep the American Legion from going to the left, I want to say that when I came into the Eightieth Congress leaders of the American Legion were supporting a housing program which did not represent the thinking of the rank and file. The Legion since has changed its position and, instead of going to the left, it has adopted and now is sponsoring a more intelligent housing program. It is my understanding that all veterans' organizations are in favor of the amendment offered by the gentleman from Oklahoma.

Now this one further point. Every one of us here, Republican or Democrat, wants to see the veteran protected when he buys a home. He does not want to have him become involved with some contractor or appraiser where there is collusion, where he obligates himself to pay $7,000, $8,000, or $9,000 and receives only a shack in return.

I think the gentleman from Oklahoma, whom I look upon as an expert in this field, has said that the present standards under the Veterans' Administration are fully as protective as those under FHA. This amendment does not affect my district, because we have ample lending facilities in Denver and in some of the other cities of Colorado. However, I can well understand that there are no lending facilities in other outlying areas of the West and the Southwest. We certainly should help the veterans in those outlying territories. I am hopeful that the amendment will be adopted.

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky [Mr. SPENCE.]

Mr. SPENCE. Mr. Chairman, I had not expected to take any time on this amendment. I believe that when you have been in the House for a long time you can sense the strength or weakness of an amendment. I feel confident this amendment, which was approved by the Committee on Banking and Currency, and was reported by that committee, but stricken out by the Committee on Rules, will be adopted and again become a part of the bill as we reported it.

What does this amendment provide? It only provides that in areas where funds are not available, the Veterans' Administration may make a loan to the veteran. There are many areas, probably, in the United States where funds are not available. Men have a close attachment to the land where they live. They will not leave it in order to purchase a home somewhere else. It seems to me this amendment follows the general principle of the Reconstruction Finance Corporation Act. The Reconstruction Finance Corporation provides direct loans by the Government to business where funds are not otherwise available on reasonable terms. I do not think there is anything socialistic or to the left in helping the plain people of America. We only hear that cry when we want to help some man who has no influence. We have gone further in helping the big interests of America than we have in helping the plain people of America.

It makes no difference what character of help we give to the big interests, you never hear the cry of socialism or going to the left when we do that. Who in the last analysis is the Government of America? It is the people. You have to look out for their interests. You have to treat them fairly if you want our Government to live and her institutions to endure. A disgruntled and dissatisfied people weaken the very fiber of our Government. It is not socialistic and it is not going to the left to help them. I think this is a reasonable amendment for a good purpose. We are trying to help those who helped to preserve our liberties. The gentleman from Michigan says that many of them do not want this character of help. But the man who lives in an area where funds are not available and wants to build a home, I know he desires this character of help. I hope the Congress will give him an opportunity to secure a home, to be a more stable and better citizen because the home is the very pillar of our Republic, and it is upon the home that the destiny of our Government depends.

Mr. LANHAM. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. LANHAM. Mr. Chairman, it is of vital importance to the veterans who are seeking 4 percent home loans under the GI bill that the amendment of the gentleman from Oklahoma [Mr. MONRONEY] be adopted.

During the last congressional vacation or recess, in going over the district which I have the honor to represent, I was distressed to find that in the smaller communities none of the lending agencies would make GI loans. Even in the larger cities of my district I found that the lending institutions were making fewer and fewer of the loans. On a recent visit to the district I was told by the officials of at least two of these large building and loan associations that they could not afford to make loans at 4 percent.

There was no complaint about red tape as was referred to by the gentleman from Iowa [Mr. CUNNINGHAM]. They simply made the statement that they could not make the loans at 4 percent for the long amortization period provided in the GI bill.

If we are sincere, and I am sure all of us are, in our insistence that the veterans be able to get funds to build their homes at 4 percent, we will vote for this amendment. As I have said, it is of the most vital importance that it be adopted.

The CHAIRMAN. All time has expired on the pending amendment.

The question is on the amendment offered by the gentleman from Oklahoma [Mr. MONRONEY].

The question was taken; and on a division (demanded by Mr. WOLCOTT) there were—ayes 83, noes 45.

So the amendment was agreed to.

Mr. BUCHANAN. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. BUCHANAN:

Page 22, line 14, strike out, following the word "charges", the words "in excess of those expressly authorized by the Association."

Page 29, line 20, following the word "Administrator", strike out the quote and period, and add the following: "and provided further that no bonus, fee, or other charges in excess of regularly established fees are charged the veteran mortgagee by the mortgagor or the builder."

Mr. BUCHANAN. Mr. Chairman, I offer this amendment as a clarifying amendment, and because of certain abuses that have been reported wherein, in certain areas, aside from the regulations that exist under section 504 of the Servicemen's Readjustment Act of 1944 under general administrative procedures and policies, the regulations as written, insofar as fees for appraisal of an individual unit or fees for committee appraisals or inspection fees or fees for closing costs, while the Administrator has authority now to write into the regulations this particular language, nevertheless it does not exist in the present law.

By offering this amendment specifying that these shall be a part of the regulations, I believe it will make very clear exactly the purport and intent of the committee and of the Congress in trying to avoid any abuses as far as excess fees are concerned.

There have been many cases of flagrant violations reported in possibly every congressional district in the country, wherein builders have offered homes for sale and have charged fees over and above the normal fees permitted by law.

I am sure that if we write into the regulations the proposed clarifying amendments, it will make it very clear as to just what the intent of the Congress is, and I hope the chairman of the committee can see fit to accept this clarifying amendment.

Mr. SPENCE. Mr. Chairman, I see no objection to the gentleman's amendment.

Mr. BUCHANAN. I thank the gentleman very much.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. BUCHANAN].

The amendment was agreed to.

Mr. SMATHERS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMATHERS: On page 2, line 7, after the semicolon, insert "(3)", and add the following, "by striking out of clause numbered (1) in subsection (b) $2,500 and inserting in lieu thereof $5,000."

Mr. SMATHERS. Mr. Chairman, this is a very simple and uncomplicated amendment. It is entirely in keeping with the purposes of the bill. It is entirely in keeping with the purposes of this section. All it does is change section 2 (a) of the National Housing Act as it now exists which provides that—

The Commissioner is authorized and empowered upon such terms and conditions as he may prescribe to insure banks, trust companies, etc., for the purpose of financing alterations, repairs, improvements upon or in connection with existing structures, and the building of new structures upon urban, suburban, or rural real property including the restoration—

This is the important part—

rehabilitation, rebuilding, and replacement of such improvements which have been damaged or destroyed by earthquake, conflagration, tornado, hurricane, cyclone, flood, or other catastrophe.

The amount that is authorized to the Commissioner under this section for repairs and alterations is now only $2,500. My amendment merely seeks to raise the amount to $5,000 per loan. The figure has remained at $2,500 since it was put into the bill in 1934, and certainly since 1934 the costs of building have gone up almost 100 percent.

Mr. BUCHANAN. Mr. Chairman, will the gentleman yield?

Mr. SMATHERS. I am glad to yield to the gentleman from Pennsylvania.

Mr. BUCHANAN. The gentleman restricts this to tornadoes and earthquakes, and so forth, emergency repairs?

Mr. SMATHERS. It is the same limitation as now exists. The law is changed in no way other than that the amount of the loan is raised.

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. SMATHERS. I yield to the able and distinguished gentleman from Oklahoma.

Mr. MONRONEY. The gentleman is not contending that this could be lent only for repair in case of earthquake?

Mr. SMATHERS. No.

Mr. MONRONEY. I think I should be inclined to agree with the gentleman's position in connection with earthquake and tornado that the loan should go up from $2,500, but I do not think it would be a wise policy in this bill to raise the limit on these title I loans which we are now considering regardless of the condition of the house, to a $5,000 level.

I would be inclined to support the gentleman's amendment if it could be rewritten so it would take care of the thing that needs to be taken care of.

Mr. SMATHERS. The gentleman will have to agree that the provisions of this amendment do not in any way change what was originally written into the act. The figure has been changed, that is all. If in 1934 it was the desire of the Congress and the authors of the National Housing Act to allow people to get sufficient money to alter or repair their homes where they had been damaged by hurricane, tornado, fire, or any other catastrophies; if those purposes existed then, then this merely is a recognition of these same purposes plus the new fact that building costs have gone up since 1934. It does not in any way change the purposes of the section; it changes nothing except to make this section more workable and more practicable. More people will take time and trouble to go out and borrow $5,000 than they would under the $2,500 limit in view of the present red tape and restrictions. This amendment only applies to existing structures, not to new housing. It only applies to repairs and alterations. I hope the committee will accept the amendment.

Mr. Chairman, I yield back the balance of my time.

Mr. SPENCE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this amendment was never presented to the committee. It makes a fundamental change in title I, and I think it would be very unjustifiable to adopt it at this time, because we are endeavoring to pass a bill that the Senate may agree to. I do not know just what effect this would have; I do not know how far it goes; I do not know whether the administration would be in favor of it, and for that reason I hope the amendment will not be agreed to.

Mr. SMATHERS. Mr. Chairman, will the gentleman yield for a question.

Mr. SPENCE. I yield.

Mr. SMATHERS. The gentleman said that the amendment makes a fundamental change. The only change made is to raise the figure from $2,500 to $5,000. Does the gentleman consider that that constitutes a fundamental change?

Mr. SPENCE. It seems to me that a $2,500 raise is fundamental.

Mr. SMATHERS. But the purposes of the section remain exactly the same.

Mr. SPENCE. They may, but it certainly is a matter of sufficient importance to have been submitted to the Committee. It was not submitted to the Committee. It creates another point of contention, a matter of controversy between the Senate and the House. The Senate has reported a bill, and we want to pass a bill to which they can agree. I do not think it would be advisable to adopt the amendment at this time.

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. MONRONEY. Is it not also a fact that these are unsupported loans, character loans? I think it would be a rather careless extension of Government responsibility to raise this type of loan to $5,000. You cannot repossess a new room, you have nothing to sell in a new wall, and you have actually nothing behind this loan except the character of the person who is making the loan.

Let me point out that also in these title I loans we have put in a new section 8 which provides mortgage insurance on new homes.

Mr. SPENCE. The amendment is certainly of sufficient importance to have been submitted to the committee, and it was not submitted for consideration of the committee.

Mr. SMATHERS. I did not submit it to the committee because it was not called to my attention until a few moments ago. In my section of the country we are subject to hurricanes and in California they have earthquakes. They have fires in Texas. When those things happen and they need to get money to repair the damage, $2,500 frequently does not cover it. If the purpose was right in 1934, it seems to me it is proper today.

Mr. SPENCE. We may have a meeting sometime in the future on that.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. SMATHERS].

The amendment was rejected.

Mr. CAVALCANTE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CAVALCANTE:

Page 3, line 23, after the word "regulation" and before the word "increase" insert the following: "and with the approval of the President."

Page 4, line 14, after the word "regulation" and before the word "increase" insert the same amendment.

Page 11, line 17, insert the same amendment.

Page 12, line 2, after the word "finds" and before the word "that" insert the following: "and the President approves."

Page 12, line 23, at the end of said line and before the word "increase" on page 13, line 1, insert the following: "and with the approval of the President."

Page 13, line 7, after the word "regulation" and before the word "provide" insert the same amendment.

Page 17, line 3, at the end of said line and before the word "that" on line 4, insert the following: "and the President approves."

Page 18, line 3, after the word "Commissioner" and before the word "is" insert the following: "and approved by the President."

Page 25, line 1, after the word "finds" and before the word "that" insert the following: "and the President approves."

Mr. CAVALCANTE. Mr. Chairman, these amendments do not in any way alter the fundamental principles of this bill. I am in full accord with the fundamental principles of the bill; however, I do question the wisdom of some of the features of the mechanics by which the law is going to be applied.

If we turn to page 32 of the committee's report on this bill, title VI, war housing insurance, you will find that the existing law is being changed. Under section 603 of War Housing Insurance Act the first proviso read as follows:

That the aggregate amount of principal obligations of all mortgages insured under this title shall not exceed—

And there the figure is changed from $5,750,000,000 to $6,150,000,000—

except that with the approval of the President such aggregate amount may be increased not to exceed—

And there the figure is changed from $6,150,000,000 to $6,650,000,000. In other words, this will allow an increase of $500,000,000 in the aggregate amount of principal obligations. I am not in disagreement with that. As a matter of fact, I am in accord with that provision. However, if you will study carefully the bill, you will find that the increase which the President may approve is made probable by the possible action of the Commissioner in increasing the principal obligation of each unit of insurance.

On page 4, line 13, you will find that the Commissioner may by regulation increase the amount of the principal obligation fixed by Congress in the sum of $850,000.

Then, in other parts of the bill the Commissioner is given permission by regulation to increase the amount to $950. If the $850 in one instance and the $950 in the other is integrated, and there will be 500,000 units of insurance, you will find that that will aggregate an increase of $500,000,000.

I am not in disagreement with the policy of permitting the Commissioner to make this increase. However, you will note that the Commissioner alone may bring about this increase per unit of insurance, without the approval of the President. I think it is very unfair to the President to place upon him the final perfunctory obligation of approving this increase of $500,000,000 and not give him something to say before the Commissioner himself makes the regulation and allows the increase.

I think this amendment does not alter the fundamental principle of this bill, but I do believe that it is consistent with the principle of checks and balances upon which our Government rests.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. CAVALCANTE. I yield to the gentleman from New York.

Mr. TABER. Two weeks ago we were presented with a bill which permitted the President to delegate some of his functions away down the line. Now the gentleman is offering an amendment which will require more responsibility on the part of the President. I am wondering in which direction we are going.

Mr. CAVALCANTE. May I answer the gentleman in this way, that the law itself places the obligation on the President and makes him responsible for an increase of $500,000,000. The President is directly responsible to the people, but the Commissioner is not.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

The question is on the amendment offered by the gentleman from Pennsylvania [Mr. CAVALCANTE].

The amendment was rejected.

Mr. MONRONEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MONRONEY: Page 22, line 20, change the period to a semicolon, insert the word "and" and the following clause:

"(5) by adding the following new paragraph between paragraph 1 and paragraph 2, and redesignating paragraph 2 as paragraph 3.

"(2) To make real-estate loans which are accepted for insurance or insured under section 213 of this act: *Provided*, That no such loan shall be made by the association unless the financial assistance applied for is not otherwise available on reasonable terms."

Mr. MONRONEY. Mr. Chairman, this is the second of two provisions of the original bill reported by the Committee on Banking and Currency that the Committee on Rules ordered us to strike out, and which we struck out in order to get the bill to the floor during this session of Congress.

This works on the veterans' cooperative housing section, which was sponsored by the American Legion, providing for FHA-insured loans on veterans' cooperatives and on cooperatives in which veterans are members along with nonveterans.

We worked very hard and very carefully on this cooperative section, because we felt we did not have enough experience and enough evidence before us to approve the proposed title III section which was in the original bill. So this section is somewhat of a compromise which we felt strengthened it a good deal by providing for 4-percent loans over a 40-year period with a down payment of 5 percent for veterans and 10 percent for nonveterans.

What was sought in title III of the bill was 3-percent money and 60 years' time, and no down payments, with the financing handled by the Housing and Home Finance Agency instead of through the regularly established channels of the FHA through mortgage insurance.

Because this is a new and somewhat experimental proposal we do not have many units built in housing cooperatives under the FHA as it stands today. The insurance liability is virtually the same today as is provided for in this bill.

Private lenders and private originators of mortgages have not had experience enough with the cooperative housing movement to go along on financing these cooperatives.

So we provide in this bill under proper restrictions and regulations that the Federal National Mortgage Association, a subsidiary of the Reconstruction Finance Corporation, may purchase and originate these mortgages on the cooperative housing establishments that are started by veterans and by others who seek to establish them.

In other words, it is somewhat on a par with the amendments we just passed, except that the amendments we just passed deal with individual veterans' homes, and we provide for the direct lending by the Veterans' Administration. These deal with large-scale projects and loans by the FNMA.

Since they are not limited to GI borrowers, but are FHA loans, we believe

that the Federal National Mortgage Association, which now will buy them 100 percent if a private broker originates them, should have the right to originate these loans there, provided financing is not available at those terms through private financing.

Mr. BIEMILLER. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Wisconsin.

Mr. BIEMILLER. There are two features on which I would like clarification. Do I understand correctly that if there is simply one veteran in a cooperative housing association that association would qualify under the terms of the bill?

Mr. MONRONEY. It would. We felt that nonveterans and veterans perhaps will have to join together in order to get enough people interested in a mutual housing or a cooperative housing project. The veteran comes in with a 5 percent down payment and the nonveteran with a 10 percent down payment. They both pay the same interest rate, 4 percent.

Mr. BIEMILLER. The provision is not restricted to the so-called cooperative apartment, it could be a unit of individual homes?

Mr. MONRONEY. A housing development of any type in which there is cooperative ownership.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from New York.

Mr. JAVITS. What is the rate that will be paid, and over what period of time?

Mr. MONRONEY. Four percent, over 40 years. In case private financing is not available, then this becomes operative through the Federal National Mortgage Association. I believe it is a good provision. It commits the Government to no more risk than we would be committed to anyway, because we would buy that mortgage through the Federal National Mortgage Association if it was originated by a private broker. If you want to give this cooperative experiment a chance to work and see what it will do on a sound financing basis, and we think the 4 percent with 40 years is a sound financing basis, then this is the chance to do it.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield.

Mr. YATES. The fact that the gentleman has offered this amendment to this bill does not necessarily mean that such provisions may not be undertaken under the FHA as it presently exists; does it?

Mr. MONRONEY. No. This is only in those cases again where private financing is not available.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. CARROLL. Mr. Chairman, I ask unanimous consent that the gentleman may have one additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. CARROLL. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield.

Mr. CARROLL. Is this the amendment which the gentleman has now offered in the bill which was passed by the majority of the Committee on Banking and Currency?

Mr. MONRONEY. The gentleman is absolutely correct.

Mr. CARROLL. And it was stricken out by the Committee on Rules?

Mr. MONRONEY. This is one of the amendments which was deleted on direct orders of the Committee on Rules. There were only two. You passed one of them. I believe, if for no other reason, the fact that the Committee on Rules is endeavoring, through its power in the closing hours of the present sitting of Congress, to dictate to a coequal standing committee of the Congress what they shall have in their bill is justification enough to give this amendment strong support.

Mr. CARROLL. I am in complete agreement with the gentleman.

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I hold no brief for the Committee on Rules, but I think I do know the reason why the Committee on Rules refused to give a rule on a bill with these provisions in it. We were up against this fact: that title I and title VI, FHA financing, expires on the 31st of this month. If the volume of home construction, including apartment-house construction which is now the bottleneck is to continue beyond next Wednesday, it is absolutely essential that title I and title VI financing be continued beyond August 31. To be realistic about the situation, we are up against this fact. The other body is not going to consider this bill with controversial provisions in it. I have been advised by Members of the other body, and I was so advised before we ever went before the Committee on Rules that a bill without the direct loans in it might be and probably would be acceptable. It was surely acceptable to those who were leading the opposition in the other body. As late as last night I had reassurance because of the importance of the continuance of title VI and title I insurance that if the bill was passed by the House substantially as it was reported out of the Committee on Banking and Currency, there was every reason to believe that it would pass the other body without the necessity of having to send the bill to conference. The House has today passed a resolution under which it will stand in recess starting on next Friday until the 21st of September. That is 21 days after title I and title VI financing expires. I have been assured as recently as an hour ago that if controversial features with respect to direct financing was inserted in this bill, as has been done by the House, if they stay in, the other body will have absolutely no opportunity to pass upon this bill. So you have apparently the alternative presented to the Committee on Rules and now presented to the House, as to whether we will continue title I and title VI financing beyond the 31st of August dead line. If we do, we must send a bill to the other body which is reasonably acceptable to them. Because of the condition of legislation in the other body, and because under their rules any Member may stop that legislation. There are several Members there who are ready to stop this legislation if it provides for direct financing but who would go along with the bill as it was reported out of the Committee on Banking and Currency. We are up against that realistic situation.

The Rules Committee was confronted with that situation. The Committee of the Whole is confronted with that same situation. I know how much we would like to vote for these benefits, but we must be realistic about it. Of course, we must take into consideration that almost every housing bill we have had before us in the last 2 or 3 years has had the question of choosing to continue title I and title VI financing, under which 95 percent of the building of the United States is done. We have to choose here today whether we are going to keep up this building momentum or whether we are going to stop it as of next Wednesday. I appeal to the members of this committee to be realistic in their approach to the situation, and not make it impossible to pass a bill with many good features in it because of our desire to be put on record in favor of one class or another.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. MULTER. Does the gentleman care to represent to this House that the bill in its present form, without the amendment now pending, is acceptable to the other body?

Mr. WOLCOTT. I think I speak for certain Members of the other body who have assured me that the bill would not be acceptable to them if the provisions of the amendment which we have just adopted are contained. So, as far as I am advised, with that provision the bill is not acceptable to the Senate. It has no chance at all.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. WOLCOTT. The bill has little or no chance at all, with that amendment in it, of getting consideration in the Senate before the dead line. So it does not make any difference from now on whether you load the bill up further or not.

Mr. MULTER. If we adopt the pending amendment it would not make it any more objectionable?

Mr. WOLCOTT. It would not make it any more objectionable, nor if you adopted the amendment offered by the gentleman from New York [Mr. JAVITS]. You have got one of the objectionable features in there which will stop consideration of the bill in the other body. That is just being realistic.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. REES. It seems to me, in view of the circumstances, and in view of the

controversy, the wise thing to do would be for this committee to pass a bill that is pending before the committee which I introduced, to extend titles I and VI until January 15, 1951. Then let this other legislation come along and be considered later.

Mr. WOLCOTT. I think the gentleman will have the satisfaction that eventually something is going to be done along that line. Some of us who see some very desirable features in the bill passed out of the Committee on Banking and Currency, had hoped that we could pass that bill and give the home owners and home purchasers the benefit of the liberalization of titles I and VI as contained in that bill. That is why I would advocate it in preference to a simple continuance. The other body probably, under the circumstances, would have to take the attitude that the only thing they could agree upon is a simple continuance of titles I and VI, because there is no opportunity for this bill to go to conference and come back here, even if the Senate did take it up before we adjourned over.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. WOLCOTT] has again expired.

COOPERATIVE HOUSING

Mr. PATMAN. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, this is a very important amendment. I hope it is adopted. The reasons given by our distinguished friend from Michigan [Mr. WOLCOTT] are not good reasons, according to the information that I have.

This bill has already been amended in one way that is considered obnoxious to the Members of the other body, mentioned by the gentleman from Michigan, direct loans to veterans of $300,000,000. If they are not going to accept the bill on account of that one feature, this additional meritorious amendment would not cause them to stop it any more than they would stop it for the other. So one additional amendment will not make any difference. So, let us adopt this amendment. Last year we passed a good housing bill out of the Committee on Banking and Currency, during the Eightieth Congress. We witnessed the defeat of that measure after a majority of our committee voted it out. It was defeated by the all-powerful Committee on Rules. The members of that committee demanded that we go back and strike out certain sections or no rule would be granted—told us that after we had heard the testimony of witnesses for weeks, and months, and years. We knew something about that bill and about those provisions. But the Committee on Rules not having heard any testimony demanded that we strike them out, and we had to strike them out before we could get a rule and pass any kind of bill. That resulted, I think, in one of the major factors contributing to the defeat of the party in power at that time.

Here we are after we get in power witnessing the same thing with our own Rules Committee. After having heard witnesses for weeks, and months, and years, these provisions come before the Rules Committee and they just say, "Cut this out, cut that out, cut the other thing out; otherwise you will not get a rule." That is not the way to legislate and I resent it; I do not like it at all. It is not a personal matter between me and any member of the Committee on Rules. I do not believe in any committee taking upon itself so much power and authority. It is not right; it is wrong. The Committee on Rules should make it possible for legislation to be expedited. It is not their province to pass upon the merits.

As to this cooperative housing provision, it is a good provision. This is an effort to permit veterans to get together, dozens or hundreds of them, and construct their homes at wholesale prices. The reason the construction of homes has been so expensive has been because most of the materials to go into those homes was purchased at retail prices. If you adopt this amendment you will make it possible for veterans to get together and construct their homes on a wholesale price basis, and it will be very helpful; they will save lots of money, and it will be a good thing for the country and the general welfare.

This amendment should receive and I hope it will receive the unanimous endorsement of the members of this committee.

Mr. BIEMILLER. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. BIEMILLER. As a matter of fact is there not a bill pending in the other body that, if anything, is stronger in its provisions for nonprofit and co-op housing associations than the amendment now before us?

Mr. PATMAN. That is right, and the other body has a bill that will be very much like this one if we adopt this amendment; and we will come nearer to getting a bill before August 31 if this amendment is adopted.

Mr. BIEMILLER. I take this opportunity to compliment the gentleman on the fine fight that he has made.

Mr. BUCHANAN. I might say for the benefit of the members of the committee that we need have no fear that the Senate will not consider this matter because they just defeated our concurrent resolution for a recess by a vote of 55 to 23.

Mr. PATMAN. This amendment has the approval of the American Legion. I worked with American Legion officials for weeks and months on a bill of this kind, and introduced a bill for cooperative housing at the request of the American Legion. I think we should support the amendment instead of urging the adoption of a bill that was introduced separately for the American Legion.

I hope this amendment is adopted.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on the bill and all amendments thereto close at 3 o'clock.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mr. HOLIFIELD. Mr. Chairman, I object.

Mr. SPENCE. Mr. Chairman, I move that all debate on the bill and all amendments thereto close at 3 o'clock.

The motion was agreed to.

Mr. CARROLL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise to support everything the gentleman from Texas has said about the amendment offered this body by the gentleman from Oklahoma. There is a very important point to be made here and we must not forget it. Those of us who have been here have been fighting for 3 years on housing legislation.

It is necessary at this time to consider the history of housing legislation. On two occasions, the Senate passed a housing bill, which was blocked each time in this body. Finally, this year we were able to bring a public housing bill to the floor of the House and obtain its passage. This was a great accomplishment, but it does not complete our job in the field of housing.

Everyone realizes that veterans and others in the so-called middle-income group have experienced great difficulty in financing a home at current price levels, or in renting new accommodations at the rent levels now in effect. The great majority of our veterans are in this group. Obviously they are not candidates for the public low-rent housing projects which this Congress has authorized, since their incomes are above the maximum allowed. Nevertheless, they have found it difficult or impossible to buy or rent decent homes.

Now, for the first time, we have an opportunity to write proper provisions in a housing bill so that the veterans and other persons making a moderate income may obtain needed assistance. We already have passed one amendment. I hope we will adopt the Monroney amendment again. I hope we may pass an amendment to be offered by the gentleman from New York [Mr. JAVITS] or someone else incorporating the same provisions.

Mr. Chairman, let us take a look at the legislative situation. A Senate committee already has reported out a housing bill. The Senate has not passed it. That bill is far more comprehensive in its provisions than the bill before us. May I ask the gentleman from Oklahoma if that is not correct?

Mr. MONRONEY. The gentleman is correct.

Mr. CARROLL. Mr. Chairman, this amendment is one of the most important pieces of legislation before this body. Do not be misled by the fact that there will be a few people who will vote against this in the other body. These persons always have fought any comprehensive housing program. But, notwithstanding that, the other body has a spendid record that is better than this body on housing legislation. Our responsibility is to do our duty regarding the bill before us, and then we will see what happens in the other body.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma [Mr. MONRONEY].

The amendment was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JAVITS: Page 30, after line 2 insert the following and renumber the succeeding "title III" "title IV," and the succeeding section numbers, sections 401 through 407, inclusive.

"TITLE III—COOPERATIVE HOUSING

"PURPOSE

"SEC. 301. The purpose of this title is to provide a means whereby housing of sound standards of design, construction, livability, and size for adequate family life, in well-planned, integrated residential neighborhoods, can be produced and made available for families of moderate income, who cannot afford to pay the rents at which comparable dwellings in new privately financed rental housing are currently being made available in their locality, by encouraging and assisting cooperative ownership or other nonprofit housing corporations or trusts organized to provide housing, and by making financial assistance available to such corporations or trusts for housing which is of such design and construction as will promote economies, both in construction and in operation and maintenance, which will be fully reflected in reduced rents. The provisions of this title relating to encouraging and assisting nonprofit cooperative ownership housing corporations or trusts shall be administered in a manner which will encourage and assist the association of persons into such cooperatives who (by reason of their like interests, associations together in other fields, or otherwise) will contribute to the sound integral character and success of such cooperatives, provide necessary leadership therein, involve democratic voting principles, and avoid any speculative use of such cooperatives.

"COOPERATIVE HOUSING ADMINISTRATION

"SEC. 302. There is hereby established in the Housing and Home Finance Agency, under the Administrator thereof, a constituent agency, to be known as the Cooperative Housing Administration, to be headed by a Cooperative Housing Commissioner (hereafter referred to as the "Commissioner") who shall be appointed in the same manner, and shall receive the same salary as other Commissioners in the Housing and Home Finance Agency. The Cooperative Housing Commissioner shall carry out the functions, powers, and duties prescribed by this title, and the powers and authorities conferred upon other commissioners by section 502 of the Housing Act of 1948 are hereby granted to the Commissioner hereunder with respect to his functions under this title.

"LOANS

"SEC. 303. (a) To effectuate the purpose of this title, the Commissioner, upon application by an eligible borrower and subject to the terms and conditions of this title, may make a loan (including advances during the development of the housing project) to such borrower to finance the development cost of a housing project to be undertaken by such borrower.

"(b) Any loan under this section shall not exceed the development cost of the housing project, shall bear interest at such rate (not less than the applicable going Federal rate plus one-half of 1 percent), shall be secured in such manner, and shall be repaid within such period, not exceeding the estimated period of the useful life of the project and not exceeding 50 years in any event (provided that within the first 5 years there shall be repaid of the original principal obligation a sum at least equal to the portion of such obligation which would be repaid under level debt service plus 5 percent of such obligation), as shall be deemed advisable by the Commissioner.

"(c) In anticipation of a loan under this section or mortgage insurance under the National Housing Act, as amended, the Commissioner may make preliminary advances to assist in the formulation of a proposed housing project, at the same interest rate prescribed for a loan under this section: *Provided*, That such advances shall be limited to the amounts required for necessary assistance up to the point where application can be made for such loan or mortgage insurance, and shall in no event exceed an amount equal to 3 percent of the estimated development cost of such project.

"(d) To obtain funds for loans and advances under this title, the Commissioner, on and after July 1, 1949, may, with the approval of the President, issue and have outstanding at any one time notes and obligations for purchase by the Secretary of the Treasury in an amount not to exceed $500,000,000, except that with the approval of the President such aggregate amount may be increased to not to exceed $1,000,000,000.

"(e) Notes or other obligations issued by the Commissioner under this title shall be in such forms and denominations, have such maturities, and be subject to such terms and conditions as may be prescribed by the Commissioner, with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of such notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations of the Commissioner issued under this title and for such purpose is authorized to use as a public-debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such act, as amended, are extended to include any purchases of such notes and other obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All purchases, sales, and redemptions by the Secretary of the Treasury of such notes or other obligations shall be treated as public-debt transactions of the United States.

"REQUIREMENTS FOR HOUSING PROJECTS

"SEC. 304. In making any loan pursuant to section 303 hereof, the Commissioner shall require that—

"(a) the location and physical planning of the housing project will afford reasonable assurance as to the stability of the neighborhood, and that dwellings in the housing project will meet sound standards of design, construction, livability, and size for adequate family life;

"(b) the housing project will not be of elaborate or extravagant design or construction, and that such design and construction, and the proposed methods of construction and of operation and maintenance are such as will promote such economies as may be achieved through the nonprofit character of the borrower; increased efficiency in production through the use of new or improved materials and techniques and methods of construction, or otherwise; increased efficiency and economy in operation and management through improved techniques, minimum necessary operating services, occupant maintenance, or otherwise; and that all such economies that are achieved will be reflected in reduced rents;

"(c) the reduction in operating expenses made possible by the lower rate of interest and longer amortization period with respect to loans pursuant to section 303 hereof will be fully reflected in further reduced rents;

"(d) the estimated rents (on a per room basis) for the dwellings in the housing project (plus an allowance for the reduction in operating expenses made possible by the rate of interest and amortization period with respect to the loan pursuant to section 303 hereof, and an allowance for any reduction in operating expenses made possible by any special concessions not generally available for new privately financed rental housing currently being made available in the locality which, under applicable laws, have been or are to be made available with respect to such housing project or with respect to the borrower) are substantially below the level of rents at which comparable dwellings in new privately financed rental housing are currently being made available in the locality; and

"(e) the housing project will meet a need for housing for families of moderate income in the locality which is not otherwise being met.

"CONDITIONS OF LOAN CONTRACTS

"SEC. 305. The Commissioner shall issue such regulations and retain such rights as will assure that any housing project developed or acquired with the aid of loans pursuant to section 303 hereof, will serve families of moderate income as contemplated by this title and otherwise accomplish the purposes hereof. Every contract for a loan to be made pursuant to section 303 hereof shall provide that—

"(a) the borrower shall establish such maximum income limits for the admission of families to the housing project as will restrict admission to families of moderate income who cannot afford to pay the rents at which comparable dwellings in new privately financed rental housing are currently being made available in their locality, and that such maximum income limits, and all revisions thereof, shall be subject to the prior approval of the Commissioner;

"(b) the borrower shall establish an initial schedule of rents, and shall thereafter maintain a schedule of rents, for the dwellings in the housing project; that such initial schedule of rents, and all revisions thereof, shall be subject to the prior approval of the Commissioner; and that prior to approving the initial or any subsequent rent schedule pursuant to this section, the Commissioner shall find that such schedule affords reasonable assurance that the rents to be established thereunder are the lowest rents which can be achieved after allowance for operating expenses, but not lower than necessary together with all other income to be derived from or in connection with the housing project, to produce reasonably stable revenues sufficient to provide for the payment of the operating expenses;

"(c) after the close of each project fiscal year, the borrower shall apply 75 percent of any net income for such year to advance amortization of the principal of the loan made pursuant to section 303 hereof; and

"(d) the borrower shall comply with such other terms and conditions as the Commissioner finds, prior to the execution of the loan contract, are necessary or desirable to carry out the purposes of this title.

"ADMINISTRATIVE PROVISIONS

"SEC. 306. (a) In the performance of, and with respect to, the functions, powers, and duties vested in him by this title, the Commissioner, notwithstanding the provisions of any other law, shall—

"(1) prepare annually and submit a budget program as provided for wholly owned Government corporations by the Government Corporation Control Act, as amended;

"(2) maintain an integral set of accounts which shall be audited annually by the General Accounting Office in accordance with the principles and procedures applicable to commercial transactions as provided by the Government Corporation Control Act, as amended, and no other audit shall be required: *Provided*, That such financial transactions of the Commissioner, as the making of loans and preliminary advances hereunder, and vouchers approved by the Commissioner in connection with such financial transactions

shall be final and conclusive upon all officers of the Government; and

"(3) make an annual report to the President, for transmission to the Congress, to be submitted as soon as practicable following the close of the year for which such report is made.

"(b) Funds made available to the Commissioner pursuant to the provisions of this title shall be deposited in a checking account or accounts with the Treasurer of the United States. Principal repayments on loans made hereunder shall be applied to the retirement of notes or other obligations issued by the Commissioner pursuant to section 303 hereof, and other receipts and assets obtained or held by the Commissioner in connection with the performance of his functions under this title shall be available for any of the purposes of this title (except for loans and advances hereunder), and all funds available for carrying out the functions of the Commissioner under this title shall be available in such amounts as may from year to year be authorized by the Congress for the administrative expenses of the Commissioner in carrying out such functions. There are hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, such sums as may be necessary for administrative expenses in carrying out the purposes of this title, and such sums as may be necessary to meet payments on notes or other obligations issued by the Commissioner pursuant to section 303 hereof.

"GENERAL POWERS AND PROVISIONS

"SEC. 307. (a) In the performance of, and with respect to, the functions, powers, and duties vested in him by this title, the Commissioner, notwithstanding the provisions of any other law, may—

"(1) sue and be sued;

"(2) foreclose on any property or commence any action to protect or enforce any right conferred upon him by any law, contract, or other agreement, and bid for and purchase at any foreclosure or any other sale any project or part thereof in connection with which he has made a loan pursuant to this title;

"(3) notwithstanding any other provisions of law relating to the acquisition, handling, or disposal of real and other property by the United States, the Commissioner shall have power to pay all expenses or charges in connection with, and to deal with, complete, reconstruct, rent, renovate, modernize, insure, manage, make contracts for the management of, or establish suitable agencies for the management of, or sell for cash or credit or lease in his discretion, in whole or in part, any project acquired pursuant to this title, and to pursue to final collection by way of compromise or otherwise all claims acquired by, or assigned or transferred to, him in connection with the acquisition or disposal of any housing project pursuant to this title: *Provided*, That any such acquisition of real property shall not deprive the State or any political subdivision thereof of its civil or criminal jurisdiction in and over such property or impair the civil rights under State or local laws of the inhabitants on such property;

"(4) enter into agreements, with respect to any real property acquired and held under this title which had been subject to taxes immediately prior to its acquisition by the Commissioner, to pay annual sums in lieu of taxes to the State or local taxing authority, and such sums shall approximate the taxes which would be paid upon such property to the State or local taxing authority, as the case may be, if such property were not exempt from taxation;

"(5) sell or exchange at public or private sale, or lease, real or personal property, and sell or exchange any securities or obligations, upon such terms as he may fix;

"(6) obtain insurance against loss in connection with property and other assets held;

"(7) subject to the specific limitations in this title, consent to the modification, with respect to rate of interest, time of payment of any installment of principal or interest, security, or any other term, of any contract or agreement to which he is a party or which has been transferred to him pursuant to this title;

"(8) include in any contract or instrument made pursuant to this title such other covenants, conditions, or provisions as he may deem necessary to assure that the purposes of this title will be achieved; and

"(9) make such rules and regulations as he deems necessary or desirable to carry out the purposes of this title.

"(b) Section 3709, as amended, of the Revised Statutes shall not apply to any contract for hazard insurance, or to any purchase or contract for services or supplies on account of any property acquired pursuant to this title if the amount of such purchase or contract does not exceed $1,000.

"(c) To assist in achieving the purposes of this title, the Commissioner is authorized and directed to furnish technical advice and assistance in the organization of nonprofit cooperative ownership housing corporations or trusts of the character described in section 310 (a) hereof, and in the planning, initiation, development, construction, acquisition, and operation and management of their housing projects. In any case where a nonprofit cooperative ownership housing corporation or trust which has been assisted by the Commissioner in its organization pursuant to this subsection desires to make application to the Federal Housing Commissioner for mortgage insurance under the National Housing Act, the Commissioner shall advise the Federal Housing Commissioner as to whether, in his opinion, the organization of such cooperative is in accord with the policies declared in the second sentence of section 301 hereof, and shall furnish such other available information concerning such cooperative as may be requested by the Federal Housing Commissioner.

"(d) In the administration of this title, the Commissioner shall take such steps as he deems necessary and desirable to assure that the benefits of the nonprofit character of any borrower hereunder are not dissipated through speculative devices, and shall require that, under such terms and conditions as he shall prescribe, major contracts in connection with the development of the housing project shall be fixed-price contracts, and shall be awarded after public advertisement or other adequate publicity.

"(e) Any person who induces or influences a borrower hereunder to purchase or acquire property or to enter into any contract, in connection with any housing project to be financed with a loan made under this title, and willfully fails to disclose any interest, legal or equitable, which he has in such property or such contract, or any special benefit which he expects to receive as a result of such contract, shall be fined not more than $5,000 or imprisoned for not more than 1 year, or both.

"PROTECTION OF LABOR STANDARDS

"SEC. 308. In order to protect labor standards—

"(a) any contract for financial aid pursuant to section 303 hereof shall contain a provision requiring that not less than the salaries prevailing in the locality, as determined or adopted (subsequent to a determination under applicable State or local law) by the Commissioner, shall be paid to all architects, technical engineers, draftsmen, and technicians, employed in the development, and to all maintenance laborers and mechanics employed in the administration, of the housing project involved, and shall also contain a provision that not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act (49 Stat. 1011), shall be paid to all laborers and mechanics employed in the development of the housing project involved; and the Commissioner shall require certification as to compliance with the provisions of this subsection prior to making any payment under such contract;

"(b) the provisions of title 18, United States Code, section 874, and of title 40, United States Code, section 276c, shall apply to any housing project financed in whole or in part with funds made available pursuant to section 303 hereof;

"(c) any contractor engaged on any housing project financed in whole or in part with funds made available pursuant to section 303 hereof shall report monthly to the Secretary of Labor, and shall cause all subcontractors to report in like manner, within 5 days after the close of each month and on forms to be furnished by the United States Department of Labor, as to the number of persons on their respective pay rolls on the particular housing project, the aggregate amount of such pay rolls, the total man-hours worked, and itemized expenditures for materials. Any such contractor shall furnish to the Department of Labor the names and addresses of all subcontractors on the work at the earliest date practicable.

"VETERANS' PREFERENCE

"SEC. 309. Every contract made pursuant to section 303 hereof for a loan for a housing project shall require that in the selection of tenants for, or members entitled to occupy, dwellings in such housing project preference shall be given, as among eligible applicants for occupancy of dwellings of given sizes and at specified rents, to families of veterans and servicemen (including families of deceased veterans and servicemen), and that as among applicants entitled to the preference provided in this section, first preference shall be given to families of disabled veterans whose disability has been determined by the Veterans' Administration to be service connected, and second preference shall be given to families of deceased veterans and servicemen whose death has been determined by the Veterans' Administration to be service connected: *Provided*, That nothing in this title or in any other act shall preclude a nonprofit cooperative ownership housing corporation or trust, the permanent occupancy of the dwellings of which is restricted to the members of such corporation or the beneficiaries of such trust, from accepting, without regard to the preference provided in this section, nonveteran members of such corporation or nonveteran beneficiaries of such trust as occupants of dwellings in the housing project. For the purposes of this section the term "veteran" shall mean a person who has served in the active military or naval service of the United States at any time on or after September 16, 1940, and prior to July 26, 1947, and who shall have been discharged or released therefrom under conditions other than dishonorable. The term "serviceman" shall mean a person in the active military or naval service of the United States who has served therein on or after September 16, 1940, and prior to July 26, 1947.

"DEFINITIONS

"SEC. 310. The following terms shall have the meanings, respectively, ascribed to them below, and, unless the context clearly indicates otherwise, shall include the plural as well as the singular number:

"(a) 'Eligible borrower' or 'borrower' shall mean (1) any private nonprofit cooperative ownership housing corporation or private nonprofit cooperative ownership housing trust the permanent occupany of the dwellings of which is restricted to the members

of such corporation or the beneficiaries of such trust, or (2) any private nonprofit corporation or private nonprofit trust authorized to provide dwellings (i) the occupancy of which is to be permitted in consideration of agreed charges, or (ii) for sale to a corporation or trust of the character described in claus (1) of this subsection.

"(b) 'Housing project' shall mean a project (including all property, real and personal, contracts, rights, and choses in action acquired, owned, or held by a borrower in connection therewith) of a borrower designed and used primarily for the purpose of providing dwellings: *Provided*, That nothing in this title shall be construed as prohibiting the inclusion in a housing project of such stores, offices, or other commercial facilities, recreational or community facilities, or other nondwelling facilities as the Commissioner shall determine to be necessary or desirable appurtenances to such housing project.

"(c) 'Development cost' shall mean (1) the amount of the reasonable costs, as approved by the Commissioner, incurred by the borrower in, and necessary for, carrying out all works and undertakings for the development of a housing project and shall include the cost of all necessary surveys, plans and specifications, architectural, engineering, or other special services, land acquisition, site preparation, construction, and equipment; administrative expenses and carrying charges (including interest) incurred during the development of the housing project up to and including the occupancy date; initial working capital for the administration of the housing project; necessary expenses (including any initial operating deficit, as defined by the Commissioner) in connection with the initial occupancy of the housing project; and the cost of such other items as the Commissioner shall determine to be necessary for the development and financing of the housing project, or (2) the cost, as approved by the Commissioner, incurred by the borrower in, and necessary for, the acquisition of a housing project developed with a loan made pursuant to section 303 hereof.

"(d) 'Gross income' for any operating year shall mean the total rents and revenues and other income derived from, or in connection with, the housing project during such operating year.

"(e) 'Operating expenses' for any operating year shall mean the amounts, as approved by the Commissioner, necessary to meet the reasonable and proper costs of, and to provide for, operating and maintaining the housing project, and to establish and maintain reasonable and proper reserves for repairs, maintenance and replacements, and other necessary reserves (including any required for sound operations on a cooperative basis) and shall include amortization and interest payments on the loan made hereunder, necessary expenses for real-estate taxes, special assessments, administrative expenses, and insurance charges, together with such other expenses as the Commisioner shall determine to be necessary for the proper operation and maintenance of the housing project.

"(f) 'Net income' for any operating year shall mean gross income remaining after the payment of operating expenses.

"(g) 'State' includes the several States, the District of Columbia, and the Territories, dependencies, and possessions of the United States.

"(h) 'Rent' shall mean the monthly charges, to the members, in the case of a borrower of the character described in clause (1) of section 310 (a) hereof, or to the tenants, in the case of a borrower of the character described in clause (2) of section 310 (a) hereof, in consideration of which occupancy of a dwelling in a housing project is permitted by the borrower.

"(i) 'Going Federal rate' means the annual rate of interest (or, if there shall be two or more such rates of interest, the highest thereof) specified in the most recently issued bonds of the Federal Government having a maturity of 10 years or more, determined at the date the contract for advance of funds or for loan is made. Any contract for loan made may be revised or superseded by a later contract, so that the going Federal rate, on the basis of which the interest rate on the loan is fixed, shall mean the going Federal rate, as herein defined, on the date that such contract is revised or superseded by such later contract."

Mr. FORD. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD, and I further ask unanimous consent that the time allotted to me be yielded to the gentleman from New York [Mr. JAVITS].

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. FORD. Mr. Chairman, I rise in support of the committee bill, H. R. 6070. It is good legislation and should be approved without unsound amendments which in the long run may lead to chaos both in the loaning and credit field and in the home construction industry.

During the general debate on this bill I have heard much about the need for housing assistance for those who are in middle or moderate income groups. The testimony before the House Committee on Banking and Currency is enlightening as to what group and what incomes are included within that category. The statement of Mr. Jack Carter, national housing officer of the VFW, pages 183 and 184 of the printed hearings, gives interesting facts. First he states that the middle-income group has an average annual income ranging between $2,449 and $2,845. Next, Mr. Carter states that this group can afford homes costing between $6,122.50 and $7,112.50. He further states that it is difficult to find a suitable two-bedroom home for $10,000, especially in the North where sturdier construction is required. The income figures presented to the committee by Mr. Carter correspond more or less to those cited by Mr. Harry C. Bates, chairman, housing committee, A. F. of L.

With those statements in mind I contend that the committee bill will provide housing for the middle or moderate income group without resorting to credit innovations. The housing bill approved August 10, 1948, made a start in the right direction by approving section 203 (b) (2) (D). The proposed changes in this section, as suggested by H. R. 6070, are sound and will aid prospective home owners and home builders.

I deny that there is a need for drastic changes or innovations in our credit facilities in order to meet the needs cited by Mr. Carter, Mr. Bates, and others. Mr. Carter stated that middle-income citizens cannot find suitable two-bedroom homes for $10,000 in the northern part of the United States. That statement is not accurate at least as it applied to the situation in Grand Rapids, Mich., which is a city of over 180,000 inhabitants and all of us know that Michigan is susceptible to the most rugged weather.

In late 1948 several progressive home builders in Grand Rapids, with the excellent cooperation of loaning institutions and the FHA, started to take advantage of section 203 (b) (2) (D). The homes cost $6,500 with all mortgage and closing costs included. The mortgages run from 25 to 30 years and the monthly payments, including taxes and insurance, are $40.88. Here are some further facts on one of these projects: The lots are 72 by 144, the home has a 20-inch steel furnace and an automatic gas water heater, a full basement, plastered walls with hardwood floors. The houses are of good frame construction, 32 by 24 feet in size. Each house has two bedrooms, a bath, a living room, kitchen, and dinette.

I am glad to report that this particular project and several others are moving ahead rapidly with the full cooperation of the loaning institutions and the FHA. One contractor alone will complete over 100 such homes by the end of 1949.

In closing let me emphasize that the type of homes being constructed in Grand Rapids are exactly the kind desired by Mr. Carter and Mr. Bates and they are being built to sell within the reach of middle-income citizens in the United States. If such homes can be constructed in Grand Rapids under sound FHA financing, similar homes can be built anywhere in the United States. Let us give this program an opportunity to work under the proposed changes in the committee bill. Let us not go off on a tangent until we are convinced that other means and methods must be adopted.

Mr. GAMBLE. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from New York.

Mr. GAMBLE. The gentleman's amendment is title III, cooperative housing, page 57 in H. R. 5631, is it not?

Mr. JAVITS. This title is from S. 2246, the bill reported out by the Banking and Currency Committee of the other body. My amendment provides up to $1,000,000,000 for direct loans for moderate-income families who organize themselves in housing cooperatives, who cannot get housing any other way within their price range. The money would be available for such projects at 3 percent interest for 50 years, a long term for amortization, and a low interest rate. This only gives the moderate-income families of America, 15,500,000 of them, representing the group earning between two and four thousand dollars a year, who have been practically overlooked in all previous housing legislation, the beginning of an opportunity to acquire a home at a price they can afford to pay. We have looked after the low-income groups by publicly assisted low-rent housing. The high-income groups are looking out for themselves, and we are looking after the veterans as we should with great solicitude—and, incidentally, full veterans' preference is preserved in my amendment—but the great rank and file of Americans is still suffering from the drastic housing shortage, and no one has come up with any idea to help them out of the difficulty they are in except this idea for direct loans. Incidentally, the group of 10 Republican Members who put in a compre-

hensive housing in January of this year pioneered this idea in legislation.

As has been said, the Government is not afraid to make direct loans to farmers; the Government is not afraid to make direct loans for rural telephones, incidentally, at 2 percent interest, and it is not afraid to make direct loans to business people through the RFC. But, when you come up against the urgent housing needs of the moderate-income families, who cannot get housing any other way—and that situation is likely to continue on for some years in view of the high construction costs, which continue—the cry goes up and the objection is made that it is socialism.

A democracy which cannot help itself in an emergency is a democracy which is weak to the core. We can help ourselves. We have demonstrated that as to farmers and business and rural telephones and a great many other things. This is an effort to show us how we can help ourselves in respect to the urgent housing needs of the moderate-income families. It is a start of a program with a formula to reduce rentals for apartments they can occupy from the $85 to $90 per month under title VI of FHA for a normal four-room apartment to $55 to $60 per month.

Mr. CARROLL. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from Colorado.

Mr. CARROLL. Is the gentleman's amendment contained in the Senate bill which was reported out by that committee?

Mr. JAVITS. Exactly. It was reported out by the Committee on Banking and Currency of the other body, and it is now before the other body.

I should like to pay my respects to this idea that the other body will bog us down. It used to be the case in the other body that they said, "The House will bog us down" on housing until we passed the housing bill of 1949. They were good, and the House was bad on housing then. Now all of a sudden the other body is said to be against housing because it suits the purpose of those who are against this amendment to say so. I do not believe that the record supports that argument or that we should be persuaded by it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The question was taken; and on a division (demanded by Mr. JAVITS) there were—ayes 25, noes 53.

So the amendment was rejected.

Mr. HOLIFIELD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOLIFIELD: On page 33, following line 20, insert the following section:

"SEC. 306. It is the intent of Congress that no sale of a dwelling on which a mortgage is insured under the National Housing Act, as amended, shall be financed, while such mortgage is so insured, at an interest rate higher than that prescribed by the Federal Housing Commissioner. It is the further intent of Congress that no such sale shall be made, while such mortgage is so insured, on terms less favorable to the purchaser as to amortization, retirement, foreclosure, or forfeiture than those contained in such mortgage."

Mr. HOLIFIELD. Mr. Chairman, in Los Angeles there is a firm that built 450 houses under the 4½-percent provision of FHA. They sold those houses to war workers—this was during the war—under a separate agreement of sale and charged the war workers 6 percent interest. In the meantime this company paid 4½ percent monthly payments to FHA. They not only made a profit on the building of the house but they made a 1½ percent profit on Government credit.

This is a very simple amendment. It has been drawn by the legislative counsel. It shows that the intent of Congress is that where a 4½ percent insured loan on a house is granted by the Federal Housing Administrator and that house is sold to a veteran or a nonveteran, that veteran or nonveteran shall buy that house at 4½ percent. As long as there is an insured FHA loan on the house, the purchaser should have the favorable terms and low interest rate provided for in the original FHA insured loan.

I want to put in the RECORD at this point the names of the building companies in Los Angeles which have taken advantage of the purchasers of these homes through their sharp practices. Their names are the United Building Co., a Nevada corporation, and the Witmer Building Co., a California corporation, doing business as the United-Witmer Building Co. This company is now being sued by two of the purchasers of these homes, Mr. Frank C. Boosman and his wife, Mrs. Ruth Boosman. They are suing for declaratory relief on the basis that they are being defrauded of the terms and interest rate provided in the FHA mortgage granted the builders. The building company has also denied the buyers the right to retire their loans, insisting that they continue their monthly payments for the complete amortization period. Other onerous conditions have been imposed upon these people and are contained in their contract or agreement for sale.

This is a clear indication of action on the part of the United-Witmer Building Co. to deny the purchasers of these houses low interest rates which Congress intended that any purchaser of FHA insured loans should have. The adoption of my amendment by the Congress will be a clear affirmation of the intent of Congress to provide FHA interest and terms to the purchaser of the home. It was never the intention of Congress that builders should avail themselves of Government credit and use that credit to their own advantage by refusing to extend to the purchaser of the home the same attractive terms which made its building possible.

It is my sincere hope that the District Court of the United States in and for the Southern District of California, before whom this case is being tried, will take cognizance of the action of this House today and give relief to these hundreds of home buyers who are being defrauded of the benefits which Congress intended them to have, through the sharp practices of the United-Witmer Building Co.

Again I say that the adoption of this amendment will be a clear indication of the intention of Congress, both at the time the National Housing Act was passed, and in the passage of the present amendment thereto.

Mr. MULTER. Mr. Chairman, I am surprised and shocked at the revelations made by the gentleman from California [Mr. HOLIFIELD] and which prompted the offering of his amendment. I am sure that those matters have never been called to our attention before. From my discussions with members of the committee and Members of the House I am sure that it was never intended by Congress to permit any such activities as he has outlined to us and which his amendment is intended to prevent. At the same time I want to make it very positive that his amendment is not writing anything new into the law. It is merely a reiteration of what always was the intent of the Congress.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. HOLIFIELD].

The question was taken; and on a division (demanded by Mr. HOLIFIELD) there were—ayes 42, noes 36.

So the amendment was agreed to.

Mr. BURLESON. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. BURLESON: On page 31, after line 17, insert the following new subsection:

"(c) The second proviso of section 505 (a) of the act entitled 'An act to expedite the provision of housing in connection with national defense and other purposes' approved October 14, 1940, as amended, is hereby repealed."

Mr. BURLESON. Mr. Chairman, I ask unanimous consent that the time for debate, which has been limited, may be extended to 2 minutes after 3 o'clock.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BURLESON. Mr. Chairman, the amendment I offer repeals the language contained in the second proviso under section 505 (a) of Public Law 796, Eightieth Congress.

Actually, section 505 (a) is an amendment to the original law approved October 14, 1940, which provides as follows:

Upon the filing of a request therefor as herein provided, the Administrator shall relinquish and transfer, without monetary consideration, to any educational institution all contractual rights (including the right to revenues and other proceeds) and all property right, title, and interest of the United States in and with respect to any temporary housing located on land owned by such institution, or controlled by it and not held by the United States: *Provided*, That any net revenues or other proceeds from such housing to which the United States is entitled shall not cease, by virtue of this section 505, to accrue to the United States until the end of the month in which the rights, title, and interest with respect to such housing are relinquished and transferred hereunder, and the obligation of the transferee to pay such accrued amounts shall not be affected by this section:

Following this language is the second proviso which I propose to strike out of

the law in order that certain educational institutions may have the benefit of receiving temporary war housing from the Federal Government to use and operate for their own use and benefit. The law as now written prohibits the Administrator from making such a transfer, and I quote the second proviso which makes such prohibition:

And provided further, That this shall not be deemed to require a transfer to an educational institution which has no contractual or other interest in the housing or the land on which it is located except that of a lessor. As used in this section, the term "temporary housing" shall include any housing (including trailers and other mobile or portable housing) constructed, acquired, or made available under this title V, and includes any structures, appurtenances, and other property, real or personal, acquired for or held in connection therewith.

Now, specifically, Mr. Chairman, I have two very fine educational institutions in my district located at Abilene, Tex., who own the fee-simple title to certain property located at Big Spring, Tex., which is in the Nineteenth Congressional District, represented by my distinguished colleague the Honorable GEORGE MAHON. The technical portion of the law which I propose to repeal does not permit the Administrator to transfer a housing project known as Ellis Homes, project No. 41501, situated on the property above referred to, simply because the project does not house students attending Hardin-Simmons University and Abilene Christian College, both located in Abilene, which is some 100 miles from the town of Big Spring. Technically, it appears that under the law if the property had happened to have been located in a closer proximity to these educational institutions, and if students attending the schools were housed therein, then they could qualify under the present law. At least that seems to be the interpretation as I understand it, and the amendment I offer would remove the doubt.

Now I understand there are other circumstances comparable to this situation I have described, but I am also advised that there are very few. It is my understanding that it has been the sense of this Congress and was the sense of the Eightieth Congress, and even the intent of the Congress when the law known as the Lanham Act was originally passed, that temporary war housing implied that it was to be removed, and, of course, there is a limitation as to when this type of housing must be removed. But it has also been the sense of Congress that the Federal Government should relinquish the operation of the temporary structures as a public housing operation as soon as possible. By allowing this amendment, certainly it is indicative that this purpose would be carried out insofar as the effect of my amendment.

Mr. Chairman, my colleague, Mr. MAHON, and I have collaborated in preparing this amendment, and in the event he does not have the opportunity to speak on this subject because of the limitation of time, I can assure the membership of this House that he is in full accord and has for the past several months enthusiastically cooperated in every way possible to bring about a transfer of this property to which I have referred. I know he joins me in saying to you that we believe a real service will be performed by amending the law, which will permit the transfer of this project to these fine educational institutions, and that the property will be used for the greatest possible good because both these schools are engaged in providing the highest type of Christian education for young men and women.

Mr. Chairman, I trust the Committee will have no objection to this amendment, and I urge its adoption.

Mr. SPENCE. Will the gentleman from Texas yield?

Mr. BURLESON. I yield to the gentleman from Kentucky, chairman of the committee.

Mr. SPENCE. I have no objection to the gentleman's amendment.

Mr. BURLESON. Thank you very much.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. BURLESON. I yield.

Mr. SPENCE. I do not want to interrupt the gentleman's speech, but we have no objection to the amendment.

Mr. BURLESON. I thank the gentleman very much.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. BURLESON].

The amendment was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Chairman, I offer an amendment.

The Clerk read, as follows:

Amendment offered by Mr. MARCANTONIO: On page 34, after the period on line 5, add a new subsection:

"SEC. —. Prohibition against discrimination: no person possessing all other qualifications which are or may be prescribed by law shall be disqualified for admission, rental, or tenancy through discrimination by segregation or otherwise, in any housing developed under this act, by reason of the race, color, creed, or national origin of the person otherwise qualified; and any officer or other person charged with any duty in the admission, rental, or tenancy of housing provided for under this act who shall exclude or discriminate against any citizen for the cause aforesaid shall, on conviction thereof, be deemed guilty of a misdemeanor and be fined not more than $5,000. Every contract or commitment entered into by the Government or any agency or instrumentality thereof as authorized herein with regard to any housing provided for in this act shall contain a provision prohibiting discrimination by reason of race, color, creed, or national origin, and shall carry a warning of the penalty of this act for violation thereof."

Mr. MARCANTONIO. Mr. Chairman, my amendment is an amendment which guarantees against discrimination in housing. We have the situation in New York City where a project is financed through the FHA and there exists a clause in all the contracts in connection with that project which states that tenancy can be accorded to white Caucasians only. That situation prevails in the Levittown project in New York City. We have similar situations all over the country. I do not see how anybody can say he is in favor of housing when at the same time he is ready to exclude 14,000,000 Americans from the benefits of this legislation.

Mr. POWELL. Mr. Chairman, I have been forced to obtain time to speak on the Marcantonio amendment through a unanimous-consent request. The Committee of the Whole voted to close all debate by 3 o'clock. This allowed the gentleman from New York [Mr. MARCANTONIO] only 40 seconds to present his amendment.

Since I obtained the unanimous-consent request, events have transpired in this room which were not only shocking but unbelievable. The Marcantonio amendment was carried on a teller vote but the Democratic leadership—the leadership of my party—would rather have no housing than housing with civil rights for they then moved that the Committee rise without reporting the bill.

Let me speak to you very frankly as a Negro and let me tell you great northern liberals that regardless of what Uncle Tom Negroes may inform you, the Negro people would rather continue living in the slums fighting for their God-given civil rights than to have public housing and be Jim Crowed, segregated and discriminated against.

How long will you continue to say every time a civil-rights amendment is brought up, "It will kill the bill"? How can you be so consistently dishonest by promising people civil rights at campaign time and then repeatedly defeating civil rights on this floor?

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. MARCANTONIO].

The question was taken; and on a division (demanded by Mr. MARCANTONIO) there were—ayes 62, noes 31.

Mr. SPENCE. Mr. Chairman, I demand tellers.

Tellers were ordered; and the Chairman appointed Mr. BUCHANAN and Mr. MARCANTONIO to act as tellers.

The Committee again divided; and the tellers reported there were—ayes 77, noes 57.

So the amendment was agreed to.

Mr. SPENCE. Mr. Chairman, I move that the Committee do now rise.

Mr. WOLCOTT. Mr. Speaker, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WOLCOTT. If the Committee rises at the present time will it report the bill back to the House with amendments, or will it report that it has come to no conclusion thereon? What is the situation?

The CHAIRMAN. This is simply a motion that the Committee rise. There are several amendments yet to be offered.

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. SPENCE. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. PATMAN and Mr. WOLCOTT.

The Committee again divided, and the tellers reported that there were—ayes 86, noes 83.

So the motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore, Mr. PRIEST, having assumed the chair, Mr. MANSFIELD, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 6070) to amend the National Housing Act, as amended, and for other purposes, had come to no resolution thereon.

TEMPORARY APPROPRIATIONS

Mr. CANNON. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Joint Resolution 348.

The Clerk read as follows:

Resolved etc., That Public Law 154 (81st Cong.), making temporary appropriations for the fiscal year 1950, and for other purposes, as amended, is hereby amended by striking out, in section (c) thereof, "September 15, 1949" and inserting in lieu thereof "October 1, 1949."

The SPEAKER pro tempore (Mr. PRIEST). Is there objection to the request of the gentleman from Missouri?

Mr. TABER. Mr. Speaker, reserving the right to object, this is a resolution which is made necessary by the prospective recess of the House, if it will materialize, and I hope it will, until the 21st of September so that the departments will not be prevented from functioning between September 15, 1949, and the date that we might return.

Mr. CANNON. The gentleman is correct. The expiration of the present continuing resolution will come the middle of the month in the midst of the prospective recess, and in order to meet that contingency we merely extend that portion of the resolution which was extended the other day from September 15 to October 1, at which time we will again be in session.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the distinguished leader from Massachusetts.

Mr. MARTIN of Massachusetts. Can the gentleman from Missouri give the House any information as to when the other body is going to act on these appropriation bills? We have been waiting now for 3 months, with no action.

Mr. CANNON. The gentleman is asking a question about an unpredictable body.

Mr. RICH. Mr. Speaker, further reserving the right to object, may I ask the gentleman from Missouri if the time is extended does he think that the other body will get the appropriation bills out by that time, or are we going to be asked for an additional extension of time?

Mr. CANNON. It is to be hoped that we will have cooperation from the other side of the Capitol which will make it possible for us to dispose of the remaining appropriation bills in the near future.

Mr. RICH. I would like to say to the gentleman from Missouri that I have been here for 10 sessions of the Congress and I have never seen anything like the way this administration is handling the financial affairs of this Government. It is about the worst piece of business that has ever been done by any Congress.

Mr. CANNON. The gentleman refers, of course, to the other body. The House disposed of the supply bills before the Easter recess.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HOUSING AMENDMENTS OF 1949

Mr. MARTIN of Massachusetts. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. MARTIN of Massachusetts. I would like to inquire, for the benefit of the House, when the bill that we failed to pass this afternoon because of the inclusion of the antidiscrimination section is going to be up before the House again.

The SPEAKER pro tempore. The Chair is not prepared at this time to answer the gentleman's question, he regrets very much.

Mr. MARTIN of Massachusetts. Well, I think the House is entitled to the information; whether it is going to be on tomorrow, or after the recess, or when.

The SPEAKER pro tempore. That information will be supplied just as soon as the Chair has the information and he hopes that it will not be very long.

Mr. MARTIN of Massachusetts. Did I understand the Chair to say he is waiting for some folks to come back from the White House?

The SPEAKER pro tempore. No, the Chair said the information would be supplied as soon as possible.

Mr. MARTIN of Massachusetts. I beg the Chair's pardon.

DESIGNATION OF MINORITY EMPLOYEE

Mr. MARTIN of Massachusetts. Mr. Speaker, I offer a resolution (H. Res. 341) and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That pursuant to the Legislative Pay Act of 1929, as amended, Beecher Hess is hereby designated a minority employee, effective August 1, 1949 (to fill an existing vacancy) until otherwise ordered by the House, and receive compensation at the basic rate of $3,800 per annum.

The resolution was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. POTTER (at the request of Mr. MARTIN of Massachusetts) was given permission to extend his remarks in the RECORD.

Mr. JOHNSON asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the RECORD and include three radio addresses.

Mr. CASE of South Dakota asked and was given permission to extend his remarks in the RECORD in two instances and include extraneous material.

Mr. McDONOUGH asked and was given permission to extend his remarks in the RECORD.

Mr. KING asked and was given permission to extend his remarks in the RECORD and include an article.

Mr. DURHAM asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. JONES of Missouri asked and was given permission to extend his remarks in the RECORD immediately preceding those of Mr. HUBER earlier today, and also to extend his remarks in the Appendix of the RECORD and include a statement by Secretary Johnson.

Mr. MURDOCK asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

Mr. HAGEN asked and was given permission to extend his remarks in the RECORD and include an article from the magazine Hygeia on the subject of the health values of potatoes.

PARLIAMENTARY INQUIRY

Mr. CASE of South Dakota. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore (Mr. PRIEST). The gentleman will state the parliamentary inquiry.

Mr. CASE of South Dakota. Mr. Speaker, has any order been entered with respect to the session for tomorrow, or has any unanimous-consent agreement been reached with respect to the session tomorrow?

The SPEAKER pro tempore. The House will meet at the regular time tomorrow, 12 o'clock noon.

Mr. CASE of South Dakota. Has any program of legislation been announced for tomorrow?

The SPEAKER pro tempore. That will be announced before the House adjourns today.

EXTENSION OF REMARKS

Mr. BOYKIN (at the request of Mr. MULTER) was given permission to extend his remarks in the RECORD.

Mr. HAGEN asked and was given permission to extend his remarks in the RECORD and include an article from the News of Norway dated May 7, 1949.

RAILROAD BETWEEN UNITED STATES, CANADA, AND ALASKA

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 2186) providing for the construction of a railroad connecting the existing railroad system serving the United States and Canada and terminating at Prince George, British Columbia, Canada, with the railroad system serving Alaska and terminating at Fairbanks, Alaska.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Montana?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain the bill?

Mr. MANSFIELD. The bill calls for an authorization to survey and locate a railroad connecting the railroads in British Columbia and the Territory of Alaska. It comes from the Committee on Foreign Affairs with their unanimous approval. It is something which is very much in the national interest.

Mr. JUDD. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. JUDD. Is it not true that the bill is primarily an authorization for the administration to negotiate an agreement with the Dominion of Canada to enable us to make a survey for the location of a possible railroad?

Mr. MANSFIELD. The gentleman is correct.

Mr. JUDD. That is the reason, Mr. Speaker, why it comes from the Committee on Foreign Affairs.

Mr. JACKSON of Washington. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. JACKSON of Washington. Mr. Speaker, the bill H. R. 2186, which I have introduced and which is now under consideration, provides for two things: first, it authorizes the President to negotiate with the Canadian Government for the location survey of a 1,400-mile railroad to connect the United States with the Territory of Alaska, and it authorizes him to conclude an agreement with Canada relative to such a survey. Second, the bill authorizes the President, when and if such an agreement is concluded, to have the survey made, and it authorizes the necessary funds.

In the negotiation of the agreement, the President is given the discretion to use whatever channels he may deem most appropriate. In the making of the survey, it is intended that the facilities of existing agencies will be used, and that the establishment of new agencies will not be necessary.

The Territory of Alaska is important to the United States from two points of view. First, because of its geographic position, it is of strategic importance to America. At one point only 50 miles from the Soviet Union, it lies in the great circle air route to Asia. Second, Alaska holds important resources—notably mineral and timber resources—that are yet to be fully developed.

The development of Alaska, both from a strategic and from an economic point of view, is dependent largely on the reliability of surface transportation to and from the Territory. This consists of water transportation from the Seattle area to coastal ports, and of highway travel through Canada. The water transportation is, for the most part, highly vulnerable in the event of conflict. And should the water routes to Alaska be cut off, the highway alone would not be sufficient.

The proposed route to be surveyed would commence near Prince George, British Columbia and would terminate at Fairbanks, Alaska, which is the present terminus of the Alaska Railroad. This would connect Alaska by rail with both the Canadian and the American transcontinental railroads.

Heretofore, only one survey of this kind has been made—by the Corps of Army Engineers in 1942. However, this survey considered only the military feasibility of such a railroad. An up-to-date survey of the economic feasibility will require a careful examination of all of the resources of the Territory, and of the economic benefits to be derived from an investment in such a railroad.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Montana [Mr. MANSFIELD]?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the President is authorized, through such channels as he may deem proper, to negotiate and enter into an agreement or agreements with the Dominion of Canada for a location survey for a railroad of standard gage to connect with the existing railroad system now terminating at Prince George, British Columbia, Canada, with the railroad system serving the Territory of Alaska and terminating at Fairbanks, Alaska, together with all branches and extensions of said new railroad system, and in cooperation with the Government of the Dominion of Canada, to cause a survey or surveys to be made to determine the most practicable route for such railroad, as well as construction plans and specifications and estimates of the probable cost thereof, and plans for financing its construction, operation, and maintenance.

SEC. 2. The President is further authorized to designate such agency or agencies of the United States as he may select to carry on, either directly or under contract, the work of survey and location of the route for such railroad and, upon the completion of negotiations and the execution of the agreement or agreements herein authorized, to procced either directly or under contract, with the construction, operation, and maintenance thereof after such route shall have been determined and approved by the President. Such agency or agencies are authorized and directed to cooperate directly with like agencies or officials to be designated by the Government of the Dominion of Canada for the purpose of coordinating and expediting the work of such location survey, location, construction, operation, and maintenance thereof.

SEC. 3. The work of all existing agencies which may be engaged in like or affiliated activities in the Territory of Alaska and in western Canada shall hereafter be correlated with the work contemplated under this act.

SEC. 4. There is hereby authorized to be appropriated such sum as may be necessary, to be expended under the direction of the President, through such agency or agencies as he may designate, for the purpose of carrying out the provisions of the act: *Provided*, That no money shall be appropriated under this act for the construction of any part of such railroad outside of the Territory of Alaska until the agreement or agreements provided for in the first section of this act have been entered into.

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent that the committee amendments be considered en bloc.

The SPEAKER pro tempore. Without objection it is so ordered.

There was no objection.

The Clerk read as follows:

Committee amendments:

On page 1, line 5, beginning after the word "for", strike out through the first "of" on line 6, and insert in lieu thereof the words "a location survey for."

On page 2, line 12, strike out the words "and location."

On page 2, line 12, after the word "railroad" insert a period and strike out through the word "President" on line 17.

On page 2, line 21, after the word "such", insert the word "location", and after the word "survey" strike out the comma through line 22 and insert a period in lieu thereof.

On page 3, line 7, after the word "act", strike out the colon through line 11, and insert a period in lieu thereof.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill providing for a location survey for a railroad connecting the existing railroad system serving the United States and Canada and terminating at Prince George, British Columbia, Canada, with the railroad system serving Alaska and terminating at Fairbanks, Alaska."

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. CRAWFORD asked and was given permission to revise and extend the remarks he made earlier in the day and include two brief quotations.

ECONOMIC MISSION TO PERU

Mr. CRAWFORD. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CRAWFORD. Mr. Speaker, in these upset times of universal dollar shortages, unbalanced trade and unstable currencies, it has become quite commonplace to see missions of experts going out from this country to all quarters of the globe. Most of these are missions sent abroad by international bodies like the FAO, the World Bank, the International Monetary Fund and the like; intergovernmental bodies; or by the United States Government. When a mission goes to a foreign country it is hardly news any longer.

However, I notice by the press that the Government of Peru has invited a mission of American economic experts to study its foreign-exchange problem. What makes this mission interesting to me is that it is not an official mission, but a group of individuals largely from private business in this country. It will be headed by the distinguished former Assistant Secretary of Commerce of the Hoover Administration, Dr. Julius Klein. Another member of the mission is Herbert Hoover, Jr., mining and transportation engineer and son of the only living ex-President of the United States, himself an eminent engineer and exponent of the private enterprise system.

What the Klein mission can recommend to stabilize the Peruvian currency remains to be seen, but the work of the group will be watched with interest in more than one country.

EXTENSION OF REMARKS

Mr. HAGEN asked and was given permission to extend his remarks in the RECORD and include an article on the subject of money by W. O. Skeels.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. MAGEE, for Wednesday, August 24, on account of official business.

To Mr. HARRISON (at the request of Mr. STANLEY), for Wednesday, August 24, on account of official business.

To Mr. O'SULLIVAN (at the request of Mr. PRIEST), for Wednesday, August 24, on account of official business.

SPECIAL ORDER

The SPEAKER pro tempore (Mr. PRIEST). Under previous order of the House, the gentleman from North Dakota [Mr. LEMKE] is recognized for 30 minutes, without prejudice to further legislative business of the day.

Mr. LEMKE. Mr. Speaker——

Mr. KEEFE. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. Does the gentleman from North Dakota yield for a parliamentary inquiry?

Mr. LEMKE. I yield.

Mr. KEEFE. I understand that the gentleman from North Dakota [Mr. LEMKE] has been recognized for 30 minutes under a special order which was granted pursuant to his unanimous-consent request that he be permitted to speak today for 30 minutes after the disposition of business on the Speaker's table and the regular business of the House. Has the regular business of the House been disposed of?

The SPEAKER pro tempore. The Chair stated when the gentleman from North Dakota [Mr. LEMKE] was recognized that he was being recognized without prejudice to further business of the House.

Mr. KEEFE. If further business should come before the House, would that take precedence over the speech of the gentleman from North Dakota?

The SPEAKER pro tempore. It would not be taken up until after the gentleman from North Dakota had concluded his remarks.

Mr. KEEFE. Is it anticipated that there will be further legislative business today before the House. That is what I would like to know.

The SPEAKER pro tempore. May the Chair state that there is a possibility there will be further legislative business today. That is the reason why the Chair stated, in recognizing the gentleman from North Dakota, that he was recognized without prejudice to further legislative business.

Mr. KEEFE. I have no desire to shut off the distinguished gentleman from North Dakota, but I did want to get before the House for its information as nearly as possible just what we were doing.

The SPEAKER pro tempore. The Chair has stated as clearly as the Chair is able to state, in answer to the gentleman's inquiry, just what the situation is. The gentleman from North Dakota [Mr. LEMKE] is recognized.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield?

Mr. LEMKE. Just for a question.

Mr. MARCANTONIO. For a short observation.

Mr. LEMKE. Very well, I yield.

Mr. MARCANTONIO. Mr. Speaker, I cannot recall in the 13 years that I have been here of a situation such as we have here this afternoon. To call it unusual is understating the case. Here for the first time we have adopted in a bill some language which guarantees against discrimination in housing because of race, color, or creed; what happens: Everything is thrown into a state of suspension; nobody here knows whether we are coming or going. All of a sudden the chairman of the committee in charge of this bill and acting with the majority leadership of this House moved to have the Committee rise without completing the bill after a motion had been adopted by the Committee to close all debate on the bill and all amendments thereto at 3 o'clock. This meant that a vote would have occurred immediately after 3 p. m. At approximately 2 minutes to 3 the Committee adopted my amendment against discrimination. It was then that the motion was made that the Committee rise without completing action on the bill. That motion was carried by the majority side of the House and here is the House with no business before it.

Why these tactics? Why these tactics from people who pledged in the last elections to enact civil-rights legislation, who were elected on that platform? Why is this House thrown into a state of complete confusion? The purpose of these tactics is obvious. That which had been promised has finally been partially enacted, or at least is on the way toward being enacted and now the leadership is using a maneuver of stalling in order to undo the progress we have achieved for civil rights.

I think it is high time that the American people know what is going on in this Chamber. From the very beginning of this session I have striven to get an airtight antidiscrimination provision in various bills; today we finally achieved something, and the result is this most extraordinary situation in this House: No business pending before it and the leadership busily engaged to forestall final action on its own bill in order to eliminate the antidiscrimination amendment.

I made a point of order that a quorum was not present as a form of protest. I was informed that the housing bill would come back here again this afternoon if I would withdraw that point of order. I have learned one thing from being here all these years, and that one thing is, no matter what side of an issue you are on, to keep your word. This bill can pass with my amendment in it if we vote this afternoon. It cannot be honestly contended that my amendment kills the bill. Everybody familiar with the situation here knows that this bill is safe with the antidiscrimination language in it. The fact of this delay is that you are stalling on this bill and you are trying to kill your own bill because of the antidiscrimination language that has been put in. That responsibility falls now on the majority leadership of this House. The duty of all those who want this bill and want it without discrimination is to vote against any motion to delay or postpone or adjourn. A vote for delay, postponement, and adjournment is a vote for discrimination and endangers this bill. A vote against delay, postponement, and adjournment is a vote for more housing and against discrimination. A vote to delay, postpone, or adjourn is a vote to undo the progress we have made here this afternoon for civil rights.

I thank the gentleman from North Dakota for yielding.

NATIONAL COMMITTEES AND NATIONAL PLATFORMS

Mr. LEMKE. Mr. Speaker, the Republican National Committee has held its meeting, elected its chairman and departed. Many of the Republican Members in Congress feel that the National Chairman should keep hands off as far as the Republican candidate and platform for 1952 are concerned. They feel that the rank and file of the Republicans are capable of selecting their own candidate and promulgating their own platform.

They want as their standard bearer one who believes in America. They do not want a bipartisan hybrid that owes part of his allegiance to an international gang. They feel that the platform should be written by Americans for Americans. They know that the American people are not going back to the dark ages. Their slogan is "Forward ever—backward never."

By 1952 the Republican Party will have been kept out of the White House for 20 years. This largely because they had no candidate representing American ideals. Their candidates in the last three elections were me-too candidates. In the last election, the Republican candidate claimed that he could give our country away faster than his opponent. He too was a one-worlder.

The rank and file of the Republicans demand that their next standard bearer be one who believes in the fundamental principles proclaimed in the Declaration of Independence and established by our Constitution. They demand a candidate and a platform that will put an end to our international WPA—that will stop the disastrous foreign policy of depleting America of its natural resources.

The people demand that we reestablish the America that they knew—the America of fearless, independent thought. The weak-kneed, spineless, me-too candidates that the internationalists foisted off on the Republican Party in the past three elections were doomed to defeat before they got started. This because they had no clear-cut issue.

Little wonder that the electors did not change animals—the elephant for the donkey—in the middle of the international stream—international lunacy. They wanted the elephant to carry the banner of Washington, Jefferson, and Lincoln—not the banner of international intrigue. They refused to disgrace the elephant. They refused to substitute a mongrel flag for the Stars and Stripes.

It is to correct the above mistakes—the above disastrous results to the Nation—that some Members of Congress submit for consideration to the rank and file of the Republicans the following platform based upon the principles

and ideals of Theodore Roosevelt, Abraham Lincoln, and Thomas Jefferson:

I

We demand that all branches of our Government again observe the Constitution—the Constitution that protects minorities and the unfortunate from persecution at the hands of a reckless bureaucracy. We pledge to the Nation that we will unpack and rehabilitate the Federal courts so that they will again function not as part of the executive branch, but as an independent coordinate branch of our Government. Political judges are incompatible with impartial justice.

II

Congress must restore representative government. The three branches of our Government—the legislative, the executive, and the judicial—must be kept as coordinate branches, each functioning in its own sphere as provided by the Constitution. Congress must recapture its full constitutional power and authority and return to the constitutional system of checks and balances wherein the Congress initiates and passes laws, the President approves and executes them, and the courts hear and determine the meaning thereof. Congress must reclaim and perform its constitutional duties as the Board of Directors of this Nation, responsible alone to the stockholders, the people.

III

Since the President submits bills and resolutions passed to the various governmental departments and agencies affected thereby, and since these, in some cases, not only recommend a veto, but prepare the veto message, we feel that before the President vetoes a bill or resolution he should be fully informed on its merits or demerits. Therefore, we favor a constitutional amendment which would require that the President, before vetoing a bill or resolution, contact for consultation the author of the bill or resolution and the chairman of the committee of the House or Senate where the bill or resolution originated.

IV

We favor legislation making ineligible any Federal judge or Member of Congress for appointment or assignment to serve or represent the United States, with or without compensation, or in any other capacity, at home or abroad, prior to the expiration of 2 years after he has ceased to serve in such office. This will keep the judiciary out of politics, and will prevent undue influence by the Executive over Members of Congress.

V

We favor the nomination and the election of the President and Vice President in odd-numbered years by popular vote in a primary and general election. The term of office for these officials to be 6 years with no election or reelection to either office thereafter.

This will free Members of Congress from undue Executive pressure. The President then cannot say that the members of his party came in on his coattail. It will reduce political manipulation, self-perpetuation in office, and the unwarranted assumption of Executive power.

VI

We demand legislation to the effect that any elected or appointed official, or any citizen or person who spreads political propaganda as a paid or financed agent of a foreign government, shall be guilty of subversive activities, and upon conviction shall be deprived of his citizenship—if a foreigner, deported. This will stop the false propaganda of other nations through paid agents.

VII

We favor prohibition of any political, economical, financial, or military commitments, treaties, agreements, undertakings, entanglements, or alliances with any foreign nation or combination of nations, except by authorization and approval of a two-thirds majority of both Houses of Congress; this by a constitutional amendment.

This puts the ultimate responsibility of our dealings with foreign nations on Congress where it belongs. It will prevent foreign nations, in the future, from exploiting our people and involving us in their quarrels. It will prevent giving away our domestic markets to foreigners through Presidential trade agreements. Our foreign policy must once more be made responsive to the will of the people. The errors of Quebec, Teheran, Yalta, and Potsdam are a reflection on our integrity, honesty, and diplomatic acumen. We must resolve never to repeat them.

VIII

We are opposed to secret diplomacy, star-chamber proceedings. We agree with Woodrow Wilson "Open covenants of peace, openly arrived at, after which there shall be no private international understandings of any kind, but diplomacy shall proceed always frankly and in a public view."

IX

We believe in cooperation and collaboration with all nations for a just and permanent peace. We demand that the four freedoms, with the right of self-determination, be incorporated into the United Nations Charter.

We condemn the deception of continuing World War II on paper. This so that the Executive may exercise wartime powers that are unconstitutional and denied him in peacetime. Therefore, we demand that Congress, by resolution, formally put an end to the war that has been over ever since the surrender of Japan.

X

We are opposed to capitalistic imperialism. We object to our Nation financing the rest of the world; thereby depleting our natural resources that belong to unborn as well as to the present generation. We believe that all countries to whom we extended lend-lease, should be required to settle with us by providing us with raw materials which we lack in order that we may continue our normal pursuits.

XI

We demand that government by bureaucracy be abolished. We demand that all legislative powers that have been granted or usurped by Government bureaus, commissions, and agencies be returned to Congress. This in order to reestablish government by law.

XII

We demand that the more than 2,000,000 Federal employees be gradually reduced. We demand that there be a reorganization, consolidation, and elimination of all unnecessary, overlapping Federal bureaus and agencies. This by transferring employees from one department to another, and not employing new personnel until the desired reduction has been accomplished. All emergency wartime agencies and wartime Government corporations must be abolished and liquidated.

XIII

We favor soil, oil, mineral, timber, and water conservation. These resources belong to future generations as well as to the present. We believe in harnessing the floodwaters for domestic uses, for productive purposes and for hydroelectric power development; thus creating wealth rather than permitting these floodwaters, in their mad rush to the ocean, to destroy animal and human life and millions of dollars' worth of property annually.

XIV

We favor reorganization of our transportation system so as to enable mass production to meet mass consumption with no prohibitive rates. The burden of transportation must be more equally distributed. There must be no discrimination for or against any section of our Nation.

XV

We demand that the confiscation of the revenues of the States by Federal taxes cease. We do not believe that governors and mayors should be compelled to continue to come to Washington, and on bended knees ask for the return of part of the wealth produced by their own citizens.

XVI

We demand that deficit spending stop and that the budget be balanced. However, in order to accomplish this, the governors and other State and local officials must be given to understand that deficit begging must also stop.

The States must again assume more responsibility of their own affairs. The constant begging for Federal aid is the cause of bureaucracy and will in the end mean dictatorship.

XVII

We demand that the sovereignty of the States be reestablished—that the rights of the States remain inviolate—that each State be allowed to control its own domestic affairs without threats of reprisals or unconstitutional interference by the Federal Government. This is essential to that balance of power on which the perfection and endurance of our State and national structure depends. The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.

XVIII

We favor the ultimate abolishment of slums. This in line with the Baltimore plan in cooperation with State, municipal and other local governments. Slums must be outlawed. They have no place in the American economy. There must be an economic floor below which no human being is permitted to fall.

XIX

We favor labor legislation that will be fair and just to labor and management, and last but not least, fair to the public. Unnecessary strikes must be avoided. That can only be accomplished by labor and industry sitting around the table in sincerity. Sincere labor leaders and honest industrialists are ready and willing to recognize this sound plan. The time has come that we, in cooperation with labor and management, write into a law the terms and conditions under which an industry will continue in operation while a labor dispute is being adjusted.

XX

We believe in employment assurance rather than in unemployment insurance. To insure idleness is economic waste. We favor a living wage for common labor on the American level. Congress must make it possible for all able-bodied men and women to labor and provide themselves with food, fuel, clothing and shelter. It must make it possible for them to raise and educate a family, not by unemployment insurance, but by employment assurance. It must make it possible for the youth of this Nation to look toward the future with hope, and a possibility to become self-respecting and self-supporting knowing that there are just rewards for services earnestly and diligently performed. The Government cannot provide security; only the people, through efficient and productive effort, are able to do that. Men cannot be helped permanently by doing for them with the taxpayers' money that which they could and should do for themselves.

XXI

Congress must protect labor and our ill-housed from the illegal influx of undesirable immigrants. The brazen violation of our

immigration laws must cease. Our first duty is to our own people.

XXII

We favor cost of production—100-percent justice—for the farmer for that part of his products domestically consumed. Congress must preserve and protect the domestic market for agriculture, industry, commerce, and labor. It must protect American producers from products produced abroad by labor living below the American standard.

XXIII

We are opposed to corporation farming. We feel that the best interests of agriculture and of the Nation are served by individual farming. We believe in the ultimate family-sized farm.

XXIV

We favor a reasonable old-age assistance on the American level for the men and women who helped create the wealth of the Nation. There must be security from want.

XXV

Patriotism is not for sale, but it must be appreciated. It is the duty of the Government to see that all veterans are put into the same position, as near as possible, as they would have been in, if they had never been inducted into the armed forces. Therefore, we favor just compensation, including necessary medical assistance and hospitalization, to all disabled veterans for the sacrifices they made while in the armed services. We favor legislation from time to time that will recognize the patriotic devotion of all veterans.

XXVI

Congress must also resurrect, protect, and promote individual enterprise. It must give to small business a square deal. Widely owned and operated small businesses are the bulwark of our economic system. Competitive enterprise is the backbone of our national economy. What men honestly earn is theirs to have and to hold.

XXVII

Congress must rewrite and simplify our Federal tax system. It must protect private property and enterprise from confiscation by taxation. Hidden taxes must be eliminated. Small business and individual enterprise must be protected by eliminating the domination of corporate and financial monopoly. The Federal Trade Commission must be given ample power to stop mergers which tend to destroy competition. Property rights are but human rights when justly distributed.

XXVIII

We favor a strong national defense until peace is firmly established. The next war will be a scientific war. It will come from the air. It will be waged with high explosives and germs. The methods and implements upon which we depended in the past for our defense have become obsolete and outmoded. We believe in a well-equipped, efficient, volunteer army. We are opposed to peacetime compulsory military training. We believe that the youth can best be prepared for national defense in our high schools, colleges, and National Guard.

XXIX

We favor legislation compelling a registered or paid lobbyist, whenever he appears before a congressional committee or before any governmental department or agency, to state who he represents and the amount of his salary and commissions, together with his expense account. This will put Congress and the Government on guard.

XXX

We recommend this platform to the Republican Party, embracing the above principles, and we favor candidates for President and Vice President whose public records are a guaranty that they are in full accord therewith.

ADJOURNMENT

Mr. KEEFE. Mr. Speaker, I make the point of order that a quorum is not present.

Mr. PRIEST. Mr. Speaker, I move that the House do now adjourn.

The SPEAKER. The question is on the motion.

The question was taken; and on a division (demanded by Mr. KEEFE) there were—ayes 49, noes 38.

Mr. MARCANTONIO. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 186, nays 132, not voting 114, as follows:

[Roll No. 197]

YEAS—186

Abbitt	Furcolo	Morris
Abernethy	Garmatz	Multer
Addonizio	Gary	Murphy
Albert	Gathings	Murray, Tenn.
Allen, La.	Gordon	Norrell
Andrews	Gore	O'Brien, Ill.
Bailey	Gossett	O'Brien, Mich.
Barden	Granahan	O'Hara, Ill.
Baring	Granger	O'Neill
Barrett, Pa.	Grant	O'Toole
Battle	Green	Pace
Beckworth	Gregory	Passman
Bennett, Fla.	Hardy	Patman
Bentsen	Hare	Patten
Biemiller	Harris	Perkins
Blatnik	Havenner	Peterson
Boggs, La.	Hedrick	Philbin
Bolling	Herlong	Poage
Bonner	Hobbs	Polk
Bosone	Holifield	Preston
Brooks	Howell	Price
Brown, Ga.	Huber	Priest
Bryson	Irving	Rabaut
Buchanan	Jackson, Wash.	Rains
Buckley, Ill.	Jacobs	Ramsay
Burke	Jones, Ala.	Rankin
Burleson	Jones, Mo.	Redden
Burnside	Jones, N. C.	Rhodes
Burton	Karst	Rogers, Fla.
Camp	Karsten	Roosevelt
Cannon	Kee	Sabath
Carlyle	Kelley	Sasscer
Carnahan	Kennedy	Secrest
Carroll	Kerr	Sheppard
Chelf	Kilday	Sims
Chesney	King	Smathers
Christopher	Klein	Smith, Va.
Cooley	Kruse	Spence
Cooper	Lane	Staggers
Cox	Lanham	Steed
Crawford	Larcade	Sullivan
Davenport	Lesinski	Sutton
Davies, N. Y.	Lind	Teague
Davis, Ga.	Linehan	Thomas, Tex.
Dawson	Lucas	Thompson
Deane	Lyle	Trimble
DeGraffenried	Lynch	Wagner
Delaney	McCarthy	Walter
Donohue	McGuire	Wheeler
Douglas	McKinnon	Whitaker
Doyle	McMillan, S. C.	White, Calif.
Durham	Mack, Ill.	Whitten
Eaton	Magee	Whittington
Eberharter	Mahon	Wickersham
Elliott	Mansfield	Williams
Engle, Calif.	Marsalis	Willis
Fallon	Marshall	Wilson, Okla.
Fernandez	Miles	Wilson, Tex.
Fisher	Mills	Winstead
Flood	Mitchell	Wood
Frazier	Monroney	Worley
Fugate	Morgan	Yates

NAYS—132

Allen, Calif.	Bennett, Mich.	Church
Allen, Ill.	Bishop	Cole, Kans.
Andersen, H. Carl	Boggs, Del.	Corbett
	Bramblett	Cotton
Anderson, Calif.	Buckley, N. Y.	Crosser
Andresen, August H.	Burdick	Cunningham
	Byrnes, Wis.	Dague
Arends	Canfield	Davis, Wis.
Auchincloss	Case, N. J.	D'Ewart
Barrett, Wyo.	Case, S. Dak.	Dollinger
Bates, Mass.	Cavalcante	Dolliver
Beall	Chudoff	Dondero
Ellsworth	Jonas	Phillips, Tenn.
Engel, Mich.	Judd	Plumley
Feighan	Kean	Potter
Fellows	Kearney	Powell
Fenton	Kearns	Rees
Ford	Keating	Rich
Fulton	Keefe	Riehlman
Gamble	Kirwan	Rodino
Gavin	Latham	Rogers, Mass.
Gillette	LeCompte	Sadlak
Goodwin	LeFevre	St. George
Graham	Lemke	Sanborn
Gross	Lichtenwalter	Scott, Hardie
Gwinn	Lovre	Scrivner
Hagen	McConnell	Scudder
Hale	McCulloch	Short
Hall, Leonard W.	McDonough	Simpson, Ill.
	McGrath	Smith, Wis.
Harden	Mack, Wash.	Stefan
Harvey	Marcantonio	Taber
Hays, Ohio	Martin, Mass.	Talle
Herter	Merrow	Tauriello
Heselton	Meyer	Van Zandt
Hoeven	Michener	Vorys
Hope	Miller, Md.	Wadsworth
Horan	Miller, Nebr.	Weichel
Hull	Nelson	Werdel
James	Nicholson	Wigglesworth
Javits	Nixon	Wilson, Ind.
Jenison	Norblad	Withrow
Jennings	O'Hara, Minn.	Wolcott
Jensen	O'Konski	Wolverton
Johnson	Patterson	Young

NOT VOTING—114

Angell	Harrison	Poulson
Aspinall	Hart	Quinn
Bates, Ky.	Hays, Ark.	Reed, Ill.
Blackney	Hébert	Reed, N. Y.
Bland	Heffernan	Regan
Bolton, Md.	Heller	Ribicoff
Bolton, Ohio	Hill	Richards
Boykin	Hinshaw	Rivers
Breen	Hoffman, Ill.	Rooney
Brehm	Hoffman, Mich.	Sadowski
Brown, Ohio	Holmes	Scott, Hugh D., Jr.
Bulwinkle	Jackson, Calif.	
Byrne, N. Y.	Jenkins	Shafer
Celler	Keogh	Sikes
Chatham	Kilburn	Simpson, Pa.
Chiperfield	Kunkel	Smith, Kans.
Clemente	Lodge	Smith, Ohio
Clevenger	McCormack	Stanley
Cole, N. Y.	McGregor	Stigler
Colmer	McMillen, Ill.	Stockman
Combs	McSweeney	Tackett
Coudert	Macy	Taylor
Crook	Madden	Thomas, N. J.
Curtis	Martin, Iowa	Thornberry
Davis, Tenn.	Mason	Tollefson
Denton	Miller, Calif.	Towe
Dingell	Morrison	Underwood
Doughton	Morton	Velde
Elston	Moulder	Vinson
Evins	Murdock	Vursell
Fogarty	Murray, Wis.	Walsh
Forand	Noland	Welch, Calif.
Gilmer	Norton	Welch, Mo.
Golden	O'Sullivan	White, Idaho
Gorski, Ill.	Pfeifer, Joseph L.	Wier
Gorski, N. Y.		Woodhouse
Hall, Edwin Arthur	Pfeiffer, William L.	Woodruff
		Zablocki
Halleck	Phillips, Calif.	
Hand	Pickett	

So the motion was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. McCormack for, with Mr. Brown of Ohio against.

Mr. Gilmer for, with Mr. Halleck against.

Mr. Boykin for, with Mr. Towe against.

Mr. Hart for, with Mr. Hand against.

Mr. Pickett for, with Mr. William L. Pfeifer against.

Mr. McSweeney for, with Mr. Coudert against.

Mr. Harrison for, with Mr. Elston against.

Mr. Breen for, with Mr. Vursell against.

Mr. Vinson for, with Mr. Simpson of Pennsylvania against.

Mr. Madden for, with Mr. Hugh D. Scott, Jr., against.

Mr. Walsh for, with Mr. Reed of Illinois against.

Mr. Zablocki for, with Mr. Mason against.

Mr. Miller of California for, with Mr. McMillen of Illinois against.

Mr. Morrison for, with Mr. Kunkel against.
Mr. Fogarty for, with Mr. Hoffman of Illinois against.
Mr. Colmer for, with Mr. Hoffman of Michigan against.
Mr. Celler for, with Mr. Shafer against.
Mr. Bolton of Maryland for, with Mr. Morton against.
Mr. Forand for, with Mr. Macy against.
Mr. Gorski of Illinois for, with Mr. Cole of New York against.
Mr. Regan for, with Mr. Holmes against.
Mr. Ribicoff for, with Mr. Reed of New York against.
Mr. Gorski of New York for, with Mr. Woodruff against.
Mr. Hébert for, with Mr. Blackney against.
Mr. Stanley for, with Mr. Jackson of California against.
Mr. Tackett for, with Mr. Edwin Arthur Hall against.
Mr. Sikes for, with Mr. Hinshaw against.
Mr. Noland for, with Mr. Hill against.
Mr. Hays of Arkansas for, with Mr. Taylor against.
Mr. Evins for, with Mr. Smith of Kansas against.
Mr. Thornberry for, with Mr. Stockman against.

General pairs until further notice:
Mr. Sadowski with Mr. Angell.
Mr. Denton with Mrs. Bolton of Ohio.
Mr. Crook with Mr. Brehm.
Mr. O'Sullivan with Mr. McGregor.
Mr. Rivers with Mr. Phillips of California.
Mr. Bates of Kentucky with Mr. Welch of California.
Mr. Richards with Mr. Jenkins.
Mr. Welch of Missouri with Mr. Smith of Ohio.
Mrs. Woodhouse with Mr. Poulson.
Mr. Moulder with Mr. Chiperfield.
Mr. Davis of Tennessee with Mr. Curtis.
Mr. Aspinall with Mr. Golden.
Mr. Murdock with Mr. Martin of Iowa.
Mr. Wier with Mr. Murray of Wisconsin.
Mr. Stigler with Mr. Tollefson.
Mr. Dingell with Mr. Velde.

Mr. MCKINNON and Mr. GORDON changed their votes from "nay" to "yea."

The result of the vote was announced as above recorded.

Accordingly (at 4 o'clock and 20 minutes p. m.) the House adjourned until tomorrow, Thursday, August 25, 1949, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

880. A letter from the Secretary of Commerce, transmitting a draft of a proposed bill entitled "To authorize relief of authorized certifying officers of terminated war agencies in liquidation by the Department of Commerce;" to the Committee on Expenditures in the Executive Departments.

881. A communication from the President of the United States, transmitting a draft of a proposed provision to authorize the transfer of funds from a current appropriation of the Department of Defense to the Department of the Interior (H. Doc. No. 318); to the Committee on Appropriations and ordered to be printed.

882. A letter from the Secretary of the Army transmitting a letter from the Chief of Engineers, United States Army, dated July 11, 1949, submitting a report, together with accompanying papers and an illustration on a review of reports on Winter Harbor, Mathews County, Va., requested by a resolution of the Committee on Rivers and Harbors, House of Representatives, adopted on March 5, 1946 (H. Doc. No. 319); to the Committee on Public Works and ordered to be printed with an illustration.

883. A letter from the Acting Chairman, Federal Trade Commission, transmitting the report of the Federal Trade Commission on the concentration of productive facilities; to the Committee on Interstate and Foreign Commerce.

884. A letter from the Acting Secretary of the Treasury, transmitting a draft of a proposed bill entitled "To amend section 5 of the Federal Firearms Act"; to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper Calendar, as follows:

Mr. CARNAHAN: Committee on Foreign Affairs. H. R. 5953. A bill to authorize contributions to Cooperative for American Remittances to Europe, Inc., without amendment (Rept. No. 1305). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON: Committee on Expenditures in the Executive Departments. S. 2085. An act to amend the Employment Act of 1946 with respect to the Joint Committee on the Economic Report; without amendment (Rept. No. 1306). Referred to the Committee of the Whole House on the State of the Union.

Mr. RANKIN: Committee on Veterans' Affairs. S. 1859. An act to transfer from the Administrator of Veterans' Affairs to the Attorney General of the United States for the use of the Bureau of Prisons, a certain tract of land located at Chillicothe, Ohio; without amendment (Rept. No. 1307). Referred to the Committee of the Whole House on the State of the Union.

Mr. RANKIN: Committee on Veterans' Affairs. S. 2115. An act to authorize payments by the Administrator of Veterans' Affairs on the purchase of automobiles or other conveyances by certain disabled veterans, and for other purposes; with an amendment (Rept. No. 1308). Referred to the Committee of the Whole House on the State of the Union.

Mr. RANKIN: Committee on Veterans' Affairs. S. 2146. An act to provide certain additional rehabilitation assistance for certain seriously disabled veterans in order to remove an existing inequality; without amendment (Rept. No. 1309). Referred to the Committee of the Whole House on the State of the Union.

Mr. RANKIN: Committee on Veterans' Affairs. S. 2298. An act to authorize the Administrator of Veterans' Affairs to convey certain lands and to lease certain other land to Milwaukee County, Wis.; without amendment (Rept. No. 1310). Referred to the Committee of the Whole House on the State of the Union.

Mr. MORRIS: Committee on Public Lands. H. R. 2196. A bill to authorize the elimination of lands from the Flathead Indian irrigation project, Montana; with an amendment (Rept. No. 1313). Referred to the Committee of the Whole House on the State of the Union.

Mr. RANKIN: Committee on Veterans' Affairs. H. R. 5833. A bill relating to full-time institutional trade and industrial training for veterans; with an amendment (Rept. No. 1314). Referred to the Committee of the Whole House on the State of the Union.

Mr. RANKIN: Committee on Veterans' Affairs. H. R. 5965. A bill to provide for the construction of certain Veterans' Administration hospitals, and for other purposes; without amendment (Rept. No. 1315). Referred to the Committee of the Whole House on the State of the Union.

Mr. RANKIN: Committee on Veterans' Affairs. H. R. 6022. A bill to increase the rates of compensation of certain employees of the Department of Medicine and Surgery of the Veterans' Administration, and for other purposes; without amendment (Rept. No. 1316). Referred to the Committee of the Whole House on the State of the Union.

Mr. RANKIN: Committee on Veterans' Affairs. H. R. 6034. A bill to provide for the establishment of a veterans' hospital for Negro veterans at the birthplace of Booker T. Washington in Franklin County, Va.; without amendment (Rept. No. 1317). Referred to the Committee of the Whole House on the State of the Union.

Mr. MANSFIELD: Committee on Foreign Affairs. H. R. 2186. A bill providing for a location survey for a railroad connecting the existing railroad system serving the United States and Canada and terminating at Prince George, British Columbia, Canada, with the railroad system serving Alaska and terminating at Fairbanks, Alaska; with an amendment (Rept. No. 1318). Referred to the Committee of the Whole House on the State of the Union.

Mr. McCULLOCH: Committee on the Judiciary. S. 936. An act to provide for the care and custody of insane persons charged with or convicted of offenses against the United States, and for other purposes; with an amendment (Rept. No. 1319). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON: Third intermediate report of the Government Operations Subcommittee of the Committee on Expenditures in the Executive Departments; without amendment (Rept. No. 1320). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MORRIS: Committee on Public Lands. H. R. 2919. A bill authorizing the issuance of a patent in fee to Paul High Horse and Anna High Horse; with an amendment (Rept. No. 1311). Referred to the Committee of the Whole House.

Mr. MORRIS: Committee on Public Lands. H. R. 5105. A bill authorizing the issuance of a patent in fee to Jessie American Horse; with an amendment (Rept. No. 1312). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. COOPER:

H. R. 6108. A bill granting the consent of Congress to a compact or agreement between the State of Tennessee and the State of Missouri concerning a Tennessee-Missouri Bridge Commission, and for other purposes; to the Committee on Public Works.

By Mr. JONES of Missouri:

H. R. 6109. A bill granting the consent of Congress to a compact or agreement between the State of Tennessee and the State of Missouri concerning a Tennessee-Missouri Bridge Commission, and for other purposes; to the Committee on Public Works.

By Mr. BENNETT of Michigan:

H. R. 6110. A bill to stimulate exploration for and conservation of strategic and critical ores, metals, and minerals, and for other purposes; to the Committee on Public Lands.

By Mr. CRAWFORD:

H. R. 6111. A bill to amend the Federal Alcohol Administration Act, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. GILMER:

H. R. 6112. A bill to amend section 7 of the act of February 27, 1925 (43 Stat. 1008), relating to the Osage Indians of Oklahoma; to the Committee on Public Lands.

By Mr. HERLONG:

H. R. 6113. A bill to increase the compensation and pension of certain veterans of the war with Spain; to the Committee on Veterans' Affairs.

By Mr. MORRIS:

H. R. 6114. A bill to set aside certain lands in Oklahoma, formerly a part of the Cheyenne-Arapaho Reservation, and known as the Fort Reno Military Reservation, for the Cheyenne-Arapaho Tribes of Indians of Oklahoma and for other purposes; to the Committee on Public Lands.

By Mr. RAINS:

H. R. 6115. A bill to permit civil officers and employees of the United States to be members of certain State and Territorial boards and commissions having duties relating to State or Territorial merit systems; to the Committee on Post Office and Civil Service.

By Mr. HARRIS:

H. R. 6116. A bill to amend the Federal Alcohol Administration Act with respect to labeling and advertising certain domestic whisky as aged; to the Committee on Interstate and Foreign Commerce.

By Mr. FULTON:

H. R. 6117. A bill to make unlawful certain lobbying with respect to river and harbor improvement and flood-control legislation; to the Committee on the Judiciary.

H. R. 6118. A bill for the purpose of erecting in the borough of Bethel, Allegheny County, Pa., a post-office building; to the Committee on Public Works.

By Mr. HORAN:

H. R. 6119. A bill authorizing certain works for the improvement of navigation, the control of floods, and the conservation and utilization of the waters of the Columbia River and its tributaries, and for other purposes; to the Committee on Public Works.

By Mr. McGRATH:

H. R. 6120. A bill to provide for direct Federal loans to meet the housing needs of moderate income families, to provide liberalized credit to reduce the cost of housing for such families, and for other purposes; to the Committee on Banking and Currency.

By Mr. MILES:

H. R. 6121. A bill to terminate certain war excise tax rates, and for other purposes; to the Committee on Ways and Means.

By Mr. SIKES:

H. R. 6122. A bill to authorize a preliminary survey to determine the feasibility of constructing and maintaining a small-boat channel at the Choctawhatchee Bay Bridge; to the Committee on Public Works.

H. R. 6123. A bill to authorize a preliminary survey to determine the feasibility of constructing and maintaining a channel at Bayou Texar, Pensacola Bay, Fla.; to the Committee on Public Works.

By Mr. ELLIOTT:

H. R. 6124. A bill to prohibit any carrier subject to part I of the Interstate Commerce Act, in transporting property between two points, from making a difference in its charges depending on the point of origin or destination; to the Committee on Interstate and Foreign Commerce.

By Mr. GOLDEN:

H. Con. Res. 130. Concurrent resolution relating to the holding in 1950 of the Dr. Thomas Walker Bi-Centennial Historical Pageant; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. MARTIN of Massachusetts

H. R. 6125. A bill for the relief of Margaret Lemaire; to the Committee on the Judiciary.

By Mr. O'KONSKI:

H. R. 6126. A bill for the relief of Sverre K. Nedberg; to the Committee on the Judiciary.

By Mr. O'TOOLE:

H. R. 6127. A bill for the relief of Sultan Mohamed; to the Committee on the Judiciary.

By Mr. PETERSON:

H. R. 6128. A bill for the relief of Antonio Firetto; to the Committee on the Judiciary.

By Mr. JOSEPH L. PFEIFER:

H. R. 6129. A bill for the relief of Vincenza Rallo Pulizzi; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1454. By the SPEAKER: Petition of United Office and Professional Workers of America, New York City, N. Y., requesting an emergency appropriation of $300,000,000 to set up an emergency plan for an all out pooling of scientific and medical talents and resources necessary to combat infantile paralysis; to the Committee on Interstate and Foreign Commerce.

By the SPEAKER:

1455. Also, petition of Mrs. E. A. Maurer and others, Bowling Green, Haskins, and Rudolph, Ohio, petitioning the Congress to prohibit the transportation of alcoholic beverage advertising in interstate commerce and the broadcasting of alcoholic beverage advertising over the radio; to the Committee on Interstate and Foreign Commerce.

1456. Also, petition of the General Society Sons of the Revolution, relative to changing the contemplated route of the Pennsylvania Turnpike; to the Committee on Public Works.

SENATE

THURSDAY, AUGUST 25, 1949

(Legislative day of Thursday, June 2, 1949)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Rev. William E. Firth, minister, St. Paul Methodist Church, Washington, D. C., offered the following prayer:

Almighty God, unto whom all hearts are open, all desires known, and from whom no secrets are hid, cleanse the thoughts of our hearts by the inspiration of Thy holy spirit, that we may be more pleasing unto Thee and serve Thee better.

Give us a sense of Thy presence that our words and deeds may be in harmony with Thy will, for we know that which is pleasing unto Thee is best for Thy children.

Breathe on me, breath of God,
Fill me with life anew,
That I may love what Thou dost love,
And do what Thou wouldst do.

In Christ's name we pray. Amen.

THE JOURNAL

On request of Mr. HAYDEN, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, August 24, 1949, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on August 24, 1949, the President had approved and signed the following acts and joint resolution:

S. 520. An act to authorize and direct the Secretary of the Interior to issue to Leo Farwell Glenn, a Crow allottee, a patent in fee to certain lands;

S. 555. An act for the relief of Eiko Nakamura;

S. 622. An act for the relief of Isaiah Johnson;

S. 787. An act for the relief of William (Vasilios) Kotsakis;

S. 855. An act to authorize a program of useful public works for the development of the Territory of Alaska;

S. 1361. An act to authorize and direct the Secretary of the Interior to issue to John Grayeagle a patent in fee to certain land; and

S. J. Res. 3. Joint resolution to provide that any future payments by the Republic of Finland on the principal or interest of its debt of the First World War to the United States shall be used to provide educational and technical instruction and training in the United States for citizens of Finland and American books and technical equipment for institutions of higher education in Finland and to provide opportunities for American citizens to carry out academic and scientific enterprises in Finland.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed the bill (S. 627) for the relief of Leon Moore, with an amendment in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 2186. An act providing for a location survey for a railroad connecting the existing railroad system serving the United States and Canada and terminating at Prince George, British Columbia, Canada, with the railroad system serving Alaska and terminating at Fairbanks, Alaska;

H. R. 5354. An act for the relief of Itzchak Shafer;

H. R. 6006. An act for the relief of Anthony Charles Bartley; and

H. R. 6007. An act for the relief of Herminia Ricart.

CALL OF THE ROLL

Mr. HAYDEN. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Anderson	Chapman	Downey
Bricker	Chavez	Ecton
Bridges	Connally	Ellender
Byrd	Cordon	Ferguson
Cain	Donnell	Flanders
Capehart	Douglas	Frear

Fulbright	Langer	Reed
George	Leahy	Robertson
Gillette	Long	Russell
Graham	Lucas	Saltonstall
Green	McCarthy	Schoeppel
Gurney	McClellan	Smith, Maine
Hayden	McFarland	Smith, N. J.
Hendrickson	McKellar	Sparkman
Hickenlooper	McMahon	Stennis
Hill	Magnuson	Taft
Hoey	Malone	Taylor
Holland	Maybank	Thomas, Okla.
Humphrey	Miller	Thomas, Utah
Ives	Millikin	Tobey
Jenner	Morse	Tydings
Johnson, Colo.	Mundt	Vandenberg
Johnson, Tex.	Murray	Watkins
Kefauver	Myers	Wherry
Kem	Neely	Wiley
Kerr	O'Conor	Williams
Kilgore	O'Mahoney	Young
Knowland	Pepper	

Mr. MYERS. I announce that the Senator from Mississippi [Mr. EASTLAND], the Senator from South Carolina [Mr. JOHNSTON], and the Senator from Kentucky [Mr. WITHERS] are absent on public business.

The Senator from Wyoming [Mr. HUNT] is absent by leave of the Senate on official business.

The Senator from Nevada [Mr. MCCARRAN] is absent by leave of the Senate.

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN], the Senator from Nebraska [Mr. BUTLER], and the Senator from Massachusetts [Mr. LODGE] are absent by leave of the Senate.

The Senator from Maine [Mr. BREWSTER], the Senator from New York [Mr. DULLES], and the Senator from Minnesota [Mr. THYE] are necessarily absent.

The Senator from Pennsylvania [Mr. MARTIN] is absent on official business.

The Senator from Connecticut [Mr. BALDWIN] is absent by leave of the Senate on official business.

The VICE PRESIDENT. A quorum is present.

LEAVES OF ABSENCE

Mr. RUSSELL. Mr. President, I ask leave of the Senate to be absent the remainder of today, tomorrow, and a few days next week.

The VICE PRESIDENT. Without objection, consent is granted.

Mr. TOBEY. Mr. President, I ask leave of the Senate that the Senator from New Hampshire may be absent from the close of business today until after Labor Day.

The VICE PRESIDENT. Very reluctantly, the Chair accords the request of the Senator from New Hampshire.

Mr. TOBEY. The Senator from New Hampshire appreciates that. It is for both official and unofficial business.

The VICE PRESIDENT. The Chair appreciates that, too.

Mr. FERGUSON asked and obtained consent to be absent from the sessions of the Senate between the conclusion of tonight's session and the 16th or 18th of September, to enable him to attend as a delegate the meeting in Stockholm of the Interparliamentary Union.

On request of Mr. LUCAS, and by unanimous consent, Mr. GRAHAM was excused from attendance on the sessions of the Senate on Friday and Saturday of this week.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. LUCAS, and by unanimous consent, the Committee on Armed Services and the Foreign Relations Committee, sitting jointly, was authorized to meet during the session of the Senate today.

CIVIL FUNCTIONS APPROPRIATIONS FOR 1950—ITEMS IN DISAGREEMENT

Mr. McKELLAR. Mr. President, the Civil Functions Appropriation bill has been in controversy before the conference committees of the two Houses since the 1st of June. I have a statement of the differences between the Senate and House conferees, and I ask unanimous consent to have it printed in the RECORD as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Civil functions appropriation bill, 1950

RIVERS AND HARBORS

Project	Estimated Federal cost	Senate figure	Suggested compromise
Georgia: Buford Dam	$25,250,000	$2,261,000	$1,000,000
Alabama: Tennessee-Tombigbee	169,117,000	200,000	[1] 200,000
Texas: Intracoastal Waterway (Galveston district)	776,000	50,000	[1] 50,000
Total, rivers and harbors	195,123,000	2,511,000	1,250,000

FLOOD CONTROL, GENERAL

Arizona: Tucson	$2,390,000	$1,250,000	$500,000
California: San Antonio Reservoir	7,000,000	500,000	[6]
Kansas: Toronto Reservoir	14,315,000	1,000,000	[2] 1,000,000
Montana: Havre	1,105,700	400,000	[3] 400,000
Nebraska: Gavins Point Reservoir	22,300,000	2,000,000	1,000,000
New Mexico:			
Bluewater floodway	200,000	200,000	200,000
Chamita Reservoir	28,703,000	750,000	[1] 75,000
Conchas Reservoir	----------	35,000	[4] 35,000
Jemez Canyon	7,201,000	750,000	750,000
Rio Grande floodway	3,000,000	771,500	[1] 50,000
Oklahoma:			
Oologah Dam and Reservoir	31,050,000	550,000	550,000
Optima Reservoir	18,150,000	500,000	[1] 100,000
Vermont: Rutland	3,700,000	500,000	[5] 500,000
Subtotal	140,114,700	10,206,500	5,160,000
Planning funds:			
Georgia: Hartwell Reservoir, Ga. and S. C.	68,000,000	75,000	[6] 75,000
Ohio: Martins Ferry	6,210,000	50,000	50,000
Virginia: Salem Church	33,000,000	40,000	40,000
Total, flood control, general	247,324,700	10,371,500	5,325,000
Grand totals, rivers and harbors and flood control, general	442,447,700	12,882,500	6,575,000

[1] Planning funds.
[2] Or nominal amount.
[3] Or split.
[4] Tentatively agreed on.
[5] Or $250,000.
[6] Or treat as other nonbudgeted planning items.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

REPORT OF ECONOMIC COOPERATION ADMINISTRATION — MESSAGE FROM THE PRESIDENT (H. DOC. NO. 308)

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying report, referred to the Committee on Foreign Relations:

To the Congress of the United States of America:

I am transmitting herewith the fourth report of the Economic Cooperation Administration created by the Foreign Assistance Act of 1948, Public Law 472 of the Eightieth Congress, approved April 3, 1948.

The report covers activities under the Economic Cooperation Act of 1948 (title I of Public Law 472) and the China Aid Act of 1948 (title IV of Public Law 472), as well as the program of economic aid to the Republic of Korea under the provisions of the Foreign Aid Appropriation Act of 1949 (Public Law 793, 80th Cong.) There is also included in the appendix a summary of the status of the United States Foreign Relief Program (Public Law 84, 80th Cong.) and the United States Foreign Aid Program (Public Law 389, 80th Cong.)

This report covers the period January 1 through April 2, 1949, the close of the first year of operations under the Foreign Assistance Act of 1948.

HARRY S. TRUMAN.

THE WHITE HOUSE, *August 25, 1949.*

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following communication and letters, which were referred as indicated:

SUPPLEMENTAL ESTIMATE, DISTRICT OF COLUMBIA (S. DOC. NO. 110)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation, in the amount of $11,248.03, for the District of Columbia, fiscal year 1950 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

COINAGE OF SUBSIDIARY SILVER COINS

A letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation to amend section 3526 of the Revised Statutes relating to coinage of subsidiary silver coins (with an accompanying paper); to the Committee on Banking and Currency.

SUSPENSION OF DEPORTATION OF ALIENS

A letter from the Acting Attorney General of the United States, relating to the deportation case of Mrs. Maria Anna Elizabeth Falco, transmitted to the Senate on April 15, 1949 (with an accompanying paper); to the Committee on the Judiciary.

REPORT OF FEDERAL TRADE COMMISSION ENTITLED "THE CONCENTRATION OF PRODUCTIVE FACILITIES"

A letter from the Acting Chairman of the Federal Trade Commission, transmitting, pursuant to law, a report by that Commission entitled "The Concentration of Productive Facilities," for the year 1947 (with an accompanying report); to the Committee on Interstate and Foreign Commerce.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A resolution adopted by the officers and staff of the New York chapter of the Military Order of the World Wars, New York, N. Y., favoring the enactment of legislation to prohibit the picketing of courts; to the Committee on the Judiciary.

A letter in the nature of a petition from the United Office and Professional Workers of America, New York, N. Y., signed by James H. Durkin, president, favoring an appropriation of $300,000,000 to combat infantile paralysis; to the Committee on Labor and Public Welfare.

A resolution adopted by the Woman's Club of Jeffersontown, Ky., protesting against the enactment of legislation providing compulsory health insurance; to the Committee on Labor and Public Welfare.

A resolution adopted by the General Society, Sons of the Revolution, Newport, R. I., relating to a change in the contemplated route of the Pennsylvania Turnpike so that it will not lie adjacent to the Valley Forge Park, Pa.; to the Committee on Public Works.

By Mr. SALTONSTALL:

Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on Expenditures in the Executive Departments:

"Resolutions memorializing Congress to give favorable consideration to the recommendations of the so-called Hoover Commission

"Whereas the growth of our Nation has been paralleled with an ever-increasing number of Government activities to the point where a condition of duplication and overlapping of function and general administrative turmoil exists with attendant waste, inefficiency, and confusion; and whereas the increased costs of Government have become a critical matter of the utmost concern to our citizens; and whereas, pursuant to Public Law 162, enacted by the Eightieth Congress, there was created a Commission on Organization of the Executive Branch of the Government, which public law was, on July 7, 1947, approved by the President of the United States, Harry S. Truman; and

"Whereas pursuant to Public Law 162, there was appointed a bipartisan body of representatives and distinguished citizens of our country carrying with them experience in Government affairs, which body did make an exhaustive and unbiased inquiry into the administration of certain of the agencies of the Federal Government; and

"Whereas the said Commission has filed with the Congress a detailed report of its findings together with pertinent recommendations; and

"Whereas it appears to your memorialists that the said findings and recommendations constitute a cohesive and efficient program which, if adopted, will be of great benefit to the people of these United States: Now, therefore, be it

"*Resolved,* That the General Court of the Commonwealth of Massachusetts hereby petitions and urges the Congress of the United States to give due and favorable consideration to the recommendations of the so-called Hoover Commission to the end that the said recommendations may be adopted by the Congress of these United States and the President of the United States may be directed thereby to effectuate the provisions of its recommendations; and be it further

"*Resolved,* That copies of these resolutions be sent forthwith by the Secretary of the Commonwealth to the President of the United States, to the presiding officer of each branch of Congress and to the Members thereof from this Commonwealth.

"In house of representatives, adopted, August 16, 1949.

"LAWRENCE R. GROVE,
"Clerk.

"In senate, adopted, in concurrence, August 18, 1949.

"IRVING N. HAYDEN,
"Clerk."

The VICE PRESIDENT laid before the Senate resolutions of the General Court of the Commonwealth of Massachusetts, identical with the foregoing, which were referred to the Committee on Expenditures in the Executive Departments.

LOCAL PUBLIC HEALTH UNITS ACT OF 1949—LETTER FROM NATIONAL CONGRESS OF PARENTS AND TEACHERS

Mr. WILEY. Mr. President, there was recently reported to the Senate from the Committee on Labor and Public Welfare, Senate bill 522, the so-called Local Public Health Units Act of 1949.

In this connection, my colleagues and I have received a letter from the National Congress of Parents and Teachers, a great organization which is familiar to each of us for its work in our respective States, and on a national basis. The letter from the president of the National Congress endorsed this legislation as being in the interest of the Nation's youngsters. I ask unanimous consent that the text of the letter be appropriately referred and printed at this point in the RECORD.

There being no objection, the letter was ordered to lie on the table and to be printed in the RECORD, as follows:

NATIONAL CONGRESS OF
PARENTS AND TEACHERS,
Chicago, Ill., August 18, 1949.

MY DEAR SENATOR: On behalf of the 5,774,358 parents and teachers who belong to the National Congress of Parents and Teachers, I urge you to vote favorably on S. 522, the Local Public Health Units Act of 1949. By doing so you will be carrying out the expressed wishes of a vast segment of informed and alert citizens whose dominant interest is the education, protection, and welfare of children.

Ever since it was founded in 1897, the National Congress of Parents and Teachers has worked unceasingly for the mental and physical well-being of children and youth. In fact, so strong has been its concern in this area of child welfare it has incorporated the following statement in its declaration of policies:

"We recommend increased public support for equalized health, and health opportunities for all children and youth."

S. 522 conforms to this established policy, and that is why we have consistently supported it. The passage of this bill will return to our country dividends of wealth in terms of strong citizens whose sound minds and bodies will be the surest bulwark against enemies boring from within or attacking from without. Indeed, we are confident that the bill will help America preserve its greatest resource—the health of all of her people.

We shall watch with keen interest the progress of this measure as it advances toward final enactment.

Sincerely yours,

ANNA H. HAYES,
Mrs. John E. Hayes,
President.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JOHNSON of Colorado, from the Committee on Interstate and Foreign Commerce:

H. J. Res. 338. Joint resolution to authorize the Administrator of Civil Aeronautics to undertake a project under the Federal Airport Act for the development and improvement of Logan International Airport at Boston, Mass., during the fiscal year 1950; without amendment (Rept. No. 956).

By Mr. CAPEHART, from the Committee on Interstate and Foreign Commerce:

S. 2436. A bill to amend the Act entitled "An act to authorize the construction, protection, operation, and maintenance of public airports in the Territory of Alaska"; without amendment (Rept. No. 955).

By Mr. O'MAHONEY, from the Committee on Interior and Insular Affairs:

S. 2105. A bill to stimulate exploration for and conservation of strategic and critical ores, metals, and minerals, and for other purposes; with an amendment (Rept. No. 957).

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, August 25, 1949, he presented to the President of the United States the enrolled bill (S. 1565) for the relief of Dr. Ludovit Ruhmann.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McMAHON:

S. 2481. A bill for the relief of the Borough of Naugatuck, Conn.; to the Committee on the Judiciary.

By Mr. THOMAS of Oklahoma:

S. 2482. A bill to repeal mandatory price support provisions for Irish potatoes and eggs; and

S. 2483. A bill to prevent waste of food commodities acquired through price support operations; to the Committee on Agriculture and Forestry.

By Mr. JOHNSON of Colorado (by request):

S. 2484. A bill to authorize the United States Maritime Commission to provide war risk and certain marine and liability insurance; to the Committee on Interstate and Foreign Commerce.

By Mr. LANGER:

S. 2485. A bill for the relief of Kodris Ullah, Solim Ullah, Arfath Ullah, and Sogon Ali; to the Committee on the Judiciary.

(Mr. LANGER also introduced Senate bill 2486, to amend the Displaced Persons Act of 1948, which was referred to the Committee on the Judiciary, and appears under a separate heading.)

By Mr. McMAHON:

S. 2487. A bill for the relief of Dominic Arcella; to the Committee on the Judiciary.

By Mr. PEPPER:

S. 2488. A bill for the relief of Jan Josef Wieckowski and his wife and daughter; to the Committee on the Judiciary.

By Mr. PEPPER (for himself and Mr. HOLLAND):

S. 2489. A bill to authorize the Secretary of the Interior to carry out a research and development program with respect to natural sponges; to the Committee on Interior and Insular Affairs.

S. 2490. A bill providing for a study by the Bureau of Standards of the relative merits of natural and synthetic sponges; to the Committee on Interstate and Foreign Commerce.

By Mr. GREEN (for himself and Mr. LEAHY):

S. 2491. A bill providing for the conveying of land and buildings at Fort Philip Kearney Military Reservation to the State of Rhode Island; to the Committee on Banking and Currency.

By Mr. LANGER:

S. 2492. A bill for the relief of Maria, Magdalena, Margit, and Martha Battha; and

S. 2493. A bill for the relief of Kara Ellahi, Lal Miah, Abdul Karim, and Lal Khan; to the Committee on the Judiciary.

(Mr. MAYBANK (by request) introduced Senate bill 2494, to amend section 9 of the Federal Reserve Act, as amended, and for other purposes, which was referred to the Committee on Banking and Currency, and appears under a separate heading.)

AMENDMENT OF FEDERAL RESERVE ACT

Mr. MAYBANK. Mr. President, I introduce for appropriate reference a bill to amend section 9 of the Federal Reserve Act, as amended, and for other purposes.

The bill is being introduced by request. It concerns the Federal Reserve, and I have talked with the Governors of the Federal Reserve Board about it. In view of the lateness of the session, and the desire of the majority leader that we not hold hearings so that Senators may be present on the floor of the Senate, I shall not be able to hold any hearings on the bill until after the first of the year.

The bill (S. 2494) to amend section 9 of the Federal Reserve Act, as amended, and for other purposes, introduced by Mr. MAYBANK (by request), was read twice by its title, and referred to the Committee on Banking and Currency.

DR. THOMAS WALKER BICENTENNIAL HISTORICAL PAGEANT

Mr. CHAPMAN submitted the following concurrent resolution (S. Con. Res. 63), which was referred to the Committee on the Judiciary:

Resolved by the Senate (the House of Representatives concurring) That the Congress joins with the Legislatures of the States of Kentucky, Virginia, Tennessee, and West Virginia in declaring the wish—

(1) that a bicentennial historical pageant be held in 1950 in such States in celebration of the two hundredth anniversary of the journey of exploration made by Dr. Thomas Walker and his five associates, Ambrose Powell, William Tomlinson, John Hughes, Colby Chew, and Henry Lawless, who left Doctor Walker's home, Castle Hill, near Charlottesville, Va., March 6, 1750, and passed through the region now comprising the Virginia counties of Albemarle, Nelson, Amherst, Bedford, Botetourt, Roanoke, Montgomery, Pulaski, Wise, and Smyth, and on through Sullivan, Hawkins, Hancock, and Claiborne Counties in Tennessee, back into Lee County, Va., through Cumberland Gap and on through the present Kentucky counties of Bell, Knox, Whitley, Laurel, Rockcastle, Jackson, Estill, Powell, Wolfe, Morgan, Johnson, and Martin, and then on through the West Virginia counties of Mingo, Raleigh, Summers, and Greenbrier, and on through Bath and Augusta Counties in Virginia and back to Castle Hill, and of the construction during such journey of the first house west of the Allegheny Mountains near the north bank of the Cumberland River in Knox County, Ky.;

(2) that such pageant be aided by people from all parts of the United States and be participated in by the people individually and through their State and local governments, their schools, churches, clubs, lodges, and other organizations; and

(3) that pageants and exhibits be held at appropriate places along the route taken by Doctor Walker and his associates which will depict the efforts of the early pioneers to carve a nation out of the wilderness, thus affording the people of the United States an opportunity to increase their knowledge and appreciation of their pioneer forefathers and their successful accomplishment of a difficult and dangerous task.

THIRD DEFICIENCY APPROPRIATIONS—AMENDMENT

Mr. O'CONOR submitted an amendment intended to be proposed by him to the bill (H. R. 5300) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1949, and for other purposes; which was ordered to lie on the table and to be printed.

AMENDMENT OF CONTRACT SETTLEMENT ACT OF 1944—AMENDMENT

Mr. O'MAHONEY submitted an amendment intended to be proposed by him to the bill (S. 2294) to amend the Contract Settlement Act of 1944 so as to authorize the payment of fair compensation to persons contracting to deliver certain strategic or critical minerals or metals in cases of failure to recover reasonable costs, and for other purposes, which was referred to the Committee on the Judiciary and ordered to be printed.

INCREASED COMPENSATION FOR HEADS AND ASSISTANT HEADS OF EXECUTIVE DEPARTMENTS—AMENDMENTS

Mr. WILLIAMS (for himself and Mr. CAIN) submitted an amendment intended to be proposed by them, jointly, to the bill (S. 498) to increase rates of compensation of the heads and assistant heads of executive departments and independent agencies, which was ordered to lie on the table and to be printed.

Mr. WILLIAMS (for himself and Mr. CAIN) also submitted an amendment intended to be proposed by them, jointly, to the bill (H. R. 1689) to increase rates of compensation of the heads and assistant heads of executive departments and independent agencies, which was ordered to lie on the table and to be printed.

SCHEDULE OF RATES OF BASIC COMPENSATION FOR CERTAIN FEDERAL EMPLOYEES—AMENDMENTS

Mr. WILLIAMS (for himself and Mr. CAIN) submitted amendments intended to be proposed by them, jointly, to the bill (S. 2379) to establish a standard schedule of rates of basic compensation for certain employees of the Federal Government; to provide an equitable system for fixing and adjusting the rates of basic compensation of individual employees; to repeal the Classification Act of 1923, as amended; and for other purposes, which were ordered to lie on the table and to be printed.

ADDITIONAL BENEFITS FOR CERTAIN POSTMASTERS, ETC.—AMENDMENT

Mr. WILLIAMS (for himself and Mr. CAIN) submitted an amendment intended to be proposed by them, jointly, to the bill (S. 1772) to provide additional benefits for certain postmasters, officers, and employees in the postal field service with respect to annual and sick leave, longevity pay, compensatory time, and promotion, and for other purposes, which was ordered to lie on the table and to be printed.

COMPENSATION OF CERTAIN GOVERNMENT EMPLOYEES—AMENDMENT RELATING TO NATIONAL GUARD PERSONNEL

Mr. KILGORE. Mr. President, I submit for appropriate reference an amendment intended to be proposed by me to the bill (H. R. 3191) to amend the act approved September 7, 1916 (ch. 458, 39 Stat. 742), entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," as amended, by extending coverage to civilian officers of the United States and by making benefits more realistic in terms of present wage rates, and for other purposes. These amendments merely extend the act to cover the National Guard personnel. I ask unanimous consent that they be printed in the RECORD.

There being no objection, the amendments were ordered to lie on the table and to be printed in the RECORD, as follows:

Amend H. R. 3191, section 108, subparagraph (b), page 19, line 20, by striking the period and parentheses and inserting the following: "officers, warrant officers, and enlisted men of the NGUS, both ground and air and the federally recognized NG of the several States, Territories, and the District of Columbia."

Further amend H. R. 3191, page 39, by inserting after section 402 a new section, designated section 403, as follows:

"Effective as of August 14, 1945, all officers, warrant officers, and enlisted men of the NG of the United States, both ground and air, the federally recognized NG of the several States, Territories, and District of Columbia

"(1) if engaged for periods in excess of 30 days in any type of training under sections 92, 94, 97, or 99 of the NDA, as amended, suffer disability or death in line of duty from disease while so engaged;

"(2) if engaged for any period in any type of training under such sections of the NDA, as amended, suffer disability or death in line of duty from injury while so employed;

with or without pay, or when engaged in authorized travel to or from such duty, they or their beneficiaries shall in all respects be entitled to all the benefits prescribed by law for civil employees of the United States who are physically injured in line of duty or die as a result thereof, the Federal Security Administration shall have jurisdiction in such cases and shall perform the same duties with reference thereto as in the cases of civil employees of the United States so injured: *Provided*, That the benefits of the employees' compensation accruing under this section shall not be paid concurrently with drill or active duty pay or pension based upon military service, and in the event a person becomes eligible for the benefits provided hereunder and is also eligible for or is in receipt of a pension or compensation based upon military service, he or his beneficiaries shall elect which benefits to receive, but any benefits paid hereunder shall be deducted from the monetary benefits that may accrue under Public Law 108, Eighty-first Congress: *Provided further*, That for the purpose of determining the benefits to which entitled under the provisions of this section, such personnel when engaged in authorized training without pay will be held and considered as receiving the pay and allowances they would have received if in a pay status: *Provided further*, No back pay, compensation, or death gratuity shall be held to have accrued as a result of this act for any period of time prior to the effective date of this act."

HOUSE BILLS REFERRED OR PLACED ON CALENDAR

The following bills were severally read twice by their titles, and referred, or ordered to be placed on the calendar, as indicated:

H. R. 2186. An act providing for a location survey for a railroad connecting the existing railroad system serving the United States and Canada and terminating at Prince George, British Columbia, Canada, with the railroad system serving Alaska and terminating at Fairbanks, Alaska; to the Committee on Foreign Relations.

H. R. 5354. An act for the relief of Itzchak Shafer;

H. R. 6006. An act for the relief of Anthony Charles Bartley; and

H. R. 6007. An act for the relief of Herminia Ricart; to the Committee on the Judiciary.

H. R. 6070. An act to amend the National Housing Act, as amended, and for other purposes; ordered to be placed on the calendar.

BRIDGES TURNS TO POLITICS—EDITORIAL FROM THE OMAHA MORNING WORLD-HERALD

[Mr. WHERRY, on behalf of Mr. BUTLER, asked and obtained leave to have printed in the RECORD an editorial entitled "Bridges Turns to Politics," published in the Omaha Morning World-Herald for August 23, 1949, which appears in the Appendix.]

MISUSING WELFARE—ARTICLE BY SENATOR HUMPHREY AND EDITORIAL FROM THE WHEELING INTELLIGENCER

[Mr. NEELY asked and obtained leave to have printed in the RECORD an article by Senator HUMPHREY and an editorial appearing in the Wheeling Intelligencer for August 22, 1949, which appear in the Appendix.]

TRUTH VERSUS COMMUNISM—EDITORIAL FROM THE CHARLESTON GAZETTE

[Mr. NEELY asked and obtained leave to have printed in the RECORD an editorial entitled "Truth Versus Communism," published in the Charleston Gazette of August 20, 1949, which appears in the Appendix.]

RELIEF FOR GERMANY—ADDRESS BY B. H. HOFMANN

[Mr. LANGER asked and obtained leave to have printed in the RECORD an address delivered by B. H. Hofmann, national secretary, American Relief for Germany, Inc., at the German relief day festival at Paterson, N. J., on August 14, 1949, which appears in the Appendix.]

COMMUNIST ATTACKS ON RELIGION

[Mr. O'CONOR asked and obtained leave to have printed in the RECORD an article by George Dugan, entitled "Communism Rated Creed of Slavery," published in the New York Times of August 21, 1949, which appears in the Appendix.]

A STAMP FOR POE—EDITORIAL FROM THE WASHINGTON STAR

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD an editorial entitled "A Stamp for Poe," published in the Evening Star of August 12, 1949, which appears in the Appendix.]

CHANGES IN TRANSMISSION STANDARDS LOOKING TOWARD COLOR TELEVISION

[Mr. JOHNSON of Colorado asked and obtained leave to have printed in the RECORD a letter dated August 25, 1949, from C. B. Jolliffe, executive vice president in charge of RCA laboratories division, Radio Corporation of America, to the Secretary of the Federal Communications Commission, which appears in the Appendix.]

TRUE AMERICANISM—LETTER BY SEARCY RIDGE

[Mr. KEM asked and obtained leave to have printed in the RECORD a letter by Searcy Ridge, published in the Kansas City Star of August 22, 1949, which appears in the Appendix.]

THE ARROGANCE OF POWER—ARTICLE BY MARQUIS CHILDS

[Mr. KEM asked and obtained leave to have printed in the RECORD an article entitled "The Arrogance of Power," by Marquis Childs, from the Washington Post of August 20, 1949, which appears in the Appendix.]

FINAL SUMMARY OF COMMENTS ON HOOVER COMMISSION RECOMMENDATIONS

Mr. McCLELLAN. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a statement which I have prepared as a final summary of the views and comments of the various departments and agencies of the executive branch of the Government, received in response to the committee's request for information concerning the effect the recommendations of the Hoover Commission would have on such establishments.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR JOHN L. MCCLELLAN, CHAIRMAN OF THE SENATE COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

Senator JOHN L. MCCLELLAN, chairman of the Senate Committee on Expenditures in the Executive Departments, submitted to the Senate today a final summary of the views and comments of the various departments and agencies of the executive branch of the Government received in response to the committee's request for information concerning the effect recommendations of the Hoover Commission would have on such establishments.

The chairman announced that a comprehensive report was being prepared by the staff of the committee for submission to the Senate digesting briefly the Hoover Commission recommendations, and summarizing agency comments relative to their application to individual agencies affected. The report will also indicate legislative actions taken (and administrative, when available) toward implementation of recommendations, including the status of pending bills and an outline of acts affecting reorganization of the executive branch approved during the present session. The chairman stated that such a report should prove of considerable value to the Congress and the puolic in appraising the Commission reports, pointing up differences which will require special studies by jurisdictional committees, and in furthering a comprehensive legislative program for the next session of Congress with a view to enactment of further legislation designed to conform to the Commission's recommendations.

The committee addressed letters to all agencies of the executive branch of the Government on May 23, 1949, requesting (1) a detailed report relative to the application of the various recommendations and textual discussions in the Commission reports which affected each establishment either directly or indirectly, to be supported by relevant factual information that might be helpful in the consideration of the various recommendations; (2) comments relative to prospective implementation of recommendations contained in the reports, including a summary of administrative actions taken to conform thereto; (3) an analysis of pending legislation which provides for the effectuation of specific recommendations affecting such agency; and (4) prospective reductions in personnel and operating costs resulting from reorganizations or administrative changes.

Reports were submitted by 49 agencies and comments were released by the committee and inserted in the CONGRESSIONAL RECORD, comprising 39 separate releases, beginning on July 7, 1949, the last appearing in the RECORD on August 22, as follows:

REPORTING AGENCY, CONGRESSIONAL RECORD DATE AND PAGES

Bureau of the Budget, July 7, 1949, pages 9005–9007.

Federal Deposit Insurance Corporation, July 8, 1949, pages 9085–9088.

Civil Aeronautics Board, July 8, 1949, pages 9088–9089.

United States Maritime Commission, July 11, 1949, pages 9184–9185.

Securities and Exchange Commission, July 11, 1949, pages 9185–9186.

Department of Agriculture, July 12, 1949, pages 9249–9250.

National Security Council, National Security Resources Board, July 13, 1949, pages 9343–4345.

Federal Trade Commission, July 14, 1949, pages 9423–9426.

National Advisory Committee for Aeronautics, July 15, 1949, pages 9531–9533.

National Labor Relations Board, Federal Mediation and Conciliation Service, National Mediation Board, July 18, 1949, pages 9611–9613.

Veterans' Administration, July 18, 1949, pages 9613–9616.

Federal Security Agency, July 18, 1949, pages 9616–9621.

Housing and Home Finance Agency, July 20, 1949, pages 9758–9766.

Department of State, July 20, 1949, pages 9756–9758.

Federal Power Commission, July 22, 1949, pages 9974–9976.

Selective Service System, July 22, 1949, pages 9976–9979.

National Military Establishment, July 22, 1949, pages 9979–9980.

Administration of Overseas Affairs: Comments by Bureau of the Budget, State Department, ECA, Philippine Alien Property Administration, Philippine War Damage Commission, American Battle Monuments, July 25, 1949, pages 10054–10055.

Department of Labor, July 25, 1949, pages 10055–10057.

Civil Service Commission, July 26, 1949, pages 10145–10149.

Atomic Energy Commission, July 27, 1949, pages 10261–20262.

Department of Commerce, July 28, 1949, pages 10324–10327.

Economic Cooperation Administration, July 29, 1949, pages 10400–10401.

Federal Communications Commission, July 29, 1949, pages 10399–10400.

Reconstruction Finance Corporation, August 1, 1949, pages 10445–10447.

Department of Justice, August 2, 1949, pages 10531–10532.

The Panama Canal, August 3, 1949, pages 10653–10654.

Interstate Commerce Commission, August 4, 1949, page 10739.

United States Tariff Commission, August 5, 1949, pages 10811–10812.

Export-Import Bank of Washington, August 8, 1949, pages 10947–10948.

Post Office Department, August 8, 1949, pages 10945–10947.

Department of the Treasury, August 10, 1949, pages 11150–11151.

Tennessee Valley Authority, August 11, 1949, pages 11241–11242.

Central Intelligence Agency, August 12, 1949, pages 11324–11325.

National Capital Housing Authority, August 15, 1949, pages 11413–11414.

National Capital Park and Planning Commission, August 15, 1949, pages 11412–11413.

Indian Claims Commission, August 17, 1949, pages 11596–11597.

Department of the Interior, August 19, 1949, pages 11817–11820.

Office of the Housing Expediter, Railroad Retirement Board, Federal Reserve System, Smithsonian Institution, Displaced Persons Commission, Tax Court of the United States, August 22, 1949, pages 11887–11888.

Bureau of the Budget (supplemental), August 22, 1949, pages 11888–11889.

Extensive and comprehensive reports were prepared by some of the departments and agencies on all the Commission's recommendations affecting them, while others

failed to comment on specific recommendations applying directly to such establishments. The Departments of State, Commerce, Post Office, and Justice were most cooperative in responding to the committee's request, as were the Federal Deposit Insurance Corporation, Civil Aeronautics Board, United States Maritime Commission, Securities and Exchange Commission, National Security Council, and National Security Resources Board, Federal Trade Commission, National Advisory Committee for Aeronautics, Veterans' Administration, Federal Security Agency, Housing and Home Finance Agency, Federal Power Commission, Civil Service Commission, Reconstruction Finance Corporation, and others.

On the other hand, some agencies failed to supply details relative to the various Hoover Commission recommendations affecting them, as requested by the committee. The National Military Establishment confined its comments to pending legislation, and made no specific reference to primary recommendations which were not included in legislative proposals affecting the military. The Department of the Treasury in its original response gave the committee no information which would indicate its views, but, in response to a second requested by the chairman, submitted additional information.

The Department of the Interior, the last responding agency, contented itself with general observations, and neglected to comment directly on specific recommendations of the Commission which have broad implications and would materially affect the Department. Neither the National Military Establishment nor the Department of the Interior commented categorically on the recommendations of the Commission relative to the proposed transfer of the civil functions of the Corps of Engineers from the Department of the Army to Interior, the most controversial issue raised by the Hoover Commission in its reports.

A number of reporting agencies also failed to make any reference to recommendations in the Commission's across-the-board reports on general management and budgeting and accounting, although all are directly affected by many of these proposals. On the recommendation relative to the creation of an accountant general in the Department of the Treasury (No. 10, budgeting and accounting), the Departments of Commerce, Interior, Justice, Treasury, and a number of agencies, including the Bureau of the Budget, provided adequate responses, while the others ignored this recommendation and restricted comments to general observations on other phases of the report. The Bureau of the Budget, and the Departments of the Treasury and Commerce were in disagreement with recommendation No. 10, while Interior and Justice favored it, on the ground that the accounting policies should be controlled by the executive branch, and the functions of the General Accounting Office should be restricted to auditing. Practically all departments and agencies approved the performance budget in principal, and endorsed a survey of the appropriation structure.

DISPLACED PERSONS LEGISLATION

Mr. WILEY. Mr. President, I send to the desk a statement released from my office today on the subject of displaced persons legislation. I ask unanimous consent that it be printed in the body of the CONGRESSIONAL RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

WILEY ANNOUNCES HE WILL VOTE TO DISCHARGE DISPLACED PERSONS BILL FROM JUDICIARY COMMITTEE

Senator ALEXANDER WILEY, Republican, of Wisconsin, ranking Republican of the Senate Judiciary Committee, today announced his support of the unusual step to discharge his own committee from further consideration of displaced persons legislation. The Wisconsin Senator indicated that a study of the issues involved in this rare bipartisan move for discharge shows that it is imperatively necessary to bring this humanitarian issue immediately to the Senate floor. "Ordinarily," he stated, "any other Senator or I would be extremely reluctant to join in this drastic move of discharging my own or any other committee. However, this is an extraordinary situation requiring an extraordinary step. We have no alternative if we are to prevent the bill from dying this year."

WILEY's full statement reads as follows:

"We have had 8 months to revise the present law. The House of Representatives on June 2 enacted a bill (H. R. 4567) which, while it is not perfect, embodies most of the changes recommended almost unanimously by America's leading church and civic organizations.

"FAILURE TO ACT NOW WILL BE DISASTROUS

"I believe that the failure to discharge the Judiciary Committee from further consideration of the DP bill would:

"(a) Serve the interests of Communist propaganda abroad. Red propaganda is already being circulated in DP camps and throughout Europe to the effect that America is a cold-blooded, callous nation which cares very little, if anything, for the human rights of its liberty-loving friends.

"(b) Failure to discharge the committee would be to break the promise of the Eightieth Congress. Last year, we promised that the DP law would be only a temporary, stopgap measure, and that once we had the opportunity to evaluate it in action, we would make whatever revisions appeared necessary. Now the time is overdue for such changes.

"HOUSE BILL LESS LIBERAL THAN WILEY AMENDMENTS

"The House bill (which I believe should receive primary Senate attention) embodies most of the objectives which I personally had proposed in February 1949, when I introduced amendments to S. 311 in the form of S. 1315, S. 1316, S.1317. Actually, the House bill is far less liberal than the amendments which I personally proposed. Thus:

"1. The House bill makes eligible 339,000 visas during 3 years, whereas (a) the present law makes available only 205,000 for 2 years and (b) I recommended that there be made available upwards of 400,000 visas in 4 years. It should be noted that the total maximum immigration provided under the bill would be a little less than one-fourth of 1 percent of our population in a period of 3 years—a comparatively insignificant increase.

"2. The House bill changes the eligibility date of prospective immigrants from December 22, 1945, to January 1, 1949, as I recommended in February. Moving the date up means that refugees from communism will be afforded haven and that all religious faiths will be treated fairly.

"3. It eliminates the rigid statutory preferences of 40 percent and 30 percent respectively, for displaced persons whose place of origin or country of nationality has been annexed by a foreign power or who are farmers. According to word of the Displaced Persons Commission, these rigid percentage preferences are proving a tremendous administrative obstacle in the rapid processing of DP's.

"4. H. R. 4567 increases, as I recommended, by 2,000 the number of displaced orphans to be admitted as nonquota immigrants.

"5. It extends for two more years, until June 1, 1952, the program of admission of expelled persons of German Ethnic origin. I personally feel that an additional number of expellees than is presently provided for should be admitted. Very few expellees have come in thus far.

"These expellees like the DP's themselves would be subject to very careful screening by the United States Army, the FBI, and other sources in order to keep out Communists and other unworthy immigrants as provided under the present law.

"MORTGAGING OF FUTURE QUOTAS SHOULD BE ELIMINATED

"6. H. R. 4567 mortgages future quotas. This is one of the unfortunate provisions of the House bill which I personally recommended be deleted from the present law and from the House bill. I feel this mortgaging of future quotas is inconsistent with the over-all humanitarian aims of the act, and that it operates very unfairly, particularly on those lands which have small quotas.

"7. It authorizes the Reconstruction Finance Corporation to make advances to the Displaced Persons Commission of a sum not to exceed $5,000,000 for loans to American voluntary civic agencies cooperating with the Displaced Persons Commission in the program of resettlement of displaced persons.

"PARTISAN POLITICS SHOULD BE KEPT OUT

"The DP issue has unfortunately been made a political football in the past. I personally do not believe it should be embroiled in partisan politics in the present or the future. Men of good will everywhere and both major party platforms recommended the discharge of America's humanitarian obligations to the DP's.

"ROSTER OF DISTINGUISHED ORGANIZATIONS SUPPORTING CHANGES IN LAW

"Among the organizations which testified or supplied statements on behalf of changes in the DP law were:

"(a) The Citizens Committee on Displaced Persons.

"(b) The National Catholic Resettlement Council.

"(c) The National Lutheran Council.

"(d) The Polish-American Congress.

"(e) The American-Jewish Congress.

"(f) The General Federation of Women's Clubs, Quaker organizations, the A. F. of L., the CIO, the Grange, the League of Women Voters, German-American groups, and many other distinguished societies too numerous to mention.

"There is a heartwarming almost complete unanimity among these groups, and I feel that their able joint recommendations should definitely not be disregarded. It would be most unfortunate if the Congress were in effect to turn its back on all of these organizations and say they must wait until next year before any changes could be made in the law.

"DP BILL DOES NOT AFFECT IMMIGRATION STATUTE

"It is important to note that the present bill would in no way alter the fundamental immigration statutes of the United States, which problem is to be taken up next year in toto by the Senate Judiciary Committee."

ANNOUNCEMENT OF CALENDAR CALL

Mr. LUCAS. Mr. President, I desire to make a brief announcement for the benefit of Senators. On Saturday, starting at 11 o'clock, or upon the convening of the Senate at 11, we shall call the calendar of bills to which there is no objection, including Calendar 735, Senate bill 1284; Calendar 832, Senate bill 1385; Calendar 833, House bill 2432; Calendar 849, Senate bill 2226; bills which it has been agreed heretofore shall be included in the call of bills to which there is no objection. The call of the calendar will start where we left off, August 9, and will begin with Calendar 853, House bill 1758. In addition, I shall request to have included in the call Calendar 671, H. R. 5310, and Calendar 496, H. R. 1694.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. KNOWLAND. I wonder whether the Senator could give some indication to Members of the Senate as to when it may be proposed to have a call of the calendar, beginning at the beginning of the calendar? I have had a number of inquiries in regard to the matter, and the time is running.

Mr. LUCAS. I am unable to say to my friend from California at this time. It seems to me that might be done probably the next time we call the calendar.

Mr. KNOWLAND. There are a number of bills to which there was but one objection, which objection has been gotten out of the way now.

Mr. LUCAS. The Senator is correct.

CONFIRMATION OF NOMINATIONS IN ARMY, NAVY, AND AIR FORCE

Mr. TYDINGS. Mr. President, as in executive session, I ask unanimous consent that certain routine nominations in the Army, Navy, and Air Force, be confirmed and the President notified, with the exception of three temporary brigadier generals, Renfrow, Standlee, and Shambora, whose nominations I ask be placed on the calendar.

The VICE PRESIDENT. Without objection, the nominations are confirmed, and the President will be immediately notified.

INTERIOR DEPARTMENT APPROPRIATIONS, 1950

The Senate resumed the consideration of the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes.

Mr. LUCAS. Mr. President, there are some nine amendments, as I understand, which are more or less controversial. They were passed over yesterday. It is the hope of the majority leader, and I know it is the hope of the minority leader, that we may complete action on this bill with all convenient speed.

I hope the Senator from Arizona, who is in charge of the bill, will request unanimous consent, in respect to each and every one of the remaining amendments as they are considered, to limit the time of each Senator to 10, 15, or 20 minutes on each amendment, so as to see whether we can make some progress in that way. I think all Senators know how they will vote on these amendments and are familiar with the entire problems involved. These matters have been debated pro and con. I hope we may be able to speed up our action on the bill to the point where we may be able to finish it today. We have been on it 6 days, I believe; and it seems to me we should complete action on it quickly now.

Mr. HAYDEN. Mr. President, I shall be glad to submit a unanimous-consent request in that regard, as we come to each amendment.

The VICE PRESIDENT. The first amendment passed over is on page 42, relative to the Boise, Idaho, project. The amendment will be stated.

The LEGISLATIVE CLERK. On page 42, line 20, after the word "Dam", it is proposed to strike out "$1,642,200" and insert "$1,300,014."

Mr. HAYDEN. Mr. President, I ask unanimous consent that no Senator may speak longer than 20 minutes on the amendment now pending or on any amendments thereto.

The VICE PRESIDENT. Is there objection?

Mr. LANGER. Mr. President, reserving the right to object, let me make sure exactly what the request is.

The VICE PRESIDENT. The request is that on the first of the series of amendments now before us no Senator shall speak more than once or longer than 20 minutes.

Mr. WHERRY. Mr. President, reserving the right to object, is not this the amendment in which the Senators from California are interested?

Mr. HAYDEN. No; this is the amendment relating to the Anderson Ranch Dam, in the project at Boise, Idaho.

Mr. WHERRY. As I understand the request, it applies only to the amendment on page 42, in lines 20 and 21, which is the Anderson Ranch Dam project, at Boise, Idaho.

Mr. HAYDEN. Yes.

Mr. LANGER. I have no objection.

Mr. WHERRY. I further understand that the distinguished Senator from Arizona will make these requests as we proceed with the remaining amendments; and that if more time is wished, it can be had.

Mr. HAYDEN. It can be arranged, certainly.

Mr. TOBEY. Mr. President, I think it should be recorded in asterisks that this is one thing to which the Senator from North Dakota did not object.

Mr. LUCAS. I congratulate him.

The VICE PRESIDENT. The Chair understands that 20 minutes will be the complete length of time available to any Senator in this connection; that while this amendment is pending, no Senator may speak longer than 20 minutes, if the unanimous-consent agreement is entered.

Is there objection? The Chair hears none and, without objection, the order is entered.

HOPE DEFERRED MAKETH THE HEART SICK

Mr. TOBEY. Mr. President, I wish to speak for 5 minutes. I am going to do a rather unusual thing in the Chamber this morning; I am going to preach a sermon. It will be of only 5 minutes' duration, and it will be preached in the best of spirit, with no acrimony behind the remarks.

Mr. President, I desire this morning to preach a short sermon to the membership of the Senate. I take my text from the Book of Proverbs, the thirteenth chapter, twelfth verse, which reads:

> Hope deferred maketh the heart sick.

Mr. President, we have been here, in this session of Congress, since January 3, with a record of almost no accomplishment of legislation which is of importance to the people of the Nation. As one takes an inventory and survey of the situation in which the Senate finds itself today, there is cause for wonderment, apprehension, and grave concern because of the clogging of the viaducts of legislation.

As evidence thereof, I hold in my hand the calendar of business for the legislative day Thursday, June 2, calendar day Tuesday, August 23. There will be found listed on the back of the calendar House bill 3734, entitled "Civil Functions, 1950." That bill was passed by the House of Representatives on March 29, almost 5 months ago; it was received in the Senate on March 30 and was referred to the committee, was reported to the Senate from the committee on May 10, was passed by the Senate on May 20, was sent to conference on June 1—and there it lies. Almost 3 months have gone by, and this important bill on Civil Functions appropriations reposes in conference; and no one knows when it will emerge.

The next bill we find listed on the back of the calendar is House bill 3838, the Interior Department Appropriation bill for 1950. It passed the House of Representatives on March 30, was received in the Senate and referred to the committee on March 31, was reported to the Senate from committee on July 13, more than 5 weeks ago, and is still before the Senate—very still. [Laughter.]

We come now to House bill 4146, the national military appropriations bill for 1950, which passed the House of Representatives on April 13, was received in the Senate and referred to the committee on April 14; and on July 22, over a month ago, was reported to the Senate from the committee. It never yet has come up in the Senate.

We come now to House bill 4177, the independent offices appropriations bill for 1950, which passed the House of Representatives on April 14, was received in the Senate and referred to the committee on April 18, was reported to the Senate from the committee on July 8, was passed by the Senate on August 2, was sent to conference on August 3, and that bill was finally disposed of by both Houses only a day or two ago.

Mr. President, this is not a picture of progress or of competent legislation, and the end is not yet. So I could go on, ad nauseam.

Now, my brethren, let me stir up your minds by way of remembrance, and recall that all through the last national campaign the people of this country had held up to them in derision the Eightieth Congress. It was stigmatized and criticized, and exorcised, from one end of the country to the other, as the do-nothing Congress. Yet that stigmatized, and exorcised, and criticized Eightieth Congress, passed all the appropriation bills, and adjourned on June 20 last year, 2 months earlier than today's session of the Eighty-first Congress, which is still in the throes of a legislative stalemate of vast proportions, and the end is clear out of sight. Ponder that, my brethren.

So, Mr. President, I am moved to submit this rather graphic record of inefficiency to my colleagues and to the country. An infinite number of words have been spilled in this Chamber, and in our regular Chamber, before we departed

from its sacred precincts. Long hours have been put in, as Members have sat and listened to the droning of voices and words, words, words. Progress has been conspicuous by its absence, and a long-suffering electorate is tempted to cry out in the words of Holy Writ, "How long, O Lord, how long?" Therefore, Mr. President, when I consider the months which have intervened since our gathering here in January, as we have listened to so much, too much, speaking, and time has fugited, and the summer wanes and the harvest comes and the chilly blasts of winter are just around the corner, as I sit here daily and listen to the nearly continuous outpouring of words, I turn to the Book of Job, and ask, as Job did, in chapter 38, verse 2, "Who is this that darkeneth counsel by words without knowledge?"

So, Mr. President, I say, let every Senator examine himself and render an accounting as to his position, whether it be that of impedimenta, or of progress in work for the people of the country; let us examine ourselves as to whether we are motivated by purely partisan political motives, or whether we have before us in our hearts and minds the great objective of the good of the country as a whole, of men and women, the home life of America, whose servants we are.

A patient, but increasingly impatient, Nation, awaits an answer.

What shall that answer be, Senate of the United States?

There lies my and your responsibility.

Mr. O'MAHONEY. Mr. President, the Senator from New Hampshire, who has just taken his seat, referred to the independent offices bill. It was my responsibility to handle that bill upon the floor of the Senate. I am glad it is the one bill of which the Senator from New Hampshire was able to say it has been completed. There were some difficulties, however, before its completion could be made effective. For 5 days the Senate debated the bill. Motion after motion was made to reduce this appropriation and to reduce that appropriation. On most of the motions a quorum call of the Senate was first required, and then a yea-and-nay vote was required. There were, as I recall, 16 separate roll calls upon the bill, and when all the roll calls were had, and when all the votes had been taken and the bill had been completed, it carried more money than when it was reported to the floor by the Appropriations Committee.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. TOBEY. I am very glad the Senator spoke as he did, because in the back of my mind is the fact—and will he confirm it—that after all our labors, the mountain labored and brought forth a mouse. We saved about $5,000,000, but added something like $32,000,000. Is that not correct, in the net result?

Mr. O'MAHONEY. There was something more than that, I may say, which was added to the bill. However, I wanted to add another word. The bill then went to conference. The conference committee met, the report of the conference committee was submitted on the House side, and it was immediately approved. It was submitted to the Senate. Objection was made with respect to two items in the conference report. For 2 days we debated. One item was closed by a change of words that made very little difference, and on the other item, by unanimous consent, the fight was abandoned when it was explained that the appropriation provided for an effective administration of the function involved. Then, after the Senate, at the end of the second day, had approved the conference report, it went to the House. It was approved there with less than three columns of debate in the CONGRESSIONAL RECORD on the part of the House of Representatives.

I point out to the Senator and to those who may read his sermon this morning that the delay with respect to the independent offices bill was occasioned by the picking of little flaws with respect to the appropriations. On the other hand, it could be said—and I want to be quite fair—that throughout the country there is a great demand being whipped up in the newspapers and elsewhere for economy. Representations are being spread abroad that the Government is overspending, that it is wasting funds. Yet the fact remains that most of the increased expenditures which have been submitted to the Congress in the budget estimates and which have been discussed upon the floor of the Senate are by reason of extraordinary obligations which the Government of the United States must perform.

Mr. TOBEY rose.

Mr. O'MAHONEY. One of the bills which is still in conference is the ECA appropriation bill. That bill provides the funds with which to carry on an international program which the Congress of the United States, with the support of the people of the United States, have seemed to deem necessary in the effort to win world peace. I do not criticize Members of the Senate who want to scrutinize those items of appropriation. I am well aware that money can be wasted, and I feel that no Member of the Senate in the committee or on the floor who sought to examine those appropriations is to be criticized for doing it, or should be held up before the country as not serving the public interest.

The reason for the delay, Mr. President, is that the Senate of the United States and the Senate Appropriations Committee have endeavored to do their duty, and I think when the record is finally written it will be seen that they have labored, and not without substantial and beneficial effect.

Mr. TOBEY. Mr. President, will the Senator yield for a moment?

The VICE PRESIDENT. Does the Senator from Wyoming yield to the Senator from New Hampshire?

Mr. O'MAHONEY. I yield.

Mr. TOBEY. I thank the Senator for his observations, and I understand his specific explanation as to the various bills. But back in the hinterlands of America there are a great many people who know, as some of us know, that what we need in the Senate is a definite plan of operations and work, not a hit-or-miss snap-fire game going on day after day. I am not at all speaking as a partisan now. The trouble is, back in the hinterlands there is the cry in the human heart, "A plague on both your Houses." They are tired and sick of the impotence and inefficiency and all this long-drawn-out pouring out and spilling of words.

Mr. President, I was one who, with others, was invited by the distinguished Secretary of Defense to wend our way to the great Pentagon Building yesterday morning. We were suckers to go there, but we did. He should have come here to tell us the story; but, instead, we went to the Pentagon Building, paid our taxicab fares, and hunted through that tremendous building to find the particular hole they would be in. There we were. Up comes the Secretary of Defense and speaks. "Thus saith the Lord." The oracle is speaking: "We are discharging all over this country, in navy yards, at air fields, and in Army camps, so many men. We are going to save at the present time about $200,000,000. But we are going to throw 135,000 men out of work."

Friends, I come from New Hampshire, and I have a personal interest, because the Portsmouth Navy Yard is located there. That yard is to be shrunk, so that 1,240 people are to be thrown out of work there tomorrow morning. When those men are thrown out of work it means that 1,200 homes are affected. A total of 135,000 persons throughout the Nation will be affected. There are doctors' bills to be paid, food must be bought at high prices, and consternation comes into the home. The people cry out, "What shall we do?" They do not know. We are told that this means economy and efficiency. But it is not true. We were told by naval and Army heads that that number of employees was necessary, when the appropriations were requested. Those in authority were asked, "Has there been any boondoggling?" The reply was, "Oh, no. This is all necessary." Yet, now 135,000 persons will be discharged.

Mr. President, I was in favor of the full-employment bill. It was a bill which was based on the thesis that history has a bad habit of repeating itself. The thesis was that if private enterprise could not take up the slack of employment and maintain employment in times of recession, the States, themselves, through carefully-planned public works—not raking leaves, but honest-to-God public works—would take up the slack. If they failed, then the Federal Government would make plans to take care of unemployment. In a time of recession I believe the action taken yesterday by the Secretary of Defense is a miscarriage of justice. We shall save $200,000,000, but at what a cost. Humble persons, whose trustees we are, will look to the Senate and say, "We are out of a job." In view of the foreign situation, which is terribly serious all the time—a little less serious now than it was before, however—we can surely find some way, in the navy yards and Army posts, to build up strength for the future, rather than to throw 135,000 persons out of work. The money saved is "chicken feed" compared with some of the things we are doing in this country, and opportunities in private enterprise for those who are separated from their jobs are few and far between right now. It is a matter

of $200,000,000 translated into human beings' misery. I have been in my early years, a member of a family with little income, not knowing where the money was coming from to buy the necessities. I understand the situation. Let my party and let the Democratic Party translate that understanding into legislation and prevent such things from occurring so that people may look up and say, "Thank God for America." Instead of that, they are told, "If you do not like it, you know what you can do." That is what comes from the great Pentagon Building. The die is cast, they tell us.

Mr. O'MAHONEY. Mr. President, the Senator is using my time.

Mr. TOBEY. I appreciate the Senator's statement, and I shall take my seat.

Mr. O'MAHONEY. Lest I violate the scriptural injunction which the Senator from New Hampshire cited to us this morning against too much talk, I shall take my seat, Mr. President, merely with the comment that the economy which was announced yesterday by the Secretary of Defense was in compliance with the injunction of the great Committee on Reorganization of the Executive Branch of the Government, headed by that distinguished and the only living ex-President, the Honorable Herbert Hoover, who said that the Department of Defense could be reorganized, that expenses could be cut, and that a billion dollars could be saved. Of course, the Secretary of Defense, in harmony with the injunction of the Hoover Commission, and in harmony with the bill passed by the Senate and the House carrying out the recommendation of the Hoover Commission, is merely trying to save money.

I agree with the Senator from New Hampshire that when the Government has set the example of creating unemployment by discharging employees who are performing a necessary function, it has set a very bad example to industry throughout the United States.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I am through.

Mr. WHERRY. Would not the Senator from Wyoming include the statement that the action is in harmony not only with the recommendations of the great ex-President whom the Senator mentioned, but also the recommendations of the President of the United States?

Mr. O'MAHONEY. Oh, yes. The President of the United States is endeavoring to reduce the expenses of the Federal Government, and he has not received the credit which is his due.

Mr. PEPPER. Mr. President, I wish to associate myself wholeheartedly with the remarks made by the able Senator from New Hampshire. I was one of those who attended yesterday at the Pentagon Building the notification ceremonies. We were not there to be consulted with; we were there to be informed of the decision already made. We received the information and a little commiseration for our plight, but not too much.

I am one of those who associated themselves yesterday with the Senator from New Hampshire in expressing the thought that this was a regrettable precedent on the part of the Government. In the first place, we called attention to the fact that only recently representatives of the armed services were here justifying various appropriations for the armed services, and the committees of the Congress were assured that this personnel was necessary; that it was performing essential functions; that it was useful in the public interest and essential to the national defense and public security.

So far as I am aware or am informed, the Senate Committee on Appropriations, in respect to the armed services appropriation bill, reduced the amount by $500,000,000. It is true, I think, that the Secretary of Defense did say that he would make such further reductions as he might be able to make. But it seemed to me shocking that 135,000 men and women were to be discharged. I simply cannot believe that the colleagues of those men and women, when they are all working together as part of the group employed in these various establishments, would have regarded those individuals as drones upon the Public Treasury, utterly surplus to the public needs.

We are now in a period of rising unemployment. I believe it was said yesterday that $200,000,000 would be saved, although I saw an estimate yesterday of a saving of $400,000,000. I recognize that the balancing of the budget is important to the strength of the country. We are told that a strong America internally is the best assurance of our security. But what is going to happen to the individuals who have received or will receive their notices of discharge? I realize that we are not running a WPA and there should be proper economy, but in my State there was one air base cut out entirely. The air service says it is needed to perform an essential service. They did not cut it out voluntarily. They cut it because someone higher up said they had to cut it out. The Air Forces did not have the money with which to maintain it hereafter. When we ask whether they can maintain their establishments with the same efficiency hereafter, they have to tell us that it is problematical whether they can or not. They just received word that a certain number of people had to be laid off, that a certain amount of money had to be saved, and they had to cut their cloth to fit the money they have with which to maintain their establishments.

In a period of rising employment, if someone is laid off the pay roll, he may find a private job. All of us want the public business to be conducted with all possible efficiency. We do not want the Government to employ two men to do a job if one man can effectively do it. But certainly at a time when we are already concerned about whether we are approaching a period of recession or depression, when we do not want private employers to start doing what the Military Establishment is doing, because the sum total of all such policies would be a greater mass of unemployment, I rise to endorse the sentiment so ably expressed by the distinguished Senator from New Hampshire, especially when the action would impair their effectiveness by limiting the personnel of the armed services. Is it wise, when we are facing that kind of an economic prospect, for the Government to set this sort of a precedent? I dare say that what we save by laying these people off we will lose indirectly in either tax revenues or we will eventually have to pay out in some kind of public works program, by way of Federal subsidy, to strengthen the very economic forces which we are now impairing by this kind of action.

Mr. WATKINS. Mr. President, will the Senator from Florida yield?

Mr. PEPPER. I yield to the Senator from Utah.

Mr. WATKINS. Would not the Senator consider that it would be much better to take the employees who are now being laid off, and who apparently are unnecessary in the Military Department, and put them to work on public-works projects, such as reclamation and other projects, which will actually yield wealth to the country? Would not that be much better than to keep them working in the Military Establishment, where they are not doing any constructive work?

Mr. PEPPER. I would not care to accept the hypothesis that they are not doing constructive work, although I realize we have the results of the surveys which have been made. It seems to me, however, those must have been only superficial surveys. How is it possible in so short a time to have made a survey of every facility conducted by the United States Government as a part of our armed services, and determine that all these 135,000 people are surplus employees? My private talks with the responsible people in the armed services would indicate that those responsible for our security deplore these cuts. I do not think their attitude is the result of selfishness; they do not get any more money for having more personnel. I feel that they think they can defend America better with a more adequate force. Take, for example, the Air Force. At the present time there are 52 groups, as I understand, in our Air Force, and the number is to be cut to 48. Part of the cuts being made are upon the hypothesis that we will have only 48 groups.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. PEPPER. If the Senator will permit me to finish this thought, I shall yield.

I think the Air Force leaders feel that our security is greater with a 52-group Air Force than with a 48-group Air Force. It is a matter of opinion whether we should reduce the number of units or not. If the people to be discharged really are not needed, and the functions of the defense services could be maintained without them, and if we would provide jobs for the discharged employees on constructive public works, which the Senator from Utah envisages, I would agree with him. But the fact is that we are going to cut them off and not provide for them otherwise. We do not find that there is any bill or Executive order in prospect which would provide new jobs for the people who are to lose their jobs. We are

just going to drop them out, and let them sink or swim.

Mr. WATKINS. Mr. President, I call attention to the fact that in my State the proposed reduction will cut 1,006 men from the civilian pay roll of the Air Force, in the vicinity of Ogden, Utah. In the same area there is now authorized by Congress, though the bill has not yet been signed by the President, a project known as the Weaver Basin project. That project will, if the President signs the bill, put to work nearly the number who are to be laid off. That is what I had in mind when I asked whether it would not be better to put these men on constructive work, where they would be developing wealth and making the people happier. That has been taken care of so far as Utah is concerned.

Mr. PEPPER. I agree with the Senator entirely, if we can get the jobs provided for.

Mr. WATKINS. In this case they are provided for.

Mr. PEPPER. Has Congress made the money available?

Mr. WATKINS. Congress has not, but I shall certainly be here asking Congress to do it the minute the President signs the bill.

Mr. PEPPER. I know the Senator from Utah will be diligent, as he always is, about his State and the interests of the public, but I am not at all sure Congress will provide the money, and if the Senator did not succeed in getting a bill passed, those people would be running around looking for jobs.

Mr. WATKINS. Let me point out that in my judgment Congress will provide the money, because not only are Senators pledged to a comprehensive reclamation program, but both the political parties are likewise pledged, and, as far as I know, there is no opposition to that kind of a program. All over the West there are reclamation programs which are ready for authorization and ready for money. We do not need to send money to blighted sections of the world in order to make the United States stronger. We can send it to areas in the West, where the people can make new homes, have new opportunities and new employment for hundreds of thousands of our people who may be put out of work. I call that to the attention of the Senator from Florida.

Mr. PEPPER. I strongly agree with the principle of what the Senator has said, but let me remind him of what is going on now in the Congress. The Senate authorized a $4,000,000 flood control project for the State of my distinguished colleague and myself, recommended strongly by the Engineer Corps of the United States Army and authorized by Congress and the budget. Yet our distinguished sister body, through the chairman of the Committee on Appropriations, has announced, notwithstanding the fact that the project has been approved by the Congress and by the Bureau of the Budget and that the Senate has approved it, that he is going to allow only a million and a half dollars of the four million. Our people lost $100,000,000 in each of 2 years from flood damage. The announcement affected various flood-control projects, including some hydroelectric projects on some of our important rivers and river and harbor projects—for instance, the Tennessee Tombigbee. The distinguished chairman of the Senate Committee on Appropriations could tell the Senate of some of the problems he has encountered in getting things approved by Congress. So Congress does not always make the funds available, even for the most meritorious projects.

Mr. WATKINS. Mr. President, will the Senator yield further?

Mr. PEPPER. I yield to the Senator from Utah.

Mr. WATKINS. I call the attention of the Senator to the fact that not only does Congress not do what it should do, but I am informed—and it is in the RECORD of Tuesday—that the President of the United States sent back with his disapproval a bill for one of the reclamation projects for the State of New Mexico, which would have resulted in some people being put to work, and would have helped in the establishment of more homes and better homes and better living conditions for the people of New Mexico. So it is not only Congress that sometimes fails to do its work, but this time it is the President of the United States, who has vetoed a bill which should have been approved, and it may be a precedent for the disapproval of other reclamation projects, such as the one I just mentioned. If that course is followed, we will not have a backlog of public-works programs of a constructive nature which will increase the wealth and take care of the unemployment that is coming about in the United States.

Mr. PEPPER. Let me say to my distinguished friend from Utah that I do not know the facts of the particular case to which he refers, but I do know that it has been the policy of the President to give all possible aid and encouragement to reclamation projects in the West, and to the development of public power and irrigation projects, and all things of that character. There must have been some peculiarity about this particular case which was responsible for the President's veto.

Mr. CAIN and Mr. MALONE addressed the Chair.

The VICE PRESIDENT. Does the Senator from Florida yield, and if so, to whom?

Mr. PEPPER. I yield first to the Senator from Washington, who has been on his feet for some time seeking recognition.

Mr. CAIN. I appreciate the courtesy of the able Senator from Florida. I wish to dissociate myself from the premise of the observations just made by the Senator from New Hampshire [Mr. TOBEY] and the Senator from Florida [Mr. PEPPER]. I have found them very interesting, though I disagree with them, but with the Senator's permission, I should like to ask two brief questions.

Will the Senator from Florida indicate to us where he thinks the personnel came from which the Secretary of Defense has indicated will be removed from the pay roll?

Mr. PEPPER. I will say in answer to the Senator's question that the personnel is deleted from the three armed services, the Army, the Navy, and the Air Force.

Mr. CAIN. A few short years ago they were civilians; were they not?

Mr. PEPPER. I do not know how long they have been employed by the armed services. The ones we are talking about are civilians.

Mr. CAIN. Yes; and what I have in mind is that they are civilians who a very short time ago were employed presumably in private industry, trade, and commerce of one kind or another.

Mr. PEPPER. Some of them may have been. If the Senator speaks of the period before the war, when we did not have full employment, some of them might not have been employed. Some of them may have been employed in some kind of war work.

Mr. CAIN. I know we both share the hope that a good many of them will be reabsorbed into private work of one kind or another.

My second question is: Is it not true that history indicates clearly that reduction of the personnel of a Federal agency is never made in a period of rising employment, and if it is not proper today to reduce such personnel, then when, if ever, could we ever anticipate a time when it would be proper to reduce Federal pay rolls, which a good many people think are entirely too large today?

Mr. PEPPER. I will answer the able Senator by saying that the personnel on the Federal pay roll should be eliminated, first, and always, of course, when they are not needed, but that their discharge should always be against the background of the national economy; and if the necessity for discharge appears to come at a time when we have rising unemployment in the country, the Government should be more tardy in discharging than it would be at other times, and that where there is a surplus of Federal personnel, the deletion from the Federal employment rolls should generally be in times of rising employment, or at least in times of stable employment. I believe that to be in the public interest.

Mr. CAIN. I appreciate the Senator's answer.

Mr. PEPPER. Otherwise we would, by the Government's action, accelerate the very situation we are trying to avoid, which is rising unemployment.

Mr. CAIN. The Congress has not taken steps to meet the unemployment situation, and is it the Senator's opinion that we are not in a period when a reduction of Federal pay rolls is either reasonable or possible?

Mr. PEPPER. Not so long as we have rising unemployment and the prospect of some decline in the national income and the national output. That is not the time for the Government to accelerate the downward prospect by its own contribution and its own precedents. I will add that I personally have never been one of those who believe that the way to political heaven was to get someone off the public pay roll.

Mr. CAIN. I think it would be a healthy step in that direction.

Mr. MALONE. Mr. President, will the Senator from Florida yield?

Mr. PEPPER. I yield.

The VICE PRESIDENT. The Senator from Florida has remaining 3 minutes.

Mr. PEPPER. Is there a time limit?

The VICE PRESIDENT. Yes; there is a time limit of 20 minutes for debate on the pending amendment.

Mr. MALONE. I should like to inquire of the Senator from Florida if there can be objection to the head of the Department of Defense, which we have set up, endeavoring to find out how his Department can perform the duties it must perform, with a minimum of expense? The Department of Defense is not an employment agency. We did not set up the Department for such purposes. What I have said is by way of preface to my question, which is: How can the Department of Defense continue to keep the employees who are not needed, in order simply to allow them to stay on the pay roll?

Mr. PEPPER. Mr. President, I do not accept the hypothesis that these employees are being laid off because they are not needed and do not perform useful service for the defense of America. I think the decision in question was arrived at at the top. It was decided that a certain number of employees would be deleted, and finally it was found where that number of employees could be gotten rid of. But I believe if the Senator were to ask the Army, the Navy, and the Air Force whether these employees are needed in the interest of American security he would be told that it was necessary to retain these employees.

Mr. MALONE. Mr. President, will the Senator yield further?

Mr. PEPPER. I yield.

Mr. MALONE. We have set up the Department of Defense. The President has appointed a Secretary of Defense, who has been confirmed by the Senate, and in whom most of us, I am sure, have full confidence. Are we now going to do as was formerly done, go to the head of each of the services separately for advice and hold him responsible, or shall we hold the head of the Department responsible?

I wish to say further to the Senator, in preface to my final question, that if we are to continue to retain all the employees in any of the departments on the theory that there will be more unemployment if we let them go, it seems to me, then, we will have gotten away entirely from the concept that the people of the United States have always held that people generally should support themselves and when employed, should only remain on the Government pay roll as long as constructive work remained to be done.

The VICE PRESIDENT. The time of the Senator from Florida has expired.

Mr. HAYDEN rose.

The VICE PRESIDENT. The Chair recognizes the Senator from Arizona.

Mr. MALONE. Mr. President——

Mr. HAYDEN. Mr. President, I want 20 minutes.

Mr. DONNELL. Mr. President——

The VICE PRESIDENT. The Chair has recognized the Senator from Arizona.

Mr. HAYDEN. It is now an hour and a quarter since the Senate convened. I should like to get on with the bill.

The VICE PRESIDENT. The Chair will help the Senator by announcing that he will enforce the rule that the Senator who has the floor can yield only for a question.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. WHERRY. We are now working under a limitation of time on the debate. Any Senator can have the floor if he succeeds in being recognized.

Mr. HAYDEN. That is correct.

Mr. DONNELL. Mr. President, I ask unanimous consent that I may address an inquiry to the Senator from Florida [Mr. PEPPER] and that he may answer one question which I desire to ask on my time.

The VICE PRESIDENT. The Senator from Missouri has no time now on the amendment.

Mr. DONNELL. I do not have time now on the amendment, but should I obtain time I should like to have the time I now propose to consume, taken from that time. So I ask unanimous consent that I may be permitted to address a question at this time to the Senaor from Florida.

The VICE PRESIDENT. The Chair would like to ask what effect agreement to the request would have on the 20-minute limitation, because there is no way of foreseeing how much time the Senator from Florida will consume in answering the question.

Mr. DONNELL. The time consumed by the Senator's answer will also be on my time, Mr. President.

The VICE PRESIDENT. That will be one speech by the Senator from Missouri.

Mr. DONNELL. That is correct, and that is all right with me. I ask unanimous consent that the Senator from Florida be permitted to answer the question I shall now ask.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. DONNELL. I ask the Senator whether or not he agrees to these observations which are a portion of a statement made yesterday in the Senate by the distinguished senior Senator from Virginia [Mr. BYRD], chairman of the Joint Committee on Reduction of Nonessential Federal Expenditures. Said Mr. BYRD:

> The action of Secretary Johnson in relieving the Government service of unnecessary civilian employees in the armed services is timely and will have a wholesome effect on efforts toward more economical government.
>
> It is the first honest-to-goodness effort that has been made toward reduction in Government personnel during the 10 years I have been chairman of the Joint Committee on Reduction of Nonessential Federal Expenditures. It comes after a period when the number of Federal civilian personnel for many months was increased at the rate of 300 employees a day.
>
> * * * * *
>
> The action taken by Secretary Johnson is the result of a careful survey of all civilian employment in the armed services, and all of us can be assured that the reductions to be made will be among civilian personnel who are surplus and unnecessary to adequate national defense.
>
> * * * * *
>
> The committee still stands on this statement and, as the chairman of the committee, I want to express my gratification over the fact that the Secretary of Defense has undertaken this survey for reduction in civilian personnel. This has shown very conclusively that a surplus of employees does exist throughout the entire public service. I hope that other department heads will follow his example.

Mr. PEPPER. Mr. President, the Senator from Florida does not agree with the conclusion arrived at by the distinguished Senator from Virginia, nor does the Senator from Florida agree that the facts are that no other governmental agency has made any honest effort to reduce personnel that was not necessary. I think the facts show, on the contrary, that from time to time the executive branch of the Government in various agencies has reduced the number of personnel on the public pay roll, and that diminishing appropriations by the Congress have not only recognized but required those efforts that have been made in other branches of the Federal Government. For example we have now, I am confident, a considerably smaller number of employees than we had at one period during the war. We all know that there were many lay-offs of personnel found not to be necessary when we got into the period of peace. But when we started rearming again to meet international demand and challenge, and when we started other programs that required personnel, there were instances where the personnel had to be increased. But evidently the executive agencies satisfied the Appropriations Committees of the Senate and House of the need for such personnel, and justified their continuation on the public pay roll. When they pass the scrutiny of such zealous public servants as those who represent the Senate and the House on the Appropriations Committees, I cannot convince myself that such personnel are surplusage, that they are drones on the public pay roll, and that they are subsidized for no contribution to the public good.

I know the attitude of the distinguished Senator from Virginia about the reduction of public personnel. I have never been clear in my mind as to exactly what point the able Senator from Virginia would reduce the Federal pay roll. I believe I have heard him talking about the reduction of personnel on the public pay roll ever since I first came to the Senate. I have never seen a statement by the distinguished Senator as to what would be rock bottom in Federal employment in his opinion. I do not know whether he is now satisfied with what the Secretary of Defense has done. He will have to speak for himself.

Mr. President, that is all I have to say. I do not agree with the conclusions arrived at by the Senator from Virginia.

Mr. DONNELL. Mr. President, I thank both Senators for their courtesy.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House

had passed, without amendment, the following bills of the Senate:

S. 1859. An act to transfer from the Administrator of Veterans' Affairs to the Attorney General of the United States for the use of the Bureau of Prisons, a certain tract of land located at Chillicothe, Ohio; and

S. 2298. An act to authorize the Administrator of Veterans' Affairs to convey certain lands and to lease certain other land to Milwaukee County, Wis.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (S. 1565) for the relief of Dr. Ludovit Ruhmann, and it was signed by the Vice President.

INTERIOR DEPARTMENT APPROPRIATIONS, 1950

The Senate resumed the consideration of the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the committee amendment on page 42, line 20, which was passed over yesterday, to strike out "$1,642,200" and insert "$1,300,014."

Mr. HAYDEN. Mr. President, the item pending before the Senate appears on page 42, line 20, under "Boise project, Idaho, Anderson Ranch Dam." The Anderson Ranch Dam is being constructed as a power development. The peculiarity about the Anderson Ranch project under the Boise project is that it is all hydropower. There is no steam stand-by necessary in that section because of the volume of water which flows in the Snake River. It may be that in time to come there will be a steam stand-by, but it is now all hydro power.

I have talked with the Senators from that State. In view of the votes taken in the Senate with respect to transmission lines, I suggest to them that the Senate disagree to the Senate committee amendment, with the understanding that the Bureau of Reclamation will do as we have instructed it to do both with respect to Southwestern Power and Montana Power, that is, seek to enter into negotiations with the Idaho Power Co. with respect to the transmission of this power. The testimony before the committee indicated that the company was willing to do so at a very low rate. Mr. Gale stated that his company offered the same price for power at the plant as if we built the 17 miles of transmission lines. That is, whether the company built the transmission line or the Reclamation Service built it, the price would be the same, which implies that the power company would be willing to build a line and handle it in that way.

Mr. President, I have received a telegram from the president of the Idaho Power Co., which is as follows:

BOISE, IDAHO, *August 23, 1949.*

Senator CARL HAYDEN,

Chairman, Subcommittee Department of Interior Appropriations, Washington, D. C.:

Referring statement on page 11 of report of Senate Committee on Appropriations on Interior Department appropriations bill, we wish to affirm our willingness to negotiate a contract with the Secretary of the Interior covering power supply from Anderson Ranch Dam in accordance with the basic principles found in the contract between Southwestern Power Administration and Texas Power & Light Co.

IDAHO POWER CO.,
T. E. ROACH, *President.*

The Senate has decided that when the Reclamation Service enters into negotiations on a contract of that kind it should be armed with the power to build the line if it cannot get a satisfactory agreement with the company. The Senate has twice voted to do that. Therefore my suggestion is that in the light of those votes, and in the light of this offer, and with the understanding that there will be an honest attempt to reach an agreement, the committee amendment be disagreed to.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. CORDON. Did I correctly understand the Senator to say that the Anderson Ranch Dam provided firm power?

Mr. HAYDEN. It is all hydro. That is all I know about it. I understand that there is no steam power to firm up in that area. Am I correct in that statement?

Mr. CORDON. I am referring to the dam itself. I have before me a table prepared by the Department of the Interior, indicating the power potentials in all the dams which that Department is charged with handling. According to the table, the Anderson Ranch Dam will have an ultimate total capacity of only 40,500 kilowatts of energy, but none of it will be firm. It will all be interruptible, and as a result, its use will be absolutely dependent upon someone furnishing the base or the firm power so that this power may be used for peaking purposes. This is the only case I know of in which there is not even a kilowatt of power that will come from the dam which could be sold to anyone as dependable power. I thought the Senate should have that information.

Mr. HAYDEN. Let me ask the Senator a question. How does he deem it possible to firm that power? Will it be firmed by other hydro plants in the area? As I understand, there is no steam generation in existence so far as the Idaho project is concerned.

Mr. CORDON. It would be immaterial what type of firm power were used, so long as it was available. During those hours of the day when the heaviest load is called for, this power may be used. By being turned off when there is no peaking necessity, it can then be accumulated—that is, the power potential of the waterhead can be accumulated—and is can be used in those few hours when the heaviest load comes on the firm power. In that way the base of the firm power is spread, and greater use can be made of the firm power. That is the most important value of the power which would come from this dam.

Mr. HAYDEN. I take it from the statement of the Senator that under those circumstances it would be advantageous to the Government to make some kind of arrangement with the Idaho Power Co. to firm up that power. It would be mutually beneficial to the private power industry and to the Government. Am I correct?

Mr. CORDON. The Senator from Oregon feels that that could well be done if the kind of contract which all of us feel must be executed can be entered into, so that the full value of the equivalent of the power can be made available, first to preferred customers. The testimony indicates that there are none in that area at the present time, but there will be. The Senator from Oregon submits that either that kind of contract should be made, or that a contract be made for someone to create the base power, so as to make this power usable at all. One or the other must be done.

Mr. HAYDEN. This seems to me to be another instance in which, by proper cooperation between private industry and the Government, both can be benefited.

Mr. HILL. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. HILL. What the Senator is suggesting is that we reject the committee amendment and make the appropriation for the building of the facilities and transmission lines and that the Bureau of Reclamation negotiate with the Idaho Power Co. for a contract under the terms, provisions, and conditions of section 5 of the Flood Control Act of 1944.

Mr. HAYDEN. Yes. I am confirmed in that by the telegram which I have read from the company, stating that it is willing to negotiate.

Mr. CORDON. Mr. President, will the Senator further yield?

Mr. HAYDEN. I yield.

Mr. CORDON. I shall not oppose that suggestion, although it seems to me that we are going around Robin Hood's barn in furnishing the money and charging it against the Treasury account under the circumstances. However, by the time next year's appropriations come before us, we shall have the experience. We shall then know whether or not this kind of contract can be made. In such event, a rescission might be made. It is of too little consequence to take up the time of the Senate.

Mr. HAYDEN. Mr. President, I ask for a vote on the amendment.

Mr. TAYLOR. Mr. President, I had intended to deliver a speech, but in order to expedite the business of the Senate I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

Mr. President, many of the proposed committee amendments would have the effect of reversing our present Federal power policy. These amendments would prohibit the Federal Government from building transmission lines from our great power-generating dams, turning all of this hydroelectric power over to private utilities at the bus bar. The effect of this action would be to isolate each power-generating structure, leaving the Government and its preferred customers at the mercy of the private power companies. Gone would be our plans for a northwest power grid to deliver the maximum firm power to all our area at a price low enough to develop resources of the region, bringing in outside industry and new jobs and wealth. Gone also would be the present statutory guaranties of preference to REA's and municipali-

ties in securing power from these multipurpose dams, since these provisions would be meaningless if all power transmission were turned over to private interests.

In order to show clearly the effect such action would have, I'll take as an example the committee amendment affecting a project in my own State of Idaho—Anderson Ranch Dam, near Mountain Home, Idaho.

This multipurpose dam is now nearing completion, and the Bureau of Reclamation budget called for an appropriation of $631,986 for construction of necessary switch yards and a 17-mile transmission line from the dam to Mountain Home. The Senate committee amendment on page 42, lines 20 and 21, of H. R. 3838, would eliminate this entire amount from the bill. In its report the committee directs the Commissioner of Reclamation to enter into a contract with the Idaho Power Co. similar to the one now existing between the Southwestern Power Administration and the Texas Power & Light Co. The committee had received testimony indicating that this particular contract had worked satisfactorily to date and assumed that its terms could be applied to other regions. This assumption is incorrect. The situation at Denison Dam, covered by this contract, is entirely different from those covered in this bill. Denison Dam cannot produce a great deal of firm power, and its marketing agency, Southwestern Power Administration, has no other generating capacity that can be used to firm up the Denison power. It just happens that Texas Power & Light needed additional power for its peak periods, so this agreement was reached under which the power company receives Denison Dam power to meet its peak requirements, and, in turn, it delivers power to the customers of Southwestern. No such problem is involved at our Anderson Ranch Dam, since it can deliver a large quantity of firm power if it is given transmission lines to carry the power.

In order to overcome the regional power shortage in the Northwest Bonneville Power Administration and the Bureau of Reclamation have planned a grid of transmission lines that will connect with all power-generating dams, both existing and proposed, so that the maximum possible firm power can be obtained and be made available to the entire area at a uniformly low rate. We must have this power grid in order to furnish low-cost power that is needed to develop our resources and bring industry into the region. This industrialization in turn will supply the needed power revenues necessary to repay a large percentage of the construction costs of these multipurpose dams, thereby making it possible to allocate a smaller percentage of the cost to irrigation, which will in turn enable our farmers to secure irrigation storage at a reasonable cost. If we turn over all power to private companies at the bus bar, there can be no Federal power grid, and all our hopes of developing Idaho through low-cost power are gone.

In taking their action the committee evidently accepted arguments of power companies that proposed transmission lines would be an unnecessary duplication and that private companies could be counted upon to make satisfactory contracts guaranteeing delivery of power to cooperatives and municipalities. Let's examine these two assumptions briefly:

In the Pacific Northwest not a single Government transmission line has ever proven unnecessary. To the contrary, all facilities of both private companies and public agencies are operated at capacity or near capacity and in many cases are overloaded. There is no reserve transmission capacity available and additional lines are badly needed. Taking the example of Anderson Ranch Dam, it now has only a very light line used to bring in construction power. This line could not handle 10 percent of the power to be brought out, so the transmission line to be built there cannot possibly be called a duplication of existing facilities.

A study of the Idaho Power Co.'s statement to the committee, together with past actions of the company, makes it plain that cooperatives and municipalities will lose their present statutory preferred status under any contract for wheeling power over private transmission lines. This company has previously refused to enter into any reasonable contract and has made it plain it is interested only in purchasing power at the bus bar. Even their offer to buy Anderson Ranch power is qualified by a proviso providing it can be used at the time produced. Under such an agreemcent, power revenues could not be correctly estimated, and any power not needed by the company would be wasted, since the Government would have no lines over which to transmit it to other customers.

There is another significant proviso in this offer to buy Anderson Ranch power. I quote directly from the Idaho Power offer as placed in the record at the hearings:

"This offer is based upon conditions existing when the entire flow of the south fork of the Boise River is used for supplemental irrigation water on the present Boise irrigation project and not on water conditions as they may exist when water is diverted from the south fork of the Boise River for use on the Mountain Home project."

The Mountain Home project mentioned has already been recommended by the Bureau of Reclamation and they have requested its authorization and early construction. Thus, the Idaho Power terms will not apply if another project is built nearby, and the Mountain Home project is so badly needed that we cannot allow the Idaho Power to block or delay it.

The refusal of the Idaho Power Co. to cooperate with the Interior Department in any contract for joint use of transmission facilities is well known. I would like to cite one example that establishes beyond any doubt the attitude of the power company.

The Interior Department has long shared the interest of progressive Idaho citizens in the development of a supply of power adequate to meet the needs of future industrialization, especially in the phosphate industry. Early in 1947, the Bureau of Reclamation and the Bonneville Power Administration began work on a comprehensive survey, culminating in a joint report issued on April 12, 1948, called "Report on Availability of Power in Southern Idaho for Development of Phosphate Industry." This report showed that large blocks of additional power will be needed and the two agencies recommended that the Federal Government build a transmission line across southern Idaho to make this power available. The Interior Department transmitted this report to the Idaho Power Co. and asked them for a conference to work out the best possible cooperative arrangement to supply power for phosphate development as soon as possible.

Instead of meeting with Interior officials to work out a joint solution, the answer of the company was to file on July 9, 1948, an application for permission to construct their own transmission line over Federal lands between Boise and American Falls. This action made it very plain that the private company had no desire to cooperate, in spite of the desire of the Department to work with them in the public interest.

Following this action, Department representatives advised the power company that the permit would be granted if they would transmit Federal power over the line. This Federal power transmission would be restricted to the unused capacity of the line, would not interfere with the transmission of all the power company's generation, and such use would be paid for by the Government. All that the Interior Department requested was that the company execute a wheeling agreement with them that would not interfere with the company's operations and would enable Federal power to be transmitted on the unused capacity of the transmission line. What was the answer of the Idaho Power to this reasonable and fair proposal? On April 11, 1949, the company withdrew its application, and 2 weeks later tried to bypass the Interior Department by requesting the Federal Power Commission to allow it to construct these transmission lines as project lines connected with the company's licensed project at Bliss, Idaho.

In spite of the fact that these lines would run clear across southern Idaho, and plainly are not project lines connected with one generating plant, the company chose to take this method of evading the Interior Department's reasonable requests. Project lines are defined in the Federal Power Act as primary lines transmitting power from the project to the point of junction with an interconnected primary transmission system. The lines in question are clearly an important part of the transmission system itself, and there is no question but that the company was attempting to get temporary FPC permission to build the lines so that they could avoid a wheeling agreement with the Government.

In response to this request, the Federal Power Commission on May 2, 1949, advised the Idaho Power Co. that pending an FPC decision no construction work could proceed on these lines without the approval of the Interior Department. The response of the power company was almost unbelievable. Without permission or authorization the Idaho Power Co. entered public lands in this region and began actual construction of the transmission lines. Under such circumstances, the Federal Government could follow only one course, so the Attorney General brought action against the Idaho Power and on August 8 was granted a temporary restraining order.

This example should serve to show us beforehand the results of turning over the Anderson Ranch transmission lines to the Idaho Power. They have demonstrated conclusively that they will not enter into a satisfactory contract with the Government and have no desire to cooperate in the public interest.

In reading the hearings, I find some of the Idaho Power Co.'s statements difficult to understand because of their inconsistency. This company is actively engaged in combatting President Truman's proposed Columbia Valley Administration legislation and has made large financial contributions to organizations carrying on a propaganda campaign against CVA. This propaganda is all designed to show that CVA is socialistic and that we must leave the Bureau of Reclamation untouched in its present jurisdiction because of the fine way it is doing its job and cooperating with private companies. Since the Idaho Power is paying part of the cost of circulating such statements, one would assume that they approve this endorsement of the Reclamation Bureau. Now let's see what they say in the prepared statement on page 1273 of the hearing:

"It is evident that these agencies plan to request in this and future years authorization and funds on a piecemeal basis for minor portions of this long-range program of duplication, as the Bureau of Reclamation is doing on the Anderson Ranch-Mountain Home line (and as they have already done in the case of the C-line extension), but being sure, at the same time, that the individual pieces will ultimately fit into the over-all plan. This can have for its objective nothing less than the destruction of the privately financed, tax-paying property of our company and the socialization of the private utility industry in the same manner that the electric utilities in Nebraska and the TVA area were eliminated."

It appears that in the eyes of the Idaho Power Co. any attempt to better our State or

people is socialistic, regardless of whether it is CVA or the Bureau of Reclamation that is acting in the public interest.

Their attitude toward rural electrical cooperatives is effectively illustrated by the way in which they destroyed the Malheur Electric Cooperative of Idaho and Oregon by duplicating its lines while refusing to sell it wholesale power. Kenneth McCandless has outlined the facts in an article printed in the Rural Electrification magazine. This article sets forth the attitude of the Idaho Power Co. so clearly that I am going to include it at this point:

"HIGH COST POWER PLUS SPITE LINES EQUALS DEATH FOR THE CO-OP VICTIM IN OREGON

"(By Kenneth McCandless, editor, Pacific Northwest Cooperator)

"VALE, OREG., May 16.—Idaho Power Co. today evicted a nester—Malheur Electric Cooperative—after 10 years of unrelenting warfare.

"To make it legal and assuage the final bitterness it is paying $66,648 in interest and principal payments before REA sells the $472,000 mortgage on 365 miles of lines and equipment. The 621 members mainly are located in the rich irrigated territory on the western edge of the Boise Valley including part of Payette County, Idaho, and Malheur County, Oreg. Long thin lines tap sparsely settled ranch country to the north and west.

"After various bookkeeping adjustments are made, REA will get a check for approximately $501,800, members were told at the final sell-out meeting in community hall this afternoon.

"Actual construction cost of the lines was $527,863. Depreciation was estimated by REA at $69,000. Inasmuch as practically all of the REA mileage was paralleled by later IPC spite lines, the cost of dismantling and integrating will be high. And adding in the expense of its swarm of public relations agents who intensified their "switch-over" pressure on REA patrons in recent months, the charge-off by Idaho Power 'good will' is estimated at well beyond $200,000.

"'A magnanimous gesture to a crushed rival,' is expected to be common comment. Certainly, the co-op received no mercy in 10 years of power famine, spite lines and undermining propaganda.

"But 'penny ante' may be more accurately descriptive for those appraising future stakes in this Pacific Northwest development game. What do these stakes include?

"1. Farm cooperatives of Midwest and Northwest now preparing to build their own electric furnace plants to process phosphate fertilizer in the Nation's richest deposits—southeast Idaho—could be 'taxed' millions by Idaho Power in higher production costs.

"2. The Atomic Energy Commission would pay toll in wheeling charges over private lines to its projected new plant in eastern Idaho.

"3. Taking no chances on possible failure of the power lobby in Congress to block construction of gigantic Hells Canyon Dam on the Snake River, Idaho Power is rushing plans to build its own transmission lines to block Bonneville extension into Idaho or the construction by any CVA or other Federal body of public transmission lines from any federally built dam.

"It all adds up to posting of the Idaho Power empire's borders with 'No trespassing—Private property" signs.

"Significance of Malheur Co-op's demise may be widespread.

"Kermit Overby, REA information chief, replied to a query: 'So far, Idaho Power is the only company to take over an operating electric-distribution cooperative and this will be the third (and largest) it has absorbed. In the early days of our program, several co-ops relinquished their independent status during early organizational stages, some of them having progressed to the point of staking lines. Attacks on co-ops in service have been successfully repulsed in Virginia, Arizona, and Michigan in rather spectacular campaigns. Less serious steps have been brushed aside in many other places.'

"Jordan Valley (Oreg.) and Long Valley (Wash.) co-ops—to the south and north of this area—are the two previous absorptions.

"But the attack on the Malheur Co-op does follow a pattern. The military-type pincers or the financial nutcracker applied by Idaho Power with precision, speed, and force, to struggling Malheur has many familiar characteristics seen elsewhere. Isolated from low-cost Bonneville 3 mills wholesale power, it was forced to buy from IPC at 10 and 11 mills. Through parallel spite lines, Idaho Power—drawing energy largely from Bureau of Reclamation dams—then undercut the co-op rates in the same area. (That these were not in the loss-leader class was indicated by a recent tabulation published by the Pacific Northwest Cooperator showing that IPC's irrigation pumping rate was some 40 percent higher than that charged by representative PUD's and co-ops with access to Bonneville power.)

"Not only did IPC plant duplicate meters on co-op members' property, but the company finally agreed to sell the cooperative power only at irrigation rates (not wholesale rates). It was only after the Federal Power Commission resorted to an unusual order to IPC to sell the co-op power that Malheur got even the high-cost supply. Malheur was the victim who never got an even break in the struggle for survival.

"So the inevitable happened May 16 as members' ballots upheld the Board decision and the REA recommendation to sell rather than face mounting operating deficits as customers were picked off the lines.

"As summarized by Overby: 'Farmers in these rich valleys had been trying for more than 10 years (before the co-op was organized in 1939) to get service at a rate they could afford to pay, and had been unable to get it. But when they formed their own cooperative and were about to begin construction, the company started a program of harassment by spite-line construction.'

"The minute the co-op applied for another loan, the company would race ahead into the area striking straight at the heart of sections of lines the farmers proposed to build. 'Always the company lines served the more densely populated areas, thus leaving the farmers on the fringes of the valleys and in the more remote places for the co-op to serve.

"'These obstructive tactics compelled the cooperative to resort to uneconomical construction with the result that it has had larger expenses and lower revenues than those on which REA loan approvals were based. The last loan to the cooperative was approved by REA last June ('48) when there was some hope that low-cost public Bonneville power might come into the area. It appears now that this will not happen soon, if ever * * *.'

"Speaking for the Board in a consolation statement, President Harry B. Wilcoxon, of Vale, said: 'We lost the fight but I believe we won a technical decision. We got electricity.'

"COMMENTS AFTER SURRENDER BY MALHEUR ELECTRIC COOPERATIVE

"William J. Jacobsen, Vale, one of the founders and chairman of the REA Board for 5 years:

"'I came to the valley in '34. My farm was 2½ miles out of town and one-half mile from the Idaho Power line but I couldn't get hooked up. Few of us could. But things changed in a hurry when we began to organize. Our line crew would set out stakes and the company would set poles on that side. Once our boys knocked off in the evening leaving a half-mile of poles standing loose in the holes. Next morning when they came to work they found their poles pushed to one side, Idaho Power poles set, line strung and energized right over them. * * * At first they refused to sell us power forcing us to buy portable Diesel units. But after Pearl Harbor, at our request, the Federal Power Commission ordered them to hook us on—the first time, I believe, they had used that authority. * * *'

"E. F. McDole, Ontario, Oreg.:

"We came here from Eugene, Oreg., in 1933 to get a start in a new country. A power company line was three-eighths mile from the farm. Six of us met at Wes Blanton's place in 1937 and later attended the county-wide meeting in Boulevard Grange hall, Ontario. The company had been asking a $15 minimum guaranty for 5 years. After we applied for REA the company line came out in a hurry and they offered service for a $5 minimum and then a $3.50 minimum. This particular line went right on by six farms and hooked up the last one. The rest of us said we'd wait for REA.'

"E. B. Metcalf, Vale:

"'Our farm was 10 miles northwest. The company rushed out to beat REA, offering us a $6 minimum, then $3, then 90 cents. But we said "No, thanks. We'll still wait for REA."'"

I want to go into one other phase of Idaho Power's testimony before the committee. They emphasized their ability to meet future demands in southern Idaho and adjacent territory. This is based on a claimed capacity of 332,000 kilowatts in 1952, which includes all of Anderson Ranch's power output. As to future need, they take only an estimated 5 percent normal increase per year, and add 7,000 kilowatts for irrigation pumping and only 35,000 kilowatts for a new phosphate electric furnace already contracted. From these figures comes their statement that they can supply future demand. No provision is made for new industrial power needed to develop our resources, other than this one phosphate contract. Now, let's see what is needed to develop this phosphate. The Bureau of Reclamation and Bonneville Power Administration made a joint study of the problem last year and determined that for this one use we will need 145,000 additional kilowatt capacity in 1952, and 283,000 kilowatts by 1956. These requirements are based on the assumption that an ample supply of low cost power will be available. This assumption, of course, is valid only if we proceed with our Federal transmission lines. If we rely on the Idaho Power Co., its validity can be best illustrated by quoting from a letter I received recently from Charles Baker, secretary-manager of the Pacific Supply Cooperative, a large farm cooperative serving 75,000 farmers in Oregon, Washington, and Idaho. Mr. Baker wrote, and I quote from his letter:

"At the present time, and for some time past, we have been vitally concerned with the inadequate supply of fertilizer in the Pacific Northwest and particularly phosphate fertilizer. We, in conjunction with other large farm cooperatives in the Pacific Northwest and Midwest, have had expert technical men making a careful survey as to the method to be used in processing phosphate rock in south Idaho, as well as the point at which a plant should be located to function in the most economical manner. Our people have already spent approximately $30,000 in this technical research work to date to ascertain these facts.

"Recently, we contacted the top officials of the Idaho Power Co. and endeavored to secure from them a commitment for power to be utilized in an electric furnace plant. They spent an entire day trying to tell our technical men that the method was impractical and that it required the building of large additional hydroelectric plants in order to supply the power. They also indicated that the price would be 5 mills, if power were available, with the net result that we have no

opportunity to get low-cost power for this very necessary and essential purpose, unless Bonneville transmission lines are extended to the rock area of south Idaho.

"Our studies further show conclusively that 2½-mill power (the basis which the Army engineers and Bonneville Power Administration indicate power could be sold in this area as new dams are developed and amortize the cost) will enable us to produce phosphate fertilizer at a cost of $8 per ton less than can be done by buying power from the Idaho Power Co. at 5 mills, or by attempting to make it by the sulfuric-acid method and this without consideration to the great quantities of low-analysis rock which could not be used in a sulphuric-acid plant.

"Our cooperatives have the finances with which to construct their own processing facilities and can go ahead immediately if the Government will make available low-cost power to us in that area. In our judgment, this program would mean a saving of at least $1,000,000 annually in the cost of treble superphosphate to the farmers in the western half of the United States."

I might also mention that before 1956 an additional 71,000 kilowatts must be ready for the atomic-energy reactor plant now being built in Idaho. In other words, the company justifies its claim that it can meet future needs of the area by eliminating from its calculations and completely ignoring the necessity for large blocks of power needed for industrial development. The only way it can meet the real need is to take over all power developed by the Federal Government. If we allow them to do this by eliminating Government lines, we will not have power at a rate low enough to attract industry. Developments such as the phosphate furnaces planned by the Pacific Supply Cooperative will not come into Idaho until we can provide large quantities of low-cost power, and we must build this Federal transmission system to be able to furnish this power.

We face a vital decision in voting on these committee amendments. As I have shown by this brief outline of the issues surrounding the Anderson Ranch Dam transmission lines, it is a choice between continuing our present Federal power policy in the interests of the people as a whole or turning all power over to private companies for monopolistic control that will kill off REA's and hamstring future development of Idaho.

It is my understanding, Mr. President, that the committee's decision to make no appropriation for the Anderson Ranch Dam power line was based in part on a letter from Idaho's junior Senator, who urged that such negative action be taken.

That letter, of course, was written before the attitude of the Idaho Power Co. had been made clear by its refusal to enter into an agreement to cooperate with the Bureau of Reclamation and the Federal Government, as I have set forth. In view of this fact, I am hopeful that my colleague will reconsider his previous action and join with those of us who are fighting to prevent the scuttling of our long-standing, sound, and progressive public power policy.

I earnestly beseech him to join me in supporting the administration position on this all-important issue which means so much to the future development of our State and the Nation.

As to the amount of money to be appropriated for Anderson Ranch Dam, I am asking only that we accept the House figure, which is 15 percent below the budget request of $1,931,400. The Senate committee restored this 15-percent reduction, but then eliminated $631,986 for switchyards and transmission lines to reduce the total amount to $1,300,014. As I have pointed out, this committee amendment involves a matter of policy so important that I am willing to accept the House cut unchanged in order to make certain that the transmission lines can go ahead according to plan. Consequently, I urge that the proposed committee amendment to cut the appropriation from $1,642,000 to $1,300,014 be rejected.

The VICE PRESIDENT. The question is on agreeing to the committee amendment on page 42, line 20.

The amendment was rejected.

The VICE PRESIDENT. The Secretary will state the next committee amendment passed over.

The next amendment passed over was on page 42, line 21, after the word "division," to strike out "$2,316,250" and insert "$2,725,000."

Mr. HAYDEN. Mr. President, there is no controversy about that amendment, and it should be adopted.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

The secretary will state the next committee amendment passed over.

Mr. MAGNUSON. Mr. President, the development of the Columbia Basin is so involved in the matter of power and reclamation that I ask unanimous consent to have printed in the RECORD a statement on this matter by myself.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

COLUMBIA BASIN COMPREHENSIVE REPORTS

Your committee has already received testimony from representatives of Army engineers and Bureau of Reclamation on their revised and integrated reports for the development of the Columbia River and its tributaries. General Pick and Commissioner Straus gave extensive testimony on these proposals when they appeared before you in conjunction with your hearings on the Columbia Valley Administration bills.

I understand the reports of these two agencies are still in the Bureau of the Budget. They are before you, however, in an informal way.

On June 1948 and subsequently on September 16, the President addressed a letter to the Secretary of the Army, Secretary of the Interior, and other interested agencies requesting that the corps and Bureau revise their plans for development of the Columbia Basin. He directed the two agencies to develop an integrated proposal which would define as clearly as practicable the respective jurisdictions of these two main agencies operating in the basin.

In addition, the President requested the Bureau and corps to consult with other agencies of the Federal Government, having related interests in this great development. Accordingly, the Bureau and the corps have completed for presentation to the President and the Congress a program which is as well integrated and as comprehensive as is practicable—taking into account the fact that some 20 separate agencies of the Federal Government have a "stake"—so to speak—in the development of this great river.

I and other witnesses appear before you today to urge that your committee approve these plans and, in so doing, authorize some 44 separate projects on the Columbia and its tributaries. You have before you two bills designed to accomplish this objective—one introduced by Senator CAIN, S. 1595, and one by myself, S. 2180. In addition, the chairman of the committee has received letters from interested Senators suggesting that language similar to that represented by S. 1595 and S. 2180 be included in the omnibus rivers and harbors bill, H. R. 5472, recently reported by the House Public Works Committee. One of these letters was sponsored by the junior Senator from Washington, the other by Senators MILLER, TAYLOR, CORDON, MORSE, and myself.

We were prompted to make this recommendation by the knowledge that the omnibus rivers and harbors bill will undoubtedly receive a place on the agenda of both Houses for action at this session. That bill, therefore, provides an appropriate vehicle for obtaining consideration before the end of the session on the Army Engineers-Bureau revised reports.

I recognize, Mr. Chairman, that there is a jurisdictional question involved in this procedure. The Senate Committee on Interior and Insular Affairs has jurisdiction over Bureau of Reclamation projects and proposals—your committee over Army engineers plans. I understand, however, there is precedent for the procedure we have suggested and I am confident the chairmen of these two committees and their counterparts in the House can reach a workable agreement for the expeditious handling of the question.

On April 19, 16 other Senators and I sponsored a bill calling for the establishment of a Columbia Valley Administration. All members of the committee are fully familiar with this proposal. Then on June 30 I introduced S. 2180 which, if enacted, would authorize 44 projects in the basin, including modification of some existing authorizations, and give congressional approval to related agreements reached by the Secretary of the Army, Secretary of the Interior, Chief of Engineers, and Commissioner of Reclamation.

In my considered judgment, my action in this regard is compatible and consistent. The two letters I refer to earlier seek to make this clear. I quote from the letter addressed jointly to the chairman of the full committee, Senator CHAVEZ, and the chairman of the subcommittee, Senator MCCLELLAN, and signed by Senators MILLER, TAYLOR, CORDON, MORSE, and myself:

"In your hearings on the Columbia Valley Administration bills, you have heard testimony on the current reports of the Army and Interior Departments for development of water and related resources in the Columbia Basin and certain contiguous areas. Throughout these hearings, your committee correctly differentiated between these proposals and the CVA bills. The CVA proposal is primarily concerned with the administration or managerial phase of the problem; the reports of the two departments place primary emphasis on structures required for the physical development of the area."

When I testified previously before your committee on CVA, I sought to make my position clear. At that time I stated:

"I cannot emphasize too strongly that approval of these reports should proceed as expeditiously as possible. Authorization of needed projects should be considered separate and apart from whatever issues and controversy may be engendered by your consideration of the CVA proposal."

The same attitude was displayed by Secretary of the Interior Krug when he appeared as a witness on CVA. A member of your committee asked the Secretary this question: "Mr. Secretary, may I ask you what would you like the Congress to do—if you feel constrained to reply—with the comprehensive plan, as it has been agreed to under your signature and that of Mr. Royall?" The Secretary replied: "I would like to see the proposed projects authorized so there will be no delay in going ahead with the engineering work and planning work and submission of appropriation requests."

I have made reference to this subject because there are many honest, sincere people in the Congress and in the Northwest who believe that congressional approval of the Bureau-Corps of Engineers comprehensive plan is the best means of defeating a CVA. I want your committee and all interested parties to know that I do not share that conviction. The CVA bill provides that the administration, when and if created, will

take over existing projects, projects under construction, and projects authorized. There is no doubt in my mind that the structures which would be authorized under S. 1595 or S. 2180 are engineeringly sound and economically feasible.

I think it is a sound presumption that the engineering staff of a CVA would concur.

I go back, therefore, to my original premise. There is no significant conflict between congressional approval of the Bureau-Corps integrated plan and ultimate disposition of the managerial question, as represented by the CVA bill.

Just a few words now concerning S. 2180. This bill would authorize certain works for improvement of navigation and control of floods, and the conservation and utilization of the waters of the Columbia River and its tributaries. The initial stages of this development calls for authorization of 44 projects, including modification of several existing authorizations. These are listed in section 3 of the bill. I ask that the complete list be inserted at this point in my testimony.

The bill, as now drawn, would approve related plans set forth in the Bureau-Corps reports. I would like to quote the pertinent language because there is some controversy on this point. In part, section 2 of the bill reads: "Recommendations in the report, dated May 2, 1949, addressed by the Commissioner of Reclamation to the Secretary of Interior and the recommendations contained in the report of June 28, 1949, by the Chief of Engineers, entitled 'Columbia River and Tributaries, Northwest United States,' are hereby adopted and given the force and effect of law as if herein fully set forth." Objection has been raised to the words "hereby adopted and given force and effect of law as if herein fully set forth" on the grounds there may be language in these reports which should not have the full effect of law. It may be your committee will wish to modify this language. Possibly wording similar to that used in H. R. 5472, the omnibus rivers, harbors, and flood-control bill would be preferable. I shall leave this to the good judgment of your committee.

There are several other points of apparent controversy I would like to mention. Recently I received and forwarded to the chairman of this committee telegrams from Mr. Frank Ward and Mr. Clifford Erdahl of Tacoma City Light, and a letter from Mr. William Devin, mayor of Seattle. Mr. Erdahl and Mr. Ward expressed concern that approval of S. 2180 or similar language would have an adverse effect upon their plans to construct a dam on the Cowlitz River in southwestern Washington. I am sure your committee is familiar with the conflict of interests between this proposal and the so-called Columbia River fisheries plan. The latter, involving an expenditure of about $20,000,000, was approved by the Congress a couple of years ago and about $1,000,000, has been appropriated to carry out the purposes of the plan—the purpose being rehabilitation of salmon runs on the lower Columbia in an effort to salvage, insofar as possible, the $17,000,000-per-year resource.

I call attention to the fact that on page 6 of S. 2180 the following language appears among the projects listed for authorization: "Minor Columbia Basin works (navigation improvements, lower levees, and local flood-control works), except the fishery plan which is the responsibility of the Fish and Wildlife Service." In my judgment, inclusion of this language specifically and appropriately excludes from the bill the entire question of merits or demerits of the plan to which the city of Tacoma objects. However, you have in your files the specific suggestions of Tacoma City Light for whatever action your committee deems appropriate.

In his letter, Mayor Devin suggests that language be included in any authorization approved by your committee, which would give the State or municipal government the right to purchase certain facilities, after they are constructed, in the event these governments should decide to do so. This suggestion, too, I believe, should be considered by your committee.

A few prominent individuals in the State of Washington have expressed concern over the so-called Columbia Basin account, incorporated in the combined reports. Their concern stems from a fear that allocation of funds from this account to certain irrigation projects which may be approved in the future will have an adverse effect upon the present power rate. I want to deal with this question briefly, because it is very important. Any increase in power rate in the Pacific Northwest will tend to discourage the attraction of new industry to the area. Since hydroelectric power is our geratest asset and our chief source of industrial energy, any increase would have an adverse effect upon future development.

Personally, I do not believe that use of the Columbia Basin account will have an effect upon the power rate over and above present practice. Into this account will go the interest on the investment in power features of all major structures in the basin whether built by the Bureau or the corps. The Bureau estimates that this interest component over the years will amount to something like $600,000,000. At the present time the interest component on each individual structure is used to assist irrigators in meeting those costs beyond their reasonable ability to pay. The only change proposed, therefore, is that the interest component from all structures be pooled in a single account and made available to assist in defraying costs allocated to irrigation on any future project specifically approved by Congress for participation in the account.

In other words, before the account can be drawn upon to assist any particular irrigation project, that project must have been approved by the Congress. It is reasonable to assume congressional committees and the Congress itself will apply to projects bidding for participation in this account the same stringent criteria presently utilized.

Since the interest on investment in power features is now being used to assist irrigators under present power rates, I fail to see any adverse effect stemming from the recommendation that the interest componeht on all projects be pooled. I am open to conviction on this score, but from information at hand and the study I have given the matter, believe the fears to which I have referred stem chiefly from a misunderstanding as to the manner in which the account would be handled.

I know your committee will give fullest consideration to our recommendation that language similar to S. 1595 or S. 2180 be incorporated in the omnibus rivers and harbors bill. This request involves a program of vital importance and interest to every citizen in the State of Washington and the Pacific Northwest. For this and other reasons, it warrants most careful study. I hope there will be no delay—on the other hand, we must insure to the maximum practicable extent that all facets of the problem are brought to light before final action is taken.

The VICE PRESIDENT. The next amendment, which has previously been passed over, will be stated.

The LEGISLATIVE CLERK. On page 50, line 23, after the name "California", it is proposed to strike out "$53,550,000" and insert "$60,789,890, of which $794,699.93 is for payment to the following-named contractors in the following designated amounts in full settlement of their claims, legal or equitable, of any nature whatsoever arising out of or connected with the notice by the Bureau of Reclamation of the exhaustion of funds for payment of contractors earnings in connection with the construction of the Friant-Kern Canal, California, Peter Kiewit Son's Company, $186,195.93; Arizona-Nevada Constructors, $348,867.62; Morrison-Knudsen, Incorporated, and M. H. Hassler, $217,618.47; Bechtel Brothers-McCone Company, $32,018.51."

Mr. HAYDEN. Mr. President, the junior Senator from California has an amendment which he desires to offer at this time, I believe.

Mr. MALONE. Mr. President, is this the Shasta Dam amendments?

Mr. HAYDEN. It is.

Mr. MALONE. I desire to speak on this amendment, in my own time.

Mr. HAYDEN. The Senator may take his time now. Of course, no time limitation has as yet been adopted on this amendment. I wonder whether we can obtain a time limit on it. Will any Senator suggest a time?

Mr. MALONE. I understood that each Senator would have an hour, if he wished to use it.

Mr. HAYDEN. Not on these amendments.

The VICE PRESIDENT. No time limitation on this amendment has been imposed.

Mr. HAYDEN. Will the Senator suggest a limitation?

Mr. MALONE. I do not think I shall take very long.

Mr. HAYDEN. Would the Senator be agreeable to a limit of 45 minutes?

Mr. MALONE. I think that will be satisfactory.

Mr. HAYDEN. Then, Mr. President, I ask unanimous consent that debate on this particuluar amendment——

Mr. MALONE. I would not say that the entire debate on it should be limited to 45 minutes.

Mr. HAYDEN. I am not referring to the entire debate. If the Senator will hear all of my request, I think it will be agreeable to him.

Mr. MALONE. Very well.

Mr. HAYDEN. Mr. President, I ask unanimous consent that debate on this amendment or on any amendments thereto by each Senator be limited to 45 minutes.

The VICE PRESIDENT. Without objection, the unanimous consent proposal is agreed to; and the time for each Senator on this amendment or any amendments thereto is limited to 45 minutes.

NEVADA AND THE CENTRAL VALLEY PROJECT POWER—WITHDRAWAL OF POWER UNDER RECLAMATION LAW

Mr. MALONE. Mr. President, in the discussion of this important subject we are dealing with the future of a sovereign State. Considerable debate has hinged upon the thesis that the question involves a policy of public versus private ownership. However, the question is not as simple as that.

POWER COMPANIES A REGULATED MONOPOLY

In the first place, power companies are not strictly a private business. They are regulated monopolies. As such, their rates are fixed by the public service commissions in their respective States and

areas, on a basis of rates to provide a reasonable return to the companies.

VITAL PUBLIC INTEREST

Therefore, it is of vital public interest to see to it that the over-all picture shapes up for the best interests of the people affected.

THE SENATE APPROPRIATIONS COMMITTEE AMENDMENTS

The Senate Appropriations Committee amendments to the Department of the Interior appropriation bill (H. R. 3838), together with Committee Report No. 661, could forever preclude the State of Nevada from acquiring a base load of hydroelectric energy from the Shasta, Keswick, and Folsom Dams located within the Central Valley project, for use in the northern and western parts of that State, in accordance with the reclamation law.

The Congress of the United States provided in the reclamation law that the order of preference of purchase of power developed by Federally financed projects shall be the municipalities, States, and other public bodies, and power companies in the order named.

The Senate Appropriations Committee Report No. 661 on House bill 3838 includes the following language:

> The decision not to recommend the construction of other transmission lines, a steam plant, and other electric facilities, is based on the assumption that the Pacific Gas & Electric Co. will negotiate a contract with the Secretary of the Interior in accordance with the basic principles found in the contract between the Southwestern Power Administration and the Texas Power & Light Co.
>
> The committee directs that the Commissioner of Reclamation report to the Senate and House Appropriations Committees by January 1, 1950, on progress made on entering into such a contract with the Pacific Gas & Electric Co.

It will be seen that the directions are specific to bypass the State of Nevada and ignore the specific provisions of the reclamation law.

THE SOUTHWESTERN POWER ADMINISTRATION CONTRACT PROVISIONS

The provisions of the Southwestern Power Administration and Texas Power & Light Co. contract should have been known and available to the Senate Appropriations Committee. However, an analysis of the contract probably was not available. It would seem impossible for the committee to have been familiar with the specific provisions of that contract and still have directed in a semimandatory provision in their report on the Department of the Interior bill, that the power from the Central Valley project shall be sold to the Pacific Gas & Electric Co. under a contract written "in accordance with the basic principles found in the contract between the Southwestern Power Administration and the Texas Power & Light Co.

The Southwestern Power Administration contract with the Texas Power & Light Co. includes:

The United States may not withdraw electric energy to serve customers of other privately owned electric utilities having certain contractual relations with the company. Reference is made to article 3, subsection a, section 6, page 8 of that contract.

The Pacific Gas & Electric Co. has a contract with the Sierra Pacific Power Co. which specifies that they shall furnish all power utilized by them except a relatively small amount generated by the company. The Sierra Pacific Power Co. operates in the northern and western parts of our State. Therefore, with the contract just described, coupled with the Southwestern Power Administration contract provisions it is impossible for the State of Nevada to withdraw any power from this project to provide a base hydroelectric load for that area.

A further provision of the contract between Southwestern Power Administration and the Texas Power & Light Co. is to the effect that in withdrawals, preference shall be given to public bodies and cooperatives, and power and energy shall not be withdrawn to serve other customers—industries, and so forth—so long as such power and energy can be marketed within the preferred class, and in no event until 18 months from the beginning of service under the agreement.

It is also provided that if the Government does dispose of such power and energy to customers outside the preferred class, the company may at its election terminate the agreement by giving the Government 3 years' notice. Reference is made to article 3, paragraph 1, section a. In other words, the contract is nullified if they furnish power to anyone except these preferred customers.

A third provision of the contract between the Southwestern Power Administration and the Texas Power & Light Co. provides that withdrawals may not be made to serve towns and municipalities which the company is serving, or may serve, at retail. Reference is made to article 3, paragraph 5, section a. So when the contract of the Pacific Gas & Electric Co. is taken together with the contract with the Sierra Pacific Power Co., which serves northern and western Nevada, which contract provides that they will furnish all the power to the Nevada company, it would be absolutely impossible for the State of Nevada to exercise its preference for withdrawal of power and utilize the Sierra Power Co. distribution facilities.

A fourth provision is that withdrawals may be made (the Payne substation of the Texas company) to serve towns and municipalities over Government lines where such towns and municipalities now own and operate their own distribution systems. Reference is made to article 3, paragraph 5, section a. In other words, the city of Reno does not own its distribution system; and so far as I know, it has no desire to own the system. Certainly I have no desire to have a municipally owned power company there. I am very happy with the condition as it is if the base load of hydroelectric power can be made available to the people. I favor privately operated industrial plants. But in this case it would be necessary for the city of Reno to take over the power company in order to deal with the company, Pacific Gas & Electric Co., under this contract; and these are the basic principles under which the Appropriations Committee directed the Department of the Interior to make these contracts with the Pacific Gas & Electric Co.

A fifth provision is that notwithstanding the above provisions, whenever the United States delivers power or energy to customers now or hereinafter—except Federal establishments and rural electric cooperatives as defined—the United States shall compensate the company by means of a credit based on the difference between the company rate and the Southwestern Power Administration rate. Reference is made to article 3, paragraph 7, section a. In other words, no saving is effected, because if the State of Nevada should, under the reclamation law, as it hopes to do, withdraw the amount of power it has applied for, and for which it has a preference and priority, that power would be taken into Nevada either over the privately constructed line or over a Government line, whichever was necessary, and if any saving is effected, such saving must be paid the power company. That is, if they save any money they must still pay it to the company involved. In other words, they cannot save any money. What kind of a provision is that? It has to be paid out in any case, and it must come from the Congress, including all of the taxpayers, or the people using the power.

I refer to article 3, paragraph 7, section (a) of that particular report of the Southwestern Power Administration.

The Texas Power & Light Co. type of contract with the Pacific Gas & Electric Co. would effectively preclude Nevada from obtaining a base load of federally produced hydroelectric power from the west unless a penalty were paid either by the Federal Government or the State of Nevada for such a privilege. Nevada's needs for a base load of hydroelectric power which would stabilize the cost of such power to the people are urgent, and we cannot be dependent solely on a power company which may not, under the regulatory commissions and boards, be allowed to supply their needs.

Moreover, the construction of a transmission line by the Bureau of Reclamation from Shasta to the market areas in western Nevada, or a proper contract with the power companies to "wheel" such power, which is obviously impossible under the conditions fixed by the Senate Appropriations Committee, would permit the State to encourage the construction of connecting lines to the south, so that power from the north and west could be fully integrated with the power the State now has available from the Hoover and Davis Dams on the Colorado River in southern Nevada.

Under the Texas Power & Light Co. contract, the company obtains the exclusive right to federally produced power which can be used in the State of Texas. The contract states:

> ART. 40. Before the Government sells for use in the State of Texas, to any party other than the company, any of the power and energy generated at the Denison Dam power plant, other than that delivered to the company under this agreement, the company shall have the option of purchasing such power and energy under similar terms and conditions as provided for herein with proportionate charges therefor, including a proportionate increase in the power and energy

which the Government is entitled to take out of the company's system for service to its own customers.

Thus, subject only to the restricted rights of the Government to dispose of power to a few preferred customers, the company obtains a virtual exclusive franchise to purchase all power generated at Denison Dam which will be used in Texas.

Mr. President, I say that while the contract may have been available to the Appropriations Committee, there could not possibly have been available to the committee a digest of the contract, or they would never have voted favorably on such a condition.

THE PACIFIC GAS & ELECTRIC (CALIF.) CONTRACT WITH THE SIERRA PACIFIC POWER CO. (NEV.)

The contract dated March 4, 1948, between the Sierra Pacific Power Co., of Reno, Nev., which serves western and northern Nevada, and the Pacific Gas & Electric Co., of San Francisco, Calif., which is the company designated by the Appropriations Committee as the one with which the Department of Interior must deal and to which it must sell all the power, provides:

First. The Sierra Pacific Power Co. shall purchase and receive from the Pacific Gas & Electric Co. all of the electricity, gas, and energy which the Sierra Pacific Power Co. shall require during the term of the contract for resale to its customers and for use in its electric business, except such electric energy as Sierra may generate in its existing electrical generating plants and such quantity of electric energy as Sierra may purchase or may hereinafter purchase from others under minor stand-by and minor exchange agreements.

In other words, the two companies are tied up tight. The Nevada company can only receive power through this one company.

Second. If during the term of the contract, which is 15 years, the Sierra Pacific Power Co. of Nevada requires more power and energy than the Pacific Gas & Electric Co. of California can reasonably supply throughout the then existing lines, the Pacific Gas & Electric Co. will provide additional line capacity, provided the Sierra Pacific Power Co. shall then extend the contract dated March 4, 1948, for an additional 15 years from the date that the additional transmission line goes into service—making a total of 30 years covered by the contract.

Foreclosing the right of the Federal Government to construct transmission lines to serve the Nevada market eliminates any bargaining power the State of Nevada now has in arranging with such power companies to "wheel" power that may be withdrawn from the Shasta project for use in the State—and prohibits Nevada from realizing the savings which would result from the availability of a firm hydroelectric base load of Shasta power.

I call attention specifically to that feature. I doubt whether it would ever be necessary for the Government to build the power line, but, if that gate were closed, with its bargaining power gone, then it would be impossible ever to secure such a contract. We know from experience what will happen then. It simply will go into the entire pool of power, with the great proportion of steam power that is operated within the entire area, and will be subject, the same as any other steam power, to the rise in prices of fuel due to inflation and scarcity; will then be short of power when the entire area is short of power, whereas the State of Nevada has the right under the reclamation law to withdraw the power, a base hydroelectric load, and have it for use within the State, just as the city of Los Angeles and the power companies, in turn, under their priority, withdrew power from Boulder Dam, located in Nevada and Arizona and used it in that city. I know the chairman of the Appropriations Committee is entirely familiar with that contract, because it affects the State of Arizona the same as it affects my State. We both had conferred on these contracts. We remember 22 years ago, working together here, while I was State engineer of Nevada, and he, in the capacity of United States Senator from Arizona. If the States of Nevada and Arizona use all the power we have to withdraw under the contract, then we cannot secure the power from the municipality of Los Angeles, because they have withdrawn it under the Reclamation Act. They have purchased the power, and it belongs to them. This is the same right which we are now asking—the same right that we now request, respecting the Shasta Dam.

Projected Central Valley project rates based upon the average market load factor are more than 20 percent less than the rate paid by the Sierra Pacific Power Co. to the Pacific Gas & Electric Co. On the basis of the company's 1947 purchases from Pacific Gas & Electric, this saving by Central Valley rates over the 20-year period of the utility contract would aggregate nearly 2½ million dollars.

However, even a greater factor is, that through securing a base load of hydroelectric power for exclusive use within the State of Nevada, investors would be assured that the cost of such power would remain stable over the years ahead. That is the advantage of hydroelectric power. Once it is installed and paid for, or is amortized over a period of 20 or 30 years, it does not change very much in cost, but steam power is subject to the rising fuel costs, and to inflation, and that is what a State must provide against for its citizens when it has the opportunity.

No people of a great State should be forced to subsidize any operation to that extent and in that manner, or neglect to secure a base hydroelectric load of electric energy to stabilize its future development operations.

PREFERENCE OF POWER WITHDRAWAL OF PUBLIC AGENCIES

The previous experience of the Department of Interior with the Pacific Gas & Electric Co. has not been encouraging in the matter of cooperation in "wheeling" power under contract to public agencies entitled to withdraw such power.

The city of Roseville is cited as an example where the Department of Interior sought to have the Pacific Gas & Electric Co. wheel the power to Roseville which would be contracted for by the city under their preference guaranteed by the Federal law. That is the same law, the reclamation law, from which I previously quoted.

This request was based upon a contract between the Department of Interior and the Pacific Gas & Electric Co. dated September 23, 1943.

This request was based on section 20 of the contract which says:

> During term of this contract, in order to meet the existing war emergency, the parties agree (without establishing a permanent policy in respect to the distribution of power in the United States) that they will endeavor to carry out the provisions of the reclamation law, provided that preference be given public agencies and cooperatives in the lease or sale of public power by mutual agreements, supplementary to this contract, if and when the occasion may arise.

The Pacific Gas & Electric Co. not only declined to enter into any such arrangements under the terms of the contract with the Bureau of Reclamation, which expired December 31, 1948, as noted in the case of Roseville, but have so far refused to renew the contract with the Department of Interior under terms which would meet the preference provisions of reclamation law.

Other requests were made by the Department of the Interior to the Pacific Gas & Electric Co. to wheel Shasta power over their lines for Bureau customers entitled to preference to Federal power by the terms of the Reclamation Project Act of 1939, including the Army and Navy. The Pacific Gas & Electric Co. refused such requests.

The action of the Pacific Gas & Electric Co. under the Department of Interior contract must be assumed to be indicative of their general attitude.

This action by the company is costing the Federal Government in excess of $700,000 per year for the power purchased from the company for such major Federal establishments, such as the Army, Navy, Air Force, and the Ames Aeronautic Laboratory.

PACIFIC GAS & ELECTRIC CO. REFUSED TO WHEEL POWER TO NEVADA—NOT OWNED BY COMPANY

During a general discussion of ways and means to transmit a base load of firm electric energy from Shasta Dam to the State of Nevada for use in that State, the president of the Pacific Gas & Electric Co. refused categorically to transmit any power over their transmission lines not owned and controlled by the company.

The emphatic and incontrovertible position consistently taken by the power companies, including the Pacific Gas & Electric Co., of San Francisco, Calif., is diametrically opposed to the vital interests of the State of Nevada.

The positive action then of the Senate Appropriations Committee in its amendments to House bill 3838 and their report to the Senate, No. 661, puts the Pacific Gas & Electric Co. in the driver's seat, and, as can be readily seen by the provisions of the Southwestern Power Administration-Texas Co. contracts, the Pacific Gas & Electric Co., Sierra Pacific Power Co. contracts, and the line of decisions and action of the principals—

would forever preclude the State of Nevada securing a base load of hydroelectric energy from the Shasta Dam if the committee's amendments and report are allowed to stand unchallenged.

I might say at this point, Mr. President, that most every power company in America opposed the construction of Hoover Dam, which was then called Boulder Dam. They did everything in their power to prevent legislation being passed providing for its construction. I was here as State engineer for the State of Nevada during 1927 and 1928, up until the date of the passage of the bill. I was here intermittently, not all the time, but I am in position to know the opposition, positive, and effective as it could possibly be made, and it never let up until the steam shovels were moved into the canyon and work was started and they could not stop it.

The same thing was true of the Central Valley project. After I left the Nevada State engineer's office I became consulting engineer on the Central Valley project in 1935. The power companies opposed in the same manner the construction of that project, which affected a million persons in the valley, it being a matter of conservation, the regulation of water supply, and flood control, which they simply had to have. Almost everyone realized at the time that without Boulder Dam the Southwest would never grow much more than it had up to 1927 and 1928. The State of Nevada in that area had at that time a population of five or six thousand. It now has from 40,000 to 45,000, and has just started to grow, with industries coming in utilizing the low-cost power. That is what it means to a State to have a permanent low-cost long-range supply of power.

In addition to other loopholes the Southwestern Power Administration-Texas Co. contract may be a type of contract suitable for the average Southwest power area where flood control, navigation, and other uses of the multiple-purpose projects are paramount to the development of the power. Then, generally speaking, under these particular operating conditions a greater amount of secondary power would be available than firm power, and therefore the provisions of a contract covering such power might not be at all suitable for a type of project producing a greater percentage of firm power. Firm power indicates that the power is available 100 percent of the time and secondary power means that such power may be available on any percentage of the time less than 100 percent, but it is not dependable, in that other power must be available to supplement the supply at the proper time.

Hoover Dam, for example, produces much greater amount of firm power than secondary power, and the same is true of Shasta Dam in the Central Valley project.

The value of the secondary power depends almost entirely on the percentage of the time such secondary power is available.

Mr. President, I have listened with much interest to the discussion on the floor regarding firm power, secondary power, load factor and power factor, and I shall go into it in some detail, because I think it is necessary in order to understand the difference between the types of projects.

For example, if it is available 90 percent of the time, then power from other sources to make up the additional 10 percent can be made available at the proper time and turn it into firm power—whereas power available only 10, 20, or 30 percent of the time may have very little value since you must have additional power available at the proper time up to 90, 80, or 70 percent of the time.

The power generated at Hoover Dam averages about 5,000,000,000 kilowatt-hours per year, of which approximately 4,250,000,000 kilowatt-hours are firm power. Thus, it will be seen that approximately 85 percent of the power generated by this project is firm power, leaving only 15 percent of secondary power.

Well over 50 percent of the power generated at Shasta Dam in an average year is firm power. It will be seen that dealing with power in this category is an entirely different thing than if the situation were reversed. Therefore, as I have said, in addition to the other loopholes in the Southwestern Power Administration-Texas contract, the principal purpose laid down may not fit the situation in any other arrangement including the Boulder Dam and Shasta Dam areas.

The firm and nonfirm power in kilowatt-hours for the Central Valley project including the Shasta, Folsom, and Keswick Dams are 1,086,000,000 kilowatt-hours of firm power and 802,000,000 kilowatt-hours of nonfirm power, or a total of 1,888,000,000 kilowatt-hours. This is hydro generation exclusive of the Delta steam plant.

THE LOAD FACTOR—POWER FACTOR

The load factor and the power factor used in relation to the projects often are confused and have a great bearing on the cost of power.

The load factor is the ratio of the average load over a designated period to peak load occurring in that period. In other words, the actual use in kilowatt-hours divided by the demand or capacity in kilowatts times the number of hours included in the period under consideration.

The power factor is the ratio of the power used to the apparent power required. In other words, the total kilowatt demand divided by the quantity, volts times amperes divided by 1,000.

The load factor, generally speaking, ranges from 40 to 50 percent depending on the type of load included within the area.

The ordinary lighting and general city requirements are often as low as 35 percent which is increased by any industrial load which either furnishes a continuous use or a use in off-peak periods meaning that while the peak power load for general city use generally occurs early in the evening, an industrial load continuous during the day or a continuous night load will raise the load factor.

In the city of Reno, for example the load is mostly for domestic use, and therefore the load factor is low. But the more industry comes in—and in order to get industry to come in we not only have to have low-cost power, but assurance that the cost will not change much over the years ahead, otherwise investment will not be made—the more the load factor is raised, the price to domestic users can be lowered in accordance with the higher load factor. That is one of the principal factors in the cost.

Some industries will demand as high as an 80 to 95 percent load factor, which is of material assistance in raising the general average load factor. In the State of Nevada great distances must be covered by transmission lines to make power available to the outlying agricultural and mineral areas. Greatly increased mineral and agricultural production can be brought about in proportion to the lower-cost power delivered.

I might say, Mr. President, that also applies to the other intermountain States, including the State of the chairman of the Appropriations Committee.

Before the Hoover Dam was constructed power cost approximately 2 cents a kilowatt-hour. High-priced fuel had to be shipped in. No industry could possibly come in, because if the cost of power goes to 3½ or 4 mills they are no longer interested in most of the chemical and electrochemical industries. The power factor is also improved through the advent of continuous industrial loads. If the price can be held down one-tenth of a mill, it sometimes makes the difference, as is evidenced by southern Nevada, with 8 or 10 times as many people there now, and permanently there, with something to do, as were there when we first looked over the canyon to see where we could build Boulder Dam, now called Hoover Dam.

I say, therefore, Mr. President, this is not a question which can be pushed aside lightly by saying, "I am for private ownership," or "I am for public ownership." I am for private ownership, but I am for the proper disposition of the salable product, which is mostly electric power and water, under these projects which have been developed under the reclamation law since 1902, when Senator Newlands, of my own State of Nevada, introduced the bill and it was passed, and the reclamation projects were started. The benefit to the people from these projects cannot merely be brushed aside with the saying, "I am for private industry." Why did not private industry build these dams? The distinguished senior Senator from Arizona [Mr. HAYDEN] knows why they did not build Boulder Dam, why they did not build Shasta Dam. It was because it was too much of a chance to take with investors' money. So the Government had to take the chance. Now that the Hoover Dam has turned out to be one of the best bank risks in America, and is one of the fine developments, the story is different.

It is necessary, then, for the Senate of the United States to follow through, and in this particular case all I am trying to say is that we should not shut the door on the State of Nevada to secure this power, to withdraw it, through a public agency, the Colorado River Commission of Nevada, and turn it over without cost to the power company for distribution. We do not want the State of Nevada to engage in the distribution of power; we want the power company to distribute it. It does not affect taxes,

private ownership, or anything else, except the cost of power to the people of the State of Nevada. That is the story.

HOOVER DAM POWER AND SHASTA DAM POWER FOR STATE OF NEVADA

To understand the possible future demands for power in the State of Nevada it is necessary to know that great distances must be covered by transmission lines to make power available to the outlying agricultural and mining areas. It is also necessary to know that greatly increased mineral and agricultural production can be brought about in proportion to the lower-cost power delivered to the point of use.

PIOCHE AND CALIENTE AREAS—SOUTHEAST NEVADA

For example, before the advent of Hoover Dam, there was little or no mining development in the southeastern part of Nevada, in the Pioche and Caliente areas, due principally to the fact that steam power had to be developed through the use of imported fuels and the actual cost of development of such power was in the neighborhood of 2 cents per kilowatt-hour.

However, when Hoover Dam power became available, the mining interests working with the State of Nevada financed, through a power district, a 150-mile transmission line from Hoover Dam to the southeastern Nevada mining districts, and as a result that area is producing a large percentage of the zinc and lead now being produced in the United States, and it is a substantial contribution to the security of the Nation—it would not be in operation today if it had not been for the low-cost power they are getting into that area—and to the employment and taxable property of the State and the Nation which would have been impossible without the available firm power from Hoover Dam.

Mr. President, I have here a map for review by the Senators, to show that from the Hoover Dam a 150-mile line was run into the southeastern part of the State of Nevada. It shows how the power lines from Hoover Dam located in the States of Arizona and Nevada run to Los Angeles and other California areas, and to the metropolitan water district.

The condition shown on the map concerning Shasta Dam is just exactly the reverse. Reno is shown on the map, and Folsom Dam is shown just over the hill. The power line which will be constructed—the money is already available for it—will go to the Sacramento area. The only two lines which run to Nevada are owned by the Pacific Gas & Electric Co.

The $100,000 included in the bill, which the Knowland amendment will ask to have restored, is for an investigation of the possibility of further electric lines in the event the P. G. & E. continues to refuse to wheel power to Nevada, belonging to that State. I have no doubt that an arrangement will be made with them if we retain the bargaining power, but if we shut the door so that we cannot possibly do it in any other way except by the P. G. & E. taking over, then we know from experience that it will not be done.

Mr. WATKINS. Mr. President, will the Senator from Nevada yield?

Mr. MALONE. I yield to the Senator from Utah.

Mr. WATKINS. As I understand, then, the Senator is in favor of private enterprise doing the job if and when it will do it.

Mr. MALONE. If and when it will do it on the proper and accepted basis, I am in favor of it.

Mr. WATKINS. Then the Senator is in favor of Federal money being put into the necessary lines if private enterprise does not do it?

Mr. MALONE. Yes.

Mr. WATKINS. I agree with the Senator 100 percent.

Mr. MALONE. As I have said to the Senator, and I have documented the evidence and examined the Texas contract, and the contract between the P. G. & E. and the Sierra Pacific Power Co., it could not be any more airtight in preventing the State of Nevada from getting the power from the Shasta Dam on the proper preference basis if they had deliberately set out to prevent a base load of hydroelectric power from coming into the State. There would be nothing whatever that the State of Nevada could do to assure the potential users of power and a potential investor that we could count on a stable supply of power at a stable cost, and that he would have a chance to amortize his investment before the power would be raised in price.

No power company was interested in doing the job in southwestern Nevada for the very simple reason that the chances were too great to invest stockholders' money in the enterprise, but now that the 150-mile line is constructed, it is repaying the cost and the power is made available not only to the mining enterprises in that area but to the domestic users for one-half cent per kilowatt-hour or less, with the results already noted.

The State of Nevada has a withdrawal privilege for about 18 percent of the firm power produced at Hoover Dam, just as Arizona has, and a large amount of power from Davis Dam which will be completed next year has been allocated to the State, and Arizona also has a large amount of power from Davis Dam that should be available in 1950 and 1951.

If the State of Nevada can now secure the 80,000 kilowatts of power from Shasta Dam, making use of it as the power load grows in western and northern Nevada, eventually and in the not too distant future the already existing power lines from the western and northern part of the State will be connected through the eastern and central part of the State and then the two sources of power from Hoover Dam and Shasta Dam, allocated to the State, will be available through an interconnected system. There would simply be an interconnected system, to which we have all looked forward for 25 years, with a minimum of expenditure by the Government.

BASE HYDROELECTRIC LOAD FOR NORTHERN AND WESTERN NEVADA

A review of the future development of the State of Nevada over the next 15, 20, or 30 years is entirely dependent then upon securing a base load of hydroelectric power from the Shasta Dam project which will not change in cost over a long period of years, so that mining and industrial investments can be made with that assurance.

The cost of the Shasta Dam power under this arrangement has been tentatively fixed at approximately 5½ mills per kilowatt-hour delivered to the State of Nevada. The Hoover Dam power is approximately 2 mills at the switchboard. However, one of the great advantages of hydroelectric power over steam power over a term of years is that once the investment is made in hydroelectric power, only operation and maintenance is necessary, no fuel being involved; therefore the cost of fuel and inflation has very little effect on the original cost of the power so that 20, 30, or 40 years ahead the power should not vary materially from the present cost, while the cost of steam power will depend altogether on the availability and cost of fuel, and any future inflation will have an immediate effect on the cost.

If the State of Nevada is unable to withdraw a base loan of hydroelectric power from Shasta Dam then the entire amount of such power will be thrown into the total load of the area with its large percentage of steam power, with the prospect that it will be a much greater percentage over the years ahead and with the further result that any shortage of power within the entire area will be immediately felt in the State of Nevada; the additional cost over the years due to inflation and the fuel scarcity will be almost immediately reflected in the cost of power in the State of Nevada; therefore no long-range investments could be encouraged, and certainly the State of Nevada could not look ahead with any degree of confidence in developing the agricultural, mining, and industrial resources of the State.

It is simply the difference between a very great possibility of future development of a great State and in closing the door on the prospect of long-range, low-cost power for the purpose.

In that connection, Mr. President, I should like to have printed in the RECORD, at this point, a release issued by my office on July 22, 1948, on this very subject. I ask unanimous consent that it be inserted in the RECORD at this point.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

NEVADA'S PRESENT AND POTENTIAL POWER SUPPLY

WASHINGTON, D. C.—There has been such a tremendous increase in the power consumption in Nevada and other Western States in recent years, that at the present time more power is being utilized than during the wartime peak, and there is an unsatisfied demand for even more power than is presently available, according to a statement made by Senator GEORGE W. MALONE. The amount of power utilized in Nevada has nearly trebled—Arizona quadrupled—Utah

doubled—and California uses two and one-half times the electrical energy since 1934.

Senator MALONE outlined the present and potential power supply in Nevada as follows:

FUTURE ESTIMATES SHORT

All estimates of increased power use over the past 20 years by power experts have fallen far short of the actual demand for the reason that not even the power companies themselves seemed able to visualize the additional demand and use by mining, agricultural, and the processing industries through a substantial reduction in cost per kilowatt-hour.

Every power company in America opposed the construction of Hoover (Boulder) Dam in Nevada and Arizona—because they said, and proved by the record, that all of the power needed and demanded was available. The same applied to Shasta Dam in California, Bonneville Dam in Oregon, and Grand Coulee Dam in Washington State.

On July 4, 1929, I submitted a power-use chart to the Secretary of the Interior in support of our withdrawal-privilege application from Hoover Dam (p. 161 of my 1935 Colorado River Commission report—State engineer's office). I estimated that within 25 years (1955) we would use 187,500 horsepower of electrical energy—including irrigation, 20,000 horsepower; mining development at the point of discovery, 76,000 horsepower; nonmetallic ores, manufacturing, and other uses at the dam, 91,500 horsepower.

We are now—18 years later—utilizing more than 100,000 horsepower for the purposes already outlined, including a large and growing power load in the important zinc-lead mining district of Pioche.

While the Colorado River Commission of our State has now applied to the Secretary of the Interior for the withdrawal of the remainder of our allotment of approximately 85,000 horsepower—much more than that amount can be utilized during the next 5 to 7 years within the area.

The Colorado River Commission of Nevada early this year, after repeated urging by the subcommittee of the National Defense Committee of the United States Senate, investigating the management of the basic magnesium plant by the War Assets Administration, applied for a full one-third of the power to be generated at Davis Dam.

This one-third—approximately 90,000 horsepower—would make a total of approximately 277,000 horsepower or 210,000 kilowatts of electrical energy for the development of southern and eastern Nevada, a part of which could be transferred at least temporarily to northern Nevada over existing transmission lines through California as I have previously outlined.

POWER FROM SHASTA-KESWICK-FOLSOM DAMS

It is my opinion that all of the low-cost energy available in southern Nevada from Hoover and Davis Dams will eventually be used in the southern and eastern parts of the State, so the real opportunity for northern and western Nevada to secure a base hydroelectric load is from the Shasta, Keswick, and Folsom Dams, a part of the Central Valley project in California.

The State of Nevada has a priority for 90,000 kilowatts—about 120,000 horsepower from that source. The priority can only be exercised through the Colorado River Commission as the agent of the State by contract with the Secretary of the Interior—then the Commission can transfer the power to the Sierra Pacific Power Co. for distribution without profit to the State.

The necessary contract with the Secretary of the Interior is being opposed—the Pacific Gas & Electric Co. owns the only available transmission lines from the substation near Sacramento connecting with the Sierra Pacific Power Co. near the summit of the Sierra-Nevada Mountains.

The Pacific Gas & Electric Co. has currently refused to transmit (wheel) any power to the summit not owned by their company—and has so far been able to prevent any funds from being appropriated by Congress for surveys and investigation of the cost of transmission of any power that the State of Nevada might purchase to be delivered to the State.

The Sierra Pacific Power Co. has no priority to purchase such power. Therefore, if delivery of any power purchased by the State can be prevented—then the Pacific Gas & Electric Co. will automatically fall heir to such power. It will then become a part of the total load of the company, a great proportion of which is made up of steam power and subject to the rise in fuel costs and to the full effect of inflation.

BASE LOAD OF HYDROELECTRIC ENERGY

The advantage of the State contract is that through this method northern and western Nevada would have a base load of hydroelectric energy that would not increase perceptibly in cost over the years ahead—approximately 130,000 horsepower—in the same manner as southern and eastern Nevada have from the Hoover-Davis Dams combination, the northern Nevada load is approximately 40,000 kilowatts—54,000 horsepower at this time.

The relations of the States—Nevada and California—are reversed in the north—in the south the State of California benefits through securing approximately 64 percent of the Hoover (Boulder) Dam low-cost power through the Bureau of Power and Light, the Southern California Edison Co. and others for use in California—while from Shasta, Keswick, and Folsom Dams the State of Nevada, through its Colorado River Commission and the Sierra Pacific Power Co. would receive approximately 16 percent of the low-cost hydroelectric base load from that source.

This base hydroelectric load for northern Nevada would later be augmented by the future development of power on the Carson and Walker Rivers amounting to approximately an additional 90,000 kilowatts—120,000 horsepower—making a total of 240,000 horsepower of base hydroelectric load additional for the development of northern and western Nevada if the proposed contract with the Secretary of the Interior is consummated. The present hydroelectric power developed on the Truckee River is approximately 11,000 horsepower, making a total of 251,000 horsepower.

This amount compares favorably with the 277,000 horsepower available in southern and eastern Nevada—equaling a total of 528,000 horsepower of base hydroelectric load for the entire State of Nevada over the years ahead compared to approximately 170,000 horsepower utilized in the entire State at this time. (The potential development of power does not include possible additional power on the Truckee River.) (When we started to build Hoover Dam, a total of less than 40,000 horsepower was utilized in the entire State.)

To assure northern and western Nevada such a base hydroelectric load that would stabilize the cost of power within the area over the years ahead—the Colorado River Commission of Nevada should immediately contract with the Secretary of the Interior for the 90,000 kilowatts—130,000 horsepower—to be accepted when available and delivered.

QUESTION OF TRANSMISSION

The next question can then be approached: whether the Pacific Gas & Electric Co. will "wheel" Nevada's allotment of power to the summit over existing lines or new lines are to be constructed. The Secretary of the Interior quotes a price of approximately 5 mills per kilowatt-hour delivered to the Reno area, which would be a feasible industrial rate for the area.

With such a base load of hydroelectric power available for the entire State of Nevada, as already outlined, there is no question but that transmission lines will be constructed as they become feasible as shown on the accompanying map connecting all of the principal mining, agricultural, and industrial areas of the State.

Such a long-range program projected at this time through contracts with the Secretary of the Interior and through further hydroelectric power development within the State could mean the difference between remaining practically status quo or increasing the wealth and employment of the State from three to five times over the next two decades, which might result in an increase of the population from the present 140,000 to nearly 500,000 during the same period.

ANOTHER LONG-RANGE DECISION

It is a period of decision similar to the decision we had to make when the Hoover (Boulder) Dam was proposed, and it is my considered opinion that we should proceed with the contract and the further hydroelectric power development within our State as already outlined.

NEVADA'S PROGRESS IN EXERCISING PREFERENCE FOR SHASTA DAM POWER

Mr. MALONE. In the interest of securing a base hydroelectric load of electric energy from Shasta Dam in the Central Valley project, in accordance with the States' preference privilege of the reclamation law, the junior Senator from Nevada arranged for a conference to be held in Reno in December 1946 at which representatives were present from the Pacific Gas & Electric Co., California, Sierra Pacific Power Co., of Reno, the State engineer of Nevada, who was also secretary of the Colorado River Commission, and prominent citizens of the State.

This conference was held in the offices of the Sierra Pacific Power Co., the Reno company, the western and northern Nevada company, at which time I outlined my conception of the needs of northern and western Nevada for a base load of hydroelectric power which was available from Shasta and other dams within the Central Valley project, and the method by which it could be secured.

Briefly, this method was for the Colorado River Commission, representing the State of Nevada through action of the State legislature, to apply for 90,000 kilowatts of electric energy from the project to be secured through contract with the Department of Interior in accordance with the States' preference granted by the reclamation law.

The 90,000 kilowatts of electric energy secured through the Colorado River Commission could immediately be transferred to the Sierra Pacific Power Co. for distribution throughout its western and northern Nevada areas, the application through the State body being necessary since the Sierra Pacific Power Co. could not act for the State in exercising the preference in withdrawing such power.

The Sierra Pacific Power Co.'s distribution system covers the entire western and a large part of northern Nevada, extending as far south as the cities of Minden, Gardnerville, and Yerington, and as far east as Battle Mountain in northern Nevada.

AMOUNT OF POWER PRESENTLY UTILIZED

Approximately 45,000 kilowatts of power are utilized within the area of western

and northern Nevada through the interconnected transmission system of the Sierra Pacific Power Co. The towns of Tonopah and Goldfield in south-central Nevada are served by the California Electric Power Co., which secures a major portion of its power from Hoover Dam. Las Vegas, Nev., is served by the Southern Nevada Power Co., whose sole source of power is Hoover Dam. Overton, Caliente, and Pioche, in southern and eastern Nevada, are served by a specially constructed transmission line from Hoover Dam financed through a power district formed under a special State law for the creation of such districts.

Mr. President, I ask Senators to take a look at this map with particular attention to the central portion of Nevada, which is without power lines. There are located in that area some very important cities, towns, mining and agricultural areas. It is the hope of the people of Nevada that over the next 20, 30, or 40 years, with the power available throughout the State through an interconnected system as already described, that a steady mining, agricultural, and industrial development will go forward over the years ahead.

The PRESIDING OFFICER. The Senator has 2 minutes remaining of his time.

Mr. MALONE. Mr. President, I ask unanimous consent to complete my address.

Mr. HAYDEN. Mr. President, I ask unanimous consent that the Chair recognize me so I may yield to the Senator from Nevada sufficient time out of my own time.

The PRESIDING OFFICER. The Chair recognizes the Senator from Arizona.

Mr. HAYDEN. Mr. President, having been recognized, I ask unanimous consent that out of my time I be permitted to yield to the Senator from Nevada sufficient time for him to finish his statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MALONE. I thank the Senator from Arizona.

Mr. President, we are dealing with one of the most sparsely settled States in the Union. Nevada is 600 miles long and nearly 400 miles wide. It contains a smaller population than any other State in the Union. But it supports a good State government. It has very few trick taxes and laws. It has been able to hold its taxes within reason. It has been able to hold itself relatively free of the binding laws and regulations which have come into existence in many States during the last couple of generations. It is, in my opinion, operating as good a State government as there is in any State of the Union, on just a fraction of the average cost.

Mr. President, are we to shut the door so that this large area, which is tributary to other States, and which has other States tributary to it, cannot be developed as it should for its own benefit and for the benefit of California, Utah, Idaho, and Oregon and the surrounding areas. As a matter of fact the principal markets exist in California for Nevada's livestock and many other products produced in that State, the same as they exist for those of Arizona and many of the Western States. Large markets exist in Los Angeles, San Francisco, Portland, and Seattle.

Nevada is a part of the great West, of the eight intermountain States. Arizona, Nevada, and Idaho form the western boundary. New Mexico, Colorado, Wyoming, and Montana form the eastern boundary of that great intermountain area. Nevada includes a part of the great Amesrican desert. I say, Mr. President, that we are now dealing with the lifeblood of that State. The Senate cannot simply dismiss this subject as a simple public versus private ownership question unless it understands the effect of what we are about to do.

Unless a Senator happens to have been in business in the State, or has had experience with its technical problems, it would be difficult for him to understand what the situation really is. By one regulation, by one stroke of the pen, Congress could stop development in the State of Nevada or in any other State under similar conditions.

Mr. President, I have not had the time, nor have I attempted to find out or understand all the intricate problems that exist in the other States. It has been a big enough job for me to try to understand the intricate problems of my own State, in relation with those of the others. But I say in all seriousness that the United States Senate and the House of Representatives and the President of the United States should not take one side or the other of such a question—and I know they are not in the business of taking one side or the other of what they may be unwittingly dismissing as a principle—without analyzing the situation and endeavoring to see where the chips would fall, and what would happen to the rights of a sovereign State as a result of the vote and action taken here.

The entire central, mideastern, and northeastern areas of the State of Nevada are served by local power companies, and the cost of power is very high, which precludes its use for practically anything except domestic purposes.

It is impossible to generate electric energy through the use of high-priced fuel transported long distances and furnish power at a price which can be used for industrial, mining, and agricultural requirements.

I pointed out there were great areas where there was no available hydroelectric power. High-cost fuel is taken into the area and power is produced for domestic purposes. There is no chance of producing hydroelectric power there at a reasonable cost because we have no falling water; we have no large streams. So there is no chance for the mining and agricultural areas of Nevada to receive cheap power, except through an interconnected system of Hoover Dam power in the south and Shasta Dam power in the north.

There are mining areas in Nevada which have great low-grade deposits of ore. Senators can check this information with the Federal Bureau of Mines. For example, in Eureka, Nev., if the cost of power could be lowered to 5, 6, 7, or perhaps 8 mills per kilowatt-hour, these deposits could be worked profitably. Instead of that, those who would use the power must pay 2 and 3 cents a kilowatt-hour. The difference in cost of power might mean the difference in operating these mining areas successfully, with the resultant employment and increase in taxable power and also production of strategic and critical minerals and materials. Such production would mean an added safeguard to the security of the United States. Besides, as I say, it would increase the taxable property and employment in the most sparsely populated State in the Union.

HOOVER DAM-SHASTA DAM POWER INTERCONNECTION

If the 90,000 kilowatts of power is made available to the northern and western areas by the Colorado River Commission exercising the States' preference, then it is entirely possible within a reasonable period that the southern and northern areas of the State will form an interconnected power system which will connect the Hoover Dam and Shasta power areas, thus making lower-cost power available to the mining and agricultural areas throughout the State of Nevada, and it would increase the production of minerals, agriculture, and livestock to a very appreciable extent over the years ahead.

STATUS OF CONTRACT BETWEEN STATE OF NEVADA AND THE DEPARTMENT OF THE INTERIOR

The State engineer of Nevada, secretary of the Colorado River Power Commission, did within a reasonable time following the Reno conference in December 1946, between the Pacific Gas & Electric Co., the Sierra Pacific Power Co., and interested citizens, make application to the Department of the Interior for 90,000 kilowatts of electric energy from the Shasta Dam, and the State of Nevada was granted a priority as of the date of the application.

On June 24, 1949, the Department of the Interior, through the regional office in Sacramento, Calif., submitted a proposed contract to the State of Nevada, through the Colorado River Commission, which would, in effect, make available the electric energy up to the 90,000 kilowatts applied for, under the conditions that such power would be delivered upon the request in writing by the Nevada Colorado River Commission and the submission by the commission of evidence satisfactory to the contracting officer of the Department of the Interior that the commission has binding contracts covering the resale of the power and energy contracted for, in any amount up to 50,000 kilowatts, and provided further that the power is available. The initial contract rate of delivery may be increased at any time up to an additional 40,000 kilowatts, when available, making a total of 90,000 kilowatts of power.

The contract in effect means that the Colorado River Commission of Nevada may hold the established priority for 90,000 kilowatts of power through a contract without financial obligation, simply accepting delivery as such electric energy may be disposed of through a firm con-

tract, and the Department of the Interior guarantees delivery of the initial 50,000 kilowatts when it is available within the Central Valley project.

That provision was to meet the condition that the power could be furnished the Sierra-Pacific Power Co. to distribute when the market would take it and when it was available from the Central Valley project. In other words, we were not withdrawing power from anyone who already had put it in use, and we were not forcing anyone to take it when he had no use for it. So it is a very fair contract.

DEPARTMENT OF THE INTERIOR—COLORADO RIVER COMMISSION CONTRACT NOT CLOSED

As of this date, the Colorado River Commission of Nevada has not seen fit to close the contract. However, the priority established by the initial application is in good standing, and it is hoped that the commission will see fit to take such action within a very short time.

PRELIMINARY CONFERENCES

Early in 1947 I requested that a second conference be called by the Governor of Nevada, to be held in Carson City, and that all interested parties be invited to review the possibilities and the advisability of exercising the preference accorded the State of Nevada through the reclamation law for a 90,000 kilowatt block of Shasta Dam power. The first conference, already described, was held in December 1946.

This meeting was held on August 6, 1947, and attended by the Governor, the State engineer, the junior Senator from Nevada, the mayor of Reno, and representatives from the University of Nevada, the Farm Bureau, and the Sierra-Pacific Power Co.

The consensus of the meeting, including the testimony presented by representatives of the Farm Bureau and the city of Reno, was that Nevada's preference for the 90,000 kilowatts of power should be exercised and made available to the State over a long-range period, if a proper contract could be made with the Department of the Interior through the Colorado River Commission.

Such a contract has been offered, and the arrangement has been delayed principally because every act—whether it was deliberate or not I am not able to say of the Sierra Pacific Power Co. and the Pacific Gas & Electric Co. in making contracts including advertisements has been against closing this contract.

The Senate Appropriations Committee could not possibly have had the information before it and taken such action. An analysis of the Southwestern Power Administration contract shows that we could not possibly contract for such power under the withdrawal conditions set forth in the reclamation law, if any such contract should be made with the Department of the Interior and the Pacific Gas & Electric Co. under the policies and on the basic conditions laid down in that contract.

Subsequently, as already noted, a contract was offered by the Colorado River Commission which would permit them to exercise the preference for the State for the 90,000 kilowatts of electric energy without the State undertaking any financial obligation whatever, since it provides that firm contracts for payment will be secured by the Colorado River Commission before the actual transfer of such power.

As of this date, the Colorado River Commission has not moved to exercise such preference.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. HAYDEN. We have a very similar situation in Arizona, with respect to the allotment of power to the State of Arizona from Hoover Dam. We created what was known as the Arizona Power Authority. That agency, representing the State of Arizona, has entered into a contract with the United States Reclamation Service for the entire amount of power Arizona is entitled to receive from the Hoover Dam. Then it makes arrangements with private utilities, municipalities, water users' associations, and rural-electric cooperatives as to how much power shall be distributed. The Reclamation Service has constructed backbone transmission lines into the central part of the State. From there the power goes out, but we have one agency to make the contract. I take it the Senator has the same idea, namely, that a similar arrangement could be made in Nevada whereby a volume of power from the Shasta Dam and the Keswick Dam in California, now under construction by the Reclamation Service, could be brought into the State, the State agency distributing it to private and public bodies.

Mr. MALONE. That is entirely correct. I am glad that the senior Senator from Arizona has so ably described the situation. I know that he is familiar with it. He has put his finger right on the sore spot—if proper arrangements cannot be made to wheel the electric energy to be contracted for through the power companies—then the Government should construct the backbone line just as it has done in the Senator's own State.

Mr. HAYDEN. Is it the Senator's opinion that in order to carry out such an agreement there should be constructed by the Reclamation Service transmission lines in California which would enable this power to be brought into Nevada?

Mr. MALONE. Yes—that is exactly my contention—if proper contracts cannot be made with the power companies to do the job. The funds for the transmission line from the Shasta Dam to a point near the Sacramento substation has been appropriated. The two lines over the mountains to the Nevada-California State line, which are owned by the Pacific Gas & Electric Co., are not now of sufficient capacity to take the additional power we need with the necessary stand-by. However, if the company should be willing to construct the necessary additional transmission lines and were willing to wheel Nevada's power under a reasonable permanent contract the situation would be different.

But when the president of the Pacific Gas & Electric Co. stands in my own office and states categorically that his company will never wheel a kilowatt of power over the mountain to the State of Nevada which it does not own and control, we have no choice. We must arrange for other transmission lines to do the job.

I thank the Senator from Arizona, because with his many years of experience in the House and Senate in dealing with such matters, I know that he is entirely familiar with every detail. He has put his finger on the sore spot. The position of a State like Arizona or Nevada—and I speak more particularly of Nevada because it is smaller in population—is that the State agency takes a chance in withdrawing power without having it already sold. It can ill afford the money to pay for it, since if there should happen to be a lapse in time between receiving the power and making deliveries it would cost the taxpayers' money. That is what I am trying to explain to the Senate. However, if we do not close the door, but permit the Department of the Interior and the State of Nevada to bargain with the power companies, in my opinion they will deal with them. However, if we close the door, they cannot deal with them. That is what the Knowland-Downey-Malone amendment would do, it would keep the door open.

THE POWER COMPANIES' CONTRACTS AND ACTIONS

The contract between Sierra Pacific Power Co., of Reno, Nev., and the Pacific Gas & Electric Co., of San Francisco, Calif., dated March 4, 1948, just 6 months following the conference held in the Governor's office on August 6, 1947, shows little, if any, cooperation in securing a base load of hydroelectric power for northern and western Nevada, since it specifically provides, as already noted, that all the power purchased by the Sierra Pacific Power Co. must be purchased from the Pacific Gas & Electric Co., except such amounts as may be generated by the company on the Truckee River, a river running out of Lake Tahoe east through the city of Reno, Nev., and also provides that in the event of additional transmission facilities the 15-year contract will be extended another 15 years. The door would be closed for 30 years, without any possible chance of making any kind of arrangement for withdrawal of power.

The provisions of the contract, coupled with the fact that the Pacific Gas & Electric Co. representatives have stated specifically and categorically that they will not wheel any power from the Shasta project that they do not own and control, and subsequent action of the Senate Appropriations Committee eliminating any appropriation for examination and estimates for additional transmission lines, as stated specifically in their report No. 661, effectively nullify any opportunity for the State of Nevada to exercise withdrawal preference for Shasta Dam power in accordance with reclamation law. The committee report No. 661 reads, in part, as follows:

The decision not to recommend the construction of other transmission lines, the steam plant, and other electric facilities is based upon the assumption that the Pacific Gas & Electric Co. will negotiate a contract with the Secretary of the Interior in accordance with the basic principles found in the

contract between the Southwestern Power Administration and the Texas Power & Light Co.

The Senator from California [Mr. KNOWLAND] will offer the Knowland-Downey-Malone amendment which would restore the $100,000 for examination and estimates for further transmission lines. As I have already stated, I doubt whether it will be necessary to construct such lines. But if everyone knows that such lines can be constructed, then it is my personal opinion that the parties concerned will get together in regard to a wheeling contract with the power companies that will allow the State of Nevada to benefit from the decreased cost of bringing a base load of hydroelectric power to the State. But if the door is closed, by virtue of cutting out the appropriation for examination and estimates for such additional lines, then there will be no chance to make any examinations and estimates, and specifically if the order stands for the Department of the Interior to sell the power to the Pacific Gas & Electric Co., then the door will be slammed right in the face of the State of Nevada.

The combination of factors, including the basic principles laid down in the Southwestern Power Administration and Texas Co. contract, seems to forever preclude the State of Nevada from exercising their rightful preference to a base load of hydroelectric power to be utilized in the State of Nevada.

Under reclamation law, the State of Nevada is in the class of customers entitled to preference in purchase of Federal power. If the Pacific Gas & Electric Co. maintains its refusal to "wheel" power to preferred agencies, Nevada's only hope of securing the power as contemplated by the law is the construction of transmission lines by the Bureau of Reclamation. Indeed, even if the power company should relent, the wheeling of power might not be permitted by the California Public Utility Commission, which has jurisdiction; and thus we would be in the strange position of having a State commission in one State control in large measure the welfare of an adjoining State.

Mr. President, at the time of the dry season 2 years ago, power in that area was in short supply. All of Shasta Dam power was not available, and power from the Folsom Dam and Keswick Dam was of course not available. So when the Pacific Gas & Electric Co., which still is furnishing power to the Sierra Pacific Power Co. of Nevada was rationed, Nevada supply was rationed at the same time. She did not own any power on her own account; also, when the California Railroad Commission says that power shall be rationed, that results in rationing power to the State of Nevada, which had the right to withdraw a base load from the project for its own permanent use.

In this connection I submit herewith two wires, the first from the Honorable Vail Pittman, Governor of Nevada, and the second from the Honorable F. R. Smith, mayor of Reno, Nev., which aptly illustrate the situation in which the State of Nevada could find itself again whenever power should be in short supply:

RENO, NEV., *April 2, 1948.*

Hon. GEORGE MALONE,
United States Senate,
Washington, D. C.:

Upon information from you that city Reno would receive preference on Shasta power City Manager Branch and I contacted Tom Smith, State engineer, and George Allard, public service commission. Tom contacted Mr. Elmore, Bureau of Reclamation, Sacramento, who confirmed your advice. Allard and Smith then went to San Francisco to contact California Public Utilities Commission in regard to their jurisdiction over the transmission of power over Pacific Gas & Electric lines from Shasta to Sierra Pacific Power Co. lines. Upon his return Allard informed us that the California commission stated that they held jurisdiction over transmission of power and would not allow any additional power to flow into Nevada. At the time he was in San Francisco Bureau of Reclamation the California commission and Pacific Gas & Electric held a meeting and agreed that all additional power from Shasta would be sold to Pacific Gas & Electric Co. upon temporary basis. If we have been misinformed and separate allotment of power can be obtained from Shasta and Pacific Gas & Electric Co. forced to transmit it to Sierra Pacific Power please let us know. Reno is desperate for want of power. Industries merchants and employees are facing shut-down, loss of business, and unemployment. We will appreciate whatever aid you can give us.

F. R. SMITH,
Mayor.

CARSON CITY, NEV., *April 5, 1948.*

Senator GEORGE W. MALONE,
Mayflower Hotel, Washington, D. C.:

Reference your phone call this evening interested in securing emergency power from any possible source. Want help from Nevada's congressional delegation. Smith and Allard, public service commission, have conferred with California's Public Utilities Commission and are exploring every potential power source. They are not optimistic concerning your plan but will do everything possible to assist if you decide to come to Nevada. I will be glad to confer with you. You make decision whether possibilities warrant your proposed trip. Please advise.

Kind regards,

VAIL PITTMAN,
Governor.

The city of Los Angeles and the private-power companies in southern California withdrew 64 percent of the power from the Hoover Dam, located in Arizona and Nevada under the reclamation law, which we were glad to have them do. But if Nevada is short of power in that area, even though the power is developed in her own State and in Arizona, it is not available to us, since it has been contracted for under the reclamation law and is the property of the contracting parties. So this is simply a reverse set-up; the State of Nevada will be withdrawing power from a project located in California.

THE KNOWLAND-DOWNEY-MALONE AMENDMENT

I hope the Senate will approve the Knowland-Downey-Malone amendment restoring the $100,000 for examinations and surveys, and will eliminate the direct order to sell to the Pacific Gas & Electric Co. all of the electric energy generated at the Shasta, Keswick, and Folsom Dams, as contained in Senate Appropriations Report No. 661.

This amendment will again restore the bargaining power of the Department of the Interior and the State of Nevada in their effort to secure firm power under contract to the State through the States' preference, as set forth in the reclamation law.

There is a serious question as noted, that in the event the electric energy was sold directly to the Pacific Gas & Electric Co., whether the railroad commission of California could prevent the company from delivering firm power to the State of Nevada, or could prevent full delivery in the event of a shortage of power within the area.

The city of Los Angeles, the metropolitan water district, and the power companies of California, in turn, withdrew about 64 percent of the power, in their own right, from Hoover Dam, located within the States of Arizona and Nevada. The public service commission of Nevada has no jurisdiction whatever, since such power was withdrawn in accordance with the provisions of the reclamation law as directed by the Congress of the United States. The State of Nevada is in exactly the same position in regard to Shasta Dam power.

FUTURE DEVELOPMENT IN NEVADA

Under a reasonable industrial, mining, and agricultural rate, the population, employment, and taxable property in the State of Nevada should more than double during the next two decades.

We have in southern Nevada, near Hoover Dam, an industrial rate of about 3½ mills per kilowatt-hour—2 mills per kilowatt-hour at the switchboard at Hoover Dam. It should be reduced to about 3 mills per kilowatt-hour, including the Davis Dam power, when delivered to points of use near the dam, in the reasonably near future. As a result chemical, electrochemical industries, and mineral-reduction plants are locating in that area.

When the Shasta Dam power can be delivered to the State of Nevada under the conditions set out in the reclamation law, an industrial, mining, and agricultural rate can be made for northern and western Nevada, and eventually for the central portion of our State, through extension of the transmission facilities.

The people of the State of Nevada believe in holding and developing the factors that attract new capital investment. We believe in holding down the power rates to a point where new mining, agricultural, and industrial development will occur; and of course that is where we will collect additional taxes. That is the theory on which we have operated in Nevada for many years. We do not want to charge industries an unduly high rate for power, so that the rate goes above the rate which makes it a feasible operation for chemical, electro-chemical, mineral, and other industries to pay.

For example, when the power rate goes above from 3½ to 4 mills per kilowatt-hour, it is no longer so attractive to the chemical and electro-chemical industries.

For pumping water, for irrigation, or for mining and processing industries, a steady, dependable rate of 5 to 8 mills

per kilowatt-hour is generally necessary or desirable.

But, in addition to the rate, assurance must be had that the rate will remain stable, that it will not change very much over the years ahead, during the amortization of the investment in machinery and development work in the mining field, the investment in clearing and leveling the land and in equipment for use in agriculture, and the capital investment in the processing and manufacturing industries.

Industries and new capital investment are attracted to an area of low-cost firm hydroelectric power, and a difference of one-tenth of a mill per kilowatt-hour may make the difference between attracting and not attracting these industries. But the assurance that such power rates will not change very much over the years ahead is one of the principal factors in that situation. All that the State of Nevada asks in this case is that the Senate not close the door on that opportunity.

EXISTING CONTRACTS CLOSE THE DOOR OF OPPORTUNITY

The basic provisions of the Southwestern Power Administration-Texas Co. contract, together with the recent contract between the Sierra-Pacific Power Co., of Reno, Nev., and the Pacific Gas & Electric Co., of San Francisco, Calif., together with the trend of events in power company public relations and statements do definitely close the door of opportunity for my State of Nevada. So, Mr. President, I ask the Senate not to agree to the amendment which the Appropriations Committee has made to this bill.

In its place I hope that this body will approve the Knowland-Downey-Malone amendment—restoring the $100,000 for examinations and surveys for additional power lines—and disregard the order made by the Senate Appropriations Committee to the Department of the Interior to sell all of the power to the Pacific Gas & Electric Co.—in disregard of the State's preference as provided under reclamation law.

Mr. KNOWLAND. Mr. President, I offer, on behalf of myself and my senior colleague [Mr. DOWNEY] and the junior Senator from Nevada [Mr. MALONE], an amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 50, line 24, after the words "of which", it is proposed to insert:

Not to exceed $100,000 is for the making of examinations and surveys of power facilities, not to exceed $2,000,000 is for the construction of the Shasta-Tracy (west side) transmission lines Nos. 1 and 2, and.

The PRESIDING OFFICER (Mr. THOMAS of Oklahoma in the chair). The Chair is advised that question comes first on the amendment on page 50, line 23, to strike out "$53,550,000" and insert "$60,789,890."

Mr. KNOWLAND. That committee amendment probably should be voted on first, I suppose.

Mr. HILL. Let us agree to that.

Mr. HAYDEN. Let us agree to the committee amendment, then, if it is desired to do that. The point I was trying to make clear was this: The Senator does not propose to disturb the amount of money carried in the bill.

Mr. KNOWLAND. That is, as reported by the committee.

Mr. HAYDEN. Yes.

Mr. KNOWLAND. That is correct. In other words, we are not by this amendment increasing the amount of this item as reported to the Senate by the Appropriations Committee as a committee amendment.

Mr. HAYDEN. What the Senator is seeking to do, then, is to leave the amount in the bill in the sum of $60,789,890. The committee provided that of that amount, a certain part should be used in the payment of claims. The Senator's amendment provides that so much shall be used for the construction of certain transmission lines.

Mr. KNOWLAND. And $100,000 for the surveys which the Senator from Nevada [Mr. MALONE] has been discussing.

The PRESIDING OFFICER. The Chair is advised that the amendment before the Senate is on page 50, line 23, and the first part of line 24. When that has been disposed of, then the language inserted by the committee will constitute the next amendment.

Mr. HILL. Mr. President, as I understand, the amendment offered by the Senator from California is to the language inserted by the committee, beginning on page 50, in line 24, with the words "of which."

Mr. KNOWLAND. That is correct.

The PRESIDING OFFICER. That is the understanding of the Chair.

Mr. HAYDEN. Mr. President, let us adopt the committee amendment, changing $53,550,000 to $60,789,890, and then the Senator from California can offer his amendment.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment. The clerk will restate the amendment.

The CHIEF CLERK. On page 50, line 23, strike out "$53,550,000" and insert "$60,789,890."

The amendment was agreed to.

Mr. HAYDEN. Mr. President, I ask whether, when the bill goes to conference, that will be one amendment?

The PRESIDING OFFICER. That is correct.

Mr. HAYDEN. The amendment which the Senator from California desires to offer is a substantive provision, which would be parallel with the language which follows, in line 24—that of the sum appropriated a certain amount shall be used for the purposes he indicates. If the Senator will put at the end of his amendment the words "and of which," it will fit into the language properly.

Mr. KNOWLAND. I accept the modification as indicated.

The PRESIDING OFFICER. Without objection, the modification will be made.

Mr. MALONE. Mr. President, I am merely seeking information. The amendment of the Senator from California would restore the $100,000, which was formerly marked out by the Senate committee, to be taken out of this specific appropriation and to be used for surveys. Am I correct in my understanding of that?

Mr. KNOWLAND. The Senator is correct.

Mr. HAYDEN. It does not relate to the construction of any steam plant.

Mr. KNOWLAND. No; the amendment deals with the $100,000 survey money, to which the junior Senator from Nevada has been devoting himself, plus the construction work on the west-side transmission lines.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from California to the committee amendment.

The CHIEF CLERK. In the committee amendment, on page 50, line 24, after the word "which", it is proposed to insert the following: "not to exceed $.00,000 is for the making of examinations and surveys of power facilities, and not to exceed $2,000,000 is for the construction of the Shasta-Tracy (west side) transmission lines Nos. 1 and 2, and of which."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from California to the committee amendment.

Mr. HAYDEN. Is the Senator putting the amendment after the word "which"?

Mr. KNOWLAND. Yes; after the words "of which."

Mr. HAYDEN. Very well.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. MALONE. The language of the report, No. 661, of the committee, found on page 13, would have no force or effect, as I understand the situation, as of this time. I am not very clear about it. I shall read the language of the committee report in order to be sure:

The decision not to recommend the construction of other transmission lines, the steam plant, and other electric facilities is based upon the assumption that the Pacific Gas & Electric Co. will negotiate a contract with the Secretary of the Interior in accordance with the basic principles found in the contract between the Southwestern Power Administration and the Texas Power & Light Co.

The committee directs that the Commissioner of Reclamation report to the Senate and House Appropriations Committees by January 1, 1950, on progress made on entering into such a contract with the Pacific Gas & Electric Co.

Mr. President, I understand that language of the committee report is entirely disregarded.

Mr. HAYDEN. Of course, if the action of the Senate does not approve the recommendation of the committee, the action of the Senate stands.

Mr. MALONE. I thank the Senator.

Mr. KNOWLAND. Mr. President, the west side line has been a part of the Central Valley project since its inception. I happened to serve as a member of the California Legislature in 1933, when the original Central Valley Act was passed. It was for a multiple-purpose development, which not only deals with flood control and reclamation and power generation and transmission, but also with salinity control and navigation.

I call the attention of the Senate to the report of the Committee on Appropriations, in connection with the Interior Department appropriation for the fiscal year 1949, which was last year. At page 6 of the report appears the following language, under the heading "Central Valley":

The committee recognizes that the Central Valley project has since its inception contemplated the construction of transmission lines down the west side of the Sacramento River as well as down the east side from Shasta Dam to the Tracy pumping plant, which lines are an integral part of this multiple-purpose project.

We started the west side line development by the construction of a line from Shasta Dam to the Shasta power plant. This will be a continuation of that line from there on down toward the Tracy pumping plant.

Mr. President, this not only has the support of both of the United States Senators from California; it has, in my judgment, the overwhelming support of the Members of the House. It has the support of the Governor of the State of California. As we do not ask for any increase in the committee amount, I hope the Senate will approve the amendment.

Mr. DOWNEY. Mr. President, I wish to associate myself with the remarks made by the junior Senator from California and by the junior Senator from Nevada, and to express the urgent hope that the proposed amendment be adopted. I hope it may be adopted by oral vote, since there seems to be no opposition to it.

The PRESIDING OFFICER. The question is on agreeing to the amendment to the committee amendment offered by the Senator from California.

The amendment to the amendment was agreed to.

The PRESIDING OFFCER. The question now recurs on agreeing to the committee amendment, as amended.

Mr. HAYDEN. Mr. President, I ask that the three amendments just agreed to at the bottom of page 51 be numbered separately. That will clarify the matter.

The PRESIDING OFFICER. Without objection, it is so ordered. The question is on agreeing to the committee amendment as amended.

The amendment, as amended, was agreed to.

Mr. DOWNEY. Mr. President, I desire to make a very brief statement on the Cachuma project at Santa Barbara, Calif.

Yesterday one of the items which came before the Senate in its consideration of the pending appropriation bill involved the Cachuma project, in Santa Barbara, Calif. The House of Representatives made an appropriation of several million dollars for this project, but the Senate committee struck out the appropriation because, as I think is admitted, the people of Santa Barbara and the area involved have not yet, by an election, expressed their desire for the project.

Yesterday the committee amendment eliminating the House appropriation was adopted by the Senate. However, it is the desire of the Senators from California that this issue be again reviewed by the conferees of the House and Senate. In view of the fact that entirely comprehensive and proper statements were made by the Senator from Arizona, the junior Senator from California, and the senior Senator from Oregon, I shall not enlarge upon the situation further than to say that, in my opinion, the water condition at Santa Barbara is so critical that it might easily reach the point of a catastrophe. We are not seeking any change in the Senate amendment. We are urging that proper language be inserted in the conference report by virtue of which the appropriation may be made as a part of this bill and made immediately available for the Santa Barbara people if, and whenever, by proper election, they approve the expenditure of the money and the proper contract therefor.

The people of Santa Barbara will be holding an election in the near future. We are quite confident they will approve this proposed project. If the House conferees can assist the people of the State of California by working out a provision that as soon as the election takes place, if it is favorable, the money will be available on Reclamation Bureau projects, it will be of very great assistance to the people of the State of California. I cannot exaggerate too greatly the critical condition in Santa Barbara. A matter of a few months might be the difference between safety and great danger and hazard to Santa Barabara.

Mr. President, I may say to the distinguished senior Senator from Arizona that we know how sympathetic and great is his concern for all projects, wherever located in the West. We know we are in most excellent hands with him and with the distinguished Senator from Tennessee [Mr. MCKELLAR], the Chairman of the committee.

So, Mr. President, without any further statement, I should like to have printed in the RECORD as a part of my remarks certain data relative to the subject which I have been discussing.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

CACHUMA PROJECT, SANTA BARBARA COUNTY

This is an approved project based on a report of the Department of the Interior, Bureau of Reclamation. This report has the approval of the Corps of Engineers, United States Army, the Department of Public Works of the State of California, and of Governor Warren of California. The project was authorized by the Eightieth Congress (House Doc. No. 587) which provided an initial appropriation to place the project in the construction stage.

This project was originated at the request of the Board of Supervisors of Santa Barbara County in 1941 and not by the Bureau of Reclamation. Prior to the time the Bureau of Reclamation was asked to make this survey, the Board of Supervisors of Santa Barbara County had had its water problem investigated by a private engineering firm (Leeds, Hill, Barnard, & Jewett). The gist of this firm's report coincided with the findings of the Bureau of Reclamation. Hence, the proposed project is the result of the far-sighted vision of the people of Santa Barbara County themselves who long ago foresaw a future water shortage. All engineering data with reference to this project indicate an impending water crisis and point to only one solution—the construction of a dam on the Santa Ynez River, together with the appurtenant works which consist of a diversion tunnel and necessary conduits.

Therefore, the only problem presented is whether or not to appropriate money at this time for the construction of a project which Congress has already found to be necessary and feasible.

The Bureau of Reclamation and the other engineers who investigated the problem and, likewise, the elected officials of the people affected have advised us that Santa Barbara County is faced with an emergency situation which would be disastrous to more than 65,000 people who would receive irrigation and municipal water from the project.

The water supply last summer was so deficient that rationing of water was imposed and criminal penalties were levied for any violation of rationing regulations. At the present time this area is again on the verge of rationing but is striving in every possible way to delay such a step.

A temporary alleviation of this dire water shortage was provided by wells drilled by the city of Santa Barbara. These wells tapped a supply of doubtful quality. The geologists retained by the city of Santa Barbara reported that the underground water supply tapped by these wells must be classified as an emergency supply only and could not indefinitely supply the needs of the people of the city of Santa Barbara. An investigation conducted by the United States Geological Survey proved that the underground water supply of the entire area was being seriously overdrawn and could not last.

The shortage has become so critical that the city of Santa Barbara recently had to put into operation a well whose water is laden with sulfur. The well was drilled early this year, but because of the sulfur content it was not used. Now, despite the fact it will contaminate the city water supply, it has had to be opened.

No one can predict when the city's wells will cease producing or will become so brackish as to be unfit for human consumption. One well has been curtailed due to excessive salt content; one well has been sharply curtailed due to sulfur content; one well, as I have just pointed out, has been forced into production despite its extremely high sulfur content; one well was shut down completely due to algae in the water. This last well is again producing, but on a limited basis. The reduction of water produced from the wells has compelled the city of Santa Barbara to draw from Gibraltar Reservoir to a dangerous extent. There is now only an estimated 40-day supply of water in the reservoir. If this is drained below a certain level, which it might well reach due to critical domestic uses, the city will face a severe fire hazard, perhaps even a refusal by many underwriters to write additional insurance.

The water for irrigating the 13,000 acres now under irrigation in the coastal areas has been depleted to such an extent that many of the wells have gone dry and the salt content of many others is dangerously high and detrimental to horticultural growth. Once this saline content has reached a certain stage it would take years to overcome the damage which would be done agricultural lands in the area. Furthermore, a well which has once gone to salt is ruined forever.

The regents of the University of California have planned to enlarge and make permanent a branch of the University of California at Goleta, near Santa Barbara, to accommodate over 6,000 students. The fact that the regents have decided to abandon these plans unless an adequate water supply is provided for the area is illustrative of the seriousness of the situation.

If California has a drought this winter, as in past winters, the people in this area will be faced with a situation where there will be inadequate fresh water for drinking and

sanitary purposes and the agricultural lands will be irreparably damaged.

By appropriating money at the present time, subject to the ratification of the project by a vote of the people, two things will be accomplished:

1. A fresh-water supply of an emergency character will be tapped by the Tecolote tunnel, the first work which would be constructed with the funds appropriated by Congress. The sandstone in the mountains of this area contains a limited, but highly valuable, supply of water which would augment other supplies and would materially help to tide the people over an emergency situation. It is this sandstone formation which would be tapped by the Tecolote tunnel.

2. The appropriation at this time will advance completion of the project by 1 year, thus alleviating the emergency situation facing people of this area.

If the Congress does not provide funds so that construction of the Cachuma project can proceed as soon as the necessary contracts for the sale of water have been ratified by the voters of the water districts, it may have to accept an important part of the responsibility for an emergency situation which would result from a continued dry season.

Almost all of the opposition to the Cachuma project has come from one wealthy ranch owner who has gone so far as to send misleading statements to several Senators in his effort to defeat a project on which the future of some 65,000 people in Santa Barbara County depends. The elected officials of the city and county of Santa Barbara have repeatedly had to clarify the situation to the Congress due to some of his statements.

The clearest evidence of the need for any project such as the one now under consideration is the testimony of the elected officials, both State and local, who are responsible to the people to be served by the project. The following is the text of a telegram from the Honorable Earl Warren, Governor of California:

SACRAMENTO, CALIF., *July 26, 1949.*
Hon. SHERIDAN DOWNEY,
Senate Office Building:

Have wired Senator HAYDEN as follows: "I am advised that there is danger that no funds will be appropriated for continuing the Cachuma unit, Santa Barbara County project, in the Interior appropriations bill now before the Congress. The situation in the southern portion of Santa Barbara County is most critical with reference both to municipal and irrigation water. This area of California is in urgent need of funds to proceed immediately with the Cachuma project, including Cachuma Dam and Tecolote tunnel. If funds could be made available in the pending appropriations bill contingent on a favorable election by the people of th's area, the work could be started this fall on Tecolote tunnel, thereby assuring an emergency supply of water at an early date. If California should suffer a drought this winter and Tecolote tunnel had not been started, disaster would most assuredly face this area. May I sincerely ask on behalf of the people of this section of my State your favorable consideration of their request for immediate funds for the Cachuma project?"

EARL WARREN,
Governor.

The following telegram from T. M. Storke, editor and publisher of the Santa Barbara News-Press, is an emphatic declaration of the need for this project from an outstanding citizen of the community who is in a specially favorable position to judge the sentiment of the local people:

SANTA BARBARA, CALIF., *July 25, 1949.*
The Honorable SHERIDAN DOWNEY,
Senate Office Building:

Strongly urge restoration appropriation for Cachuma unit, Santa Barbara water project. This project, which will assure Santa Barbara and nearby district adequate water supply, is imperative to continued life of community. Santa Barbara News-Press, oldest newspaper in southern California, which has served this community 87 years, and of which I have been editor and publisher for 49 years, is in position to judge sentiment of the people, which is overwhelmingly in favor of completion this project without delay.

T. M. STORKE,
Editor and Publisher, Santa Barbara News-Press.

Also included is a clipping from the Santa Barbara News-Press of August 12, 1949, with reference to the low quality of water obtained by the city from a well brought into production this year; also a telegram from the Honorable Norris Montgomery, mayor of Santa Barbara, which clearly states the situation regarding negotiations between the local water districts and the Bureau of Reclamation and again provides assurances that contracts will not be executed until the contract has been submitted to the voters.

[From the Santa Barbara (Calif.) News-Press of August 12, 1949]

ORTEGA WATER TO BE USED DESPITE SULFUR CONTENT

Regardless of its sulfur content, the water in the Ortega well must be used during the city's water crisis. The city council decided this yesterday when it called for bids for installation of a pump in the well.

This step illustrates the serious condition of the city's water supply, according to Water Superintendent C. M. Pinkham. It was necessary because of the extremely low level of Gibraltar Reservoir and the heavy summer draft on all of the city's water sources.

Emergency wells have not been able to keep abreast of water use. It has been necessary to draw water from Gibraltar to supplement the yield from the wells, Pinkham said.

However, the level of Gibraltar has sunk to an extremely low level and Pinkham is recommending use of water from the Ortega well in spite of its relatively high sulfur content.

If the city had no emergency source of water and had to depend only upon Gibraltar, it would have water for only about 40 days, Pinkham said.

The city is using approximately 8,000,000 gallons of water per day. Metered consumption in July of this year was almost 171,000,000 gallons, or considerably less than was used in the same month 2 years ago—more than 211,000,000 gallons. This is accounted for in the higher price of water now than 2 years ago. Pinkham said he believes. Last year, during water rationing, metered consumption in July was slightly more than 139,000,000 gallons.

Water used by the park department is not metered. Neither are some minor uses, such as water for fire fighting or that taken by building contractors from fire hydrants.

There were 12,206 connections in the city's water-distribution system on July 31 this year. That compares with 11,006 on the same date 2 years ago.

Pinkham said he believes the city's emergency wells are being pumped as heavily as good judgment permits. "They seem to be holding up well under present pumping rates. We think it would be foolhardy to pump them any harder. We don't think it would be advisable to take a chance on that scare and increase the draft," he said.

NEVER USED

The emergency well in Ortega Park was completed early in April of this year. It was never used, however, because of the high sulfur content of the water.

"When pumped at the rate of 1,200 gallons per minute, the well yielded mud and sand, as well as sulfur. When pumped at only 350 gallons per minute there was no mud or sand and approximately 25 percent less sulfur in the water," he said tests showed.

Pinkham recalled that after the tests it was decided not to use the well until water was more badly needed than it was at that time. "That time has apparently arrived now," he said.

Attempts will be made to remove some of the sulfur in the water by running it through the De la Guerra booster station. There it will be superchlorinated and dechlorinated.

Total estimated cost to complete the Ortega well installation is $7,000.

SANTA BARBARA, CALIF., *August 24, 1949.*
Senator SHERIDAN DOWNEY,
Senate Office Building:

Boards of all water districts participating in Cachuma program have passed resolutions providing that contracts will not be executed until program has been submitted to the voters of the districts and approved by them. All district boards have been ready to call election for many months. Setting of date for elections has been delayed because of technicalities raised by United States Reclamation Bureau and State authorities in negotiation of master contract. This master contract in final draft arrived this week. District boards are scheduled to act on it Monday. This will open way for immediate setting of elections. I believe that failure of Congress to include appropriation in this year's bill, because of this delay in setting election date, for which local boards are in no way responsible, will jeopardize efforts to provide Santa Barbara area with adequate water supply, which it so urgently needs and which is matter of life or death to this community.

NORRIS MONTGOMERY,
Mayor of Santa Barbara.

The PRESIDING OFFICER. The clerk will state the next amendment passed over.

The next amendment passed over was, on page 51, line 14, after the name "Colorado", to strike out "$18,275,000" and insert "$20,172,750."

Mr. MURRAY. Mr. President, I have an amendment on the desk which I should like to call up.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Montana.

The CHIEF CLERK. In the committee amendment, on page 51, lines 14 and 15, it is proposed to insert a comma after "$20,172,750," and to add the words "including funds for construction of the Brighton, Valmont, Flatiron, Fort Collins, Greeley Tap, and the Estes-Valmont transmission lines."

Mr. MURRAY. Mr. President, I urge the Senate to approve this amendment. It involves a very important and a very unique project. It is of great importance to the people in that area, which is largely an agricultural area. This project would capture the water on the western slopes of the mountains and carry it through tunnels and deliver it where it is greatly needed. The money is required to construct a transmission line which interconnects with the power plant and supplies water to municipalities and to the REA in that area. I think it is very important. Without any further discussion, I submit it to the Senate. I reserve the remainder of my time in case there be any objection.

Mr. MILLIKIN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MILLIKIN. What is the parliamentary situation?

The PRESIDING OFFICER. There is a committee amendment before the Senate, and an amendment offered by the Senator from Montana.

Mr. MILLIKIN. Are we voting upon the amendments as they come up?

The PRESIDING OFFICER. The amendment has just been submitted by the Senator from Montana.

Mr. MILLIKIN. Mr. President, I should like to make a few remarks on the subject. As nearly as I can figure from the data given to me, there will not be any Big Thompson power to serve the line which the Senator from Montana has mentioned until late in 1951 or possibly in 1952. So that we are not confronted with an amendment which will serve to expedite the generation of power. The distances covered by the lines are short. Either or both of them could be built in a few months, long before the power is ready. The basic question, of course, is who should build the lines. The Public Service Co. of Colorado has offered to build a line from Estes Park to Valmont. At Valmont is located one of its great steam generating plants.

As to the other line mentioned, it is a line which, in rough, duplicates existing lines of the public-service company. That company has offered to take all the power from the Big Thompson project which would serve the lines mentioned by the distinguished Senator from Montana. It has offered to wheel that power to preference customers, municipalities, and REA's, for a wheeling charge of one and a quarter mills. I am not technically qualified to say whether that is a fair rate. It seems to me, in the light of what power consumers pay for power, it probably is a fair rate. In any event, this whole arrangement, whatever contract the Public Service Co. of Colorado may make with the Department of the Interior, so far as taking power at the bus bar is concerned, and whatever contracts it may make as to wheeling charges, will be subject to two or three vetoes. If the offered contracts as to prices to be paid for power at the bus bar or as to wheeling charges or other features are not fair they will be subject to the veto of the Secretary of the Interior, the Senate Appropriations Committee, and the Senate of the United States.

In view of the fact that the company is willing to negotiate what it believes to be a fair arrangement, and in view of the fact that there is time to negotiate without any harm to anyone, I believe we can let our final decision on this matter go over until next year.

The committee report suggested that by the first of the year a contract should be made along the lines of the Texas contract. I have skimmed the Texas contract. It may not be applicable in detail to the particular situation we are discussing. As I interpret the Texas contract, so far as the particular question before the Senate is concerned, it merely says, "Here you have Government power, and the necessity for disposing of Government power. Here you have existing private transmission lines. Integrate your business. Get together, if you can, on a fair basis of cooperation."

I am heartily in favor of that principle, and I assume that that was what was in the mind of the Committee on Appropriations when it suggested that a contract along the lines of the Texas contract should be attempted to be negotiated.

I should like to say a few words about my own philosophy in these power matters. I believe, first of all, that we cannot allow any situation to develop anywhere which will bottle up the Government power which will be generated and is being generated at the dams which we have built and which we are going to build through the West and at other places. Secondly, I do not believe that that power should be used for unfair competition with existing private enterprise. I think we always have it within our power—the Secretary of the Interior, the Appropriations Committees, the Senate itself—to see that the arrangements are fair. And if fair arrangements are not offered we can always build public transmission lines.

Let me illustrate, so far as my personal vote is concerned, how these principles have been applied. I have been an ardent supporter of appropriations for a number of REA lines in Colorado. There the private utilities did not enter the fields to be served. If they will not enter fields which should be served, then they might as well face the fact that the Government will enter those fields. They did not enter those fields. They did not serve those fields. Those fields needed service. REA served them, and I have been glad to appear before the Committee on Appropriations to urge appropriations for those lines.

We had a situation—and it is covered by the pending bill—over on the western slope of Colorado concerning the so-called Oak Creek line. A private utility company is in that area. The Senators from Colorado received complaint after complaint that the service was inadequate. Personally I have let it be known again and again in the years past that if they did not adequately serve their community, give fair service at fair prices, I would be advocating a Government line, and this year I appeared before the Committee on Appropriations and asked for an appropriation, and the appropriation is in the pending bill.

We had a similar situation at Gunnison, over on the western slope. It is in a sort of no man's land so far as power is concerned. The town is a small town, which has bonded itself as much as it can. It was in sore need of power, and the same situation was true as to an REA which is near the town of Gunnison.

The Western Colorado Power Co. of Colorado did not get in there. The need for the power was there. Representatives of the town of Gunnison and of the REA came here and asked the Committee on Appropriations for an appropriation for a public power transmission line, and I was glad to support the request.

After the matter had been presented to the Committee on Appropriations, the Western Colorado Power Co. made an offer to the REA, to the town of Gunnison, and to the C. F. & I. Co., with regard to the power needs for a mining company which would be along the line. The offer, I understand, was acceptable to the REA. It was acceptable to the C. F. & I., but at the time the proposition was before the Committee on Appropriations, it had not been made acceptable to the city. So I was glad to urge a token appropriation so as not to leave the town of Gunnison helpless in the bargaining to follow. Personally, I hope the town of Gunnison can make a satisfactory deal with the private power company.

The end point is that we are going to sell the power we generate on these public projects. The end point, as I see it, is that we should integrate and coordinate the sale of that power with existing utilities, where they give adequate service at a fair rate.

I repeat, so far as the particular project under discussion is concerned, the utility company has agreed to buy all the power. We have no question there of any utility being in position to bottle up the power we generate. The Public Service Co. has agreed to buy all the power. It will take it into its own system. It will firm it up with its own steam plants. It will wheel it to the municipalities and to the REA organizations which want service. It will wheel it at an agreed-upon wheeling charge. We do not have the complications in this simple problem before us which have existed in other situations.

I wish to say, further, that there have been questions, as is the case everywhere, arising out of quarrels between the utility companies and municipalities which have their own municipally owned power. Some of the differences have become very bitter. I have heard the charge of bad faith, that we could not depend on what the companies tell us. It is charged they will say they are going to build a line from Estes Park to Valmont; but will they? They say they are going to supply these municipalities, and the REA and the preferential customers, but will they?

The answer to that question is simple, so far as I am concerned. If they do not, they will have Government power in there, and if I happen to be a Member of this body, I will be voting for it. It is just that simple. So far as I am concerned there will be no breach of faith in the case of any of these promises or in any of these assurances. The companies will either keep their promises, they will serve the people at fair rates, they will do it in timely fashion, they will do it adequately, or there will be public power in there, and I will be voting for it. It is just that simple.

Mr. President, I am not worried at all about these things being done. I think the Public Service Co. of Colorado, if it has a grain of sense in its head, by the first of the year will have offered con-

tracts so fair that no one could challenge them. If they do not, it will be too bad. They will be opening up a hornet's nest of trouble for themselves, and I think they realize it, and I think everybody else realizes it.

Mr. President, we have the simple question of whether we should build a line from a Government-owned power-generating plant to a power-generating plant of Public Service Co. of Colorado, which the company agrees to build on its own account. Imagine the absurdity of our building a transmission line for a privately owned utility company that is willing to build its own line to the source of power. That is what one of the lines concerns. That is the Estes-Valmont line.

The other line, as I said before, duplicates existing facilities. I have heard it said that those existing facilities are not adequate. If they are not adequate, they will be made adequate rapidly, or I will be here urging a public line. It is just that simple.

Mr. President, I reserve the remainder of my time. I do not know that I care to say more at the moment.

Mr. MURRAY. Mr. President, I appreciate the remarks made by the able Senator from Colorado, but my understanding of the situation is that while there is a line there, it is inadequate, and a new line must be built. I understand that the Public Service Co. offers to build that line and charge one and a quarter mills per kilowatt-hour for wheeling the power. When that cost is figured out, it is found that it will result in an annual additional cost to the preferred customers or the Bureau of $95,000. It is my understanding that when that point was raised the Public Service Co. suggested that that charge should be borne by the Bureau instead of by the preferred customers.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. MURRAY. I yield.

Mr. MILLIKIN. As I read the testimony, the Public Service Co. quite correctly said, "Assuming that the wheeling charge is a fair one, we are indifferent who pays it. If the preferred customer does not wish to pay it, it is agreeable for the Bureau to pay it."

The basic question, as I suggest, is whether the charge is fair. I am inclined to believe it is, but frankly I am not qualified to say. There will, however, be plenty of time to ransack all those questions before the question of surplus power at the bus-bar develops. We will not have any power there until the end of 1951 or some time in 1952. In the meantime, the Public Service Co. will either succeed in making contracts which will be satisfactory to the Secretary of the Interior, to the Appropriations Committee, and to the Senate, or there will be public power transmission lines.

Mr. MURRAY. It is not necessary that work be commenced on the project immediately after the appropriation is made. If the Public Service Co. of Colorado could then get in contact with the Bureau and enter into an agreement, it would not be necessary to begin the work. But I believe the lines should be constructed in order to have them available when the power becomes available. It seems to me construction should be begun, without unreasonable delay in order to accomplish that purpose.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. MURRAY. I yield.

Mr. MILLIKIN. The junior Senator from Colorado wants that power connected up as soon as it is developed. He wants it to be put to good use as soon as it is developed. As I said at the outset of my remarks, the distances are short. The lines can be built in a few months, and we have a couple of years ahead of us. There is no use making these large appropriations for lines long before they can be used. The point, it seems to me, is to give an opportunity to work out a simple wheeling system, unattended by the complications that have been in many of the other pictures which have come before us. As I said to the Senator before, if fair arrangements can not be entered into, then, if I am around here the Senator will find me supporting public power transmission lines.

Mr. MURRAY. Mr. President, all I wish to say in response to that statement by the able Senator from Colorado is that if the appropriation is made it then puts the bureau in a better position to negotiate this matter and enter into an agreement to have the line constructed. Already the only offer that has been made by the Public Service Co. has been a wheeling charge of 1¼ mills. That is regarded as an excessive charge, and will saddle an additional burden on the preferred customers of $95,000 annually. That would not be a fair or reasonable charge.

The only other offer made by the Public Service Co. was to have the Bureau of Reclamation carry that burden. If the appropriation is made, if funds are available, and then negotiations are carried on, and an agreement is reached upon the matter, the time can then be provided very well. It seems to me nothing can be lost, however, by making the appropriation and having the money available for the purpose of constructing these lines so as to have the lines ready to deliver the power, because there is a great and immediate need for it, as I understand. I understand that many communities and municipalities and many REA's are waiting for the power, and are deprived of it now. Therefore I think we should act on this matter now, and give both parties an opportunity to negotiate an agreement later on.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. MURRAY. I yield.

Mr. MILLIKIN. Let us assume there is a shortage of power. That is something which is in sharp issue, but for the purpose of discussion, let us assume the power cannot be obtained until the generators are in operation on the Big Thompson project, and that will not be until some time late in 1951 or in 1952. So no one is being deprived of power which they can get at the Big Thompson at the present moment, or for some time to come. So far as the charges are concerned, they go against the project. There is no free ride in here for anyone. To the extent that someone has to pay the carrying charge there is that much less charge on the project.

Mr. MURRAY. I submit the matter, Mr. President.

The PRESIDING OFFICER. Does the Senator from Montana yield the floor?

Mr. MURRAY. Yes.

Mr. JOHNSON of Colorado. Mr. President, in spite of the many papers which I have before me, I shall take but a very few moments to discuss the proposal which is before us at the present time, the amendment offered by the senior Senator from Montana to the pending bill (H. R. 3838). We are discussing the Colorado-Big Thompson irrigation project. I find myself in a position about halfway between my colleague, the junior Senator from Colorado [Mr. MILLIKIN], and the Senator from Montana [Mr. MURRAY]. I am going to propose a compromise. As with all compromises, no one is going to be pleased. If that should be the case, it would make me think it was a good compromise. When everyone is pleased on one side or the other, a good job is really not being done. So I am sure the compromise is not going to please everyone.

I want first to say, however, I am in complete agreement with my colleague in his statement that where the private power company has had an opportunity to build a line, and for whatever cause, has failed to build it, when the power is available and the people are ready to be served, then the Government is forced to build the line. I am in complete agreement with his position with respect to that matter.

Returning to the proposal under discussion, I do not know whether Senators can see the map at my left, but my proposal is that the amendment of the Senator from Montana be modified so that the transmission lines to be built will include the lines shown on the map, from Flatiron, by way of Longmont and Valmont to Brighton; that the segment from Estes Park to Valmont be not approved; and that the segment from Flatiron by way of Fort Collins to a point on the Reclamation Bureau's transmission lines to the north be not included; so that the lines which I am indicating on the map would be eliminated. The line from the power station of the Reclamation Bureau would be built to Brighton. At Brighton there are a great many reclamation projects which will receive power and service at the end of that line. I know that next year, if the line from Flatiron to Brighton is now built, we shall next year be called upon to build the line from Brighton to Brush, as indicated on the map. There is no argument made by anyone, so far as I know, that there should not be a duplicate line built from Greeley to Brush, because Brush is going to be more or less a center of distribution, and there should be more than one line between Greeley and Brush. The Public Service Company, I think, agrees with that, and everyone who has studied

the matter agrees with it. The only question is whether it shall be built, as indicated on the map, about 3 miles from this line, or whether it shall be built in such a direction that it will serve reclamation or REA projects in this area where there is considerable pumping and where there are REA projects all along the route. That is the only question. But that is something we are not considering today. If my proposal is approved, next year we shall have an application to build a Big Thompson line from Brighton to Brush, along the points I am indicating on the map.

A few days ago I took the matter up with the Reclamation Bureau. I asked this question: "If you could not comply with all the requests made to the Appropriations Committee, which would you deem the most important?"

The Bureau indicated that the most important was the line which I have shown from Flatiron by way of Longmont and Valmont to Brighton. The following is the Bureau's language:

In the Senate committee report on the fiscal year 1950 appropriation bill for the Department of the Interior, it recommended disallowance of an item of $661,000 for the Brighton-Valmont (Leynor)-Flatiron-Fort Collins-Greeley Tap 115-kilovolt transmission line, and also an item of $108,000 for the Estes-Valmont transmission line.

The first-mentioned line can be divided into two parts: One from Brighton to Flatiron and the other from Flatiron to Greeley Tap.

They have divided it up into two parts. The part from Estes to Valmont is independent. The authorization in the report shows that it is independent, because $108,000 is set aside for that segment and $661,000 for the rest of the segments.

The line from Brighton to Flatiron is the most important to the Bureau of the lines disallowed.

The Bureau considers it essential that within 3 years a second circuit be constructed to Brush, Colo. The loads in that area have grown so rapidly that the present single circuit now extending to Brush will be inadequate to supply the requirements after 3 years. The area traversed by the existing line is particularly susceptible to bad ice storms and also subject at times to severe lightning. From an operation standpoint, it is very desirable that the two circuits proposed to run to Brush have a geographic separation of some distance to reduce the chance that both circuits may be involved at one time in damage from storms. The Bureau has, therefore, proposed to run this second line from Brighton to Brush. This will not only secure the desired physical separation, but as indicated on page 2588 of the Senate hearings, the cost to the United States will be nearly $100,000 annually less than the plan suggested by the Public Service Co. of Colorado. The Bureau proposes in its 1951 budget to seek funds for the Brighton-to-Brush line.

I repeat, Mr. President, that the line from Brighton to Flatiron is the most important, to the Bureau, of the lines disallowed. That is the burden of what I am trying to say to the Senate. I ask unanimous consent that the remainder of the statement be printed in the RECORD at this point.

There being no objection, the remainder of the statement was ordered to be printed in the RECORD, as follows:

The Flatiron-Greeley Tap section of line is proposed to strengthen the connection with the power sources in Wyoming and, incidentally, to be so located that Fort Collins can ultimately secure service from the line. This line should be constructed at an early date, but it is not so urgent as the line to Brighton.

The Estes-Valmont transmission line will be required to provide capacity needed to take out the energy which is generated from the power plants on the east slope of the Rocky Mountains. About 150,000 kilowatts will be installed in these plants and ultimately not less than three lines must be constructed to carry this much capacity. This line should properly be constructed by the Bureau of Reclamation since it will be an important link in the backbone of the transmission system, and for full flexibility in connection with operation and maintenance, should be completely under the control of the Bureau at all times. If the line was constructed by the Public Service Co., not only would a large portion of the plant output be confined to sale at the power plant bus bar, but a very large degree of control by the Bureau in coordinating its transmission line operation so as to get the most out of its hydro developments in both Wyoming and Colorado would be lost.

The line traverses rough, mountainous country with no present or probable requirement for a costly substation which would be required to serve any potential customers along the way. It is considered by the Bureau to form primarily the needed strong transmission line tie to connect with its other proposed line south of Longmont, and incidentally, to provide a means for delivering power to the Public Service Co. of Colorado.

For informational purposes there is attached a map which has been marked in colors to indicate the physical relations between these various lines.

Mr. JOHNSON of Colorado. Mr. President, I ask unanimous consent that the reply from the Public Service Co. of Colorado to the Bureau's arguments may be printed in the RECORD at this point. The company, of course, does not agree with my argument or with the arguments of the Bureau with respect to this particular line.

There being no objection, the reply of the Public Service Co. of Colorado was ordered to be printed in the RECORD, as follows:

COMMENTS ON BUREAU OF RECLAMATION STATEMENT WITH REFERENCE TO SENATE REPORT ON THE 1950 APPROPRIATION BILL

With reference to the most recent statement of the Bureau of Reclamation by Mr. McPhail attempting to justify Bureau transmission lines in northern Colorado, I wish to point out that this statement presents no new arguments that have not heretofore been presented and answered fully by us. The comments prepared by this company under date of June 22, 1949, completely refuted the Bureau's prepared statement which was filed by Mr. McPhail with the Senate subcommittee during its June hearings on the Interior Department appropriation bill and apply with equal force to this newest statement of Mr. McPhail.

In the most recent statement Mr. McPhail said, "The area traversed by the existing line (Greeley-Brush) is particularly susceptible to bad ice storms." Operating records of various utilities in this area indicate that there have been some ice storms in northeastern Colorado. These records, however, indicate that the area to the south of the present line and through which the proposed line would be built is at a higher elevation than the present line which runs more or less down the Platte River Valley and, therefore, is more subject to ice conditions than the route of the present line. Our own experience is that large conductor, high-voltage transmission lines when built to the heavy loading standards of the national electric safety code are not likely to suffer much damage from these storms. The answer to the icing condition is one of the type of construction rather than moving into the proposed area which is even more susceptible to these conditions than the area now traversed. As to separation between circuits necessary to obtain a reasonable degree of continuity of service during lightning storms, experience indicates indicates that a separation of 2 or 3 miles between circuits is ample.

It is very interesting to note that in its previous plans the Bureau recognized this engineering fact and proposed that the second circuit extend from the Bureau switching station at Greeley to Brush parallel to to the existing circuit at some nominal distance of separation. This plan had considerable merit from the standpoint of patroling and maintenance. Only one glance at the map in the back of the folder prepared by the company is necessary to see what a devious route the Bureau is now proposing in extending the second circuit by way of Longmont, Valmont, and Brighton to get to Brush.

The plain fact in the case is that the Bureau's original plan, which contemplated the second parallel circuit from Greeley to Brush, also proposed a loop circuit in northern Colorado which exactly duplicated the company's existing transmission loop in this area. In order to try and secure some semblance of not duplicating the company's northern Colorado system, the Bureau then hit upon the plan of saying that this line to Longmont and Brighton was not a duplication of a portion of the company's loop, but was a part of a second circuit to Brush. An obvious weakness of this story is the fact that this line is also supposed to interconnect with the company at Valmont and supply power to the company at this point. On May 13, 1947, Mr. Avery A. Batson, regional director of region 7 of the Bureau, wrote to this company stating that in the year 1953 the Bureau expected to make available 90,000 kilowatts of firm capacity to this company at any time, including the hours of 7 a. m. to 11 p. m., and in addition 47,000 kilowatts of nonfirm on peak capacity. There can be no doubt that it was proposed to supply the vast majority of this power to the company at Valmont. That being the case, it is obvious that a second circuit extending from Flatiron to Longmont to Valmont to Brighton and thence to Brush would have all of its carrying capacity used up in supplying Longmont, Valmont, and Brighton, and would certainly have no appreciable capacity left to supply what the Bureau forecasts as a very large load in the Brush area. The only logical way to get power to Brush to meet the Bureau's expected load at that point is to follow their original plan with a direct line from Flatiron.

It is also interesting to note with respect to the Flatiron-Greeley Tap section of the proposed line, the Bureau themselves admit that the sale of power to Fort Collins is not imminent. Here again we see that the Bureau is designing their system along political lines rather than engineering lines. Sound engineering would indicate that the Bureau should proceed with its original proposal of two circuits from Flatiron to its Greeley switching station, and two circuits eastward from Greeley to Brush. The Bureau already

has in existence a substantial 115-kilovolt tie running north from the Greeley switching station to Cheyenne to interconnect with its Wyoming system. Other interconnections are under construction from Sterling northward to the Wyoming system.

The proposed company line from Valmont to Flatiron plus a double circuit from Flatiron to Brush with delivery points to the company system at Loveland and Greeley, as well as a western-slope delivery point at Dillon, will provide ample transmission capacity for the project.

The statement by the Bureau that the Estes-Valmont transmission line would be a part of its backbone transmission system is simply amazing. All previous conceptions of the Big Thompson system have indicated that its backbone transmission system was from Flatiron to Greeley to Brush and from Greeley to Cheyenne. How could a Valmont-Estes Park or Valmont-Flatiron line be anything but an outlet to the Public Service Co. system? That's the sole purpose of such a line.

Its statement that the operation and maintenance of this line should be completely under the control of the Bureau at all times is hard to understand. The Public Service Co. has the organization to properly operate and maintain this line and all the Bureau need do is to effectuate delivery at the project itself and have no concern for delivery at Valmont.

Certainly the taxpayers and the water users would be better off if the company were to construct, operate and maintain this line. The company does not stand to profit by the construction of this line because, if it is able to buy power at a lower rate, it is publicly committed to pass on any savings to its consumers under the supervision of the local regulatory authorities.

J. E. LOISEAU.

AUGUST 1, 1949.

Mr. JOHNSON of Colorado. Mr. President, I desire to read into the RECORD a telegram from J. E. Loiseau, President of the Public Service Co. of Colorado. It is as follows:

DENVER, COLO., *Aug. 22, 1949*

Hon. EDWIN C. JOHNSON,
The United States Senate,
Senate Office Building, Washington, D. C.

Have just wired members of subcommittee on Interior of appropriations as follows: "Supplementing my testimony before your committee, we stand ready to negotiate contract with Secretary of Interior on Big Thompson power on the basic principles found in contract between Southwestern Power Administration and Texas Power & Light Co., as set forth on page 14 of committee report. This proposal of committee exemplifies type of cooperation that is highly essential.—J. E. Loiseau."

J. E. LOISEAU,
President, Public Service Co. of Colorado.

Mr. JOHNSON of Colorado. Mr. President, I should like to ask the Senator from Montana [Mr. MURRAY] if he will modify his amendment so that it will read:

"including funds for the construction of the Brighton to Flat Iron transmission line," striking out "Valmont-Fort Collins-Greeley tap and the Estes-Valmont transmission line."

Mr. MURRAY. I will accept the suggestion of the Senator from Colorado.

The VICE PRESIDENT. The Senator from Montana modifies his amendment accordingly.

The question is on agreeing to the modified amendment to the committee amendment.

The modified amendment to the amendment was agreed to.

The amendment as amended was agreed to.

STATE-OWNED INDUSTRIES IN NORTH DAKOTA

Mr. LANGER. Mr. President, a few days ago during the debate on the Kem amendment to the ECA appropriation bill, which amendment was adopted, the question came up as to whether State-owned industries, which some Senators might possibly denominate as being on the verge of socialism, have paid for themselves in the State of North Dakota. At that time I did not have the accurate figures, but I gave the Senate the approximate figures. I wrote to an official of North Dakota, and I have in my hand a telegram sent to me by Wallace E. Warner, attorney general of the State of North Dakota, which gives the present condition of the various State-owned industries. The telegram is dated August 23, and is as follows:

Hon. WILLIAM LANGER,
United States Senator,
Washington, D. C.:

Capital structure Bank of North Dakota As of August 22, 1949, including original capital investment $2,000,000; undivided profits account $2,097,442.13; reserve for contingencies $740,216.89; reserve for bond depreciation $1,527,621.47; reserved for North Dakota veterans compensation bond sinking fund $1,000,000; making total capital account $7,365,280.49, with the last three reserves being built up by periodic transfers from the bank's undivided profits account. In addition to the $1,000,000 reserved for the veterans bond sinking fund, $500,000 was taken out of bank's undivided profits account on July 1, 1949, and paid over to State treasurer for credit to veterans bond sinking fund. Also during the late 1930's the bank used $1,229,241.92 of its undivided profits account to purchase North Dakota real estate series bonds on open market paying premiums for same of this amount and then turning them over to State treasurer at par for cancellation. Cancellations of these bonds at that time saved the State $5,322,832.14 of interest which these bonds would have drawn had they remained outstanding until their stated maturity dates. Also during the time the bank series bonds were outstanding the bank paid out of its undivided profits account to State treasurer $1,117,318.88 which was used by him to pay interest on the bank series bonds and some of the principal.

So much for the bank, Mr. President. I mention that because the distinguished junior Senator from Missouri stated one day upon the floor of the Senate that he understood these industries are not operated successfully, but that they had been a failure. As a matter of fact, the figures of the bank in North Dakota show that it has been an outstanding and tremendous success in behalf of the taxpayers of the State.

The telegram continues:

Mill and elevator reports for period July 1, 1948, to June 30, 1949, gross profits of $440,128.87. After deducting depreciation of $86,162.77 and reserve $18,977.30 there is a net earning of $334,988.80.

I might say that last year that amount was more than $568,000.

Mill reports cash balance of over $2,000,000 and has close to 1,500,000 bushels stored grains in its terminal. State hail insurance reports reserve as of December 31, 1948, $3,566,000. Fire, tornado fund reports assets as of July 31, 1949, of $2,503,071.64 Workmen's Compensation Bureau reports reserve as of June 30, 1948, of $8,802,465.61. Funds transferred for bonus are $500,000 from mill and elevator and $1,500,000 from Bank of North Dakota.

Regards,

WALLACE E. WARNER.
Attorney General.

Under the law these State-owned industries are operated by the governor, the attorney general, and the commissioner of agriculture and labor of our State. This is a complete answer to any Senator who may have doubt as to whether these industries have been a complete success.

I can understand that some Senator might get a contrary impression because of the fact that the State of North Dakota itself abolished the State-owned creamery. That was done 25 or 26 years ago. We established it and then found that it was not profitable and did not work. Therefore we ourselves abolished it. The same thing was true of the Home Building Association, under which the State of North Dakota engaged in the building of homes for people who applied for them. We found that that was not profitable. We found that it did not offer any criterion for judgment as to the cost of other houses. Therefore we abolished it.

In the matter of building homes, the State lost $333,000. That was a loss which the taxpayers had to make up. Aside from the Home Building Association and the State-operated creamery, the other State industries have been a great success.

ECONOMY IN GOVERNMENT

Mr. DONNELL. Mr. President, earlier in the day I quoted several excerpts from a very interesting statement presented on the floor of the Senate yesterday by the senior Senator from Virginia [Mr. BYRD]. One of the excerpts which I quoted reads as follows:

The committee still stands on this statement and, as the chairman of the committee, I want to express my gratification over the fact that the Secretary of Defense has undertaken this survey for reduction in civilian personnel. This has shown very conclusively that a surplus of employees does exist throughout the entire public service. I hope that other department heads will follow his example.

In the course of the presentation of this and other excerpts I omitted to read that part of the statement which constitutes the statement on which the Senator from Virginia says the committee still stands. The committee to which he refers is the Joint Committee on Reduction of Nonessential Federal Expenditures. So important do I consider this statement to which the Senator referred, namely, that on which the committee still stands, that I take this opportunity to read that statement, which is a very brief

sentence. It is as follows, as set forth in the statement of the Senator from Virginia:

Reports of the Joint Committee on Reduction of Nonessential Federal Expenditures repeatedly have shown that the number of civilian employees of the Federal Government could be reduced by 500,000 without impairment of Government efficiency.

I think the Senator from Virginia is entitled to the commendation of the Senate for so frequently calling to the attention of the United States not only the importance of economy but the practicability of economy. He pointed out in his statement yesterday that—

When Secretary Johnson came into office, he was confronted with the fantastic situation that the armed services employed 895,462 Federal civilian employees as compared to 1,642,790 men in uniform, giving a ratio of more than 1 civilian employee to 2 men in uniform.

Mr. President, it is not my intention to trespass unduly upon the time of the Senate this afternoon, but I believe that a few of the further remarks of the distinguished Senator from Virginia could very profitably be reemphasized. As I have indicated, these remarks were made in the statement which was ordered to be printed in the RECORD yesterday, and which was presented by the Senator from Virginia. Said he in that statement:

Our only hope for solvency is to perform the gigantic task the Federal Government has undertaken with efficiency and economy. This is particularly true with respect to our vast expenditures for national defense. This reduction in civilian employment by the armed services would save approximately $400,000,000 annually. In my judgment, several billion dollars additional could be saved by a thorough overhauling of the defense program, which I sincerely hope Secretary Johnson will undertake.

The warning which the Senator from Virginia gives us in the striking language that "our only hope for solvency is to perform the gigantic task the Federal Government has undertaken with efficiency and economy" is a warning which should not and must not be overlooked by the people of our Nation. Time was, even within the past few years, when it was considered that our Government was impregnable from the standpoint of national solvency. I hope that is still true. Yet this distinguished statesman, whose studies upon the question of the financial condition of our Government and whose observations with respect to the importance and practicability of economy have commanded the admiration of our people, warns us in this strong language unqualifiedly that our only hope for solvency is to perform this task with efficiency and economy.

The Senator from Virginia continues with his warning. He says:

It is ominous to every straight-thinking person that in this day of high prosperity in national income we are in a period of deficit spending. We ended fiscal year 1949 with a deficit of nearly $2,000,000,000. In the first 54 days of the current fiscal year the deficit already has reached $1,700,000,000, or an average of $30,000,000 per day, which means the Federal debt—already above a quarter of a trillion dollars—is increasing every day.

He continues with this language:

It is my sincere hope that this action by Secretary Johnson indicates an appreciation, on the part of the administration of the fiscal dangers which confront our country and the risk of insolvency which we face unless a policy of efficiency and retrenchment is substituted for the waste and extravagance which for so many years has characterized virtually every activity of the Government.

Then comes his expression of exhortation:

I express the hope that all Members of Congress will cooperate to the fullest extent in all measures which may be undertaken to eliminate surplus employment, waste, and inefficiency in the Federal structure. The cost of the Federal Government this year to every man, woman, and child in the country is averaging $300.

Mr. President, I think the Senator from Virginia, as I have indicated, is deserving of the commendation and congratulation of the people of the United States for warning us of this situation and for exhorting his fellow Members of Congress to see to it that, before it is too late, there shall be instituted the policy of economy and efficiency to which the distinguished Senator and statesman from Virginia alludes.

AMENDMENT OF DISPLACED PERSONS ACT OF 1948

Mr. LANGER. Mr. President, I introduce for appropriate reference a bill which I shall read at this time:

Be it enacted, etc., That subsection (b) of section 2 of the Displaced Persons Act of 1948 (Public Law 774, 80th Cong.) is amended by striking out the period at the end of said subsection (b) and inserting in lieu thereof a colon, and by adding after the colon the following: *Provided*, That "displaced person" shall also mean (1) any displaced person or refugee as defined in annex I of the Constitution of the International Refugee Organization, but who is not the concern of the International Refugee Organization solely because of his ethnic origin, and (2) a person of German ethnic origin who was forcibly transferred to Germany or Austria from other countries and who on January 1, 1948, had not been firmly resettled."

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 2486) to amend the Displaced Persons Act of 1948, introduced by Mr. LANGER, was read twice by its title and referred to the Committee on the Judiciary.

Mr. LANGER. Mr. President, the bill I have just introduced provides for an amendment to the Displaced Persons Act of 1948. In the course of my remarks I shall explain the purposes of the amendment.

In the course of the last few weeks, Mr. President, the senior Senator from Nevada [Mr. MCCARRAN] has been the object of one of the most contemptible conspiracies I have ever witnessed as a United States Senator. As chairman of the subcommittee which is considering displaced-persons proposed legislation, the senior Senator from Nevada has been threatened by powerful cliques that if he does not promptly cause to be reported from his subcommittee certain displaced-persons proposed legislation the subcommittee will be discharged from further consideration of the bills. That threat was recently supplemented by a move within the Senate Committee on the Judiciary to discharge the immigration subcommittee from the further consideration of displaced-persons proposed legislation. I was proud, Mr. President, to be associated in the vote on the matter within the committee with those who defeated the motion.

It is not my purpose today to defend either the senior Senator from Nevada [Mr. MCCARRAN] or the action of the subcommittee which is considering the immigration bills, because neither he nor the subcommittee needs defense. His record and the record of the subcommittee are clear. The subcommittee has, over the course of the last several months, been conscientiously and assiduously developing the facts regarding the gigantic problem of displaced persons, and has been attempting to separate facts from fiction. I commend the senior Senator from Nevada and his subcommittee for the courage which he and the subcommittee have displayed in withstanding the terrific pressure of powerful groups who would set themselves up in the place of the Congress of the United States in determining the immigration policy of this Nation. Just one of these groups, Mr. President, has to date registered, under the Lobbying Act, expenditures of over $875,000. These groups have succeeded, Mr. President, in securing the passage of a bill in the House of Representatives. They have stimulated the introduction of a number of bills in the Senate. They have disseminated over the length and breadth of this Nation propaganda which has misled many well-meaning organizations and individuals. They have succeeded in influencing the unprecedented action of certain leaders of both political parties, who would undertake to discharge the subcommittee of the Judiciary Committee which is considering this measure. But, Mr. President, I am proud and grateful they have not succeeded in imposing their will on the senior Senator from Nevada [Mr. MCCARRAN] or upon the immigration subcommittee of which he is chairman.

They have charged that the present law is unfair, discriminatory, and unworkable. The facts are, however, Mr. President, that the present law is not unfair, discriminatory, or unworkable, except with respect to the classes of persons against which these groups themselves are attempting to discriminate. I speak, Mr. President, primarily concerning the 12,000,000 persons disastrously affected by the Potsdam Agreement of 1945—an agreement, by the way, which was signed by the President of the United States—according to which over 12,000,000 persons were driven from their homes in eastern Europe, their property was confiscated, and they were forced into Germany and Austria. In addition, Mr. President, under the constitution of the International Refugee Organization, these people are expressly excluded from care, maintenance, and immigration opportunities in other coun-

tries. Why do not these pressure groups that have been spending hundreds of thousands of dollars in attempting to liberalize the present displaced-persons law, speak a word on behalf of these people of German ethnic origin, whose only crime is that they and their families for generations were living in the countries of eastern Europe, where they were an obstacle to the designs of Communist Russia.

In a word, my bill would eliminate discriminations against any displaced person solely because of his ethnic origin.

In the last Congress, I was successful in obtaining to the displaced-persons legislation then pending an amendment providing that a token number of these persons of German ethnic origin might use part of the German-Austrian quotas. That was section 12 of that act.

What has happened? Under my amendment, the total number of visas which should have been available to these people under the German-Austrian quotas is 12,000 a year; but, Mr. President, to date only a little over 300 visas have been issued to this group. Mr. President, all over North Dakota, South Dakota, Minnesota, Wisconsin, Montana, Idaho, and in many other States, there are thousands of citizens of the United States who are of German ethnic origin. They are vitally interested in the welfare of their relatives abroad. Although my amendment, which became a part of the law, provided for the admission of 12,000 persons of German ethnic origin, the State Department has admitted only 300. I hope this matter comes up soon on the floor of the Senate, because we intend to let the American people know who is to blame for Potsdam, who is to blame for having 5,000,000 people of German ethnic origin made slaves. I think the proud records of some of our leaders are going to fall down into the dust.

It is a curious fact, Mr. President, that neither the bill which has passed the House of Representatives nor the many bills which are currently pending in the Senate embrace this group as displaced persons. Although the so-called Celler bill, which has passed the House of Representatives, carries forward the provision of the present law by which I proposed to give token relief to persons of German ethnic origin, the bill does not embrace these people in the general category of displaced persons. Representative CELLER, the sponsor of the bill, in his statement before the House Judiciary Committee, expressed himself as firmly opposed even to the token provision in its entirety. These folks of German ethnic origin who fought Hitler, who fought communism, are barred by the bill, Mr. President.

It is a sordid fact, Mr. President, that these victims of our own outrages at Potsdam are denied even a crust of bread from the huge stock piles of relief supplies contributed by this country through the International Refugee Organization. Every child is taken care of except the children of German ethnic origin. They have been barred ever since the International Refugee Organization was created. To add insult to injury, the proposals pending in the Congress, which I cannot help but feel were directly or indirectly inspired by these pressure groups, would expand the present law to embrace hundreds of thousands of persons, whose only claim to displaced-persons status is that they, together with millions of others, desire to migrate to the United States, while at the same time anyone who has German blood pulsing in his veins is expressly excluded.

In other words, if the bill becomes a law, Eisenhower, Stassen, and other great Americans, some of them great admirals, some of them great generals, and other outstanding Americans, including Wendell Willkie, would have been barred from coming back to this country.

The problem of refugees and displaced persons is of staggering proportions and involves tens of millions of people all over the world who are storming our portals for admission. In dealing with this problem, Mr. President, we must consider our own domestic situation. We must consider problems of housing. We must consider problems of jobs and the unemployment situation. I admire the thorough and conscientious manner in which the senior Senator from Nevada and his subcommittee have been diligently, impartially approaching this problem. They have done a remarkable job for the people of this country. I am confident that the senior Senator from Nevada and his subcommittee will continue to be guided exclusively by the facts and the best interest of the United States of America. Let those who would criticize and condemn the senior Senator from Nevada and his subcommittee study the complicated facts. Let them know what forces were at work which led this Government to agree at Potsdam to the forcible uprooting of millions of innocent people. Let them turn their eyes to the hundreds of thousands of displaced in the Greek civil war. Let them turn their eyes to the hundreds of thousands of persons who were displaced in the Palestine war. Let them turn their eyes to the million of displaced persons in China. Let them turn their eyes to the millions of persons who were displaced in the partition of India. Let them study the facts respecting the ever-increasing influx of people into the United States, both legally and illegally.

The time has come, Mr. President, for the Senate to reassert itself in the eyes of the people of this country and of the world as a body free from the hysteria of pressure groups, free to be guided on the basis of our own honest convictions, free to stand for that which we know is right.

INTERIOR DEPARTMENT APPROPRIATIONS, 1950

The Senate resumed the consideration of the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes.

The VICE PRESIDENT. The next amendment passed over will be stated.

The next amendment was, on page 51, line 19, after "(16 U. S. C. 833)", strike out "$1,445,000" and insert "$1,515,200."

Mr. HAYDEN. Mr. President, may I suggest that a unanimous-consent agreement be obtained for limitation of time. Will the Senator from Montana suggest how long Senators may speak?

Mr. MURRAY. I suggest that no Senator speak more than 10 minutes on the amendments.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. MURRAY. Mr. President, the purpose of this amendment is to increase the appropriation by $1,300,000 for initiation of construction on the Havre-Shelby transmission line and substations. This is a very important transmission line for our State. It connects with the already existing line which carries power from the Fort Peck plant to Havre, Mont. In that area where the line is to carry power, Shelby is located in a very important agricultural section where the people are not able to secure the power they need for electrification. The line will connect with the Fort Peck-Great Falls 161-kilovolt transmission line, at Havre, Mont.

The Bureau of the Budget, in its estimate of funds required for construction at the Fort Peck Dam during the fiscal year 1950, submitted a request to Congress for $3,000,000, which included funds in the amount of $1,300,000 for construction of the Havre-Shelby transmission line.

The Fort Peck Federal power facility at Glasgow, Mont., was completed about 10 years ago. At the time of its authorization it was provided that the power produced should be available to certain preferred users—municipalities, public bodies, and farm cooperatives. At that time there was a great need for electricity on the farms of Montana, and the farmers looked forward to the beneficent effects of the use of electricity on their farms. The farmers in Montana had gone through a long siege of drought and depression. They needed low-cost power for pumping and for lighting, and making their farm operations more efficient and productive. But they have waited in vain all these years.

It appears that the power from Fort Peck Dam has been largely sold to the Montana Power Co. at a low rate of 2.5 mills per kilowatt-hour. This rate, for which the local utility gets the power while the farmers' needs have been totally ignored, is known as a dump rate. It is fixed on the basis that there is no market for the power, and therefore the utility company gets it at this ridiculous price. This power is resold by the utility company at wholesale rates to farm cooperatives for from 7 to 9.5 mills per kilowatt-hour. The Montana Power Co., of course, has access to this Government power for other purposes and makes handsome profits from the resale of it to its customers. For the year ending June 30, 1949, the Montana Power Co. got 68.2 percent of the power produced at the Fort Peck project.

The private utility opposes the Havre-Shelby transmission line upon the ground that it is a duplication of existing facilities, and that it can serve these REA cooperatives without the need of this facility.

The testimony at the hearings completely refuted this contention. When Mr. Kenneth F. Vernon, regional direction of region No. 6, and other officials of the Bureau of Reclamation, testified at the hearings before the House committee, they showed that the Montana Power Co.'s lines in this area are totally insufficient to serve the loads. The Montana Power Co. conceded that their lines would have to be built up to sufficient carrying capacity to take care of the loads. In other words, they acknowledged that they did not have adequate lines in the area and would not build adequate lines unless they were given control of the power coming from the Fort Peck Government plant. This obviously was a mere subterfuge to block the farmers of Montana from getting this power which the company was getting at a dump rate of 2.5 mills per kilowatt-hour. For this power, which they get at the dump rate of 2.5 mills, they ask the farmers to pay an average of 8.8 mills, or 250 percent more than they pay for it. This is about the worst flim-flam game ever presented.

If the Havre-Shelby line is not built by the Government, these REA cooperatives and municipalities in Montana will be denied their preference rights. They will be forced to obtain power from the Montana Power Co. at high rates and over two very light and presently overloaded 50-kilovolt lines. It is obvious that the private utility is making this proposition for the purpose of blocking the Havre-Shelby line. You will note that the power utility will be under no obligation to do anything if this appropriation is denied. The situation in Montana will be exactly the same as it is today, with the private utility in control, getting the power from Fort Peck at dump rates and refusing to do anything which would permit the farmers and municipalities of Montana to secure their preference rights.

This proposal of the Montana Power Co. is known in the realm of the public-power controversy as a stall or bluff to block action in the Congress, without placing themselves under the slightest obligation.

Mr. President, the Senate should have in mind, as I have already undertaken to explain, that because of the lack of the Havre-Shelby transmission line the Bureau of Reclamation will be compelled to sell large quantities of firm power being generated at Fort Peck to the Montana Power Co. at the dump rate of 2.5 mills per kilowatt-hour. If the Congress appropriates these funds and the Havre-Shelby line is constructed, the Bureau of Reclamation will then be able to sell this Fort Peck power at more than twice the rate it is today receiving from the Montana Power Co. This contributes to the liquidation costs of the Fort Peck project, and, at the same time, carries out the congressional policy of giving preference rights to Montana farmers, municipalities, and public bodies.

It is quite obvious that the Montana Power Co. opposes the construction of this line so that it may continue to get the power from the Fort Peck project at the extremely low dump rate of 2.5 mills per kilowatt-hour, which it can resell at considerable profit. Thus, the sale of this low-cost public power to the farmers at the established Fort Peck rate of 5.4 mills cannot be achieved because of the opposition of the Montana Power Co., and the Bureau of Reclamation will be forced to continue to turn this power over to the Montana Power Co. at the low dump rate of 2.5 mills per kilowatt-hour. The company is thus enabled to resell this power at high profit and deny the farmers of this area the use of electricity on their farms at a much lower rate.

The action of the committee in refusing to provide an appropriation for the construction of this facility was predicated on the representation by the Montana Power Co. that adequate electric service is now being supplied in the area. This is clearly not so. The existing rates of the Montana Power Co. average 20 to 25 percent higher than present Fort Peck project rates for similar service. It is estimated that the REA cooperatives over a 50-year period would save $9,000,000 if, instead of Montana Power Co. rates, they were able to purchase the power at Fort Peck rates.

When this appropriation was before the Senate in 1948, it was conceded by Senators on both sides of the aisle that this was a worthy project and that it should be granted the necessary appropriations and carried to completion. At that time the Senator from Nebraska [Mr. WHERRY], as reported in the CONGRESSIONAL RECORD of August 7, 1948, at page 10170, said:

> I was with the distinguished Senator from Montana at the very place where the proposed dam is to be built * * * I know he can stand here and make a good case for building the Hungry Horse Dam faster than has been contemplated in the program. I know the transmission lines should be built. The farmers want them. They want them in my State and in every other State. The only question is how fast we should proceed.

Other able Senators on the Appropriations Committee expressed themselves to similar effect.

The Senator from Tennessee [Mr. MCKELLAR] said, as reported in the RECORD of August 7, 1948, at page 10170:

> I am extremely interested in the projects in the West. I think they should be built, and as rapidly as we can build them. I want to vote for measures along that line.

The only reason why this project was not approved at that time was that the Appropriations Committee had agreed to hold down the appropriations for that year, with the understanding that in the following years favorable action would be taken.

Testimony both in the House hearings and in the Senate hearings refutes the idea that there is any actual paralleling of existing lines.

As I have said, during all these years the farmers in this area have been unable to get that power and it is being sold at the present time at a dump price to the local utility, at 2.5 mills per kilowatt. So that the private utility has a practical monopoly of the power coming from the Fort Peck project. The proposed line is to make the power available to the farmers. I certainly cannot see any reason why that should be objected to.

Mr. HILL. Mr. President, will the Senator yield?

Mr. MURRAY. I yield to the Senator from Alabama.

Mr. HILL. As I understand, Congress once before appropriated the money for this line, but it was not feasible at that time to build the line, and what the Senator desires is to carry out what Congress has alreay agreed upon and appropriated for.

Mr. MURRAY. That is exactly correct. The result is that if we do not get this line, the Montana Power Co. will maintain a monopoly of the power that comes from the Fort Peck project. It seems to me it is only fair and reasonable that this line should be allowed to go in, because otherwise the farmers in that area will not have the power, in a very important section of our State, and the little amount of money which the power utility would make as a result of keeping them out is very insignificant in comparison with their total business in the State of Montana.

Mr. President, I suggest that the amendment should be accepted. I reserve the remainder of my time.

Mr. HAYDEN. Mr. President, the situation with respect to the transmission line, briefly, as I understand, is that Congress at one time appropriated the money to build it. The appropriation was made available until expended. The money was not used, and I remember distinctly one of the witnesses from Montana saying he would like to shoot somebody in the Reclamation Service because when they had money to build the line they did not build it.

The appropriation lapsed, or was lost by rescission. The budget estimate came up this year for an appropriation to build the line. The House declined to appropriate the money. What the Senator from Montana seeks to do is to add to the bill a sum of money sufficient to build the transmission line. Is that correct?

Mr. MURRAY. That is correct.

Mr. HAYDEN. Does the junior Senator from Montana desire to discuss the amendment, or shall we vote now?

Mr. ECTON. I should like to say a few words on it.

Mr. HAYDEN. Very well. The Senator may proceed.

The VICE PRESIDENT. The senior Senator from Montana has not actually offered his amendment.

Mr. MURRAY. I understood the amendment was read by the clerk.

The VICE PRESIDENT. The amendment to the committee amendment was not read by the clerk.

Mr. MURRAY. I ask that the amendment proposed by me be read by the clerk.

The VICE PRESIDENT. The clerk will state the amendment to the amendment.

The CHIEF CLERK. On page 51, lines 19 and 20 in committee amendment, it is proposed to change the amount to be inserted as the appropriation for Fort Peck project in Montana from $1,515,200 to $2,815,200.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the senior Senator from Montana

[Mr. MURRAY] to the amendment of the committee.

Mr. ECTON. Mr. President, as I understand, the question now is on agreeing to the amendment offered by my colleague.

The VICE PRESIDENT. The coming vote will be on his amendment to the committee amendment.

Mr. ECTON. Mr. President, I merely wish to say that the Senate is not in a very economy-minded mood, I know. The truth is that I have always felt that the people in northern Montana years ago were led to believe that they were going to have a Federal power line in that community, and money was appropriated for it. I have heard some of them express a certain amount of disgust with the Reclamation Bureau because they did not go ahead and build the line when the money was appropriated. I can see how they have felt disappointed.

On the other hand, I am also convinced that they would have been willing to go ahead and make the best of the situation, and receive some benefit from the low-cost power at Fort Peck, if their contract had not been interfered with by certain Government officials. I am not referring to Mr. Wickard. I think Mr. Wickard, as the head of the REA, has honestly tried to do a good job, and he would have signed the contract between the Marias REA and the Montana Power Co. last fall if a certain amount of outside pressure had not been put on him. I do not know that; it is my own opinion.

Mr. President, there is one thing I wish to say which I think should be in the RECORD. The report has gone out that the Montana Power Co. has an absolute monopoly of the Fort Peck power, and that they get it for 2.5 mills and resell it to the farmers at 9.5 mills. That is not a fact.

Mr. MURRAY. Mr. President, will my colleague yield?

Mr. ECTON. I yield to the Senator from Montana.

Mr. MURRAY. I agree with my colleague, he is perfectly right, it is not an absolute monopoly. They get 68.2 percent of all the power from the project, so we could not call it an absolute monopoly.

Mr. ECTON. The truth is that the power company has a contract with the Federal Government to take power from the Fort Peck dam which is nothing more nor less than dump power. The Government does not guarantee, under the contract, to deliver any specified amount of power. The only time when the Montana Power Co. has used Fort Peck power in the State of Montana has been in cases of emergency, due to extreme cold, or where the lines of the company have broken down because of storms or other emergency.

I wish to refer to the contract entered into between the United States Government and the Montana Power Co. dated July 1, 1943. The contract specifically provides that the company shall have transmission line connections with the systems of other companies. That means that the Montana Power Co. is merely a transmission company or a wheeling company.

Paragraph 5 (a) of the contract, so far as the Government obligation is concerned, reads:

> The United States will make available to the company all the energy which can be delivered after first providing for certain other requirements.

Those requirements are set out in item 3, as follows:

> The energy requirements for other present or future customers of the United States, including irrigation pumping by the United States.

So the contract clearly shows that it is only surplus or dump power that the Montana Power Co. receives at this 2.5 mill rate, and I think my colleague will agree with that.

Mr. MURRAY. I agree with that, and I agree for this reason, that it is a dump rate because the power company cannot sell it at any other place. It has no lines to deliver it to preferred customers.

Mr. ECTON. In other words, it would be wasted.

Mr. MURRAY. If we put the line in, it might be sold to the rural cooperatives and municipalities in this area we are seeking to supply with electricity.

Mr. ECTON. That may be true.

Mr. MURRAY. So long as the line is not built, it will continue to be surplus or dump power, sold at a dump rate to the power utility for the rest of eternity.

Mr. ECTON. The point I am making is that that dump rate power is not used in the State of Montana. Many people do not appreciate that.

Mr. MURRAY. Why is it not used in the State of Montana?

Mr. ECTON. For the simple reason that——

Mr. MURRAY. I think it is not material anyway.

Mr. ECTON. Yes it is material.

Mr. MURRAY. So far as the farmers in Montana are concerned it does not make any difference whether it is used in Jerusalem, or in the State of Washington, or in any other place. They are not getting the power there to which they are entitled under the preference provisions of the Fort Peck law.

Mr. ECTON. That is true; but what I am getting at is that the Montana Power Co. has been accused of getting this electricity for 2½ mills and then turning around and selling it for 9 mills.

Mr. MURRAY. We do not accuse them of that. We state that is the fact. It is not an accusation. It is just a simple statement of fact. It is true they buy it for 2½ mills and sell it for what they can get for it. That is private enterprise. No one can complain about that.

Mr. ECTON. Yesterday there came up on the floor the suggestion that we had a power shortage in Montana.

Mr. MURRAY. Yes.

Mr. ECTON. The Montana Power Co. has never used any Fort Peck power in Montana, except in the case of extreme emergency. Under the contract they have with the Federal Government, this power is wheeled to the Idaho Power Co. The Montana Power Co. has a contract with that company for the use of it.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. ECTON. I yield.

Mr. MURRAY. The Senator is entirely mistaken on that point. I introduced in the RECORD yesterday a complete explanation of the matter. The Montana Power Co. only delivers power into the Bonneville pool during peak periods. It seems that the difference in time between the State of Montana and the State of Washington makes it possible for Montana to sell power during a brief period each day and deliver it into the Bonneville pool in the State of Washington. That is the only power they deliver there, and it is only, as I say, at peak periods.

Mr. ECTON. I refer to a paragraph in the contract which provides:

> The company agrees to receive at said delivery point all the energy over and above the output of its own power plant which it can dispose of for the following purposes:
>
> (1) Energy required by its own customers in Montana.
>
> (2) Energy which can be sold to the Utah Power & Light Co. under present or future power contracts.
>
> (3) Energy which can be sold to the Washington Water Power Co. under present and future contracts.

This shows that the company buys Fort Peck power only when it is necessary to supply its own customers or when it can sell power to the Utah or Washington companies mentioned above.

I desire to refer the Senator to the Federal Power Commission report on the Montana Power Co., Form No. 1. It shows that sales to the Washington Water Power Co. each year have exceeded purchases from Fort Peck. The Montana Power Co. does not make any profit on that power. It has a wheeling arrangement. It receives a trifling sum for the cost of transportation. That is all it makes out of the Fort Peck power.

For 1948 this information appears on pages 72 and 73 and on pages 84 and 85 of the Federal Power Commission report.

The VICE PRESIDENT. The time of the junior Senator from Montana has expired.

The question is on agreeing to the amendment offered by the senior Senator from Montana [Mr. MURRAY] to the committee amendment on page 51, line 19.

Mr. HAYDEN. Mr. President, I should like to state my own feeling about this matter. The fact that the Reclamation Service at one time had the money to build the line and failed to build it, and the fact that although there was a budget estimate for it at this session the House of Representatives has not allowed it, brings about such a situation that I cannot guarantee what will happen with respect to the matter when the bill goes to conference, but I am willing to take it to conference at this time to see what we can do about it.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the senior Senator from Montana [Mr. MURRAY] to the committee amendment on page 51, line 9.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

The VICE PRESIDENT. The Secretary will state the next committee amendment passed over.

Mr. FERGUSON. Mr. President, before the next committee amendment is stated, I wonder if I can ask unanimous consent to have an amendment considered.

A parliamentary inquiry, Mr. President.

The VICE PRESIDENT. The Senator will state it.

Mr. FERGUSON. Have all the committee amendments been acted upon?

The VICE PRESIDENT. No. There are still two or three more committee amendments to be acted upon.

Mr. HAYDEN. There are two more committee amendments to be acted upon.

Mr. FERGUSON. Will it require much time to consider them?

Mr. HAYDEN. I doubt that it will.

Mr. FERGUSON. Very well, I shall wait until action upon them is taken.

The VICE PRESIDENT. The Secretary will state the next committee amendment passed over.

The next amendment of the committee was on page 53, line 9, after the word "development" to strike out "$73,822,500", and insert "$81,668,560."

Mr. HAYDEN. Mr. President, that amendment was kept open in order that the Senator from Montana [Mr. MURRAY] might offer an amendment dealing with the Yellowtail Dam, to which, I will say frankly, I am opposed.

Mr. MURRAY. Mr. President, I offer an amendment to the committee amendment.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 53, line 9, it is proposed to strike out "$81,668,560" and insert in lieu thereof "$82,168,560, of which $500,000 shall be used to commence construction of the Yellowtail Dam and power plant on the Hardin unit."

Mr. HAYDEN. Mr. President, my objection to the amendment to the committee amendment is that, as I understand the situation, there has been no definite understanding with the Indians on whose reservation this dam is to be located, as to what compensation they shall receive for the use of their lands. Mr. Robert Yellowtail, a representative of the tribe, appeared before the committee and asserted that until there was some definite understanding, the tribal council had instructed him to oppose an appropriation of money for this purpose. The dam site is a very valuable one, and undoubtedly it will be developed. Unless the Senator from Montana has later information, I shall oppose the adoption of the amendment, in view of the fact that there has been no definite agreement as to compensation to the Indians.

Mr. MURRAY. Mr. President, a definite agreement has not yet been arrived at, but the project is ready to go forward to construction. Already some money has been spent in preparing for commencement of the work. It seems to me we should take definite action on a project of this character, which is so important, in a locality where there is a shortage of power. The area is growing in population very rapidly, and there is great need for power, and the sooner we can begin construction of the dam, the better. We are asking for only a small amount.

Mr. HAYDEN. The Senator does not have a budget estimate for the appropriation.

Mr. MURRAY. It is my understanding that a budget estimate was prepared some time ago.

Mr. HAYDEN. No budget estimate was presented to the committee, and objection was raised on the part of the Indians. It is my thought that if between now and next year the Indian difficulty can be ironed out and a budget estimate is submitted, I shall be very happy to support an appropriation for this purpose, but at the present time I do not see how, as chairman of the subcommittee, I can accept the amendment.

Mr. MURRAY. Mr. President, I withdraw my amendment.

The VICE PRESIDENT. The Senator from Montana [Mr. MURRAY] withdraws his amendment.

The question is on agreeing to the committee amendment on page 53, line 9.

The amendment was agreed to.

The VICE PRESIDENT. The next committee amendment passed over will be stated.

The CHIEF CLERK. On page 88, line 14 insert the words——

Mr. HILL. Just a moment. There is a committee amendment on page 54, beginning on line 13, which has not been acted on.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 54, line 13, after the word "Congress", it is proposed to insert the following proviso: *"Provided further,* That no part of this appropriation shall be available or used to maintain or operate Canyon Ferry Reservoir at a higher maximum normal pool elevation than 3,766 feet, unless and until new land in Broadwater County, Montana, equal in acreage to the irrigated land to be inundated in Canyon Ferry Reservoir above elevation of 3,766 feet is provided with facilities for irrigation; or for or in connection with the acquisition of the power facilities or transmission facilities for delivering power from the Canyon Ferry project, Montana."

Mr. HILL. Mr. President, I think this amendment is clearly subject to a point of order, because it is a limitation on an appropriation which is subject to and dependent upon a contingency However, I withhold the point of order for the present, with the idea of moving to strike out certain language in keeping with previous action of the Senate.

I move to strike out, on page 54, line 21, after the semicolon, the words "or for or in connection with the acquisition of the power facilities or transmission facilities for delivering power from the Canyon Ferry project, Montana."

What this amendment does is to strike out a limitation with reference to the construction of transmission lines in connection with the Canyon Ferry project. The amendment which I offer to strike out those words is in keeping, as I see it, with the action of the Senate in half a dozen different cases. We have voted to strike out such limitations on transmission lines.

Mr. HAYDEN. Mr. President, I have one suggestion to make, which is very important. We should also strike out the semicolon.

Mr. HILL. I am delighted to strike out the semicolon. I modify my amendment so as to strike out the semicolon and insert in lieu thereof a period, and strike out the words after the semicolon, down to the bottom of page 54. My amendment has been printed, and I offer the amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment offered by the Senator from Alabama will be stated.

The LEGISLATIVE CLERK. On page 54, in the committee amendment in lines 13 to 22, it is proposed to delete the semicolon and the following words in lines 21, 22, and 23 "or for or in connection with the acquisition of the power facilities or transmission facilities for delivering power from the Canyon Ferry project, Montana."

Mr. ECTON. Mr. President, it seems to me that the Senator takes in too many lines.

Mr. HILL. I do not think so. I am merely seeking to strike out the tail of the proviso.

Mr. ECTON. As the amendment was stated, it referred to the language beginning in line 13.

Mr. HILL. The committee amendment starts with the language in line 13.

The VICE PRESIDENT. The Senator from Alabama is proposing to amend the committee amendment.

Mr. HILL. I am seeking to amend the committee amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Alabama [Mr. HILL] to the committee amendment on page 54, line 21.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. HAYDEN. Mr. President, at the request of the Senator from Washington [Mr. MAGNUSON] the committee amendment on page 88, line 14, was passed over.

The VICE PRESIDENT. The clerk will state the next committee amendment passed over.

The LEGISLATIVE CLERK. On page 88, after line 13, it is proposed to insert "together with the unobligated balance of the appropriation under this head in the Interior Department Appropriation Act, 1949."

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The VICE PRESIDENT. Does that conclude the committee amendments?

Mr. HAYDEN. That concludes the committee amendments.

The VICE PRESIDENT. The bill is open to further amendment.

Mr. MAGNUSON. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment offered by the Senator from Washington will be stated.

The LEGISLATIVE CLERK. On page 87, at the beginning of line 23, it is proposed to strike out "$510,000" and insert "$530,000."

Mr. MAGNUSON. Mr. President, this amendment involves the addition of $20,000 to the appropriation for the Economic Research Branch in connection with commercial fisheries.

Mr. JOHNSON of Colorado. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. JOHNSON of Colorado. I notice that the amendment offered by the Senator from Washington is on page 87. Will it be possible to offer amendments from the floor relating to pages before page 87?

The VICE PRESIDENT. Any portion of the text of the House bill which has not been affected by committee amendments may be amended.

Mr. MAGNUSON. Mr. President, this amendment would increase by $20,000 the amount in the bill for the Economic Research Branch of the commercial fisheries section.

The importance of this amendment far exceeds the $20,000 increase involved. The $20,000 is urgently needed by the Economic Research Branch of the commercial fisheries section. The $510,000 allowed by the committee contains an item of $21,970 for economic research work.

This appropriation of $21,970 is just sufficient to pay for two economists, clerical and stenographical asistance, and material expenses. Included in this amount is $600 for travel expenses; $300 for each of the two economists. These are the only economists in the Federal Government engaged in full-time economic research on all economic problems of the Nation's fishery industries.

At present the two economists are fully occupied in administering the Fishery Cooperative Marketing Act and preparing reports for departmental and congressional purposes and for use of other agencies of the Federal Government. Examples of their work are a report to the Joint Committee of the Economic Report: assistance to State Department, Tariff Commission, and Department of Commerce with regard to reports which were requested from them by congressional resolutions; ad hoc investigations arising from requests of Senators and Representatives—for example, an investigation of the import-export situation requested by the Subcommittee on Fisheries of the House Merchant Marine and Fisheries Committee; an investigation of the question of employment for distressed fishermen of Virginia, requested by Representative BLAND; an investigation of extension of credit facilities to fishermen requested by Senator MCGRATH; an investigation of financing of fishermen ruined by disasters of nature, requested by the Senator from Maine [Mr. BREWSTER], an investigation of special tariff problems with respect to halibut, requested by Delegate BARTLETT, as well as many others. In addition economic studies were undertaken for the purpose of assisting the industry in pending rate cases before the Interstate Commerce Commission, despite the fact that no organization exists similar to the organization of the Department of Agriculture to assist agricultural industries in rate cases as a result of its authority under the Agricultural Adjustment Act of 1938. However, this assistance in rate cases could be given only in very limited form and due to lack of travel funds not one of the economists could appear as witness in an important hearing in Seattle, affecting a case against 44 railroads, wherein the industry was attempting to obtain more equitable freight rates on fresh and frozen fishery products.

I may add that we have long neglected our position in world fisheries. For example, when we appear at a world fisheries conference we are usually represented by some inadequate staff clerk or economist, or someone from the Fish and Wildlife Service, whereas other countries are usually represented by a Minister of Fisheries, a Cabinet member, or at least an under-Cabinet member. In all such conferences, although we have been doing fairly well, I do not believe that we have had enough data or have been sufficiently prepared. We have not been represented by men at the proper policy level, who could speak with some authority in the conferences. The purpose of this appropriation is to lay the foundation for many international agreements and conferences with other nations in fishery matters, and to provide a small addition to the staff to do the work.

With only $21,000, this agency has not only been giving the State Department all the data it must have for the conferences to which I have referred, but it is constantly making reports to the Tariff Commission in connection with reciprocal trade agreements involving fish, and to the Department of Commerce in connection with reports requested by congressional resolutions.

I could go on and on. The Department of Agriculture, under the AAA of 1938, requires certain work. There is plenty of work piling up. The agency contends that with $21,970 it cannot do the work. In this day and age, when we are attempting to adjust world trade and enter into world agreements on fishery matters, it is important to have an adequate staff to support the State Department or whatever other representatives we may have. For example, in the next 2 years this agency must find basic data for price maintenance and economic adjustment.

The greatest need for economic research in the field of fisheries which under present conditions cannot be acted upon concerns the following matters, the importance of which is evident to all those who have observed the improvement of the economic conditions of the farmer.

I. BASIC DATA FOR PRICE MAINTENANCE AND ECONOMIC ADJUSTMENT

There are about 242 species of commercial fish and shellfish used in the United States. No historical price series are available on the wholesaler's, manufacturer's, distributor's, or retailer's level. No historical price series are available on goods purchased by fishermen as, for example, boots, tools, gear, or engines. For a great number of years parity ratios of both series would have to be established to recognize the predominate or desirable relationship of prices paid and received by fishermen. This type of research is a prerequisite to the establishment of any fishery economic stabilization program by the Federal Government.

II. COMPARISON OF FISH FOOD AND OTHER FOOD PRICES

No historical comparisons are available to show the prices of certain fishery products in their relationship to prices of competitive food products. Research has not yet found whether there exists a definite relationship and if not what other factors—for example, national income, per capita income, imports or exports—influence price movements of fishery products. No one knows whether the subsidization of farm products has an adverse effect on fish prices and the income of the fishery industries.

III. COSTS OF PRODUCTION AND DISTRIBUTION

Present discussions on international trade make it imperative to give to those who discuss this subject-matter material on which to form their opinions. Costs of production in recent years have greatly changed in domestic production as well as foreign production. Already such changes in the costs of production have eliminated large industries of Pacific coast, such as the rockfish fillet industry, which a few years ago seemed to be promising. Since obviously in the coming years many changes in our foreign trade will take place, constant reports on production and distribution costs seem to be necessary.

IV. STUDIES OF MARGINS BETWEEN PRODUCERS AND CONSUMERS OF FISHERY PRODUCTS

While the over-all income resulting from fishery products at the ex-vessel level was estimated on several occasions by the economists of the Fish and Wild Life Service, no appraisals were made of the actual amount of money which goes into the pocket of the fisherman. A study should be made to show how much of the consumer's dollar goes to the fishermen, to processing labor, to the vessel owner, to the manufacturer, and to the distributor. Margins may be different in different areas, times, and types of businesses. A better pattern of fish distribution could be based on such studies as well as a better relocation of fishery industries, which would lead to savings in the production and distribution of fishery products.

V. CONSUMPTION STUDIES

While the Department of Agriculture, especially its Bureau of Agricultural Economics, constantly collects data on agricultural food consumption, similar research studies undertaken by the Bureau of Human Nutrition and Home Economics of the Department of Agriculture and by the Department of Labor show the need for special consideration of fishery products and also the need of wider and more constant activity in this field by fishery economists. At present sporadic

data are on hand to estimate the consumption of fish, giving due consideration to the loss in handling which occurs from the vessel to the consumer's dining table. Without such consumption studies it is difficult to foster fishery trade, especially in areas of underconsumption of fishery products.

VI. INVESTMENT STUDIES

No data at all on the estimated value of investments in the fishery industries are available in the United States. It therefore cannot be estimated whether the return from the fishery industries is sufficient to justify investment in the industry. That other countries put great emphasis on investment studies may be seen from the fact that the Canadian Provinces publish month by month changes in the value of investments, the acquisition of new gear, or similar changes in investment devoted to the production or distribution of fishery products. Furthermore data of this type are always of great help in determining sound taxation policies on the part of the Government.

VII. STUDIES ON MARKETING AGREEMENTS

As experience teaches, in agriculture betterment of economic conditions, especially in marketing of food products so as to adjust the supply of products to the demand, may be obtained through voluntary agreements or marketing orders. However, such agreements need a great deal of preparation and preparatery studies should be made to determine whether the success which has been attained in other fields may be attained by the fishery industries. If it is found that they may be applied to fisheries, there is a need to determine effective methods for promulgation and administration of these programs through the Federal Government.

VIII. STUDIES ON SOCIAL CONDITIONS IN THE FISHERY INDUSTRIES

The fishery industries suffer in many parts of the country because of the seasonal character of their work. Studies are desired and already have been suggested by some of the Federal Reserve banks to find out how to guarantee the fishermen's families a more stable year-round income and how to stabilize economic conditions in the respective area as a whole. For that purpose studies should be undertaken to determine how to implement fisheries work by home work or supplemental work in other industries. Studies should also extend to the comparison of social conditions in the fishery industries and agricultural industries, for example, relative degree of electrification, sanitation, and so forth.

Mr. President, I shall not burden the Senate further. The increase of $20,000 means much more than the figures represent. I think it would be a wise investment for this country in our fisheries.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. HAYDEN. The amount carried in the bill is the budget estimate. The Senator's amendment would provide for an additional $20,000, above the budget estimate. I am perfectly willing to take the amendment to conference, but, of course, I cannot guarantee what will happen to it there, inasmuch as it is above the estimate of the Budget Bureau.

Mr. MAGNUSON. I appreciate that. I may say to the Senator that at the time when the budget estimates were submitted, this little agency had certain work which it was doing. But since that time, as the Senator knows, there have been entered into several international agreements which will definitely affect the amount of work to be done along this line. The other day the Senate ratified three treaties relating to the tuna fishery and other fisheries. The ratification of those three treaties alone would justify the making of this increase, for those treaties were not in existence when the budget estimates were made.

This industry is the eighth leading industry in the United States. Only recently it has been represented on a fairly reasonable policy level in the State Department or similar departments of other countries, whereas the work carried on by other countries in this connection has been handled by Ministers or Cabinet members. However, in the United States this industry has been handled only in the Fish and Wildlife Service. The Hoover Commission report recommending the transfer of the Bureau of Fisheries to the Department of Commerce certainly should be adopted. The Bureau of Fisheries has no relationship to the Conservation Service.

Mr. President, we have sorely neglected this industry. It has been an orphan. All other agricultural and food-producing industries in the United States have rightfully received a great deal of consideration. I am sure this industry should receive more consideration than it has thus far, and that this amendment, to provide this additional amount of money for the purpose just stated, should be adopted.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Washington [Mr. MAGNUSON].

The amendment was agreed to.

Mr. FERGUSON. Mr. President, I shall propose an amendment which will make available to the Fish and Wildlife Service an additional $256,000 in the fiscal year 1950 to prosecute a program for the eradication or control of the sea lamprey, which is rapidly decimating Great Lakes fishing.

A study program was first authorized by the joint resolution of August 8, 1946, Public Law 672. It contained an appropriation authorization of $20,000 annually, and that amount has been appropriated, although it has been found to be grossly inadequate.

Public Law 249 of the Eighty-first Congress, approved August 18, 1949, increases that authorization $359,000 for the first year and $216,000 per annum thereafter. I received this information this morning from the Fish and Wildlife Service.

Justifications for 1950 appropriations under Public Law 249, I am informed, have only this morning reached the Bureau of the Budget, since the law was so recently passed. The amount contained in this justification is $256,000, the amount provided in this amendment. This amount would be employed for the services of field personnel, in the amount of approximately $65,000; for necessary vessels and other equipment, in the amount of approximately $167,200; and for other necessary items, including contractual services, travel, rent, and supplies.

The need for an eradication campaign against the sea lamprey in the Great Lakes is most urgent. The economically important fishing industry in the Great Lakes, as well as the game fishing, is in grave danger. For instance, lake trout catches in the Lakes have dropped from an annual yield of 1,720,000 pounds to less than 5,000 pounds last year. The Fish and Wildlife Service states that no known factor other than sea lamprey depredations can account for the complete collapse of this fishing.

At this point, Mr. President, I should like to insert in the RECORD, as a part of my remarks, a Department of the Interior Fish and Wildlife Service release of August 9, 1949, entitled "Destructive Sea Lampreys Continue to Increase in Great Lakes." I ask unanimous consent for that purpose.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

DESTRUCTIVE SEA LAMPREYS CONTINUE TO INCREASE IN GREAT LAKES

Destruction of the Great Lakes fishing industry—the Nation's richest source of fresh water fish for commerce and recreation—is threatened unless an effective control of the sea lamprey is developed within the next few years, Albert M. Day, Director of the Fish and Wildlife Service, Department of the Interior, said today.

In a report to Secretary of the Interior J. A. Krug, Day said that the lamprey is continuing to increase at an alarming rate, and already Lake Huron trout, hardest hit by the attack, has practically disappeared from the commercial catch. The total United States and Canadian commercial production of fish from the Great Lakes is around 100,000,000 pounds annually. More than 5,000 United States fishermen and 2,000 boats are normally engaged in the industry.

The sea lamprey is an eel-shaped parasite with a suction cup mouth, which sucks the blood of lake fishes, leaving them either dead or so badly scarred that it is almost impossible for commercial fishermen to dispose of them.

The sea lamprey problem was first brought before Congress in a hearing held in Washington in June 1946. Concerned over the threat to the $12,000,000-a-year Great Lakes fishing industry, Congress passed Public Law 672 to engage in a program for the control of the lamprey, in conjunction with bordering States and other cooperators.

A Great Lakes sea lamprey committee was formed, consisting of representatives from Wisconsin, Minnesota, Pennsylvania, Indiana, Illinois, Ohio, New York, the Province of Ontario, and the United States Fish and Wildlife Service. Dr. John Van Oosten, of Ann Arbor, Mich., chief of the Service's Great Lakes Fishery Investigations, was elected chairman. This international committee drew up a research program and field investigations were started.

From 1895 to 1935 lake trout production was quite steady in the United States waters of Lake Huron, averaging 1,720,000 pounds per year. From 1936 to 1939 the yield dropped to 1,345,000 pounds. In 1940 the take fell below 1,000,000 pounds and continued to fall in each succeeding year until it reached a

new record low in 1948 of less than 5,000 pounds. A similar fate befell lake trout in the Canadian waters of Huron. No known factor other than sea lamprey depredations can account for this complete collapse of this fishery.

Lake Michigan trout is facing the same situation. From 1879 to 1945 the average annual take was somewhat over 6,000,000 pounds. In 1946 it dropped to less than 4,000,000, in 1947 to less than 2,500,000, and in 1948 to a little more than 1,000,000 pounds, or one-sixth of the normal catch.

In Lake Superior the trout yield has not yet been noticeably affected by the lamprey but biologists predict that unless the parasite can be controlled, Superior trout will face extermination in a few years.

The lake trout is a popular "fighting" fish which reaches a large size. "Deep-sea" sport trolling for it has expanded greatly in the last decade. It has been estimated that economically the sport fisheries of the Great Lakes are on a par with commercial operations.

Now that the lake trout is so reduced in abundance, the sea lamprey is beginning to attack other species of fish such as the whitefish, walleyes, herring, chubs, black bass, suckers, perch, bullheads, and catfish. This shifting of hosts by the parasite is unfortunate, say Service biologists, for not only do the sea lampreys divert their attacks to other species but fishermen must likewise change their fishing habits. In Lake Michigan, gill net fishermen who formerly set nets for trout must now fish almost entirely for chubs and whitefish. These diverted attacks by both sea lampreys and fishermen place a heavy drain on all of the more valuable Great Lakes species of fish and threaten the existence of the entire industry.

So far no satisfactory solution has yet been found to the problem of control. Weirs and traps were found to be effective in certain streams, but such methods are expensive, are slow in exterminating a run, and are generally not applicable in many of the streams where spawning lampreys enter. At the present it appears that a combination of methods must be employed to eradicate or control the pest in most streams, and efforts must be concentrated on major runs. Certain fundamental questions have already been answered by research men but others must await further investigations.

During the 1949 season the spawning run of lampreys trapped by a two-way weir on the Ocqueoc River in northern Michigan amounted to nearly 15,000 on July 18, when the run was largely completed. This is twice the 1948 estimate and two and one-half times the 1947 estimate, according to Mr. Day.

The Ocqueoc weir was constructed by the Service in 1947 to trap adult lampreys on their upstream spawning migration and young lampreys on their way to Lake Huron to begin the parasitic phase of their life. It is operated by personnel of the Michigan Department of Conservation.

Evidence of how rapidly the sea lamprey is spreading is contained in numerous reports received by the Service. The presence of mature or spawning sea lampreys has been verified in 92 streams in Michigan, and reliably reported in 18 others. Lampreys have also become established in two inland lakes, Burt and Mullet, and were present in Lake Charlevoix and Pentwater Lake.

A similar situation exists on the Wisconsin shore of Lake Michigan. Reports received by the Service from the Wisconsin Conservation Department, which operates a weir on Hibbard Creek (Door Peninsula), reveal that lampreys are on the increase there. In the Kewaunee and Michicott Rivers, the 1949 runs were extremely large although neither river had previously had an important run.

A considerable number of lampreys have invaded Indiana streams, the Service has been advised, sizable run having entered the Little Calumet River in late May.

Commercial fishermen report that the lampreys are becoming more abundant in both Lake Huron and Lake Michigan. "Unprecedented concentrations" were observed in northwestern Lake Huron and the Straits of Mackinac in the fall of 1948.

Dr. Frank W. Jobes, fishery research biologist for the Service at Ann Arbor, Mich., reported: "From September 21 to October 9, 1948, we found large-mesh gill nets—the standard gear for the capture of lake trout—being fished only at the ports of Charlevoix, Northport, and Leland, Mich., and Waukegan, Ill. Only 529 lake trout were found in the catches of 29 gangs of nets."

On the Wisconsin shore of Lake Michigan gill-net fishing for lake trout has been almost entirely abandoned, and the catches of trout in pound nets are only a small fraction of those of former years.

The lamprey is not native to the upper four Great Lakes. Stocks now found in these waters are undoubtedly the progeny of lampreys that passed through the Welland Canal into Lake Erie, where they were reported off Merlin, Ontario, in 1921, and at Sandusky, Ohio, in 1927. The lamprey reached the St. Clair River by 1930 and was in Lake Michigan off Milwaukee by 1936. In 1937 a large spawning run was observed in the Ocqueoc River. The first specimens from the United States waters of Lake Superior were reported from the western end in 1946. Now present in all of the Great Lakes, the parasite is most abundant in Huron, Michigan, and Ontario, where it is found down to depths as great as 65 fathoms.

It has been discovered that sea lampreys cannot be utilized for the market. Preliminary analyses indicate that both their vitamin-A potency and oil yield are much too low for commercial exploitation. It is possible that some lampreys can be used for reduction purposes. A small quantity can be sold to biological supply houses. Cooking tests failed because of the soft body of the lamprey and its extreme susceptibility to fungus infection. A Canadian canning test, however, has shown some promise of success.

Mr. FERGUSON. Mr. President, I am sure that if this amendment is adopted by the Senate and is taken to conference, by the time the item is approved by the conference committee, or at least by the time the item is finally approved by the Congress, there will be a budget estimate for it. If the matter were not so urgent, I would naturally not request that the amendment be taken to conference, because there is not yet a budget estimate for it. On the other hand, although careful scrutiny should be given to any matter for which there is no budget estimate or for which the amount proposed exceeds the amount of the budget estimate, yet obviously there are certain matters as to which the Congress should take action as I now request. I am sure that this is one.

Mr. HAYDEN. Mr. President, the Senator from Michigan has presented an unusual situation, in that the new law was passed on August 18, 1949, and also the Senator has been assured that a budget estimate is on the way.

Mr. FERGUSON. Yes.

Mr. HAYDEN. Under those circumstances, I shall be glad to take the amendment to conference.

Mr. FERGUSON. Naturally, Mr. President, no one can promise that a budget estimate will come through, but I feel sure that one will. The request for it reached the Director of the Budget only today.

So, Mr. President, I shall ask that on page 86, in line 20, after the word "resources," the remainder of that line and the text in lines 21, 22, and a part of line 23 be stricken out, and that the following be substituted in lieu thereof:

not to exceed $276,000 to carry out the provisions of the joint resolution of August 8, 1946, Public Law 672, as amended by section 3 of the act of August 18, 1949, Public Law 249.

That would be the first amendment.

Mr. HAYDEN. Mr. President, may the amendment be acted on now?

The PRESIDING OFFICER. The amendment will have to be offered and stated before it can be put to a vote.

Mr. FERGUSON. Mr. President, I offer the amendment and send it to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 86, in line 20, after the word "resources," it is proposed to strike out "including not to exceed $20,000 to investigate and eradicate the predatory sea lampreys of the Great Lakes as authorized by joint resolution of August 8, 1946, Public Law 672" and insert, in lieu thereof "including not to exceed $276,000 to carry out the provisions of the joint resolution of August 8, 1946, Public Law 672, as amended by section 3 of the act of August 18, 1949, Public Law 249."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Michigan.

Mr. HAYDEN. Mr. President, I will accept the amendment. I hope it will be adopted.

The amendment was agreed to.

Mr. HAYDEN. The Senator will have to move now to reconsider the committee amendment on page 87, line 6.

Mr. FERGUSON. Mr. President, as this item of $276,000 is to be included in a lump-sum item, on page 87, line 6, I move to reconsider the committee amendment at that point which strikes out "$1,250,000" and insert "$1,290,000." Twenty thousand dollars has been taken out and $276,000 is to be put in. That makes the difference in the figure.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Michigan to reconsider.

The motion was agreed to.

Mr. FERGUSON. Mr. President, I now offer an amendment in lieu of the committee figure of $1,290,000, appearing on page 87, line 6, to insert $1,546,000.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Michigan.

The amendment was agreed to.

Mr. FERGUSON. Mr. President, on page 93, lines 21 to 23, I move that the figure of "64" be stricken out and that the figure "71" be inserted. It is a necessary change.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Michigan to amend.

The motion was agreed to.

Mr. FERGUSON. Mr. President, there is one other item which I wish to take up at this time. Day before yesterday, the Senator from Michigan suggested he would make a motion on behalf of himself and the Senator from New Hampshire to recommit this bill. It looked at that time as if the amendments to the bill were going to be in a large sum, and that the bill should be recommitted in order that there might be made a reduction of at least 5 percent below the budget estimates. Since then, I have calculated the amounts involved in the amendments. I find that the floor amendments have increased the appropriation of cash from $4,189,746, plus the amount which was just now approved, which would make $4,425,746, and the contract authority is increased $3,065,095. The cash appropriation is now 4.8 percent below the budget, instead of 5.4 percent, as it was when the bill came from the committee. I have just now talked to the able Senator in charge of the bill, the chairman of the subcommittee. I have asked him privately, and I should like to ask him now on the floor, whether, if the motion to recommit is not taken up, the matter will receive his very careful attention so that the question may be thrashed out in conference rather than on the floor.

Mr. HAYDEN. I am very glad to give the Senator that assurance, because I am sure it is an issue which will be before the conferees. We shall have to consider it, and it should be considered, as the Senator has suggested.

Mr. FERGUSON. Mr. President, I may say it happened, I think, in this way, which ought to be stated for the record. Appropriations for power lines were not allowed by the committee under the program set forth in the committee. Unbudgeted items and other items went into the bill. So when the bill comes to the Senate, and the Senate reverses the committee's stand, we then find ourselves with an increase in the bill. I think that clearly states what has happened.

Mr. HAYDEN. That is a correct statement.

Mr. FERGUSON. In the interest of economy, I think it should receive the very careful attention of the committee. With that in mind, and with the statement of the able Senator, it is not my desire to press the motion to reconsider at this time. I think the same thing can be accomplished through the conference committee that could be accomplished here in the Senate.

Mr. McCARTHY. Mr. President, I send to the desk an amendment, and ask that it be stated.

The PRESIDING OFFICER. The Clerk will state the amendment.

The LEGISLATIVE CLERK. On page 24, line 24, it is proposed to strike out "$31,450" and insert "$48,450."

Mr. McCARTHY. Mr. President, I especially call this matter to the attention of the senior Senator from Arizona. I sincerely hope he will accept the amendment. While there is but a very small amount involved, only $17,000, it represents a very important item. It is for improvement of the public school system of the Menominee Indian Reservation in Wisconsin. Specifically, it is for structural improvements to meet the safety and ventilation requirements of the Wisconsin public school system, for the installation of a stoker and automatic controls in the heating system, and for the addition of new classrooms. I have had much information from the tribal council. It is a very conservative group. They have made no unreasonable requests to date. They are firmly convinced the item of $17,000 is absolutely necessary. I sincerely hope the Senator will accept the amendment.

Mr. HAYDEN. Mr. President, inasmuch as, in my opinion, the very best way to advance the welfare of Indian children is to have them attend the public school, the Senator's amendment has my sympathy. I shall be glad to take it to conference.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wisconsin.

The amendment was agreed to.

Mr. McCARTHY. Mr. President, I send to the desk another amendment, which I ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 26, lines 7 and 8, it is proposed to strike out "$2,750,000" and insert "$2,800,000."

Mr. McCARTHY. Mr. President, this is an amendment providing an additional $50,000 for repairs to the roads in the Menominee Reservation, making a total of $90,000. It is a matter concerning which I have much personal knowledge. The roads on the reservation are in rather bad shape. I wonder whether the Senator from Arizona will accept the amendment?

Mr. HAYDEN. I shall be glad to accept the amendment and take it to conference.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wisconsin.

The amendment was agreed to.

Mr. JOHNSON of Colorado. Mr. President, I call up an amendment which is on the desk.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 80, following line 10, it is proposed to insert a new paragraph as follows:

Travel Division: For expenses necessary in carrying out the act of July 19, 1940 (16 U. S. C. 18), including personal services in the District of Columbia: Participation by the Travel Division in domestic and international expositions and conferences dealing with travel, and printing and binding, $63,600.

Mr. JOHNSON of Colorado. Mr. President, immediately following World War I, almost every nation in the world, except the United States, established a national travel office for the purpose of promoting travel to and within their respective countries. The United States was, and is, the prime objective of the travel advertising campaigns of these foreign countries.

The American people are great travelers, both at home and abroad, but we could not seem to get interested in conducting an aggressive campaign to attract foreign visitors to our country or in furnishing any aid or assistance to our own vast domestic travel industry. As a result of this situation we had, all through the 1930's an unfavorable trade balance, due to travel, of several hundred million dollars each year.

In 1939, the United States was host to the First Inter-American Travel Congress. This occasion served to emphasize the fact that we were the only one of the 21 nations in the Western Hemisphere that did not have an official travel office.

To remedy this situation, there was enacted by the Congress, the Travel Act of July 19, 1940, under the terms of which, the Secretary of the Interior was authorized and directed, through the National Park Service, to promote and develop travel to and within the United States, its Territories and possessions.

The Secretary accordingly established the United States Travel Division. It was placed within the National Park Service as the law requires. Its functions, however, are by no means confined to the promotion of travel to the national parks, but apply to all types of travel and all travel objectives. The act specifies that the Government's travel activities shall not compete with or duplicate the work of State, regional, and private travel organizations. It also grants authority for annual appropriations not to exceed $100,000.

Operating under the provisions of the Travel Act of 1940, the United States Travel Division has done a splendid job of assisting our great travel industry in maintaining a high level of travel in this country, and in interesting people in other countries in visiting the United States.

Section 3 of the 1940 act provides for an advisory committee on travel promotion. This has been organized and is functioning. It includes top-rank executives of the American Hotel Association, the Association of American Railroads, the National Association of Motor Bus Operators, the Air Transport Association, the National Federation of American Shipping, the American Automobile Association, and representatives of Government departments and agencies having an interest in travel. In addition, special collaborators representing the National Association of Travel Officials, the American Society of Travel Agents, and the International Association of Convention Bureaus have been appointed to supplement the advisory committee. All programs and policies of the United States Travel Division have been carefully devised and reviewed by these great national travel associations and hence the work of the Travel Division has their unqualified support.

The authorized amount of $100,000 has never been appropriated in any one year. The Travel Division was, in fact, suspended during the war. In fiscal year 1948, $75,000 was appropriated. In fiscal year 1949, $62,000 was appropriated. Nevertheless, a highly skilled staff has been developed. The quality and quantity of the work it has done has won the highest praise of the traveling public and travel organizations throughout the world.

In the budget for the fiscal year 1950, the sum of $63,600 was recommended. However, the House Committee on Appropriations eliminated this small item from the Interior appropriation bill. Up to this time attempts to reinstate the item in the bill have not been successful. The purpose of my amendment is to restore this small sum for this useful agency. Its program is of great assistance to my State and to every other State and Territory in the Nation and to countless business enterprises large and small which depend in whole or in part on the tourist trade for their support.

In almost every State, travel ranks first, second, or third as a source of income. Leading travel officials estimate that $12,000,000,000 was spent on interstate travel alone last year, and that at least an equal sum was spent on local travel by local people. According to these estimates travel is a $24,000,000,000 industry and ranks third among all revenue-producing activities. It is outranked only by all manufacturing and all retail and wholesale trade. In view of the millions of dollars appropriated annually by the Congress to aid other industries, it seems to me that we will be doing a grave injustice to the travel business to deny it the extremely modest sum of $63,600 with which to conduct the one office in the Government dedicated to the aid of our third most important revenue-producing activity.

Mr. President, the United States Travel Division is not merely an information office, although it does assist thousands of persons in finding the best sources of information regarding travel matters.

What is more important is that it provides the hotels, resorts, auto clubs, oil companies, restaurants, motor courts, public transportation companies, travel agents, and the many other enterprises that service travelers with the means of getting together to work out mutual problems. It gives these important travel interests a voice in governmental meetings and international conferences on travel matters which the officials of the Travel Division attend. This is of particular importance, at this time, when there is such intense rivalry by all nations to attract United States tourists. After all, United States tourists are the source of support for our own hotels and resorts. If too many of them are diverted to foreign countries, our third greatest source of national income will suffer. Surely, our travel organizations should be given a chance to get together for the advancement of their fundamental interests if the cost to our Government is only $63,600.

Although our travel business is prospering at present, it is faced with many threats and problems which it will be in a stronger position to cope with if it has this helpful office within the Government to aid it.

One of the important tasks of the Travel Division is the promotion of travel from foreign countries to this country. The governments of all nations maintain federal travel offices for the purpose of promoting travel to their respective countries. The travel industry in the United States, based on this international precedent, has a right to expect this Government to do a similar job in bringing in tourists from other countries for the benefit of our hotels, resorts, and transportation lines. The United States Travel Division is authorized to do this job and will do it if given the funds.

It is true that economic conditions in many lands are not favorable to intensive campaigns for the promotion of travel to the United States of America. But there is a considerable volume of travel from other countries and it is increasing daily. There is an intense interest abroad in travel to the United States of America and a big demand for accurate information concerning the travel attractions and travel conditions in this country. A central Government agency such as the United States Travel Division is required to furnish concise and impartial information of this type. We need this office to maintain the competitive position of the United States in world travel circles.

I believe you know that our Government, through the Economic Cooperation Administration, is engaged in promoting travel from the United States of America to the European nations cooperating under the Marshall plan. This plan has merit, if it is pursued as a temporary expedient, and if it is handled in such manner as to do the least possible damage to our domestic travel business. One thing is certain, however, and that is that we must not adopt a policy through which travel away from the United States is encouraged by the Government while travel to and within the United States is dealt a body blow through the elimination of the United States Travel Division.

As world economic conditions improve, the need for the United States Travel Division will increase. The United States has never been a host Nation. Our people are great world travelers, but even in the best travel years in prewar days we did not play host to any substantial number of foreign visitors. We must alter this situation as rapidly as conditions will permit. We spend millions, and rightly so, on our Voice of America program trying to tell other people what we are like here in the United States of America. But one visitor who comes and sees with his own eyes, and returns to tell his neighbors, is worth more than a thousand books, or a hundred radio programs. And it will always be good sense to get as much foreign travel as we can just as a matter of good business and to partially offset the unfavorable trade balance caused by the heavy travel of our citizens overseas.

The United States Travel Division has a big job to do in helping to prepare us to be a good host Nation. We need attractive printed material about the travel attractions of the whole United States. We need better welcoming techniques at our ports of entry. We need to help our foreign visitors get around over our country economically and pleasurably in spite of language differences and other difficulties. We need to help our overseas steamship and air lines get the names of prospective travelers coming to the United States of America, which we can do through a proper travel promotion campaign.

Last year, the House of Representatives passed a bill changing the status of the United States Travel Division from that of a Division in the National Park Service to a separate bureau in the Department of the Interior. The House bill did not reach the Senate in time for consideration, but I believe this was desirable legislation. Our Federal travel office should be given a distinct identity either as a separate bureau or as a division of the Office of the Secretary of the Interior. This would assure more careful hearings before congressional committees for the travel office than it now gets as a small part of the National Park Service. The need for more careful consideration by the Congress of travel matters is painfully apparent in the situation under discussion today.

Legislation similar to that just referred to has been introduced in the present Congress as H. R. 4321 and H. R. 4204. A similar bill will soon be introduced in the Senate.

I urge, therefore, that my amendment providing for the continuation of the United States Travel Division be approved. This will keep this thoroughly worth-while work intact pending the final outcome of the proposed legislation just referred to.

The modest sums of money spent through the United States Travel Division are an investment, not an expense. Every dollar so spent will come back to the State and Federal Treasuries many times over through the help we will give to thousands of business firms, large and small, in keeping up a healthy flow of travel to and within the United States of America.

I repeat, whether you know it or not, travel is the first, second, or third largest industry in your State. The travel officials in your State know the United States Travel Division and endorse its work. The need for economy is strong, but it is false economy, indeed, to eliminate the tiny appropriation of this small but helpful office while millions are furnished for countless enterprises the value of whose contributions to the Nation's welfare are much more difficult to demonstrate. I know, for example, of an instance in which $100,000 was quickly appropriated for the purpose of paying the expenses for a trip around the country of a group of delegates to an international conference. Does it make sense to do this, and then refuse $63,600 for an agency whose regular business it is to attract visitors to the United States of America from all over the world?

It is my firm belief that if we terminate the work of this useful office through the lack of an appropriation, it will only be a short time before some other provision will have to be made for a Federal travel office. Travel has become too important an enterprise to be denied the representation it needs in the Federal Government. There would therefore be no gain, only loss in terminating the services of the highly skilled and thoroughly respected staff of the United States Travel Division. And if a new office is established, there is a strong probability that it will be done on a much more costly and elaborate scale than under the present arrangement.

I sincerely urge that every Member give his strong support to the measure I have introduced. When we seek economy, let us concentrate on those activities where millions, or billions, are concerned rather than extinguishing a small, useful organization whose total budget is literally not even a drop in the proverbial bucket.

The Senate committee did not see fit to add to this appropriation. I do not know whether it was presented to the committee, but I know there is great interest in the Senate and in the Congress with reference to this matter. The purpose of my amendment is to restore this small sum for this useful agency. The program is of great assistance to my State and to every other State and Territory of the Nation, and to countless business enterprises, large and small, which depend, in whole or in part on the tourist trade for their support.

Mr. HAYDEN. I cannot guarantee that the House will reverse itself, but I shall be glad to accept the amendment and take the consequences.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. First, I want to thank the Senator in charge of the bill. He says that he does not know whether he can persuade the House. I know how persuasive he is, and I am sure he will not have the slightest difficulty in persuading the House to accept an amendment having the merits which this amendment has.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield the floor.

Mr. FULBRIGHT. Mr. President, I happen to know something about this particular agency, and I know that the man in charge of it is a very excellent man. The agency contributes a great deal to the growth of travel throughout this country and abroad. I hope the chairman of the subcommittee will urge the acceptance by the House of the item referred to.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Colorado.

The amendment was agreed to.

Mr. HAYDEN. Mr. President, that completes the amendments.

The PRESIDING OFFICER. If there are no further amendments, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time. The bill was read the third time.

Mr. DOUGLAS. Mr. President, I send to the desk a motion and ask that it be read by the clerk.

The PRESIDING OFFICER. The clerk will read the motion of the Senator from Illinois.

The legislative clerk read, as follows:

I move that House bill 3838 be recommitted to the Committee on Appropriations with instructions to reconsider the amounts provided therein, for budgeted and nonbudgeted items, and to report the same back to the Senate with the sums of money in appropriations and contract authorizations to be the same as the sums passed by the House of Representatives, with the exception of the amounts provided for by the Senate on page 51, line 20.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Illinois.

Mr. DOUGLAS. Mr. President, I should like to point out, if I may, what will happen in connection with this bill. The House provided for a total appropriation of $536,000,000. The bill as reported to the Senate provided for $590,700,000. We have also increased the amount of cash appropriations, on the floor of the Senate, by somewhere between $4,000,000 and $5,000,000. In addition, I should like to invite attention to the fact that the contract authorizations, which amounted to $41,000,000 as the bill passed the House, have been increased to $70,000,000, which is an increase of $29,000,000. There have been between $3,000,000 and $4,000,000 in contract authorizations provided for on the floor of the Senate. We have, therefore, increased appropriations and contract authorizations about $90,000,000 as compared with the figure approved by the House.

I should also like to point out that the financial situation of the country is very difficult. I hold in my hand the fiscal statement as of the 22d of this month. In the 53 days which have elapsed since the beginning of the fiscal year, we have taken in $140,000,000 less than we took in last year, but we have spent $664,000,000 more than we spent last year. Last year at this time, the deficit, so far as current operations were concerned, amounted to $838,000,000. The deficit for these 53 days of operations amounts to $1,642,000,000.

It is my considered judgment that if we continue at the rate we are going, the deficit for 1949–50 will be more than $6,000,000,000 and may possibly rise to $7,000,000,000. We are at a very crucial point of decision.

The proposal I make would save all the public-power projects, because they are included in the House appropriation bill. It would also save the Fort Peck transmission line. The RECORD will show that I voted with that group of Senators favoring every public-power proposal which came before the Senate in this bill, but I think the Senate committee has increased the total sums far above what they should have been, in view of the financial situation of the Nation. Here is an opportunity to save approximately $54,000,000 in cash and approximately $33,000,000 in contract authorizations, or a total of very close to $90,000,000.

So I hope, Mr. President, the motion will be agreed to. In view of the fact that 62 Senators signed the resolution asking the President to cut the budget from 5 to 10 percent, I am sure that those 62 Senators, and possibly others, will join with me in voting to cut the Interior Department appropriation by the amount mentioned.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. WILLIAMS. I notice, in reading the motion, that the Senator made an exception. Will be explain that exception?

Mr. DOUGLAS. The exception was the Fort Peck transmission line. I happen to believe in public power. My criticism of the committee was that in operating on the patient it operated on the jugular vein and did not go into the abdomen. In fact, it increased the abdomen. The committee operated on the jugular vein of the transmission line. I want to restore the jugular vein, but I want to reduce the excess fat around the belly.

Mr. HAYDEN. Mr. President, the Senator from Illinois has made an excellent argument, except that his facts are not correct.

Mr. DOUGLAS. I am sorry.

Mr. HAYDEN. The Senator from Illinois completely overlooked the fact that with respect to all construction items in the bill—and they are a major portion of it—the House of Representatives arbitrarily reduced the amount of the budget estimate by 15 percent. If that had been the final judgment we could not quarrel with it, but after having done so, they stated they took that action on the assumption that the price of material and labor might go down, but if that did not happen, then the Reclamation Service and other agencies of the Interior Department were cordially invited to return to Congress and Congress would make up the difference. These are the words:

If this proves impossible—

That is, the 15-percent cut—

the committee intends to recommend approval of such additional funds as are shown to be required to finance items of construction proposed in the budget unless specifically hereafter denied.

The Senate committee made diligent inquiry as to what contracts were outstanding, where construction work was going on, and where a firm commitment had been made by the Congress to pay the cost of construction.

We put in every dollar that was required for them. As to the other items, we cut them down by 10 percent. What we want to do when we go to conference is to say to the House of Representatives, "This is the amount of money we expect to see expended by the Interior Department next year," and we do not want to leave it wide open that they may come back next spring with an invitation for deficiencies.

Of course we would not be fooling ourselves, but we should not deceive the public by saying we are making cuts when we know the effect of the cuts will be that the agencies will be compelled to return next spring and ask for more money. So the proper procedure is to make honest appropriations, as the Senate committee recommended, agree with the House as best we can upon them, and then stick to what we do. In that way we are not deceiving the public and not deceiving anybody, not even deceiving ourselves.

Mr. DOUGLAS. Mr. President, I thank the very able Senator from Arizona for his statement, which seemed to me to supplement, not correct, my facts.

I would like to point out, however, that the appropriation by the Senate is less than 5 percent below the amount recommended by the budget estimate, despite the fact that there has been a fall of 8 percent in prices, and despite the fact that the financial situation of the country is very much worse than it was in December, when the budget was framed.

The budget was drawn in December, when we assumed that we were in prosperity, and were in prosperity. We are now in a recession. We are faced with a budget deficit of six or seven billion dollars for the coming year. And I think this is a time when we should observe the utmost economy, and practice what we preach in the Senate. We should be willing to do the job of economizing ourselves and not pass it on to the Executive.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Illinois that the bill be recommitted.

Mr. WILLIAMS. Mr. President, I shall support the motion of the Senator from Illinois, because I agree with him that if we are to cut the budget, this is the place to do it, and that we should not pass the responsibility on to the President.

However, I do not agree with the Senator altogether since I do not approve of his exception. Once more we have here the example of a Senator willing to cut the budget 5 percent except in those items which are close to his heart. I think that if we send the bill back, we should send it back with instructions to cut it even as to items which appeal to us personally. I do not believe we should make any exceptions.

While we are talking about the budget estimates, let me say that the bill as it was reported to the Senate represented an increase of $126,284,549 over what was appropriated for the same Department last year, or an increase of 27.1 percent. Even if we cut 5 percent, we will still have an increase of 22 percent over last year's expenditures in this one Department, not counting the additions made on the floor of the Senate today.

Again I say I shall support the motion of the Senator from Illinois, reluctantly, however, because I think we are going to find he will lose the votes of many Senators, because each Senator is going to have in the bill certain projects which are important to his own State, and if he supports the motion he is going to feel, "I am voting to cut appropriations for projects which I favor, and the project of every other Senator except the one that is close to the heart of the Senator who made the motion." I think the Senator from Illinois would have gotten many more votes if he had not made the exception, and I think he will agree with me that the way to get his motion agreed to is to cut all items.

Mr. President, this is not the only appropriation bill that has been increased substantially over last year. In order that the record may be complete, I have a chart which I wish to place in the RECORD before the vote is taken.

There are in all 11 major appropriation bills, and the record of the Senate up to this time is that we have increased the amounts in the bills by over $4,000,000,000. I ask unanimous consent at this time that a summary of the bills be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

Summary of appropriation bills

Bill and number	Appropriation, fiscal 1949	Appropriation, fiscal 1950	Amount of increase or decrease	Percent increase or decrease
District of Columbia (H. R. 3082)	$99,729,483	$102,754,447	+$3,024,964	+3.0
Treasury and Post Office (H. R. 3083)	2,244,727,680	3,090,528,904	+845,801,224	+37.7
Labor-Federal Security (H. R. 3333)	1,866,053,700	2,387,799,885	+521,746,185	+27.9
Civil functions (H. R. 3734)	641,575,666	[1] 751,440,690	+109,865,024	+17.0
Agriculture (H. R. 3997)	577,546,953	715,601,607	+138,054,654	+23.9
State, Justice, Commerce (H. R. 4016)	511,129,662	677,972,102	+166,842,440	+32.4
Legislative (H. R. 5060)	56,140,401	62,262,110	+6,121,709	+10.7
Independent offices (H. R. 4177)	[2] 6,825,581,463	[1] 7,663,429,323	+837,847,860	+12.2
	[3] 7,791,870,751			
Total	12,822,485,008	15,451,789,068	+2,629,304,060	+20.6

[1] Passed by Senate and now in conference.
[2] Original appropriation; does not include supplemental and deficiency appropriations.
[3] Includes supplemental and deficiency appropriations; not included in total.

Appropriation bills to be acted upon

Bill and number	Appropriation, fiscal 1949	Appropriation, fiscal 1950 [1]	Amount of increase or decrease	Percent increase or decrease
Interior (H. R. 3838)	$464,401,362	$590,685,911	+$126,284,549	+27.1
National military (H. R. 4146)	10,454,477,413	12,731,834,478	+2,277,357,065	+21.7
Foreign aid (H. R. 4830)	6,599,282,000	5,647,724,000	−951,558,000	−14.4
Total	17,518,160,775	18,970,244,389	+1,452,083,614	+8.9

[1] Amounts recommended by Senate committee.

Mr. HAYDEN. Mr. President, for the information of the Senator I may say that there was an addition on the floor of the Senate of approximately $4,576,346 in the Interior Department bill.

Mr. WILLIAMS. I thank the Senator. The only appropriation we cut this year, as compared with last year, was the foreign-aid appropriation, House bill 4830. The amount of this decrease was $951,558,000, as reported to the Senate, although we did write in on the floor of the Senate a contract authorization of $150,000,000, and wrote in an extra $74,000,000 appropriation for the first 3 months of the year, which cut the savings down to around $700,000,000.

The net result is that we are spending over $4,000,000,000 more this year than we did last year for the same 11 executive departments.

We have just one more major appropriation bill on the Senate calendar, the national military bill, and much has been said about the billion dollar cut in this bill below the budget estimate, and it is true there is such a cut below the budget estimate. But I call your attention to the fact that the military appropriation bill on the calendar calls for an appropriation of $12,731,834,478, or $2,277,357,065 more than was appropriated last year for the same department.

So when Secretary Johnson boasts of the $1,000,000,000 he is saving, and I congratulate him on that saving, let us be frank and admit that we will still be spending around $2,000,000,000 more for our Military Establishment than we spent last year.

Mr. President, these bills can therefore stand some cuts, and if we cut them only 5 percent, our Government is still going to be spending more than our income. The only way we are going to make any substantial cuts is by saying we will take cuts in our own State projects or on projects close to our own hearts.

As I have said, I shall support the motion of the Senator from Illinois, but rather reluctantly. I would have supported it with enthusiasm if he had agreed to cut his own pet project. I have been voting consistently against these increases because it is my opinion that an unbalanced budget at this time offers the greatest threat to our form of government.

Unless we do drastically cut our Government expenditures the American people had just as well stop talking about any tax reduction. On the contrary if we continue this rate of reckless spending another 12 months we are going to be confronted with an inevitable tax increase; and a tax increase large enough to support our current rate of expenditures and still balance the budget will shake the very foundations of our free-enterprise system. I hope the Senator will withdraw his exception.

Mr. DOUGLAS. Mr. President, I accept the suggestion of the Senator from Delaware, and strike out the exception in my amendment, so that the amendment would leave the sums the same as those passed by the House of Representatives.

Mr. WILLIAMS. I thank the Senator.

Mr. HUMPHREY. Mr. President, I should like to make an observation. Some of us who have been on the floor of the Senate while the bill has been under consideration, at least have been here part of the time, have heard the amendments read page by page and line by line, and repeatedly I have heard the Presiding Officer ask the Members of the Senate, "Is there objection?" I have heard that "Is there objection?" not

once, but 50 to 100 times, during the consideration of the bill. And there was no objection. In the sense that these increases, as they came along, were not objected to by any Member of the Senate, they have been approved. So, no matter how we may vote, I think it is a justified observation that those who up until this moment have had opportunity to hear the amendments read, and to hear the Presiding Officer ask whether there was any objection, have raised no objection. It is our duty to be here, and if there are any objections which we wish to register, we should make them known. To come along at this hour and say, "Let us recommit the bill; let us go back to the House figures," I do not think is the way to proceed. I might say that if I had felt as the Senator from Michigan felt, when the first amendment came up, on page 2, line 16, "Contingent expenses, Department of the Interior," raising the appropriation from $190,000 to $217,500, I would have said, "I object."

So, Mr. President, I cannot support the motion, because I have had the good fortune to be interested in the debates, I have heard the clerk read the amendments one by one, I have heard the Presiding Officer ask the Senator from Minnesota, as a Member of this honorable body, "Is there objection?" and I have not raised my voice in objection, so I cannot support a motion which is equivalent to saying that somehow or other I was not doing my duty.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Illinois [Mr. DOUGLAS] to recommit the bill.

Mr. WILLIAMS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The roll was called, and the following Senators answered to their names:

Anderson	Hoey	Murray
Bricker	Holland	Myers
Bridges	Humphrey	Neely
Byrd	Ives	O'Conor
Cain	Jenner	O'Mahoney
Capehart	Johnson, Colo.	Pepper
Chapman	Johnson, Tex.	Reed
Chavez	Kefauver	Robertson
Connally	Kem	Russell
Cordon	Kerr	Saltonstall
Donnell	Kilgore	Schoeppel
Douglas	Knowland	Smith, Maine
Downey	Langer	Smith, N. J.
Ecton	Leahy	Sparkman
Ellender	Long	Stennis
Ferguson	Lucas	Taft
Flanders	McCarthy	Taylor
Frear	McClellan	Thomas, Okla.
Fulbright	McFarland	Thomas, Utah
George	McKellar	Tobey
Gillette	McMahon	Tydings
Graham	Magnuson	Vandenberg
Green	Malone	Watkins
Gurney	Maybank	Wherry
Hayden	Miller	Wiley
Hendrickson	Millikin	Williams
Hickenlooper	Morse	Young
Hill	Mundt	

The PRESIDING OFFICER. A quorum is present.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Illinois [Mr. DOUGLAS], as modified, to recommit the bill to the Committee on Appropriations.

The motion was rejected.

The VICE PRESIDENT. The bill is open to further amendment. If there be no further amendments to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 3833) was read the third time and passed.

Mr. HAYDEN. Mr. President, I move that the Senate insist upon its amendments, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. HAYDEN, Mr. THOMAS of Oklahoma, Mr. O'MAHONEY, Mr. WHERRY, and Mr. GURNEY conferees on the part of the Senate.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 973. An act to exempt from taxation certain property of the National Society of the Colonial Dames of America in the District of Columbia; and

S. 2146. An act to provide certain additional rehabilitation assistance for certain seriously disabled veterans in order to remove an existing inequality.

The message also announced that the House had passed a bill (H. R. 6070) to amend the National Housing Act, as amended, and for other purposes, in which it requested the concurrence of the Senate.

JOINT COMMITTEE TO ATTEND FINAL ENCAMPMENT OF THE GRAND ARMY OF THE REPUBLIC

Mr. DOUGLAS. Mr. President, out of order, I ask unanimous consent for the present consideration of House Concurrent Resolution 102, authorizing the House and the Senate to appoint a joint committee to attend the final encampment of the Grand Army of the Republic. Since that encampment is to begin on the 28th of August, it is essential to have action on the resolution taken promptly.

The PRESIDING OFFICER. The concurrent resolution will be read.

The concurrent resolution (H. Con. Res. 102) was read, as follows:

Resolved, etc., That there is hereby created a joint committee which shall be composed of five Members of the Senate to be appointed by the President of the Senate, and five Members of the House of Representatives to be appointed by the Speaker of the House of Representatives. The committee shall select a chairman from among its members.

SEC. 2. The joint committee shall represent the Congress at the Eighty-third and Final National Encampment of the Grand Army of the Republic, to be held at Indianapolis, Ind., from August 28 to September 1, 1949.

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the concurrent resolution was considered and agreed to.

Mr. HAYDEN. Mr. President, House Concurrent Resolution 103 was recently reported by me from the Committee on Rules and Administration. It is a subsequent concurrent resolution, passed by the House of Representatives, covering the expenses in connection with the concurrent resolution just adopted by the Senate. I ask for its immediate consideration.

The PRESIDING OFFICER. The concurrent resolution will be read.

The concurrent resolution (H. Con. Res. 103) was read, as follows:

Resolved, etc., That the expenses of the joint committee created pursuant to House Concurrent Resolution 102, not to exceed $5,000, shall be paid by the Clerk of the House of Representatives out of the contingent fund of the House of Representatives, such contingent fund to be reimbursed from the contingent fund of the Senate in the amount of one-half of the disbursements so made.

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the concurrent resolution was considered and agreed to.

BIRTHDAY CONGRATULATIONS TO FORMER VICE PRESIDENT CHARLES G. DAWES

Mr. WHERRY. Mr. President, in this hour when fiscal and economic affairs fall so heavily as a burden upon a world still searching for recovery from the effects of war it seems to me most fitting that the Senate of the United States pay honor and extend birthday greetings to a man who has well served both his country and the world in past moments of economic duress.

On Saturday, August 27, the distinguished former Vice President of the United States, Charles Gates Dawes, will observe his eighty-fourth birthday in his home city of Chicago. It is well known to all Members of the Senate that General Dawes gave distinguished and devoted service to his country as the father and first Director of the Federal Bureau of the Budget, as one of the founders and first head of the Reconstruction Finance Corporation, as a key member of the Military Establishment during the First World War, as Ambassador to Great Britain, as head of the Reparations Commission after World War I and originator of the Dawes plan, as one of the Nation's outstanding commercial bankers and authorities on finance, and as Vice President of the United States.

We who live in Nebraska feel a particular kinship with this distinguished American, for it was to Lincoln, Nebr., that he came in 1887 to establish himself in the practice of law following his graduation from law school in his native State of Ohio. He remained as a practicing lawyer in Nebraska until 1894, when he transferred his residence to Illinois and quickly advanced up the ladder to fame.

Some of his most notable friendships among famous public figures developed during those pleasant years that he was a Nebraskan. Without regard to his personal politics he there formed lasting friendships with William Jennings Bryan; General of the Armies John J. Pershing; one-time Secretary of Agriculture J. Sterling Morton and others.

It seems to me now most fitting that the Senate, over which he once presided,

take this occasion to extend birthday greetings and felicitations to General Dawes on the occasion of his eighty-fourth anniversary and direct the Secretary of the Senate to so advise Mr. Dawes. To that end, I submit to the Senate an appropriate resolution and ask unanimous consent for its immediate consideration. I am honored to send to the desk the resolution.

The VICE PRESIDENT. The resolution will be read for the information of the Senate.

The resolution (S. Res. 161) was read, as follows:

Resolved, That the Senate of the United States extends most cordial greetings and felicitations to the Honorable Charles Gates Dawes, on the occasion of his eighty-fourth birthday, August 27, 1949, for during a long and distinguished career he has served his country in a most conspicuous and devoted manner as a financial expert, as a soldier, as a diplomat, and as Vice President of the United States and President of this august body.

Resolved, That the Secretary of the Senate transmit a copy of this resolution to General Dawes.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and unanimously agreed to.

WEAKNESS OF THE MARSHALL PLAN AND SOLUTION FOR PRESENT CONFUSION AND CHAOS IN EUROPE

Mr. FULBRIGHT. Mr. President, on last Wednesday, August 24, that admirable newspaper the New York Times, noted for its accurate, but stodgy understatement, carried two extremely important and timely items in its editorial page, an editorial and an article.

The article by Anne O'Hare McCormick, points out the weakness of the Marshall plan and the editorial describes the proper solution to the present confusion and chaos in Europe.

Mr. President, I desire especially to call the attention of the policy makers of our Department of State to these articles. For more than 2 years several of us in this body have endeavored to persuade the Department of State to recognize that dollars alone are not enough to solve the problems of Europe. We have pleaded with the Department to have just a scintilla of imagination and originality in their plans. In particular we have urged them to suggest to the Europeans that political and economic unification is essential to their recovery.

The opportunity to begin the process of unification has been neglected, but it is possible that with strenuous efforts it may not be too late. Certainly it is still preferable to try it than to follow blindly a policy doomed to failure.

Since neither the Department nor the Senate has been impressed by the arguments heretofore made on this floor, I wish to quote part of the article by Mrs. McCormick:

> The immediate point is that in trying to fill the void the United States has given more money than counsel. The American reporter who has interviewed governments since the aid program got under way has heard few echoes of the complaints of American dictation or interference that form the staple of Communist propaganda and are now echoed in the more irresponsible Labor circles in England. But times without number, the American has heard complaints that we don't interfere enough. Over and over again, in conversations with Government officials—very much off the record—one listens to questions like this: "Why don't you impose conditions with your gifts?" "Why don't you insist on measures of real cooperation?" "Why don't you use your power to force us to do things we should do, need to do, and have not the political courage to do on our own."

Mr. President, I regard it as one of the greatest tragedies of our history that, although our people were willing and able to pay the taxes and give the necessary goods to a stricken Europe, our leaders lacked the foresight and wisdom to supply the vision necessary to make our material aid effective. As has been so well said, "Where there is no vision the people perish."

Mr. President, this miscarriage of a magnificent idea and of an unprecedented generosity has many unforeseeable consequences, but one of those consequences is a hesitancy on the part of some of us in following too quickly the more recent proposals of our leaders. I have reference to the military assistance program.

One reads a great deal in the press about the difficulties the program is encountering in the Congress. It is said that our bipartisan policy is breaking down. Mr. President, as a Democrat and as one who has without exception supported the official foreign policy of this Government for 7 years, I submit that there is more than partisanship involved in the present difficulties of the official policy. The simple fact is that having observed the operation of the ECA very closely since its beginning, I as a member of the majority party, need some reassurance about the wisdom of the policy to be followed in the MAP before I am willing to accept the total proposal of the Government.

Last spring I was disposed to withdraw my support of the ECA because of the failure of our Government to promote the unification of Europe. Finally, and very reluctantly, I did support it, with the hope that something would happen this year to change our policy. It is just barely possible that the statesmen now meeting in Strasbourg in the Council of Europe may bring about that change.

In any case, Mr. President, I wish to make it clear that my reluctance to accept the MAP of the Government in the terms submitted is to a very great extent influenced by my disappointment in the policy followed by the Government in administering the Marshall plan. Nothing dampens one's enthusiasm for a new program more than the failure of the old program.

Mr. President, I ask unanimous consent to insert in the RECORD at this point, as a part of my remarks, an excerpt from the article by Mrs. McCormick and the editorial from the New York Times entitled "For European Unity." I also ask that an Associated Press dispatch from Strasbourg commenting on the ECA be inserted.

There being no objection, the excerpt from the article and the editorial and dispatch were ordered to be printed in the RECORD, as follows:

[From the New York Times of August 24, 1949]

THE BIG QUESTION OF DIVIDING THE DOLLARS

(By Anne O'Hare McCormick)

* * * * *

QUESTIONING AMERICAN POLICY

The immediate point is that in trying to fill the void the United States has given more money than counsel. The American reporter who has interviewed governments since the aid program got under way has heard few echoes of the complaints of American dictation or interference that form the staple of Communist propaganda and are now echoed in the more irresponsible Labor circles in England. But times without number the American has heard complaints that we don't interfere enough. Over and over again, in conversations with government officials—very much off the record—one listens to questions like this: "Why don't you impose conditions with your gifts? Why don't you insist on measures of real cooperation? Why don't you use your power to force us to do things we should do, need to do, and have not the political courage to do on our own?"

Of course the United States cannot force the beneficiaries of the Marshall plan. The most it can do is to support a policy on which they agree. This is what it has done so far in relation to OEEC. The members will have to work out a division of dollars among themselves. The British will receive help, but on their own plan of salvation.

Yet we alone have power to meet the crisis, and we are just beginning to realize that it cannot be met with small measures of temporary palliatives, or without the concerted all-out effort of every people in the western world. The great problem is how to distribute responsibility without dollars, how to evoke in our partners the sense of community of purpose which will inspire them to work together, with different means, for the same end. The shock of discovering that the Marshall plan is not enough puts upon all the nations involved the duty of doing not less but more.

[From the New York Times for August 24, 1949]

FOR EUROPEAN UNITY

Next to the trumpet call for European unity sounded by Winston Churchill, the most urgent and compelling demand to the same effect has been voiced at the Strasbourg meeting of the Council of Europe by Paul Reynaud of France. As wartime Premier M. Reynaud urged and obtained from the British War Cabinet headed by Mr. Churchill a declaration proposing an indissoluble union between France and Britain, for which he was ready to fight to the last. This proposal was made in the hour of France's agony, when Hitler's armies were already in Paris, and it came too late to avert France's downfall. Now Europe is again living under the shadow of another conqueror whose fifth columns are gnawing at the foundations of the free world. And again M. Reynaud and Mr. Churchill join forces to urge an indissoluble union, not only of France and Britain but of all free European nations—before it is again too late.

But whereas Mr. Churchill invokes the ancient glories of Europe, M. Reynaud rests his plea on the inexorable facts of Europe's economic life. Europe, he points out, is living from hand to mouth, first by means of loans, then grants, and now Marshall aid. But that aid is being administered by representatives of individual governments pursuing selfish national policies, with the result that Europe is following a dead-end

street, which, moreover, comes to an end in 1952. M. Reynaud warns that unless the situation is remedied by that time Europe will face an economic crisis which might result in victory for Stalin.

The remedy he proposes is a European federation with a real European legislature directly elected by the European peoples and able to establish a large trading area with a single currency and a mass market capable of supporting mass production according to the most economic methods and in the most economic locations. He freely admits that this would ultimately mean a sacrifice of national sovereignty, but he stresses that this must happen if Europe is to survive in freedom. There is a place, he declares, for a unified Europe standing between the two giants of America and Russia, but there is no such place for a mosaic of independent states.

This plea came fittingly on the eve of today's ceremonies in Washington, at which President Truman will formally put into effect the North Atlantic Treaty, designed to unite the defensive resources of the Atlantic community, of which European military unification and economic stability are essential parts. The difficulties which these projects face are illustrated anew both in Washington, where primarily conservative elements oppose military aid, and in Strasbourg, where primarily socialistic spokesmen oppose economic unification, except on their terms. But the opposition in both cases might well heed M. Reynaud's warning that the proponents of unity are not ahead of the times; rather that the times are ahead of them. And time does not wait.

[From the Washington Post of August 25, 1949]

END DISUNITY BY 1952 OR FACE ECONOMIC RUIN, POSSIBLY WAR, EUROPEAN NATIONS ARE WARNED

STRASBOURG, FRANCE, August 24.—The European Consultative Assembly wound up its economic debate today with the generally expressed conviction that the Marshall plan is being frittered away and disaster impends.

No one disputed warnings from Socialists, Conservatives, and middle-of-the-roaders that if Europe cannot remedy its economic disunity before the end of the European Recovery Program in 1952 she is in for an economic collapse, social upheavals, and perhaps war.

There was general agreement that two world wars fought in Europe, the rise of the United States and the industrialization of agricultural countries overseas had totally changed the continent's economic position in the world.

Statements that little long-range constructive work is being done under the Marshall plan also went unchallenged.

United States aid has been praised as generous and wise. But criticism has been turned upon representatives of the Marshall-plan countries themselves. It has been charged that these representatives in the Organization for European Economic Cooperation have not been able to submerge national interests in behalf of Europe's welfare.

Former French Premier Paul Reynaud yesterday urged that a real European parliament be elected by direct suffrage with power to knock together the conflicting economies.

One resolution introduced today by Winston Churchill's European movement declared that "unless immediate steps are taken to promote a European economic union, there must inevitably be a European economic collapse involving a catastrophic decline in the standard of living of the European peoples and social disturbances endangering their democratic way of life."

Another resolution proposed by French Socialist Andre Philip said the economic unification of Europe is the only way of avoiding "a social crisis of extreme gravity."

British Laborites, however, cautioned against the union of collapse specter raised by these resolutions. They said an economic union stripping tariff protection from some industries would throw great numbers of people out of work and the medicine would be worse than the disease.

Britain's Laborites generally advise a go-slow, take-a-good-look policy toward proposals to unite planned and free economies.

The real battle will come over the Churchill-backed resolution in the committee on economic affairs, probably in about 10 days. As introduced, it bore 46 signatures from among the 101 delegates from 12 countries.

Lord Layton, a British Liberal, predicted the British pound would be devalued soon, and urged that other European currencies be devalued in concert.

He also urged that the Bretton Woods agreement, which he said provided for orderly monetary adjustments by moving from one fixed point to another, be shelved.

He urged that the agreement be laid aside temporarily to allow certain currencies to go free for a time in order that they should find their natural level.

THIRD DEFICIENCY APPROPRIATIONS

Mr. McKELLAR. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of House bill 5300, a bill making appropriations to supply deficiencies in certain appropriations for the fiscal year 1949, and for other purposes.

The VICE PRESIDENT. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 5300) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1949, and for other purposes.

The VICE PRESIDENT. Is there objection to the request of the Senator from Tennessee?

There being no objection, the Senate proceeded to consider the bill (H. R. 5300) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1949, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. McKELLAR. Mr. President, I wish to say to the Senate that this bill certainly will not take more than a few minutes to dispose of. It is unanimously reported by the committee. This is the third deficiency appropriation bill, the third deficiency bill we have had before us this year.

The amount of the bill as passed by the House was $127,000,000. The Senate committee has voted to add $9,000,000, making a total of $136,000,000. That is $48,000,000 less than the amount of the budget estimates which were sent to the two Houses.

The report is unanimous. It seems to me that the bill should be passed in a very few minutes. So far as I know, there is no opposition of any kind to it by any Member. I have not heard of any opposition to it.

Therefore, Mr. President, at this time I ask unanimous consent that the formal reading of the bill be dispensed with, that the bill be read for amendment, and the committee amendments be first considered.

The VICE PRESIDENT. Without objection, it is so ordered; and the Secretary will proceed to state the amendments of the committee.

The first amendment of the Committee on Appropriations was, under the heading "Legislative branch," on page 1, after line 7, to insert:

SENATE

CONTINGENT EXPENSES OF THE SENATE

Effective July 1, 1949, the basic salary of the research assistant to the majority leader authorized by Senate Resolution No. 158, agreed to December 9, 1941, hereby is increased from $6,000 to $7,320 per annum.

The amendment was agreed to.

The next amendment was, on page 2, after line 2, to insert:

Miscellaneous items: For an additional amount for miscellaneous items, exclusive of labor, fiscal year 1949, $152,108.

The amendment was agreed to.

The next amendment was, on page 2, after line 5, to insert:

Folding documents: For an additional amount for folding speeches and pamphlets at a basic rate not exceeding $1 per thousand, fiscal year 1949, $2,500.

The amendment was agreed to.

The next amendment was, on page 2, after line 8, to insert:

Stationery: For an additional allowance for stationery of $200 for each Senator and the President of the Senate, for the first session of the Eighty-first Congress, $19,400, to remain available until December 31, 1949.

The amendment was agreed to.

The next amendment was, on page 2, after line 12, to insert:

Joint Committee on Printing: For an additional amount for the Joint Committee on Printing for travel and subsistence expenses at rates provided by law for Senate committees, fiscal year 1950, $4,500.

The amendment was agreed to.

The next amendment was, on page 3, after line 6, to insert:

CAPITOL POLICE

Capitol Police Board: For an additional amount to enable the Clerk of the House of Representatives to reimburse the government of the District of Columbia for the salary of one Metropolitan policeman assigned to the Capitol Police Board to provide additional protection for the Capitol Buildings and Grounds, fiscal year 1950, $3,754.51.

The amendment was agreed to.

The next amendment was, on page 3, after line 17, to insert:

THE JUDICIARY

SUPREME COURT OF THE UNITED STATES

Preparation of rules for civil procedure: For expenses of the Supreme Court incident to proposed amendments or additions to the Rules for Civil Procedure for the district courts of the United States pursuant to title 28, United States Code, S. 2072, including personal services in the District of Columbia and printing and binding, to be expended as the Chief Justice in his discretion may approve, including such per diem allowance in lieu of actual expenses for subsistence at rates to be fixed by him not to exceed $10 per day, $5,000, to remain available until June 30, 1950.

The amendment was agreed to.

The next amendment was, under the heading "Independent offices—Commission on Renovation of the Executive Mansion," on page 5, line 18, after the figures "$50,000", to insert "to be disbursed by the Chief Disbursing Officer, Division of Disbursements, United States Treasury."

The amendment was agreed to.

The next amendment was, under the subhead "Social Security Administration—Grants to States for unemployment compensation and employment service administration," on page 7, line 25, after the numerals "1950", to strike out "$300,000" and insert "$392,850."

The amendment was agreed to.

The next amendment was, on page 8, after line 4, to insert:

GENERAL SERVICES ADMINISTRATION

PUBLIC BUILDINGS ADMINISTRATION

Site for public building at Omaha, Nebr.: For an additional amount for the acquisition of a site for a public building at Omaha, Nebr., as authorized by the acts of March 25, 1948 (Public Laws 455, 456, and 457), $150,000, to remain available until June 30, 1950.

The amendment was agreed to.

The next amendment was, on page 8, after line 11, to insert:

HOUSING AND HOME FINANCE AGENCY

OFFICE OF THE ADMINISTRATOR

Salaries and expenses

For an additional amount for "Salaries and expenses," fiscal year 1950, $75,000.

The amendment was agreed to.

The next amendment was, on page 8, after line 16, to insert:

ALASKA HOUSING

For purchase of obligations of the Alaska Housing Authority, as authorized by section 3 of the Alaska Housing Act (Public Law 52, approved April 23, 1949), fiscal year 1950, $10,000,000, to remain available until expended.

The amendment was agreed to.

The next amendment was, under the subhead "Motor Carrier Claims Commission—Salaries and expenses," on page 9, line 4, after "(5 U. S. C. 55a)", to insert "fiscal year."

The amendment was agreed to.

The next amendment was, on page 10, after line 11, to strike out:

SURPLUS PROPERTY DISPOSAL

For all necessary expenses of the Treasury Department in liquidating the affairs of the War Assets Administration in accordance with the provisions under this head in the Supplemental Independent Offices Appropriation Act, 1949 (Public Law 862, Eightieth Congress), as amended by the Act of February 21, 1949 (Public Law 7, Eighty-first Congress), $3,500,000: *Provided*, That not less than $2,500,000 of the foregoing amount shall be available for accrued annual leave of employees of the War Assets Administration.

The amendment was agreed to.

The next amendment was, on page 10, after line 21, to strike out:

For all necessary expenses of the Reconstruction Finance Corporation in connection with property transferred to such Corporation in accordance with the provisions under this head in the Supplemental Independent Offices Appropriation Act, 1949 (Public Law 862, Eightieth Congress), as amended by the act of February 21, 1949 (Public Law 7, 81st Cong.), $4,000,000.

The amendment was agreed to.

The next amendment was, on page 11, in line 9, after "501),", to insert "fiscal year."

The amendment was agreed to.

The next amendment was, under the subhead "United States Maritime Commission—Vessel operating functions," on page 11, line 12, after the word "receipts", to strike out the colon and the following additional proviso: *"Provided further*, That no part of the foregoing appropriation shall be available for surveys and inspections of vessels by the American Bureau of Shipping."

The amendment was agreed to.

The next amendment was, on page 11, after line 15, to strike out:

No additional vessels shall be allocated under charter, nor shall any vessel be continued under charter by reason of any extension of chartering authority beyond June 30, 1949, unless the charterer shall agree that the Commission shall have no obligation upon redelivery to accept or pay for consumable stores, bunkers, and slop-chest items, except with respect to such minimum amounts of bunkers as the Commission considers advisable to be retained on the vessel and that prior to such redelivery all consumable stores, slop-chest items, and bunkers over and above such minimums shall be removed from the vessel by the charterer at his own expense.

The amendment was agreed to.

The next amendment was, under the subhead "War Claims Commission—Administrative expenses," on page 12, line 16, before the word "to", to strike out "$281,250" and insert "$350,000", and in line 18, after the numerals "1948", to strike out the colon and the following proviso: *"Provided*, That no part of the foregoing appropriation shall be available for carrying out the provisions of section 8 of said War Claims Act of 1948."

The amendment was agreed to.

The next amendment was, under the heading "Department of Agriculture—Bureau of Entomology and Plant Quarantine—Salaries and expenses—Citrus blackfly," on page 14, line 9, after the word "pest", to strike out "$175,000" and insert "$205,000."

The amendment was agreed to.

The next amendment was, under the heading "Department of Commerce—Office of the Secretary—Liquidation of war agencies transferred to Commerce," on page 14, line 21, after "(5 U. S. C. 55a)", to strike out "$15,000" and insert "$40,000", and in line 22, after the amendment just above stated, to strike out the comma and "to be available for payment of accrued annual leave only."

The amendment was agreed to.

The next amendment was, at the top of page 18, to insert:

NATIONAL MILITARY ESTABLISHMENT

DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS

Corps of Engineers

Flood Control, General

For the completion of interior drainage facilities at Mandan, N. Dak., as a part of the local flood-protection project authorized by the Flood Control Act of 1946 (Public Law 526, 79th Cong., 2d sess.), fiscal year 1950, $76,000, to remain available until expended.

The amendment was agreed to.

The next amendment was, under the heading "Treasury Department—Office of the Secretary," on page 20, after line 20, to insert:

PERSONAL OR PROPERTY DAMAGE CLAIMS

For an additional amount for personal property damage claims, $40,000.

The amendment was agreed to.

The next amendment was, on page 21, after line 18, to insert:

COAST GUARD

RESERVE TRAINING

For pay, allowances, clothing, transportation, and subsistence, as authorized by law for personnel of the Coast Guard Reserve on active duty undergoing training or performing drills or equivalent duty, and for regular or reserve personnel on active duty engaged primarily in administration of the reserve training program (including transportation of dependents and household effects); personal services at the seat of government; expenses of recruiting; printing and binding; purchase of not to exceed 22 passenger motor vehicles; maintenance, operation, and repair of aircraft; and other expenses necessary for the reserve training program; fiscal year 1950, $3,000,000: *Provided*, That rates for drill pay shall not exceed those prescribed by or pursuant to law for the Naval Reserve.

The amendment was agreed to.

The next amendment was, under the heading "Title II—Claims for damages, audited claims, and judgments," on page 22, in line 19, after the words "set forth in", to insert "Senate Document Numbered 96, and"; line 21, after the word "Congress", to strike out "$4,553,922.31" and insert "$7,664,035.07."

The amendment was agreed to.

The VICE PRESIDENT. That completes the committee amendments.

Mr. SALTONSTALL. Mr. President, for the sake of the RECORD, I should like to ask the chairman of the committee a question in connection with the appropriation to the Department of Agriculture in the amount of $34,000,000 for the eradication of the foot and mouth disease. I have no objection to that item; I realize its importance. I wish to ask whether it includes any authority to build the laboratory, with respect to the location of which there is so much contention.

Mr. McKELLAR. So far as I am informed and believe, it does not.

Mr. SALTONSTALL. So the appropriation will leave that problem still before the Senate, for another session; will it?

Mr. McKELLAR. It leaves it as it is.

Mr. SALTONSTALL. I thank the Senator.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. MAGNUSON. I may say to the Senator from Massachusetts that, in connection with that matter, the Senator will recall that we provided, I believe, $500,000 for the Secretary of Agriculture to make a survey and also to determine the site. It is my understanding that he did appoint such a group, and that it has made the survey, and that it has made its report to the Secretary of Agriculture. About 10 days or 2 weeks ago the Secretary of Agriculture anounced that he would release the report and would make selection of the site on the following noon. Certain matters came up in the interval; and on

the following noon the Secretary postponed the decision. The matter is still pending in the Department. But I suspect that all the facts are in, and that as of the present date the Secretary of Agriculture himself is somewhat unready to make the decision as to the site.

Mr. SALTONSTALL. But no appropriation is available for building the laboratory, even if the site is selected. Is that correct?

Mr. MAGNUSON. I do not know what would be done with the $34,000,000. I was going to ask the Senator from Tennessee about that.

Mr. McKELLAR. This is to pay for cattle that were slaughtered in Mexico. It has nothing to do with the proposal which has just been referred to by the Senators.

Mr. SALTONSTALL. I thank the Senator.

Mr. McKELLAR. Mr. President, by the direction of the committee, I offer the amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 4, after line 7, under the heading "Funds appropriated to the President," it is proposed to add a new item, as follows:

ASSISTANCE TO THE REPUBLIC OF KOREA

For expenses necessary to continue assistance to the Republic of Korea during the period July 1 to September 15, 1949, at the same rate and under the same terms and conditions as in the fiscal year 1949, pending the enactment of legislation outlining the terms and conditions under which further assistance is to be rendered, $30,000,000, of which not to exceed $375,000 shall be available for administrative expenses: *Provided,* That all obligations incurred during the period between August 15, 1949, and the date of enactment of this act in anticipation of such appropriation and authority are hereby ratified and confirmed if in accordance with the terms thereof: *Provided further,* That the funds appropriated pursuant to the joint resolution of June 30, 1949 (Public Law 154), as amended by the joint resolution of August 1, 1949 (Public Law 196), for assistance to the Republic of Korea, shall be charged to this appropriation.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. McKELLAR. Mr. President, I also offer the amendment which I now send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 5 in line 11, it is proposed to strike out the word "approved" and insert in lieu thereof "received."

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. McKELLAR. Mr. President, I also offer the amendment which I now send to the desk and ask to have stated.

The VICE PRESIDENT The amendment will be stated.

The LEGISLATIVE CLERK. On page 5, in line 18, it is proposed to strike out "fiscal year 1950" and insert in lieu thereof "fiscal year 1949, to remain available until June 30, 1950."

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. McKELLAR. Mr. President, I offer another amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 5, in line 20, after the word "Treasury," it is proposed to insert *"Provided,* That this appropriation shall be available from and including April 14, 1949. All obligations incurred during the period between April 14, 1949, and the date of the enactment of this act in anticipation of such appropriation are hereby ratified and confirmed."

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. McKELLAR. Mr. President, I offer another amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 8, in line 4, before the period, it is proposed to insert the following: "and shall be available for cooperation with the United States Immigration and Naturalization Service and the Secretary of State in negotiating and carrying out agreements relating to the employment of foreign agricultural workers, subject to the immigration laws and when necessary to supplement the domestic labor force."

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. McKELLAR. Mr. President, I offer another amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 8, after line 4, it is proposed to insert a new paragraph, as follows:

SALARIES AND EXPENSES, BUREAU OF OLD-AGE AND SURVIVORS INSURANCE

The first proviso under this head in the Federal Security Agency Appropriation Act, 1950, is amended to read as follows: *"Provided,* That of the amount herein made available for expenditure, not more than $50,000 may be expended without regard to section 322 of the act of June 30, 1932, as amended (40 U. S. C. 278a), for alterations, repairs, and improvements to the buildings occupied by the Bureau of Old-Age and Survivors Insurance in Baltimore, Md., and vicinity, of which amount not more than $15,000 shall be available for alterations, repairs, and equipment for an employee cafeteria or cafeterias, and the total amount made available in this proviso, except such part as may be necessary for incidental expenses of the Bureau of Old-Age and Survivors Insurance, may be transferred to the Public Buildings Administration, General Services Administration, for such purposes."

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. McKELLAR. Mr. President, I send to the desk an amendment, which I ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 10, after line 11, it is proposed to insert:

SECURITIES AND EXCHANGE COMMISSION

For an additional amount for "Salaries and expenses," fiscal year 1950, $220,000.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. ELLENDER. Mr. President, I send to the desk an amendment which I ask to have stated. It is a committee amendment.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. At the appropriate place in the bill it is proposed to insert a new paragraph, as follows:

GENERAL SERVICES ADMINISTRATION

SURPLUS PROPERTY DISPOSAL

Salaries and expenses: For expenses necessary for carrying out the provisions of the Federal Property and Administrative Services Act of 1949 (Public Law 152, approved June 30, 1949), relating to excess and surplus property, including personal services in the District of Columbia; allocations to Government agencies for services rendered in connection with care and handling or disposal of property declared surplus prior to July 1, 1948; not to exceed $5,000 for payment of claims pursuant to law (28 U. S. C. 2672); not to exceed $14,000 for a health-service program as authorized by law (5 U. S. C. 150); printing and binding; expenses of attendance at meetings concerned with the purposes of this appropriation; acquisition of real property and interests therein, necessary in connection with care and handling or disposal of property; payments to States or political subdivisions thereof of sums in lieu of taxes accruing against real property declared surplus by Government corporations; appraisers at rates of pay or fees not to exceed those usual for similar services; and advances of funds to cashiers and collection officials, upon furnishing bond; fiscal year 1950, $22,500,000: *Provided,* That the Administration may procure by contract or otherwise and furnish to governmental employees and employees of Government contractors at the reasonable value thereof food, meals, subsistence, and medical supplies, emergency medical services, quarters, heat, light, household equipment laundry service, and sanitation facilities, and erect temporary structures and make alterations in existing structures necessary for these purposes, when such employees are engaged in the disposal of surplus property, or in the preparation for such disposal, at locations which such supplies, services, equipment, or facilities are otherwise unavailable, the proceeds derived therefrom to be credited to this appropriation: *Provided further,* That in addition to the amount hereinbefore appropriated, and notwithstanding the provisions of any other law, not to exceed $4,000,000 of the proceeds of the disposal of surplus property subject to a "national security clause" as defined in the National Industrial Reserve Act of 1948 (50 U. S. C. 451), or as imposed pursuant to the act of August 5, 1947 (10 U. S. C. 1270, 34 U. S. C. 522 (a)), or deductions from proceeds otherwise collectible as a result of the disposal of such property, shall be available for such costs of renovation, restoration, rehabilitation, improvement, and repair of industrial facilities as may be contracted for during the fiscal year 1950 if required for purposes of national defense or for the protection of the public or of private property from the effects of the operation of such facilities: *Provided further,* That appropriations to the War Assets Administration for the fiscal year 1947 shall remain available for expenditure during fiscal year 1950 for obligations incurred during the fiscal year 1947 in respect to industry agents' contracts: *Provided further,* That not to exceed $762,000 of the appropriations to the War Assets Administration for the fiscal year 1949 shall remain available for accumulated or accrued leave paid after June 30, 1949, to employees of the War Assets Administration separated or furloughed on or before that date.

Mr. SALTONSTALL. Mr. President, I should like to ask the chairman of the committee about the amendment. I do not remember any action taken on it in committee. Did the committee vote on the amendment?

Mr. ELLENDER. It did.

Mr. McKELLAR. That is correct.

Mr. SALTONSTALL. Will the Senator be willing to explain it again?

Mr. ELLENDER. Mr. President, in the period between the passage of the pending bill by the House and its consideration by the Appropriations Committee of the Senate, the legislative position of the War Assets Administration and the surplus-property disposal program was changed. Public Law 152, Eighty-first Congress, the "Federal Property and Administrative Services Act of 1949" was enacted, providing for the abolition of the War Assets Administration and the transfer of its property, personnel, functions, records, and accounts to the General Services Administration on July 1, 1949.

The major purpose of Public Law 152 is to provide a uniform system of property management and supply for the entire Federal Government. To this end the functions of the property management and disposal agencies of the Government were transferred to the General Services Administration. Since the War Assets Administration had a considerable inventory of surplus property, requiring management and disposal activities, the remaining functions of that Administration also were transferred to the General Services Administration.

Appropriations for fiscal year 1950 necessary to carry on all functions transferred to the General Services Administration, except those of the War Assets Administration, have been approved by the Senate. This appropriation will provide funds for liquidation of the functions transferred from the War Assets Administration and also make available funds for the new functions concerned with property utilization and disposal of surpluses.

The third deficiency appropriation bill, as approved by the House, appropriated funds to the Treasury Department for the liquidation of the War Assets Administration and to the Reconstruction Finance Corporation for the management of surplus real property. This action was in accordance with the provisions of Public Law 862, Eightieth Congress, which was then in effect but which has been repealed since that time by Public Law 152. This situation was brought to the attention of the House by Representative HOLIFIELD and Representative WHITTINGTON at the time H. R. 5300 was introduced on the House floor. The CONGRESSIONAL RECORD of June 24, 1949, beginning on page 8395, contains the following statements of Representative RABAUT, the manager of the bill, and Representative McCORMACK, majority leader:

Mr. RABAUT. The gentleman is correct in that statement. I know that the point which has been raised here is very proper, now that it has been raised. We did not recognize it at the time we wrote the bill because the two actions were going on simultaneously, the action in our committee and the other committee, but inasmuch as the gentleman has raised the point and has so well explained it, as has the gentleman from Mississippi, I think this will constitute due notice to the other body to make the proper correction when it goes to that body before we vote on the bill again.

Mr. McCORMACK. In other words, if the conference report on the bill that is about to be reported establishing a new agency is agreed to, then, of course, it is just ridiculous to have this provision here because we have a new agency absorbing the War Assets Administration.

Mr. RABAUT. I wish to commend the gentleman on the alertness in bringing it to our attention. As I said before, two things were happening simultaneously in two different functions of Congress. The gentleman having raised this point on the floor here places the other body on due notice that the changes should be taken care of and the committee is on notice. So, if it is not done originally by the Senate, certainly in conference it will be done between the two bodies.

The Senate Appropriations Committee has corrected this situation by the introduction of new appropriation language which will make the funds herein recommended available to the General Services Administration for the liquidation of the functions previously performed by the War Assets Administration. This appropriation will provide, also, for the execution of those new responsibilities assigned to the General Services Administration by Public Law 152, which are concerned with the disposition of all excess and surplus Government property.

The $7,500,000, as approved by the House in H. R. 5300, is not sufficient to provide guards, fire protection, and minimum stand-by maintenance for the surplus real property now in inventory. No personnel can be retained to complete the disposal of the $1,400,000,000 inventory of surplus real property; to supervise maintenance of properties and to manage leaseholds; or to collect moneys due from accounts receivable and rents. No funds or personnel would be available for disposal of the $380,000,000 inventory of aircraft components and parts. Thus, the appropriation of only $7,500,000 would require immediate termination of the war surplus disposal program before it is completed. Furthermore, it would provide no funds for the new responsibilities of the General Services Administration.

The Senate Committee on Appropriations has carefully reviewed the request of the General Services Administration for these appropriated funds and recommends approval of $22,500,000. This sum will permit the continued rapid liquidation of war surplus and, in addition, will provide for the new responsibilities of the Administration in connection with property utilization, surveys, and control of inventory levels. No other funds are appropriated for these new functions and it is the belief of the committee that the appropriation of $22,500,000 is the most practical way to provide these funds.

The Government has obtained a total income of $4,220,000,000 from the disposal of war surplus through June 30, 1949. Expenses of operation during the period totalled $970,000,000, leaving a net income to the Government of $3,250,000,000. The disposal operation in the fiscal year 1950 for which $22,500,000 is recommended will obtain for the Government a total income of $119,000,000 and a net income of $96,500,000 after deducting expenses of operation. It is the belief of the committee that it is in the best interest of the Government to continue these operations as planned in the fiscal year 1950, in order that the Government may receive the maximum income possible from its war surplus. It is recognized that this can be accomplished only by the appropriation of sufficient funds to permit such operations to be conducted on a businesslike basis.

In other words, Mr. President, there is no money left with which to completely liquidate the assets of the War Assets Administration. They have on hand today almost $2,000,000,000 worth of property. This amount is to be used in order to complete liquidation of the surplus war assets.

Mr. SCHOEPPEL. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield for a question.

Mr. SCHOEPPEL. Does this appropriation contemplate adding a large number of new employees?

Mr. ELLENDER. Absolutely not.

Mr. President, I ask to have placed in my remarks at this point the justification of the estimate.

There being no objection, the justification was ordered to be printed in the RECORD, as follows:

JUSTIFICATION OF ESTIMATE

The estimate of $22,500,000 requested for fiscal 1950 may be summarized by the following major items of expenses shown here in total and by activity:

Persona' services	Total	Property manage-men:	Disposal	Inventory control and reconcili-ation	Executive direction
Regular salaries	$6,552,000	$2,477,000	$1,875,000	$1,692,000	$508,000
Regular salaries, protection and maintenance at site	726,000	726,000			
Terminal leave	1,095,000	343,000	412,000	281,000	59,000
Subtotal	8,373,000	3,546,000	2,287,000	1,973,000	567,000
Aircraft and aircraft parts and components	5,954,000	2,404,000	3,550,000		
Protection and maintenance of real property	3,296,000	3,296,000			
Taxes	1,587,000	1,587,000			
Administration costs	1,530,000	623,000	405,000	391,000	111,000
Plant clearance	540,000	540,000			
Miscellaneous contractual disposal costs	530,000		530,000		
Other agencies	690,000	78,000	612,000		
Total	22,500,000	12,074,000	7,384,000	2,364,000	678,000

The $8,373,000 requested for personal services is based on a continuing reduction in staff as surplus inventories are reduced. During the fiscal year 1950, this reduction will total 61 percent from a beginning employment of 2,550 to only 1,000 on June 30,

1950. Through this reduction in force, there will result a fixed obligation for terminal leave in the amount of $1,095,000. Employment of guards, firemen, and maintenance crews to be stationed at the site of real property will require an additional $726,000. The remainder of the personal services estimate amounting to $6,552,000 will provide for an average force of 1,433 employees for the conduct of the programs herein outlined.

PROPERTY MANAGEMENT

Of the above-listed major items of expense to be incurred during fiscal year 1950, a total of $12,074,000 is necessary for property-management activities. Of this total, $3,546,000 is required for employment of personnel, including terminal leave. This will provide for an average employment of 242 guards, firemen, and maintenance crews to be located at real property sites, for the protection of such properties from fire, theft, vandalism, etc. It will also provide for an average employment of 557 employees to be engaged in the over-all property-management functions. With $700,000,000 of property under long-term leases, property-management employees must make inspections, authorize special repairs and improvements, collect rental payments, and adjust or renegotiate leases as required. There are 54 variable leases, that is, the amount of rental is based upon a factor such as production, occupancy, use, or net sales. In such cases property-management employees must maintain close supervision to insure receipt of appropriate rental as well as be responsible for the productive operation of the plants under these leases. In addition, this group of employees will be required to prescribe standards of maintenance, direct crews at site, and to supervise as well as modify and renegotiate interim occupancy permits as necessary. Employees assigned to this activity will also be engaged in collection of interest in the amount of approximately $6,000,000 covering the interest returns on real property mortgages with balances due in excess of $190,000,000. This operation will involve periodic inspection of the properties together with collection of regular principal and intefest payments.

Contracts for protection and maintenance of real property in inventory and real property maintained for multiple-tenancy purposes will cost $3,296,000. This includes the cost of contracts for protection and maintenance services at surplus facilities, the cost of purchasing and transportation of oil and coal for heating and power, and the cost of utilities in such facilities. Because it is not always economical or feasible to maintain a staff of civil-servce employees covering all of the mechanical trades required in each plant, experience has demonstrated the need for contracts with industrial firms qualified to render these services. It is planned to continue with contractor operations during fiscal 1950 in a large number of real property facilities, particularly plants containing substantial quantities of production equipment and machine tools.

The cost of property management activities includes $1,587,000 for payments of sums in lieu of taxes. These funds will pay sums in lieu of taxes of State, county, and local jurisdictions on properties declared surplus by the Reconstruction Finance Corporation.

Funds in the amount of $623,000 are required for administrative costs of the property management program. This will provide for such items as office rent, equipment rental, transportation of things, travel, printing and binding, and supplies.

A total of $540,000 is required for plant clearance. This represents the net cost of removing personal property such as heavy production machinery and special purpose equipment from real property facilities, in those cases where such personality is to be disposed of separately. It is anticipated that personal property acquired at a cost of $50,000,000 will be removed from real property facilities during the fiscal year.

The conduct of the property management program in the fiscal year 1950 is necessary to protect the capital investment of the Government in the many plants which are in the surplus inventories and to carry out the duties of the Government as a lessor and a mortgagee. In addition to accomplishing these objectives property management activities will bring to the Government during fiscal 1950 a gross return of $36,000,000 in lease income and in interest on mortgages. After deducting the cost of this program of $12,074,000 the net return to the Government for property management activities will be approximately $24,000,000.

DISPOSAL ACTIVITY

As of July 1, 1949, there remained to be finally disposed of $1,829,000,000 of war surplus property. The total includes $1,394,000,000 of real property; $380,000,000 of aircraft components and parts; $20,000,000 of aircraft; and $35,000,000 of agricultural lands and institutional type real property assigned to other disposal agencies. Of the total inventory, $1,090,000,000 is available for sale and $739,000,000 is on lease.

Sales and transfers in the fiscal year 1950 are expected to total $1,058,000,000 at acquisition cost, of which $472,000,000 will be by sale, and $586,000,000 by transfer without reimbursement, donation, scrapping, or other disposal action. We will obtain, largely from sales and leases, a gross realization of $119,000,000 during the year. With operating costs of $22,500,000, or only 19 percent of our gross return, the net return to the Government will be $96,500,000 for all operations in fiscal 1950. This represents a net return of 20.2 percent of the acquisition cost of property sold.

Of the above listed major items of expense to be incurred during fiscal year 1950, a total of $3,222,000 is necessary for disposal activity, exclusive of other agency costs and costs of the aircraft and component program. Of this sum $2,287,000 is for personal services costs, including terminal leave. This will provide for an average of 401 man-years during fiscal year 1950 to perform all of the functions incident to disposal operations, including disposal planning, appraisal, advertising, sales planning and negotiation, documentation, etc.

Administrative costs will require $405,000 to provide for such items as office rent, equipment rental, transportation of things, travel, printing and binding, and supplies and materials as necessary for disposal operations.

A total of $530,000 is incorporated as a major item of expense for miscellaneous contractual disposal costs. It includes $237,000 for advertising: $150,000 for brokers' fees in the disposal of real properties; $72,000 for reimbursement to the Department of the Interior in connection with real property disposals in accordance with Public Law 616; and $71,000 for appraisal and consultant services.

As a result of the disposal action projected for fiscal year 1950, surplus inventories will be reduced to $771,000,000 by June 30, 1950. This will include $761,000,000 of real property; $9,000,000 of aircraft; and $1,000,000 of institutional type real property. Of the total inventory of $771,000,000 remaining on June 30, 1950, $563,000,000 of such property will be on long-term lease.

AIRCRAFT AND AIRCRAFT COMPONENTS PROGRAM

As was indicated under disposal activity, the aircraft inventory will be reduced from $20,000,000 to $9,000,000 during fiscal year 1950, and the aircraft components inventory of $380,000,000 million will be totally liquidated.

In connection with the disposal of our inventory of aircraft components, the National Defense Establishment has advised us of the need for an additional $100,000,000 of such materials for the defense purposes of this country and to meet the potential requirements of the impending foreign military assistance program. In compliance with this request and based on the determination that it represents the best interests of the Government, a program has been developed to retain the needed portions of the aircraft components inventory until rescreened by the armed forces and their requirements fulfilled. Meanwhile, as the screening progresses we will continue with the sale of this inventory to commercial buyers and with the disposal by scrap and salvage methods of those items in the inventory which are obsolete and those which are available in long supply.

This matter has been reduced to a joint memorandum of understanding between the War Assets Administration and the National Defense Establishment. Final liquidation of the total inventory is provided for by June 30, 1950.

The cost of carrying out the aircraft components program represents $5,950,000 and will provide funds to reimburse agents for services rendered to the Government in the in- and out-handling and storage of aircraft components while the withdrawal and scrapping operations are being completed. It provides also for necessary expenses of out-shipment of items withdrawn by the National Military Establishment. In addition, $4,000 will be required to provide for contractual protection and maintenance of aircraft returned to inventory by lease cancellations pending transfer to the armed services.

INVENTORY CONTROL AND RECONCILIATION

This activity comprises the normal function of inventory of property and the records of accounts receivable and reconciliation of inaccuracies in prior inventories together with the records retirement program providing for sorting, classifying, and storage of surplus property records.

Of the total of $2,364,000 requested, $1,973,000 will permit an average employment of 364 for the year. The only additional expenses are the normal costs of rents, utilities, travel, communications, etc.

EXECUTIVE DIRECTION AND ADMINISTRATION

All of the normal policy, administration, supervision, and planning and budgeting functions of any Government agency are included in this item.

Requirements for personal services total $567,000 of the total of $678,000 for this item. This will permit an average employment of 110 for the year. The remaining costs consist of pro rata share of rents and utilities, communication, travel, supplies, etc.

OTHER DISPOSAL AND SERVICE AGENCIES

One of the major items in the budget estimate for the surplus disposal program for fiscal 1950 is the $690,000 to be transferred to other agencies. Five hundred and twenty thousand dollars of this amount is required for the Farm Credit Administration to permit them to complete during the fiscal year the disposal of the remaining 260,000 acres of agricultural land. Ninety-two thousand dollars is required to reimburse the Office of Education for advice and assistance in the disposal of surplus property to educational institutions. Eighteen thousand dollars is necessary to cover costs of care and handling and litigation expenses to complete disposal of the Torney General Hospital, Palm Springs, Calif., by December 31, 1949. The remaining $60,000 is to be transferred to the Bureau of Reclamation as directed by Public Law 478, Seventy-ninth

Congress, and Public Laws 247 and 841, Eightieth Congress, to provide for maintenance of reclamation projects at Tule Lake, Heart Mountain, and Yuma Air Base.

SPECIAL REHABILITATION FUND

The appropriation language which has been submitted requests that $4,000,000 of our $119,000,000 income from surplus disposal operations in the fiscal year 1950 be made available for the purpose of protecting the capital investment of surplus plants which are subject to the national security clause and which constitutes a part of the Nation's system of national defense.

This fund will enable the general services administration to meet unforseen and more or less imminent emergency situations necessitating rehabilitation and repair work in such industrial facilities as may be required for national defense or to protect public or private property from the effects of the operation of these facilities.

I believe that it is consistent with normal business practice to set up such a fund which will enable emergency situations to be met by expenditures out of income. It is possible that no portion of these funds will be used. However, we can reasonably anticipate the need for such work occurring during the year. As an example of the type of work for which the $4,000,000 may be required, it may be necessary during the year to reline the blast furnace at the Republic Steel Corporation plant, Cleveland, Ohio. This major repair item will account for approximately $400,000 of the $4,000,000 for which authority to expend has been requested. I can outline a few other examples of potential costs which may be necessary to prevent loss of capital investment in national defense plants.

The Bohn Aluminum & Brass Co., Adrian, Mich.

A total of $263,550 for the renovation and rehabilitation of approximately $7,500,000 worth of aluminum extrusion tool, machinery, and equipment.

The Sun Shipbuilding Corp., Chester, Pa.

The expenditure of $127,000 for the renovation and repair of roofs, the processing of large Gantry cranes with rust inhibitives to arrest deterioration.

The Scullin Steel (south plant), St. Louis, Mo.

The rehabilitation of structural members, roofs, boiler plant, and the application of rust inhibitives to machinery may require the sum of $180,000.

CONCLUSION

Since the passage of Public Law 152, I have reviewed closely the budget estimate originally prepared by the War Assets Administration and I am convinced that the request for $22,500,000 plus the authority to expend $4,000,000 from profits to protect capital investment, is sound and justified. I want to take this opportunity to thank the committee again for the opportunity of discussing this program. With the assistance of the few members of my staff who are present we will attempt to answer any questions you may have or to furnish any further information that may be desired.

The VICE PRESIDENT. The question is on agreeing to amendment offered by the Senator from Louisiana [Mr. ELLENDER].

The amendment was agreed to.

The VICE PRESIDENT. The bill is open to further amendment.

Mr. MAGNUSON. Mr. President, I send to the desk an amendment, which I ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 12, between lines 2 and 3, it is proposed to insert the following:

REPAIR OF VESSELS IN NATIONAL DEFENSE RESERVE

For repair of 134 vessels in the national defense reserve pursuant to section 11 (a) of the Merchant Ship Sales Act of 1946 (60 Stat. 41), fiscal year 1950, $25,000,000; of which not more than $804,630 shall be available for administrative expenses and not more than $75,370 shall be available for operation of warehouses.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. TAFT. Will the Senator explain the amendment?

Mr. MAGNUSON. I shall attempt to do so.

Mr. TAFT. In particular, I should like to know whether the ships are now being used, whether they are tied up, whether they will ever be used, and what the purpose is of spending $20,000,000 or $25,000,000 on them.

Mr. MAGNUSON. I think I can explain it to the Senator.

Mr. President, I was somewhat reluctant to bring into the discussion of the third deficiency bill the matter of ship-repair items. The subject has been before the Maritime Commission, the Department of Defense, and the Bureau of the Budget for some time. The item itself has been placed in a preferred category, whereby, in my considered opinion, after all the negotiations with the three departments, it should be reported as soon as possible, possibly in the next deficiency bill. But the situation has become so acute, I might say Nation-wide, in the ship-repair industry, and in our shipyards, that many of us interested in the problem deemed it advisable to bring it up at this time.

The amendment proposed has been signed by 24 Senators who were interested in the matter. I have spoken to the chairman of the Appropriations Committee and to approximately 30 other Senators, and I am sure that the majority of the Senate, by placing their names on the amendment, would, if I asked for a yea-and-nay vote, support this amendment.

It involves 134 ships which were laid up by the Maritime Commission immediately after the war. Sixty-four of the vessels are on the Atlantic coast, some in the James River, one in the Hudson River, and one at Wilmington, Del. On the Gulf coast 14 are at Mobile and 3 at Beaumont. There are 53 on the Pacific coast. In summary, there are 64 on the Atlantic coast, 17 on the Gulf coast, and 53 on the Pacific coast.

Under the Ship Sales Act of 1946, Congress directed the Maritime Commission as follows, and, I think, rightly so:

The Commission shall place in a national defense reserve such vessels owned by it as, after consultation with the Secretary of War and Secretary of the Navy—

That would now be the Secretary of Defense—

it deems should be retained for national defense. Unless otherwise provided for by law, all vessels placed in such reserve shall be preserved and maintained by the Commission for the purpose of national defense. A vessel placed in such reserve shall in no case be used for commercial operation.

In other words, we said to the Maritime Commission, having learned by cold, hard, bitter experience after World War I, when we permitted our merchant marine to go completely to pot, that they should do something to maintain a portion of the merchant marine for the purpose of national defense. In the Ship Sales Act of 1946 we directed the Commission to do this in the terms which I have read. We did not say, "You may do it"; we said, "You shall do it."

After consultation with the various branches of the service, the Maritime Commission, after World War II, decided that 134 of these ships should be specified and set out for that purpose. They did not have sufficient funds to put the ships in the right kind of "moth ball" preservative, as the Navy has done with high-cost combat ships, but they were placed in various storage places throughout the United States at that time. They have been there for approximately 4½ years, and their repair is long overdue.

The Secretary of Defense and others interested in the Department of Defense agreed that this should be done. The Maritime Commission agrees and wants it done, but suggested that the funds come out of the Defense Establishment rather than out of the Maritime Commission.

Mr. CAIN. Mr. President, will the Senator yield?

Mr. MAGNUSON. I shall be glad to yield.

Mr. CAIN. What purpose will these ships serve if and when they are repaired?

Mr. MAGNUSON. They will not serve any purpose at all except if and when the Defense Establishment wants them. They will be repaired in the proper way. The 134 vessels are selected ships. They will be put back in moth balls.

Mr. CAIN. Is it contemplated that they would constitute a stand-by fleet for emergency service?

Mr. MAGNUSON. That is exactly correct. They are almost quasi-Navy ships. They could be put into operation in the Navy. Their speed is such that they could keep up with task forces.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. SALTONSTALL. In answer to the question of the junior Senator from Washington, I should like to quote a sentence from the letter which the senior Senator from Washington placed in the CONGRESSIONAL RECORD yesterday, at page 12133.

The Joint Chiefs of Staff urged further that a program of similar proportions be carried out on an annual basis, until such time as at least 439 military auxiliary vessels now in the Commission's reserve fleet are placed in condition.

The item referred to will restore 134 of these ships. Is that correct?

Mr. MAGNUSON. I am glad the Senator brought that up. This is supposed to be under the recommendation of the Joint Chiefs of Staff.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. McKELLAR. As I understand, it has not been recommended by the Department.

Mr. MAGNUSON. It has been recommended by the Maritime Commission and by the Joint Chiefs of Staff.

Mr. McKELLAR. But it has not been recommended by the Bureau of the Budget, has it?

Mr. MAGNUSON. I am coming to that.

Mr. McKELLAR. It was not brought before the House committee or the Senate committee, was it?

Mr. MAGNUSON. The subject was not up at that time. I have a long statement giving the history as between the Maritime Commission and the Department of Defense as to who was to share the expense. The Defense Department recommended it. I have discussed the question with the Budget Bureau on many occasions, and members of my subcommittee have discussed it also. Today I have information from General Fleming. The Budget Bureau said that these ships should be repaired and that the program should be continued, but that the money should be taken out of the defense establishment. The defense establishment, in turn, "passed the buck," so to speak, and said, "No; it should be done by the Maritime Commission." General Fleming, of the Maritime Commission, discussed the matter within the past 2 days with the President of the United States. My information—I do not have anything direct—from General Fleming is that the President said he would ask, in view of the acute situation and the fact that all our shipyards are going down all the time, that the Budget Bureau reconsider not the merits of the expenditure of the money, but whether the money should come out of the Military Establishment or out of the Maritime Commission appropriation.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. BRIDGES. I wonder why the Senator does not let the matter come before the Senate in the regular manner, after a hearing before the Appropriations Committee, rather than to bring it up on the floor without its having gone through the process of hearing.

Mr. MAGNUSON. I should be glad to do that if I had an opportunity, but in this particular case I must say that in the past 60 days I have been waiting for the Budget Bureau to reconsider the matter, again, not as to the merits, but as to which department should take care of it. Everyone agrees it should be done; everyone agrees it is going to be done and has to be done within the next 12 months. I was hoping that could be straightened out. I was afraid that if I let it go at this time I might lose the opportunity to bring it up. That was also the feeling of some 24 Senators who have signed the amendment with me, and probably of another 25 or 30 Senators who have agreed with me on this matter.

Mr. McKELLAR. Mr. President, I wish to say to the Senator that I am very much in sympathy with anything that will help the national defense, but this matter was examined by the staff of the Committee on Appropriations, and this is the report they make:

1. The Bureau of the Budget has considered and rejected the proposal for the repair of vessels in the National Defense Reserve.

2. On reconsideration the Bureau took the stand that it would not object if the money required for such repair were to be obtained through the National Defense budget since the justification for such work is based on national defense. The Secretary of Defense has objected to such an arrangement because he did not feel that work was of sufficient priority when related to the other items in the National Defense budget.

3. A further reconsideration by the Bureau of the Budget in the form of a staff study of the problem is now on the President's desk for his review and decision. It is not known when he will take action on this study.

4. It is noted that section 11 (a) of the Merchant Ship Sales Act of 1946, which is the authority cited in the proposed amendment, provides for "maintenance and preservation" while the amendment requests money for "repair."

Mr. President, under those circumstances, I am rather hopeful that the Senator will submit the item to the committee, so that first a budget estimate may be obtained, and the President's recommendation obtained, and the committee can decide the matter on the facts. We did not have any facts before us, and that is why the item was not included in the bill as reported.

I have great sympathy with the Senator's idea, and I feel very favorable toward anything for national defense which can be worthily done and properly done and economically done, but under the circumstances it seems to me the Senator could secure what he is after in a much better way, as suggested by the Senator from New Hampshire.

Mr. MAGNUSON. Mr. President, I entirely disagree with what the committee staff says in its conclusions. In the first place, the Budget Bureau never did turn this matter down. I have had many conferences on the subject, and the Budget Bureau never turned it down on its merits. The argument has been as to whether the cost should come out of the defense establishment appropriation, or from the money appropriated for the Maritime Commission. The law says that the duty rests upon the Maritime Commission to do what is sought, after consultation with the Department of Defense. They have complied with that, they have set aside 134 ships, and the Ship Sales Act is just as clear on the point as the English language can make any paragraph. It says they shall do this.

I do not suppose it makes any fundamental difference, in the long run, where the money comes from, it all comes out of the United States Treasury, but the replacement costs of the ships alone would run well over $700,000,000. They cost us $3,000,000 apiece. They are now standing in storage at the places indicated, without any adequate repairs, and it is false economy not to begin as soon as possible to make the repairs, because anyone who knows anything about ships knows that the longer repairs are delayed, the greater they cost.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. MAGNUSON. In a moment. I appreciate that this is somewhat out of order, but I do not have any assurance that this may not be the last time, before next year's regular budget, I shall have opportunity to present the matter, and by that time the amount would be increased up to 40 or 45 million dollars. The repairs will have to be made sooner or later.

Mr. BRIDGES. Mr. President, the point I wish to make is, first, that this request, coming at this time, is for a large sum of money. This subject has been discussed month after month. The Senator has heard about it, I have heard about it, we have all heard about it. But it has never been brought before the proper committee of the United States Senate. There is a great deal of sympathy manifested for the merits of the proposition, but it should take its proper course.

Mr. MAGNUSON. It has been brought before the committee. I think the testimony will show that I have sent communications to the committee on the subject.

Mr. McKELLAR. Mr. President, there has been no evidence at all about it before the committee, as I remember. Unquestionably there will be another deficiency bill before the session ends, and my suggestion to the Senator is that he get a budget estimate and come before the committee and give the facts. Then we can go to conference with the facts. We would be helpless otherwise, because we would not have the facts, under the statement the Senator has made.

Mr. MAGNUSON. I know the Senator from Tennessee cannot give me definite assurance, but I wonder if it is his considered opinion that there will be an opportunity, on another supplemental bill, before the session ends.

Mr. McKELLAR. I think unquestionably there will be. Indeed, there is a bill before the committee now.

Mr. MAGNUSON. I am assured I shall have an opportunity now to present this matter in detail to the committee. Is that correct?

Mr. McKELLAR. At any time.

Mr. MAGNUSON. In view of that assurance, and because, as I have said, I have brought the matter up now because of the very serious nature of the situation, I shall withdraw my amendment, in the hope that the problem will have the very active consideration of the members of the committee.

Mr. President, I should like to have printed in the RECORD the remarks I had intended to make, so that all the Members of the Senate will be familiar with the problem.

The VICE PRESIDENT. Is there objection?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Mr. President, today 23 other Senators and I offer an amendment to H. R. 5300 (third deficiency bill) calling for $25,000,000 to finance repair of 134 ships in our reserve fleet. I make the announcement and submit sub-

stantiating data at this time so all Senators may know in advance the compelling arguments for this expenditure.

The Ship Sales Act of 1946 states in pertinent part:

"The Commission shall place in a national defense reserve—such vessels owned by it as, after consultation with the Secretary of War and Secretary of Navy, it deems should be retained for national defense. Unless otherwise provided for by law, all vessels placed in such reserve shall be preserved and maintained by the Commission for the purpose of national defense. A vessel placed in such reserve shall in no case be used for commercial operation—."

Here in unequivocal language the Congress directed the Maritime Commission to preserve and maintain in a national defense reserve such ships as it, and the Secretaries of War and Navy, deem essential to our national security. The Congress did not say the Commission may take such action—the Congress said the Commission shall take such action.

The Commission would be derelict in its duty to the Congress and the people if it failed to live up to this mandate. Without funds, however, the Commission is helpless. I propose that we provide the funds it must have to carry out our directive.

Some will ask, "Is this job necessary? Is repair of these ships vital to national security? Could this expenditure be postponed?" Let me give you the facts.

No thoughtful and informed man will deny that we as a Nation have twice risked losing a world war through failure to maintain an adequate reserve of ships, construction facilities and trained personnel. Leading military authorities, who actually faced the problem of fighting World War II, flatly state that lack of ships modified our entire strategy. For instance Admiral Ernest King said in a report dated March 1944:

"Maintenance of the flow of ocean traffic has been, and continues to be, a vital element of all war plans.

"Operating on exterior lines of communication on almost every front, the United Nations have been dependent largely upon maritime transportation. The success of overseas operations, landing attacks, the maintenance of troops abroad and the delivery of war materials to Russia and other allies concerned primarily with land operations has depended to a large extent upon the availability of shipping and the ability to keep it moving. Shipping potentialities have been the major factor—often the controlling factor—in most of the problems with which the Allied High Command has had to deal."

The identical problem in lesser degree, confronted and plagued us in World War I. For months in the recent conflict we fought a defensive war because we lacked the ships to deliver the men, munitions, and matériel. As President Roosevelt stated to Congress in June 1942, "with available cargoes in excess of available ships, loading and routing have become matters of strategic selection among conflicting needs."

Men and nations should learn from experience. Yet here we are, 4 years after the greatest blood bath the world has ever known, with the greatest fleet ever built by a single nation, repeating the same errors which have twice led us to the brink of disaster. A major portion of that greatest fleet is today slowly rusting to destruction. What enemy action failed to accomplish, our own continued neglect will surely achieve.

We speak of our moth-ball fleet. This is a misnomer. Our merchant vessels, many of them auxiliary types, went into reserve status as they came from the high seas—no repairs, no preservatives, and hence no hope or possibility of breaking them out of reserve without major reconditioning.

What has the Maritime Commission done or tried to do to correct the situation? In April 1948 the Commission, through its Vice Chairman, addressed a memorandum to the Bureau of the Budget requesting approval of funds to repair 910 vessels, to be held in a national-defense reserve, as contemplated by the Ship Sales Act of 1946. In June 1948 the Bureau denied the request by saying "the recommended program is of insufficient priority to warrant action being taken at this time."

Subsequently at meetings of the Joint Army, Navy, and Maritime Plans Committee, it was agreed that this matter should be submitted to the Joint Chiefs of Staff for their recommendation as to the urgency of the program. Bureau of the Budget representatives attended at least one of these meetings.

On March 22, 1949, Gen. Omar Bradley, on behalf of the Joint Chiefs of Staff, addressed a restricted memorandum to the Secretary of Defense setting forth their views on the need for undertaking immediate repairs of a limited number of ships of the national-defense reserve. For obvious reasons, I cannot quote the entire Bradley memorandum. I have a copy in my files, however, in the event any Senator would like to read the entire statement.

In effect the general said: "Minimum essential repairs of all vessels at this time is highly desirable. For economic reasons, rather than military, however, a modest program of $25,000,000 initially is recommended, as a matter of high priority and essential to the national security." The Joint Chiefs of Staff urged further that a program of similar proportions be carried out on an annual basis, until such time as at least 439 military auxiliary vessels now in the Commission's reserve fleet are placed in condition.

The Commission estimates that 134 of these 439 vessels can be repaired during fiscal 1950, providing Congress votes the $25,000,000. The Commission pointed out to the Director of the Budget that the scope of the program will be influenced by such other factors as availability, dry docking facilities, and the intent to retain the benefits of a competitive market by not saturating the repair industry.

In part a letter by the Commission addressed to the Director of the Budget on May 5, 1949, reads: "The Commission is fully conscious of its responsibilities under the Merchant Sales Act of 1946, which directs that all vessels placed in the reserve fleet shall be preserved and maintained by the Commission for the purpose of national defense. In keeping with this responsibility, the Commission emphasizes that the proposed repair of only 134 of a total of 439 military auxiliary ships, with no provisions for the repair of other than military auxiliary vessels, is the minimum of repairs which should be accomplished during the fiscal year 1950 on this vital program."

Despite the high priority placed on this program by the Joint Chiefs of Staff and the Maritime Commission, Bureau of the Budget again declined to authorize. In a letter addressed to General Fleming, Commission Chairman, Director Frank Pace stated that whereas the Bureau had not approved the $25,000,000 for expenditures by the Maritime Commission, it would consider authorizing the National Military Establishment to take this amount from its 1950 appropriation. The Director went on to say that since the program has vital national defense features, it should be handled by the Military Establishment. I mention this so Senators will be fully informed on the events preceding the action we now contemplate.

Subsequently, the Secretary of Defense asserted that the National Military Establishment could not divert to this purpose funds it had budgeted for other essential items in fiscal 1950. The door was left open, however, for inclusion of the $25,000,000 in fiscal 1951 estimates.

In my considered judgment action by the Bureau of the Budget, which I have just cited, is wrong on at least three counts. First, we will spend approximately $15,000,000,000 this year for preparedness and national defense. It is shortsighted planning to neglect placing in operating condition the 134 auxiliary-type vessels I have referred to. The hospital, towing, troop ships, and torpedo boat tenders represented in the 134 vessels are indispensable in the event of conflict. Failure to repair them now is to incur the risk of further deterioration and the even worse risk of entering an emergency with inadequate transport facilities.

Second, such action is in direct conflict with the mandatory language contained in the Merchant Ship Sales Act of 1946. I allude again to the pertinent sentence, "Unless otherwise provided for by law, all vessels placed in such reserve shall be preserved and maintained by the Commission for the purpose of national defense." Congress has passed no law transferring responsibility to the National Military Establishment. Until Congress does so, responsibility for repair and reconditioning of vessels in the national defense reserve rests with the Maritime Commission.

Third, if we are going to place under the National Military Establishment every activity closely related to national defense, we will have the military operating in innumerable fields beyond its legitimate jurisdiction. Roads, airports, aircraft factories, shipyards, and many other installations and activities are related to national defense. To the best of my knowledge, no one has proposed that appropriations for these facilities be placed under the jurisdiction of the military.

The Maritime Commission has been severely criticized on many counts. Here is a case, in my considered opinion, where the Commission is eminently correct in the position it has taken. Congress has the ultimate responsibility for deciding what programs shall be financed in any particular year. It cannot and should not permit the Bureau of the Budget or any other administrative office to decide issues for it. To do so is to surrender our constitutional prerogatives to the executive branch. The mere fact that the Bureau has not seen fit to clear this program should not deter Congress from acting upon it.

Just a few words now concerning the location and repair costs of these vessels. I have already stated the list includes transports, hospital ships, cargo attack vessels, attack transports, towing vessels, provision ships, and motor torpedo boat tenders. At the end of my remarks I will include the names, locations, and types of all 134 ships. At this point let me give you a few summary figures.

On the Atlantic coast, 62 of these vessels are berthed in the James River, 1 in the Hudson, and 1 at Wilmington, Del. In the Gulf, 14 are berthed at Mobile, Ala., and 3 at Beaumont, Tex. On the Pacific coast, 34 are berthed in Suisun Bay, Calif., 10 at Astoria, Oreg., and 9 at Olympia, Wash. In summary, 64 are on the Atlantic coast, 17 on the Gulf, and 53 on the Pacific coast.

Now, as to cost—the Commission estimates it will cost on the average $180,000 per vessel to finance needed minimum repairs on the 134 ships. This is for the actual physical repairs themselves—materials, labor and contracts. Administrative expenses, including inspection, warehousing, inventory, etc., will add about $6,500 per vessel.

When built, these ships cost the American people an average of $3,000,000 each. The replacement cost on today's market would be about $5,000,000 per vessel. Our total investment in construction of these 134 ships is about $402,000,000. Replacement costs

would run close to $700,000,000. No prudent businessman with an investment of that magnitude in plant and equipment would be so short-sighted as to neglect essential repairs. We are asking here for a $25,000,000 appropriation to protect a $400,000,000 investment. There is no economy, as I see it, in leaving $400,000,000 unprotected, either from a business standpoint or national security point of view.

There is still another factor which has a bearing on this problem. From January 1947 to May 1949 employment in private shipyards in this country has declined from 152,900 to 80,000, a decrease of 41 percent. This alarming loss of shipbuilding and repair skill has not been uniform throughout the country. In North Atlantic yards employment has decreased 25,400, or 35.6 percent; on the Gulf employment in private shipyards has decreased by 17,500, or 62.5 percent; and on the Pacific Coast by 21,500, or 69.6 percent.

I do not assert that the shipping industry and economy can or should sustain employment at the January 1947 level. I do contend, however, that the drastic loss in trained personnel which has occurred in 2½ years represents a matter of vital concern to the Senate and the country.

The President's Advisory Committee on the Merchant Marine reported in November 1947. Speaking of an adequate merchant marine, the Commission states: "It must be supported by an active shipbuilding and ship-repair industry * * * to insure continued technical progress in ship design and construction and to provide a nucleus of key managerial, technical, and skilled-labor personnel upon which wartime expansion may be built."

Today unemployment in the metal trades is rapidly reaching depression proportions. In the $25,000,000 we are requesting we have a program involving work essential to national security, essential for protection of a $400,000,000 investment, and a program which will arrest the alarming dissipation of shipbuilding personnel, capital, and managerial know-how.

Earlier in these remarks I said that some Senators will ask: "Is this job necessary? Is repair of these ships vital to national security? Could this expenditure be postponed?" The facts I have attempted to give you answer those questions. The answers are: The job is necessary. Repair is vital to national security. The expenditures should not be postponed.

Mr. Chairman, I wish to insert as part of my remarks a table showing the total employment on shipbuilding and repair by region January 1947 through May 1949—a table showing the location and type of ships included in this program, together with a part of the estimates submitted to Bureau of Budget by the United States Maritime Commission as justification for this $25,000,000 repair program. The list of vessels I am including should not be regarded as the final word in every instance on the ships to be repaired. Some adjustments may prove necessary. In the main, however, the list is correct.

I urge every Senator to examine these data. I urge every Senator to support this amendment.

Mr. MORSE. Mr. President, I offer an amendment which I ask to have read.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 6, line 11, it is proposed to strike out "$2,700,000," and insert in lieu thereof "$2,740,000."

Mr. MORSE. Mr. President, the amendment involves a very small sum of money, $40,000, but it is a very important $40,000 to the Federal Mediation and Conciliation Service. I first heard of this problem when I started receiving a considerable number of letters from the west coast, particularly from employers. I shall not take the time of the Senate to read more than one of the letters, but this letter is a very typical one, from an employer who operates in both California and Oregon. The letter reads:

DEAR SENATOR MORSE: We have just learned of the possibility of a cut by the United States Senate in the Federal Mediation and Conciliation Services' forces. We trust this will not happen.

It is our experience, just recently, to have been served and counseled by this fine organization. We operate a sawmill in California and an extensive logging operation in Oregon with offices for it in Lakeview, Oreg. These two companies have had a past record of strife with labor. The Federal Mediation and Conciliation Service has not only done excellent work in dispelling our present problems, but has helped to build a better understanding between this management and the laboring man within our plants. Their service has accomplished this all in a short time. It has meant a great deal to us both in running more efficiently and economically.

We feel that this agency is worthwhile and most deserving of support and further expansion rather than this curtailing.

Please reconsider most carefully and do not act on this proposed cut in the personnel of the Federal Mediation and Conciliation Service.

Yours truly,

THE WILLOW RANCH CO.,
M. L. HANNA,
General Manager and Vice President.

Mr. President, after I received a considerable number of such letters, not only from the west coast but from other sections of the country, I called the Mediation Service and asked them to submit to me on my personal request a memorandum setting forth the effect of the budget cut on the Service. I wish to read the memorandum, because it speaks for itself. One would think that out of a budget of $2,700,000 a $40,000 cut would not be very important, but when we consider the savings the Service has already been forced to make, I think we will see that this $40,000 cut is a very important one. This is what the Service says:

In anticipation of several budget cuts, described below, a provisional reduction in force is now being effected by the Service. How far it will extend depends entirely on the amount of appropriations made available to us by the Congress. The reasons for our having to make this inopportune provisional reduction in force are as follows:

First, the House of Representatives has reduced our request for funds by $40,000 and the Senate Appropriations Committee has not recommended restoration of this cut. The President originally requested an appropriation of $2,740,000 for the Service. This represents a reduction—

This, I say, is of vital importance, Mr. President—

This represents a reduction of $200,000 from the amount appropriated for the Service in the fiscal year 1949. This reduction in funds would not have required any curtailment of the present staff or activities of the Service. The $200,000 reduction is indicative of the extent to which the Service has succeeded in streamlining and economizing its operations. In fact, the Service through reorganization and other economies was able to return $179,000 to the Treasury from the funds appropriated to us last year. The budget submitted for the Service was the minimum required merely to maintain current staff and activities and any cut in any amount must be reflected in an immediate curtailment of expenditures.

I digress from the memorandum to say that if one knew Cy Ching as I know him and knew of his long business experience, he would know that Cy Ching would not send to the Congress any budget request that has any padding or puffing in it. I am satisfied that this memorandum sets forth the clear facts in the situation, and that this $40,000 cut has to be taken out of field personnel, the very personnel that is required in order to meet the needs of the employers who have written to me, as well, of course, as other employers.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. MORSE. Permit me to complete reading the memorandum, and then I shall answer any questions concerning it.

Returning to the memorandum which I requested from the Federal Mediation and Conciliation Service, I continue to read as follows:

Secondly, a recent action by the Congress, subsequent to the submission of our budget, has increased the subsistence allowance to travelers without a proportionate increase in appropriations. This action has resulted in a reduction of the available funds for payment of salaries and other necessary expenses by an estimated $50,000. While every effort will be made to effect economies in travel expenditures, it will not be feasible to make sufficient savings to completely offset this loss of funds to the Service. Travel is a very significant item of expenditure in our budget because a conciliator to be effective must be completely mobile. Our commissioners must constantly travel to be available at the scene of labor disputes. It is not possible to curtail travel by keeping our commissioners at their official stations when labor disputes are occurring at locations away from these official stations. An immobilized commissioner of conciliation is not capable of performing his job properly.

Thirdly, the Service is undertaking a provisional reduction in its staff because it is mindful of the discussions now going on in Congress for a 5-percent reduction in all appropriations which we must assume would also affect our agency.

At the present time we have 214 commissioners on our rolls. Provisional separation notices have been issued to 17. In addition, 11 clerical and administrative persons have also been issued provisional separation notices and 5 temporary employees will be dropped at the end of this month. The Service therefore will, if it must live within the reduced appropriation described above, enter the new fiscal year with fewer than 200 commissioners of conciliation on its rolls. When the budget was first presented to Congress the Service did not feel justified in requesting additional funds in view of the unsettled industrial conditions then existing. It is now apparent that labor disputes during the coming year will increase in number and severity. With the reductions in force necessitated by reduced appropriations the Federal Government will have an average of but four men in each State to represent it in all labor disputes which may require Government intervention. Obviously many strikes may occur which could have been averted by Government mediation efforts. The loss to the Government in taxes, the loss of wages to the workers, the loss of production to consumers, and the loss of profits to the owners due to these strikes would appear to render the proposed

reduction in our appropriation a most questionable economy. The reductions in our budget resulting from the House cut, the absorption of higher per diem travel rates, and the possible 5-percent over-all reduction in funds will total $135,000. This would reduce the appropriation for the Service by 8 percent below what the President requested from the Congress.

The Service has anticipated the need for a reduction in staff prior to receiving final word of our budget in order to avoid much deeper slashes in staff at a later date. In doing this we are seeking to benefit from the experience of other agencies, which have been obliged, through delay in effecting necessary reduction in force, to make extremely severe cuts in their staffs during the last few months of the fiscal year in order to avoid an overexpenditure of appropriated funds.

If the Congress restores any portion of our appropriation we will, as required by the regulations, give first consideration to reemploying those employees whose names were reached last on our reduction in force register. It may be anticipated, however, that most conciliators would not be available for reemployment later should it become necessary through reduced appropriation to let them out of the service now. Should the Congress at a later date appropriate additional funds to the Service to bring its strength up to its present level, it would require several years before the Government could train new men to effectively perform mediation work in labor disputes.

Mr. President, the amount is small, but it involves the size of the conciliator staff itself. These men are needed out in the field. They are the fire-prevention department really in the whole field of industrial relations. In view of the previous $200,000 cut, in view of the fine record of economy and efficiency and streamlining which Cy Ching has put into effect in this service, I think my amendment for the additional $40,000, restoring the amount of the original Budget Bureau request, is a most reasonable one, and I hope the chairman of the committee will accept it and take it to conference.

I now yield to the Senator from New Hampshire.

Mr. BRIDGES. Mr. President, let me say to the Senator from Oregon that we heard the evidence on this matter in the committee. Many of us had other things brought to our attention besides what we heard officially in the committee. There was an attempt made to discharge individuals in this service in order to put pressure upon the Members of the Senate to restore the cut in the appropriation. That is a very damnable, despicable thing. I do not lay that to Mr. Ching, because I have the same high admiration for him the Senator from Oregon has. But I lay it to some people in the Service. That is one of the reasons why the committee did not act favorably on the request for the additional $40,000. That action was taken not only by Republican members of the committee but by Democratic members of the committee. The distinguished Senator from West Virginia [Mr. KILGORE] was one of those who presented a typical example of what I refer to. If representatives of the Service had come before the committee and presented the matter on its merits it would have received favorable action. The amount involved is small. The Service is a good one. In my opinion the head of the Service is an outstanding man. But I do not believe that he can know what some of his subordinates are doing, and the way they are operating, or otherwise he would dismiss them.

Mr. MORSE. In reply to the Senator from New Hampshire I will say that if such tactics had been used and were used I would feel the way the Senator from New Hampshire feels about it. I have gone into that very matter, to my own satisfaction at least, and I am satisfied that field service men will have to be let out because of the economy cut. I do not approve of any pressure of the type the Senator has mentioned being used on any Senate committee. But my plea this afternoon is that we look into the facts as to whether or not these field releases will be necessary. I have done it. I have complete confidence in Mr. Ching. I am satisfied that he would not be guilty of any such pressure as the Senator from New Hampshire suggests. I want to see retained these field men who are needed in order to help us meet in terms of peaceful procedures of mediation and conciliation the industrial problems of the next year. I am satisfied the $40,000 is needed. It is a small sum, and I think it represents a wise investment in personnel to help us with our industrial problems.

At least I should like to have the item taken to conference so that the conferees may look into it further during the conference stage and see whether or not the situation is as I have described it. If it is—and I know it is—this small amendment should be approved.

Mr. CHAVEZ. Mr. President, I wish to associate myself with the Senator from Oregon in his effort to have the $40,000 item restored. I also wish to associate myself with the Senator from New Hampshire in his attitude toward any attempt which might be made by department representatives to bring pressure on Members of Congress in order to get an increase in appropriations.

Mr. MORSE. So do I.

Mr. CHAVEZ. But this is a different kind of proposal, in my opinion. I have followed the question most carefully.

As I recall, this is the only agency appearing before the Appropriations Committee which returned any money to the Federal Treasury after the appropriations were made.

Mr. MORSE. It returned $179,000.

Mr. CHAVEZ. It returned $179,000. It is the only agency which asked for less money for this year than it had 2 years ago.

There is no question whatsoever about the sincerity of purpose of the Federal Mediation and Conciliation Service. This item involves only $40,000. The Budget estimate was $2,740,000. For some reason unknown to Members of the Senate the House cut it down to $2,700,000. The Senate committee agreed to that reduction.

I have before me a letter dated August 5, 1949, from the Acting Director of the Federal Mediation and Conciliation Service, outlining the position of that agency, as stated by the Senator from Oregon. The letter reads in part as follows:

The budget estimate submitted by this Service for the fiscal year 1950 was $2,740,000. This represented a reduction of $200,000 from the amount appropriated by Congress for the fiscal year 1949. We are able to request this reduced budget because as the result of a reorganization of the Service, and through other economies, the Service is now run on a much more economical basis than previously.

Mr. President, I ask unanimous consent that the entire letter be printed in the RECORD at this point as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AUGUST 5, 1949.

Hon. DENNIS CHAVEZ,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR CHAVEZ: It is our understanding that you desire to be informed concerning the budgetary crisis facing the Federal Mediation and Conciliation Service.

The budget estimate submitted by this service for the fiscal year 1950 was $2,740,000. This represented a reduction of $200,000 from the amount appropriated by Congress for the fiscal year 1949. We are able to request this reduced budget because as the result of a reorganization of the service, and through other economies, the service is now run on a much more economical basis than previously. The 1949 appropriation was the first appropriation by the Congress for a full year of operations of this newly created independent agency. The service is proud that it was able to return to the Treasury on June 30, 1949 in excess of $179,000 from the 1949 appropriation.

This year the Service presented a budget which provided for no expansion over the previous year's operations. The budget was only sufficient to permit the Service to continue for another year exactly as it had during the last fiscal year. At the time this budget was presented to the Congress, about January 1, 1949, the future economic picture was unclear and we did not feel justified in requesting funds to allow for any expansion of our staff. The unsettled industrial conditions now prevalent will in all probability increase the demands on this Service beyond those made upon it during the fiscal year 1949. As a matter of fact even at the present time in some sections of the Nation our staff is insufficient to meet the demands made upon it.

Despite our expanded needs at this time we are forced to make immediate preparations for a reduction in our staff. Three factors have forced us to take this drastic action. First the House has voted a reduction of $40,000 in the amount requested and the Senate Appropriations Committee has not seen fit to recommend its restoration. Secondly since our budget estimate was submitted, the Congress has increased the subsistence rates for official travel. This will require the service to absorb unanticipated expenditures of approximately $50,000. Third, the service is taking cognizance of the continued discussions in Congress of a general 5-percent reduction in all appropriations. Should this service be required to forego 5 percent of its appropriation along with all other Government agencies, it would lose an additional $135,000. For these three reasons the service is required at the present time to make a provisional reduction in staff sufficient to enable it to live within a budget which may be reduced more than 8 percent below its minimum requirements.

It is impossible to evaluate the services rendered by this agency in terms of money saved both by the public and the Government. Naturally, if this service has fewer men to perform mediation services in labor disputes, it may be anticipated that an increased number of strikes will occur which might otherwise have been averted. I have never felt that the Government should have a sufficient number of conciliators to intervene in every labor negotiation in the United States. Our staff is only large enough to assist in the settlement of disputes which have a substantial effect on commerce. The appropriation requested by this agency was sufficient to employ 220 commissioners of conciliation. This is an average of a little more than four men for each State of the Union. In my opinion, if each man whom we are about to dismiss from the Government service was to prevent even one strike in the course of his employment next year, the Government would be repaid in large part for his salary through the uninterrupted receipt of pay-roll and other taxes.

In these critical times it would seem to be questionable economy to lose the services of men whose usefulness to the Government lies principally in their ability over the years to develop the confidence of labor and management in them. Should the Congress reduce our appropriation now and later come to see the need for men of this caliber, it would be several years before the Government could train men to adequately perform this work.

Sincerely yours,

HOWARD T. COLVIN,
Acting Director, Federal Mediation and Conciliation Service.

Mr. CHAVEZ. Mr. President, we ask the departments to try to be economical in their own way. We try to have faith in them. This is one agency which has followed our advice; and now it is proposed to punish it to the extent of $40,000.

So far as personnel is concerned, a total of 17 notices have been issued. In my opinion, the real authorities of the Service did not send out such notices in order to put pressure on me. I know that such things have happened. They have happened in connection with appropriations during this session. In the past I have been told, "We are going to close so many offices in New Mexico if a reduction in the appropriation is made." But I cannot believe that this agency did such a thing. I can judge those things. But when we find someone who is honest, let us try to be fair ourselves.

At any rate, a total of 17 notices were sent out. A review of the records indicates that the distribution by States is as follows: New York has three. Pressure could hardly be brought on the Appropriations Committee, because New York has no representative on the Appropriations Committee. There are two in Pennsylvania. Massachusetts has one; North Carolina, one. North Carolina has no representative on the Appropriations Committee.

There is one in Alabama, which has no representative on the Appropriations Committee. Georgia has one, and Indiana has one. So it is hardly fair to say that pressure was being used. There is one in Michigan, one in Missouri, one in Kansas, one in Oklahoma, one in Oregon, and one in Washington, D. C. So they are evenly distributed.

In my opinion, if the Service did not have the money to pay these men, it was necessary to dismiss them. So I associate myself with the Senator from Oregon. I had an amendment prepared to restore this amount. It is only $40,000, but it means a great deal to this particular Service and to the people of the United States. The $40,000 is just as important to that agency as the many millions appropriated for other agencies of the Federal Government. I hope that my good friend from Tennessee will at least take this item to conference.

Mr. MORSE. Mr. President, I submit the amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Oregon [Mr. MORSE]. [Putting the question.] The Chair is in doubt.

Mr. MORSE. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MORSE. Mr. President, I withdraw my suggestion of the absence of a quorum, and ask unanimous consent that further proceedings under the quorum call be dispensed with.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

The question is on agreeing to the amendment offered by the Senator from Oregon [Mr. MORSE].

The amendment was agreed to.

Mr. GURNEY. Mr. President, turning to page 8 of the bill, there is an item for the Motor Carrier Claims Commission. This Commission was authorized in 1948. The law provides that Commissioners shall be appointed to accept these claims. They could not be appointed in 1948, because money was not made available to pay the Commissioners. Money was not made available until about April of this year; and still the Commissioners were not appointed. That money reverted to the Treasury on June 30, 1949. The next money available for the Commission is contained in this bill, on page 9. Even though there was a continuing resolution making this amount of money available since June 30, the Commissioners have not yet been appointed.

The time limit for filing claims expires on October 2. But there has been no one with whom these motor carriers can file their claims, and possibly there will not be until the Commissioners are appointed. I understand that the Commissioners will be appointed some time during the coming month, or possibly sooner; but after they are appointed, they must take office, and October 2 is rapidly approaching. Therefore, Mr. President, on page 9, in line 4, after the period, I offer as an amendment a new sentence, to read as follows:

The time for filing claims under the act of July 2, 1948, is hereby extended to April 2, 1950.

Mr. McKELLAR. Mr. President, I see no objection.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

The bill is open to further amendment. If there are no further amendments to be proposed, the question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The VICE PRESIDENT. The bill having been read the third time, the question is, Shall it pass?

The bill (H. R. 5300) was passed.

Mr. McKELLAR. Mr. President, I move that the Senate insist upon its amendments, request a conference thereon with the House of Representatives, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. McKELLAR, Mr. HAYDEN, Mr. RUSSELL, Mr. BRIDGES, and Mr. GURNEY conferees on the part of the Senate.

AMENDMENT OF INSTITUTE OF INTER-AMERICAN AFFAIRS ACT—CONFERENCE REPORT

Mr. McMAHON submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1250) to amend the Institute of Inter-American Affairs Act, approved August 5, 1947, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following: "That the Institute of Inter-American Affairs, created by Public Law 369, Eightieth Congress, shall have—

"(a) Succession until June 30, 1955; and

"(b) Authority, within the limits of funds appropriated or specific contract authorizations hereafter granted to it, to make contracts for periods not to exceed five years and not to extend beyond June 30, 1955, in any case.

"SEC. 2. There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums, not to exceed $35,000,000, as may from time to time be necessary to carry on the activities of the Institute during the period ending June 30, 1955, and the appropriations hereby authorized shall be in addition to appropriations pursuant to authorizations granted in Public Law 369, Eightieth Congress."

And the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title of the bill, and agree to the same.

BRIEN McMAHON,
THEODORE FRANCIS GREEN,
J. W. FULBRIGHT,
ALEXANDER WILEY,
Managers on the Part of the Senate.

JOHN KEE,
JAS. P. RICHARDS,
MIKE MANSFIELD,
ROBERT B. CHIPERFIELD,
DONALD L. JACKSON,
Managers on the Part of the House.

Mr. McMAHON. Mr. President, I ask for the immediate consideration of the report.

Mr. KNOWLAND. Mr. President, will the Senator yield for a question?

Mr. McMAHON. I yield.

Mr. KNOWLAND. Is this a unanimous report on the part of the Senate conferees?

Mr. McMAHON. It is, with the exception of the Senator from Massachusetts [Mr. LODGE], who is absent by leave of the Senate. The Senator from Wisconsin [Mr. WILEY] is among the Senate conferees signing the report. It is signed unanimously by the House conferees.

The VICE PRESIDENT. Is there objection to the present consideration of the report?

There being no objection, the report was considered and agreed to.

The VICE PRESIDENT. The Chair would like to observe that he thinks it will be of interest to announce that thus far today the Senate has passed two appropriation bills and has agreed to a conference report.

Mr. McKELLAR. Mr. President, I wish to congratulate the Senate.

NATIONAL MILITARY ESTABLISHMENT APPROPRIATIONS

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside, and that the Senate proceed to the consideration of the appropriations bill for the Military Establishment, being House bill 4146.

The VICE PRESIDENT. The unfinished business is the minimum-wage bill. Is there objection to the request of the Senator from Oklahoma?

There being no objection, the Senate proceeded to consider the bill (H. R. 4146) making appropriations for the National Security Council, the National Security Resources Board, and for military functions administered by the National Military Establishment for the fiscal year ending June 30, 1950, and for other purposes, which had been reported from the Committee on Appropriations, with amendments.

Mr. THOMAS of Oklahoma. Mr. President, the bill now before the Senate embraces or comprises approximately 40 percent of the total appropriations requested by the administration.

In order that I may divest myself of the opportunity of making a statement, I ask unanimous consent to have a statement printed at this point in the RECORD; and, following it, I ask consent to have printed in the RECORD a release by the Secretary of National Defense, under date of August 24. I assume that we shall not have a chance to consider the bill very much tonight. If these two statements can appear in the RECORD, they will show exactly what the bill means.

There being no objection, the statement and release were ordered to be printed in the RECORD, as follows:

The present bill, H. R. 4146, makes appropriations for the National Military Establishment for the fiscal year 1950. For the first time, as a result of the unification program, this bill contains amounts for the three Departments of the Army, Navy, and Air Force as well as amounts for the Office of the Secretary of Defense, the National Security Council, and the National Security Resources Board.

The total amount of appropriations in the bill as reported to the Senate—exclusive of trust accounts—is $12,731,834,478. This amount is $540,981,322 under the House total of $13,272,815,800 and $517,126,222 under the budget estimate of $13,248,960,700. It is $2,277,357,065 over the amount allowed the Military Establishment for the fiscal year 1949.

In addition to the cash appropriations, the Senate Appropriations Committee recommends a total of $2,058,546,000 in contract authorizations for fiscal year 1950. This is $577,755,000 under the House approved figure of $2,636,301,000 and $17,000,000 under the budget estimate of $2,075,546,000. This is an increase in contract authorization over the $270,000,000 allowed in 1949 of $1,788,546,000, it being remembered that $2,275,000,000 in contract authorizations was allowed in 1949 in a 1948 supplemental appropriation bill.

The committee also acted to rescind $275,000,000 in contract authorizations for stock piling that is contained in Public Law 150, Eighty-first Congress, the Treasury-Post Office Act. I shall speak about that later in my discussion.

Adding the cash appropriations and the contract authorizations together, the Senate committee recommends a total of $14,790,380,478. This amount is $1,118,736,322 under the House-approved total of $15,909,116,800 and $534,126,222 under the budget estimate of $15,324,506,700.

Adding the stock-piling rescission to the savings already indicated, one arrives at a total of $1,393,736,322 over the House-approved military bill and the amount authorized for contracts in Public Law 150.

Before arriving at its decision, the committee heard a great body of testimony from the military, much of which, for obvious reasons, does not appear in the record. The committee was greatly impressed by the earnest resolve of the Secretary of Defense, Mr. Louis Johnson, to effect economies in his organizations during the coming year. It is to be hoped that the three branches of the service will lend their whole-hearted support to his endeavors to bring about a truly unified military establishment which will, at one time, both weld the national defenses into an impregnable whole and bring about needed savings through proper unifying action.

I wish to thank the Secretary of Defense for his cooperation and to wish him success in his resolution.

I also wish to thank the other members of the Senate Committee on Appropriations for the assistance they have rendered on this bill. Although we did not always see eye-to-eye on every issue, the bill as reported is as near as it can be to the unanimous expression of committee thinking and as such merits the sober consideration of the Senate and House of Representatives.

The committee, in attempting to determine the amounts to be recommended for the Military Establishment, was beset by conflicting desires. It wished above all else to provide for the national security from any possible aggressor. At the same time it was not oblivious to the dangers inherent in a tremendously expanded arms-production program that would—in the long run—exhaust our economy at a time when, perhaps 2, 5, 10, 20 years hence it might need the very might which we had dissipated in what might then be obsolete equipment.

This latter consideration runs parallel to the present economic condition of the country, which, despite its tremendous prosperity, has a debt of over $253,000,000,000. We were unable to balance our budget last year and we bid fair to go even more deeply into debt in this present fiscal year. One solution to this—increased taxation—is not considered economically sound at this time, particularly in the face of a probable recession. The only other solution, reduced spending, seemed to the committee the logical alternative. The bill, as presented to you today, provides a maximum of national security within what I believe to be the limits of our economic stability.

The committee made two major revisions of the House-approved version of the bill. First, in nearly every instance it restored items to the budget estimates. In so doing it increased the Department of the Army by approximately $89,000,000 and the Department of the Navy by about $12,000,000 and, at the same time, it decreased the Department of the Air Force by $222,067,000 in cash and $577,755,000 in contract authorization. This, in effect, would reduce the proposed size of the Air Force from the House-approved 58 groups to the President's recommended 48 groups, the number also approved by the Secretary of Defense and the Secretary of the Air Force.

Secondly, the bill provides that the appropriations in the bill be reduced by a total of $433,968,611, such reductions to be made by the Secretary of Defense wherever in his discretion he deems such reductions to be in the best interests of our national security.

The committee did not act capriciously in either of these actions. Repeatedly members of the committee asked the Secretary of Defense, the Joint Chiefs of Staff, and the three Secretaries of the Army, Navy, and Air Force as to their needs. They were unanimous—emphatically unanimous—in supporting the President's budget. Members of the committee even went so far as to remind these witnesses that the Congress was not bound by the budget, that they would give serious consideration to whatever amounts the responsible heads of the various establishments thought advisable, and in each instance these heads, the Secretary of Defense, the Joint Chiefs, and the Secretaries of the three Departments reiterated their adherence to the President's recommendations.

Furthermore, the Secretary of Defense, in his presentation, made the following statement:

"If you give us the bill covering amendments to the National Security Act, I think we can say that without reducing the strength of the Army, Navy, and Air Force, I think we can save about $1,000,000,000 by cutting out wastage, duplication, and by cutting down unnecessary civilian employment."

This commendable attitude, plus investigations by the committee, convinced us that savings could be made in the bill below the budget estimate. Committee action was predicated on this assumption.

In the matter of stock piling, the committee acted to reduce the contract authorizations already made law by $275,000,000. The Second Deficiency Appropriation Act for 1949 (Public Law 119) contained $40,000,000 cash and $270,000,000 contract authorization. The Treasury-Post Office Appropriation Act, 1950, contained $525,000,000 cash (of which $250,000,000 was to liquidate prior contract authorizations) and $250,000,000 contract authorization. The two acts, together, totaled $565,000,000 cash and $520,000,000 contract authorization. The reduction of $275,000,000 in contract authorization still allows for $565,000,000 in cash and $245,000,000 in contract authorization for the fiscal year 1950.

I personally would have wished that the reduction could have been considerably larger. However, it was the conviction of the committee that a rescission of $275,000,000 was proper, and I willingly accede to the committee's wishes. I regard the stock piling of strategic and critical materials as a highly necessary preparation for the eventualities of possible war. I would look with horror at a program so short-sighted as to overlook the failures in the past to provide us with materials of which we have at best a minimum supply. But at the same time it is my measured judgment that there should be limits to our goals if we are to husband our economic and military strength. I regard a full

year's wartime supply of critical materials as sufficient at this time. I say this after careful consideration of our geographic position and that of a possible enemy, of the possibility of subversive elements arising in countries where strategic materials exist, of the deplorable necessity for our continued military preparedness, and of the tension which already exists on the bands of our internal economy.

Several other items might be mentioned briefly. As originally contemplated in the budget and as considered by the House, the bill called for funds and contract authorizations for the building of the supercarrier U. S. S. *United States*. Subsequent to House action, the program was changed, the carrier idea was abandoned, and a conversion program as outlined in the committee report was initiated. Funds for the conversion program were transferred from the proposed appropriation for the large carrier, and previous contract authorizations for the same purpose were made available for the revised program.

Two new programs, one in the Navy for $20,000,000 and one in the Air Force for $50,000,000 cash and contract authorization, were recommended by the committee, to be absorbed in the appropriations recommended in the original budget estimates.

To my way of thinking, the bill as reported accurately reflects our military needs. The Senate Appropriations Committee has always been in the forefront in preparing the Nation for possible conflict. In 1941 it was this committee which, having reviewed the budget estimates and the House action on the military bill, directed the Military Establishment to bring in revised estimates of its needs, estimates which would realistically provide for a greatly augmented Military Defense Establishment. We have never regretted taking the initiative in this action. Should the need again arise, I am sure that the Senate Appropriations Committee will not be found wanting.

On the other hand, and I think I speak for nearly every member of the group, the committee is profoundly desirous of accomplishing economies which will reduce, if not remove, the anti'pated 1950 imbalance in the budget. For substantial savings to be made in the present year's budget, these must come from some phase of military activity. For savings to be made in the budgets of future years, a limitation on the contract authorizations in this year must be considered. In this present bill there is a total of $1,886,000,000 cash to liquidate prior contract authorizations. The committee cannot do other than approve these amounts.

Approximately 35 percent of the total appropriations for the coming year are contained in this bill. This does not include 1 cent of cost of previous wars—the interest on the debt and the veterans programs—nor does it include anything for such large items as that of the Atomic Energy Commission, stock piling of critical materials, the ECA program, and the proposed European arms cost. Viewed in this light it will be seen that the vast preponderance of all appropriations is being supplied to preparation for national defense and to costs of past wars.

I believe that the Senate will not regret its action if it approves the amounts as recommended by the committee in this bill. To those of you who believe we have reduced the Military Establishment too much, I call to your attention that the total cut recommended is only about 3½ percent below the budget estimates, not including, of course, the stock piling rescission. To those of you who do not believe that we have reduced the Military Establishment enough, I again remind you that what we are paying for is national security, an insurance premium on democracy. With the hazards of today in mind, I should not wish to be one who would weaken our safeguards.

SECRETARY JOHNSON ANNOUNCES REDUCTION OF DEFENSE COSTS

A detailed but partial program of economies which should reduce expenditures for national defense by approximately $200,000,000 the first year and when in full effect at a rate of approximately $500,000,000 per year, was announced today by Secretary of Defense Louis Johnson.

The program involves reductions to be achieved in the Army, Navy and Air Force by cutting the numbers of their civilian employees by 135,000, reducing the number of their officers on active duty by 12,073 and by inactivating 51 Army, Naval and Air Force installations and by curtailing a number of additional activities of three services.

The reduction of expenditures will not be felt immediately by the three services but it is expected that the full effect of the program will be felt in the next fiscal year.

Of the total 135,000 civilian job reductions, 41,000 will be carried out by the Army, bringing its total civilian employment down to 336,000 for military and civilian functions, including Rivers and Harbors; 76,000 by the Navy, to a total of 283,000 and 18,000 by the Air Force, to a total of 151,000. Reductions of numbers of officers on active duty will be distributed as follows: Army, 5,787; Navy 3,157; Air Force, 3,129.

It is not contemplated that the civilian positions which become vacant will be filled by military personnel, and a study will be made of service and support type units in each service, with a view to reducing the number of military personnel needed in such units.

September 15 has been set as the date on which inactivation of the Army installations will begin. The installations involved, accompanied by the dates on which they are scheduled to be completely shut down or reduced to a maintenance status, are:

Camp Chaffee, Ark., now being used as a facility for a training division of recruits, to be closed by April 15, 1950; Camp Jackson, S. C., also used for recruit training, July 1, 1950; Camp Kilmer, N. J., now the staging area for the New York port of embarkation, April 1, 1950; Camp Ellis, Ill., now used for National Guard training purposes, December 1, 1949; the Lincoln ordnance depot, Lincoln, Ill., January 1, 1950; the Maynard, Mass., backup area, July 1, 1950; the Nansemond ordnance depot, Nansemond, Va., July 1, 1950; the ordnance section of the Shultz farm, Maryland, Army installation, January 1, 1950; the ordnance subdepot at Susequehanna, Pa., January 1, 1951; the engineer section of the Richmond general depot, Richmond, Va., November 30, 1949; the Yuma engineer testing station, Yuma, Ariz., January 1, 1950; the medical section of the Columbus general depot, Columbus, Ohio, December 31, 1949. The Army ordnance depot at Oyster Point, Va., has already been closed down.

The largest Navy cut-back will be the inactivation of the naval shipyard at Long Beach, Calif., and considerable reduction in force will take place at the 10 other naval shipyards and at naval air stations. The Navy will also inactivate naval air stations at Atlantic City, N. J., Coco Solo, C. Z.; Roosevelt Roads, P. R.; Kaneohe, T. H.; naval auxiliary air stations at San Diego, Calif., Charlestown, R. I., and Chincoteague, Va.; Marine Corps air station at Edenton, N. C.; ammunition and net depot, Seal Beach, Calif; naval ammunition depots, Hingham, Mass., Bangor, Wash., and Hastings, Nebr.; naval ordnance plants at, Louisville, Ky., and Pocatello Idaho; naval hospitals at Corona, Calif, and Aiea, T. H.; and the medical supply depots at Aiea, and on Guam. The Naval Academy college preparatory school at Bainbridge, Md., also will be inactivated.

The Air Force bases which will be inactivated are:

Smoky Hill Air Force base, Salina, Kans.; Ent Air Force Base, Colorado Springs, Colo.; Orlando Air Force base, Orlando, Fla.; Grenier Air Force base, Manchester, N. H.; Dow Air Force base, Bangor, Maine; Lockbourne Air Force base, Columbus, Ohio; Greenville Air Force base, Greenville, S. C.; Slocum Air Force base, New Rochelle, N. Y.; Clinton County Air Force base, Wilmington, Ohio; Forbes Air Force base, Topeka, Kans.; Mountain Home Air Force base, Mountain Home, Idaho; France Air Force base, C. Z; Vernam Air Force base, Kingston, Jamaica; Waller Air Force base, Port of Spain, Trinidad; Mingan Air Force base, Quebec Province, Canada; Banking Sands Air Force base, Kauai Island, Hawaii; Guatemala City Air Force base, Guatemala, and the Howard Air Force base, Bruja Point, C. Z. These bases will be retained on a stand-by basis, with a small maintenance unit remaining at each base for fireguard duties.

Some of the reductions, particularly in the case of civilian personnel, have already been put into effect. The Army has already reduced its civilian employment from the end of June 1949 by some 8,000, and has set November 1, 1949, as its target date for the release of an additional 33,000 (of which 11,000 are overseas). The Army reduction accomplished prior to now was made possible by the completion of some projects, and by suspending new employment and employment to fill vacancies, effective on August 15.

In connection with the freeze of Army employment, it was stated that this suspension of employment will not apply to recruiting for employees to fill authorized vacancies in overseas areas.

The Navy has already reduced its number of civilian employees by approximately 25,000, and is expected to accomplish the balance of its reduction of approximately 51,000 civilian positions by November 1.

The Air Force stated that hiring will be held to a minimum until the Air Force civilian reduction has been completed. When overseas Air Force installations are closed, native civilians will be released locally and United States citizens will be returned to this country. Some of the latter will be employed at domestic installations.

Army reductions of officers will affect officers of all grades, but principally in the grades of major, lieutenant colonel, and colonel. Approximately 1,250 Army officers will be separated by December 31, 1949, and the remainder of some 2,137 will be separated by April 1, 1950. The Army estimates that some 2,400 of its officer-reduction quota will be accomplished by normal attrition due to deaths, resignations, and retirements, while the balance of 3,387 separations will require administrative action.

The Navy now has slightly over 46,500 officers on active duty. For this fiscal year it must maintain an average of 45,000 officers. It is scheduling its reductions to attain that average and on July 1, 1950, there will be 43,500 officers on duty. Most of the cuts in officer strength will be made by returning Reserve officers to inactive status and by reverting temporary officers to their permanent ranks of warrant or chief petty officers.

The Air Force officers to be relieved from active duty will be non-Regular, rated officers—pilots, navigators, bombardiers, and observers. It is planned to relieve 3,129 such officers from active duty as soon as possible.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a moment?

Mr. THOMAS of Oklahoma. I yield.

Mr. SALTONSTALL. Does the Senator from Oklahoma intend to have the Senate take up the amendments to the bill this evening, or does he simply in-

tend to make a statement explanatory of the bill?

Mr. THOMAS of Oklahoma. Mr. President, I think the mood of the Senate is fair; and after I make my statement, I think there will not be very much controversy. Perhaps I am overoptimistic.

Mr. McKELLAR. Mr. President, I hope the Senator from Oklahoma is not overoptimistic.

Mr. THOMAS of Oklahoma. If Senators will remain for a few minutes and will hear what I shall say, and then will ask whatever questions they may care to ask, I think we can pass this bill in 15 or 20 minutes. After all, Mr. President, during the war I had the opportunity of handling a bill calling for the appropriation of $72,000,000,000, and the Senate passed that bill in 20 minutes. On the same ratio, a $15,000,000,000 bill should not take very long to be passed by the Senate.

Here is the situation: We have a new Secretary of Defense. He is somewhat new to the job, but I think he already has received the confidence of the Congress and, to a large extent, the confidence of the people. So he should be given a chance.

Then we have the combination of the three forces—the Department of the Army, the Department of the Navy, and the Department of the Air Force. Each of those Departments is under a Secretary, who likewise is new. So we have before us a strange and new proposition: One Military Establishment, with one head, and with three main subordinates.

When the budget was submitted to the House, it carried items for a sizable sum of money. The House proceeded to consider the budget items, and cut them considerably, in various places. But instead of cutting all the items, I believe it added provision for 10 more groups in the Air Force. Those 10 groups, if the House action is sustained, will involve approximately $800,000,000 of additional expense. There is no budget estimate for that increase; but, as I understand, the House of Representatives took the budget estimate which was submitted for universal military training and construed that to mean that it could use that for increasing the Air Force; and the House proceeded to do so.

So when the bill came to the Senate, it contained, instead of provision for a 48-group Air Force, which the Administration recommended, provision for a 58-group Air Force and, as I have said, $800,000,000 of additional appropriations.

After holding hearings for almost a month, the Senate committee brought about an adjustment. The Secretary of Defense did not ask the Senate to retain in this bill provision for the 10 additional Air Force groups. So when the Defense Establishment agreed not to request a continuation of the House provision for the 10 additional Air Force groups, immediately we were able to reduce the appropriations, under the figure contained in the bill as passed by the House, by approximately $800,000,000.

Mr. Johnson, the new Secretary of Defense, as I have stated, believed then, as he believes now, that he could make substantial savings. So our force in the Appropriations Committee, working with Secretary of Defense Johnson and with Secretary Symington and with the Secretaries of the Navy and the Army, Mr. Matthews and Mr. Gray, respectively, agreed—all of them agreed—that they would make substantial savings, and they agreed that they could reduce the amount carried in the bill as passed by the House by approximately $433,000,000, in addition to cutting out the $800,000,000 increase for the 58-group Air Force which was provided in the bill when it came to the Senate from the House of Representatives. By reducing that number to 48 groups and by taking advantage of other voluntary agreements, it was found that the appropriations carried in the bill could be reduced by a further amount of $433,000,000. That makes a total reduction of approximately $1,200,000,000.

Here is the theory of the bill as it is now before the Senate: The Senate committee recommends that we reestablish, to the full, every budget estimate. That is No. 1. Then, in the bill we recommend that the Secretary of Defense be required to make a total saving of something over $433,000,000. If the bill is passed upon this theory, the Secretary can go up to the full budget estimate at any point he thinks he must, but he can only do so on condition that overall he cuts out $433,000,000. That is the picture.

There are only two or three places in the bill where the Senate recommends an increase over the budget estimates. One of those is for the Office of the Secretary, himself. There is one other place where the House has raised the budget estimate, and the Senate committee recommends that the Senate agree to that raise. In other cases, since the Senate committee recommends appropriations only up to the budget estimates, when the bill goes to conference, if the House conferees can convince the Senate conferees that the two or three items which they raised above the budget estimate should be retained, as one conferee I shall be perfectly willing to agree to those raises.

This is a flexible over-all program to take care of our Military Establishment, but, when it is done, if it is done as the committee recommends, there will be a saving under the House bill of almost $1,200,000,000. That is the theory of the bill. There are some other provisions in it which we shall come to as we go through the bill. But I want to make the theory plain, so Senators will understand at the beginning what we are doing in the whole bill. If the committee theory is accepted, there will then be no particular occasion to take up the items in a formal way, since they conform to the budget estimates.

We give the Secretary the liberty and flexibility of going as high as the budget estimate on certain items, on condition that in the over-all picture, he can cut out $433,000,000. The only reason that is done is because Mr. Johnson is new, and because his three Secretaries are new. I placed in the RECORD just now a release from Secretary Johnson. He has already begun to reduce the expenses of the Military Establishment, and it is being done according to the theory of this bill. If we give him this money, as the committee recommends, I think I am safe in saying he will save the $433,000,000. Then, if there is no greater threat of war than there is now, he will proceed still further to cut the budget, and he thinks he can save from $1,000,000 to $3,000,000 a day. If the threat of war is not acute and he does what he says he wants to do, he will have perhaps a billion dollars during the course of the next 12 months.

That is the theory of the bill. I want the theory understood. Then, when we come to specific items, we can discuss them.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. KNOWLAND. I am not sure whether I understood the Senator to say earlier that he anticipated a vote on the committee amendments tonight. If so, I should like to suggest the absence of a quorum.

Mr. THOMAS of Oklahoma. No, that was only my suggestion. I do not think the Senate should try to pass a $15,000,000,000 bill in a few minutes. It could be done, if the theory were understood and agreed to. But I am not asking that it be voted upon tonight.

Mr. KNOWLAND. I do not know what the ideas of the majority leader are on recessing, but since it is a quarter to six, and the Senator has put certain material in the RECORD which I think we should all like to study overnight, I respectfully suggest we postpone voting on the committee amendments until tomorrow.

Mr. THOMAS of Oklahoma. I ask that the Majority Leader be called into the Senate Chamber. I do not think it would be advisable to begin the consideration of amendments tonight, before Senators have had a chance to read the statement and to read the committee report, so they may understand the theory of the bill.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I am glad to yield.

Mr. SALTONSTALL. The Senator, I think, did not bring out the question of whether there is in the bill a provision or a leeway under the budget for increased salaries of officers and men, under the military pay increase bill which is on the calender.

Mr. THOMAS of Oklahoma. Yes; the bill contains a number of really flexible provisions. Transfers can be made back and forth. A bill of this kind would not be practical, unless the Secretary were given authority, if he finds he is running out of money in some department, to transfer money from some other department to meet the need. But, over all, he must reduce the total appropriations to the extent of over $433,000,000. Of course, all three departments are working in harmony and therefore they must all agree to whatever is done.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. WILLIAMS. If the Secretary carries out the provisions of the bill and saves $433,000,000, how would the appropriation this year compare with last year's appropriation?

Mr. THOMAS of Oklahoma. I think the committee report on its face states that. The Senator will find that the bill as reported to the Senate is $517,126,222 under the estimates for 1950, but it exceeds the appropriations for 1949 by $2,000,000,000 plus. But here is $1,800,000,000 of that excess: Last year, the Congress authorized contract authorizations in the amount of $1,800,000,000, so we had to appropriate that money this year. A contract authorization is not an appropriation of money for a given year, but it involves an appropriation the following year. When we commit ourselves to a contract authorization this year, the money must be provided next year, if the authority is exercised. Last year the Congress authorized $1,800,000,000, and that sum is included in the excess appropriation this year of $2,200,000,000 over 1949.

Mr. WILLIAMS. But it is true, is it not, that even if we save $1,400,000,000 on the appropriations, there will still be about $1,750,000,000 more to be spent on the Military Establishment than was appropriated last year?

Mr. THOMAS of Oklahoma. On its face, the decrease from the amount passed by the House is $540,000,000, and the amount of the bill will be $12,000,000,000-plus. The amount of the appropriations for 1949 was $10,000,000,000-plus. The Senator, of course, is correct in his estimate. At the time the estimates were made, conditions were thought to be more critical than they are now thought to be.

Mr. TAFT. Mr. President, the Senator referred to a saving of something like $1,500,000,000. On the face of the bill, the amount of the decrease is $540,000,000-plus. Are we to understand that the decrease in authorizations, on page 4, represents an additional saving of $577,000,000-plus?

Mr. THOMAS of Oklahoma. That is my understanding. That will come out, under the estimates for the universal military training program. No money is appropriated for that.

Mr. TAFT. Referring to page 4, the House bill gives the Department of the Air Force $1,992,000,000, which the Senate has reduced by $577,000,000. Is that the 10-group reduction of which the Senator spoke?

Mr. THOMAS of Oklahoma. It is my understanding that is a decrease in contract authorizations for the Department of the Air Force.

Mr. TAFT. So the decrease is partly in appropriations and partly a decrease from the budget estimate, is it not?

Mr. THOMAS of Oklahoma. That is true.

Mr. TAFT. It is partly in appropriations, partly in contract authorizations, is it not?

Mr. THOMAS of Oklahoma. That is correct. There are other features of the bill which I should like to make clear, if I can. Last year the Congress appropriated and authorized a total of about $600,000,000 to begin the program of stock piling. This year, the Congress has already appropriated and authorized a total of $835,000,000 more for stock piling. Some of the members of the committee have thought that was going a little bit too fast, that it was too large a sum.

After considerable hearings the committee decided and now recommends that we reduce that over-all sum by $275,000,000, and that will be the subject of an amendment to be considered. That money has been appropriated and authorized already in other bills. It is not in this bill. It is a rescission item. If the Senate agrees with the recommendations of the committee we will take back a part of that amount of $835,275,000, and we think that will give the Munitions Board and those engaged in the program ample funds, in fact, all they can spend. They are acquiring their stock-pile items very slowly. They are getting the materials from all parts of the world, and I am not at all satisfied with the record made in getting these items. There are 69 items. They have certain items now that are in advance supply to the extent of 5 or 6 years. They have certain items in advance supply as much as 20 years. Certain items, of course, they are not getting very fast. The press has carried some information about the stock-piling program, and the program has been criticized somewhat. There is quite a list of all these commodities, and there are some of the items about which I think it is no secret, since they have been discussed quite freely. They want 25,000,000 pounds of pepper, for example. I do not know what use will be made of the pepper. We have information that pepper is very desirable for use in canning certain commodities and in the preservation of meats, but we also have information that pepper is not something on which people can live; it is only a flavoring extract.

They also want 15,000,000 pounds of castor oil. That may be very necessary. If they use the pepper first and the castor oil second, it might bring results. I am not sure about that. But here is what happens. Every time Congress passes a law creating a new activity, a new bureau or board, immediately those in charge of the new bureau or board begin to build up their institution. When we started this stock-piling program in the last Congress we provided that the Munitions Board should begin to stock pile certain things. We did not specify the things they were to stock pile, but they were supposed to be strategic and critical war materials. The Board selected 69 commodities and began to stock pile them. It never occurred to me that they would build up an institution requiring all the staff and all the money they now require. They have over 500 employees in this one little, insignificant bureau, engaging in stock piling. They have set aside $59,000,000 of the total appropriation to pay expenses of personnel and expenses of stock piling. They have agents scattered throughout the world buying materials. It may be necessary, but it does not seem to me that it is exactly necessary. The committee is willing to go along and give them that much money. Personally, I recommended that we reduce the items more severely. We started with a heavy cut and kept on reducing until we got down to $275,000,000, and the committee, without objection, agreed to that reduction.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. MAYBANK. I do not intend to object to the $275,000,000 contract authorization, but I do want to say for the record that the contract authorization for strategic materials was in the Treasury-Post Office bill, and the hearings were held by the Treasury-Post Office Subcommittee in the House of Representatives. The distinguished Senator who is now presiding will recall that I called it to his attention, and we later had another meeting so that the members of the Treasury-Post Office Subcommittee could be present. I merely want to make the record clear. I do not want to object, but I do think that in justice to the Treasury-Post Office Subcommittee, the members of the House committee should be advised.

Mr. THOMAS of Oklahoma. Several months ago conditions were different from what they are at this time. When we began the session last January there was more or less feverishness regarding our situation, but we have gone through approximately 8 months and things seem to be getting a little more settled throughout the world than they were at the time the budget estimate was submitted.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. HAYDEN. I did not agree and did not vote in the committee for this reduction. I have always felt that the creation of an adequate stock pile was one of the very best things we could do in order to let any country which might be seeking trouble with us know we have a stock pile, and that we could engage in a year's war. I think that is a great deterrent to any notion a nation might have of attacking us. That was our weakness when we went into the last war; we did not have on hand the things we needed. We should have a year's supply of copper, lead, and zinc, not only for the Army, but for our industries. I look upon the stock pile as the best guaranty of peace we can possibly have. If we do not need these materials in the future they can always be sold. They are not a dead loss, as are a great many military commodities. We passed a provision directing that we buy American in connection with the stock pile. I am in favor of that. That provision was unanimously adopted. But I cannot bring myself to see that we should direct the agency to buy American and then cut down the money with which to do the buying.

Mr. THOMAS of Oklahoma. I suggest that the over-all problem before the Congress is an expenditure of 3½ billion dollars over a period of years for stock-piling purposes. If conditions now were as they were a year ago I would look with more favor upon going faster than I am willing to go at this time. It seems to me that with the money the agency has, with

conditions as they are, we are making progress as rapidly as we should in the extended condition of the Treasury.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. LUCAS. Does the evidence disclose the importance of the various strategic and critical materials in different categories? I do not presume they are all equal in importance, so far as national defense is concerned. I am wondering whether this cut will in any wise interfere with the procurement for stock piling of some materials which are essential from the standpoint of our national defense.

Mr. THOMAS of Oklahoma. I will say that the information before the committee gives, in the first column, the amount we should have in a 1 year's stock pile. In the second column it gives the amount we have on hand. As I said earlier, we already have on hand as much as a 20-year supply of some commodities. As to others, we have not started to acquire them.

As an illustration, take jewel bearings. There is no secret about that. Some of these commodities may require secrecy. As to jewel bearings, they require 2,400,000 instrument jewel bearings, and have on hand already 14,400,000 instrument jewel bearings.

Mr. LUCAS. Will the Senator yield on that point?

Mr. THOMAS of Oklahoma. I yield.

Mr. LUCAS. Does this cut in the appropriation limit the executive branch of the Government in any way in buying for next year? In the event they received the full appropriation, could they use the money for some other more critical and strategic material they thought was necessary?

Mr. THOMAS of Oklahoma. The Board is unlimited in deciding what is needed. It has decided only on 69 commodities.

Mr. LUCAS. If it wanted to spend all the money on one commodity, could it do so?

Mr. THOMAS of Oklahoma. There is no law to prevent it.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. SALTONSTALL. To carry out that thought one step further, if the $275,000,000 reduction in contract authority is agreed to, it will allow $565,000,000 in cash and $245,000,000 in contract authorizations to carry on the stock-pile program in 1950. As one who heard all the evidence, it seems to me it is a question of how fast we want to stock pile. We shall have on hand a very substantial stock pile at the close of 1950, with the thought of a full program in approximately 2 or 3 years. By cutting out $275,000,000 we simply postpone the completed stock pile approximately a year or half a year. Does the Senator agree with that statement?

Mr. THOMAS of Oklahoma. That is exactly correct. I agree thoroughly with the Senator's statement.

The Board reports a 1 year's supply, 8,200,000, of watch jewel bearings, and it has on hand 22,500,000 watch jewel bearings, or almost three times 1 year's supply.

Mr. President, I shall not go any further with this matter. It is marked "confidential"; and some parts of it, I presume, it would not be wise to have in the RECORD, but it is here for any Senator who wishes to examine it.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield to the Senator from Wyoming.

Mr. O'MAHONEY. I desire to say only that I was one of the members of the committee who opposed this reduction. I think the Senate should know that the representatives of the National Defense Establishment, the officers in charge of stock piling, appeared before the committee and expressed the opinion that the reduction should not be made. There are many items in the stock pile. The Senator has read only some of them, naturally. The acute necessity, as I see it, of building up a military stock pile for the United States cannot be overestimated. The only question that is before the Senate now, it seems to me, is whether it is worth while to attempt to save the expenditure of the particular sum involved at this particular time for contract authority. My own personal view is that it is not in the interests of the country. It will be only a temporary saving. It will not, in the last analysis, prevent the expenditure of the sum. We should have our stock pile, and we should have the least possible delay in acquiring it, from my point of view.

The further statement should be made, I think, that this reduction comes in the military bill affecting the action of the Senate and of the Congress on the Treasury bill. The matter was referred to the Treasury Subcommittee, and as a result of that referral, the amount of the reduction was substantially modified, as I think the Senator from Oklahoma will acknowledge. My own feeling is that we are not doing the right thing in making this reduction.

Mr. THOMAS of Oklahoma. Mr. President, the only issue, in my opinion, is how fast we should proceed to build up the stock pile. If it should be decided that it should be done in 2 or 3 years, the amount of money that has been heretofore appropriated probably should be allowed to stand, but if the Senate is convinced that conditions do not justify paying the exorbitant prices that must be paid in order to get the stock pile assembled immediately, that is the other viewpoint.

If the Senate should agree to the viewpoint expressed by the committee, to restore the full budget estimate, and then direct a cut, there is no occasion for doing more than going through the amendments formally and having them agreed to, because the full budget estimate is restored. The House cut many of the provisions and raised one or two, but the Senate committee restores all of them to the full budget estimate. If that policy should be pursued, we could agree to the amendments, save the legislative portions and particular and special amendments.

Mr. SALTONSTALL. Mr. President, as one who happens to be sitting for the moment in the minority leader's chair, in the absence of the minority leader, while I voted with the Senator from Oklahoma, and I agree with him, I should not care to take the responsibility of adopting the procedure he has suggested at this late hour, even with a quorum present.

Mr. THOMAS of Oklahoma. In that event, a statement which has been prepared explains the bill, and the release of the Secretary of Defense will be in the RECORD in the morning, and if it is agreeable, I would ask that further consideration of the bill be postponed until the next session of the Senate, if that meets the approval of the majority leader.

Mr. LUCAS. Mr. President, probably it will be better to take a recess until tomorrow, under the circumstances, because I doubt if we could get a quorum at this late hour.

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent that the formal reading of the bill be dispensed with, that it be read for amendment, and that the committee amendments be first considered.

The VICE PRESIDENT. Without objection, it is so ordered.

NOTICE OF MOTION TO SUSPEND THE RULE—AMENDMENT

Mr. HUMPHREY. Mr. President, in accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing an amendment to the pending bill, H. R. 4146, which amendment, without further explanation, I may say will pertain to the cooperation on the part of the National Military Establishment with independent enterprises and small business in the matter of procurement of personnel by the National Military Establishment.

The VICE PRESIDENT. The notice will be received and printed in the RECORD.

Mr. HUMPHREY submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 4146) making appropriations for the National Security Council, the National Security Resources Board, and for military functions administered by the National Military Establishment for the fiscal year ending June 30, 1950, and for other purposes, the following amendment, namely: On page 99, between lines 19 and 20, insert the following new section:

"SEC. 634. (a) Insofar as practicable, the Secretary of Defense shall assist American small business to participate equitably in the furnishing of commodities and services financed with funds appropriated under this act by making available or causing to be made available to suppliers in the United States, and particularly to small independent enterprises, information, as far in advance as possible, with respect to purchases proposed to be financed with funds appropriated under this act, and by making available or causing to be made available to purchasing and contracting agencies of the National Military Establishment information as to

commodities and services produced and furnished by small independent enterprises in the United States, and by otherwise helping to give small business an opportunity to participate in the furnishing of commodities and services financed with funds appropriated by this act.

"(b) The Secretary shall appoint a special assistant to advise and assist him in carrying out the foregoing subsection (a). A report of all activities under this section shall be prepared and transmitted to the Congress as soon as practicable after June 30, 1950."

Mr. HUMPHREY also submitted an amendment intended to be proposed by him to House bill 4146, making appropriations for the National Security Council, the National Security Resources Board, and for military functions administered by the National Military Establishment for the fiscal year ending June 30, 1950, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

EXECUTIVE SESSION

Mr. LUCAS. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

By Mr. TYDINGS, from the Committee on Armed Services:

Col. Louis Huber Renfrow, Col. Earle Standlee, and Col. William Edward Shambora, for temporary appointment in the Army of the United States.

Mr. LUCAS. Mr. President, the first three items on the Executive Calendar, nominations of Mr. Butterworth, Mr. Briggs, and Mr. Davis, will have to be passed over.

The VICE PRESIDENT. Without objection, the nominations will be passed over, and the clerk will state the next nomination on the Executive Calendar.

FEDERAL TRADE COMMISSION

The legislative clerk read the nomination of John Carson to be a member of the Federal Trade Commission.

Mr. SALTONSTALL. Mr. President, I respectfully ask that this nomination go over.

The VICE PRESIDENT. Without objection, the nomination will be passed over.

COAST AND GEODETIC SURVEY

The legislative clerk read the nomination of John J. Dermody to be ensign in the Coast and Geodetic Survey.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

COAST GUARD

The legislative clerk proceeded to read sundry nominations in the Coast Guard.

The VICE PRESIDENT. Without objection, the nominations are confirmed en bloc, and, without objection, the President will be notified immediately of all confirmations of today.

Mr. LUCAS. Mr. President, before very long we will have to take up the nominations of Mr. Butterworth, Mr. Briggs, Mr. Davis, and Mr. Carson, which, with the exception of the nomination of Mr. Carson, have been on the calendar for some time. Probably some evening we will proceed to consider executive business and vote on these nominations, or at least debate them.

RECESS

Mr. President, I now move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 8 minutes p. m.) the Senate took a recess until tomorrow, Friday, August 26, 1949, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate August 25 (legislative day of June 2), 1949:

COLLECTOR OF CUSTOMS

Wesley R. Wirtz, of Baton Rouge, La., to be collector of customs for customs collection district No. 20, with headquarters at New Orleans, La., in place of A. Miles Pratt.

UNITED STATES DISTRICT JUDGE

Willis W. Ritter, of Utah, to be United States district judge for the district of Utah, vice Hon. Tillman D. Johnson, retired.

POSTMASTERS

The following-named persons to be postmasters:

ALABAMA

Clifford R. Propst, Ohatchee, Ala., in place of John Ellis, transferred.

ARIZONA

Clare J. Lessard, Mayer, Ariz., in place of J. E. Harris, retired.

CALIFORNIA

Chester O. Jern, Kingsburg, Calif., in place of E. A. Jewell, declined.

Mabel M. Brown, Lemoore, Calif., in place of T. W. Brown, deceased.

Charles V. Schessler, Moffett Field, Calif., in place of Peter Almos, resigned.

William L. Myers, Palm Desert, Calif. Office established July 16, 1947.

COLORADO

William D. Pinkerton, Fort Collins, Colo., in place of Roy Maxwell, deceased.

CONNECTICUT

Helen S. McElyea, Quaker Hill, Conn., in place of Louis Ginsberg, retired.

DELAWARE

Martin W. Vaughn, Sr., Cheswold, Del., in place of B. H. Emory, deceased.

FLORIDA

Albert E. Booth, Cocoa, Fla., in place of L. S. Andrews, retired.

William J. Calvin, Jr., Eustis, Fla., in place of R. C. Owens, resigned.

Bryan N. Ingalls, Hallandale, Fla., in place of E. V. Walker, resigned.

Marguerite F. Mathews, Howey in the Hills, Fla., in place of L. M. Archer, deceased.

John T. Stover, Maitland, Fla., in place of E. T. Owen, resigned.

George C. Woods, Ocala, Fla., in place of W. T. Gary, resigned.

GEORGIA

Helen G. Casey, Kennesaw, Ga., in place of N. K. Reagan, resigned.

Mary F. Turner, Portal, Ga., in place of E. M. Brannen, retired.

Herman F. Crider, Thunderbolt, Ga., in place of E. M. McDonell, deceased.

William B. Hale, Watkinsville, Ga., in place of C. C. Parsons, deceased.

HAWAII

Nadine M. Rosenberger, Koloa, Hawaii, in place of Marie Blankenship, resigned.

IDAHO

Perry Neely, Parma, Idaho, in place of F. H. Chapman, deceased.

INDIANA

William C. O'Brian, Montgomery, Ind., in place of L. E. Feagans, resigned.

IOWA

Arthur C. Schulte, Breda, Iowa, in place of A. R. Bohnenkamp, resigned.

Vernon Simons, Emmetsburg, Iowa, in place of Jessie Branagan, retired.

William R. Wilson, Hampton, Iowa, in place of R. A. Fox, resigned.

Chester A. Tripp, Spencer, Iowa, in place of E. L. Fisher, resigned.

KENTUCKY

Grover C. Ramey, McAndrews, Ky., in place of Bailey Kendrick, resigned.

MICHIGAN

Anthony McGinnis, Romulus, Mich., in place of G. W. Herzog, declined.

Harland L. Stebbins, Sheridan, Mich., in place of A. L. Stebbins, resigned.

MINNESOTA

Myron F. Griffin, Steen, Minn., in place of Addie Ridenour, retired.

MISSISSIPPI

Bruce L. McElroy, Baldwyn, Miss., in place of L. B. Stocks, deceased.

John M. Kendrick, Edwards, Miss., in place of T. R. Armstrong, transferred.

Clarence C. Gill, McCall Creek, Miss., in place of Louise Burris, transferred.

Henry P. Megginson, Myrtle, Miss., in place of J. T. Miller, transferred.

MISSOURI

Lester L. Lantz, Sheridan, Mo., in place of H. S. Bond, transferred.

NEW JERSEY

Clarence R. Shover, Medford, N. J., in place of W. B. Cowperthwait, retired.

NEW MEXICO

Fernando W. Sadler, Dexter, N. Mex., in place of D. L. Lee, resigned.

NEW YORK

Donald S. Jackson, Skaneateles Falls, N. Y., in place of N. E. Feeley, retired.

Sim S. Garrett, Upton, N. Y. Office established August 1, 1947.

OHIO

Wayne H. Smith, Hicksville, Ohio., in place of A. C. Battershell, deceased.

OKLAHOMA

Bussie R. Corbus, Commerce, Okla., in place of C. H. Burton, resigned.

OREGON

Goldie J. Pritchard, Blachly, Oreg., in place of C. G. Rust, resigned.

PENNSYLVANIA

Pauline E. Hutton, Glassport, Pa., in place of W. P. Kohler, resigned.

PUERTO RICO

Manuel Godinez, Rio Piedras, P. R., in place of Joaquin Fernandez, transferred.

SOUTH DAKOTA

Russell A. Roberts, Raymond, S. Dak., in place of E. C. Erling, resigned.

TENNESSEE

Carl F. Schubert, Wartburg, Tenn., in place of Loraine Quinn, resigned.

TEXAS

Gordon B. Jordan, Amarillo, Tex., in place of W. D. DeGrassi, retired.

George R. Pace, Winters, Tex., in place of H. O. Jones, deceased.

WEST VIRGINIA

Willie I. Shaver, Handley, W. Va., in place of W. I. Shaver, resigned.

Ganiel L. Powers, Ward, W. Va., in place of E. G. Hilton, resigned.

WISCONSIN

Emil G. Krzywkowski, Cudahy, Wis., in place of Paul Mlodzik, retired.

Harry A. Wiseman, Rock Springs, Wis., in place of A. C. Finder, deceased.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 25 (legislative day of June 2), 1949:

COAST AND GEODETIC SURVEY

John J. Dermody to be an ensign in the Coast and Geodetic Survey, effective August 10, 1949.

UNITED STATES COAST GUARD

The following officers of the United States Coast Guard to be chief boatswains:

Harold R. Daniels	Calvin R. Clark
Warren H. Stafford	Cash V. Slaghuis
Randall F. Elder	Joe B. Raby
Harry E. Stutter	Gabriel E. Pehaim
Oscar E. Carlsen	John E. Klang
Oliver Pickford	Manuel F. Castro
Fred Edgecomb	Felix J. Molenda
Wesley L. Saunders	David W. Herr
Charles R. Cummings	Jorgen Pedersen
Ray E. Winberg	Eli T. Ringler
Sverre E. Vikanes	Fred G. Markle
Birney Fullington	Ralph A. McCurdie
Frederick J. Belton	James Harrison, Jr.
Guy V. Emro	Daniel H. Miner
Washington I. Cook	Joseph C. Runquist
Niels P. Thomsen	James Martin
Lyman J. Clark	George A. Tardif
Julius O. Smith	Einar H. Nilsen
Ross C. Anway	Duncan W. Herr
Harold E. Gray	Andrew Ramstad
Ernest E. Sykes	William H. Burgess
George H. Meyer	Gustav E. Anderson
Russell H. Bergh	George R. Pearce
George W. Pruitt	John J. Pazeretsky
Glen F. Stevens	Joseph J. Glover
Nils S. Nilsson	Joe J. R. E. Scott
Julian L. Gray	Hilton A. Mister
Arthur B. Gibbs	Carl Erickson
Cecil MacLeod	Kenneth M. Foster
Joseph T. Collins	Leslie O. Pressey
Leroy Howell	Roxie R. Chayne
Paul B. Hellman	Hoyt W. Rollinson
Charles A. O'Reilly	Alfred Volton
Robert V. McLaughlin	Oscar B. Hedman
Aubrey Rogers	Elton L. Rew
Peter Marcoux	Woodley T. Clark
James B. Beaty	Allan L. Lundberg
Ernest L. Tillett	Martin J. Hacker
James A. Alsup	Myron S. Squires
Kurt Sprenger	Frederick W. Doherty
Michael I. Evgrafoff	Arthur M. Hudgins
Caldwell Davis	Lester F. Baker
Edward L. Libby	Samuel Henson, Jr.
Frank H. Stewart	Carl McNulty

The following officers of the United States Coast Guard to be chief electricians:

Philip R. Hayman	Mercer Reynolds
Raymond S. Erickson	Arthur H. Scarborough
John J. Kain	Ernest B. Gall
George H. Shimer	Frank P. Coffin

The following officers of the United States Coast Guard to be chief radio electricians:

Alton E. Case	Russell A. Banker
Julius Mizel	Hannibal H. Hilliard
Winfield W. Ballowe	Harry W. Midgette
Frank A. Godfrey	Ralph H. Amon
Valance R. Suttie	George R. Homan
James T. Neubauer	Herman F. Helgesen
Stewart C. Hoeper	Paul J. Schonwald
William A. Little	Ellsworth O. Swett
Edward H. Lambert	John W. Sommers
Morris B. Ewalt	Leo J. DeGraw
Floyd V. Bolster	Albert E. Holloway
Carl W. Rom	Albert L. Preston
Joseph W. Havlicek	James L. Mitchell
Francis J. McDonald	Olof W. H. Johnson
Eliot L. Johnson	

The following officers of the United States Coast Guard to be chief machinists:

George W. Brazeau	Alfred Deneault, Jr.
Otto Gaich	Jake H. Akers
Robert E. Webb	Leonard M. Reynen
Leo P. Lietzke	Shepherd Perry
Robert McManus	William E. Smith
Charles E. Pangle	Burt H. Kilmer
Raphael C. Burneson	Earl L. Ottinger
Henry M. Norris	Donald S. Talfourd
John P. Hiersch	Frank C. Treahey
William J. Jeffrey	Clarence W. Deardoff
Ralph Carson	Sidney F. Schweppe
James G. Harrington	Paul Ward
Mitchell A. Salvant	James E. Van Valkenburg
William A. DuPree	
Herbert L. Garrison	James A. Stevens
Alphonse E. Terrebonne	William B. Nolan
	Frank H. Griffin
Harold T. Jackson	Jacob F. Horeis
Earl A. F. Verry	Raymond W. Mässey
Edgar Underwood	George Englehardt
Floyd M. Meyers	Eligha Trickey
John W. Ballman	Gordon L. Hill
Philip F. Stone	Marshall H. Furtaw
Arthur G. Berteaux	Joseph A. Haynes
Andrew A. Stewart	Charles L. Worth
Robert D. Leslie	Earl L. Hoover
Harold D. Black	Louis B. Barber
Cyrus A. Willikson	George W. Cooper
Lyle J. Keune	Ralph P. Bebeau
Erich Raschack	John B. Hill
William N. Durham	

The following officers of the United States Coast Guard to be chief carpenters:

Carl H. Wallin	Samuel H. Howell
Carl C. Jensen	Jalmar Sortland
Arthur W. Cloves	George R. Donald
Herbert W. Schofield	Eilif H. Tobiason
Earl K. Kissinger	Clarence H. Kasch

The following officers of the United States Coast Guard to be chief pay clerks:

Fred W. Parsons	Stephen T. Moresk
Lauri A. Seppala	Arthur C. Holland
John A. Holt	Barton J. Farmer
Harry B. Sherman	Edward H. Dunlap
Lionel M. Van Winkle	Ernest N. Doughty
Albert C. Campbell	Lonnie D. Young
Francis M. Daniel	Richard S. Von Burske
Austin J. Flynn	Earl F. Rickman
Bannister M. Barnett	James A. Wilber
Walter Lauer	Dewey W. Bowling
Orville W. Ayres	Earl L. Coleman
Wies P. Clement	James A. B. Hay, Jr.
Alfred A. Strain	Otto A. Tregner
Harold M. Harger	William K. Wallace
Stanley H. Hatch	Leon R. Duclos
Harold R. Jones	Bernard S. Loebig
Thomas S. White	Lewis E. Buell
Ralph L. Edmands	George E. Bohannon
Mathew S. Ole	Raymond A. Fraley
Robert M. Bruce	Herbert E. Schwalbe
Russell R. Hiatt	William G. Schaefer
Peter R. Thompson	Edward E. Helfst
Ray E. Brown	William R. Echols
James Galante	Wendelin B. Sonntag
Lawrence W. Farnsley	Clemons H. Brendle

The following officers of the United States Coast Guard to be chief pharmacists:

Clyde M. Gray
Earle S. Roane

The following officers of the United States Coast Guard to be chief ship's clerks:

Alva O. Wise	Samuel Switt
Mark K. Hutchinson	Rene J. Chevrier
Virgil C. Williams	Lester R. Chenoweth
Alvin G. Lane	

The following officer of the United States Coast Guard to be chief photographer:

Elmo G. Jones

The following officers of the United States Coast Guard Reserve to be chief boatswains, United States Coast Guard:

Lewis A. Baker	John H. Graham
Frank L. Samson	Eugene L. Multhaupt

The following officer of the United States Coast Guard Reserve to be chief machinist, United States Coast Guard:

George F. Hamilton

IN THE ARMY

The following-named officers for appointment in the Regular Army of the United States to the grades indicated under the provisions of title V of the Officer Personnel Act of 1947:

To be major general

Harry John Collins, O7320.

To be brigadier generals

Samuel Davis Sturgis, Jr., O9325.
Isaac Davis White, O15080.
Carter Bowie Magruder, O15155.
William Frishe Dean, O15453.
William Howard Arnold, O15558.
George Winfered Smythe, O15816.

IN THE UNITED STATES AIR FORCE

The following-named officer for appointment to the position indicated under the provisions of section 504, Officer Personnel Act of 1947.

Benjamin Wiley Chidlaw, 23A, to be commanding general, Air Matériel Command, United States Air Force, with the rank of lieutenant general, with rank from October 1, 1947.

IN THE NAVY

The following-named officers for permanent appointment in the Civil Engineer Corps of the Navy in the grades hereinafter stated:

LIEUTENANT (JUNIOR GRADE)

John G. Devlin	Robert C. Mabbitt
Allen F. Dill	William L. Perkins
John R. Fisher	Henry D. Ruppel
James M. Hill, Jr.	Ernest R. Stacey
William E. Kaloupek	Walter A. Weaver, Jr.

ENSIGN

Donn L. Ashley

The following-named officer for permanent appointment in the Supply Corps of the Navy in the grade hereinafter stated:

ENSIGN

James C. Hatch

The following-named officer for temporary appointment in the Supply Corps of the Navy in the grade hereinafter stated:

LIEUTENANT COMMANDER

Arthur W. Sirginson

The following-named (civilian college graduates) to be ensigns in the Navy, from the 3d day of June 1949:

Douglas LaC. Barker	William E. Jennings
Boyd C. Bartlett	James C. Johnson
George A. Benson	Charles A. Kiselyak
Robert B. Bernhardt	Robert M. Laske
Philip Blau	Leon D. Lewis
William W. Bowers	Guy M. Lyons
Paul A. Brandorff	George P. Markovits
George G. Brooker	Donald E. Moore
Marvin N. Brown	Bert Myatt, Jr.
Benjamin J. Brzenski, Jr.	William E. Orr
	David B. Pendley
Raymond F. Carmody	Rodger G. Powell
Malcolm S. Carpenter	Gerrie P. Putnam
Milton J. Chewning	George C. Rann
Thomas C. Clay	David E. Russell
Robert V. Coleman	John C. Sargent
Frank W. Craddock	John T. Scogin III
Benjamin A. Cragin	Charles E. Shumaker
Anthony J. Davey	Wayne J. Spence
Roger E. Davis	Edward F. Striegel
William W. DeWolf	Bernard K. Thomas, Jr
Harry A. Edwards	Edward W. Waller
Walter L. Edwards	Kirk C. Wilkins
Charles G. Erb	James R. Williford III
Robert W. Fraser	Beau R. Wilson
Donald H. Hagge	John M. Wolff
Charles R. Holman	Charles M. Woodworth
Donald P. Holt	John H. Wygal
David L. Jarvis	

The following-named (civilian college graduates) to be ensigns in the Supply Corps of the Navy, from the 3d day of June 1949:

Walter "J" Buzby II	Warren H. Stark
Robert T. Carter	John R. Tawes

The following-named (civilian college graduates) to be lieutenants (junior grade) in the Chaplain Corps of the Navy:

Ralph W. Below
Bradford W. Long
Ambrose T. McGinnity

Donny A. Myrio (civilian college graduate) to be a lieutenant (junior grade) in the Dental Corps of the Navy.

The following-named to be ensigns in the Nurse Corps of the Navy:

Nieves Arano	Gwendolyn L. Glazier
Virginia B. Brown	Marchetta Harper
Arlys A. Casterton	Dorothy R. Harrell
Lena J. Chionchio	Shirley M. Hilliard
Joan Dandes	Martha A. Price
Roma B. Dunkman	Marie F. Shea
Winifred LaV. Fritsche	

The following-named officer to the grade indicated in the line of the Navy:

LIEUTENANT

William Laliberte

The following-named officers to the grades indicated in the Medical Corps of the Navy:

COMMANDERS

Eugene T. Foy
John J. Goller

LIEUTENANT COMMANDERS

Henry J. Fregosi	Peter G. Kroll
Richard E. Kelley	Newell Nay

LIEUTENANTS

Vincent A. Balkus	Donald W. Robinson
Alexander C. Hering	Merrill E. Speelman

LIEUTENANTS (JUNIOR GRADE)

David J. Greiner
Henry Santina
William C. Sharp, Jr.

The following-named officers to the grades indicated in the Dental Corps of the Navy:

LIEUTENANT

Edward W. Moore

LIEUTENANTS (JUNIOR GRADE)

Bert E. Eldred
Victor P. Knapp
Algie M. Mansur

The following-named officers to the grade indicated in the Medical Service Corps of the Navy:

LIEUTENANTS

Aldo Bartolomei
Chester "D" Moss
Paul R. Young

The following-named officer to the grade indicated in the Nurse Corps of the Navy:

LIEUTENANT (JUNIOR GRADE)

Helen M. Hartigan

Carll T. Gleason to be a lieutenant in the Navy, for limited duty only.

James L. Thompson to be a lieutenant (junior grade) in the Navy, for limited duty only.

Fredrick J. Cadotte to be a lieutenant (junior grade) in the Supply Corps of the Navy, for limited duty only.

Byron F. McElhanon to be a lieutenant (junior grade) in the Supply Corps of the Navy, for limited duty only.

Martti O. Mattila to be a lieutenant (junior grade) in the Supply Corps of the Navy, for limited duty only.

Harlan L. Bowman to be a lieutenant (junior grade) in the Civil Engineer Corps of the Navy, for limited duty only.

WITHDRAWAL

Executive nomination withdrawn from the Senate August 25 (legislative day of June 2), 1949:

POSTMASTER

NEW YORK

Paul T. Hughes to be postmaster at Granville, in the State of New York.

HOUSE OF REPRESENTATIVES

THURSDAY, AUGUST 25, 1949

The House met at 12 o'clock noon.

The Acting Chaplain, the Reverend James P. Wesberry, pastor, Morningside Baptist Church, Atlanta, Ga., offered the following prayer:

Our hearts, Lord Jesus, melt as we stand in the shadow of the cross. Thine anguish shames us and Thy pain sets forth the exceeding sinfulness of our sins. By Thy stripes are we healed.

As Thou didst suffer and die for us, may we count it a privilege to daily lay our lives upon the altar of sacrificial service for the life of our country.

Should the pathway we choose lead us to a cross, and the reward of our labor be a crown of thorns, grant, O crucified Saviour, that through the power of Thine atoning death we may ever true and faithful be.

Make us compassionate one to another, tender-hearted, forgiving one another; even as Thou, O God, hast forgiven us through the death of Thy Son on the cross. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and joint resolutions of the House of the following titles:

On August 9, 1949:

H. R. 1472. An act for the relief of the Olympic Hotel.

On August 10, 1949:

H. R. 5632. An act to reorganize fiscal management in the National Military Establishment to promote economy and efficiency, and for other purposes.

On August 12, 1949:

H. J. Res. 183. Joint resolution to provide for the coinage of a medal in recognition of the distinguished services of Vice President ALBEN W. BARKLEY.

On August 15, 1949:

H. R. 1075. An act for the relief of Harry C. Metts;

H. R. 1857. An act for the relief of the estate of Josephine Pereira;

H. R. 2095. An act for the relief of the estate of Kenneth N. Peel;

H. R. 2239. An act for the relief of the estate of W. M. West;

H. R. 2253. An act for the relief of the legal guardian of Arthur Earl Troiel, Jr., a minor;

H. R. 2290. An act to provide for cooperation by the Smithsonian Institution with State, educational, and scientific organizations in the United States for continuing paleontological investigations in areas which will be flooded by the construction of Government dams;

H. R. 2456. An act for the relief of Charlie Hales;

H. R. 2806. An act for the relief of Paul C. Juneau;

H. R. 3408. An act for the relief of Opal Hayes and D. A. Hayes;

H. R. 3751 An act to transfer a tower located on the Lower Souris National Wildlife Refuge to the International Peace Garden, Inc., North Dakota; and

H. R. 3982. An act to authorize the Secretary of Agriculture to sell certain lands to the Sisters of Saint Joseph in Arizona, Inc., of Tucson, Ariz., to consolidate the Desert Laboratory Experimental Area of the Southwestern Forest and Range Experiment Station, and for other purposes.

On August 16, 1949:

H. R. 91. An act to provide for a research and development program in the Post Office Department;

H. R. 579. An act to permit the motor vessel *FLB–5005* to engage in the fisheries;

H. R. 1459. An act for the relief of E. Neill Raymond;

H. R. 1720. An act to provide for the conveyance of certain land in Missoula County, Mont., to the State of Montana for the use and benefit of Montana State Society;

H. R. 2608. An act for the relief of C. H. Dutton Co., of Kalamazoo, Mich.;

H. R. 2662. An act to grant time to employees in the executive branch of the Government to participate, without loss of pay or deduction from annual leave, in funerals for deceased members of the armed forces returned to the United States for burial;

H. R. 2931. An act to provide for the conveyance by the United States to Frank C. Wilson of certain lands formerly owned by him;

H. R. 3511. An act to declare the waterway (in which is located the Brewery Street Channel) from Brewery Street southeastward to a line running south 33 degrees 53 minutes 36 seconds west from the south side of Chestnut Street at New Haven, Conn., a nonnavigable stream;

H. R. 3756. An act to amend the Civil Service Retirement Act of May 29, 1930, to provide that the annuities of certain officers and employees engaged in the enforcement of the criminal laws of the United States shall be computed on the basis of their average basic salaries for any five consecutive years of allowable service;

H. R. 4138. An act for the relief of Herbert L. Hunter;

H. R. 5287. An act to amend title 28, United States Code, section 90, to create a Swainsboro Division in the southern district of Georgia, with terms of court to be held at Swainsboro; and

H. R. 5365. An act to provide for the transfer of the vessel *Black Mallard* to the State of Louisiana for the use and benefit of the department of wildlife and fisheries of such State.

On August 17, 1949:

H. R. 691. An act for the relief of Lawrence Fontenot;

H. R. 748. An act for the relief of Louis Esposito;

H. R. 1017. An act for the relief of John Aaron Whitt;

H. R. 1055. An act for the relief of Agnese R. Mundy;

H. R. 1154. An act to provide authorization for additional funds for the extension and improvement of post-office facilities at Los Angeles, Calif., and for other purposes;

H. R. 1619. An act for the relief of Saint Elizabeth Hospital, Yakima, Wash., and others;

H. R. 1679. An act for the relief of Mrs. Skio Takayama Hull;

H. R. 1993. An act for the relief of Samuel Fadem;

H. R. 2214. An act to provide for the development, administration, and maintenance of the Suitland Parkway in the State of Maryland as an extension of the park system of the District of Columbia and its environs by the Secretary of the Interior, and for other purposes;

H. R. 2344. An act for the relief of Charles W. Miles;

H. R. 2572. An act to extend to commissioned officers of the Coast and Geodetic Survey the provisions of the Armed Forces Leave Act of 1946;

H. R. 2602. An act for the relief of John B. Boyle;

H. R. 2925. An act for the relief of Ida Hoheisel, executrix of the estate of John Hoheisel;

H. R. 3139. An act for the relief of James B. DeHart;

H. R. 4097. An act for the relief of George M. Beesley, Edward D. Sexton, and Herman J. Williams;

H. R. 4307. An act for the relief of Ever Ready Supply Co. and Harold A. Dahlberg;

H. R. 4854. An act for the relief of Mrs. Miriam G. Wornum;

H. R. 5034. An act to authorize the taxation of Indian land holdings in the town of Lodge Grass, Mont., to assist in financing a municipal water supply and sewerage system;

H. R. 5831. An act to exempt certain volatile fruit-flavor concentrates from the tax on liquors;

H. J. Res. 208. Joint resolution to amend the joint resolution creating the Niagara Falls Bridge Commission, approved June 18, 1938; and

H. J. Res. 242. Joint resolution extending for 2 years the existing privilege of free importation of gifts from members of the armed forces of the United States on duty abroad.

On August 18, 1949:

H. R. 242. An act to provide for the conferring of the degree of bachelor of science upon graduates of the United States Merchant Marine Academy;

H. R. 607. An act for the relief of Harvey M. Lifset, formerly a major in the Army of the United States;

H. R. 631. An act for the relief of Mrs. Dorothy Vicencio;

H. R. 1023. An act for the relief of Lois E. Lillie;

H. R. 1137. An act for the relief of J. W. Greenwood, Jr.;

H. R. 1892. An act authorizing the Secretary of the Interior to issue to Lake County, Mont., a patent in fee to certain Indian lands;

H. R. 2197. An act to authorize acquisition by the county of Missoula, State of Montana, of certain lands for public-use purposes;

H. R. 2740. An act to authorize the establishment of fish hatcheries in the States of Georgia and Michigan; to authorize the rehabilitation and expansion of rearing ponds and fish cultural facilities in the States of New York and Colorado; to authorize the Secretary of the Interior to undertake a continuing study of shad of the Atlantic Coast; and to amend the act of August 8, 1946, relating to investigation and eradication of predatory sea lampreys of the Great Lakes, and for other purposes.

H. R. 2807. An act for the relief of Loretta B. Powell;

H. R. 4948. An act relating to the policing of the building and grounds of the Supreme Court of the United States; and

H. J. Res. 339. Joint resolution amending an act making temporary appropriations for the fiscal year 1950, as amended, and for other purposes.

August 19, 1949:

H. R. 637. An act for the relief of Mrs. Harriett Patterson Rogers;

H. R. 1069. An act for the relief of Albert Burns;

H. R. 2869. An act to authorize an appropriation in aid of a system of drainage and sanitation for the city of Polson, Mont.

H. R. 3501. An act for the relief of Nelson Bell;

H. R. 4510. An act to provide funds for cooperation with the school board of Klamath County, Oreg., for the construction, extension, and improvement of public-school facilities in Klamath County, Oreg., to be available to all Indian and non-Indian children without discrimination; and

H. R. 5188. An act to provide for the preparation of a plan for the celebration of the one hundredth anniversary of the building of the Soo locks.

On August 22, 1949:

H. R. 1516. An act to amend the act entitled "An act to reclassify the salaries of postmasters, officers, and employees of the Postal Service; to establish uniform procedures for computing compensation; and for other purposes," approved July 6, 1945, so as to provide annual automatic within-grade promotions for hourly employees of the custodial service;

H. R. 2634. An act to provide transportation on Canadian vessels between Skagway, Alaska, and other points in Alaska, and between Haines, Alaska, and other points in Alaska, and between Hyder, Alaska, and other points in Alaska or the continental United States, either directly or via a foreign port, or for any part of the transportation;

H. R. 2704. An act for the relief of Freda Wahler; and

H. R. 3417. An act to amend the act entitled "An act to provide for cooperation by the Smithsonian Institution with State, educational, and scientific organizations in the United States for continuing ethnological researches on the American Indians", approved April 10, 1948, and for other purposes.

On August 23, 1949:

H. R. 3193. An act for the relief of Public Utility District No. 1, of Cowlitz County, Wash.;

H. R. 3461. An act for the relief of Lester B. McAllister and others; and

H. R. 5114. An act to amend the Internal Revenue Code to permit the use of additional means, including stamp machines, for payment of tax on fermented malt liquors, provide for the establishment of brewery bottling house on brewery premises, and for other purposes

On August 24, 1949:

H. R. 1604. An act conferring jurisdiction upon the Court of Claims to hear and determine the claim of Breinig Bros., Inc.;

H. R. 1997. An act to authorize the survey of a proposed Mississippi River Parkway for the purpose of determining the feasibility of such a national parkway, and for other purposes;

H. R. 3440. An act for the addition of certain lands to Rocky Mountain National Park, Colo., and for other purposes; and

H. R. 4177. An act making appropriations for the Executive office and sundry independent executive bureaus, boards, commissions, corporations, agencies and offices, for the fiscal year ending June 30, 1950, and for other purposes.

AUTHORITY TO DECLARE A RECESS

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that it may be in order at any time during the day for the Speaker to declare a recess of the House subject to the call of the Chair.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

EXTENSION OF REMARKS

Mr. LANE asked and was given permission to extend his remarks in the RECORD and to include extranecus matter.

Mr. THOMPSON asked and was given permission to extend his remarks in the RECORD in two instances and include in one an editorial.

Mr. PERKINS asked and was given permission to extend his remarks in the RECORD and include an article from the Courier-Journal dated August 23 on mine safety.

Mr. STEED asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. MULTER asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

Mr. BARING asked and was given permission to extend his remarks in the RECORD.

Mr. ADDONIZIO asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. MANSFIELD asked and was given permission to extend his remarks in the RECORD and include a radio address to be given by Mr. GORDON over WCFL in Chicago on Sunday, August 28.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Messrs. WALTER, FEIGHAN, CHELF, BYRNE of New York, BRYSON, WILSON of Texas, CASE of New Jersey, REED of Illinois, and FELLOWS (at the request of Mr. CELLER), for 6 weeks, beginning next Saturday, on account of official business pursuant to House Resolution 238.

COMMITTEE ON THE JUDICIARY

Mr. CELLER. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary and subcommittees thereof may be permitted to meet and hold hearings during whatever sessions of the House may ensue.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

SPECIAL ORDERS GRANTED

Mr. BIEMILLER asked and was given permission to address the House for 20 minutes on tomorrow, at the conclusion of the legislative program of the day and following any special orders heretofore entered.

Mr. MANSFIELD asked and was given permission to address the House for 10 minutes today, following any special orders heretofore entered.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that I may address the House for 5 minutes today after the disposition of business on the Speaker's desk and the conclusion of special orders heretofore granted.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the RECORD in two instances, and in each to include extraneous matter.

Mr. KEARNEY asked and was given permission to extend his remarks in the RECORD and include an editorial.

SPECIAL ORDER GRANTED

Mr. WOLVERTON. Mr. Speaker, I ask unanimous consent that I may address the House for 45 minutes tomorrow after the disposition of business on the Speaker's desk and the conclusion of special orders heretofore granted.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

EXTENSION OF REMARKS

Mr. ALLEN of California asked and was given permission to extend his remarks in the RECORD in two instances and in each to include extraneous matter.

Mr. GOODWIN asked and was given permission to extend his remarks in the RECORD in two instances, in each to include an editorial.

Mr. JAVITS asked and was given permission to extend his remarks in the RECORD and include two articles from the London Economist, notwithstanding the fact that it exceeds the limit set by the Joint Committee on Printing and is estimated by the Public Printer to cost $246.

Mr. FULTON asked and was given permission to extend his remarks in the RECORD and include a letter written by him under date of August 24, 1949, to the Surgeon General of the United States Navy.

Mr. JUDD asked and was given permission to extend his remarks in the RECORD and to include extraneous matter.

Mr. WOLVERTON asked and was given permission to extend his remarks in the RECORD and include some extraneous matter.

CALL OF THE HOUSE

Mr. MANSFIELD. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. PRIEST. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 198]

Angell	Hill	Poulson
Bailey	Hinshaw	Quinn
Bates, Ky.	Hoffman, Ill.	Rains
Blackney	Hoffman, Mich.	Reed, Ill.
Bland	Holmes	Reed, N. Y.
Blatnik	Jackson, Calif.	Regan
Boggs, La.	Jacobs	Ribicoff
Bolton, Ohio	Jenkins	Richards
Boykin	Jennings	Riehlman
Breen	Kee	Rivers
Brehm	Keefe	Sabath
Brown, Ohio	Kilburn	Sadowski
Buckley, N. Y.	Kirwan	Sasscer
Bulwinkle	LeCompte	Scott,
Byrne, N. Y.	Lesinski	Hugh D., Jr.
Chatham	Lodge	Shafer
Chiperfield	Lyle	Sheppard
Clemente	McCormack	Sikes
Clevenger	McGregor	Simpson, Pa.
Cole, N. Y.	McSweeney	Smith, Kans.
Combs	Mack, Wash.	Smith, Ohio
Coudert	Macy	Stigler
Curtis	Madden	Stockman
Dingell	Magee	Tackett
Dondero	Marshall	Taylor
Donohue	Martin, Iowa	Thomas, N. J.
Doughton	Mason	Thornberry
Elston	Merrow	Tollefson
Evins	Miles	Towe
Fellows	Morton	Velde
Fogarty	Moulder	Vursell
Furcolo	Murdock	Wadsworth
Gilmer	Murphy	Walsh
Gorski, Ill.	Murray, Wis.	Welch, Mo.
Gorski, N. Y.	Nelson	White, Idaho
Gossett	Norton	Wier
Gwinn	Patten	Wilson, Ind.
Hall,	Pfeiffer,	Wood
Edwin Arthur	William L.	Woodhouse
Halleck	Philbin	Woodruff
Hand	Phillips, Calif.	Zablocki
Hart	Pickett	
Hébert	Potter	

The SPEAKER. On this roll call 304 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

AMENDMENT OF NATIONAL HOUSING ACT

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 6070) to amend the National Housing Act, as amended, and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 6070, with Mr. MANSFIELD in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. On yesterday, August 24, the Committee agreed that the bill be considered as read and that all debate on the bill and all amendments thereto close at 3 o'clock. Under that agreement, debate has been concluded.

Are there further amendments to the bill?

Mr. SPENCE. Mr. Chairman, I offer a committee substitute for the bill.

Mr. POWELL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. POWELL. Can a substitute be offered which was not on the Clerk's desk prior to the close of debate yesterday?

The CHAIRMAN. Yes; it can.

Mr. BIEMILLER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BIEMILLER. In that event, amendments to the substitute would also be in order?

The CHAIRMAN. They would be. Of course, there will be no debate on them.

Mr. GREEN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GREEN. I had an amendment on the Clerk's desk yesterday afternoon and had some time allotted to me, 2 minutes. I do not have that time now?

The CHAIRMAN. There is no time left. The Chair will say to the gentleman from Pennsylvania that the Chair will try to reach his amendment at the proper time.

Mr. GREEN. I would like to know, Mr. Chairman, if I will have an opportunity to speak on my amendment. Will I have my 2 minutes?

The CHAIRMAN. No; there will be no further debate on any amendment.

Mr. MONRONEY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MONRONEY. Will the amendments which were pending to the bill yesterday be disposed of before the committee substitute is read and considered?

The CHAIRMAN. The committee amendment will be pending now, and will be read by the Clerk. After that, amendments can be offered.

Mr. MONRONEY. I am talking about the amendments which were pending to the bill when the Committee rose yesterday. Can those be disposed of before the committee substitute is read?

The CHAIRMAN. There were no amendments pending. There were amendments on the Clerk's desk, but they had not been read, so they were not pending.

Mr. MONRONEY. They are not considered to be offered to the bill, then?

The CHAIRMAN. Not until the Chair recognizes Members to offer those amendments.

Mr. GREEN. Mr. Chairman, a further parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GREEN. My amendment was on the Clerk's desk. Will that amendment be to the bill now or will it be to the substitute?

The CHAIRMAN. It will depend on the action of the House.

Mr. GREEN. Yesterday afternoon I had an agreement with the committee that they would accept my amendment because it is only a local matter that affects a project in my district and two projects in New Jersey.

The CHAIRMAN. That is not a parliamentary inquiry.

The Clerk will report the committee substitute:

The Clerk read as follows:

Committee amendment offered by Mr. SPENCE as a substitute for the bill: Strike

out all after the enacting clause and insert the following: "That this act may be cited as the 'housing amendments of 1949.'

"TITLE I—AMENDMENTS OF NATIONAL HOUSING ACT

"SEC. 101. Section 2 of the National Housing Act, as amended, is hereby amended—

"(1) by striking out of the first sentence of subsection (a) thereof 'September 1, 1949' and inserting in lieu thereof 'July 1, 1952';

"(2) by striking out the last sentence of subsection (a) and inserting in lieu thereof the following: 'The aggregate amount of principal obligations of all loans, advances of credit, and obligations purchased with respect to which insurance may be heretofore or hereafter granted under this section and outstanding at any one time shall not exceed $1,250,000,000.';

"(3) by striking out of clause numbered (1) in subsection (b) '$4,500' and inserting in lieu thereof '$3,000';

"(4) by striking out of clause numbered (2) in subsection (b) the words 'residential or'; and

"(5) by striking out of subsection (f) the word 'title' in each place it appears therein and inserting in lieu thereof the word 'section.'

"SEC. 102. Title I of said act, as amended, is hereby amended by adding at the end thereof the following new section:

"'INSURANCE OF MORTGAGES

"'SEC. 8. (a) To assist in providing adequate housing for families of low and moderate income, particularly in suburban and outlying areas, this section is designed to supplement systems of mortgage insurance under other provisions of the National Housing Act by making feasible the insurance of mortgages covering properties in areas where it is not practicable to obtain conformity with many of the requirements essential to the insurance of mortgages on housing in built-up urban areas. The Commissioner is authorized, upon application by the mortgagee, to insure, as hereinafter provided, any mortgage (as defined in section 201 of this act) offered to him which is eligible for insurance as hereinafter provided, and, upon such terms as the Commissioner may prescribe, to make commitments for the insuring of such mortgages prior to the date of their execution or disbursement thereon: *Provided*, That the aggregate amount of principal obligations of all mortgages insured under this section and outstanding at any one time shall not exceed $500,000,000.

"'(b) To be eligible for insurance under this section, a mortgage shall—

"'(1) have been made to, and be held by, a mortgagee approved by the Commissioner as responsible and able to service the mortgage properly;

"'(2) involve a principal obligation (including such initial service charges, appraisal, inspection, and other fees as the Commissioner shall approve) in an amount not to exceed $4,750, except that the Commisssioner may by regulation increase this amount to not to exceed $5,700 in any geographical area where he finds that cost levels so require, and not to exceed 95 percent of the appraised value, as of the date the mortgage is accepted for insurance, of a property, urban, suburban, or rural, upon which there is located a dwelling designed principally for a single-family residence, the construction of which is begun after the date of enactment of the Housing Amendments of 1949, and which is approved for mortgage insurance prior to the beginning of construction: *Provided*, That the mortgagor shall be the owner and occupant of the property at the time of insurance and shall have paid on account of the property at least 5 percent of the appraised value in cash or its equivalent, or shall be the builder constructing the dwelling, in which case the principal obligation shall not exceed $4,500, except that the Commissioner may by regulation increase this amount to not to exceed $5,100 in any geographical area where he finds that cost levels so require, and shall not exceed 85 percent of the appraised value of the property: *And provided further*, That the Commissioner finds that the project with respect to which the mortgage is executed is an acceptable risk, giving consideration to the need for providing adequate housing for families of low and moderate income particularly in suburban and outlying areas;

"'(3) have a maturity satisfactory to the Commissioner but not to exceed 30 years from the date of insurance of the mortgage;

"'(4) contain complete amortization provisions satisfactory to the Commissioner requiring periodic payments by the mortgagor not in excess of his reasonable ability to pay as determined by the Commissioner;

"'(5) bear interest (exclusive of premium charges for insurance and service charges, if any) at not to exceed 5 percent per annum on the amount of the principal obligation outstanding at any time;

"'(6) provide, in a manner satisfactory to the Commissioner, for the application of the mortgagor's periodic payments (exclusive of the amount allocated to interest and to the premium charge which is required for mortgage insurance as hereinafter provided and to the service charge, if any) to amortization of the principal of the mortgage; and

"'(7) contain such terms and provisions with respect to insurance, repairs, alterations, payment of taxes, service charges, default reserves, delinquency charges, foreclosure proceedings, anticipation of maturity, and other matters as the Commissioner may in his discretion prescribe.

"'(c) The Commissioner is authorized to fix a premium charge for the insurance of mortgages under this section, but in the case of any mortgage, such charge shall not be less than an amount equivalent to one-half of 1 percent per annum nor more than an amount equivalent to 1 percent per annum of the amount of the principal obligation of the mortgage outstanding at any time, without taking into account delinquent payments or prepayments. Such premium charges shall be payable by the mortgagee, either in cash or in debentures issued by the Commissioner under this section at par plus accrued interest, in such manner as may be prescribed by the Commissioner: *Provided*, That the Commissioner may require the payment of one or more such premium charges at the time the mortgage is insured, at such discount rate as he may prescribe not in excess of the interest rate specified in the mortgage. If the Commissioner finds, upon the presentation of a mortgage for insurance and the tender of the initial premium charge or charges so required, that the mortgage complies with the provisions of this section, such mortgage may be accepted for insurance by endorsement or otherwise as the Commissioner may prescribe. In the event that the principal obligation of any mortgage accepted for insurance under this section is paid in full prior to the maturity date, the Commissioner is further authorized, in his discretion, to require the payment by the mortgagee of an adjusted premium charge in such amount as the Commissioner determines to be equitable, but not in excess of the aggregate amount of the premium charges that the mortgagee would otherwise have been required to pay if the mortgage had continued to be insured until such maturity date; and in the event that the principal obligation is paid in full as herein set forth, the Commissioner is authorized to refund to the mortgagee for the account of the mortgagor all, or such portion as he shall determine to be equitable, of the current unearned premium charges theretofore paid.

"'(d) The Commissioner may, at any time under such terms and conditions as he may prescribe, consent to the release of the mortgagor from his liability under the mortgage or the credit instrument secured thereby, or consent to the release of parts of the mortgaged property from the lien of the mortgage.

"'(e) Any contract of insurance heretofore or hereafter executed by the Commissioner under this section shall be conclusive evidence of the eligibility of the mortgage for insurance, and the validity of any contract of insurance so executed shall be incontestable in the hands of an approved mortgagee from the date of the execution of such contract, except for fraud or misrepresentation on the part of such approved mortgagee.

"'(f) In any case in which the mortgagee under a mortgage insured under this section shall have foreclosed and taken possession of the mortgaged property in accordance with the regulations of, and within a period to be determined by, the Commissioner, or shall, with the consent of the Commissioner, have otherwise acquired such property from the mortgagor after default, the mortgagee shall be entitled to receive the benefits of the insurance as provided in section 204 (a) of this act with respect to mortgages insured under section 203 (b) (2) (D) of this act.

"'(g) Subsections (c), (d), (e), (f), (g), and (h) of section 204 of this act shall be applicable to mortgages insured under this section except that all references therein to the Mutual Mortgage Insurance Fund or the Fund shall be construed to refer to the title I Housing Insurance Fund, and all references therein to section 203 shall be construed to refer to this section: *Provided*, That debentures issued in connection with mortgages insured under this section 8 shall have the same tax exemption as debentures issued in connection with mortgages insured under section 203 of this act.

"'(h) There is hereby created a Title I Housing Insurance Fund which shall be used by the Commissioner as a revolving fund for carrying out the provisions of this section, and the Commissioner is hereby directed to transfer immediately to such Fund the sum of $5,000,000 from the account in the Treasury of the United States established pursuant to the provisions of section 2 (f) of this title.

"'(i) (1) Moneys in the Title I Housing Insurance Fund not needed for the current operations of the Federal Housing Administration under this section shall be deposited with the Treasurer of the United States to the credit of the Title I Housing Insurance Fund, or invested in bonds or other obligations of, or in bonds or other obligations guaranteed as to principal and interest by, the United States. The Commissioner may, with the approval of the Secretary of the Treasury, purchase in the open market debentures issued under the provisions of this section. Such purchases shall be made at a price which will provide an investment yield of not less than the yield obtainable from other investments authorized by this section. Debentures so purchased shall be canceled and not reissued.

"'(2) Premium charges, adjusted premium charges, and appraisal and other fees received on account of the insurance of any mortgage accepted for insurance under this section, the receipts derived from the property covered by such mortgage and claims assigned to the Commissioner in connection therewith shall be credited to the Title I Housing Insurance Fund. The principal of, and interest paid and to be paid on debentures issued under this section, cash adjustments, and expenses incurred in the handling, management, renovation, and disposal of properties acquired under this section shall be charged to the Title I Housing Insurance Fund.'"

"SEC. 103. Section 203 (a) of said act, as amended, is hereby amended by striking out of the proviso '$5,300,000,000' and inserting in lieu thereof '$5,500,000,000,' and by striking out '$5,500,000,000' and inserting in lieu thereof '$7,000,000,000.'

"SEC. 104. (a) Section 203 (b) (2) of said act, as amended, is hereby amended to read as follows:

"'(2) Involve a principal obligation (including such initial service charges, appraisal, inspection, and other fees as the Commissioner shall approve) in an amount—

"'(A) not to exceed $16,000 and not to exceed 80 percent of the appraised value (as of the date the mortgage is accepted for insurance) of a property upon which there is located a dwelling or dwellings designed principally for residential use for not more than four families in the aggregate, irrespective of whether such dwelling or dwellings have a party wall or are otherwise physically connected with another dwelling or dwellings; or

"'((B) Repealed.)

"'(C) not to exceed $9,450 and not to exceed the sum of (i) 95 percent of $7,000 of the appraised value (as of the date the mortgage is accepted for insurance) and (ii) 70 percent of such value in excess of $7,000 and not in excess of $11,000, of a property, urban, suburban, or rural, upon which there is located a dwelling designed principally for a single-family residence and which is approved for mortgage insurance prior to the beginning of construction: *Provided,* That with respect to mortgages insured under this paragraph the mortgagor shall be the owner and occupant of the property and shall have paid on account of the property at least 5 percent of the appraised value, or such larger amount as the Commissioner may determine, in cash or its equivalent, or

"'(D) not to exceed $6,650, except that the Commissioner may by regulation increase this amount to not to exceed $7,600 in any geographical area where he finds that cost levels so require, and not to exceed 95 percent of the appraised value (as of the date the mortgage is accepted for insurance) of a property, urban, suburban, or rural, upon which there is located a dwelling designed principally for a single-family residence and which is approved for mortgage insurance prior to the beginning of construction: *Provided,* That if the Commissioner finds that it is not feasible, within the aforesaid dollar amount limitation, to construct dwellings containing three or four bedrooms without sacrifice of sound standards of construction, design, and livability, he may increase such dollar amount limitation by not exceeding $950 for each additional bedroom (as defined by the Commissioner) in excess of two contained in such dwelling if he finds that such dwelling meets sound standards of design and livability as a three-bedroom unit or a four-bedroom unit, as the case may be: *Provided further,* That with respect to mortgages insured under this paragraph (D) the mortgagor shall be the owner and occupant of the property and shall have paid on account of the property at least 5 percent of the appraised value in cash or its equivalent, or shall be the builder constructing the dwelling in which case the principal obligation shall not exceed $5,950 for a one-bedroom unit or a two-bedroom unit, $6,800 for a three-bedroom unit, or $7,650 for a unit having four or more bedrooms, except that the Commissioner may by regulation increase each of the maximum dollar amount limitations contained in this proviso by not to exceed $850 in any geographical area where he finds that cost levels so require, and shall not exceed 85 percent of the appraised value of the property: *And provided further,* That the Commissioner may by regulation provide that the maximum dollar amount limitations in this paragraph (D) shall be fixed at lesser amounts where he finds, for any section or locality or for the country as a whole or at any time, that it is feasible, within such lesser dollar amount limitations, to construct dwellings for families of lower income without sacrifice of sound standards of construction, design, and livability."

"(b) The repeal of section 203 (b) (2) (B) of said act, as provided by subsection (a) of this section, shall not affect the right of the Commissioner to insure under said section any mortgage (1) for the insurance of which application has been filed prior to the effective date of this act, or (2) with respect to a property covered by a mortgage insured under any section of the National Housing Act, as amended.

"SEC. 105. Section 204 (a) of said act, as amended, is hereby amended by inserting in the second proviso in the last sentence after the words 'of this act,' the following: 'or under section 213 of this act,'.

"SEC. 106. Section 207 (c) of said act, as amended, is hereby amended—

"(1) by striking out the second proviso in paragraph numbered (2), and inserting in lieu thereof the following: '*And provided further,* That, notwithstanding any of the provisions of this paragraph numbered (2), a mortgage with respect to a project to be constructed in a locality or a metropolitan area where, as determined by the Commissioner, there is a need for new dwellings for families of lower income at rentals comparable to the rentals proposed to be charged for the dwellings in such project may involve a principal obligation in an amount not exceeding 90 percent of the amount which the Commissioner estimates will be the value of the project when the proposed improvements are completed, and';

"(2) by amending paragraph numbered (3) to read as follows:

"'(3) not to exceed $8,100 per family unit for such part of such property or project as may be attributable to dwelling use, except that with respect to mortgages insured under the provisions of the second proviso of paragraph numbered (2) of this subsection, the mortgage may involve a principal obligation not to exceed $6,300 per family unit for such part of such property or project as may be attributable to dwelling use.'; and

"(3) by striking out of the second sentence the words 'date of the insurance' and substituting in lieu thereof the words 'beginning of amortization'.

"SEC. 107. Section 207 (f) of said act, as amended, is hereby amended by striking out 'section 210' wherever appearing therein and inserting in lieu thereof 'section 210 and section 213'.

"SEC. 108. Section 207 (q) of said act, as amended, is hereby amended by inserting 'and section 213 of this title,' after the words 'this section,' and by inserting the words 'and in said section 213' after the words 'in said proviso'.

"SEC. 109. Section 212 (a) of said act, as amended, is hereby amended by deleting the words 'or under title VIII, a mortgage' immediately after the words 'effective date of this section,' and by inserting in lieu of the words deleted the following: 'or under section 213 of this title, or under title VII pursuant to any application filed subsequent to 60 days after the date of enactment of the Housing Amendments of 1949, or under title VIII, a mortgage or investment'.

"SEC. 110. Title II of said act, as amended, is hereby amended by adding after section 212 the following new section reading as follows:

"'COOPERATIVE HOUSING INSURANCE

"'SEC. 213. (a) In addition to mortgages insured under section 207 of this title, the Commissioner is authorized to insure mortgages as defined in section 207 (a) of this title (including advances on such mortgages during construction), which cover property held by—

"'(1) a nonprofit cooperative ownership housing corporation, or a nonprofit cooperative ownership housing trust, the permanent occupancy of the dwellings of which is restricted to members of such corporation or to beneficiaries of such trust; or

"'(2) a nonprofit corporation or nonprofit trust organized for the purpose of construction of homes for members of the corporation or for beneficiaries of the trust;

which corporations or trusts are regulated or restricted for the purposes and in the manner provided in paragraphs numbered (1) and (2) of subsection (b) of section 207 of this title.

"'(b) To be eligible for insurance under this section a mortgage on any property or project of a corporation or trust of the character described in paragraph numbered (1) of subsection (a) of this section shall involve a principal obligation in an amount—

"'(1) not to exceed $3,000,000;

"'(2) not to exceed $8,100 per family unit for such part of such property or project as many be attributable to dwelling use, except that if the Commissioner finds that the needs of individual members of the corporation or of individual beneficiaries of the trust could more adequately be met by per room limitations, the mortgage may involve a principal obligation in an amount not to exceed $1,800 per room for such part of such project to be occupied by such members or beneficiaries: *Provided,* That the maximum dollar amount prescribed in this paragraph (2) shall be increased by $4.50 per family unit or $1 per room, as the case may be, for each 1 percent of the membership of the corporation (or of all the beneficiaries of the trust) which consists of veterans of World War II; and

"'(3) not to exceed 90 percent of the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed improvements are completed, except that such maximum mortgage amount shall be increased by one-twentieth of 1 percent of such estimated cost for each 1 percent of the membership of the corporation (or of all the beneficiaries of the trust) which consists of veterans of World War II: *Provided,* That the maximum mortgage amount shall not be increased as provided in paragraph (2) or paragraph (3) of this subsection unless evidence satisfactory to the Commissioner is furnished to establish that the benefits of such increases will accrue to the members of the corporation, or the beneficiaries of the trust, who are veterans of World War II in the form of reduction of the down payments which the corporation or trust would otherwise require from such veteran members or beneficiaries in order to supply the difference between the amount of the mortgage loan and the estimated replacement cost of the property or project.

"'(c) To be eligible for insurance under this section a mortgage on any property or project of a corporation or trust of the character described in paragraph No. (2) of subsection (a) of this section shall involve a principal obligation in an amount not to exceed $3,000,000 and not to exceed the greater part of the following amounts:

"'(1) A sum computed on the basis of a separate mortgage for each single-family dwelling (irrespective of whether such dwelling has a party wall or is otherwise physically connected with another dwelling or dwellings) comprising the property or project, equal to the total of each of the maximum principal obligations of such mortgages which would meet the requirements of paragraph (A), paragraph (C), or paragraph (D) of section 203 (b) (2) of this act if the mortgagor were the owner and occupant who had made any required payment on account of the property prescribed in such paragraph.

"'(2) A sum equal to the maximum amount which does not exceed either of the mortgage limitations prescribed in paragraphs Nos. (2) and (3) of subsection (b) of this section.

"'(d) Any mortgage insured under this section shall provide for complete amorti-

zation by periodic payments within such terms as the Commissioner may prescribe but not to exceed 40 years from the beginning of amortization of the mortgage, and shall bear interest (exclusive of premium charges for insurance) at not to exceed 4 percent per annum on the amount of the principal obligation outstanding at any time. The Commissioner may consent to the release of a part or parts of the mortgaged property from the lien of the mortgage upon such terms and conditions as he may prescribe and the mortgage may provide for such release, and a mortgage on any project of a corporation or trust of the character described in paragraph No. (2) of subsection (a) of this section may provide that, at any time after the completion of the construction of the project, such mortgage may be replaced, in whole or in part, by individual mortgages covering each individual dwelling in the project in amounts not to exceed the unpaid balance of the blanket mortgage allocable to the individual property. Each such individual mortgage may be insured under this section. Property covered by a mortgage, insured under this section, on a property or project of a corporation or trust of the character described in paragraph No. (1) of subsection (a) of this section may include such commercial and community facilities as the Commissioner deems adequate to serve the occupants.

"'(e) The provisions of subsections (d), (e), (g), (h), (i), (j), (k), (l), (m), (n), and (p) of section 207 of this title shall be applicable to mortgages insured under this section.

"'(f) The Commissioner is authorized, with respect to mortgages insured or to be insured under this section, to furnish technical advice and assistance in the organization of corporations or trusts of the character described in subsection (a) of this section and in the planning, development, construction, and operation of their housing projects. In the performance of, and with respect to, the functions, powers, and duties vested in him by this section, the Commissioner, notwithstanding the provisions of any other law, shall appoint an Assistant Commissioner to administer the provisions of this section under the direction and supervision of the Commissioner'."

"SEC. 111. Section 301 (a) of said act, as amended, is hereby amended—

"(1) by striking out of paragraph (1) the words 'title VIII of' and inserting in lieu thereof the words 'title VIII, or section 8 of title I of';

"(2) by striking out of paragraph (1) the words '*Provided, however,*' and inserting in lieu thereof the following: '*Provided,* That no deposit or fee required or charged by the Association for the commitment to purchase a mortgage hereunder shall exceed 1 percent of the original principal obligation of such mortgage: *And provided further,*';

"(3) by striking out the proviso at the end of paragraph (1) (E) and inserting the following: ': *Provided,* That this clause (2) shall not apply to (nor shall any terms therein include) any mortgage which after the date of enactment of the Housing amendments of 1949, is (i) guaranteed under section 501 or section 502 of the Servicemen's Readjustment Act of 1944, as amended, and made for the construction or purchase of a family dwelling or dwellings in an original principal amount or amounts which does not exceed $10,000 per dwelling unit, or (ii) insured under section 8, section 203 (b) (2) (D), section 207, section 213, section 608 (including section 608 pursuant to section 610), section 611, or section 803 of this act'; and

"(4) by amending paragraph (1) (F) to read: '(F) no loan guaranteed under section 501 or section 502 of the Servicemen's Readjustment Act of 1944, as amended, which is made to finance all or part of the purchase price or construction cost of a dwelling, shall be purchased by the Association (except pursuant to a commitment made or issued prior to the effective date of this paragraph) unless the Administrator of Veterans' Affairs certifies that such dwelling conforms with minimum construction requirements prescribed by him, nor unless the mortgagee certifies that no bonus, fee, or other charges, in excess of those expressly authorized by the Association, have been or will be charged or received by such mortgagee to or from the builder or the mortgagor in connection with such mortgage.': *Provided,* That this clause (4) shall become effective 90 days after the date of enactment of the Housing Amendments of 1949.

"SEC. 112. The first sentence of section 302 of said act, as amended, is hereby amended to read as follows:

" 'The total amount of investments, loans, purchases, and commitments made by the Association shall not exceed $3,000,000,000 outstanding at any one time.' "

"SEC. 113. Section 305 of said act, as amended, is hereby amended by adding the words 'or credit, or otherwise dispose of' immediately after the word 'cash.'

"SEC. 114. Section 4 (c) of the Reconstruction Finance Corporation Act, as amended, is hereby amended by striking out '$2,500,000,000' and inserting in lieu thereof '$4,000,000,000.'

"SEC. 115. Section 603 (a) of the National Housing Act, as amended, is hereby amended by striking out of the first proviso, '$5,750,000,000' and inserting in lieu thereof '$6,150,000,000' and by striking out '$6,150,000,000' and inserting in lieu thereof '$6,650,000,000', and by striking out of the second proviso 'August 31, 1949' in each place where it appears therein and inserting in lieu thereof 'June 30, 1950.'

"SEC. 116. Section 608 (g) of said act, as amended, is hereby amended by striking out the words 'title II' in each place they appear therein and inserting in lieu thereof 'title I or title II.'

"SEC. 117. Section 610 of said act, as amended, is hereby amended—

"(1) by inserting in paragraph (4) of the first sentence, immediately after the words 'section 603 (b) (2)', the words 'or section 603 (b) (5)'; and

"(2) by striking out in the proviso the word 'and' after the words 'date of insurance' and by striking out the period at the end of the proviso and inserting a comma and the following: 'and (4) bear interest (exclusive of premium charges) at not to exceed 5 percent per annum on the amount of the principal obligation outstanding at any time if such mortgage covers property on which there is located a dwelling designed principally for residential use for not more than four families in the aggregate, irrespective of whether such dwelling or dwellings have a party wall or are otherwise physically connected with another dwelling or dwellings, or bear interest at not to exceed 4½ percent per annum on the amount of the principal obligation outstanding at any time if such mortgage covers property upon which there is located a dwelling or dwellings designed principally for residential use for more than four families.'

"SEC. 118. Section 611 of said act, as amended, is hereby amended—

"(1) by striking out in clause (A) of subsection (b) (3) the figure '80' and inserting in lieu thereof the figure '85', and by amending clause (B) of said subsection to read as follows: 'not to exceed a sum computed on the individual dwellings comprising the total project as follows: $5,950 or 85 percent of the valuation, whichever is the lower amount, with respect to each single-family dwelling: *Provided,* That if the Commissioner finds that it is not feasible, within the dollar amount limitation in clause (B) on the principal obligation of the mortgage, to construct dwellings containing three or four bedrooms without sacrifice of sound standards of construction, design, and livability, he may increase such dollar amount limitation by not exceeding $850 for each additional bedroom (as defined by the Commissioner) in excess of two contained in each such dwelling if he finds that such dwelling meets sound standards of design and livability as a three-bedroom unit or a four-bedroom unit, as the case may be, but the amount computed under clause (B) for each such dwelling shall not exceed, in any event, $7,650.'

"(2) by striking the period at the end of subsection (b) (4) and inserting the following: ', and the mortgage may provide that, upon the completion of the construction of the project, such mortgage may be replaced by individual mortgages covering each individual dwelling in the project. Each such individual mortgage may be insured under this section with the mortgagor being either the builder who constructed the dwellings or the owner and occupant of the dwelling at the time, and where the mortgagor is the owner and occupant, may involve a principal obligation in such amount and have such maturity and interest rate as a mortgage eligible for insurance under section 203 (b) (2) (D) of this act.' "

"SEC. 119. Section 1 of said act, as amended, is hereby amended by striking the period at the end of the fourth sentence thereof and inserting a colon and the following: '*Provided,* That, notwithstanding any other provisions of law except provisions of law hereafter enacted expressly in limitation hereof, all expenses of the Federal Housing Administration in connection with the examination and insurance of loans or investments under any title of this act, all properly capitalized expenditures, and other necessary expenses not attributable to general overhead in accordance with generally accepted accounting principles shall be considered nonadministrative and payable from funds made available by this act, except that, unless made pursuant to specific authorization by the Congress therefor, expenditures made in any fiscal year pursuant to this proviso, other than the payment of insurance claims and other than expenditures (including services on a contract or fee basis, but not including other personal services) in connection with the acquisition, protection, completion, operation, maintenance, improvement, or disposition of real or personal property of the Administration acquired under authority of this act, shall not exceed 35 percent of the income received by the Federal Housing Administration from premiums and fees during the preceding fiscal year.' "

"SEC. 120. The National Housing Act, as amended, is hereby amended by inserting a period after the word 'Senate' in the first sentence of section 1 and striking out the balance of said first sentence, and by striking out the word 'Administrator' wherever it appears in said act, as amended, and substituting in lieu thereof the word 'Commissioner'."

"SEC. 121. The National Housing Act, as amended, is hereby amended by adding the following section under title II thereof after section 214.

" 'ISSUANCE OF COMMITMENTS

" 'SEC. 215. The Commissioner is hereby authorized to process applications and issue commitments with respect to insurance of mortgages under section 8 of title I, title II, title VI, or title VIII of this act, even though the permanent mortgage financing may not be insured under this act, and in the event the mortgage is not so insured the Commissioner is authorized to charge an additional application fee determined by him

to be reasonable. The Commissioner is authorized to make such rules and regulations as may be necessary to carry out the provisions of this section.'"

"TITLE II—AMENDMENTS OF SERVICEMEN'S READJUSTMENT ACT OF 1944

"SEC. 201. The Servicemen's Readjustment Act of 1944, as amended, is amended—

"(a) By striking out '25 years' in the second proviso of section 500 (b) and inserting in lieu thereof '30 years.'

"(b) By inserting '(a)' after 'SEC. 501.' and before the word 'Any', and by inserting at the end of section 501 the following new subsection:"

"'(b) Any loan made under this title to a veteran who has not previously availed himself of its benefits, the proceeds of which loan are to be used for purchasing residential property or constructing a dwelling to be occupied as his home may, notwithstanding the provisions of subsection (a) of section 500 of this title relating to the percentage or aggregate amount of loan to be guaranteed, be guaranteed, if otherwise made pursuant to the provisions of this title, in an amount not exceeding 60 percent of the loan: *Provided,* That the amount of any such guaranty shall not exceed $7,500, nor shall the gratuity payable under subsection (c) of section 500 of this title exceed that which is payable on loans guaranteed in accordance with the maxima provided for in subsection (a) of section 500 of this title.'

"(c) By inserting '(a)' after 'SEC. 502.', and by inserting at the end of section 502 the following new subsection:

"'(b) For the purpose of encouraging the construction and improvement of farm housing, the Administrator is authorized to guarantee a loan for the construction or improvement of a farmhouse which loan is secured by a first lien on a portion of the farm suitable in size and location as an independent home site, and to permit payment out of the proceeds of such loan any sum required to obtain the release of such site from existing indebtedness: *Provided,* That the Administrator may, in his discretion, except any loan for the construction or improvement of a farmhouse from the first lien requirement imposed by subsection 500 (b) of this title.'

"(d) By redesignating section 504 as section 504 (a) and by adding to that section a new subsection (b) reading:

"'(b) No loan for the purchase or construction of residential property on which construction is begun subsequent to 60 days after the date of enactment of the Housing Amendments of 1949, shall be financed through the assistance of the provisions of this title unless the property conforms to minimum construction requirements prescribed by the Administrator.'

"(e) By striking out all of subsection (a) of section 505 and by redesignating subsection (b) of said section 505 as "SEC. 505.": *Provided,* That this subsection shall become effective 180 days after the date of the enactment of the Housing Amendments of 1949.

"TITLE III—MISCELLANEOUS PROVISIONS

"SEC. 301. (a) Section 4 (a) of the Reconstruction Finance Corporation Act, as amended, is amended by adding at the end thereof the following new paragraph:

"'(5) To purchase the obligations of and to make loans to nonprofit educational institutions of higher learning for the construction of housing for their students and faculties, if the housing will be undertaken in such a manner that economy will be promoted in its construction, and if the housing will not be of elaborate or extravagant design or materials. Any such obligation or loan may be in an amount not exceeding the total development cost (including the cost of land acquisition and site improvements) of the housing, and shall bear interest at not to exceed 4 percent per annum. No loan, including renewals or extensions thereof, may be made under this paragraph for periods exceeding 40 years and no obligations maturing more than 40 years from date of purchase by the Corporation may be purchased under this paragraph.'

"(b) The second sentence of paragraph (1) of section 4 (b) of the Reconstruction Finance Corporation Act, as amended, is amended by striking out '(1), (2), and (3)' and inserting in lieu thereof '(1), (2), (3), and (5).'

"SEC. 302. (a) Section 313 of the act entitled 'An act to expedite the provision of housing in connection with national defense, and for other purposes,' approved October 14, 1940, as amended, is hereby amended by striking out 'January 1, 1950' where such appears therein and inserting in lieu thereof 'July 1, 1950.'

"(b) Section 505 (b) of the act entitled 'An act to expedite the provision of housing in connection with national defense, and for other purposes,' approved October 14, 1940, as amended, is hereby amended by striking out the first sentence and inserting in lieu thereof the following: 'The filing of a request under this section must be made on or before January 1, 1950, and shall be authorized by the board of trustees or other governing body of the institution making the request.'

"SEC. 303. Section 10 of the Federal Home Loan Bank Act, as amended, is hereby amended—

"(1) by striking out of subsection (a) (1) the words 'titles II and VI' and inserting in lieu thereof the words 'title I, title II, or title VI'; and

"(2) by inserting the following after the word 'maturity,' in the first sentence of subsection (b): 'unless such home mortgage is insured, under the National Housing Act, as amended,'.

"SEC. 304. Section 24 of the Federal Reserve Act, as amended, is hereby amended—

"(1) by striking out the second sentence thereof and inserting in lieu thereof the following: 'A loan secured by real estate within the meaning of this section shall be in the form of an obligation or obligations secured by a mortgage, trust deed, or other instrument upon real estate, which shall constitute a first lien on real estate in fee simple or, under such rules and regulations as may be prescribed by the Comptroller of the Currency, on a leasehold (1) under a lease for not less than 99 years which is renewable or (2) under a lease having a period of not less than 50 years to run from the date the loan is made or acquired by the national banking association, and any national banking association may purchase any obligation so secured when the entire amount of such obligation is sold to the association.'; and

"(2) by striking out of the third sentence 'titles II and VI' and inserting in lieu thereof the words 'title II, title VI, title VIII, or section 8 of title I.'

"SEC. 305. The Housing Act of 1948 is hereby amended by inserting before section 103 thereof the following new section:

"'SEC. 102a. For the purpose of aiding the distribution, erection, and marketing of prefabricated houses manufactured with financial assistance under section 102 of this act, and to overcome the delays which arise when permanent financing must otherwise be arranged in advance of the distribution, erection, and marketing of such houses, the Reconstruction Finance Corporation is authorized to make loans directly to any business enterprise or financial institution to finance the purchase and erection of such houses or for site improvements or other financing connected therewith, which loans may be made under such terms and conditions and with such maturities as the Corporation may determine: *Provided,* That no financial assistance shall be extended under this section unless it is not otherwise available on reasonable terms: *And provided further,* That the total amount of loans, including commitments, under this section shall not exceed $75,000,000 outstanding at any one time.'

"SEC. 306. Insofar as the provisions of any other law are inconsistent with the provisions of this act, the provisions of this act shall be controlling.

"SEC. 307. If any provision of this act or the application of such provision to any person or circumstances shall be held invalid, the validity of the remainder of the act, and the applicability of such provision to other persons or circumstances, shall not be affected thereby."

Mr. SPENCE (interrupting the reading of the amendment). Mr. Chairman, since the substitute amendment is but the original bill as introduced, with a change of dates, I ask unanimous consent that the further reading of the substitute amendment be dispensed with.

Mr. MARCANTONIO. Mr. Chairman, reserving the right to object, I do so for the purpose of propounding a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MARCANTONIO. Mr. Chairman, I am not opposed to having the amendment considered as read, but I would like to preserve the right of those of us who would like to make a point of order against the amendment. My parliamentary inquiry is as follows: If this unanimous-consent request is granted, can a point of order be made?

The CHAIRMAN. It can, immediately after consent is granted.

Mr. MULTER. Mr. Chairman, reserving the right to object, and I do not intend to object, there are several of us here who want to offer amendments to this substitute. We do not have page or line numbers to indicate where such amendments should be offered. If we dispose of the reading of this, will we be able to offer those amendments and have them considered at the appropriate part of the bill, or amendment? In other words, to be more specific, we adopted two so-called Monroney amendments yesterday. I want to offer them again today at the appropriate places to this bill or to this substitute.

The CHAIRMAN. The gentleman will have to state specifically where they are to be included in the bill under consideration.

Mr. MULTER. Mr. Chairman, will I be given an opportunity to examine the bill at the desk to offer these amendments? Will I be precluded from doing that?

The CHAIRMAN. The gentleman may do that. He may do that at the present time.

Mr. CASE of South Dakota. Mr. Chairman, reserving the right to object, is this amendment being offered as a substitute offered by the committee?

Mr. SPENCE. Yes. This is a substitute offered by the committee.

Mr. CASE of South Dakota. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. MARCANTONIO. Mr. Chairman, I make a point of order against the

amendment. The amendment offered by the committee for all purposes and effects reconsiders everything that was passed by the Committee of the Whole on yesterday. It, for instance, to use one illustration, eliminates the direct loans to veterans. This bill is very correctly described as the original real-estate bill—that is, this substitute that is offered. It reconsiders, and it is in the form of a motion to reconsider, which is not permissible in the Committee of the Whole.

So this committee is attempting to do indirectly what it cannot do directly. The purpose of offering the amendment is obvious. The purpose is to bypass my civil-rights amendment that was adopted yesterday in Committee of the Whole. The leadership here guts a good bill which can pass in order to wipe out the civil-rights amendment adopted yesterday. This leadership must take the responsibility for dumping a good housing bill, which by amendments adopted yesterday, provides civil rights and direct loans for veterans. In order to carry out this objective the leadership now offers this real-estate substitute. What a price the administration leadership is ready to pay to kill its own civil-rights program. This substitute is the price; in so doing it is, in effect, offering a motion to reconsider, which is not permitted in Committee of the Whole.

Mr. CASE of South Dakota. Mr. Chairman, a further point of order. I make the point of order that a point of order may be raised against a substitute reported by a committee, even if the original resolution may have been privileged, and call attention to the precedent cited in Cannon's Procedure on page 15, which cites Cannon's Precedents, volume VI. If a committee may do what is here proposed, any committee may hereafter bypass whatever amendments may have been deliberately considered and debated and adopted by this device of making a slight and inconsequential change in designation of date and offer its original bill as a substitute and thereby reconsider every amendment previously adopted.

I make the further point of order that this bill was not considered by sections or paragraphs; that that reading was waived, and that consequently the proper time to have offered the substitute was at the beginning of the consideration of the bill by the Committee.

The CHAIRMAN (Mr. MANSFIELD). The Chair will state that it can be offered at any time because the entire bill is open to amendment.

As to the point of order raised by the gentleman from New York [Mr. MARCANTONIO], the Chair will state that he has studied the substitute offered by the gentleman from Kentucky, and there are substantive changes in it relative to changes of dates and other clerical matters.

The Chair would like to call attention to volume VIII of Cannon's Precedents, section 2905, which reads as follows:

A substitute for an entire bill may be offered only after the first paragraph has been read or after the reading of the bill for amendment has been concluded.

It is in order to propose a substitute for a section of the amendment with the same section with modifications, and omitting amendments to the section previously agreed to by the Committee of the Whole.

On the basis of this decision, the Chair is constrained to overrule the point of order.

Mr. CASE of South Dakota. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CASE of South Dakota. What is the position of the Chair with respect to the substitute being offered by the committee? The chairman of the committee has already stated that it is a substitute being offered by the committee itself.

The CHAIRMAN. The Chair has to accept the word of the chairman of the committee in this respect.

Mr. DOLLINGER. Mr. Chairman, I offer an amendment to the Spence amendment, which is at the Clerk's desk.

The CHAIRMAN. The Clerk will report the amendment.

Mr. KUNKEL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. KUNKEL. Had the reading of the bill for amendment been completed? My understanding was that when the Committee rose yesterday there were four amendments pending at the Clerk's desk, and, therefore, the reading of the bill would not have been completed until those amendments had been acted upon.

I therefore make the point of order that the substitute is not now in order.

The CHAIRMAN. The Chair overrules the point of order, for reasons previously given, to wit, that the reading of the bill had been concluded, and that there were no amendments pending. Even though amendments were on the desk, they had not been read and were not pending.

Mr. WOLCOTT. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WOLCOTT. On yesterday, while we were considering the bill, a unanimous-consent request was made to close all debate on the bill and amendments to the bill, at 3 o'clock.

Do I understand the situation to be that now amendments may be offered, but all debate on the amendments has been concluded?

The CHAIRMAN. The gentleman is correct.

Mr. MARCANTONIO. Mr. Chairman, if a motion is made to strike out the enacting clause, that is a preferential motion, and the maker of that motion is entitled to recognition for 5 minutes.

The CHAIRMAN. The Chair informs the gentleman he will pass upon that question when it arises.

The Clerk will report the amendment offered by the gentleman from New York.

The Clerk read as follows:

Amendment offered by Mr. DOLLINGER: At the end of the Spence amendment, add the following: "No contract or commitment shall be entered into by the Government or any agency or instrumentality thereof, as authorized herein, with regard to any housing provided for in this act, unless it shall contain a provision prohibiting disqualification or discrimination for sale, rental, or tenancy, or otherwise, in any housing developed under this act, by reason of race, color, creed, or national origin."

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. DOLLINGER].

The question was taken; and the Chair being in doubt, the Committee divided and there were—ayes 75, noes 87.

Mr. DOLLINGER. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chair appointed as tellers, Mr. DOLLINGER and Mr. PATMAN.

The Committee again divided; and the tellers reported that there were—ayes 84, noes 108.

So the amendment was rejected.

Mr. MULTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MULTER: On page 30, after line 2, insert the following:

"(f) By the addition of two new sections reading as follows:

"'SUPPLEMENTAL DIRECT LOANS TO VETERANS

"'SEC. 512. (a) In any case in which a veteran, eligible under section 500 (a) of this title, as amended, has not previously availed himself of his guaranty entitlement and shows to the satisfaction of the Administrator that he is unable to obtain from private lending sources at an interest rate not in excess of 4 percent per annum a loan for which he is qualified under section 501 or section 502 of this title to finance the purchase or construction of a dwelling to be owned and occupied by him as a home or for the construction or improvement of a farmhouse, and the Administrator has found that in the area in which such dwelling is located or is to be constructed private capital is not available for the financing of the purchase of homes by veterans under this title, the Administrator is authorized and directed to make, or enter into a commitment to make, such veteran a loan for such purpose, which loan shall bear interest at the rate of 4 percent per annum and shall be subject to such requirements or limitations prescribed for loans guaranteed under this title as may be applicable: *Provided*, That—

"'(A) the original principal amount of any such loan shall not exceed $10,000;

"'(B) the guaranty entitlement of the veteran shall be charged with the same amount that would be deducted if the loan had been guaranteed to the maximums permitted under section 500 (a) of this title;

"'(C) the amount of loans made under this section shall not exceed $300,000,000; and

"'(D) the authority to make loans under this section shall expire June 30, 1951.

"'(b) In connection with any loan under this section, the Administrator is authorized to make advances in cash to pay the taxes and assessments on the real estate, to provide for the purpose of making repairs, alterations, and improvements, and to meet the incidental expenses of the transaction, and shall credit to the principal of the loan an amount equal to that which would have been payable under section 500 (c) of this title had the loan been made by a private institution.

"'(c) The Administrator is authorized to sell, and shall offer for sale, to any private lending institution evidencing ability to service loans, any loan made under this section at a price not less than par; that is, the unpaid balance plus accrued interest, and may

guarantee any loan thus sold subject to the same conditions, terms, and limitations which would be applicable were the purchaser entitled to an automatic guaranty under section 500 (a) of this title.

"'(d) This section shall take effect 90 days after the date of enactment of the Housing Amendments of 1949.

"'SEC. 513. (a) For the purposes of section 512 of this title, the Secretary of the Treasury is hereby authorized and directed to make available to the Administrator such sums, not in excess of $300,000,000, as the Administrator shall request from time to time except that no sums may be made available after June 30, 1951. After the last day on which the Administrator may make loans under that section, he shall cause to be deposited with the Treasurer of the United States, to the credit of miscellaneous receipts, that part of all sums in the special deposit account referred to in subsection (c) of this section, and all moneys received thereafter, representing unexpended advances or the repayment or recovery of the principal of loans made pursuant to section 512 of this title. Interest collected by the Administrator on loans made under section 512 in excess of the amount payable by him to the Treasurer of the United States under subsection (b) of this section, together with any miscellaneous income or credits, shall constitute a reserve for payment of losses, if any, and expenses incurred in the liquidation of said obligations. The Administrator shall have power to invest such reserves, or any unexpended part thereof, from time to time in obligations of the Government of the United States.

"'(b) On advances by the Secretary of the Treasury under subsection (a) of this section, less those amounts deposited in miscellaneous receipts under subsections (a) and (c) hereof the Administrator shall pay semiannually to the Treasurer of the United States interest at the rate or rates determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the advance.

"'(c) In order to make available the sums payable under subsection (a) of this section and to effectuate the purposes and functions authorized in section 512 of this title, the Secretary of the Treasury is hereby authorized to use, as a public-debt transaction, the proceeds of the sale of any securities issued under the Second Liberty Bond Act as now in force or as hereafter amended, and the purposes for which securities may be issued under the Second Liberty Bond Act as now in force or as hereafter amended, are hereby extended to include such purposes. Such sums, together with all receipts hereunder, shall be deposited with the Treasurer of the United States, in a special deposit account, and shall be available, respectively, for disbursement for the purposes of section 512 of this title. Except as otherwise provided in subsection (a) of this section, the Administrator shall from time to time cause to be deposited into the Treasury of the United States, to the credit of miscellaneous receipts, such of the funds in said account as in his judgment are not needed for the purposes for which they were provided, including the proceeds of the sale of any loans, and not later than June 30, 1952, he shall cause to be so deposited all sums in said account and all moneys received thereafter in repayment of outstanding obligations, or otherwise, except so much thereof as he may determine to be necessary for purposes of liquidation. Without regard to any other provisions of this title, said Administrator shall have authority to take or cause to be taken such action as in his judgment may be necessary or appropriate for or in connection with the custody, management, protection, and realization or sale of such investments, to determine his necessary expenses and expenditures, and the manner in which the same shall be incurred, allowed, paid, and accounted for and audited, to make such rules, regulations, and orders as he may deem necessary or appropriate for the carrying out of the functions hereby or hereunder authorized and, except as otherwise expressly provided in this title, to employ, utilize, compensate, and delegate any of his functions hereunder to, such persons and such corporate or other agencies, including agencies of the United States, as he may designate.'"

Mr. MULTER (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent to dispense with the further reading of the amendment in view of the fact it is the same as originally reported by the committee and the same as the first Monroney amendment which was adopted in the Committee on yesterday.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. TABER. Mr. Chairman, I object.

The Clerk continued the reading of the amendment.

Mr. MULTER (interrupting the reading of the amendment). Mr. Chairman, I renew my request that the further reading of the amendment be dispensed with and printed in the RECORD at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. MULTER].

The question was taken; and on a division (demanded by Mr. SPENCE) there were—yeas 95, noes 70.

Mr. SPENCE. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. MULTER and Mr. BROWN of Georgia.

The Committee again divided; and the tellers reported that there were—ayes 76, noes 103.

So the amendment was rejected.

Mr. MULTER. Mr. Chairman, I offer a further amendment.

The Clerk read as follows:

Amendment offered by Mr. MULTER to the committee amendment offered by Mr. SPENCE: Page 22, line 20, change the period to a semicolon, insert the word "and" and the following clause:

"(5) By adding the following new paragraph between paragraph 1 and paragraph 2, and redesignating paragraph 2 as paragraph 3:

"'(2) To make real-estate loans which are accepted for insurance or insured under section 213 of this act: *Provided*, That no such loan shall be made by the association unless the financial assistance applied for is not otherwise available on reasonable terms.'"

Mr. MULTER (interrupting the reading of the amendment). Mr. Chairman, in view of the fact that this is the same language originally reported by the committee, and the same as the amendment adopted yesterday known as the second Monroney amendment, I ask unanimous consent that the further reading of the amendment be dispensed with.

Mr. RANKIN. I object, Mr. Chairman. I did not hear that amendment and I would like to hear what it is.

The Clerk concluded the reading of the amendment.

The CHAIRMAN. The question is on the amendment.

The amendment was rejected.

Mr. GREEN. Mr. Chairman, I offer an amendment, but before it is reported I should like to submit a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GREEN. Mr. Chairman, my amendment was presented yesterday afternoon to the bill that was being considered at that time. I have not had an opportunity to examine the Spence amendment closely. Can my amendment be presented to the Spence amendment, or should it be presented to the bill that we presented yesterday and then be presented to the Spence amendment?

The CHAIRMAN. The Chair might suggest to the gentleman that it would be proper to offer his amendment to the so-called Spence amendment which is pending at the present time.

Mr. GREEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GREEN: Renumber sections 306 and 307 as 307 and 308 respectively and insert the following new section 306:

"SEC. 306. The Housing and Home Finance Administration is authorized to sell permanent war housing projects, under his jurisdiction and initially programed as mutual housing communities under the defense housing program, on terms which shall not require a down payment and shall provide for full payment to the United States over a period of not to exceed 45 years with interest on the unpaid balance at not to exceed 3 percent per annum."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. GREEN].

The question was taken; and on a division (demanded by Mr. GREEN) there were—ayes 42, noes 82.

So the amendment was rejected.

Mr. JAVITS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JAVITS to the substitute: On page 30, line 17, strike out "4 percent" and insert "3 percent."

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. JAVITS].

The amendment was rejected.

Mr. JAVITS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JAVITS to the substitute: On page 31, line 8, strike out "July 1, 1950" and insert "January 1, 1951."

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. JAVITS].

The amendment was rejected.

Mr. JAVITS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JAVITS to the substitute: On page 30, after line 2, insert the following title III and in line 3 strike

out "title III" and insert "title IV" and renumber the succeeding sections 401 through 407 inclusive:

"TITLE III—COOPERATIVE HOUSING

"PURPOSE

"SEC. 301. The purpose of this title is to provide a means whereby housing of sound standards of design, construction, livability, and size for adequate family life, in well-planned, integrated residential neighborhoods, can be produced and made available for families of moderate income, who cannot afford to pay the rents at which comparable dwellings in new privately financed rental housing are currently being made available in their locality, by encouraging and assisting cooperative ownership or other nonprofit housing corporations or trusts organized to provide housing, and by making financial assistance available to such corporations or trusts for housing which is of such design and construction as will promote economies, both in construction and in operation and maintenance, which will be fully reflected in reduced rents. The provisions of this title relating to encouraging and assisting nonprofit cooperative ownership housing corporations or trusts shall be administered in a manner which will encourage and assist the association of persons into such cooperatives who (by reason of their like interests, associations together in other fields, or otherwise) will contribute to the sound integral character and success of such cooperatives, provide necessary leadership therein, involve democratic voting principles, and avoid any speculative use of such cooperatives.

"COOPERATIVE HOUSING ADMINISTRATION

"SEC. 302. There is hereby established in the Housing and Home Finance Agency, under the Administrator thereof, a constituent agency, to be known as the Cooperative Housing Administration, to be headed by a Cooperative Housing Commissioner (hereafter referred to as the "Commissioner") who shall be appointed in the same manner, and shall receive the same salary as other Commissioners in the Housing and Home Finance Agency. The Cooperative Housing Commissioner shall carry out the functions, powers, and duties prescribed by this title, and the powers and authorities conferred upon other Commissioners by section 502 of the Housing Act of 1948 are hereby granted to the Commissioner hereunder with respect to his functions under this title.

"LOANS

"SEC. 303. (a) To effectuate the purpose of this title, the Commissioner, upon application by an eligible borrower and subject to the terms and conditions of this title, may make a loan (including advances during the development of the housing project) to such borrower to finance the development cost of a housing project to be undertaken by such borrower.

"(b) Any loan under this section shall not exceed the development cost of the housing project, shall bear interest at such rate (not less than the applicable going Federal rate plus one-half of 1 percent), shall be secured in such manner, and shall be repaid within such period, not exceeding the estimated period of the useful life of the project and not exceeding 50 years in any event (provided that within the first 5 years there shall be repaid of the original principal obligation a sum at least equal to the portion of such obligation which would be repaid under level debt service plus 5 percent of such obligation), as shall be deemed advisable by the Commissioner.

"(c) In anticipation of a loan under this section or mortgage insurance under the National Housing Act, as amended, the Commissioner may make preliminary advances to assist in the formulation of a proposed housing project, at the same interest rate prescribed for a loan under this section: *Provided*, That such advances shall be limited to the amounts required for necessary assistance up to the point where application can be made for such loan or mortgage insurance, and shall in no event exceed an amount equal to 3 percent of the estimated development cost of such project.

"(d) To obtain funds for loans and advances under this title, the Commissioner, on and after July 1, 1949, may, with the approval of the President, issue and have outstanding at any one time notes and obligations for purchase by the Secretary of the Treasury in an amount not to exceed $500,000,000, except that with the approval of the President such aggregate amount may be increased to not to exceed $1,000,000,000.

"(e) Notes or other obligations issued by the Commissioner under this title shall be in such forms and denominations, have such maturities, and be subject to such terms and conditions as may be prescribed by the Commissioner, with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of such notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations of the Commissioner issued under this title and for such purpose is authorized to use as a public-debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such act, as amended, are extended to include any purchases of such notes and other obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All purchases, sales, and redemptions by the Secretary of the Treasury of such notes or other obligations shall be treated as public-debt transactions of the United States.

"REQUIREMENTS FOR HOUSING PROJECTS

"SEC. 304. In making any loan pursuant to section 303 hereof, the Commissioner shall require that—

"(a) the location and physical planning of the housing project will afford reasonable assurance as to the stability of the neighborhood, and that the dwellings in the housing project will meet sound standards of design, construction, livability, and size for adequate family life;

"(b) the housing project will not be of elaborate or extravagant design or construction, and that such design and construction, and the proposed methods of construction and of operation and maintenance are such as will promote such economies as may be achieved through the nonprofit character of the borrower; increased efficiency in production through the use of new or improved materials and techniques and methods of construction, or otherwise; increased efficiency and economy in operation and management through improved techniques, minimum necessary operating services, occupant maintenance, or otherwise; and that all such economies that are achieved will be reflected in reduced rents;

"(c) the reduction in operating expenses made possible by the lower rate of interest and longer amortization period with respect to loans pursuant to section 303 hereof will be fully reflected in further reduced rents;

"(d) the estimated rents (on a per-room basis) for the dwellings in the housing project (plus an allowance for the reduction in operating expenses made possible by the rate of interest and amortization period with respect to the loan pursuant to section 303 hereof, and an allowance for any reduction in operating expenses made possible by any special concessions not generally available for new privately financed rental housing currently being made available in the locality which, under applicable laws, have been or are to be made available with respect to such housing project or with respect to the borrower) are substantially below the level of rents at which comparable dwellings in new privately financed rental housing are currently being made available in the locality; and

"(e) the housing project will meet a need for housing for families of moderate income in the locality which is not otherwise being met.

"CONDITIONS OF LOAN CONTRACTS

"SEC. 305. The Commissioner shall issue such regulations and retain such rights as will assure that any housing project developed or acquired with the aid of loans pursuant to section 303 hereof, will serve families of moderate income as contemplated by this title and otherwise accomplish the purposes hereof. Every contract for a loan to be made pursuant to section 303 hereof shall provide that—

"(a) the borrower shall establish such maximum income limits for the admission of families to the housing project as well restrict admission to families of moderate income who cannot afford to pay the rents at which comparable dwellings in new privately financed rental housing are currently being made available in their locality, and that such maximum income limits, and all revisions thereof, shall be subject to the prior approval of the Commissioner;

"(b) the borrower shall establish an initial schedule of rents, and shall thereafter maintain a schedule of rents, for the dwellings in the housing project; that such initial schedule of rents, and all revisions thereof, shall be subject to the prior approval of the Commissioner; and that prior to approving the initial or any subsequent rent schedule pursuant to this section, the Commissioner shall find that such schedule affords reasonable assurance that the rents to be established thereunder are the lowest rents which can be achieved after allowance for operating expenses, but not lower than necessary together with all other income to be derived from or in connection with the housing project, to produce reasonably stable revenues sufficient to provide for the payment of the operating expense;

"(c) after the close of each project fiscal year, the borrower shall apply 75 percent of any net income for such year to advance amortization of the principal of the loan made pursuant to section 303 hereof; and

"(d) the borrower shall comply with such other terms and conditions as the Commissioner finds, prior to the execution of the loan contract, are necessary or desirable to carry out the purposes of this title.

"ADMINISTRATIVE PROVISIONS

"SEC. 306. (a) In the performance of, and with respect to, the functions, powers, and duties vested in him by this title, the Commissioner, notwithstanding the provisions of any other law, shall—

"(1) prepare annually and submit a budget program as provided for wholly owned Government corporations by the Government Corporation Control Act, as amended;

"(2) maintain an integral set of accounts which shall be audited annually by the General Accounting Office in accordance with the principles and procedures applicable to commercial transactions as provided by the Government Corporation Control Act, as amended, and no other audit shall be required: *Provided*, That such financial transactions of the Commissioner, as the making of loans and preliminary advances hereunder, and vouchers approved by the Commissioner in connection with such financial transactions shall be final and conclusive upon all officers of the Government; and

"(3) make an annual report to the President, for transmission to the Congress, to be

submitted as soon as practicable following the close of the year for which such report is made.

"(b) Funds made available to the Commissioner pursuant to the provisions of this title shall be deposited in a checking account or accounts with the Treasurer of the United States. Principal repayment on loans made hereunder shall be applied to the retirement of notes or other obligations issued by the Commissioner pursuant to section 303 hereof, and other receipts and assets obtained or held by the Commissioner in connection with the performance of his functions under this title shall be available for any of the purposes of this title (except for loans and advances hereunder), and all funds available for carrying out the functions of the Commissioner under this title shall be available in such amounts as may from year to year be authorized by the Congress for the administrative expenses of the Commissioner in carrying out such functions. There are hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, such sums as may be necessary for administrative expenses in carrying out the purposes of this title, and such sums as may be necessary to meet payments on notes or other obligations issued by the Commissioner pursuant to section 303 hereof.

"GENERAL POWERS AND PROVISIONS

"SEC. 307. (a) In the performance of, and with respect to, the functions, powers, and duties vested in him by this title, the Commissioner, notwithstanding the provisions of any other law, may—

"(1) sue and be sued;

"(2) foreclose on any property or commerce any action to protect or enforce any right conferred upon him by any law, contract, or other agreement, and bid for and purchase at any foreclosure or any other sale any project or part thereof in connection with which he has made a loan pursuant to this title;

"(3) notwithstanding any other provisions of law relating to the acquisition, handling, or disposal of real and other property by the United States, the Commissioner shall have power to pay all expenses or charges in connection with, and to deal with, complete, reconstruct, rent, renovate, modernize, insure, manage, make contracts for the management of, or establish suitable agencies for the management of, or sell for cash or credit or lease in his discretion, in whole or in part, any project acquired pursuant to this title, and to pursue to final collection by way of compromise or otherwise all claims acquired by, or assigned or transferred to, him in connection with the acquisition or disposal of any housing project pursuant to this title: *Provided*, That any such acquisition of real property shall not deprive the State or any political subdivision thereof of its civil or criminal jurisdiction in and over such property or impair the civil rights under State or local laws of the inhabitants on such property;

"(4) enter into agreements, with respect to any real property acquired and held under this title which had been subject to taxes immediately prior to its acquisition by the Commissioner, to pay annual sums in lieu of taxes to the State or local taxing authority, and such sums shall approximate the taxes which would be paid upon such property to the State or local taxing authority, as the case may be, if such property were not exempt from taxation;

"(5) sell or exchange at public or private sale, or lease, real or personal property, and sell or exchange any securities or obligations, upon such terms as he may fix;

"(6) obtain insurance against loss in connection with property and other assets held;

"(7) subject to the specific limitations in this title, consent to the modification, with respect to rate of interest, time of payment of any installment of principal or interest, security, or any other term, of any contract or agreement to which he is a party or which has been transferred to him pursuant to this title;

"(8) include in any contract or instrument made pursuant to this title such other covenants, conditions, or provisions as he may deem necessary to assure that the purposes of this title will be achieved; and

"(9) make such rules and regulations as he deems necessary or desirable to carry out the purposes of this title.

"(b) Section 3709, as amended, of the Revised Statutes shall not apply to any contract for hazard insurance, or to any purchase or contract for services or supplies on account of any property acquired pursuant to this title if the amount of such purchase or contract does not exceed $1,000.

"(c) To assist in achieving the purposes of this title, the Commissioner is authorized and directed to furnish technical advice and assistance in the organization of nonprofit cooperative ownership housing corporations or trusts of the character described in section 310 (a) hereof, and in the planning, initiation, development, construction, acquisition, and operation and management of their housing projects. In any case where a nonprofit cooperative ownership housing corporation or trust which has been assisted by the Commissioner in its organization pursuant to this subsection desires to make application to the Federal Housing Commissioner for mortgage insurance under the National Housing Act, the Commissioner shall advise the Federal Housing Commissioner as to whether, in his opinion, the organization of such cooperative is in accord with the policies declared in the second sentence of section 301 hereof, and shall furnish such other available information concerning such cooperative as may be requested by the Federal Housing Commissioner.

"(d) In the administration of this title, the Commissioner shall take such steps as he deems necessary and desirable to assure that the benefits of the nonprofit character of any borrower hereunder are not dissipated through speculative devices, and shall require that, under such terms and conditions as he shall prescribe, major contracts in connection with the development of the housing project shall be fixed-price contracts, and shall be awarded after public advertisement or other adequate publicity.

"(e) Any person who induces or influences a borrower hereunder to purchase or acquire property or to enter into any contract, in connection with any housing project to be financed with a loan made under this title, and willfully fails to disclose any interest, legal or equitable, which he has in such property or such contract, or any special benefit which he expects to receive as a result of such contract, shall be fined not more than $5,000 or imprisoned for not more than 1 year, or both.

"PROTECTION OF LABOR STANDARDS

"SEC. 308. In order to protect labor standards—

"(a) Any contract for financial aid pursuant to section 303 hereof shall contain a provision requiring that not less than the salaries prevailing in the locality, as determined or adopted (subsequent to a determination under applicable State or local law) by the Commissioner, shall be paid to all architects, technical engineers, draftsmen, and technicians, employed in the development, and to all maintenance laborers and mechanics employed in the administration, of the housing project involved, and shall also contain a provision that not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act (49 Stat. 1011), shall be paid to all laborers and mechanics employed in the development of the housing project involved; and the Commissioner shall require certification as to compliance with the provisions of this subsection prior to making any payment under such contract.

"(b) The provisions of title 18, United States Code, section 874, and of title 40, United States Code, section 276c, shall apply to any housing project financed in whole or in part with funds made available pursuant to section 303 hereof.

"(c) Any contractor engaged on any housing project financed in whole or in part with funds made available pursuant to section 303 hereof shall report monthly to the Secretary of Labor, and shall cause all subcontractors to report in like manner, within 5 days after the close of each month and on forms to be furnished by the United States Department of Labor, as to the number of persons on their respective pay rolls on the particular housing project, the aggregate amount of such pay rolls, the total man-hours worked, and itemized expenditures for materials. Any such contractor shall furnish to the Department of Labor the names and addresses of all subcontractors on the work at the earliest date practicable.

"VETERANS' PREFERENCE

"SEC. 309. Every contract made pursuant to section 303 hereof for a loan for a housing project shall require that in the selection of tenants for, or members entitled to occupy, dwellings in such housing project preference shall be given, as among eligible applicants for occupancy of dwellings of given sizes and at specified rents, to families of veterans and servicemen (including families of deceased veterans and servicemen), and that as among applicants entitled to the preference provided in this section, first preference shall be given to families of disabled veterans whose disability has been determined by the Veterans' Administration to be service connected, and second preference shall be given to families of deceased veterans and servicemen whose death has been determined by the Veterans' Administration to be service connected: *Provided*, That nothing in this title or in any other act shall preclude a nonprofit cooperative ownership housing corporation or trust, the permanent occupancy of the dwellings of which is restricted to the members of such corporation or the beneficiaries of such trust, from accepting, without regard to the preference provided in this section, nonveteran members of such corporation or nonveteran beneficiaries of such trust as occupants of dwellings in the housing project. For the purposes of this section the term "veteran" shall mean a person who has served in the active military or naval service of the United States at any time on or after September 16, 1940, and prior to July 26, 1947, and who shall have been discharged or released therefrom under conditions other than dishonorable. The term "serviceman" shall mean a person in the active military or naval service of the United States who has served therein on or after September 16, 1940, and prior to July 26, 1947.

"DEFINITIONS

"SEC. 310. The following terms shall have the meanings, respectively, ascribed to them below, and, unless the context clearly indicates otherwise, shall include the plural as well as the singular number:

"(a) 'Eligible borrower' or 'borrower' shall mean (1) any private nonprofit cooperative ownership housing corporation or private nonprofit cooperative ownership housing trust the permanent occupancy of the dwellings of which is restricted to the members of such corporation or the beneficiaries of such trust, or (2) any private nonprofit corporation or private nonprofit trust authorized to provide dwellings (i) the occupancy of which is to be permitted in consideration of agreed charges, or (ii) for sale to a corporation or trust of the character described in clause (1) of this subsection.

"(b) 'Housing project' shall mean a project (including all property, real and personal, contracts, rights, and choses in action

acquired, owned, or held by a borrower in connection therewith) of a borrower designed and used primarily for the purpose of providing dwellings: *Provided*, That nothing in this title shall be construed as prohibiting the inclusion in a housing project of such stores, offices, or other commercial facilities, recreational or community facilities, or other nondwelling facilities as the Commissioner shall determine to be necessary or desirable appurtenances to such housing project.

"(c) 'Development cost' shall mean (1) the amount of the reasonable costs, as approved by the Commissioner, incurred by the borrower in, and necessary for, carrying out all works and undertakings for the development of a housing project and shall include the cost of all necessary surveys, plans and specifications, architectural, engineering, or other special services, land acquisition, site preparation, construction, and equipment; administrative expenses and carrying charges (including interest) incurred during the development of the housing project up to and including the occupancy date; initial working capital for the administration of the housing project; necessary expenses (including any initial operating deficit, as defined by the Commissioner) in connection with the initial occupancy of the housing project; and the cost of such other items as the Commissioner shall determine to be necessary for the development and financing of the housing project, or (2) the cost, as approved by the Commissioner, incurred by the borrower in, and necessary for, the acquisition of a housing project developed with a loan made pursuant to section 303 hereof.

"(d) 'Gross income' for any operating year shall mean the total rents and revenues and other income derived from, or in connection with, the housing project during such operating year.

"(e) 'Operating expenses' for any operating year shall mean the amounts, as approved by the Commissioner, necessary to meet the reasonable and proper costs of, and to provide for, operating and maintaining the housing project, and to establish and maintain reasonable and proper reserves for repairs, maintenance, and replacements, and other necessary reserves (including any required for sound operations on a cooperative basis) and shall include amortization and interest payments on the loan made hereunder, necessary expenses for real-estate taxes, special assessments, administrative expenses, and insurance charges, together with such other expenses as the Commissioner shall determine to be necessary for the proper operation and maintenance of the housing project.

"(f) 'Net income' for any operating year shall mean gross income remaining after the payment of operating expenses.

"(g) 'State' includes the several States, the District of Columbia, and the Territories, dependencies, and possessions of the United States.

"(h) 'Rent' shall mean the monthly charges, to the members, in the case of a borrower of the character described in clause (1) of section 310 (a) hereof, or to the tenants, in the case of a borrower of the character described in clause (2) of section 310 (a) hereof, in consideration of which occupancy of a dwelling in a housing project is permitted by the borrower.

"(i) 'Going Federal rate' means the annual rate of interest (or, if there shall be two or more such rates of interest, the highest thereof) specified in the most recently issued bonds of the Federal Government having a maturity of 10 years or more, determined at the date the contract for advance of funds or for loan is made. Any contract for loan made may be revised or superseded by a later contract, so that the going Federal rate, on the basis of which the interest rate on the loan is fixed, shall mean the going Federal rate, as herein defined, on the date that such contract is revised or superseded by such later contract."

Mr. SPENCE. Mr. Chairman, I make the point of order that this is a substitute to the substitute and is not in order.

Mr. JAVITS. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The gentleman may proceed.

Mr. JAVITS. Mr. Chairman, this is an amendment to the substitute because it seeks to insert in the substitute the title for direct loans to cooperatives in the sum of $1,000,000,000.

Mr. SPENCE. Mr. Chairman, I withdraw my point of order. I understood that it was offered as a substitute for the substitute.

Mr. JAVITS. Mr. Chairman, in view of the fact that this is the amendment relating to the direct loans to cooperative housing organizations which was discussed yesterday, I ask unanimous consent that further reading of the amendment be dispensed with.

Mr. RICH. Mr. Chairman, reserving the right to object, does this amendment call for $1,000,000,000?

Mr. JAVITS. It calls for $1,000,000,000 in loans, all of which are good.

Mr. RICH. Where are you going to get the money?

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The amendment was rejected.

Mr. BURLESON. Mr. Chairman, I offer an amendment, which is now at the Clerk's desk, and to which the committee agreed on yesterday.

The Clerk read as follows:

Amendment offered by Mr. BURLESON: On page 31, after line 17, insert the following new subsection:

"(c) The second proviso of section 505 (a) of the act entitled 'An act to expedite the provision of housing in connection with national defense, and for other purposes,' approved October 14, 1940, as amended, is hereby repealed."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Texas.

The amendment was rejected.

Mr. MARCANTONIO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment to the substitute offered by Mr. MARCANTONIO: "Prohibition Against Discrimination." At the end of the amendment insert a new section:

"No person possessing all other qualifications which are or may be prescribed by law shall be disqualified for admission, rental, or tenancy through discrimination by segregation or otherwise, in any housing developed under his act, by reason of the race, color, creed, or national origin of the person otherwise qualified; and any officer or other person charged with any duty in the admission, rental, or tenancy of housing provided for under this act who shall exclude or discriminate against any citizen for the cause aforesaid shall, on conviction thereof, be deemed guilty of a misdemeanor and be fined not more than $5,000. Every contract or commitment entered into by the Government or any agency or instrumentality thereof as authorized herein with regard to any housing provided for in this act shall contain a provision prohibiting discrimination by reason of race, color, creed, or national origin, and shall carry a warning of the penalty of this act for violation thereof."

Mr. SPENCE. Mr. Chairman, I make the point of order against the amendment that it is substantially the Dollinger amendment that was just voted down.

Mr. MARCANTONIO. Mr. Chairman, I would like to be heard on the point of order.

This is the amendment that was offered yesterday, word for word. The amendment is not the same as the Dollinger amendment. The Dollinger amendment falls far short of dealing with discrimination in housing. My amendment goes way beyond the Dollinger amendment. My amendment deals with tenancy, occupancy, rental, contract, as well as construction. It is the same amendment that this Committee adopted yesterday. You went up the hill yesterday, and now it is evident that you are going down the hill. The deal has been consummated to sacrifice a good housing bill, including loans for veterans, in order to kill my civil-rights amendment. However, the country will know that the administration leadership in this House is responsible for this sacrifice of veterans and of the Negro people.

The CHAIRMAN (Mr. MANSFIELD). The Chair is ready to rule.

The Chair overrules the point of order.

The question is on agreeing to the amendment offered by the gentleman from New York [Mr. MARCANTONIO].

The question was taken; and on a division (demanded by Mr. MARCANTONIO) there were—ayes 76, noes 101.

Mr. MARCANTONIO. Mr. Chairman, I ask for tellers.

Tellers were refused.

So the amendment was rejected.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from Kentucky [Mr. SPENCE].

The question was taken; and on a division (demanded by Mr. JAVITS) there were—ayes 142, noes 39.

So the amendment was agreed to.

Mr. RODINO. Mr. Chairman, I believe that I am speaking for a whole generation of my fellow Americans when I urge the absolute and overwhelming necessity for enactment of housing legislation for the so-called middle-income citizens. By and large, the heads of families in this country today who are under age 40 have not achieved incomes that enable them to purchase or rent homes at prevailing terms and prices. It is true that many young couples have actually purchased homes costing $10,000 or more and many have been obliged to obligate themselves to pay rentals of $80 a month or more. The truth is, however, that they cannot actually afford these prices and are meeting these costs by borrowing from relatives, by doubling up with other members of their families, or by having both husband and wife continue as breadwinners during those years when the wife should be giving her time to the care of young children.

The Housing Act of 1949 was a splendid achievement. But it is only an installment. A much larger part of the

job still needs to be done. About 10,000,000 of our fellow Americans are in the income class which renders them eligible for public housing. At least 20,000,000 of our people are in the income class between $2,000 and $5,000 annually. There may be some difference of opinion as to whether the person earning $5,000 should be included in the middle-income category. On the basis of experience in large metropolitan areas such as the one I represent, there can be no doubt that it will be necessary to go as high as $5,000. In some other sections the top limit may be set at $4,000 or $4,500.

The middle-income bill should be so drawn that the agency in charge of its administration would have the authority to fix precise limits on who is or is not eligible in a particular part of the country. The absolute limit, however, should probably be $5,000. This figure could be revised by amendment in future sessions of Congress based on experience and further research.

The proponents of the middle-income housing legislation are seeking to meet what has become a serious and tragic unmet demand for decent, safe, and sanitary shelter at moderate cost. The housing industry as presently constituted has failed to meet that need for this whole segment of our society. Ultimately the housing industry must be reorganized and its methods must be revolutionized by voluntary action of those who are members of the industry. The cost of shelter must be drastically reduced. This legislation, however, does not specifically address itself to that aspect of our housing problem.

Although we have been accused of sponsoring socialistic measures, the truth is that the Members of Congress who have introduced legislation aimed at helping the middle-income family are not urging governmental intervention which would force the housing industry to do anything it does not want to do, although there is a crying need for reform in this whole area of our economy. At this point we have confined our proposals to the matter of finances. We are seeking to cut the costs of credit to the absolute minimum, but without subsidy of any kind. In fact, we are proposing to create a volume of demand for certain types of housing which will be much greater than anything that private builders have been aiming at in many years. We realize that there is no exact analogy between producing automobiles and producing homes, still it is safe to say that if the mass demand for housing increases the unit cost should come down. The point I am trying to drive home is that it is altogether possible and highly probable that by reducing the cost of financing the sale of housing, we should at the same time do a great deal towards enabling private industry to cut unit costs by improved methods and greater efficiency. This is one reason why there should be some flexibility on the matter of income limitation. If housing costs are reduced, income limits would probably have to be revised also.

For more than a decade now the housing industry in this country has required Government assistance and intervention for its very existence. Only the tiniest fraction of the volume of housing which has been erected in the past 10 years would have actually been constructed without Government insurance of mortgages, and without the massive governmental support behind the whole mortgage market. The real conflict on this legislation is between a special interest group who demand a generous extension of governmental backing and support to an unwilling and inefficient private industry, and those, of whom I am one, who say that governmental assistance but no subsidies must also be provided to those of our fellow citizens whose needs are manifestly not being met by the private builders who are, in the true sense of the term, having their operations underwritten by means of governmental aids.

Experience has proven the value and necessity of FHA insurance and the secondary markets for mortgages. But experience has proven beyond all question of doubt that FHA financing as practiced up to this point has served only a narrow segment of our national need. It is a glaring fact that no practical person can gainsay, that few operative builders—the people who put up most of the houses that are sold in this country today—conduct their businesses with what is properly called private capital. Of course the law requires that the builder assume certain risks; theoretically the enterpriser, so-called, is supposed to have put some money of his own into his operations. Yet it cannot be denied that it does not work out that way in actual practice. The average builder has very little, if any, risk capital involved in his business; he works with funds which he is able to borrow because the Government has guaranteed the lender against loss. My purpose, however, is not to expose or attack commonly and widely accepted practices in the home building industry. What I am calling attention to is the hypocrisy and cruelty of those who would be out of business tomorrow if they had to really risk large sums of their own money, yet at the same time attack proposals for extension of governmental credit to enable people in need to obtain necessary shelter at a cost they can afford. I believe that the real estate interests now opposing legislation to cut housing finance costs are being utterly shortsighted. All over this country we now find new houses in outlying or suburban areas either for rent or sale which are unoccupied despite terrific shortages in the same areas. There is only one reason for this: the rentals and sale prices are beyond the reach of millions of families who need and could afford shelter at a moderate cost. It is painfully evident that the building industry cannot sell houses now unsold by depriving other people of the opportunity of meeting their needs in a different price bracket.

If you really want to face facts about the housing market today, the FHA itself, under its present regulations, says to the private builder: "You must not sell to families whose income does not allow them to meet your scale of payments." True, these regulations are not strictly applied, but the principle of not permitting customers of housing to assume obligations they cannot fulfill is well recognized and long established.

Therefore, there is no important departure in principle from accepted methods of home financing contained in H. R. 5631. In truth, what we are trying to do in this legislation is what FHA was originally set up to do. The basic purpose of FHA was to reduce costs of financing home purchases so that the market could be extended and the economy strengthened. The building industry was prostrate when FHA was first established by Congress. Builders were put back on their feet all right, but as things worked out housing costs increased instead of decreasing. FHA stamped out a great deal of jerry building. FHA has other notable achievements to its credit, but admittedly it has not produced the cheap housing which this country needs. We do not propose to scrap FHA nor undermine it in any way; we are giving it a bigger job to do and giving it the means to be of much greater usefulness to the country as a whole.

The testimony of the national veterans' organizations as to the need for direct financing is ample and irrefutable. The major labor organizations have shown that private lenders, in most cases, refuse to advance money to nonprofit housing societies, although all of these groups can show proof positive that successful projects have been built and operated by such groups in all parts of this country. The experience of the Amalgamated Clothing Workers in New York City, which has operated bona fide cooperative apartment houses in that congested area for more than 20 years, is an outstanding example. The Amalgamated Clothing Workers has done such an outstanding job that it is being asked by the city of New York to expand its present program of low-rent cooperative-apartment construction.

The veterans' organizations in recent years have proven that the average man in the street, if he pools his small resources with a group of his fellows, can save money on housing costs and provide satisfactory shelter for people of moderate means. It is the conviction of those of us who are advocating direct loans for nonprofit housing enterprises that private institutions will quickly change their policies once the Government is authorized to enter this field. Even if the private lenders lag behind for a year or two and the Government is obliged to go ahead and issue a number of loans under this proposed provision, there will be no real risk attached to such investments providing only that reasonably intelligent supervision is exercised by the housing agency. Certainly the great veterans' organizations, the labor unions, and our national cooperative societies who will, in all likelihood, sponsor most of the nonprofit housing groups now waiting for the enactment of this legislation, will see to it that they do not engage in projects which are likely to go into default. Several of our State governments in the past few years have entered the housing field under authorization from their respective legislatures. In most cases these State bodies are aiming at the middle income group since they do not provide subsidies,

or indeed in many cases, tax exemption. Actually what the States are doing is to show that public bodies can drastically reduce the cost of home construction by using the cheaper credit which public financing makes possible. The Commonwealth of Massachusetts, I am informed, is able to borrow money from private institutions for its middle income housing program at rates of interest lower even than is contemplated in this bill. I mention these points merely to show that we are not urging the Federal Government to embark upon uncharted seas or engage in risky or hairbrained ventures.

Only one argument that, to me, makes any sense at all, has been offered against the direct-loan program. The question is asked, "Why should the Government do more for a group than it does for an individual?" Certainly none of the sponsors of this type of legislation are unwilling to find ways and means of making low-cost financing available to nonveteran members of society who are in this income group but who do not wish to join cooperatives or nonprofit ventures. What we are offering here is a practical and an interim proposal. Until the building industry completely revises its methods the only way that savings can be achieved is by group action and public financing in some form. In the field of housing you simply cannot provide the same advantages for a family that wants to go off by itself that can be afforded to a group of reasonable size. The Government cannot protect its investment unless it deals with a group and unless it builds a number of houses in a neighborhood so that the environment is reasonably controlled. The economics of housing and the physical necessities of planning, and so forth, require group action if lower costs are to be obtained for millions now needing homes. Nor are we giving any subsidy to an individual. What we are doing is to arrange it so that the individual citizen who is willing to do something for himself, make certain efforts and undertake certain reasonable obligations, can earn a given advantage for himself. If the Government was actually giving that single and solitary family a hand-out, I could then see the logic of saying that the group is being afforded something that the individual is denied. This is not so. What we are actually doing here, if you will analyze our proposal carefully and with an open mind, is to make it possible for the individual, through self-help in the good old American tradition, to better himself. The man or woman who goes into a nonprofit housing venture has to do certain things, accept specific responsibilities which otherwise the private builder would assume. In other words, if the ordinary overhead and speculative profits of the operative builder are to be eliminated to get lower costs, the prospective home owner has to do without payment in his spare time much of the promotion work which the private enterpriser now gets paid for. This objection regarding the group versus the individual has no merit when carefully examined.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MANSFIELD, Chairman of the Committee of the Whole House on the State of the Union reported that that Committee, having had under consideration the bill (H. R. 6070) to amend the National Housing Act, as amended, pursuant to House Resolution 336, he reported the bill back to the House with an amendment adopted in the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

Mr. BIEMILLER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BIEMILLER. In the event that the amendment is rejected will the situation then be that the original bill and the amendments thereto will be before the House for a vote?

The SPEAKER. If the amendment is rejected, the original bill will be up for passage.

Mr. MARCANTONIO. As amended?

The SPEAKER. Not as amended. The only amendment reported is the amendment that was just adopted in the Committee of the Whole. If this amendment is defeated the vote will then recur on the original bill as introduced without the amendments supposed to have been adopted yesterday.

The question is on the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. TABER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. TABER. I am.

The SPEAKER. The gentleman qualifies; the Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. TABER moves to recommit the bill (H. R. 6070) to the Committee on Banking and Currency.

By unanimous consent, the previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The bill was passed. A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks in the RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

FOURTH REPORT OF THE ECONOMIC COOPERATION ADMINISTRATION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 308)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee on Foreign Affairs:

To the Congress of the United States of America:

I am transmitting herewith the fourth report of the Economic Cooperation Administration created by the Foreign Assistance Act of 1948, Public Law 472 of the Eightieth Congress, approved April 3, 1948.

The report covers activities under the Economic Cooperation Act of 1948 (title I of Public Law 472) and the China Aid Act of 1948 (title IV of Public Law 472), as well as the program of economic aid to the Republic of Korea under the provisions of the Foreign Aid Appropriation Act of 1949 (Public Law 793, 80th Cong.). There is also included in the appendix a summary of the status of the United States foreign relief program (Public Law 84, 80th Cong.) and the United States foreign aid program (Public Law 389, 80th Cong.).

This report covers the period January 1 through April 2, 1949, the close of the first year of operations under the Foreign Assistance Act of 1948.

HARRY S. TRUMAN.

THE WHITE HOUSE, *August 25, 1949.*

SUSPENSION OF RULES

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that it may be in order today for the Speaker to recognize Members to move to suspend the rules.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. MARCANTONIO. Mr. Speaker, reserving the right to object, suspend the rules on what bill?

The SPEAKER. There may be a condition arise under which the bill just passed could not pass both bodies during the recess. This is simply to allow the Speaker to recognize a Member to suspend the rules and pass a continuing resolution. In any event we would have some housing legislation.

Mr. MARCANTONIO. Mr. Speaker, if the resolution comes up under suspension of rules, no amendment is permitted. It is my desire to offer my civil-rights amendment to the continuing resolution; therefore I am constrained to object.

EXTENSION OF REMARKS

Mr. BRYSON asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

Mr. BLATNIK asked and was given permission to extend his remarks in the RECORD and include an article.

Mr. SANBORN asked and was given permission to extend his remarks in the RECORD in two instances and include in one an editorial.

Mr. CORBETT, Mr. KEATING, and Mr. McDONOUGH asked and were given

permission to extend their remarks in the RECORD and include editorials.

Mr. WHITE of Idaho. Mr. Speaker, I expect to make some investigations during the period that the House and the Senate are not in session, and while the RECORD is being printed I ask unanimous consent that I may have the privilege of inserting in the Appendix of the RECORD within the prescribed limit remarks in several instances.

The SPEAKER. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. LEMKE asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mrs. DOUGLAS asked and was given permission to extend her remarks in the RECORD in five instances and include excerpts.

CARE AND CUSTODY OF INSANE PERSONS

Mr. HOBBS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 936) to provide for the care and custody of insane persons charged with or convicted of offenses against the United States, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, I understand this is a unanimous report from the Committee on the Judiciary.

Mr. HOBBS. Yes; with amendments.

Mr. MARTIN of Massachusetts. What are the amendments?

Mr. HOBBS. Three perfecting amendments which we think are not material to the purposes of the bill.

Mr. MARTIN of Massachusetts. Will the gentleman tell the House in a word what this bill does?

Mr. HOBBS. I will be delighted to have the gentleman from Ohio [Mr. MCCULLOCH] do that. He is the committee member who made the report.

Mr. MCCULLOCH. Mr. Speaker, the committee amendments make mandatory hearings to determine the insanity of the person charged with being insane. As the gentleman from Alabama has indicated, the amendments are to strike the word "may" in two instances and insert in lieu thereof the word "shall."

Mr. MARTIN of Massachusetts. In other words, this is to make it compulsory that we have a hearing rather than commit them without a hearing?

Mr. MCCULLOCH. Yes.

Mr. MARTIN of Massachusetts. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The Clerk read the bill as follows:

Be it enacted, etc., That title 18, United States Code, chapter 313, is amended by adding at the end thereof the following sections:

"§ 4244. Mental incompetency after arrest and before trial.

"Whenever after arrest and prior to the imposition of sentence or prior to the expiration of any period of probation the United States Attorney has reasonable cause to believe that a person charged with an offense against the United States may be presently insane or otherwise so mentally incompetent as to be unable to understand the proceedings against him or properly to assist in his own defense, he shall file a motion for a judicial determination of such mental competency of the accused, setting forth the ground for such belief with the trial court in which proceedings are pending. Upon such a motion or upon a similar motion in behalf of the accused, or upon its own motion, the court shall cause the accused, whether or not previously admitted to bail, to be examined as to his mental condition by at least one qualified psychiatrist, who shall report to the court. For the purpose of the examination the court may order the accused committed for such reasonable period as the court may determine to a suitable hospital or other facility to be designated by the court. If the report of the psychiatrist indicates a state of present insanity or such mental incompetency in the accused, the court shall hold a hearing, upon due notice, at which evidence as to the mental condition of the accused may be submitted, including that of the reporting psychiatrist, and make a finding with respect thereto. No statement made by the accused in the course of any examination into his sanity or mental competency provided for by this section, whether the examination shall be with or without the consent of the accused, shall be admitted in evidence against the accused on the issue of guilt in any criminal proceeding. A finding by the judge that the accused is mentally competent to stand trial shall in no way prejudice the accused in a plea of insanity as a defense to the crime charged; such finding shall not be introduced in evidence on that issue nor otherwise be brought to the notice of the jury.

"§ 4245. Mental incompetency undisclosed at trial.

"Whenever the Director of the Bureau of Prisons shall certify that a person convicted of an offense against the United States has been examined by the board of examiners referred to in title 18, United States Code, section 4241, and that there is probable cause to believe that such person was mentally incompetent at the time of his trial, provided the issue of mental competency was not raised and determined before or during said trial, the Attorney General shall transmit the report of the board of examiners and the certificate of the Director of the Bureau of Prisons to the clerk of the district court wherein the conviction was had. Whereupon the court shall hold a hearing to determine the mental competency of the accused in accordance with the provisions of section 4244 above, and with all the powers therein granted. In such hearing the certificate of the Director of the Bureau of Prisons shall be prima facie evidence of the facts and conclusions certified therein. If the court shall find that the accused was mentally incompetent at the time of his trial, the court shall vacate the judgment of conviction and grant a new trial.

"§ 4246. Procedure upon finding of mental incompetency.

"Whenever the trial court shall determine in accordance with sections 4244 and 4245 of this title that an accused is or was mentally incompetent, the court may commit the accused to the custody of the Attorney General or his authorized representative, until the accused shall be mentally competent to stand trial or until the pending charges against him are disposed of according to law. And if the court after hearing as provided in the preceding sections 4244 and 4245 shall determine that the conditions specified in the following section 4247 exist, the commitment shall be governed by section 4248 as herein provided.

"§ 4247. Alternate procedure on expiration of sentence.

"Whenever the Director of the Bureau of Prisons shall certify that a prisoner whose sentence is about to expire has been examined by the board of examiners referred to in title 18, United States Code, section 4241, and that in the judgment of the Director and the board of examiners the prisoner is insane or mentally incompetent, and that if released he will probably endanger the safety of the officers, the property, or other interests of the United States, and that suitable arrangements for the custody and care of the prisoner are not otherwise available, the Attorney General shall transmit the certificate to the clerk of the court for the district in which the prisoner is confined. Whereupon the court may in its discretion cause the prisoner to be examined by a qualified psychiatrist designated by the court and one selected by the prisoner, and shall, after notice, hold a hearing to determine whether the conditions specified above exist. At such hearing the designated psychiatrist or psychiatrists may submit his or their reports, and the report of the board of examiners and other institutional records relating to the prisoner's mental condition shall be admissible in evidence. All of the phychiatrists and members of the board who have examined the prisoner may be called as witnesses, and be available for further questioning by the court and cross-examination by the prisoner or on behalf of the Government. If upon such hearing the court shall determine that the conditions specified above exist, the court may commit the prisoner to the custody of the Attorney General, or his authorized representative.

"§ 4248. Termination of custody by release or transfer

"Whenever a person shall be committed pursuant to section 4247 of this title, his commitment shall run until the sanity or mental competency of the person shall be restored or until the mental condition of the person is so improved that if he be released he will not endeavor the safety of the officers, the property, or other interests of the United States, or until suitable arrangements have been made for the custody and care of the prisoner by the State of his residence, whichever event shall first occur. Whereupon the Attorney General or his authorized representative shall file with the court which made said commitment a certificate stating the termination of the commitment and the ground therefore: *Provided, however,* That nothing herein contained shall preclude a prisoner committed under the authority of section 4247 hereof establishing his eligibility for release under the provisions of this section by a writ of habeas corpus. The Attorney General or his authorized representative shall have authority at any time to transfer a prisoner committed to his custody under the authority of section 4246 or section 4247 hereof to the proper authorities of the State of his residence."

SEC. 2. The analysis of chapter 313 of such title, immediately preceding section 4241, is amended by adding at the end thereof the following:

"4244. Mental incompetency after arrest and before trial.
"4245. Mental incompetency undisclosed at trial.
"4246. Procedure upon finding of mental incompetency.
"4247. Alternate procedure on expiration of sentence.
"4248. Termination of custody by release or transfer."

SEC. 3. The Attorney General may authorize the use of any unexpended balance of the appropriation for "Support of United States prisoners" for carrying out the purposes of title 18, United States Code, sections 4244 to 4248, inclusive, or in payment of any ex-

penses incidental thereto and not provided for by other specific appropriations.

SEC. 4. If any provision of title 18, United States Code, sections 4244 to 4248, inclusive, or the application thereof to any person or circumstance shall be held invalid, the remainder of the said sections and the application of such provision to persons or circumstances other than those as to which it is held invalid shall not be affected thereby.

With the following committee amendments:

Page 4, line 25, strike out "may in its discretion" and insert "shall."

Page 5, line 6, strike out "may" and insert "shall."

Page 5, line 13, after the period, insert the following sentence: "At such hearing the court may in its discretion call any other witnesses for the prisoner."

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PROHIBITING THE PICKETING OF UNITED STATES COURTS

Mr. HOBBS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 5647) to prohibit the picketing of United States courts.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The Clerk read the bill as follows:

Be it enacted, etc., That chapter 73 of title 18 of the United States Code is hereby amended by adding at the end thereof the following new section:

"§ 1507. Picketing, parading, and causing noises in or near Unted States courts.

"Whoever participates in picketing, parading, or causing noises in or near a building wherein a court of the United States is being held, or which is being used by a judge, juror, witness, or other court officer, in a manner which impedes, obstructs, or interferes with the administration of justice, shall be fined not more than $1,000 or imprisoned not more than 6 months, or both.

SEC. 2. The analysis of chapter 73 of title 18 of the United States Code is hereby amended by adding at the end thereof the following: "1507. Picketing, parading, and causing noises near courts."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BUREAU OF PRISONS

Mr. RANKIN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1859) to transfer from the Administrator of Veterans' Affairs to the Attorney General of the United States for the use of the Bureau of Prisons, a certain tract of land located at Chillicothe, Ohio.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, this is merely the transfer of some land?

Mr. RANKIN. That is right. It has been requested by the Department of Justice, and that request is concurred in by the Veterans' Administration. There is no controversy.

Mr. MARTIN of Massachusetts. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the following-described tract of land containing approximately three hundred seventy-nine and one-tenth acres, more or less, including improvements, if any, now under control of the Administrator of Veterans' Affairs, is hereby transferred to the possession, control, and jurisdiction of the Attorney General of the United States for the use of the Bureau of Prisons:

A plot of ground being at the western boundary of the United States Veterans' Administration Hospital holdings in Ross County, Ohio, and starting at U. S. Monument 168 thence south seventy-eight degrees two minutes forty-four seconds west for a distance of six hundred seventy-four and thirty one-hundredths feet to U. S. Monument 169, thence south eighty-two degrees two minutes thirty-two seconds west for a distance of two thousand three hundred twenty-eight and three one-hundredths feet to U. S. Monument 175, thence north forty-two degrees fifty-six minutes thirty-six seconds west for a distance of one thousand nine hundred eighty and sixty-five one-hundredths feet to U. S. Monument 178, thence north thirty-four degrees six minutes forty-three seconds east for a distance of one thousand seventy-seven and thirty-five one-hundredths feet to U. S. Monument 180, thence north sixty-seven degrees ten minutes forty-two seconds west for a distance of six hundred and fourteen feet to U. S. Monument 182, thence north seventy-seven degrees fifty-seven minutes thirty-eight seconds east for a distance of one thousand three hundred twelve and seventy one-hundredths feet to U. S. Monument 184, thence north ten degrees nineteen minutes thirty-two seconds west for a distance of eight hundred fifty-nine and six one-hundredths feet to U. S. Monument 186, thence north eleven degrees forty-eight minutes twenty seconds west for a distance of five hundred seventy and twenty-one one-hundredths feet to U. S. Monument 188, thence north eleven degrees twenty-one minutes fifty-eight seconds west for a distance of one thousand seven hundred seventy and eighty-seven one-hundredths feet to U. S. Monument 190, thence north sixty-eight degrees twenty-eight minutes fifty-two seconds east for a distance of two thousand four hundred fifty-one and eighty one-hundredths feet to U. S. Monument 193, thence on a bearing of north twelve degrees twelve minutes forty-seven seconds west in a southeasterly direction for approximately six thousand six hundred and thirteen feet to point of beginning, said tract now being occupied and used by the Federal Reformatory at Chillicothe, Ohio, and being a portion of the land described in a permit dated March 20, 1928, executed by Frank T. Hines, Director, United States Veterans' Bureau, in favor of the aforesaid Bureau of Prisons.

SEC. 2. The transfer provided for in this act shall be effected without reimbursement or transfer of funds.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TRANSFER OF LAND TO MILWAUKEE COUNTY, WIS.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2298) to authorize the Administrator of Veterans' Affairs to convey certain lands and to lease certain other land to Milwaukee County, Wis.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, this is a transfer of land from the Federal Government to Milwaukee County?

Mr. RANKIN. That is right, and there is no objection on the part of the Veterans' Administration.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read the bill as follows:

Be it enacted, etc., That the Administrator of Veterans' Affairs is authorized and directed to (1) convey by quitclaim deed the lands described in section 2 of this act as parcels I and II, part of the lands of the Veterans' Administration center at Wood, Wis.; and (2) lease for a period of 20 years the land described in section 2 of this act as parcel III, also part of the lands of such Veterans' Administration center, to Milwaukee County, a municipal subdivision of the State of Wisconsin: *Provided*, That Milwaukee County pay one-half the appraised market value of parcels I and II, and a fair yearly rental for parcel III, as determined by the Administrator of Veterans' Affairs.

SEC. 2. The parcels of land referred to in the first section of this act, all of which are located in Milwaukee County, Wis., are described as follows:

Parcel I. That tract of land located in the northeast quarter and the southeast quarter of section 35, township 7 north, range 21 east, and described, in general, as follows: Beginning at a point where the east line of South Harnischfeger Avenue crosses the south line of the Chicago, Milwaukee, St. Paul & Pacific Railroad Co. right-of-way; running thence south on the east line of South Harnischfeger Avenue to the north line of West National Avenue; thence southwesterly along the north line of West National Avenue a distance of approximately six hundred and ten feet; thence northerly and parallel to the east line of South Harnischfeger Avenue a distance of three hundred feet, more or less; thence northeasterly and parallel to the north line of West National Avenue to a point of curvature of a curve; thence along the arc of the curve the radius of which is two hundred and thirty-three feet, to a point which is two hundred feet west of the east line of South Harnischfeger Avenue; thence northerly on a line parallel to and two hundred feet west of the easterly line of South Harnischfeger Avenue to the south line of the Chicago, Milwaukee, St. Paul & Pacific Railroad Co. right-of-way; thence easterly along the south line of said railroad right-of-way to the point of beginning, excepting therefrom that part of South Harnischfeger Avenue previously dedicated for street purposes.

Parcel II. That tract of land located in the northeast quarter of section 35, township 7 north, range 21 east, and described, in general, as follows: Beginning at the intersection of the east line of Forty-fourth Street and the north line of section 35 and running thence west along the north line of section 35 to the northwest corner of the

northeast quarter of section 35; thence south along the west line of the northeast quarter of section 35 a distance of four hundred feet, more or less; thence east on a line parallel to and four hundred feet south of the north line of the northeast quarter of section 35 a distance of three hundred and seventy feet, more or less, to a point; thence south thirty degrees east five hundred and forty feet; thence south forty-eight degrees east three hundred and sixty feet, more or less, to the northerly edge of Chrysler Road; thence easterly along the northerly line of Chrysler Road to its point of junction with the easterly line of Red Arrow Drive; thence southeasterly along the easterly line of Red Arrow Drive to a point which is three hundred feet northerly of the north line of the Chicago, Milwaukee, St. Paul & Pacific Railroad right-of-way, measured at right angles to said right-of-way; thence southeasterly parallel to and three hundred feet northerly of the said right-of-way to a point which is six hundred and eighty feet, more or less, west of the east line of section 35; thence southerly on a line parallel to the east line of section 35 to the north line of said railroad right-of-way; thence easterly along the north line of said right-of-way to the east line of section 35; thence north along the east line of section 35 a distance of seven hundred ninety-eight and thirty-eight one-hundredths feet, more or less, to a stone in the east line of Forty-fourth Street; thence northerly along the east line of Forty-fourth Street to the point of beginning. Excepting, however, the four and sixty-eight one-thousandths acre tract of land in the northeasterly corner, now occupied by the Menominee Valley booster pumping station and further excepting therefrom the area, if any, dedicated for street purposes.

Parcel III. That tract of land located in the southwest quarter of section 26, township 7 north, range 21 east, and the northwest quarter of section 35, township 7 north, range 21 east, and described, in general, as follows: Beginning at the southeast corner of the southwest quarter of section 26, and running thence northerly along the east line of the southwest quarter of section 26 to the south line of West Blue Mound Road; thence westerly along the south line of West Blue Mound Road to the east line of the Milwaukee Electric Railway & Light Co. right-of-way; thence southerly along the east line of said right-of-way to the south line of section 26; thence continuing south on the same line, extended for a distance of four hundred feet, more or less; thence easterly on a line parallel to and four hundred feet south of the south line of section 26, to the west line of the northeast quarter of section 35; thence north along said line to the point of beginning.

SEC. 3. The parcels of land authorized to be transferred and leased by the first section of this act shall be used by said grantee and lessee for civic and recreational purposes. The deed of conveyance of such parcels I and II shall contain the provision that such tracts of land shall be used for the purposes for which they were conveyed and that, in the event such tracts cease to be used for such purposes, or in the event the grantee attempts to alienate all or any part of such tracts, then title thereto shall, at the option of the United States, revert to the United States. The lease of such parcel III shall contain the provision that such tract of land shall be used for the purposes for which it was leased and that, in the event such tract ceases to be used for such purposes, such lease shall be terminated at the option of the United States. Both such conveyance and such lease shall contain such additional terms, reservations, restrictions, and conditions as may be determined by the Administrator of Veterans' Affairs to be necessary to safeguard the interests of the United States. The exact legal descriptions of the land to be conveyed and leased under this act are to be determined by a survey to be made under the supervision of the Veterans' Administration.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONSTRUCTION OF VETERANS' HOSPITALS

Mr. RANKIN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 5965) to provide for the construction of certain Veterans' Administration hospitals, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

Mr. CASE of South Dakota. Reserving the right to object, Mr. Speaker, will the gentleman from Mississippi tell us what this bill does?

Mr. RANKIN. Yes. This relates to the 16,000 hospital beds, the construction of which was suspended last year. We have found that they are absolutely necessary. The appropriation has already been made for them.

Mr. CASE of South Dakota. There is already authority and funds to proceed with these hospitals.

Mr. RANKIN. This is a direction to construct them.

Mr. CASE of South Dakota. When the budget estimate came before the Appropriations Subcommittee for Independent Offices this year the committee print as submitted by the Bureau of the Budget included language which proposed to rescind the appropriations that had heretofore been made and the authority for the construction of these hospitals.

The subcommittee of which I am a member, and which is headed by the gentleman from Texas [Mr. THOMAS], canvassed the situation and decided that we would simply not include the Budget proposal for the rescission of the funds and the authority. Consequently, they were not included in the bill, and the funds and the authority still exist.

Of course, I do not intend to object to the consideration of this bill because it would be somewhat inconsistent with the idea the Committee on Appropriations had in mind, but I must call attention to the fact that these hospitals could be built today if the President were simply to release his order to the Administrator of Veterans' Affairs suspending proceeding with the construction.

We asked the Administrator of Veterans' Affairs whether this was a decision made by the Veterans' Administration. He said it was not, that action to withhold the letting of contracts and the advertising for bids was not a decision made by the Veterans' Administration but was a decision made by the Bureau of the Budget and the President.

In that event, I am wondering what can be accomplished by the passage of this bill. In any event, the bill will go to the President ultimately for signature. All he has to do to confirm his prior action is to simply withhold placing his signature on the bill. Even if it were passed, it still would be within the province of the President to direct the executive agencies not to proceed, to hold the money in suspension, to freeze the funds in fact.

The gentleman from Mississippi will certainly recall that in the fall of 1946, when money had been appropriated for the prosecution of certain river and harbor and flood-control projects, the President directed through the Bureau of the Budget that the construction money be held up, and projects all over the country were suspended. Some of them were released a few days before a certain date in November, notably the one at Louisville, Ky., about which there was considerable discussion at the time. But since this is a discretionary matter within the province of the President, I personally do not see what you are going to accomplish by the passage of the legislation.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I do not think there has ever been more sentiment for anything than there is for the building of these hospitals. The Committee on Appropriations approved it—the amount of the authorization—and I believe this building should go ahead at this time.

Mr. CASE of South Dakota. I would like to ask either the gentleman from Mississippi or the gentlewoman from Massachusetts whether any evidence was presented before your committee which would indicate that if this bill is passed the President will rescind his former decision and actually proceed with the construction of this hospital.

Mr. RANKIN. This is a direction to the Veterans' Administration to go ahead and build these hospitals. The money is already appropriated. It is in the bill now.

Mr. CASE of South Dakota. Will the resolution be effective without the signature of the President?

Mr. RANKIN. There are a great many of these young men who are now in jail all over the United States because of the lack of hospitals.

Mr. CASE of South Dakota. Will the gentleman from Mississippi please answer my question, and, if not, I will have to decline to yield to him further and seek the information elsewhere. I want to know whether or not the Committee on Veterans' Affairs has received any assurance that the President will now recede from his former position and proceed with the construction.

Mr. RANKIN. We have received no message from the President on that question.

Mr. CASE of South Dakota. Does the gentleman have any idea that the President will sign this bill if it is passed?

Mr. RANKIN. I am confident he will sign it.

Mr. CASE of South Dakota. If the gentleman feels confident of that, on what does he base his confidence?

Mr. RANKIN. Simply because of the necessity that now exists. I tried to tell the gentleman from South Dakota [Mr. CASE] just a moment ago that our jails throughout the country are being filled up with nervous cases, men who are broken down who went through this war, and this stalling in the construction of these 16,000 beds is one of the causes of that condition.

Mr. CASE of South Dakota. Where does the stalling exist? In the opinion of the gentleman, where does this stalling exist?

Mr. RANKIN. We are trying to overcome the stalling in Congress with this resolution.

Mr. CASE of South Dakota. There is no stalling in Congress. We have appropriated funds and created additional contract authority and refused to rescind it. Where does the stalling exist? Authority exists today for the building of these hospitals. The money is appropriated. The contract authority exists today. There is only one place where there is any stalling on this, and it is not at this end of Pennsylvania Avenue.

Mr. RANKIN. All right, but we are merely doing our duty by the passage of this bill.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. RICH. As I understand it, legislation was passed for the construction of hospitals which the Veterans' Administration and the President held up, is that correct?

Mr. CASE of South Dakota. The Veterans' Administration testified before the Committee on Appropriations that it was not the Veterans' Administration that held them up, but that the suspension of the letting of contracts came from the administration.

Mr. RICH. Evidently the President had information that there were more authorizations than were necessary according to the requirements to take care of the veterans, and that is the reason he held them up. Is that the case?

Mr. CASE of South Dakota. I do not know what information the President had. I know he held them up. Presumably he had information which made him think that these beds or at least some of them were not needed. The gentleman from Mississippi says that the jails are filled with people who ought to be in hospitals. That information should be available to the President. He has full authority to act now or at anytime when the need is shown to him.

Mr. RICH. Now, that does not sound good to me—that anybody in this country, the President of the United States or anybody would want to have veterans in jail when they ought to be in hospitals. I think if the President of the United States is holding this up, and the Committee on Appropriations is holding it up, I do not think we ought to consider it here now under suspension of the rules.

Mr. RANKIN. No such statement was made.

Mr. CASE of South Dakota. No, the Committee on Appropriations did not hold up the construction; on the contrary, the Committee on Appropriations did hold up the rescission of funds and contract authority which was proposed by the Bureau of the Budget. We declined to destroy the authority. We left things so the President could direct the Veterans' Administration to proceed with the construction at anytime—today, if he so decides.

Mr. RICH. Mr. Speaker, it seems to me that this proceeding is not in accordance with good sound business to bring this up by unanimous consent at this time. I think the bill ought to be brought up on the floor in the regular way so that we could take our time on it and get both sides of the question. I want to help the veterans. I think there comes a time in the life of this country when we have to consider these facts and the real reasons why we ought to pass bills. I have not heard where they have any veterans in jails who ought to be in hospitals.

Therefore, Mr. Speaker, I object.

Mr. RANKIN. The gentleman from Pennsylvania objects. There are several of these hospitals in Pennsylvania, and many of the boys are in jail suffering as a result of not having these hospitals.

Mr. RICH. Let me say to the gentleman from Mississippi that if he is trying to point his finger at me as putting the boys in that position, I want to say that he is on the wrong track. I am for complete hospitalization.

Mr. RANKIN. I am merely stating the facts. I hope the gentleman will withdraw his objection.

The regular order was demanded.

Mr. RICH. Mr. Speaker, I object.

The SPEAKER pro tempore (Mr. COOPER). Objection is heard.

BOOKER T. WASHINGTON HOSPITAL

Mr. RANKIN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 6034) to provide for the establishment of a veterans' hospital for Negro veterans at the birthplace of Booker T. Washington in Franklin County, Va.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

Mr. CANNON. Reserving the right to object, Mr. Speaker, in this morning's CONGRESSIONAL RECORD reference is made in the proceedings of another body to proposals to "discipline the House of Representatives."

In the course of debate on the subject a distinguished Member of the other body said:

> The House refuses adamantly to adopt conference reports.

Mr. Speaker, quite the contrary is true. It is the Senate managers who refuse to adopt conference reports. The House has agreed to every important amendment added by the Senate to the ECA bill except the two small items referred to and merely asks that those two items be taken back for a vote in the two Houses. The Senate has not receded on a single consequential amendment in disagreement and refuses to take the two items back for a vote. The Senate demands surrender on the part of the House on every item.

One of the amendments is an appropriation of $344,000 for the "smelling committee." The other item is an appropriation for a review of the dismantling of plants in Germany which have just been turned over to the new Commissioner, John J. McCloy, who succeeds General Clay. The House does not ask the Senator to yield on these two amendments which the Senate has tacked on the bill but merely asks the Senate conferees to take them back for a vote in the Senate. The House has already voted on the smelling amendment and instructed its conferees to resist the expenditure—by a decisive vote of 210 to 164. Where one House has voted specifically on an amendment in disagreement it is customary for the other House to yield or take it back to their own House for a vote. The Senate conferees refuse to do that.

The debate, as reported in this morning's RECORD, completely ignores the governing practice of conferences. Under immemorial custom the House which injects material producing a stalemate between the two Houses accepts responsibility for delay or failure of the measure involved. Here are citations from the authorities:

> According to the unwritten rule of conference, the House proposing an amendment on which agreement cannot be secured must recede or accept responsibility for failure of the bill (VIII, 3209; IV, 3904–3908). (Procedure in the House of Representatives, p. 125.)
>
> 3209. On July 3, 1930, in the Senate, Mr. James E. Watson, of Indiana, in the course of debate on the conference report on the bill (H. R. 13174) to amend the World War Veterans' Act, said:
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> "When one House makes a decided and determined stand on a bill the other House has amended, and it looks as if there is going to be a sure deadlock, it is the business of the House that put the amendment into the bill to recede from that amendment or be responsible for the defeat of the legislation.
>
> "The conferees on the part of the Senate did make a determined stand on these amendments, but the House, backed by a letter from the President of the United States, written while the conference was in session, insisted that we recede. We knew with that stand of the President of the United States and with the stand of the House of Representatives, that unless we did recede, under the rules of conference, this legislation would be lost and the veterans would not be pensioned. That is the rule of conferences, I will say to the Senator." (Cannon's Precedents.)
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> 3905. It was very early insisted on as a principle that, where one House proposes to an appropriation bill an amendment firmly resisted by the other, the proposing House should recede.
>
> On February 6, 1818, the House insisted on their disagreement to the first amendment of the Senate to the bill making appropriations for the military service of the United States for the year 1818.
>
> On February 12 the managers reported in their respective Houses that the conference, after being continued as long as there was any prospect of arriving at a favorable result, terminated without the conferees of the two Houses being able to come to any agreement on the subject thereof.
>
> If either branch of the Legislature determines that it will not make the great mass of necessary appropriations while there remains one unprovided for, which it considers to be proper, it throws upon the other branch the necessity of concurring in an appropriation which it may believe that neither the law nor the public interest requires, or of endangering all the appropriations of the Government.
>
> As the conferees of the Senate, through the objections urged by the House of Representatives to the course pursued by the Senate, that it made the passage of the large number of appropriations in which both Houses concur depend upon that of one in respect to

which they differ—an objection inapplicable to the subject—the committees were obliged to separate without agreeing on the subject of the Senate's amendment.

On February 16 a message from the Senate announced that they had receded from their amendment. Thereupon the bill was enrolled and duly signed. (Hinds' Precedents.)

3906. The principle seems to be generally accepted that the House proposing legislation on a general appropriation bill should recede if the other House persist in its objection.

On June 10, 1896, a condition of prolonged disagreement between the House and Senate was existing as to certain Senate amendments to the sundry civil appropriation bill.

In the House, when this disagreement was under discussion, Mr. Joseph G. Cannon, of Illinois, chairman of the Committee on Appropriations, and the Member in charge of the bill, said:

"Under all parliamentary precedents the body proposing legislation, when the other body will not assent, recedes; and if the Senate, proposing legislation in this case, lets this bill fail because the House will not assent to the legislation, then let the responsibility be upon the Senate. * * * The man who has read the history of his country understandingly in the parliamentary contests in 1878, 1879, and 1880 understands—and this contest began before the breaking out of the late war—that the rule is unvarying that the body proposing legislation as a rider upon a money bill must recede if the other body will not assent."

In the Senate, in the discussion of the same disagreement, Mr. John Sherman, of Ohio, said:

"It has always been, so far as I know, the custom in the Senate, and also in the House of Representatives as well, where there is a disagreement between the two Houses threatening to defeat the passage of an important appropriation bill—and it is the only true rule that can be applied to such a case—that the House proposing the amendment which is firmly resisted by the other House ought to recede from the amendment."

In 1860 the House of Representatives undertook to reduce as much as possible the appropriations for the support of the Government.

During that session when an appropriation bill came to the Senate, the Senate attached an appropriation for the expenditure of half a million dollars for a public building at New Orleans and a half million dollars for a public building at Charleston.

When the bill was returned to the other House with the amendment, the House struck out the amendment and insisted upon its action. Whenever the Senate of the United States undertakes to force upon the House of Representatives an appropriation it goes beyond the limits of its power. It may insist; it may hold on and continue debating until probably the House will be wearied; but, after all, if the House of Representatives says "No" definitely, the appropriation ought not to be made; and it is equally true that if the House should insist upon an appropriation to which the Senate is opposed, and the Senate says, "We will not agree to that; we are opposed to it; it is wrong," or "It should not be appropriated at this time," as a matter of course the House would have to recede.

It is only by the adoption of the two Houses of such a rule that we can get along at all with our appropriations. We may insist and insist, but when the time comes when we must choose between the passage or the defeat of appropriation bill, then, as a matter of course, the House proposing the disputed proposition must withdraw it. (Hinds' Precedents.)

Both amendments on which the conferees are deadlocked are amendments added by the Senate. Under the practice, the Senate must withdraw the offending amendments or accept responsibility for the delay. They have thrown the monkey wrench into the machinery and under the established practice of conferences it devolves on them to take it out.

Furthermore, Mr. Speaker, the delay in the conference on the Civil Functions bill is due directly and specifically to the action of the managers on the part of the Senate, as they by unanimous vote on a motion entertained by the chairman of the conference, as reported by the House conferees on page 10373 of the CONGRESSIONAL RECORD for July 28, 1949, refused to further confer with the House conferees until after the disposition of the ECA bill. The ECA bill has not yet been disposed of, and, in conformity with the vote of the Senate managers, conference on the civil functions bill awaits action on the ECA bill.

So far as responsibility for delay on the appropriations bills is concerned it is only necessary to call attention to the fact that two of the most important appropriation bills, the armed services appropriation bill, and the Interior Department appropriation bill, carrying aggregate appropriations in excess of $13,000,000,000 passed the House and were messaged over to the Senate on April 13 and March 30, respectively, and today—more than 4 months later have not been returned to the House.

(Mr. CANNON asked and was given permission to revise and extend his remarks and include certain citations.)

The SPEAKER pro tempore. Is there objection?

Mr. RANKIN. Mr. Speaker, let me say that this bill is for the construction of a veterans hospital at the home of Booker T. Washington in Virginia. The representatives of the Booker T. Washington Foundation came before the committee, and with them was Booker T. Washington's daughter. When they got through with their presentation the committee reported this bill out.

I hope there will be no objection, and that it may be passed, and passed by the other body, and that this construction may be proceeded with at once.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi [Mr. RANKIN]?

Mr. CHUDOFF. Mr. Speaker, this is a bill providing for the establishment of a segregated hospital at Booker T. Washington's home in Virginia. I have no objection to the hospital being named Booker T. Washington Hospital, but I do object to $5,000,000 of hospital funds being used for the erection of a segregated hospital, and I therefore object.

Mr. RANKIN. This does not provide for a segregated hospital, it says a Negro veterans hospital.

Mr. CHUDOFF. It says, "An all Negro hospital."

Mr. RANKIN. It reads: "Suitable site and erect thereon a hospital for Negro veterans." The Negroes want it, and the white people of the area want it. We have an all-Negro veterans' hospital at Tuskegee, Ala., and there is no reason why we should not have one in Virginia.

Mr. CHUDOFF. Mr. Speaker, I object.

INCREASE OF COMPENSATION FOR CERTAIN EMPLOYEES OF DEPARTMENT OF MEDICINE AND SURGERY OF VETERANS' ADMINISTRATION

Mr. RANKIN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 6022) to increase the rates of compensation of certain employees of the Department of Medicine and Surgery of the Veterans' Administration, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain the bill and the reasons for it?

Mr. RANKIN. The bill increases the pay of the medical personnel in the Veterans' Administration, Department of Medicine and Surgery.

Mr. MARTIN of Massachusetts. They are all in that one department?

Mr. RANKIN. Yes, that is right. This bill increases the pay of medical personnel in the Veterans' Administration Department of Medicine and Surgery.

This action is necessary in order to permit the Veterans' Administration to continue employment of competent medical personnel and meet the competition provided by private practice, and other service in Federal medical departments.

The bill as reported places the Veterans' Administration medical personnel on a parity with medical officers serving in the Army, Navy, and Air Corps under the terms of legislation passed by the House and reported in the Senate; strongly supported by all service organizations and the Veterans' Administration; first-year cost approximately $6,000,000.

Mr. MARTIN of Massachusetts. Does the gentleman know how much it will cost?

Mr. RANKIN. The first year cost will be $6,000,000.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 3 of the act of January 3, 1946, as amended (Public Law 293, 79th Cong., 59 Stat. 675; 38 U. S. C. 15), is amended as follows:

(1) Subsection (a) is amended to read as follows: "The office of the Chief Medical Director shall consist of the Chief Medical Director, one Deputy Chief Medical Director, not to exceed eight Assistant Chief Medical Directors, and such other personnel and employees as may be authorized by this act."

(2) Subsection (b) is amended by striking out the figures "$12,000" and substituting therefor "$16,000."

(3) Subsection (c) is amended to read as follows: "The Deputy Chief Medical Director shall be the principal assistant of the Chief Medical Director. He shall be a qualified doctor of medicine, appointed by the Administrator. During the period of his service as such the Deputy Chief Medical Director shall be paid a salary of $15,000 a year."

(4) Subsection (d) is amended to read as follows:

"Each Assistant Chief Medical Director shall be appointed by the Administrator upon the recommendation of the Chief Medical Director and shall be paid a salary of $13,000 minimum to $14,000 maximum: *Provided*, That one Assistant Chief Medical Director shall be a qualified doctor of dental surgery who shall be directly responsible to the Chief Medical Director for the operations of the Dental Service. Not to exceed 20 directors of service or chiefs of division, designated by the Chief Medical Director, shall, within the limitations otherwise prescribed in this act, be paid a salary of $11,500 minimum to $12,500 maximum."

(5) Subsection (e) is amended by striking out the figures "$8,000" and substituting therefor "$10,000", and striking out the figures "$7,000" and substituting therefor "$8,800."

(6) Subsection (f) is amended by striking out the figures "$6,000" and substituting therefor "$8,800."

SEC. 2. Section 7 (a) of said act of January 3, 1946, as amended, is hereby amended to read as follows:

"The grades and per annum full-pay ranges for positions provided in subsection (a) of section 4 of this act shall be as follows:

"MEDICAL SERVICE

"Chief grade, $10,000 minimum to $11,000 maximum.

"Senior grade, $8,800 minimum to $9,800 maximum.

"Intermediate grade, $7,600 minimum to $8,600 maximum.

"Full grade, $6,400 minimum to $7,400 maximum.

"Associate grade, $5,400 minimum to $6,400 maximum.

"Junior grade, $5,000 minimum to $5,750 maximum.

"DENTAL SERVICE

"Chief grade, $10,000 minimum to $11,000 maximum.

"Senior grade, $8,800 minimum to $9,800 maximum.

"Intermediate grade, $7,600 minimum to $8,600 maximum.

"Full grade, $6,400 minimum to $7,400 maximum.

"Associate grade, $5,400 minimum to $6,400 maximum.

"Junior grade, $5,000 minimum to $5,750 maximum.

"NURSING SERVICE

"Assistant Director, $6,400 minimum to $7,400 maximum.

"Senior grade, $5,400 minimum to $6,400 maximum.

"Full grade, $4,600 minimum to $5,350 maximum.

"Associate grade, $4,000 minimum to $4,800 maximum.

"Junior grade, $3,400 minimum to $4,200 maximum."

SEC. 3. Section 8 (d) of the said act of January 3, 1946, as amended, is hereby amended by striking out the figures "$11,000" and substituting therefor "$12,000."

SEC. 4. Section 11 of the act of January 3, 1946, as amended (Public Law 293, 79th Cong.; 38 U. S. C. 15), is amended by substituting a period for the colon immediately preceding the last proviso and by deleting the said last proviso.

SEC. 5. This act shall become effective on the first day of the second calendar month following the date of enactment of this act.

Mr. ALLEN of Louisiana. Mr. Speaker, I rise in support of this bill. I introduced this bill because I reached the conclusion that it was very necessary to increase the salaries of doctors and nurses in our veterans' hospitals if we are to keep the doctors and nurses we now have and attract new ones. The Veterans' Affairs Committee after exhaustive hearings reached the same conclusion. We now have 105,409 beds in operation, but we have 4,154 beds closed because we do not have enough doctors and nurses to staff them properly. These closed beds are scattered all over the Nation in the various hospitals.

When we wrote the present medical bill, Public Law 293 of the Seventy-ninth Congress, we were assured that the salary schedule therein stated would be sufficient to enable the Chief Medical Director to employ the right kind of medical help and a sufficient number to properly staff our hospitals, but we have found that the pool of doctors and nurses in the Nation is so low and the demand for them so great and the competition so keen in various fields that we are actually losing doctors and nurses from our veterans' hospitals and find it practically impossible to recruit new ones. The Army, the Navy, the Public Health Service and the field of private practice are all competing for doctors and nurses at this time of great scarcity of such. I think I am correct in saying that the salaries in these other fields have been increased and we all know that in private practice doctors and nurses are doing exceedingly well. The result of the whole thing is that we are having to close beds in our hospitals, as I said, and have actually closed 4,154. The Veterans' Administration tells us that it has lost 320 doctors in the last 12 months, many of these to go into private practice or other lines which paid more. We are, therefore, face to face with the fact that unless we take some step like this, we will have a growing shortage of doctors and nurses.

We do not contend that the passage of this bill will completely solve the doctor and nurse situation, but the testimony shows that it will go a long way to do that. Frankly, I would have preferred to have increased the salaries more than is proposed in this bill, and we may find later that it is necessary to do that. The schedule of salaries in this bill, I will say to the House frankly, was suggested by top men in the Veterans' Administration medical set-up and I hope very much that this bill will be passed speedily by both Houses and then we will be able to determine the effect of it in actual operation.

I think I should bring to the attention of the House also at this time that in addition to the 105,409 beds which we now have, we have under construction at this time additional buildings which will increase the number of beds between eight and nine thousand. The Veterans' Administration doctors testified that to do the right sort of job they actually need 746 more doctors right now with the present beds we have and that the eight or nine thousand additional beds will call for about 300 more doctors. That all adds up to the fact that when the present beds now under construction are finished within the next few months, we will be short more than a thousand doctors. I say this to emphasize the importance of passing this bill which gives the Veterans' Administration a chance to remedy this situation as far as we can, even if it will not completely answer the problem. I hope that the House will give this bill a unanimous vote.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REHABILITATION ASSISTANCE FOR CERTAIN DISABLED VETERANS

Mr. RANKIN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2146) to provide certain additional rehabilitation assistance for certain seriously disabled veterans in order to remove an existing inequality.

The Clerk read the title of the bill.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain the bill?

Mr. RANKIN. Yes. This bill amends the Paraplegic Housing Act to provide specially adapted housing for the following types who have lost the use of their lower extremities:

Amputees, ankylosis—stiffness of the joint, progressive muscular distrophies, defective nutrition of muscles, and paralysis.

Disease or injury must result in such a loss as to preclude locomotion without the use of braces, crutches, cane, or wheel chair.

The law being amended limits the contribution of the Government to $10,000 per house.

Approximately 3,000 cases involved at a total estimated cost of $20,000,000.

Mr. MARTIN of Massachusetts. Why were these eliminated originally from the program?

Mr. RANKIN. It was an oversight; it was not intended to leave them out in the first place; it was an oversight.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That subsection (g) of section 1, title I, Public, No. 2, Seventy-third Congress, as added by Public Law 702, Eightieth Congress, approved June 19, 1948, is hereby amended to read as follows:

"(g) Any person who served in the active military or naval service of the United States who is entitled to compensation under the provisions of Veterans Regulation No. 1 (a), as amended, for permanent and total service-connected disability due to the loss, or loss of use, by reason of amputation, ankylosis, progressive muscular dystrophies, or paralysis, of both lower extremities, such as to preclude locomotion without the aid of braces, crutches, canes, or a wheel chair, shall be entitled to assistance in acquiring a suitable housing unit with special fixtures or movable facilities made necessary by the nature of the person's disability, and necessary land therefor, subject to the provisions and limitations of

Veterans Regulation No. 1 (a), as amended, part IX."

SEC. 2. Paragraph 1, part IX, of Veterans Regulation No. 1 (a), as added by Public Law 702, Eightieth Congress, approved June 19, 1948, is hereby amended to read as follows:

"1. The Administrator of Veterans' Affairs is authorized, under such regulations as he may prescribe, to assist any person (hereinafter referred to as 'veteran') who served in the active military or naval service of the United States, who is entitled to compensation under the provisions of this regulation for permanent and total service-connected disability due to the loss, or loss of use, by reason of amputation, ankylosis, progressive muscular dystrophies, or paralysis, of both lower extremities, such as to preclude locomotion without the aid of braces, crutches, canes, or a wheel chair, in acquiring a suitable housing unit with special fixtures or movable facilities made necessary by the nature of the veteran's disability, and necessary land therefor: *Provided*, That the regulations of the Administrator shall include, but not be limited to, provisions requiring findings that (a) it is medically feasible for such veteran to reside in the proposed housing unit and in the proposed locality; (b) the proposed housing unit bears a proper relation to the veteran's present and anticipated income and expenses; and (c) that the nature and condition of the proposed housing unit are such as to be suitable to the veteran's needs for dwelling purposes."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PURCHASE OF AUTOMOBILES OR OTHER CONVEYANCES BY CERTAIN DISABLED VETERANS

Mr. RANKIN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2115) to authorize payments by the Administrator of Veterans' Affairs on the purchase of automobiles or other conveyances by certain disabled veterans, and for other purposes.

The Clerk read the title of the bill.

Mr. KEARNEY. Mr. Speaker, reserving the right to object, will the gentleman from Mississippi inform me at this time whether it is proposed to offer any amendments to this bill?

Mr. RANKIN. I do not know.

Mr. KEARNEY. I would like to have that assurance.

Mr. RANKIN. There is one committee amendment, a clarifying amendment, which is printed in the bill.

Mr. KEARNEY. Is that the Wheeler amendment?

Mr. RANKIN. It provides for World War I veterans. That is the only amendment the committee proposes to offer.

Mr. KEARNEY. I would like to ask the gentleman from Georgia if he intends to offer his amendment.

Mr. WHEELER. Yes.

Mr. KEARNEY. Then, Mr. Speaker, I shall have to object.

Mr. WHEELER. If the gentleman will withdraw his objection, I will not offer this amendment.

Mr. KEARNEY. I will withdraw the objection on the understanding that the gentleman not offer his amendment.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill as follows:

Be it enacted, etc., That, subject to the conditions hereinafter set forth, the Administrator of Veterans' Affairs is authorized and directed to provide or assist in providing an automobile or other conveyance, by paying on the purchase price of such automobile or other conveyance not to exceed $1,600, including equipment with such special attachments and devices as the Administrator may deem necessary, for each veteran of World War II who is entitled to compensation under the laws administered by the Veterans' Administration for any of the following:

(a) Loss or permanent loss of use of one or both feet;

(b) Loss or permanent loss of use of one or both hands;

(c) Permanent impairment of vision of both eyes of the following status: Central visual acuity of 20/200 or less in the better eye, with corrective glasses, or central visual acuity of more than 20/200 if there is a field defect in which the peripheral field has contracted to such an extent that the widest diameter of visual field subtends an angular distance no greater than twenty degrees in the better eye.

SEC. 2. The benefits of section 1 shall be granted under the following conditions:

(a) That under such regulations as the Administrator may prescribe the furnishing of such automobile or other conveyance, or the assisting therein, shall be accomplished by the Administrator paying the total purchase price, if not in excess of $1,600, or the amount of $1,600, if the total purchase price is in excess of $1,600, to the seller from whom the veteran is purchasing under sales agreement between the seller and the veteran.

(b) The United States shall not be liable for the repair, maintenance, or replacement of any automobile or other conveyance provided under the provisions of the first section of this act and shall not be liable to any person by reason of any damage caused by the use of such automobile or other conveyance.

(c) No veteran shall be entitled to receive more than one automobile or other conveyance under the provisions of this act; and no veteran who has received or may receive an automobile or other conveyance under the provisions of the paragraph under the heading "Veterans' Administration" in the First Supplemental Appropriation Act, 1947, shall be entitled to receive an automobile or other conveyance under the provisions of this act.

(d) The benefits provided in this act shall not be available to any veteran who has not made application for such benefits to the Administrator within 3 years after the effective date of this act, or within 3 years after the date of the veteran's discharge from the armed forces if the veteran shall not be discharged until on or after said effective date.

(e) Any automobile or other conveyance furnished any veteran pursuant to this act shall be exempt from the claims of creditors, and shall not be liable to attachment, levy, or seizure by or under any legal or equitable process whatever.

(f) After enactment of this act, any automobile or other conveyance heretofore furnished any veteran under the provisions of the paragraph heading "Veterans Administration" in the First Supplemental Appropriation Act, 1947, as amended, shall be exempt from the claims of creditors, and shall not be liable to attachment, levy, or seizure by or under any legal or equitable process whatever.

With the following committee amendment:

Page 1, line 10, at the beginning of the line insert the words "World War I and."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

INSTITUTIONAL TRADE AND INDUSTRIAL TRAINING FOR VETERANS

Mr. RANKIN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 5833) relating to full-time institutional trade and industrial training for veterans.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain what this bill does?

Mr. RANKIN. May I request the gentleman from Georgia [Mr. WHEELER] to explain the bill.

Mr. WHEELER. I may say to the gentleman that this merely defines that which constitutes vocational training. It does this in effect: Where vocational training is being carried on in public schools the veteran trainees will be allowed to construct or to gain manipulative training in their vocational schools by building something worth while, such as improvements to a school building, confined to public-school property, instead of being required, as the Veterans' Administration now requires them to do, to build dummy walls and kick them down again at a terrific expense to the Federal Government.

Mr. MARTIN of Massachusetts. Is that the only thing the bill does?

Mr. WHEELER. That is essentially it. I have one clarifying amendment.

Mr. MARTIN of Massachusetts. They are doing something useful?

Mr. WHEELER. Yes.

Mr. SUTTON. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from Tennessee.

Mr. SUTTON. It so happens this has been the practice up until about 3 months ago.

Mr. WHEELER. Until February 1.

Mr. SUTTON. Then there was an order that went over to the Attorney General's office to see whether or not they could do it. A clarifying report has not come out yet. This simply clarifies it and lets them work on public buildings.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from Pennsylvania.

Mr. RICH. It seems to me that if the veterans can construct something that is really worth while and for the benefit of the veterans and for the benefit of the country they ought to be permitted to do it, regardless of whether it belongs to that school or not.

Mr. WHEELER. I may say to the gentleman from Pennsylvania that it is confined to public-school property so that

the federally subsidized laborers will not be in competition with general labor,

Mr. RICH. If they can make something that is constructive and really worth while, they should not be compelled to destroy it, if it is for the permanent good of the people of this country. I hope the gentleman will broaden his amendment so that these veterans might gain the knowledge that they get from these schools and put it into practical application for the good of everybody.

Mr. WHEELER. I completely agree with the gentleman. He has stated the purpose of the bill.

Mr. BURTON. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from Virginia.

Mr. BURTON. I may say to the gentleman from Pennsylvania this also is necessary so that the veterans may work in the programs in connection with our high schools.

Mr. RICH. I think it is a good bill and they are doing a fine job.

Mr. TEAGUE. Mr. Speaker, on June 22, 1944, Congress passed what is known as the Servicemen's Readjustment Act, or the GI bill. In establishing the GI bill of rights, the Congress of the United States guarantees eligibility of training to every veteran in the United States who served honorably in excess of 90 days. Since this bill was passed millions of veterans have received training in the college level and below college level training. Approximately 43 percent or nearly 7,000,000 veterans have at one time or another had training under Public Law No. 16 or the GI bill; about 500,000 under Public Law 16 and the remainder under the GI bill.

Public Law 16 is the act which provided education benefits for disabled veterans for the purpose of restoring their ability of earning a living despite their handicap. I am sure that the GI bill has been abused, both by the veterans and by the citizens of our country who were trying to make money out of the GI bill of rights. But I have talked with leading educators in this country who say that the benefits that our country will derive from the education that these young men have and are receiving through the GI bill will be of such value that it is impossible to put a monetary value on it.

Last year the Veterans' Administration asked for some $8,000,000 which they said was to be used in screening veterans going to school and would save the Government about $150,000,000. When they could not get this appropriation, they went to the Members of Congress on the Appropriations Committee and after leading them to believe that none of our GI schools were good they talked them into adding an amendment to an appropriation bill which tends to destroy all veteran schooling and all vocational schools except those which were in existence prior to June 22, 1944, the date of the enactment of the GI bill.

If the Veterans' Administration had been honest in what they were trying to do, they would have gone to the Veterans' Affairs Committee of either the House or Senate and asked that a bill be passed limiting this training. I do not agree that a veteran should be allowed to take baking one year, dancing the next year, and then photography the next. The Veterans' Administration have led Members of Congress to believe that every person connected with the GI schooling is doing nothing except trying to feather his own nest. They have led people to believe that every school is dishonest and that every veteran going to these schools is interested only in the money he can get by attending these schools.

The second proviso of paragraph 1 of Public Law 266, Eighty-first Congress, approved August 24, 1949, states in part:

> That no part of this appropriation for education and training under title II of the Servicemen's Readjustment Act, as amended, shall be expended subsequent to the effective date of this act for subsistence allowance or for tuition fees or other charges, for any veteran for a course in an institution which has been in operation for a period of less than 1 year immediately prior to the date of enrollment in such course unless such enrollment was prior to the date of this act.

I would certainly not object to this provision if it had not been made retroactive, but it is certainly not fair or honest to our citizens of this country who have honestly put their money into schools and then have such a ruling as this be passed. If it required in the future that the school be in operation for 1 year, then I think it would be a very good provision in the law.

Immediately following the passage of Public Law 266 the Veterans' Administration Central Office, Washington, D. C., issued a very arbitrary interpretation of Public Law 266 and extended the 1-year operating clause to changes of ownership, changes of location, schools with less than 25 students, public schools in leased buildings, and new courses in public and private schools. Since this regulation was first put out the Veterans' Administration has relaxed on a number of points, with particular reference to public schools. If there has ever been an example of a Government agency doing by regulation what they could not secure by legislation, this is the most perfect by far.

I have seen correspondence from Mr. Sterling to some of the Congressmen in which he has attempted to evade the issue and has stated that the Veterans' Administration has not declared schools or courses started after June 22, 1944, are avocational. However, instruction 1–A does not make an outright statement that the schools and courses started after June 22, 1944, are avocational, but these courses are not exempt; therefore, veterans are required to justify their entrance into courses started after June 22, 1944, as they do in dancing and bartending schools.

Texas has about 800,000 veterans, and at the time the Servicemen's Readjustment Act was passed the educational facilities of Texas were heavily loaded with civilian students and were not sufficient to accommodate the large number of veterans wishing to take advantage of the GI bill of rights. Therefore, the facilities of training men at below college level were inadequate. In an effort to meet the demands the public and private schools of Texas expanded their facilities and a number of new schools were established. During the period of June 22, 1944, and September 1, 1947, the Veterans' Administration surveyed schools and recommended approval. Under the Veterans' Administration approval program a great many private schools sprang up throughout Texas.

On September 1, 1947, the Texas State Approval Agency was organized and all schools and on-the-job training establishments training veterans under Public Law 346 were resurveyed in accordance with standards published by the Texas State Approval Agency. As a result of this survey, approval was removed from approximately 300 schools which had been previously set up by the Veterans' Administration. After September 1, 1947, strict standards for buildings, equipment, teachers, and training programs were enforced. An extensive effort has been made throughout the State of Texas by institutions of higher learning, the State board for vocational education and the junior colleges, private schools, veterans' organizations, and the Texas State Approval Agency to improve the quality of the veterans' training program and provide training facilities for veterans eligible for training under the GI bill of rights.

At a time when the veterans training program is at a peak in Texas and serving approximately 130,000 veterans, the Veterans' Administration has issued arbitrary interpretations of Public Law 266 (81st Cong.), which in my opinion have gone far beyond the intent of Congress and if not changed will greatly curb the veteran training program in Texas and the whole United States.

It is my belief the Veterans' Administration wants to wipe out all veteran enrollment in vocational schools except those in existence prior to June 22, 1944. I believe they are going to discourage veterans from taking any kind of part-time courses by delay and making the veteran go through so much red tape that he will give up and quit. They are also going to prevent veterans from reentering any training after having completed or discontinuing one course of educational training.

Under the new regulations issued by the Veterans' Administration, veterans are placed in four groups. The first group is a new veteran who has never trained under the GI bill and applies for training for the first time. The second is the veteran who has interrupted his training due to sickness, employment, change of address, financial or other reasons, and who desires to enroll in the same institution and same course. Third, is the veteran who is training in a course, for example, auto fender and body repair, and desires to change his course to a related course, say auto mechanics or a combination welding course. The fourth is the veteran who completes a course of training, for example, cabinet making, and desires to follow up in a related course, furniture upholstering and refinishing.

In the past, a new veteran was enrolled by an approved institution, his enrollment papers were forwarded to the

regional office of the VA and the veteran started in the class of his choice on the day he enrolled. The veteran was approved retroactive to the date on which he started training, and subsistence was paid from that date. Under regulations 1 and 1–A, the new veteran must complete his enrollment papers stating the course of his desire and justify his reasons for picking this course. These papers must be forwarded to the regional office and then referred to the Registration Research Division for review and approval. The veteran cannot start to class until he receives an approval from the regional office.

Now, down at Texas A. and M. College, in my district, they have trained some 25,000 veterans and of that number, approximately 8,000 of them did not have VA approval when they arrived on the campus. In reviewing the veteran's request, the regional office may determine that the veteran must go through advisement and guidance and be subjected to various aptitude tests. The Veterans' Administration may change the course of his choice, say, for example, cabinetmaking to a course they have decided on, baking or barbering, or they may approve him for the course he selected.

But what has happened to the veteran during all this time? He is without a job or financial aid because he came to a school to learn under his entitlement. I am afraid that in most cases he will be subjected to endless delay and red tape and neglect while the VA decides what course he will be allowed to train in, if any, and where he may take his training.

Now, let us look at the veteran who has interrupted his training temporarily due to any reason or many reasons and who desires to enroll in the same course or the same institution. In the past, all the veteran had to do was enroll on a simple form known as No. 1909. He started to class that day and subsistence began on that day. He merely started where he had left off.

Now, under the new rulings, the veteran's privilege of reentering is practically destroyed. He must prepare a complete justification for the Veterans' Administration and he must show why he had to interrupt his course and why he wants to resume the course. He must establish sufficient proof of his intentions in a course he had been training in for months. The veteran cannot start to class, nor will he draw benefits until finally approved by the VA. The VA Registration and Research Division will review his case and in some cases they may send him through the advisement and guidance division for aptitude tests. Even though he may be two-thirds of the way through his course, they may determine that he is not eligible to continue his training. They have given themselves the authority to declare the veteran ineligible and his training and entitlement are over. The greatest objection to this instruction 1–A is the red tape and delay that the individual veteran trainee will suffer.

The next type of veteran affected is the one who is training in a particular course and desires to change his course to a related subject. In the past this veteran filled out papers for a change of objective, the change was approved by the school and the veteran was allowed to start to his new class in the same day. The approval and subsistence also started that same day. Under the new ruling, this veteran must prepare a complete justification to the VA and the VA Registration Office will look over the request and decide whether or not the change is within the regulations. Their decision, if unfavorable to the veteran, may be appealed by requesting advice and guidance. Do not forget that during all this time, the veteran cannot draw subsistence and must pay his own tuition.

The fourth type of veteran affected is the one who has completed one course and desires to follow up in a related course. In the past this veteran was simply reenrolled by the institution in the related course and the veteran was approved retroactive and subsistence was paid from the reenrollment date. He was allowed to start immediately. Under the new rulings this veteran must again prepare a complete justification for the VA regional office and he must justify the need for this additional related training. There is no knowledge as to how long a veteran will have to wait for his approval or disapproval, but many are estimating that it would be sufficient to knock him out of a whole school term.

Mr. Speaker, there are many restrictions on vocational training under the new regulations. First of all you are barred from attending, at Government expense, any private vocational school that was less than a year old on August 24 of this year. Secondly you are barred from taking any course in a privately owned school whether the school is new or old, if the course you want to take has been offered for less than 1 year as of August 24 of this year, or unless that course meets the VA requirements. Third, if the school you want to attend, public or private, was established after June 22, 1944, you will have to satisfy the VA officials that the course you want in that school will be of bona fide use to you in your present occupation or business. That, in effect, means if you want to attend a certain school to study a certain type of course, you can attend a school that was established before the GI bill without any red tape providing it is your first entry in GI training. But if the school of your choice was established after the GI bill was enacted, you will have to go through plenty of red tape.

Mr. Speaker, I have introduced H. R. 6254, a bill relating to education and training of veterans under title II of the Servicemen's Readjustment Act, Public Law 346, Seventy-eighth Congress, June 22, 1944. This bill will leave restrictions on the avocational and recreational schools, but it will prohibit the VA from completely destroying the GI program. I certainly do not believe that veterans should be allowed to study baking one year, barbering the next, and so forth. But neither do I believe that the VA should make it so difficult for a veteran to go to school that many of them will forego their training which many of them are entitled to under the GI bill of rights.

Mr. BURTON. Mr. Speaker, this bill, H. R. 5833, provides that as part of their institutional trade and industrial training veterans be permitted to work on so-called live or useful projects, so long as such work is confined to public-school property.

All educators I have known deem it not only desirable but necessary that in training of this character the trainees be permitted to work on useful construction, rather than being restricted to practice work, such as building a brick wall to be immediately torn down.

Permanent construction was the usual practice until prohibited by Veterans' Administration order of February 1, 1949, which order was issued on account of broad license taken in a few localities in the construction of private building. The proposed bill confines this work to school property, and by this restriction, in my opinion, provides against competition with general labor.

For years the State of Virginia has conducted a most successful vocational-training program under the Smith-Hughes Act. Pride in the work accomplished has been a large factor in retaining interest in these courses, and repairs and additions to school property have provided much needed facilities, especially in rural areas, that could not otherwise have been secured.

Since our public vocational-training schools train on live projects, it is necessary that veterans under the GI bill of rights be permitted to work on such projects that they may participate in the established programs. I am in favor of this bill and hope the House will pass it and permit the successful continuance of this most important veterans' training program.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That paragraph 4 of part VIII of Veterans Regulation No. 1 (a), as amended, is amended by striking out "(including apprenticeship, refresher or retraining and institutional on-farm training)" and by inserting in lieu thereof "(including apprenticeship, refresher or retraining, institutional on-farm training, and full-time institutional trade and industrial training)."

SEC. 2. Paragraph 5 of part VIII of Veterans Regulation No. 1 (a), as amended, is amended by striking out "The Administrator shall pay to the educational or training institution, including the institution offering institutional on-farm training," and by inserting in lieu thereof "The Administrator shall pay to the educational or training institution including the institution offering institutional on-farm training and (the institution offering full-time institutional trade and industrial training)."

SEC. 3. Paragraph 6 of part VIII of Veterans Regulation No. 1 (a), as amended, is amended by striking out "While enrolled in and pursuing a course under this part including an institutional on-farm training course" and by inserting in lieu thereof "While enrolled in and pursuing a course under this part, including an institutional on-farm training course and (a full-time institutional trade and industrial course)."

SEC. 4. Paragraph 11 of part VIII of Veterans Regulation No. 1 (a), as amended, is amended by adding at the end thereof the following new paragraph:

"(d) As used in this part the term 'full-time institutional trade and industrial training' shall include any course of instruction provided by a public school and approved by the appropriate agency of the State or the Administrator. Such course shall be considered a full-time institutional course when it combines (1) instruction in related technical information of a minimum of 260 hours per year (and of at least 5 hours per week) at an educational or training institution, with (2) instruction and supervision in trade process given on real jobs which provide work experience under conditions closely simulating employment conditions in industry for a minimum of 1,040 hours per year (and of at least 20 hours per week). This instruction may be given in a shop or laboratory on school premises, or in the building trades courses, the institution may provide for training on projects on or off the school premises, such training, however, to be under the instruction and control of the school instructor. To be approved, such a course shall be developed with consideration to the needs of the veteran and to the peculiar requirements of the trade for which he is training, the skills to be mastered, the technical and related information to be acquired, and the jobs and operations to be performed. Such a course shall, in addition, satisfy the requirements of either of the following:

"1. If the veteran performs all of his courses in an educational or training institution—

"a. he shall receive not less than 5 hours of instruction in technical and related subjects per week;

"b. he shall receive not less than 20 hours of instruction per week in the manipulative phases or practices of the trade in which he is training on a useful or productive basis;

"c. he shall receive sufficient repetitive training to bring him up to the point where he has sufficient knowledge and skill to meet employment standards;

"d. the course of training will provide for progressive experience, avoiding exploitation, and the basis of the veteran's progress will be on individual performance ability;

"e. the institution must provide sufficient equipment to teach all of the manipulative skills and operations essential for the trade in which the veteran is enrolled. This equipment will be housed in a suitable building properly lighted, ventilated, and equipped with the necessary safeguards.

"2. If a portion of the veteran's manipulative instruction is provided for outside the school shop on or off the school premises—

"a. he shall receive not less than 5 hours of instruction in technical and related subjects per week, such instruction to be given by the instructor in charge of the class in a suitable classroom or laboratory at the institution offering the full-time institutional trade and industrial course;

"b. he shall receive not less than 20 hours of useful or productive instruction per week in the manipulative phases or practices of the trade in which he is training:

"c. such instruction will be done on a project selected, planned, approved, and controlled by the institution;

"d. the institution, in planning projects will consider the various operations, kinds of instructional tasks to be performed, machines and tools to be used, application of related knowledge acquired, provisions for adequate practice and progressive experience which the project will afford;

"e. the veteran, while receiving instruction on this on or off the school premises project will be completely under the control of the school instructor and the instructor will be paid entirely from school funds;

"f. extreme caution shall be exercised by the institution to select projects for their training content. No profit may accrue to the school, any individual, or organization. This does not, however, preclude the constructing, finishing, remodeling, or repairing of buildings for charitable organizations, veterans organizations, and tax supported institutions: *Provided, however*, That all materials going into such project must be paid for by the individual, organization, or institution for which the work is being performed;

"g. while engaged in instruction on such on or off the school premises project, which is a part of his prescribed course, the veteran shall receive no pay and there shall be no employer, contractor, or agent in control of the project;

"h. instruction on such projects, approval by the institution offering the 'full-time institutional trade and industrial course' in which the veteran is enrolled, shall be considered a part of his institutional course, fulfilling the requirements for practical instruction on a useful and productive basis, and shall in no wise be considered as on-the-job training as described under paragraph 11 (a) and 11 (b) 1, 2, and 3;

"i. the Administrator of Veterans' Affairs is authorized to contract with approved institutions for such courses where the Administrator finds that the agreed cost is reasonable and fair."

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That the provisions of section 3 of Public Law 679, Seventy-ninth Congress, shall not apply to public schools giving courses in vocational training: *Provided*, That manipulative training performed is confined to public-school property."

Mr. WHEELER. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHEELER to the committee amendment: Page 6, line 22, after the word "training" insert "and such course shall be deemed to be institutional training."

Mr. RANKIN. Mr. Speaker, we accept the amendment.

The amendment was agreed to.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to clarify provisions of existing law relative to vocational training of veterans under Public Law 346, Seventy-eighth Congress."

VETERANS' ADMINISTRATION HOSPITALS

Mr. RANKIN. Mr. Speaker, I ask to return to the bill (H. R. 5965) to provide for the construction of certain Veterans' Administration hospitals, and for other purposes, and ask unanimous consent for its immediate consideration. I hope the gentleman from Pennsylvania will withdraw his objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

Mr. RICH. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. RICH. May I ask if that is the same bill that we had under consideration a few moments ago?

Mr. RANKIN. Yes.

Mr. RICH. Mr. Speaker, how often in a session of the Congress can the same bill be brought up by unanimous consent after it has been objected to?

The SPEAKER pro tempore. The Chair will recognize anyone to submit a request, and it is within the control of the House. One objection will control.

Mr. RICH. Mr. Speaker, reserving the right to object, I have listened to the discussion that was held here some time this afternoon. I also read the reports that were made by the President of the United States about a year ago when this hospital program was up. Now, it is not my desire in any manner to try to prohibit the building of hospitals that are necessary to take care of the veterans and I do not want to be the one that would do that. But, I do not think that this afternoon, under the present tempo of the House of Representatives, and the way it has been for the last 3 or 4 days, is any time to discuss legislation that is going to require the expenditure of millions and billions of dollars.

Mr. RANKIN. Not billions.

Mr. RICH. Well, millions and hundreds of millions.

Mr. RANKIN. The gentleman must have in mind foreign aid.

Mr. RICH. Certainly, the President of the United States—and you do not find me speaking up for him very much, because I cannot—has given real consideration to the requirements of the veterans and the Veterans' Administration, and I do not know why he would object to it unless he felt that it was not necessary, and that it was something that was really worth while in economizing. He is not for economizing very often; he is a spender. But, here is one instance where I am going to try to find out whether it is not the right time to consider this matter at a time when the House can give it 2 or 3 days time and discuss every point in this legislation. I do not want to build hospitals if they are not needed, because I know that we build a lot of hospitals and a lot of things in this country that we do not need. We have built a lot of fish hatcheries, more than we needed, and then we turned them over to the States. But, we have done a lot of things that should not have been done. If I understand the issue, it is not necessary; that we can take care of all of the veterans with the private hospitals that we now have in this country. They have sufficient beds so that they can be taken care of. We have got to be careful in trying to do these things for the veterans, or after a while the veterans will have nothing. We are only going to swamp this country. I am just giving you my version of this. I objected to this once and I cannot see any reason why that objection should not stand.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. RICH. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. I would like to ask the gentleman whether he thinks the President of the United States, who is busy with millions of things, knows more about the building of hospitals than General Gray does? General Gray wants to build these hospitals.

The private hospitals are filled and overcrowded. I recently knew of a veteran who died because there was not a bed for him. I know the gentleman does not want that.

Mr. RICH. The gentlewoman does not want to take care of the veterans that need help more than I do.

Mrs. ROGERS of Massachusetts. That is right.

Mr. RICH. No; the gentlewoman does not. I want to take care of them with the hospitals that we have in this country. We have sufficient beds in order to take care of them, and we are going to take care of them. They are not in jails, like some would have you believe. We are taking care of them. The reason that I am standing up here is that I am for them, and I want to tell you that if you do not stop squandering the money that belongs to the people of this country, sending it to foreign countries and doing all the things you are doing today, our veterans will not be taken care of pretty soon. They will not have anything, and I am going to protect our veterans to the extent that I am going to stop that squandering.

I object, Mr. Speaker.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that I be permitted to move to suspend the rules and pass the bill (H. R. 5965) to provide for the construction of certain Veterans' Administration hospitals, and for other purposes.

Mr. CASE of South Dakota. Mr. Speaker, reserving the right to object, I merely wish to repeat, since this matter came up again, in substance what I brought out before, and that is that authority exists today for the building of these hospitals; not merely authority, but also the money and the contract authority to obligate additional funds, so that the Veterans' Administration may proceed with the construction of these hospitals today. Discretionary authority exists with the President right now. The Appropriations Committee refused to rescind that authority when such action was proposed by the Bureau of the Budget.

Mr. RANKIN. The money is already appropriated. The gentleman knows the President cannot investigate everything. General Gray knows more about this than the President does. The members of this committee, the distinguished gentleman from New York [Mr. KEARNEY], the gentlewoman from Massachusetts [Mrs. ROGERS], the gentleman from Louisiana [Mr. ALLEN], the gentleman from Texas [Mr. TEAGUE], the gentleman from Georgia [Mr. WHEELER], and the gentleman from North Carolina [Mr. JONES] have gone all through this proposition. We know the conditions. This bill ought to pass now. I am sure when it is debated and they understand it there will be not a dissenting vote.

Mr. CASE of South Dakota. I have just been handed a copy of this bill. In one respect, a hurried reading indicates, the bill is not in accord with the facts.

The bill starts out by stating:

That the Administrator of Veterans' Affairs is directed to proceed with the construction of the additional facilities to provide approximately 16,000 additional hospital beds previously approved by the President, authorization for which was dropped in the budget estimates for the fiscal year 1950, as presented to the Congress by the President, pursuant to determination by the President to cancel or reduce the size of certain hospital projects.

The authorization was not dropped, Mr. Speaker. It exists today. What the Bureau of the Budget did propose was that the appropriation bill should specifically rescind the contract authority to proceed with the construction of those hospitals. The Committee on Appropriations did not report that language. It was the belief of the members of the Appropriations Subcommittee handling this item that the authority should continue, so that if the need should be demonstrated in any place in the country the President, the Administration could direct the Veterans' Administration to proceed to build and meet the need.

This legislation is not needed either to create the authority or to provide the money.

Mr. RANKIN. Mr. Speaker, in order that the gentleman from South Dakota may not wear himself out, I withdraw the request for the time being. The gentleman has been talking about this bill long enough. I demand the regular order, Mr. Speaker.

The SPEAKER pro tempore. The gentleman withdraws his request.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks at this point in the RECORD on the bills that have just been considered, coming from the Committee on Veterans' Affairs.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. BRYSON. Mr. Speaker, I regret that there has been objection to the request of the gentleman from Mississippi, Chairman RANKIN, for a suspension of the rules so as to immediately consider H. R. 5965.

The statement which was made this morning that veterans who honorably served our country in time of war are incarcerated in the common jails of the country is no exaggeration. It was never the intention of Congress to leave these gallant sons to whom we are so greatly indebted in neglect and misery.

The finest and most logical way to encourage young men to serve their country in its several branches of defense is to treat their fathers, who have served before them, like human beings.

There is a crying need to proceed with the erection of the hospitals as heretofore authorized. I cannot urge upon the Congress too strongly that we should go forward with this program; and I hope to see the enactment of H. R. 5965 without further delay.

Following is a previous statement which I have made:

The proposed hospital beds for South Carolina are greatly needed. Even with the additional beds, we will be far below the national average. Under present conditions, we have scarcely half the required beds. Hundreds of veterans have filed requests for hospitalization and have been approved, but many of them have to wait as long as 40 to 60 days before gaining admission. The large number of veterans who have been processed for hospitalization does not reflect the need for additional beds. Many veterans in need of hospitalization refrain from asking for the service because they know how difficult it is to get favorable action. There can be no question but that the need is great.

Since the contemplated additional beds for South Carolina are to be for general medical treatment, I should like to point out there appears to be no acute shortage of general medical doctors and nurses. Proof is evident that we can staff the hospitals.

I speak with special reference to the authorized veterans' general medical hospital for Greenville, S. C. This project was approved by the Federal Board of Hospitalization, the director of the Bureau of the Budget, the Director of Veterans' Administration, and the President of the United States.

As we seek to economize let it not be said that the ax of economy struck first at the disabled veterans. I sincerely hope that the veterans' hospitals heretofore provided for may be constructed without further delay. As a part of my remarks, I herewith attach a statement I made before the special Senate committee:

"STATEMENT OF HON. JOSEPH R. BRYSON, OF SOUTH CAROLINA, ON VETERANS' HOSPITAL CUT-BACK, MARCH 24, 1949

"Mr. Chairman, I should like to make a statement concerning the cut-back in the veterans' hospital construction program which was announced by the Administrator of Veterans' Affairs some time ago and which is currently under investigation by this committee. This program involves the complete elimination of 24 projects and an alteration downward of 14 others. The facilities for a total of approximately 16,000 hospital beds will thus be eliminated, including 11,000 in the projects completely abandoned and 5,000 in the projects which are scheduled for reduction.

"After a study of the available facts and data I am opposed to this cut-back. Neither the interests of the veterans nor the country as a whole will be served if this cancellation of the construction program is allowed to stand. In my own State of South Carolina there is at present only one veterans' hospital in operation. This hospital is located at Columbia and has a standard bed capacity of 606 beds. According to available figures there are 167,000 World War II veterans in the State and an additional 34,000 veterans from other wars, making a total of 201,000 veterans. With the standard bed capacity of this hospital being 606, that makes an average of 332 veterans for each bed. However, the hospital has made use of 94 emergency beds to expand the facilities to a total of 700 beds, 670 of which are currently in use, and the remaining 30 are being held in reserve for emergencies. Even with this use of emergency beds, there is still available an average of only 1 bed per 290 veterans. This figure shows that available facilities are only one-third those of 1945 and the ratio is even lower if the standard figure of 606 beds, which is the maximum available over a long period of time, is used. This situation was to be remedied considerably by the expansion of the hospital at Columbia to a standard operating capacity of 800 beds, an increase of 194 over the present facilities. There was also to be constructed at Greenville a new 200-bed hospital. Both of these projects are among those to be eliminated. Even with the addition of these 394 beds the ratio of veterans to beds in South Carolina would remain at 200 to 1. The national figures, which are considered far too high for the safety of our veterans' health, are in the vicinity of 178 veterans for each bed. It is obvious from these figures that the average in South Carolina would still be above the present national average

even with the addition of the 394 beds. That these beds are sorely needed is evidenced by the waiting lists. As of January 31, 1949, there was a total of 964 veterans who had been cleared for admission through the former branch office at Atlanta, Ga. This office was headquarters for South Carolina and for other Southern States, so the figures as to how many were waiting for admission to the hospital at Columbia are not available. Nevertheless, the number was substantial, probably running into the hundreds. Of these 964 veterans awaiting admission to hospitals, 370 were forced to wait up to 20 days, 191 waited from 21 to 40 days, and 403 were waiting over 40 days. These are appalling figures. Almost two-thirds of these veterans had to wait over 20 days, and almost one-half had to wait over 40 days. As alarming as these figures are, they still do not tell the whole story. Often only veterans with emergency non-service-connected afflictions are being admitted because of the bed shortage, and when the veterans or their representatives learn this fact, they do not even apply for admission. These facts are incontrovertible evidence that more veterans' hospitals are urgently needed in South Carolina.

"In explaining the reduction of the hospital program the Veterans' Administration officials stated that, while more hospitals may be needed, there are not enough doctors to staff them. I am not prepared to discuss this aspect of the question as a whole for the country at large, but I am familiar with conditions in South Carolina. In Greenville the hospital under construction was to be of the general medical type. There does not appear to be a great shortage of general medical doctors in this area, at least not a sufficiently great shortage to warrant the cancellation of the project.

"An additional reason to continue building the hospital at Greenville is to prevent a large sum of money from being wasted with no benefits accruing to anyone. A total of $303,000 has been spent on the project so far. All of this money will be lost if the project is not finished. I am not one who believes in throwing good money after bad, but that analogy will not hold in this instance. This hospital is badly needed, and it is needed now. We owe it to the veterans on the waiting lists to see that it is completed. Nothing that Veterans' Administration officials say can change the following facts: First, that although the number of veterans has jumped from 66,000 to 201,000, the number of authorized hospital beds is being maintained at 606; the fact that 94 more beds have been temporarily made available by the use of porches and corridors is no argument at all, since the standard figure is still 606. Second, that hundreds of veterans are awaiting admission and the average number of beds available in this area is far below the national average, which is itself too low. Third, that plans have been laid, hundreds of thousands of dollars spent, and that facilities and personnel are available to run this hospital upon its completion. Any arguments against the completion of this hospital seem spurious if we are sincere in the belief that our veterans must be protected.

"Now let us examine the national picture concerning this cut-back. I do not pretend to have as much knowledge about the national situation as about my home State. However, many of the general facts have been made available to me, and it is not difficult to draw conclusions.

"It was the Veterans' Administration which originally recommended the construction of the hospital facilities which have now been ordered canceled. Before the cancellation, this recommendation had been approved by the Federal Board of Hospitalization, the Director of the Bureau of the Budget, and the President of the United States. The cancellation order affects construction in 18 States and the District of Columbia. While it is evident that certain sections of the country need additional hospitals more than others, available figures show that more hospitals are needed everywhere. On January 31 of this year there were 16,188 veterans who had had their applications approved and were awaiting hospitalization. The number who did not apply because of the long waiting lists is naturally not known, but such number is undoubtedly huge. From a moral standpoint, this is a sad state of affairs, but from the practical viewpoint, it seems even more foolish. Failure to hospitalize veterans promptly will in many cases result in aggravation of injuries, not to mention the suffering, and these injuries may some day result in added claims against the Government. If this program of reduction is being promoted in the interest of economy, its authors had better think twice. In the long run it will cost the Government far more than the cost of completing the hospitals.

"The national ratio of hospital beds per veteran is today 1 to 178. That figure is supposed to drop to 142 when the construction now under way is completed, but it would drop to 124 if the canceled projects are restored. In 1940, less than 10 years ago, the Federal Board of Hospitalization approved, and the President approved in principle, a construction program which would have made a ratio of 1 bed per 40 veterans available within 10 years. Any figure which is three times that amount seems high. Any figure more than three times as high seems entirely out of reason if the interests and the welfare of the veterans are to be protected.

"As I previously stated, I am not entirely familiar with all of the special problems concerning the veterans' hospitals in other sections of the country, but every section has a problem of some type. In certain sections of the far West hospitals are so far apart as to be almost inaccessible. In my own section of the country there is such a scarcity of available beds that veterans in direst need must often wait long periods of time before being admitted. Just when a partial solution to these problems was in sight, the solution suddenly vanished. We must not allow this to happen. In spite of the argument advanced that doctors are not available to staff these proposed hospitals, several of the cities in question have submitted evidence that the medical talent is available.

"In view of these facts and figures, I am of the firm opinion that the cancellation of the hospital program must not be allowed to stand. In the case of my own State a particular hardship will be visited upon the veterans, who have, and will continue to have, facilities so far below the national average that the situation is almost disgraceful. I sincerely believe that a restoration of the program for 16,000 additional beds is desirable and necessary for the veterans and that the whole country will be benefited by this program."

Mr. BENNETT of Florida. Mr. Speaker, I heartily support H. R. 5695. Each Member of Congress knows from study of this situation that there is an urgent need for the construction of hospitals for veterans today. We have made appropriations for the hospitals. This bill will require the hospitals to be built. I have introduced a bill similar to the one before us. I feel sure that our personal experiences in trying to get beds made available for specific veterans, many times in emergency cases, gives us each a personal knowledge of the need for this legislation. I hope that the legislation will pass unanimously.

CHEYENNE-ARAPAHO INDIAN TRIBES OF OKLAHOMA

Mr. MORRIS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 6114) to set aside certain lands in Oklahoma, formerly a part of the Cheyenne-Arapaho Reservation, and known as the Fort Reno Military Reservation, for the Cheyenne-Arapaho Tribes of Indians of Oklahoma, and for other purposes.

The Clerk read the title of the bill.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, I note that this is a transfer of land which was orginally acquired from the Indians and for which land the Government now has no use.

Mr. MORRIS. I would not say that the Government has no use for this land. I would like to make an explanation regarding the matter.

Mr. MARTIN of Massachusetts. I would be delighted to have the gentleman's explanation.

Mr. MORRIS. Mr. Speaker, in 1883 the then President of the United States, Chester A. Arthur, by Executive order set aside 9,493 acres of the Cheyenne and Arapaho Indian Reservation as a military reservation near El Reno, Okla. It was used by the War Department until recently. Following World War II it became surplus and was declared to be surplus to the needs of the United States Army.

Subsequently, by Act of Congress, it was provided that the Secretary of Agriculture, to whom it was turned over, should liquidate the Fort Reno Remount Service on or before December 31, 1949. It was first used by the Army. It became surplus to the Army and it was then turned over to the Department of Agriculture for a remount station and a light horse breeding operation. Now they must liquidate that operation by December 31, 1949. Therefor some disposition of this land must be made. Originally it was taken over for the ostensible purpose of protecting these two tribes of Indians from other marauding Indian tribes. The Government just overstayed. They kept on staying there. The Indians claim that they have received no compensation whatsoever. The highest compensation that I know of even being claimed is about 50 cents an acre. So the Committee on Public Lands on going into this matter decided unanimously that the Indians ought to have this land back.

Mr. MARTIN of Massachusetts. Is it valuable land?

Mr. MORRIS. Yes, sir; it is very valuable land now and can be used by this tribe to make them self-sustaining or at least go a long way toward making the two tribes self-sustaining.

So now we propose to give not all of the land, but most of it back to the Indians.

Mr. MARTIN of Massachusetts. Do they get the mineral rights to the land?

Mr. MORRIS. Yes, they get all the land.

Mr. RICH. How much of this land is going to remain when you deduct what you are giving to the Indians now?

Mr. MORRIS. About 1,600 acres. To be exact, 1,594 acres are being transferred to the Bureau of Prisons, a reformatory which is located in that area, a Federal Government set-up, with the understanding that the Indians have a right to go into the Court of Claims and establish a money value for that, if they can.

Mr. RICH. Let me ask the gentleman this, concerning these two tribes of Indians which you are trying to look after. For the past 18 years, since I have been in Congress, they have been trying to get the Indians on a self-sustaining basis. When do you figure that these Indians in these two tribes will be self-sustaining and will be able to look after themselves, after they receive this land?

Mr. MORRIS. That is a good question. I will say to the distinguished gentleman from Pennsylvania that I believe reasonably soon. I could not give the exact date, of course. But I can say that because of the transfer of this land, within a reasonable time they will be able to become self-sustaining. It is the purpose of the Subcommittee on Indian Affairs of the Committee on Public Lands, and it is the policy of the Committee on Public Lands as it is now constituted in the House of Representatives, to do the very best we can to try to bring about a situation whereby the Indians will be assimilated and rehabilitated and accepted into society where we may eventually look forward to the proposition of doing away with the Indian problem.

But as to these two particular tribes I believe the transfer of this land to them for tribal use under their supervision, together with the supervision, of course, of the Department of the Interior, will bring about a situation where they may be practically, if not completely, self-sustaining.

Mr. RICH. Now the gentleman says "soon." Does that mean 2 years or 3 years or 5 years? Can the gentleman give me a date? I have heard so many people say "soon." In the 18 years of experience I have had here, we have been trying to get the Indians on a self-sustaining basis. It costs more money to take care of the Indians today than it did 20 years ago—ten times over. It is getting worse all the time. When do you think these two tribes will be able to support themselves?

Mr. MORRIS. I cannot say. I cannot go on record as fixing an exact date. I cannot tell you for certain that they ever will be self-sustaining.

Mr. RICH. When do you think they ought to be self-sustaining?

Mr. MORRIS. These two particular tribes?

Mr. RICH. Yes.

Mr. MORRIS. With this kind of a set-up, I think they ought to be self-sustaining reasonably soon except probably for a few matters—I think the Government ought to a carry on with the education of their children. They have a good school in that vicinity and I do not think that should be disposed of. I do not know just when. I would not like to state an exact time, but I would say within the next 5 or 10 years.

Mr. RICH. Within the next 5 or 10 years at the outside?

Mr. MORRIS. Well, I would not say for certain.

Mr. RICH. Now, you are just like all the rest of these fellows.

Mr. MORRIS. Why should I not be? Can you name a time?

Mr. RICH. Yes. If they were in my State, I would try to take care of them within 5 years, and I would do everything then that I could to see that they did take care of themselves, and stop the United States being guardian for these Indians, in 5 years, which they could.

Mr. MORRIS. Well, I will say we are working to this end. I do not take your statements as in any way critical of our program. I will say that we will do the very best we can. I cannot answer the gentleman any more specifically than that.

Mr. RICH. What gets me is that something is always going to happen but it never happens. I would say 5 years, and if I were a Member of Congress from that State I would try to see to it that they were self-sustaining in that time. I would not object to it if you will say that it is going to be within 5 or 10 years, but if you are not going to give us some idea, then I think the Federal Government ought to control it.

Mr. GRANGER. Mr. Speaker, will the gentleman yield?

Mr. MORRIS. I yield.

Mr. GRANGER. This is one of the big remount stations of the country, is it not?

Mr. MORRIS. Yes, sir.

Mr. GRANGER. And it is some of the best land in Oklahoma?

Mr. MORRIS. Yes, sir.

Mr. GRANGER. I congratulate the gentleman on giving the Indians something that is worth while.

Mr. RICH. I am not going to object to your giving them something that is worth something, but Oklahoma used to be called Indian Territory, did it not?

Mr. MORRIS. Yes; some referred to it as such.

Mr. RICH. And now you have got it—Oklahoma. You have got it away from the Indians. Let the Indians have a little freedom. Let us see that they are not going to be looked after by Members of Congress but that they are going to have the same rights and privileges and chances that you have in Oklahoma.

Mr. MORRIS. If the gentleman will see me privately, we will sit down and discuss it. I will welcome the ideas that the gentleman may have. I will work with the gentleman if I possibly can, toward that very objective that we have all been working toward. I will sit down and talk it over with the gentleman.

Mr. RICH. I want to try to help these Indians to help themselves, instead of our increasing two or three times more the amount of money that we have to give them to support them and then not give them ground so that they can help themselves.

Mr. DAVIS of Georgia. Mr. Speaker, will the gentleman yield?

Mr. MORRIS. I yield.

Mr. DAVIS of Georgia. What disposition has been made or will be made of the remount facilities on this ground? Do they go with the ground?

Mr. MORRIS. Provision is made that the Secretary of the Interior will have authority to make disposition of the buildings and facilities.

Mr. DAVIS of Georgia. They do not go to the two tribes along with the land?

Mr. MORRIS. Not necessarily, but the Secretary of the Interior, may dispose of the buildings and improvements as he deems advisable.

Mr. DAVIS of Georgia. It is a matter within the discretion of the Secretary?

Mr. MORRIS. Yes, sir.

Mr. GRANGER. I understand further that the remount stock has been disposed of already.

Mr. MORRIS. Oh, yes. The stock is being disposed of and will be disposed of.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The Clerk read the bill as follows:

Be it enacted, etc., That title to the following-described lands situated in Canadian County, Okla., being a part of the Fort Reno Reservation, is hereby vested in the United States in trust for the Cheyenne-Arapaho Tribes of Oklahoma:

All of sections 1, 2, 3, and 4, township 12 north, those portions of sections 25 and 26 lying south of the North Canadian River, that portion of the west half of the west half of the northwest quarter of section 26 lying west of the North Canadian River channel change, and all of sections 27, 28, 33, 34, 35, and 36, township 13 north, range 8 west, Indian meridian.

SEC. 2. All of sections 9 and 10 and the west half of section 11 (except that portion which the Secretary of War was directed by the act of May 24, 1937 (50 Stat. 200), to transfer to the control and jurisdiction of the Attorney General), township 12 north, range 8 west, Indian meridian, are hereby transferred to the control and jurisdiction of the Attorney General, for use in connection with the Federal Reformatory at El Reno, Okla.: *Provided, however,* That the the provisions of this section shall not be construed to deprive or prejudice the Cheyenne-Arapaho Tribes of Indians of Oklahoma from asserting such claim or claims for just compensation they may have, if any, for the taking of the lands described in this section.

SEC. 3. The Secretary of the Interior, with the consent of the governing body of the Cheyenne-Arapaho Tribes of Indians of Oklahoma, may lease or sell all or any part of the south half of section 1 and the south half of section 2, township 12 north, range 8 west, Indian meridian, to the United States for use by the Bureau of Prisons of the Department of Justice in connection with the Federal Reformatory at El Reno, Okla. In the event no sale or lease is made to the United States, the lands described in this section, except the northeast quarter of the southeast quarter of section one, shall be restricted in use to the grazing of livestock.

SEC. 4. (a) Any nonrevocable easement, license, permit, or commitment heretofore granted or made for a specific period of time by the Secretary of War or by the Secretary of Agriculture with respect to certain portions of the lands described in the first section of this act shall continue in effect for the period for which granted or made. The Secretary of the Interior is authorized to renew, in his discretion, any such easement, license, permit, or commitment upon such terms and conditions as he deems advisable.

(b) The Secretary of the Interior is further authorized to continue in effect, and

to renew, in his discretion, any easement, license, permit, or commitment with respect to the lands described in section 1, which is revocable or of indefinite duration, if, in his opinion, such continuance or renewal is in the public interest.

SEC. 5. With respect to the buildings and other improvements on the lands described in section 1, the Secretary of the Interior may, in his discretion, (1) make such buildings and improvements available to the Cheyenne-Arapaho Tribes for housing purposes, (2) lease or otherwise make available such buildings and improvements, for governmental purposes, to any department or agency of the Federal Government or to any State or political subdivision thereof, or (3) make such other disposition and use of such buildings and improvements as he deems advisable.

SEC. 6. The Secretary of the Interior may, with the consent of the governing body of the Cheyenne-Arapaho Tribes, make leases or assignments of, or for homestead purposes, issue patents in fee to, portions of the lands described in section 1, to individual Cheyenne or Arapaho Indians who performed honorable service in the armed forces of the United States in World War I or II. Any such patent in fee may cover a portion of such lands of such size, not in excess of 2½ acres in the case of any such individual Indian, as the Secretary may determine.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENDING TIME FOR PAYMENT OF SUMS AUTHORIZED FOR CERTAIN PROPERTIES ABUTTING EASTERN AVENUE IN THE DISTRICT OF COLUMBIA

Mr. McMILLAN of South Carolina. Mr. Speaker, by direction of the Committee on the District of Columbia, I ask unanimous consent for the immediate consideration of House Joint Resolution 337, a resolution extending the time for payment of sums authorized for the relief of the owners of certain properties abutting Eastern Avenue in the District of Columbia.

The Clerk read the title of the joint resolution.

Mr. MICHENER. Mr. Speaker, reserving the right to object, will the gentleman explain the resolution?

Mr. McMILLAN of South Carolina. The purpose of this resolution is to extend for a period of 90 days the authority by which the claims authorized under Private Law 363 of the Eightieth Congress may be paid. Both of these claims have been certified to the Treasury Department. However, Private Law 363 expired before the payment had been made and this resolution simply extends this authority long enough for these two claims to be paid. There is no additional cost to the Federal Government or to the government of the District of Columbia. This resolution has the authority of and was requested by the Commissioners of the District of Columbia.

Mr. MICHENER. Does this resolution come from the committee with a unanimous report?

Mr. McMILLAN of South Carolina. This is reported by the committee unanimously.

Mr. MICHENER. Does the gentleman know of any objection anywhere?

Mr. McMILLAN of South Carolina. I know of no objection to the resolution.

Mr. MICHENER. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the present consideration of the resolution?

There was no objection.

The Clerk read the resolution as follows:

Resolved, etc., That section 4 of the act entitled "An act for the relief of the owners of certain properties abutting Eastern Avenue in the District of Columbia," approved June 19, 1948 (Private Law 363, 80th Cong.), is amended by striking therefrom "1 year after the date of enactment of this act" and inserting in lieu thereof "90 days after the date of enactment of this amended section", so that section will read:

"SEC. 4. The authority to pay the sums authorized by this act shall expire 90 days after the date of enactment of this amended section."

The resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL SOCIETY OF THE COLONIAL DAMES OF AMERICA

Mr. McMILLAN of South Carolina. Mr. Speaker, by direction of the Committee on the District of Columbia, I ask unanimous consent for the immediate consideration of the bill (S. 973) to exempt from taxation certain property of the National Society of the Colonial Dames of America in the District of Columbia.

The Clerk read the title of the bill.

Mr. MICHENER. Mr. Speaker, reserving the right to object, does this bill come from the committee with a unanimous report?

Mr. McMILLAN of South Carolina. This bill is reported by the committee unanimously. The purpose of this bill is to exempt from taxation that certain property of the National Society of the Colonial Dames of America in the District of Columbia known as lot No. 801, in square No. 1285, with the improvements thereon located at 2715 Q Street NW. and including the furnishings therein. This property would be exempt from taxation as long as the same is used for nonprofit purposes.

Mr. MICHENER. It is a club building?

Mr. McMILLAN of South Carolina. That is right.

Mr. MICHENER. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill as follows:

Be it enacted, etc., That certain property in the District of Columbia described as lot No. 801, in square No. 1285, together with the improvements thereon, known as premises No. 2715 Q Street NW., and the furnishings therein, owned by the National Society of the Colonial Dames of America, a corporation organized and existing under the laws of the District of Columbia, be exempt from taxation, national and municipal, so long as the same is used for nonprofit purposes.

The bill was ordered to be read a third time, was read the third time, and passed; and a motion to reconsider was laid on the table.

AMENDMENT OF DISTRICT ALCOHOL CONTROL ACT

Mr. McMILLAN of South Carolina. Mr. Speaker, by direction of the Committee on the District of Columbia, I ask unanimous consent for the immediate consideration of the bill (H. R. 5912) to amend the District of Columbia Alcoholic Beverage Control Act to restrict the sale on credit of beverages, except beer and light wines, not consumed on the premises where sold.

The Clerk read the title of the bill.

Mr. MICHENER. Mr. Speaker, reserving the right to object, this bill would appear to be controversial. Is the committee united?

Mr. McMILLAN of South Carolina. It came out of the subcommittee with a unanimous report. I think there were one or two members against it in the full committee.

This bill gives the ABC Board of the District of Columbia permission to charge an additional license to C license holders who have authority to charge drinks on bills in the District of Columbia.

Mr. MICHENER. Whenever we deal with the subject of alcohol in the District of Columbia it is very controversial, and I will be constrained to object unless the bill comes from the committee with a unanimous report. If it is not unanimous then it should have its day in court, debated, and with an opportunity to amend.

Mr. McMILLAN of South Carolina. I may state to the gentleman from Michigan that the gentleman who objected is here. If he wants to offer an objection I will be glad to hear it.

Mr. HARRIS. Mr. Speaker, reserving the right to object, I would like to say that this is a bill proposed by the gentleman from Maryland [Mr. BEALL]. The purpose of the bill is to take care of a situation that has developed in one or two places here in the District of Columbia. For the last number of years, 12 or 14, whatever it is, the Alcohol Beverage Control Board has permitted the charging on a ticket on the bill for food, but due to something that developed in the last few weeks or months further legislation is needed. The Statler Hotel was suspended for a day because of a condition that existed down there. Now the Occidental restaurant is up before the Beverage Control Board under the same kind of situation.

This would merely permit the Beverage Control Board to allow the charging on tickets with food that they purchase there if the establishment would pay an additional license of $250 per year.

Mr. MICHENER. In other words, if the gentleman went into the Occidental Hotel and ordered his dinner and some cocktails he could pay for the whole bill on one ticket?

Mr. HARRIS. He could charge the whole bill on one ticket. Under the present situation he could only charge the food.

Mr. MICHENER. Provided they paid an alcohol tax of how much?

Mr. HARRIS. An additional license fee of $250 a year.

Mr. MICHENER. What was the opposition in the committee to this bill?

Mr. McMILLAN of South Carolina. One member voted against it.

Mr. GRANGER. I voted against it and there was more opposition in the committee than mine. There were three members against the bill. What it does is give a special right to a certain class of customers to charge liquor. The Alcohol Board recommended a thousand dollars additional license; the committee is recommending $250, and I am opposed to it.

Mr. MICHENER. Mr. Speaker, if there is opposition in the District Committee to this bill, I object.

MUNICIPAL COURT, DISTRICT OF COLUMBIA

Mr. McMILLAN of South Carolina. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 1370) authorizing the appointment of three additional judges of the municipal court for the District of Columbia, prescribing the qualifications of appointees to the municipal court and the municipal court of appeals, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

Mr. MICHENER. Mr. Speaker, reserving the right to object, how long has this bill been reported?

Mr. McMILLAN of South Carolina. This has been reported about a month. The Judiciary Subcommittee held hearings for about 3 months.

Mr. MICHENER. Did the District Committee ask for a rule on this bill?

Mr. McMILLAN of South Carolina. No; we have not asked for a rule.

Mr. HARRIS. We are not required to get a rule on District bills. We have regular days for the consideration of District of Columbia business. I may say to the gentleman that the last District day was taken up by a highly privileged matter and the distinguished chairman of the Committee on the District of Columbia, the gentleman from South Carolina [Mr. McMILLAN], was not permitted to call up District bills on that day.

Mr. MICHENER. How does the committee stand on the bill?

Mr. McMILLAN of South Carolina. There was some opposition.

Mr. MICHENER. There is opposition? May I say that up until recently where controversy existed in committee on these important bills—and this is a very important bill—they were not called up without notice. There is a method by which this bill may be called up if the Speaker wants to assume the responsibility of permitting the gentleman to call it up under suspension of the rules.

Mr. JONES of Alabama. I hope the gentleman will withdraw his objection to this bill inasmuch as there has been an undue delay in the consideration and in the presentation of it to the House. The testimony before the committee was that in the District of Columbia municipal courts today there are some 108,000 cases handled annually. They have a terrific problem.

Mr. MICHENER. I am fully cognizant of that and I believe they need additional judges here; but I am opposed to the practice that has grown up in the House of calling up bills by unanimous consent when the committee is divided. I want to hear both sides if there is opposition and I do not think we ought to pass a bill by unanimous consent when there is sincere opposition to the bill in committee.

Mr. HARRIS. I may say to the distinguished gentleman from Michigan that there was very little division in the committee. There was one member of the committee who recognized the need for additional judges here, but he had the viewpoint that two would probably suffice rather than three. That is the only division in the committee.

Mr. MICHENER. Yes; we have jurisdiction over Federal judges in the Committee on the Judiciary, and that same condition would often arise, whether it is 2 or 14, or 3 or 6. I think such matters should be disposed of by the committee in the ordinary way, and therefore if there is committee opposition, I am constrained to object. If there is no committee opposition, I will gladly consent.

Mr. JONES of Alabama. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield to the gentleman from Alabama.

Mr. JONES of Alabama. I think the opposition noted to the bill was in the subcommittee and not in the full committee. As I recall, in the consideration of this bill in the full committee, it had a unanimous vote for the bill.

Mr. MICHENER. If the committee unanimously voted the bill out, then I shall not object. Others may.

Mr. JONES of Alabama. The gentleman from Minnesota [Mr. O'HARA], a member of that subcommittee, can attest to that.

Mr. O'HARA of Minnesota. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield to the gentleman from Minnesota.

Mr. O'HARA of Minnesota. Mr. Speaker, I did not come in here to get into this controversy. I will say this, Mr. Speaker, that I felt very strongly that there was no need for three judges. I did feel sure that there was a need for two. I am not personally objecting to the bill, but I do feel very strongly about the matter of two judges being sufficient for the municipal court. I still feel that way and I will feel that way a year from now.

Mr. MICHENER. Then it is a question of degree of feeling. The gentleman has the feeling but he will not object to the bill. Therefore, I do not know why I should assume the responsibility, and if the gentleman on the committee, who has heard the evidence, does not feel justified in objecting, certainly I withdraw my reservation of objection.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield to the gentleman from Iowa.

Mr. GROSS. How many judges do they have now?

Mr. McMILLAN of South Carolina. Ten, but the business has been increasing constantly.

Mr. GROSS. How many hours a day do the judges work?

Mr. McMILLAN of South Carolina. From the work sheets some of them almost work around the clock. I do not know how many hours. They dispose of a certain number of cases a day, but they are anywhere from a year to 18 months behind with their work.

Mr. GROSS. Will the gentleman accept an amendment to make it two judges?

Mr. HARRIS. Mr. Speaker, if the gentleman will yield, I recognize the feeling of those who think that perhaps two judges would be sufficient to increase the municipal judges from the present ten. But, if the gentleman will look over the work load and the backlog down in the municipal court and find out that any little, ordinary small case would take anywhere from a year to 18 months to be called up, I think he would come to the realization that they are faced with a practical situation down there.

Mr. GROSS. What I want to know is whether these judges are working or not.

Mr. HARRIS. The judges are working.

Mr. GROSS. A lot of people around here are not working.

Mr. HARRIS. We went into that thoroughly, and I think the gentleman from Minnesota should be highly commended, and I personally want to commend him, for bringing out that point and making an exceptionally good record. I know he said something in the presence of those judges working down there that was somewhat embarrassing, but I think he probably called it to their attention.

Mr. GROSS. Does the gentleman from Arkansas feel that an increase of three judges is justified?

Mr. HARRIS. I believe that is what they need in order to perform as they should down there in their service to the public.

Mr. McMILLAN of South Carolina. Mr. Speaker, if the gentleman will yield, the subcommittee went into this matter thoroughly and had the judges down there before them, and they concluded they needed three additional judges.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield to the gentleman from Pennsylvania.

Mr. RICH. I have been listening to this discourse. In the first place, I never objected to any bill coming out of the Committee on the Judiciary, because I am no lawyer.

Mr. MICHENER. This bill does not come from the Committee on the Judiciary. It comes from the Committee on the District of Columbia.

Mr. RICH. Do I understand then that the committee was not unanimously in favor of the bill?

Mr. HARRIS. There was no objection to the bill being reported by anyone from the committee.

Mr. MICHENER. These are not Federal judges; they are municipal judges for the District of Columbia.

Mr. RICH. Well, is this a unanimous report of the committee?

Mr. McMILLAN of South Carolina. They were not all exactly in favor of three additional judges.

Mr. RICH. It seems to me that the Committee on Rules should look after this and we should know what we are

talking about, and they should not permit a bill to go through that is not right. If I were on the Committee on the Judiciary I would want to know something about it, and I think you members on the Committee on the Judiciary are responsible for bringing in a bill here now that is going to let new judges come in here, and if they are unnecessary, then you should assume your responsibility and say so.

Mr. MICHENER. May I say to the gentleman from Pennsylvania that the Committee on the Judiciary appreciates his lecture. But, this is a District of Columbia matter. This has to do with municipal judges for the District of Columbia. The Committee on the Judiciary does not have any more to do with it than the gentleman's Committee on Expenditures.

Mr. RICH. The gentleman's Committee on Expenditures has a lot to do with it.

Mr. MICHENER. Then I know that the gentleman will do it.

Mr. RICH. Because you are going to put a lot of judges here that are not necessary. I know this, that you have some judges in the District of Columbia today that spend more time on the golf course than they spend in the judges' chambers, during working hours.

Mr. HARRIS. As I stated a moment ago, the gentleman from Minnesota [Mr. O'HARA] directed the investigation with reference to the amount of time these judges were spending on the job. They are required to go to work at 9 o'clock in the morning. They have to check in just like any other person who works, and they check out when they leave in the afternoon. They work from 9 o'clock in the morning until 5 o'clock in the afternoon. The record shows they work later many, many times.

Mr. RICH. If you have to watch a judge like that, I question what kind of a court you have. We do not even ask that of the employees who work in our mills.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

Mr. GROSS. I object, Mr. Chairman.

AUTHORIZING CONTRIBUTIONS TO COOPERATIVE FOR AMERICAN REMITTANCES TO EUROPE, INC.

Mr. CARNAHAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 5953) to authorize contributions to Cooperative for American Remittances to Europe, Inc.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

Mr. MICHENER. Reserving the right to object, Mr. Speaker, will the gentleman explain the bill?

Mr. CARNAHAN. I yield to the gentleman from Minnesota, the author of the bill, to explain it.

Mr. JUDD. Mr. Speaker, this bill seeks to make available to CARE for use in furnishing professional, scientific, and technical books, journals, and equipment to libraries abroad, the money that was paid by private employers during the war to conscientious objectors who worked for them under Government direction. The money was placed in a special deposit account in the Treasury and later covered into the Treasury as miscellaneous receipts.

These men, of course, worked without pay to themselves and when they worked on Government projects they sometimes even had to provide their own room and board. They gave over 8,000,000 days of service which has been estimated when figured at $50 a month to amount to about $21,000,000 of contributions to the public welfare by working in the forests, in health and sanitation projects, in mental hospitals, and so forth. About 1,200 of them worked in private dairies and as herd testers. They were paid the going wage, or rather, the going wage was paid by the employers into this special fund in the Treasury.

Last year a bill was introduced by our colleague the gentleman from New York [Mr. COLE] to have this money, amounting to about a million and a quarter dollars, transferred to the International Children's Emergency Fund. It was passed by the House but did not get through the Senate. Now the work of the International Children's Emergency Fund is being gradually closed down, and the men who earned the money and who have a moral equity in it would like to have it used for the rehabilitation of libraries, particularly in war-devastated countries. The money would be transferred to CARE, Inc., and be expended under its supervision and direction. As you know, CARE is a cooperative made up of 26 religious, charitable, labor, and educational organizations working in the field of international relief.

They believe the best way this fund can be used now is to buy technical, scientific, and professional publications and books, and educational and scientific equipment for libraries and institutions of learning abroad. CARE already has such a book program in operation. This would expand it. We are pretty well through programs of physical rehabilitation. The greatest need now in many countries is to feed the intellectual and spiritual hunger that remains.

Our Committee on Foreign Affairs was unanimously in favor of the bill, believing there is no more useful or beneficial purpose, both for the recipients and for building good will for the United States, to which this money could be spent.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

Mr. SUTTON. I object, Mr. Chairman.

EXTENSION OF REMARKS

Mr. MACK of Washington (at the request of Mr. ELLSWORTH) was given permission to extend his remarks in the RECORD.

Mr. CANFIELD asked and was given permission to extend his remarks in the RECORD and include an editorial.

EXCISE TAXES ON TRANSPORTATION SHOULD BE REPEALED

Mr. REES. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. REES. Mr. Speaker, I have today introduced a bill to repeal wartime excise taxes on transportation. I believe that since this tax was imposed to increase revenues for the prosecution of the war it is high time it should be repealed. In fact, other wartime taxes should be repealed or at least drastically reduced.

Since it appears the House has taken no action in dealing with the entire problem of eliminating wartime excise taxes, I suggest this is a good place to begin.

Mr. Speaker, the war has been over for more than 4 years, yet no action taken by Congress on excise taxes.

Transportation tax, except in few instances, is not a luxury tax. Furthermore, the people of this country are paying just about all the traffic will bear for transportation expenses.

I realize the Government needs sufficient funds to carry on its operations. It is my judgment, however, the amount of this tax, approximately $600,000,000, can be easily saved in reduction of a lot of unnecessary expenses now charged against the Federal Treasury.

Mr. Speaker, we have got to begin reducing the tax burden against the people of this country. Here is one place where we can reduce taxes, and at the same time encourage business sufficiently to make up for an apparent loss sustained in revenues by reason of the repeal of this item. I hope the House will see fit to approve this legislation before the end of the year. I hope the House will also take favorable action on a bill I submitted several weeks ago to repeal taxes on telephone and telegraph messages. As I said at the beginning, all war excise taxes should either be repealed or drastically reduced. If the Congress will not do that, then certainly it ought to approve the measure I have submitted today.

RECESS

The SPEAKER. The House will stand in recess until 3:30 o'clock p. m.

Accordingly (at 2 o'clock and 37 minutes p. m.) the House stood in recess until 3:30 o'clock p. m.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 3 o'clock and 30 minutes p. m.

MOTIONS TO SUSPEND THE RULES

Mr. COX, from the Committee on Rules, reported the following privileged resolution (H. Res. 342, Rept. No. 1326), which was referred to the House Calendar and ordered to be printed:

Resolved, That it shall be in order on August 25, 1949, for the Speaker to recognize Members for motions to suspend the rules.

Mr. COX. Mr. Speaker, I call up House Resolution 342 and ask for its immediate consideration.

The Clerk read the resolution.

The SPEAKER. The question is, Will the House consider the resolution at this time?

The question was taken, and the Speaker announced that the ayes appeared to have it.

Mr. MARCANTONIO. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 270, nays 1, not voting 161, as follows:

[Roll No. 199]

YEAS—270

Abbitt	Dollinger	Lanham
Abernethy	Doyle	Larcade
Addonizio	Durham	LeFevre
Albert	Eberharter	Lemke
Allen, Calif.	Elliott	Lesinski
Allen, Ill.	Ellsworth	Lind
Allen, La.	Engle, Calif.	Linehan
Andersen, H. Carl	Fenton	Lovre
	Fernandez	Lucas
Anderson, Calif.	Fisher	Lynch
Andresen, August H.	Flood	McCarthy
	Forand	McConnell
Andrews	Ford	McCulloch
Arends	Frazier	McDonough
Aspinall	Fugate	McGrath
Auchincloss	Gamble	McGuire
Barden	Gary	McKinnon
Baring	Gathings	McMillan, S. C.
Barrett, Wyo.	Gavin	McMillen, Ill.
Bates, Mass.	Gordon	Mack, Ill.
Battle	Gore	Mahon
Beckworth	Gossett	Mansfield
Bennett, Fla.	Graham	Marsalis
Bennett, Mich.	Granger	Michener
Bentsen	Grant	Miller, Calif.
Biemiller	Green	Miller, Md.
Bishop	Gregory	Miller, Nebr.
Boggs, Del.	Gross	Mills
Bolling	Gwinn	Mitchell
Bolton, Md.	Hagen	Monroney
Bonner	Hale	Morgan
Bosone	Hall, Leonard W.	Morris
Boykin		Morrison
Bramblett	Harden	Multer
Brooks	Hardy	Murdock
Brown, Ga.	Hare	Murray, Tenn.
Bryson	Harris	Nicholson
Buchanan	Harrison	Nixon
Buckley, Ill.	Harvey	Noland
Burdick	Havenner	Norblad
Burke	Hays, Ark.	Norrell
Burleson	Hays, Ohio	O'Brien, Ill.
Burnside	Hedrick	O'Brien, Mich.
Burton	Heller	O'Hara, Ill.
Byrnes, Wis.	Herlong	O'Hara, Minn.
Camp	Herter	O'Konski
Canfield	Heselton	O'Neill
Cannon	Hobbs	O'Sullivan
Carlyle	Holifield	O'Toole
Carnahan	Hope	Pace
Carroll	Howell	Passman
Case, S. Dak.	Huber	Patman
Cavalcante	Hull	Patterson
Chelf	Irving	Perkins
Chesney	Jackson, Wash.	Peterson
Christopher	James	Phillips, Tenn.
Chudoff	Jenison	Plumley
Church	Jensen	Poage
Cole, Kans.	Johnson	Polk
Colmer	Jonas	Preston
Cooper	Jones, Ala.	Price
Cotton	Jones, Mo.	Priest
Cox	Jones, N. C.	Rabaut
Crawford	Judd	Ramsey
Crook	Karst	Rankin
Crosser	Karsten	Rees
Cunningham	Kearney	Rhodes
Davenport	Keating	Rich
Davis, Ga.	Kelley	Rodino
Davis, Tenn.	Kerr	Rogers, Fla.
Davis, Wis.	Kilday	Rogers, Mass.
Deane	King	Rooney
DeGraffenried	Kirwan	Sabath
Delaney	Kruse	St. George
Denton	Kunkel	Sasscer
D'Ewart	Lane	Scott, Hardie
Scrivner	Taber	White, Calif.
Scudder	Talle	White, Idaho
Secrest	Tauriello	Whittington
Simpson, Ill.	Teague	Wickersham
Sims	Thomas, Tex.	Wigglesworth
Smathers	Thompson	Williams
Smith, Va.	Trimble	Willis
Smith, Wis.	Van Zandt	Wilson, Okla.
Spence	Wagner	Wilson, Tex.
Staggers	Walter	Winstead
Stanley	Weichel	Withrow
Steed	Welch, Calif.	Wolcott
Stefan	Werdel	Wolverton
Sullivan	Wheeler	Worley
Sutton	Whitaker	Young

NAYS—1

Marcantonio

NOT VOTING—161

Angell	Hall, Edwin Arthur	Pfeiffer, William L.
Bailey	Halleck	Philbin
Barrett, Pa.	Hand	Phillips, Calif.
Bates, Ky.	Hart	Pickett
Beall	Hébert	Potter
Blackney	Heffernan	Poulson
Bland	Hill	Powell
Blatnik	Hinshaw	Quinn
Boggs, La.	Hoeven	Rains
Bolton, Ohio	Hoffman, Ill.	Redden
Breen	Hoffman, Mich.	Reed, Ill.
Brehm	Holmes	Reed, N. Y.
Brown, Ohio	Horan	Regan
Buckley, N. Y.	Jackson, Calif.	Ribicoff
Bulwinkle	Jacobs	Richards
Byrne, N. Y.	Javits	Riehlman
Case, N. J.	Jenkins	Rivers
Celler	Jennings	Roosevelt
Chatham	Kean	Sadlak
Chiperfield	Kearns	Sadowski
Clemente	Kee	Sanborn
Clevenger	Keefe	Scott, Hugh D., Jr.
Cole, N. Y.	Kennedy	
Combs	Keogh	Shafer
Cooley	Kilburn	Sheppard
Corbett	Klein	Short
Coudert	Latham	Sikes
Curtis	LeCompte	Simpson, Pa.
Dague	Lichtenwalter	Smith, Kans.
Davies, N. Y.	Lodge	Smith, Ohio
Dawson	Lyle	Stigler
Dingell	McCormack	Stockman
Dolliver	McGregor	Tackett
Dondero	McSweeney	Taylor
Donohue	Mack, Wash.	Thomas, N. J.
Doughton	Macy	Thornberry
Douglas	Madden	Tollefson
Eaton	Magee	Towe
Elston	Marshall	Underwood
Engel, Mich.	Martin, Iowa	Velde
Evins	Martin, Mass.	Vinson
Fallon	Mason	Vorys
Feighan	Merrow	Vursell
Fellows	Meyer	Wadsworth
Fogarty	Miles	Walsh
Fulton	Morton	Welch, Mo.
Furcolo	Moulder	Whitten
Garmatz	Murphy	Wier
Gillette	Murray, Wis.	Wilson, Ind.
Gilmer	Nelson	Wood
Golden	Norton	Woodhouse
Goodwin	Patten	Woodruff
Gorski, Ill.	Pfeifer, Joseph L.	Yates
Gorski, N. Y.		Zablocki
Granahan		

So (two-thirds having voted in favor thereof) the House agreed to consider the resolution.

The Clerk announced the following pairs:

Mr. Roosevelt with Mr. Nelson.
Mr. McCormack with Mr. Brown of Ohio.
Mr. Feighan with Mr. Fellows.
Mrs. Norton with Mr. Halleck.
Mr. Boggs of Louisiana with Mr. Hand.
Mr. Murphy with Mr. Hugh D. Scott, Jr.
Mr. Moulder with Mr. Vursell.
Mr. Tackett with Mr. Hoffman of Michigan.
Mr. Kee with Mr. Case of New Jersey.
Mr. Doughton with Mr. Towe.
Mr. Keogh with Mr. Taylor.
Mr. Bates of Kentucky with Mr. Angell.
Mr. Gorski of Illinois with Mr. Dondero.
Mr. Furcolo with Mr. Gillette.
Mr. Vinson with Mr. Lichtenwalter.
Mr. Richards with Mrs. Bolton of Ohio.
Mr. Joseph L. Pfeifer with Mr. Brehm.
Mr. Klein with Mr. McGregor.
Mr. Celler with Mr. Holmes.
Mr. Hébert with Mr. Horan.
Mrs. Woodhouse with Mr. Jackson of California.
Mr. Hart with Mr. Jenkins.
Mr. Dingell with Mr. Cole of New York.
Mr. Clemente with Mr. Beall.
Mr. Barrett of Pennsylvania with Mr. Wadsworth.
Mr. Kennedy with Mr. Simpson of Pennsylvania.
Mr. Sheppard with Mr. Blackney.
Mr. Fogarty with Mr. Coudert.
Mrs. Douglas with Mr. Dague.
Mr. Cooley with Mr. Corbett.
Mr. Heffernan with Mr. Macy.
Mr. Regan with Mr. Martin of Massachusetts.
Mr. Gilmer with Mr. Wilson of Indiana.
Mr. Garmatz with Mr. Woodruff.
Mr. Whitten with Mr. Short.
Mr. Evins with Mr. Shafer.
Mr. Dawson with Mr. Sadlak.
Mr. Bailey with Mr. Reed of Illinois.
Mr. Granahan with Mr. Elston.
Mr. Philbin with Mr. Vorys.
Mr. Sikes with Mr. Hoeven.
Mr. McSweeney with Mr. Dolliver.
Mr. Miles with Mr. Hinshaw.
Mr. Sadowski with Mr. Smith of Ohio.
Mr. Buckley of New York with Mr. William L. Pfeiffer.
Mr. Combs with Mr. Phillips of California.
Mr. Wood with Mr. Kilburn.
Mr. Rivers with Mr. Latham.
Mr. Pickett with Mr. Hoffman of Illinois.
Mr. Chatham with Mr. Kean.
Mr. Madden with Mr. Kearns.

The result of the vote was announced as above recorded.

Mr. COX. Mr. Speaker, the purpose of this resolution is simply to make this a suspension-of-the-rules day. The gentleman from Illinois [Mr. ALLEN] has indicated that no one on his side wants time, and no one on this side wants time. Therefore, Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

AMENDMENT TO THE NATIONAL HOUSING ACT

Mr. SPENCE. Mr. Speaker, I move to suspend the rules and pass the joint resolution (S. J. Res. 109) to amend the National Housing Act, as amended, with an amendment.

The Clerk read as follows:

Resolved, etc., That the National Housing Act, as amended, is hereby amended—

(1) by striking out of the first sentence of section 2 (a) "September 1, 1949" and inserting in lieu thereof "November 1, 1949."

(2) by striking out of the proviso in section 203 (a) "$5,300,000,000" and inserting in lieu thereof "$5,500,000,000" and by striking out of such proviso "$5,500,000,000" and inserting in lieu thereof "$6,000,000,000."

(3) by striking out of the second proviso in section 603 (a) "August 31, 1949" in each place where it appears therein and inserting in lieu thereof "October 31, 1949."

The SPEAKER. Is a second demanded?

Mr. WOLCOTT. Mr. Speaker, I demand a second.

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. SPENCE. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, this joint resolution has been presented for the consideration of the House out of an abundance of precaution. It is essential to a continuation of the building program that title I and section 608 of title VI of the National Housing Act be extended. Under the present law, both of these titles will expire on the first of next month. It is also essential to increase the insurance authority of title II, if it shall continue to operate because this authority is fast diminishing. It is necessary to extend this power to insure loans by half a billion dollars.

The provisions extending title I and section 608 of title VI and increasing the authorization of title II are in the bill that was passed today. But there are other provisions in the bill which may require some time for consideration by the other body. With the simple extension of these titles and the additional authorization of title II we feel confident that the other body will immediately agree to our amendments and that this will become a law before the expiration date.

It is certainly essential that this should be continued. The Government of the United States has been greatly successful when it has gone into the business of furnishing insurance which cannot be furnished by private enterprise. That was demonstrated in the war-risk insurance, and it was demonstrated by the FHA. It has been demonstrated by the Federal Deposit Insurance Corporation and the Federal Savings and Loan Insurance Corporation.

Mr. Speaker, this is not a gratuity that we are giving to those who are insured. Loans are insured as the result of the payment of a premium of one-half of 1 percent. That premium has not only been enough to pay the liabilities, but has been enough to amass a reserve of $50,000,000 in the last year.

This is a sound proposition, Mr. Speaker. It has inured to the benefit of the builders of America and has also inured to the benefit of the home purchasers of America. There are many men and women in the United States now living in homes which they are paying for who would have had no opportunity to purchase their homes if it had not been for the FHA.

Mr. Speaker, I hope the bill will be passed with the same unanimity that the rule was adopted.

Mr. Speaker, I yield back the balance of my time.

Mr. WOLCOTT. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, housing units are being built today at the rate of something over a million a year. It is largely because of FHA financing that this is possible. The bill which we passed this afternoon, as my esteemed colleague, the chairman of the Committee on Banking and Currency has just said, provided for the continuance of title I, title VI, and the extension of title II FHA financing. But because of the situation in the other body there seems to be some doubt as to whether this extension might take place previous to August 31.

In the resolution which we passed almost 2 months ago we continued title I and title VI financing up to August 31 of this year. In order that there may be no interruption in home construction and in order that we might keep up this momentum of home construction for the balance of the year, I quite agree with the gentleman from Kentucky that it is desirable to pass this resolution.

It will be noted that we are considering a Senate resolution which continues title I and title VI financing, strikes out all after the enacting clause and continues title I and title VI financing up to October 31, 1949, and provides for another $500,000,000 of authority to insure under title II.

That will give the FHA ample insurance authority to continue the program fully and will also assure the home purchasers and home builders that there is going to be no interruption in the insurance program.

Mr. Speaker, it is to be hoped that the other body will accept this amendment immediately so that there will be no lapse of insurance.

It is also hoped that they will give sympathetic consideration to the major bill which we passed this afternoon, H. R. 6070, and that it will pass it substantially as the House has passed it. If so, there will be double assurance that FHA financing will be continued for a sufficient length of time and in such manner as to assure adequate production and that we will finally satisfy the market for homes.

I hope that the bill as amended will be enacted.

I yield back the balance of my time.

Mr. SPENCE. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is, will the House suspend the rules and pass the Senate joint resolution as amended?

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the resolution was passed.

SESSIONS OF THE HOUSE UNTIL SEPTEMBER 21

Mr. COX, from the Committee on Rules, submitted the following resolution (H. Res. 345), which was referred to the House Calendar and ordered printed:

Resolved, That until Wednesday, September 21, 1949, the House shall meet only on Tuesday and Friday of each week unless otherwise ordered.

Mr. COX. Mr. Speaker, I ask for immediate consideration of the resolution.

The SPEAKER. The question is, Will the House consider the resolution?

The question was taken; and (two-thirds having voted in favor thereof) the House decided to consider the resolution.

The Clerk read the resolution (H. Res. 345) as follows:

Resolved, That until Wednesday, September 21, 1949, the House shall meet only on Tuesday and Friday of each week unless otherwise ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

STANDARD SCHEDULES OF RATES OF PAY OF CERTAIN EMPLOYEES OF THE FEDERAL GOVERNMENT

Mr. COX (in behalf of Mr. SMITH of Virginia), from the Committee on Rules, reported the following privileged resolution (H. Res. 346), which was referred to the House Calendar and ordered printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5931) to establish a standard schedule of rates of basic compensation for certain employees of the Federal Government; to provide an equitable system for fixing and adjusting the rates of basic compensation of individual employees; to repeal the Classification Act of 1923, as amended; and for other purposes. That after general debate which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Post Office and Civil Service, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

ADDITIONAL BENEFITS FOR CERTAIN POST-OFFICE EMPLOYEES

Mr. COX (in behalf of Mr. SMITH of Virginia), from the Committee on Rules, reported the following privileged resolution (H. Res. 319), which was referred to the House Calendar and ordered printed:

The Committee on Rules, having had under consideration House Resolution 319, reports the same to the House with the recommendation that the resolution do pass, with the following amendments: On page 1, line 1, after the word "*Resolved,*" strike out all that follows and insert the following: "That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for consideration of the bill (H. R. 4495) to provide additional benefits for certain postmasters, officers, and employees in the postal service with respect to annual and sick leave, longevity pay, and promotion, and for other purposes. That after general debate which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Post Office and Civil Service, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit."

BUSINESS IN ORDER UNTIL SEPTEMBER 21, 1949

Mr. MICHENER. Mr. Speaker, it is understood that the House will take 3-day recesses as provided in the resolution.

What business will be permitted on the days the House meets?

The SPEAKER. The Chair will state, in answer to the inquiry of the gentleman from Michigan, that if the Senate had agreed to cooperate with us and had passed the resolution as the House passed it yesterday, of course, there would have been an adjournment from tomorrow until September 21. The Senate did not see fit to cooperate with us in that. Of course, during that time there would have been no business whatever transacted.

The Chair thinks, under the circumstances, that when the House meets on Tuesdays and Fridays it will meet only to adjourn. No public business will be transacted; there will be no 1-minute speeches or extensions of remarks.

And, as the gentleman made this inquiry, the Chair takes the opportunity to give all Members assurance that there will be no business of any kind transacted until the 21st of September.

Mr. MICHENER. How about extensions of remarks?

The SPEAKER. The Chair today will recognize any Member to ask unanimous consent that all Members may have 5 days after adjournment tomorrow within which to extend their remarks.

With reference to extensions of remarks, it is something like 1-minute speeches: A Member may say something in a 1-minute speech to which, if there were one other Member present at the time, he might take exception, might ask that his remarks be taken down, and then it would necessitate a quorum to determine the question. In an extension of remarks someone might make a statement to which some other Member or Members on the floor might object seriously.

So, in order that all of us may feel free, the Chair states that there will be no business at all transacted.

Mr. MICHENER. I am sure, Mr. Speaker, the House appreciates the clear statement, the fair statement the Chair has made.

There seems to be some question as to whether tomorrow is included within the statement just made by the Speaker.

The SPEAKER. When the House adjourns tomorrow it will recess 3 days at a time.

On tomorrow the Chair will recognize Members to extend remarks and to make 1-minute speeches for a short while.

Mr. MICHENER. But there will be no business tomorrow. Am I correct?

The SPEAKER. No business will be considered tomorrow, not even the consideration of bills by unanimous consent.

The Chair will now recognize Members to submit consent requests.

EXTENSION OF REMARKS

Mr. CASE of South Dakota asked and was given permission to extend his remarks in the Appendix of the RECORD and include the tentative draft of a bill he may later introduce.

Mr. KUNKEL. Mr. Speaker, if no one else will do so, I ask unanimous consent that all Members may have 5 days after adjournment tomorrow within which to extend their remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GWINN asked and was given permission to extend his own remarks in the RECORD and include extraneous matter.

Mr. TAURIELLO asked and was given permission to extend his remarks in the RECORD and include a letter received from a veterans' organization.

Mr. PATMAN asked and was given permission to extend his own remarks in the RECORD in three separate instances and in each to include extraneous matter.

Mr. RABAUT asked and was given permission to extend his remarks in the RECORD and to include extraneous matter.

Mr. HAYS of Arkansas asked and was given permission to extend his remarks in the RECORD in two instances and to include extraneous matter in each.

The SPEAKER. Under the previous order of the House the gentleman from Georgia [Mr. DAVIS] is recognized for 30 minutes.

GOVERNMENT EXPENDITURES

Mr. DAVIS of Georgia. Mr. Speaker, it is an amazing fact according to United States News and World Report, that in the past 4 years our Federal Government has spent $10,000,000,000 more than it spent in the first 152 years of its existence. Federal spending in the years 1946 through 1949 was $177,000,000,000. Total Federal spending from the time of Washington's first inauguration in 1789 until the year 1940 was $167,000,000,000. This 152-year period included every war in which our country participated after 1789 except World War II.

A comparison of the year 1940 with the year 1949 gives this additional interesting information. In the fiscal year 1940 the Federal Government spent approximately $9,000,000,000. It collected from the people in taxes approximately $5,500,000,000. In the fiscal year 1949 it spent approximately $40,000,000,000, and collected in taxes approximately $38,225,000,000. Our Federal taxes for the fiscal year 1949, a peacetime year, were nearly seven times as great as they were during the peacetime year 1940, before the beginning of World War II.

The increase in State taxes and local taxes is nothing like the increase in Federal taxes. Total State and local taxes in 1940 were approximately $9,000,000,000. They increased in 1949 to only approximately $15,000,000,000, which is an increase of less than double. The same years show an increase in Federal taxes of nearly 700 percent. The great increase in taxation has come not in State and local taxes. It has come in Federal taxes.

The fiscal years 1947 and 1948 were the only years since 1930 in which we have kept expenditures within the revenue. Each year since 1930, except these two, our Federal Government has operated on a deficit basis, the deficits ranging all the way from $461,000,000 in 1931 to $57,000,000,000 in 1943.

Instead of decreasing our spending as World War II recedes into the past, our spending is now on the increase. Nineteen forty-nine spending increased approximately $4,000,000,000 over 1948 spending, while 1949 revenue decreased approximately $6,500,000,000 compared with 1948.

Instead of decreasing the number of civilian employees of the Government, these are steadily increasing. The latest report of the Byrd joint committee on reduction of nonessential Federal expenditures, issued August 8, 1949, shows that on June 30, 1949, there were 2,114,433 civilian employees on the Federal pay roll. This was an increase of 30,680 over June 30, 1948, when the total was 2,083,753. This same report states that on June 30, 1949, the National Military Establishment was employing one civilian for each one and eight-tenths men in uniform, and that this ratio of civilian employment to uniformed personnel was identical with that existing when the Armed Services Unification Act became effective in September 1947, nearly 2 years ago. It further carries the statement that the ratio at the war peak in July 1945 was one civilian employee for each four and seven-tenths men in uniform.

It cost the taxpayers $550,712,000 in the month of May 1949 to pay the salaries of the more than 2,000,000 civilian employees on the pay roll. At this rate the annual salary of these civilian employees amounts to $6,608,000,000. This salary item alone is nearly twice the total annual cost of operating the Federal Government just 20 years ago in 1929. Total Government spending in that year was $3,738,000,000. The total number of Federal employees was 559,000. By 1940 the number of civilian employees had almost doubled, being 1,014,000. By this year, 1949, the number has more than doubled again, being 2,114,000 on June 30.

As shocking as it may seem, we have reached the point where almost $1 out of every $4 income of an American citizen goes for taxes, Federal, State and local. That means that a wage earner must work one day out of four to pay his taxes. To pursue this thought further, based on population, taxes collected last year averaged $372 for every man, woman and child in the United States. These figures are given in a report to a congressional committee on August 8, 1949, by Chairman McCabe of the Federal Reserve System. This means that the wage earner for the average-sized family of four people must earn $1,488 per year to pay his taxes before he can buy food, clothing, coal, medicine, and other essentials for them.

If our plans for Government spending continue to expand, the ratio of taxation to income will continue to increase. It will not be long until taxes will take $1 out of every $3 income.

The time to make payments upon our huge national debt is while our national income is high and while national revenue is high. The interest alone on our present debt of approximately $255,000,000,000 is about $5,500,000,000 per annum. This item of interest alone is nearly twice the total cost of operating the Federal Government 20 years ago in 1929. This is one item of expense which through

economy and the practice of thrift, it is possible to reduce. Instead of reducing the debt, however, in the fiscal year 1949, we have added to it.

I am glad to see that one department of our Government has at last realized the fact that we have far too many employees on Federal pay rolls, and that necessity demands that only those employees be retained who are needed to conduct the Government's business. On yesterday Secretary of Defense Louis Johnson announced that the Military Establishment has 135,000 more civilian employees than it actually needs. Having reached this conclusion, Secretary Johnson has taken the only step which can be taken under the circumstances by an official who respects his obligation to the people of America. He has ordered them taken off the pay roll. He will, of course, be condemned and censured by a lot of people. However, in taking this action, he has performed his duty just as a surgeon does his duty in performing a painful but necessary amputation when the life of the patient demands it.

Secretary Johnson, in making the announcement, said that he intends to get a dollar's worth of defense for every dollar the Congress gives him. He said that the reductions in force made yesterday will save approximately a half billion dollars annually. He made the positive statement that these reductions are made because the employees affected are not necessary in the sufficiency of the defense of the United States.

When these 135,000 employees have been eliminated, that will still leave 1,979,000 civilian employees on the pay roll. This is one of the reasons why every wage earner must work 1 day out of 4 to pay taxes, why the average family must contribute $1,480 per annum for Government cost, and why the enormous revenue collected is running far behind the enormous spending of the Government.

After Secretary Johnson prunes his pay roll, the 1,979,000 civilian employees remaining will be more than three times the number of civilian employees in 1929, and more than twice the number of civilian employees in any year prior to 1940. The number almost doubles the 1,014,000 Federal employees in the year 1940, the last normal peacetime year before World War II.

Certainly, it is going to be a painful process to reduce the Federal pay rolls. No one can see a fellow citizen separated from his job and derive pleasure from it. On the other hand, unless the job calls for work to be done, no possible excuse can be found for paying out tax money. We cannot lose sight of the eternal truth that public office is a public trust, and those entrusted with affairs of Government owe the duty to the people to administer them faithfully.

Another increase to be noted is the increase in funds going from the United States to foreign countries. In 1946 fiscal year we advanced to other countries approximately $1,500,000,000, of which about half was for foreign relief, through the UNRRA, and most of the remainder in the form of loans by the Export-Import Bank.

In 1947 American aid to other countries increased to approximately $6,500,000,000. In 1948 it amounted to approximately $4,750,000,000, and in the fiscal year 1949 it amounted to approximately $7,225,000,000. Our officials are asking that the sum be increased this year in amounts ranging from a minimum of $8,000,000,000 to a possible maximum of $10,000,000,000. If these requests are granted, that will mean that in the 5-year period since the end of the war, foreign relief, and foreign military aid will have amounted to $28,000,000,000 to $30,000,000,000.

We are being told that there can be no tax reduction for American taxpayers. This, at the same time, when we see our neighbor to the north, Canada, cutting its income taxes 32 percent, and eliminating 750,000 persons from its tax rolls, retroactive to January 1, 1949, while reducing corporation taxes and entirely eliminating excise taxes on many items, ranging from long-distance telephone calls to chewing gum.

Our domestic policy is about as undetermined and indefinite as our foreign policy and our foreign spending. Since hostilities ceased, we have hailed various foreign-spending plans as being the certain remedy for the ills of the world. Plan after plan has been brought forward for recovery, for stopping communism, for bringing unity to Europe. Each has been unhesitatingly proclaimed as being indispensable, and as being the one necessary step to ward off imminent and threatening disaster. These have been voted, largely on faith in the representation of our officials, only to find after the money has been spent and the plans tried, that as a matter of fact they would not solve, and have not solved, the problems in question. Instead of retrenchment, the cry is always more aid, more aid abroad, more spending at home.

With reference to foreign nations, what we proposed to do was not to take them on our backs as a permanent burden, but to aid them in their own efforts to get on their feet. I hope we will not lose sight of this fact.

Under the spending program which has been proposed for the next fiscal year we will add still more to the national debt and still more to the annual burden of interest upon it.

One of our crying needs in this country is for economy. Economy cannot be had by hit-or-miss action. Constant and continued effort toward economy is needed. From a legislative standpoint, concentration on this one goal is necessary. The Hoover Commission report is going to have to be studied and understood by Members of Congress.

In my opinion, proper attention cannot be devoted by Congress to the important recommendations of the Hoover Commission at the same time that general legislative matters of every other nature are being considered. The present session is an example of the fact that while general legislation is under consideration, the Hoover Commission reports will be pushed into the background. We have only scratched the surface in considering and acting upon Hoover Commission reports. Responsible and trustworthy statesmen have said that more than $3,000,000,000 per year savings can be effected through placing these recommendations into operation. These savings are sorely needed by our Government. They are sorely needed by the taxpayers. It is no part of wisdom or statesmanship to continue to defer action upon the Hoover Commission recommendations.

I think that we have placed the cart before the horse in increasing the salaries of Cabinet members and high-bracket employees before considering the Hoover Commission report. This is typical of the spending complex which dominates the Federal Government. What should have been done was to first make such reorganizations in the various departments as are intended to be made. When this has been done, then would be the proper time to fix the salaries for the positions finally determined upon, at the proper figure to attract brains and ability to the job. We have had no definite plans. We are traveling toward no definite goal. We are living from hand to mouth, and plans made today are discarded tomorrow and new ones hastily adopted, which, in turn, will also be discarded.

It does little good to complain of conditions and stop at that point. Criticism is not constructive, if criticism is all we have to offer. I do not make these remarks today merely for the sake of pointing out conditions with which I disagree.

I feel that the definite responsibility rests upon us as Members of Congress to do more than criticize. It is for that purpose that I am speaking today.

The Hoover Commission made the most comprehensive study of Government ever made. There were 24 research committees, consisting of 300 experts working under the bipartisan Hoover Commission headed by Herbert Hoover, former President of the United States. Their services extended over a period of nearly 2 years. They submitted 19 separate reports to Congress embodying recommendations for an orderly pattern of Government, which, according to conservative estimates, would result in a possible saving of three billion to four billion dollars annually, if placed into operation and followed.

This invaluable work will be lost to the people of the United States, unless Congress recognizes its responsibility, studies and understands the recommendations, and passes the necessary laws to place them into operation.

As I have already stated, the experience of the Eighty-first Congress up to this time clearly indicates that these recommendations cannot receive proper attention when sandwiched in with the volume of regular legislation we have had to consider. I believe that we should finish, as soon as it can properly be done, the regular legislation which

we have to consider, and that we should then take up exclusively the various reports and recommendations of the Hoover Commission and put our entire time on these recommendations and reports until each of them has been considered and acted upon. I believe that only in this way can we give to the American people the benefits which they are expecting to receive from the Hoover Commission recommendations. Up to this time, neither Congress nor the executive department has done more than scratch the surface so far as these recommendations are concerned. Only five bills have been enacted into law pursuant to these recommendations. There are at least 15 more legislative acts needed. Only a small portion of the Hoover Commission program can be effected by Presidential reorganization plans. Congressional action is going to be necessary to place the greater part of the program into effect. My purpose in making these remarks today is to suggest that as early as possible Congress devote itself exclusively to the consideration of the Hoover Commission recommendations. I submit this suggestion for your consideration. I earnestly urge that this action be taken in order that we may put into operation those portions of the Hoover Commission recommendations which will effect practical and needed economies.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. DAVIS of Georgia. I yield.

Mr. MICHENER. Does the gentleman contemplate a bill?

Mr. DAVIS of Georgia. Yes, indeed. I said at least 15 more legislative acts, in my judgment, are needed to place these recommendations in effect.

Mr. MICHENER. The gentleman distinguishes between bills by Congress and plans by the President, as provided for in the Reorganization Act?

Mr. DAVIS of Georgia. As I have just stated in my remarks, in my opinion, only a small portion of the recommendations of the Hoover Commission can be placed into effect by Presidential reorganization plans.

Mr. WILLIAMS. Mr. Speaker, will the gentleman yield?

Mr. DAVIS of Georgia. I yield.

Mr. WILLIAMS. I want to thank the gentleman for a splendid, forthright, and timely address. I think that economy is probably the most important consideration we have in this country. The need for economy should be our first consideration. I just want to express to the gentleman my appreciation for his address which I believe worthy of being read by every American citizen.

Mr. DAVIS of Georgia. I thank the distinguished gentleman from Mississippi for his remarks, and appreciate the fact that he concurs in my views.

The SPEAKER pro tempore (Mr. ROGERS of Florida). The time of the gentleman from Georgia has expired.

EXTENSION OF REMARKS

Mr. GWINN asked and was given permission to extend his remarks in the Appendix of the RECORD and include extraneous material.

The SPEAKER pro tempore. Under the previous order of the House the gentleman from Montana [Mr. MANSFIELD] is recognized for 10 minutes.

AMERICAN AID TO CHINA

Mr. MANSFIELD. Mr. Speaker, a few weeks ago the State Department published a white paper which set forth in detail the great effort the United States has made to assist China, especially during the past 5 years. Since the issuance of that publication, strenuous attempts have been made in this country to discredit one of the principal conclusions drawn from that record—namely, that the very substantial aid provided by the United States to China failed to accomplish its purpose largely because of widespread incompetence and corruption in the National Government, including many persons in high places.

In the light of these disclosures, and the obvious efforts to discredit them and the officials of the United States Government responsible for having them made public, I want to draw particular attention to the following paragraphs in the article "Insiders" Got Rich on China Aid, published in United States News and World Report of August 26, 1949:

Inside story shows how United States billions, sent to China, ended up in the pockets of wealthy Chinese, helped to build fortunes.

United States gold worth $220,000,000 at the United States price of $35 per ounce was sent to China under the 1942 agreement. The Chinese Government announced that the gold would be sold to the public to check inflation. On the basis of information given to United States officials, what happened was this: When the gold went on sale at a date and for a price "secretly" decided upon by high officials, the "insiders" and their agents were first in line. They carried suitcases full of inflated Chinese currency. They bought most of the gold, keeping it in the hands of a few while gold prices soared.

Automobile and truck parts, radios and electrical equipment, blankets and GI rations, even blood plasma, which were sent from the United States to the Chinese Army were sold by and to civilians. Wealthy Chinese whose connections inside the Nationalist Government enabled them to divert these supplies from military channels reaped handsome profits. Some of the material was actually purchased by Communist agents and smuggled out to Communist ports in ships borrowed for the purpose from the Chinese Navy.

Taking out the profits made from United States aid to China was an operation that began about 1946 and still continues. Hundreds of millions of dollars in gold and foreign currency were smuggled out through British Hong Kong and Portuguese Macao. More was carried out by Chinese with diplomatic passports carrying Chinese Government pouches. Huge fortunes were assembled in Zurich, Buenos Aires, New York, San Francisco and other cities out of reach of the Chinese people whom the United States sought to help. Most owners of these fortunes have fled China too.

I also want to point out a paragraph in the article to the effect that representatives of the United States Government diligently tried to assure effective control by this Government over the expenditure of American funds granted to China, but high Chinese officials persistently and successfully resisted all efforts to establish such controls by this Government. The pertinent paragraph from this article on this point says:

First bonanza for Chinese came in the form of a $500,000,000 grant which was approved by the United States Congress early in 1942. The United States Ambassador to China, Clarence E. Gauss, and other United States officials urged that the Chinese Government be required to inform and consult with the Treasury Department on the use of the money. But the top leaders of Nationalist China objected. President Roosevelt, anxious to keep China in the war, waived the controls. The Chinese were allowed to use the money as they saw fit. Thus the squeeze began.

The term "squeeze" as used in the article is a slang expression for what is known in this country as outright graft. The high Chinese officials who flagrantly practiced "squeeze" during the war not only squeezed the American taxpayer who was supplying funds intended to defeat the common enemy; these Chinese officials who betrayed their high office also squeezed China's own down-trodden, long-suffering people, and ended by squeezing out of existence practically the last drop of respect and loyalty of the Chinese people for their government, with the result that the Communists today are taking over China virtually by default.

Because of the grave nature of some of the questions raised regarding the White Paper and the amazing statements contained in the article in United States News and World Report, I suggest it is in order that the Lobby Investigating Committee, provided for in House Resolution 298, investigate the activities of the lobby now brazenly being conducted in this country in behalf of the National Government of China and certain personalities connected with it.

I suggest that this committee seek to determine whether American money, originally appropriated to aid the Chinese Government and illicitly diverted to private use by the method described above, is actually being used to promote new legislation for aid to China by which more money would be made available.

I suggest that this committee inquire into whether American money provided to help China, but siphoned off for private use, is being used to finance attacks on our Secretary of State and other officials charged with conducting our relations with China.

I think it would be fitting for this committee to try to ascertain whether any of those individuals who are alleged to have privately profited from the diversion of American aid funds did in fact subscribe to Chinese victory bonds to help finance their country's war efforts.

I think it would be pertinent for the Lobby Investigating Committee to go thoroughly into the question, whether all the wealthy Chinese, and particularly those who have substantial holdings abroad, contributed to their country's support from their personal funds, or whether they are attempting by propaganda and similar means to have the American taxpayer foot the whole bill.

These are matters, Mr. Speaker, on which the American people are entitled to be fully informed. I propose that an investigation to get all the facts bearing on this matter be authorized forthwith.

Mr. Speaker, I ask unanimous consent that the article from the United States News and World Report of August 26, 1949, titled "Insiders Got Rich on China Aid" be inserted at this point in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

[From the United States News and World Report of August 26, 1949]

INSIDERS GOT RICH ON CHINA AID

(Reported from Hong Kong, New York, and Washington)

(Inside story shows how United States billions, sent to China, ended up in the pockets of wealthy Chinese, helped to build fortunes. United States gold, relief money, lend-lease supplies leaked into private hands. Profit taking started during World War II. Most big fortunes, personally held, now are out of China. They cannot be recaptured by any Chinese Government.)

The effort to find out what really happened to $4,530,000,000 of the American taxpayers' money given to China since 1941 is leading investigators to great personal fortunes amassed by a few Chinese.

Reports of graft and corruption thread through the State Department's white paper on China. But the white paper gives few details. It says that the United States Government does not know what became of much United States aid sent to China and that the Chinese Government, if it knows, will not tell.

Story behind the white paper is that a few Chinese highly placed in Generalissimo Chiang Kai-shek's Government have built up fortunes running into hundreds of millions of dollars. They are fortunes comparable to those made by Americans in the period of this country's industrial growth. But Americans, owing to United States law, no longer can acquire wealth in the amounts amassed by top Chinese who profited from United States aid to China.

These fortunes now are hidden away outside China. Some of the wealth is in Switzerland and some in South America. Much has come back to the United States in securities and in cash. Chinese owners of wealth in the United States are paying taxes on their incomes, but neither the United States Treasury nor the Chinese Government can get at the capital which was sucked out of United States aid to China into individual pockets.

Total overseas holdings of wealthy Chinese were set at more than $1,500,000,000 by United States officials 2 years ago. More wealth left China when the Communists crossed the Yangtze this year and the "insiders" decided that the boom days of money making were over. Estimates of private capital now held by Chinese outside their country run higher than $3,000,000,000. Even the Nationalist Government does not know, for sure, where all the money has gone. But the story of how fortunes were made in China and smuggled overseas can be told.

Squeezing the United States taxpayer was easy enough for wealthy Chinese with connections, once the Japanese attacked Pearl Harbor. Before 1941, United States aid to China was tied carefully to agreements on collateral and repayment. After 1941 and up to last year, the golden flow of United States aid to China consisted largely of gifts, not loans. Chinese who knew how to make money were able to work on funds provided by American taxpayers.

First bonanza for Chinese came in the form of a $500,000,000 grant which was approved by the United States Congress early in 1942. The United States Ambassador to China, Clarence E. Gauss, and other United States officials urged that the Chinese Government be required to inform and consult with the Treasury Department on the use of the money. But the top leaders of Nationalist China objected. President Roosevelt, anxious to keep China in the war, waived the controls. The Chinese were allowed to use the money as they saw fit. Thus the "squeeze" began.

On the receiving end of this aid was a one-party government dominated by Chiang Kai-shek and small cliques of his relatives and friends. Chief among them were the Soongs, the Kungs and the Chens. The Soongs included Madame Chiang, her three brothers and a sister. T. V. Soong reorganized the country's finances and served for a while as Premier. T. L. Soong ran the government's export and import office. T. A. Soong directed the salt-tax bureau which produced $34,000,000 for the government in 1947 alone. A sister, Ai-ling Soong, married H. H. Kung, an industrialist and banker of great wealth who was China's finance minister for 11 years. The Chen brothers, Li-fu and Kuo-fu, lifelong friends of the Generalissimo, managed the Kuomintang, China's state party. Today all the Soongs and the Kungs mentioned are in the United States. The Chens are in Formosa.

Down the line from the Government and the party leadership was the main body of 18,000,000 Chinese, including soldiers, who were employed by the Government. Civil-service salaries are low in China; posts similar to those paying $8,000 a year in the United States give Chinese only $960 a year. Many officials count on making their jobs pay by taking every advantage of their powers and responsibilities. To these officials, United States aid to China meant an opportunity for profit.

United States gold worth $220,000,000 at the United States price of $35 per ounce was sent to China under the 1942 agreement. The Chinese Government announced that the gold would be sold to the public to check inflation. On the basis of information given to United States officials, what happened was this:

When the gold went on sale at a date and for a price secretly decided upon by high officials, the insiders and their agents were first in line. They carried suitcases full of inflated Chinese currency. They bought most of the gold, keeping it in the hands of a few while gold prices soared.

How much the insiders made out of this gold is a matter of guesswork. United States Treasury officials in China were told that about $100,000,000 worth of gold was sold to the public up to June 30, 1945, and they do not know what was sold after that date. In any event, the gold buyers did not take their gold out of the country immediately. Most of them used it as security for loans of cash which they used to speculate in rice and other foodstuffs, thus increasing inflation, defeating the very purpose for which the gold was intended. Gold prices in China recently reached $75 an ounce while Chinese currency used to buy the gold vanished in runaway inflation. By the time the insiders realized their profits and left the country, the money they had made based on the original gold purchases ran into hundreds of millions of United States dollars.

United States dollars, actual currency totaling $200,000,000, were another source of private profit. The money was delivered to the Chinese Government as a fund for the eventual redemption in United States dollars of savings certificates and 10-year bonds issued by the Chinese Government. These were to be sold to the public.

American officials watching these securities found that they attracted few purchasers at first, though they sold at one-fifth the price of United States dollars on the free market. Apparently Chinese doubted that the securities would really be honored in United States currency when they matured. In addition, these securities drew only 4 percent interest while Chinese money lenders got as much as 40 percent.

Suddenly, however, the Government announced that the savings certificates, $100,000,000 worth of them redeemable within 3 years in United States dollars, had been "oversubscribed." Informers told American officials that "insiders" had taken over the issue. As the "insiders" had known, these certificates were in fact redeemed in United States currency, while the provision for United States dollar redemption of the 10-year bonds was revoked in 1946.

Again, wealthy Chinese with connections in the government had profited. "Insiders" who held bonds unloaded them before 1946. And, again, most of the profits in United States dollars remained inside the country, working against the government's effort to stabilize China's currency.

United States lend-lease to China started in 1941, but little of it reached the country until after the attack on Pearl Harbor. Cost to the United States taxpayer of all military aid to China, including lend-lease, before and after V-J day, was nearly $2,000,000,000. Most of the material bought with this money now is in Communist hands. Some was captured by Communists. But American officials learned that some was sold to Communists by high officers of the Nationalist Army. And some of the military aid never reached the fighting fronts, but was sold on the black markets of Shanghai and other cities.

Automobile and truck parts, radios and electrical equipment, blankets and GI rations, even blood plasma, which were sent from the United States to the Chinese Army were sold by and to civilians. Wealthy Chinese whose connections inside the Nationalist Government enabled them to divert these supplies from military channels reaped handsome profits. Some of the material was actually purchased by Communist agents and smuggled out to Communist ports in ships "borrowed" for the purpose from the Chinese Navy.

United States relief supplies and economic aid to China cost American taxpayers more than $2,000,000,000. But much went to profiteers. Information reaching United States officials showed that rice supplied by the United States for famine relief was resold by rich Chinese. American officials on relief agencies, required to work through parallel Chinese agencies, found that "insiders" were padding pay rolls and diverting supplies. United States textile machinery sent to factories owned by the Chinese Government ended up in privately owned factories. All along the line minor officials worked the "squeeze," but the biggest profits went to swell the fortunes of a few top "insiders."

Once, in 1947, the control committee of the Chinese Government's Treasury published a report charging corporations dominated by top officials in the Government with obtaining more than their quotas of foreign exchange. Army officers and civilian officials were denounced for speculating with public funds. Premier T. V. Soong, held responsible for the scandal, resigned. But the sums involved totaled only a few million dollars. Greater profits were not mentioned.

Taking out the profits made from United States aid to China was an operation that began about 1946 and still continues. Hundreds of millions of dollars in gold and foreign currency were smuggled out through British Hong Kong and Portuguese Macao.

More was carried out by Chinese with diplomatic passports carrying Chinese Government pouches. Huge fortunes were assembled in Zurich, Buenos Aires, New York, San Francisco, and other cities out of reach of the Chinese people whom the United States sought to help. Most owners of these fortunes have fled China, too.

China's millionaires are prepared to defend their activities. They deny that they did anything illegal under Chinese law. Officials who profited see nothing wrong in it. An $80-a-month bank examiner employed by the Chinese Government once personally gave a United States diplomat a $5,000 check for the United States Red Cross, explaining that he liked to see part of his "squeeze" going to an organization that was trying to help China. The wife of a Chinese top official once chided an American diplomat for sending an adverse report on her husband's honesty back to Washington. "Of course, we made money," she said. "What's the good of being on the inside if you make nothing out of it?"

Billion-dollar lesson learned in China is leading United States officials charged with policing aid to other countries to keep a close watch on expenditures. But wealthy Chinese, now out of their country, are holding on to profits made at the expense of the United States taxpayer.

EXTENSION OF REMARKS

Mr. MURDOCK asked and was given permission to extend his remarks in the RECORD and include summary of hearings before Committee on Public Lands notwithstanding that it exceeded two pages of the RECORD and, according to the Public Printer, cost $266.50 to print.

The SPEAKER pro tempore. Under special order of the House heretofore entered, the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized.

WHAT PSYCHOLOGICAL WARFARE MEANS TO CONGRESS

Mrs. ROGERS of Massachusetts. Mr. Speaker, today the need for a Special Committee on Psychological Warfare should be forcefully evident to Congress, as an institution, and to Members of Congress, as individuals.

Congress has a tremendous stake in psychological warfare.

Our Constitution has placed upon the legislative branch of Government the responsibility of providing for public welfare and national defense. Nor may we lightly forget that Members here today, in the Eighty-first Congress, made a vast contribution toward victory in World War II through encouraging resistance in enemy-occupied areas and through emphasizing to the enemy, themselves, the futility of further combat.

Mr. Speaker, I want to remind the House that during World War II, Mr. Davenport, formerly chief, Psychological Warfare Section, Washington News Division of Office of War Information, directed psychological broadcasts by Members of Congress to foreign countries.

Only a few days ago, six of the eight reorganization plans containing many of the recommendations of the Hoover Commission went into effect. This is an appropriate time to examine the efficiency of our "psychological peacefare," as embodied in the Voice of America; and to study the means by which psychological warfare could be brought into action should a war emergency arise. This examination, this study, could best be made through a special committee on psychological warfare. Through such a committee the House of Representatives would be intelligently meeting its constitutional responsibility for national defense and the public welfare.

Members of both Houses of Congress have good reason to be proud of their significant role in the battle of words in World War II.

For sheer volume, what the Members had to say in their broadcasts and their articles in foreign newspapers was outweighed by the day-to-day reporting of events which happened in the United States by the free American press and over the free American radio. Yet, no one can question the sheer power of the impact of congressional commentaries overseas, especially after the landing of our liberation forces in north Africa and after the battle of Midway in the Pacific.

Psychological warfare and military victory were the triumph twins. And Members of Congress had a well-defined part in our ultimate victory.

In all, 111 Members of Congress participated. There were 56 Democrats. There were 55 Republicans. What these Members had to say was printed in the press of neutral countries and smuggled into occupied nations. It was dropped over enemy lines. It was shot from Army ordnance in specially built shells. It was broadcast over the radio. Enemy, neutral, ally—alike—found Congress to be a basic source of information, a fountainhead of truth.

Where could a better source of truth be found than in Congress? Our Members come from every State in the Union. The Frenchmen in Rouen might never have beard of Oregon, but he certainly had heard of Louisiana. He accepted what men like Representative HÉBERT had to say. The Swede in Stockholm waited eagerly to read the comments in his own newspapers from Representative Frank Carlson, now Governor of Kansas. They discussed the broadcasts of Senator EDWIN JOHNSON of Colorado in the Swedish Parliament. Swedes might not have been so eager to accept the views of authorities of an origin other than their own.

But names alone did not matter. There were other potent factors. Certain Members were known to serve large numbers of specific national-origin groups in Congress. This knowledge extended to the so-called old country. Thus, Representative JOSEPH W. MARTIN enjoyed great popularity in Portugal because of the number of Americans of Portuguese ancestry in his district, while Senator FERGUSON was well-received in Warsaw because of the number of his constituents who were of Polish parenthood.

Furthermore, the occupations of Members before coming to Congress made an important springboard for action. Lawyers listened to lawyers. Doctors listened to doctors. Railroadmen listened to railroadmen. Editors listened to editors. Oriental scholars welcomed Representative MANSFIELD of Montana because he had taught the history of the Far East. Scandanavian editors looked forward to the comments of Representative HAGEN, of Minnesota because he had edited a Scandanavian-language newspaper. Women Members of Congress had a great unseen audience of women all over the world because this Republic freely gave American women the right to participate in Government.

Some of the Members were particularly successful in the field of psychological warfare due to the association of their position in the legislative branch and their past experience.

Representative JENSEN, of Iowa, made a major contribution toward the stiffening of Danish resistance. Not only is he, himself, of Danish ancestry; but he represents the largest community of Americans of Danish descent in the United States. His opinions were in continuous demand from Danish patriots.

Senator THOMAS of Utah paved the way for the final collapse of Japan. The Senator had been a missionary in that country. His broadcasts in Japanese were among the most effective of the war.

Representative KEARNEY, of New York, "General PAT of the Twenty-seventh Division," made daily commentaries during the Saipan and Okinawa campaigns. Strangely enough, these broadcasts gained their greatest results in Turkey and the Middle East for, in these regions, many of the more important legislators were men with distinguished military records and they preferred to listen to an American of comparable experience.

Then-Senator Truman spoke on American know-how and the uselessness of resisting the united strength of American production and military might. What he said drove home his theme to the industrial centers of Germany and Italy.

Representative STEFAN of Nebraska did double duty. Since he was born in what is now Czechoslovakia, his views were in great demand among that unfortunate but stout-hearted people. This background was matched by his tour of duty as a telegraphic communications expert in the Philippines. The Government of the Philippines recognized the value of what he said to the liberty-loving Filipinos by awarding him the Medal of Military Merit.

In embattled Norway, in invaded-but-not-conquered Poland, men, women, and children risked their lives to hear the fighting words of Senator WILEY of Wisconsin.

Speaker RAYBURN was considered by the overseas audience as a brilliant and logical exponent of the American legislative scene.

Senator WHERRY, of Nebraska, a World War I Navy aviator, materially aided in the shattering of the morale of the Nazi and Japanese Navy.

Representative VINSON, of Georgia, because of his intimate knowledge of naval affairs, consistently brought the shadow of inevitable doom close to Axis naval leaders.

Former Senator Capper, farmer and agricultural publisher, was a prominent figure in the Allied offensive to have farmers in all occupied nations sabotage the enemy war effort.

Representative MARTIN of Iowa, formerly a professor of military tactics at the University of Iowa, was given consideration by high Nazi officers because

of his profession. His speech on the floor of the House on the day before the 1944 anniversary of Hitler's beer hall putsch was one of the most dramatic triumphs of World War II in psychological warfare. On the day before Hitler spoke, Representative MARTIN accurately predicted 43 of the 47 points which Hitler made on the following day.

Each of the committee chairmen in both Houses—yes, and each of the ranking minority members of these committees—responded like soldiers, giving of their time and effort over and above the line of duty.

One hundred and eleven Members of Congress—the justly renowned "111 Club"—made possible the greatest psychological warfare triumph in all history. They were elected to office. Enslaved peoples could not elect nor be elected. Their right to express differing opinions on domestic issues and on foreign policies was without question. No European, no Asiatic, under totalitarian rule, could dare do that under pain of death. Each Member was aware of the field in which he was an authority and the area in which his thoughts would be most effective. Each one of the 111 went to the microphone or the recording device with the same degree of genuinely consecrated patriotism.

It is impossible, within this limited space and within this limited time, to list every Member of both House and Senate who participated wholeheartedly in psychological warfare. I have mentioned only a few.

This Congress knows psychological warfare because so many of its Members practiced it. This Congress has a great stake in psychological warfare. By means of a Special Committee on Psychological Warfare, this House could go on record as seeking more efficient handling of psychological "peacefare" and in preparing the necessary legislative groundwork for securing a psychological warfare agency in the event of a war emergency, with the least possible waste of money and with the least possible waste of time.

DISMANTLING GERMAN PLANTS

Mr. JUDD. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. JUDD. Mr. Speaker, this afternoon the chairman of the Committee on Appropriations [Mr. CANNON] referred to one of the questions that is in disagreement in the conference on foreign-assistance appropriations between the House and the other body, namely, the question of dismantling German plants.

There are few more disputed and important questions. For a sharp penetrating study of it may I call the attention of the House to this recently published book, The High Cost of Vengeance, by Freda Utley. If the Members would read this book during the recess and get the facts on what is being done in Germany, which is usually presented as being designed to keep Germany from becoming a military threat again, but which in the judgment of many is driving Germans toward some sort of militarism or nazism, we would become determined to end this senseless policy of destroying their ability to become self-supporting and thereby keeping them on the backs of our own taxpayers. I recommend the book highly.

Mr. Speaker, I did not intend to say anything further at this time, but in view of the speech just made by my friend and colleague the gentleman from Montana [Mr. MANSFIELD], I do want to say a word or two on the subject he discussed. I agree wholly with his view that if there is any question whatsoever of improper action on the part of an alleged Chinese lobby in this country or of improper use of our funds, it ought to be investigated the same as any other improper action should be investigated. It should be added, however, that the white paper reports that Generalissimo Chiang Kai-shek tried to get from our Government any information we had on Chinese who might have shipped money here or elsewhere and hid it, and we would not give it to him. His government tried and executed some several thousand people who were caught in graft and black marketeering, and there is no reason to doubt that he would have been as thoroughgoing with any others even at the top if he could have obtained positive information that they were engaged in such activities. So if a public investigation by Congress is the best or the only way to get the facts and make them available to all including those Chinese who want to police their own house and get it in better order, I think we ought to have it. The writer of the article from which he quoted must have received his alleged information from some Government official. Perhaps Congress could obtain it too; the writer ought to reveal his sources, for independent checking; or retract.

One more point: Our Ambassador to China, the Honorable John Leighton Stuart has said repeatedly in public as well as in private that most of those at top levels in the Chinese Government are as sincere, as high-minded, as able, as honest, and as patriotic as the men at similar levels in any government in the world. The difficulty in China has been to get enough good men in the lower and middle echelons of government service, because there just are not enough of them in China with the training, background, or experience to administer complicated governmental operations well, whether civilian or military. That is one of the problems in connection with which the Chinese need more sympathetic help, encouragement, and assistance and fewer moral lectures and denunciations. We have specialized in the latter and it does not help with the problem of keeping China free, which in my opinion is as important to ourselves as to the Chinese.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1565. An act for the relief of Doctor Ludovit Ruhmann.

BILLS PRESENTED TO THE PRESIDENT

Mrs. NORTON, from the Committee on House Administration, reported that that committee did on the following dates present to the President, for his approval, bills of the House of the following titles:

On August 23, 1949:

H. R. 781. An act to amend title II of the Civil Aeronautics Act of 1938, as amended;

H. R. 997. An act to extend the benefits of section 1 (c) of the Civil Service Retirement Act of May 29, 1930, as amended, to employees who were involuntarily separated during the period from July 1, 1945, to July 1, 1947, after having rendered 25 years of service but prior to attainment of age 55;

H. R. 1279. An act for the relief of George Hampton;

H. R. 2859. An act to authorize the sale of public lands in Alaska;

H. R. 2877. An act to authorize the addition of certain lands to the Big Bend National Park in the State of Texas, and for other purposes; and

H. R. 4498. An act to amend section 6 of the act of April 15, 1938, to expedite the carriage of mail by granting additional authority to the Postmaster General to award contracts for the transportation of mail by aircraft upon star routes.

On August 24, 1949:

H. R. 4177. An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1950, and for other purposes.

ADJOURNMENT

Mr. PRIEST. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 5 minutes p. m.) the House adjourned until tomorrow, Friday, August 26, 1949, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

885. A letter from the Acting Secretary, Department of Agriculture, transmitting a report on cooperation of the United States with Mexico in the control and eradication of foot-and-mouth disease; to the Committee on Agriculture.

886. A letter from the Acting Secretary of the Treasury, transmitting a draft of a proposed bill entitled "A bill to amend section 3526 of the Revised Statutes relating to coinage of subsidiary silver coins"; to the Committee on Banking and Currency.

887. A letter from the Acting Attorney General, transmitting additional information relative to a letter from the Attorney General dated April 15, 1949, transmitting copies of orders of the Commissioner of the Immigration and Naturalization Service suspending deportation of certain aliens in the case of Mrs. Maria Anna Elizabeth Falco (file No. A-6713078); to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. GARMATZ: Committee on Joint Committee on the Disposition of Executive Papers. Disposition of sundry papers (Rept. No. 1321). Ordered to be printed.

Mr. GARMATZ: Committee on Joint Committee on the Disposition of Executive Papers. Disposition of sundry papers (Rept. No. 1322). Ordered to be printed.

Mr. MORRIS: Committee on Public Lands. H. R. 6114. A bill to set aside certain lands in Oklahoma, formerly a part of the Cheyenne-Arapaho Reservation, and known as the Fort Reno Military Reservation, for the Cheyenne-Arapaho Tribes of Indians of Oklahoma, and for other purposes; without amendment (Rept. No. 1323). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee on Banking and Currency. House Joint Resolution 349. Joint resolution to amend the National Housing Act, as amended; without amendment (Rept. No. 1324). Referred to the Committee of the Whole House on the State of the Union.

Mr. PRIEST: Committee on Interstate and Foreign Commerce. H. R. 5903. A bill to amend the Hospital Survey and Construction act (title VI of the Public Health Service Act), to extend its duration and provide greater financial assistance in the construction of hospitals, and for other purposes; with an amendment (Rept. No. 1325). Referred to the Committee of the Whole House on the State of the Union.

Mr. COX: Committee on Rules. House Resolution 342. Resolution providing that it shall be in order on August 25, 1949, for the Speaker to recognize Members for motions to suspend the rules; without amendment (Rept. No. 1326). Referred to the House Calendar.

Mr. COX: Committee on Rules. House Resolution 345. Resolution providing that until Wednesday, September 21, 1949, the House shall meet only on Tuesday and Friday of each week unless otherwise ordered; without amendment (Rept. No. 1327). Referred to the House Calendar.

Mr. SABATH: Committee on Rules. House Resolution 346. Resolution providing for the consideration of H. R. 5931, a bill to establish a standard schedule of rates of basic compensation for certain employees of the Federal Government; to provide an equitable system for fixing and adjusting the rates of basic compensation of individual employees; to repeal the Classification Act of 1923, as amended; and for other purposes; without amendment (Rept. No. 1328). Referred to the House Calendar.

Mr. SABATH: Committee on Rules. House Resolution 319. Resolution providing for the consideration of H. R. 4495, a bill to provide additional benefits for certain postmasters, officers, and employees in the postal field service with respect to annual and sick leave, longevity pay, and promotion, and for other purposes; with an amendment (Rept. No. 1329). Referred to the House Calendar.

Mr. KARST: Committee on Post Office and Civil Service. S. 1479. An act to discontinue the operation of village delivery service in second-class post offices, to transfer village carriers in such offices to the city delivery service, and for other purposes; with an amendment (Rept. No. 1330). Referred to the Committee of the Whole House on the State of the Union.

Mr. McCARTHY: Committee on Post Office and Civil Service. S. 1825. An act to amend the Postal Pay Act of 1945, approved July 6, 1945, so as to provide promotions for temporary employees of the mail equipment shops; with an amendment (Rept. No. 1331). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON: Committee on Expenditures in the Executive Departments. H. R. 5951. A bill to amend section 3 of the Travel Expense Act of 1949; with an amendment (Rept. No. 1332). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON: Committee on Expenditures in the Executive Departments. House Joint Resolution 340. Joint resolution to clarify the status of the Architect of the Capitol under the Federal Property and Administrative Services Act of 1949; without amendment (Rept. No. 1333). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CARNAHAN:

H. R. 6130. A bill to amend the Contract Settlement Act of 1944 so as to authorize the payment of fair compensation to persons contracting to deliver certain strategic or critical minerals or metals in cases of failure to recover reasonable costs, and for other purposes; to the Committee on the Judiciary.

By Mr. GILMER:

H. R. 6131. A bill to extend for an indefinite period the reservation to the Osage Indians in Oklahoma of oil, gas, coal, and other minerals, provided in the act of June 28, 1906 (34 Stat. 539); to the Committee on Public Lands.

By Mr. JACKSON of Washington:

H. R. 6132. A bill to amend title XI of the Merchant Marine Act, 1936, as amended; to the Committee on Merchant Marine and Fisheries.

By Mr. MORRIS:

H. R. 6133. A bill transferring management of certain public lands from the Agriculture Department to the Fort Sill Indian School in Oklahoma for agriculture uses; to the Committee on Public Lands.

By Mr. PATTERSON:

H. R. 6134. A bill for the relief of the Borough of Naugatuck, Conn.; to the Committee on the Judiciary.

By Mr. PLUMLEY (by request):

H. R. 6135. A bill to provide for the equitable assessment of taxes; to provide adequate social security for all American citizens; to solve the labor problem completely; to untax business and thus encourage full and efficient production and full employment; to cut the hidden sales taxes out of prices to reduce the high cost of living; to collect enough revenue to support the Government, reduce the national debt, and in due course revalue the dollar; to make the tax rate automatically adjustable to stabilize our economy on a rising standard of living; and for other purposes; to the Committee on Ways and Means.

By Mr. REES:

H. R. 6136. A bill to repeal the taxes on transportation; to the Committee on Ways and Means.

By Mr. SHORT:

H. R. 6137. A bill to amend the Federal Alcohol Administration Act with respect to the labeling and advertising of domestic whisky; to the Committee on Interstate and Foreign Commerce.

By Mr. BENNETT of Michigan:

H. R. 6138. A bill to authorize the liberalization, in the case of small-business enterprises in labor-market areas where unemployment is serious, of certain requirements for obtaining financial assistance from the Reconstruction Finance Corporation; to the Committee on Banking and Currency.

By Mr. POTTER:

H. R. 6139. A bill to authorize the liberalization, in the case of small-business enterprises in labor market areas where unemployment is serious, of certain requirements for obtaining financial assistance from the Reconstruction Finance Corporation; to the Committee on Banking and Currency.

By Mr. SIKES:

H. R. 6140. A bill to provide for the conveyance to Gulf County, State of Florida, of a portion of St. Joseph Peninsula which is under the jurisdiction of the Department of Defense; to the Committee on Armed Services.

By Mr. SPENCE:

H. J. Res. 349. Joint resolution to amend the National Housing Act, as amended; to the Committee on Banking and Currency.

By Mr. ANDERSON of California:

H. J. Res. 350. Joint resolution authorizing the Secretary of Labor to appoint a special assistant to aid in settling labor disputes affecting Pacific coast shipping; to the Committee on Education and Labor.

By Mr. LESINSKI:

H. Con. Res. 131. Concurrent resolution authorizing the printing of additional copies of Bulletin No. 940 of the Bureau of Labor Statistics of the Department of Labor, entitled "Occupational Outlook Handbook"; to the Committee on House Administration.

By Mr. COOPER:

H. Con. Res. 132. Concurrent resolution authorizing the printing of 10,000 additional copies of House Report No. 1300 on H. R. 6000, a bill to extend and improve the Federal old-age and survivors insurance system, to amend the public assistance and child welfare provisions of the Social Security Act, and for other purposes; to the Committee on House Administration.

By Mr. WILSON of Oklahoma:

H. Con. Res. 133. Concurrent resolution to seek development of the United Nations into a world federation; to the Committee on Foreign Affairs.

By Mr. RANKIN:

H. Res. 343. Resolution to authorize the Committee on Veterans' Affairs to conduct an investigation of veterans' hospitals; to the Committee on Rules.

H. Res. 344. Resolution to provide funds for the expenses of the investigation authorized by House Resolution 343; to the Committee on House Administration.

By Mr. KEE:

H. Res. 346. Resolution providing for the consideration of the joint resolution (H. J. Res. 334) to amend certain laws providing for membership and participation by the United States in certain international organizations; to the Committee on Rules.

By Mr. BURDICK:

H. Res. 347. Resolution providing for the appointment of a House committee to investigate the expenditures of public funds in connection with the acquiring of land for the Garrison (N. Dak.) Dam Reservoir; to the Committee on Rules.

By Mr. RANKIN:

H. Res. 348. Resolution providing for the consideration of H. R. 5965, a bill to provide for the construction of certain Veterans' Administration hospitals, and for other purposes; to the Committee on Rules.

H. Res. 349. Resolution providing for the consideration of H. R. 6034, a bill to provide for the establishment of a veterans' hospital for Negro veterans at the birthplace of Booker T. Washington in Franklin County, Va.; to the Committee on Rules.

By Mr. KEE:

H. Res. 350. Resolution providing for the consideration of the joint resolution (H. J. Res. 334) to amend certain laws providing for membership and participation by the United States in certain international organizations; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows.

By Mr. CHUDOFF:

H. R. 6141. A bill for the relief of Grassi Ambrogio; to the Committee on the Judiciary.

By Mr. GWINN:

H. R. 6142. A bill for the relief of Andrea Di Grazia; to the Committee on the Judiciary.

H. R. 6143. A bill for the relief of Mrs. Elisabeth Luger; to the Committee on the Judiciary.

By Mr. HERTER:

H. R. 6144. A bill for the relief of certain Latvians, Estonians, Lithuanians, Norwegians, and Polish persons; to the Committee on the Judiciary.

By Mr. JAVITS:

H. R. 6145. A bill for the relief of Carl Weitlanner; to the Committee on the Judiciary.

By Mr. KING:

H. R. 6146. A bill for the relief of Chung Joe Seong, Chu Kwock Po, Chu Tung Shing, and Chu Tung Chou; to the Committee on the Judiciary.

By Mr. KLEIN:

H. R. 6147. A bill for the relief of Riva Bunamavicius; to the Committee on the Judiciary.

By Mr. RAINS:

H. R. 6148. A bill for the relief of R. H. Hardin; to the Committee on the Judiciary.

By Mr. WHITAKER:

H. R. 6149. A bill to provide for the conveyance of certain real property in Hopkins County, Ky., to the estate of James D. Meadors; to the Committee on Veterans' Affairs.

SENATE

FRIDAY, AUGUST 26, 1949

(Legislative day of Thursday, June 2, 1949)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Gerhard E. Lenski, pastor, Grace Lutheran Church, Washington, D. C., offered the following prayer:

Eternal and almighty God, whose we are and whom we serve, we lift our hearts and minds to Thee as we face the duties, the decisions, and the responsibilities that comprise this new day.

Let Thy mind be in us and Thy will clear before us. Make us more concerned to do the right than to have our own way. May we seek Thy divine approval rather than the praise of men. May we do this day such things as we will wish that we had done when finally we shall stand before Thee to render unto Thee our final account. So wilt Thou ever bless us as Thy servants and guide and keep us, even unto life eternal. Through Jesus Christ, Thy Son, our Lord. Amen.

THE JOURNAL

On request of Mr. ELLENDER, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, August 25, 1949, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, notified the Senate that Hon. E. E. Cox, a Representative from the State of Georgia, was elected Speaker pro tempore during the absence of the Speaker.

The message announced that the House had passed the bill (S. 936) to provide for the care and custody of insane persons charged with or convicted of offenses against the United States, and for other purposes, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the bill (S. 2115) to authorize payments by the Administrator of Veterans' Affairs on the purchase of automobiles or other conveyances by certain disabled veterans, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the joint resolution (S. J. Res. 109) to amend the National Housing Act, as amended, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 5647. An act to prohibit the picketing of United States courts;

H. R. 5833. An act to clarify provisions of existing law relative to vocational training of veterans under Public Law 346, Seventy-eighth Congress;

H. R. 6022. An act to increase the rates of compensation of certain employees of the Department of Medicine and Surgery of the Veterans' Administration, and for other purposes;

H. R. 6114. An act to set aside certain lands in Oklahoma, formerly a part of the Cheyenne-Arapaho Reservation, and known as the Fort Reno Military Reservation, for the Cheyenne-Arapaho Tribes of Indians of Oklahoma, and for other purposes; and

H. J. Res. 337. Joint resolution extending the time for payment of the sums authorized for the relief of the owners of certain properties abutting Eastern Avenue in the District of Columbia.

CALL OF THE ROLL

Mr. ELLENDER. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Byrd	Ives	Murray
Cain	Jenner	O'Mahoney
Capehart	Johnson, Colo.	Pepper
Chapman	Johnson, Tex.	Reed
Connally	Kefauver	Robertson
Cordon	Kem	Saltonstall
Donnell	Kerr	Schoeppel
Douglas	Kilgore	Smith, Maine
Ecton	Knowland	Smith, N. J.
Ellender	Langer	Sparkman
Flanders	Long	Stennis
Frear	Lucas	Taft
Fulbright	McCarthy	Taylor
George	McClellan	Thomas, Okla.
Gillette	McFarland	Thomas, Utah
Green	McKellar	Tydings
Gurney	McMahon	Vandenberg
Hayden	Magnuson	Watkins
Hendrickson	Malone	Wherry
Hickenlooper	Maybank	Wiley
Hill	Miller	Williams
Hoey	Millikin	Young
Holland	Morse	
Humphrey	Mundt	

Mr. LUCAS. I announce that the Senator from New Mexico [Mr. CHAVEZ] and the Senator from California [Mr. DOWNEY] are necessarily absent.

The Senator from New Mexico [Mr. ANDERSON], the Senator from Mississippi [Mr. EASTLAND], the Senator from Rhode Island [Mr. LEAHY], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Pennsylvania [Mr. MYERS], the Senator from West Virginia [Mr. NEELY], the Senator from Maryland [Mr. O'CONOR], and the Senator from Kentucky [Mr. WITHERS] are absent on public business.

The Senator from North Carolina [Mr. GRAHAM] is absent by leave of the Senate on public business.

The Senator from Wyoming [Mr. HUNT] is absent by leave of the Senate on official business.

The Senator from Nevada [Mr. MCCARRAN] and the Senator from Georgia [Mr. RUSSELL] are absent by leave of the Senate.

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN], the Senator from Nebraska [Mr. BUTLER], the Senator from New York [Mr. DULLES], the Senator from Michigan [Mr. FERGUSON], the Senator from Massachusetts [Mr. LODGE], and the Senator from New Hampshire [Mr. TOBEY] are absent by leave of the Senate.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Maine [Mr. BREWSTER], the Senator from Ohio [Mr. BRICKER], and the Senator from Minnesota [Mr. THYE] are necessarily absent.

The Senator from Connecticut [Mr. BALDWIN] is absent by leave of the Senate on official business.

The Senator from Pennsylvania [Mr. MARTIN] is absent on official business.

The VICE PRESIDENT. A quorum is present.

LEAVE OF ABSENCE

Mr. FLANDERS. Mr. President, I ask unanimous consent to be absent from the session of the Senate tomorrow because of a long-standing engagement to meet certain of my constituents.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. CAIN asked and obtained consent to be absent from the sessions of the Senate from Saturday noon, August 27, to 4 o'clock on Tuesday next.

Mr. LANGER asked and obtained consent to be absent from the sessions of the Senate from tomorrow, Saturday, until Tuesday next at 4:30 p. m.

Mr. SCHOEPPEL asked and obtained consent to be absent from the session of the Senate on Saturday, August 27.

On request of Mr. IVES, and by unanimous consent, Mr. DULLES was excused from attendance on the sessions of the Senate until Tuesday next.

Mr. MAYBANK asked and obtained consent to be excused from attendance on the session of the Senate between the hours of 1:30 and 3 p. m. today because of an important engagement in one of the departments, and also to be absent tomorrow.

Mr. MAYBANK subsequently said: Mr. President, earlier today I requested unanimous consent to be absent from the Senate tomorrow. I now ask unanimous consent to be absent for several days next week, also.

The VICE PRESIDENT. Without objection, consent is granted.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. ELLENDER, and by unanimous consent, the Committee on Foreign Relations and the Armed Services Committee, sitting jointly, were authorized to meet this afternoon during the session of the Senate.

TRANSACTION OF ROUTINE BUSINESS

Mr. ELLENDER. Mr. President, I ask unanimous consent that Senators may be permitted to present petitions and memorials, introduce bills and resolutions, and submit routine matters for the RECORD, as though the Senate were in the morning hour, and without debate.

The VICE PRESIDENT. Without objection, it is so ordered.

DISPOSITION OF EXECUTIVE PAPERS

The VICE PRESIDENT laid before the Senate a letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition, which, with the accompanying papers, was referred to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. JOHNSTON of South Carolina and Mr. LANGER members of the committee on the part of the Senate.

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. MURRAY, from the Committee on Interior and Insular Affairs:

S. 240. A bill to stimulate the exploration, production, and conservation of strategic and critical ores, metals, and minerals and for the establishment within the Department of the Interior of a Mine Incentive Payments Division, and for other purposes; without amendment and without recommendation (Rept. No. 958).

By Mr. KERR, from the Committee on Interior and Insular Affairs:

S. 477. A bill to authorize and direct the Secretary of the Interior to issue to Winfred DeCoteau a patent in fee to certain land; without amendment (Rept. No. 959);

H. R. 2706. A bill authorizing the issuance of a patent in fee to Susie Larvie Dillon; without amendment (Rept. No. 960);

H. R. 2920. A bill authorizing the issuance of a patent in fee to George Swift Horse; without amendment (Rept. No. 961);

H. R. 3616. A bill authorizing the issuance of a patent in fee to Lulu Two Spears Iron Bird; with an amendment (Rept. No. 962);

H. R. 3667. A bill authorizing the Secretary of the Interior to issue a patent in fee to Lenora Farwell Fritzler; without amendment (Rept. No. 963);

H. R. 3886. A bill authorizing the Secretary of the Interior to issue a patent in fee to Jeanette Pearl Burns; with an amendment (Rept. No. 964); and

H. R. 4254. A bill authorizing the Secretary of the Interior to issue a patent in fee to Sidney Blackhair; without amendment (Rept. No. 965).

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the Committee on the Judiciary.

(For nominations this day received, see the end of Senate proceedings.)

NATIONAL MILITARY ESTABLISHMENT APPROPRIATIONS—AMENDMENT

Mr. MORSE submitted an amendment intended to be proposed by him to the bill (H. R. 4146) making appropriations for the National Security Council, the National Security Resources Board, and for military functions administered by the National Military Establishment for the fiscal year ending June 30, 1950, and for other purposes, which was ordered to lie on the table and to be printed.

COMPENSATION FOR CERTAIN GOVERNMENT EMPLOYEES—AMENDMENTS

Mr. MORSE. Mr. President, I submit amendments intended to be proposed by me to the bill (H. R. 3191) to amend the act approved September 7, 1916 (ch. 458, 39 Stat. 742), entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," as amended, by extending coverage to civilian officers of the United States and by making benefits more realistic in terms of present wage rates, and for other purposes, and I ask unanimous consent that the amendments, together with an explanatory statement by me be printed in the RECORD.

The VICE PRESIDENT. The amendments submitted by the Senator from Oregon will be received, printed, and lie on the table, and, without objection, the amendments and the explanatory statement will be printed in the RECORD. The Chair hears no objection.

The amendments submitted by Mr. MORSE are as follows:

On page 22, at the end of line 14, insert a colon and the following: "*Provided, however,* That this subsection shall not apply to a master or a member of the crew of any vessel."

On page 37, beginning with line 24, strike out all to and including line 6, page 38, and insert in lieu thereof the following:

"(g) The amendment made by section 201 of this act to section 7 of the Federal Employees' Compensation Act, making the remedy and liability under such act exclusive except as to masters or members of the crew of any vessel, shall apply to any case of injury or death occurring prior to the date of enactment of this act: *Provided, however,* That any person who has commenced a civil action or an action in admiralty with respect to such injury or death prior to such date, shall have the right at his election to continue such action notwithstanding any provision of this act to the contrary, or to discontinue such action within 6 months after such date before final judgment and file claim for compensation under the Federal Employees' Compensation Act, as amended, within the time limited by sections 15 to 20 of such act (including any extension of such time limitations by any provision of this act), or within 1 year after enactment of this act, whichever is later. If any such action is not discontinued and is decided adversely to the claimant on the ground that the remedy or liability under the Federal Employees' Compensation Act is exclusive, or on jurisdictional grounds, or for insufficiency of the pleadings, the claimant shall, within the time limited by sections 15 to 20 of such act (including any extension of such time limitations by any provision of this act), or within 1 year after final determination of such cause, whichever is later, be entitled to file a claim under such act."

On page 39, between lines 17 and 18, insert the following new section:

"SEAMEN

"SEC. 305. (a) Nothing contained in this act shall be construed to affect the exclusion of certain seamen (as defined in the act of Mar. 24, 1943, chap. 26, 57 Stat. 45, as amended; 50 U. S. C., appendix, sec. 1291) from the terms of the Federal Employees' Compensation Act, as provided by such act of March 24, 1943, as amended.

"(b) Nothing contained in this act shall be construed to affect any maritime rights and remedies of a master or member of the crew of any vessel."

The explanatory statement presented by Mr. MORSE is as follows:

EXPLANATION OF AMENDMENTS TO H. R. 3191 PROPOSED BY SENATOR MORSE

The amendments being submitted to H. R. 3191, the bill amending the Federal Employees' Compensation Act, are concerned with two subjects:

1. The status of seamen under the Compensation Act, and

2. The status of pending suits against the Government by Federal employees, brought under the Federal Tort Claims Act and other statutes.

The bill, as passed by the House and reported with amendments, by the Senate Committee on Labor and Public Welfare, provides that as to all Federal employees the Compensation Act benefits shall be exclusive and in place of any other liability of the United States or its instrumentalities. Thus, by section 201 of the bill, a new subsection is added to section 7 of the Compensation Act, reading as follows:

"(b) The liability of the United States or any of its instrumentalities under this act or any extension thereof with respect to the injury or death of an employee shall be exclusive, and in place, of all other liability of the United States or such instrumentality to the employee, his legal representative, spouse, dependents, next of kin, and anyone otherwise entitled to recover damages from the United States or such instrumentality, on account of such injury or death, in any direct judicial proceedings in a civil action or in admiralty, or by proceedings, whether administrative or judicial, under any other workmen's compensation law or under any Federal tort liability statute."

In the report of the Senate committee, this provision is explained as follows:

"SEC. 201. Section 7 of the act would be amended by designating the present language as subsection (a) and by adding a new subsection (b). The purpose of the latter is to make it clear that the right to compensation benefits under the act is exclusive and in place of any and all other legal liability of the United States or its instrumentalities of the kind which can be enforced by original proceeding whether administrative or judicial, in a civil action or in admiralty or by any proceeding under any other workmen's compensation law or under any Federal tort liability statute. Thus, an important gap in the present law would be filled and at the same time needless and expensive litigation will be replaced with measured justice. The savings to the United States, both in damages recovered and in the expense of handling the lawsuits, should be very substantial and the employees will benefit accordingly under the Compensation Act as liberalized by this bill.

"Workmen's compensation laws, in general, specify that the remedy therein provided shall be the exclusive remedy. The basic theory supporting all workmen's compensation legislation is that the remedy afforded is a substitute for the employee's (or dependent's) former remedy at law for damages against the employer. With the creation of corporate instrumentalities of Government and with the enactment of various statutes authorizing suits against the United States for tort, new problems have arisen. Such statutes as the Suits in Admiralty Act, the Public Vessels Act, the Federal Tort Claims Act, and the like, authorize in general terms the bringing of civil actions for damages against the United States. The inade-

quacy of the benefits under the Employees' Compensation Act has tended to cause Federal employees to seek relief under these general statutes. Similarly corporate instrumentalities created by the Congress among their powers are authorized to sue and be sued, and this, in turn, has resulted in filing of suits by employees against such instrumentalities based upon accidents in employments.

"This situation has been of considerable concern to all Government agencies and especially to the corporate instrumentalities. Since the proposed remedy would afford employees and their dependents a planned and substantial protection, to permit other remedies by civil action or suits would not only be unnecessary, but would in general be uneconomical, from the standpoint of both the beneficiaries involved and the Government."

Under existing law, Government-employed seamen have been accorded the right to assert their maritime rights against the United States under the Suits in Admiralty Act and Public Vessels Act, and, moreover have been permitted an election to accept the benefits of the compensation in lieu of their maritime rights. The benefits to seamen under maritime law, which would be wiped out prospectively and to some extent retroactively by section 201 of the bill, are regarded as valuable rights by federally employed seamen, whose numbers exceed 16,000 at the present time. The representatives of maritime unions are now strongly urging, since the bill was placed on the Senate Calendar, that their right to sue the United States under maritime law be preserved and that they be kept in status quo. It would appear that none of the seamen's representatives were apprised of the implications of the bill insofar as it affects their maritime rights. Consequently none of the representatives of maritime labor appeared before the committees which considered the bill, and upon a perusal of the hearings I find no evidence that the effect of the bill upon seamen was explored on the merits. I think this is particularly unfortunate, although undoubtedly inadvertent, in view of the fact that seamen for years have opposed exclusive coverage under workmen's compensation.

Because I think there is merit in their position, and because I feel they should not be deprived of benefits they have enjoyed for many years without opportunity to have their arguments carefully considered by the appropriate committees of the Congress, I am proposing these amendments which are intended, insofar as possible, to preserve the rights of federally employed seamen under existing law to proceed against the United States apart from the Compensation Act. The purpose is likewise to preserve the status quo as to choice of remedies by seamen.

The first amendment, therefore, proposes to add the following proviso to section 7 (b) of the Federal Employees' Compensation Act, which subsection would be inserted in that act by section 201 of the bill: "*Provided, however,* That this subsection shall not apply to a master or a member of the crew of any vessel."

By this proviso, it is intended that the special provision, as added to the Compensation Act by this bill, declaring the liability of the United States under that act to be exclusive, shall not apply to seamen employed by the United States. It is not intended that the right of federally employed seamen, as heretofore recognized by the courts, to the maintain suits against the United States, shall be lessened by this bill. In short, the amendment is intended merely to preserve the status quo as to seamen. If the Congress should decide to go into this matter further at some future session, it could then do so without delaying the enactment of this urgently needed bill.

I propose further that a new section, section 305, be added to the bill on page 39, between lines 17 and 18, as follows:

"SEAMEN

"SEC. 305. (a) Nothing contained in this act shall be construed to affect the exclusion of certain seamen (as defined in the act of March 24, 1943, ch. 26, 57 Stat. 45, as amended; 50 U. S. C., Appendix, sec. 1291) from the terms of the Federal Employees' Compensation Act, as provided by such act of March 24, 1943, as amended.

"(b) Nothing contained in this act shall be construed to affect any maritime rights and remedies of a master or member of the crew of any vessel."

Subsection (a) of the proposed section 305 is necessary because of the special status of seamen on vessels that were operated under general agency agreements with the War Shipping Administration, now succeeded by the Maritime Commission. By the so-called Clarification Act of March 24, 1943, as amended (50 U. S. C., Appendix, sec. 1291), seamen on vessels so operated are excluded from coverage under the Federal Employees' Compensation Act, and it is not intended to supersede the Clarification Act by these amendments. While the House report on the bill (H. Rept. No. 729, p. 13) states that it is not intended to repeal this specific statutory exclusion, doubts have been expressed as to whether the bill and the explanation in the House report would have the intended effect. Consequently, to resolve doubts on this score, subsection (a) of section 305 is proposed, in order to maintain the status quo under the Clarification Act.

Subsection (b) of the proposed new section 305 is intended out of caution, to reaffirm what is accomplished by the proposed amendment to section 201 of the bill, lest some other provision of the bill which, in some way not now foreseen, might be construed to take away any election of remedies that seamen might now have. The new subsection would make clear that no provision of this amending act, as distinguished from the existing Compensation Act itself, shall be construed to affect any maritime rights or remedies of seamen. The purpose is to reserve to seamen whatever rights they now have, or may be held to have, under maritime law, and to allay the fears that have been expressed that the amendments to the Compensation Act being made by this bill will be construed to negative or reduce any of the maritime rights and remedies of seamen.

2. It will be observed that section 303 (g) of the bill, on pages 37 and 38, states that the exclusive remedy under the Compensation Act, as provided in the amendment made by section 201 of this bill, shall not apply to cases of injury or death in which liability under laws other than the Compensation Act was "finally determined" prior to the enactment of the present bill. The effect of this provision is to substitute the remedies provided in the Compensation Act for remedies being pursued by Federal employees in a large number of civil and admiralty actions. Thus rights, if any, presently existing and being asserted in pending court proceedings would be wiped out, automatically. It appears to me that such retroactive effect is not desirable or equitable. Claimants merit better treatment from their government.

The amendment I propose, as a substitute for section 303 (g) of the bill, reads as follows:

"(g) The amendment made by section 201 of this act to section 7 of the Federal Employees' Compensation Act, making the remedy and liability under such act exclusive except as to masters and members of the crew of any vessels, shall apply to any case of injury or death occurring prior to the date of enactment of this act: *Provided, however,* That any person who has commenced a civil action or an action in admiralty with respect to such injury or death prior to such date, shall have the right at this election to continue such action notwithstanding any provision of this act to the contrary, or to discontinue such action within 6 months after such date before final judgment and file claim for compensation under the Federal Employees' Compensation Act, as amended, within the time limited by sections 15 to 20 of such act (including any extension of such time limitations by any provision of this act), or within 1 year after enactment of this act, whichever is later. If any such action is not discontinued and is decided adversely to the claimant on the ground that the remedy or liability under the Federal Employees' Compensation Act is exclusive, or on jurisdictional grounds, or for insufficiency of the pleadings, the claimant shall, within the time limited by sections 15 to 20 of such act (including any extension of such time limitations by any provision of this act), or within 1 year after final determination of such cause, whichever is later, be entitled to file a claim under such act."

The effect of this amendment would be to give Federal employees, for a limited period a right to elect, in certain situations, whether to pursue their remedies (if they have any) sought in pending cases or to come under the terms of the Compensation Act. Thus, the exclusive remedy provision of section 201 would not automatically apply with respect to an injury or death occurring prior to the date of enactment of this bill if a civil action or an action in admiralty had been commenced with respect thereto prior to the date of enactment of this bill. Persons maintaining such actions could discontinue them within 6 months, before final judgment, and be entitled to file a claim for compensation within the time limits provided in the Federal Employees' Compensation Act, as amended, or within 1 year after the enactment of this bill, whichever is later. Moreover, in recognition of the fact that some legal actions might be decided adversely to the claimant on grounds other than the merits of the claim, it is provided that persons whose pending claims are dismissed on jurisdictional grounds, insufficiency of the pleadings, or because the remedy under the Compensation Act is exclusive, may file claim under the Compensation Act within similar time limitations.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred, as follows:

By Mr. MILLER:

S. 2495. A bill to permit verdicts in diversity of citizenship cases, by juries composed of the number of jurors required under State law; to the Committee on the Judiciary.

By Mr. SPARKMAN (for himself and Mr. SALTONSTALL):

S. 2496. A bill to authorize contributions to Cooperative for American Remittances to Europe, Inc.; to the Committee on Armed Services.

By Mr. JOHNSON of Colorado:

S. 2497. A bill for the relief of Walter John Gamel; to the Committee on the Judiciary.

S. 2498 (by request). A bill authorizing the advanced training in aeronautics of technical personnel of the Civil Aeronautics Board; to the Committee on Interstate and Foreign Commerce.

HOUSE BILLS AND JOINT RESOLUTION REFERRED OR PLACED ON CALENDAR

The following bills and joint resolution were severally read twice by their titles, and referred, or ordered to be placed on the calendar, as indicated:

H. R. 5647. An act to prohibit the picketing of United States courts; ordered to be placed on the calendar.

H. R. 5833. An act to clarify provisions of existing law relative to vocational training of veterans under Public Law 346, Seventy-eighth Congress; and

H. R. 6022. An act to increase the rates of compensation of certain employees of the Department of Medicine and Surgery of the Veterans' Administration, and for other purposes; to the Committee on Labor and Public Welfare.

H. R. 6114. An act to set aside certain lands in Oklahoma, formerly a part of the Cheyenne-Arapaho Reservation, and known as the Fort Reno Military Reservation, for the Cheyenne-Arapaho Tribes of Indians of Oklahoma, and for other purposes; to the Committee on Interior and Insular Affairs.

H. J. Res. 337. Joint resolution extending the time for payment of the sums authorized for the relief of the owners of certain properties abutting Eastern Avenue in the District of Columbia; to the Committee on the District of Columbia.

DEDICATORY ADDRESS BY SECRETARY OF DEFENSE LOUIS JOHNSON AT YESHIVA UNIVERSITY

[Mr. DOUGLAS asked and obtained leave to have printed in the RECORD an address by Hon. Louis Johnson, Secretary of Defense, at dedicatory exercises at Yeshiva University, New York, on Sunday, June 12, 1949, which appears in the Appendix.]

DANGEROUS ECONOMY — EDITORIAL FROM THE WOODBURY (N. J.) DAILY TIMES

[Mr. HENDRICKSON asked and obtained leave to have printed in the RECORD an editorial entitled "Dangerous Economy," published in the August 24, 1949, issue of the Woodbury (N. J.) Daily Times, which appears in the Appendix.]

STATEMENT BY ASSISTANT SECRETARY OF LABOR PHILIP KAISER

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD the statement made by Philip Kaiser on the occasion when he took the oath of office as Assistant Secretary of Labor, which appears in the Appendix.]

REORGANIZATION OF THE EXECUTIVE BRANCH—COMMENTS FROM WISCONSIN

[Mr. WILEY asked and obtained leave to have printed in the RECORD comments from Wisconsin regarding the reorganization of the Government, which appear in the Appendix.]

INDEPENDENT BUSINESS

[Mr. KEFAUVER asked and obtained leave to have printed in the RECORD a statement issued by the National Federation of Independent Business, Inc., relating to a message by its president, C. Wilson Harder, dated August 17, 1949, with reference to the so-called O'Mahoney-Kefauver antimonopoly merger bill, which appears in the Appendix.]

THE TREATY IS HALF THE PROGRAM—EDITORIAL FROM THE MEMPHIS PRESS-SCIMITAR

[Mr. KEFAUVER asked and obtained leave to have printed in the RECORD an editorial entitled "The Treaty Is Half the Program," published in the Memphis Press-Scimitar of July 22, 1949, which appears in the Appendix.]

FRIENDS WHO ARE ENEMIES—ARTICLE BY THOMAS W. CHRISTOPHER

[Mr. KILGORE asked and obtained leave to have printed in the RECORD an article entitled "Friends Who Are Enemies," written by Thomas W. Christopher, and published in the August 1949 issue of the Kiwanis magazine, which appears in the Appendix.]

PROGRESS ON THE DP BILL—EDITORIAL FROM THE NEW YORK TIMES

[Mr. KILGORE asked and obtained leave to have printed in the RECORD an editorial entitled "Progress on the DP Bill," published in the New York Times of August 26, 1949, which appears in the Appendix.]

LOOK TO YOUR OWN, AMERICANS—ARTICLE BY PRESTON B. WATERBURY

[Mr. MORSE asked and obtained leave to have printed in the RECORD an article by Preston B. Waterbury, colonel, United States Army, retired, entitled "Look To Your Own, Americans," which appears in the Appendix.]

FOREST ACCESS ROADS

[Mr. MORSE asked and obtained leave to have printed in the RECORD an editorial entitled "Remove the Handcuffs," published in the Roseburg (Oreg.) News-Review, and a news item published in the same newspaper, with reference to forest access roads, which appear in the Appendix.]

GOOD ROADS

[Mr. MORSE asked and obtained leave to have printed in the RECORD two letters to the Medford (Oreg.) News, on the subject of good roads, which appear in the Appendix.]

THE MUNDT BILL—ARTICLE FROM THE WASHINGTON POST

[Mr. MORSE asked and obtained leave to have printed in the RECORD an article entitled "Mundt Bill," published in the Washington Post of August 23, 1949, which appears in the Appendix.]

CARE AND CUSTODY OF CERTAIN INSANE PERSONS

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 936) to provide for the care and custody of insane persons charged with or convicted of offenses against the United States, and for other purposes, which were, on page 5, lines 4 and 5, strike out "may in its discretion" and insert "shall"; on page 5, line 9, strike out "may" and insert "shall"; and on page 5, line 16, after "Government.", insert "At such hearing the court may in its discretion call any other witnesses for the prisoner."

Mr. KILGORE. Mr. President, the enactment of this bill is badly needed. The only amendments made by the House to the bill make it mandatory that persons convicted of crimes who have been adjudged to be insane prior to their discharge from the institution for the insane in which they have been confined must be reported back to the district court which shall have appointed an alienist to examine them. In the Senate bill we used the word "may," and the House made it "shall." Inasmuch as the bill is badly needed in connection with the care of the criminal insane, I move that the Senate concur in the amendments of the House.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from West Virginia.

The motion was agreed to.

AMENDMENT OF NATIONAL HOUSING ACT

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the joint resolution (S. J. Res. 109) to amend the National Housing Act, as amended, which was, to strike out all after the enacting clause and insert:

That the National Housing Act, as amended, is hereby amended—

(1) by striking out of the first sentence of section 2 (a) "September 1, 1949" and inserting in lieu thereof "November 1, 1949."

(2) by striking out of the proviso in section 203 (a) "$5,300,000,000" and inserting in lieu thereof "$5,500,000,000" and by striking out of such proviso "$5,500,000,000" and inserting in lieu thereof "$6,000,000,000."

(3) by striking out of the second proviso in section 603 (a) "August 31, 1949" in each place where it appears therein and inserting in lieu thereof "October 31, 1949."

Mr. MAYBANK. I move that the Senate concur in the amendment of the House.

Mr. SALTONSTALL. Mr. President, will the Senator please explain what is proposed to be done?

Mr. MAYBANK. Mr. President, the House has amended Senate Joint Resolution 109 by making an additional extension of time in connection with what were formerly known as titles 1 and 6 of the National Housing Act, and authorizing additional funds under title 2 of that act, but which are now in title 1 of Senate bill 2246.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from South Carolina that the Senate concur in the House amendment.

The motion was agreed to.

NATIONAL MILITARY ESTABLISHMENT APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 4146) making appropriations for the National Security Council, the National Security Resources Board, and for military functions administered by the National Military Establishment for the fiscal year ending June 30, 1950, and for other purposes.

The VICE PRESIDENT. The Secretary will proceed to state the amendment reported by the Committee on Appropriations.

The first amendment of the Committee on Appropriations was, under the heading "Title II, National Military Establishment, Office of the Secretary of Defense," on page 3, line 16, after the word "exceed", to strike out "four" and insert "five, including one at not to exceed $3,000"; in line 23, after the word "conclusive", to strike out "$9,000,000" and insert "$11,450,000"; and in the same line, after the amendment just above stated, to insert a colon and the following proviso: "*Provided*, That, during the current fiscal year, whenever under authority of law, any function or activity is transferred or assigned from the Departments of the Army, Navy, or Air Force to an agency for which funds are provided under this appropriation, such amounts as may be approved by the Director of the Bureau of the Budget may be transferred to this appropriation from the current appropriation or appropriations available to those Depart-

ments for the function or activity so transferred."

The amendment was agreed to.

The next amendment was, under the subhead "Retired pay," on page 4, line 12, after the word "Force", to strike out "$180,000,000" and insert "$190,780,000."

The amendment was agreed to.

The next amendment was, under the heading "Title III—Department of the Army—General Staff Corps—Field exercises," on page 6, line 4, after "(28 U. S. C. 2672)", to strike out "$6,000,000" and insert "$2,500,000."

The amendment was agreed to.

The next amendment was, under the subhead "Finance Department—Finance service, Army," on page 8, line 2, after "(Public Law 248)", to strike out "$1,448,350,000" and insert "$1,453,350,000, of which not to exceed $10,000,000 may be transferred to the appropriation 'Finance service, Army, 1949,' and."

The amendment was agreed to.

The next amendment was, under the subhead "Travel of the Army," on page 10, line 11, after the word "unpacking", to strike out "$77,000,000" and insert "$85,692,000."

The amendment was agreed to.

The next amendment was, under the subhead "Apprehension of deserters," on page 11, line 22, after the word "sentence", to strike out "involving dishonorable discharge."

The amendment was agreed to.

The next amendment was, under the subhead "Finance service," on page 12, line 3, after the word "Department", to strike out "$28,500,000" and insert "$28,743,000."

The amendment was agreed to.

The next amendment was, under the subhead "Subsistence of the Army," on page 14, line 13, after the word "all", to strike out "$255,000,000" and insert "$274,858,000."

The amendment was agreed to.

The next amendment was, on page 14, line 16, after the word "products", to insert a colon and the following additional provisos: *"Provided further,* That no part of this or any other appropriation contained in this act shall be available for the procurement of any article of food or clothing not grown or produced in the United States or its possessions, except to the extent that the Secretary of the Army shall determine that a satisfactory quality and sufficient quantity of any articles of food or clothing grown or produced in the United States or its possessions cannot be procured as and when needed at United States market prices and without unduly increasing future United States market prices and except procurements by vessels in foreign waters and emergency procurements or procurements of highly perishable foods by establishments located outside the continental United States, except the Territories of Hawaii and Alaska, for the personnel attached thereto: *Provided further,* That, notwithstanding the provisions of the foregoing proviso, the Secretary of the Army is authorized to purchase from the Commodity Credit Corporation any meat owned and stored by such Corporation on the date of enactment of this act which the Secretary determines to be of a satisfactory quality for the use of the Military Establishment, or for civilian feeding in occupied areas."

Mr. WILEY. Mr. President, there is an amendment to the committee amendment, on page 15, line 12, in which a number of Senators are interested. In view of the fact that many of the sponsors of the amendment are not present, I ask that the committee amendment be passed over for the time being.

The VICE PRESIDENT. Without objection, the committee amendment just stated will be temporarily passed over.

The clerk will state the next committee amendment.

The next amendment was, under the subhead "Regular supplies of the Army," on page 16, line 4, after the word "irrigation", to strike out "$115,000,000" and insert "$125,030,000."

The amendment was agreed to.

The next amendment was, under the subhead "Clothing and equipage," on page 17, line 9, after the word "internment", to strike out "$192,000,000" and insert "$207,533,000."

The amendment was agreed to.

The next amendment was, under the subhead "Incidental expenses of the Army," on page 18, line 18, after the word "sites", to strike out "$104,900,000" and insert "$107,286,000."

The amendment was agreed to.

The next amendment was, under the subhead "Transportation Corps—Transportation service, Army," on page 19, line 7, after the word "activities", to strike out "$340,000,000: *Provided"* and insert "$332,000,000"; in the same line, after the amendment just above stated, to insert a colon and the following proviso: *"Provided,* That $32,000,000 of the unexpended balance of the appropriation 'Transportation service, Army, 1949,' shall remain available until June 30, 1950, and shall be merged with the appropriation 'Transportation service, Army,' made by this act."

The amendment was agreed to.

The next amendment was, on page 19, line 18, after the word "procured", to insert a colon and the following additional proviso: *"Provided further,* That vessels under the jurisdiction of the Maritime Commission, the Department of the Army, or the Department of the Navy may be transferred or otherwise made available without reimbursement to any of such agencies upon the request of the head of one agency and the approval of the agency having jurisdiction of the vessels concerned."

The amendment was agreed to.

The next amendment was, under the subhead "Signal Corps—Signal service of the Army," on page 21, line 25, after the word "thereof", to strike out "$200,000,000" and insert "$207,390,000."

The amendment was agreed to.

The next amendment was, under the subhead "Corps of Engineers—Engineer service, Army," on page 25, line 4, after the word "for", to strike out "$125,000,000" and insert "$128,925,000."

The amendment was agreed to.

The next amendment was, under the subhead "Barracks and quarters, Army," on page 26, line 1, after the word "for", to strike out "$188,670,000" and insert "$187,732,269"; and on page 27, line 3, after the words "sum of", to strike out "$7,300,000" and insert "$9,300,000."

The amendment was agreed to.

The next amendment was, under the subhead "Military construction, Army," on page 27, line 17, after "(28 U. S. C. 2672)", to strike out "$86,737,000" and insert "$85,706,120."

The amendment was agreed to.

The next amendment was, under the subhead "Ordnance Department—Ordnance service and supplies, Army," on page 29, line 1, before the word "of", to strike out "$730,000,000" and insert "$757,852,000"; and in line 4, after the numerals "1949", to insert a colon and the following additional proviso: *"Provided further,* That the sum of $5,000,000 of the appropriation 'Ordnance service and supplies, Army', 1942–1946, shall remain available until June 30, 1950, for the payment of obligations incurred under contracts executed thereunder prior to July 1, 1946."

The amendment was agreed to.

The next amendment was, under the subhead "Chemical Corps—Chemical service, Army," on page 30, line 9, after the word "ranges", to strike out "$35,000,000" and insert "$36,301,000."

The amendment was agreed to.

The next amendment was, under the subhead "National Board for Promotion of Rifle Practice, Army", on page 42, line 11, after the word "competitions", to insert "(no more than $10,000 of which shall be available for incidental expenses, including travel of a team representing the United States at the international matches to be held in Argentina in the calendar year 1949)"; and on page 43, line 1, after the word "Army", to strike out "$272,500" and insert "$160,000."

The amendment was agreed to.

The next amendment was, under the subhead "Departmental salaries and expenses—Salaries, Department of the Army," on page 44, line 15, after "Adjutant General's Office", to strike out "$10,300,000" and insert "$10,520,000."

The amendment was agreed to.

The next amendment was, on page 44, line 17, after "Office of the Judge Advocate General", to strike out "$600,000" and insert "$620,000."

The amendment was agreed to.

The next amendment was, on page 44, line 20, after "Office of the Quartermaster General", to strike out "$7,200,000" and insert "$7,303,000."

The amendment was agreed to.

The next amendment was, on page 44, line 22, after "Office of the Chief of Transportation", to strike out "$3,000,000" and insert "$3,006,000."

The amendment was agreed to.

The next amendment was, on page 45, line 3, after "Office of Chief of Engineers", to strike out "$4,000,000" and insert "$4,035,000."

The amendment was agreed to.

The next amendment was, on page 45, line 4, after "Office of Chief of Ordnance", to strike out "$4,300,000" and insert "$4,318,000."

The amendment was agreed to.

The next amendment was, on page 45, line 6, after "Office of Chief of Chaplains", to strike out "$129,000" and insert "$106,000."

The amendment was agreed to.

The next amendment was, under the subhead "Contingent expenses, Department of the Army," on page 45, line 10, after the word "government", to strike out "$9,000,000" and insert "$9,065,000."

The amendment was agreed to.

The next amendment was, under the heading "Title IV—Department of the Navy—Office of the Secretary—Miscellaneous expenses," on page 45, line 25, after the word "expenses", to strike out "$4,300,000" and insert "$4,342,600."

The amendment was agreed to.

The next amendment was, under the subhead "Contingencies of the Navy," on page 46, line 9, after the word "service", to strike out "$17,500,000" and insert "$17,634,000."

The amendment was agreed to.

Mr. HILL. Mr. President, I should like to ask the distinguished Senator from Oklahoma a question about the committee amendment on page 43, line 1. This item is for rifle practice. I notice that the committee amendment would reduce the House figure from $272,500 to $160,000.

Mr. THOMAS of Oklahoma. That is the budget estimate.

Mr. HILL. Was $160,000 the budget estimate?

Mr. THOMAS of Oklahoma. That is correct.

Mr. HILL. I know the distinguished Senator from Oklahoma worked hard on this bill. He gave a great amount of time, thought, and consideration to it.

Mr. THOMAS of Oklahoma. Let me say further that, as stated yesterday, the House increased the budget estimates in certain particulars. This was one of the few places where the House increased the budget estimate. As I stated yesterday, if the House conferees make a good case and convince the Senate conferees that more money should be allowed for the rifle-practice program, speaking for myself, I shall be agreeable to increasing the figure above the budget estimate. As I understand, there is to be a rifle tournament in Argentina. That will cost something, but not a large sum. This is one of the items which I had in mind yesterday, with respect to which the House figure is above the budget estimate. When the bill goes to conference, I think we can agree without doing damage to this program.

Mr. HILL. I know what a good friend of national defense the distinguished Senator from Oklahoma is. I know of his interest in the National Guard and the Reserves, and his interest in the rifle practice program. I am sure that when he sits in conference on this item, a friend of the cause will be sitting there.

Mr. THOMAS of Oklahoma. I appreciate the statement of the Senator from Alabama.

The VICE PRESIDENT. The amendment has already been agreed to.

The clerk will state the next committee amendment.

The next amendment was, under the subhead "Operation and conservation of naval petroleum reserves," on page 46, line 16, after the word "reserves", to strike out "$9,500,000" and insert "$10,000,000."

The amendment was agreed to.

The next amendment was, under the subhead "Contingent expenses," on page 47, line 11, after the word "offices", to strike out "$1,100,000" and insert "$1,685,000."

The amendment was agreed to.

The next amendment was, under the subhead "Salaries," on page 47, line 19, after the word "Navy", to strike out "$4,321,000" and insert "$4,600,000."

The amendment was agreed to.

The next amendment was, under the heading "Office of Chief of Naval Operations—Hydrographic Office," on page 48, line 10, after the word "publications", to strike out "$4,145,000" and insert "$4,466,000."

The amendment was agreed to.

The next amendment was, under the subhead "Salaries, Office of Chief of Naval Operations," on page 48, line 13, after the word "Operations", to strike out "$1,477,500" and insert "$1,515,000."

The amendment was agreed to.

The next amendment was, under the subhead "Salaries, Office of Chief of Naval Communications," on page 48, line 17, after the word "Communications", to strike out "$608,000" and insert "$645,000."

The amendment was agreed to.

The next amendment was, under the heading "Office of Judge Advocate General—Salaries," on page 49, line 6, after the word "General", to strike out "$335,700" and insert "$381,000."

The amendment was agreed to.

The next amendment was, under the heading "Office of Naval Research—Research," on page 49, line 11, after the word "Research", to strike out "$43,100,000" and insert "$43,106,000."

The amendment was agreed to.

The next amendment was, under the subhead "Salaries," on page 49, line 19, after the word "Research", to strike out "$1,285,000" and insert "$1,400,000."

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Naval Personnel—Transportation and recruiting," on page 52, line 15, after the word "purposes", to strike out "$32,000,000" and insert "$32,900,000."

The amendment was agreed to.

The next amendment was, under the subhead "General expenses," on page 53, line 25, after the word "medals", to strike out "$2,000,000" and insert "$2,193,000."

The amendment was agreed to.

The next amendment was, under the subhead "Salaries," on page 55, line 9, after the word "Personnel", to strike out "$5,550,000" and insert "$5,825,000, and the compensation of the employee in charge of the Naval Academy section shall be as to base in accordance with the rates applying to grade 14 of the clerical, administrative, and fiscal services so long as the position is held by the present incumbent."

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Ships—Maintenance," on page 57, line 11, after the word "expeditions", to strike out "$357,500,000" and insert "$358,023,000."

The amendment was agreed to.

The next amendment was, under the subhead "Construction of ships," on page 57, line 25, after the word "appropriation", to strike out "$168,000,000" and insert "$157,104,000"; on page 58, line 4, after the word "exceed", to strike out "$15,000,000" and insert "$85,748,000, of which $70,748,000 represents a transfer of contract authority granted under this head in the 1949 Department of the Navy Appropriation Act"; and in line 10, after the word "exceed", to strike out "$18,700,000" and insert "$101,732,000."

The amendment was agreed to.

The next amendment was, under the subhead "Increase and replacement of naval vessels—Construction and machinery," on page 58, line 16, after the word "appropriation", to strike out "$38,000,000" and insert "$38,136,000."

The amendment was agreed to.

The next amendment was, under the subhead "Salaries," on page 58, line 19, after the word "Ships", to strike out "$6,700,000" and insert "$6,775,000."

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Ordnance—Ordnance and ordnance stores," on page 59, line 6, after the word "practice", to strike out "$220,000,000" and insert "$226,385,000."

The amendment was agreed to.

The next amendment was, under the subhead "Ordnance for new construction," on page 59, line 13, after the word "appropriation", to strike out "$66,604,000" and insert "$62,657,000"; in line 18, after the word "exceed", to strike out "$32,000,000" and insert "$76,571,000, of which $44,571,000 represents a transfer of contract authority granted under this head in the 1949 Department of the Navy Appropriation Act"; and in line 24, after the word "exceed", to strike out "$33,600,000" and insert "$80,348,000."

The amendment was agreed to.

The next amendment was, under the subhead "Increase and replacement of naval vessels—Armor, armament, and ammunition," on page 60, line 6, after the word "appropriation", to strike out "$70,000,000" and insert "$70,014,000".

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Supplies and Accounts—Subsistence," on page 60, line 19, after the word "law", to strike out "$102,000,000" and insert "$110,814,000."

The amendment was agreed to.

The next amendment was, under the subhead "Maintenance," on page 61, line 19, after "(Public Law 248)", to strike out "$220,000,000" and insert "$217,384,000."

The amendment was agreed to.

The next amendment was, under the subhead "Fuel," on page 62, line 13, after the word "facilities", to strike out "$65,000,000" and insert "$69,000,000."

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Yards and Docks—Maintenance," on page 63, line 18, after the word "vehicles", to strike out $153,000,000" and insert "$156,833,000."

The amendment was agreed to.

The next amendment was, under the subhead "Public works," on page 65, line 3, after the word "expended", to strike out $52,000,000" and insert "$53,210,000."

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Aeronautics—Aviation," on page 66, line 6, after the figures "$25,000,000", to insert "and, in addition, not to exceed $20,000,000 of the appropriations for the Department of the Navy made by this act shall be transferred from such appropriations in this act as the Secretary of Defense may determine and be merged with this appropriation for the purposes of this appropriation."

The amendment was agreed to.

The next amendment was, under the heading "Marine Corps—General expenses," on page 68, line 18, after the word "facilities", to strike out "$125,200,000" and insert "$126,900,000."

The amendment was agreed to.

The next amendment was, under the heading "Title V—Department of the Air Force—Construction of aircraft and related procurement," on page 69, line 17, after the word "exceed", to strike out "$1,992,755,000" and insert "$1,415,000,000."

Mr. KNOWLAND. Mr. President, I should like to address an inquiry to the chairman of the subcommittee at this point. As I understand, this is the amendment in which the Senate committee has stricken out the amount allowed by the House relative to the Air Force, which would limit the Air Force to a 51-group program. Is that correct?

Mr. THOMAS of Oklahoma. A 48-group program.

Mr. KNOWLAND. Will this reduce it to 48?

Mr. THOMAS of Oklahoma. The House added money for a 58-group air force, and this is a reduction recommended by the Senate committee. It is a reduction in harmony with the request of the military authorities. Secretary Johnson did not ask for an increase to the House figure. Neither did Mr. Symington. They asked only for the budget estimate, and this bill carries the budget estimate.

Mr. KNOWLAND. I should like to make a few remarks on this subject. While I realize that probably what I shall have to say will not change the judgment of the Senate in making this reduction, I believe that at this time it needs to be said, I shall ask for a yea-and-nay vote on the amendment.

First of all, I wish to call the attention of the Senate to the report of the President's Air Policy Committee, which was issued under date of January 1, 1948. I shall take the time to read, for the information of the Senate and the country, the language of the report, so as to remind all of us of some of the statements it contains. I read now from page 24, under the heading "The Requirements of the Air Establishment—Recommendations of the Commission." This is the report of the President's Air Policy Commission:

THE AIR FORCE

We have received from representatives of the Air Force and the Navy exhaustive presentations of the war missions to be carried out by each of the services and of the requirements of the services for the conduct of their missions. We have analyzed these strategic plans and requirements and have reached the following conclusions:

The Air Force as presently composed is inadequate. It is inadequate not only at the present time when we are relatively free of the dangers of sustained attack on our homeland, but is hopelessly wanting in respect of the future phase II period when a serious danger of atomic attack will exist.

The present Air Force consists of 337,000 uniformed and about 125,000 civilian personnel. It is equipped with a total of 10,800 aircraft in active status, including about 580 heavy bombers and 2,300 fighters. Backing up this force is a reserve of about 12,800 World War II aircraft usable at any time during the next 2 or 3 years to replace losses of planes due to current peacetime attrition or, in the event of war, caused by combat losses.

Our present Air Force is divided into 55 groups. Each group is trained for specific missions such as strategic bombing, tactical reconnaissance, fighter escort, interception, and troop carrier and transport.

From evidence received from the Secretary of the Air Force, its Chief of Staff, and many of its ranking generals as well as informed authorities outside of the Military Establishment, we conclude that the 55-group force, if engaged in action in this present phase I, could not carry out the missions assigned to it because it is lacking in the essential air units for effective combat action. It would be even less capable of carrying out the missions which would face it in phase II conditions. Even more alarming is the statement by the Air Force that the funds presently available will not permit the maintenance of the present inadequate air force and that if appropriations are not increased the Establishment must be cut back to approximately 40 groups with reductions starting in July 1948.

None of this must be permitted. There is a minimum force in being below which we must not go if we are to protect our country and its vital interests.

We have concluded that the minimum force necessary at the present time is an Air Force composed of 12,400 modern planes, organized into 70 combat groups, and 22 special squadrons, supplemented by 27 National Guard groups and 34 groups of Air Reserve. All these forces, with the exception of the Air Reserve, must be equipped, trained, and ready for immediate action in the event of war. We should build to this force as rapidly as possible and once it is achieved, never permit it to drop below this level. Nor should we permit it to become impotent and ineffective because of failure to keep it modernized with the very best planes and equipment available.

At first we seriously questioned the need of an Air Force of these proportions because it was obvious that building it and supporting it would involve a substantial increase in expenditures. However, as we studied the strategic and tactical needs of the Air Force we came to the conclusion that:

1. The 70 groups would include the very minimum number of intercepter fighters necessary for our home defenses; and their effectiveness would be almost entirely dependent upon having a satisfactory radar early-warning system and adequate ground and air defensive missiles. We emphasize again, however, that no plans for defense should be made in derogation of the striking counteroffensive air arm in being.

2. The 70 groups would provide only 700 very heavy bombers for the strategic bombing of enemy targets. This force of bombers seems minute as compared with the 14,000 bombers of the United States Air Force and the Royal Air Force committed to combat in the European theater during the war. Only by using the very best equipment and the latest techniques will so small a force be able to carry an effective war to the enemy.

That is the end of the quotation which I shall read to the Senate at this time; it is from the report of the President's Air Policy Commission, and the report was issued last year.

I also wish to call to the attention of the Senate, so that the Members of the Senate may be fully advised before they take whatever action they are going to take on this matter, a report of the Congressional Aviation Policy Board of the Congress of the United States, issued pursuant to Public Law 287 of the Eightieth Congress, and printed on March 1, 1948, as a Government document. On page 7 of that report, under the heading "Plan A," appears the following statement:

From the information made available to the Board by the Air Force and by the Navy separately, it would appear that the initial strength necessary to mount promptly an effective, continuing, and successful air offensive against a major enemy, is what is termed the Air Force 70-group program of 20,541 aircraft, plus the Navy program of 14,500 aircraft, total 35,041 aircraft. At the level-off period in 1935 these programs would require thereafter an annual Air Force procurement of 86,000,000 airframe pounds and an annual Navy procurement of 25,000,000 airframe pounds—total, 111,000,000 airframe pounds annually.

That is the judgment of the Congressional Aviation Policy Board.

Mr. President, we can go to another witness at this time. I wish to read now from a column written in the magazine Newsweek by Gen. Carl Spaatz, who was Chief of Staif of the Air Force, and had a long and distinguished career as an officer of the United States Air Force in carrying out the obligations of the Air Force during the recent war. I read General Spaatz's column:

OUR DIMINISHING AIR POWER

(By Gen. Carl Spaatz, U. S. A. F., retired)

Apparently the decision has been reached to reduce the United States Air Force to 48 groups. It might be well for the American people to realize the significance of this action.

The reduction to 48 groups means that the Air Force will have to deactivate an appreciable number of groups already organized and well on the road to combat effectiveness. These include strategic bomber groups as well as groups for tactical air support of our Army. This reduction is being made at a time when Mr. Churchill and other top world leaders have stated that air power and the United States Air Force's ability to drop the atom bomb have been the greatest force for world stabilization and peace. It also comes at a time when some Army generals are complaining about the lack of tactical air units for cooperation with the ground forces.

The recent air show over Moscow and resulting statements by Communist officials show clearly their intent to build up the largest air force within their capabilities. Our national security demands an Air Force strong enough to meet this potential threat. The 70-group Air Force program is the minimum, in my opinion, for our security in the present world situation. This will provide a well-balanced force for the Air Force's missions.

In determining the strength and composition of the military forces—land, sea, and air—which are to be maintained by the United States, full consideration must be given to the military strength in all categories maintained by the other signatory nations of the Atlantic Pact.

The air forces provided by these nations should for the most part consist of air-defense and tactical-air-support units. Strategic bombing forces will be a major commitment of the RAF and the United States Air Force, since the expense of developing and maintaining them would be beyond the means of the other nations. The British Navy is a powerful addition to the forces necessary for control of the seas.

The total amount now being spent for air power by the United States is more than adequate. But it is not enough to support two air forces with duplicate establishments. The composition of our armed forces must be determined not on a hysterical and emotional basis but on the basis of the maximum national defense at the minimum cost.

In terms of air power this means one Air Force for the mission of air defense, strategic bombing, and support of surface forces. In addition the Navy must have all the fleet aviation necessary for control of the seas, with emphasis on meeting the Schnorkel submarine threat.

Overemphasis of peacetime strength in any one service beyond the need for its primary task, will result in improper balance of the forces to meet the impact of a future war. This unbalance is most apparent in overhead installations such as schools, depots, and reserve training stations with which the United States is now dotted, in some instances with Air Force and naval air stations side by side. The Air Force is now being given efficient service by the Army Quartermaster Corps, Army Ordnance, and Army Signal Corps, and similar cross-servicing should be extended to embrace all components of our armed forces. For instance, the Air Force repair and supply-depot system could be extended to take care of naval air and Marine Corps air needs.

However, it will be difficult if not impossible to assure the proper balance under an organizational set-up wherein overemphasis is placed on individual service prerogatives and individual service determination of its requirements for a future war. If the national defense budget took but a small part of our annual income, this would not be a serious matter. But with staggering expenditures of $14,000,000,000 to $15,000,000,000 a year, much closer integration of the service programs is essential to obtain the most from every dollar spent.

If our armed forces were provided with an over-all military Chief of Staff and general staff, sums now wasted on overhead and duplication would be saved. Therein lies true economy, rather than in reducing the combat strength of our Air Force, which is a keystone in the entire North Atlantic defense system.

Mr. President, in addition to the testimony of General Spaatz, when the Secretary of the Air Force appeared last year before the Armed Services Committee, which was conducting hearings on the universal military training bill, he admitted the 70-group program was still an essential program. Yet what will happen if the Senate accepts the amendment offered by the Senate committee? Instead of a 70-group air force, which the President's Air Policy Board, the Congressional Board, and General Spaatz say is the minimum essential for the national defense, the actual strength of the Air Force, which would be 58 groups under the House language, will be reduced to 48 groups.

Mr. President, that is a great responsibility for the Senate of the United States to take. We have pending before the combined Armed Services-Foreign Relations Committee at the present time an arms implementation bill calling for appropriations of $1,400,000,000. Why is that bill before the Congress of the United States? It is before the Congress because, as a matter of national policy, we have determined that the peace of the world and international law and order are of great concern to this Nation. The Atlantic Pact, which was ratified by the Senate a short time ago, was designed to implement and support that policy and to demonstrate to any potential aggressor nation that any overt act of aggression any place in the world was of concern to the people of the United States in their support of international law and order. In order to implement the North Atlantic Pact, we have under consideration arms implementation legislation. Why? In order to help strengthen the arm of defense of our allies in the Atlantic Pact, and of certain countries additional thereto.

If the danger of overt Communist aggression is so great as our National Government has felt it to be, so that this Nation was justified in embarking for the first time in its history upon a North Atlantic Pact; if it is so great as to justify the expenditure of $1,400,000,000 for the implementation of arms to the signatories to the pact and to other free peoples of the world in order to maintain a free world of free men, then I say, Mr. President, with all the sincerity I possess, this is no time for the Congress of the United States to clip the wings of the eagle, to dull his beak, or to cut off his talons. When the testimony of those who know the situation best have said the American Air Force in being and the atomic weapon are probably the two factors which have prevented up to this very hour an overt aggression by the Soviet power against the free nations of the world, it simply does not make sense for us at this very time, not only not to come up to the minimum standard which competent testimony has demonstrated should be done, but actually to reverse the process and start cutting our Air Force in being.

Now, what will this amendment do, Mr. President? Of course, a responsibility is upon the Senate of the United States, and the Senate, along with the House of Representatives, will have to make the decision. But the fact of the matter is, in my judgment, it does more than merely cut out a number of groups from the Air Force. It strikes a substantial blow at the morale of the Air Force. I do not believe it is possible to create groups in the Air Force, start to train them in a program and a very important mission in the national defense of our country, and then reverse the process and start cutting them down, without adversely affecting their morale.

I wanted to bring this matter to the attention of the Senate because this is the place and now is the time the issue will have to be met. It may be that, in the judgment of the Senate of the United States, despite the North Atlantic Treaty and despite the arms implementation program, the Senate will decide that we should cut our own national defense in the air and use the funds thus saved for other programs. I do not believe it makes sense, because if ever the chips are down in another war—and we all hope that will never happen—it is my judgment that the very security of this country, the safety of our cities, the ultimate success of the Nation in finally winning the victory are going to depend in the last analysis upon the strength of our own National Defense Establishment in the air, on the sea, and on the land.

Mr. President, I do not underestimate the importance of allies. I think we want to have as many allies as we possibly can who will stand with us to preserve a free world of freemen. But as one United States Senator I am not willing to, as I say, clip the wings of the eagle at the time we are sending vast sums elsewhere in the world. I am willing to help implement the defense of other nations, but I am not willing to help implement it if at the same time we are striking what I think is a very fundamental blow at our own national defense.

Mr. HILL. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. HILL. I commend the Senator from California for the very timely and able statement he has just made. He has brought to our attention the recommendations of the President's Air Power Board, the Congressional Board, and the statement of General Spaatz. Is it not true that General Spaatz is the officer in our military forces who, as the commanding general of the Eighth Air Force, had the responsibility for the strategic bombing of Germany? It was his responsibility to carry the war to Germany—to paralyze and knock out Germany's war-making capacity. Is not that correct?

Mr. KNOWLAND. The Senator is correct. We can say that without in any way disparaging any other contribution because no war can be won by one branch of the service alone. It is correct that General Spaatz was the responsible officer who was charged with the direction of our strategic Air Force, and after the war he became Chief of Staff of the United States Air Force, and is probably as familiar, if not more so, with the strategic needs of the Nation as is any man now living, if, indeed, he is not more familiar with them than any other man.

Mr. HILL. Is it not true that in the past, in planning our defense and making preparations for our armed forces, we did not and could not know who our enemy might be? For instance, in the last war there were two major enemies—Germany and Japan—one in western Europe, the other in the Far East. Today we know we could have but one real enemy. There is only one nation in the world which is capable of challenging the United States or making war upon us. So from that standpoint our problem is simplified. We do not have to make many different plans, having in mind that we might have to fight this enemy or that enemy or some other enemy. We know that if we are called upon to defend ourselves our defense must be against only one particular nation. So the situation is simplified to that extent.

We also know that in any war we win the war, and save our country in one of two ways: Either we destroy the enemy's armies in the field or else destroy the

enemy's capacity at home to make war. We know that, so far as any potential enemy that we might have today is concerned, we would be foolish to try to destroy that enemy's armies in the field. We could not put a sufficient number of men in Europe to meet the millions of men which Russia could put into the field. So, if we should have a conflict with Russia, every dictate of military strategy would cause us to seek to destroy Russia's capacity at home to make war on us. We know that the only way we can destroy Russia's war-making capacity is with air power, with atomic power, and with what we call strategic bombing? Is not that correct?

Mr. KNOWLAND. I believe the Senator is correct.

Mr. HILL. Therefore, today the one arm of our defense which stands first and foremost in importance above all other arms, is the air arm. If we are to spend billions of dollars—and I have voted for the expenditures to strengthen European nations and to build up our own defenses—we should strengthen this strategic air arm which can take off from the land and go over the enemy's territory, bomb, paralyze, and destroy the enemy's capacity to make war.

I do not know whether the Senator from California was a member of the Appropriations Committee at the time, but the testimony showed—and no one respects the Navy or appreciates its historic record of defense of our country any more than I do—that planes from an airplane carrier cannot reach the vital centers of Russia. We must have the Air Force, with land-based, long-range bombers, if we are going to strike the war-making capacity of Russia. We are spending billions of dollars on many other things, when, above everything else, we should concentrate on preparing and making ready and invincible this one arm which can strike the enemy, this one arm which has the capacity to destroy the war-making power of the enemy. That one arm is our Air Force. This is what the Senator has been telling us this morning. Is not that correct?

Mr. KNOWLAND. That is correct.

Mr. HILL. Does not history show us that the greatest mistake we make when we think in terms of our defense is that we think too much about how we fought the last war, and we are too much disposed to make our preparations for any possible future conflict on the basis of how we fought the last conflict? The Senator knows that in the last war we did not have the B–36 and did not have the long-range strategic bombers we have at this time, so we had to do what was called island jumping. We had to take an island and jump to the next island, and so forth. That required the teamwork of the sea force, the land force, and the air force. We now have long-range strategic bombers which can go thousands of miles, so as to make it unnecessary to take short jumps from island to island or base to base. Is not that correct?

Mr. KNOWLAND. I think certainly that the developments which have taken place will make a future war very different. We all hope there will not be a future war; but we are practical enough to recognize the fact that there are potential aggressors loose in the world today.

When the junior Senator from California was behind the iron curtain, in Poland, and later went into Czechoslovakia, a great many persons, representing all shades of opinion from Socialists to Liberals to Conservatives, all but the Communists themselves, said to me, "Senator, you know it is not going to do very much good, so far as we are concerned, as we sit on the borders of Russia, with the hot breath of the bear blowing down our necks, for your Government merely to send a strong note, as you did in the Petkov case, after we, too, were hanging from the gallows." In the past few years we have seen nations lose their liberty because of the pressure of communism. We have seen our own position in Germany challenged, which resulted in the air lift. Had we not been prepared to supply Berlin we would today have been out of Berlin, and probably the chaos which would have been created might very well have led to the overrunning of western Germany. There are some statesmen in Europe, including Mr. Winston Churchill and others, who believe that if it had not been for the American Air Force in being, and the atomic weapon, as of now all parts of western Europe, with the possible exception of Britain, might very well be behind the iron curtain.

I think the Senator from Alabama will agree with me that while we may be critical of their philosophy of life, while we may be critical of their methods, there is one thing quite certain about the men in the Kremlin, namely, that they are very practical gentlemen, that the thing they will recognize is not plans on paper, not aid to some force which might take 4 or 5 years to build up; the thing they will recognize as being practical is an American Air Force in being, with the weapons which are needed to make that Air Force effective.

The able Senator from Alabama has had long experience in the House and in the Senate, and he is far more familiar than is the junior Senator from California with the fact that there was not a single plane which was developed, subsequent to Pearl Harbor, from the designing stage, that was able to see action in World War II. There is a long stretch of time in the development of a plane. A plane cannot be developed overnight. If we should be involved in war tomorrow, we could not open an assembly line and turn out better planes. It is necessary to have a program extending over a period of time.

I have a son who has just turned 18 years of age, and I for one do not want to see him and the sons of our fellow citizens, if they are in the Air Force, have to fly second best planes, because in the air game we cannot afford a second best Air Force. We either have the best air force in the world, or we have one that is going to be in very serious difficulties in case of trouble.

Mr. HILL and Mr. FLANDERS addressed the Chair.

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). Does the Senator from California yield; and if so, to whom?

Mr. KNOWLAND. If the Senators will permit me to make one more statement, I shall then yield.

At the last review which took place in Moscow when the foreign military observers were permitted to see the review of the troops, the reports from that country indicate that the Russians have been developing some of the most modern jet fighter planes. There are indications that they at least have a prototype of our B–29, if they do not have something better.

The Russians are not lagging behind in this situation, and it seems inconceivable to me that at this critical period, which will probably exist for the next 24 months, at least until we can find out whether the cold war is to become hotter, at a time when the realistic men in the Kremlin are developing and building and expanding their air force, we should deliberately, of our own knowledge, start not only not expanding, but start reducing, in the face of the present world situation.

For that reason, Mr. President, I did not want this amendment to be adopted without at least making it clear to the Senate and to the Congress what I feel to be vital.

I personally hope that in the event the Senate should adopt the Senate committee amendment, the House conferees will stand firm, and if they do not expand our Air Force, will at least not permit it to be cut below its present inadequate levels.

Mr. HILL. Mr. President, will the Senator yield further?

Mr. KNOWLAND. I yield.

Mr. HILL. What the Senator said about the building and the construction of the airplanes is true. We know it does not take months, it takes years, to bring an airplane into being. From the time an airplane is put on the drawing board, in the blueprint stage, it is years before it is really ready to function.

We all feel that in the atomic bomb, as Winston Churchill well said, we have a tremendous instrument of protection. But after all, that bomb is not worth anything unless it can be carried to the enemy. Unless it can be used to strike the enemy's war-making capacity it is not worth anything.

What the Senator has said is true about having a second-class Air Force. I feel that there is no more tragic, deplorable chapter in American history than the chapter that tells the story of Corregidor and Bataan. We sat here in Washington knowing the desperate situation which faced our American boys at Corregidor and Bataan. We knew that most of them would have to give their lives because we were powerless to send them help. There was not anything we could do. We knew it would take months of time before we could prepare, before we could build up our striking force, and before we could really go out into the Pacific and carry the war to the enemy.

God forbid that the time will ever come again when this Nation, with all its

might, and all its wealth, and all its power, will have to stand helpless and see its sons in the danger and in the tragic situation we found our boys facing at Corregidor and Bataan.

Moved by that thought, I wish to associate myself with the Senator from California in what he has said here today, and express the fervent hope that if the Senate does cut down these funds, the House of Representatives will stand adamant, and that in the final analysis we will go forward with a 70-group air force.

Mr. FLANDERS. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield the floor.

The PRESIDING OFFICER. The Senator from Vermont is recognized in his own right.

Mr. FLANDERS. Mr. President, the issue which has been raised by the Senator from California, and which has been so ably supported by the Senator from Alabama, raises questions in my mind which I should like to pose for the consideration of the Senate.

Let me say, first, that I am not questioning the decisions or the recommendations of the various bodies and boards as to the 70-group air force. The question that is raised in my mind is as to the advisability of immediately, in one appropriation, or in a near approach in one appropriation, providing for building a 70-group air force, for the reasons which were so carefully detailed by the two previous speakers.

Mr. KNOWLAND. Mr. President, will the Senator yield on that point?

Mr. FLANDERS. I yield.

Mr. KNOWLAND. I also invite the attention of the chairman of the subcommittee to the statement I am about to make. My understanding is that even the House figure does not provide for the 70-group air force, but would provide for a 58-group air force.

Mr. FLANDERS. That is my understanding also. The progress of design and invention in airplanes is continuous. I feel that we are in very great danger of filling up this 58-group force, which approaches the 70, so rapidly that we will find ourselves with obsolete planes on our hands, and the necessity of replacing them. I am sure the Senator from California knows, as I do, that even our B–36 is under severe criticism from the English. I think the Senator from California also knows that the British feel that they have a jet fighting plane which is superior to those we are producing.

In view of the continuous process of improvement, it would seem to me to be well to stop at the 48-group in this year's appropriation, and continue the building up of the force, with the improved forms which are on the drafting board, which can go into production in the process of building up to a 70-group air force.

We do not want to have a large percentage of obsolete planes under the enormous provision for air forces we are undertaking. I feel very strongly that we should not go back of the recommendations of the President, of the Secretary of Defense, and of the Secretary of the Air Force, but take them at their face value, particularly with the consideration in mind of the danger of overloading ourselves with obsolete planes, in the face of continuous improvement.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. FLANDERS. I yield.

Mr. KNOWLAND. I should like to point out to the able Senator that as a matter of fact our Air Force is now flying planes which to all intents and purposes are obsolete. All our fighter groups are not equipped with jet planes. Our heavy strategic bomber groups are not yet all equipped with B–36's.

I agree with the able Senator that it would be a mistake to overexpand the program and have the Air Force frozen to any one design, but I also call the Senator's attention to the fact that, when we have been put on notice that the one potential aggressor nation in the world is modernizing and expanding and developing a modern air force in being, if we constantly wait to get the perfect plane we will still have it on the drawing boards while enemy bombers are flying over the United States. As the able Senator so well knows, in any future potential war in this age of the airplane and the atom, the frontiers of this country will not be along the Atlantic seaboard or the great Atlantic cities. They will not be along the Gulf coast. They will not necessarily be along the Pacific coast, which I represent in part. But in the war of the future the frontiers of this country will be our great Midwest, where the shortest route between a potential aggressor and the United States is across the polar ice cap, so that Detroit and Chicago and other cities across the Midwest are in fact on the new frontier.

Mr. FLANDERS. Mr. President, the suggestions and the facts brought out by the Senator from California seem to me to fit right into the picture which I have been trying to present, which is that of a continuous process of development of new planes, whether bombers, interceptors or fighters, or what have you. The present day, if the history of the progress in the field of aviation has not changed, contains the possibilities of new planes in all stages, all the way from the ideas in the engineer's head to the first lines on the drafting board, to the stage of further development of finished designs and details, to the beginnings of the building of new models.

What I am saying is that this progress should be recognized, that we should not freeze too large a part of that force too suddenly. Very definitely the planes which are in highest production at this time are under severe and responsible criticism. I, for one, do not want to see us too closely frozen to them. That is the point of view I am taking. I think we should not go beyond the recomendations of the authorities which call for the 48-group at this time, and I think the Senate will be well advised to leave the appropriation as the committee has reported it.

Mr. O'MAHONEY. Mr. President, I marvel at the equanimity of those who are willing to reduce the appropriation for the Air Force. I have observed this attitude over a long period of years. I was a member of the Appropriations Committee prior to World War II when suggestions were made in that committee that we ought to have an air force. I sat in the Appropriations Committee when even the Secretary of War said we were fully equipped with planes. I, myself, in 1940 or thereabouts, offered an amendment in the Appropriations Committee to the military bill providing for an increased appropriation to build up an Army Air Force. It was an Army Air Force then. The committee, upon the advice of the Secretary of War, rejected that amendment. I brought the amendment out upon the floor of the Senate. The Senate had a better view of the part that air power plays in war than did the Secretary of War, even though the Secretary of War at that time was the very able Henry Stimson, and the Senate adopted the amendment. But the advice of the War Department against building up an air force prevailed in the Congress, and the amendment died.

It was by reason of the defeat of that amendment on the appropriation bill for the year 1941, that we had the condition so ably described by the Senator from Alabama [Mr. HILL] just a few moments ago with respect to what happened at Bataan and Corregidor.

Mr. President, I would rather have obsolete planes than too few planes. But I submit there is no danger of having obsolete planes. We should not overlook also the additional fact that an air force is not made up of planes alone. It is made up of personnel as well.

I have no apprehension about our studies. We fought that matter out in our consideration of the independent offices bill, and the Senate stood by the recommendations of the appropriations subcommittee in charge of the independent offices appropriation bill, and provided funds for the National Advisory Committee for Aeronautics to extend its studies. We knew then that the great strength of Hitler was in the fact that he had pursued his studies and had built up his air force. We know now that while we are endeavoring to the best of our ability as a Nation and as a people and as a government to lay the foundation of permanent world peace, there is at large an aggressor nation which has the strongest army in the world and which is now endeavoring to build up its air power. It can have only one purpose, Mr. President. I think it is little short of disastrous for the United States, in the face of this condition, deliberately and willingly to cut down the United States Air Force.

Mr. KNOWLAND. Mr. President, will the Senator from Wyoming yield at that point?

Mr. O'MAHONEY. I am glad to yield.

Mr. KNOWLAND. Will the able Senator from Wyoming, who has contributed greatly to the debate with his experience as to what has taken place in other prewar days, agree with me that this is a responsibility which, under article 1 of the Constitution outlining the duties and the obligations of the Congress, we ourselves have to assume and which we cannot surrender to any other branch of the Government, and that if in our judgment the national defense of the country requires an air force in being which will at least approximate what responsible officials

have declared we should have, we have an obligation to exercise our judgment under the constitutional provision of raising and supporting armies and navies, and so forth?

Mr. O'MAHONEY. I have not the slightest doubt of it. I say that the time is here now. If the Congres does not insist upon having an adequate air force, we shall be without it again, as we were in 1941. Why temporize with such a thing? It is perfectly apparent that if there is to be another war it will be fought in the air. Of course it is expensive. Of course it costs money. Of course it will be a burden to the taxpayers. But the burden which will be cast upon the taxpayers by the maintenance of an effective, efficient, and already-in-being Air Force will be utterly incomparable with the disastrous burden they will have to bear if there should be an attack.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. WHERRY. I ask the distinguished Senator from Wyoming how the Secretary of Air, Mr. Symington, feels about this appropriation.

Mr. O'MAHONEY. I do not know. I have deliberately not consulted the Secretary of Air.

Mr. WHERRY. He testified before the committee.

Mr. O'MAHONEY. Yes; he testified before the committee. But at the same time, he was under orders. He is under a chief. He was under the Secretary of Defense. The Secretary of Defense came before the committee saying, "We will save a billion dollars." I say to the Senator that we are running before the wind, as though we did not know what the needs of the country are. There is a clamor in the headlines and in the editorials for the reduction of Government spending. We know that the civilian expenditures of Government constitute less than 10 percent of the total outlay. We know that this great burden of Federal expenditure comes by reason of the fact that we have not yet written the treaties of peace. Yet we are willing to try to balance the budget at the expense of the national defense. We are trying to make a little cut with respect to the United States Air Force. I think it is absurd for us to put ourselves in that position.

Mr. WHERRY. Where would the Senator go to get information relative to the strength of the Air Force which would be more authoritative than the views of the Secretary of Air?

Mr. O'MAHONEY. That evidence is in the record. We do not need any details here. All we need to know here is that this reduction, which has been recommended by the committee, is a reduction from a 58-group air force to a 48-group air force. In my judgment a 58-group air force would be too little.

Mr. WHERRY. Mr. President, will the Senator further yield?

Mr. O'MAHONEY. I yield.

Mr. WHERRY. I remember the testimony of the Secretary of Air very vividly. Let me say to the distinguished Senator, before I ask the next question, that while the Secretary of Air may be under orders, he was not under orders during the Eightieth Congress, because he came out for a 70-group air force, and I supported him.

Mr. O'MAHONEY. So did I.

Mr. WHERRY. It was on the basis of his judgment that I felt we should have a 70-group air force.

Now the Secretary of Air comes before the committee and is perfectly willing to take a 48-group air force. Once again I rely upon his judgment. He was very forceful in his testimony before the Appropriations Committee a year ago that a 70-group air force was necessary. I am sure the distinguished Senator will remember his testimony. I asked the question, "What do you mean by a 70-group air force, a 48-group air force, or a 50-group air force?" There has always been some question as to what was meant. If I am correct, there is nearly as much money being spent now as there was a year ago, although the number of groups has been reduced. It was difficult for me to reconcile the amounts with the number of groups.

As I remember the testimony, the Secretary of Air said that the number of groups did not mean anything, that we could have a 70-group air force, a 50-group air force or 48-group air force. It depended on how large the groups were. Is it not true that the appropriations are about the same whether the number of groups be 48 or 70? The Secretary of Air told the committee that the amount proposed would be satisfactory to him.

Mr. O'MAHONEY. In the first place we have a law which forbids an executive officer to ask Congress for an appropriation above the budget. We have a budget estimate, which has been submitted. We have a report from the Senate committee which reduces the appropriation recommended by the House. I think that is short-sighted. I think we ought to supply the Air Force with as large an appropriation, within reason, as it is possible for us to do. I feel that the action of the Appropriations Committee in this connection is decidedly short-sighted, considering the conditions which now exist.

Mr. WHERRY. Mr. President, will the Senator further yield?

Mr. O'MAHONEY. I yield.

Mr. WHERRY. I am quite satisfied that I completely agree with the distinguished Senator about appropriating for an adequate Air Force. I took the same position in the Eightieth Congress. I believe that the defense establishment should have not only sufficient money to defend but also to produce an offense. When the Secretary of Air came before the Congress a year ago, even though he might have been foreclosed by the law, he took the initiative. He had the courage flat-footedly to recommend a 70-group air force, even in the face of opposition from those in authority in the administration, who were against that recommendation.

So I submit again to the distinguished Senator from Wyoming that in view of the position the Secretary of Air took then, and in view of the position he takes now, I am guided by his judgment. The Secretary of Air stated that this was a sufficient appropriation. I know what he did during the Eightieth Congress. My conclusion then was that he had the courage to recommend what he believed to be necessary. I have no reason to disregard his advice now.

I want the RECORD to show that so far as the junior Senator from Nebraska is concerned, he is just as anxious to have an adequate Air Force as is anyone else. An adequate Air Force is absolutely vital. As I relied upon the Secretary of Air a year ago, I rely upon him now in his suggestion with respect to appropriations.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. KNOWLAND. First of all, the able Senator from Nebraska was not present during the earlier part of my remarks, when the question was asked, If we do not get this information from the service, where can we get the information upon which to base our judgment? I read into the RECORD the report of the President's Air Policy Board, which stated that in their judgment the minimum requirement for the national defense would be 79 groups. I read into the RECORD the report of the Joint Policy Committee, established by the two Houses of Congress, in which they stated that in their judgment, in phase A, it was essential that we have a minimum of 70 groups.

I read into the RECORD a recent statement, which has been published as a column in Newsweek magazine, by Gen. Carl Spaatz, who was the head of our strategic Air Force during World War II, and who was later Chief of Staff of the Air Force, in which he stated that it was not in the interest of the national defense to make this reduction. Even the program which the House has provided, as the able Senator from Nebraska well knows, does not propose a 70-group air force, which competent witnesses have testified is essential. It would provide only for a 58-group air force. By the Senate committee action that would be cut to a 48-group air force.

I invite the attention of the Senator to the testimony given last year in the universal military training hearings, which were held in March and April 1948. I turn to page 380 of the hearings, and begin with the statement of Stuart Symington, Secretary of Air. This testimony is not in this year's hearings. This is from the universal military training hearings. Secretary Symington said, on page 380:

> Secretary SYMINGTON. Today we plan to report to you on the present status of the United States Air Force.
>
> My report is presented in summary; General Spaatz will provide that degree of detailed information you may wish. He is prepared to discuss with you our present capabilities as a fighting force and the effect of the increased program presented by the Secretary of Defense.
>
> The Air Force has only recently begun to emerge from the wreckage of demobilization. Last summer General Spaatz determined that by December 31, 1947, we would assemble our limited combat resources into manned and equipped 55 combat groups, plus 17 separate squadrons. The effort of the

entire Air Force were directed toward that goal, and it has been substantially achieved. Today we have 55 combat groups in fairly good shape but at peacetime strength, very feeble in contrast to our World War II strength of 243 fully manned groups, but nonetheless a nucleus for an Air Force in being.

Then Secretary Symington continues his statement for several pages. I should like the Senator from Wyoming to yield to me further, for a moment, so that I may "button up" this particular point.

Then we come to the situation described on page 387 of the same hearings. I wish to read what occurred at that point. Mr. Symington was on the witness stand, and was being questioned by the Senator from Massachusetts [Mr. LODGE]. I read the following:

Senator LODGE. But last year when I called up to find out what the minimum was, I was told the minimum was 70, and I remember I offered an amendment on the floor of the Senate, and just did not get it passed, and we adopted the 55 limit.

From what you say here on page 4 of your statement, the minimum this year is not as high as the minimum was considered to be last year. What is the minimum this year; not 70, is it?

Secretary SYMINGTON. The minimum of what?

Senator LODGE. The minimum of air groups.

Secretary SYMINGTON. That we recommend?

Senator LODGE. That you consider essential.

Secretary SYMINGTON. Well, in the Finletter Commission report, where we were under oath, we recommended the 70-group program, which consisted of the 70 groups, the 27 National Guard groups, and the 34 Air Reserve groups, and the 22 squadrons.

That has been our recommendation for, I think, the last three budgets, and I know the last two. That is the Air Force, Department of the Air Force, or the Air Department of the War Department.

Senator LODGE. So you still cling to the 70-group figure?

Secretary SYMINGTON. We never changed that, sir.

Senator LODGE. But this statement of yours on page 4 indicates that, what will this give you, 55 plus 34; is that the way it should be read?

Secretary SYMINGTON. No; this gives us 55 groups.

Senator LODGE. What is the difference? Why is there that reduction from 70 to 55? That is what I am trying to get at.

Secretary SYMINGTON. Well, because we only have enough to run 55.

That was the basis of the situation. In other words, they were not being furnished the funds which the Department of Air Force felt were essential for the national defense.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. KNOWLAND. I hope the Senator from Wyoming will permit me to finish reading from the hearings at this point.

Mr. O'MAHONEY. Very well.

Mr. KNOWLAND. A little later in the testimony of the same witness, at the hearings on universal military training, we find the following at page 389:

Senator LODGE. Why does the minimum drop from 70 to 55? You cannot answer that "Yes" or "No."

Secretary SYMINGTON. My answer is we have not got the men because we have not got the money and we have not got the airplanes because we have not got the money.

Senator LODGE. Why do you not ask for the money, and then you can get the men? Congress will give you the money, I think. I cannot speak for Congress, but the conversations I have had around here, I think the public will support the money to get the men to get the 70 air groups.

Senator KNOWLAND. I would like to ask a question. I am not a member of this committe, but I am a member of the Department of the Army Subcommittee of the Appropriations Committee, which will be discussing this subject in the not too distant future. If the Air Force had in either appropriations or contract authorizations sufficient funds for the 70-group program, is it your judgment from the point of view of over-all national defense that the 70-group program would be essential to the Nation's security?

Secretary SYMINGTON. Well, under a direct question like that, I would say, Yes, sir, it is, and it has been for 2 years.

Mr. O'MAHONEY. Mr. President, I am grateful to the Senator from California for reading that material into the RECORD.

In answer to the Senator from Nebraska, who questioned me about the position of Secretary Symington, I have here the summary of the testimony which was presented to the Appropriations Committee this year.

Mr. WHERRY. Is that on the side slips?

Mr. O'MAHONEY. This is what Secretary Symington said, as quoted in this summary:

The Air Force is presenting today the requirements for funds, based on the program proposed in the President's budget message. From a purely military standpoint, we have testified that in our opinion a large force is necessary, and have so recommended in the past. Our views were based upon our estimate of the requirements of the situation which may be expected to confront us during the next few years, and these views have been supported by the President's Air Policy Commission and by the Joint Congressional Aviation Policy Board. The Air Force recognizes, however, that, as previously pointed out, armed forces are only one component of our total national strength. We recognize, further, the great burden of responsibility on those of highest authority to balance the several components of this strength to meet the needs of the United States; and therefore we support the President's budget.

Mr. President, I submit that is the statement of a good soldier who is following the orders which have come to him. He is supporting a budget; but he has not sacrificed, and neither have the experts in air matters, the conviction which they expressed before, namely, that the United States Air Forces should be large, effective, and adequate to meet the situation.

Mr. TYDINGS and Mr. WHERRY addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Wyoming yield; and if so, to whom?

Mr. O'MAHONEY. I yield first to the Senator from Maryland.

Mr. TYDINGS. Mr. President, I wish to associate myself with every word the able Senator from Wyoming has said, and I wish to point out to him the additional fact that the Finletter report which recommended the 70-group air force did not contemplate that we would build a 70-group air force in any immediate period of time. It set it as a target to be eventually reached.

There are two facts in connection with that report which should be mentioned. First, the Finletter report was made at about the time of the Berlin air blockade and the very tight conditions in Berlin. The testimony the Senator from California has read was given at the time of the air blockade. So there was then in being a situation which is not in existence now; and therefore Mr. Symington, as has been pointed out, and as he has told me specifically, is thoroughly satisfied with the 48-group air force, as of this moment.

Mr. O'MAHONEY. Mr. President, now I wish to resume the floor for a moment, because I do not desire to prolong this discussion.

I wish to say that the RECORD should be quite clear that the various armed services, in preparation for fiscal year 1950, made request of the Bureau of the Budget for appropriations totaling approximately $24,000,000,000. The then Secretary of Defense, the late Mr. Forrestal, sent those figures back to the various services, and said, "You must reduce them below that."

They then came forward with a recommendation for approximately $18,000,000,000, which went to the Bureau of the Budget, and there it was again reduced. We were striving to balance the budget, at the expense of national defense.

The budget now before us is $13,248,960,700 for all the armed services. My point is simply this, Mr. President: To date we have cut the budget submitted by the President in the appropriation bills which have thus far passed the Senate by almost $1,500,000,000. We have demonstrated our desire to eliminate unnecessary expenditures. We have passed the bill authorizing the President to reorganize the executive departments. We have therefore demonstrated our willingness to abolish overlapping bureaus and agencies of Government. The Congress of the United States has done everything in its power, it seems to me to cut expenditures.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. O'MAHONEY. In a moment. My position on the item before us, which involves about $500,000,000, is that in my judgment it is not an item with which we can afford to trifle. We should make certain by the appropriations we provide that the United States Air Force is adequate in view of the great danger in which the world finds itself.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. O'MAHONEY. Certainly.

Mr. TYDINGS. I should merely like to point out, in addition, that the Finletter report, which recommended the 70-group air force, and which was published about 2 years ago, also recommended that in the year 1950 its recommendations be again reviewed in the light of what might then be world circumstances.

Mr. O'MAHONEY. I am sure the Senator from Maryland will agree with me there has been a great deal of

progress in the building up of the Russian air forces since the Finletter report was written. I do not desire to temporize with the matter.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. O'MAHONEY. Certainly.

Mr. WHERRY. Referring to page 27 of the report, does the Senator reconcile the testimony of Secretary Johnson with the additional request now being made for $500,000,000?

Mr. O'MAHONEY. I do not attempt to reconcile it. I think Secretary Johnson, like others, is trying to balance the budget through the reduction of military expenditures. I say to the people of the United States that until the peace treaties are written we cannot afford to temporize with the most important of all, the arms of national defense.

Mr. WHERRY. Mr. President, will the Senator yield further?

Mr. O'MAHONEY. I yield.

Mr. WHERRY. The reason I mention the matter is that in former colloquy with the distinguished Senator I mentioned the Secretary of Defense, and it appeared as though he might take exception to what the Secretary of Air might recommend. But Secretary Johnson supports the President's request.

Mr. O'MAHONEY. That is correct.

Mr. WHERRY. The request is for a 48-group air force.

Mr. O'MAHONEY. That is correct.

Mr. WHERRY. On that basis I again ask the question, because there appears to be a conflict in the testimony.

Mr. O'MAHONEY. My position is perfectly clear.

Mr. WHERRY. I am not asking about the Senator's position.

Mr. O'MAHONEY. The record is obvious. The budget estimate is the tightest estimate which has ever been submitted for the United States Air Force since we came to realize the importance of the air arm.

Mr. WHERRY. Mr. President, will the Senator from Wyoming yield for another question?

Mr. O'MAHONEY. I yield.

Mr. WHERRY. Is not the appropriation this year for the Air Force as great as it was last year?

Mr. O'MAHONEY. I am not certain. It may be.

Mr. WHERRY. I am sure it exceeds the appropriation for last year. Is it not also true that the total over-all appropriations for military defense are much greater than they were last year?

Mr. O'MAHONEY. I think they are less.

Mr. WHERRY. I think there is a difference of between $2,000,000,000 and $3,000,000,000.

Mr. O'MAHONEY. I am not certain.

Mr. WHERRY. I am sure they are greater. I think the difference is in excess of $2,000,000,000.

Mr. O'MAHONEY. I am not certain.

Mr. WHERRY. I am very sincere about this matter. I agree with the distinguished Senator we should have an adequate Air Force, and it was because of that fact, as I have already stated, that I took the evidence of the Secretary of the Air Force, Mr. Symington, and the report which has been read by the Senator from California, and similar reports, as the basis for standing upon the floor of the Senate and asking for an increase to 70 groups, last year.

Mr. O'MAHONEY. The Senator was right.

Mr. WHERRY. But the same person upon whose testimony I relied last year, in answer I think to a question which I asked—I cannot put my finger on it at the moment—stated he was entirely satisfied with the amount of the appropriations for the year as outlined in the President's budget. I then asked the question, because I could not be clear in my own mind, why it was, if he was for 70 groups last year, he would accept 48 groups this year. It was then that he gave the explanation that groups really did not mean anything, it was the total amount of the appropriations which counted. So I submit to the distinguished Senator there certainly is a conflict of testimony, and it is very difficult for one who believes in an adequate air force, in view of what has been done in the 2 years, to say now that we should provide this group or that group, in view of the fact that the over-all appropriation is even more than it was last year.

Mr. O'MAHONEY. Mr. President, I am not attempting to argue upon what Secretary Symington's views are.

Mr. WHERRY. Nor am I. The testimony is contradictory.

Mr. O'MAHONEY. I am saying that for myself the evidence is sufficient to convince me it would be a tragic error for the United States Congress to deny the United States Air Force the appropriation which was granted to them by the House of Representatives.

Mr. KNOWLAND. Mr. President, will the Senator yield at that point?

Mr. O'MAHONEY. Certainly.

Mr. KNOWLAND. I hope the Senator from Maryland is still in the Chamber. The able chairman of the Armed Services Committee, as I understand, indicated that at the time of the Finletter report there was generally a serious situation in the world; that at the time the testimony was given on the UMT bill, the Berlin situation was approaching a climax, and that since that time the situation has changed, as I understood his statement. The fact of the matter is—and I wonder whether the Senator from Wyoming agrees with this—the situation has not changed a great deal. It is true the Russians were not successful in their attempt to blockade Berlin, but the situation is still so critical that the administration comes to the Congress, saying we need $1,400,000,000 to help implement the North Atlantic Pact, to put arms in the hands of our potential allies, who may be subject to an overt overrunning by the Russians. That is not a measure which can be postponed until January of next year. It is a measure which the Congress of the United States must stay here to pass, and pass within a matter of weeks. I say to the Senator from Wyoming, if the situation was so critical in the blockade of Berlin, it is far more critical now when the administration itself comes to the Congress and asks for $1,400,000,000, and says it is a matter of such urgency that the committee must consider it, that the Congress must pass the bill forthwith, and that even the modest request of some of the Members of the Senate that we appropriate a limited amount and take another look at it next year would be a mistake, because it is urgent that the entire amount should be provided. I say if that be true, then this certainly is no time, when it seems to me we should be increasing our Air Force to 70 groups which adequate testimony has set as our minimum need, to be cutting our Air Force from 58 to 48 groups.

Mr. O'MAHONEY. The Senator is quite right. In my judgment, the House appropriation for the United States Air Force will do more to help the western nations of Europe than any other appropriation we can pass to place guns in the hands of soldiers over there. It is not the infantry which those nations can build up that will prevent the overruning of western Europe. It is not the appropriations for ordinary military arming that will prevent the expansion of the Communist force. It is the existence within the United States of an Air Force, the size and ability of which is recognized in the Kremlin. That is the thing which will do more for peace than anything else we can do. It was the strength of the United States Air Force in serving blockaded Berlin that did more than any other one thing to prevent aggression by Russia during the past 12 months. After that demonstration of success, if we willingly cut down our Air Force, it seems to me, Mr. President, we are weakly and supinely surrendering to the opinions of those in the street who do not understand the gravity of the international situation.

Mr. KNOWLAND. Mr. President, will the Senator yield at that point?

Mr. O'MAHONEY. I have concluded.

Mr. KNOWLAND. Mr. President, I merely want to say that I fully agree and fully associate myself with the able Senator from Wyoming. It is my judgment, also, that from the point of view of preserving the peace of the world and of protecting our allies in the North Atlantic Pact we could do more good for their security by keeping our Air Force at the 58-group level and take the amount out of the arms implementation bill than we could by reversing the situation, cutting down our Air Force, and sending the same amount of money over there, because the realistic men in the Kremlin will pay more attention to a first-class Air Force in being in this country than they will to a few additional armed divisions when they have such overwhelming numbers that we cannot possibly match them on the ground.

Mr. THOMAS of Oklahoma. Mr. President, I think that the opinion of the committee should be expressed at this point. I realize that I am totally incapable of arguing this question when I have such a distinguished and experienced opponent.

The amendment involves upwards of a billion dollars.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. SALTONSTALL. I should like to ask the Senator if he has not made a slightly inaccurate statement. He has stated that this involves a billion dollars——

Mr. THOMAS of Oklahoma. Upwards of a billion dollars.

Mr. SALTONSTALL. Does it not involve nearer $2,000,000,000, because, if the Air Force is increased, to the extent the Senator from California has indicated in his amendment, the Army appropriation would have to be increased $1,460,740,000 as testified by General Bradley and in accordance with the figures submitted by the Army?

Mr. THOMAS of Oklahoma. I appreciate the statement just made by the distinguished Senator from Massachusetts.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield to the Senator from Maryland.

Mr. TYDINGS. I do not want to get into the debate and cause delay, but I should like to say that the Senator from Massachusetts is exactly correct. It is not only planes that will have to be bought with the money, but we shall have to have the necessary supporting troops to support six more groups. Gen. Bradley has pointed out that in the event the money is spent for planes, the Army must expand and furnish supporting troops, and the amount will be closer to $2,000,000,000 than to $1,000,000,000.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. WHERRY. I cannot find the pages of the testimony of Mr. Symington, but the Senator said he had told him personally——

Mr. TYDINGS. And also the committee. I simply wanted to associate myself in every particular with every remark made by the Senator from Massachusetts.

Mr. THOMAS of Oklahoma. Mr. President, another distinguished Senator has advised the Senate with respect to what should be done regarding our military affairs. The distinguished senior Senator from Alabama [Mr. HILL] served creditably and with great distinction in World War I. Naturally, I am not qualified to discuss this question with him.

Another distinguished Senator, the Senator from California [Mr. KNOWLAND], rendered distinguished service in World War II. From practical experience I feel utterly inadequate to discuss the question with him.

In World War II I had the opportunity of being chairman of a subcommittee of the Senate which was charged with the responsibility of recommending the appropriation necessary to supply and equip our fighting men. I was chairman of the Army Subcommittee and was a member of the Navy Subcommittee. One thing the military authorities must say is that from the beginning of the war until the end of it, they never wanted for money. The Army never wanted for money, the Navy never wanted for money, and the Air Force never wanted for money. In the middle of the war they were carrying as a balance a surplus of approximately $30,000,000,000 upon which they could draw from time to time if it were needed. So if there was any deficiency any place in our war program, there was no deficiency in money.

In World War I, I was not in the Congress. I was in my own State senate, where I had charge of appropriations. I registered for service in World War I, but, for obvious reasons, I was not called. With reference to the Spanish-American War, I remember quite well that I might have gotten into that war, but I happened to be in college and was a member of a college company which drilled with wooden sticks for lack of guns. While one company from my college was called into service, my particular company was not called. In my last campaign the charge was made against me that I was a slacker in World War I, a slacker in the Spanish-American War, and on one occasion it was suggested that I was even a slacker in the Civil War. Well, I have a perfect alibi to the latter suggestion and that is that I was not born until many years after that horrible war was ended.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. TYDINGS. I do not think the Senator's modesty should prevent him from telling the Senate of the great work he performed in the War of 1812 and the War of the Revolution.

Mr. THOMAS of Oklahoma. I was just coming to that. The Senator from Maryland anticipated my admissions.

Mr. President, I am glad this discussion has taken place, because this a very important bill, and this particular item is very important. The appropriations for 1949 were made last year. The total appropriation was $10,454,477,413. The budget estimates for 1950, which we are now considering, total $13,248,960,700, a substantial increase over and above the amount appropriated for last year.

Mr. President, the remarks made by the able Senator from California [Mr. KNOWLAND] were entirely in point. The Senator believes, as I do, that we should leave nothing undone to keep abreast of military preparedness. To do that we should be constantly trying to improve the weapons we provide our men with which to fight.

Let me invite attention to what happened in the recent war. Notwithstanding the money appropriated prior to the breaking out of that war, when we thought we had the best planes in the world, having given the Department all the money it asked for, when the war broke out we came to learn what kind of equipment we had to meet on the battlefield and in the air, and we found that the planes made by Germany and those made by Japan were, in three particulars, better than the American planes. The three particulars were as follows: We found, first, that the enemy planes were equipped with leakless gas tanks. The gas tanks were lined with composition rubber of such a character and so made that a rifle bullet could be shot through the tank, but immediately the rubber would close the bullet hole, and the gas would not escape. That was defect No. 1 which we found in our own planes.

The second defect was that the enemy nations had surrounded their combat crews with thick, tough armor plate, supposed to be a protection for the crews, at least from the kind of small-caliber bullet that might strike the plane. We did not have our pilots surrounded with tough armor plate. So that was defect No. 2 in our planes.

As defect No. 3, we found the enemy planes were equipped with larger caliber guns than were our planes. When we discovered these defects we had to discard almost entirely the planes we had constructed, and either remodel or rebuild them for combat purposes, or manufacture new planes containing equipment similar to that found on the enemy planes.

Mr. President, in the bill it is recognized that we should have research departments, and should keep abreast, not only of airplane development, but of every other kind of development, including watercraft of one kind and another, those used above the water as well as those used beneath the water, and all kinds of equipment men would be supposed to use in case we should become involved in a real war.

The bill carries some $250,000,000 for the special purpose of enabling the military authorities to do research work and to have research work done. If that appropriation is not sufficiently large, it should be increased, but that is what they asked for. The bill gives the Department the full budget estimate as to every item that is before the Senate. Of course, as I said yesterday, while they could use money to the amount of the full budget estimate in connection with any particular thing on which they desired to use it, and which was necessary, yet, over-all, the military authorities say they can do what the bill requires, namely, reduce the over-all appropriation total by over $433,000,000.

Furthermore, Mr. President, we find the testimony in the record to support what the Department requests. Of course, I am glad to have the recommendations of the distinguished Senators who, in war, bared their breasts to enemy fire of all kinds, but from my standpoint I must be guided first by the Commander in Chief of the Nation. He is in a position to get the best advice in the world, and he does get that kind of advice. He has at his call all the experts of America, and he can bring in experts from other places to advise him as to what should be done. Upon the information he receives he makes up his mind, and then approves the budget, which, if appropriated for by the Congress, will give him and his subordinates the money with which to do the things he thinks should be done.

The President depends upon the experts in the Navy for Navy recommendations. He must depend upon the experts in the Army for Army recommendations. He must depend upon the experts in the Air Force for Air Force recommendations. I think I am safe in saying that he has in those three departments the best military minds in the world. I do

not know how that statement can be successfully combated. The President relies upon the best experts we can get. These experts and advisers are the best in the world. Here is how they are developed. We take boys from throughout the country, appoint them to the academies at Annapolis and West Point, where they go through the prescribed courses of study, and receive the best training this great Government can provide. After they have completed their courses and have been graduated, they enter the active life of soldiers and sailors. Those who work hardest and make the best progress gravitate toward the top. After a while they become generals and admirals. Then, if they are still hard working and are proficient, and do the things we expect them to do, those who gravitate to the top are the ones called to Washington to become the advisers of the high administrative officials, the President, his advisers, and the Congress. We have that kind of expert services upon which we can rely. I say we do have that class of expert advice.

The committee is limited in its action to a number of conditions. First, there is the budget estimate. While we are not bound by that specifically, yet it is a recommendation. While we are not bound by the recommendations of the President, or by the recommendations of the Secretary of Defense, or by the recommendations of the heads of the three great component parts of our Military Establishment, we are always glad to have such recommendations.

Mr. President, at this point I desire to read from the record. I shall read first what Secretary Johnson advised the committee. When he was before the committee the distinguished senior Senator from Massachusetts [Mr. SALTONSTALL] was present, as he is always present. He is always interested in the items in the military bill. When Mr. Johnson was before the committee the distinguished senior Senator from Massachusetts made this comment:

> Mr. Chairman, it seems to me very important that we get from the Secretary a formal acceptance this morning of the fact that he is willing to take a reduction of $800,000,000.
>
> Secretary JOHNSON. I am willing to back Senator SALTONSTALL in the request I am making to adhere to the President's budget program. In my statement I said I support it. I now reaffirm it.

Further Secretary Johnson said:

> We ask for the amount set forth in the President's budget, rather than the amount provided by the House.

Further in the same hearing we had before us Mr. Symington, the Secretary of the Air Force, and he made a statement before the committee. His statement in part was as follows:

> We recognize further the great burden of responsibility on those in positions of highest authority to balance several components of this strength to meet the needs of the United States; and, therefore, we support the President's budget.

Mr. President, one more word. From listening to the debate this morning one would get the impression that we had no Air Force to speak of, that what we had was not equipped very well, that we had no Reserves, and had nothing much to give to our military personnel. The fact is that we have today 20,000 planes of various kinds immediately available for service. The best information we have is that any particular plane that any enemy might have with respect to numbers we can duplicate, even quadruple, sometimes furnish 10 times as many planes of any character as are possessed by any group anywhere in the world.

We are not merely sure that we do have the best planes, but, as for numbers, there can be no doubt, from the best information available, that we have a great number of the best planes American ingenuity can provide.

These planes are in moth balls. We have made them. They are available. All we have to do is to call out the Reserves. We have 27 air groups in the National Guard, all subject to call. The 48 groups together with those of the National Guard make a total of 75. They are all well equipped, with good planes. They are training planes, it is true, but they are equipped with everything the Regulars have. So there are 27 more groups, and if we add that 27 National Guard groups to the 48 other groups, that gives us a total of 75 groups.

The planes we have in reserve, in moth balls, are not old World War II planes. We have a very great number. It is not proper to make a statement as to how many there are, but we have a large number of the finest planes in the world. They are in moth balls. They are new. They are ready. If we should need these planes, all we would have to do would be to call out the Reserves. We have them by the thousands, and in a very short time the Reserves could be trained to such a degree that they could take those planes and begin using them effectively against the enemy.

So, while I realize there is merit in what has been said on the floor of the Senate as to the possibility of the need for a larger Air Force if we had trouble, from my information the threat of war is not imminent, and with the condition of the Federal budget, and with the condition of things otherwise in the Federal Government, it seems to me that the recommendations of the President and the recommendations of the Air Force officials coincide with what the committee recommends. The committee recommends that we give the Military Establishment all the money it requests. If the committee is sustained, the Department will have all the money it asked for and all the money it wants.

In conclusion, if the Senate appropriates the money such funds will not be used.

Mr. LUCAS. Mr. President, I have talked with the Senator from Nebraska [Mr. WHERRY], who is not on the floor at the present time, and I have talked with other Senators on the subject of reaching a unanimous-consent agreement as to when the Senate shall vote upon the pending measure. It is our desire to reach such an agreement. As Senators know, on yesterday I advised the Senate that the calendar would be called tomorrow, and that the Senate would meet at 11 o'clock on Saturday. I have talked with the Senator from Arkansas [Mr. MCCLELLAN], who is now presiding, and who is vitally interested in the bill. We believe if we fix the hour for voting at 2 o'clock on Monday next, with the understanding that the calendar will be called tomorrow, and with the understanding that when the Senate completes its work on Saturday it will take a recess until 11 o'clock a. m. on Monday, that that will afford sufficient time to debate the bill and all amendments thereto. The Senator from Nebraska has agreed to that suggestion. As I said, he is not present in the Chamber at the moment. I told him, however, I would make such a unanimous-consent request.

Mr. SALTONSTALL. Mr. President, in the absence of the Senator from Nebraska, and on the word of the majority leader that the minority leader has agreed to that suggestion, so far as I know, it will be perfectly agreeable to enter into such an arrangement. There are several amendments which I believe will be debated fairly fully. I have no personal objection, however, to the agreement being entered into, if the minority leader has no objection.

Mr. LUCAS. Mr. President, I ask unanimous consent that following the call of the calendar tomorrow the Senate take a recess until Monday next at 11 o'clock a. m., and that at 2 o'clock on Monday the Senate proceed to vote upon the pending bill and all amendments thereto. The time on Monday will be controlled by the distinguished Senator from Arkansas [Mr. MCCLELLAN] and myself equally.

Mr. SALTONSTALL. Mr. President, will the Senator yield to me for a question?

Mr. LUCAS. I yield.

Mr. SALTONSTALL. Does that mean that the vote on the pending amendment and on all amendments as we reach them will be postponed until 2 o'clock on Monday?

Mr. LUCAS. The request simply means that when we arrive at the hour of 2 o'clock on Monday, all amendments which have been offered and which have not previously been acted on and the bill itself will be voted upon at that time.

Mr. SALTONSTALL. Then, for instance, respecting a contested amendment of the character of the one now under consideration, does that mean that the vote on that amendment would be postponed?

Mr. LUCAS. Not at all. If we come to the point this afternoon where we can vote on an amendment, we will immediately vote on it.

Mr. SALTONSTALL. So each amendment will be voted on as it is reached and debate upon it is completed; and any amendments still pending, and the bill itself, will be voted on at 2 o'clock on Monday, with the Senate convening at 11 o'clock on Monday.

Mr. LUCAS. The Senator from Massachusetts is correct.

Mr. SALTONSTALL. The minority leader is now present.

Mr. WHERRY. Mr. President, I just entered the Chamber and heard a few words of the discussion.

Mr. LUCAS. I will say to the Senator that I asked unanimous consent that on Monday next, at 2 o'clock, the Senate having convened at 11 o'clock a. m., all amendments which have not been voted on up to that time and the bill itself, be voted on, and that the time on Monday be controlled by the Senator from Arkansas [Mr. MCCLELLAN] and the Senator from Illinois.

Mr. WHERRY. Mr. President, I think that is agreeable. I want to ask a question, however. Does that mean that each amendment which is reached this afternoon will have to be voted on today?

Mr. LUCAS. Any amendment that comes up this afternoon, on which the Senate desires to vote, will be voted on today.

Mr. WHERRY. If the rescission amendment is offered this afternoon, or if it is not offered until Monday—I am not sure when it is proposed to offer that amendment—it will be voted upon as one of the amendments, at 2 o'clock on Monday?

Mr. LUCAS. That is perfectly agreeable.

The PRESIDING OFFICER (Mr. MCCLELLAN in the chair). The present occupant of the chair would like to inquire whether the unanimous-consent request contemplates that all the rest of the bill will be concluded today, and that we will have the time between the time the Senate convenes on Monday and 2 o'clock, for debate on the rescission amendment?

Mr. WHERRY. That is satisfactory to me.

The PRESIDING OFFICER. The present occupant of the chair will say that if we have the time until 2 o'clock on Monday for discussion of the rescission or economy resolution, that would be satisfactory, but the present occupant of the chair would not want to be precluded from having ample time for debate on that resolution.

Mr. LUCAS. From what I have heard this afternoon, I presume the Senate will probably conclude debate upon all amendments this afternoon, and probably will vote on them, with the exception of the amendment referred to by the Senator from Arkansas who is now in the chair. However, I cannot control the length of time Senators may discuss other amendments.

The PRESIDING OFFICER. The Chair understands the unanimous-consent request to include in it that all time on Monday is to be controlled by the Senator from Illinois [Mr. LUCAS] and the Senator from Arkansas, and therefore we could control the time with respect to the debate on the rescission resolution. That resolution can be debated on Monday until 2 o'clock. All the time up until 2 o'clock can be applied to the rescission resolution under the unanimous-consent agreement.

Mr. KNOWLAND. Mr. President, reserving the right to object, in order to verify the situation, I think it is important that we have some understanding as to whether we will wind up consideration of all other amendments this afternoon, because I think that while the debate on the particular amendment now under consideration is about closed, and I do not know of many other amendments which will be controversial, it is possible that we might run into something that would carry us over until Monday, and if there is to be legitimate discussion on other amendments to the bill I would not want to see such debate practically completely excluded, because of the 3-hour agreement respecting the amendment to be offered by the Senator from Arkansas. I think it might be a little better to have the understanding that, if we have not concluded this afternoon all the committee amendments and other amendments which may be offered to the bill, when the Senate reassembles on Monday we may continue the consideration of such amendments, and that 3 hours after action has been completed on all the other amendments, then the vote will be had on the bill and on the so-called McClellan amendment. Otherwise, I can see how the consideration of some important matters may be completely shut off.

Mr. LUCAS. I am sure the Senator from Oklahoma [Mr. THOMAS] is willing to stay here all afternoon and tonight, if necessary, in order to get all the amendments out of the way, with the exception of the amendment to be offered by the Senator from Arkansas.

With that understanding, I ask that my unanimous-consent request be considered.

Mr. GEORGE. Mr. President, may the request be repeated? I did not hear it.

The PRESIDING OFFICER. The Senator will state his request again.

Mr. LUCAS. The unanimous-consent request I made, I will say to the Senator from Georgia, is that, if we finish all the amendments this afternoon, or even if we stay in session tonight, if necessary, to finish all the amendments, with the exception of the amendment to be offered by the Senator from Arkansas, which deals with the delegation to the President of the United States of the authority to make 5 and 10 percent reductions, then the Senate will convene at 11 o'clock on Monday, and at 2 o'clock the Senate will proceed to vote upon that particular amendment and on the bill, the time on Monday to be equally divided between the Senator from Arkansas and the Senator from Illinois.

Mr. GEORGE. Of course, the Senator means to exclude all irrelevant amendments and amendments not germane.

Mr. LUCAS. The Senator is correct. That will be included in the unanimous-consent request.

Mr. GEORGE. That any amendments offered must be germane.

Mr. WHERRY. Mr. President, reserving the right to object, I will say that I am in complete accord with the unanimous-consent request, in view of the fact that the distinguished majority leader has stated that, if necessary, there will be a night session tonight, so that all amendments, other than the one which is to be taken up on Monday, the rescission amendment, will be considered and voted on tonight. Is that correct?

Mr. LUCAS. The Senator is correct. That still means that we are going to have a session tomorrow beginning at 11 o'clock, to call the calendar. I made that announcement yesterday, and I think every Senator knows that the calendar will be considered tomorrow.

The PRESIDING OFFICER. The Chair believes that under the rule a unanimous-consent request of this order necessitates a quorum call, unless a quorum call is waived by unanimous consent.

Mr. LUCAS. Mr. President, I ask unanimous consent that the quorum call be waived.

The PRESIDING OFFICER. Is there objection?

Mr. WHERRY. I have no objection.

The PRESIDING OFFICER. The Chair hears none, and the quorum call is waived. Is there objection to the unanimous-consent request made by the Senator from Illinois? The Chair hears none, and the agreement is entered into.

The question is on agreeing to the committee amendment on page 69, line 17.

Mr. KILGORE. Mr. President, I feel it is only fair to Members of the Senate and to the committee to explain my opinion of the position of the Appropriations Committee, of the President, and of the Secretary of Air approving the figures which are being debated.

During a period of some 3 years during the war the National Defense Investigating Committee had a subcommittee going through the airplane industry. Many hearings were held, and they are available to any Member of the Senate. The President of the United States, who was then chairman of that committee, knew what those hearings contained. We were constantly told in those hearings by leaders in the airplane industry and by our own military leaders in aviation that a 1-year-old plane was obsolescent, and that a 2-year-old plane was probably obsolete. We were also told that the best way to maintain our strength was to maintain research in test models. It was conclusively proved during the war that we could build 100,000 planes a year once we had the models tested.

We were told by the airplane manufacturers and by our own pilots that the poorest economy in the world would be to standardize on a given plane. In fact, the manufacturing records of the airplane industry show that frame changes were made in every fiftieth plane to come off the line.

Mr. President, it seems to me that it would be the height of foolishness to expend a sum of money in excess of the recommendation of the Secretary of the Air and the Budget Bureau at this time in buying present air frames, when according to all the information we have the best plane Russia has is the B–29. We have acres of them in moth balls.

For that reason I voted to sustain the budget figure. I do not believe there is a Member of this body who is more interested in national defense than am I. I happen to be a member of the Reserve component at the present time, and have been for 30 years.

I do not believe that this appropriation represents a cut. I feel that if the appropriation were to be increased, and

if that were the recommendation of our leaders, it should be increased in the field of training of personnel and building up an adequate research agency capable of carrying on the necessary research and tests. The figures show that about 2 years are required to bring a new model through the testing stage and put it in workable condition to start manufacture. If we have to rebuild our entire air-frame supply every 2 years on a full war-strength basis, or even on a full peace-strength basis, the financial structure of this country will be rather shaken.

I believe that Members of the Senate should read the hearings and the statements which were made by the leaders of the airplane industry, as well as by our own top-flight aviators. I think we should also bear in mind that even with changes in every fiftieth plane to come off the line, we maintained 19 modification centers to take even those planes in and make changes in them in order to keep abreast of changing conditions.

Suppose we were to buy 500,000 planes now or let a contract for them. It would be a make-work order. I believe that we should leave the matter up to those who have been specially trained to advise us as to how many planes we need and what is the best program. At the same time we should try to conserve our strength for the time when we may need it—when we may again have to enter upon a program of 100,000 planes a year in accepted models. The important thing to look to is research and training of pilots, as well as the training of ground personnel. That is where I think we should spend any excess money we have to waste.

For that reason, I wish to defend the action of the committee in the step which it took. I believe that the Budget Director and the President were fully aware of all the testimony which had been adduced in the airplane plants of the country.

Mr. SALTONSTALL. Mr. President, as a member of the Armed Services Committee, and as a member of the Appropriations Subcommittee on the Armed Services, I should like to add a very brief word on this subject.

If the committee amendment is defeated, there will be added to the armed services appropriation $222,067,000 in cash and $577,755,000 in contract authorizations. Furthermore, it would add inferentially—and it would have to be done by another motion—approximately $15,042,279 for additional support on the ground for the increased forces in the air. The latter figure which I have used represents the request of the military authorities, which undoubtedly could be reduced, but it is the only figure we have on which to work.

The committee supported the Commander in Chief, the President of the United States. It is supporting the Secretary of Defense, and his subordinate, the Secretary of Air. All three of those gentlemen have supported the position which the committee has taken. I realize that probably each one of them would like to have the House figure; but I assume that they, like the committee, have balanced this request with other items which must be considered in carrying on the program. If we accede to all the requests of every service, we shall have a budget far out of proportion to the ability of the country to pay.

Mr. President, I have the greatest respect and friendship for my colleague from California [Mr. KNOWLAND], for my colleague from Alabama [Mr. HILL], and for my colleague from Wyoming [Mr. O'MAHONEY]. I approve the considerations which actuate them. However, there is one fact which has not been brought out, it seems to me, and that is what we are doing for the armed forces in this budget. I invite attention to the fact that the budget now provides, under the Department of the Air Force, for the construction of aircraft and related procurement to the extent of $1,100,000,000. In addition, it provides, in contract authority, for building new airplanes to the extent of $1,415,000,000, or a total of $2,515,000,000.

The Navy has not been mentioned; yet the Navy is also building airplanes. This bill calls for new construction in the Navy of aircraft and related procurement in the amount of $523,070,000. In addition, it calls for contract authority of $576,546,000. Adding those figures together very quickly, they amount to approximately $1,100,000,000 more. So this year we are providing for new aircraft construction in excess of $3,600,000,000.

We should also bear in mind one item for which the bill does not provide, which may have to be provided in the Military Establishment this year. There is now pending on the calendar a new pay bill, which is estimated to cost $302,000,000 this year, and about $320,000,000 a year thereafter.

There is not included in this budget anything for new public works construction, which the military forces estimate at approximately $400,000,000.

Moreover, included in this budget is $50,000,000 to provide for a radar screen around the country.

On the other hand, I wish to make is perfectly clear that the provision recommended by the President for universal military training, in the amount of $800,000,000, is out of this budget. That represents a deduction.

If we want to include as a part of our military strength and security other appropriations, I mention only two which occur to me, namely, the ECA appropriation of approximately $3,500,000,000 for Europe, which is on its way, and the MAP program, the military assistance program, which is now being considered. The amount of authorization asked for in connection with that program is $1,400,000,000. Those figures add up to another $5,000,000,000.

Mr. President, the factor which influenced my decision to stick by the recommendation of the committee was, first, that we shall thus be carrying out the suggestions of the Commander in Chief and his subordinates; secondly, we shall thus be appropriating at least as much as—and perhaps more than—the economic condition of this country can stand, when we bear in mind all the other expenditures of the Federal Government.

Even with what we are doing now, we shall approach a deficit, next year, of approximately $5,000,000,000. Of course, deficit spending is contagious. We have seen how contagious it is and how difficult it is to overcome.

I wish to make one other statement. I know General Spaatz. I like him. I hope he considers me his friend, as I consider him my friend. He is a vigorous advocate of air power. His judgment in the war was sound. He is a courageous military man in every sense of the word, and he is a strong advocate of the branch of the service of which he has been the commander. He may be entirely correct in what he says about the country's need for air power. I do not dispute that for a moment. However, I feel that we must make haste a little slowly. We have a Navy and a ground force, and those two forces have to support the Air Force in time of emergency. The balance between those forces is hard to work out. The present Secretary of Defense is making some initial steps in that direction. Gradually we shall determine—through new invention, through further research—the relative values of the Navy, the Army, and the Air Force in the days to come; but we must proceed gradually and must make the best of what is practical at the present time.

I would add one other statement. On the calendar at the present time is Calendar 940, House bill 1437, a bill to authorize the composition of the Army and the Air Force. The Air Force authorization carried in that bill is 24,000 serviceable aircraft, or 225,000 air-frame tons. That is the goal toward which we wish to build. I agree with what the Senator from California and other Senators have said, namely, that this appropriation will not increase the number of our airplanes; rather, it will decrease the number. I do not have the figures for the Navy, but I have the figures for the Air Force. I shall not go into them now. But we are building better aircraft; and even though the numbers may decrease, the usefulness and fighting qualities of our airplanes is increasing. So we are improving our Air Force. I dispute the statement my colleague, the Senator from California, has made, to the effect that we are decreasing it. We are decreasing the Air Force in numbers, but we are increasing it in fighting ability.

Mr. President, I am confident that the Air Force would like more planes. I am confident that the Army would like more tanks. I am certain that the Navy would like more ships. We must balance all those elements.

The budget now proposed, and now advocated by the group of Senators led by the distinguished Senator from Oklahoma [Mr. THOMAS], who gave a great deal of time to it, is an effort to follow to the best of our ability the requests of the Commander in Chief for a suitable, rounded-out fighting force for the next fiscal year.

Mr. McKELLAR. Mr. President, I wish to say just a word at this time. As everyone knows, I have long been a stanch friend of aircraft as a fighting component of the armed forces. I think

I have voted for every bill and for every appropriation which has been offered for aircraft.

I believe that in future wars, aircraft and bombs together may play the greatest part. They will certainly play the first part. I would have been glad to vote for a larger number of aircraft, but for the position taken by our leaders. The President, the Secretary of Defense, the Director of the Bureau of the Budget, the Secretary of the Air Force, Mr. Symington—who, in my judgment, is one of the most capable men in the Government and as fine a man as ever lived—generally were satisfied. Not only were they satisfied, but they approved the provision which now appears in the Senate committee's version of the bill.

While personally I would have liked to see a larger amount provided, because I think the Air Force is certainly as good a defense as any we have, nevertheless, after the most careful consideration of the evidence which came before the committee, I reached the conclusion that the authorities were correct in making the request which they did make, and which the Senate committee has voted to allow. I wish to say that I am going to stay with the committee report, and I shall vote for the amount it recommends.

On the other hand, I also wish to say, speaking for myself, that if it is later determined by our military authorities that we need more aircraft or better aircraft or a change in aircraft, so as to have the last word in aircraft for fighting purposes, I certainly shall support appropriations to bring that about, because I am almost entirely convinced that it is our first and best defense; that, great as our Army and our Navy are, and they are the best in the world, our air and bombing departments are our first and best defense at this time, in the present situation of the world.

Therefore, I shall stay with the committee, and shall vote in accordance with its recommendations made by the President, by Secretaries Johnson and Symington. I simply wish to make that statement for the RECORD at this time.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Byrd	Humphrey	Robertson
Cain	Ives	Saltonstall
Chapman	Johnson, Colo.	Schoeppel
Connally	Johnson, Tex.	Smith, Maine
Cordon	Kerr	Smith, N. J.
Donnell	Kilgore	Sparkman
Douglas	Knowland	Stennis
Ecton	Langer	Taft
Ellender	Long	Taylor
Flanders	Lucas	Thomas, Okla.
Frear	McClellan	Thomas, Utah
George	McFarland	Vandenberg
Gillette	McKellar	Watkins
Green	Malone	Wherry
Gurney	Morse	Wiley
Hayden	Mundt	Williams
Hendrickson	Murray	Withers
Hill	O'Mahoney	Young
Hoey	Pepper	
Holland	Reed	

The VICE PRESIDENT. A quorum is present.

Mr. KNOWLAND. I ask for the yeas and nays.

Mr. ROBERTSON. Mr. President, I am an advocate of economy in our National Government. I believe it is imperative for us to balance the budget and to reduce the existing debt as promptly as possible. But at the same time I cannot agree that economy should be attained at the expense of our national security. There are minimum defense requirements which must be met or we shall not long remain in a position to enjoy the fruits of economy.

It is my judgment that House bill 4146, the National Military Establishment's appropriation bill, as it has been approved by the Senate Appropriations Committee, meets the test of promoting economy and at the same time providing for minimum defense needs. I hope that it will be approved by the Senate in its present form.

I feel that I can speak with some authority on this subject, Mr. President, because I have followed the bill closely since it came to us from the House. I attended virtually all the hearings and had an opportunity to ask questions and to weigh testimony of the top military officials. I was impressed at the hearings with evidence of their willingness to cooperate in reducing defense costs.

An important factor in promoting economy is the unification of the command of the branches of our defense organization. Unification finally is working. I saw an impressive demonstration of that fact recently when I had the privilege of observing what is known as Operation Camid at Camp Pendleton, near Virginia Beach last Saturday.

Each year a group of cadets from the United States Military Academy and midshipmen from the United States Naval Academy join the Atlantic Fleet for 2 weeks of amphibious training. This training project is called Operation Camid—cadet midshipmen. It is conducted by the Amphibious Force of the Atlantic Fleet and is participated in by all representative elements of the Navy, including aircraft, submarines, destroyers, marine landing teams, and amphibious vessels. In addition, appropriate units of the Army and the Air Force take active part.

The purpose of Camid is to train the future officers of our three services in the technique of amphibious operations. For 10 days they are shore based where they study and work jointly on the countless details of amphibious operations. They are given lectures and demonstration plays. They study exhibits of the latest amphibious equipment. They take part in practical exercises in which they learn by actually seeing and doing. They plan jointly the landing operation which is the culmination of their training period.

Following this training ashore, they are organized into a joint amphibious task force and embarked for 4 days in the ships of the Atlantic Fleet. In this task force, the landing troops are made up entirely of cadets with their Marine supervisors. Similarly, the midshipmen are organized into corresponding naval units in the transports, landing craft, demolition teams and gunfire support ships. Their training includes an operation in which live gunfire and air support is coordinated with the landing craft assault waves and a demonstration landing by a skilled marine battalion landing team.

In the Camid operation this year, the final landing took place at Camp Pendleton, Va., as I have said, on the Atlantic seaboard, under weather and surf conditions which added genuine realism. The cadet-midshipment task force carried out an amphibious assault landing involving all the techniques of a wartime operation. This included participation by airborne troops who parachuted into the area in support of the landing force. Jet fighters and helicopters were among the additional features which brought the operation up to the minute in its modern concept. The cadets and midshipmen did a splendid job.

In the short period of 2 weeks, it is not possible to teach these young men all that they should know of the complicated details of amphibious operations. They are, however, exposed to the basic principles, with the hope that their interest will be stimulated and that they will absorb the maximum knowledge.

In the process they learn something that is far more important to officers of our armed services: the paramount requirement for mutual assistance, mutual support, and unity of thought and action, not only in wartime combat, but in peacetime thinking and training.

The Camid operation exemplifies the unification of our armed services on the task force combat level, and teaches our young officers in the beginning of their military careers the principles of coordination and mutual understanding so necessary for the successful conduct of any future war.

I believe, Mr. President, that this unified defense effort is entitled to reasonable financial support, and that is what will be provided by the pending bill as reported by the Appropriations Committee.

Mr. President, before I undertake to make a brief analysis of what we are appropriating for each branch of the service, I want to say a word about the amendment on which we shall shortly vote. With all due deference to the splendid Senator who has offered that amendment, and his fear that our Air Force is not large enough, I feel that we cannot depend for our security on the Air Force alone. If we adopt the Senator's amendment I feel we shall unbalance the program we now have, and we shall then be stressing the Air Force at the expense of the very type of coordinated action I witnessed in such a thrilling manner last week at Virginia Beach and which, so far as any of us know, may still be the method of warfare if we are so unfortunate as to have another war. I cannot believe, Mr. President, that we can rely absolutely for our security, under any circumstances, on only one branch of the service.

I realize there are those who now talk in terms of a push-button war. If some aggressor attacks us, we shall push a button, soar upward, and drop so many bombs that the war will be over in the course of a few days or a few weeks. I

do not hold that viewpoint at all. I do not believe any aggressor will attack us until he is reasonably assured of the chances of success. What will that mean? It will mean that the aggressor may have the same type of airplanes we have. Bear in mind that in World War II not a single bombing mission we sent out failed to get through. The planes we were using at that time would make only 165 miles an hour. Some of them reached the target every time they went out. We know that Russia has six-engined jet-propelled bombers capable of speeds of 400 or 500 miles an hour. We have been told that planes going over a target in excess of 20,000 feet cannot be reached by ground antiaircraft guns. Who can assume that if we should be involved in war, and our enemy has bombers which will make 400 or 500 miles an hour and can fly 20,000 or 25,000 or 30,000 feet up in the air, some of those planes will not come through?

No, Mr. President. If there is a war it will not be an easy one or a short one. It will be a tragedy from which civilization may not recover. But before that war is over, I am convinced that sooner or later we shall get back to the fundamental present concept of war in which all branches of the service will be called upon to take part.

I am happy to say, from my observation of the way in which the unification program is working, and with the fine spirit I observed at Virginia Beach last week, with real amity and friendship between the top-ranking branches of the service, we can have a united effort and make a successful defense.

Mr. President, I want to turn briefly to some of the figures in the bill, because I think it is important for the Senate to know the figures before we vote materially to increase them. Senators should know what we have appropriated; they should know why we did not appropriate more than we have appropriated.

The total cash appropriation as contemplated by the Senate bill is $12,731,834,478.

The total contract authorization, as reported by the committee, is $2,058,546,000. This is a reduction of $540,981,322 in appropriations below the House-approved figure of $13,272,815,800, and $577,755,000 in contract authorization below the House total of $2,636,301,000. It is also a reduction of $517,126,222 under the cash budget estimates of $13,248,960,700, and a reduction of $17,000,000 in contract authorizations below the budget estimates of $2,075,546,000.

This does not include a reduction of $275,000,000 in contract authorization for stock-piling of strategic and critical materials, the authorization for which appears in the Second Deficiency Appropriation Act for 1949 and the Treasury-Post Office Appropriation Act for 1950. Together with the reductions from the House-approved military bill, these represent savings in cash and contract authorizations of $1,393,736,322, a very substantial amount.

I know there are some Members of the Senate who wish that this saving could be greater. I say frankly that I wish that it could be greater, too. Secretary of Defense Johnson, when he testified, indicated that by the end of the fiscal year he could be making savings at a rate of a billion dollars in the Department of Defense alone. He said that he could do it with the powers given him in the National Security Act. He said that he could do it by eliminating wastage, duplication, and by cutting down on unnecessary civilian personnel. He made a very strong and convincing statement. It will be found on page 32 of the hearings. At the same time he stated that if the committee, or the Congress, were to apply specific cuts of this amount to the Military Establishment the way it is now constituted, it would cut down the fighting efficiency of the armed forces to a danger point. In other words, he said if we in the Congress made specific cuts, the fighting strength would be impaired, but if he were allowed to institute reforms, then he would be able to make savings at the rate of a billion dollars a year without any impairment of the fighting force.

For the reasons given the Senate committee chose what I consider to be a very sane and moderate procedure. First, it restored practically every one of the appropriations to the budget estimate. Then it directed the Secretary of Defense to apply cuts totaling approximately $433,000,000 to the entire Military Establishment. He is to use his own discretion in applying these cuts, the only stipulation being that the cuts must be made in such a way as to avoid impairing the national security. With this explanation in mind, it appears to me that the Senate will do well to support the committee bill just as it is written.

There is one action of the committee which I believe deserves special comment. The President in his budget estimates requested funds for a 48-group air force. The House, by increasing the cash by about $222,000,000, and the contract authorization by about $577,000,000, voted to increase the size of the air force to 58 groups. Mind you, Mr. President, that is the issue pending before us. That is the first amendment on which we are now called upon to vote.

This was contrary to the President's recommendation. When the committee met it was very much concerned as to whether this additional air strength was necessary. It approached the problem with an open mind. It called in Secretary Johnson. It called in the Joint Chiefs of Staff. It called in the Secretary of the Air Force, the Secretary of the Navy, and the Secretary of the Army. It asked them their opinions about the need for a 58-group air force. They were unanimous in stating that they believed that a 48-group air force—the President's approved number—was a proper and adequate number at this time.

Mr. President, I sat there and heard the testimony from the Secretary of Defense, from his assistants in the Army, Navy, and Air Force, and from all the Joint Chiefs of Staff. We said, "Speak freely to us. We want to know the facts. We are not controversial. We are not going to penalize you. You are talking to us now, and we want the facts. Are 48 groups enough?" They said, "A 48-group force is enough for our security." Who says now it is not enough? I do not know, with all due deference. But whom are we to follow? Certainly the Senate is not going to take the position that we should add six or seven hundred million dollars to this tremendous appropriation bill without some good and sufficient reason for doing so. Certainly no one, at a time when there is a deficit which may run to four or five billion dollars—no one knows how much—would add anything to that deficit for an unnecessary expenditure. Certainly none of us is wise enough to know that if we put hundreds of millions of dollars in airplanes, and do not use them, and will not find it necessary to use them for 5 or 10 years, they will still be usable planes at the end of that time.

The last time I discussed this matter with General Spaatz, who is one of the greatest air leaders we have ever had, and a fine man, he told me that under ordinary circumstances an airplane becomes obsolete in 1 year. The nations are experimenting, they are making improvements. We must make improvements. We must be building better planes each year, if we are to keep abreast.

At Norfolk I saw a base where there are 30,000 flights on one field every month. There is another airport in the United States which has that much air travel, which is not exceeded even by our National Airport here in Washington, which is one of the largest.

Mr. President, what are the planes that use those fields? For the most part, they were planes of World War II, trainer planes. That is what we have now. We are using them now, but the officers at the air base to which I have just referred are hoping and praying that if we have the misfortune to get into another war we will have better planes than that. Yet, I understand that it is proposed now that we build some more of that kind of plane. Perhaps the B–36 is the last word, but who knows it is the last word in a bombing plane?

Mr. President, our committee acted on the very best technical advice the Nation has. Needless to say, it gave us some little satisfaction that we could follow the advice of the military experts and effect just a little economy at the same time. We also followed the advice of the Commander in Chief, who had had the benefit of all the best technical advice before he sent up the budget estimate for a 48-group air force.

Mr. President, the witnesses from the Military Establishment were reminded that the Appropriations Committee was sitting in order to determine for itself as to the adequacy or inadequacy of the 48-group force, and, as I have said, they were told to speak freely if they felt that a 48-group force was not sufficient. They reiterated their previous position. There were no "ifs," "ands," or "buts." These officials—our top military men, on whom we must put our faith in our national security—were emphatic in their stand on a 48-group air force. Under these circumstances, it is my firm conviction

that the Senate would be unwise to alter their decision.

Acceptance of this bill will, I believe, be a step in the direction of what should be the goal of our defense planning. That goal was aptly described to me by Admiral Blandy, Commander in Chief of the Atlantic Fleet, during the Camid operation, when he said the need of the United States is for "a balanced defense team, working with complete unity of thought and action toward a common end: the security of the Nation and the peace of the world."

I cannot close this discussion, however, without expressing my conviction that we cannot place our dependence on our Military Establishment alone. Peace has escaped the chancelleries of the world because it has found no home in the hearts of men. We have developed the unfortunate habit of thinking more in terms of war than in terms of peace and this leads to the unfortunate conclusion that war is inevitable. I do not share that belief. But, neither do I believe we can perfect an absolute defense against bombs being dropped on us.

After observing the atomic bomb test at Bikini, Admiral Blandy said in effect that the nations must learn to live under God or underground. I trust we may find a way to persuade other nations to join us in choosing the former alternative.

Mr. GURNEY. Mr. President, I desire to take only a few minutes of the time of the Senate to advise the Senate of my complete support of the committee action in reducing the item on page 69 to the budget amount of $1,415,000,000.

I wish to say that this amendment applies only to the Air Force, not to the Bureau of Areonautics in the Navy Department. In other words, the amendment we are now considering does not cover the whole aviation question as it applies to our National Military Defense Establishment.

If we turn to page 67, we find that approximately $605,000,000 more is given to the "Bureau of Areonautics, Aviation."

So by agreeing to the pending committee amendment and passing this bill, we would still appropriate more than $2,000,000,000 for new airplanes.

Last year, and also the year before, as I remember, Congress appropriated a tremendous amount of money, providing for a huge number of airplanes over and above the number recommended by the Bureau of the Budget.

I refer the Senate to the hearings held last year on selective service. During the hearings held from February through June, a great deal of testimony was taken, and the administration, through the Military Establishment, completely sold the people of America and completely sold the Congress of the United States on the necessity for an increased Defense Establishment. Congress passed the Selective Service Act. That act would have provided the personnel necessary to man the increased number of planes which were appropriated for last year and the year before, or at least would have come close to doing so. The planes appropriated for were ordered by the Air Force and the Bureau of Aeronautics, Navy Department, and Congress adjourned about the 1st of July last year, being fully justified in believing, in my opinion, that that augmentation of the Air Force and the Army and Navy was going to be made. We were told of the necessity for such increase. Everyone in Congress believed the increase to be necessary.

Not only did Congress pass the legislation to which I have referred, but it passed the Unification Act, because Congress believed in the necessity for economy. Consequently, if we do not agree to the committee amendment today we must reverse the policies which have been adopted this year, which are entirely different from the policies adopted by Congress last year.

All Senators will remember that after Congress went home last year, the President, in the month of October, said in effect:

> We will deactivate the selective service. We will make no further call for an increased number of personnel to come into the Army.

Remember that the selective-service law authorized the induction into the Ground Forces of a total number of 844,000 men. The President, in issuing his order in October, said that 690,000 or 692,000 were all that were necessary. Proportionate reductions were made in the number of men authorized for the Air Force and the Navy.

That, Mr. President, so far as the national defense is concerned, was a very vital decision. I say that decision was made by the administration last October, when the administration decided to cut down the number of men in the Air Force, in the Army, and in the Navy.

Probably at about the same time a decision was made which affected the Bureau of Aeronautics, Navy Department, for very shortly thereafter we had a rescinding of the order the Navy had issued to build a large airplane carrier. So decisions were made then by the administration cutting down the number of men in the Army and stopping the construction of the large airplane carrier.

This year the administration said to the Appropriations Committee:

> We want a stronger Unification Act. We want to give authority to Secretary Johnson so he can really effect economy.

Secretary Johnson has just notified Congress of certain steps he has taken in the last few days to let out of the service 135,000 civilian employees. Extra civilian employees are needed to maintain more airplanes. So if we pass this bill we can anticipate that sooner or later the same civilian employees the Secretary proposes to discharge will be put back on the job.

Mr. President, possibly all the decisions I refer to fit into the picture of ECA aid to Europe, and arms implementation to Europe. Certainly they all deal with one subject, the security of the United States. The decisions in question were made. Certain actions were taken. Instead of having an air force of 58 groups, as it was intended we should have under the appropriation bill passed last year, we now have the recommendation of the administration that we provide for only 48 groups in the Regular Air Force Establishment, and that we provide only about $600,000,000 for new airplanes in the Navy.

Certainly Congress cannot expect that if now we appropriate more money for airplanes the appropriation will be activated and carried into effect in direct contradiction of the whole defense policy which has been decided on by the administration. Because of the fact that I do not have knowledge as to whether we should have more airplanes in the Navy or in the Air Force, or whether they should be B–36's or jet planes or some other kind of planes, I believe Congress can adjourn with a clear conscience if it accepts the recommendation which comes from the Military Establishment and the administration, because it is certain that items of this size must be dovetailed in together with our whole national security plan.

Mr. President, I shall not stand on the floor of the Senate and say that I believe Congress could not feel safer if we had 100 or 200 more B–36's. I believe, however, that our first defense is keeping our economy sound. The placing of a further load of $500,000,000 on the backs of the taxpayers does not seem to me to be a good idea at this time.

With respect to mechanical means, material things for the protection of our country, I should rather have our resources in aluminum sheets, in productive capacity, for I believe that if we were to get into a war in a year or two years from now we would be better served if we could then build the newer type of planes that we would have knowledge of at that time.

For all these reasons, and many more—and I will say I have spent some time studying the national security problem—I shall support the committee amendment providing for $1,415,000,000 in contract authority for the Air Force.

The VICE PRESIDENT. The question is on agreeing to the committee amendment on page 69, line 17.

Mr. KNOWLAND. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. THOMAS of Oklahoma. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. THOMAS of Oklahoma. Has any Senator answered to his name?

The VICE PRESIDENT. No Senator has yet answered to his name.

Mr. THOMAS of Oklahoma. Mr. President, a further parliamentary inquiry. Is it not a fact that the vote comes on a proposed reduction for the Air Force sufficient to eliminate 10 groups, and that a vote "yea" means a vote to support the committee amendment, and a vote "nay" is a vote against the committee amendment?

The VICE PRESIDENT. A vote in the affirmative is a vote in favor of the committee amendment making a reduction in the appropriations for the Air Force. A vote in the negative means a vote against the committee amendment, and, in effect, for the higher amount in the House language.

The Secretary will proceed with the call of the roll.

The legislative clerk resumed and concluded the call of the roll.

Mr. LUCAS. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Mississippi [Mr. EASTLAND], the Senator from Rhode Island [Mr. LEAHY], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Pennsylvania [Mr. MYERS], and the Senator from Maryland [Mr. O'CONOR] are absent on public business.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from California [Mr. DOWNEY], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Connecticut [Mr. MCMAHON], and the Senator from Idaho [Mr. MILLER] are necessarily absent.

The Senator from North Carolina [Mr. GRAHAM] is absent by leave of the Senate on public business.

The Senator from Wyoming [Mr. HUNT] is absent by leave of the Senate on official business.

The Senator from Nevada [Mr. MCCARRAN] and the Senator from Georgia [Mr. RUSSELL] are absent by leave of the Senate.

The Senator from West Virginia [Mr. NEELY] is absent on official business.

The Senator from Washington [Mr. MAGNUSON], who is detained on official business, is paired on this vote with the Senator from Pennsylvania [Mr. MARTIN]. If present and voting, the Senator from Washington would vote "nay" and the Senator from Pennsylvania would vote "yea."

The Senator from South Carolina [Mr. MAYBANK], who is detained on official business at the office of the Secretary of Defense, is paired on this vote with the Senator from Maryland [Mr. TYDINGS], who is detained on official business. If present and voting, the Senator from South Carolina would vote "nay" and the Senator from Maryland would vote "yea."

I announce further that on this vote the Senator from Connecticut [Mr. MCMAHON] is paired with the Senator from Michigan [Mr. FERGUSON]. If present and voting, the Senator from Connecticut would vote "nay" and the Senator from Michigan would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from New York [Mr. DULLES], the Senator from Massachusetts [Mr. LODGE], and the Senator from New Hampshire [Mr. TOBEY] are absent by leave of the Senate.

The Senator from Maine [Mr. BREWSTER], the Senator from Ohio [Mr. BRICKER], the Senator from New Hampshire [Mr. BRIDGES], the senior Senator from Indiana [Mr. CAPEHART], the junior Senator from Indiana [Mr. JENNER], and the Senator from Minnesota [Mr. THYE] are necessarily absent.

The Senator from Connecticut [Mr. BALDWIN] is absent by leave of the Senate on official business.

The Senator from Michigan [Mr. FERGUSON], who is absent by leave of the Senate, is paired with the Senator from Connecticut [Mr. MCMAHON]. If present and voting, the Senator from Michigan would vote "yea" and the Senator from Connecticut would vote "nay."

The Senator from Pennsylvania [Mr. MARTIN], who is absent on official business, is paired with the Senator from Washington [Mr. MAGNUSON]. If present and voting, the Senator from Pennsylvania would vote "yea" and the Senator from Washington would vote "nay."

The Senator from Iowa [Mr. HICKENLOOPER], the Senator from Missouri [Mr. KEM], the Senator from Wisconsin [Mr. MCCARTHY], and the Senator from Colorado [Mr. MILLIKIN] are detained on official business.

The Senator from Vermont [Mr. AIKEN] and the Senator from Nebraska [Mr. BUTLER] are absent by leave of the Senate, and they have a general pair.

The result was announced—yeas 49, nays 9, as follows:

YEAS—49

Byrd	Hoey	Saltonstall
Cain	Holland	Schoeppel
Chapman	Humphrey	Smith, N. J.
Connally	Ives	Stennis
Cordon	Johnson, Colo.	Taft
Donnell	Kerr	Taylor
Douglas	Kilgore	Thomas, Okla.
Ecton	Langer	Thomas, Utah
Ellender	Long	Vandenberg
Flanders	Lucas	Watkins
Frear	McClellan	Wherry
George	McFarland	Wiley
Gillette	McKellar	Williams
Green	Malone	Withers
Gurney	Murray	Young
Hayden	Reed	
Hendrickson	Robertson	

NAYS—9

Hill	Morse	Pepper
Johnson, Tex.	Mundt	Smith, Maine
Knowland	O'Mahoney	Sparkman

NOT VOTING—38

Aiken	Fulbright	Magnuson
Anderson	Graham	Martin
Baldwin	Hickenlooper	Maybank
Brewster	Hunt	Miller
Bricker	Jenner	Millikin
Bridges	Johnston, S. C.	Myers
Butler	Kefauver	Neely
Capehart	Kem	O'Conor
Chavez	Leahy	Russell
Downey	Lodge	Thye
Dulles	McCarran	Tobey
Eastland	McCarthy	Tydings
Ferguson	McMahon	

So the committee amendment was agreed to.

The VICE PRESIDENT. The next committee amendment will be stated.

The next amendment was, under the subhead "Special procurement," on page 70, line 1, after the word "for", to strike out "$134,477,000" and insert "$126,139,000."

The amendment was agreed to.

The next amendment was, under the subhead "Acquisition and construction of real property," on page 70, line 7, after "(Public Law 626)", to insert "and the act of March 30, 1949 (Public Law 30)"; and in line 11, after the figures "$5,445,000", to insert a semicolon and "and, in addition, not to exceed $50,000,000 of the appropriations for the Department of the Air Force made by this act may, in the discretion of the Secretary of Defense, be transferred to and merged with this appropriation, to be available until expended for the foregoing purposes, or in lieu of any part thereof, contract authorizations contained in such appropriations may be utilized for the purpose hereof."

The amendment was agreed to.

The next amendment was, under the subhead "Maintenance and operations," on page 72, line 11, after the word "otherwise", to strike out "$1,199,792,000" and insert "$1,068,864,000."

The amendment was agreed to.

The next amendment was, under the subhead "Military personnel requirements," on page 74, line 16, after the word "sentence", to strike out "involving dishonorable discharge"; and in line 18, after the word "enlistment", to strike out "$1,263,623,000" and insert "$1,201,000,000, of which $5,000,000 shall be immediately available and may be transferred to the appropriation 'Finance Service, Army,' subhead 'Pay of the Army,' 1949."

The amendment was agreed to.

The next amendment was, under the subhead "Research and development," on page 75, line 13, after the word "expended", to strike out "$233,000,000" and insert "$215,000,000."

The amendment was agreed to.

The next amendment was, under the subhead "Salaries and expenses, administration," on page 78, line 15, after the word "station", to strike out "$59,870,000" and insert "$58,425,000."

The amendment was agreed to.

The next amendment was, under the subhead "Contingencies," on page 78, line 21, after the word "certificate", to strike out "$15,200,000" and insert "$14,467,000."

The amendment was agreed to.

The next amendment was, under the heading "Title VI—General provisions," on page 83, section 610, line 14, after the word "section", to insert "or any other provision of law"; in line 18, after the word "Guard", to strike out "or"; and in line 19, after the word "Corps", to insert "Naval Reserve, or Marine Corps Reserve."

The amendment was agreed to.

The next amendment was, on page 84, after line 9, to strike out:

After June 30, 1949, no appropriation contained in this or any other act shall be available for payment of rental or quarters allowances to personnel of the services mentioned in the title of the Pay Readjustment Act of 1942 for any periods during which they occupy, with their dependents, if any, quarters under the jurisdiction (for rental purposes) of any such services.

The amendment was agreed to.

The next amendment was, on page 87, section 620, line 22, after the word "act", to insert "(except those for liquidation of prior contract authorizations)."

The amendment was agreed to.

The next amendment was, on page 89, after line 4, to strike out section 622, as follows:

SEC. 622. The Secretary of Defense is authorized and directed, whenever in his judgment the best interests of the United States so require, to direct the insertion of a clause incorporating the Renegotiation Act of 1948 in any contract for the procurement of ships, aircraft, aircraft parts, and the construction of facilities or installations outside continental United States entered into by or in behalf of the Department of the Army, the Department of the Navy, or the Department of the Air Force which obligates any funds made available for obligation in the current fiscal year.

And in lieu thereof to insert the following:

SEC. 622. (a) All negotiated contracts in excess of $1,000 entered into during the fiscal year 1950 by or on behalf of the Department of the Army, the Department of the Navy, or the Department of the Air Force, and all subcontracts thereunder in excess of $1,000, are hereby made subject to the Renegotiation Act of 1948 in the same manner and to the same extent as if such contracts and subcontracts were required by such act to contain the renegotiation article prescribed in subsection (a) of such act. Each contract and subcontract made subject to the Renegotiation Act of 1948 by this section shall contain an article stating that it is subject to the Renegotiation Act of 1948. In determining whether the amounts received or accrued to a contractor or subcontractor during his fiscal year from contracts and subcontracts subject to the Renegotiation Act of 1948 amount in the aggregate of $100,000, receipts or accruals from contracts and subcontracts made subject to such act by this section shall be added to receipts or accruals from all other contracts and subcontracts subject to such act.

(b) Notwithstanding any agreement to the contrary, the profit limitation provisions of the act of March 27, 1934 (48 Stat. 503, 505), as amended and supplemented, shall not apply to any contract or subcontract which is subject to the Renegotiation Act of 1948.

Mr. KILGORE. Mr. President, before this committee amendment is voted upon, I offer to it an amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment to the amendment will be stated.

The LEGISLATIVE CLERK. In the committee amendment on page 90, in line 8, after the period, it is proposed to insert the following:

It is the sense of the Congress that the Secretary of Defense, in exercising his discretion to exempt subcontracts, either individually or by general classes or types, will take into consideration the competitive conditions affecting the sale of any article covered by such subcontract or subcontracts and the protection of the Government against excessive profits being earned thereon, and, insofar as practicable, will exempt such subcontract or subcontracts if he finds such action to be in the public interest.

Mr. KILGORE. Mr. President, with reference to this amendment to the committee amendment, let me say that I realize it would have no actual legislative effect, but merely would express the position of the Congress. The purpose is to encourage and permit manufacturers of commercial products who sell them under Government contracts or subcontracts to feel assured that where there is actual competition, the contracts or subcontracts will not be subject to renegotiation, but that the renegotiation clause may be omitted. The situation is adequately protected; but this amendment to the committee amendment is an admonition to the Secretary of Defense to scrutinize these contracts. This amendment to the committee amendment pertains particularly to subcontractors who are manufacturing a standard product which is in competition. Under this committee amendment, all such contracts could be renegotiated.

The amendment to the committee amendment has been submitted to the Renegotiation Board and also to the staff of the Appropriations Committee and to the National Defense Establishment, and all of them agree to it. They have no objection whatsoever to it.

Mr. FLANDERS. Mr. President, I wonder whether the Senator from West Virginia would give consideration to the alternative, namely, removing section 622, and leaving the situation as it is under the act of March 27, 1934.

My reasons for the suggestion are these: The renegotiation provision is fundamentally a wartime provision which would take care of conditions under which no one could predict in advance what would be the cost of manufacture. So it was mutually agreeable, under war conditions, for the Government and the contractor to review the results of the contract, after performance of it had been completed. I presume that situation still occurs in some cases. It does in the case of shipbuilding and some other things. But this provision, as written into the bill, to my mind carries over in an extreme form and in an administratively difficult form a provision which was intended primarily for wartime conditions.

However, it places an intolerable burden on small business. The $1,000 limit makes this provision apply to the smallest businesses to be found in the United States. It is merely another indication of our laxity, our obtuseness, our lack of understanding, when, after we set up committees for small business and make extensive speeches here on the floor of the Senate in favor of small business, we then try to put through a provision of this sort which would prevent small business from doing anything for or with the Government without an infinite amount of trouble, without reference to the most elaborate kind of cost keeping and figuring and analysis of overhead and direct costs, figures which are available to large businesses, but are completely out of the reach of small businesses.

I earnestly suggest to the Senator from West Virginia that he consider eliminating this provision entirely. It is very bad.

Mr. KILGORE. Mr. President, in reply to the Senator from Vermont, let me say to him that if he will carefully scrutinize the part which has been taken out he will discover that that part does not protect small business very much. It chiefly protects large business. As originally written, it will not exclude those who furnish parts for ships. The most expensive part of the building of a ship is the propulsion machinery. Yet that would be absolutely restricted. The propulsion machinery is normally specified as a custom-built article, which can be built by only one company or firm. Therefore, there would be no possibility of competitive bidding.

Let me say that we mulled over this matter for some time, and very thoroughly; and we adopted this proposal as a method of protection, where there is any possibility of competition.

Mr. FLANDERS. Mr. President, I ask the Senator from West Virginia whether the section as amended, which I take it includes all that is in the section as reported by the committee, does not cover everything from devil's hair to dog's wool, so long as it is over $1,000; and it applies to the Department of the Army, the Department of the Navy, and the Department of the Air Force, which means the whole Defense Establishment. I earnestly suggest to the Senator from West Virginia that it covers altogether too much.

Mr. KILGORE. Of course, neither the Senator from Vermont nor I should discuss the question of hair too deeply, unless we are going to use dog's wool for toupées.

I am merely supporting the amendment to the committee amendment in an endeavor to protect small business. The thing about the original draft of the bill to which I objected was that it only excluded ships. Frankly, the greatest waste I found in 5 years of investigation of ships had to do with propulsion machinery. The shipbuilder buys his propulsion machinery. He merely builds a hull and makes an assembly. For that reason I should prefer to argue my amendment to the committee amendment now, leaving the committee amendment to be argued after my amendment has been passed upon.

Mr. FLANDERS. Mr. President, I think perhaps the point made by the Senator from West Virginia is well taken. When his amendment to the committee amendment is disposed of, I hope we may dispose of the corpus delicti of the committee amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from West Virginia to the committee amendment.

Mr. THOMAS of Oklahoma. Mr. President, the amendment has been considered, and, so far as I know, the committee has no objection to it.

The VICE PRESIDENT. Without objection, the amendment offered by the Senator from West Virginia to the committee amendment is agreed to.

Mr. FLANDERS. I move to amend the bill, on page 89, by striking out section 622 (a) in the committee version of the bill.

The VICE PRESIDENT. A negative vote on the committee amendment, the Chair will state to the Senator, would accomplish the same result. The question is on agreeing to the committee amendment, and it is unnecessary to move to restore the House language, because a negative vote would accomplish that purpose anyway.

Mr. FLANDERS. Mr. President, again I bow to superior parliamentary wisdom. I only urge that this body do not agree to the committee amendment.

Mr. CORDON. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Vermont yield to the Senator from Oregon?

Mr. FLANDERS. I yield.

Mr. CORDON. The Senator made the statement in his argument a moment ago that this section would apply renegotiation to every contract in excess of $1,000; which, on the face of it, standing alone, would be correct. But the purpose of the amendment and what it accomplishes and what the language accomplished last year is simply to bring

within the Renegotiation Act any contract of $1,000 and more, when such contract, plus others, create the minimum amount which can be renegotiated, which is $100,000. So that any initial and prime contract under $100,000, is not subject to renegotiation under this act.

Mr. FLANDERS. I take it, however, that any subcontractor—that is, the small-business man—having a subcontract to the amount of $1,000, under the $100,000 limitation, is in jeopardy.

Mr. CORDON. That is correct.

Mr. FLANDERS. I seriously doubt whether a body as sensitive to the troubles of the small-business man as the Senate is will agree to the renegotiation of $1,000 subcontracts.

The VICE PRESIDENT. The question is on agreeing to the committee amendment as amended.

Mr. CORDON. Mr. President, I should like to speak in my own time, if the Senator from Vermont has concluded.

Mr. FLANDERS. I yield the floor.

Mr. CORDON. I shall support the committee amendment. The purpose of it, as it first appeared in appropriation language after the war, was to try to reach the kind of contract which it was clear would be essential in any type of procurement where the thing to be procured was noncompetitive. The evidence which, in the opinion of the committee, was most persuasive was that numerous negotiated contracts were being made by the armed services in the nature of the purchase of new types of matériel for the armed services in the field of guided missiles, in the field of improvements to aircraft, in the field of experimental types of motor vehicles, of armament, and of different types of armor itself. It was clearly impossible for the Government through the armed services to contract with the necessary manufacturers to produce that type of equipment and have a firm contract as to price. Neither could know in advance what the expenditure might run to. Neither could know in advance whether a prototype would be followed by a considerable investment. The result was that we were in a field in which the Government, in order to get firm contracts, would be compelled to pay very much more than it would have to pay were it possible to know costs in advance. The application of renegotiation to that situation would permit the Government to renegotiate the contract, and, at its conclusion, to determine by renegotiation the reasonable value of the services performed and of the thing received.

I hope the Senate will agree to the amendment. I believe it is in the interest not only of the Government but of the suppliers themselves.

Mr. FLANDERS. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from Vermont?

Mr. CORDON. I am glad to yield.

Mr. FLANDERS. Was the Senator on the Appropriations Committee?

Mr. CORDON. I was.

Mr. FLANDERS. Did the armed services request this provision?

Mr. CORDON. I do not recall the exact circumstances. My memory is the request first came from the Navy. I am not certain. It came from one of the arms of the service before unification.

Mr. FLANDERS. I should be very much interested to know the source of the amendment.

Mr. CORDON. It came from one of them, but I do not now recall which.

Mr. FLANDERS. It was no friend of the small-business man, whoever it was.

Mr. CORDON. Mr. President, I may say with reference to that, the amendment cannot hurt any businessman, either small or large, who has for sale anything which has a settled and fixed competitive price.

Mr. FLANDERS. That confines the small-business man in his dealings with the Government to things which have a competitive and fixed price, if he wants to keep out of infinite trouble, for which he is poorly prepared. I trust the Senate will not agree to the amendment.

Mr. CORDON. Happily, Mr. President, the amendment will not have the result contended for, in my opinion. In those instances in which noncompetitive production is necessary, there must first be a contract in excess of $100,000. In only a very few instances—and they would be most rare—would a contract of that character at this time and in this day and age be subcontracted so far as the noncompetitive factors involved are concerned. So far as purchases by a contractor of materials and supplies which by themselves have fixed values are concerned, there would be no need for renegotiation, and there is discretion in the amendment under discussion. I hope the amendment will be agreed to.

Mr. ROBERTSON. Mr. President, before I discuss the pending amendment I wish to propound a parliamentary inquiry. The House sent us a bill containing a renegotiation provision. The Senate amended that renegotiation provision. I understand the Senator from Vermont has offered an amendment. What would be the effect if the amendment of the Senator from Vermont should be adopted?

The VICE PRESIDENT. The Senator from Vermont has not offered an amendment. He is urging that the committee amendment be defeated.

Mr. ROBERTSON. Then, Mr. President I shall discuss the difference between the House provision and the Senate provision, because I was a member of the committee that handled it and I heard all the testimony. The provision in the Senate bill is the one which I prepared, plus an amendment adopted by the committee which was offered by the Senator from Oregon [Mr. CORDON]. Senators will recall that the first renegotiation provision was inserted in a bill in the early part of defense spending. It was offered, I believe, by Representative CHASE. It was found to be unworkable, and the matter was referred to the Ways and Means Committee and I was assigned to draft a comprehensive renegotiation bill. A subcommittee worked on it for approximately 2 months and found it was one of the most technical and difficult things we had ever undertaken. A bill was drafted and passed. We recovered approximately $5,000,000,000 in direct contracts, and possibly $10,000,000,000 in reductions on the basis of renegotiated contracts. We are again moving into a big spending period, when we see $15,000,000,000 in cash appropriated for our defense program.

The Army, the Navy, and the Air Force have a joint committee on renegotiation, and it is my understanding that that committee got the House to adopt the renegotiation section which is in the House bill. When I studied it, I felt they had not done a good job and that the language inserted would not do what they said they wanted to do. So I redrafted it. The House bill provided for the renegotiation of renegotiated contracts. It applied to competitive contracts and to parts of airplanes. Since we were going into a big shipbuilding program I felt that it would be desirable to add ship parts. So I included that in my redraft of the bill. Representatives of the Army, Navy, and Air Force who were on the renegotiating committee came before us and testified. They said it would impose a great burden on them to renegotiate parts of ships, because they had had much experience in awarding ship contracts, mostly by competitive bids, and they knew so well what these small parts would be that they did not feel the expense they would be forced to incur to renegotiate with subcontractors on parts of ships would justify any possible saving the Government would make on such contracts.

I then struck out the ship parts, which left my amendment just as the House amendment was, but, in my opinion, in better technical language. The representatives of the armed forces all agreed that it was better language and was satisfactory.

Then the distinguished Senator from Oregon [Mr. CORDON] said, "Let us make it apply to all parts." The committee, frankly, over my protest, adopted the Senator's amendment, which would apply to all parts in excess of $1,000.

If we do not adopt the committee amendment, we shall get an improperly worded amendment in the House bill which will cause, in my opinion, untold confusion in the renegotiation of contracts. But if we adopt the Senate amendment, it will be a very simple matter for the conferees, for it will be too burdensome to small business to have all small contracts renegotiated, to eliminate that part of the Senate amendment and accept the intent of the House bill in the language of the Senate bill.

Mr. FLANDERS. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. FLANDERS. I should like to inquire of the Senator from Virginia whether he is willing to formulate that amendment now and see whether we cannot vote for it. Personally, I am unwilling to leave the fate of the small-business man to a conference. The responsibility lies right here on this floor.

Mr. ROBERTSON. It is a very simple matter to take out the language of the Senator from Oregon, which was added to my amendment. But, frankly, I do not feel at liberty, the committee having acted, to offer that amended amendment.

I concede it would be very definitely the privilege of the Senator from Vermont to offer it, and I should be glad to show him how to do it, if he wants to offer it. But I should prefer not to offer the amendment myself, for fear—because the distinguished Senator knows the inclination of members of the Appropriations Committee to feel that when we have acted we are under some obligation to stick together—for fear we shall get the language in a hopeless tangle. I would not object at all to seeing the protection of small business, to which the Senator refers, placed in the hands of the distinguished conferees of the House and Senate, with an opportunity for the Senator from Vermont to point out that it would be burdensome for small business, which does only a part of the business with the Government, to have to keep a set of books in order to renegotiate contracts in connection with a portion of the business because, if they have to renegotiate, they must renegotiate everything. But I can see no difficulty or danger in leaving the matter to the conferees, to whom, in the quiet of the Chamber, the real facts can be presented with the logic for which the Senator from Vermont is so justly famous.

Mr. FLANDERS. Mr. President, I thank the distinguished Senator from Virginia for his expressions of appreciation of my abilities, and so forth, but I feel that those abilities have not yet been adequate to presenting this case. We cannot dodge the responsibility on the floor of the Senate and place it on the conference committee. No more can we dodge the responsibility of leaving the matter, as was suggested at one point in the discussion, to administrative action. Anyone who has had any business with the Government knows the vagaries, the difficulties, the endless complications, the duplication, the triplication, the sextuplication, and all the things involved in leaving it to administrative action. The small-business man simply must not be subjected to that. The sum of $1,000 is ridiculous. I find myself, Mr. President, in trying to protect the small-business man, in this position: It has been suggested that the amendment could be so reworded as to protect him; but those who have brought forward the amendment and know most about it seem to feel at least morally obligated to distress the small-business man.

I do not see why, if they feel that moral obligation, they should not also feel some obligation to safeguard him by offering a protecting amendment. Personally, I am unfamiliar with the earlier legislation in its details. The knowledge which is possessed by the members of the committee is essential. I, myself, should feel at a loss at this short notice to draw up an amendment which would give adequate protection. Why should not a member of the committee offer such an amendment?

Mr. ROBERTSON. I reply to the Senator from Vermont that the amendment offered by the Senator from Oregon [Mr. CORDON] was vigorously opposed by me in the committee, and it was adopted over my vote, and it now comes to the Senate as the action of the majority of the committee. My position was clear.

Mr. FLANDERS. Mr. President, I should like to ask the Senator from Virginia whether, as an individual with a heart for the small-business man, and not for the moment as a member of the committee, he would be able to suggest to me the terms of an amendment which would reduce or remove the jeopardy in which the small-business man finds himself.

Mr. ROBERTSON. I would not feel that there was any inconsistency in my allegiance to the committee, and the committee chairman and the chairman of the subcommittee, in complying with the friendly request of the distinguished Senator, but it would take me a few minutes, of course, to point out just where the change could be made in the language, because the amendment is highly technical.

Mr. GURNEY. Mr. President, if the Senator from Vermont would agree, in order to give him time to figure out the change he might desire in the amendment, I would suggest that we have unanimous consent to pass over section 622 at this time, and return to it after we have completed the other amendments in the bill. If it is agreeable to the Senator, I will make such a request for unanimous consent.

Mr. FLANDERS. I wish the Senator would do so.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the order is made.

ORDER FOR CALL OF THE CALENDAR

Mr. LUCAS. Mr. President, I ask unanimous consent that when the Senate concludes its business today it stand in recess until 11 a. m. tomorrow, at which time time the calendar will be called for the consideration of measures to which there is no objection, beginning with Calendar No. 853, H. R. 1758, and also including Calendar Nos. 496, 671, 735, 832, 833, and 849.

Mr. GURNEY. Mr. President, I hesitate to trust my memory and allow such a request to go through, because I know there are one or two other bills on the calendar in which I am interested.

Mr. LUCAS. The bills to which I have called attention, I think, with the exception of two, were measures which it was agreed at the previous call of the calendar should be considered at the next call.

Mr. GURNEY. There may be one or two others.

Mr. LUCAS. Very well; I shall withdraw the request.

Mr. GURNEY. I had hoped the Senator from Illinois might say that we might call up for consideration a few other bills on the calendar previous to No. 853.

Mr. LUCAS. I cannot do that, and I shall withdraw the request, because if we start that, there will be no end to our going back. We might just as well begin at the beginning of the calendar if we are to do that.

Mr. GURNEY. Mr. President, I should like to ask the Senator from Ohio [Mr. TAFT] if there was not a bill on the calendar in which the Senator from Georgia [Mr. GEORGE] was interested, along with some of the other Senators. I am informed it is Calendar No. 838, House bill 5268.

Mr. TAFT. Mr. President, will the Senator from Illinois yield?

Mr. LUCAS. I yield to the Senator from Ohio.

Mr. TAFT. I think the Senator from Georgia would be very anxious to have that bill included, if the Senator from Illinois is willing to do so.

Mr. LUCAS. I include Calendar No. 838.

Mr. GURNEY. Then I have no objection.

Mr. KILGORE. Mr. President, will not the Senator include Calendar No. 570, Senate bill 1165? The Senator from Idaho [Mr. MILLER], who is not now present, asked me to see if that bill could not be included.

Mr. MORSE. Mr. President, will not the majority leader repeat the calendar numbers to which he referred?

Mr. LUCAS. Beginning with Calendar No. 853, and including Calendar Nos. 496, 671, 735, 832, 833, 849, and 838.

Mr. WILEY. At what number will we begin the call of the calendar?

Mr. LUCAS. Beginning with No. 853. Calendar Nos. 735, 832, 833, and 849 were included under the unanimous-consent agreement heretofore entered into with respect to the call of the calendar.

The PRESIDING OFFICER (Mr. HUMPHREY in the chair). Did the Senator include Calendar No. 693, House bill 3851? That was brought up for consideration at the last call of the calendar.

Mr. LUCAS. No, I did not.

The PRESIDING OFFICER. Could it be included?

Mr. LUCAS. What is the bill?

The PRESIDING OFFICER. House bill 3851, a bill to amend Public Law 289, Eightieth Congress, with respect to surplus airport property, to which objection was made at the last call of the calendar, but I think the objection has been withdrawn.

Mr. LUCAS. Mr. President, we always get into trouble when we start adding bills. I have just advised the Senator from West Virginia that I could not include Calendar No. 570, because it is highly controversial.

Mr. KILGORE. I do not even know the contents of the bill. I made the request at the instance of the Senator from Idaho [Mr. MILLER].

The PRESIDING OFFICER. Is it not possible that by unanimous consent the bill to which the Chair has referred could be called up at the time the calendar is called?

Mr. LUCAS. It could be, of course. Any of the bills on the calendar could be called up if unanimous consent were obtained to return to them.

Mr. President, I renew my request.

The PRESIDING OFFICER. Hearing no objection, the unanimous-consent request is granted.

NATIONAL MILITARY ESTABLISHMENT APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 4146) making appropriations for the National Security Council, the National Security Resources Board, and for military functions administered by the National Military Establishment

for the fiscal year ending June 30, 1950, and for other purposes.

The PRESIDING OFFICER. The clerk will state the next amendment of the committee.

The next amendment was, on page 94, after line 4, to insert a new section 629, as follows:

SEC. 629. (a) Appropriations for the agencies of the National Military Establishment for the current fiscal year, available for pay and allowances of military personnel, shall be available for transfer, in the discretion of the Secretary of Defense, to appropriations available for the employment of civilian physicians, dentists, and nurses, for the employment of such additional civilian physicians, dentists, and nurses as may be required for the direct care and treatment of patients: *Provided*, That the total number of civilian and military physicians, dentists, and nurses shall not exceed the respective legal authorizations for military personnel in these categories, based on military strengths for which funds are appropriated to the Departments of the Army, Navy, and Air Force for the current fiscal year.

(b) Any civilian physician, dentist, or nurse employed by the Department of the Army, the Department of the Navy, or the Department of the Air Force during the current fiscal year shall be appointed in accordance with civil-service laws and rules but without regard to the Classification Act of 1923, as amended, or the provisions of section 607 (g) of the Federal Employees' Pay Act of 1945, as amended. Any such civilian physician, dentist, or nurse shall be appointed in one of the grades established by section 7 (a) of the act entitled "An act to establish a Department of Medicine and Surgery in the Veterans' Administration," approved January 3, 1946, and the compensation of any person so appointed shall be determined in accordance with the rates of compensation for such grade established by such section. The determination of the grade in which any such persons shall be appointed initially, and any promotion of any such person from grade to grade or within grade, shall be made by the appointing or promoting authority in accordance with the regulations applicable to persons appointed or promoted in the Department of Medicine and Surgery in the Veterans' Administration; except that any nurse initially appointed pursuant to the provisions of this section shall be appointed only in the associate or junior grades established for the nursing service by section 7 (a) of such act of January 3, 1946. No person appointed pursuant to the provisions of this section shall be entitled to receive the allowance for being rated as a medical or surgical specialist provided for by section 8 (d) of such act of January 3, 1946.

The amendment was agreed to.

The next amendment was, on page 95, after line 21, to insert a new section 630, as follows:

SEC. 630. No part of the appropriations made in this act shall be available for contracts with any person, firm, or corporation to make or cause to be made with a stop watch or other time-measuring device a time study of any job of any employee; no part of the appropriations made in this act shall be available for the salary or pay of any officer, manager, superintendent, foreman, or other person or persons having charge of the work of any employee of the United States Government while making or causing to be made with a stop watch or other time-measuring device a time study of any job of any such employee between the starting and completion thereof, or of the movements of any such employee while engaged upon such work; nor shall any part of the appropriations made in this act be available to pay any premiums or bonus or cash reward to any employee in addition to his regular wages, except for suggestions resulting in improvements or economy in the operation of any Government plant; and no moneys herein appropriated for the Naval Establishment or made available therefor shall be used or expended under contracts hereafter made for the repair, purchase, or acquirement, by or from any private contractor, of any naval vessel, machinery, article, or articles that at the time of the proposed repair, purchase, or acquirement can be repaired, manufactured, or produced in each or any of the Government naval shipyards or arsenals of the United States, when time and facilities permit, and when, in the judgment of the Secretary, such repair, purchase, acquirement, or production would not involve an appreciable increase in cost to the Government, except when the repair, purchase, or acquirement, by or from any private contractor, would, in the opinion of the Secretary, be advantageous to the national defense.

Mr. LONG. Mr. President, in the amendment just stated, I move to strike out in line 9, page 96, the words "nor shall any part of the appropriations made in this act be available to pay any premiums or bonus or cash reward to any employee in addition to his regular wages, except for suggestions resulting in improvements or economy in the operation of any Government plant."

Mr. THOMAS of Oklahoma. Mr. President, inasmuch as there is a bill on the calendar which proposes a program for issuing awards, and inasmuch as the Senate has not yet passed on it, it seems to me it is not unreasonable to delete from the bill the words suggested, awaiting the time when we can consider the matter on its merits. So, speaking for the committee, I have no objection to the amendment suggested by the Senator from Louisiana.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Louisiana to the amendment of the committee.

The amendment to the amendment was agreed to.

Mr. THOMAS of Oklahoma. Mr. President, I desire to offer a clarifying amendment on page 96, line 1, after the word "employee" and before the semicolon, to insert the words "of the Department of Defense." If agreed to, the amendment would limit this section to employees in the Department of Defense.

Mr. GURNEY. Mr. President, in connection with that amendment, I wish the Senator from Oklahoma would consider also the necessity of making a similar amendment on line 5. I believe, as does the Senator from Oklahoma, that the amendment should be narrowed to the Military Establishment, and that therefore we should strike out the words "United States Government" in line 5, and insert in lieu thereof "The Department of Defense."

Mr. THOMAS of Oklahoma. Mr. President, there is no intent and has been no intent to make the language apply to anything outside the defense program. I have no objection to the amendment suggested by the Senator from South Dakota.

Mr. GURNEY. If the Senator also includes in his amendment the proposal to strike out the words "United States Government" and insert in lieu thereof "The Department of Defense," I shall be glad to support his amendment in line 1.

Mr. THOMAS of Oklahoma. The two amendments have the same purpose, and I am glad to accept the amendment suggested by the Senator from South Dakota as part of my amendment.

The PRESIDING OFFICER. The amendment, as now offered, will be stated.

The LEGISLATIVE CLERK. In the committee on page 96, line 1, after the word "employee" and before the semicolon, it is proposed to insert the words "of the Department of Defense"; and in the same committee amendment on page 96, line 5, it is proposed to strike out the words "United States Government" and insert in lieu thereof "of the Department of Defense."

The PRESIDING OFFICER (Mr. MCCLELLAN in the chair). Without objection, the amendments to the committee amendment are agreed to.

Mr. FLANDERS. Mr. President, I raise objection to the whole committee amendment. The first arrival on the stage of Federal legislation of this anti-stop-watch provision was a good generation ago in its application to Government work in navy yards. That was in a period when time study was a new thing, and organized labor was very much opposed to it. Since that time, time-study work has become the main basis of the increase in efficiency in the manufacturing and distributing business on which the ultimate raising of the standard of living of the workingmen depends. Time study has been the means by which the standard of living in this country has been raised. The worker does not work longer hours, he works shorter hours as a result of it. The worker does not work harder, he works easier, because the means for handling materials and handling his work and the manipulation of his machine is made easier year by year than it was before. The worker is dependent on time study for the improvement in his material conditions. There is absolutely no excuse now for ruling it out of Government work anywhere at any time. It is the workmen's friend and not his enemy.

The situation in the plant in Vermont with which I was connected until I came to the Senate is interesting. There, in spite of being frowned upon by the national organization to which the union belongs, the union in that plant insisted on writing into its contract with the company incentive pay based on time study. The insistence came from the men, and not from the company, and that was because they were satisfied that they could properly earn more wages by that means than the company could afford to pay them otherwise.

Mr. President, in my view the whole of section 630 is not in the public interest, and I hope the Members of the Senate will vote against it.

Mr. TAFT. Mr. President, I raise the point of order that the committee amendment, the whole of section 630, is not in order, as being legislation on an appropriation bill.

The PRESIDING OFFICER. The Senator makes the point of order against the entire section 630.

Mr. TAFT. Yes; as being legislation.

The PRESIDING OFFICER. The point of order is made to the entire section. There are some provisions in the section which properly are not legislation on an appropriation. The Senator makes the point of order against the entire section.

Mr. TAFT. It seems to me, Mr. President, it is inseparable. I do not quite see how it can be separated.

The PRESIDING OFFICER. In view of recent precedents established by the Senate the point of order will have to be sustained.

Mr. THOMAS of Oklahoma. Mr. President, I offer an amendment in proper order, and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 94, after line 4, it is proposed to insert a new section as follows:

SEC. 630. No part of the appropriations made in this act shall be available for contracts with any person, firm, or corporation to make or cause to be made with a stop watch or other time-measuring device a time study of any job of any employee; no part of the appropriations made in this act shall be available for the salary or pay of any officer, manager, superintendent, foreman, or other person or persons having charge of the work of any employee of the United States Government while making or causing to be made with a stop watch or other time-measuring device a time study of any job of any such employee between the starting and completion thereof, or of the movements of any such employee while engaged upon such work; nor shall any part of the appropriations made in this act be available to pay any premiums or bonus or cash reward to any employee in addition to his regular wages, except for suggestions resulting in improvements or economy in the operation of any Government plant; and no moneys herein appropriated for the Naval Establishment or made available therefor shall be used or expended under contracts hereafter made for the repair, purchase, or acquirement, by or from any private contractor, of any naval vessel, machinery, article, or articles that at the time of the proposed repair, purchase, or acquirement can be repaired, manufactured, or produced in each or any of the Government naval shipyards or arsenals of the United States, when time and facilities permit, and when, in the judgment of the Secretary, such repair, purchase, acquirement, or production would not involve an appreciable increase in cost to the Government, except when the repair, purchase, or acquirement, by or from any private contractor, would, in the opinion of the Secretary, be advantageous to the national defense.

Mr. THOMAS of Oklahoma. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. THOMAS of Oklahoma. Before the amendment just offered can be considered, is it not necessary to suspend the rule in order to make the new section available for consideration?

The PRESIDING OFFICER. As the Chair understood the amendment, as it was read, it is identical with the provision in the bill, and a point of order is raised which the Chair feels compelled to sustain. Therefore, it would be necessary to move to suspend the rule in order to have the amendment considered.

Mr. THOMAS of Oklahoma. The rule would have to be suspended since a point of order has been made against the amendment, and a two-thirds vote is required to suspend the rule. The original amendment, section 630, was amended in three particulars. It was amended by an amendment which I proposed limiting its provisions to employees of the Department of Defense, by an amendment proposed by the Senator from South Dakota [Mr. GURNEY] proposing the same limitation in another line, and it was amended by the Senator from Louisiana [Mr. LONG] by striking out certain lines. If the Senate votes to suspend the rule, then the original section would be before the Senate, at which time it would be necessary to amend the section which will come before the Senate, to conform with the amended section against which a point of order has been made.

The PRESIDING OFFICER. If the Senator prefers, he can modify his amendment after the rule is suspended, if it shall be. Then amendments to the amendment would be in order.

Mr. THOMAS of Oklahoma. That was the point I was trying to make. I am sure that is correct. We must now suspend the rule. If the Senate refuses to suspend the rule, the matter is out. But if the Senate agrees to suspend the rule, then the section comes before the Senate. At that time I shall see to it that the Senate considers the amendment which I submitted, the amendment which was submitted by the Senator from South Dakota [Mr. GURNEY] and the amendment which was submitted by the Senator from Louisiana [Mr. LONG], all of which were adopted to the original amendment. Is that a correct statement of the situation?

The PRESIDING OFFICER. The Senator is correct. The Chair will advise the Senator from Oklahoma that the Parliamentarian informs the present occupant of the chair that if the rule is suspended so that the amendment can be considered, the Senator from Oklahoma may modify his amendment at that time.

Mr. THOMAS of Oklahoma. I think the situation is clarified.

Mr. GURNEY. Mr. President, could not the Senator from Oklahoma at this time, in offering his amendment, which has just been read by the clerk, modify the amendment and present it to the Senate in modified form?

Mr. THOMAS of Oklahoma. I am of the opinion that I cannot modify it at this time. In that event it would not be the same amendment with respect to which I served notice.

Mr. TAFT. Mr. President, I now make the same point of order against the amendment of the Senator from Oklahoma that I made against the committee amendment.

The PRESIDING OFFICER. The point of order made against the amendment offered by the Senator from Oklahoma is sustained.

Does the Senator from Oklahoma now wish to move to suspend the rule?

Mr. THOMAS of Oklahoma. I gave notice of my intention to move to suspend the rule.

The PRESIDING OFFICER. Notice has been given.

Mr. THOMAS of Oklahoma. I now move that paragraph 4 of rule XVI be suspended in order that my amendment may be considered by the Senate.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Oklahoma [Mr. THOMAS].

Mr. TAFT. On that question, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MAGNUSON. Mr. President, for the purpose of the RECORD I wish to make a statement concerning the pending amendment. The Senate is very familiar with the situation involved, because every year—I know every year I have been in the House or the Senate—this provision has been added to appropriation bills, particularly in relation to the Naval Establishment. Every year an attempt is made to knock out the provision. So far, in many Congresses extending back as far as 1916, such attempts have been unsuccessful.

There is a great deal of merit in this provision. The Navy has worked satisfactorily with it for many years. There has long been a prohibition against applying the so-called stop-watch technique to Navy workmen. I know of no statement on the part of any branch of the Military Establishment—either the Army, the Navy, or the Air Force—objecting to this provision. I do not see any reason why we should change it now.

In the second place, there is good reason for it. The workers do not have the privilege of striking against the Government. In all cases in which time study has been in operation it has been abused. If the Army or the Navy should ask for this system, or if the Department of Defense should ask for it, and show good reason why the restriction should not be in the law, there might be some reason for us to discuss it; but I see no reason to discuss it at this time.

Mr. President, I hope the rule can be suspended, so that the long-time practice, which has been so satisfactory and which has resulted in such great efficiency in the production record of those who work for the Government in navy yards and military establishments, may not be impaired. I think it would have a serious psychological effect on the production record. I hope the Senate will suspend the rule, in order that we may place in the bill a provision which has been in every Naval Establishment bill since 1916, and which has worked very satisfactorily.

Mr. FLANDERS. Mr. President, granting the point of view expressed by the Senators from Washington as to the experience of the Navy, I submit that there is no experience of the Navy whatsoever which warrants the extension of the same principle to the Army and the Air Force. I do not understand this endeavor to extend it to the Army and the Air Force, because on work done for the Army and for the Air Force, and work done by the Army in its arsenals, time study has been in use for many years. Why cut it off now? What is behind

this effort? I should like to inquire whether this amendment was inserted at the request of the armed services. Where did it come from? Echo answers "Where?"

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. FLANDERS. I yield.

Mr. MAGNUSON. I can answer that question. It was put in because there has been a feeling that the labor practice of the Government in its military establishments where civilians are employed should be of a uniform nature, and that the same rule should apply to them all. That is all that is attempted by this amendment.

Mr. FLANDERS. Mr. President, I could bring witnesses to a hearing to show that time study has been in very successful use in Army arsenals. It has been successful and satisfactory both to the Government and to the employees. I certainly will not by my vote or by my voice in any way seek to extend the Navy practice to other branches of the Government, as is attempted at this time. I doubt whether the armed services themselves asked for this amendment.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. FLANDERS. I yield.

Mr. LONG. Was the Senator present at the time conferences were held by a subcommittee of the Post Office and Civil Service Committee on ways and means of improving efficiency in the Federal service, when Mr. Sorenson, of the Army, explained that in some cases, by time studies, an increase in production of as much as one-third was brought about? The studies were for the purpose of determining how best to increase production and reduce costs. In many cases the employees have been most cooperative in this program.

Did the Senator hear further testimony along that line, which showed that in some cases a study of how bright a light should be to obtain the best production resulted in the workers producing a great deal more? In the last analysis, the result was arrived at because someone was studying how to get better production from a plant.

Mr. FLANDERS. I remember very well indeed the testimony referred to by the Senator from Louisiana, and I am glad to have him refresh my memory on it. It leads to one further thought, and that is that in the minds of those who have had no experience with time study and are not familiar with it in their business, and have not been in day-to-day contact with it, there arises a very fallacious notion as to what time study is.

The most effective time study is not a matter of speeding up. "Speed up" is not the name for modern scientific time study. It consists almost entirely of making work easier, and training the operator to make his work as easy as possible. The result is higher output with less physical stress and strain. That has been the final result of the time study which has been going on in American industry for the past generation. It has resulted in easier work, higher production, and higher wages. Now we are asked to throw all that away, and apply this restriction to two new branches of the Government which have never had to work under it before.

I trust that the Senate will sustain the point of order, and that we shall not take this backward step.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. FLANDERS. I yield.

Mr. SALTONSTALL. So far as I am concerned, this amendment was put in for the Naval Establishment on my motion. I did it because for 2 years I was the chairman of the subcommittee of the Appropriations Committee handling Navy appropriations.

As the Senator from Washington [Mr. MAGNUSON] has said, this restriction has been in Navy appropriation bills since 1916. I have no particular desire to see it extended. If the rule is suspended, I shall be perfectly willing to have it confined to the Naval Establishment, which has been working under this provision since 1916.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. FLANDERS. I yield.

Mr. MAGNUSON. Of course the Senator from Vermont is correct. The amendment of the Senator from Oklahoma would extend this principle to all departments of defense. But if the rule is not suspended and the amendment is not adopted, it means that the Navy practice, which I contend has been very satisfactory so far as the Navy, the workers, and everyone else involved is concerned, will not be available to the Navy. In effect, we shall be repealing a practice which has been in effect since 1916. I do not think that is fair to the Navy. The Navy has no objection whatsoever to this restriction. If the other two branches have some objection to it, surely the Navy should be allowed to continue a practice which has been found satisfactory since 1916.

Mr. TAFT. Mr. President, I merely wish to say that if it has been necessary to put this provision into the appropriation bills for 16 years, the time has come to stop it. If this provision is to be made applicable to present-day conditions, then it seems to me it should be done by independent legislative enactment; it should not come up every year on an appropriation bill, without consideration, without opportunity for the hearings which should be given to straight legislation.

So it seems to me the motion to suspend the rule should be rejected.

Mr. THOMAS of Oklahoma. Mr. President, the Appropriations Committee is not a legislative committee; but the records will show that more legislation comes from the Appropriations Committees of the House and Senate than from all other committees of the Congress.

The Navy appropriation bill for years has carried this provision. Since we now have concentrated our Military Establishment under one head, we no longer have a Navy appropriation bill as such. This bill is both a Navy appropriation bill, an Army appropriation bill, and an Air Force appropriation bill. So, in order to give the Navy what it has had all these years, it is necessary to include the limitation in this bill.

Also let me say that I do not see how there can be any real objection to this amendment, because it applies mostly, so far as the Army and Air Force are concerned, to garages, repair shops, and big military depots. There is one in my State, a very large institution known as Tinker Field. It is just a big airplane garage; that is all it really is. Planes are brought there and are torn down and are tested. If a part is found to be defective, it is thrown out, and a new part is substituted. Of course, a stop watch cannot be used on such activities. Stop watches are used on mass production. There may be some mass production in the Navy, for the production of precision instruments, and similar items; but the situation in the Army and the Air Force does not lend itself to the application of mass production. So, in my opinion, this amendment would do no harm if it is included in this bill.

Of course, if the rule is not suspended, this provision will go out of the bill; but then the Navy will not have all it has had all these years.

Mr. LONG. There was a question about how bright a light should be in order to permit of the most efficient work. The only way to determine that question was by timing or checking the men's production under, first, a dim light, and then, later, a bright light.

Does the Senator see anything wrong or harmful in timing, under such circumstances, to see how much production is obtained when men are working under bright lights, as contrasted with the production when they are working under dim lights.

Mr. THOMAS of Oklahoma. I see nothing objectionable to that.

Mr. LONG. Yet that would be illegal, under this provision, for the Army, the Navy, and the Air Force, to make such studies.

Mr. THOMAS of Oklahoma. Mr. President, let me say that question arose as to the source of this amendment. I am glad to state that it was suggested by Mr. N. P. Alifas, president and district representative of District Lodge 44, National Association of Machinists. Let me state who he is. He has been around Washington for a long time. I know he was here before 1934, because in 1934 he came to me with a little, simple amendment about 2 inches long. He said it would apply only to arsenals; that is all he intended it to apply to. The amendment proposed the establishment of a 40-hour week.

I thought it would be a good idea to give it a test, so I submitted his amendment to the legislative bill which at that time was being handled by the Senator from Maryland [Mr. TYDINGS]. The Senator from Maryland did not know exactly what the amendment meant, and I did not know too much about it, either, in view of what it has turned out to be. But I asked the Senator from Maryland to accept the amendment and take it to conference; and he did so. In the conference, it was accepted. That little provision of law, adopted to the 1934 bill, has become the cornerstone of the entire working movement in the United States,

although at that time it was intended, as I thought, to apply only to the Navy. Later it was applied to the entire Naval Establishment, and later the principle has been made applicable to all Federal employees, even those in the Civil Service. Not only that but even the private industries are now working under the 40-hour week, and only recently the railroad brotherhoods made contracts with the railroads of the United States, and the 40-hour week is the basis of those contracts.

When Mr. Alifas suggested that amendment, I do not believe he knew its future. Certainly I did not. But I have no apology to make for offering it, back in 1934.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. MAGNUSON. I wish to associate myself with what the Senator has said.

At this point I should like to read from an article by Douglas Smith, appearing in the Scripps-Howard newspapers. The article says in part:

> Mr. Alifas is credited by Appropriations Committee Chairman ELMER THOMAS, Democrat, Oklahoma, with being the author of the original 40-hour-week law, in 1934.
>
> An amendment to a Government appropriations bill that year written by Mr. Alifas and offered by Senator THOMAS, "had more far-reaching effect than the sponsor dreamed of when it was introduced," the Senator said. The amendment provided for the 40-hour week only in certain Government arsenals, he recalled, but it led to the extension of the 40-hour week to the entire Government and to practically all American industry.

Mr. THOMAS of Oklahoma. Mr. President, I have not seen that article, but my recollection coincides with the statements contained in the article, as read by the Senator from Washington.

Mr. LONG. Mr. President, I believe I should address myself briefly to this subject, because as chairman of a subcommittee on classification in the Federal service, I made substantial study of this subject. We have been attempting to obtain more efficiency in the Government. We proposed bonuses and pay raises for supervisors and employers who could reduce the costs of the Government's work. That was one of the recommendations of the Hoover Commission.

Title X of the classification bill would permit us to reward persons whose efforts resulted in saving the Government money.

So far as the stop-watch proposal is concerned, I do not believe it would be particularly harmful if applied only to the Navy as it has been applied in the past; but I would dislike seeing it applied beyond that point. I say that because with good management and good production methods by our workers, it is possible for either the Army, the Navy, or anyone else to get good production from labor. Let me give an example of that. I know of two men who are running a small plant producing Venetian blinds. One man was very good at organizing the plant; although he was usually a salesman, yet at one time while the other man was away for a while, the man who usually was a salesman reorganized the plant. He found where the bottlenecks were; and as a result of his studies and reorganization, he increased the production of the plant by 50 percent, but without causing anyone to work harder than he had worked before. The employees were even better satisfied than they formerly were; and because of the increased production the employer was able to give the employees raises in pay. However, all that would have been outlawed under the proposal we are now discussing insofar as it would involve the use of a stop watch and a time study.

I have been told by Mr. Sorenson, of the Army, that in their studies they have sometimes, by studying how to save time and expense, been able to cut costs in half. Witnesses before our subcommittee have stated that in many cases, simply by studying how to obtain more production, greater and greater efficiency has resulted. For instance, a group was making an efficiency study, and in the course of the study the group went to one plant and made tests on the brightness of the lights used. Those who made the tests found that by making the lights brighter and brighter, they obtained more and more production. Then they began testing what would happen if the lights were made dimmer. They found that although the lights next were made dimmer, and subsequently even dimmer, and so forth, production continued to increase and increase. Finally they found that the brightness of the lights had nothing at all to do with the amount of production. The mere fact that the employees knew someone was taking an interest in the work they were doing was causing them to do much more work than they previously had done.

Certainly that is a good indication of the fact that if the Government makes studies of how to obtain better production, better production will be obtained in many cases. I am somewhat fearful we may be passing a law against efficiency.

Mr. MAGNUSON. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Washington?

Mr. LONG. I yield.

Mr. MAGNUSON. There is, of course, nothing to prevent the Government from making production time studies now. The proposed prohibition is a specific one. It relates to the old stop-watch technique. What the Senator says is true, but what does the Senator think the reason has been for the amendment being in the Navy appropriation bills for over 30 years? The reason for it is that, prior to the prohibition, there was always some naval officer—and I know them well—in navy yards who abused the privilege of firing men. Those officers used the stop watch in order to find an excuse for firing a man who might come to work not feeling well, or whose work did not come up to the standard of the man working beside him. It was an abuse of the method. The Navy has been getting along with this prohibition for some 30 years past. The prohibition is designed to protect the worker from abuse. Men who work for the Government do not have recourse to the strike. There is always some Regular officer of the Navy or of the Army who wants to employ the military technique on a civilian worker. If the prohibition is removed there will be more trouble in getting production in the navy yards. The prohibition is to protect the worker from abuse. No one can abuse a civilian more than someone wearing brass, who thinks he knows how to get more work out of him.

Mr. LONG. I may say to the Senator, with all due deference to the Army, the Navy, and the Air Force, that during the time I spent in the Navy I had more rest than at any other time in my entire life. [Laughter.]

Mr. MAGNUSON. If the Senator will yield, I may say the Senator was not around where I was in the Navy, or he would not have had any rest. But we are talking about civilian employees, who have no recourse. They cannot strike. The best they can do is to have a grievance committee call upon some admiral in the Navy or some captain who is running the Army.

Mr. LONG. I realize the problem. I certainly am personally opposed to any kind of stretch-out or speed-up system or the overworking of anyone. I believe we should take every possible precaution to see that there is no excess overtime, that no one is made to work too hard, and that we should listen to representatives of the employees, who complain they are working too hard, anyway. I do not see that there is any great immediate danger. I may say that although I do not believe in outlawing this business of standing by with a stop watch, forcing a man to do more and more work, I nevertheless would vote against it, if that is what it amounts to. However, this amendment goes beyond the stop watch. It also says, "or other time-measuring device a time study of any job of any such employee between the starting and completion thereof." It goes beyond any matter of the stop watch. It would be impossible even to check up on a man's daily production. It is my belief we can promote greater efficiency over a period of time if we give the Army, the Navy, and the Air Force a chance to make studies. If it is desired to confine this to the Navy, I should be willing to go along. But so far as broadening it to tell the Army they cannot conduct time studies in the interest of greater efficiency, I would point out that I have had no complaint from any worker either in the Army or in the Air Force. Unless someone can prove that time studies are being abused, I do not feel that we should interfere.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Oklahoma to suspend paragraph 4 of rule XVI, for the purpose of offering an amendment to which the Chair previously sustained a point of order that it was legislation.

Mr. TAFT. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Cain	Humphrey	Maybank
Chapman	Ives	Morse
Connally	Johnson, Colo.	Robertson
Cordon	Johnson, Tex.	Saltonstall
Donnell	Kerr	Sparkman
Douglas	Kilgore	Taft
Flanders	Knowland	Thomas, Okla.
George	Long	Thomas, Utah
Gillette	Lucas	Vandenberg
Gurney	McClellan	Wherry
Hill	McFarland	Wiley
Holland	McKellar	Williams

The VICE PRESIDENT. A quorum is not present. The Secretary will call the names of the absent Senators.

The Chief Clerk called the names of the absent Senators.

Mr. BYRD, Mr. HAYDEN, Mr. HENDRICKSON, Mr. MAGNUSON, Mr. MILLIKIN, Mr. MUNDT, Mr. MURRAY, Mr. SCHOEPPEL, Mrs. SMITH of Maine, Mr. STENNIS, and Mr. TAYLOR entered the Chamber and answered to their names.

The VICE PRESIDENT. A quorum is not present.

Mr. LUCAS. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

Mr. WHERRY. Mr. President——

The VICE PRESIDENT. The motion is not debatable. The question is on agreeing to the motion of the Senator from Illinois.

The motion was agreed to.

The VICE PRESIDENT. The Sergeant at Arms will execute the order of the Senate.

Mr. WHERRY. Mr. President, I want the RECORD to show that I was not intending to debate the motion. I thought while I was on my feet I might be recognized. I was going to propose a unanimous-consent request before the vote was taken, to see whether it would be accepted without having a further quorum call.

The VICE PRESIDENT. The point of no quorum having been made, no debate or business is in order while that status is in existence.

The Sergeant at Arms has been instructed to notify absent Senators to appear.

After a little delay, Mr. WITHERS, Mr. FREAR, Mr. YOUNG, Mr. WATKINS, Mr. MALONE, Mr. PEPPER, Mr. ECTON, Mr. HOEY, and Mr. KEM entered the Chamber and answered to their names.

The VICE PRESIDENT. A quorum is present.

Mr. THOMAS of Oklahoma. Mr. President, if I may have the attention of the Senate for a moment, I shall submit for the consideration of the Senate what I propose.

If the rule shall be suspended, I shall suggest and propose that the section be modified as follows, on the first line on page 96, after the word "employee" and before the semicolon, strike out the words "of the Department of Defense" and insert "within the Department of the Navy", and on line 5 strike out the words "United States Government" and insert "the Department of the Navy." The Senate has already agreed to the amendment offered by the Senator from Louisiana [Mr. LONG] to strike out certain words beginning on line 9 and ending on line 14.

Mr. President, that will limit the force of the amendment to the Navy, to make the law the same as it has been for all these years, in the event it is agreeable to the Senate.

Mr. MAYBANK. Mr. President, this amendment was proposed by the distinguished senior Senator from Massachusetts [Mr. SALTONSTALL] and myself, following the precedent in many naval appropriation bills which have been before the Senate. It was not our intention to have the amendment apply other than to the navy yards, as in the case of the usual naval amendment which has been adopted by the Senate on many occasions.

Mr. SALTONSTALL. Mr. President, that is my understanding.

The VICE PRESIDENT. The question is on agreeing to the motion to suspend the rules. The yeas and nays have been ordered, and the roll will be called.

The legislative clerk proceeded to call the roll, and Mr. BYRD voted in the negative when his name was called.

Mr. LUCAS. Mr. President, a parliamentary inquiry.

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. Both Senators from Illinois have parliamentary inquiries to propound. The senior Senator from Illinois will propound his inquiry first.

Mr. LUCAS. Did I understand the Chair correctly to say that the yeas and nays had been ordered?

The VICE PRESIDENT. They were previously ordered, before the quorum call. Does the junior Senator from Illinois desire to propound an inquiry?

Mr. DOUGLAS. I was unable to hear the colloquy between my colleague and the Vice President.

The VICE PRESIDENT. The senior Senator from Illinois asked if the yeas and nays had been previously ordered, and the Chair replied in the affirmative.

Mr. DOUGLAS. What is the motion before the Senate?

The VICE PRESIDENT. The motion is on the part of the Senator from Oklahoma [Mr. THOMAS] to suspend the rule to make in order the amendment which was declared out of order. The clerk will proceed with the roll call.

The legislative clerk resumed and concluded the call of the roll.

Mr. LUCAS. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Mississippi [Mr. EASTLAND], the Senators from Rhode Island [Mr. GREEN and Mr. LEAHY], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Pennsylvania [Mr. MYERS], and the Senators from Maryland [Mr. O'CONOR and Mr. TYDINGS] are absent on public business.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from California [Mr. DOWNEY], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Connecticut [Mr. MCMAHON], the Senator from Idaho [Mr. MILLER], and the Senator from Wyoming [Mr. O'MAHONEY] are necessarily absent.

The Senator from Louisiana [Mr. ELLENDER] is absent on official business.

The Senator from North Carolina [Mr. GRAHAM] is absent by leave of the Senate on public business.

The Senator from Wyoming [Mr. HUNT] is absent by leave of the Senate on official business.

The Senator from Nevada [Mr. MCCARRAN] and the Senator from Georgia [Mr. RUSSELL] are absent by leave of the Senate.

The Senator from West Virginia [Mr. NEELY] is absent on official business.

The Senator from Connecticut [Mr. MCMAHON] and the Senator from Pennsylvania [Mr. MYERS] are paired on this vote with the Senator from Arkansas [Mr. FULBRIGHT]. If present and voting, the Senators from Connecticut and Pennsylvania would vote "yea," and the Senator from Arkansas would vote "nay."

The Senator from Rhode Island [Mr. GREEN] and the Senator from West Virginia [Mr. NEELY] are paired on this vote with the Senator from Iowa [Mr. HICKENLOOPER]. If present and voting, the Senators from Rhode Island and West Virginia would vote "yea," and the Senator from Iowa would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from New York [Mr. DULLES], the Senator from Michigan [Mr. FERGUSON], the Senator from Massachusetts [Mr. LODGE], and the Senator from New Hampshire [Mr. TOBEY] are absent by leave of the Senate. If present and voting, the Senator from Michigan [Mr. FERGUSON] would vote "nay."

The Senator from Maine [Mr. BREWSTER], the Senator from Ohio [Mr. BRICKER], the Senator from New Hampshire [Mr. BRIDGES], the senior Senator from Indiana [Mr. CAPEHART], the junior Senator from Indiana [Mr. JENNER], and the Senator from Minnesota [Mr. THYE] are necessarily absent.

The Senator from Connecticut Mr. BALDWIN] is absent by leave of the Senate on official business.

The Senator from Pennsylvania [Mr. MARTIN] is absent on official business.

The Senator from Vermont [Mr. AIKEN] and the Senator from Nebraska [Mr. BUTLER] are absent by leave of the Senate, and they have a general pair.

The Senator from North Dakota [Mr. LANGER], the Senator from Kansas [Mr. REED], the Senator from New Jersey [Mr. SMITH], and the Senator from Wisconsin [Mr. MCCARTHY] are detained on official business.

The Senator from Iowa [Mr. HICKENLOOPER], who is detained on official business, is paired with the Senator from Rhode Island [Mr. GREEN] and the Senator from West Virginia [Mr. NEELY]. If present and voting, the Senator from Iowa would vote "nay," and the Senator from West Virginia and the Senator from Rhode Island would each vote "yea."

The yeas and nays resulted—yeas 23, nays 33, as follows:

YEAS—23

Cordon	Lucas	Robertson
Hayden	McFarland	Saltonstall
Hill	McKellar	Sparkman
Humphrey	Magnuson	Taylor
Ives	Maybank	Thomas, Okla.
Johnson, Colo.	Morse	Thomas, Utah
Kilgore	Murray	Withers
Knowland	Pepper	

NAYS—33

Byrd	Gurney	Mundt
Cain	Hendrickson	Schoeppel
Chapman	Hoey	Smith, Maine
Connally	Holland	Stennis
Donnell	Johnson, Tex.	Taft
Douglas	Kem	Vandenberg
Ecton	Kerr	Watkins
Flanders	Long	Wherry
Frear	McClellan	Wiley
George	Malone	Williams
Gillette	Millikin	Young

NOT VOTING—40

Aiken	Fulbright	Martin
Anderson	Graham	Miller
Baldwin	Green	Myers
Brewster	Hickenlooper	Neely
Bricker	Hunt	O'Conor
Bridges	Jenner	O'Mahoney
Butler	Johnston, S. C.	Reed
Capehart	Kefauver	Russell
Chavez	Langer	Smith, N. J.
Downey	Leahy	Thye
Dulles	Lodge	Tobey
Eastland	McCarran	Tydings
Ellender	McCarthy	
Ferguson	McMahon	

The VICE PRESIDENT. On this question the yeas are 23, the nays 33. Less than two-thirds of the Senators present having voted in the affirmative, the motion is rejected.

The Secretary will state the next committee amendment.

The next amendment was, on page 97, after line 4, to insert a new section 631, as follows:

SEC. 631. No part of any appropriation contained in this act shall be used directly or indirectly, except for temporary employment in case of emergency, for the payment of any civilian for services rendered by him on the Canal Zone while occupying a skilled, technical, clerical, administrative, executive, or supervisory position unless such person is a citizen of the United States of America or of the Republic of Panama: *Provided, however,* (1) That, notwithstanding the provision in the act approved August 11, 1939 (53 Stat. 1409), limiting employment in the above-mentioned positions to citizens of the United States from and after the date of approval of said act, citizens of Panama may be employed in such positions; (2) that at no time shall the number of Panamanian citizens employed in the above-mentioned positions exceed the number of citizens of the United States so employed, if United States citizens are available in continental United States or on the Canal Zone; (3) that nothing in this act shall prohibit the continued employment of any person who shall have rendered 15 or more years of faithful and honorable service on the Canal Zone; (4) that in the selection of personnel for skilled, technical, administrative, clerical, supervisory, or executive positions, the controlling factors in filling these positions shall be efficiency, experience, training, and education; (5) that all citizens of Panama and the United States rendering skilled, technical, clerical, administrative, executive, or supervisory service on the Canal Zone under the terms of this act (a) shall normally be employed not more than 40 hours per week, (b) may receive as compensation equal rates of pay based upon rates paid for similar employment in continental United States plus 25 percent; (6) this entire section shall apply only to persons employed in skilled, technical, clerical, administrative, executive, or supervisory positions on the Canal Zone directly or indirectly by any branch of the United States Government or by any corporation or company whose stock is owned wholly or in part by the United States Government: *Provided further,* That the President may suspend from time to time in whole or in part compliance with this section in time of war or national emergency if he should deem such course to be in the public interest.

The amendment was agreed to.

The next amendment was, on page 98, after line 20, to insert a new section 632, as follows:

SEC. 632. The powers and duties vested in the Secretaries of the Army and the Navy with respect to civil-service employees of their departments by section 3 of the act of December 17, 1942 (56 Stat. 1053), shall, during the current fiscal year, be vested also in the Secretary of Defense with respect to civil-service employees of all agencies of the National Military Establishment other than the Departments of the Army, Navy, and Air Force, and in the Secretary of the Air Force with respect to civil-service employees of the Department of the Air Force. The provisions of section 6 of the act of August 24, 1912 (37 Stat. 555), shall not apply to any civil-service employees with regard to whom the powers granted in this section are exercised: *Provided,* That nothing in this section shall repeal or modify any existing powers and duties of the Secretary of Defense, the Secretary of the Navy, the Secretary of the Army or the Secretary of the Air Force under section 3 of the act of December 17, 1942 (56 Stat. 1053).

The amendment was agreed to.

The next amendment was, on page 99, after line 14, to insert a new section 633, as follows:

SEC. 633. No funds herein appropriated shall be available to pay for the services or support of personnel enlisted after enactment of this appropriation act under the provisions of section 4 (g) of the Selective Service Act of 1948 (Public Law 759, 80th Cong.).

The amendment was agreed to.

Mr. LUCAS. Mr. President, I hope Senators will kindly stay pretty close to the Senate Chamber, because there may be other votes taken before we finish our work for today. I have agreed that the Senate finish action on amendments in the bill this evening with the exception of the controversial amendment which is to be offered by the Senator from Arkansas [Mr. MCCLELLAN] on Monday next. I hope it will not be necessary to send the Sergeant at Arms after some of my good brothers in the Senate.

The VICE PRESIDENT. The Secretary will state the next committee amendment.

The next amendment was, on page 99, line 20, to change the section number from "629" to "634."

The amendment was agreed to.

Mr. HUMPHREY. Mr. President, I offer an amendment on page 99, between lines 19 and 20.

The VICE PRESIDENT. That is an individual floor amendment and is not in order until the committee amendments have been acted upon.

The Secretary will state the next committee amendment.

The next amendment was, under the heading "Title VII—Reduction in appropriations," on page 99, after line 23, to strike out section 701, as follows:

SEC. 701. Amounts available to the Department of the Navy from appropriations and other funds are hereby reduced in the sums hereinafter set forth, such sums to be carried to the surplus fund and covered into the Treasury upon approval of this act:

Repair facilities, Navy, $21,448,439;

Naval procurement fund, $150,000,000 to be derived from amounts advanced to such fund for the purpose of settlement of war contracts under the Contract Settlement Act of 1944.

And in lieu thereof to insert the following:

SEC. 701. Amounts available from appropriations and other funds, and contract authority, are hereby reduced in the sums hereinafter set forth, such sums (except contract authority) to be carried to the surplus fund and covered into the Treasury immediately upon the approval of this act except as otherwise indicated:

DEPARTMENT OF THE NAVY

Repair facilities, Navy, $21,448,439;

Naval procurement fund, $150,000,000 to be derived from amounts advanced to such fund for the purpose of settlement of war contracts under the Contract Settlement Act of 1944.

TREASURY DEPARTMENT

Strategic and critical materials (unfinanced contract authority), $275,000,000. (Second Deficiency Appropriation Act, 1949; Treasury and Post Office Departments Appropriation Act, 1950.)

The amendment was agreed to.

The next amendment was, on page 101, after line 2, to insert a new section 702, as follows:

SEC. 702. The aggregate amount appropriated by the various appropriation items contained in titles II, III, IV, and V of this act is hereby reduced by $433,968,611. The Secretary of Defense is authorized and directed to determine and to certify to the Secretary of the Treasury, the Director of the Bureau of the Budget, and the Committees on Appropriations of the Senate and the House of Representatives, on or before January 1, 1950, which of such appropriation items shall be reduced and the amount that each shall be reduced in order to effectuate such reduction of $433,968,611. Each appropriation item specified by the Secretary of Defense in his certification is hereby reduced by the amount of reduction specified by him with respect to such item in such certification; and the Secretary of the Treasury is authorized and directed to make the necessary entries on the books of the Treasury to reflect such reductions. In determining which appropriation items shall be reduced under the authority of this section and the amount of reduction in any such item, the Secretary of Defense shall be guided solely by the consideration that the aggregate amount appropriated to the National Military Establishment by this act should be available for expenditure for such purposes as will afford the utmost national security which can be obtained by the expenditure of such amount.

The amendment was agreed to.

The VICE PRESIDENT. There is one committee amendment on page 14 which was passed over earlier in the day, in which the Senator from Wisconsin is interested.

Mr. WILEY. Mr. President, I offer an amendment for myself, the Senator from Vermont [Mr. AIKEN], the Senator from Iowa [Mr. GILLETTE], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Oregon [Mr. MORSE], the Senator from Minnesota [Mr. THYE], and the Senator from Kentucky [Mr. WITHERS], which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 15, line 12, under the heading "Subsistence of the Army," it is proposed at the end of the paragraph to change the semicolon to a colon and add the following: "*Provided further,* That none of the money appropriated in this act shall be used for the purchase of oleomargarine or butter substitutes for other than cooking purposes, except to supply an expressed preference therefor or for use where climatic or other conditions render the use of butter impracticable."

Mr. WILEY. Mr. President, I think my fellow members will bear in mind that for the last 8 months I have very seldom taken the floor. I have been consistently present in the Senate Chamber, of course, except on one or two occasions when I was in my State.

In connection with this particular amendment it is necessary to recite a little history, from which I think Senators will then understand very clearly what is involved. The Army appropriation bills beginning with Public Law 718 of the Seventy-first Congress—remember that—covering the fiscal year ending June 1932, have contained the proviso I am now asking to have appended to this bill. The proviso was eliminated by the subcommittee on the Armed Services of the House Appropriations Committee, and in my humble opinion it should be restored for three reasons. I shall state them very succinctly and I trust I shall have the attention of the Senate.

First, the elimination of this proviso would cost the Government money. I want to demonstrate that fact to the Senate. Day after day I have listened to arguments by my colleagues, who represent different sections and different interests—the water-power interests, and so on. I am speaking today on behalf of the Government, the Treasury of the United States. The adoption of this proviso would save the Government money. There would be no saving to the Government through the substitution of oleomargarine for butter in the diet of the armed forces. On the contrary, probably a net loss would be involved, inasmuch as the Government is already supporting the price of butter at 59 cents a pound until September 1, and thereafter until December 31 at 62 cents a pound.

Through July 20 the Commodity Credit Corporation had purchased approximately 10,000,000 pounds of butter. The amount has now increased to about 30,000,000 pounds, which is the amount the armed forces would need. It is estimated that because of the increase in the armed forces, the armed forces will use this year approximately 42,000,000 pounds. If half of this volume were to be shifted to oleo, an ostensible saving of approximately $10,000,000 would seem to result. Actually the Department of Agriculture would have to purchase the additional volume of butter represented by the reduction in demand on the part of the armed forces. It would be a case of saving with one hand while spending with the other. The over-all cost to the Government would merely be increased by the additional amount expended on oleomargarine.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. WILEY. I prefer not to yield at this time, unless it is for some special purpose.

Mr. MAYBANK. Unless I misunderstood the Senator, he stated that it would cost the armed services more to buy oleo.

Mr. WILEY. I did not say that.

Mr. MAYBANK. I beg the Senator's pardon.

Mr. WILEY. I said the Government now has on hand practically the allotment which the armed forces need, namely, 42,000,000 pounds. The Government has had to buy it, and it is available.

The second point is that the butter proviso specifically permits the use of oleomargarine as an edible spread in the armed forces where there is an express preference for it; but there is no record of an express preference of any significance. On the contrary, tests made by the Navy show that only 2.79 of the men prefer oleo, while an average of 83.70 percent prefer butter.

It will be remembered that last year the oleo interests put on a big campaign on which they spent approximately $6,000,000. At that time the campaign was based upon the oleo tax. That is not involved in this issue. The butter interests, represented by some 6,000,000 farmers, have said, "Take the tax off. But we will not concede, without a fight, that oleo should have the color of butter, and that a fraud should be committed." So the tax is not involved.

Mr. President, this year, because 83.70 percent of the men in the Navy preferred it, butter was served to them. We talk about the "5 percenters." Six million dollars has been spent to fool the American people. We had an avalanche of letters based upon the assumption that the 10-percent tax meant an increase in the price of oleo to the consuming public. That mirage was effective. But when the American people were told that that was not the issue, that color was the issue, and that we did not believe in permitting a fraud of that character, they began to wake up. They saw instance after instance in the States in which colored oleo was permitted to be sold at the same price as butter. There have been instances of the appropriate department of Government having to take steps to protect the public interest in relation to butterine, and other similar products.

Supplying good food to the troops has always been a prime objective of the Quartermaster General. The substitution of inferior products against the express wishes of the men is damaging to troop morale.

I have not yet reached the point of discussing the 6,000,000 farmers. I am talking about the men in the service who have expressed their wish. I am also talking about the "5 percenters," who spent $6,000,000 to bring pressure on the Congress.

For the first time since 1932, it has been decided to take a crack at the dairy industry. After having voted tremendous sums in behalf of other interests, including flood control, and Navy plants up and down the east coast, we now find the oleomargarine group, represented by approximately 30 production plants, making vast sums of money, and having available large amounts to influence the thinking of the American people. For some reason or other, for the first time since 1932, they are saying that this market belongs to them, because the men in the Navy want oleomargarine. They want to feed the boys in the Navy oleomargarine.

That would mean that that much of the market for butter would be gone. It would mean that the Government would have to step in and maintain the price. Although having 40,000,000 pounds on hands, the Government would be buying more butter to maintain the price.

The Quartermaster General of the Army recently said:

> It is not considered advisable at this time to substitute oleo in the place of butter for troop feeding.

Admiral Joseph F. Farley, Commandant of the United States Coast Guard, has declared:

> I am of the opinion that substitution of margarine for butter in the service diet would not be generally pleasing to the men, resulting in discontent.

Because all the services are having difficulty in attracting recruits, every inducement must be made to point out the attractive features of service life. The butter proviso merely maintains the home customs and diet preferences of the men in the armed forces. Members of the armed forces are used to butter. They want butter, and they are entitled to butter. It is not fair to them to force a substitute upon them. Remember, we are having trouble getting recruits.

Some of my brethren may say, "Of course, he is speaking for his own State of Wisconsin." I am proud to speak for the State, but I invite the attention of Senators to the fact that while Wisconsin is the greatest milk-producing State in the Union, only 3 percent of our milk goes into butter. I am likewise thinking of Minnesota, Iowa, Nebraska, and the Dakotas, and what the effect on those States would be.

The oleomargarine industry is selling about 1,000,000,000 pounds through various methods. That leaves 1,400,000,000 for the butter market. I am thinking what it would mean if that market were stolen and there were taken from the land the greatest fertilizing agent known, namely, the dairy cow. If we reduce the herds in the Middle West we shall see the time when the land will become unproductive. In my own State, starting in the early 1800's, we produced a great deal of wheat. From that time until the 1850's we produced between 18,000,000 and 20,000,000 bushels of wheat for a few people. But it sapped the fertility of the land, and the wheatfields moved north. The land became unfertile.

Then the Scandinavians, Germans, and Swiss moved into that State. They

were dairy people. They started with their cows, and they brought back the fertility of the soil. Today the State of Wisconsin is like the Garden of Eden. Now a serious attempt is being made to reverse that situation. Artificial fertilizers will never give to the soil what cows give in the form of natural fertilizer.

I have stated what the elimination of this proviso will cost the Government. If oleomargarine is substituted for butter in the Navy diet, the cost might amount to a considerable sum. I also have said that diet is most important to both the health and the morale of those who serve in the armed forces. I have pointed out that 83.7 percent of the men in the Navy want to have butter served to them. However, somehow or other, they no longer get butter. The very power that spent $6,000,000 last year, and still is spending vast sums of money, in an attempt to fool the public, has arranged, somehow or other, to have eliminated from the Military Establishment appropriation bill the provision which has been contained in previous appropriation bills of this sort since 1932.

My third point is that in the face of the farm-price recession butter has become more important than ever to the dairy farmers. On this point, Mr. President, I speak for the farmer. Heretofore I have spoken of this matter from the standpoint of the Treasury Department, from the standpoint of the veteran, or from the standpoint of those who now are in the armed forces. But at this point I speak from the standpoint of the group of people in my State who never have asked for help from the Government, but have built up and developed a splendid economy on lands which formerly were forest lands.

Mr. President, the volume of fluid milk consumed in this country is showing a tendency to decline. As a result, the production of butter, the balance wheel of the dairy industry, during the first 4 months of this year was more than 20 percent above the production of a year ago. Yesterday I read in the newspapers that in my own State of Wisconsin more and more milk is being used to make butter and cheese.

Now we are faced with an attempt to take away our butter market. The people of my section of the country have contributed billions of dollars in taxes which have been used in great part to build up the Mississippi area. They never have asked for anything in return, but now they are asking to be treated fairly.

As I have said, Mr. President, an increasing amount of milk is being used in this country for the production of butter. Butter storage stocks increased rapidly during June; and on July 2, the total holdings approximated 114,000,000 pounds in the 35 principal cities. This figure is more than double that of last year, and is considerably higher than the figure for the average for the past 5 years. Dairy farmers have had to take large price reductions already this year. Politically and economically, there is no justification for speeding the spiral of agricultural depression by deleting the butter proviso from the Military Establishment appropriation bill. There is every reason for restoring the proviso to the bill.

As I previously stated, Mr. President, the proviso which my amendment seeks to restore to the Military Establishment appropriation bill has been a part of every Army appropriation bill since the Seventy-first Congress first enacted it 18 years ago. It is a proviso which is distinctly for the good of the service from a morale-building standpoint. Butter has always been the table spread in the armed services. The proviso is an affirmative declaration of that fact and was inserted in the Army appropriation bill when the first attempts were made by the oleomargarine interests to lower this traditional standard.

At that time, in 1931, butter was selling below the cost of production. The Army was using about 4,000,000 pounds of butter a year, and it also had purchased some 500,000 pounds of oleo. There were complaints from soldiers that they were not getting their fair share of butter. They wrote to their parents, and their parents wrote to their Congressmen. The proviso, which we now are seeking to restore to the Military Establishment appropriation bill, was introduced as an amendment by Representative MERLIN HULL, and was passed by the House.

When the bill reached the Senate, the amendment had been stricken by the Senate committee. Senator Blaine, of Wisconsin, charged that the officers' messes were getting an adequate supply of butter, but that the enlisted men were being discriminated against. He told the Senate that he had eaten at both officers' and enlisted men's messes. Referring to butter, he said, "It was the most precious thing in the mess; and the man who could get at the butter plate first was the fortunate man in the enlisted men's mess. The butter proviso was adopted by the Senate by a vote of 45 to 22.

This butter proviso, enacted in 1931, has not been seriously threatened until in recent years, when those interested in expanding the use of the substitute apparently gained increased influence. Last year the proviso was deleted from the Military Establishment appropriation bill on the floor of the Senate on a motion by the Senator from Arkansas [Mr. FULBRIGHT]. There was practically no discussion. There was no roll-call vote. The comments by the Senator from Arkansas were largely on statements selected from testimony before a Military Affairs Subcommittee hearing—a hearing at which I understand the statements and testimony were prepared and arranged under the auspices of Best Foods, Inc., one of our foremost oleomargarine manufacturers. The butter proviso was dropped from the bill, but later was restored by the Senate-House conferees. It was passed as a part of last year's appropriation bill.

This year the elimination of the proviso was authorized by a House Appropriations Subcommittee, and the bill was passed by the House without its omission being called to the Members' attention. The appropriation bill, without the proviso, was reported by the Senate Appropriations Committee.

Mr. President, we Americans have always prided ourselves on feeding our troops very well indeed. It is an equally well-established fact that the great majority of Americans, in or out of the armed forces, think of butter as the one, top-quality table spread. If diet were a matter of personal choice, the overwhelming majority of service men and women would, of course, select butter in preference to oleomargarine for their own consumption.

The 18-year-old butter proviso represents a good deal more than the economic interest of the dairy farmers of this country. It also provides for the health and well-being of the members of our armed forces, who are accustomed to being better fed than any other service men and women in the world. Inasmuch as we now depend heavily upon recruiting enlistments to maintain the strength of our fighting forces, it would be the height of folly to reduce in any respect the pleasanter features which make such enlistments attractive to our young people. Yet the elimination of the butter proviso in the current armed service appropriation bill would do just that, needlessly and to no advantage whatever.

Mr. President, in view of the salesmanship that is being displayed in behalf of oleomargarine, I think Senators should stop and consider the 6,000,000 dairy farmers. Generally the farmer is an independent citizen, thank God. He may join a few organizations, but he still thinks individually. As a result he is not in a position, as are corporate interests such as the oleo interests, to organize and accumulate funds with which to make a fight. As a result he does not realize individually at least that he is engaged in a psychological warfare in relation to a commodity which is going to mean the depletion of soil, so that possibly not in our own time, but within 50 or 75 years, when the population of the country has risen to 300,000,000, we may be thinking about importing food unless we stop, look, and listen on this issue.

I say again, only 3 percent of the milk of my State goes into butter, so I shall not be accused of saying I am looking at a molehill and trying to make a mountain of it. I am thinking of the larger horizon. I am thinking of what it means. We of the North eat peanut butter and pay a big price for it; we permitted cotton to go abroad with an export subsidy. I ask those who have received benefits for peanuts and cotton to give us a little consideration in this matter. We of the dairy States consume a great deal of cottonseed and cottonseed oil, which are used in the feeding of dairy cows. They help make fertilizer, which rejuvenates the soil. It is a serious matter to permit a small, efficient group making a substitute product to impact a segment of our economy in the great Middle West, composed of individuals who never come to Washington to ask for a hand-out.

In connection with vast hydroelectric power developments, I may say that in my own State we have waterpower, but the citizens of our State have built the dams. So far as I know we have no Federal hydroelectric power development in the State of Wisconsin. That

gives an idea of the kind of folk we are. Yet we realize in looking over this vast country that certain sections have certain problems requiring special consideration. We have cooperated in such cases. We have voted with Senators interested in those problems. We have helped the people of their States. We have felt that perhaps in the far West, in Texas, in Oklahoma and elsewhere there were matters requiring special consideration. We therefore do not wish to be thought of as provincial when we in return ask Senators to protect what we think is a basic industry of our State. My State is 50 percent industrial, 50 percent agricultural. It is economically one of the best balanced States in the Nation, if not the best. Yet the economic well-being of the people in the villages is made possible by reason of the fact that the farmer gets a reasonable return for his milk. I may say he is not getting a very large return now. I speak from personal experience. He is getting $2.70 a hundred pounds, which is less than 6 cents a quart. Are we to go ahead and hit him another blow below the belt? Are we to go ahead and make necessary the accumulation of more butter by the Government? Are we to bring about a situation which will require that the cows be sold? Think it over.

The proposed substitution of oleomargarine for butter at mess tables is certainly not a step which would lead any young man or woman to choose military service in preference to civilian life. The civilian may buy oleomargarine or not, as he pleases, but the enlisted man or woman has no choice but to eat the fare provided. If that fare is now to include a table spread which many Americans find distasteful, and which others eat only because they cannot afford butter, we may be sure the innovation will seriously detract from the sales argument of the men whose responsibility it is to keep our military establishment up to full strength.

TEST RESULTS NOT CONVINCING

How is it possible to justify this proposed substitution of imitation butter for real creamery butter? It is common knowledge, as I have already pointed out, that Americans prefer butter to oleomargarine when they have an honest opportunity to express a personal choice. The June 1949 issue of the Dairy Situation published by the Bureau of Agricultural Economics of the United States Department of Agriculture makes that point doubly clear. It says:

> The lower retail price of butter, accompanied by the increase in consumption of that product, has reduced the market for margarine. In the first 4 months of 1949, consumption of margarine in the United States apparently was 5 percent smaller than a year earlier, though prices were down about as much relatively as butter prices.

Mr. President, we have with us the 5-percenters, and their influence. I am not blaming the 5-percenter. He is a salesman, as I hope I am. That is not the point. I am blaming those who upon the floor of the Senate have been called brass hats, who permit influence and perhaps get a "take." They are the chaps I blame. Life is a game of salesmanship. But certain elements in both the Army and the Navy would seem to have gone to great lengths—and to misdirected lengths—to establish that oleomargarine could be used as a satisfactory substitute for butter in troop feeding, if the Congress would permit. The tests made, and the conclusions drawn from those tests, were not such as would inspire the respect of any impartial survey organization, to put it mildly. The officers in charge of those tests, perhaps overly influenced by an apparent opportunity to pare expenses and thus curry favor with the Appropriations Committees, have resorted to extremely questionable methods in undertaking to determine whether or not oleomargarine could be foisted off on the enlisted personnel.

For instance, let us examine one of the tests outlined in pages 41 and 42 of the Lee report, a memorandum for the chairman of the subcommittee of the House Committee on Appropriations, prepared by Mr. Robert E. Lee, chief of the committee's investigative staff. A standard Army dining hall served as the laboratory. To conduct the so-called test, the Army actually mixed oleomargarine into fresh dairy butter in increasing amounts day after day until 100-percent oleomargarine was being served, without notice to the men. During the test, which is listed as project No. QMBT203, a record of consumption per man per meal was diligently kept. At the end of the test the Army solemnly reported:

> No appreciable change in consumption was noted during the entire study period, this indicating that either a mixture of oleo and fresh dairy butter or 100-percent margarine was acceptable to the troops.

Mr. President, this seems to be a truly remarkable conclusion to draw from a trumped-up procedure which was, to begin with, in absolute violation of the law. Did Senators ever ask themselves how such a performance happened to occur; how it was managed; who the salesman was, or who the people were who started it?

The Army is admittedly guilty in this instance of producing and serving adulterated butter in violation of the Food and Drug Act. Such illegal action on the part of the proprietor of any public eating place would not be tolerated in civilian life, and public health officials would be quick to take steps against the bright minds involved. That is not an approved way for civilian restaurant owners to save money, and it is even less excusable in the Army. I say again, that back of all this is the influence of those who could spend $6,000,000 last year on this consolidated front, this tremendous pressure, which could result in the tests being made. They get to a point where they say, "The boys kept eating butter mixed with oleo until they could not tell the difference. So what? We will buy oleo."

The Lee report fails to disclose how long this fantastic test lasted, or how many troops were involved. We do know that the test was conducted without advising the men as to what they were eating, which constitutes fraud and deception of a type all too frequently used against dairy farmers. It is easily possible to fool people who do not know what they are being served. Indeed, dairy farmers have long opposed the manufacture and sale of yellow oleomargarine for the very reason that it is possible to deceive almost any restaurant patron with an imitation product that exactly resembles the original. The fact that these soldiers were young, vigorous, hard-working, and extremely hungry at mealtimes was ignored altogether, although surely these were considerations that ought to have been taken into account. Under those conditions, the Army might well recommend ground horsemeat as a substitute for hamburger, a fraud not unheard of in civilian life, but not one that would stimulate enlistments.

There is no hint in this Lee report as to whether or not the men liked the adulterated spread, and certainly no mention is made of the fact that some of them may actually have disliked it. The fact is that hungry young men will eat, without much complaint, almost anything that is served to them. My point is that this does not justify the Army's action in serving adulterated butter as fresh creamery butter, or in substituting an imitation product for a genuine dairy product under false pretenses. No soldier can be expected to exercise impartial judgment if he does not know that he is serving as a guinea pig.

Who arranged this "guinea pig" test? Who was it who had the influence? How many 5-percenters were involved in it, and what was the "take"? Those are harsh words, but we know enough about business competition to know where business goes at times, and the "take" here is tremendous. Oleomargarine can be made from oils for little or nothing, but butter cannot be produced in that way. It comes from the green grass and the clean water of the earth, and goes into the cow's system, and the milk cow, the greatest chemical factory in the world, produces butter. If the cow cannot earn its feed, it will go into hamburgers. If the cow is not present to enrich the soil, the soil will become infertile, and in two three generations we shall see what will happen.

No soldier, I say, can be expected to exercise impartial judgment if he does not know that he is serving as a guinea pig. A substitute diet cannot be listed as acceptable merely because some officer chooses not to tell his men that they are having something put over on them.

In a second Army test, project No. QMBT 203a, involving only a single detachment in a single dining hall at a single meal, each soldier received one pat of oleo and one pat of fresh dairy butter. Each pat was identified by number in a pseudo-scientific manner, but the men were told that all the pats represented different brands of butter. There was no mention whatever of oleomargarine, mind you. On the contrary, these men were definitely assured that they were about to sample only butter of differing quality. Having nullified any possible value that such a test might have had by misleading its participants to begin with, the Army then claims to have asked the men to fill out questionnaires regarding the acceptability of these samples.

I do not know who got this Army group so interested in selling the dairy farmer down the river. I do not know who so arranged it that no longer would the great middle section of the country be protected by the Congress of the United States. We are talking about a big industry. It is the big industry in the States which I have mentioned. It involves millions of the finest persons on earth, who have learned to become self-sustaining and who believe in initiative and private enterprise and, what is more, in work, and they do no believe in deceptive or synthetic products.

Remember, the Army did not truthfully advise these troops, either, about what they were eating. Instead, it deliberately misrepresented the oleo samples as being merely inferior brands of butter. Please note, too, that the Army confined this absurd test to only one meal for only one detachment of men. It does not even name, in the Lee report, the brands of oleo and butter used. It does not tell us what questions the men were asked, nor does it give us a transcript of their replies. Yet the Army expects us to accept its own astonishing conclusion from this so-called test, which was as follows:

Analysis of the results indicates that artificially colored oleo of equal or better quality than that tested could be considered as acceptable substitute for fresh dairy butter.

What are we to say about military brass that propose to change the diet of enlisted men on the basis of such nonsense? Are they doing business with the 5-percenters of whom we have been hearing so much lately? Or are they merely naive in believing that deceits which may not be practiced on civilians make acceptable evidence when enforced by the military?

Stop and reflect that there would be nothing to prevent the Army from testing rations of ground horsemeat or horseburger to substitute hamburger. Now would we have a logical redress to protect tests of ersatz bread as a possible substitute for real bread? In fact, I ask myself why the Army has not conducted a test of those ersatz foods rather than an investigation of oleomargarine and butter and the only answer I can find is either that the 5 percenters have been getting their licks in or that the oleomargarine lobby, never at a loss to take advantage of the smallest loophole, has exerted its powerful influence to bring about this action and the investigation which precipitated the action. Irrespective, however, of what motivated the Army and the subcommittee on the armed services appropriation bill to tamper with this law, I consider the decision they have made a palpably unfair, unjust, and imprudent one.

The Navy, according to the Lee report, ran one test of its own under the mysterious code number NTOO 2050-B. For the purposes of this test the Navy had the grace to use from 5,000 to 8,000 men over a period of 18 days, thus establishing some pretense of accuracy in sampling the tastes of its personnel. According to the Navy, the results were as follows:

When allowed to take their choice of margarine or butter, the percentage of men who took butter at any one meal varied from 73.33 to 92.39, with an average of 84.82 taking butter—83.70 percent of the men stated they preferred butter, 2.79 percent preferred margarine, 13.51 percent had no preferences. Only 46.93 percent of the men were able to correctly identify the spread served.

Mr. President, it will be noted that less than 3 percent of the men exposed to this test stated they preferred oleomargarine to butter. Almost 85 percent of the men tested, on the other hand, stated clearly that they preferred butter to oleomargarine. Among the men who expressed an opinion in the matter, the preference was for butter by a ratio of 28 to 1. How, then, are we to account for the Navy's conclusions arrived at on the basis of these findings?

Those are interesting figures. The oleomargarine people have done a good job in forwarding their ersatz product. That is why they want it colored. When it is made out of good oils, when it is properly saturated with appropriate vitamins, I am not saying that it is not a good food in a right sense. What I am saying is that when the armed forces say to us that 92.39 percent of the men want butter, they should not be served an ersatz food, even if the brass hats are involved in it.

Mr. President, that is a very interesting consideration. A court, when it makes its findings, generally enters judgment in accordance with the findings. But that is not the case here. The Navy goes contrary to the findings as shown by tests of the men.

NAVY CONCLUSIONS ABSURD

The Navy has somehow managed to convince itself, despite the overwhelming decision of the men who were used as guinea pigs for this test, that colored margarine of approved quality can be considered as an acceptable spread for use in the messes of the Navy. Those words are the Navy's, and purport to be based on the test described. How or why they came to this conclusion, I do not know. The Navy's remarkable statement means nothing whatever in the face of the figures just quoted, and let me remind the Senators that the findings are the Navy's, not mine.

We have no definition from the Navy of what is meant by the term "approved quality" as applied to oleomargarine, nor are we given any inkling as to what the Navy has in mind when it uses the word "acceptable" as applied to a table spread. Does "acceptable" mean that, in the Navy's opinion, yellow oleomargarine will not make anyone sick and, consequently, can be used to save money in the messes of the enlisted men? Does the Navy propose to use the same kind of oleomargarine in the officers' messes, or will proper class distinctions be maintained by serving fresh dairy butter to men above the rank of ensign? We cannot tell from this report. We can be sure of only one thing, and that is the meaning of the phrase "colored margarine."

Colored margarine refers, of course, to oleomargarine colored yellow at the factory in exact imitation of butter. Individual States with more than one-half the total population of the country have decided, through their State legislatures, that this particular type of deception is a danger to the consumer and an injustice to the dairy farmer.

I call attention to what the States have done. They are the constituencies of Members of this body. Sometimes they show that they have better sense as to what is best for the public than we here in Washington. Do not tell me that 6,000,000 farmers in the Middle West do not represent a tremendous bloc in this country, economically, politically, and every other constructive way.

Someone in the Navy, however, has decided, on the basis of the expressed preference of less than 3 percent of the men participating in this test, that this fraudulent and deceptive product is an acceptable spread for use on its mess tables.

To give credit where credit is due, I must admit that the Navy does not characterize this imitation of a genuine dairy product as desirable. No one had the gall to say, merely because 2.79 percent of the men tested preferred oleomargarine, that the other 97.21 percent ought to be made to eat it whether they liked it or not. The Navy confines itself to stating that because less than 3 percent of the thousands of men participating in the test seemed to like oleomargarine, the product was therefore to be regarded as acceptable to the remainder. Shades of Dr. Gallup. Mr. President, I simply do not believe that this conclusion can logically be drawn from the information at hand.

COAST GUARD DISPLAYS COMMON SENSE

A somewhat contrary view is expressed by Admiral J. F. Farley, Commandant of the United States Coast Guard. His understanding of the true interests of his countrymen is perhaps better than that of the officers who supplied material for the Lee report. Admiral Farley stated, in a letter of March 10, 1948, to Representative Hadwen C. Fuller of New York:

The Coast Guard, along with other armed services, must make persistent efforts to keep up to authorized strength. Every inducement must be made to point up the attractive features of service life. All the services are having difficulty in attracting recruits. In my opinion the substitution of margarine for butter while it would effect a saving, would be detrimental to morale.

The Commandant of the Coast Guard, in his letter to Representative Fuller, added:

I am of the opinion that substitution of margarine for butter in the service diet would not be generally pleasing to the men, resulting in discontent.

Somewhat along the same line, the Quartermaster General said, on page 145, paragraph 20, of the House hearings:

It is not considered advisable at this time to substitute oleo in the place of butter for troop feeding.

Because of pressure exerted on the armed forces by the oleo interests and their friends, I am advised that it was impossible to bring before any committee of the Congress the officers and men of the armed services who, in the overwhelming majority, would oppose the substitution of oleo for butter at their messes. And, since the Quartermaster General buys substantial quantities of

oleomargarine, the oleo lobby has tried to imply that these purchases are for use by the armed forces.

Actually, except for trifling amounts, all oleomargarine bought by the Quartermaster General is for resale in post exchanges and commissaries. Oleomargarine may be used by the armed forces for cooking purposes, but last year the Quartermaster General testified that little or no oleo is used even in this manner. It has proven to be cheaper and more satisfactory to use for cooking only those fats which come from military rendering plants.

HOSPITAL USES CITED

The oleo interests have also tried to convey the impression that large quantities of oleomargarine are used in military and naval hospitals by patients who have some ailment which prevents their consumption of animal fats. How many such patients are there? Close questioning has shown that very little oleo is used for table spreads under such conditions. Without exception, military and naval hospitals have been using for cooking purposes only such oleo as they do consume. Incidentally, in dragging in patients who must avoid butterfat, the oleo people fail to mention, of course, that many people in and out of hospitals are allergic to cottonseed and other vegetable oils and cannot safely eat oleomargarine under any conditions.

The contention that oleo can be used by the military in places where there is no refrigeration is not, of course, a valid argument against butter. The oleomargarine manufacturers are allowed to use a preservative—benzoate of soda—which is prohibited to butter makers, and it is only this preservative which makes oleo seem to perform better under field conditions. Without preservatives vegetable oils break down in extreme heat as rapidly as does butterfat, and the lack of refrigeration is equally injurious to both. The morale of troops on active duty under such conditions is not improved by substituting an inferior product for butter, since butter is both a food and a flavor.

It has always been the objective of the Quartermaster Corps to supply good food to our American troops. The butter proviso, which assures ample supplies of quality dairy products, meets that objective and in addition satisfies the taste preferences of men in the armed forces of the United States. Service men and women want butter as a table spread, and they are entitled to have butter Mr. President, I urge on behalf of the hundreds of thousands of young people who are now in the armed forces, that this Nation should continue to supply them with the best foods obtainable, including butter.

BUTTER PROVISO SHOULD BE RESTORED

The only provision of the law affecting the use of oleomargarine by the Army, including the Air Force, is contained in the proviso to which I have referred. The important proviso states that money appropriated shall not be used for the purchase of oleomargarine or butter substitutes for other than cooking purposes, except to supply an expressed preference therefor, or for use where climatic or other conditions render the use of butter impracticable.

There is no existing law which expressly forbids the use of oleomargarine at Navy messes. However, title 34, United States Code, section 902a, states that the Navy ration per day per man shall include 1.6 ounces of butter. The Navy has always construed that to mean that oleo may be substituted for lard in cooking but not, by implication, for butter as a table spread.

ONE-FOURTH OF OUR FOOD SUPPLY AT STAKE

Approximately 42,000,000 pounds of butter will be used for troop issue this year, and this accounts in very large measure for the high standards maintained in feeding our armed forces. Anyone who has ever watched young men and young women eat knows how important bread and butter is to them as a food staple. But, Mr. President, an ample supply of butter to spread on their bread is not a mere accident of nature or a further evidence of the bounty of American farms. It is proof of the skill and efficiency of American dairymen.

It is worth remembering that while the dairy farmers of the Nation may depend upon the armed forces as purchasers of butter, the service organizations in turn are equally dependent upon the dairy farmer for vast quantities of milk, meat, and other dairy products. The two resources go hand in hand. It is not possible to stop buying butter, as I shall demonstrate, without eliminating from the national scene a goodly proportion of the dairy farmers who also supply those other commodities.

Mr. President, I should like to tell the other Members of this body a few things about the dairy industry—an industry that supplies 1 out of every 4 mouthfuls of food consumed by our 147,000,000 citizens. I should like to repeat that dairy production figure, if I may, so that no Senator can fail to understand the importance of the dairy industry to every American, in or out of the armed forces. One-quarter of all the food consumed by this Nation—or, as I have just said, 1 bite out of every 4—is provided by the dairy farmer and the industry he serves.

The dairy cow produces not only all of our milk, but 40 percent of our beef and veal.

Please note that—40 percent of our beef and veal.

Much of the milk is drunk in fluid form or goes into ice cream, cheese, evaporated and dried milk, and other manufactured dairy products. Some 27 percent of all the milk produced, however, goes into butter because that is the most practical, convenient, and readily available outlet for the seasonal surpluses. It is the problem of flush and dry seasons that makes butter sales an economically important factor in the life of the Nation. We produce in this country some 117,000,000,000 pounds of milk a year, worth more than $10,000,000,000. One out of every fifteen people in the United States is in some way involved in the production, processing, or distribution of this milk. Three out of every four farms in the Nation keep the dairy cows from which it comes.

This gigantic enterprise would have no serious problems if the dairy cow could be induced to give a uniform flow of milk throughout the year. Unfortunately, such is not the case. The dairy cow produces as much as 50 percent more milk in the flush season than in the dry season, while consumers drink about the same amount the year round. If city homes are to have a steady supply of milk in winter as well as in summer, the dairy farmer must keep more cows than he needs in the periods of seasonal surpluses. Inevitably, at such times, he ends up with more milk than can be sold in bottles or otherwise, and that milk must be stored in some form or other to keep it from being wasted.

MILK HAS MANY USES

Fluid milk will not keep. It must be moved promptly in cans, tank trucks, or railway tank cars, from the milksheds to the dairy plants—or it must be fed to animals or dumped into the creek. Municipal milksheds, as the various dairy farm areas surrounding our metropolitan centers are called, extend out into the country for many miles—as many as 300 in some cases. Nevertheless, there are a number of important dairy States with very few metropolitan outlets for their milk in bottled form.

What is to be done with the enormous quantity of milk produced in such States? Five gallons of milk can be converted into 20 quarts of the bottled fluid to bring the dairy farmer his longest profit. But if there is only a limited market for fluid milk in some States, and if that market is already being supplied, what then? The same 5 gallons of fluid milk can be converted into 9½ small bottles (the half-pint size) of 30 percent cream. Or the cream can be shipped longer distances in bulk. This makes the markets of the East available to many dairy farmers in the Midwest, but this method of disposal also has certain draw-backs in connection with the skim milk that is left over when the cream is separated. There are not always facilities available for using this residue economically.

Five pounds of dried whole milk can be extracted from our 5-gallon can of fresh milk, and this dried milk is finding an increasing market among bakers and other food processors. There are only so many plants that can produce this manufactured dairy product, however, and we may suppose that in many instances no such plant is within reach. The same applies to the processes which can turn 5 gallons of fresh milk into 21 cans of evaporated milk, or the facilities that produce 11.2 quarts of ice cream from 5 gallons of the fluid, or the plants that can convert it into 4.1 pounds of American cheese.

At the head of the list of manufacturing outlets—and more important than any other conversion process because it is the simplest and most convenient—there is the local creamery that turns 5 gallons of milk into 1.85 pounds of butter. Butter can be stored longer than any other dairy product, under the right conditions. It can be shipped almost anywhere, and always finds a ready market. Its price is established in the last free commodity exchange left to us.

It has the widest possible acceptance as a quality table spread, and there are 3,500 local creameries, scattered throughout all 48 of our States, that are ready and willing to accept any dairy farmer's surplus milk at any time for the manufacture of butter.

Some of those who talk about small business and want to help small business should pay a little attention to that situation. There are 3,500 local creameries scattered throughout the 48 States of the Nation. If Senators want to know something about oleomargarine they will find that there are less than 50 big producers of oleomargarine throughout the United States. There are less than 50 factories producing oleomargarine, owned by the big shots. Against that there are 3,500 local creameries and back of them 6,000,000 farmers.

BUTTER OUTLETS ARE IMPORTANT

Mr. President, it must be obvious that such butter outlets are of the utmost importance to the whole price and supply structure of the dairy industry. Without this known and dependable market for his surplus milk, the dairy farmer would not be justified in maintaining the herds from which we draw a year-round production of fluid milk, and a summertime peak production of ice cream, and the evaporated milk that we ship to our friends abroad, and the dried milk that our bakers are using in increasing quantities, and the cheese that adds so much to our protein diet.

The butter market is the dairy farmer's ace in the hole. He can afford to gamble on supplying milk in all of the other forms only because, if he cannot sell his milk for other purposes, due to varying market conditions, he can still take it to the local creamery and have it churned into butter. If this Congress does anything whatever to inject an element of uncertainty into the manufacture and sale of butter, the effect will be felt in the price and supply of every other dairy product we now enjoy.

Mr. President, the producers of milk do not work 40 hours a week, a figure mentioned on the floor of the Senate today. The producers of milk do not receive overtime pay. They work in the open, in God's green pastures. They love their work because they love animal husbandry. In those pastures is produced this great food I have taken time to go into detail in describing to the Senate. I have tried to show the Senate that not only the loss of the butter market is involved in this question. There is also involved the loss in fertility of the soil, loss in animal foods, in beef and in veal. We should think twice before we start such a chain reaction.

In a very real sense, the country's 40,000 dairy plants rely upon local creameries as stabilizers of the entire dairy industry. Those who want to think in terms of the small-business man should think in terms of the cooperative dairy plants, the little-business dairy plants. There are 40,000 of them. Behind each one of them in the cooperatives are several hundred farmers, and behind them are their wives and children. Many of them have dug their farms out of the rocky soil and the woodland.

Our annual production of milk would fill a canal a yard deep and 40 feet wide stretching from New York to San Francisco. This industry involves millions of the best Americans. I ask that it receive a little consideration. This is an enormous flow of milk—an irresistible tide which must be directed into one or the other of our market channels every single day of the year. It is not a stream which can be shut off from some remote-control tower by the flick of a switch. It is not controlled by any of the "big shots" in Wall Street or Chicago, who are after the big market for oleomargarine.

The dairy cow is not an industrial plant to be closed down at noon on Saturday, and started up again on Monday morning. The river of milk is always flowing, Sundays and holidays included. Cheese prices may drop in New York, or the demand for ice cream may decline in Boston, or consumers in Tulsa or in Toledo may decide to use less bottled milk, without disturbing the current, so long as there are storage reservoirs of butter to accommodate the overflow that is temporarily deflected from those markets.

I only wish that every Senator could read this analysis before a vote is taken, because there is so much misunderstanding about the real issue.

DAIRY INDUSTRY ENDANGERED

We must have butter outlets to fall back on, therefore, if we are to maintain the manufacture and distribution of other dairy products against the hazards of falling prices and weakening consumer demand. Each dairy product is tied to all the others in a complex economic pattern, but a single dairy product—butter—has properly been called the "balance-wheel" of the entire dairy industry. There is no question about it being a stabilizer. The economy of no other food development is so complicated or so sensitive to disruption at a single point. As butter goes, so goes milk and all milk products. Displace any sizeable portion of the butter market and we disrupt the dairy industry itself.

Mr. President, there is no satisfactory substitute for milk. One quart of milk per day for each child, and at least 1 pint for each adult, is generally considered the minimum requirement for good health. I need not tell Senators, parenthetically, that these same oleomargarine boys are building a substitute milk product. That is the next shot.

The calcium in milk aids in the development of strong bones and teeth; the vitamins in milk help produce clear vision and a good skin. The use of fluid milk or of milk equivalents in a manufactured dairy product, such as butter, is highly desirable for continued growth and vigor. The medical branches of our armed forces know all this, but doctors are not economists.

An Army doctor might accept without too much argument the dubious claims of the oleo interests that their product is the "nutritional equivalent" of butter; and who is to blame him? However, if that same doctor is told that the butter markets thus displaced will reduce the local supplies of milk and meat now available to his men he can be expected to sit up and take notice. That is precisely the point I wish to make today. If the armed services are forced to substitute oleomargarine for butter in their messes they can look forward to a sharp decline in the amount of meat, milk, cheese and ice cream available to their personnel at bases throughout the country. Effect follows cause in this instance as night follows day. This is not mere theory, Mr. President. It has been demonstrated over and over again at various periods in our history, and in various sections of our land.

When butter production was discouraged during the war in order to free quantities of dried or evaporated milk and cheese for shipment to Europe, the seven leading butter States lost millions of dairy cattle. Why? Because the dried-milk plants and the evaporated-milk plants were not located where dairy farmers in those seven States could take advantage of their facilities. Deprived of their normally profitable butter outlets, those farmers had no other recourse than to dispose of their herds and turn to some other form of agriculture.

Frankly, Mr. President, I am speaking from experience. I happen to operate a dairy farm. I have operated it since my folks left it more than 30 years ago. When we got through the war period I found my soil depleted. I had to spend approximately $1,000 a year for artificial fertilizer, combined with the fertilizer from the cow. We have not yet reached first base. Mine is only a small farm. I never was a farmer in the sense that I made my living from the farm. It is simply the old homestead on which my folks lived. But I live in a great farming section, one of the greatest dairy sections in the world. I know those people. I went through the years when they sweated, and I do not want to see anything done in the Congress of the United States which will put them through the wringer again.

In due course we encountered a shortage of beef and veal which normally had been supplied by the dairy herds of those great butter-producing States. Butter itself became almost unobtainable in many sections of the country, and the housewives of the Nation were forced to buy oleomargarine regardless of individual preference. Then our oleo friends jumped in. The eventual result was a scarcity of dairy animals, which drove the prices of meat and butter sky-high—a scarcity that has persisted almost up to the present time. The law of supply and demand went into operation.

It takes 3 years to raise a dairy cow to producing levels. As I have already said, our milk supply is not something to be turned on and off at will. Either we have animal agriculture as in the past, or we turn to a cereal diet and to reliance upon vegetable fats and oils controlled in part by an international cartel which would like to do away altogether with the dairy cow. Which are we to choose?

ELIMINATION OF PROVISO WOULD BE COSTLY TO THE GOVERNMENT

The 42,000,000 pounds of butter which will be used by our armed forces this year, would not, at first glance, seem to be overly important in view of our national consumption of 1,900,000,000 pounds of this vital dairy product. Its importance becomes more significant when it is realized that under the price support program of the Department of Agriculture it has been necessary for the Commodity Credit Corporation to buy up some 9,792,000 pounds of butter in the past few months. It is still buying it.

If, as has been suggested, oleomargarine were allowed to displace about half of the butter requirements of the armed services, there would be an ostensible saving of around $10,00,000. It would be a case, however, of saving with the one hand and spending with the other. The Commodity Credit Corporation would have to purchase the additional volume of butter represented by the cut in buying by the armed services. On top of that would be the cost to the services of the oleo. The over-all net result would be a greater cost to the Government.

Mr. President, we have three important questions to answer. If they cannot be answered in the affirmative—and I do not believe they can—we have three sound and valid arguments for the restoration of the butter proviso in the Military Establishment appropriation bill which we are considering today.

First, are we to impose upon our enlisted men and women by leaving them no choice in table spreads? Are they to be compelled to eat oleomargarine whether they like it or not?

Second, are we to further weaken our butter markets at a moment when dairy farmers already face declining prices? Would not it be folly to throw additional butter on the market by substituting oleomargarine for butter in the diet of the armed forces at this time? I cannot believe that Congress would contemplate such action in the face of a recession in farm income that already has made itself evident throughout the dairy States. The only possible result would be wholesale resentment among farmers.

Finally, Mr. President, are we to destroy a long-standing tradition of the armed forces for the benefit of no one but the small group of oleo processors, and at the cost of increased Government expenditure?

Mr. President, unless we subsequently discuss another phase of the oleomargarine issue, this is probably the last time I shall discuss this subject during this session.

As I said some months ago, it is obvious that the Members of the Senate are tired. That is demonstrated in the committees. Probably we should adopt Lincoln's antidote for such troubles by displaying a little sense of humor.

I, for one, think we should try to get out of Washington. I think it would be for the benefit of the country if the leaders on both sides of the aisle would select the "must" legislation, and then would arrange for a resumption of the session about November 15. In the meantime we could get a rest. Then, beginning November 15, we could fight out the oleomargarine issue, if that is desired, on the color proposition. I assure the Senate that that will be a fight.

Senators may smile; but if they will review the facts I have stated, I know they will find I have made no misstatements of facts. I have outlined what is one of the most disintegrating influences which will be brought to bear upon the people of the United States.

I appeal to Senators from the South, to whom we have been so good, to whom we have voted funds time and time again, not to undertake to carry through not only this proposal, but also the proposal with respect to the color of oleomargarine. Let me say that we have cooperated with the southern Senators on other matter, so much so that the newspapers frequently have circulated throughout the country the misrepresentation that there has been an agreement between the southern Senators and the Republican Members of the Senate.

Mr. McMAHON. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. GILLETTE in the chair). Does the Senator from Wisconsin yield to the Senator from Connecticut?

Mr. WILEY. I yield.

Mr. McMAHON. Is the Senator from Wisconsin fearful that the present situation will disturb that impression on the part of the country? The Senator has said that the impression has been created that the Republican Senators and the Senators from the Southern States have been operating together. Is the Senator from Wisconsin fearful that the situation in regard to butter will disturb or change that impression?

Mr. WILEY. I do not know how widespread the impression is. I know the newspapers have carried such statements, whenever some of us have happened to vote according to our convictions, if such votes have not happened to be in accordance with some of the New Deal thinking. In such cases, we are linked, in the newspaper articles, with some of the southern Senators. I do not think that is fair to those of us who have been brought up in different economic, cultural, racial, social, and geographic circumstances. After all, I know of no two Senators who have the same social, racial, cultural, economic, or geographic backgrounds. So we have a right to have different points of view, based on different perspectives.

But if the southern Senators who are so interested in the oleomargarine situation will give a little consideration to the facts, as I have outlined them in regard to what will happen if they succeed in the plans they are spearheading because of the oleomargarine interests, they will understand that the consequences will be more dire than they are likely to realize offhand.

After all, Mr. President, all Members of the Senate are United States citizens. In our point of view, we should not be provincial. I have never cast any vote on any proposed legislation on a provincial basis; but so far as my personal convictions have been concerned, I have voted on the theory that what is best for the entire country is best for the people of my area. However, of course, geographic backgrounds do have to be considered in some respects. Inasmuch as my State is 50 percent agricultural, it is necessary that I should consider the significance of what might happen to agriculture in my State and in the surrounding areas if Senators succeed in imposing this plan. In that case, what has been in existence in this respect would be ended; and the first impact of such action would be upon the dairy industry of the Nation.

Mr. President, I have spoken at length in regard to this matter, but I trust it will not be said that I have imposed upon the good nature of the Senate. I trust that I shall be able to sit back and listen when other issues arise.

This matter does not come before the Senate as a result of the action of any committee on which I serve. Of course, I am vitally interested in it, although not personally, because the interest I have because of my own little farm is of no consequence. But I am interested in this matter because, as I have said, half of my State is vitally concerned about the future of the dairy industry. So I ask Senators not to stick a dagger in its back.

Mr. MORSE obtained the floor.

Mr. WILEY. Mr. President, will the Senator yield for a moment?

Mr. MORSE. I yield.

Mr. WILEY. I ask unanimous consent that the vote on my amendment to the committee amendment be deferred until Monday, when we are to vote on the other amendments. Twenty-five or thirty Senators have left the floor at this time, and I think we should have the benefit of an expression of their sentiments on this subject.

Mr. FULBRIGHT. Mr. President——

Mr. MORSE. I yield to the Senator from Arkansas, if I may do so with the understanding that I do not thereby jeopardize my right to the floor.

The PRESIDING OFFICER. Without objection, is is so ordered.

Mr. FULBRIGHT. Mr. President, reserving the right to object to the request put by the Senator from Wisconsin, let me say first that I am not sure whether I understand exactly what the request is.

Mr. WILEY. My request is that we defer until Monday the vote on my amendment to the committee amendment. In the meantime, we can continue the debates tonight, as has been planned. But by deferring until Monday the debate on my amendment to the committee amendment, there will be just two votes at that time, as I understand.

Mr. LUCAS. Mr. President, if the Senator will yield to me, let me say that under the unanimous-consent agreement previously entered, the time on Monday from 11 a. m. until 2 p. m., is to be controlled by the Senator from Illinois and the Senator from Arkansas [Mr. McCLELLAN]. It has been understood that during that time we shall be debating the McClellan amendment, which has been offered to the bill. Of course, it will be all right if Senators

wish to vote Monday on the amendment the Senator from Wisconsin has offered to the committee amendment; but probably it will be out of the question to consider debating that amendment on Monday.

Mr. WILEY. I do not request that it be debated then; in my request I refer simply to the vote.

The VICE PRESIDENT. Under the unanimous-consent agreement, the two Senators having control of the time on Monday can yield to any Senator for any purpose for which they wish to let the time be used. It would be in accordance with the order for a Senator who then was yielded time to discuss this amendment. However, the understanding of the Chair is that on Monday, at the hour of 2 p. m., the Senate will proceed to vote, without further debate, not only on the McClellan amendment, but on any other amendments which may be pending, and then will vote on the bill itself.

Mr. WILEY. That is correct.

Mr. WHERRY. That is correct.

Mr. LUCAS. I have that understanding, Mr. President. I am glad the Chair places that interpretation upon the unanimous-consent agreement. So far as I am concerned, we can take a recess now, and vote upon the amendment on Monday unless the Senator from Arkansas wants at this time to answer the Senator from Wisconsin. Just what time could be given the Senator from Arkansas on Monday to answer the Senator from Wisconsin, I am not sure, but we could probably give him 15 minutes, and perhaps the other side could give him 15 minutes.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from Arkansas?

Mr. MORSE. I yield.

Mr. FULBRIGHT. Mr. President, does the Senator from Illinois control the time on the one side?

Mr. LUCAS. I do.

Mr. FULBRIGHT. If the Senator from Illinois will yield me 15 minutes on his side, and if I can get 15 from the other side, I shall have no objection. But the Senator from Wisconsin has now been talking about an hour and a half, and I think some opportunity to make observations in reply to the Senator's remarks should be given to those who oppose his amendment. No one else has spoken.

Mr. WHERRY. Mr. President, reserving the right to object, I may state it was my understanding when the unanimous-consent request was entered into, all the amendments and the bill would be voted upon at 2 o'clock, and that the debate would continue today on all amendments other than the McClellan amendment. Of course, there has been a desire to discuss the question raised by the Senator from Wisconsin even to the extent of holding a night session, if necessary. I humbly submit a request that if we are going to continue, it seems to me a recess of 1 hour would be in order, if the majority leader feels that way about it. If we could conclude the discussion tonight, certainly I should be agreeable to the request made by the Senator from Wisconsin to vote at 2 o'clock on Monday.

Mr. LUCAS. I do not know of any other amendment.

Mr. WHERRY. There is another amendment.

Mr. McCLELLAN. Mr. President, reserving the right to object, I should like to observe for the information of other Senators who may be interested, that there are other requests for time on this issue on Monday, so that I shall hardly be able to accommodate all of them. There would be very little time which could possibly be allocated to other Senators for the discussion of some other amendment.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. MORSE. I yield to the Senator from California.

Mr. KNOWLAND. I merely want to say to the majority leader, I have an amendment which is noncontroversial. I have spoken to the Senator from Oklahoma [Mr. THOMAS], chairman of the subcommittee. It does not add any funds to the bill. It has been requested by the Navy Department. It relates solely to El Toro Marine Corps air station in California. I should like to get it into the bill, so it would be behind us and would not be involved in the situation Monday.

Mr. FLANDERS and Mr. MAYBANK addressed the Chair.

The VICE PRESIDENT. Does the Senator from Oregon yield; if so, to whom?

Mr. MORSE. I yield first to the Senator from Vermont.

Mr. FLANDERS. Mr. President, I have an amendment which was passed over. It is an amendment to section 622 (a) and is an amendment which, I may say as a result of a conversation with the senior Senator from Oklahoma, I believe could be acted upon in a few seconds by unanimous consent, if the opportunity could be given me by the Senator from Oregon.

Mr. MORSE. I have no objection to yielding for any purpose, so long as I do not lose the floor.

The VICE PRESIDENT. Is there objection to the request of the Senator from Wisconsin that the vote on his amendment be deferred until Monday?

Mr. FULBRIGHT. Mr. President, reserving the right to object, I do not object on the understanding that the majority leader will yield me 20 minutes on Monday in which to reply to the Senator from Wisconsin. I understand I am to get 5 or 10 minutes additional from the other side.

Mr. WILEY. Mr. President, if the Senator will yield, of course, I cannot object. I happened tc be out of the Senate when the former unanimous-consent request was made, but I understood we were going to finish the debate today, except on the McClellan amendment, so I remained within call. I should have preferred, of course, to have it go over until Monday, in order that I might speak for 15 minutes to a full Senate and take the time I have remaining. That was my understanding. But if I am wrong about the understanding, I am content. The Senator from Oregon [Mr. MORSE] is ready to speak. May I ask the Senator, why does he not proceed with the same group of Senators I have been addressing? He will then have made a record, and those who are interested in the facts can read the RECORD over the week end. That is the way I feel about it.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. MAYBANK. Reserving the right to object, I merely want to state that I have an amendment to the bill, on the subject of small business. I have a letter from Mr. Louis Johnson, Secretary of Defense, assuring me of his interest in small business, and assuring me of his desire to cooperate. I therefore wish to withdraw my amendment. I ask unanimous consent that his letter may be printed at this point in the RECORD as a part of my remarks.

The VICE PRESIDENT. The amendment has not actually been offered and, therefore, has not been printed.

Mr. MAYBANK. That is correct. I shall not call it up.

The VICE PRESIDENT. Is there objection to the request of the Senator from South Carolina?

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF DEFENSE,
Washington, August 19, 1949.

Hon. BURNET R. MAYBANK,
United States Senate.

MY DEAR SENATOR MAYBANK: Recently we discussed over the telephone a proposed amendment relating to small business which you indicated you intend to offer as an amendment to H. R. 4146. After talking to you I requested members of my staff to make a careful analysis of the proposal for the purpose of evaluating its probable effect on our operations. It is the results of those studies to which I wish to refer.

At the present time, under a proviso of the Selective Service Act of 1948, small business is defined as one which, directly and through its affiliates, has less than 500 employees, whereas the definition proposed in your amendment would establish an entirely new criterion.

The proposed definition would necessitate a statistical break-down into categories of manufacturers, wholesalers, and retailers and the establishment of standards with reference to relative size and position in relation to the rest of the industry, the nature of the operation, the size of the group supplying the capital, and, finally, an evaluation as to dominance of the industry. The question of dominance, as you can appreciate, would be such a relative concept, and determinable upon such a detailed factual basis, that its application to contracting would be extremely difficult.

The proposed amendment requires assistance to small business by making available procurement information, and by otherwise helping to give small business an opportunity to participate in the furnishing of commodities and services. Granting opportunity to participate is certainly desirable and practicable; and, if done on a broad enough basis, it would cover every group of businessmen. This is one of the objectives of the Military Procurement Information Office recently established, and I am sure it will be one of the significant achievements of that office.

I am inclined to think that for the present, our efforts should be directed toward making

contract opportunities available on the broadest possible basis, including, in addition to informational activities, the splitting of our requirements, where necessary, and the continuation of our statistical studies on the basis of our present criteria. Should a period of experience demonstrate that this is not accomplishing its purpose, perhaps a Government-wide and more detailed definition of small business might be worked out in cooperation with the Department of Commerce, the Administrator of General Services, and other interested agencies and departments.

With warm personal regards, I am,

Sincerely yours,

LOUIS JOHNSON.

Mr. FLANDERS. Mr. President, is my request in order, now?

The VICE PRESIDENT. The Senator will state his request.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state the inquiry.

Mr. WHERRY. Has the unanimous-consent request of the Senator from Wisconsin been agreed to?

The VICE PRESIDENT. No, it has not been agreed to. The Senator from Arkansas reserved the right to object, unless he obtained certain assurances about the allotment of time.

Mr. FULBRIGHT. Mr. President, I said I did not object, upon the understanding that the Senator from Illinois would give me 15 minutes, with the understanding the other side would also give me 5 or 10 minutes.

The VICE PRESIDENT. That is a matter between the Senator from Arkansas and the Senator from Illinois. Is there objection to the unanimous-consent request? The Chair hears none, and it is so ordered.

Let it be understood that on Monday the time will be controlled by the Senator from Arkansas [Mr. MCCLELLAN] and the Senator from Ilinois [Mr. LUCAS].

Mr. FLANDERS. Mr. President, a point of order.

The VICE PRESIDENT. The Senator will state it?

Mr. FLANDERS. Does not my amendment take precedence over any new amendment?

The VICE PRESIDENT. The Senator's amendment is not pending.

Mr. FLANDERS. It is an amendment to section 622, an amendment which was passed over.

The VICE PRESIDENT. That is the committee amendment.

Mr. FLANDERS. Yes; it is the committee amendment.

The VICE PRESIDENT. It is a committee amendment which has not been acted upon.

Mr. FLANDERS. Mr. President, on page 89, line 18, I should like to amend section 622 (a) by reinserting in the committee amendment the language which was in the amendment when first considered by the committee, as follows: After the words "Air Force", insert "for (1) ships; (2) aircraft and aircraft parts; (3) guided missiles and parts thereof; (4) arms, armor, armament, and ammunition; (5) electrical, photographic, electronic, fire control, and hydraulic equipment, of special military application; (6) other technical or specialized equipment and parts thereof, to be designated by the Secretary of Defense whenever, in his judgment, the best interests of the United States so require; (7) construction of facilities or installations outside the continental United States of America."

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from Vermont for that purpose? He may only do so by unanimous consent.

Mr. MORSE. I ask unanimous consent that I may so yield.

The VICE PRESIDENT. Without objection, it is so ordered. The amendment offered by the Senator from Vermont, which he has already read, will be considered as having been stated by the clerk.

Mr. THOMAS of Oklahoma. Mr. President, if the Senator from Oregon will yield that I may make a statement, I think perhaps we can quicken action on the amendment.

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from Oklahoma for that purpose?

Mr. MORSE. I request unanimous consent that I may do so.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. THOMAS of Oklahoma. Mr. President, the amendment which has just been presented was submitted to the committee. The committee in the first instance accepted it. Later on, it was reconsidered, and the final action was upon the amendment submitted by the Senator from Virginia. This means the whole matter will be in conference. I suggest we agree to the amendment submitted by the Senator from Vermont and let it go to conference.

Mr. SALTONSTALL. Mr. President, let me ask whether the amendment limits renegotiated contracts to contracts concerning the items which the Senator from Vermont has read.

Mr. FLANDERS. It limits renegotiated contracts to those series of items which are experimental, developmental, and otherwise in nature.

Mr. SALTONSTALL. Otherwise, there is no renegotiation, is that correct?

Mr. FLANDERS. Except under the Renegotiation Act of 1948.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Vermont to the committee amendment.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. KNOWLAND. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 64, line 22, immediately following the expression "(Public Law 778)," it is proposed to insert the following: "the act of February 6, 1942 (Public Law 438)."

Mr. KNOWLAND. Mr. President, I have a letter from the Office of the Secretary of the Navy, which is brief, and which I should like to read for the information of the Senate. It is addressed to the Senator from Tennessee [Mr. MCKELLAR], chairman of the Appropriations Committee, and is as follows:

THE SECRETARY OF THE NAVY,
Washington, August 1, 1949.

Hon. KENNETH MCKELLAR,
Chairman, Appropriations Committee,
United States Senate.

MY DEAR MR. CHAIRMAN: I have been requested to advise you as to the Navy's position in regard to the problem of providing an adequate water supply to the Marine Corps air station at El Toro, Calif.

The original plan for water supply at this station from wells has not provided an adequate supply and has been a matter of concern to the Navy. A resurvey of the problem has indicated that the ultimate solution necessitates the installation of a pipe line connecting the air station water system into that of the Metropolitan Water District of Southern California. The estimated cost of such a pipe line is $660,000.

The Secretary of Defense, in a reply to a recommendation of the Secretary of the Navy for a supplemental appropriation (copies attached) suggested that with appropriation language included in the pending NME appropriation bill (H. R. 4146) the project might be accomplished without the inclusion of additional funds. This could be done only if savings in other public works projects could be made.

Legislative authority for the project is contained in the act of February 6, 1942 (Public Law 438, 77th Cong.), which authorized the construction of the Marine Corps air station at El Toro, Calif.

It is therefore requested that an amendment be made to the NME appropriation bill now before the Senate as follows:

On page 64, line 22, after "Law 778)," insert the following: "the act of February 6, 1942 (Public Law 438),"

The Bureau of the Budget has indicated verbally that there is no objection to the presentation of this request.

Detailed justification of this project is provided herewith.

With kind regards, I am,

Sincerely yours.

Mr. President, I ask that the detailed facts regarding the project be printed at this point in the RECORD as a part of my remarks.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

OFFICE OF THE SECRETARY OF DEFENSE,
Washington, July 23, 1949.

Memorandum for: The Secretary of the Navy.

Subject: Appropriation for project to provide additional water supply at United States Marine Corps air station, El Toro, Calif.

Reference is made to your memorandum dated July 22, 1949, in which you requested that a project be submitted to the Congress to obtain an appropriation for additional water supply facilities at the Marine Corps air station, El Toro, Calif.

In view of the stated urgency and the reasons furnished for the required extension of the present water system, this office agrees in principle with this request. I feel, however, that in lieu of asking the Congress for a supplemental appropriation, it may be desirable to seek an amendment of the public works appropriation under the Bureau of Yards and Docks which appears in the appropriation bill for fiscal year 1950 now pending in the Senate (H. R. 4146). Such an amendment would include a reference to the act of February 6, 1942 (Public

Law 438), which, I understand, is the original authorizing legislation for the construction of the water-supply system at El Toro. This would then enable you to use part of the funds provided therein for the additional facilities required.

It will be necessary, of course, to clear the amendment through this office and the Bureal of the Budget for submission to the Congress.

W. J. McNEIL.

THE SECRETARY OF THE NAVY,
Washington, July 22, 1949.

Memorandum for the Secretary of Defense.

Subject: Appropriation for project to provide additional water supply at United States Marine Corps air station, El Toro, Calif.

1. There has developed an urgent need for additional water supply for the Marine Corps air station at El Toro, Calif. Considerable discussion and study has developed a project for solution of this problem in the form of construction of a pipe line to connect into the Metropolitan Water District of Southern California water supply. This project has been processed in the routine manner and was contemplated for inclusion in the 1951 public-works appropriation bill. However, the immediate urgency of the project has become apparent with the current summer season.

2. The estimated total cost of the project is $660,000. It is the opinion of the Navy Department that since this is an extension of the present water system of the station, it is not a new facility and does not require separate authorization.

3. It is requested that action be initiated to have the Bureau of the Budget forward this project immediately to the Congress so that it may be included in an appropriation bill during the current session of the Congress.

FRANCIS P. MATTHEWS.

Marine Corps air station, El Toro, Calif.: Additional water supply.... $660,000

This project provides for the construction of facilities and connection to the Metropolitan Water District of Southern California, Orange County feeder, to deliver and maintain an adequate supply of water to the storage reservoir on the Marine Corps air station, El Toro, from which the water can be distributed through the present system.

The current water supply is provided by pumping wells located within the station boundaries in the immediate vicinity of the water treatment plant and in an area from which other wells are drawing water for private irrigation. All pumps must operate 24 hours per day to meet the basic minimum requirements of the station and, at times the demand exceeds the supply leaving no margin or safety factor for emergencies or fire fighting. This condition requires stringent rationing of water during the summer months. In all, six wells have been drilled and two other drillings attempted. Of these wells, 1, 2, 5, and 6 are in operation. Well 3 was abandoned when drilled because no water yielding strata were encountered, and well 4 was used only a short time, then placed out of service because of high sand production. The other two drillings, attempted during early 1949, were abandoned as the result of the very unfavorable outlook at the sites. The records of well drilling in this area, as a whole, indicate that one dry or poor producing well is drilled for every producing well.

The Marine Corps air station, El Toro, and the surrounding area, faces a critical shortage of ground water due to the continued overdraft by pumping of approximately 12,000 acre-feet a year. This draw-down results in a dangerous saline encroachment of ocean water in the Orange County area with the possible loss of the fresh water supply. Water-level records available for the station wells indicate that pumping levels are at, or below, sea level with the pumping level of well 6 about 70 feet below sea level. It is considered urgent that this project be constructed at the earliest possible date in order to provide an ample and permanent supply of water to the Marine Corps air station, El Toro, and in the interest of preserving the ground water of Orange County. In lowering the water demand of this area by providing this activity with a new source of supply, it may be possible for the ground water level to replenish itself and thereby serve as an emergency reserve.

The general manager of the Metropolitan Water District of Southern California, in his letter to commandant, Eleventh Naval District, dated August 6, 1948, furnished the following information:

(a) The price of water will be about $40 per acre-foot.

(b) Apparently, there is no minimum charge.

(c) The quantity of water available is 2,000,000 gallons daily.

(d) The delivery rate will be limited to 130 percent the annual average rate.

(e) The point of delivery is fixed at a point near Willitts and Bristol Streets in Santa Ana, upstream from a certain pressure regulating valve.

(f) All costs of constructing the delivery line and the outlet connection must be done by the Navy.

This project proposes to tie the water supply system of the Marine Corps air station, El Toro into the Orange County feeder of the Metropolitan Water District with the connection being made north of existing pressure reducing valve on Bristol Street south of Willitts Street in Santa Ana, Calif.

The cost break-down is as follows:

	Total cost
14,000 linear-feet 18-inch 150-pound class concrete cylinder pipe under city pavement	$210,000
16,000 linear-feet 16-inch 150-pound class concrete cylinder pipe outside city	176,000
22,000 linear-feet 150-foot head spun concrete pipe	220,000
Valves, meters, and fittings	15,000
Reinforced concrete structures	39,000
Total	660,000

El Toro is the only Marine Corps air station on the west coast and will remain in an active operating status. The mission of the station is as follows:

Support of fleet marine air group, utility aircraft class A overhaul and repair activity and aviation supply activity. This requires facilities to support regular operations by a Marine aircraft wing composed of two fighter groups, two Marine ground controlled interceptor squadrons, one transport squadron, one utility squadron, and one instrument training squadron.

Mr. THOMAS of Oklahoma. Mr. President, the committee has considered the amendment offered by the Senator from California, and has no objection to it.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from California [Mr. KNOWLAND].

The amendment was agreed to.

Mr. WILEY. Mr. President, I might suggest that a good way to handle the oleo proposition would be to get unanimous consent to take it to conference.

Mr. THOMAS of Oklahoma. I do not believe my unanimous consent would have very much weight with the committee.

USE OF OLEOMARGARINE OR BUTTER SUBSTITUTES FOR OTHER THAN COOKING PURPOSES

Mr. MORSE. Mr. President, it will take a few minutes to handle certain details in connection with matters which I should like to have inserted in the RECORD.

There is nothing I can add to the statement of defense which the Senator from Wisconsin [Mr. WILEY] made this afternoon. Therefore I ask unanimous consent to have my speech on that subject printed in the body of the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

On June 23 of this year I dispatched a letter to the Senator from Tennessee [Mr. McKELLAR] expressing my own position relative to the reinstatement of the butter proviso in the Military Establishment Appropriation bill. That letter is already a part of the record of the hearings before the subcommittee of the Committee on Appropriations. In it I stated that the following proviso should be reinstated in the language of the bill, and I quote:

"*Provided*, That none of the money appropriated in this act shall be used for the purchase of oleomargarine or butter substitutes for other than cooking purposes, except to supply an expressed preference therefor or for use where climatic or other conditions render the use of butter impracticable."

Now, obviously, the wording of that proviso is broad enough to cover the question of preference in table spreads, since it specifically states that oleomargarine may be bought to supply an expressed preference for oleo on the part of the men and women in uniform. It also states with perfect clarity that oleomargarine may be purchased for use whereever climatic conditions operate against the use of butter. The oleo propagandists cannot justly complain of discrimination against their product in either of these respects. Therefore, we must look further in order to discover the reasons for their sudden insistence on replacing butter with oleomargarine on the mess tables of our Military Establishment.

Mr. President, I am speaking now not only as a sponsor of a motion to restore this proviso to the language of the bill, but also as a member of the Armed Services Committee. As a member of that committee, I have been very close to the problem of feeding and supplying our troops, and consider myself to be reasonably familiar with the needs and wishes of our service men and women. I would prefer to be heard as a member of that committee, because much of the fight to restore the butter proviso has been led by Senators from dairy States. My own great State of Oregon, while it is rich in dairy farms, is not primarily a dairy State, and I feel that I am speaking equally for the residents of Portland and other cities as well as for the best interests of agriculture as a whole when I urge that this proviso be restored.

I am advised that there was a significant factor which has not been mentioned in this debate in connection with the adoption of the butter proviso by the Seventy-first Congress. This factor had to do with the conflict between the executive and the legislative branches of the Government at the time. Heads of departments were then insistent that they have complete administrative discretion as to the administration of their own activities, and it was felt in Congress that some of this discretion was subject to abuse. This conflict between the legislative and the executive branches was settled when Congress took into its own hands the direction

of certain purchases for the armed forces, among other things.

The Seventy-first Congress had discovered that a certain amount of oleomargarine was being forced upon enlisted men, although officers were eating butter as usual. The Seventy-first Congress accordingly inserted the butter proviso into the Military Establishment appropriation bill of 1932 for the express purpose of protecting the health and well-being of our boys in uniform in all parts of the world. It sought to insure, by legal means, that our soldiers would always have butter wherever and whenever it was feasible to serve it, because butter is a basic food essential to a balanced diet.

True, butter had long been the recognized table spread in the Army prior to that time, but the proviso now in question was designed to protect our armed forces against possible arbitrary substitution, by Executive order, of an inferior imitation. For 18 years the wisdom of that proviso had never been questioned, except by the oleo lobby. For 18 years no Member of the Senate or the House had seriously proposed that we snatch butter from the mess tables of our armed forces, and replace it with a wholly synthetic substitute. Now, however, the indefatigable oleo lobby believes that the time is ripe to deplete the butter proviso from the National Military Establishment appropriation bill for 1950.

What is the excuse for this proposed action? I shall give you the exact wording of the report which seeks to condone the elimination of the butter proviso I have already quoted, plus the paragraph which follows it. The second proviso, which was also deleted, read as follows:

"Provided further, That no part of this or any other appropriation contained in this act shall be available for the procurement of any article of food or clothing not grown or produced in the United States or its possessions, except to the extent that the Secretary of the Army shall determine that articles of food or clothing grown or produced in the United States or its possessions cannot be procured of satisfactory quality and in sufficient quantities and at reasonable prices as and when needed, and except procurements by vessels in foreign waters and by establishments located outside the continental United States, except the Territories of Hawaii and Alaska, for the personnel attached thereto."

In excusing the elimination of both these provisions the House committee report said:

"The first proviso is unduly restrictive and imposes legal limitations upon what should properly be a matter of administrative discretion in the operation of the Army. For this reason, and in the interests of possible economies, the committee has deleted the proviso. The second proviso is not necessary, since the subject matter is covered by permanent law in the act of March 3, 1933 (U. S. C. 10a), and it has been deleted in the interests of brevity."

You will note that the butter proviso is characterized as being "unduly restrictive" because it imposes legal limitations upon administrative discretion. But let me remind my colleagues that this very question was the one which the Seventy-first Congress undertook to settle once and for all by writing the butter proviso into the appropriation bill for 1932. That Congress was unwilling to leave such matters as the proper equipment and feeding of the Army to "administrative discretion." The Congress deliberately sought to prevent arbitrary executive decisions in such matters, and did prevent it, by the wording in the very proviso which is under discussion today.

The House committee report also deleted a second proviso, as I have already mentioned, which merely stated that no part of the appropriation should be available for the procurement of food or clothing not grown or produced in the United States or its possessions, unless the Secretary of the Army should determine that such articles could not be procured of satisfactory quality and in sufficient quantity at reasonable prices. The House committee report claimed that this second proviso was not necessary, since the subject matter was covered by permanent law. But what did the Senate committee say about his matter?

In the matter of the proviso for the protection of our cattle raisers, which I also favor, the Senate committee was not at all satisfied that purchases of meat for the Army could be left to executive discretion. Nor was it satisfied that the question of "reasonable prices" was amply covered by law. On the contrary, it wrote into the language of the Military Establishment appropriation bill a much more restrictive proviso covering meat purchases than was ever contemplated by the wording of the proviso for butter. It did not hesitate to trample on executive toes by telling the Army exactly how it should buy its meat—and let me repeat that I am thoroughly in favor of the Senate committee's action in this respect.

Furthermore, not being satisfied with the law in regard to meat purchases, the Senate committee went on to express in great detail its wishes in this matter, and in its own language. It was not satisfied that the phrase "at reasonable prices" would give adequate protection to our cattle raisers, so it called for purchases—and I quote — "at United States market prices." Where does this leave the arguments for the deletion of the butter proviso?

If the rigid provision which was designed to safeguard our cattle industry is not an undue legal limitation upon what should properly be a matter of administrative discretion, and I believe that it is not, why should it be argued that the butter proviso interferes with the operation of the Army? And if the necessary and important provisions for the procurement of meat are not satisfactorily covered by permanent law, in the opinion of the Senate committee, how can we now say that the purchase of table spreads at reasonable prices should be deleted "for reasons of brevity"?

If the permanent law is not specific enough to cover the question of supplying meat to men in uniform, why should we assume that purchases of table spreads are amply covered by the same law? And if we can tell the Army, as we should, not only how to buy its meat but how much to pay for it, how can we assure dairy farmers that the Army's purchases of butter ought to be left to executive discretion?

It may be said that these are the arguments of dairy farmers intent on the perpetuation of their own selfish interests, but to this I would reply that it is no more selfish for dairy farmers to seek the continuation of their vital industry than for the cattle raisers to seek—as they should—a continued and profitable market for livestock. Both forms of animal agriculture are extremely important to our American way of life. No Senator on this floor today would willingly injure either of these two branches of our agricultural economy. It is natural and right for dairymen and cattlemen to ask for our consideration of their problems, and it is natural and right that we should give them full measure of such consideration in return.

Nor may it be said that the oleomargarine interests are entirely unselfish in seeking to force their product on men and women in uniform. For 18 years the butter proviso has stipulated that oleo may be purchased and served to our armed forces where there is an expressed preference for substitute butter instead of real butter. Because no considerable number of service people have asked for oleomargarine, the oleo lobby now seeks to make the armed forces eat oleo whether they like it or not. This strikes me as the height of selfishness.

No one seriously contends that the interests of 28 oleomargarine manufacturers are superior to those of 2,500,000 dairy farmers scattered throughout every State in the Union. No one seriously contends that oleomargarine is better than butter, even when colored yellow in imitation of butter. No one seriously contends that the climates of our various outposts throughout the world are such that oleomargarine ought to be substituted for 50 percent of the butter now procured by the armed forces, which is the proportion sought by the oleo lobbyists.

The arguments of the oleomargarine proponents simply do not hold water. I do not believe that the citizens of my great State of Oregon, whether they be farmers or city people, would be willing to see their friends and relatives in uniform do without butter merely to accommodate the oleomargarine interests. I could not expect the voters of my State to accept the oleo propaganda line in this matter, and I do not accept it myself. On the contrary, I urge my colleagues to reinstate the butter proviso, in the interests of common sense, and thus to preserve the confidence reposed in us by the families of American soldiers, sailors and airmen.

CREDIT AND BUYING PRACTICES IN THE PACIFIC NORTHWEST

Mr. MORSE. Mr. President, I ask unanimous consent to have inserted in the body of the RECORD, as a part of my remarks, a very interesting letter sent to me by Mr. Mike Jenny, which he wrote to a number of businessmen in the State of Oregon, after completing a survey in the Pacific Northwest in regard to what is happening to the credit and the buying practices of a large number of consumers in that section of the Nation. Mr. Jenny is the president and manager of the Pioneer Service Co., of Oregon. In essence, this letter shows that a great many consumers are at present buying far in excess of true purchasing power, and that installment buying is once again placing in jeopardy the credit of a good many consumers. Mr. Jenny points out very clearly in his letter that the merchants and businessmen of the country had better take stock before it is too late. He tells what is happening to the ability of the consumers to buy, and suggests to American business that it better give heed to the need of reducing prices, so that businessmen will not wake up too late and discover that they have a lot of credit on their books and that the debtors will never have the ability to meet their obligations.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

GENTLEMEN: I have just returned from a 9-week trip which took me through eastern Oregon, the biggest part of Idaho, and part of Nevada, and after having a sales meeting of our district managers from Idaho, Utah, and Nevada at Burley, Idaho, I have another interesting report on conditions that pertain to the four States the Pioneer Service Co. operates credit boards in.

These figures that I am giving you are obtained from personal contacts that both my men and myself make daily; and when all is said and done I think these individual contacts are the most valuable that businessmen can get. They are not like having someone sitting back in Washington and other eastern and middle western centers report to you businessmen of the Northwest. This

information has been gathered from bankers, professional men (such as doctors, dentists, and hospital heads), all sorts of men connected with the building trade, sawmills, cattle and sheep men, mining men, farmers—in fact, men from all walks of life. I mean the men who carry the nosebag or the lunch bucket, white-collar workers, and retired businessmen.

The main question that my salesmen and I asked all of these men was, "Just supposing you were working on a salary somewhere between $2,400 and $3,000 a year, or less, taking an average of four to the family, how would you apportion your expenses?" Virtually everybody conceded that it costs at least $100 a month or more for groceries, meat, and milk. We took a low average of $50 a month rent, with water and light bills. Then when the smoke cleared away they agreed that they would have very little left to start in paying for medical supplies, clothing, fuel, and doctor and dental bills—nothing for taxes, and nothing for entertainment. According to one of our leading financial magazines, 53 percent of the families today are living on $3,000 a year or less; mostly less.

Now, gentlemen, consumer credit is hitting around the nine billion mark. More and more people are going in debt for automobiles and other electrical contrivances, such as refrigerators, washers, and radios; and, due to the fact that there is no OPA, and Regulation W has been raised, doesn't this make a beautiful picture for the average business and professional men for the future?

I am not a pessimist; far from it. I am just one businessman who likes to lay the cards on the table face up and see what they tell. Any man, regardless of who he is—banker or other—who can read the future at all accurately certainly must be psychic. I haven't talked to one man, regardless of his social position, who will truthfully admit that he knows what it is all about. In fact, one banker who attended the Sun Valley Convention told a certain Idaho businessman who asked him what he thought, "Your guess is as good as mine. When I sit down and talk to my colleagues, I simply don't know what to tell them."

Now, here is the conclusion I have drawn after carefully reading the biggest of the Nation's financial magazines and some of our biggest and latest newspapers, and after contacting several hundred businessmen in all walks of life as well as private individuals who work for a living: Unless the high cost of groceries and rentals is kept down, the people who spend the money—that is, the working class—can't buy cars, washers, and radios, furniture, and other consumer credit articles unless they buy at the expense of the merchants. Consumer credit is pyramiding at a rate faster than ever before; and unless something is done to reduce the high cost of edibles it will be impossible for these people to buy cars and electrical contrivances and keep the factories running, because, gentlemen, they are not making enough money to do so.

I am going to ask each one of you this individual question: Taking a look at your own immediate cost of groceries, rent, water, light, telephone bills, and other expenses, how much money has a man on a salary that runs between two and three thousand dollars left after his necessary expenses are paid? It doesn't take a phrenologist to give the answer. And, remember, 53 percent of our people are living in that category, or on even less.

I heard a commentator talk over one of our national hook-ups last Monday night. I think it was Arthur Gates. He had been asked to relate the conditions that he found in some of the New England States. I was dumbfounded, because what he reported was so much worse than our conditions in the Northwest. Our lumber situation in Oregon is certainly a long way off the beam, so many mills have either closed or are closing. Fires, also, are taking quite a few of them. That means that a lot of men are being thrown out of employment; and that in turn has far-reaching effects on most all of the industries in the Northwest, and will probably extend further back into the manufacturing districts.

After talking to quite a few salesmen who sell meat and other groceries, it seems to me that one of the biggest faults of our present economy is that many times the wholesale price cut isn't extended on to the consumer. I think there is a tendency to forget that the war is over and the gravy train has stopped running. Some merchants are making a sad mistake. They figure that they are still getting their long prices; but their cash customers are being forced to say, "Please charge it." These people are honest, but they have no sales resistance. This being a seller's market, many firms are putting their salesman in the field to sell these people cars and electrical contrivances; and before they know it these people are oversold. Now, it is true that many of them are selling with just as little down payment as possible in order to get the merchandise out of their own stores and warehouses, and in some cases to get the high finances on their paper. When these people do buy on the installment plan, they are not going to allow this merchandise to be repossessed if they can stall the average merchant, the doctor, the dentist, and the hospital.

If you could walk into our State and division office here in Eugene and see the thousands of names that the merchants and professional men are being forced to service in order to get their money, you would understand more about what I am trying to put across in this letter to you.

Now, our Pioneer Service Co., gentlemen, is your own organization. When you consider that it is the largest organization of business and professional men in the Northwest, you can see why we are able to give you information that is absolutely correct, in almost every case, because the debtor rates himself and the names come in over the signatures of all our members. There is no guesswork on the information that we print for you in our monthly credit reports. That is one reason why the Pioneer Service Credit Board information is so valuable to you. The average businessman will give us this information much sooner because he doesn't have to pay any commissions on his accounts and so feels more free to do so.

There is a bright side to the picture, just as it is claimed that every cloud has a silver lining. We here in the Northwest certainly ought to thank our lucky stars that we reside here, because we are not overpopulated and we have so much construction work to do on our roads and dams, and there are so many new schools, hospitals, and other public buildings that have to be constructed. We have so much of the raw materials that the rest of the United States needs that we are undoubtedly among the favored ones. If you will notice, you will see that big business is more than interested in our hydroelectric power, which means cheaper operating costs for them, and in turn means more prosperity for us all.

My suggestion to you is this: Don't rock the boat. Don't get overpessimistic. Try to buy safely and sanely. Don't let anybody oversell you. If you have any high-priced stock on your shelves, better do as this issue of the Nation's Business says: "Get rid of it, so you can buy on a falling market." Don't sit back and say, "This article cost me this much; I have got to have this profit." Now, it might go out of style on you and if it does you won't get that profit—and your loss is going to be greater than ever.

The sooner the average merchant realizes that he must take off his coat, get his head out of the clouds and his feet off the desk, and really goes to work, the better for him. If a lot of our credit stores only knew it, the attitude they are taking by holding prices up is "duck soup" for the cash stores. Don't think for a minute that these cash stores don't make a good profit. They know they can sell for less if they can get the volume.

Here, gentleman, is food for thought, and I am standing behind every word I have written here 100 percent. If you could have made the contacts that I have made recently and that my district managers have made and reported to me, you would understand exactly how I feel.

Now, your credit department is the heart of your business. The Pioneer Service Co. throughout all these years has built up a vast reservoir of credit information that is second to none, and it is at your disposal at all times. Please watch that Blue Book that comes to you every 6 months. Quite a lot of our banks do not wish to loan any money on consumer credit to a man whose name is on that Blue Book; because, if a man couldn't pay his bill in the last 6 months, how is he going to pay in the next 6 months? You are going to find, gentlemen, that if you don't get your money off your books in the next few months you are not going to get it after Christmas because people always overbuy at Christmas.

If you men as a body cannot collect your money by shutting off an individual's buying power by not extending him credit, how in the name of common sense can you collect it through legal departments when every law that I can read is made to protect the dead beat? This is what I mean: Whenever a man can take bankruptcy for as low as $75 and pay all his bills, and do it every 6 years, where do you have any protection, regardless of how much he owes? This is not a pleasant picture, is it? That is why your Pioneer Service Co. claims it is the greatest and cheapest collection service in existence, and that is why so many of our businessmen have remained our clients through the last 20 to 30 years that we have been in business. That reputation alone, gentlemen, speaks for itself.

My suggestion to you is to get out your Pioneer Service statement book. If any of your debtors won't answer a decent letter from you, or our little slip, "Credit is your greatest asset," I would say send them your first Pioneer Service credit board letter that gives them 10 days to come in and at least part-pay or arrange to pay their bill. Do not carry them longer, because after you carry your accounts 60 days you are paying interest on your own money. Pioneer Service application form for credit cards are now more valuable than ever because they give you the information you need in regard to consumer credit and earning power. By checking these cards carefully, you know how much credit the individual should have.

We are getting more inquiries today for our service (even from other States where we do not operate in such a large way as we do in Oregon, Idaho, Utah, and Nevada) than we have ever had before. Our service is effective anywhere in the United States and Canada and Alaska.

While I know this letter is quite lengthy, I have gone into some detail because other businessmen, including bankers, tell me that the reason they like the letters the Pioneer Service Co. is putting out is that they deal more particularly with our own trade area.

Please feel free to use our division office at any time for any information or as any other medium of help it can give you.

Thanking you for past favors, I remain,

Sincerely yours,

MIKE JENNEY
(W. H. (Mike) Jenney),
President and General Manager,
Pioneer Service Co., Inc.

P. S.—May I take this opportunity to ask you merchants to do one thing? Naturally,

you might say that Pioneer Service is trying to get more clients. That is true, but the point I would stress is this: The more merchants in the different counties and States we can have in our State-wide credit boards, the safer it will be for you merchants to do business on a credit basis. So many people are skipping around over the country, from State to State, that this exchange of information helps to protect us all. So I hope you will try your best to get your neighbors interested. None of us knows what the future holds. Remember, gentlemen, the strength of the pack is in all the wolves, not in just a single wolf. The dead beats have always been organized, and the only way to offset this is for all business and professional men to work through State-wide organizations and out of one division office such as your own Pioneer Service office at Eugene, Oreg.

TAX EVASION BY NONPROFIT TRUSTS

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the RECORD as part of my remarks a very informative article on tax evasion by nonprofit trusts, published in the Oregon Voter on August 13, 1949. I think it is one of the best articles on that subject I have read.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TAX EVASION BY NONPROFIT TRUSTS

With Loyola University purchase of Lake County sawmill and another California educational trust purchasing a hotel in Grants Pass and several commercial enterprises in Jackson County, the enterprises so owned become exempt from corporation excise tax in Oregon and enjoy that much advantage over industrial and commercial enterprises which must pay State excise tax. Up to date these institutions also have been able to withdraw industrial and commercial enterprises from income taxes levied on corporations by the Federal Government, thus obtaining even greater tax advantage over their competitors.

Contracts by which some of these properties are bought provide that payment to the private owners is to be made in installments of the exact amount of excise tax to be saved by the conversion from taxable to tax-exempt status. Some of the purchase contracts also provide that the selling owners continue in management of the properties under the new ownership. Thus the new owners acquire the properties without any cash outlay by themselves, while the former owners receive a high enough long-range price to induce them to part with their ownership in consideration of receiving as payments the sums which as private owners they would have been required to pay in Federal and State taxes on corporations. The arrangement is an ingenious one. It has been exposed in national publications and has been denounced in Congress and in the legislatures of States thus deprived of State revenues and whose private enterprises thus are subjected to tax-free competition.

Issue was sharply before the House Tax Committee of the 1949 legislature, but the best legal talent in the State was unable to formulate language which would correct the evil without threat of even more severe damage to Oregon's tax-exempt eleemosynary and educational institutions.

Nearest approach to a solution was a proposal that 90 percent of the net income from such operations be devoted to the objects of the religious, charitable, or educational institution. Each such institution would be required to report its income from all sources and its disbursements. As there are some thousand churches in Oregon; institutions of higher learning and charitable orders, which have heavy investments in income-bearing properties; numerous charities both in and out of the State chest; and numerous societies (such as Red Cross, TB, etc.) maintained by contributions, the reporting requirements would be a great burden. Few of these agencies (outside of colleges like Reed, Willamette, Lewis & Clark, Linfield, Fox, and the major agencies of the chest) have an accounting set-up adaptable to annual net income analysis and reporting. any such agencies operate commercial ventures as part of their public work—such as college bookstores, college restaurants, the Good Will factory and stores, the Salvation Army store, etc. Numerous churches own income properties and have activities which yield profit for them for their own religious purposes. For all of such agencies to be compelled to set up a system of tax accounting in order to meet the 90 percent requirement for exemption would impose a cost burden on them which in turn would have to be met by asking further contributions by their members or from the public. The added cost probably would exceed by far any early extra recovery that could be made for the State.

Facing that very practical difficulty, as outlined by the heads of educational, charitable, and religious corporations, and being informed that the United States Treasury Department and congressional committees were endeavoring to work out a formula that would accomplish the desired result without doing injury to institutions dependent on contributions and not on commercial operations which they could acquire without cash outlay, the tax committee decided to lay the problem over until the 1951 session.

Tax Administration News now reports progress in Congress, and also legislation enacted by the Province of Ontario. We quote, condensing:

ONTARIO PLAN

"Ontario act is unique; it represents an effort to curtail the growing practice of tax-free-organizations acquiring income-producing properties and thereby withdrawing them from the tax rolls. Under the new law such institutions are prohibited from holding more than a 10 percent interest in any business. If received by gift, any excess over 10 percent must be disposed of within 7 years. So long as more than 10 percent is held the institution is required to report, under criminal penalties. Religious institutions are excluded from the provisions of the act."

FEDERAL PROPOSAL

"United States Senate subcommittee recommends amendment of Internal Revenue Code so no trust will receive benefits of tax exemption unless it pays 85 percent of each year's gross income to its beneficiary; and all such trusts which invest in or lend to concerns which manufacture goods which later enter into interstate commerce shall register, file reports, and file independent audits with Secretary of Commerce; all such agreements, reports, and audits to be public records."

Forrest E. Cooper, Lakeview attorney, took the primary initiative in bringing the situation to the attention of the Oregon Legislature. He was given active support by legislators, taxpayers, and commercial organizations of Lake, Klamath, Jackson, and Josephine Counties. The issue will be pressed in 1951, and it behooves the trustees of tax-free institutions and the taxed competitors of tax-free enterprises to look to their respective interests.

PRICE SITUATION WITH RESPECT TO CERTAIN AGRICULTURAL PRODUCTS

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD, as part of my remarks, a very informative letter written by Mr. Morton Tompkins, master of the Oregon State Grange, to the Secretary of Agriculture. I suggest that Members of the Senate give heed to the problem which the master of our State Grange points out in respect to what is happening in the so-called perishable commodity segments of agriculture, with particular reference to the fruit industry.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JULY 20, 1949.

Hon. CHARLES BRANNAN,
Secretary of Agriculture,
Washington, D. C.

DEAR MR. BRANNAN: This letter is for the purpose of calling to your attention two very serious situations relating to agriculture which we face here in the Pacific Northwest and, we presume, which are duplicated in nearly every other section of the Nation.

1. Growers of soft fruits in this section are face to face with a price situation which will mean financial ruin for many of them and is causing the needless waste of thousands of tons of fruit. Let me give a few illustrations.

(a) With the apricot harvest about midway, to our knowledge not a single canner has yet moved to make an offer of purchase to any grower. The talk in the cannery trade is that, if and when they do, they will offer no more than $40 for No. 1's, with substantially less for No. 2's. Canners paid $60 last year.

(b) Canneries paid $70 a ton for peaches in 1948. This year, with the start of the harvest just a few weeks away, growers are talking hopefully of a price of $40, but to date there has been no move on the part of the canners to offer even that amount.

(c) In 1948 canners paid $45 a ton for prunes. Talk among the canners is that they expect to pay not more and probably less than $30.

(d) Pears commanded $130 a ton last year. Canners expect to pay no more than $60 this year.

(e) The 1948 price of logan-, young-, and boysenberries was 12 cents a pound. This year they are paying 6 cents, which is hardly more than the cost of picking.

(f) With only a 50-percent crop, canners paid only 14 cents a pound for strawberries this year, compared with 21 cents last year, a 33⅓-percent cut.

With respect to apricots, strawberries, logan-, young-, and boysenberries, it is probably too late to do anything this year. Many apricot growers are seriously considering pulling out their orchards because of the loss they are sustaining.

May I point out that all of the foregoing crops are of a type which require a substantial investment over a considerable period of time before the grower receives any returns.

Lacking a more adequate solution, which we believe should be provided in whatever long-range farm legislation Congress enacts, may we urge that immediate action be taken by Commodity Credit in bolstering this price situation through purchases as was done with pears a season or so ago. The situation is critical.

2. Closely related to the foregoing problem is another situation which we feel merits a full-scale congressional investigation. As you well know, there is a very natural inclination on the part of the consumers to blame farmers—and support prices—for high retail prices.

May I call your attention to a couple of cases which come to mind which demonstrate that such is not the case.

Last year potatoes were being supported in this area at an f. o. b. price of $2.35 a hundred. The retail price was generally around 5 cents a pound. This year the support is $1.40 and the retail price is still at 5 cents a pound and in many instances higher.

During the past several weeks prices of grass fat cattle, calves and lambs have taken cuts of 25 percent or more, with little or no reduction in retail meat prices. Packers report that meat consumption is down and that accounts for the low prices they are paying for livestock. We contend that if mark-ups on meat were reduced to where they normally should be that consumption would increase materially.

One of the best examples which comes to mind is strawberries. You will recall that earlier in this letter I mentioned that producer prices of strawberries were reduced from 21 cents in 1948 to 14 cents this year, a 33 percent cut. What has happened to the retail price of frozen strawberries? They have dropped from an average of 54 cents to 47 cents on the new pack, a 13 percent cut, and every penny of it out of the producer's pocket.

From this it would appear that food processors and distributors are retaining all of their high mark-ups of previous seasons and taking whatever price adjustments which seem necessary or expedient directly out of the pocket of the farmer, all the while letting him get the blame for high prices of foodstuffs. Frankly, we don't like it.

Examples of this kind may be found with respect to almost any agricultural crop one might name. A congressional investigation of this phase of our economy could not help but bring to light some startling facts and could, in and of itself, supply the incentive whereby it could be largely corrected.

May I again urge that you give these matters your most serious attention.

Sincerely,

MORTON TOMPKINS,
Master, Oregon State Grange.

NATIONAL MILITARY ESTABLISHMENT APPROPRIATIONS

The Senate resumed consideration of the bill (H. R. 4146) making appropriations for the National Security Council, the National Security Resources Board, and for military functions administered by the National Military Establishment for the fiscal year ending June 30, 1950, and for other purposes.

Mr. HUMPHREY. Mr. President, I should like to call up the amendment which I offered a few days ago. I ask unanimous consent that that may be done.

Mr. SALTONSTALL. Mr. President, reserving the right to object, I understand from talking with the Senator from Minnesota that his amendment is agreeable to the committee.

Mr. HUMPHREY. That is my understanding.

Mr. THOMAS of Oklahoma. The Senator from South Carolina has been in charge of this class of legislation. If the amendment be agreed to, he will not offer the amendment which the committee authorized him to offer.

Mr. SALTONSTALL. I am informed that it will make it a little easier for business concerns to get contracts from the armed services.

Mr. HUMPHREY. That is correct.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 99, after line 19, it is proposed to insert the following new section:

SEC. 634. (a) Insofar as practicable, the Secretary of Defense shall assist American small business to participate equitably in the furnishing of commodities and services financed with funds appropriated under this act by making available or causing to be made available to suppliers in the United States, and particularly to small independent enterprises, information, as far in advance as possible, with respect to purchases proposed to be financed with funds appropriated under this act, and by making available or causing to be made available to purchasing and contracting agencies of the National Military Establishment information as to commodities and services produced and furnished by small independent enterprises in the United States, and by otherwise helping to give small business an opportunity to participate in the furnishing of commodities and services financed with funds appropriated by this act.

(b) The Secretary shall appoint a special assistant to advise and assist him in carrying out the foregoing subsection (a). A report of all activities under this section shall be prepared and transmitted to the Congress as soon as practicable after June 30, 1950.

Mr. THOMAS of Oklahoma. Mr. President, I believe there is one word in that amendment which should come out. The suggestion of the Senator from South Carolina was that in line 8, page 2, of the amendment, after the word "appoint," there should be inserted the words "or assign"; so that it would read "appoint or assign a special assistant to advise and assist him," and so forth.

The VICE PRESIDENT. Does the Senator from Minnesota care to modify his amendment in that respect?

Mr. HUMPHREY. I do.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Minnesota, as modified.

The amendment, as modified, was agreed to.

Mr. THOMAS of Oklahoma. Mr. President, the amendments have been completed with respect to money. I wish to occupy just a moment. The monetary items as reported have been approved, and reductions have been made as follows:

Cash reductions in a total amount of $540,981,322.

Contract authorizations have been reduced by the sum of $577,755,000.

This makes a total in this particular bill of cash and contract authorization reductions in the total sum of $1,118,736,322.

The bill makes a rescission in the stock-piling program in the total sum of $275,000,000.

So that if the bill as passed is agreed to in conference it will carry a total reduction, in cash and contract authorizations, in the total sum of $1,393,736,322.

This is the largest reduction ever agreed to in any appropriation bill ever passed by the Senate.

Mr. LUCAS. The Senator includes contract authorizations in the reduction he states?

Mr. THOMAS of Oklahoma. The appropriation is not made now for a contract authorization, but when we grant a contract authorization, in effect the appropriation is not made now, but it is to be made next year. It is the same thing as an appropriation, but it has delayed action.

I wish to compliment the Senate on agreeing to these items, and I compliment also two members of the Appropriations Committee staff who have been assigned especially to look after this bill. One is Mr. Francis H. Hewitt, the secretary of the subcommittee, and the other, Mr. Kimball Sanborn, special staff member assigned to the Military Department Subcommittee.

Mr. President, this morning the Washington Post carried a story with respect to these reductions, and I have prepared a brief statement which I ask to have printed in the RECORD as a part of my remarks.

The VICE PRESIDENT. Is there objection?

There being being no objection, the statement was ordered to be printed in the RECORD, as follows:

This morning's Washington Post carried a page 1 story to the effect that "Defense Secretary Johnson was following instructions from the President when he ordered 147,000 civilian and military personnel cut from the Military Establishment." The story quotes the President as having said this yesterday.

In the past few days much has been said and written about the directives of the President and the Secretary of Defense in reducing expenditures for the Department of Defense.

I think it only fair to point out that the Senate Appropriations Committee deserves some of the credit for this economy move. In fact, the committee anticipated the President and the Secretary by at least a month, for in its report of July 22 the committee recommended a reduction of $517,126,222 in the military budget for this fiscal year. This is the amount of cash reduction from the President's own budget estimates. The reduction from the House-approved bill, of course, is much higher, amounting to $1,118,736,322 in cash and contract authorizations plus $275,000,000 in stock piling, or nearly $1,400,000,000 in all.

The reductions in the military appropriation were made with the cooperation of the Secretary of Defense, and I do not wish to deflect any credit from him on this score. However, it was only after considerable discussion of possible economies—based not on the Secretary's recommendations but on committee investigations—that the reductions as contained in the committee report were accepted by the Office of the Secretary of Defense.

Thus, the impetus for a reduced military budget, which is intended to strengthen rather than impair the fighting efficiency of our armed forces, was furnished by the Senate Committee on Appropriations and not by the President nor by the Secretary of Defense. I make this statement only to make the record clear and to give credit where credit is due.

Mr. WILLIAMS. Mr. President, will the Senator from Oklahoma yield?

Mr. THOMAS of Oklahoma. I yield to the Senator from Delaware.

Mr. WILLIAMS. Will the Senator from Oklahoma tell us how the contract authorizations in this bill compare with the contract authorizations last year?

Mr. THOMAS of Oklahoma. The total of contract authorizations as reported to the Senate was $2,058,546,000.

Mr. WILLIAMS. How much did they amount to last year?

Mr. THOMAS of Oklahoma. The amount in the bill as it passed the House was $2,636,301,000. The amount of contract authorizations in the 1949 bill was $270,000,000.

Mr. WILLIAMS. The contract authorizations this year, in the pending bill, are $2,000,000,000 more than they were last year?

Mr. THOMAS of Oklahoma. Approximately that.

Mr. WILLIAMS. How do the cash appropriations compare with last year's totals?

Mr. THOMAS of Oklahoma. A supplemental bill for 1948 was passed, which should be considered in reaching a conclusion.

Mr. WILLIAMS. There is a 1949 supplemental bill, too; is there not?

Mr. THOMAS of Oklahoma. That may be true.

Mr. WILLIAMS. How does the amount of cash in the pending bill compare with that in the bill of last year?

Mr. THOMAS of Oklahoma. The amount of the appropriations for 1949 were $10,454,477,413. Of course, the amount in the pending bill is substantially higher than in the bill passed last year.

Mr. WILLIAMS. Higher by $2,000,000,000.

Mr. THOMAS of Oklahoma. Approximately that. Last year the contract authorizations were such that they had to be paid this year, and this bill carries the money to pay the authorizations of last year.

Mr. WILLIAMS. That was what I was asking for first. The contract authorizations in this bill to be appropriated for next year, are greater than they were in last year's bill?

Mr. THOMAS of Oklahoma. This bill carries the cash to pay authorizations made last year in the total sum of $1,886,000,000.

Mr. WILLIAMS. But next year's appropriation bill will have to carry cash of over $2,000,000,000 for contract authorization?

Mr. THOMAS of Oklahoma. If the authorizations are exercised.

Mr. WILLIAMS. So that we are spending about $2,000,000,000 more than we spent last year?

Mr. THOMAS of Oklahoma. It is true this bill carries more than last year's bill.

Mr. WILLIAMS. Both more money and more authorizations?

Mr. THOMAS of Oklahoma. The figures speak for themselves.

Mr. SALTONSTALL. Mr. President, will the Senator from Oklahoma yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. SALTONSTALL. All the contract authorizations will not come due to be paid next year, if my memory is correct. Some of them will be paid 2 years from now.

Mr. THOMAS of Oklahoma. That may be true. I have not checked that.

Mr. DOUGLAS. Mr. President, I have a motion which I desire to make, for appropriate action, and then I wish to make a very brief statement.

The VICE PRESIDENT. The clerk will read the motion.

The Chief Clerk read as follows:

I move that the bill (H. R. 4146) be recommitted to the Committee on Appropriations with instructions to reconsider the amounts provided therein, for budgeted and nonbudgeted items, and to report the same back to the Senate with the smaller sums of money in all appropriations and contract authorizations wherever there is a difference between the amounts passed by the House of Representatives and the amounts recommended by the Senate Appropriations Committee.

The VICE PRESIDENT. Inasmuch as an agreement has been made for a vote on Monday at 2 o'clock on the bill, a motion to recommit at this time does not seem to be in order. It will not be in order before the agreement is consummated and completed. It would be in order after the Senate had voted on all amendments, and just before a vote on the bill itself.

Mr. DOUGLAS. Mr. President, would it be appropriate for me, then, to withhold the proposed motion at this time, and to submit it at the appropriate time on Monday?

The VICE PRESIDENT. The Chair thinks so.

Mr. DOUGLAS. I thank the Chair. I should like, if I may, to make a very brief explanation of the purport of the motion.

The VICE PRESIDENT. The Senator from Illinois is recognized.

Mr. DOUGLAS. What my motion aims to do is to put into effect all the savings which the Senate has made in comparison with the bill as it passed the House, but in addition, to effect further savings of some $275,000,000. There are 24 items, on which the House figures are lower than the Senate figures by at least $400,000 and a great many more where the House figures are less than those recommended by the Senate committee. The motion proposes that wherever the Senate figure is lower than the House figure we accept the Senate figure, but that wherever the House figure is lower than the Senate figure, we accept the House figure. In this way, we can combine the economies of both the House and the Senate committee.

Mr. President, I have here a list of the major items on which savings will occur, which I should like to have permission to insert in the RECORD at this point.

The VICE PRESIDENT. Is there objection?

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Amounts saved on individual items[1] if the Douglas motion is accepted and the Senate accepts the House of Representatives amounts in H. R. 4146, where such amounts are lower than those recommended by the Senate Appropriations Committee

[All figures in millions]

Page	Line	Item	House of Representatives	Senate committee	Saving
3	23	Office of Secretary of Defense	$9.0	$11.5	$2.5
4	12	Retired pay	180.0	190.8	10.8
8	2	Finance Service	1,448.4	1,453.4	5.0
10	12	Travel	77.0	85.7	8.7
14	13	Subsistence	255.0	274.9	19.9
16	5	Regular supplies	115.0	125.0	10.0
17	9	Clothing and equipage	192.0	207.5	15.5
18	18	Incidental expenses	104.9	107.3	2.4
21	25	Signal Service	200.0	207.4	7.4
25	5	Engineer Service	125.0	128.9	3.9
29	1	Ordnance	730.0	757.9	27.9
30	9	Chemical Service	35.0	36.3	1.3
46	16	Petroleum reserves	9.5	10.0	.5
47	11	Contingent expenses	1.1	1.7	.6

[1] Savings of less than $400,000 on individual items not listed.

Amounts saved on individual items if the Douglas motion is accepted and the Senate accepts the House of Representatives amounts in H. R. 4146, where such amounts are lower than those recommended by the Senate Appropriations Committee—Con.

[All figures in millions]

Page	Line	Item	House of Representatives	Senate committee	Saving
52	15	Transportation and recruiting	$32.0	$32.9	$.9
57	11	Maintenance of ships	357.5	358.0	.5
58	10	Construction of ships	18.7	101.7	83.0
59	6	Ordnance and ordnance stores	220.0	226.4	6.4
59	24	Ordnance for new construction	33.6	80.3	[2] 46.7
60	20	Subsistence	102.0	110.8	8.8
62	13	Fuel	65.0	69.0	4.0
63	18	Maintenance	153.0	156.8	3.8
65	3	Public works	52.0	53.2	1.2
68	18	General expenses	125.2	126.9	1.7
		Total savings only on items where saving is over $400,000			273.4

[2] Difference is largely due to transfer from 1949 appropriation, but would nevertheless be a saving of real substance.

Mr. DOUGLAS. Mr. President, if this program is carried into effect, it will be a very appreciable addition to the economy which the committee has already made. In view of the fact that it looks as though the deficit for the coming year will be at least $6,000,000,000, and since we ran behind approximately $1,700,000,000 in the first 53 days of this fiscal year, it seems to me that stringent action is called for, and I also believe that a much more effective way to save is for us to make economies ourselves, rather than wash our hands of them and throw the job upon the Executive.

The VICE PRESIDENT. The Chair may have been in error in stating to the Senator from Illinois that his motion would be in order on Monday, after the amendments are all disposed of, because that would nullify the unanimous-consent agreement to vote on the bill at a given hour. The Chair, therefore, withholds his decision on that point until Monday.

Mr. DOUGLAS. I thank the Chair.

I now send to the desk two amendments which I ask to have printed and lie on the table and also printed in the RECORD.

The VICE PRESIDENT. The amendments will be received, printed, and lie on the table, and, as requested by the Senator from Illinois, will also be printed in the RECORD.

The amendments intended to be proposed by Mr. DOUGLAS are, as follows:

On page 87, line 25, strike out the figure "$14,040" and insert: "$14,040 on housing units for generals; $12,040 on housing units for majors, lieutenant colonels and colonels, or equivalent; $11,040 on housing units for second lieutenants, lieutenants, captains, and warrant officers, or equivalent; nor $10,040 on housing units for enlisted personnel."

On page 88, line 2, after the comma strike out down to the period on line 4 and insert: "the cost per unit shall not exceed two times the cost of such units in the continental United States: *Provided*, That the cost of the land and improvements for all such housing, both within and outside the continental United States, shall not exceed 15 percent of the cost of the construction of such housing units."

RECESS

Mr. LUCAS. I move the Senate stand in recess until 11 o'clock a. m. tomorrow.

The motion was agreed to; and (at 7 o'clock and 10 minutes p. m.) the Senate took a recess, the recess being, under the order previously entered, until tomorrow, Saturday, August 27, 1949, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate August 26 (legislative day of June 2), 1949:

MOTOR CARRIER CLAIMS COMMISSION

Thomas W. O'Hara, of Wyoming, to be Chairman of the Motor Carrier Claims Commission.

The following-named persons to be members of the Motor Carrier Claims Commission:

Ernest M. Smith, of Georgia.

Frank E. Hook, of Michigan.

UNITED STATES ATTORNEY

Clarence U. Landrum, of Minnesota, to be United States attorney for the district of Minnesota, vice Victor E. Anderson, deceased.

HOUSE OF REPRESENTATIVES

FRIDAY, AUGUST 26, 1949

The House met at 12 o'clock noon.

The Reverend Warren M. Marshall, Jr., M. A., B. D., pastor of the Oakland City Baptist Church, Atlanta, Ga., offered the following prayer:

O Lord, our Lord, how excellent is Thy name in all the earth. The very thought of Thee causes us to stand in adoration or bow with a deep sense of utter unworthiness. Thou art the source of every good and perfect gift. Thy mercies are new every morning and fresh every evening. Each day brings some new token of Thy love, some new proof of Thy mercy, some added expression of compassion.

Therefore, we beseech Thee to give us an abiding sense of gratitude. Make us to know that Thou alone art God. We owe allegiance to none other. We pledge anew our love and loyalty to Thee and Jesus our Saviour. Give us understanding hearts, responsive minds, submissive wills.

Bless these Thy servants of our great Nation.

Cleanse us from every wicked way. Redeem us and make us wholly Thine, through Jesus Christ our Lord, in whose name we humbly pray. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed without amendment concurrent resolutions of the House of the following titles:

H. Con. Res. 102. Concurrent resolution to provide for the attendance of a joint committee to represent the Congress at the Eighty-third and final national encampment of the Grand Army of the Republic; and

H. Con. Res. 103. Concurrent resolution to provide funds for the expenses of the joint committee created pursuant to House Concurrent Resolution 102.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 5300. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1949, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MCKELLAR, Mr. HAYDEN, Mr. RUSSELL, Mr. BRIDGES, and Mr. GURNEY to be the conferees on the part of the Senate.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 3838. An act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HAYDEN, Mr. THOMAS of Oklahoma, Mr. O'MAHONEY, Mr. WHERRY, and Mr. GURNEY to be the conferees on the part of the Senate.

EXTENSION OF REMARKS

Mr. LUCAS asked and was given permission to extend his remarks in the RECORD and include certain letters and editorials.

Mr. LANHAM asked and was given permission to extend his remarks in the RECORD and include a report of the Committee on Expenditures.

Mr. BOLLING asked and was given permission to extend his remarks in the Appendix of the RECORD and include a speech by Mr. John A. Short.

Mr. MULTER asked and was given permission to extend his own remarks in the RECORD.

Mr. BREHM (at the request of Mr. ARENDS) was given permission to extend his remarks in the RECORD and include an editorial.

Mr. SMATHERS asked and was given permission to extend his remarks in the RECORD and include a speech made at Miami by Secretary of the Navy Matthews.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the RECORD in three separate instances and in each to include extraneous matter.

Mr. SMITH of Wisconsin. Mr. Speaker, I am advised by the Public Printer that one of the extensions I desire to make exceeds the limit established by the Joint Committee on Printing and will cost $208. Notwithstanding the excess I ask unanimous consent that the extension may be made.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. COLE of Kansas asked and was given permission to extend his remarks in the RECORD in two instances and in each to include extraneous matter.

AUTHORITY FOR SPEAKER TO APPOINT COMMITTEES AND COMMISSIONS

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that notwithstanding the adjourned periods of the House until September 21 the Speaker be authorized to appoint committees and commissions authorized by law or by the House.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

AUTHORITY FOR SPEAKER AND CLERK TO PERFORM CERTAIN ACTS DURING RECESS

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that notwithstanding the adjourned periods of the House until September 21 the Clerk may receive messages from the President and the Senate, and that the Speaker may sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

INVESTORS GIVEN TAX DEDUCTIONS

Mr. MULTER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MULTER. Mr. Speaker, I have received many inquiries as to what the tax situation is with reference to American citizens making investments in the state of Israel. I am taking this means of answering those many inquiries.

Like other United States nationals who invest abroad, the tax responsibilities of the American who invests in Israel do not end with payment of Israeli taxes. He must also meet the requirements of the American tax law.

Each case of an American investor abroad is considered individually by the United States Bureau of Internal Revenue. In general, section 131 of the United States Internal Revenue Code provides a credit for taxes paid abroad on foreign income. Except in the instance of the subsidiary mentioned below, credit may be claimed for income taxes paid abroad, but not for payment of foreign corporate taxes. The credit may not exceed the United States tax due on this income.

Under section 131 of the United States tax law an American domestic corporation which owns a majority of stock of a subsidiary in Israel may claim United States tax credits according to a formula devised in the United States tax law

which takes account of both foreign corporation taxes on earnings of the corporation and income taxes paid on dividends. All forms of American domestic corporations other than foreign subsidiaries may claim credit only for income taxes paid on income derived from the foreign branch.

American citizens who reside in Israel for an entire taxable year are exempt from United States taxes for all income earned in Israel during that year, under section 116A of the United States tax law. However, they must pay United States income taxes on all income earned in the United States during the year.

HOLD EVERYTHING

Mr. COLE of Kansas. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection?

Mr. COLE of Kansas. Mr. Speaker, for many years we have all heard the expression that one political party or the other was stealing the courthouse. I wish to address myself to my colleagues on my right and congratulate them. The Democrats up in Cambria County, Pa., have finally actually succeeded. I hold in my hand some newspaper clippings from the Johnstown Democrat and the Johnstown Tribune, which revealed yesterday that the Young Men's Democratic Club of Cambria County had succeeded in laying their hands on some courthouse office furniture which they transported bodily to the Cambria County Democratic Party's headquarters for use in the campaign to fill the seat of the late Congressman Coffey, in a special election to be held there on September 13. They not only appropriated public property for political use, they transported it in a county-owned truck.

I am making this statement for the benefit of my esteemed colleagues on my left who, being Republicans like myself, will take this as a warning that we not only better hold onto our seats but our office furniture as well.

THE HOME-TOWN NEWSPAPER

Mr. KUNKEL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. KUNKEL. Mr. Speaker, I rise to give some well-merited praise and just recognition to the home-town newspapers of this country. Of all the advertising media, none is better than the home-town paper, including specifically the weekly papers, the semiweekly, and the dailies. Many types of advertising leave no written record for the potential customer to reread and think through. The home-town paper does this. Furthermore, it is passed along and read and reread by every member of the family.

The home-town newspapers specialize in those things nearest and dearest to the hearts of all Americans. It prints the news about one's friends, relatives, neighbors, and business associates. It tells what is going on in all the community activities. You cannot share properly in this community life without reading the home-town newspaper and keeping it at hand in order to refer to it. It is rarely discarded until the next issue of the paper is published—perhaps not then. Oftentimes it is mailed to a loved one away from home. It has permanency and value.

This Congress is again appropriating about $2,000,000 for advertising the recruiting program for our armed forces. A large percentage of the recruits come from the smaller towns and villages; hence, this medium is particularly suited to furthering a recruiting program. And I urge that a just and fair share of this advertising be given to these home-town newspapers. My understanding is that the military authorities, and the advertising firm they have selected, will do this in every county seat and I firmly believe they can well go further and include all of these fine papers, whether county-seat papers or others. I am sure this is the wish of those Members who supported this appropriation and I have urged the proper authorities to do this.

THE MOORHEAD DAM, MONT.

Mr. D'EWART. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. D'EWART. Mr. Speaker, there is an amendment in H. R. 3838, added by the Senate, the bill making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, that stops construction on the Moorhead Dam in my district in Montana. This project is part of the Missouri Basin development, located in Powder River on the Wyoming-Montana line. The bill contains, on page 54, starting with line 7 and ending with line 13, the following provision:

> That no part of this or prior appropriations shall be used for construction, nor for further commitments to construction of Moorhead Dam and Reservoir, Mont., or any feature thereof until a definite plan report thereon has been completed, reviewed by the States of Wyoming and Montana, and approved by the Congress.

The Moorhead Reservoir is a part of the Bureau of Reclamation plan for development of the Missouri River Basin, as authorized in Public Law 534, Seventy-eighth Congress, second session. It was originally authorized for a reservoir to store 390,000 acre-feet of water for flood control and irrigation purposes. This was later increased when the plan, outlined in Senate Document 191, was coordinated with the plan of the United States Army engineers.

Two years ago when floods were bad on the Missouri River, President Truman sent a special request to the Appropriations Committee for flood-control projects in that basin. The Moorhead was selected as the most favorable flood-control project in Montana and appropriations for construction in the amount of $1,600,000 were made in the Second Supplemental Appropriation Act for 1948 and the regular appropriation act for the Interior Department for 1949. Of the amounts appropriated for the first 2 years' construction, approximately all has been spent—see pages 2481-2492, Interior Department appropriation bill for 1950, hearings before a subcommittee of the Committee on Appropriations, United States Senate, on H. R. 3838, part 2.

The increase in size of the reservoir has resulted in considerable protest from people in Wyoming.

A hearing was held in Buffalo last summer, at which the local people were given an opportunity to present reasons for their objection to the project, and the proponents were heard as to why the construction should proceed.

When the appropriation bill was on the floor of the House, the gentleman from Wyoming, Congressman BARRETT, made a speech—recorded on pages 3536–3538 of the CONGRESSIONAL RECORD—protesting this enlarged project and offered the following amendment:

> On page 46, lines 22 and 23, strike out "$73,822,500" and insert "$40,422,500" in lieu thereof.
>
> The purpose of this amendment, Mr. BARRETT said, "is to eliminate the appropriation of $3,400,000 for the Moorhead Dam."

However, this amendment was voted down and the bill went to the Senate with funds for construction intact.

At the Senate hearing, a large number of Wyoming people appeared protesting appropriation of funds for the construction of the Moorhead Dam. One resident of Montana appeared representing those who favored construction of the dam, and I made a statement opposing the arguments put forth by opponents. The Senate decided to heed the statements of the opponents and have written into the bill the above prohibition, which would end construction on this dam.

The real difficulty behind the opponents to the construction is that certain Wyoming people fear it will jeopardize certain vested water rights—see quotation from statement of L. C. Bishop, State engineer from Wyoming, in the letter which I will include later in my remarks.

When this argument was set forth in the hearing at Buffalo, I offered to cooperate with Members of Congress from Wyoming in the providing of funds to start construction on certain small dams in Wyoming on Powder River above Moorhead.

It should be noted that Congress has three times authorized the States of Montana, Wyoming, and North Dakota to enter into a compact for the division of the waters of the Yellowstone between these three States. The first time, the States were not able to gather the data or agree on a compact. The second authorization resulted in a compact that

was approved by the Governors and Legislatures of North Dakota and Montana and the Legislature of Wyoming, but was vetoed by the Governor of Wyoming because of the insistence by many of the same people that are objecting to the construction of the Moorhead. However, the Governor's veto was not based in any way on disagreement in the division of water on Powder River. The division on that river was acceptable to Wyoming, as far as the records indicate. The difficulty was over another stream. This failure to ratify the compact resulted in my getting a third authorization for a compact on the Yellowstone River between these States, which authorization has been passed by Congress and approved by the President.

Mr. Speaker, it is felt that the crux of this matter is the fear of Wyoming people who believe that the construction of this dam will prejudice their water rights on the Powder River. This river, of course, is an interstate stream and, therefore, neither Montana nor Wyoming is bound by the water rights of the other States. However, it is a commonly accepted theory of law in the West that a water right is established by making beneficial use of the water. The date of that right is generally recognized as of the date of the start of construction of a project that would divert such water for beneficial use. Such being the case, if right can be established by the construction of Moorhead Dam, it was established the date construction was started on this project. Stopping construction at this time will not in any way alter that basic fact.

It should also be recognized that approximately $2,000,000 has been spent on the construction of this project. Stopping construction at this time will result in a considerable increase of cost of the project.

I have stated that Montana, Wyoming, and North Dakota negotiated for 4 years before a compact was reached, and then it was vetoed by the Governor of Wyoming. It is now over 6 years since the start of negotiations for a compact. Beneficial use of water from this stream is denied, because such beneficial use cannot be carried on, except to a minor extent, until the flow of the river is firmed up. Meanwhile, the Powder River is causing great damage, as the records will indicate, because of floods.

Montana residents cannot help but feel that the citizens of Wyoming and their Representatives in Congress are doing them a grave injustice in stopping the construction of this project. It cannot help but result in resentment by those who live on Powder River in Montana, as well as those throughout the State who have Montana's interest at heart.

I would like to file an excerpt from a statement by Mr. Vernon, regional director of the Bureau of Reclamation, found on page 2488 of the Senate hearings, which shows conclusively there is plenty of water for Moorhead without interfering with proposed developments in Wyoming:

The Bureau's hydrologic studies conclusively show that there is adequate water in the Powder River Basin to operate Moorhead Reservoir at its presently planned capacity of 800,000 acre-feet, 175,000 acre-feet of superstorage, without interfering with proposed development of upstream areas. These investigations also show that control of silt and floods on the Powder River can be accomplished most effectively and most economically by constructing Moorhead Reservoir.

I would like also to call your attention to a portion of a letter written by Commissioner Michael W. Straus, dated May 6, 1949, addressed to Hon. JOSEPH C. O'MAHONEY, United States Senate, found on page 2489 of the Senate hearings, as follows:

Additional emphasis should be placed on the fact that Moorhead Dam is a major feature of the comprehensive plan for the multiple-purpose development of the Missouri River Basin project authorized by the Flood Control Act of 1944. Also the Congress subsequently, in the 1948 Deficiency Act, specifically provided funds for construction of Moorhead Dam to proceed as a flood-control feature of the Missouri Basin project with benefits recognized as extending far beyond the immediate areas in the Yellowstone Basin and as contributing to flood protection for downstream areas not along the main stem of the Missouri River.

I received a letter, dated May 12, 1949, from a resident of Montana, from which letter I would like to quote pertinent paragraphs, as follows:

With reference to your letter of May 6, including copy of hearings on dams on the Powder River, principally the Moorhead Dam.

I have gone over this testimony carefully and have noted the arguments of both the proponents and opponents of this project. There appears to be no disposition to dispute the contention of the Bureau engineers that there is enough water for all of the irrigable land in both States. Ever since I came to Montana I have heard the old theory that the best way to conserve water and prevent all of the damages that are likely to occur in an uncontrolled stream is to place these dams high on the source. This is a beautiful theory, but only in rare instances is it ever accomplished. As far as Wyoming is concerned, my patience is wearing very thin regarding their apparent inability to get things done, coupled with the desire to hold Montana development back. I think that the meat of this argument is carried in the statement of L. C. Bishop, State engineer, when he states on page 188 of hearings before a Subcommittee on Irrigation and Reclamation of the Committee on Public Lands, House of Representatives, November 30, 1948, Buffalo, Wyo.:

"And of course Wyoming is fearful of the situation that might result from the building of Moorhead Reservoir, if we don't get concurrent construction in Wyoming. Of course it's a matter that should be settled by compact or agreement with Montana. The matter will be presented to the Wyoming Legislature, and we're going to expect the legislature to tell us what to do about it. If we don't approve the compact that's already been twice negotiated I believe we should negotiate another compact. I don't believe we should have a lawsuit, although that's one of the alternatives that is proposed for the legislature to consider."

And again on page 189:

"Well, they're going to make a claim for it for irrigation; if they don't they're foolish. They've got a lot of good land in Montana that ought to be irrigated, and we want them to irrigate it. I believe probably the Bureau of Reclamation is right when they say there is plenty of water to irrigate there some 40,000 acres, and 40,000 in Wyoming, forty-some thousand in Wyoming; I believe they're probably right when they say that, but it's the principle of priority that I am fearful of. I don't want Montana to be ahead of us for the right to irrigate any land from the Powder River."

I fail to see how in any way we would weaken Wyoming's case for the upstream dams even if Moorhead Dam was constructed. The need for these smaller dams, which I grant, would still be there. As a matter of fact, I think that if the Moorhead Dam were constructed it would be a good thing for Wyoming because they would probably then get together and secure the dams they want. After all, the Pick-Sloan plan is under way and Montana has firmly endorsed it and I can't think of any good reason why we should interfere with the position now given the Moorhead project as part of the final plan.

To go back to Mr. Bishop again, he says that he doesn't believe the States should have a lawsuit over this water, but that they should continue to try to negotiate compacts. This particular compact appears to me to be about the same thing as one would experience in trying to negotiate a compact with Joe Stalin. As far as I am concerned, the two States have been involved in a cold war for some time. Wyoming's position is far from being secure because the oldest water rights on both of these streams were filed in Montana. In that regard, however, I don't know what the Supreme Court would say, but certainly the area along the Yellowstone into which these streams empty was fairly well developed at that time and there was little in that section of Wyoming until after the building of the Burlington Railway.

In conclusion, I would state that I feel that southeastern Montana should continue to press for the construction of this dam. In case of a drought period, we will need the water and, in any event, I think it would put Wyoming in line to either accept the compact or get busy and do something for themselves.

Mr. Speaker, the reasons set forth by the senior Senator from Wyoming for inclusion in H. R. 3838 of the prohibition against the construction of Moorhead Dam is found on page 2483 of the hearings, and reads as follows:

Nevertheless, Mr. Chairman, in view of the fact that the expansion of the plan for the Glendo project and the expansion of the plan for the Moorhead project were actually not submitted to the governors of the States affected for review and approval, it seemed to me that it would be the desirable thing to insert some such language as this.

It will be noted that the reasons given for expansion of the plan for the Moorhead project were actually not submitted to the governors of the States affected. This is based on Public Law 534, Seventy-eighth Congress, the first section of which reads, in part, as follows:

(a) Plans, proposals, or reports of the Chief of Engineers, War Department, for any works of improvement for navigation or flood control not heretofore or herein authorized, shall be submitted to the Congress only upon compliance with the provisions of this paragraph (2). Investigations which form the basis of any such plans, proposals, or reports shall be conducted in such a manner as to give to the affected State or States, during the course of the investigations, information developed by the investigations and also opportunity for consultation regarding plans and proposals, and, to the extent deemed practicable by the Chief of Engineers, opportunity to cooperate in the investigations. * * * The relations of the Chief of Engineers with any State under this paragraph (2) shall be with the governor of the State or such official or agency of the State as the governor may designate. The term "affected State or

States" shall include those in which the works or any part thereof are proposed to be located; those which in whole or part are both within the drainage basin involved and situated in a State lying wholly or in part west of the ninety-eighth meridian.

From a careful reading of the above section, it appears the clear intent of Congress that the report on the project shall be submitted to the affected States and if these States do not file within 90 days written views and recommendations, then the Secretary of War shall transmit to the Congress the report, with such comments and recommendations as he deems proper.

The records indicate that the Secretary of War did submit Senate Document 191, Seventy-eighth Congress, second session, as revised and coordinated by Senate Document 247, Seventy-eighth Congress, second session, to the States, and there is no record that Wyoming objected in any way within the 90-day limit to the Moorhead project. There is nothing in Public Law 534, Seventy-eighth Congress, to indicate that it was the intention of the Congress that alterations or changes in the plans contained in Senate Document 191 needed to be again submitted to the affected States. The law seems to be clear that it was the intention of Congress that the original reports should be submitted and if no objection was found by the affected States within 90 days, then the documents and the plans therein contained were approved.

Section 9 (a) reads as follows:

The general comprehensive plans set forth in House Document 475 and Senate Document 191, Seventy-eighth Congress, second session, as revised and coordinated by Senate Document 247, Seventy-eighth Congress, second session, are hereby approved and the initial stages recommended are hereby authorized and shall be prosecuted by the War Department and the Department of the Interior as speedily as may be consistent with budgetary requirements.

The Moorhead project is contained in these documents, and as no written objection was filed with the Secretary of War, as the Congress has authorized these projects—as set forth in section 9 (2) above—and there is nothing in Public Law 534 which indicates that any revisions or changes—Senate Document 191—affecting any project authorized by inclusion in the documents needed to be subsequently submitted to the affected States, it is therefore evident that the premise set forth by the senior Senator from Wyoming is unsound.

I therefore submit that this amendment is not pertinent and should be deleted from the appropriation measure.

I would like to further submit, Mr. Speaker, that if this amendment is allowed to stand in this law, it can only result in great embarrassment to future projects for the development of the West. If every change in every project that has been authorized by Congress must be submitted to the affected State or States—and note this includes "those which in whole or in part are both within the drainage basin involved"—the difficulties of prosecuting projects in a large river basin would be almost insurmountable. It would mean that any alteration in any project authorized by Congress would have to be submitted, not only to adjoining States, but to States that might be affected downstream by either navigation or flood control. In the case of the Moorhead, which is a flood-control project, a strict interpretation of this law would mean that every State touched, not only by the Powder River on which the Moorhead project is located, but also the Yellowstone into which it flows and the main stem of the Missouri clear to Kansas City would have to be consulted and given 90 days to set forth objections before alterations on such a project would be permitted. Certainly, this principle would apply just as much whether the project lay upsream or downstream or on the lower end of the drainage basin or in a flood-control project in the upper drainage area. If this principle is allowed to stand, it would mean every project that is now under construction, such as the Boysen on the Big Horn River, the Garrison on the Missouri, the navigation projects on the lower end of the Missouri, whenever a change of plan was considered, it would have to be submitted to every State affected.

Certainly, Mr. Speaker, permitting this clause to stand in this appropriation measure and to become the law of the land would have disastrous results in the planning and development of our water resources throughout the West.

I earnestly plead that the amendment be stricken.

THANKS AND APPRECIATION

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I wish to talk about a man of his word, the Speaker of the House. I heard him tell a constituent that he would help him secure the passage of certain legislation. That legislation passed the House yesterday, and I have had the pleasure of advising the Speaker's constituent.

Also, Mr. Speaker, I would like to thank the Speaker and his staff, the acting majority leader, the minority leader, and all the persons connected with operation of the House. They have been operating under very difficult circumstances in badly congested quarters; they have been endlessly patient and helpful, and I personally am very grateful. I wish them all a very happy recess.

PENNSYLVANIA ELECTIONS

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. EBERHARTER. Mr. Speaker, I was a little bit surprised that the gentleman from the far-off State of Kansas [Mr. COLE] was so much interested in the coming election in Pennsylvania to fill the seat caused by the death of former Congressman Robert Coffey and went so far as to insert in the RECORD a couple of newspaper items—not editorials. He seems to be very much worried about the result of the coming election.

I want to predict that the Democrats will not only retain that seat this year but in the elections next year we will probably repeat the performance that we accomplished in 1948 when we tripled the representation of the Democrats from the State of Pennsylvania in the House of Representatives. So it is very nice of him in a way to call attention to this contest in Pennsylvania.

THE SENATE NOT ALTOGETHER AT FAULT

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, a great deal of criticism has been levied at the other body because of the fact that we have reached a deadlock in some respects and the House is going to take 3-day recesses until the 21st of September, ostensibly to let the Senate catch up.

Let me remind you that the Senate is not altogether to blame for this delay. A great deal of that blame rests on the House of Representatives, and especially on those conferees who have carried on their filibuster in connection with the civil functions appropriation bill, and other measures that should have been enacted without delay.

If the House had moved with the proper speed, this recess would not have been made necessary.

But you cannot expect speed and cooperation with a little group of House conferees trying to browbeat the Senate conferees into submitting to their dictations.

I just want to say that, from my viewpoint, the Senate is not altogether to blame for the failure to pass all necessary legislation with the proper speed.

A large part of that blame rests with certain arbitrary Members of the House, who are trying to dictate to the Senate.

EXTENSION OF REMARKS

Mr. JENSEN asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. LEMKE asked and was given permission to extend his remarks in the RECORD in three instances and include extraneous matter.

Mr. NIXON (at the request of Mr. KEATING) was given permission to extend his remarks in the RECORD in two instances and include extraneous matter.

Mr. KEATING asked and was given permission to extend his remarks in the RECORD in two instances and include editorial comment.

Mr. STEED asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

Mr. ELLIOTT asked and was given permission to extend his remarks in the RECORD and include a letter.

Mr. MANSFIELD asked and was given permission to extend his remarks in the RECORD and include several letters and articles.

Mr. HAGEN asked and was given permission to extend his remarks in the RECORD in three instances, in the first to include his own questionnaire, in the second an article entitled "Let America Be Informed," published in the April 1949 issue of Judy's magazine, and in the third an article entitled "You Can Help With the Mail," appearing in the March 1949 Country Gentleman.

Mr. SABATH asked and was given permission to extend his remarks in the RECORD in two instances and include extraneous material.

PARLIAMENTARY INQUIRY

Mrs. ROGERS of Massachusetts. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentlewoman will state it.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will Members be allowed to include with their remarks newspaper articles?

The SPEAKER. Not unless they receive specific permission. All Members have five calendar days in which to extend their own remarks in the RECORD. If they desire to include extraneous matter, it will have to be done by unanimous consent.

ELECTION OF SPEAKER PRO TEMPORE

Mr. PRIEST. Mr. Speaker, I offer a resolution (H. Res. 351) and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That Hon. E. E. COX, a Representative from the State of Georgia, be, and he is hereby, elected Speaker pro tempore during the absence of the Speaker.

Resolved, That the President and the Senate be notified by the Clerk of the election of Hon. E. E. COX as Speaker pro tempore during the absence of the Speaker.

The resolution was agreed to.

The SPEAKER. The gentleman from Georgia [Mr. COX] will present himself at the bar of the House to take the oath.

Mr. COX appeared at the bar of the House and took the oath of office.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

AUGUST 26, 1949.

The honorable the SPEAKER,
House of Representatives.

SIR: Desiring to be temporarily absent from my office, I hereby designate Mr. H. H. Morris, an official in my office, to sign any and all papers and do all other acts for me which he would be authorized to do by virtue of this designation and of clause 4, rule III, of the House.

Respectfully yours,
RALPH R. ROBERTS,
Clerk of the House of Representatives.

EXTENSION OF REMARKS

Mr. BARRETT of Wyoming asked and was given permission to extend his remarks in the RECORD and include an editorial.

The SPEAKER. Under previous order of the House the gentleman from Wisconsin [Mr. BIEMILLER] is recognized for 20 minutes.

AMERICAN MEDICAL ASSOCIATION MISLEADS THROUGH FALSE QUOTATIONS

Mr. BIEMILLER. Mr. Speaker, I find myself rising in defense of this Nation against a ghost.

Yes, a sinister, unscrupulous, conspiratorial ghost who has been loosed upon us from the grave to threaten every cherished American institution.

His name, Mr. Speaker, is Vladimir Illyitch Lenin.

A GHOST WALKS

They tell me that the body, pickled and patched and preserved in perpetuity, lies under glass within a stone tomb in Moscow's Red Square.

I wish the ghost were there, too. I am very sure it does not approve of America, and if it does not like this country, I wish it would go back where it came from. I know there are many colleagues in this House who will join me in saying I do not want any part of this baleful Communist phantom.

We do not want Vladimir Lenin over here, man or ghost.

Our State Department has not issued him a visa. Our immigration authorities, our border guards, would toss him out on his ear the minute he reached our ports of entry or our national boundaries.

Then how did Vladimir Illyitch Lenin get over here? Who let him in? Who is shielding him and coddling him and quoting him as he goes about his errand of trying to sabotage American institutions?

Mr. Speaker, among good Americans Lenin is nobody's hero. But the historians tell us that neither is Lenin anybody's fool. I am sure he would be smart enough not to come over here of his own accord, to a country where he is not wanted, a country he would hate, and where—thank God—his philosophy has not a chance.

No, Mr. Speaker, Vladimir Illyitch Lenin is not here on a Cook's tour, or even voluntarily as a spy and saboteur. He has been yanked out of his tomb on Red Square, and smuggled through the customs lines by a group of ideological importers who have their own use for him here.

A GHOST TALKS

For example, only a few days ago, this apparition of Russian bolshevism was dragged by the heels across the consciousness of the House of Representatives. He was made to say to you—and I now quote right out of the phantom's mouth: "Socialized medicine is the keystone of the arch of the socialistic state."

End of unwritten and unuttered quotation from incorporeal source.

I say "unuttered and unwritten," Mr. Speaker, because these words which have been put into the mouth of the man who is dead were never spoken or set down by him while he was alive.

Actually, what you were witnessing when you heard them spoken before this House, or when you read them printed in the CONGRESSIONAL RECORD, was one of the greatest feats in the spiritual existence of mankind; namely, the bridging of the River Styx, the transmission for terrestrial ears of voices from the great beyond.

SAME QUOTATION USED BEFORE

There was an earlier attempt, Mr. Speaker, to perform this world-shaking feat. Some months ago this same voice of Vladimir Illyitch Lenin was heard to utter the same words—or so we were informed by an organization which called itself the National Physicians Committee—the busy and always open mouthpiece of the American Medical Association.

But the National Physicians Committee was out of its field. Their leaders were specialists in political lobbying, not mesmerism. They therefore made no claim of hearing the voice of Vladimir Illyitch Lenin, the dead. They simply stated that these were the words, these the sentiments of Vladimir Illyitch Lenin, the living.

Alas, Mr. Speaker, here too, the National Physicians Committee was shown to have erred. Apparently they were better lobbyists than they were historians. The research staff of the Library of Congress, among the ablest specialists in America in tracing historical documents and quotations, after making an exhaustive search of the entire collection of Lenin's public utterances and writings, reported that Vladimir Illyitch Lenin has never made such a statement.

QUOTATION CANNOT BE TRACED

Mr. Speaker, I quote from a letter sent by the Legislative Reference Service of the Library of Congress to Senator JAMES E. MURRAY, and dated May 2, 1949, as follows:

DEAR SENATOR: The purported quotation from Lenin to the effect that "Socialized medicine is the keystone to the arch of the Socialist state" has been the subject of considerable search from time to time. However, all of our efforts to trace this or similar statements by Lenin have been to no avail. Our Russian specialist, Dr. Yacobson, states that "the Senator's doubt as to the authenticity of this quotation is justified."

Very truly yours,
W. C. GILBERT.

Not that statement, Mr. Speaker, or similar statements—that is to say, anything like that statement—was ever made by Vladimir Illyitch Lenin. Not while he was alive.

To pursue the matter further, the same task of research was put before the Russian specialist of the University of Chicago. He, too, came back after long and arduous researches with the bewildered query, "Where did you ever find it? I can't."

Whereupon the National Physicians Committee itself was challenged to produce the source of its quotation. But there was only silence—a silence as deep and unfathomable as the tomb in Red Square where the body of Vladimir Illyitch Lenin lies in pickled perplexity, wondering when those Americans will leave his ghost alone.

AMA CONTINUES USE OF FABRICATION

And yet the American Medical Association has continued to bespatter the country with literature containing this phantom quotation. The AMA's high-powered and high-priced lobbyists, the advertising firm of Whittaker & Baxter, has produced a number of pamphlets trying to scare the daylights out of the

American people. One of these, The Voluntary Way Is the American Way, of which, I understand, over a million copies have been circulated, again repeats this fabrication, this completely spurious quotation.

It is therefore peculiarly interesting that I should be in receipt of a letter from Dr. K. H. Doege, president of the Winconsin State Medical Society, admitting that the AMA has not been able to document this alleged statement:

His letter is as follows:

DEAR MR. BIEMILLER: I finally received a report from Whitaker and Baxter of the National Education Campaign Committee of the American Medical Association dated August 12. According to a Mr. Tod Bates who signed the letter, the quotation is from page 27 of Lawrence Sullivan's book entitled "The Case Against Socialized Medicine," published by the Statesman Press of Washington, D. C., in 1948. Mr. Sullivan's authority for this quotation has not been established. Apparently Whitaker and Baxter have made an effort to go behind the quotation in the Sullivan book but because of translation difficulties, the enormous quantity of material by the prolific Lenin to be examined, and the fact that the statement may have been made orally, and never committed to record, they have not yet been able to provide chapter and verse for this quotation.

I am very sorry indeed that I cannot document this quotation. I suppose many of us go through life attributing expressions to certain persons without ever having any primary factual basis for the quotation. I can assure you that if I ever encounter anything more definite on this I will let you know.

Respectfully yours,

K. H. DOEGE, M. D.

All that the high-powered publicity boys of the AMA can come up with is that the purported quotation is carried in a brochure written by a notorious poison-pen artist. He does not document it and, I repeat, the American Medical Association has not been able to find any human source.

FALSE QUOTATION, DANGEROUS AND IRRELEVANT

Furthermore, Mr. Speaker, I submit those responsible for bringing to America this ghost who talks like a man, are not only confusing the true issues, but carried to a logical conclusion, might place our American institutions in real danger.

Before this House, just a few days ago, the words that were spoken across the void were quoted for the purpose of discrediting and discouraging those of us who advocate national health insurance as the only means of bringing medical care to all at a cost all can afford.

Actually, this posthumous utterance from the lips of Lenin not only has no relevance but is a deliberate perversion of the facts: The truth is that national health insurance is the opposite of Soviet medicine; in fact, it is our only bulwark against socialized medicine.

You have heard this pointed out and proven many times. But it makes no difference how often the provisions of the national health-insurance bill itself are read and shown to be almost the complete antithesis of socialized medicine. That term continues to be repeated, again and again, by those who hope to enlist fear on their side if they cannot enlist reason. Their aim is to scare the people.

Now they have Lenin doing it. They do not like national health insurance. So here is the formula: Call it socialized medicine, and tell the American people Lenin likes it. Anything Lenin likes, we do not like. We will have no part of it.

MISUSE OF FALSE QUOTE LEADS TO ABSURDITY

But Mr. Speaker, that is a dangerous formula. It so happened that Lenin liked public education, public schools.

If those who have smuggled Lenin's ghost into America are going to let him go around telling our people, through the mouths of Congressmen, what he liked and did not like, and if we let ourselves be guided accordingly, then what is to become of our compulsory public-school system? Are we to abolish them because Lenin liked public schools?

Shall we stop eating bread because Lenin liked it?

Lenin was one of the greatest exponents in his country of mechanized agriculture. Is this America's cue to scrap all our tractors and threshing machines?

Finally, although Lenin never made the statement attributed to him in this House last Monday on the subject of socialized medicine, he did have a great deal to say about the health of the people. He was all for it. Does this mean, Mr. Speaker, that because Lenin was for health we must be for sickness?

AMA USED TO CALL VOLUNTARY HEALTH COMMUNISTIC

There was a time when the American Medical Association called the voluntary health insurance they now advocate communism. That was a misnomer. If we are going to debate voluntary health insurance, let us call it by its true name, and not communism. And if we are going to debate as between voluntary and compulsory health insurance, let us not deceive ourselves that we are debating between communism and socialism.

Let us not call our public-school system socialized education because it happens to be compulsory.

Let us not call our workmen's compensation laws socialized insurance because they are enacted by legislatures.

AMERICA'S DOCTORS WILL NOT ACCEPT LIES

And let us not call health insurance socialized medicine merely because it is the logical and inevitable complement to much other legislation that has been passed to safeguard our American way of life.

I have an abiding faith in the integrity of the rank and file of the medical profession. I believe America's doctors are honest. I do not believe they will tolerate the spread of untruth—demonstrated untruth—even to win a point in the bitterest controversy.

I believe there are thousands of American doctors who do not like to see their profession demeaned by the wheedling, soap-selling techniques and sloganeering which are being employed by the political hucksters who are now speaking in their names to the American people.

These men are busy with their medical practice. They have neither the time, the opportunity nor the inclination to check such a matter as the writings and public utterances of Lenin or of anybody else the AMA lobby chooses to quote as authority.

But when they know deliberate untruths are being spoken by those whom our doctors are forced to pay as their organized publicity agents, I do not believe America's doctors will stand for such tactics.

AMA MUST WITHDRAW MISLEADING PAMPHLET

I believe these doctors, good Americans, and their fellow citizens in all other walks of life, will join me in demanding that the American Medical Association stop circulating the pamphlet entitled "The Voluntary Way Is the American Way," a scurrilous and misleading attack on President Truman's health program, which contains, among many other misstatements, the alleged but nonexistent quotation from Lenin.

In the name of common honesty, let the American Medical Association prove the authenticity of that quotation, or let them announce their intention to cease publishing it.

Above all, Mr. Speaker, let us ask the AMA to send the ghose of Vladimir Illyitch Lenin back to Russia and—for all time—leave him there.

DEFENSE OF ALASKA

Mr. MITCHELL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore (Mr. Cox). Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. MITCHELL. Mr. Speaker, on Friday, August 12, I called to the attention of the Members a communication from the Governor of Alaska stating categorically that Alaska is defenseless. Now it appears that there has been a well-kept secret. A secret which should be called to the attention of the Congress. That secret has to do with the defenses of Alaska as of that day when the Air Force decided in the spring of 1948 to order the production of its new jet bomber, the B–47, in Wichita, Kans.

We are given to understand that the condition of Alaska defense in 1948 was such that, despite extra cost and threatened disruption of the great Boeing-Seattle research and production team, the Air Force decided on the necessity of a retreat to Kansas. It is said now that this retreat was essential because Seattle, Wash., was considered a strategically vulnerable area.

So today I want to ask Congress to consider where this apparent policy of strategic retreat to the interior will end. It appears to me, Mr. Speaker, to be a kind of military isolatism which should not gain a foothold in the Military Establishment. It simply does not add up to what we are given to understand about the nature of modern warfare. It does not square with other policies being advocated by our Government.

But, apparently, it has been allowed to develop in a vacuum. One hand of the Government has not been informed as to what the other hand is doing or why it is doing it.

Let us look at the record. In April I conferred with Air Secretary Symington

as to the prospective work load in the Seattle-Boeing plant. He told me frankly that the Air Force did not intend to put certain new defense projects in the State of Washington but that it would continue to depend upon the sustained production of the Boeing Co. in Seattle. A decision against additional concentration in any area could be understood. The Secretary confirmed the maintenance of the Seattle-Boeing work load with the following letter sent to me on May 5 which I would like to read for the information of the Members:

DEPARTMENT OF THE AIR FORCE,
Washington, D. C., May 5, 1949.

Hon. HUGH B. MITCHELL,
House of Representatives,
Washington, D. C.

DEAR MR. MITCHELL: With reference to our recent discussion at luncheon regarding Boeing, no serious curtailment of production activity is foreseen at the present time.

Before the cancellation of the B–54 contract, the amount of business placed with Boeing necessitated a large percentage of subcontracting. Boeing ranked No. 1 of all air frame prime contractors, having 37 percent of the dollar value of the business. After the cancellation of the B–54's, Boeing still ranks No. 1 among the air frame prime contractors with 29 percent of the air frame business.

Present production plans, contingent upon the proposed fiscal year 1950 budget, now before Congress, will enable Boeing to continue to operate at approximately the same relative level.

When present production plans are fully matured, it is anticipated that much work now being subcontracted will be accomplished at Seattle and an equalization of the work load between Wichita and Seattle will permit the operation of the Seattle plant at close to its present level of activity.

Kind regards.

Sincerely,

W. STUART SYMINGTON.

My point in reading this letter is not to put the Air Secretary on the spot but merely to inform Congress as to a situation wherein, as I have said, the hands of Government do not seem to be working in unison.

There seems to be no indication in this letter that because of strategic vulnerability a major change in our Seattle economy might be forced. There is no indication in this letter that future contracts on critical airplanes might be denied Seattle because Alaska defenses were weak.

It was not until recently that rumors of this situation reached Congress and the people of Washington State. It is my very definite contention that such a serious problem should not be left to rumor. If a 1948 defense situation was sufficient to cause the Air Force to consider a major shift of production it should have been called to the attention of Congress immediately.

Instead, the Air Force ordered the Boeing Co. to produce the B–47 in Wichita, Kans. The Boeing Co. agreed to build this bomber in Kansas. It signed the contracts in June of 1948.

It was not until a few days ago that the reason for this shift was assigned to the strategic vulnerability of Seattle. On failure to get any satisfactory answer I wrote Secretary Symington the following letter on August 12, which I should like to read:

HOUSE OF REPRESENTATIVES,
Washington, D. C., August 12, 1949.

Hon. W. STUART SYMINGTON,
Secretary of the Air Force,
Washington, D. C.

MY DEAR STUART: There have been recurrent rumors that the Department of the Air Force has suggested a reduction of military airframe construction at the Seattle Boeing plant on the tenuous ground of the vulnerability of the Pacific Northwest to enemy attack.

I believe the latest rumor, although it runs quite counter to your assurances to me, should be given as categorical an answer as possible since it goes so far as to outline a systematic schedule of Boeing-Seattle employment cut-backs to be caused by reduction of the Government contract work load.

This rumor simulates fact by relating that projected Federal contracts will force an employment reduction of 17,000 by August 1950. It embroiders on this scheme by stating Air Force contracts will be so awarded as to reduce Seattle employment by 3,000 this month, to be succeeded by further reductions of 7,000 in February 1950, 5,000 in August 1950, and 2,000 in December 1950.

Despite your letter to me of May 3 stating that "an equalization of the work load between Wichita and Seattle will permit the operation of the Seattle plant at close to its present level of activity," the rumor persists.

Needless to say, it is my belief that the production record of the Seattle-Boeing plant fully justifies the continuation of activity on the schedule you outlined in your letter to me.

The rumored reason for the reduction is the old argument as to the relative vulnerability of the various industrial areas of the Nation.

You will remember that this question was discussed during and after World War II. As chairman of the aviation subcommittees on aviation of the Senate National Defense Investigating and Interstate Commerce Committees, I had some opportunity to review the validity of these arguments.

It was the considered opinion of various industry testimony that intelligent research and development would provide a more dependable and lasting defense from sudden enemy attack than mere removal of aircraft plants from present locations.

It is true now as it was immediately after the war that Midwest plants are not fully integrated but handle work with a large amount of subcontracting. Although Government contracts are now sizable, operations necessary for continued development will make it essential that the more efficient plants be operated.

You will remember, perhaps, that Boeing presented data to my committee and recommended against moving to the interior for a variety of reasons. They pointed out that there is a community economy built up around the Seattle plant which would be seriously disrupted and that many skilled workmen would undoubtedly refuse to move from their homes in Seattle.

The pertinent reasons against the shifting of defense production are as meaningful today as they were then. It is likewise just as correct today as it was in 1945 that locations on the coast are just about as far away from potential enemies as are locations in the interior.

The next air attack would undoubtedly fly the short Arctic Circle route. I remember that during the 1946 hearings, one airframe company pointed out that Seattle and Fort Worth, Tex., were both 5,100 miles from Berlin. On a more pertinent basis for the present discussion, Seattle is 5,250 miles from Moscow and Wichita is 5,520; Seattle is 5,100 miles from Berlin, Wichita, 5,010. It is easily seen that the mileage figures provide no conclusive reasons for relocating aviation production plants.

With every appreciation for your assurance that I shall be kept informed of developments, and with the very best of regards,

Sincerely yours,

HUGH B. MITCHELL.

This letter expresses an attitude toward the maintenance of the Nation's productive capacity which I think is vital to national well-being, be it for peace or for war.

Shortly after August 19 the Air Secretary sent me a copy of a letter he had sent to Mr. A. J. Hayes, president of the International Association of Machinists. The letter reads as follows:

DEPARTMENT OF THE AIR FORCE,
Washington, August 19, 1949.

Mr. A. J. HAYES,
International President, International Association of Machinists, Ninth Street and Mount Vernon Place NW., Washington, D. C.

DEAR MR. HAYES: We have given full consideration to the matters discussed in your letter of August 4, concerning the prospective curtailment of operations in the Seattle plant of the Boeing Airplane Co.

Your letter intimates that this situation is due solely to the decision of the Air Force to have the B–47 built by the Boeing Co. in Wichita rather than in the Seattle area. That is not right.

According to our best information, the Boeing Co., as of June 1949, employed some 25,800 workers in the Seattle area. This is a considerably greater number of employees than any other airplane plant in the country. It compares with Douglas, 19,000; North American, 17,800; Lockheed, 13,500; Consolidated—San Diego, 5,500; Consolidated—Fort Worth, 13,500; Republic, 5,300; Bell, 2,750; Martin, 8,600, etc.

Of the 25,800 employed at Boeing, Seattle, only some 16,800 were engaged on work for the Air Force. The remaining 9,000 are or were on Boeing's commercial orders.

It is our understanding that Boeing anticipates little additional commercial business in the near future, necessitating cutting back the labor force engaged on commercial work to a negligible number.

In itself, this accounts for the major portion of the prospective reduction of operations in the Seattle plant.

It is also true, however, that the B–50 contract is scheduled for completion in the Seattle plant in September 1950, which the Air Force estimates will necessitate cutting back the force engaged on Air Force work to some 10,400 by that time. Note, however, that this force, estimated to be employed a year hence, on purely Air Force work, compares very favorably to the other principal plants in the industry Nation-wide. Note also that the three other heavy employing plants have a great deal of naval air-arm work. Boeing has little or none.

As regards manufacturing the B–47 at Seattle instead of Wichita, the Air Force gave this matter grave consideration from the beginning and decided this should not be done. The Boeing Co. originally advocated the Seattle location, but later agreed with the Air Force position that the company should undertake the work at Wichita. The most important reason we wanted to build in Wichita was relative strategic vulnerability.

We do not consider that our decision with regard to the manufacture of the B–47 at Wichita violates the principles which were enunciated at the seminar at the air uni-

versity last May. You may rest assured that with regard to the economy of the Nation as a whole, we would like to see all our aircraft factories operating at capacity. But, with reduced appropriations, procurement programs must be cut resulting in lowered employment throughout the industry. I am sure you are very familiar with the over-all situation which has resulted. We calculate that placing production of the B–47 at Wichita will in fact assure the production of considerably more B–47 and B–50 aircraft by Boeing in the two facilities during the first critical 2 years of mobilization than would otherwise be possible.

Based on all the above factors, we have invested several million dollars in tooling and preparation at Wichita, and feel that our decision was sound, based on the national interest.

The major portion of the prospective reduction from this peak position is due to the loss of commercial business, rather than to the relatively smaller reduction in Air Force business.

We appreciate the interest you have displayed in bringing all the points in your letter to our attention. You may be sure of our continuing interest, and our continued efforts to ease the problem at Boeing, Seattle, to the greatest extent consistent with our judgment of the military factors involved.

Sincerely,

W. STUART SYMINGTON.

Here for the first time it is set forth definitely that a production decision had been made on the basis of "strategic vulnerability." Let me emphasize the one meaningful sentence:

The most important reason we wanted to build in Wichita was relative strategic vulnerability.

It was on the basis of this that I handed the President this letter:

HOUSE OF REPRESENTATIVES,
Washington, D. C., August 24, 1949.

The PRESIDENT,
The White House

DEAR MR. PRESIDENT: The people of the Seattle area are alarmed over the threatened disruption of the great Boeing aircraft organization.

It appears that the Air Force has decided to move important aircraft operations inland to Wichita, Kans., on the theory that Seattle is a "vulnerable" area.

Although Mr. Symington assured me last May that the Seattle-Boeing work-load would be substantially maintained, it appears that sharp reductions are now in prospect.

As you well know, Seattle and the Pacific Northwest generally have been among the areas hardest hit by unemployment, and the loss of Boeing jobs would only intensify this condition.

Concerned as I am, Mr. President, about the need for maintaining stable employment in Seattle, I feel even more strongly that a break-up of Seattle-Boeing would jeopardize our national aviation development and, indeed, our national security.

The whole history of military aircraft production in this country points up strikingly the contributions that have been made by this Seattle organization. This record of accomplishment is only made possible by an integrated organization with all its highly complex components from basic research to the finished product.

If the Air Force decision to remove certain operations prevails with its threatened consequence of a break-up of Seattle-Boeing, our people will justifiably feel that in effect Seattle is being made an expendable area. They will find it difficult to understand that, on the one hand, we must have defense posts on the Rhine and beyond, while, on the other, Seattle is so vulnerable that the Air Force is pulling up stakes and going inland.

I would appeal to you, Mr. President, to review the decision which threatens to cut the heart out of this great Northwest industry and which would deprive our citizens of a key source of livelihood. The elimination of this industry would be a tragedy to the Pacific Northwest. Here we have the accumulated knowledge of a great engineering staff, skilled workers, and extensive facilities for research and production. We have the electric power and aluminum and other raw materials essential for this production. It is the hope of the people of the Northwest that this combination of skill and resources may continue to be used to insure the production and safety of our Nation.

Sincerely yours,

HUGH B. MITCHELL.

If Seattle or any other city is strategically vulnerable, Congress should have been informed in no uncertain terms. It should have been informed in no uncertain terms what step should be taken to end that vulnerability.

The important thing for Congress to find now is what keeps Government from acting in a logical and coordinated fashion. Was it a lack of defense appropriations by the Eightieth Congress which caused the Air Force to reach its original decision in June of 1948? Was it the fact that other airplane work was then available to keep Seattle-Boeing busy, which caused the Air Force to fail to report Seattle's strategic vulnerability to Congress when it made the decision?

Or was it the international complication which prevented the seemingly called for report to Congress? Did the military think it inconsistent to call attention to our own defense shortcomings at the same time that we were told that the outposts of our national defense lie on the Rhine and beyond.

Whatever the reason, it is high time the military spoke out in no uncertain terms. The implication of the Air Force decision of June 1948 as outlined in the Secretary's letter of August 1949 is quite definite.

The implication is that all critical production should be moved away from the northern border of these United States. It is absurd to speak of Seattle without also speaking of that great industrial center of Detroit. If Seattle is vulnerable, so is Detroit. The air distance from a rumored Siberian airfield is little different as between the two cities.

If the implication of the Boeing move is drawn out, what will be its consequences? Will it mean the loss of jobs, or the uprooting of homes, for thousands of skilled workmen in large industrial sections all the way from Seattle to Detroit? Will it disrupt the economy, the family life, and the established community patterns of our great metropolitan districts. Will it cut the heart out of many firms such as our pioneer Pacific Northwest aircraft industry and leave only the empty shells of plants?

The people of my district are asking these questions, Mr. Speaker, and they are entitled to clear-cut answers from the military planners. When the implication is understood, the people of many districts will be asking the same questions. So far these answers have been vague and indefinite and certainly confusing to those of us who are not privileged to share in the deliberations of the military strategists.

While it appears that the Air Force is proceeding upon its own initiative, I have been unable to obtain definite evidence that its policies of procurement do not agree with the decisions of the Joint Chiefs of Staff, the Munitions Board, or the National Security Resources Board. But the indication is that these agencies should have been given a greater responsibility in the integration of our national defense effort.

Seattle and the Pacific Northwest are among the areas hardest hit by unemployment in recent months. The President has announced a policy of placing Government contracts in such areas to alleviate unemployment to the greatest possible extent. Certainly the removal of aircraft operations from Boeing does not square with the policy of the Chief Executive who is also the Commander in Chief of our armed forces.

Only the most urgent and compelling reasons of national defense could justify the removal of a large segment of our Seattle aircraft industry to the interior, with its threatened disruption of our local economy. I have searched diligently for these reasons, but they are not to be found, and I submit they will not be found, by anyone who applies commonsense reasoning to the statements put out by the Air Force. I submit again that if the reasons lie in Alaskan defenses, the Congress should have been informed in no uncertain terms in the spring of 1948.

Consider, for example, the following statement attributed in an AP dispatch of August 19 to an informed Air Force official:

We have no desire to fold up existing plants but we do not propose to expand activities in areas which in time of war would be considered vulnerable.

Coupled with the blunt assertion by this same Air Force spokesman that Seattle is considered a vulnerable area, the inference is permissible that the Air Force strategists are proposing to put a brake on all future economic activity in the area that might be essential to national security. And, I submit, this argument applies with equal force to every north border city between Seattle and Detroit.

If this is to be the guiding policy in the handling of contracts that can be and are being performed in existing industrial establishments, then it is a negative and ostrich-like policy of defense. It is, I repeat, a crude kind of military isolationism. Those who propound it believe that a retreat to the prairies of the interior is the way to save this Nation from being overwhelmed by the impact of offensive enemy action. Instead of utilizing to the full the available skills of our workers and the available facilities of our plants, instead of looking to the building up of our Alaskan defenses, these military isolationists suppose they can pack up our important airplane works and turn their backs on the northern tier of the country.

We who are, perhaps, more conscious of defense needs than most other Americans, resent the notion that Seattle or

any other area may be considered expendable for military purposes. This resentment is grounded in a few simple facts. Within a few hundred miles radius of Seattle is located one-third of the basic capacity for aluminum manufacturing in this country. Aluminum is the essential metal for airplanes. Within that same radius are located the famed Hanford works for the production of plutonium for atom bombs which these planes will carry if another world war should come. And not too far distant, the new Arco atomic plant in Idaho is about to be built.

Within that same radius is Grand Coulee Dam, the biggest single power plant in the world. That plant helps to provide the enormous power consumed in the making of aluminum ingots. Along with Bonneville and other Federal plants now being constructed or planned, it will be a component of the 30,000,000 kilowatts, more than a third of the Nation's hydro capacity, ultimately to be generated in the Columbia River system for industry and national security.

Is it proposed to stop planning and building dams? Is it proposed to stop the already greatly expanded Hanford atomic plant? Is it proposed to shut off potlines in the Northwest aluminum plants? Is it proposed to abandon our shipyards? It seems almost too absurd to ask these questions, for their answers are obviously in the negative. The conditions of waging war in the modern world, in the atomic age, do not permit us to say that one area is vulnerable and should be curbed in its productive activity while a few hundred miles away other strategic elements of our national defense are going forward on schedule.

The absurdity of the Air Force position on this matter, Mr. Speaker, is the more evident when we consider comparative air-flight distances from points of possible enemy action. The distance between Berlin and Wichita is actually shorter than between Berlin and Seattle. From Moscow to Seattle the distance is only about 270 miles less than from Moscow to Wichita. Assuming even that which is most unlikely—that the Russians have surmounted overwhelming problems of logistics and weather to build and man air bases in Siberia for possible offensive action—Seattle is only about 1,100 miles nearer than Wichita over the Great Circle route. As I think of recent developments in jet propulsion, rocket weapons, and supersonic flight, the idea that an hour or two of flying time will spell the difference between vulnerability and invulnerability of a potential target in the infinitely complex and extended strategy of global warfare seems fantastic.

In connection with the remarks by the Air Force spokesman, the AP dispatch mentioned above refers to a publication issued last September by the National Security Resources Board. The purpose of this booklet, we are told, is to alert industrial leaders to the strategic significance of industrial plant location in the event of another war. Assuming that atomic bombs delivered by an enemy would be too expensive to be used on cities of less than 50,000, the publication states:

> It is, therefore, strategically desirable to plan industrial expansion so that further urban concentration of more than 50,000 people may be avoided.

If that is the theory which prompts the Air Force to propose a removal of important aircraft production from Seattle to Wichita, let us look at the record. In 1940 the population of Wichita was 114,000, and the Census Bureau today estimates a population of 200,000. The workers employed at a single large aircraft plant, together with their families, and those engaged in supporting service trades, would easily make up a population aggregate larger than 50,000.

Let it be noted, further, that the issue here is not where to locate a new facility. The Seattle-Boeing plants are already established. Their efficiency has been tested by extended performance. Their pay rolls help to maintain the economic life of the Seattle area. They should be allowed to integrate future critical plane work into their operations and to maintain a full schedule of research and production.

As I noted in my letter to the President of the United States:

> The whole history of military aircraft production in this country points up strikingly the contributions that have been made by this Seattle organization. This record of accomplishment is only made possible by an integrated organization with all its highly complex components from basic research to the finished product.

When the Nation as far back as 1935 sought a four-engine, high-altitude, long-range bomber employing superchargers, it turned to the Seattle-Boeing team. The first such model developed by Boeing was designated the B–17. It subsequently became the backbone of the allied striking forces over Germany. The experience gained by the Boeing team working with the Air Force provided the background for the design of the Superfortress, the next logical step in the Nation's air strategy. The B–29, which made its presence felt over Japan at the height of the war effort, was planned in May 1939; the first experimental model flew in September 1942.

During these years of design, experimentation and production, the Government spent vast sums for research and development of heavy bombers. Millions of dollars were expended in sound, temperature, acoustics, and wind-tunnel laboratories. Such facilities, together with skilled management and production personnel, go to make up the highly integrated and efficient organization available in Seattle today.

The Nation has a huge investment in Seattle-Boeing. If this organization is broken up, if its facilities are not employed to the fullest extent, if the morale of its workers is shattered, the resulting loss to the Nation will be great and irreparable. Our national security will be seriously jeopardized.

Mr. Speaker, the nations which have signed the Atlantic Pact are preparing to work out the means of their common defense. The United States, as a signatory nation, has espoused the principle that our national safety is inevitably and inseparably joined with that of other countries devoted to democracy and freedom. When the Atlantic Pact was debated and ratified in the other body, the chairman of the Foreign Relations Committee and the ranking minority member both gave clear voice to this principle. Chairman CONNALLY said:

> If the areas at our very doors are to be invaded by armies with guns in their hands and by airplanes with bombs and all the weapons of war, there can be no security in the United States or among its people. War and aggression must be kept beyond the boundaries of the North Atlantic area.

And Senator VANDENBERG said likewise:

> The flight of a guided missile, the chain reaction of an atomic bomb, the range of an air pirate, these are hazards which reduce international boundaries to the importance of pencil marks on tissue paper. There is no longer such a thing as isolated security.

If these words are true, and the people of the United States are willing to accept their veracity, then we have no business seeking safety by designating parts of our own country as vulnerable and retreating to the interior. We cannot convey a sense of safety and reassurance to the nations of western Europe if we display a lack of confidence in our ability to protect Seattle and Alaska.

I urge the Members to take heed of this situation which so greatly concerns the people of Seattle. More than a city or a single region is at stake. No part of this country is more vulnerable than another. All alike are exposed to the dangers of the times in which we live. The measures we take for our national security must be broad and comprehensive enough to protect all our people, in every part of the United States.

In closing may I urge that the House of Representatives and its Armed Services Committee study both the implications of and the reason for the promulgation of this policy of strategic retreat. If failure to appropriate for defense led the military to prescribe this program, the Congress should be informed. If the military failed to inform Congress of any defense need, we, too, should know that.

The SPEAKER pro tempore. Under the previous order of the House the gentleman from New Jersey [Mr. WOLVERTON] is recognized for 45 minutes.

CASE OF MEXICAN OIL DEVELOPMENT

Mr WOLVERTON. Mr. Speaker, more than a year has gone by since a committee of Congressmen representing the Interstate and Foreign Commerce Committee of the House went to Mexico and made a study and investigation of the oil resources in that country. This committee made a most thorough survey of the petroleum situation in Mexico, going into all the phases of that vital industry.

When the committee returned to Washington a complete report was made on the petroleum resources of Mexico and what they meant to the security and economy of the United States as well as to Mexico, a nation this country should

have as a real good neighbor. This report went to all the responsible and affected Government agencies, from the State Department on down.

I think it is time to ask what has been done to bring an accord between the United States and Mexico to the mutual advantage of both countries with respect to oil. There is much that can and should be done.

It is true that some conferences have been held between United States and Mexican officials—and I will touch upon some of the phases of those conferences.

There are many reasons why the United States and Mexico should agree upon some basis that will enable a better understanding to exist with respect to what are termed by some as barriers between the two countries, and if possible the lifting of such restrictions as far as possible within existing Mexican law. If this is done it could inure to the mutual benefit of both nations.

Development of the vast Mexican petroleum fields on any such mutual basis would tend to promote more friendly feelings between the oil interests of the United States and Mexico. This, in turn, would spread to more cordial feelings in other trade relations between these two neighboring countries.

There are other advantages to this country if the Mexican oil fields were developed in a cooperative spirit. I am thinking of a time of possible emergency. In such an event it is important that we have an assured source of petroleum supplies as near at hand as Mexico. The United States has spent many millions of dollars to develop oil supplies and build pipe lines in lands many thousands of miles from our shores. Why overlook the same resources which lie right on our doorstep? Officials of our defense departments have expressed a desire to see Mexican oil available in possible times of emergency. This is but good, common sense.

Now, the sources and the oil fields of Mexico are well known. The localities where the oil exists have been surveyed and estimates have been made on the probable yield. Production in Mexico can be increased substantially. The government agency, Pemex, is in charge of oil and its production. This agency is handicapped in many ways. The Mexicans can use technical advice, American know-how, and dollars.

All manner of justification can be found for extending American financial assistance to develop Mexican oil production. Let me emphasize that Mexico is not asking for a gift. They want a loan of $200,000,000 which will be repaid with interest. Mexico needs this money to modernize and develop its oil industry. From the Mexican side this money would be handled by Senator Antonio Bermudez, the director general of Pemex, the government oil agency.

I know Senator Bermudez, as do many Americans in official and civil life as well as those in the oil industry. I have met many officials in the countries of the world but I have never met one in whom I had greater confidence. A man of high purpose, he is in every sense of the word a public servant dedicated to the best interests of his people; his honesty and integrity are beyond question. Friend and foe alike testify to that. A man of such character, principle, and ability is a guaranty of the proper administration and handling of any financial assistance which might be advanced for Mexican oil development.

Granting of such a loan to Mexico would be the first act in a drama which would roll on to great mutual benefits to both countries.

Such a loan would encourage United States private enterprise to go into Mexico to assist that nation in developing its natural resources and bringing them into production. This would be good for the business of both countries. It would prove beneficial not only to developing the Mexican oil industry but would also find expression in every avenue of industrial and agricultural development.

The United States has given, given mind you, billions of the taxpayers' dollars to help Europe and other lands across the waters. We gave Europe millions upon millions to help its oil business. There was little objection to that. All Mexico asks is a loan, a loan of $200,000,000, a large amount of money it is true, but awfully small in contrast with the billions of dollars given to the European nations.

The President in his message to Congress last January told how he favored extending aid to nations in need of help to develop their natural resources. Surely Mexico could qualify for such help from the United States.

An agreement with Mexico with extension of financial aid for Mexican oil development would go a long way toward guaranteeing the security of this country in time of emergency, would promote business and consequent good will between the peoples of neighboring countries and could result in nothing but good for both countries. We just broke all American tradition and signed a peacetime defense agreement with 11 nations within another hemisphere. Why not aid the development of Mexican oil and thus improve the defenses of our own hemisphere?

As I have already said, there are many reasons for the United States and Mexico to come to an agreement looking toward the development of the resources of Mexico and thereby strengthen its economic stability. In this connection we cannot and should not overlook the fact that a very serious situation exists in central America and the Caribbean area at this time in the matter of communistic activity.

The Communists are at work in Mexico, in Central America and in the Caribbean. Moscow has long had its eyes on these countries which the Kremlin feels are ripe for the Red basket of Stalin.

We read daily in the press and hear on the radio accounts of the activities of the Communist organizers in these areas. We know the Reds have stirred up revolt after revolt in the southern half of the Western Hemisphere.

Just the other day the Inter-American Peace Commission meeting in Washington was told by diplomats from the Dominican Republic that a virtual state of war existed in the Caribbean area. We know of rioting in Chile and the discovery of a Communist plot in Brazil.

We all know just what it would mean if the Communists got a strong hold in Central America and particularly in Mexico. This is not a pleasant picture, but it is very easy for the United States to have a hand in painting a more pleasing one.

If we extend the hand of real friendship to Mexico, aid the economy and the well-being and happiness of the working people in that country, the hungry Reds will not have much to feast on. And we can do it in our stride.

People at work and with an opportunity to work are a happy people. Happy and contented people never fall victims to the false philosophies and teachings of Russia. With but very little effort we can do much to make the people of Mexico happy and if they have the right feeling toward us much will be done to stem the spread of communism in Central America and adjoining areas.

When the members of the Interstate and Foreign Commerce Committee were in Mexico a year ago we found responsible Mexican officials were receptive to the making of an agreement for American assistance in developing the natural resources and the industries of that country. It was in this connection that these Mexican officials raised the question of the possibility of a United States loan to aid the oil industry of Mexico.

It was explained that inasmuch as the oil industry in Mexico is a government monopoly, and because of the expropriation of foreign oil properties in 1938 and the free-enterprise feelings of the people of the United States, a loan under existing conditions might be difficult to obtain.

It was suggested that the first step was up to Mexico. If that government could act to assure United States oil men of square dealings, with no recurrence of the 1938 action, it might change the feeling in the United States.

Accordingly Mexico did take such action, and in response a group of oil men in this country created a pool representing various United States firms and began negotiations which were favorably concluded.

Subsequently the negotiations for a loan from the United States were begun in Washington. There were many conferences but the representatives of Mexico were put off from day to day never getting a yes or no answer. Accordingly the representatives of Mexico departed for their country without any definite knowledge of our country's intention.

Since the Mexican officials left Washington it would seem that efforts have been made to keep the subject before the State Department for its consideration. At press conferences in answer to questions submitted to him, President Truman indicated his interest in a Mexican loan being granted. However, it was left in the hands of the State Department to determine the necessary procedures and

to define the purpose for which such a loan would be granted together with what, if any, conditions should be attached to it.

All sorts of rumors were prevalent in Washington as to what was going on behind the scenes in the State Department. There was an insistent rumor that conditions were being considered for submission to Mexico that could not and would not be accepted by it and thus end the whole matter. However, several months passed before any formal answer was finally submitted to Mexico. The contents of this document are evidently highly secret as no one, so far as I know, has been able to procure a copy of that document. But, notwithstanding this fact a persistent rumor exists that an effort is being made to have Mexico recognize the legality of a certain large claim of Sabalo Transportation Co. Whether this claim is mentioned by name, or, more generally referred to, I do not know. But, the fact remains that an intense effort has been made heretofore to obtain payment of this claim amounting to a sum estimated as being between $200,000,000 and $400,000,000.

One thing is certain; upon my return from Mexico I received a telephone call from Mr. Allen Dulles, a member of the New York law firm of Sullivan & Cromwell. He said he wanted an appointment to discuss an important matter. It was granted.

Instead of Mr. Dulles another member of the Sullivan & Cromwell firm kept the appointment. He was Mr. Edward G. Miller, Jr. He is now Assistant Secretary of State for Latin America. He did not hold this position at the time of this conference.

The tenor of Mr. Miller's conversation was as follows:

Sullivan & Cromwell represented a company known as the Sabalo Transportation Co. This firm has a claim against the Mexican Government which it contends survives the Expropriation Act of 1938 and the settlements already made thereunder by Mexico with interested parties. Under this settlement Sabalo received $897,000 which Mexico claims was in settlement of all claims, and that nothing further is now due. The Sabalo claim was refused by two Mexican courts and now is in the Supreme Court of Justice of Mexico awaiting final decision.

Miller asked that the Sabalo claim be included in the report of the oil investigation the committee had made in Mexico.

Later Mr. Miller wrote a letter again bringing up the matter of the Sabalo claim.

I quote from a paragraph of that letter written October 15, 1943:

> Our purpose in bringing this matter to your attention is so that you may be on notice of the facts concerning this claim in connection with your committee's consideration of the petroleum problems in Mexico. In the event that in any future report of your committee any recommendations should be made for the granting of American technical or financial assistance in the development of Mexican petroleum properties, it is requested that note be made in any such report of the pendency of the Sabalo claim and that your committee recommend that the granting of any such assistance to Mexico be conditioned upon the prior satisfaction of such claims.

In other words, the Interstate and Foreign Commerce Committee of the House of Representatives was to be a collection agency for the Wall Street law firm of Sullivan & Cromwell. No such recommendation was made by the committee in its report.

It is known that in 1948 Sullivan & Cromwell wrote to the State Department asking the State Department to support Sabalo in its claim against the Mexican Government.

Sabalo claims that in 1935 the Mexican Government granted a 30-year exclusive concession to exploit about 10,000 hectares of the reserve lands. Thereafter Sabalo claims that official agencies of the Mexican Government illegally and in disregard of the concession have denied Sabalo its rights and have prevented the exploitation of the petroleum fields.

Not much is known of the owners of the Sabalo company. All efforts to identify them have failed. They are said to be Americans who have lived in Mexico for some time. There are reports that the rights to the claims which Sabalo now hold were secured for the exchange of an armored car.

So we have Sullivan & Cromwell, through Allen Dulles and Edwin G. Miller, Jr., asking the State Department and a committee of Congress to collect money from a foreign government for one of their clients.

Now, we come to May 27 of this year. On that date Mr. Edwin G. Miller, Jr., was named an Assistant Secretary of State. On June 28, after his confirmation, he was sworn into office and placed in charge of Latin-American affairs, which, naturally, includes Mexico.

Miller has said he resigned from the law firm of Sullivan & Cromwell and that he placed a statement in the record disqualifying himself from any future connection with the Sabalo claim when he entered the Department.

Shortly after Mr. Miller was sworn in a document was transmitted to Mexico setting forth the conditions under which the American Government was willing to proceed.

There may be no connection between the events that I have stated, but it is interesting to note that although months elapsed without any formal answer being made to Mexico, that an answer was made so shortly after the appointment of Mr. Miller to the post of Assistant Secretary in Charge of Latin-American Affairs.

Shortly after this note was sent to Mexico the State Department announced that Mexican-loan talks had been suspended. At a news conference Mr. Miller was asked if the White House had approved the note that was sent. He replied that it had.

At a news conference the following day, President Truman in response to a question, said that he did not know that the loan talks had been suspended and that he was not familiar with the contents of the proposal made. The President has given every indication that he would like Mexico to have a loan. I do not know whether the President has made this known to the State Department, however, I am inclined to believe he has done so.

Informed sources say that the note transmitted to Mexico stipulated that the United States will grant a loan if that Government will settle the Sabalo claim and in effect change her laws to suit the convenience of the international oil firms.

I ask the State Department if that report is true.

I further call upon the State Department to make public the full contents of the note to Mexico.

What is the need for secret diplomacy in this case? Mexico asks for a loan of $200,000,000 while we are giving billions to Europe. Either we lend Mexico the money or we do not.

But it may be that Sullivan & Cromwell, with a former member of the firm in the State Department and another in Mexico—Allen Dulles was down there pressing the Sabalo claim again last week—do not want us to lend Mexico the money unless their questionable claim of Sabalo is settled out of court. Can it be this firm which seeks to use the State Department and a congressional committee as a collection agency has more weight with the august Department of State than the President of the United States?

Apparently our State Department has not changed its tactics in 20 years. Here is what Walter Lippmann said in 1928, describing the connection of some American officials and petroleum agents with Mexican counter-revolutionaries during the Sheffield regime:

> It is a notorious fact, for example, that in the recent past the personal associations of the United States officials were not with the Government to which they were accredited, but with that class of Mexicans, among whom are to be found the rich, cultivated, and sometimes charming people, who are financing and provoking armed rebellion. It is no less a notorious fact that many of the lawyers and representatives of the oil companies were not satisfied to argue their claims under international law, but openly and persistently used all the influence they possessed to undermine the stability of the Mexican Government.

I say let us help Mexico, now. Let us not pull another China act. Let us do something to help a neighboring country which in turn will also benefit our own land. Let us never have to write a white paper on Mexico.

Some may ask, why should we help Mexico, did not that country expropriate American property in 1938? Yes, Mexico did. But there are two sides to every question. Mexico has paid all the United States claims, including the Sabalo claim, in accordance with the ruling of the duly appointed Mexican-American Oil Claims Commission.

Oil is a natural resource. This natural resource was stolen from the Mexicans by the American oil interests and the oil kings of other foreign nations. Doing business with the Mexican politicians of days gone by, the foreign oil interests came into Mexico, took over its lands for little or nothing, made slaves of the Mexi-

can people, even murdered them in the grasp for the profits resulting from the sale of the oil which poured from the Mexican earth. These same foreign interests fomented revolutions and in general extended peonage and poverty in that country. All of this is now regretted.

None of us want anything like it to happen again.

Modern Mexico, despite our infamous past treatment of that nation, wants our friendship. I have talked with President Miguel Aleman, Mexico's first civilian President. I know that he is our friend. He is an outstanding man. His understanding of Latin-American problems and his influence throughout Central and South America is great. He enjoys the full confidence of his people. They know of the tremendous problems which he has had to face—postwar inflation, drought, serious floods, and the hoof-and-mouth disease.

Despite these almost insuperable obstacles he has kept Mexico's economy afloat while combating communism at every turn. At the same time he has steadily advanced the industrialization of his country and greatly enlarged the educational opportunities of his people. Can we afford to let down a man of that caliber?

We need Mexico's lasting friendship. Our sincere and tangible aid in the development of Mexico's oil resources, with respect for its laws, would more than any other act on our part, achieve that all-important objective. It would erase forever the memory of the international oil cartel's mistreatment of Mexico.

I call upon the President to instruct his State Department to get out of the collection-agency business for Wall Street law firms and reach an accord with our neighbor in the south. An accord which will help the economy of that country drive out the Communist wolf now eyeing the tempting Mexican dish and build up the security of our own land at the same time.

We had another Democratic President, who was keenly aware of the problems in Mexico. He hit the nail right on the head. I would like to quote a statement made by Woodrow Wilson. He said:

> What Mexico needs more than anything else is financial support which will not involve the sale of her liberties and the enslavement of her people. Property owned by foreigners, enterprises conducted by foreigners, will never be safe in Mexico so long as their existence and the method of their use and conduct excite the suspicion, and upon occasion, the hatred of the people of the country itself. * * *
>
> I am speaking of the system. * * * The system by which Mexico has been financially assisted in the past generally bound her hand and foot and left her in effect without a free government. It has almost in every instance deprived her people of the part they were entitled to play in the determination of their own destiny and development.

Gentlemen, 2 years ago President Truman placed a wreath on Mexico's monument to its boy heroes. With appropriate words he expressed the hope that never again would there be any misunderstanding between our two great countries. Thus a high point in friendly Mexican-American relations was reached.

A year ago I visited Mexico and since that time have waited patiently and with some degree of shame for our Government to accede to Mexico's request for our cooperation in the development of its oil resources, which would substantially balance her economy. Nothing has been done.

Today I have only scratched the surface of our mistreatment of Mexico in this all-important matter. Later you will hear more from me. Be assured that you will hear a great deal more—for I want you to know the facts—and when you have them I am sure you will agree that Congress should look into our State Department's inept handling of Mexican-American affairs in not developing a more cooperative spirit that would prove highly beneficial to both Mexico and the United States.

I close with the words of that great American, Woodrow Wilson, who said:

> The Mexican question has never anywhere been fully stated, so far as I know, and yet it is one which is in need of all the light that can be thrown upon it, and can be intelligently discussed only by those who clearly see all that is involved.

ADJOURNMENT

Mr. PRIEST. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 1 minute p. m.) the House, pursuant to its previous order, adjourned until Tuesday, August 30, 1949, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

888. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1950, in the amount of $13,500, for the legislative branch, Architect of the Capitol (H. Doc. No. 320); to the Committee on Appropriations and ordered to be printed.

889. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1950, in the amount of $250,000 for the Department of the Interior (H. Doc. No. 321); to the Committee on Appropriations and ordered to be printed.

890. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1950 in the amount of $2,500 for the Treasury Department (H. Doc. No. 322); to the Committee on Appropriations and ordered to be printed.

891. A letter from the Archivist of the United States, transmitting a report of the Archivist of the United States on records proposed for disposal; to the Committee on House Administration.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BURNSIDE:

H. R. 6150. A bill to amend the act entitled "An act to establish a Department of Medicine and Surgery in the Veterans' Administration" approved January 3, 1946, as amended, to provide a chief grade in the Dental Service; to extend the period for which employees may be detailed for training and research, and for other purposes; to the Committee on Veterans' Affairs.

By Mrs. DOUGLAS:

H. R. 6151. A bill to repeal all Federal excise taxes, except those of a regulatory character; to the Committee on Ways and Means.

By Mr. LEMKE:

H. R. 6152. A bill to promote the rehabilitation of the Devils Lake Sioux Tribe of Indians, North Dakota, and for other purposes; to the Committee on Public Lands.

By Mr. MANSFIELD:

H. R. 6153. A bill to provide for the construction of the Glacier View Dam on the North Fork of the Flathead River in the State of Montana and for other purposes; to the Committee on Public Works.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. KEATING:

H. R. 6154. A bill for the relief of Johanna C. Willemsen; to the Committee on the Judiciary.

H. R. 6155. A bill for the relief of Mr. Jacob De Rooy; to the Committee on the Judiciary.

By Mr. FERNANDEZ:

H. R. 6156. A bill for the relief of Al Parker; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1457. By Mr. HESELTON: Resolutions of the General Court of the Commonwealth of Massachusetts memorializing Congress to give favorable consideration to the recommendations of the so-called Hoover Commission; to the Committee on Expenditures in the Executive Departments.

1458. By Mr. MARTIN of Massachusetts: Memorial of the General Court of Massachusetts to give favorable consideration to the recommendations of the so-called Hoover Commission; to the Committee on Expenditures in the Executive Departments.

1459. By Mr. PLUMLEY: Petition of citizens of Chester and citizens of Athens, Vt., for passage of a bill to prohibit the transportation of alcoholic beverage advertising in interstate commerce and the broadcasting of alcoholic beverage advertising over the radio; to the Committee on the Judiciary.

1460. By Mr. WILSON of Oklahoma: Petition of the American Legion of Oklahoma in annual convention in Tulsa, Okla., August 7, 1949, recommending the establishment of a United States Air Academy to be established within Oklahoma; to the Committee on Armed Services.

1461. By the SPEAKER: Petition of W. M. Crofton, adjutant, the Military Order of the World Wars, New York Chapter, Inc., New York, N. Y., petitioning consideration of their resolution with reference to prohibiting picketing of any nature near the courts of the United States, or any State or city, the homes of judges, court officers or jurors; to the Committee on the Judiciary.

1462. Also, petition of the Commonwealth of Massachusetts, Boston, Mass., petitioning consideration of their resolution with reference to giving favorable consideration to the recommendations of the so-called Hoover Commission; to the Committee on Expenditures in the Executive Departments.

1463. Also, petition of Mr. John Schnieder and others, St. Petersburg, Fla., requesting passage of H. R. 2135 and H. R. 2136 known as the Townsend plan; to the Committee on Ways and Means.

1464. Also, petition of T. J. Langford and others, Orlando, Fla., requesting passage of

H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1465. Also, petition of James H. Boso and others, Miami, Fla., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

SENATE

SATURDAY, AUGUST 27, 1949

(Legislative day of Thursday, June 2, 1949)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Rev. Gerhard E. Lenski, pastor, Grace Lutheran Church, Washington, D. C., offered the following prayer:

Dear Lord, we stand at attention before Thee. Let our prayer be something more than a perfunctory performance, something better than a bouquet of beautiful words. Speak Thou to us even as now we strive to speak to Thee. Help us to understand Thy will, to serve Thy holy purposes, and to claim this, our Nation, and the nations of this world as the kingdoms of our Lord and His Christ, in peace and good will for all. Establish Thou the work of our hands. Yea, the work of our hands, establish Thou it.

As the weary week winds to its close, grant to each of us a blessed Sabbath rest. Pour into our hearts the oil of gladness. Help us to renew strength by waiting upon Thee. When the work of the day is done, when life's work is done, may we hear Thy approving voice, saying: Well done, good and faithful servant. Enter thou into the joy of Thy Lord.

This we ask in our Master's name. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Friday, August 26, 1949, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on August 26, 1949, the President had approved and signed the following acts:

S. 974. An act to amend the Veterans' Preference Act of 1944 with respect to certain mothers of veterans; and

S. 1026. An act for the relief of Roman Szymanski and Anastosia Szymanski.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

REPORT ON COOPERATION, UNITED STATES AND MEXICO, IN CONTROL AND ERADICATION OF FOOT-AND-MOUTH DISEASE

A letter from the Acting Secretary of Agriculture, transmitting, pursuant to law, a report on cooperation of the United States with Mexico in the control and eradication of foot-and-mouth disease, for the month of June, 1949 (with accompanying papers); to the Committee on Agriculture and Forestry.

AMENDMENT OF UNITED STATES CODE RELATING TO TIME FOR REPORTING CERTAIN RULES ADOPTED BY SUPREME COURT

A letter from the Acting Director, Administrative Office of the United States Courts, Washington, D. C., transmitting a draft of proposed legislation to amend Titles 18 and 28, United States Code, with respect to the time of reporting to Congress rules of procedure adopted by the Supreme Court for criminal, civil, and admiralty cases and the time of their taking effect (with an accompanying paper); to the Committee on the Judiciary.

REPORT OF ADMINISTRATOR OF RENT CONTROL FOR THE DISTRICT OF COLUMBIA

A letter from the Acting President of the Board of Commissioners of the District of Columbia, transmitting, pursuant to law, the semiannual report of the Administrator of Rent Control for the District, for the period January 2, 1949, to June 30, 1949 (with an accompanying report); to the Committee on the District of Columbia.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. THOMAS of Utah:

S. 2499. A bill for the relief of Daijiro Yoshida; to the Committee on the Judiciary.

By Mr. WILEY:

S. 2500. A bill for the relief of Sverre K. Nedberg; to the Committee on the Judiciary.

By Mr. AIKEN:

S. 2501. A bill for the relief of Nicholas Papaeconomou; to the Committee on the Judiciary.

By Mr. CHAVEZ:

S. 2502. A bill to correct an injustice by providing for the refund of the taxes deducted pursuant to the provisions of the Railroad Retirement Act of 1937, as amended, from the wages of Mexican railroad workers employed in the United States under the agreement of April 29, 1943, between the United States of America and the United Mexican States, and for other purposes; to the Committee on Labor and Public Welfare.

By Mr. MORSE:

S. 2503. A bill to enforce the rights of citizens of the United States in the nomination and election of candidates for the offices of President, Vice President, Presidential elector, Senator, Representative in Congress, and Delegate or Resident Commissioner from the Territories or possessions; to the Committee on the Judiciary.

AMENDMENT OF FAIR LABOR STANDARDS ACT OF 1938—AMENDMENT

Mr. McKELLAR submitted an amendment intended to be proposed by him to the bill (H. R. 5856) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes, which was ordered to lie on the table and to be printed.

NATIONAL MILITARY ESTABLISHMENT APPROPRIATIONS—AMENDMENT

Mr. MORSE submitted an amendment intended to be proposed by him to the bill (H. R. 4146) making appropriations for the National Security Council, the National Security Resources Board, and for military functions administered by the National Military Establishment for the fiscal year ending June 30, 1950, and for other purposes, which was ordered to lie on the table and to be printed.

AMENDMENT OF CIVIL SERVICE RETIREMENT ACT—AMENDMENT

Mr. HILL submitted an amendment intended to be proposed by him to the bill (H. R. 5465) to amend section 4 (e) of the Civil Service Retirement Act of May 29, 1930, as amended, which was ordered to lie on the table and to be printed.

AMENDMENT OF CERTAIN PROVISIONS OF INTERNAL REVENUE CODE — AMENDMENTS

Mr. KNOWLAND and Mr. WILLIAMS each submitted an amendment, and Mr. HOEY submitted three amendments, intended to be proposed by them, respectively, to the bill (H. R. 5268) to amend certain provisions of the Internal Revenue Code, which were ordered to lie on the table and to be printed.

FEDERAL INTERAGENCY COMMITTEE ON RECREATION — CHANGE OF REFERENCE

Mr. O'MAHONEY. Mr. President, I ask unanimous consent that the Committee on Interior and Insular Affairs may be discharged from further consideration of House bill 892, to authorize the establishment of a Federal Interagency Committee on Recreation and that it be referred to the Committee on Labor and Public Welfare. It is not within the jurisdiction of the Committee on Interior and Insular Affairs.

The VICE PRESIDENT. Is there objection to the request of the Senator from Wyoming? The Chair hears none, and it is so ordered.

RESOLUTIONS OF KIWANIS INTERNATIONAL

Mr. WILEY. Mr. President, last Sunday night it was my pleasure to meet with many old friends at the district convention of Kiwanis International in Appleton, Wis. It was a real pleasure to get home again and discuss things at first hand with my brother Kiwanians in the Wisconsin-upper Michigan district. At this time, I have in my hand the resolutions adopted at the thirty-fourth annual convention of Kiwanis International, which was held in Atlantic City, N. J. The resolutions represent the thinking of 200,000 business and professional leaders who are members of 3,000 Kiwanis Clubs throughout the United States, Canada, Alaska, Hawaii, and the Yukon Territory.

I know that all of my colleagues are familiar with the great work done by Kiwanis and I ask unanimous consent that the text of the resolutions be printed at this point in the body of the RECORD.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

RESOLUTIONS ADOPTED BY THE THIRTY-FOURTH ANNUAL CONVENTION OF KIWANIS INTERNATIONAL, ATLANTIC CITY, N. J., JUNE 19–23, 1949

MORAL SAFEGUARDS FOR YOUTH

Whereas motion pictures, radio programs and publications that glamorize crime and expose youth to lurid and salacious experiences are, in the opinion of many authorities, implanting harmful ideas in the minds of young people: Therefore be it

Resolved, That Kiwanis International commends those agencies which are seeking to improve the entertainment offered through

the media of screen, radio, reading material and comic books, and recommends to its members that they initiate programs and cooperate with local agencies in working toward recreational and reading programs for youth that will result in higher ideals and encourage wholesome ideas in the minds of boys and girls.

YOUTH ACTIVITIES

Whereas there is an increasing demand for adult leadership in community youth service organizations to the end that youth eventually assume a more effective leadership in community affairs: Now, therefore, be it

Resolved, That Kiwanians and Kiwanis clubs continue an active and effective sponsorship of Key Clubs, community forums, and other character-building activities in their respective communities.

ESTABLISHMENT OF A NATIONAL CHILDREN'S DAY

Whereas the national interest requires that the children of the Nation receive more thorough and sympathetic guidance in order that they may develop into good citizens with community interest; and

Whereas the national interest requires that we focus more attention on social, recreational, political, educational, cultural, and spiritual needs of the children in all communities of our Nation; and

Whereas the national interest requires that the great value of children to the home and to the Nation be recognized and emphasized: Now, therefore, be it

Resolved, That Kiwanis International urge the passage of House Joint Resolution 277 and Senate Joint Resolution 110 now before Congress establishing a Children's Day in the United States of America; and be it further

Resolved, That each Kiwanis Club recommend to its respective United States Senators and Representatives in Congress their support of said bills.

THE HOME, SCHOOL, AND CHURCH

Whereas the home is the cradle of our democracy; and

Whereas the school is a complement of the home and shares the responsibility of perpetuating the ideals of a free people; and

Whereas the church is the tabernacle of truth and the rock on which "we build": Therefore be it

Resolved, That Kiwanis International reiterates its most sincere belief in these institutions and recommends to all Kiwanians, their families, and friends that their continuing wholehearted support be pledged to the end that they may always be fundamental to our way of life.

REORGANIZATION BILL OF THE FEDERAL GOVERNMENT

Whereas a Commission set up by the direction of the Congress of the United States of America has made an exhaustive study of the executive branch and the administrative agencies of the Federal Government and has made a full report of its findings with recommendations of advisable and necessary corrections, eliminations, simplifications, and reforms; and

Whereas the Congress on the 16th day of June 1949 has passed the reorganization bill as recommended by the Hoover Commission; and

Whereas the President of the United States of America on the 20th day of June 1949 approved said act: Now, therefore, be it

Resolved by the thirty-fourth annual convention of Kiwanis International at Atlantic City, N. J., on the 22d day of June 1949, That the President and the Congress of the United States be commended for the prompt action already taken and be assured of the cooperation of Kiwanis International in the reorganization of the executive branch and administrative agencies of the Federal Government according to the plan and recommendations of the reorganization bill.

INDIVIDUAL INITIATIVE

Whereas initiative, individual responsibility, respect for the dignity of man and continuing opportunity for growth have characterized the democratic spirit that has made this continent the finest place on earth to live and work: Now, therefore, be it

Resolved, That we reaffirm our confidence in and support of that form of government which encourages individual initiative and which gave our people in a relatively short period the greatest liberty and the highest living standard ever enjoyed by any peoples in the history of the world.

LABOR AND MANAGEMENT

Whereas Kiwanis International represents a cross-section of the people of the United States and Canada and embraces in its membership those who represent both labor and management, and, has dedicated itself to giving primacy to the human and spiritual values of life; and

Whereas controversies between labor and management are being given a tremendous amount of publicity in our respective countries, causing confusion in the minds of men as to the issues involved; and

Whereas Kiwanis International takes no partisan stand in these controversial matters but is vitally interested in securing the cooperation of management, labor, government, and the public to the end that the general welfare of our nations and our people shall best be served: Now, therefore, be it

Resolved, That Kiwanis International, whose 200,000 members in the United States and Canada represent business, labor, and the professions, favors free collective bargaining on the part of both management and labor and that in such bargaining we recommend to those respective parties that all negotiations be conducted on a plane of honesty of principle and purpose and that the human and spiritual values inherent in each of the issues involved be the guiding factor in all negotiations between employer and employee, to the end that the public welfare may be best served and that the standard of living in our respective countries be kept at the highest possible level and that industry may enjoy a healthy growth.

SUBVERSIVE ACTIVITIES

Whereas the freedoms and rights of all citizens in the United States and Canada depend upon the recognition that they are already the heritage of all human beings; and

Whereas these freedoms and rights which are the heritage of democracy came into existence by evolution and must be protected from revolution and suppression; and

Whereas we believe that only by the recognition of this fundamental approach is there any possibility of avoiding the destruction of civil liberty by antidemocratic doctrines that would use democratic rights to gain power in order to abolish those rights immediately they have power to do so; and

Whereas the preservation of constitutional governments in a world of changing values and antidemocratic ideologies is possible only by the strict regulation of those organized minorities whose fundamental tenets are against all individual rights: Now, therefore, be it

Resolved, That the members of this thirty-fourth convention of Kiwanis International denounce, as contrary to the principles of the freedom enjoyed in our two nations, any attempt on the part of any nation through subversive methods to impinge its thinking on or use any force to compel its practices upon the peoples of our nation; and be it further

Resolved, That we reaffirm our resolution of 1948 and call upon all member clubs to request their respective legislative bodies to enact adequate laws and regulations to protect the citizens of each respective State and province from communistic and other subversive activities.

SAFETY

Whereas the protection of life, limb, and property against loss by accidents of all kinds remains an extremely serious problem, and

Whereas further important and necessary gains in safety measures are possible of attainment in industry, on the highway, at home, and on the farm: Now, therefore, be it

Resolved, That all Kiwanis clubs face this accident problem on a community basis, assist all safety agencies, and give accident prevention a prominent place in their program of activities; and be it further

Resolved, That we reaffirm our position taken at the Los Angeles convention in 1948 favoring modern, uniform traffic laws and driving instructions in the high schools.

WORLD PEACE

Whereas history shows that peace is the product of law and order, and that law and order are the products of government, and

Whereas disarmament and world peace can only be achieved by world order, world law, and some measure of world government, and

Whereas the peoples of the United States of America and Canada, while now enjoying peace and security under the laws of their local, State, provincial, and Federal Governments, deeply desire the guarantee of world peace, and

Whereas the United Nations is an organization in being, and its charter is capable of amendment so as to make it an effective instrument for the maintenance of world order, and

Whereas the United Nations, as presently constituted, though accomplishing great work in many fields, lacks authority to enact, interpret, or to enforce world law, and under its present Charter is incapable of restraining any major nation which may foster or foment war; and

Whereas the maintenance of a world inspection police military force may be necessary to enforce world law and provide world security: Now, therefore, be it

Resolved, That this thirty-fourth annual convention of Kiwanis International calls upon our leaders of governments in the United States and Canada to initiate such amendments to the United Nations Charter as will strengthen the United Nations and make it a limited world government, capable of enacting, interpreting, and enforcing international law to ensure world peace and guaranteeing to all peoples their right to maintain their own domestic, political, economic, social, and religious institutions; and be it further

Resolved, That a copy of this resolution be forwarded to the President of the United States, the Prime Minister of Canada, and all members of the legislative bodies of both countries.

WELCOME TO NEWFOUNDLAND

Whereas on March 31, 1949, the ancient colony of Newfoundland, in which the first settlement in the New World was made, became the tenth Province of the Dominion of Canada; and

Whereas a long-standing objective of Kiwanis International has been the fostering of the bonds of friendship, good will, and

understanding between Canada and the United States: Now, therefore, be it

Resolved by the representatives of the nearly 200,000 members of Kiwanis International in convention assembled at Atlantic City, N. J., That we extend a warm welcome with our sincere assurance of good will to the Province of Newfoundland, and call upon our members to study and to know Newfoundland and its people; and be it further

Resolved, That a copy of this resolution be forwarded to the Prime Minister of Canada, and the Lieutenant Governor and the Premier of the Province of Newfoundland.

BUSINESS ETHICS

Whereas Kiwanians are committed to encourage the daily living of the Golden Rule in all human relationships and to promote the adoption and application of higher social, business, and professional standards; and

Whereas in recent years impressions held by the public have been that businessmen are selfish and that business is not interested in the social progress of the community, and

Whereas all Kiwanians are interested in vitalizing the Golden Rule and in promoting the highest possible ethical standards: Now, therefore, be it

Resolved, That the delegates to the thirty-fourth annual convention of Kiwanis International assembled at Atlantic City do recommend that renewed emphasis be placed upon higher business ethics in all dealings with our fellow men and call upon each Kiwanis club to rededicate itself to the encouragement and support of higher business and professional standards to the end that their communities will be Golden Rule conscious.

IN MEMORIAM—ROE FULKERSON

On January 11, 1949, Roe Fulkerson laid down his pen to answer the summons that eventually comes to all men, yet to a greater degree than is vouchsafed most men, he lives on through his works.

His life had one distinguishing characteristic—that of love. He loved life; he loved his family and his home; he loved Kiwanis; he loved his fellow man, and—if there were any—he surely loved his enemies.

Through his work as a club and international officer, through the written and spoken word, he contributed in a measure exceeded by no man to molding the character of our organization.

In the two words, "We build," Roe Fulkerson epitomized the aspirations of Kiwanis and left a monument that will outlive Kiwanis International itself: Be it

Resolved, therefore, That Kiwanis International give expression to its deep sense of loss at the passing of one of its greatest leaders, Roe Fulkerson: And be it further

Resolved, That we rededicate ourselves to the lofty ideals which he espoused: And be it further

Resolved, That a copy of these resolutions be tendered to his widow and daughter with the heartfelt sympathy of 200,000 Kiwanis friends.

THE HAWAIIAN STRIKE SITUATION

[Mr. MORSE asked and obtained leave to have printed in the RECORD a letter addressed to him under date of August 24, 1949, relative to the strike situation in Hawaii, which appears in the Appendix.]

LEAVE OF ABSENCE

Mr. JOHNSON of Colorado asked and obtained consent to be absent from the Senate for the next 10 days.

THE CALENDAR

Mr. LUCAS. Mr. President, under the unanimous-consent agreement, the calendar is to be called today, starting with Calendar No. 853, House bill 1758, but, in view of the fact that other calendar numbers have been listed, I think the better procedure would be to start with the earlier numbers on the calendar, No. 496, House bill 1694, to be the first called.

The VICE PRESIDENT. Without objection, the calendar will be called, beginning with the odd numbers. The Secretary will call the first bill, Calendar No. 496, House bill 1694.

Mr. MORSE. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hoey	Mundt
Anderson	Holland	Murray
Butler	Ives	O'Mahoney
Cain	Johnson, Colo.	Reed
Chapman	Johnson, Tex.	Robertson
Chavez	Kem	Saltonstall
Connally	Kerr	Smith, Maine
Cordon	Kilgore	Sparkman
Donnell	Knowland	Stennis
Downey	Langer	Taft
Ecton	Long	Taylor
Ellender	Lucas	Thomas, Okla.
Frear	McClellan	Thomas, Utah
Fulbright	McFarland	Vandenberg
George	McKellar	Watkins
Gillette	McMahon	Wherry
Gurney	Magnuson	Wiley
Hayden	Malone	Williams
Hendrickson	Miller	Withers
Hickenlooper	Millikin	Young
Hill	Morse	

Mr. LUCAS. I announce that the Senator from Viriginia [Mr. BYRD], the Senator from Illinois [Mr. DOUGLAS], the Senator from Mississippi [Mr. EASTLAND], the Senators from Rhode Island [Mr. GREEN and Mr. LEAHY], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Pennsylvania [Mr. MYERS], and the Senator from Florida [Mr. PEPPER] are absent on public business.

The Senator from North Carolina [Mr. GRAHAM] is absent by leave of the Senate on public business.

The Senator from Minnesota [Mr. HUMPHREY] is detained on official business.

The Senator from Wyoming [Mr. HUNT] is absent by leave of the Senate on official business.

The Senator from South Carolina [Mr. MAYBANK], the Senator from Nevada [Mr. MCCARRAN], and the Senator from Georgia [Mr. RUSSELL] are absent by leave of the Senate.

The Senator from West Virginia [Mr. NEELY] is absent on official business.

The Senators from Maryland [Mr. O'CONOR and Mr. TYDINGS] are necessarily absent.

Mr. SALTONSTALL. I announce that the Senator from New York [Mr. DULLES], the Senator from Michigan [Mr. FERGUSON], the junior Senator from Vermont [Mr. FLANDERS], the Senator from Massachusetts [Mr. LODGE], the Senator from Kansas [Mr. SCHOEPPEL], and the Senator from New Hampshire [Mr. TOBEY] are absent by leave of the Senate.

The Senator from Connecticut [Mr. BALDWIN] is absent by leave of the Senate on official business.

The Senator from Maine [Mr. BREWSTER], the Senator from Ohio [Mr. BRICKER], the Senator from New Hampshire [Mr. BRIDGES], the senior Senator from Indiana [Mr. CAPEHART], the junior Senator from Indiana [Mr. JENNER], the Senator from Wisconsin [Mr. MCCARTHY], and the Senator from Minnesota [Mr. THYE] are necessarily absent.

The Senator from Pennsylvania [Mr. MARTIN] and the Senator from New Jersey [Mr. SMITH] are absent on official business.

The VICE PRESIDENT. A quorum is present.

The VICE PRESIDENT. Under the unanimous consent order, the Senate now proceeds to the consideration of bills on the calendar to which there is no objection, beginning with Calendar No. 853. However, certain calendar numbers were ordered to be called first. The clerk will call first Calendar No. 496, House bill 1694.

RETURN OF REHABILITATION AND BETTERMENT COSTS OF FEDERAL RECLAMATION PROJECTS

The bill (H. R. 1694) to provide for the return of rehabilitation and betterment costs of Federal reclamation projects was announced as first in order.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. HENDRICKSON. Mr. President, reserving the right to object, I send to the desk an amendment and ask that it be stated.

The VICE PRESIDENT. There is an amendment pending. In the first place, the Senate has not yet given consent to the consideration of the bill.

Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 1694) to provide for the return of rehabilitation and betterment of costs of Federal reclamation projects.

The VICE PRESIDENT. There is an amendment pending.

Mr. O'MAHONEY. Mr. President, I have consulted with the Senator from New Jersey. The amendment which he sends to the desk is quite satisfactory. I think it is a substitute for the pending amendment, which I offered at the last call of the calendar. I therefore withdraw my amendment.

The VICE PRESIDENT. The amendment offered by the Senator from New Jersey will be stated.

The LEGISLATIVE CLERK. On page 2, line 3, after the period, it is proposed to insert the following new sentence:

No such determination of the Secretary of the Interior shall become effective until 60 days after it has been submitted to the Committee on Interior and Insular Affairs of the Senate and the Committee on Public Lands of the House of Representatives.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from New Jersey.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act to provide for the return of rehabilitation and betterment costs of Federal reclamation projects."

AGUA CALIENTE INDIAN RESERVATION, CALIF.

The bill (H. R. 5310) to confer jurisdiction on the State of California over the lands and residents of the Agua Caliente Indian Reservation in said State, and for other purposes was announced as next in order.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. HENDRICKSON. Mr. President, reserving the right to object, I send to the desk an amendment——

The VICE PRESIDENT. The amendment cannot be considered until the Senate has given consent to the consideration of the bill. There is a committee amendment.

Is there objection to the present consideration of the bill?

Mr. CHAVEZ. Mr. President, reserving the right to object, I should like to have the attention of the Senator from California [Mr. DOWNEY]. I have received some complaints about section 4, which is an amendment inserted by the Senate committee. In view of the fact that it is my understanding that a committee from the House of Representatives will visit that section of the country during the recess period, I wonder whether the Senators from California would be willing to strike section 4 from the bill?

Mr. DOWNEY. Yes, Mr. President. I wish to state, on behalf of myself and my colleague, the junior Senator from California [Mr. KNOWLAND] that we would not object to an amendment striking out section 4.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. HENDRICKSON. Mr. President, reserving the right to object, I point out that the amendment which I sent to the desk does precisely the same thing as the Senator from New Mexico has suggested.

The VICE PRESIDENT. That is a committee amendment. The question will be on agreeing or disagreeing to it.

Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Interior and Insular Affairs with amendments.

The first amendment of the Committee on Interior and Insular Affairs was in section 2, on page 2, line 10, after the words "prior to" to strike out "July" and insert "December."

The amendment was agreed to.

The next amendment was, in section 3, on page 2, at the beginning of line 16, to insert "not to exceed"; and in line 20, after the word "but", to strike out "during" and insert "within the confines of."

The amendment was agreed to.

The next amendment was, on page 3, after line 10, to insert:

SEC. 4. That when and as may be desired by the Agua Caliente Band as to unallotted land, and by an allottee as to allotted land, the following-described land in said reservation may be leased, for the purposes indicated herein, and subject to the approval of the Secretary of the Interior, for a term not longer than 25 years, with an option to renew for a like period on a reasonable rental basis: (1) Sections 26 and 35, township 4 south, range 4 east, and section 2, township 5 south, range 4 east, San Bernardino base and meridian, for the development and maintenance of a golf course and country club; (2) lots 3, 4, 13, and 14 in section 14, township 4 south, range 4 east, San Bernardino base and meridian, for the development and maintenance of a mineral springs spa, and an Indian trading post and museum; and (3) section 12, township 4 south, range 4 east, and section 18, township 4 south, range 5 east, San Bernardino base and meridian, for the preservation, extension, and development, as a municipal airport for the city of Palm Springs, and as an aid to national security, of the airport which was constructed and maintained by the Federal Government in its prosecution of World War II.

The VICE PRESIDENT. The question is on agreeing to the committee amendment, which is the one involved in the colloquy between the Senator from New Mexico [Mr. CHAVEZ] and the Senator from California [Mr. DOWNEY].

The amendment was rejected.

Mr. HENDRICKSON. Mr. President, I withdraw my amendment.

The VICE PRESIDENT. If there be no further amendments to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

SUPPLEMENTAL ESTIMATES AND APPROPRIATION BILLS, 1950

Mr. McCLELLAN. Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point as a part of my remarks a tabulation entitled "Supplemental Estimates for Fiscal Year 1950, Submitted to Congress in Senate and House Documents Since the Submission of the Budget for 1950."

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

Supplemental estimates for fiscal year 1950 submitted to Congress in Senate and House documents since the submission of the budget for 1950

Title of bill	Supplementals to regular bill	Third deficiency	Supplemental, 1950	Special resolution	Not yet considered
Agriculture	$1,085,000	$273,000	$6,450,000.00	$3,500,000	
District of Columbia	557,300		379,759.00		$159,66
Independent offices	[1] 223,528,000	49,115,000	23,750,000.00		180,300,000
Interior	8,005,416		3,089,500.00		7,675
Labor-Federal Security:					
Labor	216,200	4,200,000	135,200.00		
Federal Security	423,600	41,496,500	757,300.00		60,000
Other related agencies		207,700			
Legislative	1,216,499	2,048,890			6,900
Military Establishment	[1] 29,125,000		5,000,000.00		
Civil functions	7,353,520				
State, Justice, Commerce, and Judiciary:					
State	[2] (1,139,440)	1,955,000	29,900,000.00		
Justice	1,544,500	382,000			
Commerce	5,875,000	593,807	9,850,421.92		
Judiciary	2,500	130,000			311,100
Treasury and Post Office:					
Treasury	3,600,000	8,992,400	35,000.00		
Post Office			2,950,000.00		
Foreign aid:					
Joint Committee on Economic Cooperation	76,720				
Economic Cooperation Administration	4,198,200,000				
Greece and Turkey	50,000,000				
Garlon	1,000,000,000				
Total	5,535,809,255	109,394,297	82,297,180.92	3,500,000	180,845,335

[1] Net.
[2] Decrease.

Summary:

Regular bills	$5,535,809,255.00
Third deficiency	109,394,297.00
Supplemental, 1950	82,297,180.92
Special resolution	3,500,000.00
Not yet considered	180,845,335.00
Total	5,911,846,067.92

Mr. McCLELLAN. Mr. President, I also ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a tabulation entitled "Fiscal Year 1950 Appropriation Acts and Bills as of August 26, 1948." This shows the action taken by Congress on appropriation bills up to date. I place these statements in the RECORD so that Members of the Senate may have this information before we conclude consideration of the armed services appropriation bill.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

Fiscal year 1950 appropriation acts and bills as of Aug. 26, 1949

Act or bill	Budget estimate	Passed House	Last action	Increase (+), decrease (−), last action compared with budget estimate	Increase (+), decrease (−), last action compared with House action
Agriculture (law)	$727,906,908	$701,122,079	$715,601,607	−$12,305,301	+$14,479,528
District of Columbia, Federal contribution (law)	12,000,000	12,000,000	12,000,000		
Independent offices (law)	8,051,343,830	7,103,506,553	7,617,739,361	−433,604,469	+514,232,808
Interior (in conference)	624,818,111	536,461,908	595,262,257	−29,555,854	+58,800,349
Labor-Federal Security Agency (law)	2,234,389,285	2,210,694,085	2,387,799,885	+153,410,600	+177,105,800
Legislative (law)	73,582,184	62,200,705	62,262,110	−11,320,074	+61,405
National Military Establishment (reported to Senate)	13,248,960,700	13,272,815,800	12,731,834,478	−517,126,222	−540,981,322
State, Justice, Commerce, and Judiciary (law)	740,362,956	684,616,102	677,972,102	−62,390,854	−6,644,000
Treasury-Post Office (law)	8,176,266,750	3,072,817,903	3,090,528,904	−85,737,846	+17,711,001
Civil functions (in conference)	772,458,220	593,292,270	751,440,690	−21,017,530	+158,148,420
Foreign aid, 1950 items only* (in conference)	5,248,544,000	4,543,470,000	4,573,724,000	−674,820,000	*+30,254,000
Third deficiency, 1950 items only (passed Senate)	151,209,297	67,324,367	129,891,472	−21,317,825	+62,567,105
Supplemental, 1950 items only (passed House)	81,917,422	64,911,122	64,911,122	−17,006,300	
Subtotal	35,143,759,663	32,925,232,894	33,410,967,988	−1,732,791,675	+485,735,094
*Does not include $1,074,000,000 for last quarter of fiscal year 1949. On last action comparison with House bill: Less reduction due to Senate committee placing ECA on 12-month basis instead of 10½-month basis, plus other Senate committee reductions and taking into account public debt transaction of $150,000,000 in Senate bill. The figure of $359,781,420 consists of Senate reduction of $479,527,420 less the $150,000,000 public debt transaction or a net reduction of $329,527,420 to which figure must be added $30,254,000 since it is shown in the tabulation above as a plus and must be taken out of the totals. The Senate reduction in the House bill on a 12-month basis is $329,527,420					−359,781,420
Total	35,143,759,663	32,925,232,894	33,410,967,988	[1] −1,732,791,675	[2] +125,953,674
Permanent appropriations as contained in 1950 budget	5,921,542,299	5,921,542,299	5,921,542,299		
Grand total	41,065,301,962	38,846,775,193	39,332,510,287	[1] −1,732,791,675	[2] +125,953,674

[1] In addition, the last action on the bills and acts included in the foregoing table shows a net reduction of $36,003,672 in contract authorization as compared to total contract authorizations proposed in the 1950 budget estimates.

[2] In addition, the last action on the bills and acts included in the foregoing table shows a net reduction of $557,840,800 in contract authorization as compared to total contract authorizations proposed by the House.

BILL PASSED TO FOOT OF THE CALENDAR

The VICE PRESIDENT. The Secretary will state the next bill in order.

The bill (H. R. 3851) to amend Public Law 289, Eightieth Congress, with respect to surplus airport property, and to provide for the transfer of compliance functions with relation to such property was announced as next in order.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. MORSE. Mr. President, I should like to have an explanation of the bill.

The VICE PRESIDENT. The Senator from Minnesota [Mr. HUMPHREY] does not seem to be present.

Mr. McCLELLAN. Mr. President, the Senator from Minnesota made the report on this bill. He is not present at the moment. He will probably be in the Chamber later. I ask that the bill be passed to the foot of the calendar.

The VICE PRESIDENT. Without objection, it is so ordered.

AMENDMENT OF THE FEDERAL AIRPORT ACT—BILL PASSED OVER

The bill (S. 1284) to amend section 6 of the Federal Airport Act was announced as next in order.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. HOLLAND. Mr. President, at the request of the Senator from Vermont [Mr. FLANDERS] I enter his objection.

The VICE PRESIDENT. The bill is passed over.

SAN LUIS VALLEY PROJECT, COLORADO—BILL PASSED TO FOOT OF CALENDAR

The bill (S. 1385) providing that excess land provisions of the Federal Reclamation laws shall not apply to certain lands that will receive a supplemental water supply from the San Luis Valley project, Colorado, was announced as next in order.

Mr. THOMAS of Utah. Mr. President, at the request of the Senator from Illinois [Mr. DOUGLAS] I ask that the bill be passed over. I understand that consultations are in progress in regard to this bill.

Mr. MILLIKIN. Mr. President, would it be agreeable to have the bill go to the foot of the calendar, so that if we can conclude our negotiations during the day we may consider the bill on the call of the calendar?

Mr. THOMAS of Utah. That is satisfactory, Mr. President.

Mr. FULBRIGHT. Mr. President, reserving the right to object to the request—and I shall not object—this same problem has arisen with regard to a project in Arkansas. If this bill is passed—and I shall not object—I remind Senators that I shall expect similar consideration of the problem which arises in my State.

Mr. WHERRY. Mr. President, I do not quite understand the observations of the Senator from Arkansas. Does he mean that there is a bill affecting Arkansas which he wishes to bring up at the conclusion of the call of the calendar?

Mr. FULBRIGHT. No. I simply stated that this problem is involved in a project in Arkansas. We may be setting a precedent by this bill, to which I have no objection.

The VICE PRESIDENT. On request of the Senator from Colorado, the bill goes to the foot of the calendar.

HURRICANE DAMAGE TO FLORIDA

Mr. HOLLAND. Mr. President, I ask unanimous consent to make a statement for not to exceed 5 minutes.

The VICE PRESIDENT. Inasmuch as the Senate is now operating under the 5-minute rule, the Senator does not have to obtain consent for that purpose.

Mr. HOLLAND. Mr. President, I wish to address the Senate very briefly in regard to the bad news we have had from my State this morning with reference to the tropical hurricane which apparently has passed across the peninsula in a northwestwardly course from the vicinity of the Fort Lauderdale and West Palm Beach area, on the east coast, to a point some 75 miles north of Tampa, on the west coast. This course took the hurricane through some of our most important winter resorts, across the highly developed agricultural areas adjoining Lake Okeechobee and through the heart of the ridge citrus area.

I shall not take up the time of the Senate with conjectures in regard to the amount of damage which has been sustained. Of course, the damage is very heavy. The Chief of Engineers, to whom I have talked about this matter, informs me that there have been at least three deaths and a great many injuries in the east coast area alone, with only partial reports available at this time.

I mention this matter now in order to call attention to the fact that we have, affecting this peninsular area of our State, a most vital matter which is contained in the civil functions appropriations bill, now in conference between the two Houses. It is upon that matter that I wish to dwell briefly.

Mr. President, if the flood conditions which prevailed in the fall of 1947, at which time we had a heavy hurricane, had prevailed last night, we would have sustained in that particular area, in my humble judgment, and judging from the statements which have been made to me today by the engineers, an undetermined number of fatalities, perhaps going into the thousands. I do not believe the Members of the Senate really comprehend the actual situation in that area. We have in our State a rainy season during the summer and extending through the equinoctial period in the fall. If we have heavy rainfall preceding the coming of the equinox, and if then we happen to have one of the equinoxial hurricanes, it is then that we have the maxi-

mum danger, because the greatest hazard comes, not from the wind, but from the water. It is water, blown by the hurricane, which causes the greatest damage and loss to our people and their property.

In 1947, as shown by the records of the hearings before the Senate Committee on Public Works, the area of the lowlands surrounding Lake Okeechobee, which comprised one vast water area, was about seven times the area of the basin of Lake Okeechobee itself. Lake Okeechobee has a basin of approximately 700 square miles, but there was about 5,000 square miles of continuous water area in 1947 from the flood conditions which existed then. If the storm of 1947 had followed directly in the path of the storm which came last night, we would have suffered, in the area surrounding the lake, hundreds and perhaps thousands of casualties. Approximately 30,000 people live right around the perimeter of Lake Okeechobee. They live on slightly elevated land, somewhat higher than the back land; but they are the ones who have the supreme danger when a hurricane comes during the flood season and while flood conditions obtain.

Our people are tremendously grateful to the Nation for the fact that levees have been built, which protect us from the waters of Lake Okeechobee itself. Again last night it appeared that the levees are fully adequate so far as protection against the waters of Lake Okeechobee is concerned. It is the waters that accumulate back of Lake Okeechobee or outside of it, when we have had heavy floods preceding the coming of a hurricane, that present the greatest threat to the lives and property of our people. Fortunately, we did not have that situation last night; and I hope the facts, as they are ascertained, will show that we have not sustained one of our gravest disasters, insofar as loss of life is concerned.

The Senate will recall that in 1926 and 1928, we lost a total of approximately 2,500 of our citizens, due to the fact that in those days we had no protection from the waters of the lake itself. Now we have such protection; but we do not have protection against the waters in the lowlands when there has been excessive rainfall during the rainy season, which sometimes occurs, and when following that we have one of the equinoctial hurricanes which happens to come in such intensity, and from such a direction, that it will hurl immense volumes of water against and over our people and their property.

The Chief of Engineers told me just a while ago—and this is a fact which I wish to pass along to the conferees on the civil functions appropriation bill—that the water along the levees on the side of Lake Okeechobee against which the full force of the storm came, was raised over 11 feet during the storm. In other words, last night the wind threw such vast amounts of water against the levees that the water level there was raised over 11 feet within a few hours. That shows what the force of the hurricane does when it strikes those wide expanses of shallow water.

My reason for mentioning the matter at this time is that now in conference there is an item of $4,000,000 in the civil functions appropriation bill, for the purpose of enabling us to begin the four most necessitous life-saving and property protecting projects in our flood-control area. I have no doubt at all that the conferees on the part of the Senate will loyally stand up for the action the Senate took in that connection; but I wish to call this situation to their attention. Let me say here that I appreciate their presence in the Chamber at this time; I refer to the distinguished chairman of the committee, the Senator from Tennessee [Mr. McKELLAR], the Senator from Arizona [Mr. HAYDEN], the Senator from Oklahoma [Mr. THOMAS], the Senator from New Mexico [Mr. CHAVEZ], and the Senator from South Dakota [Mr. GURNEY]. I call to their special attention the fact that so long as the building of those vital levees is postponed, we are going to have, each fall, at the storm season this threat of disaster hanging over our people.

I hope and pray that the conferees will exert their utmost endeavors to get this particular appropriation item enacted into law, so that at long last we may begin to build these vital, life-saving projects to reassure our people against the recurrence of the type of disaster which has frequently occurred but which, apparently, has not this time claimed so many of the lives of the people of the State of Florida as in other instances.

The VICE PRESIDENT. The time of the Senator from Florida has expired.

Mr. McKELLAR. Mr. President, I should like to address the Senate for a moment in reference to the subject discussed by the Senator from Florida.

The civil functions appropriation bill was sent to conference on June 1, nearly 3 months ago. It has been in conference all that time. Under the instructions of the committee, the secretary of the committee has daily, sometimes twice a day, urged the conferees to get together and see if they could iron out the various differences. However, we have been very unlucky and have not succeeded in getting any agreement at all.

The conferees on the part of the Senate have made every effort. We have offered to meet day or night with the conferees on the part of the House. We have offered to meet with them on Saturdays. We have urged the conferees on the part of the House to get together with us, so that the differences may be adjusted and so that this bill, which is of vital interest to every State in the Union, may finally be enacted into law. But, for some reason which I do not know, we have had the greatest of difficulty in getting the conferees together; and when we do get together, we have been unable to reach any agreement, although the conferees on the part of the Senate have offered compromises on every one of the amendments in controversy.

The item the Senator from Florida has discussed is one of the items in that appropriation bill. It is a worthy item. The committee heard the facts about it. It is a matter which I would naturally think would promptly go through and be enacted into law.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. CHAVEZ. The reason or the excuse given by at least one of the House conferees was developed day before yesterday or the day before that, in the House, when there was a motion to instruct the House conferees to agree with the conferees on the part of the Senate. One of the conferees on the part of the House said at that time that items such as the one which has just been described by the Senator from Florida were nothing but junk. That was the exact word used by that Member of the House, one of the House conferees. Yet this item would protect human life and property.

Mr. McKELLAR. Mr. President, it is quite remarkable that this bill has not finally been enacted, I say to the Senate generally, and particularly to the Senator from Florida, inasmuch as he has brought up this matter this morning. The conferees on the part of the Senate have been vigilant and active, and have been requesting conferences day by day, in fact at any time to suit the convenience of the conferees on the part of the House. But we have been unable to obtain an agreement.

Mr. CHAVEZ. The item which the Senator from Florida has in mind and has brought to the attention of the Senate is one of the items in dispute. To that item, as well as others in the bill, the Senate conferees are adhering with the idea that we may be able to do something not only for the State of Florida but for other regions throughout the United States which are subjected to the same kind of hazard.

TRIBAL OWNERSHIP OF COLVILLE INDIAN RESERVATION LANDS

The VICE PRESIDENT. The Secretary will state the next bill.

The bill (H. R. 2432) restoring to tribal ownership certain lands upon the Colville Indian Reservation, Wash., and for other purposes, was announced as next in order.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. BUTLER. Mr. President, reserving the right to object, when this bill was previously called, I objected, with the statement that I thought the disposition of this amount of land, 818,000 acres, should receive greater attention than it is possible to give it on the call of the calendar, and that either the committee of the House or of the Senate should hold hearings on it in the meantime. Nearly 1,000,000 acres of land are involved. In connection with the objection, which I make, to the consideration of the bill at this time, I should like to read a very short editorial appearing in the Spokesman-Review, of Spokane, under date of August 20. The title of the editorial is "Delay Desirable on Colville Land Bill." It reads as follows:

DELAY DESIRABLE ON COLVILLE LAND BILL

There may be merit in Congressman WALT HORAN'S bill (H. R. 2432) to give 818,000 acres in Ferry and Okanogan Counties back to the Colville Indians. But certainly it doesn't

have to be pushed through the Senate by 2 o'clock next week.

The people of the counties, of the Fifth District, and of the State have a right to be heard. Most of them didn't know there was such a proposal until the wisdom of the move was questioned by the American Mining Congress.

Mr. HORAN says he heard of no opposition in his home district until the American Mining Congress entered the picture. If there had been hearings on the proposal in the district, some opposition might have developed.

The land, be it remembered, was opened to entry in 1916 and closed in 1934. The General Land Office in 1944 started wholesale adverse proceedings against owners of mining claims, of which there are said to be 8,000.

More than one critic has suspected the Interior Department, which includes both the Indian Bureau and the Land Office, of scheming to socialize and tie up the natural resources of the West.

The bill has already passed the House, but it seems that the Senate ought to delay final action on the measure until the people and the interests involved have an opportunity to learn what the issue is all about.

Mr. President, I object to the present consideration of the bill.

The VICE PRESIDENT. The bill goes over.

AMENDMENT OF INTERNAL REVENUE CODE—BILL PASSED OVER

The bill (H. R. 5268) to amend certain provisions of the Internal Revenue Code was announced as next in order.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. HENDRICKSON. Mr. President, on behalf of the Senator from Pennsylvania [Mr. MARTIN] and the Senator from Indiana [Mr. CAPEHART] I object.

The VICE PRESIDENT. The bill goes over.

Mr. KNOWLAND. Mr. President, will the Senator withhold his objection long enough to permit me to offer an amendment to the bill?

Mr. HENDRICKSON. I gladly withhold the objection for that purpose.

The VICE PRESIDENT. The amendment of the Senator from California will be received, printed, and lie on the table. It is unnecessary to withhold an objection in order to send to the desk an amendment, to be printed and lie on the table.

Mr. WILLIAMS. Mr. President, I send to the desk an amendment, which I ask to have printed and lie on the table.

The VICE PRESIDENT. The amendment will be received, printed, and lie on the table.

Mr. GEORGE. Mr. President, this is an important bill. It is not a very difficult bill to understand, but it is a bill of some importance. I am going to request the majority leader to give consideration to the assignment of 1 hour for the consideration of the bill during one day next week, if possible, or the week following. The bill will be amended in certain respects, and it has been amended by the committee in certain respects, and it will necessarily go back to the House. The House conferees, of course, could not be appointed before the 21st of September, but the bill is so important in certain respects that I think it deserves an hour, and I believe an hour would be ample for the full consideration of the measure, at some time later next week.

Mr. LUCAS. I realize the importance of the measure, as the Senator from Georgia has suggested, and I shall certainly endeavor to accommodate him. It is a piece of legislation which should be passed.

Mr. HOEY. Mr. President, I desire to offer an amendment.

The VICE PRESIDENT. Objection has been made.

Mr. HOEY. I merely want to offer the amendment, and request that it be printed and lie on the table.

The VICE PRESIDENT. The amendment will be received, printed, and lie on the table.

The Secretary will state the next item on the calendar.

BILLS PASSED OVER

The bill (S. 2226) relating to the compensation of certain employees of the Panama Canal was announced as next in order.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. HENDRICKSON. Mr. President, by request, I object.

The VICE PRESIDENT. Objection is heard. The bill goes over.

The bill (H. R. 1758) to amend the Natural Gas Act approved June 21, 1938, as amended, was announced as next in order.

The VICE PRESIDENT. Is there objection?

Mr. HENDRICKSON. Mr. President, by request of the junior Senator from Tennessee, I object.

The VICE PRESIDENT. The bill goes over.

The bill (S. 1439) to provide for assistance to State agencies administering labor laws in their efforts to promote, establish, and maintain safe workplaces and practices in industry, thereby reducing human suffering and financial loss and increasing production through safeguarding available manpower, was announced as next in order.

The VICE PRESIDENT. Is there objection?

Mr. HENDRICKSON. Mr. President, on behalf of the Senator from Pennsylvania [Mr. MARTIN], I object.

The VICE PRESIDENT. The bill goes over.

HARNEY ENGINEERING CO.—BILL REFERRED TO COURT OF CLAIMS

The resolution (S. Res. 152) referring the bill S. 982 to the Court of Claims, was considered and agreed to, as follows:

Resolved, That the bill (S. 982) entitled "A bill for the relief of D. A. Sullivan & Sons, Inc., and Thomas F. Harney, Jr., doing business as Harney Engineering Co.," now pending in the Senate, together with all the accompanying papers, is hereby referred to the Court of Claims; and the court shall proceed with the same in accordance with the provisions of sections 1492 and 2509 of title 28 of the United States Code and report to the Senate, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand as a claim, legal, or equitable, against the United States and the amount, if any, legally or equitably due from the United States to the claimant.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

The concurrent resolution (S. Con. Res. 62) favoring the suspension of deportation of certain aliens was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation for more than 6 months.

A-6201169, Abadi, Simon Ezra.

A-1029369, Abdullah, Abdi or Akbar Mohamed or Abdi Mohamed.

A-6245562, Agarwal, Friederecka or Frederecka Beatrice Maria, nee Saela or Freda Moyea.

A-2329081, Aleci, Giuseppe.

A-3007951, Ali, Tahir or Tahir Ullah or Tiah Ali or Tiah Ullah.

A-5356203, Andreadis, Stamatios or Stamatos John Andreadis or Steve Andrews.

A-5479649, Arkell, Marjorie Elaine.

A-3260444, Avgoustis, Nicholas Stelianos or Nicholas Stelianou Avgoustis.

A-5421256, Baer, Hans.

A-3722049, Baros, Nicholas or Nicholas Barus.

A-5262324, Bavas, Athanasios (alias Thomas Bavas).

A-5214140, Belli, Otello Manlio or Mario Belli.

A-3083903, Benavides, Alfonso.

A-5856332, Bevilacqua, Theresa Mary (nee Falzone or Falzono, nickname Tessie).

A-6791526, Bireescu, Alexander Stefan.

A-6264002, Bizimis, Angeline.

A-6303931, Blythe, David Wardhough.

A-374440, Bonventre, Francesco or Frank.

A-6246094, Bopipas, Dimitroula.

A-5630271, Borges, Antonio Augusto Da Silva or Antonio Borges.

A-9799665, Boutacoff, Alexis Alexander.

A-5949003, Bye, Rolf Ole.

A-1830412, Calvo, Francesco.

A-3998388, Cardenas, Arcadio or Alcadio Cardenas.

A-7026401, Carner, Ariel.

A-6857770, Castellanos-Ybarra, Joaquin or Jesus Reyes-Mendoza.

A-6032675, Castellanos, Maria Trinidad Reyes de or Trinidad Reyes de Castellanos.

A-4137847, Chang, Young Chi Sin Yeung or Chi Sin Yeung Chang.

A-2587813, Chen, Chia-You.

A-5768484, Chuan-Te Liu, Barry.

A-6626018, Cobos, Ruben or Ruben Cebos or Ruben Cobos Astorga.

A-3686305, Cordaro, Calogero or Charles Cordaro.

A-7563142, Crocker, Julie or Juliette.

A-4197279, Da Cunha, Constantino.

A-9703142, Daley, Roy Augustus.

A-5884972, Deinum, Henry Jacob or Hank J. Deinum.

A-6303162, De Leon-Garza, Feliciano.

A-3559094, De Morales, Gregoria Salazar or Gregoria Salazar.

A-5389310, Doesseckle, Thomas Francis or Frank Doeseckle.

A-5444981, Doherty, Rose Frances formerly Anslow (nee Firminger).

A-5079142, Dryer, Ben.

A-7515284, Fang, Sheng Chung.

A-5335908, Fennell, Betty Elizabeth (nee Levy or Levee or Bety Marks).

A-5825680, Flessas, George Anastasiou.

A-6209443, Flores-Palacios, Raimundo.

A-6204212, De Flores, Maria Lopez.

A-6281370, Franco, Samuel.

A-4812082, Frangiskatos, Speros or Spiridon.

A-6141195, Franquelli, Leandro Antonio Basilio or Leandro Franquelli.
A-5390484, Gallardo, John Ernest.
A-6125122, Garcia-Ledesma, Isaias.
A-6774172, Giles, Stephen Duffy.
A-6970309, Godley, Eric Clive.
A-1620146, Gomez, Josefa or Josephine Gomez or Josefa Abascal de Gomez.
A-3466704, Gonzalez, Roberto Lorenzo or Robert Lawrence Gonzalez.
A-2260872, Gowzeles, Constantinos or Gusor Gust.
A-5820732, Green, David.
A-3507405, Gruszka, Herman or Raymond Grand (alias Harry Grand).
A-1653505, Gulkis, Pauline (nee Pessie Shergick or Pessie Shaw).
A-2965670, Gustavson, Helge Waldemar or Helge Gustafsson.
A-6248289, Gutlohn, Victoria Veronica Susanna.
A-6180925, Hesse, William or Willem Hesse.
A-6018694, Heyligers, Louis Aron.
A-6140985, Hinds, Humphrey John.
A-3657461, Hochberg, Betty or Bella or Betty Smoke or Betty Lahnes or Esther Robert.
A-5807798, Hofmo, Emil Lie or Lee E. Hofmo.
A-2631184, Hoque, Shamsul or Abdul Kholek.
A-5685262, Jacinto, Jose Pereira or Joe Pereira or Joseph Perera.
A-3262256, Joest, Otto or William Graak.
A-5702119, Karol, Charles Walter Barton or Charles Walter Bartoszewski or Charles W. Bartoszewski or Charles Walter Bradley or Bailey.
A-6261611, Kavathas, Evanthia (nee Evanthia Thomaidou).
A-6049268, Kehrhahn, Alicia Antonietta or Alicia de Aspiazu (nee Alicia Antonietta Aguilera Murillo).
A-5662102, Keller, Hermann Friedrich or Herman Frederick Keller.
A-3295447, Kipper, Aleksander.
A-3894155, Korkos, Lambros Spiros or James Korkos.
A-6232433, Kozlowski, Peregrina Rodriguez de or Peggy Rodriguez or Peggy Valadez.
A-3850163, Krasnopolsky, Jacob or Jack Grasner or Jack Krasnoff.
A-3319669, Krohn, Erwin Gustav.
A-6142511, Kuebitz, Hermann Wilhelm.
A-5792616, Lacobazzi, Vitonicola (alias Vito Nicola Yacobazzi).
A-1051733, Lamble, Thomas Bentley.
A-5074647, Laskody, John or Laskodi or Joan Laskodi.
A-5380491, Latousakis, Michael or Massis Lacis.
A-3738980, Lau, Chong Sui or Sui Lau Chong or Cheung Gim Fay or Chong Kim Fei or Cheung Jung Ming or Cheung Shin Lau.
A-7618223, Leung, Paul Yung Tung or Yung Tung Leung.
A-7618224, Leung, Peter Fung Tung or Woon Tung Leung.
A-2956578, Licata, Salvatore.
A-5500662, Lira-Barcenas, Alberto.
A-5500663, De Lira, Paula Jimenez.
A-6961069, Lira-Jimenez, Victor.
A-9179128, Ludvik, Josef.
A-5355957, Lykiardopoulos, Gerasimos or Jerry Poulos.
A-6378855, Magnani, Margherita (nee Giovanella).
A-6404235, Manobbio, Aura (nee Aura Peraza).
A-5074629, Martinez y Rodriguez, Gervasio or Gervasio Martinez.
A-6264869, Martinez-Torres, Francisco or Enrique Martinez.
A-2291044, Mavris, Isidoros Markos or Isidor Marko Mavris.
A-3571216, Mazzei, Charles or Carmine.
A-6249255, Melisakis, Maria N
A-3529277, Mesaros, Stafan or John Gabor or Steve Demko.
A-5259895, Meza, Agnes (nee Agnes Naomi Lightbourne).
A-1785711, Mielke, Wolfdietrich Reinhard Julius Fritz or Wolfdietrich Mielke or George Wolf or Wolfdietrich Mielke or George Wolf.
A-5698352, Mihalos, Nicolaos or Nick M. Mike or Nicholas M. Mick.
A-9730962, Mikalsen, Einar Edvin Hendry or Einar E. H. Mikalsen.
A-6772023, Molina, Augustine, Jr., or Augustin Molina.
A-5166673, Monache, Eugenio Delle (alias Raffaelo Orsini or Ralph Orsini).
A-5728143, Monok, Janos or John Monok.
A-3759224, Morin, Giuseppe.
A-5265514, Mourao, Manuel Vaz.
A-6359966, Neumann, Joan (formerly Joan Weller Greer Shephard or Joan Weller Greer Hope-Johnson).
A-5774953, Nevarez-Alarcon, Nolberta or Norberta Nevarez-Alarcon.
A-1115513, Orav, Paul.
A-6301813, Ortega-Duarte, Jorge or George Ortega-Duarte or George D. Ortega.
A-6330435, Owens, Francis Henry or Frank Owens.
A-5635369, Paradosso, Eugenio or Jimmie Paradosso Penna or Jimmie Parodosso.
A-2889865, Pereira, Antonio Jose.
A-5821654, Perez, Ivy Gomez or Rose Perez or Ivy Duchesne Gomez or Ivy Gaston.
A-1879601, Perl, Eugene Jacob or Jacob Perl.
A-5064255, Perugino, Guiseppe.
A-6423807, Pirzio-Biroli, Giacomo.
A-4957358, Racey, Lawrence William or Lawrence William Rase.
A-5407879, Ramirez, Jose Luis or Jose Ramirez or Luis Ramirez.
A-7044230, Rey, Joaquin Israel Trujillo.
A-7050671, Rey, Daisi Trujillo or Daisy.
A-6366413, Ribes, Elise (nee Fontenelle).
A-6459421, Ridgway, Jacqueline Marie Householder or Jacqueline Marie Householder (maiden name).
A-6372752, Ripley, Ronald Edward or Ronald Edward Page.
A-6372754, Ripley, Mervyn Keith or Mervyn Keith Page Ripley or Mervyn Keith Page.
A-6279244, Risteigen, Inga.
A-6279243, Risteigen, Gunhild.
A-6688373, Rodriguez-Esquivel, Juan or Ernest Gutierrez or Ernest Castro Gutierrez or Ernesto Gutierrez, or Ernesto Castro Gutierrez.
A-5129758, Salvemini, Giacomo or Jack Salvemini or Domenico Americo Sforza.
A-5796096, Santoya, Francisca Cruz or Francisca Cruz or Francisca Mata.
A-4209125, Sarafis, Christos Alexander.
A-3851318, Schiavi, Angelo.
A-5688544, Schmidt, Hilda Rose or Hilda Rose Manning or Hilda Rose Jackson.
A-5601137, Schmitt, Vilma (nee Zold).
A-4809719, Schnee, Rose or Rose Shapiro or Rose Meyer.
A-5257484, Serra, Juan Mari or Juan Mari.
A-4242776, Siebert, Walter Heinrich August or Walter Henry Siebert.
A-5377193, Siegel, Freida Rosalie (nee Rascha Fradel Siegel).
A-5610957, Silberman, Frank or Traian Lazar Zoladz or Frank Caberman.
A-5056181, Simoncic, Martin or John Weber.
A-2741589, Sofikitis, George Michael or Mike Sofikitis.
A-2518842, Sague, Abdul.
A-5886907, Simkunas, Antanas.
A-4541327, Solis-Ayerdi de Sanchez, Dolores or Dolores Solis de Sanchez or Dolores Solis de Vara.
A-5390856, Sourcin, Alice Paquerette.
A-2856317, Spanos, Petros.
A-6929710, Sparrow, Florence Blanche (nee Cann).
A-6018628, Starosciak, Sophia Jadwiga (alias Zofia Starosciak, alias Zofja Starosciak).
A-1863401, Susan, Ferencz or Frank Susan.
A-5059057, Sutlovich, Frank Rudolph.
A-5374797, Szasz, Gustav.
A-3685757, Tamberg, Harry John (alias Harry J. Tamberg, alias John Tamawots, alias John or Johannes Tanawots or Tamawots).
A-6305580, Tauber, Laszlo Nandor or Leslie Ferdinand Tauber.
A-9705985, Theocharides, Theocharis.
A-5427501, Thorne, Sidney Alphonso, or Sidney Durant.
A-3859128, Tieger, Mary (nee Weinstein or Glassman, nee Borochovitz or Berkowitz).
A-7759520, Tokcaer, Mursit Muradurresit.
A-3362361, Tom Kim Fong or Tom Kim Fong.
A-5948146, Trpchevich, Traiche George (alias Nick George alias Mike George Trpchevich)
A-5308905, Vasquez, Santos.
A-1165476, Vassallo, Damiano.
A-9741750, Vatoulos, Theochares Stamatios or Theocharis S. Vatoulos or Harry Vatoulos.
A-6136671, Vega-Munoz, Luis.
A-5317962, Verhelst, Alfons or Alfons August Verhelst or Alphonse Vereist.
A-6402296, Vidal, Jose or Llecha.
A-5949830, Wright, Thomas William.
A-5539145, Ybarra, Jose Martin.
A-5227047, Yuhas, Jan or John Yuhas.
A-2158898, Zech, Ludwig.
A-3460791, Zizzo, Antonino or Antonio Rizzo.

SONG KWAN LEE

The bill (S. 486) for the relief of Song Kwan Lee, also known as Paul Molina, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of the immigration laws Song Kwan Lee, also known as Paul Molina, the foster son of Maj. Orlando A. Molina, of Tampa, Fla., shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of his actual entry into the United States, upon the payment by him of the visa fee of $10 and the head tax of $8.

SEC. 2. Upon the enactment of this act the Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the nonpreference category of the first available immigration quota for nationals of Japan.

JOHN M. HART

The bill (S. 1447) for the relief of John M. Hart, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to John M. Hart, Box P. M. B.-749, Alcatraz, Calif., the sum of $100, in full satisfaction of his claim against the United States for refund of a fine which was imposed upon him by the United States District Court for the Western District of Kentucky on October 13, 1937, but was subsequently determined by such court on September 15, 1948, to have been improperly imposed: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

JOHN E. BURNS

The bill (H. R. 632) for the relief of John E. Burns, was considered, ordered to a third reading, read the third time, and passed.

JAMES LANDER THOMAS

The bill (H. R. 1065) for the relief of the estate of James Lander Thomas, was considered, ordered to a third reading, read the third time, and passed.

JOHN J. O'MARA

The bill (H. R. 1631) for the relief of John J. O'Mara, was considered, ordered to a third reading, read the third time, and passed.

MRS. VESTA MEINN AND MRS. EDNA WILLIAMS

The bill (H. R. 1701) for the relief of Mrs. Vesta Meinn, and Mrs. Edna Williams, was considered, ordered to a third reading, read the third time, and passed.

CHARLES E. ADER

The bill (H. R. 1792) for the relief of Charles E. Ader was considered, ordered to a third reading, read the third time, and passed.

SOO HOO YET TUCK

The bill (H. R. 1979) for the relief of Soo Hoo Yet Tuck was considered, ordered to a third reading, read the third time, and passed.

AULDON ALBERT AIKEN

The bill (H. R. 2628) for the relief of Auldon Albert Aiken was considered, ordered to a third reading, read the third time, and passed.

MRS. JUSTA G. VDA DE GUIDO ET AL.

The bill (H. R. 3768) for the relief of Mrs. Justa G. Vda de Guido, Belen de Guido, Mulia de Guido, and Oscar de Guido, was considered, ordered to a third reading, read the third time, and passed.

MRS. MARY L. W. DAWSON

The bill (H. R. 3803) for the relief of Mrs. Mary L. W. Dawson was considered, ordered to a third reading, read the third time and passed.

ANNIE BALAZ

The bill (H. R. 3837) for the relief of Annie Balaz, was considered, ordered to a third reading, read the third time, and passed.

MRS. GIUSTINA SCHIANO LOMORIELLO

The bill (H. R. 5160) for the relief of Mrs. Giustina Schiano Lomoriello, was announced as next in order.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. HENDRICKSON. Reserving the right to object, may we have an explanation of the bill, Mr. President?

Mr. KILGORE. Mr. President, the purpose of the bill is to permit Mrs. Lomoriello, a native-born former citizen of the United States, who lost her citizenship by voting in an Italian election, to regain her American citizenship.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

CURTIS R. ENOS

The Senate proceeded to consider the bill (H. R. 734) for the relief of Curtis R. Enos, which had been reported from the Committee on the Judiciary with an amendment, on page 4, line 6, after the word "heirs", to insert a colon and the following proviso: *"Provided,* That any suit brought under the authority granted herein shall be instituted within 6 months from the date of enactment of this act."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

MARCIA MOSS CARROLL, A MINOR, AND CHARLES P. CARROLL

The bill (H. R. 3618) for the relief of the legal guardian of Marcia Moss Carroll, a minor, and Charles P. Carroll, was announced as next in order.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. HENDRICKSON. Mr. President, reserving the right to object, I note the claimants under this bill have no remedy in the United States Court of Claims, under the Court of Claims Act, for the reason that the court does not have jurisdiction over accidents occurring outside continental United States. It is my understanding that the basic purpose of the act was to eliminate the many private bills which are brought to Congress, involving personal injury and claims against the United States. This case demonstrates it seems to me that some consideration should be given to extending the jurisdiction of the United States Court of Claims to cover claims arising out of accidents occurring in a foreign country. In the light of this observation, Mr. President, I should like to ask the acting chairman of the Committee on the Judiciary whether we should not try to amend the Court of Claims Act on some basis.

Mr. KILGORE. I am in agreement with that statement. As a matter of fact, the Judiciary Committee has been considering some amendments to the act, because by reason of certain exclusions in the act, a great many private claims come before Congress. This happens to be one of those cases, but we do not have very many cases in this class.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 3618) for the relief of the legal guardian of Marcia Moss Carroll, a minor, and Charles P. Carroll, which had been reported from the Committee on the Judiciary with an amendment on page 1, line 7, after the word "of", to strike out "$14,859.24" and insert "$15,202.24."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

ZORA B. VULICH

The Senate proceeded to consider the bill (H. R. 4306) for the relief of Zora B. Vulich, which had been reported from the Committee on the Judiciary, with an amendment in line 5, after "August 22", to strike out "1945" and insert "1944."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

BILL PASSED OVER

The bill (S. 1772) to provide additional benefits for certain postmasters, officers, and employees in the postal field service with respect to annual and sick leave, longevity pay, compensatory time, and promotions, and for other purposes was announced as next in order.

Mr. HENDRICKSON. Mr. President, reserving the right to object, I should like to invite the attention of the Senate to the fact that the cost will be approximately $61,000,000. I think this is probably in the class of legislation which should not be passed on a mere calendar call.

The VICE PRESIDENT. Does the Senator object?

Mr. HENDRICKSON. I ask that the bill go over.

The VICE PRESIDENT. The bill will be passed over.

ROBERT E. BRIDGE AND LESLIE E. ENSIGN

The Senate proceeded to consider the bill (H. R. 1620) for the relief of Robert E. Bridge and Leslie E. Ensign, which had been reported from the Committee on the Judiciary with amendments, on page 1, line 6, after the word "of", to strike out "$308.08" and insert "$258.08"; and in line 7, after the words "sum of", to strike out "$272.56" and insert "$222.56."

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

IMPROVEMENT OF THE CIVIL SERVICE

The bill (H. R. 3826) to amend the act of January 16, 1883, an act to regulate and improve the civil service of the United States, was announced as next in order.

Mr. HENDRICKSON. Mr. President, reserving the right to object, the manner of establishing residence under this bill is by certification from a county or municipal official. As I see the situation, under that proposal it would be very difficult sometimes to obtain such certification. I suggest an amendment which would establish by affidavit the necessary facts. I send the amendment to the desk.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

The VICE PRESIDENT. The amendment offered by the Senator from New Jersey will be stated.

The CHIEF CLERK. On page 2, line 2, it is proposed to strike out the words following "Columbia," to strike out lines 3, 4, 5, 6, 7, and in line 8 to strike out "than 1 year next preceding" and insert in lieu thereof "shall contain, among other things, a statement under oath, setting forth his or her legal or voting residence for 1 year preceding the time of making such application and such application shall contain a list of references who can corroborate the establishment of residence by such applicant."

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

COMPUTATION OF EXTRA COMPENSATION FOR NIGHT WORK PAID CERTAIN OFFICERS AND EMPLOYEES

The bill (H. R. 3383) to provide that extra compensation for night work paid officers and employees of the United States shall be computed on the basis of either standard or daylight saving time was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT TO SECTION 50 OF THE ORGANIC ACT OF PUERTO RICO

The bill (H. R. 5207) to amend section 50 of the Organic Act of Puerto Rico, was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H. R. 4943) to amend the act providing for the admission of the State of Idaho into the Union by increasing the period for which leases may be made of public lands granted to the State by such act for educational purposes was announced as next in order.

Mr. AIKEN. Mr. President, on behalf of the senior Senator from North Dakota [Mr. LANGER] I ask that the bill go over.

The VICE PRESIDENT. The bill will be passed over.

MRS. EFFIE S. CAMPBELL

The Senate proceeded to consider the bill (S. 1801) for the relief of Mrs. Effie S. Campbell, which had been reported from the Committee on the Judiciary with an amendment on page 1, line 6, after the words "sum of", to strike out "$968.10" and insert "$950.42", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Effie S. Campbell, of Colorado Springs, Colo., the sum of $950.42, in full settlement of all claims against the United States for compensation for personal injuries sustained, and reimbursement of expenses incurred, and property damages to her automobile as the result of a collision between her car and an Army Red Cross ambulance from Peterson Field at Colorado Springs, Colo., in the service of the United States, on October 17, 1943, at the intersection of Tejon and Vermijo Streets in the city of Colorado Springs, Colo.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

EARL B. HOCHWALT

The Senate proceeded to consider the bill (S. 738) for the relief of Earl B. Hochwalt, which had been reported from the Committee on the Judiciary with an amendment on page 2, after line 4, to strike out:

SEC. 2. In the administration of the act entitled "An act to equalize certain disability benefits for Army officers", approved June 29, 1943 (57 Stat. 249), as amended, said Earl B. Hochwalt shall be deemed (a) to have incurred the physical disability for which he was retired from active service while serving in the temporary grade of lieutenant colonel, and (b) to have made timely application for receipt of the benefits provided by such act in full compliance with the provisions of section 7 thereof. No back retirement pay for any period prior to April 1, 1948, shall be deemed to have accrued by reason of the enactment of this section.

So as to make the bill read:

Be it enacted, etc., That (a) Earl B. Hochwalt, lieutenant colonel, United States Army, retired, is hereby relieved of liability for repayment of such sums as may have been paid to him, through error of the Finance Department, United States Army, in excess of the retired pay which he was entitled by law to receive for the period July 1, 1943, through March 31, 1948, and have not been repaid by him.

(b) The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said Earl B. Hochwalt an amount equal to such sums as may have been repaid by him, or deducted from his retired pay, in partial or full settlement of such erroneously paid sums.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CONVEYANCE OF CERTAIN LANDS TO MILES CITY, MONT.

The Senate proceeded to consider the bill (H. R. 3589) to convey to the city of Miles City, State of Montana, certain lands in Custer County, Mont., for use as an industrial site.

Mr. HENDRICKSON. Mr. President, I send to the desk an amendment which I ask the clerk to read.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 1, line 6, it is proposed to insert, after the word "Montana," the words "50 per centum of the proposed fair market value, as determined by the Secretary, of the following tracts of public land in Custer County, Mont., to wit:"; to strike out, in line 6, the words "upon payment of a", and to strike out out lines 7, 8, and 9.

The amendment was agreed to.

Mr. MORSE. Mr. President, may we have an explanation of the bill?

Mr. ECTON. Mr. President, I do not know the purpose of the amendment. I suppose it does not hurt the bill very much.

Mr. HENDRICKSON. The purpose is to embody in the bill the standard provision which we have been placing in all legislation involving the conveyance of public lands.

Mr. ECTON. If it is satisfactory to the other Members of the Senate, it is satisfactory to me. The bill simply conveys to the city of Miles City, Mont., for an industry site, 425 acres of land for an amount determined by the Secretary of the Interior. Miles City can expand only to the east or to the west, due to its location between the river and the foothills. On the east there is a residential district, and there is a veterans' hospital to be constructed there. The city cannot expand to the east. So the only possible direction in which it can expand is to the west. The Department of Agriculture has had a block of land containing 57,000 acres, on the west, and an agreement has been reached that 425 acres can be taken off that block of 57,000 acres and sold to Miles City. It is only grazing land, Mr. President; no one will be injured.

Mr. MORSE. Mr. President, I do not think this is a bill in which the 50 percent of market value provision is at all applicable. I think it is a bill in which 100 percent should be received by the Federal Government. Therefore I object.

The VICE PRESIDENT. The bill will be passed over.

Mr. MORSE subsequently said: Mr. President, I ask unanimous consent to have House bill 3589, Calendar 883, an act to convey to the city of Miles City, State of Montana, certain lands in Custer County, Mont., for use as an industrial site, go to the foot of the calendar. A little while ago, the bill was passed over under a misunderstanding as to what Miles City proposes to pay for the property. Miles City, Mont., proposes to pay the full value for the property. Therefore, in fairness to the Senator from Montana, I think the bill should go to the foot of the calendar.

The VICE PRESIDENT. Without objection, the bill will go to the foot of the calendar.

The clerk will call the next measure on the calendar.

CHATTOOGA COUNTY, GA.

The bill (H. R. 807) for the relief of Chattooga County, Ga., was considered, ordered to a third reading, read the third time, and passed.

GEORGE M. VAUGHAN

The bill (S. 1737) for the relief of George M. Vaughan, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to

pay, out of any money in the Treasury not otherwise appropriated, to George M. Vaughan, of Plymouth, Mass., the sum of $10,000, in full satisfaction of his claim against the United States for compensation for personal injuries and loss of earnings sustained by him, and for reimbursement of hospital, medical, and other expenses incurred by him, as a result of an accident which occurred when the motorcycle which he was riding was struck by a United States Army vehicle, at the intersection of Bradford Road and Sandwich Road, in Plymouth, Mass., on March 12, 1942: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

BILL PASSED OVER

The bill (H. R. 1689) to increase the rates of compensation of the heads and assistant heads of executive departments and independent agencies was announced as next in order.

Mr. HENDRICKSON. Mr. President, I feel that this bill is a type of bill which should be passed over.

The VICE PRESIDENT. The bill will be passed over.

LICENSE TAXES IN ALASKA

The bill (H. R. 225) to repeal section 460 of the act of March 3, 1899 (30 Stat. 1336), as amended, providing for certain license taxes in the Territory of Alaska was considered, ordered to a third reading, read the third time, and passed.

CONVEYANCE OF CERTAIN MINERAL RIGHTS IN CERTAIN LANDS IN OKLAHOMA

The bill (H. R. 2702) to authorize the Secretary of the Army to convey by quitclaim deed certain mineral rights in certain lands situated in the State of Oklahoma to Alfred A. Drummond and Addie G. Drummond, was considered, ordered to a third reading, read the third time, and passed.

ACADIA NATIONAL PARK, MAINE

The bill (H. R. 4026) relating to the exchange of certain private and Federal properties within the authorized boundaries of Acadia National Park, in the State of Maine, and for other purposes, was announced as next in order.

Mr. MORSE. Mr. President, I should like to have an explanation of the bill.

Mr. O'MAHONEY. Mr. President, this is a bill which involves only 5 acres of land now a part of the Acadia National Park, and adjacent to laboratory property.

The bill would authorize the acceptance by the Federal Government from Mr. John D. Rockefeller, Jr., of approximately 58 acres of land within the authorized boundaries of Acadia National Park, in the State of Maine. In exchange therefor the Secretary of the Interior would be authorized to convey to Mr. Rockefeller approximately 5 acres of land. It seemed to the committee that the exchange would inure to the benefit of the United States Government.

Mr. MORSE. Can the Senator from Wyoming assure the Senator from Oregon that the Federal Government would be getting more than it was giving in the exchange

Mr. O'MAHONEY. Yes.

Mr. SALTONSTALL. Mr. President, the Jackson Memorial Laboratory, if my memory serves me correctly, is a cancer research center, and the whole purpose is eleemosynary.

Mr. O'MAHONEY. There is no question about that.

The VICE PRESIDENT. Is there objection to the consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

ISSUANCE AND DELIVERY OF REVENUE BONDS UNDER LAWS OF HAWAII

The bill (H. R. 4688) to ratify and confirm Act 4 of the session laws of Hawaii, 1949, extending the time within which revenue bonds may be issued and delivered under chapter 118, Revised Laws of Hawaii, 1945, was considered, ordered to a third reading, read the third time, and passed.

POSTAL RATES ON MAIL TO THE BLIND

The Senate proceeded to consider the bill (S. 1695) to permit the sending of braille writers to or from the blind at the same rates as provided for their transportation for repair purposes.

The VICE PRESIDENT. There is an identical bill in the Committee on Post Office and Civil Service, House bill 3637. Without objection, the committee will be discharged from the further consideration of the bill, and, without objection, the House bill will be substituted for the Senate bill and will now be considered.

There being no objection, the bill (H. R. 3637) to permit the sending of braille writers to or from the blind at the same rates as provided for their transportation for repair purposes was considered, ordered to a third reading, read the third time, and passed.

The VICE PRESIDENT. Without objection, Senate bill 1695 is indefinitely postponed.

COMMISSION FOR STUDY OF OVERSEAS GOVERNMENTAL ACTIVITIES

The bill (S. 2072) to create a commission to make a study of the administration of overseas activities of the Government and make recommendations to Congress with respect thereto was announced as next in order.

Mr. LUCAS. Mr. President, I should like to have an explanation of the bill, because apparently the study of the activities of the Government would take in the entire world.

Mr. IVES. Mr. President, I could not hear what the Senator said.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. LUCAS. I reserve the right to object.

Mr. McCLELLAN. Mr. President, this bill carries out one of the recommendations of the Hoover Commission with respect to having a study made. The Commission felt that it was not equipped and did not have the time to make the study as it should, and therefore recommended that the commission be created. The Senator from Maryland [Mr. O'CONOR] was appointed chairman of the subcommittee to consider the bill. He is not present at the moment, and I should like to have the Senator from New York [Mr. IVES], who is also a member of the subcommittee, make an explanation.

Mr. IVES. Mr. President, as is quite generally known, the Government of the United States is represented on over 40 different international organizations of one kind or another. The amount of money we are spending for that purpose alone is in the neighborhood of about $150,000,000.

On top of that, as we all know, we are spending billions of dollars in various foreign activities in the form of aid of one kind or another. For all these reasons, the Hoover Commission held it most advisable that a commission be established for the purpose of checking these matters, surveying them, ascertaining what the facts are, and then making an appropriate report.

The bill now under consideration calls for a commission of 12 members, 4 to be appointed by the President of the United States, 4 by the President of the Senate, and 4 by the Speaker of the House of Representatives. The Commission itself is to be a temporary commission, existing only until April 1, 1951.

The Committee on Expenditures in the Executive Departments, after going very carefuly into this matter, not only from the standpoint of the committee as a whole, but particularly through the activities of one of the subcommittees of the committee which has been operating in the field of foreign activities of the Government, in various international agencies and organizations which are involved, decided that this proposal by the Hoover Commission possessed a great deal of merit and should be carried out, particularly in view of the fact that up to the present time the two Houses of Congress have seemed to be operating separately in this field, which is a rather expensive way of performing the duty, and at the same time is not likely to be conducive of the results which may be sought. For this reason the recommendations of the Hoover Commission have been followed, and the bill is before the Senate.

Mr. LUCAS. Mr. President, I should like to ask the Senator if there was any evidence before the committee as to the amount of time which would be taken in performing this task by the Commission, composed of four members appointed by the Senate and four by the House, and four representing the executive branch of the Government?

Mr. IVES. There is no evidence as to how much time would be taken, but the Senator from New York would point out that on page 3 of the bill there is a precaution which was inserted by the committee when the bill was reported to the effect that the Commission or any member thereof "may, when authorized by a majority of the Commission, for the purpose of carrying out the provisions of this act, hold such hearings, and sit, and act at such times and places, and take

such testimony as the Commission or such member may deem advisable."

Of course, under the terms of the bill the temporary Commission could carry on its activities and go anywhere it chose. We thought it advisable to have this precaution, that neither the whole Commission nor any subcommittee thereof would be permitted to act in any capacity of the nature indicated or in any other capacity without the authorization of a majority of the whole membership.

Therefore it would seem that the activities of the Commission should not in and of themselves require a great deal of work which would take the Commission or any of its members away from the city of Washington. They might possibly go to the city of New York, where the United Nations has its headquarters, but very likely not much beyond that.

On the other hand, the Senator from New York would like to point out that in view of the fact that the legislative branch of the Government is primarily the policy-making branch, it certainly should have as much to do with the determination of policies and activities where the Federal Government is concerned as does the executive branch. It seems to me most advisable that on any commission or organization of a temporary nature which may be created the Congress of the United States should be definitely represented. Therefore the Senator from New York feels very strongly that this particular proposal does possess a great amount of merit. The Senator from New York has been a member of the subcommittee working in the particular field where international organizations are concerned during the past 2 years, and realizes, I think, probably better than some others, the great need for a survey such as is contemplated by the bill.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. IVES. I yield to the Senator from Illinois.

Mr. LUCAS. Let us take as an example Berlin, or Frankfort, where our Government has overseas activities; just what would the proposed Commission do?

Mr. IVES. The Senator from New York would doubt very much that the Commission would go overseas.

Mr. LUCAS. We have overseas activities in Berlin.

Mr. IVES. But the Commission would send members of the staff, or a subcommittee of the membership, possibly one person, for that purpose.

Mr. LUCAS. In other words, the Commission could go all over the world.

Mr. IVES. It would go all over the world, and it would be very inadvisable to establish such a commission and restrict its power. A commission like this might find itself folding up at a most critical time when it would need elasticity. The Senator from New York would assume the chairman and members of the Commission would have some common sense, so that they would not be indulging in some of the activities which the Senator from New York suppposes are in the mind of the distinguished Senator from Illinois.

Mr. LUCAS. I agree with the Senator from New York that that supposition is possibly correct, but from what I have seen since I have been a Member of the House and Senate of the activities of some committees of the Congress of the United States, that does not always hold true.

Mr. IVES. The Senator from New York does not believe the distinguished Senator from Illniois is referring to Senate committees.

Mr. LUCAS. In the past few years, I have known of some Senate committees of this kind, the members of which did not travel about for the purpose of finding exactly what kind of administration and overseas activities were carried on.

Mr. IVES. Mr. President, in answer to that statement, the Senator from New York would like to point out that this is not a congressional joint committee. It is a commission on which will be represented the Executive as well as the Congress.

The VICE PRESIDENT. The time of the Senator from New York on this bill has expired. Is there objection to the present consideration of the bill?

Mr. LUCAS. Mr. President, I shall not object to consideration of the bill, but I have grave doubt about the advisability of creating a commission of this kind.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 2072) to create a commission to make a study of the administration of overseas activities of the Government, and to make recommendations to Congress with respect thereto, which had been reported from the Committee on Expenditures in the Executive Departments with an amendment, in section 6, on page 3, line 2, after the word "may", to insert "when authorized by a majority of the Commission," so as to make the bill read:

Be it enacted, etc., That there is hereby created a commission to be known as the Commission on Overseas Administration (hereinafter called the "Commission"), which shall be composed of four Members of the Senate appointed by the President of the Senate, four Members of the House of Representatives appointed by the Speaker, and four persons in the executive branch of the Government appointed by the President. Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made. The members of the Commission shall serve without additional compensation by reason of such membership, but they shall be allowed and paid their necessary travel and subsistence expenses while away from their official station on the business of the Commission.

SEC. 2. The Commission shall elect a Chairman and a Vice Chairman from among its members.

SEC. 3. Seven members of the Commission shall constitute a quorum.

SEC. 4. It shall be the duty of the Commission to make a study of the administration of the overseas activities of the Federal Government, with a view to making recommendations to the Congress with respect to means for coordinating and integrating such activities. The Commission shall complete its study and make a report of its findings and recommendations to Congress not later than March 1, 1951.

SEC. 5. The Commission is authorized, without regard to the civil-service laws or the Classification Act of 1923, as amended, to employ and fix the compensation of such personnel as it deems necessary to assist it in the performance of its functions. The Commission may also contract for services and employ part-time consultants on a per diem basis.

SEC. 6. (a) The Commission, or any member thereof, may, when authorized by a majority of the Commission, for the purpose of carrying out the provisions of this act, hold such hearings and sit and act at such times and places, and take such testimony, as the Commission or such member may deem advisable. Any member of the Commission may administer oaths or affirmations to witnesses appearing before the Commission or before such member.

(b) The Commission is authorized to secure directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality information, suggestions, estimates, and statistics for the purpose of this act; and each such department, bureau, agency, board, commission, office, establishment, or instrumentality is authorized and directed to furnish such information, suggestions, estimates, and statistics directly to the Commission, upon request made by the Chairman or Vice Chairman.

SEC. 7. The Commission shall cease to exist on April 1, 1951.

SEC. 8. There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

FISH RESTORATION AND MANAGEMENT PROJECTS

The bill (H. R. 1746) to provide that the United States shall aid the States in fish restoration and management projects, and for other purposes, was announced as next in order.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. HENDRICKSON. Mr. President, reserving the right to object, a careful study of this bill indicated that it could be improved by amendments so as to bring it more into conformity with the Pittman-Robertson Act of 1937. I shall send the amendments to the desk.

The VICE PRESIDENT. First, is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 1746) to provide that the United States shall aid the States in fish-restoration and management projects, and for other purposes.

Mr. HENDRICKSON. Mr. President, I offer certain amendments which are basically perfecting amendments.

The VICE PRESIDENT. Does the Senator wish to have the amendments considered en bloc?

Mr. HENDRICKSON. Yes, Mr. President; I ask that the amendments be considered en bloc.

The VICE PRESIDENT. Without objection, it is so ordered.

The amendments will be stated.

The LEGISLATIVE CLERK. On page 3, line 16, after the word "purposes", it is proposed to strike out the semicolon and insert a comma and "and such preliminary or incidental costs and expenses as may be incurred in and about such works."

On page 3, line 25, after the numerals "1941", it is proposed to insert "as heretofore or hereafter extended and amended."

On page 5, line 6, after the word "manner", it is proposed to strike out the semicolon and insert a comma.

On page 6, line 8, after the word "purposes" and the period, it is proposed to strike out:

Any sum not allocated under the provisions of this section shall be made available for expenditure by the Secretary of the Interior in carrying out the provisions of the fisheries-research program of the Fish and Wildlife Service with the States.

And in lieu thereof to insert the following:

So much of any sum not allocated under the provisions of this section for any fiscal year is hereby authorized to be made available for expenditure to carry out the purposes of this act until the close of the succeeding fiscal year, and if unexpended or unobligated at the end of such year such sum is hereby authorized to be made available for expenditure by the Secretary of the Interior in carrying on the research program of the Fish and Wildlife Service in respect to fish of material value or sport recreation.

On page 7, line 2, after the word "Service", it is proposed to strike out the period and insert "and shall be paid by the State as a part of its contribution to the total cost of such works."

On page 8, line 19, after the word "Any", it is proposed to strike out "constructive" and insert "construction."

On page 10, line 8, after the word "the", it is proposed to strike out "purposes" and insert "provisions."

On page 11, line 3, after the word "and", it is proposed to insert "not exceeding."

Mr. JOHNSON of Colorado. Mr. President, the committee which considered the bill also considered the amendments which have just been offered, and we think the amendments will improve the bill. We are in favor of the amendments.

The VICE PRESIDENT. The question is on agreeing en bloc to the amendments offered by the Senator from New Jersey [Mr. HENDRICKSON].

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read the third time.

The bill (H. R. 1746) was read the third time and passed.

AMENDMENT OF FEDERAL FOOD, DRUG, AND COSMETIC ACT

The bill (H. R. 160) to amend section 801 of the Federal Food, Drug, and Cosmetic Act, as amended, was announced as next in order.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. HENDRICKSON. Mr. President, reserving the right to object, I will have no objection to the bill if its sponsors will agree to the amendments which I now send to the desk.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 160) to amend section 801 of the Federal Food, Drug, and Cosmetic Act, as amended.

The VICE PRESIDENT. Does the Senator want the amendments considered en bloc or separately?

Mr. HENDRICKSON. Mr. President, I should prefer that they be considered en bloc.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The amendments offered by the Senator from New Jersey will be stated.

The LEGISLATIVE CLERK. On page 2, line 10, after the word "damages" and before the word "in" it is proposed to insert the following: "for the amount of the full invoice value thereof together with the duty thereon (including any tax required by law to be treated as duty as determined at time of entry of such article)."

On page 2, line 11, it is proposed to strike out the period and to insert in lieu thereof a colon and add the following: *"Provided*, That nothing in this act shall be construed to affect the authority conferred upon the Secretary of the Treasury by section 623 (c), Tariff Act of 1930, as amended, or construed to affect his authority to take a consolidated bond pursuant to section 623 (b) (4), Tariff Act of 1930, as amended: *Provided further*, That where such owner or consignee has previously executed and subsequently been required to forfeit the bond, or any part thereof, required by this section, the Secretary of the Treasury is hereby authorized to require such owner or consignee to execute a bond in excess of the amount of the full invoice value thereof together with the duty thereon (including any tax required by law to be treated as duty as determined at time of entry of such article)."

On page 2, line 11, after the period following the word "Treasury," it is proposed to strike out the word "If"; and in line 12, page 2, it is proposed to strike out the words "it appears to the Administrator" and insert in lieu thereof as follows: "When the Administrator, or his duly authorized representative, finds there is a reasonable ground to believe."

On page 2, line 17, it is proposed to strike out the words "and, upon filing" and to strike out line 18, and insert in lieu thereof the following: "and the Administrator, or his duly authorized representative, shall give a prompt written notice of his finding that such article can be brought into compliance with the act or otherwise rendered admissible to such owner or consignee and a copy thereof shall be sent to the collector of customs or appropriate customs officer, and upon filing a written application within 60 days after the receipt of such notice by such owner or consignee."

Mr. JOHNSON of Colorado. Mr. President, the committee which reported the bill, has carefully considered the proposed amendments, and finds nothing objectionable in them.

The VICE PRESIDENT. The question is on agreeing to the amendments offered by the Senator from New Jersey [Mr. HENDRICKSON] en bloc.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 160) was read the third time and passed.

AMENDMENT OF FAIR LABOR STANDARDS ACT OF 1938—BILL PASSED OVER

The bill (H. R. 5856) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes, was announced as next in order.

The VICE PRESIDENT. The bill relates to the present unfinished business.

Is there objection to the present consideration of the bill?

Mr. MCKELLAR. Mr. President, I ask that the bill be passed over.

The VICE PRESIDENT. The bill will be passed over.

Mr. MCKELLAR. I offer an amendment to the bill which I ask to have printed and lie on the table.

The VICE PRESIDENT. The amendment will be printed and will lie on the table.

COMPARISON OF PROVISIONS OF FAIR LABOR STANDARDS ACT OF 1938 AND S. 653 AND H. R. 5856

Mr. THOMAS of Utah. Mr. President, I ask unanimous consent to have printed in the RECORD, at this point, a comparison of the principal provisions in the present wage-and-hour law, Senate bill 653, as reported by the Labor Committee, and House bill 5856 which recently passed the House.

There being no objection, the comparison was ordered to be printed in the RECORD, as follows:

Comparison, S. 653 and H. R. 5856—Major changes which these measures would make in the Fair Labor Standards Act of 1938

	Under FLSA now	Under S. 653 (as reported by Senate Labor Committee)	Under H. R. 5856 (as passed by the House, Aug. 11, 1949)
Coverage	Wage and hour provisions apply to employees engaged in commerce or in the production of goods for commerce, including any process or occupation necessary to such production, unless specifically exempt.	Would retain coverage of present act.	Would continue application of wage and hour provisions to employees engaged in commerce or in the production of goods for commerce, but redefines "produced" to include, in addition to employees actually producing goods, only those employees "closely related" and "indispensable" to production.

Comparison, S. 653 and H. R. 5856—Major changes which these measures would make in the Fair Labor Standards Act of 1938— Continued

	Under FLSA now	Under S. 653 (as reported by Senate Labor Committee)	Under H. R. 5856 (as passed by the House, Aug. 11, 1949)
Minimum wage	40 cents an hour, with authority to set lower rates by wage order for employees in industries in Puerto Rico and Virgin Islands, pursuant to recommendation of special industry committees.	75 cents an hour, with provisions of present act continued for setting rates lower than 75 cents in Puerto Rico and Virgin Islands.	75 cents an hour, with new provisions for setting lower rates in Puerto Rico and Virgin Islands.
Hours worked	Except for Portal-to-Portal Act provisions for preliminary and postliminary activities, no provision is made with respect to "hours worked."	No change	Provides a definition of "hours worked" under which actual hours of work will not be counted as such under the act if parties to a collective bargaining agreement choose to exclude them from measured working time. The provisions of this section have a direct relation to the maintenance of minimum wage and overtime standards of the act.
Overtime pay	Time and one-half "regular rate" for all hours worked in excess of 40 in a workweek, subject to the specific exemptions. Term "regular rate" not expressly defined, except that certain premium payments may be excluded from regular rate and credited as overtime pay as provided by new sec. 7 (e) (Public Law 177, 81st Cong., 1st sess.).	do	Time and one-half "regular rate" for hours worked in excess of 40 in a workweek, but subject to: (1) Provisions permitting payment of time and one-half based on hourly or piece rate applicable during overtime hours; (2) a provision permitting payment for hours over 40 to employees working irregular hours under an individual or collective bargaining contract guaranteeing weekly pay for any number of hours not exceeding 60, at time and one-half the regular rate specified in the contract, and the specified rate may be as low as the minimum established by the act (this would permit use of contracts not now valid under Belo decision); (3) a definition of "regular rate" excluding a number of types of payments therefrom. This provision neither defines nor provides for regulations defining "talent fees" and "profit sharing" payments which would be excluded from "regular rate."
Child-labor provisions	Prohibited: Shipment or delivery for shipment in commerce of goods produced in an establishment in or about which within 30 days prior to removal thereof any "oppressive child labor" was employed.		Changes present act by adding a "good faith" defense for "innocent purchaser" of "hot goods."
	No direct or indirect restrictions on employment of child labor where interstate commerce is carried on but no goods are produced.	Directly prohibits employment of oppressive child labor in commerce or in production of goods for commerce.	Same as S. 653, although "production" coverage would be reduced by narrowed definition of "produced."
	Exempt: (1) Children employed in agriculture while not legally required to attend school.	(1) Exempts child labor in agriculture "outside of school hours" for the district.	(1) Same as present act.
	(2) Child actors in motion picture and theatrical productions.	(2) Broadened to include "performers" and extended to radio and television productions.	(2) Same as S. 653.
	(3) Children under 16 employed by their parents in nonmining and nonmanufacturing occupations (even though hazardous so that child could not be so employed if 16 or 17 years of age).	(3) Loophole closed by allowing no exemption for employment in hazardous occupations.	(3) Substantially same as S. 653.
Retail or service establishments.	Wage and hour provisions of act do not apply to ordinary local retail store, small farm-equipment dealer, barber or beauty shop, restaurant, home laundry, tavern, shoe-repair shop, etc., if more than 50 percent of their selling or servicing is intrastate. Retail outlets of interstate chain enterprises and large department stores, hotels, etc., may claim same exemption as typical local retailer of goods or services. Establishments doing a substantial amount (more than 25 percent) of business other than retail selling or servicing are not exempt as retail or service establishments. However, retail selling or servicing is interpreted to include not only transactions with individuals for personal or family consumption, but also many similar transactions with business and commercial customers and with farmers.	No change	Would establish new tests for exemption by: (1) Applying 50-percent test on basis of sales of goods or services "made within the State" instead of the amount of selling or servicing that is "intrastate" in character; (2) substitutes for the present legally established concept of retail a variable concept dependent upon a determination to be made for each industry of what "is recognized as retail sales or services in the particular industry." 75 percent of the sales of goods or services must not be for resale, and "resale" is defined to include all sales of goods used in residential or farm building construction, repair, or maintenance, with this definition to apply to establishments which make both nonretail and retail sales. Would add a new exemption for establishments laundering, cleaning, or repairing clothing or fabrics for business or commercial customers other than manufacturing, mining, transportation or communication businesses. Would add a new exemption for employees employed by "retail" establishments engaged in manufacturing or processing the goods they sell.
Agricultural employees	Agriculture employees are exempt from wage and hours provisions on year-round basis.	do	No change.
Fishery employees	Fishery employees are exempt from wage and hours provisions on year-round basis.	do	Do.
Handlers and processors of agricultural products.	"Area of production" and other types of complete minimum wage and/or overtime pay exemptions, or partial overtime pay exemptions, apply to employees of handlers and processors of farm products.	Removes minimum wage exemption and retains only the year-round overtime pay exemption for employees now completely exempt as handlers or processors of farm products in the "area of production."	Same as present except that Secretary of Agriculture, instead of Administrator, is to define "area of production."
		Adds complete overtime exemption for first processing of buttermilk into dairy products.	Adds complete overtime pay exemption for first processing of buttermilk into dairy products.
Handlers and processors of fisheries products.	Complete minimum wage and overtime pay exemptions apply to employees of fisheries products handlers and processors.	No change	Only change would be removal of the present complete exemption for fish processing and canning employees, with the presented limited overtime exemption for seasonal industries extended to fish processing and canning.
Transportation employees.	The following transportation employees are exempt from both the minimum wage and overtime pay provisions:		
	(1) Seamen	(1) No change	(1) No change.
	(2) Employees of air carriers	(2) No change	(2) Deletes minimum wage exemption while retaining overtime pay exemption for employees of air carriers.
	The following transportation employees are covered by the minimum wage provisions but are exempt from the overtime pay provisions:		
	(1) Employees of railroads, express companies, refrigerator-car companies, sleeping-car companies, and pipe lines.	(1) No change	(1) No change.
	(2) Drivers, drivers' helpers, loaders, and mechanics of motor carriers engaged in safety-affecting work.	(2) No change	(2) No change.

Comparison, S. 653 and H. R. 5856—Major changes which these measures would make in the Fair Labor Standards Act of 1938— Continued

	Under FLSA now	Under S. 653 (as reported by Senate Labor Committee)	Under H. R. 5856 (as passed by the House, Aug. 11, 1949)
Other exemptions	The following employees are exempt from both the minimum wage and overtime pay provisions: (1) Employees employed in bona fide "executive," "administrative," "professional," "local retailing," and "outside salesman" capacities.	(1) No change	(1) No change.
	(2) Switchboard operators in telephone exchanges with less than 500 stations.	(2) No change	(2) No change.
	(3) Employees of local street railways and of local trolley and bus lines.	(3) No change	(3) No change.
	(4) Employees of local weekly and semi-weekly newspapers having circulation of not more than 3,000 mostly in the county in which printed and published.	(4) No change	(4) Would extend exemption to employees of local newspapers by increasing circulation limit from 3,000 to 5,000, by including daily newspapers in exemption provisions, and by permitting circulation to extend into contiguous counties.
		New exemption is provided from both minimum wage and overtime pay provisions for employee or proprietor in otherwise exempt retail establishment where he is engaged in handling telegraph messages for the public under an agency contract from which the revenue does not exceed $500 a month.	Same as S. 653.
			The following new exemptions from both the minimum wage and overtime pay provisions would be added: (1) Employees in forestry and sawmill operations of employers having no more than 12 employees. (2) Irrigation employees of systems not owned or operated for profit, where water is used exclusively for agricultural purposes. (3) "Any home worker in a rural area who is not subject to any supervision or control by any person whomsoever," who buys raw material, makes and completes articles, and sells to anybody, although article is made according to "specifications and the requirements of some single purchaser." (4) Employees of taxicab companies.
Guaranteed annual employment plans.	Overtime pay requirements are relaxed when labor and management adopt guaranteed annual employment plans under specific provisions of the act.	No change	Would liberalize present requirements, thus aid generally in attaining original objectives of the act to encourage labor-management contracts for employment on an annual basis.
Administration	Administrator has responsibility for wage and hours provisions, inspections, and records provisions. Secretary of Labor is responsible for child-labor provisions.	No change	Places responsibility for child-labor provisions in Administrator, instead of Secretary of Labor.
	Act does not provide authority for enforcing payment of back wages found due to employees, other than through injunction and through provision under which employees themselves may bring suit, subject to 2-year statute of limitation established by Portal-to-Portal Act of 1947.	Authorizes Administrator to supervise payment of back wages and provides that employee's acceptance constitutes waiver of right to sue, under sec. 16 (b).	Same as S. 653.
		Also authorizes Administrator to sue directly on behalf of employees, with consent of employee to such suit constituting a waiver of his rights under sec. 16 (b).	Does not authorize Administrator to bring suit for back wages in behalf of employees.

BILLS PASSED OVER

The VICE PRESIDENT. The next bill on the calendar will be stated.

The bill (S. 2246) to amend the National Housing Act, as amended, and for other purposes, was announced as next in order.

Mr. TAFT. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (H. R. 5327) to continue until the close of June 30, 1950, the suspension of duties and import taxes on metal scrap, and for other purposes, was announced as next in order.

Mr. HENDRICKSON. Over.

The VICE PRESIDENT. The bill will be passed over.

HOUSE CONCURRENT RESOLUTION PASSED OVER

The concurrent resolution (H. Con. Res. 62) creating a Joint Committee on Lobbying Activities, was announced as next in order.

SEVERAL SENATORS. Over.

The VICE PRESIDENT. The concurrent resolution will be passed over.

TRANSFER OF LAND TO COUNTY OF BERNALILLO, N. MEX., FOR HOSPITAL SITE

The bill (S. 2286) authorizing transfer of land to the county of Bernalillo, State of New Mexico, for a hospital site, was announced as next in order.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. MORSE. Mr. President, I should like to have an explanation of the bill.

Mr. ANDERSON. Mr. President, I ask unanimous consent that the Senate consider House bill 5970, which is identical in language with Senate bill 2286. The Senate bill, however, contains a committee amendment.

The VICE PRESIDENT. Is there objection to the present consideration of the House bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 5670) authorizing transfer of land to the county of Bernalillo, State of New Mexico, for a hospital site.

Mr. MORSE. Mr. President, may we have an explanation of the bill?

Mr. ANDERSON. This bill involves the transfer for hospital purposes of a small portion of land located close to the Indian hospital in the county of Bernalillo. It is proposed that a hospital be constructed jointly by the county of Bernalillo and the Indian Service on the land, and that there be made available on the land a 100-bed hospital for the Indians. I believe these are amendments which the distinguished Senator from New Jersey will offer which will adequately protect the United States in this matter of transfer of land.

First of all, I ask that the amendment of the Senate committee appearing in Senate bill 2286 be acted upon as an amendment to the House bill, and added to the House bill. I make that request so that the House bill will conform to the Senate bill, as reported from the Committee on Interior and Insular Affairs with the amendment.

The VICE PRESIDENT. The amendment to Senate bill 2286, which the Senator from New Mexico asks to have added to the House bill now under consideration, will be stated.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to insert a proviso as follows:

That if the county of Bernalillo and the Commissioner of Indian Affairs shall enter into a contract or contracts whereby facilities for the treatment of Indians are to be made available at a hospital constructed upon land transferred to the county of Bernalillo under the terms of this act, the Secretary of the Interior may make such transfer without reimbursement to the Treasury of the United States.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HENDRICKSON. Mr. President, I send to the desk the amendments to which the Senator from New Mexico has referred.

The VICE PRESIDENT. The amendments will be stated.

The LEGISLATIVE CLERK. In line 6, after the name "New Mexico", it is proposed to insert "upon payment by said county of one-half of the appraised fair market value thereof, as determined by the Secretary"; in line 12, after the name "New Mexico", it is proposed to insert a colon and the following proviso: *"Provided,* That if the county of Bernalillo and the Commissioner of Indian Affairs shall enter into a contract or contracts whereby facilities for the treatment of Indians are to be made available at a hospital constructed upon land transferred to the county of Bernalillo under the terms of this act, of a value equal to or in excess of one-half of the appraised fair market value of the property so transferred, the Secretary of the Interior may make such transfer without reimbursement to the Treasury of the United States."

The VICE PRESIDENT. The question is on agreeing to the amendments offered by the Senator from New Mexico.

The amendments were agreed to.

Mr. ANDERSON. Mr. President, I want to keep faith with my distinguished friend from New Jersey. I did not hear his statement respecting the amendments he proposed to offer. Were those amendments presented and were they adopted?

The VICE PRESIDENT. The amendment to the Senate bill was added to the House bill, and agreed to.

Mr. HENDRICKSON. Yes; they were agreed to, Mr. President.

Mr. MORSE. Mr. President, I should like to ask the Senator from New Mexico a question. I should like to have him explain to the Senate what the Federal Government is getting out of this transfer?

Mr. ANDERSON. Without building the necessary operating rooms, it is getting 100 beds for Indian patients. That, however, is covered in subsequent legislation. Under the amendments offered by the Senator from New Jersey and agreed to, unless the Secretary of the Interior enters into a contract for the construction of such hospital, the transfer of land will not take place. Unless it is a cooperative hospital adjoining the present tuberculosis hospital operated by the Indian Service, there will be no transfer of land to the county. It was necessary to transfer the land to the county in order to get construction under way. If the contract is entered into, and if the plans go through, then the transfer of land will take place, but it will not take place otherwise.

Mr. MORSE. Who is building the hospital?

Mr. ANDERSON. The county of Bernalillo.

Mr. MORSE. With county funds?

Mr. ANDERSON. Partly with county funds, partly with Hill-Burton funds, and partly with Federal funds. There is to be an agreement entered into providing that 100 of the 200 beds shall always be available for Indians.

Mr. MORSE. Can the Senator tell us how much this land is worth? What is its value?

Mr. ANDERSON. I do not wish to get in wrong with the chamber of commerce in my home community. At the time the land was transferred to the Federal Government, I think it was appraised in the neighborhood of from $5 to $10 an acre. Since then the town has built up around it. I suppose it is now worth $1,000 or $2,000 an acre, or more, depending upon the attitude of the chamber of commerce. Four or five acres would be required for construction.

Mr. MORSE. Can the Senator from New Mexico give the Senator from Oregon reasonable assurance that the Federal Government will get out of this transaction service from the county which will represent at least 50 percent of the fair market value of the land?

Mr. ANDERSON. I so assure the Senator.

The VICE PRESIDENT. The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

REIMBURSEMENT OF CERTAIN TREASURY DEPARTMENT AGENCIES

The bill (S. 2018) to authorize advancements to and the reimbursement of certain agencies of the Treasury Department for services performed for other Government agencies, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That (a) when any service authorized by law and directed by the Secretary of the Treasury is performed or to be performed by the Division of Disbursement, the Office of the Treasurer of the United States, or the Bureau of Engraving and Printing of the Department of the Treasury for any other Government agency, and no funds have been appropriated to such Division, Office, or Bureau for the performance of such service, the Government agency for which such service is performed or to be performed is authorized to advance for credit or pay to such Division, Office, or Bureau such sums as may be necessary to cover the expenses incident to the rendition of such service.

(b) Notwithstanding the provisions of section 3617 of the Revised Statutes (31 U. S. C. 484), any sums transferred pursuant to subsection (a), and any sums received by such Division, Office, or Bureau for service performed or to be performed for the government of any possession of the United States or any foreign government pursuant to law and by direction of the Secretary of the Treasury, may be credited to the appropriations of such Division, Office, or Bureau current at the time of the performance of such service.

(c) As used in this section—

(1) the term "Government agency" shall include (A) any bureau or agency of the Department of the Treasury not named in subsection (a), (B) any department, office, agency, or establishment of the Government other than the Department of the Treasury, and (C) any wholly owned or mixed-ownership Government corporation; and

(2) the term "service" shall include, but shall not be limited to, service rendered in (A) the collection and disbursement of funds, (B) the servicing of bonds, (C) the rendition of accounts, (D) the keeping of bank and checking accounts, and (E) the design, engraving, and printing of currency, bonds, notes, certificates, checks, stamps, and like forms of engraved documents.

SEC. 2. The proviso contained in the third paragraph under the caption "Engraving and Printing" of section 1 of the act entitled "An act making appropriations for sundry civil expenses of the Government for the fiscal year ending June 30, 1837, and for other purposes," approved August 4, 1836 (24 Stat. 227; 31 U. S. C. 176), relating to the disposition of receipts for miscellaneous work authorized by law to be performed by the Bureau of Engraving and Printing, is hereby repealed.

USE FOR PUELIC PURPOSES OF CERTAIN LAND IN HOT SPRINGS, N. MEX.

The bill (S. 2275) permitting the use for public purposes of certain land in Hot Springs, N. Mex., was announced as next in order.

Mr. ANDERSON. Mr. President, I ask unanimous consent to substitute that Calendar 931, House bill 5620, be substituted for the Senate bill and that the House bill be presently considered.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H. R. 5620) permitting the use, for public purposes, of certain land in Hot Springs, N. Mex.

Mr. MORSE. Mr. President, may we have an explanation of the bill?

Mr. ANDERSON. Mr. President, in reply to the Senator from Oregon I will say that in 1928, or thereabouts, the United States Government transferred to the State of New Mexico certain land within the town of Hot Springs for use as a municipal bathing pool, in connection with the hot springs. Subsequently hotels and tourist courts have been built in a rather narrow valley, and all those hotels and tourist courts maintain their own hot baths. The result is that the municipal bathhouse has been allowed to deteriorate to some degree. It is not used, and is unsightly and insanitary. The municipality desires to make use of the land for a municipal building, since the valley is rather narrow. The State of New Mexico is the owner of the property. This bill merely allows the State of New Mexico to permit the municipality to use it for a city building, instead of a city bathhouse, which is not required.

Mr. MORSE. Is the Federal Government interested only in the original reservation?

Mr. ANDERSON. That is correct; only in the original reservation.

The VICE PRESIDENT. The question is on the third reading and passage of the bill.

The bill was ordered to a third reading, read the third time, and passed.

The VICE PRESIDENT. Without objection, Senate bill 2275 is indefinitely postponed.

DEVELOPMENT OF FISH, WILDLIFE, AND RECREATIONAL ASPECTS OF THE COLORADO-BIG THOMPSON PROJECT

The bill (H. R. 5134) to promote development in cooperation with the State of Colorado of the fish, wildlife, and recreational aspects of the Colorado-Big Thompson Federal reclamation project was announced as next in order.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. HENDRICKSON. Mr. President, reserving the right to object, I have agreed with the sponsors of the bill to accept the amendments which I now send to the desk.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

The VICE PRESIDENT. The amendment offered by the Senator from New Jersey will be stated.

The LEGISLATIVE CLERK. It is proposed to insert on page 5 a new section 6, as follows, immediately following section 5, after line 16, renumbering sections 6, 7, 8, and 9, accordingly:

SEC. 6. Nothing herein shall be construed as repealing or otherwise altering the laws governing the administration of the national forests as far as they affect the lands withdrawn in connection with the project, nor as abrogating the authority of the Secretary of Agriculture with respect to the administration of such lands: *Provided*, That with the concurrence of the Secretary of Agriculture and subject to such reasonable conditions as he may deem necessary in the protection and management of the national forests, national forest lands within the reservoir area but not actually used and needed for protection or operation of any reservoir or reclamation works, may be developed hereunder.

Mr. O'MAHONEY. Mr. President, the amendment which is proposed is a restatement, in effect, of what the committee said in its report with respect to the National forest lands. There is no objection to the amendment. Indeed, I hope it may be adopted.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from New Jersey.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

CONVEYANCE TO FRANCISCAN FATHERS OF CERTAIN LAND IN MONTEREY COUNTY, CALIF.

The Senate proceeded to consider the bill (S. 1660) providing for the conveyance to the Franciscan Fathers of California of approximately 40 acres of land located on the Hunter-Liggett Military Reservation, Monterey County, Calif., which had been reported from the Committee on Armed Services with amendments, on page 1, line 6, after the word "the" to strike out "following described"; on page 2, line 1, after the word "less," to insert "described substantially as follows"; in line 17, after the word "and" to strike out "22" and insert "30;", and on page 3, line 5, after the word "beginning" to insert "excepting therefrom the 33.19-acre tract commonly known as the Mission San Antonio now owned by the Franciscan Fathers and as described in the patent from the United States of America to Joseph S. Alemany, Bishop of Monterey, dated May 1, 1862, and recorded June 29, 1874, in volume A of patents, Monterey County Records, at page 416", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Army is authorized and directed to convey by quitclaim deed, to the Franciscan Fathers of California, a body corporate, subject to the conditions provided for in section 2 of this act, the tract of land lying within the Hunter-Liggett Military Reservation, in the county of Monterey, State of California, containing forty acres more or less, described substantially as follows:

Beginning at station 16 of the Mission San Antonio de Padua Grant recorded in book A of patents on pages 416 and the following, in the office of the county recorder, Monterey County, California; thence north thirty-seven degrees thirty minutes west six hundred feet, more or less, to the center line of the bed of the Mission Creek; thence following the center line of the bed of said creek in a generally southwesterly direction approximately three thousand and two hundred feet to the point where the center line of the bed of said creek intersects with the north side of the bridge over said creek; thence south fifty-seven degrees no minutes east seven hundred and ten feet, more or less, to station 6 of the above referred to patent; thence along the old boundaries fifty-seven degrees no minutes east three hundred and thirty feet to station numbered 7 of said patent; thence north seventy-seven degrees forty minutes east approximately eight hundred and seventy-five feet to station 9 of said patent; thence along old boundaries north forty-nine degrees fifteen minutes east eighty-nine and one-tenth feet to station 10 of said patent; thence continuing said course six hundred and forty-five feet, more or less, to a point designated as station 10A; thence north nineteen degrees thirty-four minutes west one thousand four hundred and seventy feet, more or less, to station 15 of said patent; thence continuing along same course along the old boundaries nineteen degrees thirty-four minutes west a distance of five hundred eighty and five-tenths feet to station 16 of said patent, the true point of beginning, excepting therefrom the thiry-three and nineteen one-hundredths acre tract commonly known as the Mission San Antonio now owned by the Franciscan Fathers and as described in the patent from the United States of America to Joseph S. Alemany, Bishop of Monterey, dated May 1, 1862, and recorded June 29, 1874, in volume A of patents, Monterey County Records, at page 416.

SEC. 2. The tract of land authorized to be transferred by the first section of this act shall be conveyed for a consideration to be determined by the Secretary of the Army, which shall be not less than the fair market value of such land; and the deed of conveyance shall (1) except and reserve to the United States a permanent easement for the existing water main which traverses such land and the right to keep, maintain, and enlarge the same for the convenience of the United States; and (2) contain such additional terms, reservations, exceptions, and conditions as may be determined by the Secretary of the Army to be necessary to safeguard the interests of the United States, and any leasehold interests in such land.

The amendments were agreed to.

Mr. MORSE. Mr. President, may we have an explanation of the bill?

Mr. KNOWLAND. Mr. President, this is a bill unanimously reported from the Committee on Armed Services. The purpose of the bill is to convey to the Franciscan Fathers of California a tract of approximately 40 acres of land located on the Hunter-Liggett Military Reservation, Monterey County, Calif. This conveyance is to be made for a consideration which shall not be less than the fair market value of the land. Adequate provision is made in section 2 of the bill for such easements and other exceptions as the Secretary of the Army may determine to be necessary to safeguard the interests of the United States.

I may say that the missions of California have long had great historic interest. Many of them have been rebuilt and reconditioned. This was the old Mission San Antonio, most of the location of which is on the land of the Franciscan Fathers; but in excavating it was found that some of the original mission buildings extended into this 40-acre area. The bill provides that the fair market value shall be paid for the land. It has the approval of the National Defense Establishment.

Mr. MORSE. I wish to commend the Senators from California, as well as the Franciscan Fathers, for giving the Federal Government full value for Federal property.

Mr. HENDRICKSON. Mr. President, I offer a very simple amendment.

The VICE PRESIDENT. The amendment offered by the Senator from New Jersey will be stated.

The LEGISLATIVE CLERK. On page 3, line 16, after the word "the" and before the word "fair" it is proposed to insert the word "appraised."

Mr. KNOWLAND. Mr. President, I have no objection.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from New Jersey.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

GUIDED MISSILE RESEARCH LABORATORY, BUREAU OF STANDARDS—BILL PASSED TO FOOT OF THE CALENDAR

The bill (S. 2316) to authorize the construction and equipment of a guided-missile research laboratory building for the National Bureau of Standards, Department of Commerce, was announced as next in order.

Mr. SALTONSTALL. Mr. President, I should like to ask the distinguished Senator from Colorado a question. Will funds for the construction of this building ultimately come from the appropriations of the Department of Commerce, or from military funds? I ask that question, because, of course, there are priorities on the military side.

Mr. JOHNSON of Colorado. I presume they will come from Department of Commerce funds and that the Appropriations Committee will provide an item in the Commerce Department appropriation bill for funds for building this laboratory. I do not see how it could do otherwise.

Mr. SALTONSTALL. This is purely a military project, is it not?

Mr. JOHNSON of Colorado. It is a military project. However, practically

all the work done by the Bureau of Standards is done for some other department of Government. This happens to be one of the things in which the military will be interested. There is no reason why a change should be made in the funds which are appropriated. I am sure that the funds will come through the Department of Commerce, as they should.

Mr. CORDON. Mr. President, will the Senator yield for a further question?

Mr. JOHNSON of Colorado. I yield.

Mr. CORDON. I note that the bill itself provides for a limit of cost of $1,900,000. As I read the language, that limitation goes only to the construction of the facilities, and does not include the cost of the site, which I can readily see might run into a figure as great as or greater than the cost of the construction itself. Has the Senator any information on that subject?

Mr. JOHNSON of Colorado. It is difficult to believe that the site would cost any such sum. However, that item had to be left open, because it has not been determined up to the present time whether this particular laboratory should be built in Washington or in some other place in the United States. Since we do not know where it is to be located, it is difficult to tell what the cost will be. I have an idea, however, that the cost of the site will be very small.

Mr. CORDON. Am I to understand from the Senator that at least at the moment it is not contemplated that it will be auxiliary in its location to the site now occupied by the Bureau of Standards?

Mr. JOHNSON of Colorado. It might not be located there—for security reasons. That is why we do not know where it will be located.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. TAFT. I do not quite understand. Section 1 of the bill provides for a guided-missile laboratory, under a cost limit of $1,900,000. Section 2 seems to be a perfectly general provision of authority for the Secretary of Commerce to acquire any land, anywhere, if necessary for the construction of buildings to house the Bureau of Standards. That provision seems to have no relationship to the guided-missile laboratory. It seems to me to authorize the Secretary of Commerce to buy land anywhere for any buildings he may wish to have constructed for the Bureau of Standards. Is that not a somewhat unusual authority to be given?

Mr. JOHNSON. We do not wish that authority to be included in the bill. It is not necessary to have that kind of wide-open authority. The authority for the acquisition of land should pertain strictly to a site for this laboratory.

Mr. TAFT. I wonder whether the Senator will let the bill go to the foot of the calendar.

Mr. JOHNSON of Colorado. Yes; I shall be glad to agree to have that done.

The VICE PRESIDENT. The bill will go to the foot of the calendar.

Mr. HENDRICKSON. Mr. President, I send to the desk an amendment to the bill.

The VICE PRESIDENT. The amendment will be printed and lie on the table.

The clerk will call the next measure on the calendar.

BILL PASSED OVER

The bill (S. 2360) to amend the Federal Airport Act so as to authorize appropriations for projects in the Virgin Islands was announced as next in order.

Mr. HENDRICKSON. Mr. President, on behalf of the distinguished Senator from Kansas [Mr. SCHOEPPEL] I object.

The VICE PRESIDENT. Objection being heard, the bill will be passed over.

MINOR PROJECTS AT MAJOR AIRPORTS

The Senate proceeded to consider the bill (S. 1282) to authorize grants under the Federal Airport Act for minor projects at major airports, which had been reported from the Committee on Interstate and Foreign Commerce with an amendment, to strike out all after the enacting clause, and insert:

That section 8 of the Federal Airport Act is amended to read as follows:

"SEC. 8. At least 2 months prior to the close of each fiscal year, the Administrator shall submit to the Congress a request for authority to make grants, during the two fiscal years immediately following the fiscal year in which such request is submitted to the Congress, for those of the projects for the development of class 4 and larger airports included in the current revision of the national airport plan which, in his opinion, should be undertaken during that period, and for which grants have not previously been authorized as provided herein, together with an estimate of the Federal funds required to pay the United States share of the allowable project costs of such development: *Provided*, That a grant or grants of funds for the development of any class 4 or larger airports, in a total amount not in excess of $50,000 during any fiscal year, may be made without prior submission of a request for and grant of authority pursuant to this section. In determining what development to include in such a request, the Administrator shall consider, among other things, the relative aeronautical need for and urgency of all such development included in the plan and the likelihood of securing satisfactory sponsorship of projects for the accomplishment of such airport development. Any subsequent appropriation of funds pursuant to section 5 of this act shall be deemed to grant the authority requested, unless a contrary intent shall have been manifested by the Congress by law or by concurrent resolution. No grant of funds in excess of $50,000 in any one fiscal year for development of any class 4 or larger airport shall be made unless authorized as provided herein."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to authorize grants under the Federal Airport Act for minor projects at major airports, and for other puposes."

MABEL H. SLOCUM

The bill (H. R. 1132) for the relief of Mabel H. Slocum was considered, ordered to a third reading, read the third time, and passed.

CONRAD L. WIRTH

The bill (H. R. 1446) for the relief of Conrad L. Wirth was considered, ordered to a third reading, read the third time, and passed.

JACK McCOLLUM

The bill (H. R. 2091) for the relief of Jack McCollum was considered, ordered to a third reading, read the third time, and passed.

WALT W. ROSTOW

The bill (H. R. 2471) for the relief of Walt W. Rostow was considered, ordered to a third reading, read the third time, and passed.

GRACE L. ELSER

The bill (H. R. 2594) for the relief of Grace L. Elser was considered, ordered to a third reading, read the third time, and passed.

MRS. JOSEPHINE WAGNON WALKER

The bill (H. R. 3665) for the relief of Mrs. Josephine Wagnon Walker was considered, ordered to a third reading, read the third time, and passed.

FRANCESCA LUCARENI, A MINOR

The bill (H. R. 5155) for the relief of Francesca Lucareni, a minor, was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 73) for the relief of Samuel M. Inman, was announced as next in order.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. GEORGE. Mr. President, it will be necessary to amend the bill. I do not wish to offer the amendment in the absence of the chairman of the Judiciary Committee. Therefore, I ask that the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The clerk will state the next measure on the calendar.

C. J. HARTMAN

The Senate proceeded to consider the bill (S. 481) for the relief of C. J. Hartman, which has been reported from the Committee on the Judiciary with an amendment on page 1, line 3, after the word "Treasury", to strike out "is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to C. J. Hartman, Clearwater, Fla., the sum of $10,000 in full satisfaction of his claim against the United States for compensation for personal injuries sustained by his minor son, Clarence Herbert Hartman, as a result of an accident which occurred near Pinellas Airfield, St. Petersburg, Fla., on June 7, 1943, when a rope suspended from an Army aircraft encircled the neck of said Clarence Herbert Hartman and threw him against the eaves of a nearby building" and insert: "be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $5,000 to the legal guardian of Clarence Herbert Hartman, a minor, of Clearwater, Fla., in full settlement of all claims against the United States for compensation for personal injuries sustained by the said minor on June 7, 1943, near Pinellas Army Airfield, St. Petersburg, Fla., when a rope suspended from an Army airplane struck him on the neck

and threw him to the ground", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $5,000 to the legal guardian of Clarence Herbert Hartman, a minor, of Clearwater, Florida, in full settlement of all claims against the United States for compensation for personal injuries sustained by the said minor on June 7, 1943, near Pinellas Army Air Field, St. Petersburg, Fla., when a rope suspended from an Army airplane struck him on the neck and threw him to the ground: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of the legal guardian of Clarence Herbert Hartman, a minor."

SAUL PHILLIPS

The Senate proceeded to consider the bill (S. 1048) for the relief of Saul Phillips, which had been reported from the Committee on the Judiciary with an amendment on page 1, line 6, after the words "sum of", to strike out "$1,494.70" and insert "$869.76", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Saul Phillips, of Albany, N. Y., the sum of $869.76, in full satisfaction of his claim against the United States for overtime compensation as an employee of the Bureau of Entomology and Plant Quarantine, Department of Agriculture, during the period December 1, 1942, to June 30, 1945: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

GEORGE K. HAVILAND

The bill (S. 1764) for the relief of George K. Haviland was announced as next in order.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. HENDRICKSON. Mr. President, may the Senate have some comment from the sponsors of this bill?

Mr. KILGORE. Mr. President, this bill provides for the payment of the sum of $271.17 to George K. Haviland, of Seattle, Wash., in full satisfaction of his claim against the United States for compensation of services rendered the Department of the Navy, during the period November 26 to December 16, 1944.

It appears that the claimant was employed as a mechanical inspector by the Austin Co., contractors, on the construction of the United States naval receiving station, Seattle, Wash. While so employed, there was some discussion, presumably with an officer of the Civil Engineer Corps, Department of the Navy, regarding the possibility that the claimant might be given civil-service employment in the construction-work program administered at that station by the Bureau of Yards and Docks, Navy Department.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. KILGORE. Let me add that, in other words, there was misunderstanding as to whether he worked for the Government. For that reason, he was not paid.

The purpose of this bill is to permit him to be paid for the work he did for the Government, for which he was not paid, by reason of the misunderstanding.

Mr. HENDRICKSON. Mr. President, I should like to ask the distinguished Senator from West Virginia whether the bill was proposed by the Department of Justice.

Mr. KILGORE. The Department of Justice did not propose the bill, but the Navy recommends enactment of the bill.

The Department of Justice has said:

The Department of Justice is unable to recommend enactment of the bill.

The Department of Justice does not say it opposes enactment of the bill, but says it is unable to recommend enactment of the bill.

But the Navy recommends enactment of the bill.

Mr. HENDRICKSON. Was the committee unanimous in its decision to report the bill?

Mr. KILGORE. I do not recall that there was a record vote in the committee on the question of reporting the bill, but I do not think there was opposition to it.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with amendments on page 1, line 6, after the word "of", to strike out "$336.43" and insert "$271.17", and in line 8, after the word "Navy", to strike out "Corps of Engineers" and insert "Civil Engineer Corps", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to George K. Haviland, of Seattle, Wash., the sum of $271.17, in full satisfaction of his claim against the United States for compensation for services rendered the Department of the Navy, Civil Engineer Corps, Bureau of Yards and Docks, Seattle, Wash., during the period November 26 to December 16, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

EXCHANGE OF CERTAIN NAVAJO TRIBAL LAND

The bill (S. 2140) to authorize the Secretary of the Interior to exchange certain Navajo tribal Indian land for certain Utah State land was announced as next in order.

The VICE PRESIDENT. There is on the calendar a corresponding House bill, Calendar No. 943, House bill 5390.

Mr. WATKINS. Mr. President, I ask that the House bill be substituted for the Senate bill and that it be considered at this time.

The VICE PRESIDENT. The bill will be stated by title, for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 5390) to authorize the Secretary of the Interior to exchange certain Navajo tribal Indian land for certain Utah State land.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. MORSE. I should like to have an explanation of the bill, Mr. President.

Mr. WATKINS. Mr. President, this bill proposes to permit the Secretary of the Interior to exchange 640 acres of land in the Monument Valley of the Navajo Indian Reservation for 640 acres of land nearby, owned by the State of Utah. The State of Utah is preparing to build an airport in this desert country, but it must have title to the land on which the airport is built, because a part of the building will be done with the use of State funds. For that reason, the State must have title to the property. This is all desert land. I do not think any of it in the entire tract is worth more than $200 or $300 an acre.

The Indians are to be given preference for employment in the construction, maintenance, and operation of the airport, to the extent of their ability to work on the airport and to help with its maintenance.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. MORSE. Mr. President, can the Senator from Utah assure me that in his opinion the Government is making a trade in this case of about value for value?

Mr. WATKINS. I assure the Senator from Oregon that the Government will be getting much the best of the deal, because an airport located at that point will provide means for taking out Indians when they are ill, and will provide transportation for that area, whereas no such transportation presently exists.

Mr. MORSE. I have no objection.

There being no objection, the bill (H. R. 5390) was considered, ordered to a third reading, read the third time, and passed.

The VICE PRESIDENT. Without objection, Senate bill 2140, Calendar No. 919, is indefinitely postponed.

The clerk will state the next bill on the calendar.

BILL PASSED OVER

The bill (H. R. 4584) to provide for disposition of lands on the Cabazon, Augustine, and Torres-Martinez Indian Reservations in California, and for other purposes, was announced as next in order.

Mr. O'MAHONEY. Mr. President, I ask that the bill may go over for further consideration.

The VICE PRESIDENT. Objection being heard, the bill will be passed over.

CONVEYANCE OF LAND TO LILLIAN I. ANDERSON

The bill (S. 76) to authorize the Secretary of the Interior to convey a certain tract in the State of Arizona to Lillian I. Anderson was announced as next in order.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. MORSE. Mr. President, I should like to have an explanation.

Mr. McFARLAND. Mr. President, the bill provides for the transfer of the title to approximately 5 acres of land to Lillian I. Anderson. Mrs. Anderson resides on the Hualapai Reservation in Arizona. She and her late husband have maintained a mission there for the Hualapai Indians for approximately 30 years. This is to authorize the transfer of the land upon which the mission is located. It is subject, according to the amendment, to the approval of the tribal council, whose attorney has written me informing me the tribal council favors the transfer.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Interior and Insular Affairs with an amendment, on page 3, after line 13, to insert a new section, as follows:

SEC. 2. The Hualapai Tribe of the Hualapai Reservation, Ariz., acting through its tribal council, is hereby authorized to release to the United States any claim which it may have to the above-described tract of land, or on account of the holding or disposition thereof by the United States. In the absence of such a release, the quitclaim deed provided for in this act shall not convey any interest in said tract of land which is held by the United States in trust for said tribe, or the disposition of which would prejudice the rights of the United States or said tribe as against each other.

So as to make the bill read:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to convey by quitclaim deed to Lillian I. Anderson, of Valentine, Ariz., without consideration, the following-described tract of land in the Hualapai Indian School Reserve, Mohave County, Ariz.: That tract of land, seven hundred and thirty feet long and three hundred feet wide, lying along and adjacent to the southeasterly boundary line of the Atchison, Topeka & Santa Fe Railway in the southeast quarter of section 10, township 23 north, range 13 west, Gila and Salt River Meridian, containing five and five one-hundredths acres more or less, which tract is more particularly described as follows:

Beginning at a heavy steel railroad rail embedded in the ground along the southeasterly two hundred foot right-of-way boundary line of the Atchison, Topeka & Santa Fe Railway, from which, the southeast corner of section 10, township 23 north, range 13 west, Gila and Salt River Meridian, Mohave County, Ariz., bears north thirty-four degrees fifty-five minutes east four thousand two hundred and fifty feet more or less, and from which, the four inches by four inches wood marker for United States 66 Highway station 1406-45A on the northwesterly boundary of the State highway right-of-way bears south seventy-one degrees thirty-seven minutes west, a distance of three hundred seventy and two-tenths feet; hence south tweny-four degrees fifty-eight minutes west along the said southeasterly right-of-way boundary of the Atchison, Topeka & Santa Fe Railway, a distance of two hundred and ninety feet to a point marked by an iron pipe, and thence two hundred and ninety feet more along this same course being a total of five hundred and eighty feet from the place of beginning to the southwest corner of the parcel of land being described marked by an iron pipe; thence, at right angle to the first course, south sixty-five degrees two minutes east a distance of three hundred feet to the southeast corner of the parcel of land marked by an iron pipe; thence north twenty-four degrees fifty-eight minutes east, and parallel to the first course, a distance of seven hundred and thirty feet to the northeast corner of the parcel of land marked by an iron pipe; thence, north sixty-five degrees two minutes west, a distance of three hundred feet to the northwest corner of the parcel of land marked by an iron pipe, being a point of intersection with the southeasterly boundary of the Atchison, Topeka & Santa Fe Railway right-of-way; thence south twenty-four degrees fifty-eight minutes west, along the southeasterly right-of-way, a distance of one hundred and fifty feet to the place of beginning.

SEC. 2. The Hualapai Tribe of the Hualapai Reservation, Ariz., acting through its tribal council, is hereby authorized to release to the United States any claim which it may have to the above-described tract of land, or on account of the holding or disposition thereof by the United States. In the absence of such a release, the quitclaim deed provided for in this act shall not convey any interest in said tract of land which is held by the United States in trust for said tribe, or the disposition of which would prejudice the rights of the United States or said tribe as against each other.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H. R. 2876) to effect an exchange of certain lands in the State of North Carolina between the United States and the Eastern Band of Cherokee Indians, and for other purposes, was announced as next in order.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. O'MAHONEY. Mr. President, in the absence of the junior Senator from North Carolina [Mr. GRAHAM], I ask that the bill go over.

The VICE PRESIDENT. The bill will be passed over.

STATE COURSE OF STUDY IN INDIAN RESERVATION SCHOOLS

The bill (H. R. 3881) to provide for the use of the State course of study in schools operated by the Bureau of Indian Affairs on Indian reservatons in South Dakota when requested by a majority vote of the parents of the students enrolled therein was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT OF ARMY AND AIR FORCE VITALIZATION AND RETIREMENT EQUALIZATION ACT OF 1948

The bill (H. R. 5929) to amend the Army and Air Force Vitalization and Retirement Equalization Act of 1948 was announced as next in order.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. HENDRICKSON. Mr. President, in view of the fact that the committee report on the bill is very meager with respect to the facts, particularly in regard to the reasons why the President, on August 9, vetoed a counterpart of this measure, I think the Senate should have an explanation. I should like to know how the bill will overcome a Presidential veto.

Mr. SALTONSTALL. Mr. President, in the absence of the chairman of the committee, I have been given a memorandum which I think explains the point raised by the Senator. I shall read a part of the memorandum, as follows:

The reason the President vetoed the original version of this bill (H. R. 5508) was because it had been amended in the House to cover a relatively large number of National Guard officers who apparently had not been covered by Public Law 810. The costs of this particular amendment were such as to require further study before such legislation could be approved.

The bill presently before the Senate has deleted the objectionable amendment and the President in his budget message said he had no objection to the language presently included in the bill.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT OF SECTION 81 OF THE NATIONAL DEFENSE ACT, AS AMENDED

The bill (S. 2441) to amend section 81 of the National Defense Act, as amended, to provide for additional officers of the National Guard of the United States on active duty in the National Guard Bureau, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the second sentence of the second paragraph of section 81, National Defense Act (48 Stat. 159), as amended, be amended to read as follows:

"The President may also order, with their consent, to active duty in the National Guard Bureau, officers who at the time of their initial assignments hold appointments in the National Guard of the United States, and all such National Guard of the United States officers while so assigned shall receive the pay and allowances provided by law: *Provided*, That the number of the National Guard of the United States officers below

the grade of general officer ordered to such duty shall not exceed 40 percent of the number of officers authorized in each grade for duty in that bureau."

BILL PASSED OVER

The bill (S. 2440) to authorize certain construction at military and naval installations, and for other purposes, was announced as next in order.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. HUMPHREY. Over.

The VICE PRESIDENT. The bill will be passed over.

Mr. WILLIAMS. Mr. President, in view of the importance of this bill, I suggest the absence of a quorum.

The VICE PRESIDENT. The bill has already gone over.

Mr. WILLIAMS. I still suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Holland	Mundt
Anderson	Humphrey	Murray
Butler	Ives	O'Mahoney
Chapman	Johnson, Colo.	Reed
Chavez	Johnson, Tex.	Robertson
Connally	Kem	Saltonstall
Cordon	Kerr	Sparkman
Donnell	Kilgore	Stennis
Downey	Knowland	Taft
Ecton	Langer	Taylor
Ellender	Long	Thomas, Okla.
Frear	Lucas	Thomas, Utah
Fulbright	McClellan	Vandenberg
George	McFarland	Watkins
Gillette	McKellar	Wherry
Gurney	McMahon	Wiley
Hayden	Magnuson	Williams
Hendrickson	Malone	Withers
Hickenlooper	Miller	Young
Hill	Millikin	
Hoey	Morse	

The PRESIDING OFFICER (Mr. HOEY in the chair). A quorum is present.

The VICE PRESIDENT. The next bill on the calendar will be stated.

TRANSFER TO THE CROW INDIAN TRIBE OF MONTANA OF TITLE TO CERTAIN BUFFALO

The Senate proceeded to consider the bill (S. 1829) to authorize the Secretary of the Interior to transfer to the Crow Indian Tribe of Montana title to certain buffalo, which had been reported from the Committee on Interior and Insular Affairs with amendments, to insert on page 1, line 4, after the word "Montana," the words "the equitable"; and beginning in line 6, after "Montana," to insert:

The legal title to such buffalo to be held by the United States in trust for the use and benefit of the Crow Indian Tribe. The Secretary of the Interior is further authorized, in his discretion, to grant to the said tribe the unrestricted title to any or all of such buffalo.

SEC. 2. The Secretary of the Interior is further authorized, in his discretion, to grant to the tribe or tribes of any Indian reservation the unrestricted title to any buffalo now or hereafter held in trust for such tribes and deposit to the credit of such tribes either in their local treasury or in the Treasury of the United States the proceeds of sales of any buffalo previously held for the use and benefit of such tribes.

So as to make the bill read:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized to transfer to the Crow Indian Tribe of Montana the equitable title to all the buffalo owned by the United States on the Crow Indian Reservation, Mont., the legal title to such buffalo to be held by the United States in trust for the use and benefit of the Crow Indian Tribe. The Secretary of the Interior is further authorized, in his discretion, to grant to the said tribe the unrestricted title to any or all of such buffalo.

SEC. 2. The Secretary of the Interior is further authorized, in his discretion, to grant to the tribe or tribes of any Indian reservation the unrestricted title to any buffalo now or hereafter held in trust for such tribes and deposit to the credit of such tribes either in their local treasury or in the Treasury of the United States the proceeds of sales of any buffalo previously held for the use and benefit of such tribes.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

AMENDMENT TO PUBLIC HEALTH SERVICE ACT

The bill (S. 522) to amend the Public Health Service Act to authorize assistance to States and political subdivisions in the development and maintenance of local public units, and for other purposes, was announced as next in order.

Mr. HENDRICKSON. Mr. President, while I am very much in favor of this bill, I think it is not the type of bill which should be passed on a mere call of the calendar. I think it should be given special consideration.

Mr. HILL. Mr. President, I do not want to take the time of the Senate, but the Senator from New Jersey may recall that I spoke to him with reference to this bill a few days ago. It does not start any new program; it simply emphasizes the importance of the Public Health services which we now have. The bill was very carefully considered by a subcommittee composed of the Senator from Ohio [Mr. TAFT], the Senator from Illinois [Mr. DOUGLAS], the Senator from Kentucky [Mr. WITHERS], the Senator from New Jersey [Mr. SMITH], and myself, and it was considered and unanimously reported by the full committee. It has the support of a great many organizations. It is sponsored by the Parent-Teachers' Association, the American Medical Association, the American Tuberculosis Association, the National Foundation for Infantile Paralysis, the National Health Council, American Public Health Association, and other organizations. I think it should be passed by the Senate, and it still must be passed by the House before Congress adjourns.

Mr. HENDRICKSON. Can the Senator tell us what cost is involved?

Mr. HILL. Approximately $27,000,000. But that is not in addition to what we are expending at this time. We are expending approximately $20,000,000. As we go ahead, perhaps, in years to come, of course the amount will increase. But the cost envisioned at the present time is approximately $27,000,000. The appropriation this year carries approximately $20,000,000 for the Public Health Service. This is not a new program in any sense of the word.

Mr. HENDRICKSON. I realize that. In view of the fact that this bill was considered by a very able and distinguished committee, and it has had a great deal of publicity and has been widely discussed both in and out of Congress, if the members of the committee feel the bill should pass on a calendar call, I withhold any objection.

Mr. TAFT. Mr. President, the bill is of great importance. The only reason the Senator from New Jersey raised the point was that it involves a fairly substantial authorization of money.

This bill and the bill on the calendar dealing with aids to medical education present two very important steps in Federal assistance to improvement of pubic health. Both of them are independent of the so-called compulsory health insurance, and have nothing to do with it. In fact, my inclination is to think that they will remove some of the arguments which have been made in favor of that particular program.

The only objection to action under the 5-minute rule is the importance of the bill, but the committee is unanimous, and feels that the bill is an important part of the general health program which is to be enacted.

Mr. HILL. And it should be passed at this session of the Congress. I desire to offer an amendment.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 522) to amend the Public Health Service Act to authorize assistance to States and political subdivisions in the development and maintenance of local public health units, and for other purposes, which had been reported from the Committee on Labor and Public Welfare with an amendment to strike out all after the enacting clause and insert:

That this act may be cited as the "Local Public Health Units Act of 1949."

DECLARATION OF POLICY AND PURPOSE

SEC. 2. (a) The Congress hereby finds and declares that—

(1) adequate protection of the Nation's health is essential to the security and well-being of our country and cannot be achieved unless public health services are available in every locality through adequately staffed and properly equipped local public health units;

(2) at present more than 40,000,000 persons in the United States live in areas not served by local public health units and less than 10,000,000 persons live in areas served by units which meet minimum public health standards;

(3) many areas cannot support local public health units staffed and equipped to the extent necessary for the provision of the public health services essential to the well-being of the community.

(b) It is therefore the policy of the Congress, and the purpose of this act, in the promotion of the general welfare and in the interest of national security, to assist the States, through the measures provided for in this act, in developing and maintaining local public health units organized to provide full-time public health services in all areas of the Nation and in the training of all types of personnel for local public health unit work.

STATE PUBLIC HEALTH SERVICES AND LOCAL PUBLIC HEALTH UNITS

SEC. 3. (a) Section 315 of the Public Health Service Act, as amended, is amended by redesignating such section as section 304.

(b) Part B of title III of such act is amended by adding at the end thereof the following new section:

"GRANTS TO STATES FOR STATE PUBLIC HEALTH SERVICES AND LOCAL PUBLIC HEALTH UNITS

"SEC. 315. (a) For the purposes of this section—

"(1) the term 'local public health unit' means the governmental authority of a local area authorized to to provide in such area the public health services for which funds are made available under this section (including a unit of a State government specifically assigned responsibility for the provision of public health services in a local area and including the District of Columbia), or a combination of the governmental authorities of two or more contiguous local areas authorized to provide such services in such combined area;

"(2) the term 'population' (A), as applied to a State, means the population thereof according to the latest estimates available from the Department of Commerce on August 31 of the year preceding the fiscal year (or portion thereof) for which a determination with respect to such population is made under this section, and (B), as applied to less than State-wide areas, means the population of such areas according to the most recent decennial census figures certified by the Department of Commerce that are available on August 31 of the year preceding the fiscal year (or portion thereof) for which a determination with respect to such population is made under this section, increased or decreased in proportion to the increase or decrease since such census of the population of the State as estimated in accordance with clause (A) hereof;

"(3) the average per capita income of the United States or the average per capita income of a State, as the case may be, means its average per capita income for the three most recent consecutive years for which satisfactory data are available from the Department of Commerce on August 31 of the year preceding the fiscal year for which the determination is made, except that the average per capita income of Hawaii shall be deemed to be equal to that of the continental United States (excluding Alaska) and the average per capita income of Alaska, Puerto Rico, and the Virgin Islands shall be deemed to be equal to one-half of that of the continental United States (excluding Alaska).

"(b) To enable the Surgeon General (1) to assist the States in establishing and maintaining adequate public health services and (2) to assist the States and their subdivisions in establishing and maintaining adequately staffed and equipped local public health units for the provision of public health services, there are hereby authorized to be appropriated for each fiscal year beginning with the fiscal year ending June 30, 1951, such sums as may be necessary to carry out such purposes, respectively. The sums appropriated pursuant to this section shall be used for making payments to States which have submitted, and had approved by the Surgeon General, State plans for carrying out the purposes of this section.

"(c) Within 6 months after the enactment of this section, the Surgeon General shall by regulation prescribe with respect to local public health units—

"(1) the minimum population to be served by each public health unit, with variations for different types of areas, but such units shall not exceed in any State more than 1 for each 35,000 population, except that in States having less than 12 persons per square mile they shall not exceed 1 for each 20,000 population; and the minimum number and types of full-time professional and other personnel which local public health units in various types of areas must employ; including conditions under which and the extent to which compliance with such requirements may be postponed;

"(2) subject to the limits set forth in subsection (d) (7), general methods of administration necessary to assure efficient and economical provision of public health services under State plans, including the conditions under which and the extent to which compliance with such methods may be postponed;

"(3) the types of services which shall be considered 'public health services' for which Federal funds provided under this section may be expended under State plans, which may include services dealing with the diagnosis and prevention of disease, the control of communicable disease, health education, demonstrations, sanitation, vital statistics, the training of personnel for State and local public health work, and other aspects of preventive medicine, but shall not include medical, dental, or nursing care except in the diagnosis or prevention of disease or the control of communicable disease.

"(d) In order to be approved under this section, a State plan shall—

"(1) set forth a program for establishing and maintaining adequate State public health services, including programs in mental health;

"(2) set forth a program for establishing and maintaining adequate State public health services, including health units for the provision of public health services: *Provided*, That nothing herein shall prevent the State from including other aspects of health activities in its plan, if the expense thereof is borne by the State and its subdivisions and not included in the term 'expenditures' for the purposes of subsection (e) hereof;

"(3) provide for the extension of the program referred to in paragraph (2) of this subsection so as to assure coverage under the program of all areas in the State at the earliest practicable date;

"(4) contain satisfactory evidence that the State health authority and the local public health units of the State whose populations are covered by the program referred to in paragraph (2) of this subsection will have authority to carry out the program in conformity with the provisions of this section and regulations prescribed thereunder;

"(5) provide, subject to regulations prescribed under subsection (c), that each local public health unit providing public health services under the plan have sufficient financial resources to assure efficient and economical administration of such health services;

"(6) provide for the allocation of all funds received by the State health authority for carrying out the program referred to in paragraph (2) of this subsection, to local public health units participating in the State plan, in accordance with methods that will assure equitable distribution and the effective use of such funds in the extension and expansion of public health services, and provide that all such funds shall be used by such units solely for the provision of such services;

"(7) provide such methods of administration of the State plan, including methods relating to the establishment and maintenance of personnel standards on a merit basis (except that the Surgeon General shall exercise no authority with respect to the selection, tenure of office, or compensation of any individual employed in accordance with such method), as may be necessary to assure the efficient and economical provision of public-health services under the plan;

"(8) provide that the State health authority will make such reports, in such form and containing such information, as the Surgeon General may from time to time reasonably require, and give the Surgeon General upon demand access to the records upon which such information is based.

The Surgeon General shall approve any State plan and any modification thereof which complies with the provisions of this subsection and regulations prescribed under subsection (c).

"(e) (1) From the sums appropriated pursuant to this section for each fiscal year for carrying out the program referred to in paragraph (1) of subsection (d) of this section, the Surgeon General shall, from time to time and for specified periods, make allotments (including amounts allotted from such sums for any prior period in the same fiscal year and remaining unpaid to the States) to the several States on the basis of (1) population, (2) average per capita income, and (3) special factors relevant to the extent of the health problem in each such State. The amounts to be paid to each State having an approved plan from the allotments to such State shall be paid upon the condition that there shall be spent by the State for carrying out the approved plan for the purposes of the program referred to in paragraph (1) of subsection (d) of this section, an amount determined in accordance with regulations.

"(2) From the sums appropriated pursuant to this section, each State which has a State plan approved in accordance with subsection (d) shall be entitled to receive for each fiscal year, for carrying out the program referred to in paragraph (2) of such subsection, an amount which bears the same ratio to one-third of the total expenditures for such purpose for such year under the plan as the average per capita income of the continental United States (excluding Alaska) bears to the average per capita income of such State, except that (1) in no case may the amount paid to such State for a fiscal year exceed two-thirds of the expenditures for such purpose under the State plan for such year, and (2) there shall not be counted as expenditures under the State plan for such purpose for any fiscal year any sum in excess of $1.50 (or such higher amount as may be specified in the appropriation pursuant to this section for such year) expended by any local public health unit participating in the State plan, multiplied by the population of the area of such unit. If, during the fiscal year, the areas covered by the State plan are changed, appropriate adjustments, prorated in accordance with the time the change becomes effective, shall be made in determining the maximum amount of the expenditures. If for any fiscal year appropriations pursuant to this section for carrying out the program referred to in paragraph (2) of subsection (d) are less than the Federal proportion under this paragraph with respect to total estimated expenditures (as of the beginning of such fiscal year) for such purpose for such year under State plans the amount to which each State is entitled under this paragraph shall be reduced proportionately.

"(3) No expenditures from grants received from the Federal Government under any provision of law (other than pursuant to this section) and no expenditures made by the State or by its subdivisions which have been reported as expenditures for the purposes of any other program aided by Federal grants, shall be counted as expenditures under the plan.

"(4) The Surgeon General may, by regulation, prescribe the extent to which the cost of services, facilities, and equipment utilized by a State or its subdivisions in carrying out a State plan approved under this section and utilized in addition in carrying out one or more State programs approved under other provisions of law providing for Federal grants to assist States or their subdivisions in carrying out health programs, shall be deemed to constitute expenditures under this subsection, and such regulations may provide that, if the major utilization of such services, facilities, and supplies is in carrying out a State plan approved under this section or is so divided among other programs as

to make an apportionment thereof impracticable, the entire cost thereof shall be deemed to constitute an expenditure for the purpose of this subsection.

"(f) The Surgeon General shall, prior to the beginning of each period for which a payment is to be made, estimate the amount to be paid to the State for such period pursuant to subsection (e), and shall then certify to the Secretary of the Treasury the amount so estimated, increased or decreased, as the case may be, by any sum by which he finds that his estimate for any prior period was greater or less than the amount which should have been paid to the State under subsection (e) for such period. The Secretary of the Treasury shall thereupon, prior to audit or settlement by the General Accounting Office, pay to the State, at the time or times fixed by the Surgeon General, the amount so certified.

"(g) Whenever the Surgeon General, after reasonable notice and opportunity for hearing to the health authority of the State finds—

"(1) that the State plan has been changed so that it no longer complies with the requirements of subsection (d); or

"(2) that in the administration of the plan there is a failure to comply substantially with any provision required by subsection (d) to be included in the plan; or

"(3) that the State plan has ceased to comply with regulations under subsection (c): *Provided*, That no changes in a State plan shall be required within 2 years after initial approval thereof, or within 2 years after any change required therein by reason of any change in the regulations prescribed pursuant to subsection (c), except with the consent of the State or in accordance with further action by the Congress;

the Surgeon General shall notify such State health authority that further payments will not be made to the State from appropriations pursuant to this section (or, in his discretion, that further payments will not be made to the State from such appropriations for activities or areas in which there is such failure) until he finds that the plan again complies with such requirements or until he is satisfied that there will no longer be any such failure. Until he so finds, or is so satisfied, the Surgeon General shall make no further certification for payment to such State from appropriations pursuant to this section, or shall limit payment to activities or areas in which there is no such failure.

"(h) (1) If any State is dissatisfied with the Surgeon General's action under subsection (g) of this section, such State may appeal to the United States court of appeals for the circuit in which such State is located. The summons and notice of appeal may be served at any place in the United States. The Surgeon General shall forthwith certify and file in the court the transcript of the proceedings and the record on which he based his action.

"(2) The findings of fact by the Surgeon General, unless substantially contrary to the weight of the evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Surgeon General to take further evidence, and the Surgeon General may thereupon make new or modified findings of fact and may modify his previous action, and shall certify to the court the transcript and record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive unless substantially contrary to the weight of the evidence.

"(3) The court shall have jurisdiction to affirm the action of the Surgeon General or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28 of the United States Code."

AMENDMENTS TO SECTION 314 OF THE PUBLIC HEALTH SERVICE ACT

SEC. 4. (a) Subsection (c) of section 314 of the Public Health Service Act, as amended, is amended to read as follows:

"(c) There is hereby authorized to be appropriated such sums as are necessary to enable the Surgeon General to provide demonstrations and to train personnel for State and local health work and to meet the cost of pay, allowances, and traveling expenses of commissioned officers and other personnel of the Service detailed to assist the States and their local subdivisions in carrying out the purposes of section 315."

(b) The first sentence of subsection (d) of such section 314 is amended to read as follows: "For each fiscal year, the Surgeon General, with the approval of the Administrator, shall determine the total sum from the appropriation under subsection (a) and the appropriation under subsection (b), which shall be available for allotment among the several States."

(c) Subsection (g) of such section 314 is amended (1) by striking out "or subsection (c),"; and (2) by striking out the following: ", and, to the extent that any such plan contains provisions relating to mental health, by the mental health authority of such State."

(d) Subsection (h) of such section 314 is amended by striking out "(c),".

(e) Subsection (i) of such section 314 is amended (1) by striking out "or, where appropriate, the mental health authority"; (2) by striking out "or subsection (c),"; and (3) by striking out "or mental health authority."

(f) Subsection (j) of such section 314 is amended to read as follows:

"(j) All regulations and amendments thereto with respect to grants to States under this section or section 315 shall be made after consultation with the State health authorities and, in the case of regulations or amendments which relate to or in any way affect grants for work in the field of mental health, the State mental health authorities. Insofar as practicable, the Surgeon General shall obtain the agreement, prior to the issuance of any such regulations or amendments, of the State health authorities and, in the case of regulations or amendments which relate to or in any way affect grants for work in the field of mental health, the State mental health authorities. Except in case of emergency such regulations shall be issued only after 30 days' notice to, and presentation to the annual conference of, such health authorities."

(g) The amendments made by this section shall take effect July 1, 1950. Any amount paid to a State for carrying out the purposes of subsection (c) of section 314 of the Public Health Service Act prior to July 1, 1950, and remaining unexpended on that date shall remain available for expenditure by the State for State public health services in accordance with a plan approved under section 315 of the Public Health Service Act, as amended by this act, but shall be deducted from the payments to which the State would otherwise be entitled under section 315.

The clerk will state the amendment of the Senator from Alabama.

The LEGISLATIVE CLERK. In the committee amendment, on page 17, line 6, after the word "disease," it is proposed to strike out the period, and insert a comma and "or the promotion, establishment, or maintenance of industrial accident-prevention programs."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to amend the Public Health Service Act to authorize assistance to States and their subdivisions in the development and maintenance of local public health units, and for other purposes."

SUBSISTENCE EXPENSES TO JUSTICES AND JUDGES

The bill (H. R. 2166) to amend title 28, United States Code, section 456, so as to increase to $15 per day the limit on subsistence expenses allowed to justices and judges while attending court or transacting official business at places other than their official station, and to authorize reimbursement for such travel by privately owned automobiles at a rate of not exceeding 7 cents per mile, was announced as next in order.

Mr. KILGORE. Mr. President, House bill 2166 is the same as Calendar 825, which is Senate bill 48. There is only one difference between the two bills. There is a misplaced comma in House bill 2166 which is removed in Senate bill 48, and I therefore ask unanimous consent that the Senate bill be substituted for the House bill.

The PRESIDING OFFICER. Does not the Senator want the House bill passed?

Mr. KILGORE. Calendar No. 932 is House bill 2166, and Calendar 825 is the Senate bill.

Mr. AIKEN. Mr. President, it is my understanding that the Senator from New Hampshire [Mr. TOBEY] desires to object to the consideration of the bill at this time.

The PRESIDING OFFICER. Objection is heard.

Mr. TAFT. Mr. President, I suggest it would be a mistake to substitute the Senate bill for the House bill. It would be all right to insert the comma.

Mr. KILGORE. The reason for my suggestion was that the House bill is ambiguous by reason of a comma.

Mr. TAFT. The Senator might desire to amend the House bill by substituting the Senate language, but certainly he does not want the Senate to pass one bill and the House to pass another.

The PRESIDING OFFICER. Objection has been heard, and the bill will be passed over.

COMPENSATION OF EMPLOYEES PAID ON A FEE BASIS

The Senate proceeded to consider the bill (H. R. 5465) to amend section 4 of the Civil Service Retirement Act of May 29, 1930, as amended.

Mr. HILL. Mr. President, I have collaborated with the committee expert on this bill, and we have agreed on some amendments which I offer, which do not change the intent or purport of the bill.

Mr. WILLIAMS. Mr. President, I am very much interested in this bill, but I ask that it go to the foot of the calendar.

Mr. HILL. Very well.

The PRESIDING OFFICER. The bill will go to the foot of the calendar.

BILL PASSED OVER

The bill (S. 1390) to authorize the conveyance to the State of California of

easements for the construction and maintenance of a toll highway crossing and approaches thereto over and across lands of the United States in the vicinity of San Francisco Bay, Calif., and for other purposes, was announced as next in order.

Mr. DOWNEY. Over.

The PRESIDING OFFICER. The bill will be passed over.

EDUCATIONAL ASSISTANCE ON FEDERAL RESERVATIONS

The bill (H. R. 3829) to provide assistance for local school agencies in providing educational opportunities for children on Federal reservations or in defense areas, and for other purposes, was announced as next in order.

Mr. HENDRICKSON. May we have an explanation of the bill? It is highly important.

Mr. THOMAS of Utah. Mr. President, this bill in effect is a continuation of what is called the Thomas-Lanham Act, which provided for schools in defense areas throughout the country. The areas are still in existence, and we are asking for another year's extension of the law. The bill has passed the House of Representatives. Most serious consideration has been given to it. It is one of vital importance to some 350,000 school children, and it affects 175 school districts throughout the country. The program will end on July 30, 1950.

I know of no emergency legislation in relation to education in the whole country quite so pressing as this particular bill. Everyone knows that when we started building defense plants we sometimes put them in places where schools and other facilities were not available, and the school districts have had to take on extra burdens. This is a relief bill for those districts, and to take care of something which happened as a result of the defense efforts during the war.

Mr. MORSE. Mr. President, I wish to associate myself with the remarks of the Senator from Utah. I served on the subcommittee which took the testimony on the bill. School superintendents and also members of school boards from various parts of the country appeared before the committee and gave us evidence which left no room for doubt, so far as the committee was concerned, of the necessity of the enactment of the bill as an emergency measure to take care of the lack of facilities under which children are suffering in the areas where the Federal projects are located. I sincerely hope that the Senate will see its way clear to pass the bill today.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

CONVEYANCE OF LAND TO PALM BEACH COUNTY, FLA.

The Senate proceeded to consider the bill (H. R. 2517) directing the Secretary of the Interior to convey certain land to Palm Beach County, Fla.

Mr. HENDRICKSON. Mr. President, I send to the desk two very simple amendments which I understand have the approval of the sponsor of the bill.

The PRESIDING OFFICER. The clerk will state the amendments.

The LEGISLATIVE CLERK. On page 1, line 4, after the word "lands", it is proposed to insert "for use by said county for recreational or park purposes."

On page 1, after line 9, strike out section 2, as follows:

SEC. 2. The land shall be sold at a price to be fixed by the Secretary of the Interior through appraisal, or otherwise.

And insert in lieu thereof:

SEC. 2. Such lands shall be sold at a price not less than 50 percent of the appraised fair market value as determined by the Secretary of the Interior: *Provided,* That title to such lands shall revert to the United States upon payment of the purchase price to said county upon a finding by the Secretary of the Interior that for a period of five consecutive years such land has not been used by said county for recreational or park purposes, or that such land or any part thereof is being devoted to other use.

The amendments were agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

CONVEYANCE TO NEW YORK OF PROPERTY IN FORT NIAGARA STATE PARK

The bill (H. R. 4073) to provide for the conveyance to the State of New York of certain historic property situated within Fort Niagara State Park, and for other purposes, was announced as next in order.

Mr. MORSE. Mr. President, I should like to have an explanation of the bill.

Mr. IVES. Mr. President, this property involves seventy-four ten-thousandths of 1 acre. I think every Member of the Senate will appreciate that seventy-four ten-thousandths of 1 acre is just slightly under three-fourths of 1 percent of 1 acre.

This land is the site of a monument known as the Father Millet Cross National Monument, which was established at Fort Niagara State Park in New York State a number of years ago. The legislation is being offered at the request of the National Park Service. It seems that the Federal Government does not have the facilities to take care of property in the middle of the park, and this property, which is located in the middle of the park, is being neglected. The State of New York would like to obtain control of it so it can see that it is properly cared for. The Director of State Parks of the State of New York himself has requested that this authorizing legislation be enacted in order to permit the State of New York properly to act.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. MORSE. I have no objection. The statement made by the Senator from New York convinces me of the merits of the bill.

Mr. IVES. The Senator from New York thanks the distinguished Senator from Oregon.

There being no objection, the bill (H. R. 4073) to provide for the conveyance to the State of New York of certain historic property situated within Fort Niagara State Park, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

ADDITION OF SURPLUS LAND TO PETERSBURG NATIONAL MILITARY PARK, VA.

The bill (H. R. 4208) to add certain surplus land to Petersburg National Military Park, Va., to define the boundaries thereof, and for other purposes, was announced as next in order.

Mr. MORSE. Mr. President, may we have an explanation of the bill?

Mr. O'MAHONEY. Mr. President, the report which was filed on behalf of the Committee on Interior and Insular Affairs points out that this bill, which has already passed the House, authorizes the transfer by the Department of the Army to the Department of the Interior of approximately 206 acres of land to be included in the Petersburg National Military Park.

Mr. MORSE. Mr. President, I have no objection.

The PRESIDING OFFICER. Is there objection?

There being no objection, the bill (H. R. 4208) was considered, ordered to a third reading, read the third time, and passed.

COMPOSITION OF THE ARMY AND AIR FORCE OF THE UNITED STATES

The bill (H. R. 1437) to authorize the composition of the Army of the United States and the Air Force of the United States, and for other purposes, was announced as next in order.

Mr. HENDRICKSON. Mr. President, the mere title of the bill suggests that it is the type of legislation that should be given more consideration than we can give it under the 5-minute rule. Therefore I ask that it go over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. HENDRICKSON subsequently said: Mr. President, I ask that the Senate return to Calendar 940, House bill 1437. I have been assured that that bill really validates many things which have been done by way of reorganization of the armed forces.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 1437) to authorize the composition of the Army of the United States and the Air Force of the United States, and for other purposes, which had been reported from the Committee on Armed Services with amendments.

The amendments of the committee were, on page 1, line 5, after the word "Force", to insert "Authorization"; on page 3, line 3, after the word "only", to strike out "persons paid under the appropriations for the National Guard and Organized Reserve Corps,"; in line 5, after the word "personnel", to strike out "and units"; in line 8, after the word "exceed", to strike out "thirty-three thousand five hundred" and insert "thirty thousand six hundred"; in line

10, after the word "Regular", to strike out "Army, exclusive of the numbers authorized by law for the Army Nurse Corps and the Women's Medical Specialist Corps," and insert "Army (including commissioned officers of the Women's Army Corps, but exclusive of the numbers authorized by law for the Army Nurse Corps, the Women's Medical Specialist Corps, professors of the United States Military Academy, and any numbers authorized by special provisions of law providing for officers in designated categories as additional numbers)"; in line 23, after the word "words", to strike out "thirty-three thousand five hundred" and insert "thirty thousand six hundred"; on page 4, line 6, after the word "of" where it occurs the second time, to strike out "seven hundred and fifty thousand" and insert "six hundred thousand"; in line 13, after the word "Corps", to strike out "a personnel strength of nine hundred and eighty thousand officers, warrant officers, and enlisted persons, excluding those serving on active duty in the Army of the United States who are counted within the personnel strength of eight hundred and thirty-seven thousand authorized in subsection (a) of this section" and insert "such personnel strength as is necessary to form the basis for complete and immediate mobilization for the national defense in the event of a national emergency"; in line 22, after the word "the", to strike out "Officers" and insert "Organized"; on page 5, line 3, after the word "and", to strike out "facilities, including guided missiles," and insert "facilities"; after line 20, to strike out:

APPROPRIATION AUTHORIZATION

SEC. 105. There are hereby authorized to be appropriated, out of any moneys in the Treasury of the United States not otherwise appropriated, such sums of moneys as may be necessary to carry out the purposes of this title. Except as may otherwise be provided in the appropriation act concerned, (1) any moneys appropriated to carry out the purposes of section 103 of this act shall remain available for obligation during the fiscal year for which appropriated and for the succeeding fiscal year, and shall remain available for expenditure for a total of 5 years, and (2) any moneys appropriated to carry out the purposes of section 104 of this act shall remain available until expended.

On page 6, line 13, after "SEC. 201", to strike out "(a)"; in line 20, after the word "Air", to insert "Force"; in line 21, after the word "Air", to insert "Force"; on page 7, after line 2, to strike out:

AUTHORIZED COMPOSITION

(b) The Air Force of the United States shall have an authorized strength of 70 United States Air Force groups, 22 separate United States Air Force squadrons, and 61 Air Force reserve groups, together with necessary supporting and auxiliary United States Air Force and reserve units.

In line 17, after the word "purposes", to strike out "only, persons paid under the appropriations for the Air National Guard and United States Air Force Reserve," and insert "only"; in line 19, after the word "personnel", to strike out "and units"; in line 23, after the word "exceed", to strike out "twenty-seven thousand five hundred" and insert "twenty-two thousand four hundred, exclusive of numbers authorized for the Air Force Nurse Corps, the Air Force Women's Medical Specialist Corps, and any numbers authorized by special provision of law providing for officers in designated categories as additional numbers"; on page 8, line 11, after the word "of", to strike out "one hundred thousand" and insert "one hundred and fifty thousand"; in line 12, after the word "persons", to strike out "including those members of the Air National Guard of the United States serving on active duty in the Air Force of the United States who are not" and insert "excluding those serving on active duty in the Air Force of the United States who are"; in line 20, after the word "Reserve", to strike out "a personnel strength of five hundred thousand officers, warrant officers, and enlisted persons, including those members of the United States Air Force Reserve on active duty in the Air Force of the United States who are not counted within the personnel strength of the five hundred and two thousand authorized in subsection (a) of this section" and insert "such personnel strength as is necessary to form the basis for complete mobilization for the national defense in the event of a national emergency"; on page 9, line 19, after the word "authorized", to insert "(1)"; in the same line, after the word "procure", to strike out "(1) five thousand two hundred aircraft or forty-two thousand five hundred airframe tons annually, whichever amount the Secretary of the Air Force may determine is more appropriate, to provide"; in line 25, after the word "obsolete", to insert "and"; in the same line, after "(2)", to strike out "guided missiles, and (3)" and insert "to procure the"; on page 10, line 2, after the word "of", to strike out "aircraft and guided missiles herein authorized" and insert "the Air Force of the United States"; after line 10, to strike out:

APPROPRIATIONS AND AUTHORIZATIONS

SEC. 206. There are hereby authorized to be appropriated, out of any moneys in the Treasury of the United States not otherwise appropriated, such sums of money as may be necessary to carry out the purposes of this title. Moneys appropriated to carry out the purposes of sections 204 and 205 of this title shall remain available until expended.

In line 20, to change the section number from "207" to "206"; on page 11, line 2, to change the section number from "208" to "207"; in line 9, before the word "Departments", to insert "military"; in the same line, after the words "of the", to strike out "National Military Establishment" and insert "Department of Defense"; in line 11, after the numerals "1947", to insert "as amended"; in the same line, after the amendment just above stated, to strike out "(Public Law 253, Eightieth Congress)"; after line 18, to insert:

APPROPRIATIONS

SEC. 303. (a) There are hereby authorized to be appropriated, out of any moneys in the Treasury of the United States not otherwise appropriated, such sums as may be necessary to carry out the purposes of this act.

(b) Moneys appropriated to the Departments of the Army, Navy, or Air Force for procurement of technical military equipment and supplies, the construction of public works, and for research and development shall remain available until expended unless otherwise provided in the appropriation act concerned.

And on page 12, after line 4, to insert:

LIMITATION OF AUTHORITY

SEC. 304. Nothing contained in this act shall be construed to authorize the Department of Defense to expend any money appropriated pursuant to authority conferred by this act for the design, development, testing, tooling, modification, construction, or procurement of any transport or cargo aircraft intended primarily for commercial use, whether or not such aircraft may be adaptable for auxiliary military service.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 1437) was read the third time and passed.

AMENDMENT OF ATOMIC ENERGY ACT OF 1946—BILL PASSED OVER

The bill (S. 2372) to amend the Atomic Energy Act of 1946 was announced as next in order.

Mr. THOMAS of Oklahoma. Mr. President, at the request of the senior Senator from Tennessee [Mr. MCKELLAR] I ask that the bill go over temporarily.

The PRESIDING OFFICER. The bill will be passed over.

Mr. McMAHON. Mr. President, will the Senator withhold his objection until I make a brief statement for the RECORD?

Mr. THOMAS of Oklahoma. Certainly.

Mr. McMAHON. Mr. President, Senate bill 2372, a bill to amend the Atomic Energy Act of 1946, provides for the appointment of a chairman of the military liaison committee. In the original act there was no provision for a chairman. The bill provides that the chairman shall be designated by the President and confirmed by the Senate. It also provides that he shall be paid the same salary as the Chairman of the Munitions Board, which is at present $14,000 a year. The other feature of the bill is to provide for representation on the military liaison committee by members of the Air Force. That is all there is to the bill. It was reported both to the House and to the Senate from the Joint Committee on Atomic Energy, with the unanimous approval of the joint committee.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. McMAHON. I yield.

Mr. KNOWLAND. Speaking as one of the minority members of that committee, I simply want to join in the remarks of the chairman of the Joint Committee on Atomic Energy and say that the bill was reported unanimously after a study by the joint committee.

Mr. McMAHON. I hope that perhaps on the next call of the calendar the objection will be withdrawn.

Mr. THOMAS of Oklahoma. Mr. President, the senior Senator from Tennessee was in the Chamber a moment ago. He said he had to go away for 15 or 20 minutes, and asked that if the bill was reached before he returned, that it be passed over.

The PRESIDING OFFICER. The bill will be passed over temporarily.

Mr. THOMAS of Oklahoma. As soon as the Senator from Tennessee returns I shall ask him to consult with the Senator from Connecticut.

AMENDMENT OF RULE XXIX

The Senate proceeded to consider the resolution (S. Res. 95) to amend rule XXIX by requiring committee reports on measures repealing or amending a statute to show changes in existing law, was announced as next in order.

Mr. HAYDEN. Mr. President, this amendment of the rules was unanimously reported by the Committee on Rules and Administration. It would put into effect in the Senate the same rule which was adopted by the House in 1929, requiring that when any committee reports a bill or joint resolution repealing or amending any statute, it shall include in the report the text of the statute to be repealed, and show exactly what is proposed to be substituted for it.

Mr. Rice, the legislative counsel, suggests that inasmuch as the members of the committee staffs are not entirely familiar with this rule, it might be better to amend the resolution in line 1 on page 1, by inserting after the word "that" the words "effective January 3, 1950." I offer that amendment to the resolution.

Mr. KNOWLAND. Mr. President, reserving the right to object—and I shall not object, because I think the rule is a great improvement—I wonder if the able chairman of the Committee on Rules and Administration, during the course of the remainder of the session and perhaps early in the next session, will give some thought to the possibility of including a notation on the calendar when there is a divided committee vote. For example, in a committee with a membership of 13, if a bill is reported by a vote of 7 to 6, I think it would give notice to the membership that it is highly a controversial bill, whereas if it is a unanimous report, the situation is different. In going through the calendar we could note at a glance the vote by which a bill was reported. I believe that is a suggestion for the improvement of our legislative process. It might be well to show the vote by which the committee reported the bill.

Mr. HAYDEN. Mr. President, I believe that is an excellent suggestion.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Arizona [Mr. HAYDEN].

The amendment was agreed to.

The resolution, as amended, was agreed to.

POSTHUMOUS PROMOTION OF THE LATE VICE ADM. JOHN SIDNEY McCAIN, UNITED STATES NAVY

The joint resolution (H. J. Res. 281) to authorize the President to issue posthumously to the late John Sidney McCain, vice admiral, United States Navy, a commission as admiral, United States Navy, and for other purposes was considered, ordered to a third reading, read the third time, and passed.

MISSISSIPPI RIVER BRIDGE, ST. LOUIS, MO.

The bill (H. R. 3478) to extend the time for completing the construction of a bridge across the Mississippi River at or near a point between Delmar Boulevard and Cole Street, in the city of St. Louis, Mo., and a point opposite thereto in the city of East St. Louis, Ill., was considered, ordered to a third reading, read the third time, and passed.

PURCHASE OF CERTAIN PROPERTY IN MORGAN COUNTY, OHIO

The bill (H. R. 3071) to authorize the Secretary of the Army to purchase certain property in Morgan County was considered, ordered to a third reading, read the third time, and passed.

CONVEYANCE OF LAND TO NORFOLK COUNTY TRUST CO., STOUGHTON, MASS.

The Senate proceeded to consider the bill (H. R. 5356) to provide for the conveyance of land to the Norfolk County Trust Co. in Stoughton, Mass.

Mr. HENDRICKSON. Mr. President, I do not object to the bill, but I send to the desk an appropriate amendment, which has been agreed to by the sponsors of the bill.

Mr. HOLLAND. Mr. President, as I understand the amendment, it seeks to require that the full value be paid. That is the intention of the purchasers. This has to do with a narrow strip of land to be utilized in a building. It can be spared from the post-office site. The Government agencies have agreed to it. There is no thought of giving anything away.

Mr. HENDRICKSON. I assure the distinguished Senator from Florida that that is the only purpose of the amendment.

The PRESIDING OFFICER. The amendment offered by the Senator from New Jersey will be stated.

The LEGISLATIVE CLERK. On page 1, line 4, after the word "sell" it is proposed to insert "at an appraised fair market value."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

SALE OF LOUISVILLE MARINE HOSPITAL, JEFFERSON COUNTY, KY.

The bill (H. R. 3197) relating to the sale of the old Louisville Marine Hospital, Jefferson County, Ky., was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT OF PHILIPPINE REHABILITATION ACT OF 1946

The bill (S. 2374) to amend the Philippine Rehabilitation Act of 1946, was announced as next in order.

The PRESIDING OFFICER. There is an identical bill before the Committee on Foreign Relations, House bill 5535, a bill to amend the Philippine Rehabilitation Act of 1946. Without objection, the Committee on Foreign Relations will be discharged from the further consideration of House bill 5535.

Is there objection to the present consideration of the House bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 5535) to amend the Philippine Rehabilitation Act of 1946.

Mr. HENDRICKSON. Mr. President, I think the Senate should have an explanation of the bill.

Mr. CHAVEZ. Mr. President, in 1946 the Congress passed legislation for the rehabilitation of certain areas of the Philippine Islands. The bill was introduced by the Senator from Maryland [Mr. TYDINGS]. The Committee on Public Works, to which the bill was referred, has recommended that the bill pass.

The bill provides for the extension for 1 year, from June 30, 1950, to June 30, 1951, of the time of completion of certain construction programs authorized by sections 302 and 303, title III, of the original Act of 1946. The programs consist of restoration, improvement, and construction of roads, essential streets and bridges, and port and harbor facilities which were destroyed during the war. We had just granted the Philippine Islands their freedom and the right to exist as a republic, and it was felt that the United States was obligated to help in the program of reconstruction. The bill carries no further appropriations, but merely extends the time.

Mr. HENDRICKSON. Can we rest assured that this will not cost any additional money?

Mr. CHAVEZ. Yes, the report so states. If the Senator will read the letter from the Department of State addressed to the Vice President, and signed by Mr. Webb, he will be satisfied that it will not cost any money. The bill simply extends the time for completing the work.

Mr. HENDRICKSON. I thank the distinguished Senator from New Mexico.

The PRESIDING OFFICER. The question is on the third reading and passage of the bill.

The bill (H. R. 5535) was ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 2374 is indefinitely postponed.

SALE OF LANDS IN FLORIDA TO ALBERT M. LEWIS, JR.

The Senate proceeded to consider the bill (H. R. 2475) to authorize and direct the Secretary of the Interior to sell to Albert M. Lewis, Jr., certain land in the State of Florida.

Mr. HOLLAND. Mr. President, this bill simply provides for the sale to a Purple Heart veteran of 2½ acres of land upon which his house, where he has been living for many years, is located. It was put there by mistake. I understand that there is no objection to the bill.

The PRESIDING OFFICER. The question is on the third reading and passage of the bill.

The bill was ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 1596) to authorize the Postmaster General to enter into special agreements for certain switching service by railway common carriers, and for

other purposes, was announced as next in order.

Mr. HENDRICKSON. Mr. President, by request, I object.

The PRESIDING OFFICER. The bill is passed over.

CHANGE IN CLASSIFICATION OF CROW INDIANS

The bill (H. R. 2170) authorizing changes in the classification of Crow Indians, was considered, ordered to a third reading, read the third time, and passed.

SALE OF CERTAIN ALLOTTED INHERITED LAND ON THE FLATHEAD INDIAN RESERVATION, MONT.

The Senate proceeded to consider the bill (H. R. 1976) to authorize the sale of certain allotted inherited land on the Flathead Indian Reservation, Mont., which had been reported from the Committee on the Interior and Insular Affairs with amendments, on page 1, line 9, after the name "Finley," to strike out "to Albert Lloyd Helmer," and in line 10, after the word "consideration," to strike out "of $1,487.50" and insert "to be agreed upon between said owners and the purchaser and approved by the Secretary of the Interior and the tribal council of the Consolidated Salish and Kootenai Tribes of the Flathead Reservation."

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

ENLISTMENT OF ALIENS IN THE REGULAR ARMY

The Senate proceeded to consider the bill (S. 2269) to provide for the enlistment of aliens in the Regular Army.

Mr. HENDRICKSON. Mr. President, since the purpose of the bill is apparently to take aliens into our Army, I think we should have an explanation.

Mr. SALTONSTALL. Mr. President, in the absence of the chairman of the committee [Mr. TYDINGS], let me say that this bill was introduced by my colleague [Mr. LODGE]. It is quite similar to S. 2016, which was adopted by the Senate last year as an amendment to the Selective Service Act. It is somewhat more restrictive in its provisions, and to that extent meets the objections which were advanced last year by the State Department and Immigration.

It permits the enlistment or reenlistment in the Regular Army of not to exceed 10,000 aliens. Specific provision is made which requires that the Secretary of State concur in the manner in which the program is implemented.

The enlistment period is 5 years, and the program expires at the end of 2 years. At the end of 2 years this type of enlistment will stop. There is no suggestion of a foreign legion in this bill, in that the restriction in last year's bill that this personnel should be only for service overseas has been removed.

The bill is drawn so that persons who enlist as a result of this program may become citizens of the United States, provided they qualify. A technical qualification of the bill specifies that if the individual is ordered into the United States by military orders, this shall be deemed to meet the technical term "permanent residence" used in immigration laws. Otherwise the individual could not begin to qualify until after he completed his enlistment.

Special provision in the bill limits the program to persons who have no married dependents. This is in accord with present recruiting standards, so as to insure that these individuals are not given an advantage which we deny our own people. Also, it eliminates the danger of persons using such dependents as a lever against an individual, should he enlist.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield.

Mr. ELLENDER. Is there a limit to the number who can enlist?

Mr. SALTONSTALL. The number is limited to 10,000, and the program ends in 2 years. In other words, this is good for 2 years, but not beyond that.

Mr. ELLENDER. How long do they serve?

Mr. SALTONSTALL. They serve for 5 years before they become eligible for citizenship.

Mr. THOMAS of Utah. Mr. President, I should like to associate myself with the Senator from Massachusetts in his remarks about the bill. This is an old question. We have had it before us in the Committee on Military Affairs time and time again. The wisdom behind the bill cannot be challenged, neither can its purpose. I think it should become a law, and we should make it possible for these men to serve when they are worthy and meet all the requirements. The bill has every safeguard which I know our Government is interested in.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, with the approval of the Secretary of State, the Secretary of the Army, under such regulations as the Secretary of the Army may prescribe, is authorized until June 30, 1951, to accept original enlistments in the Regular Army for periods of not less than 5 years of not to exceed 10,000 qualified unmarried aliens (without dependents as defined in section 4 of the act of June 16, 1942 (56 Stat. 361), as amended), who are not less than 18 years of age or more than 35 years of age; and with the approval of the Secretary of State, to accept reenlistment of any such alien upon the expiration of his original term of enlistment for such period or periods as the Secretary of the Army may determine.

SEC. 2. Provisions of law prohibiting the payment of any person not a citizen of the United States shall neither apply to aliens who enlist in the Regular Army under the provisions of section 1 of this act nor to their dependents and beneficiaries.

SEC. 3. So much of section 2 of the act approved August 1, 1894 (28 Stat., ch. 179, 216; 10 U. S. C. 625), as amended, as reads "; and in time of peace no person (except an Indian) who is not a citizen of the United States, or who has not made legal declaration of his intention to become a citizen of the United States, shall be enlisted for the first enlistment in the Army" is hereby suspended until June 30, 1951, with respect to enlistments made under section 1 of this act.

SEC. 4. Notwithstanding the periods set forth therein, the provisions of section 324A of the Nationality Act of 1940, as added by the act of June 1, 1948 (Pub. Law 537, 80th Cong.), are applicable to aliens enlisted or reenlisted pursuant to the provisions of this act. Any alien enlisted or reenlisted pursuit to the provisions of this act who subsequently enters the United States or an outlying possession thereof (including the Panama Canal Zone, but excluding the Philippine Islands) pursuant to military orders shall be deemed to have been lawfully admitted to the United States for permanent residence within the meaning of such section 324A.

BILL PASSED OVER

The bill (S. 17) to authorize the Secretary of the Interior to issue patents for certain lands to certain settlers in the Pyramid Lake Indian Reservation, Nev., was announced as next in order.

Mr. MURRAY. Over.

The PRESIDING OFFICER. The bill is passed over.

GRANTS FOR SCHOOL CONSTRUCTION, ETC.—BILL PASSED OVER

The bill (S. 2317) to authorize grants to the States for surveying their need for elementary and secondary school facilities and for planning State-wide programs of school construction; and to authorize grants for school construction, for advance planning of school facilities, and for other purposes was announced as next in order.

Mr. DONNELL. Mr. President, reserving the right to object, I desire to call attention of the Senate to what I consider to be some exceedingly important misstatements in the report which has been printed to accompany this bill. I am referring to report No. 848. I assume, of course, there was no intention to make misstatements in the report, but obviously to those of us who have participated in the consideration of this bill, there comes home a very clear realization of the fact that the report does not correctly state the situation.

This bill consists of what may properly be termed, I think, two parts, one of which is declared in the report to be "the long-range program provided for in sections 201 to 205, inclusive, of S. 2317" as originally introduced.

The second portion of the bill is purely an emergency measure, and appears in section 206 and perhaps in following sections, as the bill was originally introduced.

The committee considered with great care the two questions involved. Many other questions, I take it, were likewise considered with equal care. The two sections to which I refer in particular were as to whether there should be a long-range program by which the Federal Government should recognize and carry out any obligation for contributing toward the construction of school buildings in the United States.

The second proposition which was considered was whether the Congress should give attention to emergency situations arising where war activities and the transition from wartime to peacetime conditions had resulted in various

school districts being overburdened with school enrollments; and whether the Federal Government should, in such emergency situations, recognize the obligation to assist in the construction of school buildings.

Notwithstanding the report of the subcommittee which advocated the long-range program, as well as the emergency situation program, the committee itself determined to strike out the portion referring to the long-range program, but to leave in the bill the portion which pertained to the emergency program. So the Senate will observe that a very large proportion of the language of the bill has been stricken out.

There was nothing in the action of the committee, according to my understanding—and I think I am correct as to this—which even remotely committed the committee to any approval of a long-range program or to any recognition whatsoever of the obligation of the Federal Government to contribute to the construction of school buildings throughout the Nation, other than in the emergency situations to which I have referred.

Yet when I observe this printed report, I note that on page 4 the following appears:

> The committee further recognizes that the Federal Government has an obligation to assist all States to provide satisfactory physical facilities for education.

Then on page 5 the report states:

> The subcommittee's recommended School Construction Act provides a sound administrative pattern by which the Federal Government would recognize its responsibility for assisting the States in financing the construction of needed school facilities.

I have not read the entire report, but I have observed, on page 10, this language:

> The Committee on Labor and Public Welfare endorses S. 2317 as recommended by the subcommittee.

Mr. President, that was the bill which recognized not only the emergency obligation but also what the subcommittee considered to be a long-range, long-term obligation.

Then the report proceeds with the surprising and amazing statement:

> It is strongly recommended that this bill, in its entirety, be used as the pattern for a long-range school construction program at a later date.

And then further:

> Since, however, some members of the committee question the timeliness of the long-range pattern provided for in sections 201 to 205, inclusive, of S. 2317 as introduced on July 22, the Committee on Labor and Public Welfare recommends that the first session of the Eighty-first Congress enact immediately an amended S. 2317 which will provide for surveys and emergency school construction as provided for in title I and section 206, respectively, of S. 2317 as originally introduced.

Mr. President, I wish it understood that I am not objecting to the emergency construction provisions; but I do call attention to the following language in the report, immediately following the portion I have read:

> It is believed by this committee that preliminary results of the survey provided for in title I will justify the enactment of the long-range pattern of S. 2317 by the second session of the Eighty-first Congress. The Committee on Labor and Public Welfare recommends the immediate passage of S. 2317 as hereinafter amended; and it further recommends that the full bill be considered early in the next session of this Congress.

As one of the members of the committee, I do not concur in that recognition of any obligation with respect to a long-range program. I do not object to the consideration of this particular bill. Perhaps some other Senator may object. But I thought it proper to call to the attention of the Senate the very striking series of incorrect statements which appear in the printed report.

Mr. HUMPHREY. Mr. President, I have a particular interest in this bill because it was my privilege to be chairman of the subcommittee which considered this proposed legislation, and to report it to the full committee, and also to have a very full understanding with the members of the full committee as to the nature of the report which would be presented to the Senate with Senate bill 2317, as proposed by the committee to be amended.

Just a word of background, Mr. President: The school construction proposed legislation now being discussed is a composite of a large number of bills introduced by many Senators. The bill now before the Senate has the cosponsorship of several Members of the Senate, each and every one of whom was spoken to as to the nature of the proposed legislation which finally was to be reported by the committee.

It was the considered judgment of the subcommittee, which held exhaustive and, let me say, intensive hearings, that the entire bill should be reported to the Senate, without the amendments which later were suggested by the full committee.

I may say there were within the full committee sufficient votes to report the full bill to the floor of the Senate, without the shadow of a doubt, despite the opposition of the distinguished Senator from Missouri [Mr. DONNELL] and the opposition of other Senators. There were plenty of votes in the full committee to report the full bill.

However, in view of the emergency which faces some of the school areas in the United States, and also in view of the fact that we need a survey of a program for school-building needs, it was the desire of the committee to have the bill, as reported, contain the least possible amount of controversial material. Therefore, the bill as presently proposed to be amended is before the Senate.

As to the accuracy of the report, let me say that the chairman of the subcommittee, the junior Senator from Minnesota, questioned the members of the subcommittee particularly, and also particularly the distinguished chairman of the committee, as well as the other members of the committee, in the presence of the Senator from Missouri, as to whether the administrative pattern outlined in the full bill should be included in the report. The pattern of administration outlined in the full bill, as to the cooperation between the Federal Government and the State governments in any kind of school-construction program, was worked out with the cooperation of the Office of Education, the General Services Agency, the Bureau of the Budget, and every other agency or private group in the school field that is related to this problem.

The matter was approached and considered in a spirit of unity and understanding which never before has been achieved. Heretofore, there has always been a struggle between the Federal Works Agency and the Office of Education, and also there have been some difficulties between school groups, as to the kind of legislation they wanted.

Fortunately, after weeks and weeks of negotiation, we were able to arrive at a formula for the use of Federal money in the States and an integrated pattern of school construction which met with the requirements and support of all the interested agencies. I may say to the distinguished Senator from Alabama [Mr. HILL] that we followed very carefully the formula and pattern of the Hospital Construction Act.

So I wish to correct the RECORD, insofar as concerns the comments which have been made here today. There was no intent to make a false report. Not only was the report authorized by the committee, but the chairman of the subcommittee checked and double checked to make sure the committee meant exactly what the report said.

Therefore, the report was presented on the basis of the full bill, but stating quite frankly to the Senate, so that we could get some action, that we would submit a bill which only authorized surveys and emergency construction.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

Mr. DONNELL. Mr. President, I ask unanimous consent that the Senator's time may be extended sufficiently to enable him to answer the questions which I shall ask.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DONNELL. I ask the distinguished Senator whether he ever approached this particular member of the committee with a request for his vote, pro or con, and as to whether it was believed by the committee that preliminary results of the survey provided for in title I will justify the enactment of the long-range program? I ask the Senator further whether he ever asked this member of the committee, the Senator who is now speaking, whether he recommended that the full bill be considered early in the next session of the Congress, or whether he recommended that this bill be used as a pattern for a long-range school-construction program, or ever asked this member whether he ever approved any of the statements in the report, which indicated that it was the belief of the committee that a long-term program is justified, and an obligation recognized by the Federal Government to carry it out?

Mr. HUMPHREY. I may say to the distinguished Senator from Missouri, the junior Senator from Minnesota well realizes that the Senator from Missouri did not approve the long-range bill. The Senator from Missouri made his position very clear in the committee. One of the reasons, I may say, that the full committee went back to this type of amended bill was in order to receive the support and concurrence of all the members of the committee. We discussed this plan in the committee. The Senator from Missouri repeatedly said he did not believe in long-range school construction, he did not believe in that kind of pattern of relationships between Federal and State governments. Nevertheless, I may say, the majority of the committee expressed to the junior Senator from Minnesota, after positive interrogation, the belief that this was the kind of report they wanted.

Mr. TAFT and Mr. DONNELL addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Minnesota yield; and if so, to whom?

Mr. HUMPHREY. I yield to the Senator from Ohio.

Mr. TAFT. The statement is made in the report that the Committee on Labor and Public Welfare endorsed S. 2317 as recommended by the subcommittee. Was any vote ever taken in the full committee on that subject?

Mr. HUMPHREY. I may say to the distinguished Senator from Ohio, the junior Senator from Minnesota specifically asked the committee, on a motion to reconsider. I said I preferred to bring the whole bill onto the floor of the Senate so we would have something that would point up the long-range needs of education. And, by the way, the Senator from Ohio——

Mr. TAFT. Mr. President, will the Senator answer the question? Did the committee ever take action? Did the committee ever vote to endorse S. 2317 as recommended by the subcommittee?

Mr. HUMPHREY. The full committee endorsed S. 2317 in toto. It did, indeed. But members of the committee said they felt the bill would not be able to get by at this session of the Congress, and therefore we could amend it.

Mr. TAFT. Was any vote ever taken by the committee? Will the Senator please answer that.

Mr. HUMPHREY. The Senator from Ohio was not here.

Mr. TAFT. I am asking the Senator whether any vote was taken by the committee to justify this report, or whether it was a conclusion of the Senator's as to what other individual Senators thought.

Mr. HUMPHREY. There was no yea-and-nay vote taken, but it was simply on the basis that we wanted to get unanimous agreement on the bill. I am sure the distinguished Senator from Ohio remembers he was one who asked that the bill be laid over in the committee for a period of time, to see whether we could not amend it so we could have a sort of limited debate on the amended bill.

Mr. DONNELL. Mr. President, will the Senator yield for a question?

Mr. HUMPHREY. I yield.

Mr. DONNELL. I ask the Senator from Minnesota whether the Senator from Missouri was there when every vote was taken on this particular bill?

Mr. HUMPHREY. The Senator was there.

Mr. DONNELL. I ask the Senator whether there was any vote, directly or indirectly, yea-and-nay, oral, or otherwise, by which the Committee on Public Welfare said it endorsed the bill S. 2317, as recommended by the subcommittee?

Mr. HUMPHREY. There was no yea-and-nay vote. However——

Mr. DONNELL. There was no vote of any kind, was there?

Mr. HUMPHREY. There was no yea-and-nay vote.

Mr. DONNELL. Was there any vote?

Mr. HUMPHREY. There was no voice vote.

Mr. DONNELL. Was there any vote of any kind?

Mr. HUMPHREY. There was an expression by the majority of the committee in full support of the subcommittee bill.

Mr. DONNELL. Mr. President, with the permission of the Chair, I ask the Senator again, was there any vote at any time taken in the full committee with respect to the recommendation of the subcommittee endorsing S. 2317?

Mr. HUMPHREY. I told the Senator from Missouri there was an expression by the majority of the committee in support of the full bill. There was no yea-and-nay vote. There was no voice vote. However, there was an expression from the distinguished Senator from Alabama [Mr. HILL], from the distinguished Senator from Illinois [Mr. DOUGLAS], from the Senator from Montana [Mr. MURRAY], from the Senator from Oregon [Mr. MORSE]—who, by the way, suggested the limited amendment—from the Senator from Minnesota [Mr. HUMPHREY] and from the Senator from Utah [Mr. THOMAS]; which is the majority of the committee; all of whom supported the full bill; and no one knows it any better than does the Senator from Missouri.

Mr. DONNELL. Mr. President, will the Senator yield for a further question?

The PRESIDING OFFICER. Does the Senator from Minnesota yield further to the Senator from Missouri?

Mr. HUMPHREY. I yield.

Mr. DONNELL. I ask the Senator whether it is not a fact that the only bill which was ever authorized by a vote of the committee was the emergency provision set forth in the amended bill? That is correct, is it not?

Mr. HUMPHREY. That is correct.

Mr. DONNELL. And is it not a fact that after a discussion in the committee with respect to both the long-range and the short-range plans—that is to say, the emergency program—it was determined that we should not submit the long-range program, but should submit solely the emergency program? I ask the Senator, was there any consideration by this particular Senator, or in the presence of this particular Senator, in which the committee itself endorsed S. 2317 as recommended by the subcommittee?

Mr. HUMPHREY. I may say to the Senator we are not exactly now in a court of law, and I am not being cross-examined. Of course, the junior Senator from Missouri did not endorse the long-range bill. But the Senator from Minnesota says without fear of contradiction that a majority of the members of the Committee on Labor and Public Welfare expressed endorsement of the full bill. I may say that out of a spirit of cooperation toward the Senator from Ohio, toward the Senator from New Jersey [Mr. SMITH], and toward the Senator from Missouri [Mr. DONNELL], we compromised on the basis of a limited bill. Rather than argue about the report, in view of the needs of the country, I may say to the Senator from Missouri I would suggest we go ahead and provide the money for surveys and the limited emergency construction.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. DONNELL. I ask unanimous consent to make a statement, instead of propounding an inquiry. It shall be very brief.

I have no doubt of the good faith of the Senator from Minnesota. I am not questioning it in the slightest. I do say it is highly improper, in my opinion, to send throughout the United States or to the Senate or to anyone a statement that the Committee on Labor and Public Welfare endorses S. 2317 as recommended by the subcommittee. I say it is not correct to say the committee ever expressed itself officially or in any way other than in mere discussion. I say there was not an expression of the committee as to the long-term program. I do not desire to engage in any controversy over the matter, but I want the fact particularly clear upon the RECORD that this committee acted only on the proposition of the emergency program, and that the Senator now speaking, as one member of the committee, never saw and never had the opportunity to pass on the report which has come before the Senate in this broad language with respect to the long-range program.

Mr. TAFT and Mr. HUMPHREY addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. TAFT. Mr. President, I object to consideration of the bill.

The PRESIDING OFFICER. The bill goes over.

H. B. BASS

The bill (H. R. 5205) to quitclaim certain property in Enid, Okla., to H. B. Bass was considered, ordered to a third reading, read the third time, and passed.

ADMISSION OF NARCOTIC ADDICTS TO HOSPITALS

The bill (S. 1706) to authorize the Public Health Service to admit to its hospitals persons committed by State courts who are beneficiaries of the Service or narcotic addicts, and for other purposes, was announced as next in order.

Mr. HENDRICKSON. Mr. President, may we have an explanation of the bill?

Mr. THOMAS of Utah. Mr. President, the purpose of the bill is to authorize the Surgeon General of the Public Health

Service to admit to Service hospitals for treatment and care certain specified classes of individuals who have been committed to the Service or to its hospitals by State courts of competent jurisdiction. The bill also authorizes him to detain such persons in accordance with State law and the orders of the courts which have committed them.

Certain classes of persons such as merchant seamen, officers, and enlisted men of the Coast Guard, and so forth, are already entitled by law to hospitalization in Public Health Service hospitals. Also, under section 341 of the Public Health Service Act the Surgeon General may admit and treat in Service hospitals at Government expense any narcotic addict who voluntarily submits himself for treatment. The bill applies only to the one or the other of these already established classes of beneficiaries. Thus, only persons already entitled under the law to care and treatment at Service hospitals, and narcotic addicts who have previously voluntarily availed themselves of the opportunity afforded by the law to obtain free treatment at such hospitals, may under the bill be admitted upon commitment by State courts. All care and treatment afforded under the bill would be discretionary with the Surgeon General, and would be subject to the availability of appropriations and the availability of accommodations.

The bill does not entail any new expenditures and, in fact, should result in a saving to the Government by rendering more effective the work now being done by the Public Health Service regarding narcotic addicts.

Mr. HENDRICKSON. I thank the distinguished Senator for his statement.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Public Health Service Act, as amended (42 U. S. C., ch. 6A), is amended by inserting immediately after section 327 the following new section:

"PERSONS COMMITTED BY STATE COURTS

"SEC. 328. (a) The Surgeon General is authorized, in his discretion and subject to the availability of appropriations, the availability of accommodations, and the provisions of subsection (b), to admit for care and treatment in any hospital of the Service suitably equipped therefor (as determined from time to time by the Surgeon General) (1) any person who is entitled to hospitalization by the Service and who is committed to the Service or to a hospital thereof, for care and treatment, by a court of competent jurisdiction of a State, and (2) any drug addict who, having previously been admitted to a hospital of the Service pursuant to section 344, has failed to abide by his agreement under that section to remain for the period necessary to effect a cure of his drug addiction and who is committed to the Service or to a hospital thereof, for care and treatment, by a court of competent jurisdiction of a State. Jurisdiction is hereby ceded and relinquished to any State within which a hospital of the Service is situated, to the extent necessary to enable any court of competent jurisdiction of such State, in accordance with the law of such State and upon request of the Surgeon General (but subject to the provisions of subsection (b)), to commit to the Service or to such hospital any person within such hospital.

"(b) No person shall be admitted or committed to a hospital of the Service pursuant to this section unless he is entitled to hospitalization by the Service or is found by the Surgeon General to be a narcotic drug addict. Upon the request of any appropriate State judicial or administrative officer with respect to any person, the Surgeon General shall make such investigation (including, as authorized by State law or upon such person's consent, an examination of such person) as may be necessary to determine whether such person is entitled to hospitalization by the Service or is an addict who may, by treatment in a hospital of the Service, probably be cured of his addiction; and the Surgeon General shall notify such State officer whether such person, if committed to the Service or to a hospital thereof as provided in this section, will be admitted thereto.

"(c) Any person admitted to a hospital of the Service pursuant to subsection (a) shall be discharged therefrom when he is found by the Surgeon General to be cured.

"(d) With respect to the retention, transfer, parole, or discharge of any person committed to a hospital of the Service in accordance with subsection (a), the Surgeon General and the officer in charge of the hospital, in addition to authority otherwise vested in them, shall have such authority as may be conferred upon them respectively by the law of the State within which the hospital is situated or by the order of the court which committed such person."

SEC. 2. The first sentence of section 341 of such act is amended to read: "The Surgeon General is authorized to provide for the confinement, care, protection, treatment, and discipline of persons addicted to the use of habit-forming narcotic drugs who voluntarily submit themselves for treatment, addicts who have been or are hereafter convicted of offenses against the United States, including persons convicted by general courts martial and consular courts, and addicts who are committed to a hospital of the Service pursuant to section 328."

SEC. 3. The first sentence of subsection (c) of section 343 of such act is amended by inserting immediately before the comma therein the words "pursuant to this section."

SEC. 4. Subsection (d) of section 344 of such act is amended to read:

"(d) Any addict admitted for treatment under this section shall not thereby forfeit or abridge any of his rights as a citizen of the United States. The admission or treatment of any such addict shall not be used against him in any proceeding in any court, and the record of his voluntary commitment shall be confidential and shall not be divulged; except that, in the case of any such addict who fails to abide by his agreement under subsection (b) to remain for the period necessary to effect a cure of his drug addiction, the record of his admission or treatment pursuant to this section may be admitted in a proceeding in a State court for his commitment to the Service or to a hospital thereof as provided in section 328 (a)."

SEC. 5. The first sentence of subsection (b) of section 345 of such act is amended by inserting immediately after the words "properly committed thereto" the words "pursuant to section 343."

ADMISSION OF RESIDENTS OF THE VIRGIN ISLANDS TO ST. ELIZABETHS HOSPITAL

The bill (S. 2227) to amend the act approved July 18, 1940 (54 Stat. 766; 24 U. S. C., 1946 ed., sec. 196b), entitled "An act relating to the admission to St. Elizabeths Hospital of persons resident or domiciled in the Virgin Islands of the United States," by enlarging the classes of persons admissible into St. Elizabeths Hospital and in other respects, was announced as next in order.

Mr. WHERRY. Mr. President, reserving the right to object, I should like to ask the distinguished Senator from Utah what cost will be involved, not only as to this bill, but the one which was just passed. I do not object to the passage of it.

Mr. THOMAS of Utah. The cost under the bill just passed will not be anything.

Mr. WHERRY. What about this bill?

Mr. THOMAS of Utah. I do not think any cost is involved. There may possibly be 11 persons from the Virgin Islands who will be affected.

Mr. WHERRY. I have no objection.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act approved July 18, 1940, entitled "An act relating to the admission to St. Elizabeths Hospital of persons resident or domiciled in the Virgin Islands of the United States," is amended as follows:

(a) Clauses (1) and (2) of the first paragraph of such act are amended to read as follows: "(1) Persons who are permanent residents of the Virgin Islands of the United States and who (A) are citizens or nationals of the United States or nondeportable aliens and (B) have been legally adjudged to be insane in the Virgin Islands or while temporarily in another insular possession or a Territory of the United States or in the continental United States; and (2) persons who are present in but not permanent residents of the Virgin Islands and (A) have been legally adjudged to be insane in the Virgin Islands, (B) are citizens or nationals of the United States or nondeportable aliens, and (C) are persons whose legal residence in one of the States or Territories of the United States or the District of Columbia it has been impossible to establish."

(b) The second paragraph of such act is amended to read as follows:

"Upon the ascertainment of the legal residence of persons who have been transferred to St. Elizabeths Hospital and who are not permanent residents of the Virgin Islands, the Superintendent of the hospital shall transfer such persons to their respective places of residence, and the expense of transfer shall be paid from the appropriation for the support of the hospital."

VENEREAL DISEASE RAPID-TREATMENT CENTERS

The Senate proceeded to consider the bill (S. 2228) to amend the Public Health Service Act with respect to venereal disease rapid-treatment centers, and for other purposes, which had been reported from the Committee on Labor and Public Welfare with amendments: On page 1, line 8, after "(1)," to strike out "Funds", and insert "Such funds as may be"; and on page 3, line 21, after the word "transferred", to insert "within 1 year after the enactment of this act"; so as to make the bill read:

Be it enacted, etc., That this act may be cited as the "Venereal Disease Rapid Treatment Center Act."

SEC. 2. Section 314 of the Public Health Service Act, as amended (42 U. S. C. 246), is

hereby amended by adding at the end thereof the following new subsection:

"(1) Such funds as may be appropriated under subsection (a) for a fiscal year, which are not determined by the Surgeon General to be available for allotment among the several States pursuant to subsection (d), may also be used by the Service to operate and maintain facilities for the diagnosis, treatment, support, and clothing of persons afflicted with venereal diseases, including transportation and subsistence of persons afflicted with venereal diseases, and their attendants, to and from the places of treatment, or allowances in lieu thereof; diagnosis and treatment, including emergency treatment for other illnesses, of such persons through contracts with physicians and hospitals and other appropriate institutions; recreational supplies and equipment; and repair and alteration of leased facilities. Such funds may also be used for grants of money, services, supplies, equipment, and facilities to States and, with the consent of the respective State health authorities, to counties, health districts, and other political subdivisions of the States for the establishment, operation, and maintenance of facilities for the diagnosis, care, and treatment of persons afflicted with venereal diseases, including case finding and referral of voluntary patients to places of treatment. Such grants shall be in such amounts and upon such terms and conditions as the Surgeon General may determine. The Service shall, as soon as practicable after the enactment of the Venereal Disease Rapid Treatment Center Act, cease to operate or maintain, pursuant to the first sentence of this subsection, facilities for the diagnosis, treatment, support, or clothing of persons afflicted with venereal diseases. In no event shall the Service operate or maintain such facilities pursuant to such sentence after June 30, 1950, except that the Service may operate and maintain not more than one such center after such date to the extent the Surgeon General determines such action to be necessary for the training of personnel for Federal or State and local health work and for the conduct of research, investigations, and demonstrations."

SEC. 3. (a) The head of any executive department is authorized, without the transfer of funds, to transfer to the Federal Security Agency any of the supplies, equipment, or facilities which such department has made available to the Public Health Service for use in connection with venereal disease control work and which, on the date of enactment of this act, is still available for use in connection with such work. Any real or personal property so transferred to the Federal Security Agency, and any other real or personal property of the United States which is under the jurisdiction of the Public Health Service and which the Surgeon General of the Public Health Service determines would be useful in connection with venereal disease control work, may be transferred, within 1 year after the enactment of this act, with or without reimbursement and upon such terms and conditions as the Surgeon General may prescribe, to any State and, with the consent of the State, to any county, health district, or other political subdivision of the State.

(b) As used in this section, the term "executive department" means any executive department, agency, or independent establishment of the United States or any corporation wholly owned by the United States; and the term "State" means a State, or the District of Columbia, Alaska, Hawaii, Puerto Rico, or the Virgin Islands.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

WITHDRAWAL OF PUBLIC NOTICES IN THE YUMA RECLAMATION PROJECT

The Senate proceeded to consider the bill (S. 1542) to authorize the withdrawal of public notices in the Yuma reclamation project, and for other purposes, which had been reported from the Committee on Interior and Insular Affairs, with an amendment on page 3, after line 3, to strike out:

SEC. 2. In addition to the authority granted by section 1 of this act, the Secretary may, in his discretion, rent water for irrigation of privately owned lands not covered by water-right application at a charge per acre foot to be fixed by him each year and to be collected in advance of the delivery of water. The water rental payable under contracts made pursuant to the provisions of this section shall be at such rates as in the Secretary's judgment will produce revenues at least sufficient to cover an appropriate share of the annual operation and maintenance cost and an appropriate share of such fixed charges as the Secretary deems proper, and the latter shall be paid into the reclamation fund as a non-interest-bearing credit to the construction charge account for the particular lands for which water rental contracts are made, which credit shall be applied at an equal rate per annum to all construction charge installments when said lands are covered by a permanent water-right application.

So as to make the bill read:

Be it enacted, etc., That (1) for the purpose of encouraging the filing of water-right applications on lands within the Yuma reclamation project by the reduction or elimination of increases in construction charges imposed by the provisions of section 9 of the Reclamation Extension Act (act of August 13, 1914, 28 Stat. 686, 689), the Secretary of the Interior; in his discretion, may from time to time withdraw or modify by public notice any public notice or public notices applicable to said project issued under the Federal reclamation laws (act of June 17, 1902, 32 Stat. 388, and acts amendatory thereof or supplementary thereto); and (2) for the additional purpose of making such adjustments with reference to water-right applications and other contracts affected by such increases as, in his judgment, are equitably required by reason of action taken under (1) above, the Secretary may by public notice make such modifications of water-right applications and contracts with water users' associations and others then in effect on said project as he may deem advisable and equitable: *Provided*, That nothing contained in this act shall be construed to amend section 4 of the Reclamation Extension Act aforesaid. Credits arising from a reduction or elimination of increases in construction charges allowed by the Secretary hereunder shall be without interest and shall be applied at an equal rate per annum against construction charge installments thereafter to become due or, if and to the extent that such credits exceed such installments, as advance payments on operation and maintenance charges due or to become due: *Provided*, That no reduced rates or credits accruing pursuant to this act in favor of any landowner during any period while he holds in single ownership in excess of 160 acres of irrigable land, upon which land the construction charges have not been paid in full, shall be allowed but such owners during the period of such excess ownership shall pay construction and other charges without credits or reductions allowable under this section.

The amendment was agreed to.

Mr. WHERRY. Mr. President, reserving the right to object, may I inquire just what this bill proposes? There is no report on the bill as yet.

Mr. McFARLAND. The act authorizing the project provided that each year the entrymen would have to pay 5 percent additional in order to have their lands included in the project. There were some 1,500 acres of land not included, and the cost has increased from $85 to $194. This is preventing the project from being rounded out. The bill specifically provides that the cost shall not be less than the original $85.

The PRESIDING OFFICER. Is there objection?

There being no objection, the bill was ordered to be engrossed for a third reading, read the third time, and passed.

RETIREMENT BENEFITS OF CERTAIN MEMBERS OF THE COAST GUARD

The bill (H. R. 1824) to amend the act of July 23, 1947 (61 Stat. 409) was announced as next in order.

Mr. WHERRY. Mr. President, may I ask what this bill provides?

Mr. McFARLAND. It provides that the Marine Inspection and Navigation Department, which was made a part of the Coast Guard under the original legislation, will have the same benefit as though it had been a member of the Coast Guard from its inception. This is made necessary because of the complication in the law after the House bill was passed.

Mr. WHERRY. I have no objection.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. McFARLAND. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The Clerk will state the amendment offered by the Senator from Arizona.

The LEGISLATIVE CLERK. It is proposed to strike out all after the enacting clause and to insert in lieu thereof the following:

(f) In computing length of service for purposes of retirement of personnel of the former Bureau of Marine Inspection and Navigation and Bureau of Customs transferred from those bureaus to the Coast Guard by Executive Order 9083 and by Reorganization Plan No. 3, effective July 16, 1946, who are commissioned, appointed, or enlisted, there shall be included, in addition to all service now or hereafter creditable by law, all service as a civilian employee of the United States within the purview of sections 691, 693, 698, 707, 709–715, 716–719, 720–725, 727–729, 730, 731, and 733 of title 5; and for all purposes of pay, so much of the service as was rendered as a civilian employee in the former Bureau of Marine Inspection and Navigation (including its predecessors, the Bureau of Navigation and the Steamboat Inspection Service), in the Bureau of Customs and in the Coast Guard. Such service for both retirement and pay purposes shall be classified as commissioned, warrant, or enlisted depending upon which status the person assumes upon his entry into the Regular Coast Guard. Service covering the same period shall not be counted more than once.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "To amend section 433 (f) of the act of August 4, 1949."

AIRPORTS IN THE TERRITORY OF ALASKA

The bill (S. 2436) to amend the act entitled "An act to authorize the construction, protection, operation, and maintenance of public airports in the Territory of Alaska" was announced as next in order.

Mr. HENDRICKSON. Mr. President, may we have an explanation of the bill?

Mr. JOHNSON of Colorado. Mr. President, the Eightieth Congress authorized an expenditure of $13,000,000 to construct airports at Anchorage and at Fairbanks, Alaska. The amount allocated was not sufficient to build the kind of airports required, so this bill provides for an additional amount of $4,000,000. The Senator from Indiana [Mr. CAPEHART] was handling the matter. He made a trip to Alaska 2 years ago in company with members of the committee, and brought back a report which indicated very grievous need for these airports.

Mr. HENDRICKSON. I thank the Senator. I have no objection.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 10 of the act entitled "An act to authorize the construction, protection, operation, and maintenance of public airports in the Territory of Alaska", approved May 28, 1948 (Public Law 562, Eightieth Congress), is amended by striking out the figures "$13,000,000" and inserting in lieu thereof the figures "$17,000,000."

BILL PASSED OVER

The bill (H. R. 6070) to amend the National Housing Act, as amended, and for other purposes, was announced as next in order.

The PRESIDING OFFICER. The bill will be passed over.

LOGAN INTERNATIONAL AIRPORT, BOSTON, MASS.

The joint resolution (H. J. Res. 338) to authorize the Administrator of Civil Aeronautics to undertake a project for the development and improvement of Logan International Airport at Boston, Mass., during the fiscal year 1950 was considered, ordered to a third reading, read the third time, and passed.

STIMULATION OF EXPLORATION AND CONSERVATION OF STRATEGIC AND CRITICAL ORES

The bill (S. 2105) to stimulate exploration for and conservation of strategic and critical ores, metals, and minerals, and for other purposes, was announced as next in order.

Mr. WHERRY. Mr. President, I do not want in any way to change the unanimous-consent order which was agreed to, but I submit that this bill, which has no report accompanying it——

Mr. MILLIKIN. Mr. President, there is a report on this bill.

Mr. WHERRY. Then I withdraw my statement. But let me suggest, for the benefit of the Senate, that when we conclude the consideration of this bill, we should dispense with the calling of the calendar until reports are here, and we have an opportunity to examine them.

Mr. WILLIAMS. Mr. President, I ask that this bill go over. We have not had an opportunity to study it. I ask that it remain on the calendar and be not considered today.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HENDRICKSON. Mr. President, I think the same procedure should be followed with respect to all the remaining bills, because we have not had an opportunity to study the bills or to read the reports.

Mr. MALONE. Mr. President, are we to understand, then, that where reports are not available, the bills will be at the head of the calendar for the next call?

The PRESIDING OFFICER. Without objection, the calendar call, the next time, will begin with Calendar No. 967.

Mr. WHERRY. Mr. President, I have just been consulted by the distinguished Senator from Oklahoma, and I see that the bills remaining on the calendar have been reported, beginning with Calendar No. 970. Possibly an explanation can be given as to each one of them. So I withdraw my request.

Mr. WILLIAMS. Mr. President, I ask that Calendar No. 967, Senate bill 2105, go over.

The PRESIDING OFFICER. The bill has been passed over.

BILLS PASSED OVER

The bill (H. R. 5647) to prohibit the picketing of United States courts, was announced as next in order.

Mr. WHERRY. Mr. President, I have been asked by the senior Senator from North Dakota [Mr. LANGER] to object to that bill.

The PRESIDING OFFICER. The bill will be passed over.

STRATEGIC AND CRITICAL ORES, METALS, AND MINERALS

The bill (S. 240) to stimulate the exploration, production, and conservation of strategic and critical ores, metals, and minerals and for the establishment within the Department of the Interior of a Mine Incentive Payments Division, and for other purposes was announced as next in order.

Mr. WHERRY. Over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. AIKEN. Mr. President, do I correctly understand that Calendar 967, Senate bill 2105, will be placed at the head of the list for the next call of the calendar?

The PRESIDING OFFICER. That is correct.

Mr. O'MAHONEY. I understood the request was that it be placed at the head of the list.

The PRESIDING OFFICER. It will be so placed that it will be in the next call of the calendar.

Mr. WHERRY. Mr. President, I must object to that, because several Senators want their bills placed at the head of the calendar.

The PRESIDING OFFICER. Those bills which go to the head of the calendar will take their regular numbers at the next call.

Mr. HILL. Beginning with Calendar No. 967.

Mr. WHERRY. Mr. President, I ask unanimous consent that Calendar No. 570, Senate bill 1165, be placed at the head of the list if we start specifying bills. There are other bills which could be placed ahead of this bill.

Mr. O'MAHONEY. A parliamentary inquiry. Did not the Senator from Nebraska misunderstand the statement of the Chair?

The PRESIDING OFFICER. The Chair thinks so. The Chair stated that when there were requests that certain bills be considered, and it was agreed they might be considered at the next call of the calendar they will be called, taking their respective numbers.

Mr. WHERRY. Very well. If that is to be the policy. I ask that Calendar No. 570, Senate bill 1165, be placed on the calendar.

Mr. HILL. I shall have to object to that, because every Senator will want some bill in which he is interested to come first.

The PRESIDING OFFICER. That bill would not come first.

Mr. HILL. I mean Senators would want their bills considered. I do not know anything about the merits or demerits of Senate bill 1165, but it has once been considered by the Senate. It was called on one call of the calendar. I cannot consent that it be put in a position where it will be sure it will be called the next time ahead of many other bills.

Mr. WHERRY. I am asking unanimous consent that it be called. The Senator can object to it.

Mr. HILL. I am objecting to it now, at the present time. I shall be glad to confer with the Senator.

Mr. WHERRY. I understand the ruling of the Chair, and I think it is all right, and I do not disagree with it. I was merely asking unanimous consent, inasmuch as the ruling has been made, that also at the head of the list on the call——

Mr. CHAVEZ. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CHAVEZ. Under the ruling the Chair has made, some bills which have been passed over, irrespective of their numbers, will take their proper place on the calendar.

The PRESIDING OFFICER. That is correct, and the bills will be listed by numbers.

Mr. WHERRY. I have no objection to that.

Mr. MILLIKIN. Mr. President, with reference to Calendar No. 832, Senate bill 1385, earlier in the day it was agreed that

that should go to the foot of the calendar. The junior Senator from Illinois [Mr. DOUGLAS] had made an objection. The Senator is now out of town, but I am advised by his assistant that he will confer with us on Monday, so I ask unanimous consent that Senate bill 1385 be put on the next calendar call for attention, in the flexible category of firsts.

Mr. HILL. What calendar number is it?

Mr. JOHNSON of Colorado. Calendar No. 832.

Mr. HILL. Did we consider that today?

Mr. JOHNSON of Colorado. We could not consider it because the junior Senator from Illinois [Mr. DOUGLAS] was not present.

Mr. HILL. Would it have been considered had he been here?

Mr. JOHNSON of Colorado. Yes.

The PRESIDING OFFICER. Placing these numbers on the calendar merely gives opportunity for them to be brought up on the next call of the calendar.

Mr. HILL. The bill referred to by the Senator from Colorado was listed to be called today but could not be called?

The PRESIDING OFFICER. That is correct.

Mr. HILL. I have no objection.

Mr. TAFT. Mr. President, are we still on the call of the calendar?

The PRESIDING OFFICER. We have not finished with the calendar, and are still calling the calendar. All this discussion is pending the conclusion of the call of the calendar.

Mr. TAFT. I ask that the call of the calendar be continued.

The PRESIDING OFFICER. The clerk will call the next number on the calendar.

WINFRED DeCOTEAU

The Senate proceeded to consider the bill (S. 477) to authorize and direct the Secretary of the Interior to issue to Winfred DeCoteau a patent in fee to certain land, which was read, as follows:

Be it enacted, etc., That, upon application in writing, the Secretary of the Interior is authorized and directed to issue to Winfred DeCoteau a patent in fee to the southwest quarter of the northwest quarter of section 36, township 124, range 51, South Dakota.

Mr. WHERRY. Mr. President, I ask the distinguished Senator from Oklahoma to explain the bill.

Mr. KERR. Mr. President, the purpose of this bill is to authorize and direct the Secretary of the Interior, upon application in writing, to issue a patent in fee to Winfred DeCoteau, a mixed-blood Sioux Indian of the Lake Traverse Band of the Sisseton Indian Reservation, S. Dak., to 40 acres of land which he inherited from his mother, Mary V. DeCoteau, which 40-acre tract is isolated from his and other Indian land holdings and is leased to a non-Indian.

Mr. WHERRY. I have no objection.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

SUSIE LARVIE DILLON

The Senate proceeded to consider the bill (H. R. 2706) authorizing the issuance of a patent in fee to Susie Larvie Dillon.

Mr. WHERRY. I should like to have the junior Senator from Oklahoma also give an explanation of this bill.

Mr. KERR. Mr. President, this bill authorizes the issuance of a patent to Susie Larvie Dillon to 160 acres of land situated on the Pine Ridge Reservation, S. Dak. The bill has been passed by the House of Representatives and considered by the Committee on Interior and Insular Affairs, and is recommended for approval.

Mr. WHERRY. I have no objection.

The PRESIDING OFFICER. The question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

GEORGE SWIFT HORSE

The Senate proceeded to consider the bill (H. R. 2920) authorizing the issuance of a patent to George Swift Horse.

Mr. KERR. Mr. President, the purpose of this bill is to authorize the issuance of a patent in fee to George Swift Horse, for lands allotted to him on the Cheyenne River Indian Reservation, S. Dak. It has been passed by the House unanimously, and approved by the Committee on Interior and Insular Affairs.

The PRESIDING OFFICER. The question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

LENORA FARWELL FRITZLER

The Senate proceeded to consider the bill (H. R. 3667) authorizing the Secretary of the Interior to issue a patent in fee to Lenora Farwell Fritzler.

Mr. AIKEN. Mr. President, not knowing much about these Indian lands, may I ask the Senator from Oklahoma why it is necessary to have legislation to grant them their rights in the lands?

Mr. KERR. Mr. President, this particular Crow Indian, along with all the others, is subject to the law of June 4, 1920, which provides that a Crow Indian allottee shall not sell more than one-half of his or her allotment. This Indian has been found to be able to handle her own affairs, and in this particular case she wants to buy a 1,200-acre ranch containing better land, and needs the money she would receive from the sale of the land involved here with which to buy the ranch she wants to buy.

Mr. AIKEN. Does this land come out of the reservation land?

Mr. KERR. Yes; it comes out of the reservation, and the committee has provided in the bill for a 90-day period to be set aside during which the Crow Tribe, or any of its members, shall have the prior right of purchase.

Mr. AIKEN. I was merely asking for information, because I wondered why it was necessary to have so many of these special bills.

The PRESIDING OFFICER. The question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

SIDNEY BLACKHAIR

The Senate proceeded to consider the bill (H. R. 4254) authorizing the Secretary of the Interior to issue a patent in fee to Sidney Blackhair.

Mr. WHERRY. I should like to have an explanation.

Mr. KERR. Mr. President, this is a bill for the relief of another Crow Indian, and involves 40 acres of land. It is the opinion of the attorneys in the Department that the allottee has the power to sell the land, but in view of the restriction with reference to not being able to sell more than half of it, there is some doubt. The bill has passed the same routine of approval, and is recommended.

Mr. WHERRY. I have no objection.

The PRESIDING OFFICER. The question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

LULU TWO SPEARS IRON BIRD

The Senate proceeded to consider the bill (H. R. 3616) authorizing the issuance of a patent in fee to Lulu Two Spears Iron Bird, which had been reported from the Committee on Interior and Insular Affairs with an amendment.

Mr. KERR. Mr. President, Lulu Two Spears Iron Bird, together with her husband, is the owner of some 16 quarter sections of land in the Cheyenne Indian Reservation, S. Dak. Both she and her husband are in poor health. He is suffering from diabetes and requires insulin shots. They are asking the approval of their desire to sell one of their 16 quarters in order to provide themselves with the necessities of life, and medicine for his treatment.

Mr. WHERRY. I have no objection.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 2, line 1, after the word "Cheyenne", it is proposed to insert the words "River Sioux."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

JEANETTE PEARL BURNS

The Senate proceeded to consider the bill (H. R. 3886), authorizing the Secretary of the Interior to issue a patent in fee to Jeanette Pearl Burns, which had been reported from the Committee on Interior and Insular Affairs with an amendment, on page 1, line 7, to strike out "2, and 3 and the south half of the south half of section 5, township 6 south, range 38 east, Montana principal meridian, containing two hundred and ninety-nine and nine one-hundredths acres, more or less," and insert "2, 3, and 4 and the south half south half section 5, township 6 south, range 38 east, Montana principal meridian, containing two hundred ninety-nine and eight one-hundredths acres."

Mr. KERR. Mr. President, Jeanette Pearl Burns is a member of the Crow

Tribe. She is also employed by the Montana Department of Public Welfare. She does not live on the reservation. She makes a salary of $1,800 a year, and with that sum is endeavoring to support and educate her four children. She is asking for permission to sell this land to enable her to complete the payments on her home in town where she and her children live.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

SURPLUS AIRPORT PROPERTY

The PRESIDING OFFICER. The clerk will now state the bills on the calendar, in their order, which were passed over temporarily. The first of those bills is House bill 3851, Calendar No. 693.

The Senate proceeded to consider the bill (H. R. 3851) to amend Public Law 289, Eightieth Congress, with respect to surplus airport property and to provide for the transfer of compliance functions with relation to such property, which had been reported from the Committee on Expenditures in the Executive Departments with an amendment on page 3, line 24, after the word "aviation", to insert a colon and the following additional proviso:

And provided further, That no release, conveyance, or quitclaim shall be executed by the Administrator pursuant to this section except upon the condition that, in the event that the property to which such release, conveyance, or quitclaim relates shall be sold to any third party within 5 years after the date of enactment of this act, the proceeds of such sale shall be devoted exclusively to the development, improvement, operation, or maintenance of a public airport.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 3851) was read the third time and passed.

CONVEYANCE TO MILES CITY, MONT., OF CERTAIN LAND

The bill (H. R. 3589) to convey to the city of Miles City, State of Montana, certain lands in Custer County, Mont., for use as an industrial site, was announced as next in order.

Mr. MORSE. Mr. President, I am not going to object, because the bill in the form in which it was introduced, and is on the calendar today, really provides that Miles City shall pay the full appraised value for the property. But before my objection earlier this afternoon we had adopted an amendment to the bill providing for payment of 50 percent of the fair value.

I now ask unanimous consent that the vote by which the amendment to House bill 3589 was ordered to be engrossed and the bill to be read a third time and passed, be reconsidered.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Oregon? The Chair hears none, and the vote by which the amendment was ordered to be engrossed and the bill to be read a third time, and passed, is reconsidered.

Mr. MORSE. Mr. President, I now move that the vote by which the amendment was agreed to to be reconsidered.

The PRESIDING OFFICER. The question is on the motion of the Senator from Oregon.

The motion was agreed to.

Mr. MORSE. Mr. President, I now move that the amendment be rejected.

The PRESIDING OFFICER. The question is on the motion of the Senator from Oregon.

The amendment was rejected.

Mr. MORSE. Mr. President, I now move that the bill be passed.

The PRESIDING OFFICER. The question is on the third reading and passage of the bill.

The bill (H. R. 3589) was ordered to a third reading, read the third time, and passed.

GUIDED MISSILE RESEARCH LABORATORY BUILDING FOR NATIONAL BUREAU OF STANDARDS

The bill (S. 2316) to authorize the construction and equipment of a guided missile research laboratory building for the National Bureau of Standards, Department of Commerce, was announced as next in order.

Mr. TAFT. Mr. President, I objected to the bill on the ground that the authority was so broad as to give the Bureau of Standards the right to buy land anywhere for any buildings they wanted to build. The amendment which will be offered by the Senator from Colorado cuts down that authority so the Bureau is authorized to buy land only for this particular laboratory building. Therefore I withdraw my objection.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 2316) to authorize the construction and equipment of a guided missile research laboratory building for the National Bureau of Standards, Department of Commerce, which was read as follows:

Be it enacted, etc., That there is hereby authorized to be constructed and equipped for the National Bureau of Standards a research laboratory building, suitable for use as a guided-missile laboratory, together with necessary utilities and appurtenances thereto, under a limit of cost of $1,900,000: *Provided,* That such limit of cost may be exceeded or shall be reduced by an amount equal to the percentage increase or decrease, if any, in construction costs generally dating from June 1, 1948, as determined by the Federal Works Administrator.

SEC. 2. The Secretary of Commerce is authorized to acquire, by purchase, condemnation, or otherwise (including transfer with or without compensation from Federal agencies), such lands, estates in lands, and appurtenances thereto as may in his opinion be necessary or desirable for the construction of buildings to house activities of the National Bureau of Standards: *Provided,* That the site therefore shall be selected after consultation with the Director of the National Bureau of Standards.

SEC. 3. There are hereby authorized to be appropriated to the Secretary of Commerce, out of any moneys in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this act: *Provided,* That such sums so appropriated, except such part thereof as may be necessary for the incidental expenses of the Department of Commerce, shall be transferred to the Public Buildings Administration in the Federal Works Agency.

Mr. JOHNSON of Colorado. Mr. President, this bill was passed over when reached on the call of the calendar, in order that amendments could be prepared.

I now offer an amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 1, line 11, after the word "Administrator", it is proposed to insert a colon and the following additional proviso:

Provided further, Such limit of cost shall not be exceeded by more than 10 percent.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. JOHNSON of Colorado. I offer another amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 2, line 6, after the word "of", where it occurs the first time, to strike out "buildings" and insert "a building"; and in the same line, after the word "of", where it occurs the second time, insert "such laboratory for."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill (S. 2316) was ordered to be engrossed for a third reading, read the third time, and passed.

COMPENSATION OF EMPLOYEES PAID ON FEE BASIS—BILL PASSED OVER

The bill (H. R. 5465) to amend section four of the Civil Service Retirement Act of May 29, 1930, as amended, was announced as next in order.

Mr. HILL. Mr. President, I offered certain amendments to that bill. Is the Senator from Delaware willing to accept those amendments?

Mr. WILLIAMS. Reserving the right to object, will the Senator tell us why he offered the amendments?

Mr. HILL. The purpose of the amendments is to prevent a referee who has paid but very little money into the Civil Service retirement fund from drawing retirement benefits far in excess of what he should be entitled to in view of what he has paid in. The amendments are only to protect others who have paid money into the retirement fund. By protecting the retirement fund from this exceptional case injustice will not be done to many other referees in the country who are entitled to retirement benefits.

Mr. WILLIAMS. Mr. President, I should like to say to the Senator from

Alabama that I agree with the principles of the bill. I am not so sure it should not go even further than it does to correct what is sought to be corrected. The situation which the Senator seeks to correct comes about by reason of the fact that a certain gentleman, Mr. Ehrhorn, of New York, paid into the retirement fund $7.40, for which he would receive $17,500 a year in retirement benefits. But the amendments of the Senator from Alabama changing the effective date from April 1, to April 11, still will permit the gentleman to receive that amount of money.

Mr. HILL. No. I can assure the Senator from Delaware that I am in full agreement with what the bill seeks to do, which is to protect the retirement fund from the gentleman to whom the Senator refers. The amendments would not in any way affect anything but that situation. In fact I would not have offered the amendments if they would adversely affect the purpose of the bill. I want to see the purpose of the bill effectuated. I want to see the retirement fund protected.

Mr. WILLIAMS. I agree with the principle stated by the Senator from Alabama, but his amendments would still allow this man to obtain retirement benefits amounting to $10,000 per annum. Why is a man entitled to $10,000 when he has paid into the fund only $7.43?

Mr. HILL. He is not entitled to it. He will not receive it. The very purpose of the bill is to keep that man who paid into the fund only $7.43, from receiving the large amount referred to. He will not receive that amount of money. The bill, however, also protects many referees who have paid into the retirement fund for many years. The amendments would not affect the protection of the fund. My amendments would simply make sure that, in protecting the fund from the gentleman from New York, injustice would not be done to other referees.

Mr. WILLIAMS. I might say to the Senator from Alabama that I think he is in error, because the Senator's amendments provide that the maximum annuity shall be $10,000 a year.

Mr. HILL. I will say to the Senator from Delaware that I have considered this amendment very carefully with the expert of the committee, Mr. Austin Latimer. I worked with him on the amendment and I also worked with Judge HOBBS, of Alabama, a distinguished member of the House Committee on the Judiciary. They are agreed that the amendment will not in any way interfere with the purposes of the bill.

Mr. WILLIAMS. I might say that the Comptroller General of the United States recommends the effective date to be April 1, 1948.

Mr. HILL. If the Senator does not want to accept the amendment, the bill will have to go over.

Mr. WILLIAMS. Mr. President, I ask unanimous consent that there be printed at this point in the RECORD an article published in the New York Herald Tribune of July 26, 1949, written by David McConnell, which points out just what the bill proposes to do. He points out that Congress, before the present session is over, will have to take action to close the loophole which there is in the law.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Herald Tribune of July 26, 1949]

PAID $7.43 INTO PENSION FUND, HOPES TO GET $150,000 FROM UNITED STATES—QUIRK IN LAW MAY BENEFIT BANKRUPTCY REFEREE WHO WORKED MONTH IN CONGRESSMAN'S OFFICE

(By David McConnell)

WASHINGTON, July 25.—Because of a freak twist of the law, a former Government employee who paid a total of $7.43 into the civil-service retirement fund was disclosed today to be eligible to collect benefits of $17,500 a year.

A House Civil Service Committee report said that on the basis of life-expectancy figures the former employee may collect up to $150,000 on his original $7.43 investment unless Congress passes restraining legislation. A bill to strengthen the civil-service retirement law is pending before the House.

The Civil Service Commission said the proposed legislation would limit the former employee's benefits to a $1,950 annuity. Officials said they considered even that sum a substantial return on the original investment.

According to the House committee report, the employee, whom it did not identify, fell into the pension bonanza by working for 1 month in the offices of a New York member of the House of Representatives. It was during that month—December 1948—that he paid into the retirement fund the $7.43.

Prior to that, he had been a Federal referee in bankruptcy during the period when the post was not under the civil-service retirement system. While he was a referee he was entitled to receive 1 percent of the assets distributed under his jurisdiction. According to the committee, he earned a peak of $220,000 from Jan. 1 to June 30, 1937, but he was not required to contribute to the civil-service retirement fund.

The month of service in the office of the House Member, during which he paid in the $7.43, has made him eligible to receive an annuity based on his past earnings with the Government. Under present law, the House committee said, he is entitled to $17,500 a year, or he may take $15,000 a year and his wife, after his death, would receive $8,750 a year. Congress last year enacted legislation which makes $10,000 the salary limit on which retirement benefits can be computed, but the law did not apply to the period the employee was working as a bankruptcy referee.

Jerry Klutz wrote in his column in the Washington Post, to be published tomorrow, that the employee worked during December 1948 in the office of Representative W. KINGSLAND MACY, Republican, of New York. Mr. MACY's office said Oscar W. Ehrhorn, of 263 West End Avenue, New York, was employed during that period.

A check of the New York Herald Tribune's files showed that Mr. Ehrhorn was a Federal referee in bankruptcy who in June 1937 handled the liquidation of the International Match Co. He officiated at two sales which brought in $8,246,000 to the concern's bankrupt estate.

HADN'T HEARD OF IT

Mr. Ehrhorn was asked today at his home in New York whether he was the civil-service employee referred to. Mr. Ehrhorn told a reporter he would answer no questions tonight.

He was asked: "Did you receive $17,000 a year in retirement benefits from the Government?"

"Well," said Mr. Ehrhorn, "thank you for telling me."

"Do you mean," asked the reporter, "that this is the first news you have had of it?"

"That's right," said Mr. Ehrhorn, "good night."

Mr. Ehrhorn, former president of the National Republican Club in New York, served more than 20 years as a bankruptcy referee.

Mr. HILL. Mr. President, I will say that I am in full accord with the Senator from Delaware. I want to have the bill passed. I want the loophole referred to closed. It certainly should be closed, and it should be closed during the present session of Congress. But in closing the loophole I do not want to do an injustice to other referees who are not at all concerned with any such abuse as we are trying to correct. But in closing the loophole I do not want to do any wrong or injustice to others who are not affected or concerned with the matter of closing the loophole.

Mr. WILLIAMS. Mr. President, if the Senator from Alabama insists on the amendments, which in my opinion defeat the purpose of the bill, I object to consideration of the bill at this time.

The PRESIDING OFFICER. On objection, the bill is passed over.

AMENDMENT OF ATOMIC ENERGY ACT OF 1946

The bill (S. 2372) to amend the Atomic Energy Act of 1946 was announced as next in order.

Mr. McKELLAR. Mr. President, may we have an explanation of the bill? If not, I should like to have it go over until the next call of the calendar.

Mr. KNOWLAND. Mr. President, the able Senator from Connecticut [Mr. MCMAHON] made an explanation of the bill. It is reported unanimously from the Joint Committee on Atomic Energy. It provides for the compensation of the head of the Military Liaison Committee on a basis comparable with that of the chairman of the Munitions Board. It also has a provision which permits a representative from the Air Force also to be a member of the Military Liaison Board. After a study by the joint committee, the bill was reported unanimously.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. McKELLAR. I have no objection.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Joint Committee on Atomic Energy with an amendment on page 3, after line 5, to add a new section, so as to make the bill read:

Be it enacted, etc., That section 2 (c) of the Atomic Energy Act of 1946 is amended to read as follows:

"(c) Military Liaison Committee: There shall be a Military Liaison Committee consisting of a Chairman, who shall be the head thereof, and of a representative or representatives of the Departments of the Army, Navy, and Air Force, detailed or assigned thereto, without additional compensation, in such number as the Secretary of Defense may determine. Representatives from each of the three Departments shall be designated by the respective Secretaries of the Army, Navy, and Air Force. The Committee Chairman shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at a rate prescribed by law for the Chair-

man of the Munitions Board. The Commission shall advise and consult with the Committee on all atomic-energy matters which the Committee deems to relate to military applications, including the development, manufacture, use, and storage of bombs, the allocation of fissionable material for military research, and the control of information relating to the manufacture or utilization of atomic weapons. The Commission shall keep the Committee fully informed of all such matters before it and the Committee shall keep the Commission fully informed of all atomic energy activities of the Department of Defense. The Committee shall have authority to make written recommendations to the Commission on matters relating to military applications from time to time as it may deem appropriate. If the Committee at any time concludes that any action, proposed action, or failure to act of the Commission on such matters is adverse to the responsibilities of the Department of Defense, derived from the Constitution, laws, and treaties, the Committee may refer such action, proposed action, or failure to act to the Secretary of Defense. If the Secretary concurs, he may refer the matter to the President, whose decision shall be final."

SEC. 2. Section 2 (d) of the Atomic Energy Act of 1946 is amended by striking out "Army or the Navy" and inserting in lieu thereof, "Army, Navy, or Air Force".

SEC. 3. Section 2 (d) of the Atomic Energy Act of 1946 is also amended by inserting at the end thereof the following two sentences: "Likewise, notwithstanding the provisions of any other law, any active or retired officer of the Army, Navy, or Air Force may serve as Chairman of the Military Liaison Committee established by subsection (c) of this section, without prejudice to his commissioned status as such officer. Any such officer serving as Chairman of the Military Liaison Committee shall receive, in addition to his pay from the United States as such officer, an amount equal to the difference between such pay and the compensation prescribed in subsection (c) of this section."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The PRESIDING OFFICER. That completes the call of the calendar.

Mr. HILL. Mr. President, I move that the Senate proceed to the consideration of——

Mr. WHERRY. Mr. President, will the Senator yield before he makes the motion?

Mr. HILL. I yield.

FUTURE CONSIDERATION OF BILLS ON THE CALENDAR

Mr. WHERRY. Mr. President, during the call of the calendar, when a ruling was made by the Chair, I asked that at the next call of the calendar, Order No. 570, Senate bill 1165, be called. I do not wish to raise the issue again, if the acting majority leader can tell us whether, when the calendar is called the next time, we are to go back to the beginning of the calendar. If so, the bill in which I am interested will be called. If it is the intention to begin the next call at the point where we left off today, I should like to ask that Order No. 570 be included in the next call.

The PRESIDING OFFICER. Is there objection to including Order No. 570, Senate bill 1165, in the bills to be called when the calendar is next called?

Mr. HILL. Mr. President, reserving the right to object, let me say to my distinguished friend from Nebraska that it happens that I am very much interested in the first bill on the calendar, Order No. 2, Senate bill 130, of which I am the author. I am very much interested in beginning at the first part of the calendar when the calendar is next called. I have good reason to believe that at the next call we can begin at the beginning of the calendar. However, I am not the majority leader, as the distinguished Senator knows. I am not authorized to speak for the majority leader. The best I can say is that I am very much interested in beginning with the first bill on the calendar, and I shall do all I can to the end that we may begin with the first bill on the calendar.

Mr. WHERRY. Does the Senator object to my request?

Mr. McKELLAR. Mr. President, certain Senators ask that certain bills be placed at the head of the calendar. I do not think that is fair or right. They ought to take the places they now have. I should like to be assured of that before we go further. The bills should take their regular order. No special consideration should be given to any particular Senator in order that a certain bill may be put at the head of the list.

Mr. WHERRY. Mr. President, if I said that I wanted order No. 570 to be placed at the head of the list, I wish to withdraw that request. All I ask is that it be included in the next call of the calendar.

The PRESIDING OFFICER. The Chair so understood.

Mr. HILL. Mr. President, that would be in contravention of the spirit of what the Senator from Tennessee has said. It would mean that Calendar No. 570 would be called the next time, when perhaps other bills on the calendar would not be called.

Mr. TAFT. Mr. President, when the majority leader makes his request for the call of the calendar, he can include other bills. I do not see why we cannot now make requests in advance to have certain bills included. I do not see why there should be any objection. If a Senator wishes to have a certain bill called at the next call of the calendar, why should there be objection?

Mr. McKELLAR. I have no objection, so long as the bills take their regular order. I believe there has been no appeal from the ruling of the Chair. I have no objection, so long as the bills take their regular order.

Mr. HILL. Mr. President, they do not take their regular order if they are called out of order. What I am seeking to do is to defend the position taken by the Senator from Tennessee.

Mr. McKELLAR. I am very happy to have the Senator do so.

Mr. HILL. There is a bill on the calendar in which I am very much interested.

Mr. WHERRY. Mr. President, I wish to point out that the distinguished Senator apparently understands what the request I am making really means. When the majority leader asked for the call of the calendar, he included in the unanimous-consent request, to which I agreed, the request that we start at the point in the calendar where we left off the last time it was called, but that in addition certain other calendar numbers be entered in the call.

I do not ask the Senate to go back and take bills in the order in which they are listed on the calendar, although that is perfectly agreeable to me. All I am asking is that at the next call of the calendar, if we are to begin at the point where we left off today, Calendar No. 570 be included. If we are to start at the beginning of the calendar, I have no worries.

I ask unanimous consent that at the next call of the calendar, whenever it may be, Calendar No. 570, Senate bill 1165, be included in the call. I do not care whether it is called first or last.

Mr. HILL. Mr. President, if the Senator will be patient with me, I assure him that I shall do everything I can to make sure that his bill is called and considered at the next call of the calendar. But to set his bill for call the next time without setting all the other bills is in contravention of the very thing which the Senator from Tennessee [Mr. McKELLAR] has said today. He wants the bills called in their regular order.

Mr. WHERRY. Mr. President, we find ourselves in the same confused situation in which we have been so many times. I cannot get an expression from the acting majority leader as to whether or not we are to go back to the beginning of the calendar at the next call. If he can assure us that we will begin at the beginning, I withdraw my request; but I should like to have unanimous consent, in advance of that statement, that when the calendar is called the next time, order No. 570 be included in the call. I cannot see why any Senator should object. If any Senator does not want a bill considered, all he has to do is to object.

Mr. HILL. I cannot assure my friend where the call will begin the next time, because I will not be the majority leader. I am only acting as majority leader at the moment. However, I assure my friend that I shall do everything I can to have the call started at the very beginning of the calendar, so that the Senator's bill, and all bills in which other Senators are interested, may be considered by the Senate.

Mr. KNOWLAND. Mr. President, I point out to the able Senator from Alabama that the other day I raised the same question with the majority leader. At that time he indicated that he thought there was a great deal of merit in beginning at the beginning of the calendar the next time, although he gave no firm assurances of that. I was wondering if we could not meet this problem. It may not be possible, because the majority leader is not present. I wonder if we cannot have unanimous consent that the next time the calendar is called, we shall start at the beginning of the calendar. We do not need to set a date for it. That is in the hands of the majority leadership. But if we can have assurance that at the next call, whenever it may be, we shall start at the beginning, it will relieve the entire situation.

Mr. HILL. Mr. President, if the Senator from Nebraska will allow me to convey to the majority leader the desire of Senators to start at the beginning, I

shall be glad to do so. As I have previously stated, I am very anxious to start at the beginning of the calendar, because I am interested in the first bill on the calendar. I believe that we shall be able to start at the beginning of the calendar at the next call. I do not think there will be any trouble about it.

Mr. WHERRY. Mr. President, I quote from the RECORD the statement referred to in the observations just made by the distinguished Senator from California [Mr. KNOWLAND]. I read from page 12199:

Mr. KNOWLAND. I wonder whether the Senator could give some indication to Members of the Senate as to when it may be proposed to have a call of the calendar, beginning at the beginning of the calendar? I have had a number of inquiries in regard to the matter, and the time is running.

Mr. LUCAS. I am unable to say to my friend from California at this time. It seems to me that might be done probably the next time we call the calendar.

Mr. KNOWLAND. There are a number of bills to which there was but one objection, which objection has been gotten out of the way now.

Mr. LUCAS. The Senator is correct.

He did not give any assurances. A few days ago I asked if he would not return to the beginning of the calendar.

I withdraw the request, if my distinguished friend the Senator from Alabama will not give me that assurance. I am rather surprised; it is the first time in a long while that when I have asked unanimous consent in connection with a matter as small as this one, I have been refused. There is no particular issue about the bill.

I say to the distinguished Senator that when he confers with the majority leader, I think he should arrange that at least Calendar No. 570, Senate bill 1165, be included in the call of the calendar. If it is not, I shall be forced to object to having any bills called beyond where we leave off today, unless that consent is given.

Mr. HILL. Mr. President, I shall be delighted to convey to the majority leader what the minority leader has had to say. My only reason for not acceding to the request of the minority leader is that other Senators are interested in bills similarly located on the calendar; and if we take up one, we have to take up the others. That is the reason.

Mr. HENDRICKSON. Mr. President, inasmuch as we have been talking about the call of the Calendar, I wish to make this observation with respect to the bills coming toward the end of the calendar. In respect to future calls of the calendar, I feel that I shall be constrained to object to the consideration of any bill that has not been in the hands of Senators with a committee report for at least 2 days. Certainly it is a very dangerous practice for us to pass bills which have just been received from committees. I feel that I must serve notice that in the future I shall have to object to the consideration of bills which have not received longer consideration.

The PRESIDING OFFICER. The Senate will be interested to know that today the Senate has passed 94 bills or other measures.

EXECUTIVE SESSION

Mr. HILL. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. HOEY in the chair) laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

CONVENTION CONCERNING FREEDOM OF ASSOCIATION AND PROTECTION OF THE RIGHT TO ORGANIZE—REMOVAL OF INJUNCTION OF SECRECY

The PRESIDING OFFICER. The Chair lays before the Senate Executive S, Eighty-first Congress, first session, a convention concerning Freedom of Association and Protection of the Right To Organize, adopted by the International Labor Conference at its thirty-first session, held at San Francisco June 17 to July 10, 1948. Without objection, the injunction of secrecy will be removed from the convention, and the convention, together with the President's message, will be referred to the Committee on Foreign Relations, and the message from the President will be printed in the RECORD. The Chair hears no objection.

The message from the President is as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith an authentic text of the Convention (No. 87) concerning Freedom of Association and Protection of the Right to Organize, adopted by the International Labor Conference at its thirty-first session, held at San Francisco June 17 to July 10, 1948.

I transmit also for the information of the Senate the report of the Secretary of State regarding this convention, together with a copy of a letter addressed by the Secretary of Labor to the Secretary of State with respect to the convention.

HARRY S. TRUMAN.

THE WHITE HOUSE, *August 27, 1949.*

(Enclosures: 1. Report by the Secretary of State. 2. Copy of letter from the Secretary of Labor. 3. Authentic text of convention (No. 87) concerning Freedom of Association and Protection of the Right To Organize.)

The PRESIDING OFFICER. If there are no reports of committees, the clerk will proceed to state the nominations on the calendar.

ARMY NOMINATIONS PASSED OVER

The legislative clerk proceeded to read sundry temporary appointments in the Army.

Mr. KNOWLAND. Mr. President, I ask that the nominations go over temporarily. I wish to study the law under which the appointments have been made.

The PRESIDING OFFICER. Without objection, the nominations in the Army will be passed over.

Mr. HILL. I understand that that applies to all the Army nominations on the calendar.

The PRESIDING OFFICER. The Chair inquires whether that is the intent of the Senator from California.

Mr. KNOWLAND. Yes; that applies to the three brigadier general nominations, which are the only new reports on the Executive Calendar.

RECESS TO MONDAY

Mr. HILL. Mr. President, as in legislative session, and in pursuance of the order of the Senate previously entered, I move that the Senate stand in recess until 11 o'clock a. m. on Monday next.

The motion was agreed to; and (at 2 o'clock and 33 minutes p. m.) the Senate took a recess, the recess being under the order previously entered, until Monday, August 29, 1949, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate August 27 (legislative day of June 2, 1949):

DEPARTMENT OF DEFENSE

Paul H. Griffith, of Pennsylvania, to be Assistant Secretary of Defense.

Marx Leva, of Alabama, to be Assistant Secretary of Defense.

Wilfred J. McNeil, of Iowa, to be Assistant Secretary of Defense.

SENATE

MONDAY, AUGUST 29, 1949

(Legislative day of Thursday, June 2, 1949)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Rev. George M. Docherty, B. D., minister, the North Church, Aberdeen, Scotland, offered the following prayer:

O Thou who art the Lord of Lords, and the King of Kings, before whom the nations of the earth are a very little thing, in simple and contrite and penitent faith we would seek in this moment of prayer a glimpse of eternal things that what we do and decide this day may have divine significance.

We remember before Thee with thanksgiving the President of this great land. In his high office, where he must ever know the loneliness of great decisions, grant unto him always Thy presence and Thy peace, and encompass him with continuing strength for all his tasks. We commit unto Thee, with confidence, all who are set in authority over us in this land. Grant unto each one to declare the truth in love and without fear; set clearly before them their duty and endow them with courage to do it.

O Lord, Jesus Christ, who in the midst of the storm did slumber at the prow of a frail ship, and brought calm to men's hearts in rebuking the tempest by Thy word of peace, still speak this word today to men's hearts, gripped by fear and uncertainty of the future, and enable us

always above the tumult of life to hear Thy still small voice speak to us.

O Thou who hast refreshed us with the worship and recreation of the Sabbath, and hath awakened us to a new day with all its challenge and promise, so teach us always to live that every moment of every day can be for each one of us indeed to walk with God.

Through Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Saturday, August 27, 1949, was dispensed with.

NATIONAL MILITARY ESTABLISHMENT APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 4166) making appropriations for the National Security Council, the National Security Resources Board, and for military functions administered by the National Military Establishment for the fiscal year ending June 30, 1950, and for other purposes.

Mr. LUCAS. Mr. President, I am about to suggest the absence of a quorum.

Mr. WHERRY. Mr. President, before the majority leader suggests the absence of a quorum, let me say that, under the unanimous-consent agreement, the time shall be divided equally between 11 and 2 o'clock. The time when the vote will be taken is pretty close, and I wondered if the majority leader had consulted both the proponents and the opponents to ascertain whether they wanted a quorum call.

Mr. LUCAS. I think we had better have a quorum call.

Mr. WHERRY. Then I wish to propound a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. WHERRY. Inasmuch as the Senate has agreed to vote on the McClellan amendment at 2 o'clock, is a point of order good against the McClellan amendment now, since an agreement has been made to vote upon it?

The VICE PRESIDENT. The Chair is inclined to think not, but the Chair will reserve his decision. So that there will be no misunderstanding, the time taken up in the quorum call will be equally divided between the two sides.

Does the Senator from Illinois suggest the absence of a quorum?

Mr. LUCAS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hayden	McClellan
Anderson	Hendrickson	McFarland
Brewster	Hoey	McKellar
Byrd	Ives	Miller
Capehart	Johnston, S. C.	Neely
Donnell	Kefauver	Robertson
Eastland	Kerr	Schoeppel
Ellender	Kilgore	Thomas, Okla.
Flanders	Langer	Wherry
Fulbright	Leahy	Wiley
Gillette	Long	Withers
Graham	Lucas	Young

The VICE PRESIDENT. A quorum is not present.

The Secretary will call the names of the absent Senators.

The legislative clerk proceeded to call the names of the absent Senators.

Mr. McCLELLAN. Mr. President——

The VICE PRESIDENT. For what purpose does the Senator rise?

Mr. McCLELLAN. I wish to propound a parliamentary inquiry.

The VICE PRESIDENT. That is the transaction of business.

Mr. McCLELLAN. I ask unanimous consent that further proceedings under the roll call be dispensed with, because our time is limited today.

The VICE PRESIDENT. The absence of a quorum was announced after the first call of the roll, so the Chair is afraid that cannot be done.

The Secretary will resume the calling of the names of the absent Senators.

The legislative clerk resumed the calling of the names of absent Senators, and Mr. BUTLER, Mr. CHAPMAN, Mr. CHAVEZ, Mr. CONNALLY, Mr. CORDON, Mr. DOUGLAS, Mr. DOWNEY, Mr. DULLES, Mr. ECTON, Mr. FREAR, Mr. GEORGE, Mr. GREEN, Mr. GURNEY, Mr. HICKENLOOPER, Mr. HILL, Mr. HOLLAND, Mr. HUMPHREY, Mr. JOHNSON of Texas, Mr. KEM, Mr. KNOWLAND, Mr. MALONE, Mr. MARTIN, Mr. McMAHON, Mr. MILLIKIN, Mr. MUNDT, Mr. MURRAY, Mr. O'MAHONEY, Mr. PEPPER, Mr. REED, Mr. SALTONSTALL, Mrs. SMITH of Maine, Mr. SMITH of New Jersey, Mr. SPARKMAN, Mr. STENNIS, Mr. TAFT, Mr. TAYLOR, Mr. THOMAS of Utah, Mr. TYDINGS, Mr. VANDENBERG, Mr. WATKINS, and Mr. WILLIAMS answered to their names when called.

Mr. LUCAS. I announce that the Senator from Wyoming [Mr. HUNT] is absent by leave of the Senate on official business.

The Senator from Colorado [Mr. JOHNSON], the Senator from South Caroline [Mr. MAYBANK], the Senator from Nevada [Mr. McCARRAN], and the Senator from Georgia [Mr. RUSSELL], are absent by leave of the Senate.

The Senator from Washington [Mr. MAGNUSON] is detained on official business.

The Senator from Pennsylvania [Mr. MYERS] is absent on public business.

The Senator from Maryland [Mr. O'CONOR] is necessarily absent.

Mr. SALTONSTALL. I announce that the Senator from Connecticut [Mr. BALDWIN] is absent by leave of the Senate on official business.

The Senator from Ohio [Mr. BRICKER], the Senator from New Hampshire [Mr. BRIDGES], the Senator from Indiana [Mr. JENNER], and the Senator from Minnesota [Mr. THYE] are necessarily absent.

The Senator from Washington [Mr. CAIN], the Senator from Michigan [Mr. FERGUSON], the Senator from Massachusetts [Mr. LODGE], and the Senator from New Hampshire [Mr. TOBEY] are absent by leave of the Senate.

The Senator from Oregon [Mr. MORSE] is absent on official business.

The Senator from Wisconsin [Mr. McCARTHY] is detained on official business.

The VICE PRESIDENT. A quorum is present.

Under the agreement heretofore made the time until 2 o'clock is divided equally on each side, to be controlled by the Senator from Illinois [Mr. LUCAS] and the Senator from Arkansas [Mr. McCLELLAN].

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator can make it only on his own time.

Mr. LUCAS. What is before the Senate at this time, if anything?

The VICE PRESIDENT. Presumably the McClellan amendment is before the Senate; but the agreement under which the Senate is operating is one with which the present occupant of the Chair has not been familiar heretofore. It is an agreement to vote at a certain hour on an amendment intended to be offered by a certain Senator. It has not yet been formally offered. That raises the question whether a unanimous-consent agreement to vote upon an amendment at a certain hour, which amendment has not yet been offered, but is only intended to be offered, brings it automatically before the Senate. It seems that the precedents indicate that when an agreement of that sort is made on a matter not pending at the moment, it brings it before the Senate. The Chair does not wish to overrule those precedents by holding that it must be formally offered, which is the ordinary procedure to get an amendment before the Senate.

Mr. LUCAS. The only thing I wanted to inquire about was the unanimous-consent agreement. The first sentence of the unanimous-consent agreement contains the language "the amendment intended to be proposed." In other words, if it is not proposed, it seems to me that we have nothing before the Senate. Let us assume that the Senator from Arkansas may not desire at this time to debate the amendment.

The VICE PRESIDENT. The Chair thinks the better practice would require the Senator from Arkansas to carry out what was evidently his intention by formally offering the amendment.

Mr. McCLELLAN. Mr. President, that was my intention. I intended to ask the clerk to state the amendment.

The VICE PRESIDENT. That presents a confused parliamentary situation. When an agreement is made to vote at a certain hour on something which is not even before the Senate, but is intended to be brought before the Senate, the situation can be cleared up by the Senator offering his amendment.

Mr. McCLELLAN. I can assure the Chair that the intention will be carried out. Whatever is required formally to offer the amendment, I now do.

The VICE PRESIDENT. The Chair suggests that the amendment be handed to the clerk to read.

Mr. McCLELLAN. The clerk has the amendment. I intended to ask that the amendment be stated.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 91, after line 12, it is proposed to insert a new section under title VII as follows:

SEC. 703. (A) With a view to bringing the estimated Federal expenditures within estimated Federal receipts for the fiscal year ending June 30, 1950, (a) the President is authorized and directed to make such reductions in the amounts to be expended by all agencies from any and all appropriations and funds made available prior to the expiration of the first regular session of the

Eighty-first Congress, for expenditure in such fiscal year, as will in the aggregate equal not less than 5 percent nor more than 10 percent of the total amounts estimated for expenditure in the budget for the fiscal year 1950 by all agencies, as adjusted to conform with the total amounts estimated for expenditure under appropriations and funds actually made available prior to the expiration of such session: *Provided*, That any reduction in amounts estimated for expenditure brought about as a result of reductions made by Congress in the aggregate appropriations and funds made available to any agency below the aggregate of estimates submitted in said budget (including amendments thereto) for such agency, shall be used for the purpose of computing (1) the aggregate reduction required to be made under this section, and (2) the over-all limitation specified in section with respect to such agency; and in carrying out this section the President is requested to give appropriate consideration to reductions made by Congress in the appropriations and funds made available to any agency. (b) As used in this section—

(1) the term "appropriations and funds made available" shall include the amount of any borrowing authority estimated for in the budget for the fiscal year 1950; and

(2) the term "agency" means" any executive department, independent establishment, or corporation which is an instrumentality of the United States.

(B) In order to accomplish the reductions in expenditures required by section (A), the President is authorized to direct any officer in the executive branch of the Government to refrain from creating, notwithstanding any other provision of law, any obligation or commitment which would require an expenditure during the fiscal year 1950, under any appropriation, fund, contract authorization, or borrowing authority over which such officer exercises administrative control, in such amounts as he may deem necessary. No such officer shall create any obligation or commitment under any borrowing authority which would require an expenditure during the fiscal year 1950 in excess of any estimate included in the budget (or in excess of any estimate under any authority included in any act of Congress enacted after the submission of the budget for the fiscal year 1950) with respect to such obligation or commitment for such fiscal year or in excess of any amount established by direction of the President under the authority contained in this section; except that the President is authorized to waive the prohibition contained in this sentence in individual cases upon the happening of some extraordinary emergency or unusual circumstance.

(C) Such reductions shall be made in a manner calculated to bring about the greatest economy in expenditure consistent with the efficient operation of the Government.

(D) No reduction of expenditures required herein shall have the effect of reducing by more than 20 percent the estimated expenditures by any agency from appropriations and funds made available prior to the expiration of the first regular session of the Eighty-first Congress.

(E) The President shall cause (a) the total amounts estimated for expenditure in the fiscal year 1950 (adjusted as provided in sec. A), (b) the amount of the reduction directed by him in obligations or commitments (as provided in sec. B), and (c) the amount of the reduction in each appropriation or fund account, to be certified to the Secretary of the Treasury, and shall make a detailed quarterly report thereon to the Congress within 15 days after the expiration of each calendar quarter during such fiscal year. The amounts so certified shall not be expended, or, in the case of contract authorizations and borrowing authority, the authority, shall not be exercised to the extent of the reduction. The President shall also include in the quarterly report to Congress the actual figures showing the number of Federal employees at the beginning of the quarter and the estimated number of Federal employees at the close of the quarter.

Mr. LUCAS. Mr. President, I raise the point of order at this time that this amendment is legislation on an appropriation bill, and requires a two-thirds vote to suspend the rule.

Mr. McCLELLAN. Mr. President, I insist——

The VICE PRESIDENT. That involves the question whether, when an agreement of this sort is made to vote at a certain time, it deprives Senators of the right to make points of order against the amendment. The Chair would rather not pass upon that question at the moment, but let the debate proceed. In the meantime the Chair will be studying the question whether a point of order can be made in spite of the agreement.

Mr. WHERRY. Mr. President——

Mr. LUCAS. Mr. President, this is not on my time.

The VICE PRESIDENT. The Senator from Illinois and the Senator from Arkansas control the time, no matter what the object of the Senator from Nebraska is in rising. He cannot even make a parliamentary inquiry without the consent of one or the other of the two Senators who control the time.

Mr. WHERRY. Mr. President, will the Senator grant me 1 minute to make a parliamentary inquiry on my time?

Mr. LUCAS. I raised a point of order.

Mr. WHERRY. Mr. President——

The VICE PRESIDENT. Let the Chair hear what is going on, so that we may proceed in order. The time from now until 2 o'clock is controlled absolutely and irrevocably by the two Senators, the Senator from Arkansas [Mr. McCLELLAN] and the Senator from Illinois [Mr. LUCAS]. No other Senator has the right to be heard on anything, except by being yielded to by one of those Senators. Does the Senator from Arkansas yield?

Let the Chair clear up the question as to who has the floor.

Mr. WHERRY. The Senator from Arkansas——

The VICE PRESIDENT. The Senator from Illinois raised a point of order. He can discuss it in his own time, but apparently he does not desire to do so. The Chair would prefer that the question be held in abeyance until later in the discussion.

Does the Senator from Illinois claim the floor?

Mr. LUCAS. Mr. President, a parliamentary inquiry, in view of what the Senator from Nebraska said in my time.

Mr. WHERRY. Mr. President, I have not said anything yet.

Mr. LUCAS. Can the Senator from Arkansas yield 1 minute, to be charged to the time of the Senator from Nebraska?

The VICE PRESIDENT. He cannot yield one minute to be charged to the time of the Senator from Nebraska, because the Senator from Nebraska has no time. It will be charged to the Senator from Arkansas.

Mr. WHERRY. Mr. President, I ask unanimous consent that the Senator from Arkansas may yield 1 minute to me.

Mr. McCLELLAN. The Senator from Nebraska does not have to get unanimous consent. I yield him 1 minute.

Mr. WHERRY. The Senator is very gracious.

Mr. President, at the beginning of the session, I submitted a parliamentary inquiry as to whether, the Senate having agreed by unanimous consent to vote on the McClellan amendment at a certain hour, a point of order was good against it, as being legislation on an appropriation bill.

The VICE PRESIDENT. The Chair——

Mr. WHERRY. Mr. President, I have only 1 minute, if the Chair will permit me to continue.

It is my opinion that when the unanimous-consent agreement was entered into it foreclosed the right of any Senator to raise a point of order. The question I wish to ask is this: When will there be time to debate the point of order? The unanimous-consent agreement requires a vote on this amendment and every other amendment, and upon the bill itself, at 2 o'clock.

The VICE PRESIDENT. The time of the Senator from Nebraska has expired.

Mr. WHERRY. I ask the question, Mr. President.

The VICE PRESIDENT. The Chair will answer it in due time.

Mr. McCLELLAN. Mr. President, this amendment contains the full text of Senate Joint Resolution 108, which was favorably reported by the Committee on Expenditures in the Executive Departments, on June 13 last, and is now Calendar No. 485.

At the outset, Mr. President, I wish to state that although this amendment bears my name as the author, I am in fact acting in the capacity of a committee chairman, the committee having voted to report the joint resolution to the Senate. At this time I wish to acknowledge and give due credit to the efforts, assistance, and contributions made by a number of Senators, on both sides of the aisle, to this proposed legislation. Time will not permit me to dwell upon that, or call by name those Senators on both sides of the aisle who have been most active, most interested, and most helpful in processing this legislation.

Mr. President, every Senator knows the full purpose of that resolution, the circumstances and conditions that inspired it, and the history of its development. The limited time of debate does not permit me to review all of the proceedings that have previously transpired. But I wish to remind all Senators, and to make it clear for the RECORD, that a concerted and consistent effort has been made by the Senator from Arkansas, supported by many other Senators, constituting more than a majority of this body, to have Senate Joint Resolution 108 brought up in regular order so that it might be thoroughly debated and the Senate be permitted to vote on it as an independent measure—on its own merits and in its own right.

Mr. President, notwithstanding the great importance of the resolution, and the very urgent need for economy in Government and the reduction in Federal expenditures that it seeks to achieve in the public interest, that effort to get this resolution before the Senate has failed. The policy makers and the leadership of the majority have turned a deaf ear to our plea. They have either affirmatively or by inaction denied the request of some 62 Senators who joined the Senator from Arkansas in a formal petition to both the majority and the minority leadership, presented to them on June 27 last, more than 2 months ago, and appealing to them to give the Senate a chance to vote on the resolution.

Under these circumstances, the expressed will of a majority of the Membership of this body will be thwarted unless we employ the procedure now proposed, namely, to offer the resolution as an amendment to the pending bill. I personally regret the necessity for taking this course; but there is no other choice, and I offer no apology for doing so.

If this amendment is adopted and the resolution becomes law, the President will be directed to make an over-all cut of from 5 percent to 10 percent in budget estimates for expenditures in fiscal 1950 as adjusted by appropriations, which would result in a minimum saving of approximately $2,000,000,000.

Based on actions taken thus far on appropriation bills, it is indicated that Congress may reduce expenditures under budget estimates by $1,750,000,000. This saving by the Congress will not achieve a balanced budget. The President's budget estimated receipts for fiscal 1950 at $40,984,645,347 and expenditures at $41,857,777,869 and that there would be a deficit of $873,132,522, based upon those anticipated receipts.

Changed economic conditions and developments since the budget was submitted definitely point to a significant slump in Federal income.

On May 14 of this year, the Joint Committee on Internal Revenue Taxation issued an analysis estimating that receipts would fall below budget estimates by $2,100,000,000, which would bring the deficit up to at least $3,000,000,000, based upon original budget estimates of expenditures. However, supplemental budget requests have been submitted to Congress to date in excess of $375,000,000, and other supplemental budget requests are expected, including $1,000,000,000 or more in arms aid to Europe. All of those are in addition to the original budget estimates of expenditures, and are to be added to the original estimates, as we undertake to calculate whether we are going to live within our income or whether we are to go further into debt.

I may say at this point that at our hearings we undertook to get the Secretary of the Treasury to submit an estimate of the anticipated decline in receipts, or to revise and modify, in accordance with changed conditions, the anticipated receipts. But he stated that he was not in a position to get that information for the committee.

The estimate of the joint committee that receipts will fall by $2,100,000,000 is borne out by current tax collections. The Bureau of Internal Revenue reports receipts were off by more than $107,000,000 last month, as compared to the month of July last year.

I remind the Senate that for the month of July, the first month in the fiscal year, only one-twentieth of the annual anticipated revenues are usually collected. So if we multiply the figure for July by 20, in order to cover tax collections for the period of the entire fiscal year, we arrive at a figure representing the falling off in receipts of more than $2,000,000,000.

So, Mr. President, it is not an exaggeration, nor is it without foundation, to say, based on present conditions and factual information available to us, that we are still confronted with a deficit this year of at least $3,000,000,000.

The objective of this resolution—this amendment—is to attain a balanced budget or at least hold the deficit to a minimum. That objective will not be assailed except by those who believe we should spend more than our income and who want to increase the national debt. I am bitterly opposed to that policy. Economic instability caused by deficit spending constitutes a much greater threat from within to both the security and survival of our liberties than does the military threat of communism from without.

The responsibility to maintain sound fiscal policies to prevent economic instability in Government rests not alone upon the Congress, as some will argue and would have us believe. The President of the United States has equal responsibility. Under our system he has the first or initial responsibility, although it may be said Congress has the last or final responsibility. The President formulates the fiscal policy by submitting a budget of expenditures and urging the Congress to appropriate the money for his administration of the executive department of the Government. We have equipped him to do that job by creating the Bureau of the Budget and a council of economic advisers staffed by some 600 employees at an expense of more than $3,500,000 annually.

The President must share this responsibility. He submits a budget. He requests the expenditures, and when it is clearly indicated that his request for expenditures, if granted by the Congress, will carry us into deficit spending, I maintain it is his responsibility to modify and revise the budget he submits, unless he wants to recommend to the Congress and insist upon the Congress making appropriations for expenditures which the Government's income will not cover.

I do not care who shouts that the passing of this resolution is an act of political cowardice. The President of the United States cannot escape his share of either the blame or the legal and moral responsibility for any deficit that occurs either great or small so long as the Congress does not appropriate in excess of his budget recommendations.

No, Mr. President, this is not an act of political cowardice. On the contrary, it is sound legislation necessary in the public welfare, and failure to balance the budget or to hold the deficit to the minimum this amendment makes possible may well prove to be a stupid and dangerous blunder. The risk is too great. This living beyond our means in government must be stopped. It often takes courage to do our duty, and the duty to maintain sound fiscal policies now is so impelling—the safety and security of the Nation is involved.

It will be charged that this measure gives the President too much power. It is charged also that this amendment is unconstitutional and gives the President of the United States too much power. In this very bill, as already agreed by the Senate—note this statement, Mr. President—we are giving to a lesser official, a Cabinet officer, the identical power as affects the national defense department, and directing him to reduce the expenditures appropriated in this bill by $433,000,000. If this proposal is unconstitutional, so is that. If this proposal grants too much power, so does that. If the Secretary of Defense can be entrusted with a half-billion-dollar reduction responsibility and power in his Department, who is there to say that we cannot or should not direct or trust the President of the United States with $2,000,000,000 reduction power and responsibility in all the other departments and agencies in the executive branch of the Government?

We have said, "We will trust the Secretary with a half billion dollar reduction and we propose to go further and say, we will trust him with some $700,000,000 or $9,000,000 with reference to contract authority, directing him to cut it; and yet we have the charge that we cannot trust the President. If any Senator wants to vote that way and cast that implication, he may do so, of course; but I refute the charge, and under existing conditions and in the public interest, I shall trust the President to carry out this mandate of the Congress in the same good faith and spirit he administers other laws that impose duties upon him. Since when can we not trust the President? Who is it that is now making the charge that we cannot trust the President, and that he should not be given this authority? Let us consider the source of it It is coming from those who are the strongest supporters of the President.

The representative of the Bureau of the Budget testified before the Expenditures Committee that the reduction can be made under the authority and direction contained in this resolution. Shall we withhold or shall we give that authority and direction? Our vote for or against this amendment will be decisive of this issue and determine the course of our Government's fiscal policy, whether we shall try to live within our income, or if we shall go deeper and deeper into debt. Make your choice, Mr. President.

There is a strong economy sentiment throughout this land of ours. There has been a lot of economy talk on the floor of this Senate during this session of Congress. Shall we practice what we preach? Are we going to vote as we have talked? I fervently hope, Mr. President, that we

may take this dutiful step, that we may now square our actions with our words and speeches.

I respectfully and earnestly trust that the Senate of the United States will on this vote measure up to that standard and quality of statesmanship that the exigencies of the impending crisis demands.

Madam President, I ask unanimous consent to insert in the RECORD as a part of my remarks, at this point, two editorials, and also a statement regarding the deficit of $1,142,043,372 already accrued in the expenditures for this year.

The PRESIDING OFFICER (Mrs. SMITH of Maine in the chair). Is there objection?

There being no objection, the editorials and statements were ordered to be printed in the RECORD, as follows:

[From the Washington Post of June 29, 1949]

ATTACK ON SPENDING

On June 23, just a week before the end of the fiscal year, the Federal budget deficit amounted to $888,000,000, if account is taken of the $3,000,000,000 expended from the Foreign Economic Cooperation Fund that the Eightieth Congress charged against last year's budget surplus. This financial legerdemain deceives nobody. The fact is that the Government is once again "in the red" after 2 years of budget surpluses following 16 years of deficit financing. And from present indications next year's deficit will be considerably larger—possibly of the magnitude of $3,000,000,000.

Since Congress is rightly unwilling to add to the already excessive tax burden, especially during a business recession, the only hope for a balanced budget in 1950 or at least for an approach to balance lies in a reduction of expenditures. Heretofore the Washington Post has consistently criticized the kind of budget pruning that takes the form of indiscriminate percentage cuts. However, attempts to reduce expenditures by scrutinizing and trying to justify specific reductions carried in appropriation bills have failed to effect substantial savings in outlays. Consequently, as we pointed out some weeks ago, an over-all reduction of expenditures on a percentage basis appears to be the only feasible method of making a sizable cut in Government spending.

That is evidently the opinion of a majority of the Senate, for 62 Members have signed a petition urging action on a resolution approved by the Committee on Expenditures in the Executive Departments which directs the President to make reductions in aggregate budgetary expenditures of at least 5 percent and not more than 10 percent for the fiscal year 1950. This proposal does not call for uniform departmental and agency cuts. The President would have discretionary authority to vary the amount of reductions; no department or agency would have its expenditures cut by more than 20 percent, while in some cases expenditures might remain unchanged or cut only slightly. The aim, in short, is to compel the executive branch of Government to resurvey the entire spending program and trim it in such manner as to "bring about the greatest economy in expenditure consistent with the efficient operation of the Government."

This resolution is, to be sure, a sorry confession of legislative impotence to restrain congressional spending proclivities. In effect it calls on the executive branch of the Government to do what should have been done by House and Senate committees when appropriation measures were under consideration. But legislators frankly admit that present methods of handling appropriation bills and the bewildering number of items carried in such bills make an efficient job of legislative budget paring an almost impossible task. The President's advisers in the Budget Bureau are without doubt much better equipped to undertake this belated job of cutting Government costs than Congress.

Senator BYRD has called attention to the fact that more than $16,000,000,000 of Government expenditures represent legal or moral commitments of the Government that are virtually untouchable, such as interest on the public debt, veterans' pensions and benefits, and grants-in-aid to the States. This means that savings would have to be concentrated in a restricted area, the full burden of the over-all reductions being borne by other spending programs. It will be a difficult task, therefore, to reduce expenditures sufficiently to cover a prospective deficit of several billion dollars. However, the choice lies between cutting those expenditures, increasing taxes, or passively submitting to a return to deficit financing. And, as Senator BYRD says, "If increasing taxes or deficits to meet continuously higher expenditures is to be our course it is obvious that neither our system nor our form of government can endure."

[From the New York Herald Tribune of June 24, 1949]

ECONOMY'S LAST STAND

The device of a 5- or 10-percent horizontal slash in Federal spending is a crude one, beyond any doubt. Placing the responsibility for carrying out such a cut upon the President, as proposed by the Senate economy coalition, is an evasion of congressional responsibility. But the fact remains that this plan, for all its faults, is virtually the only hope of bringing the national budget within sane limits; it is certainly the only way of reducing Government expenditures which will not place a disproportionate part of the economy burden upon a few measures and agencies—notably the foreign-aid programs.

Mr. Truman has stubbornly resisted any effort to pare his budget estimates. The House has passed the regular appropriation bills with some reductions, but has given the President more than he asked in authorizations. The Senate is still holding up many spending measures, either in committee or in conference, but in the bills which it has passed, despite Republican efforts, it has tacked about half a billion onto the sums approved by the House. The fiscal year expires next week, and the danger of hasty and irreparable action is very great. Neither the President nor Congress can congratulate themselves on their statesmanship in handling this vital aspect of government—but while the possibility of correcting some of the damage remains, it should be done with the means available.

The Senate—a bipartisan majority of it, at least—is ready to direct the President to apply the ax to his own budget, setting a goal of from 5 to 10 percent. The administration leaders in the Senate have been attempting to stall action on the proposed resolution, but the pressure for it is very great—much greater than could be obtained for cuts in any individual spending bill. The resolution should pass. The alternatives are deficit financing or reductions in foreign aid and military appropriations which would have a very serious effect upon this Nation's security. Neither of these is pleasant to contemplate, although Mr. Truman apparently views the former with equanimity. He must be jolted out of his complacent assumption that the Nation's taxing and borrowing power can be adapted to any budget requirements which he may put forward; that the one is capable of indefinite expansion while the other is as inflexible as the law of the Medes and the Persians. At this late stage in the session, the Senate resolution offers the only means of doing so. It is, in grim truth, economy's last stand.

FEDERAL DEFICIT WORSENS

The following table (derived from the current daily Treasury statement) shows a 43-percent increase in the budget deficit during the first 8 weeks of the current fiscal year over the deficit for the same period of the prior year—from $1,142,043,372 to $1,633,139,543. About a third of this worsening is due to smaller receipts and about two-thirds to heavier expenditures.

Budget deficit to date (8 weeks), last year versus this year

	July 1 to Aug. 24, 1948	July 1 to Aug. 24, 1949
Receipts	$4,266,862,621	$4,113,594,55
Expenditures	[1] 5,408,905,993	5,746,734,101
Deficit, first 8 weeks	[1] −1,142,043,372	−1,633,139,543

[1] The Daily Treasury Statement of Aug. 24, 1949, has been adjusted to make expenditures truly comparable between this and last year (by adding in $362,102,858 of ECA expenditures during this period which were paid from a very large trust fund created by statute from the prior year's budget surplus).

Mr. McCLELLAN. Madam President, I yield 10 minutes to the senior Senator from Virginia.

Mr. BYRD. Madam President, I am supporting the pending resolution, but I should have much preferred that Congress make the necessary reductions in expenditures.

I appreciate the fact that in the critical situation confronting us, with a deficit of from $5,000,000,000 to $8,000,000,000, which is certain in the present fiscal year, it is the duty of Congress to reduce expenditures. I voted for the reductions as proposed in the individual appropriation bills as they came before the Senate. One of the reasons why it is difficult for Congress to make the reductions is that we do not have a consolidated appropriation bill.

The Senate Calendar shows that 18 appropriation bills have been introduced in this session, and, although the fiscal year expired 60 days ago, only 7 of the bills have actually been enacted to date.

There was never a time when the Congress could more effectively consider appropriations as compared to revenue than during the present session. It is also true that to some it was not definitely apparent that a large deficit would occur, until the recession in business conditions within the last 90 days brought about a reduction in the estimated Federal tax revenue.

Today the chaotic condition of our appropriations, the worst in the entire history of the United States, emphasizes again the necessity of adopting a consolidated appropriation bill, the resolution for which is now pending on the Senate Calendar with unanimous approval of the Senate Rules and Administration Committee. Representative CANNON, chairman of the House Appropriations Committee, has advised the House that next year his committee will adopt the consolidated appropriation plan. The situation now confronting us could have been avoided if there had been a consolidated appropriation bill, because we could have reduced the bill itself on the

basis of over-all merit instead of doing as we now propose, by asking the President to make the reductions.

It is because of these conditions that I shall support the pending resolution directing the President to make cuts in expenditures for this fiscal year, as I think it imperative that reductions be made in our expenditures, in order, if possible, to avoid, or if that be impossible, to greatly reduce, the seriously threatened deficit.

THE SITUATION

The Federal Government on June 30 closed fiscal year 1949 with expenditures totaling $40,100,000,000, revenue totaling $38,200,000,000, and a deficit totaling $1,800,000,000.

Since June 30 there have been 2 days when Treasury receipts exceeded expenditures. The cumulated deficit for the first 45 days of the current fiscal year was $1,700,000,000.

Individual income is a principal factor in Federal revenue. In the first 6 months of the current calendar year it dropped from an annual rate in excess of $220,000,000,000 in December to about $213,000,000,000 in June. Under our present tax structure Federal receipts decline approximately $1,000,000,000 with each $4,000,000,000 drop in individual income.

While the income drop during the January-to-June period was reflected in the deficit of fiscal year 1949 to the extent that withholding taxes were involved, the first effect of the income decline on business taxes will not show up until returns are made in fiscal year 1950.

The greatest increases in individual income were recorded during the last 6 months of the last calendar year. It is improbable that last year's increases could be equaled from now until January—even in the event of a fourth round of wage increases.

1950 REVENUE

In these circumstances there is no reason to expect Federal revenue for fiscal year 1950 to equal the $38,200,000,000 collected last year. It is virtually certain receipts this year will drop at least $1,000,000,000 to not more than $37,200,000,000.

1950 EXPENDITURES

When the President submitted his budget in January he requested authorization for Federal expenditures totaling $42,000,000,000. But this figure did not include expenditures to be required for the military arms program for Europe, remote area aid (under the President's foreign policy point 4), veterans' supplementals, or postal deficits in lieu of increased postage rates. When these items are added to the requests as they were made in January by the President, total expenditures would amount to $45,000,000,000.

1950 DEFICIT

Thus, by the best calculations possible at this time, it may be estimated that the 1950 deficit will be between $5,000,000,000 and $8,000,000,000.

This estimate, of course, is subject to revision on the basis of such limitations on the availability of funds for expenditure in the current year as Congress may write into the appropriation bills. The extent of these limitations cannot be estimated now, with half the budget still awaiting enactment.

Whatever the deficit may be, it will be added to a Federal debt which already is more than a quarter of a trillion dollars.

M'CLELLAN PROPOSAL

It is with these prospects in view that the Senate now comes to consideration of what is referred to as the McClellan proposal, directing the President to reduce by an aggregate of from 5 to 10 percent "the total amounts estimated for expenditure for fiscal year 1950 by all agencies," with cuts made by Congress taken into account.

In view of the present condition of appropriation legislation, it is virtually impossible at this time to make any intelligent revision of expenditure estimates. Therefore, only the President's January estimates are available as a basis for projecting the reduction to be accomplished under the pending formula. And to these we must add the 1950 costs of the European arms program, remote area aid, postal deficits, and other supplemental requests which have been submitted since January.

NOT ENOUGH

If the fiscal legislation finally to be enacted should not change the President's January estimates, plus his supplemental requests, in the aggregate, the McClellan proposal, with the economies offered by Congress, may be presumed to result in reductions totaling between $2,250,000,000 and $4,500,000,000, on a full-year basis.

This reduction would not balance the budget even if estimated expenditures were held to the $42,000,000,000 figure originally requested by the President in January, before the costs of the European arms program, the remote area aid program, and the postal deficits were added.

But it is a step in the right direction.

The Senator from Virginia is supporting the proposal by the Senator from Arkansas because it is a step in the right direction, but he would prefer action precluding deficit spending.

REDUCTIONS CAN BE MADE

As one who for 16 years has made a constant study of Federal fiscal operations, the Senator from Virginia does not hesitate to venture the assertion that four and one-half billion dollars, and more, could be intelligently deleted from the expenditures estimated for fiscal year 1950 without impairment of a single necessary Federal function, service, or activity.

Madam President, I make the statement without fear of successful contradiction, that there is not a single agency of the Government which cannot reduce expenditures by 5 or even 10 percent and, with due economy, cannot continue to render the same service to the Government, and perhaps better service.

Secretary Johnson emphasized that a few days ago when he reduced the personnel of the armed services by 135,000. He stated that he did not want to tolerate any longer the boondoggling, as he expressed it, which was existing in the armed services.

Moreover, personal examination of every expenditure item in the 1,360-page budget document submitted by the President for the current fiscal year reveals that the aggregate of estimated expenditures can be reduced by four and one-half billion dollars and more, without defaulting or reneging on a single fixed charge, imperative obligation, or nondeferrable commitment.

BALANCED BUDGET

If we were to avoid deficit spending and curb expenditures to the level of a balanced budget, we would preclude piling new debt on top of the postwar base of a quarter of a trillion dollars. And most important, we would promote sound progress and solid prosperity not only at home but throughout the free democratic world.

The budget could be balanced if:

First. National defense expenditures were reduced to $12,000,000,000, which would still be more than they were in 1949;

Second. If foreign-aid expenditures were reduced to $5,750,000,000, which would still be a billion more than they were in 1949; and

Third. If expenditures for the rest of the Government, exclusive of interest on the debt, were reduced to $14,000,000,000 which would still be a billion dollars more than these expenditures for the rest of the Government in 1948.

MANDATE FOR MAXIMUM

The Senator from Virginia repeats, he would prefer that a balanced budget be required; he has shown how it could be achieved without impairment of the Government's integrity or essential functions. But in the absence of prospects for such action at this time, he urges adoption of the McClellan proposal with a solidarity of approval which will make its maximum application a mandate. There need be no fear that such action necessarily would result in defaulting or reneging on any fixed charge, imperative obligation, or on any commitment which cannot honorably be deferred.

In support of this contention with respect to reductions under the McClellan proposal the Senator from Virginia submits:

First. A billion dollars could be saved by eliminating, or postponing until a more appropriate date, the nonessential proposals among the 40—mostly domestic civilian—which the President has submitted requiring new legislation.

Second. On the basis of testimony by former Secretary Royall, and Secretary Symington, and the recent report by former President Hoover, another billion could be saved, exclusive of civilian personnel reductions, through proper unification of the armed services.

Third. Civilian employment in the executive branch in the year before Pearl Harbor averaged 1,164,433. The postwar employment low, in December 1947, was 1,995,383. Now it is more than 2,100,000. The new budget requests 13,000 new additional permanent positions, exclusive of temporary appointments. Under the budget, the pay roll would run to nearly $6,500,000,000. If this were reduced by $1,500,000,000, employment could still be nearly 150 percent of the prewar total.

Fourth. This would leave only $1,000,000,000, or about 3 percent, to be absorbed in all the rest of the budget. If this could not be accomplished without default in fixed charges, imperative obligations, and nondeferrable commitments, it would be a sad commentary on the administrative efficiency and the competence of Federal officials in general.

The PRESIDING OFFICER. The time of the Senator from Virginia has expired.

Mr. BYRD. Madam President, may I have 2 minutes more?

Mr. McCLELLAN. I yield 2 minutes more to the Senator from Virginia.

Mr. BYRD. From still another approach for those who wish to be more specific, the Senator from Virginia has analyzed every single item in the Federal expenditure budget for fiscal year 1950. To simplify this discussion he will eliminate reference to estimates for National Military Establishment components, for foreign aid, for European arms, for interest on the debt, for Federal contributions to retirement systems, for veterans' pensions and benefits, for claims and judgments, and for all other nondeferrable commitments, imperative obligations, and fixed charges.

With these excluded, there are still more than 300 expenditure items in the budget which have been raised above the figure fixed for last year. These increases will be itemized at the end of the remarks by the Senator from Virginia.

THREE BILLION DOLLARS IN INCREASES

The increases alone in these items total nearly $3,000,000,000. More than $1,000,000,000 of these increases is in nearly 150 salary and expense items. Nearly $2,000,000,000 is in more than 150 other items. They run through three-fourths of the independent agencies, and half of the departments, exclusive of Military Establishment components. The increases average approximately 60 percent.

Seventy-five percent of the maximum reduction provided for in the McClellan proposal could be accomplished merely by eliminating the increases in the run-of-the-mill items exclusive of the military, European arms program, foreign aid, fixed charges, imperative obligations, and nondeferrable commitments.

RECKLESS ABANDONMENT

Anything less than the McClellan reductions, in a year of peace and relative prosperity, must be regarded as reckless abandonment by the Federal Government of its responsibility, not only for the Nation's solvency upon which democratic freedom depends, but also its responsibility for the elements of stability for our free-enterprise system which supports the Government.

Actually repetition of the deficit even at the level of the past year is cause for great anxiety.

How long can these deficits go on? Is their curtailment hopeless?

QUIBBLING

It is in this situation that we are quibbling about who is going to reduce Federal expenditures, and how much.

ENOUGH RESPONSIBILITY

Obviously there is enough responsibility, and enough of a job to be done, for all to share in it.

A balanced budget is the first fundamental principle of sound finance, whether it is in government, business, or in our personal pocketbooks.

We all know there is a mutual responsibility between the executive and legislative branches for sound government. We know this is accomplished best if there is sympathetic cooperation, and this should be backed up by overwhelming public sentiment, for the public has some responsibility in this matter, too.

We all know that continual deficit financing can lead only to disaster.

In a sentence, the situation is this: There will be a deficit in fiscal year 1950; but the deficit is bound to be less with adoption of the McClellan proposal than it will be without it.

Madam President, I shall not take up any more time of the Senate, but I ask unanimous consent that the remainder of my remarks, which I have not time to deliver, be printed in the body of the RECORD at this point.

There being no objection, the remainder of Mr. BYRD's remarks was ordered to be printed in the RECORD, as follows:

DEBT INCREASE

With these deficits go the continuing prospect for increased taxes which inevitably will come with a Federal debt that now must climb from a postwar low of a quarter of a trillion dollars.

Neither solid progress nor firm prosperity can be expected here or elsewhere so long as the Federal Government of the United States offers only the alternatives of confiscatory taxes—which means the woes of socialism such as now have the British in a tailspin—or national bankruptcy to be accompanied by the kind of horrors not yet comprehended by a people continually lulled by self-styled economists who chant the vicious platitude that nothing is wrong with this huge debt so long as we owe it to ourselves.

DEBT IS OURS

The debt is definitely ours—every individual of us—if that is what they mean. It is ours in the war bonds we own. It is ours to the extent that our bank savings against a rainy day are invested in it. It is ours to the extent that our insurance for the protection of our families is invested in it. It is ours to the extent that our social-security payments against old age and unemployment are invested in it. It is ours to the extent to which we are taxed to pay ourselves interest. And, indeed, it will be ours if the time ever arrives when we can not pay off, when we cannot refinance it, and when we cannot pay ourselves the interest.

It is the Federal debt that controls our personal security. It is the Federal debt that controls the security of earning a livelihood in our free-enterprise system. It is the Federal debt that controls the security of our form of government.

THE TIME HAS COME

The time has come to stop taking chances with it.

The time has come when we should reduce it, not increase it.

Since the war, exclusive of the reduction made with cash balances on hand at the end of the war from war borrowing, we have reduced the debt less than 3 percent—in years of prosperity at an all-time high we have reduced the debt on an average of less than 1 percent a year.

And now we propose to start another chain of annual debt increases. Under the circumstances, there is no reason to expect the current business recession to level off on an even and profitable keel. And there is no reason to expect a sound leveling off of personal income which already has dropped from an annual rate of $220,000,000,000 to about $213,000,000,000 since December.

When business and income decline, tax-revenue sources dry up and Federal tax collections fall off. We have just witnessed the effect of reduced personal income on tax revenue in fiscal year 1949.

EXPENDITURE RECORD

With revenue coming down, the record of Federal expenditures reveals that a demand for retrenchment is not unreasonable.

The record

[In billions of dollars]

Expenditure categories	1941 (actual)	1947 (actual)	1948 (actual)	1949 (actual)	1950 (present request)
National defense	6¼	14¼	11	11¾	14¼
Foreign aid	¼	6½	4¾	7¼	6¾
Subtotal	6½	20¾	15¾	19	21
Interest	1	5	5	5¼	5½
Other	6	13¼	13	16	15¼
Total	13½	39	33¾	40¼	41¾

MILITARY EXPENDITURES

Analyzing national defense expenditures, we find in round figures that approximately $5,000,000,000 is required to pay and maintain uniformed personnel and that approximately $3,000,000,000 is required to pay civilian personnel in the National Military Establishment (of course, civilian personnel reductions now ordered by Secretary Johnson, we hope, will reduce this figure). The remainder represents more than $6,000,000,000 in military expenditures for items exclusive of uniformed and civilan personnel.

To demonstrate the extent to which the military's postwar job has been reduced—in some aspects, at least—official statstics show that the need for civilian personnel employed overseas by the military components has been reduced by 68 percent since December 1947. But in the same period civilian employment by the military inside continental United States was increased by more than 100,000.

It is found that at the war peak the Military Establishment was employing one civilian for each five men in uniform. Now it is employing one civilian for about each two men in uniform. (This ratio will be changed by a fraction when the new cut takes effect.) From so vast a reduction in its overseas responsibility—as indicated by a 68-percent reduction in force—and from so great an increase in ratio between civilian and uniformed personnel, it would appear not to be unreasonable to reduce funds for civilian employment in the Military Establishment by a full 33 percent, or approximately $1,000,000,000. The cuts recently ordered by Secretary Johnson would amount to about half that figure on an annual basis.

Without reducing funds for pay and maintenance of uniformed personnel, it would not seem unreasonable—under unification—for the remaining $6,250,000,000 in other military expenditures to absorb a reduction of 20 percent, or $1,250,000,000.

This would account for a reduction in military expenditures of $2,250,000,000, or

about 15 percent. A 20-percent reduction in the military budget as a whole would save nearly $3,000,000,000 and still leave military expenditures at approximately their level of last year.

FOREIGN-AID EXPENDITURES

Analyzing foreign-aid expenditures, we find that in 1948 we were spending approximately $2,000,000,000 on foreign relief and $2,500,000,000 for international reconstruction, development, and monetary stabilization, and another quarter of a billion in smaller items, such as Philippine war-damage and rehabilitation programs, membership in international organizations, etc.

In fiscal year 1950 the President proposed to spend approximately a half-billion dollars for Philippine war-damage and rehabilitation programs, membership in international organizations, etc. The remaining $6,250,000,000 was requested for foreign relief and international reconstruction, development, and monetary stabilization. The arms program is in addition.

It should be noted that after the expenditure of nearly $7,500,000,000 in the 2 years 1948 and 1949 for international reconstruction, development, and monetary stabilization, it was proposed that we still spend more than a billion for foreign relief as compared with approximately $2,000,000,000 in 1948.

It is suggested that after more than 2 years of recovery programs abroad involving nearly $7,500,000,000, the foreign-relief programs are due for more than a 50-percent reduction unless it is contemplated that this country should take on the responsibility of permanently underwriting European relief.

In view of this situation, and in view of the recorded decline in prices of materials which are being purchased under the ECA program, it is suggested that foreign aid would not be reduced too sharply if it were held to expenditures totaling 120 percent of what they were 2 years ago. The arms program would be in addition.

This would result in a saving of a billion dollars, or about 18 percent. A 20-percent reduction would save about $1,300,000,000.

DOMESTIC CIVILIAN EXPENDITURES

Analyzing expenditures for domestic civilian functions and activities, exclusive of interest on the debt, we find that the President recommended expenditures of $15,250,000,000.

Since December 1947 civilian employment in the domestic civilian agencies has increased by 66,000 and the pay roll for these agencies is now running at the rate of nearly $4,000,000,000 a year. At the prewar emergency peak employment by these agencies totaled 919,000. Employment now is 1,222,000. If this employment were reduced by 20 percent, these agencies would still be employing nearly 60,000 more people than they were at the prewar emergency peak, and their expenditures would be reduced by $750,000,000.

Exclusive of pay-roll costs these domestic civilian agencies, under the President's January proposals, would spend approximately eleven and one-quarter billion. Thus it is seen that a reduction of only 5 percent in the expenditures by these domestic civilian agencies, in addition to reduction of employment, would bring their expenditures down to $14,000,000,000, which would still be a billion dollars more than they spent in 1948. The total saving would be $1,250,000,000, or about 9 percent. A 20-percent reduction would save about $3,000,000,000.

Thus it is seen that a 20-percent retrenchment could be accomplished without disturbing fixed charges, imperative obligations, and nondeferrable commitments, and still maintain the policies of the Government which have been promulgated in the postwar period.

CONCLUSIONS

In conclusion the Senator from Virginia concedes that to a degree the McClellan proposal acknowledges abdication of responsibility for sound Government by both the executive and the legislative branches of the Government.

It has been demonstrated that reductions aggregating a minimum of 5 percent or a maximum of 10 percent of the President's expenditure estimates would be inadequate as a device for balancing the budget and avoiding deficit financing.

It has been demonstrated that reductions of 20 percent in three major categories of Federal expenditures, exclusive of interest on the debt, can be made without taking the activities and functions of the Federal Government at home and abroad into any default on fixed charges, imperative obligations of nondeferrable commitments.

In short the retrenchment to be required by the McClellan proposal is the least that could be done to serve notice on the world that the Federal Government of the United States is conscious of its obligation to keep this Nation solvent—that it is conscious of the fact that anything short of this tangible recognition probably would precipitate an economic crisis in this Nation which could be disastrous to our free-enterprise system.

The free-enterprise system supports the Government of this Nation in its present form; no other economic system can do that. If the free-enterprise system falls, the Federal Government of the United States—as it is known to the world—will fall. If the system and the Government falls, so will the last hopes for the preservation of freedom and democracy in the world.

Mr. BYRD. Madam President, I ask unanimous consent that an accompanying statement with respect to expenditure increases may be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Items and objects of Federal expenditure for which increases were requested in the President's budget recommendations for fiscal year 1950

[Exclusive of estimates for Military Establishment, European arms program, foreign aid, remote area assistance, interest on debt, contributions to retirement, pensions and veterans' programs, postal deficit financing in lieu of increased rates, and other fixed charges, imperative obligations and nondeferrable commitments]

No.	Agencies, objects and items	Salary and expense items				Other items					Agency totals				
		1949	1950	Increase	Percent increase	No.	1949	1950	Increase	Percent increase	No.	1949	1950	Increase	Percent increase
1	White House Office	$980,000	$1,347,457	$367,457	37						1	$1,206,515	$1,357,457	$150,942	11
	Executive Mansion and Grounds					1	$240,004	$259,700	$19,696	8					
	Emergency fund for President					2	180,000	1,000,000	820,000	450	2	180,000	1,000,000	820,000	450
2	Bureau of the Budget	3,133,922	3,301,875	167,953	5						3	3,267,013	3,338,616	71,603	2
3	Council of Economic Advisers	334,228	336,506	2,278	1						4	334,228	336,506	2,278	1
4	National Security Council	157,338	211,000	53,662	34						5	157,338	211,000	53,662	34
5	National Security Resources	2,883,182	3,923,238	1,040,056	36						6	2,883,458	3,923,238	1,039,780	36
6	American Battle Monuments Commission	343,959	752,172	408,213	119						7	989,859	5,642,172	4,652,313	657
	Construction, cemeteries					3	645,900	4,890,000	4,244,100	657					
7	Atomic Energy Commission	611,000,000	721,000,000	110,000,000	18						8	632,000,000	725,000,000	93,000,000	15
8	Civil Service Commission	16,542,806	17,740,204	1,197,398	7						9	16,542,806	17,740,204	1,197,398	7
	Displaced Persons Commission					4	1,344,230	2,146,770	802,540	59	10	1,344,230	2,146,770	802,540	59
	Federal Mediation and Conciliation Service: Boards of inquiry					5	61,786	75,000	13,214	21					
9	Federal Trade Commission	3,485,000	3,723,000	238,000	7						11	3,525,920	3,748,000	222,080	6
10	General Accounting Office	34,474,447	35,449,455	975,008	3						12	36,661,842	37,391,732	729,890	2
	Conservation and use of agricultural land resources					6	252,565	266,000	13,435	5					
11	Interstate Commerce Commission	9,463,087	9,590,652	127,565	1						13	11,247,070	11,325,740	78,670	6
	Railway Safety					7	937,318	951,648	14,330	2					
	Locomotive Inspection					8	631,954	667,436	35,482	6					
12	National Advisory Committee for Aeronautics	36,475,000	45,065,000	8,590,000	24						14	44,390,000	59,900,000	15,600,000	35
	Construction					9	3,000,000	10,876,500	7,876,500	262					

Items and objects of Federal expenditure for which increases were requested in the President's budget recommendations for fiscal year 1950—Continued

[Exclusive of estimates for Military Establishment, European arms program, foreign aid, remote area assistance, interest on debt, contributions to retirement, pensions and veterans' programs, postal deficit financing in lieu of increased rates, and other fixed charges, imperative obligations and nondeferrable commitments]

No.	Agencies, objects and items	Salary and expense items				Other items					Agency totals				
		1949	1950	Increase	Percent increase	No.	1949	1950	Increase	Percent increase	No.	1949	1950	Increase	Percent increase
13	National Archives	$1,433,730	$1,482,800	$49,070	3						15	$1,462,131	$1,494,800	$32,669	2
	National Capital Housing Authority maintenance and operating title I properties					10	$24,803	$33,665	$8,862	36					
	National Capital Park and Planning					11	699,871	1,501,564	801,693	114	16	721,037	1,572,769	851,732	118
	District of Columbia redevelopment					12	21,166	71,205	50,039	236					
14	National Mediation Board	338,069	356,670	18,601	5										
15	Railroad Retirement Board	392,928	451,600	58,672	2										
16	Philippine War Damage Commission	151,303,203	165,000,000	13,696,797	8										
17	Smithsonian Institution	2,227,080	2,312,500	85,420	4										
18	National Gallery of Art	1,076,483	1,081,900	5,417	1										
19	Tariff Commission	1,237,205	1,328,000	90,795	7						17	1,260,911	1,341,000	80,089	7
20	Tax Court of United States	770,212	794,316	24,104	3						18	788,419	801,316	12,897	3
21	U. S. Maritime Commission	39,200,000	107,000,000	67,800,000	173	13		13,000,000	13,000,000	New					
	Export-Import Bank					14		146,400,000	146,400,000	New					
	Reconstruction Finance Corporation (transportation)					15		1,932,000	1,932,000	New					
	Tennessee Valley Authority										19	28,655,933	48,861,000	20,205,067	70
	Fund					16	31,335,161	51,968,000	20,632,839	66					
	Other					17	1,057,000	2,393,000	1,336,000	126					
22	Antiinflation	2,500,000	13,500,000	11,000,000	440						20	2,500,000	13,500,000	11,000,000	440
23	Management improvement		900,000	900,000	New						21		900,000	900,000	New
24	Housing Expediter	22,776,000	23,324,000	548,000	2						22	22,816,082	23,324,000	507,918	2
25	Top flight pay increase		1,500,000	1,500,000	New										
26	National Capital Sesquicentennial	65,000	1,200,000	1,135,000	1,746						23	65,000	1,200,000	1,135,000	1,746
27	FEPC		500,000	500,000	New						24		500,000	500,000	New
28	National Science Foundation		2,000,000	2,000,000	New						25		2,000,000	2,000,000	New
29	Synthetic Fuels		1,000,000	1,000,000	New						26		100,000,000	100,000,000	New
30	UMT		600,000,000	600,000,000	New										
	FEDERAL SECURITY AGENCY														
31	Columbia Institution for Deaf	292,101	315,300	23,199	8										
32	Food and Drug Administration	5,187,596	5,612,253	424,657	8										
33	Freedmen's Hospital	2,322,789	2,434,645	111,856	5										
34	Howard University	2,187,241	2,382,800	195,559	9										
35	Office of Vocational Rehabilitation	626,860	671,128	44,268	7										
	Office of Education: Federal aid					18		290,125,000	290,125,000	New					
	Building and scholarship survey					19		1,000,000	1,000,000	New					
	Public Health Service: TB control					20	8,983,315	9,528,000	544,685	6					
	Assistance to States					21	14,005,800	23,852,695	9,846,895	70					
	Hospital construction grants					22	14,607,817	60,000,000	45,392,183	311					
	Hospital and medical care					23	22,077,450	23,966,751	1,889,301	9					
	Mental health activities					24	8,507,721	10,470,000	1,962,279	23					
	Foreign quarantine service					25	2,595,584	3,262,700	667,116	26					
	Cancer Institute, operating expenses					26	14,793,412	16,159,250	1,365,838	9					
	Heart Institute, operating expense					27		3,840,000	3,840,000	New					
	Dental health activities					28		1,580,000	1,580,000	New					
	Research, construction					29	42,380	94,200	51,820	122					
36	Salaries and expenses	4,120,714	4,406,742	286,028	7	7									
37	Vital statistics		42,625	42,625	New										
38	Water pollution		1,230,000	1,230,000	New										
	Water pollution grants					30		1,000,000	1,000,000	New					
	Narcotic working fund					31		20,580	20,580	New					
	Displaced persons					32	319,500	425,500	106,000	33					
	Hospital construction (States)					33	423,113	432,000	8,887	2					
39	St. Elizabeths Hospital	1,688,166	1,918,500	230,334	14										
40	Bureau of Employment Security: Grants for compensation and administration	128,607,451	135,006,440	6,398,989	5										
41	Federal credit unions		176,308	176,308	New										
42	Medical care insurance		14,900,000	14,900,000	New										
43	Public Assistance (States)	1,332,562	1,336,831	4,269	1	34	975,284,911	1,128,000,000	152,715,089	16					
44	Childrens' Bureau	1,376,290	1,493,632	117,342	9										
45	Conference on Youth	67,650	75,650	8,000	12										
	Grants to States					35	19,893,795	23,106,205	3,212,410	16					
46	Office of Commissioner	233,880	254,294	20,414	9										
47	Office of Administrator	1,777,900	2,480,968	703,068	4										
48	Division of Operations	815,460	1,239,770	424,310	52										
49	Office of General Counsel	470,700	544,746	74,046	16						27	1,380,257,440	1,908,564,503	528,337,063	38

Items and objects of Federal expenditure for which increases were requested in the President's budget recommendations for fiscal year 1950—Continued

[Exclusive of estimates for Military Establishment, European arms program, foreign aid, remote area assistance, interest on debt, contributions to retirement, pensions and veterans' programs, postal deficit financing in lieu of increased rates, and other fixed charges, imperative obligations and nondeferrable commitments]

No.	Agencies, objects and items	Salary and expense items				Other items					Agency totals				
		1949	1950	Increase	Percent increase	No.	1949	1950	Increase	Percent increase	No.	1949	1950	Increase	Percent increase
	FEDERAL WORKS AGENCY														
50	Office of Administrator	$353,000	$371,000	$18,000	5										
	Public Buildings Administration:														
51	Salary and expenses in District of Columbia	32,820,698	34,510,000	1,689,302	5										
52	Salaries and expenses outside District of Columbia	24,181,344	26,326,600	2,145,256	9										
	Industrial reserve					36	$9,762,500	$14,500,000	$4,737,500	48					
	Hospital Center, District of Columbia					37	90,000	400,000	310,000	344					
	Census Building					38		4,800,000	4,800,000	New					
	Geophysical Institute (Alaska)					39	200,000	700,000	500,000	250					
	GAO Building					40	1,600,000	8,441,806	6,841,806	428					
	Federal Courts Building, District of Columbia					41	1,000,000	5,000,000	4,000,000	400					
	Los Angeles post office					42	250,000	750,000	500,000	200					
	Nashville Federal Office Building					43	1,100,000	3,250,000	2,150,000	195					
	Veterans' Administration facilities					44	250,000	900,000	650,000	260					
	St. Elizabeths construction					45	1,350,000	2,200,000	850,000	63					
	Do					46		150,000	150,000	New					
	Howard University construction					47	1,600,000	7,620,000	6,020,000	376					
	Public Housing Service research construction					48	6,850,604	18,038,000	11,187,396	163					
	Remodeling, outside District of Columbia					49	500,000	3,600,000	3,100,000	620					
	Executive Mansion					50	300,000	3,599,703	3,299,703	1,100					
	St. Elizabeths, repairs					51	125,000	613,000	488,000	390					
	D. C. heating plant					52	750,000	788,000	38,000	5					
	Public Roads Administration:														
	Forest highways					53		23,500,000	23,500,000	New					
	Philippine rehabilitation					54	10,235,165	17,040,000	6,804,835	66					
	Hawaiian war damage					55	1,904,347	3,000,000	1,095,653	58					
	Bureau of Community Facilities:														
	Water pollution grants					56		450,000	450,000	New					
53	Water Pollution Administration	73,000	137,000	64,000	88										
	Alaska Public Works					57		1,000,000	1,000,000	New					
	Disaster relief										28	$590,325,976	$686,800,801	$96,474,825	16
53	Housing and Home Finance Agency:														
54	Office of Administrator	1,050,000	1,521,000	471,000	45	58	5,000	15,000	10,000	200					
55	Federal Housing Administration	3,998,654	6,786,302	2,787,648	70										
	Public Housing Administration:														
	Annual contributions					59	4,395,591	6,200,000	1,804,409	41					
	Checking account					60	15,000,000	128,213,900	113,213,900	755					
56	Salaries and expenses	90,000	3,510,000	3,420,000	3,800										
	Alaska Housing					61		5,000,000	5,000,000	New					
57	Research and administration	50,000	1,520,000	1,470,000	2,940										
	Slum clearance					62		10,000,000	10,000,000	New	29		105,856,238	105,856,238	New
	DEPARTMENT OF AGRICULTURE														
58	Office of Secretary	2,114,857	2,212,000	97,143	5										
59	Research and Marketing Act	15,248,543	18,712,316	3,463,773	23										
60	Office of Information	591,003	982,871	391,868	66										
61	Library	659,716	723,955	64,239	10										
62	Bureau of Agricultural Economics	4,644,511	4,761,991	117,480	3										
63	Strategic and critical research	406,900	506,540	99,640	24										
64	Alaska research	396,000	649,000	253,000	64										
	Experiment station, payments to States					63	7,361,082	7,406,208	45,126	1					
65	Experiment stations	343,333	375,550	32,217	9										
66	Bureau of Plant Industry soils, etc	8,648,907	8,818,000	169,093	2										
	Control of forest pests					64	3,719,762	4,647,067	927,305	25					
	Forest roads and trails					65		8,750,000	8,750,000	New					
	Forest-fire cooperation					66	8,933,978	9,000,000	66,022	1					
	Acquisition of forest lands					67		75,000	75,000	New					
	Forest emergency repair					68	100,000	1,900,000	1,800,000	1800					
	Flood control					69	7,562,507	13,272,428	5,709,921	76					
67	Soil Conservation Service	47,817,130	48,543,000	725,870	2										
68	Water conservation	323,500	578,000	254,500	79										
	PMA, conservation					70	187,383,335	214,620,000	27,236,665	15					
69	AAA, administrative expenses	7,319,900	11,300,000	3,980,100	54										
70	AAA, local administration	20,371,356	46,400,000	26,028,644	128										

Items and objects of Federal expenditure for which increases were requested in the President's budget recommendations for fiscal year 1950—Continued

[Exclusive of estimates for Military Establishment, European arms program, foreign aid, remote area assistance, interest on debt, contributions to retirement, pensions and veterans' programs, postal deficit financing in lieu of increased rates, and other fixed charges, imperative obligations and nondeferrable commitments]

No.	Agencies, objects and items	Salary and expense items				Other items					Agency totals				
		1949	1950	Increase	Percent increase	No.	1949	1950	Increase	Percent increase	No.	1949	1950	Increase	Percent increase
	DEPARTMENT OF AGRICULTURE—continued														
71	REA	$5,859,020	$6,051,330	$192,310	3										
	Loans to States					71	$275,750,000	$323,250,000	$47,500,000	17					
	Agriculture working fund					72	14,904	48,532	33,628	226					
72	Farm credit	2,211,033	2,294,000	82,967	4										
	Disease eradication					73		13,000,000	13,000,000	New					
73	Forest Service		3,600,000	3,600,000	New										
74	Wheat agreement		200,000	200,000	New	74		55,500,000	55,500,000	New					
	Grain facilities					75		25,000,000	25,000,000	New					
	Farm housing					76		20,000,000	20,000,000	New					
	DEPARTMENT OF COMMERCE														
	Seventeenth Decennial Census					77	2,212,641	36,098,000	33,885,359	1531					
	Census of housing					78		6,000,000	6,000,000	New					
	Establishing air navigation facilities					79	20,000,000	30,048,875	10,048,875	50					
75	Civil Aeronautics Authority	85,767,307	97,057,879	11,290,572	13										
	CAA technical development					80	1,753,080	1,759,203	6,123	1					
	Airport aid					81	35,000,000	50,710,087	15,710,087	45					
	Alaska airport construction					82	2,890,000	6,100,000	3,210,000	111					
	Air navigation development					83	75,000	5,955,000	5,880,000	7840					
76	Philippine rehabilitation	2,142,036	2,501,694	359,658	17										
	CAA working fund					84		107,989	107,989	New					
77	Civil Aeronautics Board	3,576,000	3,916,652	340,652	10										
78	Coast and Geodetic Survey, departmental	3,458,355	3,674,015	215,660	6										
79	Field	5,540,933	5,910,300	369,367	7										
80	Commissioned officers	1,235,201	1,302,000	66,799	5										
81	Philippine rehabilitation, Coast and Geodetic Survey	291,389	335,317	43,928	15										
82	Bureau of Foreign and Domestic Commerce	4,612,803	4,680,000	67,197	1										
	Export Control					85	1,420,000	4,626,000	3,206,000	226					
83	Patent Office	8,815,608	10,294,620	1,479,012	17										
84	Bureau of Standards	1,359,092	1,447,000	87,908	6										
	Radio Propagation					86	2,632,092	3,251,187	619,095	24					
	Radio property building					87		225,000	225,000	New					
85	Weather Bureau	23,088,052	23,785,899	697,847	3										
86	Philippine rehabilitation	939,112	1,040,300	101,188	11						30	$247,241,079	$327,631,314	$80,390,235	33
	Inland waterways, capital stock					88	2,000,000	3,000,000	1,000,000	50					
	INTERIOR DEPARTMENT														
87	Office of Secretary	1,195,712	1,325,400	129,688	11										
88	Office of Solicitor	262,021	283,900	21,879	8										
89	Division of Territorial and Insular possessions	167,465	214,200	46,735	28										
90	Oil and Gas Division	342,948	390,000	47,052	14										
91	Board of Geographic Names	13,104	14,100	996	8										
	Soil and Moisture Conservation					89	2,729,816	2,750,000	20,184	1					
	Contingent expenses					90	273,232	295,400	22,168	8					
92	Southeastern Power		80,000	80,000	New										
	Power transmission construction operations					91		3,500,000	3,500,000	New					
	Control of forest pests					92	565,909	600,000	34,091	6					
	Contingent fund, transportation					93		150,000	150,000	New					
	Bonneville Power Administration					94	22,440,036	33,500,000	11,059,964	49					
	Bureau of Land Management: Management, protection, disposal					95	3,191,475	3,727,500	536,025	17					
93	Bureau of Indian Affairs	797,500	1,092,000	294,500	37										
94	Field administration	2,590,000	3,272,800	682,800	26										
	Maintenance, law and order					96	128,000	160,000	32,000	25					
	Alaska Native Service					97	4,570,000	6,097,000	1,527,000	33					
	Navajo and Hopi construction					98	800,000	2,900,000	2,100,000	262					
	Navajo and Hopi Agency					99	4,115,000	5,361,000	1,246,000	30					
	Maintenance, building, utilities					100	775,000	945,650	170,650	22					
	Education of Indians					101	10,951,000	11,985,000	1,034,000	9					
	Health conservation					102	7,265,000	7,750,800	485,800	6					
	Indian welfare					103	560,000	585,400	25,400	4					
	Forest range management					104	976,000	1,090,800	114,800	12					
	Agriculture and stock raising					105	828,000	911,100	83,100	10					
	Loan revolving fund					106	290,598	2,400,000	2,109,402	724					
	Irrigation construction					107	3,500,126	4,000,000	499,874	14					
	Payment to Flatheads					108	200,000	330,000	130,000	65					
	Construction of building utilities					109	4,348,000	5,300,000	952,000	21					
	Power system maintenance					110	1,100,000	1,250,000	150,000	13					

Items and objects of Federal expenditure for which increases were requested in the President's budget recommendations for fiscal year 1950—Continued

[Exclusive of estimates for Military Establishment, European arms program, foreign aid, remote area assistance, interest on debt, contributions to retirement, pensions and veterans' programs, postal deficit financing in lieu of increased rates, and other fixed charges, imperative obligations and nondeferrable commitments]

No.	Agencies, objects and items	Salary and expense items				Other items					Agency totals				
		1949	1950	Increase	Percent increase	No.	1949	1950	Increase	Percent increase	No.	1949	1950	Increase	Percent increase
	INTERIOR DEPARTMENT—continued														
	Bureau of Reclamation:														
	Gila project					111	$2,401,500	$3,800,000	$1,398,500	58					
	Davis Dam					112	25,300,000	33,750,000	8,450,000	33					
	Colorado River Dam fund					113	2,200,432	5,950,000	3,749,568	170					
	Kern River project					114	6,000	25,500	19,500	325					
	Hungry Horse project					115	12,503,500	21,000,000	8,421,500	67					
	Columbia River Basin					116	47,635,000	64,795,000	17,160,000	36					
	Missouri River Basin					117	56,800,000	81,300,000	24,500,000	43					
	Rehabilitation of works					118		4,000,000	4,000,000	New					
	Geological survey					119	13,721,612	16,925,067	3,204,455	23					
95	General expenses	$480,000	$500,000	$20,000	4										
	River and harbor, maintenance					120	115,267	172,000	56,733	49					
	Operating naval petroleum reserve					121	22,105	26,000	3,895	17					
96	International Commission	96,190	115,000	18,810	19										
	Reclamation Fund					122	4,060	10,000	5,940	146					
97	Bureau of Mines	153,768	165,500	11,732	8										
	Fire control					123	203,000	245,500	42,500	29					
	Coal mine inspection					124	2,566,103	2,717,000	150,897	6					
	Testing fuel					125	528,253	603,000	74,747	14					
	Anthracite investigations					126	378,443	385,000	6,557	2					
	Investigation and development of deposits					127	1,901,048	2,005,000	103,952	5					
	Oil and gas investigation					128	646,605	695,000	48,395	7					
	Metallurgical research					129	1,514,181	1,795,600	281,419	19					
	Mineral industry economics					130	767,484	1,061,400	293,916	38					
	Mineral incentive payments					131		5,000,000	5,000,000	New					
98	National Park Service	7,972,300	8,952,500	980,200	12										
	Demonstration areas					132	13,100	18,545	5,445	42					
99	National Capital Parks	852,200	1,033,800	181,600	21										
	River basin studies					133	144,200	177,300	33,100	23					
	Land acquisition					134	145,000	275,000	130,000	90					
	Independent parks					135		250,000	250,000	New					
	Roads and trails					136	1,330,000	5,800,000	1,470,000	336					
	Improvement					137	458,000	2,400,000	1,942,000	424					
	Gettysburg Cemetery					138		10,000	10,000	New					
	Great Smoky acquisition					139	11,000	49,000	38,000	345					
	Arlington Memorial Bridge					140	709	101,500	100,791	14,216					
100	Fish and Wildlife Service	6,946,830	10,937,505	990,675	10										
	Flood control					141	75,000	105,000	30,000	40					
	River and harbor work					142	600,000	800,000	200,000	33					
	Government in Territories: Road construction Alaska					143	17,000,000	25,000,000	8,000,000	47					
	Expenses municipal government Virgin Islands					144	520,200	745,000	224,800	47					
101	Puerto Rico		14,000	14,000	New						31	$537,638,504	$640,433,228	$102,794,724	19
	DEPARTMENT OF JUSTICE														
102	Office of Attorney General	837,462	854,660	17,198	2										
103	Administrative Division	1,272,015	1,289,400	17,385	1										
104	Claims Division	1,649,200	1,662,800	13,600	1										
105	Contingent expenses	211,000	560,750	349,750	165										
106	Travel	122,500	127,500	5,000	4										
107	Customs Division	196,750	198,000	1,250	1										
108	Antitrust Division	3,476,200	3,642,500	166,300	5										
109	Judicial office examination	105,760	108,580	2,820	3										
110	District attorneys	5,519,293	5,589,600	70,307	1										
111	Marshals	5,528,019	5,617,000	88,981	2										
112	Federal Bureau of Investigation	49,884,670	50,852,250	967,580	2										
113	Immigration Service	30,775,000	31,068,650	293,650	1										
114	Displaced persons	221,850	652,150	430,300	197										
	Federal Prison System										32	123,368,092	131,790,500	3,422,408	3
115	Bureau of Prisons	426,700	470,800	44,100	10										
116	Institutions	18,934,000	19,296,000	362,000	2										
117	Support of prisoners	1,584,500	1,710,500	126,000	8										
	DEPARTMENT OF LABOR														
118	Office of Secretary	954,747	1,052,959	98,212	10										
119	Office of Solicitor	1,646,539	1,657,600	10,061	1										
120	Bureau of Labor Standards	326,825	387,410	60,585	18										
121	Bureau of Veterans' Reemployment	215,300	250,100	34,800	16										
122	Bureau of Apprenticeship	2,522,552	2,606,600	84,048	3										
123	Bureau of Labor Statistics	4,283,375	5,374,340	1,090,965	25										
124	Women's Bureau	286,908	330,140	43,232	15										
125	Wage and Hour Division	5,192,017	5,333,500	141,483	3										
126	Industrial safety		3,052,000	3,052,000	New						33	15,682,963	19,561,758	3,878,795	22
	POST OFFICE DEPARTMENT														
	Debt administration					145	3,698,464	4,148,000	449,536	12					
	Foreign mail (Army)					146	700,000	800,000	100,000	15					

Items and objects of Federal expenditure for which increases were requested in the President's budget recommendations for fiscal year 1950—Continued

[Exclusive o. estimates for Military Establishment, European arms program, foreign aid, remote area assistance, interest on debt, contributions to retirement, pensions and veterans' programs, postal deficit financing in lieu of increased rates, and other fixed charges, imperative obligations and nondeferrable commitments]

No.	Agencies, objects and items	Salary and expense items				Other items					Agency totals				
		1949	1950	Increase	Percent increase	No.	1949	1950	Increase	Percent increase	No.	1949	1950	Increase	Percent increase
127	STATE DEPARTMENT[1]	$23,653,075	$63,722,724	$40,064,649	160										
	International organizations					147	$99,690,631	$100,633,366	$942,735	1					
	International contingencies					148	3,584,616	3,599,231	14,615	1					
	United States-Mexico Water Commission					149	3,425,000	8,715,000	5,290,000	154					
	Rio Grande flood protection					150	15,000	111,000	96,000	640					
	International Information and Education					151	24,869,538	32,162,310	7,292,772	29					
128	International commissions	221,152	277,570	56,418	25										
	Displaced persons					152	882,885	1,010,115	127,230	14					
	Pacific salmon fisheries					153	114,817	125,218	10,401	9					
	Institute of Inter-American Affairs					154	2,500,000	5,000,000	2,500,000	100					
	Collecting and editing papers					155		7,500	7,500	New					
	FAO Building					156		1,000,000	1,000,000	New					
	Foreign Service increase					157	427,705	1,378,624	950,919	222					
	TREASURY DEPARTMENT														
129	Office of Secretary	404,100	771,460	367,360	90										
130	Division Tax Research	137,056	156,315	19,259	15										
131	Office of General Counsel	267,240	369,944	102,704	38										
132	Office of Administrative Services		1,130,000	1,130,000	New										
133	Miscellaneous expenses	225,323	329,000	103,677	46										
134	Bureau of Accounts	1,451,397	1,636,200	184,803	13										
135	Bureau of Customs	34,478,828	35,314,000	835,172	2										
136	Bureau of Internal Revenue	208,762,904	232,310,624	3,547,720	11										
137	Bureau of Narcotics	1,528,953	1,568,620	39,667	3										
138	Bureau of Engraving and Printing	13,917,098	16,969,800	3,052,702	22										
139	Secret Service	1,734,974	1,980,250	245,276	14										
140	Secret Service, White House	354,000	370,000	16,000	5										
141	Bureau of Mint	4,141,730	4,745,870	604,140	15										
142	Bureau of Federal Supply	1,364,946	1,622,200	257,254	19										
	General supply revolving fund					158	1,500,000	4,000,000	2,500,000	166					
	Strategic and critical materials					159	320,000,000	515,000,000	195,000,000	61					
143	Coast Guard, office of Commandant	2,193,484	2,483,300	289,816	13										
144	Pay and allowances	67,701,454	76,452,000	8,750,546	13										
145	General expenses	28,015,972	38,541,000	10,525,028	35										
146	Civilian employees	4,063,392	4,484,800	421,408	10										
	Construction and improvements					160	7,242,755	11,226,000	3,983,245	55					
146	Total	1,969,164,330	2,986,803,279	1,017,638,949		160	2,165,518,549	4,015,914,780	1,850,396,231		33	$3,712,333,846	$4,889,194,662	$1,176,860,816	

[1] Departmental detail not given.

Mr. LUCAS. Madam President, I yield five minutes to the distinguished Senator from Arizona [Mr. MCFARLAND].

Mr. McFARLAND. Madam President, it is only because of the deep affection and high regard I hold for the distinguished senior Senator from Arkansas that I rise at this time to give my views as to why I am unable to support the amendment which he has offered.

As I view it, this amendment strikes at a foundation stone of our Government. Our forefathers saw fit to establish three coordinated but separate divisions of government. That system has worked well throughout all the years of our history. It has been this system of checks and balances that has enabled this great Nation to endure all these years, and ours has been the only free democratic Government that has endured for so long.

I believe we may well consider what this amendment would mean; what is its effect? Upon numerous occasions on this floor, and in the Hall of the other House, there has been criticism of the judiciary when it has attempted to write into decisions legislative interpretations not intended by Congress. Likewise there has been criticism of the executive branch of the Government when it has made administrative interpretations of laws passed by Congress which were not in accord with the legislative intent and which encroached on the field of the legislative branch of the Government. We have made those criticisms, Madam President, rightfully, because we viewed with concern any encroachment upon our trinity of divided but coordinated responsibilities.

Now we face an attempt to violate in two particulars that division of the Government into three separate branches. First we are asked to delegate a specific constitutional power of the Congress—the power of the purse—to the President of the United States. If the President of the United States should attempt to usurp the powers of Congress, we would be the first to rise on the floor of the Senate and criticize him for so doing.

Secondly, we are asked to violate another one of the principles of our Constitution by directing the President what to do. I, for one, believe that the President of the United States is capable of performing the duties of his office as he sees fit to do, and that he will do as he thinks wise and proper within the powers of his office. We in Congress should not fail to carry out our duties, if we expect this great Government to continue as it has throughout all the years of our history.

It is important that we guard carefully the separation of powers of the three distinct branches of Government to which I have alluded. We cannot, we must not delegate congressional power to the President. Let us stand up and be counted. If we want to reduce expenditures, let us vote the reduction ourselves. Let us not hide behind a resolution or amendment and say, "We want to reduce expenditures, but we do not want to say where they should be reduced."

Mr. LONG. Madam President——

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from Louisiana?

Mr. McFARLAND. I yield for a question.

Mr. LONG. If we desire to reduce expenditures, does not the bill now under consideration afford the best opportunity we will have to cut expenditures? Is not

this the largest appropriation bill that will come before the Congress at this session?

Mr. McFARLAND. Certainly, and we could cut down the appropriations in this bill, but we have not done so. We have, in fact, voted to increase the appropriations above what the committee recommended. Now we are being asked to vote to delegate power to the President of the United States to effect a reduction for which we do not want to take the responsibility ourselves.

Madam President, I do not care to take up the time of the Senate to discuss this matter in detail. I believe, just as does the senior Senator from Arkansas, that the budget should be balanced, but, in my opinion, it is up to the Congress of the United States to balance it. We should either cut expenditures or we should increase taxes, or do both, if necessary. We should stand up and be counted, and be willing to carry out the duties of our office, just as we ask the President of the United States to carry out the duties of his office, and we should not be attempting to direct the President how to perform his duties.

The VICE PRESIDENT. The time of the Senator from Arizona has expired.

Mr. LUCAS. Mr. President, I yield 18 minutes to the junior Senator from Arkansas [Mr. FULBRIGHT].

The VICE PRESIDENT. The Senator from Arkansas is recognized for 18 minutes.

Mr. FULBRIGHT. Mr. President, I should like to make one observation in regard to the remarks of the Senator from Arizona [Mr. McFARLAND]. It strikes me as very unusual that those who have often supported many legislative acts increasing the power of the Executive should now be opposing the pending proposition because it might give the President power which belongs to Congress. I, for one, have in many instances opposed some efforts on the part of the executive branch to increase its power, and I must say that under the pending amendment to the bill that element is involved. I do not think this procedure is one to which we should look forward as an annual affair, or as constituting a precedent. It is due to some very unusual circumstances. Among them was the misjudgment in the early part of this year as to what the state of business in the country would be. Senators will recall that in January we were threatened with and did have considerable inflation. We were sent measures which were designed to prevent inflation Within the course of 2 or 3 months that whole approach to the situation was completely reversed, and we were sent bills which were designed to prevent depression. That had a great deal to do with the change in attitude toward taxes and our whole fiscal system, and I think it delayed and prevented a proper evaluation by the Congress of some of the fiscal measure which we had before us in the early part of the year. So, while I am supporting the pending amendment, I may say that I would not want it to be accepted as a precedent to be followed every year.

With further regard to that point, I wish to say that so far as my own record is concerned, I voted against the repeal of the excess profits taxes. I thought the proposal was premature, and that it should not have been done. It was an administration measure, and we estimated it did at that time decrease the receipts of the Government by $6,000,000,000. I also voted against the subsequent decrease in taxes in the Eightieth Congress on the ground that in times of good business the Government should get all the receipts possible, and try not only to balance the budget, but to pay something on the national debt.

Now, however, we confront such a situation that I think it is wholly unrealistic to expect any increase in taxes. The sentiment is growing that in order to maintain the business level, we should perhaps decrease taxes, particularly in the excise field. So, we are left with only one alternative, namely, to cut expenditures. I believe we have before us the only opportunity of cutting them in any substantial way during this Congress. Therefore I think it is the only thing that gives us any hope of bringing the budget into better balance.

Mr. President, with regard to the amendment offered by the Senator from Wisconsin [Mr. WILEY] I wish to say a few words. The Senator from Wisconsin talked at great length last Friday on the subject of butter and oleomargarine. As Senators know, the amendment of the Senator from Wisconsin is one designed to perpetuate a provision in our Military Establishment legislation which has been carried in it for some years, as I recall since 1931. It is a part and parcel of the discrimination which exists with regard to butter and oleomargarine. This provision in effect prohibits the armed services from the purchase of margarine.

The Senator from Wisconsin had much to say about the influences involved in the effort to repeal the discrimination which has existed in legislation for many years. I desire to make a few comments with regard to that particular point, because the Senator tried to leave the impression that this was a 5-percenter project, or that brass hats were influencing the movement to repeal the tax on oleomargarine. I think he mentioned the oleo lobby, as he called it, and he tried to make it appear as if it were a sectional matter, and that only the South was involved. I do not think there is the slightest justification for any of those statements.

Particularly with regard to the history of the legislation in recent years, in the second session of the Eightieth Congress the House Committee on Agriculture not only refused to report a measure to repeal the antimargarine laws, but voted to table all repeal bills for the remainder of the session. That condition had existed in that committee for many years. The matter was concentrated in the Committee on Agriculture of the House, and there was a sentiment against doing anything about repeal.

The significant point is that the House itself then resorted to the unusual procedure of discharging the Committee on Agriculture from further consideration of oleomargarine legislation. Members of the Senate who have been Members of the House know how unusual that procedure is. It is very difficult to get a discharge petition through the House. Then the House voted, in the Eightieth Congress, in favor of repeal by a vote of 260 to 106. That vote certainly does not indicate that sectional influences brought about such a result.

It will be remembered that an effort was made to have the oleo-tax-repeal bill referred to the Committee on Agriculture and Forestry of the Senate, and in the Senate a vote was taken. The Senators believed, as shown by a vote of 47 to 30, that the legislation would receive more favorable consideration at the hands of the Finance Committee. That was the only real significant vote we were able to get in the Senate. Subsequently that bill, in the Eightieth Congress, was unanimously reported by the Committee on Finance of the Senate.

Early in the present session of Congress the House Committee on Agriculture reported a margarine bill which was, however, completely unsatisfactory to the advocates of repeal because it prohibited shipment in interstate commerce of colored margarine. But on April 1 of this year the House amended the bill and provided for complete repeal and passed the bill by a vote of 287 to 89, an even larger margin than before.

The record of the vote on this bill in the House shows that a majority of the Representatives of 33 States voted for it, that is, in favor of complete repeal; and that Representatives of 40 of the 48 States voted for it, including the States of Minnesota and Wisconsin.

Mr. President, according to the Senator from Wisconsin [Mr. WILEY], who spoke the other night, this is a southern measure. Of course, it is nothing of the sort. There is the most widespread interest in it, as the majority leader confessed the other day in a statement on the floor. He said more appeals from all over the country for the repeal of antimargarine legislation have come to him than with respect to any other single bill before the Senate. I must say that the majority leader ought to bring up the bill and dispose of it and stop the continual controversy that goes on and injects itself into bills such as this. I know of no way to stop it until we repeal the basic legislation—legislation which is absolutely unjustifiable.

The sentiment for repeal of antimargarine laws is evident in the States as well as in Congress. In 1949, for example, 10 States repealed or modified their antimargarine statutes. Since 1939, 31 States have taken such action. Governor Warren, in signing the California repeal bill on June 28, 1949, said:

> The long-standing prohibition on coloring is an unjust discrimination against a good product * * *. I would like to compliment the dairy interests who also recognize this fact and who withdraw their opposition to the bill * * *. In fact, several (State) senators from districts where dairy farming is of great importance cast their votes in favor of this legislation.

Repeal of the antimargarine law is also a plank in the Democratic platform of 1949. So it certainly is not a measure which is sectional, nor is it one which relies upon 5 percenters or any of the other lobbyists referred to by the Senator from Wisconsin on last Friday.

This particular discrimination against margarine has been included in the military appropriation bill since 1931. Last year it was included in the bill as it came from the House and as reported by the Senate committee. On the floor of the Senate I offered a motion to delete the prohibition, and it was agreed to. In spite of this action by the Senate, and the action of the House in voting overwhelmingly to repeal other restrictions on oleomargarine, the conferees on the last night, and at the last minute before adjournment—and everyone will recall how confused the situation was here and in conferences during the last few hours before we adjourned for the conventions in Philadelphia—I repeat, at the very last minute, after the Representative from my State had left the meeting, the conferees reinserted that same provision. That is how the provision got into the bill, and I certainly did not know it until after it had been done, and I think many of the members of the conference did not know it until the next day.

Last year the House Armed Services Committee reported to the House a separate bill which would have repealed the provision in the law which we are now discussing, and which it is sought to have inserted by the amendment of the Senator from Wisconsin. I wish to read at this time a few statements from the report of the House Armed Services Committee. From pages 2 and 3 of that report, House Report No. 2270, Eightieth Congress, I read the following:

> The basic issues involved in the proposed legislation are very simple and can be reduced to the following questions:
>
> 1. Is the nutritive value of oleomargarine equal to or superior to that of butter?

I want to clarify the matter. This is not on the general legislation, but is precisely on the provision that is now under discussion, and the Armed Services Committee is here discussing whether or not it is justified. I continue to read from the report:

> This question was answered by several experts who testified that there is no difference in the nutritive value of these two products with respect to digestibility or other factors, provided that oleomargarine is fortified with vitamin A.
>
> Earlier forms of oleomargarine did not contain vitamin A, which is normally present in butter in varying amounts, depending upon the season of the year. However, pursuant to standards established by the Food and Drug Administration a few years ago, all oleomargarine must now be fortified with a minimum of 9,000 USP units of this vitamin. Indeed, most commercial forms today contain 15,000 units per pound.

As a matter of fact, more than 99 percent today contain 15,000 units per pound.

> 2. The second question is whether oleomargarine is equally acceptable from the psychological standpoint, bearing in mind such factors as the food habits of consumers.
>
> In answer to this question representatives of the services testified that there is no past experience upon which they can base any opinion as to the troop acceptability of oleomargarine, for the simple reason that it could not heretofore be substituted for butter.

That is because of the provision which had been carried in the law with which we are now concerned.

> A very important consideration brought to light during the hearings was the fact that during World War II personnel in many forward areas were forced to do without butter because of unavailability due to transportation, storage, and refrigeration problems which either made it impossible to procure butter at all in those areas or which rendered such butter as was received unfit for human consumption because of rancidity and deterioration. In the absence of authority to serve oleomargarine as a substitute, troops were forced to rely upon other less satisfactory table spreads.

So, in effect, what the Senator from Wisconsin, by this provision, is trying to prevail upon the Congress to do, is to deprive members of the armed services of the opportunity and ability to have butter or margarine, because under the conditions which existed during the past war, they were unable to get butter, and, by law, they were prohibited from buying margarine. I think that is a great price to pay for a symboi which has long since been outdated by the actual developments in this industry.

> 3. A third question considered by the committee, in addition to the factors of comparative nutritional value and psychological acceptability, was whether or not oleomargarine is protected by the same pure-food standards as butter. Testimony was received to the effect that all standards having to do with purity, cleanliness, and sanitation are equally applicable to oleomargarine.

I think Senators will find in the hearings held before the Senate committee that there was testimony indicating that on the average the sanitation and purity of margarine was superior to butter, that is because of the ability to control the conditions of production in the margarine industry.

> 4. A final question pertinent to the problem is that of the comparative cost of the two products.

I call this particularly to the attention of those who are interested in cutting the budget:

> Testimony was received to the effect that approximately ten to eleven million dollars per year could be saved by the armed services, assuming the complete substitution of oleomargarine for butter.

So that if anyone is interested in cutting appropriations, this is one of the ways to do it. Senators who vote for the amendment offered by the Senator from Wisconsin in effect are voting to increase the appropriation by ten to eleven million dollars, according to the best testimony received in the House Armed Services Committee last year.

> In view of the fact that there is no difference in the nutritional value of the two products; in view of the fact that oleomargarine is an equally pure and sanitary product; in view of the fact that substantial savings can be effected through its use; and in view of the fact that there is no evidence from which it can be inferred that it would not be equally acceptable to troops, it is the view of this committee that the services should be permitted to use oleomargarine as they see fit.

That is the language of the House committee.

> The authority to exercise such discretion will enable the services to furnish an equally nutritious and, to many people, an equally palatable and acceptable product under circumstances where it would be impossible to furnish butter. A great deal of testimony was received bearing on the relative keeping qualities of the two products.

I call this particularly to the attention of the Senator from Wisconsin [Mr. WILEY]:

> While butter on the one hand is subject to rapid deterioration and must be kept under refrigeration at all times, oleomargarine can be preserved for weeks at room temperatures.

That is partly because of the great purity of the product.

> While butter on the one hand is subject to rapid deterioration and must be kept under refrigeration at all times, oleomargarine can be preserved for weeks at room temperatures. Even if it be assumed, therefore, that troops would prefer butter, if given a choice between the two products, it is equally logical to assume that they will welcome a high-quality substitute, such as oleomargarine, when conditions are such as to preclude the use of butter.
>
> * * * * *
>
> Representatives of the Army, Navy, and Air Force testified at the hearings that the armed services concur in the proposed legislation.

In other words, the armed services themselves are in favor of that legislation, and are opposed to the amendment offered by the Senator from Wisconsin. Both the Senator from Wisconsin and the Senator from Oregon [Mr. MORSE] have attempted to make the point that the purpose of their amendment, which provides that none of the money appropriated shall be used for the purchase of oleomargarine, "except to supply an expressed preference therefore," is to permit the free exercise of choice by members of the armed services. No one, however, knows better than the authors of this amendment that it is intended to bar the purchase of oleomargarine by the armed services. That is, of course, its obvious purpose. It is a mandate to the armed services to do just that. As a matter of fact, although this same language has been carried in past appropriation bills, it has always been so interpreted by the armed services. The report of the Armed Services Committee of the House last year discloses that as a matter of fact none had been purchased.

To quote from page 2 of House Report No. 2270, of the Eightieth Congress:

> There is no past experience upon which they can base any opinion as to the troop acceptability of oleomargarine, for the simple reason that it could not, heretofore, be substituted for butter.

The VICE PRESIDENT. The time of the Senator has expired.

Mr. MCCLELLAN. Mr. President, I yield 5 minutes more to my colleague.

The VICE PRESIDENT. The Senator is recognized for five more minutes.

Mr. FULBRIGHT. Mr. President, I have before me a number of editorials.

I shall not undertake to read them all. I had intended to speak on this subject at some length in connection with the bill now on the calendar, in an effort to bring the bill before the Senate for consideration as soon as the appropriation bills are disposed of. I intend to do so. This material would perhaps be more appropriate in that connection.

However, the point which I thought was extremely out of place was the one with regard to this being a sectional matter. I wish to read one editorial as an illustration of the attitude of people in an area which is sometimes considered to be strongly and bitterly against legislation repealing the discriminatory tax on margarine. I have before me editorials from 44 States, even including Wisconsin, all of them advocating the repeal of this tax. The following is an interesting editorial from the Reinbeck, Iowa, Courier. All these editorials are dated this year. This one is dated April 21, 1949. I may say that Iowa is one of the largest producers of butter.

Now comes Senator GUY M. GILLETTE, who states that he is sponsoring a bill to repeal the tax on oleo. GILLETTE's bill will be very much the same as other bills that have been introduced, and almost identical with the Grainger bill, with exception that GILLETTE's bill will not permit shipment of colored oleo in interstate commerce.

How silly this is. Just as well include butter in the bill also. There is no such thing as natural golden yellow butter with the exception of about 1 month in the year. All butter is colored with the same ingredients that oleo is colored with.

The writer had a vital interest in a creamery in Reinbeck some 14 years ago, in fact we had money invested in it, and we know whereof we speak. Our creamery purchased a lot of butter coloring, and it was used aplenty.

It just strikes us a little out of line to legislate one group against another. In fact, this legislating business has grown to an extent where it has become dangerous. Nothing can bring about one of the so-called isms as quickly as too much legislation.

Southern Senators can be expected to fight to a finish this oleo bill restricting their farmers and industries of the Southern States making oleo. It seems to be O. K. to ship colored butter down South, but wrong to send colored oleo up North. Such a law.

That is typical of the other editorials, which I shall not undertake to read at this time. I again urge the Senate to follow the precedent it set last year, when it struck this provision from the appropriation bill. It is perfectly ridiculous, when we are trying to save money, to satisfy an ancient and ill-conceived policy by adopting an amendment which would increase the cost of the bill by not less than $10,000,000, and also deprive soldiers in out-of-the-way parts of the world, where they need more attention than they do here at home, of the opportunity to use an article the production of which is gradually increasing throughout the country because of its own merits.

In spite of the legislation which is on the books, the production of butter has been decreasing, even with this protection. I urge the Senate to reject this unjust amendment.

Mr. LUCAS. Mr. President, I yield 20 minutes to the Senator from Minnesota [Mr. HUMPHREY], a member of the Committee on Expenditures in the Executive Departments, who filed the minority views.

Mr. HUMPHREY. Mr. President, as a member of the Senate Committee on Expenditures in the Executive Departments, I presented the minority views on Senate Joint Resolution 108, a joint resolution to reduce expenditures in Government for the fiscal year 1950 consistent with the public interest. This minority report is available for Senators who wish to study its contents. It is the opinion, at least of the author, that it makes a sensible and understandable analysis of the budget situation which faces the Congress, and at the same time draws some conclusions as to the validity of the resolution reported by the majority.

I believe that the amendment proposed by the Senator from Arkansas constitutes an unsound approach to the problem of reducing Federal expenditures. Therefore, as I pointed out in the minority report, I recommend that it be not adopted.

The immediate and long-range effect of legislation of this type would be dangerous to our economy and our democratic processes, and damaging to the proper functioning of the Federal Government. The pending amendment is a clear abdication by the Congress of its constitutional responsibilities and duties "to provide for the common defense and the general welfare." It would give the President blanket authority to alter, without congressional review, legislation enacted by the Congress over many years. Under its provisions, including the clause "notwithstanding any other provision of law," the Chief Executive could destroy the effectiveness of the laws providing price supports for agricultural commodities. He could sharply limit the benefits to veterans under the GI bill of rights. He could curtail our armed forces by one-fifth, and change all, or nearly all, the benefits and services of the Federal Government now provided by statute.

I invite the attention of Members of this honorable body to the fact that that is exactly what the amendment provides. It provides that after the Congress, which represents the people, has legislated and declared a national policy and has established a system of standards and benefits, it shall then abdicate its power as representatives of the people. The amendment says to the President, in substance, that despite what the Congress has done as the elected representatives of the people, he may reduce price supports for agricultural commodities, may sharply limit benefits to veterans under the GI bill of rights, may curtail our armed forces by one-fifth or more, and may change the benefits and services of the Federal Government now provided by statute.

Furthermore, this resolution—now an amendment—is a confession that the Congress, the greatest representative body in the world, is incapable of legislating funds for and of controlling expenditures in the executive departments of our Government. This resolution is the greatest confession of parliamentary weakness that has ever been placed before the American people. At a time when representative government is on trial throughout the world, the Congress of the United States is saying in substance to the peoples of the world, "We do not have the intelligence, the courage, and the know-how to legislate in regard to appropriations."

Mr. President, if there are Members of the Congress who wish to confess to the totalitarians and the doubters of democracy that we are incapable of living up to our responsibilities as legislative officials of the Government, at least I do not want to do that. I happen to believe that the Congress is capable of legislating and of appropriating. When I took the oath of office as a Member of this body, I took it in connection with the obligation of a Senator to participate in the making of appropriations and also in the enactment of tax legislation. I submit that there is nothing in the Constitution which says that the President of the United States shall appropriate or that the President shall tax.

The speciousness of the arguments advanced in favor of the resolution now before us is revealed by examining the implications. If there are times when economic or budgetary policy calls for the over-all reduction of Federal expenditures, there are other times when the national interest requires the expansion of the over-all budget. If the Congress transfers to the President the responsibility for making an over-all cut of not less than 5 nor more than 10 percent and distributing this as he sees fit among various programs, on the ground that the Congress cannot work out the details and that this is a field for executive action, then by the same token and for the same reasons the Congress might transfer to the President the authority to make an over-all increase of not less than 5 nor more than 10 percent in Federal expenditures and to distribute this increase among whatever programs he might select.

If we are going to delegate to the President the right to decrease expenditures, why should not we establish now, as a matter of public policy, a proposal that whenever we in Congress wish to finish our work in a hurry, we may say to the President, "All right; increase expenditures from 5 to 10 percent," or whatever we wish to have him do. That would make just as much sense.

Likewise, if the principle were sound with respect to expenditures, it would also be sound with respect to revenues. Since there are times when taxes should be increased and other times when they should be decreased, the arguments underlying Senate Joint Resolution 108 would lead to the conclusion that the Congress should confer upon the President the executive discretion to increase or decrease taxes by not less than 5 nor more than 10 percent and to decide within the percentage limitation which taxes should be increased or decreased. Merely to cite such proposals is sufficient to reveal the impropriety and impracticality under our established constitutional theory and practice of conferring upon the President responsibilities which properly rest with the Congress.

Let me refer for a moment to the testimony before the Committee on Expenditures in the Executive Departments. Let me say first that I read every line of

that testimony. I examined the record in detail. Not only did I do so, but men who are competent in the field of finance examined, at my request, the record in detail. It is their considered judgment, as it is mine, that, first of all, this proposal is unrealistic in approach, since it directs the President to effect reductions in programs on which the Congress itself is now enacting appropriations. These enactments represent the best judgment of the legislative branch as to the minimum amounts necessary to carry on the Government's activities. A general reduction cannot be made, therefore, without reducing items the Congress has specifically found necessary.

Mr. President, let us take a good look at that situation. The Appropriations Committee and other committees making authorizations or appropriations have been meeting. Congress has, in many cases, adopted the recommendations of those committees. The Appropriations Committee has considered the President's budget items, day in and day out. The committee has made increases here and decreases there, in those items. After many months of studying each and every appropriation, and after each Member of the Senate has at least had an opportunity to express himself in regard to the matter, this amendment would have us say that all of that is of no avail, and that we should say to the President of the United States, "You fix things up."

In the second place, I say the amendment is impractical in method since the reductions would have to be made in programs accounting for only about 40 percent of all Federal expenditures. These programs are the so-called controllable items of expenditure in the budget. Mr. President, I wish this point clearly understood. To cut 5 to 10 percent from total Federal expenditures, therefore, would, in fact, require slashes of 11 to 23 percent in these controllable Government programs, which account for only 40 percent of all Federal Government expenditures. So let us not delude ourselves as to what this amendment would do. Such slashes obviously would have a very serious effect on the operation of the Government.

In fact, the proposal in Senate Joint Resolution 108, now the pending amendment, is disingenuous and unfair, even though not intentionally so, because it presents to the American public the distinct impression that the cuts which the President is required to make are moderate in character, when in fact the resolution would force the President to make cuts that would be immoderate and extreme with respect to certain vital programs of the Government—cuts in these programs of a size that the Congress itself would certainly not want the American public to think it was imposing.

In other words, Mr. President, if the Senate wishes to reduce the appropriations for soil conservation benefits, Congress should have the courage to do so on the floor of the Senate and the floor of the House of Representatives, and to tell the farmers of the United States that the Congress does not think the farmers should have as much agricultural research as they are getting. Similarly, the Congress should tell veterans that they are getting too much in the way of pensions or veterans' hospitalization. In other words, Mr. President, Congress should have the courage to tell the people that, and should not attempt to lay the blame on the President, and make the American people think the President is going to be entrusted with the power to make moderate cuts in expenditures, whereas the facts show that in the total budget of over $40,000,000,000, items amounting to $24,700,000,000 cannot be touched without changing the law and the basic requirements of the law.

Mr. TAFT. Mr. President, will the Senator yield? If he will, I should like him to specify what items comprise the total of $24,700,000,000 which he has mentioned.

Mr. HUMPHREY. I shall be glad to place them in the RECORD. They are found in the minority views.

Mr. TAFT. I have a copy of that document.

Mr. HUMPHREY. On pages 6 and 7 of the minority views appears an analysis by the Bureau of the Budget. The same analysis is used in the majority report. In that analysis it is pointed out quite conclusively that of the total budget of $41,900,000,000, there are fixed charges amounting to $24,300,000,000; and the majority report concedes that very little reduction can be made in those fixed charges during 1950, and therefore, any reduction can only affect the $17,600,000,000 of controllable items.

Of the funds appropriated for the so-called controllable items, the vast majority are for our foreign-aid program and our military program. Of course, we still have before us the military appropriations bill, which is one of the major appropriation bills.

If the Senators wish to economize, they should tell the American people that they favor reducing the appropriations for the national defense by $3,000,000,000 or $4,000,000,000. But Senators do not wish to do that, because we cannot afford to jeopardize the security of the Nation.

In connection with the independent offices appropriation bill, we had before us the appropriations for the Veterans' Bureau. Did I hear any Member of this body propose that we cut 10 percent or 15 percent from the appropriations for the Veterans' Bureau? No, indeed. The Senate made some small reductions, but in many cases the Senate voted larger appropriations than those voted by the House of Representatives. The Senate has generally been the body which has voted increased appropriations, as compared with the appropriations voted by the House of Representatives.

Mr. LONG. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. LONG. As a matter of fact, is it not true that mathematically it would be virtually impossible to carry out the mandate of the resolution, or amendment, unless an enormous slash were taken from the national defense appropriations bill which presently is before the Senate?

Mr. HUMPHREY. That is entirely correct. That is not only my own observation, but it is the judgment of very competent and trained persons whom I have consulted.

What are the items which can be included in the group to be cut? Among them is the interest on the public debt. Does any Member of Congress wish to propose that Congress reduce the interest paid on the Government bonds? Certainly none of us wish to do that. Does any Member of the Senate say that we should reduce the GI benefits? No; those are obligations which we must meet.

So, Mr. President, when we get down to the practicalities of the matter, even though there is a deficit, we know that the vast majority of the Government's expenditures—76 cents out of every budget dollar—goes for interest on the national debt, national defense, veterans' rights, foreign aid, and national security. The other 24 cents go for social security, old-age pensions, unemployment compensation, aid to schools, vocational education, soil conservation, and similar items. In other words, the American people, outside the veterans' group, get 24 cents out of each budget dollar.

I ask Members of the Congress of the United States, are you willing to take out of this 24 cents of the budget dollar, which remains of the $17,600,000,000 which is not fixed or controlled by commitments on the part of the Government already made, enough to balance the budget? In fact, the majority resolution will not balance the budget. It is not a matter of budget balancing, it is a matter of talking about some kind of economy, and I submit it is no economy to cut down soil conservation; it is no economy to deny the veteran his right to payment; it is absolutely no benefit to deny the armed forces the equipment needed in order to defend the Nation. I shall be no party to such false economy.

Mr. LANGER. Mr. President, will the Senator yield for a question?

Mr. HUMPHREY. I yield.

Mr. LANGER. I cannot tell from the minority report whether any other member of the committee joined with the Senator.

Mr. HUMPHREY. No, I believe, however, that the Senator from Idaho [Mr. TAYLOR] voted against the majority resolution and that the Senator from Louisiana also voted against the majority resolution.

Mr. LANGER. I thank the Senator.

Mr. HUMPHREY. I had certain points of view of my own which I put in the minority report, which some of my distinguished colleagues would not concur in, so I submitted it as it was.

In conclusion I merely want to state why I think this is a dangerous procedure. I shall sum it up. The minority report, I think, is filled with facts, and I stand on the statement of those facts. I think they are incontrovertible. The analysis of the budget estimate by people who came to us with the material from the Budget Bureau, and who were cross-examined, made it perfectly clear that the Government had made real commitments upon which we could not renege, such, for example, as contract commit-

ments, authorizations under which the goods had already been delivered and the appropriation had to be voted later on. The Government of the United States is not going to buy something from somebody and not pay the bill.

Grants to States under legislation which the Congress has passed—what we call the grant-in-aid program—the veterans' benefit programs, which are commitments to some 17,000,000 or 18,000,000 men, unemployment compensation, the social-security program, interest on the public debt are what I mean by the controlled or the relatively controlled items.

I repeat, without fear of successful contradiction, it is high time we faced the actual facts of the situation. There is not a $41,000,000,000 budget to be cut. Let the American people know the truth. If we touch what we have a chance to touch, there remains about $17,000,000,000 or $18,000,000,000 of the budget to cut.

I want to sum my argument up by saying that I see no reason or justification for representative government, if we are going to abdicate the greatest power that representative government has, which is the power of taxation, and say we are unwilling to use the power of taxation. I concede at this time we ought not to raise taxes, but let me tell you, Mr. President, that the handmaid of the power to tax is the power to appropriate. Let me remind some of my distinguished colleagues that I have heard for years about the usurpation of power by the Executive. Yet, here we have an amendment which will give more power to a President in peacetime than any President has ever possessed

The VICE PRESIDENT. The time of the Senator from Minnesota has expired.

Mr. HUMPHREY. Mr. President, I ask that the views of the minority as prepared by me be included in the RECORD at this point.

The VICE PRESIDENT. Without objection, it is so ordered.

The minority views (Rept. 498, pt. 2) are as follows:

As a member of the Senate Committee on Expenditures in the Executive Departments, I present herewith a minority report on Senate Joint Resolution 108, a resolution to reduce expenditures in Government for the fiscal year 1950 consistent with the public interest.

I believe this resolution constitutes an unsound approach to the problem of reducing Federal expenditures and therefore recommend that it do not pass.

The immediate and long-run effect of legislation of this type would be dangerous to our economy and our democratic processes and damaging to the proper functioning of the Federal Government.

Senate Joint Resolution 108 is a clear abdication by the Congress of its constitutional responsibilities and duties "to provide for the common defense and the general welfare." It would give the President blanket authority to alter, without congressional review, legislation enacted by the Congress over many years. Under its provisions, the Chief Executive, "notwithstanding any other provision of law," could destroy the effectiveness of the laws providing price supports for agricultural commodities, sharply limit the benefits to veterans under the GI bill of rights, curtail our armed forces by one-fifth and change all, or nearly all, of the benefits and services of the Federal Government now provided by statute.

Further, Senate Joint Resolution 108 is a confession that the Congress is incapable of legislating funds and controlling expenditures in the executive branch. It is an effort to avoid responsibility for paying for legislation which the Congress itself has enacted.

The speciousness of the arguments advanced in favor of Senate Joint Resolution 108 is revealed by examining the implications. If there are times when economic or budgetary policy calls for the over-all reduction of Federal expenditures, there are other times when the national interest requires the expansion of the over-all budget. If the Congress transfers to the President the responsibility for making an over-all cut of not less than 5 nor more than 10 percent and distributing this as he sees fit among various programs, on the ground that the Congress cannot work out the details and that this is a field for executive action, then by the same token and for the same reasons the Congress might transfer to the President the authority to make an over-all increase of not less than 5 nor more than 10 percent in Federal expenditures and to distribute this increase among whatever programs he might select. Likewise, if the principle were sound with respect to expenditures, it would also be sound with respect to revenues. Since there are times when taxes should be increased and other times when they should be decreased, the arguments underlying Senate Joint Resolution 108 would lead to the conclusion that the Congress should confer upon the President the executive discretion to increase or decrease taxes by not less than 5 nor more than 10 percent and to decide within the percentage limitation which taxes should be increased or decreased. Merely to cite such proposals is sufficient to reveal the impropriety and impracticality under our established constitutional theory and practice of conferring upon the President responsibilities which properly rest with the Congress.

A. After careful consideration, it is the opinion of the minority that there are four fundamental objections to Senate Joint Resolution 108:

First, it is unrealistic in approach since it directs the President to effect reductions in programs on which the Congress itself is now enacting appropriations. These enactments represent the best judgment of the legislative branch as to the minimum amounts necessary to carry on the Government's activities. A general reduction cannot be made, therefore, without reducing items the Congress has specifically found necessary.

Second, it is impractical in method since the reductions would have to be made in programs accounting for only about 40 percent of all Federal expenditures. These programs are the so-called controllable items of expenditure in the budget. To cut 5 to 10 percent from total Federal expenditures, therefore, would, in fact, require slashes of 11 to 23 percent in these controllable Government programs. Such slashes obviously would have a very serious effect on the operation of the Government.

In fact, the proposal in Senate Joint Resolution 108 is disingenous and unfair, even though not intentionally so, because it presents to the American public the distinct impression that the cuts which the President is required to make are "moderate" in character, when in fact the resolution would force the President to make cuts that would be immoderate and extreme with respect to certain vital programs of the Government—cuts in these programs of a size that the Congress itself would certainly not want the American public to think it was imposing.

Third, it is unsound from the standpoint of national economic policy because heavy cuts in Federal expenditures and the resulting decline in public spending and investment at this time would add to the downward pressures now present in our economy.

Fourth, Senate Joint Resolution 108 does not provide for balancing the budget, nor does it meet the needs of sound Government economy or efficiency.

1. SENATE JOINT RESOLUTION 108 IS UNREALISTIC IN APPROACH

It is the responsibility and the obligation of the Congress to levy taxes and to make appropriations. This is the very center of government by the consent of the governed. There can be no abrogation of this responsibility to the Executive. For the Congress to give discretionary power to the Executive to either increase or reduce expenditures or appropriations is to jeopardize our constitutional system and to give away precious prerogatives of the legislative branch.

Senate Joint Resolution 108 clearly fails to recognize the hard facts of our postwar expenditures requirements.

For the past 3 years there has been a great deal of discussion in Congress about economy in Government. Advocates of budget slashing have promised reductions of from $2,000,000,000 to $12,000,000,000 annually. There has been considerable talk about "padded" budgets and budgets filled with "fat." The solution to these large expenditures, many have claimed, was not the paring knife but the meat ax.

Yet, while preaching economy the Congress has again and again raised the President's own budget requests. The Eightieth Congress last year, for example, raised appropriations for a number of programs including national defense and veterans' services and benefits above the President's budget recommendations. Most of these increases not only raised the budget for the fiscal year 1949 but have been reflected also in the budget for 1950.

While preaching a balanced budget the Eightieth Congress reduced taxes over the President's veto by $5,000,000,000. These and other actions have helped reverse the Government's financial position from a surplus of $8,400,000,000 for the fiscal year 1948 to a deficit of nearly $1,500,000,000 for the fiscal year 1949 and possibly more than three times that amount for the fiscal year 1950.

These facts demonstrate the folly of hasty and oversimplified approaches to the Federal budget. Events of the last 2 years have shown conclusively that the proposed budget expenditures have been realistic, and that the meat-ax approach has not worked—and cannot work.

The budget for the present year is no exception. For the past 6 months the Appropriations Committees of both Houses have been conducting an intensive review of the budget recommendations. The purpose of this review has been to determine the minimum amounts necessary to carry out the provisions of the laws. That determination has now been made by the House on all 10 regular 1950 appropriation bills and by the Senate on 7 bills. In passing these appropriations the Congress has reached its own independent judgment on the amounts necessary to carry out functions and programs.

The six appropriation bills which have been enacted by Congress represent a net increase in appropriations and other authorizations of $174,000,000 above the budget estimates. In addition, House action on the National Military Establishment appropriation bill has raised authorizations $531,000,000 above the budget estimates. The only material downward revision in the President's budget to date has been in the House action on the independent offices appropriation bill where a reduction of $735,000,000 was made. More than $500,000,000 of this, however, is a "paper" saving achieved by revising the estimates of the amounts required for pensions and veterans' readjustments benefits. In making this cut, however, the Appropriations Committee instructed the Veterans' Administration that it would entertain a deficiency

if the amount contained in the budget were required.

In addition to these major adjustments, hundreds of individual appropriations items have been altered to express the precise intent of Congress on the rate and level at which Federal programs are to be carried out. Now, after review and determination by the Congress of the specific necessity for each appropriation, Senate Joint Resolution 108 would completely repudiate these decisions. If this is to be the end result, the minority fails to see the reason for wasting the time of the Appropriations Committees in hearings and the Senate and House in debate, since this resolution would throw all this work into the discard.

The plain fact is that there is no painless way to cut the budget. It is not a matter of finding soft spots; the net effect of congressional action on the President's budget recommendations during the past 3 years has demonstrated again and again that there has been little padding of estimates. Cutting the budget is a matter of making judgments as to policy and programs along with defining what Government programs should be deferred and at what level going Federal programs should be financed.

But Senate Joint Resolution 108 is an attempt to avoid making those judgments. It would simply require the President to make the judgments for the Congress. Thus, Senate Joint Resolution 108 would permit the Congress to sidestep its responsibility. It would provide an easy and pleasant way to preach economy and at the same time to be on record as favoring all governmental services and benefits. It would place on the President the full burden not only of executing the laws of Congress as he is required to do, but of modifying and adjusting those laws, which is the proper responsibility of the legislative branch. It would leave the Congress free to criticize any reduction the President might have to make which proved unpopular in any particular district or State or to any particular group in our economy.

Through this device the Congress would be admitting, in effect, that it does not want to tell the farmer he should get less for soil-conservation practices or the veteran that he should receive poorer service in the hospital; it does not want to tell the people that their postal service should be reduced perhaps one delivery a day, or the local chamber of commerce that a local river and harbor improvement or airport should be postponed. The Congress could say that it had voted for higher expenditures for all of these, but the President would be required to make reductions of exactly this type.

The inconsistency of Senate Joint Resolution 108 with the Congress' action on appropriations is apparent. For example, last January, the President in his budget message stated that construction of the full number of 900 authorized veterans' hospitals would result in serious overbuilding and recommended rescissions in unused contract authorizations amounting to $237,000,000. The House has refused to enact this rescission.

During the current fiscal year, the Department of Agriculture was required to absorb $6,400,000 in pay increases enacted by the last session of Congress. In order to absorb this increase, the Department discontinued certain work projects and closed certain experiment stations. In reporting the 1950 appropriation bill, the House Appropriations Committee disapproved these actions and directed the Department to reopen the stations. Yet the $6,400,000 absorbed by the Department represented less than one-half of 1 percent of the total funds available to the Department. Under the provisions of Senate Joint Resolution 108, however, a 5-percent cut would require curtailment in agricultural programs amounting to $65,000,000 and a 10-percent cut—a curtailment totaling $130,000,000.

The claim has frequently been advanced that the Congress does not have the time or staff to review and adjust the budget. It is agreed that the Congress needs more staff. It then becomes the responsibility of the Congress to make available the necessary staff, not only for the Appropriations Committees but for all congressional committees. That may well be one of the answers to executive encroachment upon legislative policy. All too often the Congress must depend upon the expert guidance of the executive and administrative branch only because the Congress has not provided for adequate technical, professional, and investigatory staff for its standing committees.

Nevertheless, the Appropriations Committees have had time and staff in the last 6 months to hear testimony amounting so far to over 20,000 printed pages. Furthermore, the committees and the Congress have had enough information to make individual determinations on many hundreds of appropriation items, and have in fact altered the budget estimates in most cases. In the opinion of the minority, it is not staff and time alone that are lacking. The Congress has enough information and time to judge the necessity for appropriations. Senate Joint Resolution 108 is an attempt by the Congress to avoid the consequences of its own decisions.

In light of the fact that approximately an estimated $30,000,000,000 of appropriations are pending in the Appropriations Committees, and in respect to the constitutional responsibilities of the Congress to determine all appropriations, it is the opinion of the minority that whatever budget cuts or reductions in appropriations are to be made should be determined in the Appropriations Committees. The final responsibility for fiscal policy and budgetary matters rests with the Congress and can only be altered by Presidential veto. In the instance of a veto, the Congress, under the terms of the Constitution, still retains the power to declare the fiscal and budgetary policy of the Government.

It is, therefore, the considered opinion of the undersigned that this resolution presents an unrealistic approach to the reduction of Federal activities. The budget as submitted represented the President's best judgment of the minimum amounts required to carry on the Government's activities. The Congress has expressed its own judgment on these amounts by voting on appropriations. These actions represent decisions on the amounts necessary to conduct the Government's affairs; they reflect where and in what degree savings can properly be made. Cuts below the amount enacted in the appropriations bills would necessarily result in reducing or eliminating services that the President and the Congress have judged to be essential.

2. THE APPROACH RECOMMENDED IN SENATE JOINT RESOLUTION 108 IS IMPRACTICAL

It does not take account of the character and composition of the expenditure totals in the budget. The majority report recognizes that 60 percent of total expenditures in the 1950 budget represents fixed or relatively fixed expenditures over which the Congress and the President have little control, unless basic legislation is changed. Analysis of the fixed expenditures included in the 1950 budget furnishes convincing proof of the difficulty encountered in attempting to reduce expenditures by a flat percentage cut. These fixed charges generally represent two types of financial commitments facing the Federal Government in any fiscal year.

First is the commitment by the Government to pay off obligations for goods and services which it has already incurred under appropriations and contract authorizations enacted in prior years. In some instances, these goods and services are contracted for in a previous year, but are not actually delivered or rendered until the present year. In other instances, a lag occurs between one fiscal year when goods are received or services rendered and the following fiscal year when the Government is billed, vouchers audited, and checks written.

Second is the commitment which requires payment by the Federal Government of specified sums of money to citizens or to State and local governments eligible to receive such payments under specific provisions of existing law.

Summary of analysis by Bureau of the Budget [1] of estimated budget expenditures by type of commitment, fiscal year 1950

FIXED AND RELATIVELY FIXED EXPENDITURES

	Estimated 1950 expenditures (in millions)
1. Fixed charges:	
Interest on public debt	$5,450
Veterans' Administration (pensions, $2,111)	2,170
Railroad Retirement Board (annual indefinite)	716
Civil-service retirement and disability appropriated fund	328
All other	313
Total	8,977
2. Obligated balances of prior year appropriations:	
Economic cooperation: Foreign assistance	1,435
National Military Establishment:	
Army (Greek-Turk aid; Finance, Quartermaster, Transportation, Engineering, and Ordnance services)	1,154
Navy (maintenance, stock and working funds, aviation, aircraft construction, etc.)	731
Air Force (general expense; aircraft construction, etc.)	378
Civil functions (hospitals and domiciliary facilities; GARIOA)	453
Veterans' Administration: Salaries and expenses	112
Treasury Department: Strategic and critical materials	103
All other	2,181
Total	6,547
3. Appropriation to liquidate contract authorization	3,036
4. Veterans' Administration: Readjustment benefits	2,118
5. Authorizations to expend nonappropriated funds	1,332
6. Grants to States:	
Social Security Administration:	
Public assistance	988
Unemployment compensation	134
All other	201
Total	1,323
7. Public Works (AEC, Veterans' Hospital Reclamation, Corps of Engineers)	966
8. Appropriations for 1951 available in 1950 (grants and payments to States)	80
9. Unobligated balances of prior year appropriations (Army Quartermaster; Navy funds)	−86
Total fixed and relatively fixed expenditures	24,293

[1] Analysis of 1950 appropriations and estimated expenditures as per the 1950 budget, prepared by Bureau of the Budget, May 24, 1949.

Summary of analysis by Bureau of the Budget of estimated budget expenditures by type of commitment, fiscal year 1950—Continued

RELATIVELY CONTROLLABLE EXPENDITURES

	Estimated 1950 expenditures (in millions)
10. Proposed 1950 legislation not yet enacted:	
Universal training	$600
Other foreign aid	305
Military public works, special program, pay increase, etc.	366
Federal aid for education	290
All other	171
Total	1,732
11. Other relatively controllable expenditures:	
National Military Establishment (Air, $2,362; Army, $2,781; Navy, $2,912)	8,055
Relief (ERP, $3,050; Greek-Turk aid, $50)	3,100
National Military Establishment, civil functions, GARIOA	717
Veterans' Administration: Salaries and expenses	746
Department of Agriculture	599
Treasury Department (Bureau of Internal Revenue, $219; strategic materials, $172)	648
Department of State	202
Department of Commerce (CAA, $114)	215
Post Office Department, net (gross $408, less increase in rates, $250)	158
Department of Justice	124
Federal Works Agency: Public Buildings Administration	101
All other, classified	519
Not classified	649
Total	15,833
Total relatively controllable expenditures	17,565
Total estimated budget expenditures	[1] 41,858

[1] See table 1 of budget document for fiscal year ending June 30, 1950 (p. A4).

Testimony presented to the committee by the Bureau of the Budget showed that out of total estimated expenditures of $41,900,000,000 in 1950, $9,500,000,000 represented expenditures from obligated balances of appropriations and contract authorizations enacted by Congress in prior years. Virtually no control of these expenditures is possible, since Congress has already enacted the appropriations and contract authorizations and the Federal Government is clearly obligated to make cash payments for goods and services already contracted for or already received. Largest item in the category of obligated balances for the fiscal year 1950 is an estimated $1,400,000,000 to meet existing contractual obligations for goods ordered under the European recovery program which are yet to be delivered or are now in the process of delivery, but for which actual payment will not be made until this year.

These expenditures from obligations incurred against appropriations enacted in former years is a normal situation which occurs year after year in the budget. Between 80 and 90 percent of most annual appropriations are spent in the year in which they are enacted; the remainder, however, carries over for expenditure in the following 2 years.

For many large procurement programs in which there is a considerable time lag between the time contracts are let and goods actually delivered, the Congress enacts contract authorizations, rather than appropriations. These contract authorizations permit the Government to enter into contracts and make other contractual arrangements for airplanes, strategic and critical materials, and other items. When the goods are actually delivered, the Congress then enacts appropriations to permit liquidation of the contracts by actual payments. Included in the 1950 budget are estimated expenditures amounting to $3,000,000,000 to liquidate these prior contract authorizations.

Any discussion of cutting the budget in a given fiscal year, therefore, is unrealistic if it overlooks the fact that $9,500,000,000 of the expenditure total is required to pay for the Government's transactions in prior years.

In addition to the $9,500,000,000 representing expenditures from obligated balances of appropriations and contract authorizations enacted by Congress in prior years, there is the relatively "fixed" item of approximately $2,100,000,000 for readjustment benefits to veterans as authorized by congressional policy and as administered by the Veterans' Administration. A further summary of the analysis of the budget for the fiscal year 1950 reveals congressional authorization by prior Congresses to expend nonappropriated funds in the sum of approximately $1,330,000,000. These are items which according to the testimony before the Committee on Expenditures in executive departments were recognized as being obligations on the part of the Government due to former congressional action.

The second type of financial commitment which generally represents a "fixed" or relatively fixed charge in the budget includes specific payments required by law, such as interest on the debt, veterans' pensions, grants to States and readjustment benefits for veterans.

Under the various grants-in-aid programs enacted over many years, the Federal Government makes payments to States on a matching basis, generally according to a formula. The amount of Federal expenditures in any one year, therefore, depends upon the level and rate at which the States elect to conduct their programs. Unless the laws specifying the formula by which the Federal Government will match State and local funds are changed by Congress, it is not possible to alter in any significant degree the amount of expenditures in any one year. Approximately $1,300,000,000 in expenditure has been estimated for grants to States out of 1950 appropriations, the largest item being near $1,000,000,000 for public-assistance grants for the needy, aged, dependent children, and blind.

Budget Bureau testimony before the committee also listed $8,900,000,000 in other "fixed" charges. Largest item was interest on the public debt amounting to $5,450,000,000 and veterans pensions totaling $2,100,000,000. Another large item is a Budget expenditure of $716,000,000 which represents the payment by the Treasury of money received from railroad employees and the railroads from the Treasury's general fund into a special railroad retirement fund. In this instance, the Federal Government is functioning as the banker in administering the Railroad Retirement Act, and the President has no discretion under the law in curtailing or diverting the appropriations and expenditure of these funds out of the Treasury receipts into the retirement fund.

These fixed charges amount to $24,300,000,000 of the $41,900,000,000 total. The report conceded that little of the reduction can come from these fixed charges in the fiscal year 1950 and most of the cuts therefore must be made in the $17,600,000,000 of "controllable" items.

The majority report states that on the basis of present outlook "approximately a $3,000,000,000 reduction or 7.2 percent of total estimated expenditures of $41,900,000,000 must be made to bring these expenditures within estimated revenues for the fiscal year 1950." To achieve a reduction of $3,000,000,000 or 7.2 percent of total expenditures would require a reduction of 17 percent in the so-called controllable items.

Since it would be necessary to assess the entire cut against only about 40 percent of the total budget, Senate Joint Resolution 108, therefore, represents not a 5-percent cut in Government programs, but, in fact, a 17-percent cut.

"Controllable" items are those items over which the Congress and the President can, without change in basic law, exercise discretion and decision as to the rate and level at which programs shall be carried out. The amount of funds provided in effect dictates the level or amount of Government services provided. Through the enactment of appropriations it is thus possible to specify what the level of our armed strength will be, what degree of medical service will be provided in veterans' hospitals, how rigid or how lax will be the administration of wage-hour laws and how extensive will be the programs of the Forest Service, the Federal Bureau of Investigation, the Foreign Service, and many other Government programs.

In presenting his budget recommendations, the President thus not only includes estimates of appropriations and expenditures required to meet the fixed obligations discussed above, but he transmits what, in his judgment, represents the proper rate and level at which Government services should be rendered to carry out all the other laws effectively. Congress, through its review of these recommendations and its enactment of appropriations, makes the final determination on these matters.

In discussing the composition of the "controllable" $17,600,000,000 in expenditures, the majority report points out that $1,700,000,000 of this total represents proposed new legislation and states that "if the Congress fails to enact such legislation this amount becomes a reduction without further effort." Use of such reasoning at this time to show economy is fallacious, since the committee assumes that no new legislation will be enacted by this session of Congress. But it is apparent that the Congress is likely to enact such essential measures as aid to education, military public works, an increase in military pay, and those items for foreign aid contained in the budget. Yet these four programs alone total nearly a billion dollars, or almost 60 percent, of the possible savings on new legislation which the committee cites.

Furthermore, the committee has failed to take account of possible changes in the expenditure estimates since last January. In arriving at a reduction estimate of $3,000,000,000, it has assumed that expenditures will remain the same, but that receipts will be $2,100,000,000 less than originally estimated in the budget.

If the purpose of Senate Joint Resolution 108 is to balance the budget, a realistic appraisal of the expenditure outlook is necessary. Such an appraisal is not possible at this time, since Congress is still enacting legislation and appropriations which will significantly affect expenditures. The original budget expenditure total was based on the assumption of new postal rate increases which would lower the postal deficit by $250,000,000. This legislation is not enacted. On the other hand, the 1950 budget expenditure total did not include estimated expenditures for the proposed military assistance program.

The majority report itself indicates one significant change in estimated expenditures for 1950 when it states that price support activities of the Commodity Credit Corporation will require net expenditures of about $1,000,000,000 in the fiscal year 1950. This is nearly $500,000,000 higher than the amount estimated in the January budget. In addition, it is evident that expenditures for veterans' readjustment benefit for 1950 will be

higher than were estimated last January. Thus, if the purpose of Senate Joint Resolution 108 is actually to balance the budget, higher expenditure forecasts for various fixed charges will mean even greater cuts in the controllable items.

The majority report ignores the real impact of cutting the $17,600,000,000 listed as "controllable." More than $13,100,000,000 or 74 percent of the total is required for national defense and international programs. To reduce expenditures by $3,000,000,000 would require drastic cuts, perhaps more than $2,000,000,000, in our national security programs. This would mean significant changes in the level of military strength and basic alterations in our foreign policy. These are not matters which should be delegated by the Congress to the President.

Savings elsewhere would require the curtailment of many essential services and benefits. Outside the national security programs, the largest items are $746,000,000 for salaries and expenses of the Veterans' Administration and $259,000,000 for conservation and use payments to farmers.

A 17-percent cut in the Veterans' Administration could mean serious delays in the processing of claims for compensation, retard the payment of dividends from the insurance fund, and lower the level of care for veterans in hospitals. It would mean interference with agreements with individual farmers throughout the Nation for conservation payments. The 1940 Appropriation Act contained language committing the Government to a conservation and use program amounting to $262,500,000 during the fiscal year 1950. On the basis of that authorization many farmers have already purchased lime and fertilizer and contracted for terraces and other flood-control and conservation measures.

Other examples of so-called controlled items against which a 17-percent cut could be made include the national school-lunch program, the Soil Conservation Service, the Public Health Service, the provision of air navigation facilities by the Civil Aeronautics Administration, the Bureau of Internal Revenue, and many others.

Advocates of reduced Federal expenditures frequently claim that it is possible for agencies to absorb a 5- or 10-percent reduction in personnel and other administrative funds without impairing existing services. Yet costs of Federal employment represented in the budget total of $41,900,000,000 amount to around $5,000,000,000, or about 12 percent.

More than half this total, or nearly $2,800,000,000 will be required to pay the estimated 925,000 civilian workers in the National Military Establishment during the fiscal year 1950. These workers provide essential support at navy yards and arsenals and in offices for the men in uniform. It would be short-sighted economy, to maintain large standing forces and at the same time drastically, without serious and careful study, reduce the normal civilian support required to maintain these forces. The net effect of such action would be to divert men in training into essentially civilian or housekeeping jobs at posts and other installations.

The appropriations for the National Military Establishment should be controlled and determined by the Congress and not left to the discretion of the President. If a reduction in the size of the armed forces is to be the policy of the Government, that policy should be decided by the representatives of the people in the Congress and not delegated to the Executive. This is not to say that reductions in civilian personnel or military personnel cannot or should not be made. It is the considered judgment of the minority that this is a policy decision which well belongs to the Congress. Possibly no single agency of Government should be under more direct supervision of the Congress than the National Military Establishment.

Pay rolls in the Veterans' Administration will amount to nearly $600,000,000 in 1950 for an estimated 180,000 employees. More than 60 percent of these employees are in the medical program of the Veterans' Administration as doctors, nurses, hospital attendants, and administrative employees in hospitals. All testimony to date has revealed that there is a shortage of medical personnel, not an abundance or oversupply. The needs of the veterans' hospitals are greater than the available professional personnel. Percentage reductions in the administrative costs of the Veterans' Administration would of necessity be reflected in the level of medical service and care provided veterans.

Actually, more than 75 percent of the Federal employees are employed by the National Military Establishment, the Post Office, and the Veterans' Administration. If all the rest of the Government were shut down completely, some 500,000 employees could be discharged, at an annual saving of about $1,700,000,000 in personnel costs. To make any substantial reduction in the Federal pay roll, therefore, would require that the Congress reduce or eliminate programs it has enacted into law.

Furthermore, reduction in administrative funds is in most instances a costly and short-sighted approach to Government economy. Loss of adequate supervision, investigative, and other personnel frequently leads to less efficiency in administering programs and therefore higher program costs. The Senate has just voted unanimously to insist on expanding the staff of the Bureau of Internal Revenue for exactly this reason.

These examples could be multiplied indefinitely. The inescapable conclusion is that it would be thoroughly unwise to enact a measure which would require heavy cuts in programs which the Congress has, after due deliberation, enacted into law.

Furthermore, within the past 6 months the Commission on Organization of the Executive Branch of the Government has published reports which pointed the way for improvements in the organization and management of the executive branch. On June 20 the President signed the Reorganization Act of 1949 under which he is authorized to submit reorganization plans, many of which would carry out the recommendations of the Hoover Commission. Under this act the President has already transmitted seven reorganization plans to Congress. In addition to these plans, the Congress has already enacted the Federal Property and Administrative Services Act which streamlines procurement and property administration and an act strengthening the authority of the Secretary of State by providing him with additional assistance in the conduct of foreign affairs.

All of these are steps to improve the organization, tighten the administration, and promote increased efficiency and economy. Various estimates of savings possible under recommendations of the Hoover Commission have been discussed. While the exact amount of eventual savings cannot be determined at this time, it would again be short-sighted economy to apply flat percentage cuts not only to essential Government services but also to their administration before the recommendations of the Hoover Commission have become law and we have had an opportunity to measure their value.

3. SENATE JOINT RESOLUTION 108 REPRESENTS UNSOUND ECONOMIC POLICY

The proposal of the majority in Senate Joint Resolution 108 does not provide for a balanced budget; it merely directs the Executive to reduce expenditures in not less than 5 percent and not more than 10 percent of the total amount authorized for expenditure in the budget for the fiscal year 1950. It further directs the President that there shall be no reduction of expenditures which shall have the effect of reduction by more than 20 percent of the estimated expenditures by any agency from appropriations and funds made available prior to the expiration of the first regular session of the Eighty-first Congress. On the basis of the facts and figures submitted in the majority report, these percentage cuts will not provide a balanced budget. At best, such proposed expenditure reductions would merely reduce the deficit without regard of the effect upon the program or policy of the Congress.

The majority has failed to enunciate the policy of the balanced budget in its declaration of purpose. It has, however, recognized the fact of "the lower levels of business activity." In pointing out the elements of recession and lower business activity, the majority has not made a policy declaration as to what are the responsibilities of the Federal Government or what would be the effect of sharply reduced governmental expenditures upon an already receding economy.

A major weakness of the majority resolution and the report thereto lies in its failure to analyze the effect of the resolution, first, upon Government services and programs; and second, its effect upon business activity and the economic life of the Nation.

Large over-all cuts in Federal expenditures would add to downward pressures now present in the economy, and would have a seriously detrimental effect upon the state of the economy.

In January, when the 1950 budget was transmitted, the President pointed out that although he had held proposed expenditures to what he felt was a minimum, revenues were expected to fall somewhat short of expenditures, as a result of the tax-reduction bill passed by the Eightieth Congress. He therefore recommended new revenue legislation to balance the budget, act as an inflationary brake, and permit some reduction of the public debt.

Because of the decline in production, employment, and certain prices during recent months, the majority of the committee is of the opinion that action on new additional tax laws should now be delayed. In this the minority does concur.

It does not logically follow, however, that expenditures should therefore be drastically reduced in an attempt to balance the budget. A large reduction in Federal expenditures at the present time could add to the downward pressure in the economy. This is the considered judgment of the President's Council of Economic Advisers.

The fact that the Federal budget today amounts to roughly 20 percent of the national income is itself a major element of strength in our economic system. Payments to farmers, Federal civilian, and military pay rolls, Government purchases of all types of commodities from business and industry throughout the country, and many other types of expenditures act as major supports to business activity and consumer purchasing power. In a time of economic uncertainty, there is an understandable tendency for businessmen to cut down their investments and consumers to hold back their purchases with the hope of lower prices. The Federal Government should not, however, help initiate a deflationary spiral by acting as though it were another private citizen nervously cutting its investment or holding off essential purchases.

In the inflationary period which followed the war it was sound economic policy for the Federal Government to hold down its expenditures in order to avoid competing with private industry for scarce materials and labor. In a period when business activity is declining and when shortages have disappeared, the Government should not add to the waste involved in idle manpower by curtailing long-overdue projects and reducing expenditures below the level of a minimum program adopted in a period of inflation. At

the very least, we should hold to the over-all expenditure program which the President presented in January as a minimum budget.

It is the responsibility of the Congress to evaluate the expenditure items and to make the necessary appropriations for the programs and projects which the Congress has deemed wise and prudent through legislative policy. This is not to say that reductions cannot be made in such items as the Military Establishment or reductions in line with the reduced cost of materials and services which are required in our foreign-aid program. Reductions consistent with lower prices on goods and services in no way jeopardize or alter congressional policy, nor do they limit the extent and coverage of needed services and assistance.

The possibility of effecting substantial economies in expenditures for the Military Establishment by the centralization and/or consolidation and elimination of duplicating services, such as purchasing, supply, paymaster, accounting, legal, ordnance, intelligence, medical, and hospital, for the Army, Navy, Marine Corps, and Coast Guard, are highly commendable. Such reorganization and consolidation for a more efficient establishment can be evolved without jeopardizing the presently assigned functions of the combat services. Expenditure reduction in one agency, however, deemed advisable on the basis of efficiency and the elimination of duplication and waste, does not justify overall percentage expenditure cuts in all agencies for projects and services vitally needed and essential to an expanding economy and a growing population. It is the responsibility of the Congress to legislate not only in terms of essential Government services, but also in light of the economic facts as reported by the research and statistical facilities of the Congress and the executive department. Government policy does and should affect the economic situation.

For example, we are now confronted with an over-all decline in private construction compared with last year. The construction program of local, State, and Federal Governments can, therefore, increase without imposing any strain on the economy by using up the slack contributed by the decline in private activity. For the Federal Government to slash its public-works expenditures now would simply contribute to the downturn of construction activity.

Similarly, we are undertaking a great program of economic assistance to the governments of western Europe. We are furnishing them with the dollars to rebuild their economies by purchasing essential goods and services. The greater proportion of their purchases are made in our own markets. To drastically curtail these programs now would not only have disastrous effects on our foreign-policy objectives, but would sharply reduce foreign purchases of American goods. The results would fall on American farmers and businessmen already facing a decline in domestic demand for their products.

There are many other examples. An overall cut applied to the whole budget would, in fact, be a substantial cut applied to only 40 percent of the budget. And, in this smaller percentage are most of the Federal programs which contribute most directly to our economic development and growth and to the economic security of our people. Not only would these cuts curtail direct Federal spending for the products of our farmers and manufacturers but they would result in deferment of long-range projects—dams, conservation programs, flood control, and many others—which should not be delayed if we are to have the basic resource developments so essential to a growing economy.

In whatever part of the Federal budget the cuts are made—in agricultural programs, investments in flood control and reclamation, national defense, international aid, or any other major category—action of the type proposed in Senate Joint Resolution 108 would clearly tend to increase the economic downturn and to weaken the long-run supports for an expanding economy.

It is not sound fiscal or budget policy to subscribe to an action by the Government which would be clearly harmful in the present economic situation.

A deep concern over a possible business decline has been manifested in the Congress by the introduction of a series of bills to provide for a greatly expanded public-works program and further extension of Government assistance in credit, loans, and grants. These legislative proposals have been advanced by the representatives of both political parties, and in many instances have been sponsored or cosponsored by some of those who are now urging the adoption of Senate Joint Reslution 108. In sharp contrast to the objectives of Senate Joint Resolution 108, these proposals contemplate increased expenditure authorizations and appropriations.

4. ECONOMY-EFFICIENCY—A CONSTRUCTIVE APPROACH

The preceding observations are not to be interpreted in any way as underwriting waste or inefficiency. Waste and inefficiency in any form are indefensible. It is for that reason that the minority favors the basic recommendations of the Commission on Organization of the Executive Branch of the Government, commonly known as the Hoover Commission. The minority recommends to the Senate a careful consideration of the scientific findings of this Commission as the most effective means of meeting the long-run problem of efficient use of Government expenditures. The recommendations of the Commission on Organization of the Executive Branch of the Government offer the practical manner and the constructive means of promoting sound economy and efficient administration than over-all budget cuts as proposed in Senate Joint Resolution 108, which would be made without adequate study and without due consideration to essential Government services. This is at best a haphazard measure. It further represents an abrogation of the constitutional responsibilities of the Congress.

The biggest business in the world—the Government of the United States—can no longer be managed with the political instruments of the eighteenth and nineteenth centuries. Government in the United States is no longer a simple thing that can be left to political chance and mediocre administration. A twentieth-century economy propelled by the boundless energy of mass-production industry and constantly accelerated with new advances in the field of science cannot be managed or regulated with the mechanisms of an unplanned, unrelated administrative establishment. The need for governmental reform and organization is imperative. It is a matter of sound economics and literally life or death for American political and economic survival. When 20 percent of the national income is utilized by the Federal Government, it is time to take stock of the means and methods which are employed in the use and expenditure of such a vast sum.

We must provide essential services for our own citizens, but the cost of our Government is running perilously high. Our task is to obtain the maximum use and production use of every budget dollar. Economy in government does not necessarily mean spending less. It basically means obtaining the most that is humanly possible out of every dollar committed to public service. The question of economy in government could well be stated not in terms of dollar appropriations, but in the use of those appropriations. The effective use of public revenues is directly concerned with proper organization of administration. Modern tools of government are no longer matters of academic theory. They are absolute essentials if we are to continue our program of social welfare, public improvement, and international leadership.

It is for these reasons that the undersigned strongly supports the basic recommendations of the Commission on Reorganization, commonly known as the Hoover Commission. This is not a partisan issue. It is not one of mere dollars or of the number of Government employees. It is an issue that runs deep into the very survival of free government and a free economy. Either we learn how to manage government, or the bigness of government will overwhelm us. Either we learn how to properly utilize the vast sums of public revenues and how to appropriately control and manage their use, or we will bleed our economy into an impoverished condition.

CONCLUSION

The minority believes as strongly as does the majority of this committee in the principle of a balanced Federal budget and an orderly reduction of the Federal debt. The realization of a balanced budget and a substantial reduction in the Federal debt was made impossible by the tax-reduction legislation of the Eightieth Congress. A balanced budget is not an end in itself. There are times when deficit financing is needed and inevitable. This was true during the war years as well as during the period of depression and the immediate prewar years. Present requirements for our national defense and foreign aid have placed tremendous burdens upon the American taxpayer. These expenditures may well be considered a part of the war program and a justifiable contribution to the achievement of stability and peace in the world.

Substantial reductions in Government spending can and should be made when it will not jeopardize our security or our foreign policy or threaten the stability of our economy. The task before the American people and their representatives in Congress and the executive departments is to secure and maintain a level of economic activity so high that it will produce revenues sufficient to cover the cost of those programs which the Congress considers essential and which in addition will provide a surplus for debt retirement.

Unemployment, falling production, and sharp breaks in the market do not provide an economic climate conducive to balanced budgets or an expanding economy. The goal of a balanced budget may not be obtainable in any single year. It certainly cannot be achieved by the defeatist method of sharply reducing Federal expenditures without regard to the consequences of such a policy in a period of declining business activity. Such a course will only deepen and prolong the business decline. The result will indubitably mean lower revenues and a greater deficit in the Federal budget. This observation is, of course, predicated on the assumption that the United States Government will not relax its efforts toward European recovery and toward the attainment of a stable and peaceful world. The cost of such a program obviously is great. The cost of failure is incalculable.

It is the opinion of the minority that the Government should go forward with all essential programs dedicated toward strengthening our own economy and directed toward rehabilitation and recovery on the international scene. Furthermore, it is considered wise and prudent public policy on the part of the minority that the Government undertake additional measures which may prove necessary to restore our economy to the high levels of production which will resume the upward course of economic activity. For these reasons the minority strongly recommends against the passage of Senate Joint Resolution 108.

HUBERT H. HUMPHREY.

Mr. McCLELLAN. Mr. President, I yield 10 minutes to the senior Senator from Ohio [Mr. TAFT].

The VICE PRESIDENT. The senior Senator from Ohio is recognized for 10 minutes.

Mr. TAFT. Mr. President, in the first place, I completely deny the figures and the conclusions of the distinguished Senator from Minnesota, as to what appropriations can be reduced. As a matter of fact, the only nontouchable items, so to speak, that I can find in the budget are the interest on the public debt and veterans' pensions, amounting approximately to from $10,000,000,000 to $12,000,000,000 instead of $24,000,000,000. The difference arises largely from the fact that the Senator has included obligated balances of prior-year appropriations. Of course, Mr. President, we cannot stop spending money we have already spent and contracted for. But such items are balanced by other money which is appropriated for expenditure this year, the actual expenditure of which will carry over until 1950. So those items, of course, can be cut. While the immediate effect may not be had on this year's budget, it is within the scope of the amendment and such cuts can be made, in accordance with the amendment out of, I figure, at least $27,000,000,000 of the total of $42,000,000,000, instead of out of some $17,000,000,000, as calculated by the distinguished Senator from Minnesota.

Mr. LONG. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Louisiana?

Mr. TAFT. I regret I have not the time. My time is so short that I can but decline.

So I question the very basis of the argument of the distinguished Senator from Minnesota.

Mr. President, there is no greater burden on the people of the United States than the burden of taxation which exists today and which threaten steadily to increase. There is no way in which to reduce that burden of taxation except to reduce the burden of expenditures. I know of no one who advocates a deficit-spending policy. If we want to reduce the burden of taxation, if we want to keep that burden from increasing, we have no other sound way, no other possible way, except to reduce expenditures.

Mr. President, what is this burden of taxation today? The President estimates, I think a burden of expenditures of $42,000,000,000, which has been increased by supplemental estimates. The total taxes which he says are necessary in order to balance the budget are $46,000,000,000 of taxes during the current fiscal year. When we add to the $46,000,000,000 the $15,000,000,000 for State and local taxes, we have a total of $61,000,000,000, which is the present burden of taxation on the people of the United States, out of a total income estimated today at $222,000,000,000. In other words, the present burden of taxation, if it equalled the expenditures which are now contemplated, would be 27 percent of the entire national income. When we add to that the other expenditures which the President has recommended, $6,000,000,000 for compulsory health insurance, an indefinite sum to carry out the Brannan plan, $4,000,000,000 for UMT, which I think has been perhaps abandoned, we can rapidly build up to a point at which taxes will take more than 33 percent, or a third of the total national income.

I do not know how far we can go and still maintain a system of free enterprise. What we are concerned about is to keep our production high and to maintain full employment. How can we do it? Only by a free economy; only by a system based on incentive, and adequate rewards to those who are willing to invest their money, time, effort, genius, and daring in expanding American industries. We cannot stand still. We must constantly add new plants, enlarge the use of machinery, and increase the productivity of the plants, if we are going to maintain full employment in the United States. We cannot go back. Our system has been much more successful than has any socialistic system in the history of the world. It has made this country the greatest country on earth. It is necessary to increase and to expand.

It is questionable whether we have now any sources of new investment funds, outside the profits of corporations. The flow of new investment money which investors are willing to put into the expansion of industry has become a mere trickle. Why? Partly because there is a 38-percent tax on corporate profits. The Government takes 38 percent of a corporation's profits. There is also a gradually increasing rate on all individual incomes. So it is far more profitable for a person to take a low fixed income than to run the risk of investing large sums in business, because if he wins, the Government takes most of his profit, and if he loses, he loses his own money.

We are already in a very serious economic situation, and unless we can reduce expenditures of government there will come a time when we cannot maintain our system of free enterprise. I do not know just where that point is, but it is perfectly obvious that as business becomes unprofitable, if railroads, for example, should get into a bad situation, there will be immediate excuse for the Government to take over. The moment the Government does that, we gradually add to the burden. Every industry which the British Government has taken over is a new loss to the British Treasury, and, at the same time, there is a much narrower basis of taxation. There is a greater burden imposed on all private businesses. There is a point at which free enterprise must go on a downward path. This is an easy way to reach a socialistic state; probably it is easier than any other way, because we do not see what is coming. We are forced into it by tremendous expenditures. If we cannot find a way to stop it we cannot maintain our American economy. As long as we give $7,000,000,000 to Europe, we are going to add $7,000,000,000 as an additional burden on our own productivity.

There is nothing more important than is the reducing of expenses. Congress has done a good job on the military bill, but there is a perfectly logical reason to let the President do more of it. No one can go into a business enterprise and tell the management they have got to save here or there. He cannot know enough about it to know how they should save the money. In government no appropriations committee can do a complete job of anything. The Appropriations Committee can reduce funds to what it considers a point of safety, but it cannot feel sure about going further. It might be destroying a department's effective work. Only the department itself can make the additional saving necessary over what Congress has done.

It is a perfectly logical proposal that we tell the President, "You must cut 5 or 10 percent from this appropriation." There is not a department of the Government that cannot operate just as effectively with 10 percent fewer employees. That has been accomplished in the Army. The Appropriations Committee has given Mr. Johnson the power to rescind $433,000,000 of the appropriation. There is nothing new or unconstitutional in the theory of giving the President reasonable discretion as to how he should spend money. We have given him $100,000,000 for his discretionary fund. He can spend it all or he can spend none of it. There is nothing unconstitutional in such a procedure. There are many appropriations which the President can reduce. Reductions were made by him in the expenditures for public works 3 or 4 years ago. I think it is a perfectly logical and constitutional method of providing some additional cuts over what Congress itself can make.

So, Mr. President, I urge very strongly that the Senate add this provision to the bill. I think with this provision and with the cuts we have made in ECA appropriations and appropriations for the armed forces, we shall come very close to a balanced budget next year. I still think the present burden of taxation is dangerous. If ECA appropriations are reduced, as I think they will be in time, and we can reduce appropriations for the armed forces, we can probably readjust the tax system to the encouragement of all industry.

The PRESIDING OFFICER. The time of the Senator from Ohio has expired.

Mr. LANGER. Mr. President, I ask unanimous consent that the Senator may have one more minute so that I can ask him one question.

Mr. McCLELLAN. Mr. President, I yield 3 minutes to the Senator from Indiana [Mr. CAPEHART].

The PRESIDING OFFICER. The Senator from Indiana is recognized for 3 minutes.

Mr. CAPEHART. Mr. President, I have been talking all year on the importance of reducing expenditures and of a balanced budget. I can agree with the school of thought which takes the position that the responsibility of reducing expenditures belongs to the Congress. I think we should have had the courage to reduce expenditures and to reduce the amounts in appropriation bills, but we did not have the courage to do it; at least,

we did not do it. Therefore I shall vote for this amendment, because I think it will accomplish what I think should be accomplished, namely, that we shall eventually have a balanced budget. I do not believe this cut will anywhere near balance the budget, but it will go a long way toward balancing it. As a matter of practice, the idea of asking the President of the United States to reduce appropriations, in my opinion, is a good business practice, because the President of the United States should be in a position to know where he can cut without hurting his administration or without hurting departments. If it were a business matter, and I were the president of a corporation, I would rather welcome the idea of being able to cut where I felt I could cut without reducing efficiency, rather than having the board of directors do the cutting. I see nothing wrong with this method. I think it is the only method we have of reducing expenses at this late date. I think expenses should be reduced. I think they must be reduced. I can think of nothing more fatal than for our Government to go on, year in and year out, spending more money than it takes in.

This is one method of reducing expenditures. In my opinion, it is an effective method of doing it. If the President will accept it in the spirit in which we are offering it to him, I think he will go over his different departments, the appropriations, and the budget, call in his administrators, his Cabinet members, and those who are responsible for the expenditure of funds appropriated by Congress, and they will find that it is very simple and very easy to reduce expenditures anywhere from 5 to 10 percent. I do not think the adoption of the amendment would work a hardship on the President.

I do not agree with the able Senator from Arizona [Mr. MCFARLAND] that it is against the Constitution. I do not think it violates any law. As I said a moment ago, I think in the business world it is a very common practice, and one which is effective, one which is often used and often followed.

I again wish to say that I do not care whether we spend $50,000,000,000 a year, or sixty or seventy billion, if we are spending no more than we take in by way of taxes, provided, of course, the taxes are not a burden on the people, that they are fair and equitable, and are such that they encourage private capital and encourage incentive capital. I hope to live to see the day when our people will have an income of $400,000,000,000 a year, and when the Government might well spend fifty or sixty billion a year, if it is spent on a sound basis, and if we are not spending more than we are taking in, if it is on a basis under which one can have confidence in Government bonds and confidence in our money. If we keep going on year in and year out piling up the debt by way of deficit spending, spending more than we take in, I cannot possibly see but that the day will come when we will get into trouble. I am confident that will be the result, because I do not subscribe to the theory that it does not make any difference how big the debt is, since we owe the money to ourselves. That is not true.

Mr. President, I shall vote for the pending amendment, because I believe it will be in the best interest of the people of the Nation and in the best interest of our own Government.

The PRESIDING OFFICER (Mr. LONG in the chair). The time of the Senator has expired.

Mr. MCCLELLAN. Mr. President, I yield 3 minutes to the Senator from Mississippi [Mr. STENNIS].

The PRESIDING OFFICER. The Senator from Mississippi is recognized for 3 minutes.

Mr. MCCLELLAN. Mr. President, I wish to announce that after the Senator from Mississippi concludes, I shall not wish to use any more time at the moment.

Mr. STENNIS. Mr. President, some weeks ago, in a brief speech, I announced my interest in and apprehension regarding our deliberate deficit spending in times of prosperity. I denominated it as a "political sin." I said at that time, and I still think, that what we appropriate is primarily a legislative problem, and that we ourselves ought to reduce the appropriations and make them come within the reasonably anticipated revenues for the fiscal years. But as a practical matter and as a second choice I am going to vote for the McClellan amendment.

Mr. President, I think we are confronted with one of the most serious problems that confronts any nation in the world, because our whole domestic program, and our whole national defense program, depend upon whether or not we are going to have reasonably sound financing in times of relative prosperity.

I think the executive branch of the Government has done fine work in reducing the figures of the amounts required to carry on the military department of the Government. I think they deserve much credit for getting the appropriations for the military departments reduced to what they are. As a second choice, I believe they can further aid the situation and help us extricate ourselves from a situation in which we are faced with a probable deficit of more than $5,000,000,000.

I think that upon the course we take with reference to the matter before us not only depends the amount of money involved, but the attitude of the American people, because if we do not put our own house in order, what about the young people who are coming along, getting their ideas as to sound financing, and their ideas of thrift? What can we expect from them?

I think the whole program of national defense, the whole program of our internal improvements—social security, rivers and harbors, flood control, funds for veterans, and every other kind of Government activity—depends upon whether or not we really follow common sense in getting our fiscal affairs in order. It is up to us to meet the situation.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MCCLELLAN. I yield 3 minutes to the Senator from Florida [Mr. HOLLAND].

Mr. HOLLAND. Mr. President, I strongly support the pending amendment, since it presents the only way by which we can now carry out our clear obligations to reduce the expenditures of the Government. The amendment presents no new problem. Such a proposal has been pending ever since the war, and Congress has been striving zealously to find the real way to meet the problem.

The report on the reorganization of Congress, made in the Seventy-ninth Congress on March 4, 1946, contained the recommendations of the joint committee with reference to the adoption of an annual Federal budget, and with reference to what would happen after a budget was adopted by the Congress in the event total appropriations proved to be more than the budget or the ability of the Government to pay without creating a deficit. I read from that report:

> Should total appropriations later be found to have exceeded the total budget figure as set by the Congress, all appropriations except permanent appropriations and those for servicing the public debt, for veterans' pensions and benefits and trust expenditures, would be automatically reduced accordingly by a uniform percentage designed to bring total appropriations within the over-all limit previously fixed.

Mr. President, that drastic reduction which would have been uniform in all cases, was much more drastic than what is presented to us now. I call attention to the fact that that recommendation was made by a strong joint committee of both Houses of Congress, acting after long and painstaking study.

Out of the 16 former wartime Governors serving in this body, I am very sure not one will be found who did not find it necessary to conform the budget of his State to the wartime conditions and to adopt methods of saving much more drastic than the choice presented in the particular amendment now pending.

It is no hardship on the Executive; it is, instead, a boon to the Executive to enable him to claim that he has the approval and the mandate of the Congress, representing the people of the Nation, to make a reduction. It stands as his justification for making those cuts which will enable our financial picture to be kept strong.

The PRESIDING OFFICER. The time of the Senator from Florida has expired.

Mr. LUCAS. I yield 15 minutes to the Senator from Nebraska [Mr. WHERRY].

Mr. WHERRY. Mr. President, I ask unanimous consent that at the conclusion of my remarks there be printed in the RECORD the names of the Members of the Senate who signed the resolution asking for a 10-percent cut in all the appropriation bills. Sixty-three Senators signed the resolution, and I should like to have the names appear at the conclusion of my remarks.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

(See exhibit 1.)

Mr. DONNELL. Mr. President, will the Senator from Nebraska yield?

Mr. WHERRY. I cannot yield; I am very sorry.

Mr. President, I now desire to sum up the situation before the Senate.

There are three avenues open to us in balancing the budget. The first is by an increase in taxation. Senators know how popular that is. We all desire new projects, but do not want an increase in taxes.

The second avenue is a resort to deficit spending in peacetime. That is what we have been doing for the past 16 years, with the single exception of a brief time, namely, during the Eightieth Congress.

Mr. President, if we continue deficit spending, it will break this country. If it is right to continue deficit spending, why is not a substantial budget of a hundred billion dollars brought in, if that is the way to operate the country?

The third avenue is to cut the costs of government. The Joint Committee on Internal Revenue Taxation discloses that expenditures for the fiscal year 1950 will exceed forty-one and nine-tenths billion dollars, whereas the estimated revenue for the fiscal year 1950 will be between thirty-eight and thirty-nine billion dollars.

Taking the figures of 3 months ago, last May, we must conclude that the estimated revenue of thirty-eight or thirty-nine million dollars certainly will not show an increase, but if anything will show a decrease, so that the three-billion-dollar deficit arrived at in May now shows an increase. According to the chairman of the House Committee on Ways and Means, Mr. DOUGHTON, the expenditure budget will exceed the receipts by $5,000,000,000 in the fiscal year 1950.

Members of the Senate, there is just one sound, sensible thing to do, that is cut the cost of government. That is what I have attempted to do. I have made countless motions to reduce appropriations in committee. I have supported every move, with the exception of the item of steam plants, to cut appropriations on the floor of the Senate. I supported the proposal for steam plants because I think once a policy is authorized it is unfair to sabotage the authorization by declining one red cent of appropriation.

Mr. HUMPHREY. Mr. President, will the Senator yield for a question?

Mr. WHERRY. I cannot do so at this time. I am sorry.

Mr. President, I have supported every motion to recommit appropriation bills.

I have supported every motion to reduce appropriation bills by 5 or 10 percent, with the exception of one, and that is the civil-functions bill. A motion was made to cut the civil-functions bill 40 percent. Every Member of the Senate knows how ridiculous it would be to cut that bill 40 percent. Such a cut would simply sabotage the construction work necessary to be completed.

But I remind Senators that I did vote for a 10-percent cut in the civil functions appropriation bill, and I believe such a cut in that bill would mean more to me than it would mean to most Senators.

So, Mr. President, I have been consistent. I say to the Members of the Senate that I believe there should be a real cut in expenditures. Since the committee did not do that, the Senate can do it now. This is the last opportunity for the Senate to direct and authorize the President to do the thing which we in the Senate have not done.

Oh, yes, there have been some who have talked economy, but who did not vote for economy.

Now we hear the strangest argument being made, which is that the so-called McClellan amendment should not be agreed to because it would be an abdication of the powers of Congress. The argument is being made by the very ones who have wanted to increase the authorizations by billions and billions of dollars.

Mr. President, the argument has a very hollow sound, in view of bills such as those which have been introduced by Representative SPENCE, by the Senator from Montana [Mr. MURRAY], and the Brannan farm bill, which together would give the President absolute power, I believe, to control, in a social welfare state, all business, all agriculture, and everyone else. Oh, how strange the argument is which is now being made by some who do not want cuts to be made.

Yes, Mr. President, there are those who talk economy, but they do not vote economy. For example, take the distinguished floor leader. Let me quote from a press release which the majority leader, the Senator from Illinois [Mr. LUCAS] made recently. I quote from the Wall Street Journal of Saturday:

> "As majority leader," the Illinois lawmaker stated, "I have advocated every reduction in Federal expenditures recommended in reports of the Senate Committee on Appropriations. I am fully aware that the people of Illinois, as well as the people from every State in the Union, are seeking reductions in the cost of Government."
>
> This statement seemed to put Senator LUCAS somewhat at odds with his White House chieftain. In his midyear economic report to Congress last month, the President warned lawmakers against cutting funds for essential Government functions. He claimed the huge volume of spending by Federal and local governments is itself an element of great stability in the national economy.

Oh, yes, there are those who talk economy, but who do not vote economy. In order that the RECORD may be clear, I should like to have printed at this point the record of the distinguished senior Senator from Illinois. The distinguished Senator on more than 30 votes has voted to increase expenditures. I should like to read to the Members of the Senate all his record of how he has tried to practice economy on the floor of the Senate. I do not have time, however. So I ask unanimous consent that the Senator's voting record may be printed at this point as a part of my remarks.

Mr. LUCAS. Reserving the right to object——

Mr. WHERRY. Mr. President, I do not yield.

Mr. LUCAS. I object, then.

Mr. WHERRY. Very well. I shall read the record of the Senator's votes then.

Mr. LUCAS. I want to know what is going on. The Senator is speaking about me.

Mr. WHERRY. I am referring to the Senator's voting record. In view of the fact that he objects to his voting record being placed in the RECORD at this point, I shall read it into the RECORD later. The Senator has cast 30 votes to hike up the appropriations on the floor of the Senate. Yet he tells the people of Illinois that he supports economy, that he has supported every one of the committee amendments to reduce expenditures on the floor of the Senate.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. WHERRY. Then there is the record of the junior Senator from Minnesota [Mr. HUMPHREY].

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER (Mr. LONG in the chair). Does the Senator from Nebraska yield for a question?

Mr. WHERRY. The junior Senator from Minnesota on July 18 filed a statement favoring a reduction in appropriations for the armed services, foreign aid, and independent offices.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Illinois for a question?

Mr. WHERRY. But in his first year in the Senate he has introduced or endorsed bills that would cost the American taxpayer more than $30,000,000,000.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. WHERRY. I have seen no effort on his part to cut ECA or armed services appropriations.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. WHERRY. Yes, there are many who talk economy, but if they believe what they say, here is their chance to prove it.

Mr. DOUGLAS. Mr. President, I think the Senator from Nebraska might do me the courtesy of giving me a reply.

The PRESIDING OFFICER. The Senator from Nebraska declines to yield.

Mr. WHERRY. Here is the chance to prove how Senators feel about economy.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. WHERRY. The junior Senator from Minnesota says he wants cuts made in appropriations for ECA, foreign aid, and independent offices.

Mr. DOUGLAS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The Senator from Nebraska declines to yield.

Mr. WHERRY. Mr. President I want to present his voting record. My exhibit C contains the voting record of the junior Senator from Minnesota. He has either introduced or endorsed pieces of legislation which, if figured up, will authorize the expenditure of more than $30,000,000,000. That is how he believes in economy.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. WHERRY. Mr. President, I ask unanimous consent to have the voting record of the Senator from Minnesota [Mr. HUMPHREY] placed in the RECORD at this point.

Mr. HUMPHREY. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. WHERRY. Mr. President, I want to insert as a part of my remarks also exhibit D, which shows how the Senator from Minnesota voted on the independent offices appropriation bill, which he said he wanted to cut. Here are his votes "yea, yea, yea." He voted for nearly every increase in the independent offices appropriation bill on which there was a vote taken in the United States Senate.

Mr. President, I ask unanimous consent to have my exhibit D printed in the RECORD at this point as a part of my remarks.

Mr. HUMPHREY. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. WHERRY. The junior Senator from Minnesota has filed a minority report in opposition to the pending amendment, to save the taxpayers money. Just think of it. He has filed a minority report in opposition to this amendment which would have a cut of 10 percent made by the President. That shows the consistency of the position of the Senator from Minnesota.

Mr. President, the Senate must bear in mind that there is a distinct difference between appropriations and expenditures. It is one thing to cut an appropriation, but it is another thing to cut——

Mr. DOUGLAS Mr. President, I ask for order on the floor of the Senate.

The PRESIDING OFFICER. The Senate will be in order.

Mr. DOUGLAS. Mr. President, will the Senator from Nebraska yield? I should like to know from the Senator if he will yield.

Mr. WHERRY. Mr. President, there is a difference between appropriations and expenditures. That should be borne in mind, because unless we cut the expenditures as well as appropriations, we have not made a cut on anything.

In 1947, for every $6 cut in appropriations, only $1 was cut in expenditures.

At this point in the RECORD, Mr. President, I ask unanimous consent to insert the statement made by the distinguished Senator from New Hampshire which brings out this point very persuasively. It is to be found on page 1119 of the CONGRESSIONAL RECORD of February 10, 1949. I ask that it be inserted in the RECORD at this point as a part of my remarks.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The matter referred to is as follows:

The actual reduction in all appropriations effected by the Eightieth Congress, first session, was slightly in excess of $3,000,000,000. Tne President's August budget review, however, showed a revision in expenditures for the fiscal year 1948 of slightly more than one-half billion dollars, thus indicating that appropriation reductions affected expenditure reductions in a ratio of 6 to 1; that is, for every dollar of appropriation reduction, only about 16⅔ cents expenditure reduction resulted. The answer to this situation, of course, lies in the fact that the executive branch generally has at its disposal large sums from previous years' appropriations available for expenditure. It was a simple matter for the agencies to accelerate spending from these accumulations of previously unused funds.

Mr. WHERRY. Mr. President, that statement makes clear that cuts have to be made in expenditures as they are made, or there is no cut at all.

Mr. President, the President controls the rate of expenditures. He can slow down spending projects. He can reduce the number of personnel. He did so a couple of years ago, and he did it a year ago. He declared a moratorium on reclamation projects. He can reduce the number of personnel. He can do the very things which were recently done by Secretary Johnson in connection with defense. The President has as much authority as has the Secretary of Defense. He can do the same thing Secretary Johnson did. There is no question about the constitutionality of such action. There is no question about the President's authority. If Secretary Johnson can do such a thing the President can do it, and it is simply silly to stand on the floor of the Senate and argue that such action is unconstitutional, because what the Secretary has done is the proof of the pudding. No one is complaining about the Secretary cutting personnel. Why should complaint be made against directing and authorizing the President to do the very same thing?

Oh, yes; the Congress can control the rate of expenditures only if it works through the President of the United States. We make the appropriations. He carries them out. He, and he alone, says how fast the money shall be expended. After all, regardless of the appropriations made, it is the rate of expenditure that counts.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Illinois for a question?

Mr. WHERRY. Just a moment.

Mr. President, at this time I invite attention to the August Treasury Bulletin to show how expenditures can be speeded up or how they can be held back. I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks the table at the bottom of page 2, showing, by months, how expenditures were made in 1949 and how they have been made each year since 1941. This represents my experience on the Appropriations Committee. It will be found that in June of this year the same program was carried out. The expenditures were speeded up, and all the money was spent, so that Government agencies could come back to Congress to get new appropriations for the next year. This table shows how the expenditures are handled.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 2.—*Expenditures by major classifications*

[In millions of dollars]

Fiscal year or month	National defense	International finance and aid	Interest on the public debt	Veterans' Administration	Other	Total expenditures	Expenditures of foreign economic cooperation trust fund	Total expenditures adjusted for foreign economic cooperation trust fund
1941	6,655	----------	1,111	563	5,059	13,387	----------	13,387
1942	28,266	----------	1,260	556	4,105	34,187	----------	34,187
1943	75,207	----------	1,808	602	1,914	79,622	----------	79,622
1944	89,720	----------	2,609	730	2,256	95,315	----------	95,315
1945	90,501	----------	3,617	2,060	2,525	98,703	----------	98,703
1946	48,870	727	4,722	4,253	2,133	60,703	----------	60,703
1947	16,766	4,928	4,958	7,259	5,378	39,289	----------	39,289
1948	11,364	7,143	5,211	6,469	6,603	36,791	−3,000	33,791
1949	11,809	3,011	5,339	6,878	10,019	37,057	3,000	40,057
1950 (estimated)	14,030	6,246	5,450	5,313	10,818	41,858	----------	41,858
1948—July	1,155	155	286	788	1,174	3,558	183	3,741
August	800	138	114	539	551	2,143	192	2,335
September	715	282	570	487	815	2,869	196	3,066
October	931	174	212	490	878	2,685	226	2,911
November	957	206	122	618	911	2,815	347	3,163
December	1,017	153	1,112	555	767	3,603	499	4,102
1949—January	1,043	200	319	528	878	2,968	237	3,205
February	930	276	141	547	751	2,646	326	2,972
March	1,109	505	589	640	778	3,621	30	3,651
April	1,043	125	178	548	854	2,748	403	3,151
May	950	272	125	614	861	2,822	282	3,104
June	1,159	524	1,570	525	801	4,579	77	4,656

Source: Actual figures from daily Treasury statement; estimates based on the 1950 budget document, including effect of proposed legislation. Expenditure classifications shown here are based on the daily Treasury statement and therefore differ somewhat from those in the budget.

Mr. WHERRY. The final point I wish to make is that the President himself has the power to carry out this authorization. The President can carry out this direction of Congress. We have made many such delegations of power. We did it in the Federal Reserve Banking Act. The Congress is authorized by the Constitution to print money, but we delegate that power to the Federal Reserve System. We can do the same thing in this instance. Secretary Johnson himself put a similar plan into operation. We can direct the President of the United States to do the same thing.

Mr. President, I beseech every Member of the Senate to vote for this amendment. It is a step in the right direction. It may be said that the result will be to hurt some activities, and give too much for others. If we permit the President to do what we are asking, every agency can do exactly what Secretary Johnson did. The President can look over the situation

and make the cuts where the impact will be least felt, in order to carry out a 48-State reduction in personnel. It is the sensible thing to do. It is the only way to reduce an appropriation made by the Congress. It directs the various agencies to do exactly what the Secretary of Defense did in making a reduction in the armed services expenditures.

The PRESIDING OFFICER. The time of the Senator from Nebraska has expired.

Mr. HUMPHREY. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. The Senator's time has expired. He cannot yield for a question.

EXHIBIT 1

To the Honorable SCOTT W. LUCAS, majority leader of the Senate, and to the Honorable KENNETH S. WHERRY, minority leader of the Senate:

The undersigned Senators respectfully request that the majority leader of the Senate, Senator LUCAS, and the minority leader of the Senate, Senator WHERRY, so arrange the schedule of the business of the Senate that Senate Joint Resolution 108, entitled "Joint resolution to reduce expenditures in Government for the fiscal year 1950, consistent with the public interest," shall be made at the earliest practicable date the unfinished business of the Senate, so that said resolution may receive full consideration of the Senate and be brought to a vote on final passage.

Democrats: JOHN L. MCCLELLAN, MILLARD E. TYDINGS, VIRGIL H. CHAPMAN, BURNET R. MAYBANK, JAMES O. EASTLAND, KENNETH MCKELLAR, A. WILLIS ROBERTSON, WALTER F. GEORGE, HARRY F. BYRD, G. M. GILLETTE, CLYDE R. HOEY, E. C. JOHNSON, SHERIDAN DOWNEY, SPESSARD L. HOLLAND, J. ALLEN FREAR, JR., PAUL H. DOUGLAS, G. L. WITHERS, TOM CONNALLY, PAT MCCARRAN, J. W. FULBRIGHT, JOHN C. STENNIS, OLIN D. JOHNSTON, ELMER THOMAS, JOHN SPARKMAN, LESTER HUNT, HERBERT R. O'CONOR.

Republicans: STYLES BRIDGES, KENNETH S. WHERRY, CLYDE M. REED, CHAN GURNEY, EDWARD J. THYE, JOHN W. BRICKER, ANDREW F. SCHOEPPEL, ROBERT C. HENDRICKSON, JOHN J. WILLIAMS, OWEN BREWSTER, WILLIAM F. KNOWLAND, ZALES N. ECTON, ROBERT A. TAFT, ALEXANDER WILEY, CHARLES W. TOBEY, JOE MCCARTHY, RAYMOND E. BALDWIN, JAMES P. KEM, HOMER FERGUSON, EDWARD MARTIN, EUGENE D. MILLIKIN, W. E. JENNER, RALPH E. FLANDERS, MARGARET CHASE SMITH, BOURKE B. HICKENLOOPER, KARL E. MUNDT, GEORGE W. MALONE, IRVING M. IVES, HOMER E. CAPEHART, LEVERETT SALTONSTALL, HUGH BUTLER, FORREST C. DONNELL, MILTON R. YOUNG, H. ALEXANDER SMITH, HARRY P. CAIN, H. C. LODGE, JR., ARTHUR V. WATKINS.

Mr. LUCAS. Mr. President, I yield 2 minutes to the Senator from Wyoming [Mr. O'MAHONEY].

Mr. O'MAHONEY. Mr. President, I am glad that the Senator has limited my time. It will not be necessary to say more than a few sentences to express my point of view with respect to this amendment.

I consider it to be a dangerous abdication by Congress of its constitutional powers. When the Congress gives up control of the purpose to the Executive, it gives up the very basis upon which free popular government was established. There has been altogether too great a tendency in that direction during recent years.

The bill which we passed surrendering to the President the congressional power to reorganize the various branches of the Government is an indication of the same trend. In the name of economy we have endorsed the recommendations of the Committee on Reorganization of the Executive Branch of the Government. Those recommendations only have the effect of making big government more efficient, and not at all of demobilizing big government in any respect whatsoever. If any Senator who supports this amendment ever again raises any criticism about Executive power, it seems to me that his vote will rise to smite him.

If we are to preserve popular government in the United States we must preserve the right of Congress to control appropriations. If we give this power to a President, he can go into any congressional district or any State and use that power for purposes which would undermine free government. I do not think that will be done by the present President.

Mr. President, I am against this amendment.

The PRESIDING OFFICER. The time of the Senator from Wyoming has expired.

Mr. LUCAS. Mr. President, how much time have I left?

The PRESIDING OFFICER (Mr. GRAHAM in the chair). The Senator has 31 minutes.

Mr. LUCAS. I shall take 30 minutes of that time.

A moment ago when the distinguished Senator from Nebraska [Mr. WHERRY] asked unanimous consent to insert in the RECORD my voting record I objected to it, primarily because of the fact that after listening to the Senator from Nebraska last night on the radio, and knowing of all the mistakes he made in that address, I was a little afraid to trust him with my voting record at that particular time without having an opportunity to look at it before it went into the RECORD. I shall have more to say about that subject before the day is over.

The supporters of this proposal have stated over and over again that Congress is unable to evaluate properly the financial needs of the Goverment, and for that reason they have proposed this unusual procedure.

This argument has been totaly disproved. This Congress has demonstrated that it is not wanting in any respect in its ability to evaluate the appropriation estimates of the President. It has demonstrated this by its action in reducing appropriations under the President's estimates by an amount approaching $2,000,000,000. It has disproved this argument by changing more than one-half of the individual items in the President's original appropriation requests.

The fact that the Appropriation Committees this session have taken more than 20,000 pages of testimony substantially contradicts this baseless argument. I do not see how the placing of this unfair responsibility upon the President can any longer be justified on the pretense that Congress cannot perform its own duties. The supporters of this amendment must now find some other grounds to justify this destructive proposal.

This amendment is subject to serious objection on constitutional grounds. It amounts to an improper delegation of constitutional authority to the President of the United States—the authority to make appropriations which, under article I, section 9, of the Constitution, properly belongs to Congress.

The Constitution makes clear that control over appropriations shall be in the legislative branch of the government. We say to the President under this amendment, "Draw whatever is necessary from the Treasury of the United States to meet the requirements of this provision." The Constitution gives to Congress control over the purse strings of government. The framers of the Constitution, in placing this power in Congress, intended that public moneys should be expended for purposes which had met the approval of Congress after careful and thorough consideration of the needs of the people.

The proposed amendment delegates to the President authority to reverse the decisions of Congress arrived at after careful study. Under this amendment, the President could withhold funds from programs which have received the overwhelming support of Congress and for which Congress has made specific appropriations.

It is true that Congress has freely delegated part of its legislative power to the President, but this has been done for the purpose of carrying out the objectives of Congress. I do not think any Senator can point to a precedent justifying a delegation of authority such as this which directs the President to ignore the objectives and decisions of Congress. That is the distinction in all the cases which have been cited by the Senator from Nebraska and other Senators, in which we delegate power. Let me repeat my last statement. We have delegated power to the President for the purpose of carrying out the objectives of Congress. But at no time have we delegated power to the President to ignore the objectives and decisions of Congress. That is exactly what we would be doing if we should adopt this amendment.

Assuming for the sake of argument that Congress can delegate its authority over appropriations, a delegation to be valid must contain standards and principles which will guide the administrative officer in carrying out his duties under the delegated power. These standards make certain that the officer will comply with the intent of Congress. This proposal contains no such standards or principles. The provision that the President must reduce over-all expenditures from 5 to 10 percent and must cut no agency greater than 20 percent is not such a standard.

If Congress wishes the President to make a reduction in expenditures, it is up to Congress to state where the reduc-

tion shall be made. Congress is improperly delegating authority to the President when it directs him to choose among various objectives all of which have received the approval of Congress.

This proposal, if successful, will establish a new and dangerous precedent which Congress in the future will seriously regret.

This amendment should be rejected because of its sheer unfairness. Under our republican form of government, the elected representatives of the people in Congress must take complete responsibility for their legislative actions or inactions. On the other hand, the President must accept responsibility for the wisdom or unwisdom of his proposed program and for the manner and efficiency in which he executes the laws.

This amendment brazenly places the legislative responsibility upon the President of the United States—a responsibility which rightly belongs to every Senator and Representative. It shields the Members of Congress from the brunt of their rightful obligations. If we are frank with ourselves, we must admit that this is not a courageous act on the part of the Congress. Every Member, before he becomes a party to such an action, should weigh the implications of his vote.

Mr. President, my point is that if the House and the Senate can reduce appropriations by almost $2,000,000,000 under the President's budget of expenditures, as they have done, then the Congress can make further reductions in the appropriations if it wishes to do so. If Congress wishes to cut expenditures, it should do it, rather than pass the buck to the President.

It is plain to see how this shift in legislative responsibility comes about. Under this amendment, the President will be required to make drastic cutbacks in many programs that have broad popular support. He will be forced to apply economies in such areas as public works, veterans' services, and agricultural programs. Cut-backs in these programs will face vigorous criticism.

This proposal, in effect, will force the President to make decisions for Congress; the President, rather than Congress, will unfairly bear the responsibility of these decisions. I seriously doubt that any Senator would want to place the Chief Executive in such an unjust position.

A moment ago a statement was made by the Senator from Wyoming [Mr. O'MAHONEY] that if we grant this power to the President, he could then, if he desired, use it in an arbitrary and capricious way, and as a result could destroy certain Members of Congress in an election year. He could take from the State of Nebraska, for instance, all the projects the distinguished junior Senator from Nebraska has been sponsoring.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. Mr. President, I shall not yield to any Senator at this time.

The President could do away with the projects the Senator from Nebraska has been sponsoring under the flood control act, or the President could take away the Omaha post office, for which the Senator from Nebraska fought so hard on the floor of the Senate.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. The President could do almost anything he might wish to do under the power the amendment would give him.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. In other words, the President could leave alone the projects in Illinois in which the Senator from Illinois is interested, but could take away projects in which the Senator from Nebraska or the Senator from Arkansas, for instance, is interested, or the President could seriously curtail those projects. So, under the so-called give-away program about which certain Senators talk so much, the President could do a great deal to certain Members of Congress in the 1950 election, if he so desired. Yet, Mr. President, Members of Congress who seemingly care so much about the Constitution and are constantly heard defending it now seem to be willing to give this power to the President of the United States.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. Mr. President, another serious objection to this amendment is the fact that it seriously threatens the essential services of our Government.

An analysis of budget estimates clearly shows that this amendment will not result in a mere 5- to 10-percent reduction in most expenditures, but rather the President in carrying it out will be required to make large slashes in vital areas that will have far-reaching effects that few Senators really want or are prepared to defend.

This amendment provides that reductions in appropriations made by Congress itself will be credited toward the reductions that are to be made by the President. After full credit has been given for the cuts made by Congress, the President will still be required, under this amendment, to reduce expenditures by a minimum of approximately $700,000,000. This takes into consideration increased expenditures as a result of the military assistance program.

The devastating nature of this proposal becomes quite clear when we consider the expenditures which would bear the brunt of this reduction. Mr. President, the able Senator from Minnesota has gone over this matter, but it is so important that I repeat it.. The Senate Committee on Executive Expenditures recognized that over $24,000,000,000 of the President's budget for 1950 cannot practicably be reduced. That leaves about $17,000,000,000 of appropriations to be played with in connection with this amendment. The trouble with a proposal of this sort is that those supporting it are attempting to make the people of the United States believe there should be a reduction all the way down the line. However, as we know, there are many items—comprising, as I have said, more than $24,000,000,000 of the President's budget for 1950—which cannot be reduced. These expenditures are for fixed or relatively fixed obligations. This figure will probably be closer to $25,000,000,000 as a result of the increased expenditures for price supports and the military-assistance program.

In other words, a very small part of the President's budget must bear the brunt of a minimum reduction of at least $700,000,000. It should be clear that this amendment does not require a mere 5 percent to 10 percent reduction in all expenditures, but, rather, it may require cuts of from 20 percent to 25 percent on the items which can be reduced.

As we have seen, under this proposal, the greater part of the expenditures for 1950 cannot be reduced. Expenditures for the National Military Establishment account for the largest share of the expenditures which the Senate Committee on Executive Expenditures classified as reducible. The military appropriation bill now provides for a cut of half a billion dollars. Consequently, it will be difficult for any further reduction to be made there.

Marshall-plan funds account for a large part of the expenditures classified as reducible by the Senate committee. Here, again, Congress had made drastic reductions. If the President in carrying out this proposal should apply additional economy to the armed forces or to the Marshall plan, considerable detriment might be suffered in our national defense and in the ultimate success of the European recovery program. However, in order to preserve the essential services rendered by the Government, the President may be required to cut these programs again, as a result of this amendment.

The able Senator from Michigan [Mr. VANDENBERG], in his remarks on the floor of the Senate on June 28, emphasized the necessity of protecting the ECA program from the destructive effects of this economy move. Out of that discussion came the provision which requires that credit be given for reductions made by Congress.

Let me make it clear that this provision allowing credit for reductions made by Congress does not prevent the President from cutting the ECA program still more. Under this amendment, there is still leeway, since it allows reductions for any particular agency up to 20 percent. Four hundred million dollars more could be cut from ECA and still be within the 20 percent figure. The armed forces appropriations can also be cut further under this amendment. Since all the economies which the President will be required to make under this proposal must fall within a very limited area, the Senate in adopting this measure is for all practical purposes asking the President again to reduce Marshall plan funds and appropriations for the armed forces.

When the distinguished senior Senator from Michigan voiced his fears for ECA on the floor of the Senate, it was pointed out to him that this proposal did not require the President to cut ECA funds at all; that he could effect economy in other ways. It is this shifting of legislative responsibility that is so objectionable and which I believe no Senator can rightly condone, if he votes his honest

convictions upon this kind of measure. The real fact is so clear that it hardly needs stating.

If the amendment is adopted, the President may find it absolutely necessary to make additional cuts in ECA funds and in the expenditures of the armed services.

Mr. President, what I have said over the radio and in the press, I stand by. I have gone along with the cuts the Appropriations Committee has voted to make, even the 10 percent cut of the ECA funds. That is exactly what I have done, Mr. President, in the face of certain opposition on the part of some of those high in authority. I stood foursquare behind every one of the appropriation bills which came from the committee with reductions in the amounts carried. I did not go along with many of the reductions proposed on the floor of the Senate, that is, with some of the minor amendments of which the Senator from Nebraska is attempting to make so much.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I do not yield.

The PRESIDING OFFICER. The Senator from Illinois declines to yield.

Mr. LUCAS. The ECA and the armed forces account for almost two-thirds of the so-called reducible expenditures. Other Government activities cannot possibly absorb the full reduction.

Many Members of Congress are right now criticizing the President because he permitted the Secretary of Defense to shut down certain naval establishments in order to economize. This amendment would result in more activities being closed down and, of course, more unfair shifting of criticism to the President.

It would be extremely easy to shift criticism if the amendment were adopted and the bill were signed by the President—which he never would do. Suppose, Mr. President, the amendment were agreed to and the bill passed, and the President should say "This is unconstitutional, I am not going to do anything about it." I suppose there would be somebody here, as there were some folks last year just before the election, who would want to have the President impeached—and the President would then go out and win another campaign, probably, as the result of it.

Mr. President, it is clear that the amendment would result in more activities being closed down. If military and foreign-aid expenditures are to be spared, all the reductions under this amendment must be absorbed by a limited number of programs having an annual cost of $4,500,000,000. In other words, the President would be required to cut everything in this restricted area by an average of almost 25 percent. This would place upon the President an impossible task if essential services of the Government are to be maintained. Let us consider now the expenditures which make up this $4,500,000,000.

The effect of this amendment becomes apparent when we examine these programs. It is time that we cease thinking and talking in broad generalities about economy and balanced budget and consider exactly what this amendment means in terms of cotton growers in the South, sugar growers in the West, and veterans in hospitals. We cannot discuss economy separately from specific Government activities. Economy becomes meaningful only when it is considered in relation to services our money is buying—only this way can we determine what is and what is not genuine economy.

The Committee on Executive Expenditures has classified as reducible Veterans' Administration salaries and expenses in an amount of $746,000,000. A reduction here of from one hundred to one hundred and fifty million dollars would virtually destroy most of the services rendered to veterans by this agency. The granting of pensions and readjustment benefits depend upon the maintenance of an adequate working force. A large reduction in salaries and expenses would cut down the number of workers this agency could employ to a point where normal services could no longer be properly rendered.

The Administrator of Veterans' Affairs in testimony before the Senate Appropriations Committee emphasized that the medical care and hospitalization program of the Veterans' Administration would require $48,000,000 more than provided in the budget estimates. He stated that if these funds were not made available, the Veterans' Administration would have two alternatives. They could either reduce the quality of medical care now being furnished, or reduce the number of hospital beds in order to maintain present standards of medical care. As a result of this testimony the House and the Senate approved an additional $16,000,000 for the Veterans' Administration's medical program.

A cut in the Veterans' Administration salaries and expenses would fall directly upon the medical program. A vote for this amendment can only be interpreted as a direction to the President to reduce the effectiveness of many of the services provided by the Veterans' Administration. This would be a severe blow to the physical and moral stamina of those veterans who were willing to give all that democracy might live.

Another item which may have to be reduced by as much as one-fourth, if ECA and military expenditures are spared, is $599,000,000 in Agriculture Department funds, classified in the committee report as reducible. A proportionate reduction here would have to be absorbed in the most part by the following programs: Sugar payments, cotton classification which assures higher prices for cotton, the agricultural conservation program, the Farmers Home Administration, and the school-lunch program. It should be clear to all that a serious obstruction in these broadly accepted programs would be extremely costly to farmers of America and to the people generally.

Over $219,000,000 of Bureau of Internal Revenue funds would also bear the brunt of this amendment. From these funds must be paid the enforcement officers of that Department. I would like to remind my colleagues in the Senate that they voted to increase the number of enforcement officers to be employed by the Bureau of Internal Revenue, and they rejected by a vote of 75 to nothing a conference report which did not provide for these new officers. The Senate by adopting this amendment would be practically reversing itself.

Post Office Department expenditures make up a large share of this $4,500,000,000 that must bear the full reduction, if ECA and the armed services are spared. This would jeopardize one of the most essential services rendered by the Government.

This proposal would also require a considerable cutting in the funds of the Federal Works Agency. This is hardly the proper time to effect savings in this area.

It should be perfectly plain that the President would have difficulty carrying out this amendment whether or not additional cuts are made in ECA and the armed forces.

The disastrous effects of this proposal upon the essential and vital functions of the Federal Government should be clear to every Senator. Any argument that the President need not cut the activities which I have been discussing but might reduce other expenditures is wholly fallacious. Simple arithmetic proves conclusively that the very activities which I have mentioned must suffer for these activities account for practically all of the expenditures which have been classified as reducible by the committee reporting the McClellan resolution. In other words, there is no other place where economies can be effected.

So while this amendment may shift legislative responsibility to the President for reductions made on specific items, Congress cannot shift responsibility for the over-all effect of this proposal upon the many vital activities of our Government. This responsibility is firmly on the shoulders of each Senator who supports it. He will be accountable to the people for the destructive effects of this measure. This is a responsibility that cannot be shifted.

Mr. President, the irony of it all is that the Senate of the United States, which is so economy-minded, voted larger appropriations than were contained in bills which came to the Senate from the House of Representatives. After that kind of action, Senators now want to shift the responsibility of doing the cutting to the President of the United States. We ourselves in the Senate did not have the courage to cut, but we had the courage to increase the appropriation here over the amounts approved by the House and sent to the Senate. Oh, what a fallacy. What a sham, Mr. President, this all is. What a pretense of economy, Mr. President, this kind of resolution. I do not quite understand.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. LUCAS. I do not yield. I do not have the time.

Mr. JOHNSTON of South Carolina. I wanted to clear up something at that point. I think it would help.

Mr. LUCAS. I yield to the Senator.

Mr. JOHNSTON of South Carolina. What I wanted to say was that many Senators signed the petition only to get a vote on the resolution, not that we would vote for it when it came up.

Mr. LUCAS. I thank the able Senator for the statement.

Mr. JOHNSTON of South Carolina. I want that plainly understood.

Mr. LUCAS. I thank the Senator very much. As I pointed out at the beginning of my remarks, the main basis for this amendment has been disproved. I want to emphasize again that no Senator can support this amendment on the premise that it amounts to only a 5 to 10 percent cut of Federal expenditures and that every Government activity can absorb this reduction. As a matter of fact, it involves closer to a 25 percent cut in every expenditure which can at all be reduced.

As a final observation, I should like to say that after Congress has solemnly gone through the motions of seriously studying and thoroughly considering appropriation bills, spending on them weeks and months, recommending and making hundreds of changes, the Senate increasing here and there the amounts allowed by the House, and yet saving approximately $2,000,000,000, compared with the President's budget, it must appear strange to the general public to observe the same Congress without any apparent embarrassment telling the President to ignore all the studying Congress has done and all the recommendations it has made.

I do not see how anyone can disagree that this proposal would not only set a dangerous precedent but would amount to a shunning of legislative responsibility. Above all it is a serious threat to essential services of the Government.

Mr. President, I received a telephone call this morning from one of the most important men in this Nation. He is not in politics. Every Senator knows about him. He asked me to do everything I could to keep this amendment from being agreed to, because he does not want to see this kind of responsibility shifted to the President of the United States when, under section 1, article IX, of the Constitution of the United States, it is the duty of the Congress itself to take care of the purse strings and control the funds of the Government.

I say to the Senate that if this amendment is agreed to, Senators will regret this day as long as they live. If this amendment shall become part of the law of the land, Senators will rue to their last days the grant of such power to the President of the United States, I care not who the President may be. We are in dangerous times in the world. There is totalitarian power everywhere, and yet the Senate itself wants to grant such power to the President of the United States. Senators who call themselves conservatives, who go about the country telling the people that they are reactionaries, and pleading for the days of the past, are willing to transfer this power, this unbridled power, I might say, to the President of the United States, in order that he may carry out the duties and the obligations which rest, under the Constitution of the United States, upon the shoulders of each and every Senator in this body. Senators can take it in any way they desire. They can go home and talk to the people about how they voted for the great amendment to bring about economy, but the people will find out sooner or later exactly what was involved in all the economy tommyrot embodied in this particular amendment.

I repeat, Mr. President, that this is the most dangerous step which has been attempted since I have been a Member of the Senate of the United States, so far as concerns the granting of legislative rights that are ours under the Constitution. No one can challenge the figures which I have given. If this amendment is adopted it may cripple the essential domestic services of the Government to the point where the Government may break-down.

The VICE PRESIDENT. The Senator has one more minute.

Mr. LUCAS. Mr. President, I yield 1 minute to the Senator from Connecticut [Mr. McMAHON].

The VICE PRESIDENT. The Senator from Connecticut is recognized for 1 minute.

Mr. McMAHON. Mr. President, I voted for a 5 percent cut in connection with most of the appropriation bills which have come before the Senate. I shall vote against the pending amendment. In my State, when a person is incompetent to handle his affairs, someone files a petition with the probate court for the appointment of a conservator or a trustee. I do not intend to vote for the appointment of a conservator for the United States Senate. If there is one thing upon which our democracy is based, it is upon the fundamental division of powers between the executive, the legislative, and the judicial branches. This attempt to put aside all responsibility and to confess our inability to do our constitutional duty is a pusilanimous act. That is why, Mr. President, I shall vote against the amendment.

The VICE PRESIDENT. The Senator from Arkansas has 5 minutes.

Mr. McCLELLAN. Mr. President, in answer to what the able Senator from Connecticut has just said, may I remind him that in this very bill we have already voted to permit the Secretary of Defense to become a "conservator" as he terms it, of national defense because, as he implies, the Congress did not have the wisdom or the courage to make the necessary cut in appropriations. We have established the precedent in this bill. If we want to repudiate it or hunt some dubious alibi to keep from coming out into the open and going through with this courageous step to balance the budget, then let those who choose to do it make their record accordingly. But I shall not record my vote that way. Those Senators who talk about delegating power have already repudiated their arguments by adopting an amendment giving to the Defense Secretary such power and authority. Explain that to the country, if there must be some explaining. If it is too much power, when did the virtue, intellectual honor, and integrity of the Secretary of Defense excel that of the President of the United States? We can talk about its being the job of Congress itself, but we shall have to vote for another appropriation in the arms to Europe bill. That will be an appropriation delegating to the President of the United States absolute power and discretion to spend the money. The money will not be earmarked for providing so many cannon, so many tanks, so much for this country, and so much for that country. We shall delegate full power to the President of the United States to spend it as he pleases if we carry out his recommendation. This issue is of great concern to the tax-burdened people of the Nation. We have asked the President to do many discretionary functions time and time again. If this amendment is unconstitutional, then the President usurped legislative authority of the Congress and violated the Constitution when he impounded appropriations made 2 years ago for reclamation and flood control. We should be honest with ourselves and with the people. I have no personal interest in this. The first resolution which was introduced in this Congress to do this job was introduced by one of the ablest Democrats in the Senate, the senior Senator from Maryland [Mr. TYDINGS]. I do not care what argument may be used, you cannot absolve the President of the United States from his share of the responsibility. He sends us the budget as a guide for appropriations. It is just as much the obligation of the President of the United States to modify and revise that budget to fit changed conditions as it is the duty of Congress to keep appropriations within national income.

Efforts have been made to frighten us with the statement that the President of the United States may be vindictive in the exercise of this power. From whom does that threat come? It comes from those who have plead over and over again for Congress to delegate power to the President of the United States. If their opinion of the President is that he will not act fairly and honestly and in the spirit of the statute, then they certainly have less regard for his intellectual honor and integrity than I have.

Efforts have been made to frighten Senators regarding their State projects. The implication is that the President of the United States is so little in character that he would stoop so low as to punish the people of a sovereign State to get even with a Senator for a vote cast by such Senator as one of the State's representatives in the Senate. Those who made that statement have cast the aspersion against the President. I did not. I am willing to trust the President. In the interest of the national welfare are Senators willing to trust the President of the United States to help us do this job? They can answer by their vote. Make no mistake about it, the Nation is conscious of an impending economic crisis. This is the only way, and the last chance, to make an effort to balance the budget. If you really want to economize and balance the budget, vote for this amendment. If not, vote against it.

The VICE PRESIDENT. The Senator's time has expired. All time for debate has expired.

Mr. WHERRY. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hickenlooper	Murray
Anderson	Hill	Neely
Brewster	Hoey	O'Conor
Butler	Holland	O'Mahoney
Byrd	Humphrey	Pepper
Capehart	Ives	Reed
Chapman	Johnson, Tex.	Robertson
Chavez	Johnston, S. C.	Saltonstall
Connally	Kefauver	Schoeppel
Cordon	Kem	Smith, Maine
Donnell	Kerr	Smith, N. J.
Douglas	Kilgore	Sparkman
Dulles	Knowland	Stennis
Eastland	Langer	Taft
Ecton	Leahy	Taylor
Ellender	Long	Thomas, Okla.
Flanders	Lucas	Thomas, Utah
Frear	McClellan	Tydings
Fulbright	McFarland	Vandenberg
George	McKellar	Watkins
Gillette	McMahon	Wherry
Graham	Malone	Wiley
Green	Martin	Williams
Gurney	Miller	Withers
Hayden	Millikin	Young
Hendrickson	Mundt	

The VICE PRESIDENT. A quorum is present.

Mr. BUTLER subsequently said: Mr. President, it had been my intention to make a statement on the bill which has just passed, but I was unable to get any time allowed for the statement. I, therefore, ask unanimous consent to have my statement inserted in the RECORD previous to the vote.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HUGH BUTLER

GOVERNMENT SPENDING MUST BE CUT

The issue upon which we are about to vote, in my opinion, is one of the most decisive issues we shall face in this session of Congress. I refer to the pending amendment proposed by the Senator from Arkansas [Mr. MCCLELLAN] to require the President to make reductions in the rate of spending of between 5 and 10 percent by all the bureaus and agencies of the Government. I shall vote for this amendment and for the reduction.

I say that it is a most important vote, Mr. President, because it goes right to the heart of the financial situation we find ourselves in today. During the fiscal year we have just finished, the Federal Government spent almost $2,000,000,000 more than it took in. During the fiscal year on which we have entered, it is already clear that we shall spend four, five, or perhaps six billion dollars more than we take in, unless a number of the Members of this Senate and the House of Representatives execute a dramatic about-face.

These excessive expenditures can only be paid for by borrowing the money. There is no other place to get it. That means that the amount of these deficits must be added on to the national debt, which is already over $250,000,000,000.

This reckless policy of spending more than we take in is not due to any lack of tax revenue. On the contrary, the tax burden is still extremely heavy. Federal revenues are still very close to a record for peacetime. Tax revenues during the fiscal year just finished were still more than five times as great as they were during the last year before the war—the fiscal year ended in June 1941. Even these revenues are not great enough to supply the insatiable requirements of our present Federal spending policies.

During the fiscal year just finished, the Federal Government took over $276,000,000 in taxes from Nebraska alone. That represents a cash payment of around $215, on the average, from every man, woman, and child in the State. For the average family of four, it amounts to over $860. Even taxes of that magnitude have not been enough to meet the demands of the various Government bureaus.

The proposed amendment will require the President to reduce expenditures on the average by between 5 and 10 percent. Assuming it may pass, I believe it is safe to say that the President will not cut such expenditures by more than 5 percent. He has given us the lead on these spending programs, and he has never shown any great enthusiasm for economy. Even if he reduces expenditures by 5 percent, the resulting savings would not be nearly enough to balance the budget for this fiscal year we are entering. Five percent of the total budget would amount to about $2,000,000,000—a very substantial sum—but still not enough to bring the budget into balance. I could wish that the amendment would require still greater savings, and I would propose such an amendment myself if I thought it had any real chance of adoption by this body.

I realize that this is a very drastic and unprecedented manner of attempting to deal with our Federal financial system. It is true it amounts to an abdication of the normal responsibilities of Congress, by giving to the President the right and authority to reduce by his individual decision the various appropriation items that Congress has already granted in detail. In effect, it is an "item veto" on our appropriation actions. Normally, I would not favor such a course, but the situation is too serious for half measures.

Congress has the primary responsibility for reducing appropriations, but Congress has failed to meet that responsibility properly. Some reductions have been made by the congressional committees, but not enough to meet the situation. If there is no way to cut expenses except by giving the President authority to do so, then we have no alternative except to give the President that authority.

I wonder if other Members of the Senate feel the same concern as I do about the financial course upon which we appear to be embarking. During the 1930's for a number of years, we spent more than we took in, but at least at that time there was a depression with millons of unemployed and farm prices at bankruptcy levels. Later on during the war, of course, we financed a large part of our necessary expenses by borrowing. There was no escape from that.

There is no such excuse today. There is no war and no depression, but we seem to have caught the habit of spending so badly that we can't stop. No matter how great our tax revenues are, they are never enough. We find ways to spend still more. No matter how many benefits we have already given to various groups in this country, we are told they are never enough. Each year we are told we must pass new legislation conferring yet additional benefits on those same groups. Every year we must spend more than we did the year before to keep these various groups satisfied, so we are told.

Our tax revenues for the year we have just finished—fiscal year 1949—would have been more than enough to pay for all the costs of the previous year—fiscal 1948. They were not enough to meet our expenses for 1949 because we had increased our rate of spending in the meantime. We had enacted additional legislation and increased appropriations, so that as a result we spent almost $2,000,000,000 more than we took in. During this present fiscal year we have again enacted legislation so as to increase the spending total several billion dollars more. Practically every appropriation bill we have acted on has shown an increase over the corresponding appropriation of the previous year.

This Government is no longer a government of the people, by the people, and for the people. It is a government of, by, and for the pressure groups. It seems that almost every element in our national economic system has organized itself to put pressure on Congress, so as to force increases in appropriations. Every pressure group has found means and convincing arguments somehow to persuade Congress to dip into the pocket of the average taxpayer and take out still more money for the benefit of the pressure group and its members.

In this process of pressuring Congress into giving special benefits, these pressure groups have developed Nation-wide associations of those interested in increasing appropriations for their particular pet programs. Members of these associations are notified when these measures are coming up and told to write their Congressmen or their Senators demanding that a certain appropriation not be reduced. This pressure is turned on and off like a spigot. Just before the vote comes up on any question, each of us receives a flood of letters from our constituents insisting that a proposed appropriation be maintained or even increased. We are given to understand by these letters that this group of constituents is interested in only one question of the hundreds of questions that come before us during a session. We are made to realize that we shall be judged entirely on the basis of how we cast our votes on that particular question. In effect, we are told that no matter what other appropriations may be cut, this one is sacred, and it must not be cut.

A few days later some other measure will come before us, and again we receive a flood of mail demanding that we support some other new or expanded program. Again we are told that this particular appropriation or program must not be reduced.

That is how our Federal Government is run today. It is sort of a gigantic money mill. It takes money out of the hands of every consumer and out of the pockets of every man who earns a living. It is the silent partner in every business, whether an individual enterprise, a partnership, or a corporation, demanding its share of the profits. On the other side, it grinds out these gigantic sums of money to every group which has been able to push its program through Congress. Everywhere you go all over the country there are special programs to help special groups with the money taken out of the pocket of the average citizen. Certainly there is hardly an individual left in this country who could not get in on some Government program if he wanted to.

The demand for this increased spending does not come from the people. The average man does not want still more taken out of his pocket in taxes. The original source and fountainhead of the demand is within the Federal bureaus themselves. Federal employees are the idea men and the sparkplugs for these new programs. They are the real makers of policy. On Government time and on Government pay they develop always new and larger programs to sell to the Congress and to the public. The explanation and the arguments for the programs are developed and worked up by the bureaus. This material is passed along to the pressure groups and handed out to the newspapers and magazines. Soon it begins to appear in the Sunday supplements and the leading periodicals in the form of articles and special features. The general public, composed of the average man and his wife, sees and reads this material and hears it on the radio. It is always presented very plausibly. The difficulties and objections to it very rarely come to his attention. The average man does not have

time to think about every law that is proposed here. He is likely to accept what he reads.

The opposition is never so well organized. Certainly there are a few associations of taxpayers and the like around the country, but they are never so well financed and well staffed. They cannot draw on the United States Treasury to finance any counter-propaganda. Probably they do the best they can with the limited means at their disposal.

When the average man has had the new idea sufficiently explained to him the pressure group is ready to go to work. Members of Congress begin getting the letters in support of the proposal. Many of those who write do not even know for sure what it is they are advocating. They have simply been told to write their Congressman, and they do so, urging him to vote for or against a certain measure. All too frequently the pressure becomes too heavy to resist.

That is the history of most of the big new programs which have been put into effect during the last dozen years. The demand for them did not come from the people in most cases. It was artificially stimulated by the Government bureaus concerned, with the aid and assistance of the private associations that expected to reap the benefit.

All the pressure is on the side of spending, and none of it is on the side of saving. Is it any wonder if the average Member of Congress finally gives in to the pressure and votes for the program in question?

The same is true whenever any question comes up of the rate to be charged for any kind of Government service. The Government, of course, operates a considerable number of activities which are more or less of a business type. That is, there are revenues from those who benefit which can be used to pay the cost of running the bureau. For example, a bureau like the Patent Office charges fees for filing applications for patents. It used to be the case that the Patent Office charged enough for such applications to cover its cost of operation. The inventor was required to pay a fee which was sufficient to meet those costs. That is true no longer. The fee that is charged is no longer sufficient to meet the costs of running the bureau. The same is true, I believe, with virtually every other agency run by the Federal Government. Always the appropriations have been increased in response to pressure. Always the fees that are charged have been held down in response to pressure. The result is an operating loss which, of course, must be made up from general taxes. It must be paid by the average man who has no particular interest in or knowledge of the bureau, rather than by the customer who is benefited by the service rendered by the agency. I believe there is not a single one of these agencies which today meets the costs—all the costs—of its operations from the fees and charges.

Even today we are told, Mr. President, that we must increase still further the rate of Federal spending. We have been urged to adopt the Brannan plan for agriculture which will cost untold billions of dollars The demand for this plan did not come from the farmers. Most of the large farm organizations are very much against it. In my State none of the farm organizations are for it. I don't recall receiving a single letter from any farmer in my State in favor of the Brannan program to let farm prices fall and then pay the farmer the difference with a Government check.

This plan is certain to cost billions and billions of dollars every year. We do not know how much it would cost if it were put into effect. The Secretary of Agriculture has never been able to tell us. Secretary of Agriculture Brannan has 89,517 people working for him in his department, and not one of them can tell him how much his plan will cost the Federal Government. Apparently they cannot even give him a close estimate whether it will cost two billion a year, five billion, or fifteen billion. The cost doesn't seem to concern him. He is apparently in favor of going ahead with it regardless of cost.

Another big new program we have been pressured to adopt is the socialized-medical program. This is another brainchild of a Government bureau. It is sponsored primarily by the Administrator of the Federal Security Agency, Mr. Oscar Ewing. In effect this plan provides that instead of paying your own medical expenses you will pay more taxes to the Government, and the Government will pay your medical expenses. If the plan is adopted, you will have no say as to how much it will cost you and how much additional taxes you must pay. That will be decided by the Government. It will certainly cost more than your present medical bills, if only because a certain percentage of what you pay must be kept by the Federal Government to cover the administration costs. In effect the Government will decide how much medical attention you need and are entitled to have. It will pay your doctor for you, and then, if necessary, raise your taxes to secure the money. In England, which has a similar system, the Government has decided that every man who wants one shall be entitled to a wig. Since wigs are free under the system, many men go and secure wigs who probably never before realized that they wanted them. Of course, the cost is paid out of taxes. There is nowhere else to secure the money. The individual who may not desire a wig cannot refuse to accept it and thereby save his money. He can refuse the wig, but he cannot save any money by doing so. He might as well accept the wig, whether he wants it very badly or not. Then the cost is added on to his tax bill and everybody else's.

These proposals—the Brannan plan for socialized agriculture and the Ewing plan for socialized medicine—are only two of the programs that we have been called upon to accept. Either of them will cost billions of dollars. I am happy to say that the Congress has thus far refused to accept either one There are half a dozen other big, new, expensive programs that have been placed before us by the President. Most of them we have not accepted to date, but gradually, one by one over the years, they seem to get through. We fought off socialized, subsidized low-cost housing for several years, but this year it finally passed. It will add a few more billions to the cost of the Federal Government during the coming years.

The point we have finally reached is just short of disastrous. In spite of our heavy tax burden, last year we ran almost $2,000,000,000 in the red. This year the deficit is to be larger. If this were an unusual emergency need, perhaps these sums could properly be met by borrowing and issuing bonds There is no emergency need, however. These spending programs have become the normal mode of Government operations. Each year they increase over the previous year. Unless some method is found—and found quickly—to put a stop to this policy, the situation will go completely out of control and we are likely to lose all contact with financial reality. Borrowing sounds easier than taxing, but it is not. It is simply putting off until tomorrow what ought to be done today. It is a method of avoiding our responsibilities for the time being, in the hope that some all-powerful savior will be able to save us from our foolishness.

History is full of nations that thought borrowing was the easier way. Once they had embarked upon a policy of borrowing, they found it very difficult to stop. Deficit financing led to printing-press money, and that caused inflation.

A little inflation always seems pleasant at first, but as it grows and grows, more and more people are impoverished. Prices go out of sight. Generally it continues until there is some kind of crash. Then people come to their senses and find they must turn to repairing the damage.

If we are at all concerned about keeping some kind of financial stability in this country, we must make at least a start toward cutting down expenditures by adopting this 5-percent reduction. Certainly the President cannot properly complain, since it gives him the authority to decide where the reduction shall be made. It will give him the right to make reductions on those programs which are dearest to our own hearts. He will be able to cut out the proposed hospitals or construction programs in my State or in States of other Senators. Perhaps he will cut in half some appropriation which I personally have been sympathetic to. I am willing to take that chance. This financial situation is too serious to do anything else.

Certainly it is not reasonable to say that no reductions are possible. No one who has any familiarity with the Federal Government and how it operates believes that. One Cabinet officer—the Secretary of Defense—has just proved to us all that reductions can be made. He has issued orders for a reduction of 125,000 civilian positions scattered all through the country. In so doing, he has been perhaps very stern. In some cases, he has abolished entirely installations which were of tremendous importance to the localities where they were situated. That happens to be the case at one city in my State. As a part of the reduction program, he has deactivated a naval ammunition depot, employing over a thousand people, at Hastings, Nebr., a city of 20,000. This action is a terrible blow to the prosperity of that city. I did not particularly like this particular action, and I certainly wished that he could have found it possible to spread the reduction out more evenly, or for that matter, to make the reduction somewhere else. Whatever the merits of this particular case may be, however, it is obvious that there must be strong and courageous action to reduce spending of every kind by every agency. It is certainly unfortunate that no other Cabinet officer or head of an agency seems to be as willing as the Secretary of Defense to tighten up the operations or cut down the costs of his particular department or agency.

There are plenty of places where reductions can be made. In some cases, they could be made easily if those in charge of our administration were willing to look for them. To give one example, our policy of dismantling German plants over the last 4 years has cost us directly hundreds of millions of dollars. By destroying those plants and throwing their employees out of work, we have added to the relief load of our own occupation force and cut down the productivity of the German people. As a result, we must pour in something like a billion dollars a year to permit the Germans to get the essentials of life. No more ridiculous or inconsistent policy can be imagined. Any reparations that we have agreed to, to be paid supposedly by the Germans, have actually been paid by ourselves. By destroying the assets of those people, we are simply adding hundreds of millions of dollars to our own tax load.

One other example of foolish waste that sticks out like a sore thumb was our policy last year on potato imports from Canada. We were supporting the price of potatoes here at home. We had let down the tariff barriers on Canadian potatoes. As a result, millions of bushels of Canadian potatoes came into this country over the low-tariff rates. We had such a surplus that we were burning potatoes, yet Canadian potatoes were permitted to come in to add to our surplus. No wonder it is impossible to balance the budget when such things are permitted.

Perhaps if we pass this amendment, the President will be forced to seek out and

eliminate some of the more foolish programs that the Government is engaged in. He is in a better position to find them than we are. His agencies and departments are conducting them. Each of us in Congress has a different idea of what should be cut. The President at least is in a position to make a decision, and then make it stick. If he is required by this amendment to reduce expenditures by $2,000,000,000, I have no fear that he will have to cut any essential service. He can make most of the savings by adopting some of the recommendations of the Hoover Commission.

I very much hope this amendment will be adopted. It seems to be the only hope of making any real reductions this year. Next year, if the Congress will adopt the proposal sponsored by the Senator from Virginia [Mr. BYRD], by myself, and other Senators—Senate Concurrent Resolution 18—the Congress may be in better position to make the necessary reductions. At least I hope so. That is a proposal that the Senator from Virginia and I have been working on very hard for several years. This year we have real hope that it can be passed and put into effect for next year's appropriations.

This year, however, there seems no real prospect of any real reduction unless this amendment is adopted. No one else has made any constructive suggestion which has any chance of success. The President has made it clear that he will not make any substantial reductions unless he has to. In fact, he has winked at the deficit and said in effect that it doesn't matter. I believe this Congress should make it clear that, in our judgment, it does matter. We can do so by adopting this amendment, sending it to conference, and then rejecting any conference report which does not include it. I urge that we do so, Mr. President.

The VICE PRESIDENT. The Senator from Illinois [Mr. LUCAS] earlier in the day made a point against the pending amendment on the ground that it was legislation on an appropriation bill. The Chair's decision in the matter involves two points of order, but he can pass on only one at a time.

The agreement entered into last Friday set a time for a vote on the pending amendment and all other amendments, without further debate, and divided the time equally between the two sides. The status occupied by the amendment, in view of the agreement, is different only from the status of an amendment that is the pending question in that it fixes the time when a vote shall be taken at a given hour, instead of leaving it indefinite, to the conclusion of the debate as it may run out.

There is nothing in the agreement which, either in terms or by implication, waives points of order on the amendment. It is an agreement merely for a vote at a certain hour, and dividing the time. The Chair therefore feels that in the absence of any agreement waiving the right of any Senator to make a point of order, a point of order can be made. The Chair is not passing on the merits of the point of order, but on the mere parliamentary right of a Senator to make a point of order against an amendment at any time prior to the vote on it. In the absence of an agreement to vote at a certain hour, any Senator has the right to make a point of order against an amendment on any ground he may allege. That does not, of course, indicate what the ruling of the Chair will be on the point of order now made.

The Chair feels that in the present situation, and under the agreement entered into, and in the absence of anything which can, by implication, be construed as waiving points of order, the Senator from Illinois or any other Senator can make a point of order against the amendment.

Mr. McCLELLAN. Mr. President, I assume that the point of order the Senator from Illinois made is still before the Chair. Is that the pending question?

The VICE PRESIDENT. The Chair can hear debate on it at his discretion. It does not automatically follow that there can be debate.

Mr. McCLELLAN. As a parliamentary inquiry, I desire to ascertain if the point of order previously made by the Senator from Illinois is the question pending before the Chair at the present time.

The VICE PRESIDENT. The Chair has not ruled on the point of order.

Mr. McCLELLAN. I understood the Chair to say that he was ruling on the right to make a point of order.

The VICE PRESIDENT. That is correct.

Mr. McCLELLAN. And that he had not yet ruled on the point of order.

The VICE PRESIDENT. That is correct.

Mr. McCLELLAN. Then I ask to be heard, if I may be.

The VICE PRESIDENT. Does the Senator desire to be heard on the merits of the point of order?

Mr. McCLELLAN. On the merits of the point of order, and on a point of order against the point of order, which I now make.

The VICE PRESIDENT. The point of order raises all questions involving the point of order. It is not necessary to make a point of order against the point of order, because the point of order itself raises all questions involved.

Mr. McCLELLAN. I do make the point of order that the point of order is out of order, that it has been waived. The unanimous consent request was made by the majority leader on his own initiative, of his own volition. He framed the request in his own language, and for the purposes he had in mind, to bring about a vote on the pending amendment, as the order said, and a reading of the order will show that to be true. Under the order debate on the McClellan amendment was to begin at 11 o'clock and a vote to be taken at 2 o'clock. There is not a reservation in it, and if a reservation were to be made now, that would be a departure from every precedent that has been established in the past. I am advised by the Parliamentarian that the Senator making the request should have also made the reservation, if one was to be made. That was not done, and according to my information, obtained since this question was raised, all past precedents have been to the effect that a unanimous consent order to do a certain thing at a certain time is the order of the Senate, and according to the rule, it cannot be revoked except by unanimous consent.

Mr. President, I ask the Presiding Officer if the obligation did not rest upon the Senator who requested a vote at this hour, and got unanimous consent of the Senate for a vote at this hour, to reserve the right to make a point of order. I respectfully submit to the Chair that the able Senator from Illinois at the time he made his request, was not uninformed as to the rules of the Senate. Certainly he was advised that if he wanted to reserve the right to make a point of order he should have reserved that right in the unanimous-consent request, which he did not do.

Mr. President, I respectfully urge the Chair to preserve these precedents of long standing. I do not want any favors under the rules, but there is a rule, and a rule that has guided and directed the Senate throughout the years so I am advised. I earnestly insist it should not now be abrogated because of a possible oversight on the part of the able Senator from Illinois who has the responsibility for carrying this legislation through.

I say to the Chair that I recall a recent occasion when I was the victim, so to speak, of the operation of a rule of the Senate. The Chair ruled one way and the Senate overruled the Chair. I am perfectly willing, Mr. President, to have the rules and the precedents we have established apply to me now. I have been willing for them to apply to me in the past. I am willing for them to apply to me in the future. But I do urge the Chair most respectfully—and, of course, I have the highest regard and respect and esteem for him—I do urge the Chair that we adhere to the rules, and if there has been a mistake made, let the mistake lie where it was made, where the oversight was, and let us not, contrary to precedent that after a unanimous-consent order is made to do a thing at a certain time, and the time set, and it becomes the order of the Senate, hold that by some parliamentary procedure the unanimous-consent agreement can be nullified.

Mr. President, had I known that that was going to be the procedure I could have spent more time prior to this, arguing the point of order and also preparing the precedents to cite to the Chair.

We now find ourselves in this situation, and we are asked now, or will be asked, to abide by a decision here that according to my information violates every precedent of the Senate with regard to unanimous-consent requests. I may say that if what the Chair has ruled or is about to rule upon this point is to be the rule of the Senate, then no unanimous-consent agreement in the future can be stable and dependable, and reliable, but resort can be made to any parliamentary rule or trick that may be permitted under the rules of the Senate to nullify any unanimous-consent agreement.

I hope the precedents will not be overthrown and this new precedent established.

The VICE PRESIDENT. Will the Senator from Arkansas refer the Chair to any precedent of the Senate in all of its history holding that unanimous-con-

sent agreement to vote on an amendment or a bill at a given hour foreclosed the right of any Senator to make a point of order against it?

Mr. McCLELLAN. My information is—and I obtained it in answer to my inquiry from the Parliamentarian——

The VICE PRESIDENT. The Chair also consulted the Parliamentarian and his answer is to the contrary to what the Senator has said, that there is no such precedent.

Mr. McCLELLAN. May I ask the Chair if there is any precedent for the ruling the Chair is making?

The VICE PRESIDENT. There is no precedent either way, but there has to be one some time when a new question comes up, and the Chair has made his ruling on what seems to be the logic of the situation, because it would be obviously impossible to obtain a unanimous-consent agreement to vote at any hour on anything if by agreeing to vote at a given hour all Senators waive their rights to make points of order under the rules of the Senate. The Chair realizes that his ruling will probably be appealed from, and he may be overruled either way he rules.

While the Chair has the same amount of pride that any other human has in being sustained, either here or elsewhere, personally he is not concerned about whether he will be sustained or overruled, but he is concerned about what sort of precedent is to be set now in a new parliamentary situation which has never arisen before, as to whether by agreeing to vote on anything—and particularly an amendment—at a given time, all Senator's waive the right to make points of order. If it is done in regard to the amendment of the Senator from Arkansas it would apply to all other amendments. There are six or seven amendments yet to be offered and to be voted on. No one knows precisely what they are. If by agreeing to vote on the Senator's amendment and all amendments at 2 o'clock all Senators waive their rights to make points of order, they would foreclose themselves against making a point of order against an amendment they had not even heard read from the desk.

Therefore the Chair adheres to his ruling that the point of order may be made.

The question as to how the Chair will rule on the point of order is entirely another matter.

Mr. McCLELLAN. I may point out to the Chair that at the time this request was made the able senior Senator from Georgia [Mr. GEORGE] made a reservation that all amendments to be considered would have to be germane. I assume he made that request in order to make certain that no amendments would be offered which were not germane, and that no amendments would be offered that we would have to vote on the question by a yea-and-nay vote.

The VICE PRESIDENT. The question of reserving the right to question the germaneness of amendment under an agreement that is stipulated in writing, is one thing, and it is another thing to assume that by agreeing to vote at a given hour all Senators waive their rights to make points of order. The Chair cannot believe that the Senate intended that every Senator—those who were here and those who were not here at the time this agreement was entered into—should waive all points of order to amendments that might be offered. Otherwise, as to the matter of germaneness, no Senator could make a point of order to any amendment that may be hereafter offered until a final vote is had on the bill.

Mr. McCLELLAN. Mr. President, may I make an inquiry?

The VICE PRESIDENT. Yes.

Mr. McCLELLAN. When the request was made to begin debate at 11 o'clock on this amendment, and to vote on it at 2 o'clock, if there was to be a point of order made against it certainly reservation should have been made then, because every Senator in this body, and most of all the able majority leader, knew what the amendment was. If there was to be a point of order made I feel that reservation should have been made at that time.

The VICE PRESIDENT. The Chair might say that it is not necessary for a Senator to reserve the right to make a point of order. That is an inherent parliamentary right enjoyed by every Senator in this body.

Mr. LUCAS. Mr. President, I should like to be heard for just a few moments.

The VICE PRESIDENT. The Chair has ruled on the point of order that the point of order can be made. If any Senator wishes to appeal from that ruling—and that is wholly independent of the merits of the amendment itself and the further point of order that the Senator has made that it is legislation on an appropriation bill—the Chair, of course, would be glad to hear argument on that point. But on the question that the Senator from Illinois has a right to make a point of order, the Chair has ruled.

Mr. LUCAS. Mr. President, will the Chair permit me to say a word in reply to the Senator from Arkansas with respect to the ruling the Chair has made that a point of order can be made under the unanimous-consent agreement? In the first place, I want the Senator from Arkansas to understand that there is no trick, no device upon the part of the majority leader to try to take advantage of the situation. As everyone knows, the Senator from Arkansas gave notice of a motion to suspend the rule with respect to this particular amendment. Everyone knows that it is legislation upon an appropriation bill. There can be no question about that. It never occurred to the Senator from Illinois that in entering into this unanimous-consent agreement he was waiving any rights with respect to making a point of order on an amendment which involves the question of suspending the rules. I do not believe that any other Senator understood the situation any differently until today, when we began discussing the question with the Parliamentarian.

As the Vice President stated a moment ago, there are no precedents for this. This is an important question. If we must waive points of order in connection with unanimous-consent agreements, we shall have to start looking for something other than the unanimous-consent agreement to expedite proceedings.

I respectfully submit to the Chair that a point of order is entirely different from an amendment. I am satisfied that the Chair has ruled correctly in holding that a point of order can be made. I shall wish to argue the point of order against my point of order at the proper time. An effort is being made to take advantage of a rule by holding tenaciously and rigidly to a unanimous-consent agreement when every Senator knows that this amendment is legislation on an appropriation bill. I shall have a little more to say on that subject later.

Mr. WHERRY. Mr. President, I agree with the distinguished Senator from Illinois that a point of order is different from an amendment. It was my understanding from the press, and from the discussion on the floor of the Senate, that the distinguished Senator from Illinois knew——

Mr. LUCAS. O Mr. President——

Mr. WHERRY. Mr. President, I decline to yield.

Mr. LUCAS. I challenge that statement.

The VICE PRESIDFNT. The Senator from Nebraska does not have to yield, and the Senator from Illinois cannot make him yield.

Mr. WHERRY. The Senator from Illinois has been challenging my statements all day.

Mr. President, I shall appeal from the ruling of the Chair, and the Senate can do what it pleases. It is my feeling that the Senator from Illinois, judging from the observations he has made not only on this bill but on other bills, knew that this was legislation on an appropriation bill. There is no doubt about that. He made the proposal that the Senate proceed to vote on the McClellan amendment at 2 o'clock today.

Let us look at the history of the unanimous-consent agreement. Let us turn to the CONGRESSIONAL RECORD of August 26, 1949, page 12310, which will show what was said, I read from the first column:

> Mr. WHERRY. Mr. President, I think that is agreeable. I want to ask a question, however. Does that mean that each amendment which is reached this afternoon will have to be voted on today?
>
> Mr. LUCAS. Any amendment that comes up this afternoon, on which the Senate desires to vote, will be voted on today.
>
> Mr. WHERRY. If the rescission amendment is offered this afternoon, or if it is not offered until Monday—I am not sure when it is proposed to offer that amendment—it will be voted upon as one of the amendments, at 2 o'clock on Monday?
>
> Mr. LUCAS. That is perfectly agreeable.

That is written into the unanimous-consent agreement. If we turn to the unanimous-consent agreement, we find that it reads as follows:

> And at the hour of 2 o'clock p. m. on said day the Senate proceed to vote, without further debate, upon said amendment or any amendment that may be pending or that may be proposed, and upon the passage of the said bill.

What could be plainer than that?

Certainly the distinguished majority leader knew, when this proposal was made, whether or not he intended to

make a point of order. I do not say that a mistake was made. I believe that Senators must realize that if a unanimous-consent agreement is to be preserved, if it means anything, it means what it says. The unanimous-consent agreement in this case provides that we are to vote on the McClellan amendment at 2 o'clock this afternoon. When Senators agreed to vote, they waived every right they had with regard to anything. They agreed to vote on the amendment.

Mr. President, I respectfully appeal from the decision of the Chair.

The VICE PRESIDENT. This agreement was entered into not with respect to an amendment which was pending or which had been offered. It was made with respect to an amendment intended to be offered by the Senator from Arkansas. Suppose over the week end the Senator from Arkansas had changed his mind and no longer intended to offer the amendment, and did not offer it. The 2 o'clock hour for voting would still have applied to all other amendments.

Mr. WHERRY. Whether or not he could withdraw his amendment is another question. I respectfully submit to the distinguished occupant of the Chair that the question at issue is, Did the majority leader waive his right to make a point of order when he agreed to the unanimous-consent request?

Again I read the colloquy which preceded the agreement:

> Mr. WHERRY. Mr. President, I think that is agreeable. * * * If the rescission amendment is offered this afternoon, or if it is not offered until Monday—I am not sure when it is proposed to offer that amendment—it will be voted upon as one of the amendments, at 2 o'clock on Monday?
>
> Mr. LUCAS. That is perfectly agreeable.

Ordinarily we can appeal from a decision of the Chair on a point of order, and the appeal is debatable. We could argue at length, and defeat the very purpose of the unanimous-consent agreement. I believe that in the interest of good government and orderly procedure, in the absence of a precedent, we should establish a precedent, so that we may understand that when we enter into a unanimous-consent agreement to vote on a certain question at a certain hour, we can rely upon it.

Mr. President, I respectfully appeal from the decision of the Chair, and on that question I ask for the yeas and nays.

The VICE PRESIDENT. The Senator from Nebraska appeals from the decision of the Chair. The question is, Shall the decision of the Chair stand as the judgment of the Senate? On that question the yeas and nays have been demanded.

The yeas and nays were ordered.

The VICE PRESIDENT. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. WHERRY. A vote "yea" is a vote to sustain the Chair, is it not?

The VICE PRESIDENT. The Senator is correct.

Mr. WHERRY. And a vote "nay" is a vote to overrule the Chair.

The VICE PRESIDENT. That is true.

Mr. WHERRY. Therefore, a Senator who believes that the unanimous-consent agreement should stand——

The VICE PRESIDENT. The Senator cannot argue the question.

Mr. WHERRY. I am not arguing.

The VICE PRESIDENT. The Senator is arguing. A "yea" vote means a vote to sustain the Chair. A "nay" vote means a vote to overrule the Chair; and that is as obvious as the nose on my face.

Mr. WHERRY. I thank the Chair very much.

The legislative clerk resumed and concluded the calling of the roll.

Mr. LUCAS. I announce that the Senator from California [Mr. DOWNEY] and the Senator from Washington [Mr. MAGNUSON] are absent on official business.

The Senator from Wyoming [Mr. HUNT] is absent by leave of the Senate on official business.

The Senator from Colorado [Mr. JOHNSON], the Senator from South Carolina [Mr. MAYBANK], the Senator from Nevada [Mr. MCCARRAN], and the Senator from Georgia [Mr. RUSSELL] are absent by leave of the Senate.

The Senator from Pennsylvania [Mr. MYERS] is absent on public business.

The Senator from Washington [Mr. MAGNUSON] is paired on this vote with the Senator from Indiana [Mr. JENNER]. If present and voting, the Senator from Washington would vote "yea," and the Senator from Indiana would vote "nay."

The Senator from Pennsylvania [Mr. MYERS] is paired on this vote with the Senator from Washington [Mr. CAIN]. If present and voting, the Senator from Pennsylvania would vote "yea," and the Senator from Washington would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Connecticut [Mr. BALDWIN], who is absent by leave of the Senate on official business, is paired with the Senator from Ohio [Mr. BRICKER], who is necessarily absent. If present and voting, the Senator from Connecticut would vote "yea," and the Senator from Ohio would vote "nay."

The Senator from New Hampshire [Mr. BRIDGES], who is necessarily absent, is paired with the Senator from Massachusetts [Mr. LODGE], who is absent by leave of the Senate. If present and voting, the Senator from New Hampshire would vote "nay," and the Senator from Massachusetts would vote "yea."

The Senator from Michigan [Mr. FERGUSON], who is absent by leave of the Senate, is paired with the Senator from Oregon [Mr. MORSE], who is absent on official business. If present and voting, the Senator from Michigan would vote "nay," and the Senator from Oregon would vote "yea."

The Senator from New Hampshire [Mr. TOBEY] is absent by leave of the Senate.

The Senator from Minnesota [Mr. THYE] is necessarily absent.

The Senator from Washington [Mr. CAIN], who is absent by leave of the Senate, is paired with the Senator from Pennsylvania [Mr. MYERS]. If present and voting, the Senator from Washington would vote "nay," and the Senator from Pennsylvania would vote "yea."

The Senator from Indiana [Mr. JENNER], who is necessarily absent, is paired with the Senator from Washington [Mr. MAGNUSON]. If present and voting, the Senator from Indiana would vote "nay," and the Senator from Washington would vote "yea."

The Senator from Wisconsin [Mr. MCCARTHY] is detained on official business.

The result was announced—yeas 41, nays 36, as follows:

YEAS—41

Aiken	Hill	Murray
Anderson	Hoey	Neely
Chapman	Humphrey	O'Conor
Chavez	Johnson, Tex.	O'Mahoney
Connally	Johnston, S. C.	Pepper
Douglas	Kefauver	Robertson
Dulles	Kerr	Sparkman
Ellender	Kilgore	Stennis
Flanders	Langer	Taylor
Frear	Leahy	Thomas, Okla.
Gillette	Lucas	Thomas, Utah
Graham	McFarland	Vandenberg
Green	McMahon	Withers
Hayden	Miller	

NAYS—36

Brewster	Hickenlooper	Reed
Butler	Holland	Saltonstall
Byrd	Ives	Schoeppel
Capehart	Kem	Smith, Maine
Cordon	Knowland	Smith, N. J.
Donnell	Long	Taft
Eastland	McClellan	Tydings
Ecton	McKellar	Watkins
Fulbright	Malone	Wherry
George	Martin	Wiley
Gurney	Millikin	Williams
Hendrickson	Mundt	Young

NOT VOTING—19

Baldwin	Jenner	Morse
Bricker	Johnson, Colo.	Myers
Bridges	Lodge	Russell
Cain	McCarran	Thye
Downey	McCarthy	Tobey
Ferguson	Magnuson	
Hunt	Maybank	

So the decision of the Chair stood as the judgment of the Senate.

The VICE PRESIDENT. The question now is on the point of order made by the Senator from Illinois that this amendment constitutes legislation on an appropriation bill.

Does any Senator wish to argue the point of order?

SEVERAL SENATORS. Vote! Vote!

The VICE PRESIDENT. If not, the Chair will rule.

The Chair rules that the amendment is legislation on an appropriation bill, and therefore is repugnant to the rule. The Chair bases his ruling upon the fact that this amendment affects not only the appropriation bill now before the Senate but also all appropriation bills heretofore passed and all future appropriation bills passed at this session between now and the date of the final adjournment of the session; and, in the opinion of the Chair, the amendment is obviously legislation on an appropriation bill.

Mr. MCCLELLAN. Mr. President, I move to suspend the rule in order that the amendment may be offered.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Arkansas to suspend the rule.

Mr. MCCLELLAN, Mr. TAFT, and other Senators asked for the yeas and nays; and the yeas and nays were ordered.

The VICE PRESIDENT. The Secretary will call the roll.

The Chief Clerk called the roll.

Mr. LUCAS. I announce that the Senator from California [Mr. DOWNEY], and the Senator from Washington [Mr. MAGNUSON] are absent on official business.

The Senator from Wyoming [Mr. HUNT] is absent by leave of the Senate on official business.

The Senator from Colorado [Mr. JOHNSON], the Senator from South Carolina [Mr. MAYBANK], the Senator from Nevada [Mr. MCCARRAN], and the Senator from Georgia [Mr. RUSSELL] are absent by leave of the Senate.

The Senator from Pennsylvania [Mr. MYERS] is absent on public business.

The Senator from Colorado [Mr. JOHNSON] and the Senator from Nevada [Mr. MCCARRAN] are paired on this vote with the Senator from Washington [Mr. MAGNUSON]. If present and voting, the Senator from Colorado and the Senator from Nevada would vote "yea," and the Senator from Washington would vote "nay."

The Senator from Georgia [Mr. RUSSELL], and the Senator from Connecticut [Mr. BALDWIN] are paired on this vote with the Senator from Pennsylvania [Mr. MYERS]. If present and voting, the Senator from Georgia and the Senator from Connecticut would vote "yea," and the Senator from Pennsylvania would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from New Hampshire [Mr. BRIDGES], who is necessarily absent, and the Senator from Michigan [Mr. FERGUSON], who is absent by leave of the Senate, are paired with the Senator from Oregon [Mr. MORSE], who is absent on official business. If present and voting, the Senator from New Hampshire and the Senator from Michigan would vote "yea" and the Senator from Oregon would vote "nay."

The Senator from Ohio [Mr. BRICKER], the Senator from Indiana [Mr. JENNER], and the Senator from Minnesota [Mr. THYE] are necessarily absent. If present and voting, the Senator from Ohio [Mr. BRICKER] and the Senator from Indiana [Mr. JENNER] would vote "yea."

The Senator from Washington [Mr. CAIN], the Senator from Massachusetts [Mr. LODGE], and the Senator from New Hampshire [Mr. TOBEY] are absent by leave of the Senate. If present and voting, the Senator from Washington [Mr. CAIN], the Senator from Massachusetts [Mr. LODGE], and the Senator from New Hampshire [Mr. TOBEY] would vote "yea."

The Senator from Connecticut [Mr. BALDWIN], who is absent by leave of the Senate on official business, and the Senator from Georgia [Mr. RUSSELL] are paired with the Senator from Pennsylvania [Mr. MYERS]. If present and voting, the Senator from Connecticut and the Senator from Georgia would vote "yea," and the Senator from Pennsylvania would vote "nay."

The Senator from Wisconsin [Mr. MCCARTHY] is detained on official business.

The result was announced—yeas 49, nays 28, as follows:

YEAS—49

Brewster	Cordon	Ecton
Butler	Douglas	Ellender
Byrd	Dulles	Flanders
Capehart	Eastland	Frear
Fulbright	McClellan	Sparkman
George	McKellar	Stennis
Gillette	Malone	Taft
Gurney	Martin	Thomas, Okla.
Hendrickson	Millikin	Tydings
Hickenlooper	Mundt	Vandenberg
Hill	O'Conor	Watkins
Hoey	Reed	Wherry
Holland	Robertson	Wiley
Ives	Saltonstall	Williams
Johnston, S. C.	Schoeppel	Young
Kem	Smith, Maine	
Knowland	Smith, N. J.	

NAYS—28

Aiken	Johnson, Tex.	Miller
Anderson	Kefauver	Murray
Chapman	Kerr	Neely
Chavez	Kilgore	O'Mahoney
Connally	Langer	Pepper
Donnell	Leahy	Taylor
Graham	Long	Thomas, Utah
Green	Lucas	Withers
Hayden	McFarland	
Humphrey	McMahon	

NOT VOTING—19

Baldwin	Jenner	Morse
Bricker	Johnson, Colo.	Myers
Bridges	Lodge	Russell
Cain	McCarran	Thye
Downey	McCarthy	Tobey
Ferguson	Magnuson	
Hunt	Maybank	

The VICE PRESIDENT. Two-thirds of the Senate not having voted in favor of the motion to suspend the rule, the motion is rejected.

Mr. DOUGLAS (after having voted in the negative). Mr. President, when the senior Senator from Arkansas [Mr. MCCLELLAN] made his second motion earlier this afternoon there was some disorder in the Chamber, and I thought he was appealing from the second ruling of the Chair, who had held that the proposed McClellan amendment was legislation. Since I believed the ruling of the Chair correct from a parliamentary standpoint, I voted against the McClellan motion, thinking that I was voting to uphold the ruling of the Chair, and that I would later have a chance to vote for the McClellan amendment directing the President to make a reduction of 5 to 10 percent in appropriations. It was my intent to vote for such a reduction, and for a proper motion to suspend the rules to make such an amendment in order. Shortly after that I found that the motion of the Senator from Arkansas actually was to suspend the rules, and that by voting in the negative I had therefore voted in effect against the amendment. This was contrary to my intent. I then thought there was no chance to change my vote, but I have since been informed by the Senate Parliamentarian that I can do so by unanimous consent. I therefore ask unanimous consent to change my vote from "nay" to "yea."

Mr. LANGER. Mr. President, I object.

The PRESIDING OFFICER. The Chair will read the rule.

Mr. LANGER. I object. This has never been done since I have been a Member of the Senate. I tried it once. It is a violation of the rule, and I therefore object.

The PRESIDING OFFICER. The Chair will read the rule as provided in rule XII, the third clause in paragraph 1, on page 16 of the Senate Manual:

> No Senator shall be permitted to vote after the decision shall have been announced by the Presiding Officer, but may for sufficient reasons, with unanimous consent, change or withdraw his vote.

The Chair understands there is precedent for permitting this to be done under rule XII. Did the Chair hear objection?

Mr. LANGER. I objected, Mr. President.

The PRESIDING OFFICER. The Chair having heard objection to the request of the Senator from Illinois, the request will not be granted.

Mr. DOUGLAS. Will the Senator from North Dakota withhold his objection?

Mr. LANGER. Yes; if the Senator desires to make a further statement. I shall be glad to have the Senator state fully and completely that he was wrong, and put in all his reasons for desiring to change his vote, but I certainly object to any Senator changing his vote.

Mr. DOUGLAS. I voted under the belief that I was voting against an appeal from the ruling of the Chair.

Mr. WHERRY. I have no objection to the request of the Senator from Illinois.

The PRESIDING OFFICER. Does the Senator from Illinois wish to speak further?

Mr. DOUGLAS. No.

Mr. WHERRY. The Senator from North Dakota has objected.

Mr. LANGER. If the leader of my party has no objection, I would not have objection. I withdraw my objection.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Illinois? The Chair hears none, and the permission requested is granted.

Mr. WHERRY. I thank the Senator from North Dakota for his willingness to accede to the request. I did not mean in any way to suggest anything that would influence him to withdraw his objection. My feeling was that if there was an honest error on the part of the Senator from Illinois, and I thought there was, I could not see any difference between changing the vote and having the statement made in the RECORD. Of course, the vote shows on its face. For 7 years, since I have been a Member of the Senate, I have tried to comply with unanimous-consent requests where they were sincerely made, and of course I thought the one made by the Senator from Illinois was sincere. I hope the Senator from North Dakota will not take offense because I suggested I did not object. The Senator from North Dakota is one of my best friends, we sit side by side in the Senate, and I hope he did not in any way change his view because of anything I said.

Mr. LANGER. Mr. President, 2 years ago I made a similar request. At that time the majority leader was Senator White, of Maine. The leader of our own party objected at that time, and refused to let me change my vote.

Mr. WHERRY. I remember that incident very distinctly, and I certainly did not agree with the majority leader then, and I do not agree with him now. There is a fellowship in the Senate, and when unanimous-consent requests are made I believe it is unusual indeed when they are not granted. I want the RECORD to show that I have enough faith and confidence in all my colleagues so that when they make requests, such as that made by the junior Senator from Illinois, the request will be complied with if possible.

The VICE PRESIDENT. The Chair feels that inasmuch as the Wiley amendment was the pending amendment when the unanimous-consent agreement was entered into, and was debated until the time of the recess on Friday, automatically we return now to the Wiley amendment to the committee amendment to be voted on without further debate. The Secretary will state the amendment to the amendment.

The amendment was, on page 15, line 12, under the heading "Subsistence of the Army," at the end of the paragraph to change the semicolon to a colon and add the following: *"Provided further,* That none of the money appropriated in this act shall be used for the purchase of oleomargarine or butter substitutes for other than cooking purposes, except to supply an expressed preference therefor or for use where climatic or other conditions render the use of butter impracticable."

Mr. WILEY. Mr. President, I ask unanimous consent to have printed in the RECORD at this point in my remarks a bulletin of the National Cooperative Milk Producers' Federation.

There being no objection, the bulletin was ordered to be printed in the RECORD, as follows:

In connection with the Military Establishment appropriation bill now being debated on the Senate floor, Senator Wiley will offer in his own behalf and that of other Senators an amendment to restore the butter proviso.

The proviso—which has been a part of this legislation for the past 18 years—reads as follows:

"Provided further, That none of the money appropriated in this act shall be used for the purchase of oleomargarine or butter substitutes for other than cooking purposes, except to supply an expressed preference therefor or for use where climatic or other conditions render the use of butter impracticable."

Unless the provision is restored—

1. The Army and the Air Corps would be forced to eat oleo at their messes, much against the wishes of personnel, while the Navy and the Marine Corps will continue to eat butter in accordance with the Navy ration law.

2. This discrimination will damage military morale and hurt recruiting. One of the chief reasons the Senate voted the butter proviso in the bill in 1931 was because when the Quartermaster General bought oleo only the enlisted men got it while officers continued to eat butter.

3. Costs to the Government would increase tremendously. Millions of pounds of butter are now being purchased by the Commodity Credit Corporation under the price-support program. If the Army cuts its butter purchases Commodity Credit Corporation purchases would have to be stepped up by that amount. Oleo procurement would be in addition to butter purchases. Commodity Credit Corporation holds 54,000,000 pounds of butter today.

4. Millions of pounds of oleo would be served to soldiers and airmen while the Government would continue to hold millions of pounds of butter which could be turned over to the armed forces.

5. The farm economy would be injured at a time when it is vital to preserve the agricultural prosperity of the Nation.

Restoration of the butter proviso will mean—

Freedom of choice for the men of the Army and the Air Corps as to the spread they want. Under the terms of this proviso, whenever the men ask for oleo in preference to butter, they are to get it.

The 2,500,000 dairy farmers of the Nation—who with their families and others dependent on the cow total 10,000,000—will still have the armed forces as a market for a large volume of their butter.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Wisconsin, on behalf of himself and other Senators, to the committee amendment.

Mr. WILEY. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. HILL. I announce that the Senator from California [Mr. DOWNEY] and the Senator from Washington [Mr. MAGNUSON] are absent on official business.

The Senator from Wyoming [Mr. HUNT] is absent by leave of the Senate on official business.

The Senator from Colorado [Mr. JOHNSON], the Senator from South Carolina [Mr. MAYBANK], the Senator from Nevada [Mr. MCCARRAN], and the Senator from Georgia [Mr. RUSSELL] are absent by leave of the Senate.

The Senator from Pennsylvania [Mr. MYERS] is absent on public business.

The Senator from Colorado [Mr. JOHNSON] is paired on this vote with the Senator from Pennsylvania [Mr. MYERS]. If present and voting, the Senator from Colorado would vote "yea," and the Senator from Pennsylvania would vote "nay."

The Senator from South Carolina [Mr. MAYBANK] is paired on this vote with the Senator from Minnesota [Mr. THYE]. If present and voting, the Senator from South Carolina would vote "nay," and the Senator from Minnesota would vote "yea."

The Senator from Washington [Mr. MAGNUSON] is paired on this vote with the Senator from Wisconsin [Mr. MCCARTHY]. If present and voting, the Senator from Washington would vote "nay," and the Senator from Wisconsin would vote "yea."

The Senator from Georgia [Mr. RUSSELL] is paired on this vote with the Senator from Michigan [Mr. FERGUSON]. If present and voting, the Senator from Georgia would vote "nay," and the Senator from Michigan would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Massachusetts [Mr. LODGE], who is absent by leave of the Senate, is paired with the Senator from Oregon [Mr. MORSE], who is absent on official business. If present and voting, the Senator from Massachusetts would vote "nay" and the Senator from Oregon would vote "yea."

The Senator from Connecticut [Mr. BALDWIN] is absent by leave of the Senate on official business.

The Senator from Ohio [Mr. BRICKER], the Senator from New Hampshire [Mr. BRIDGES], and the Senator from Indiana [Mr. JENNER] are necessarily absent.

The Senator from Washington [Mr. CAIN] and the Senator from New Hampshire [Mr. TOBEY] are absent by leave of the Senate. If present and voting, the Senator from Washington [Mr. CAIN] would vote "yea."

The Senator from Minnesota [Mr. THYE], who is necessarily absent, is paired with the Senator from South Caroline [Mr. MAYBANK]. If present and voting, the Senator from Minnesota would vote "yea" and the Senator from South Carolina would vote "nay."

The Senator from Michigan [Mr. FERGUSON], who is absent by leave of the Senate, is paired with the Senator from Georgia [Mr. RUSSELL]. If present and voting, the Senator from Michigan would vote "yea," and the Senator from Georgia would vote "nay."

The Senator from Wisconsin [Mr. MCCARTHY], who is detained on official business, is paired with the Senator from Washington [Mr. MAGNUSON]. If present and voting, the Senator from Wisconsin would vote "yea," and the Senator from Washington would vote "nay."

The result was announced—yeas 31, nays 45, as follows:

YEAS—31

Aiken	Humphrey	Taft
Butler	Ives	Taylor
Byrd	Kem	Thomas, Utah
Capehart	Langer	Vandenberg
Cordon	Malone	Watkins
Ecton	Millikin	Wherry
Flanders	Mundt	Wiley
Frear	Murray	Withers
Gillette	Reed	Young
Gurney	Robertson	
Hickenlooper	Schoeppel	

NAYS—45

Anderson	Hendrickson	McMahon
Brewster	Hill	Martin
Chapman	Hoey	Miller
Chavez	Holland	Neely
Connally	Johnson, Tex.	O'Conor
Donnell	Johnston, S. C.	O'Mahoney
Douglas	Kefauver	Pepper
Dulles	Kerr	Saltonstall
Eastland	Kilgore	Smith, Maine
Ellender	Knowland	Smith, N. J.
Fulbright	Leahy	Sparkman
George	Long	Stennis
Graham	McClellan	Thomas, Okla.
Green	McFarland	Tydings
Hayden	McKellar	Williams

NOT VOTING—20

Baldwin	Jenner	Maybank
Bricker	Johnson, Colo.	Morse
Bridges	Lodge	Myers
Cain	Lucas	Russell
Downey	McCarran	Thye
Ferguson	McCarthy	Tobey
Hunt	Magnuson	

So the amendment offered by Mr. WILEY on behalf of himself and other Senators to the committee amendment was rejected.

Mr. FULBRIGHT. Mr. President, I move to reconsider the vote by which the Wiley amendment has just been rejected.

Mr. HILL. Mr. President, I move to lay the motion to reconsider on the table.

The VICE PRESIDENT. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

The VICE PRESIDENT. That brings us to the committee amendment to which the amendment was offered, which apparently is the only committee amendment undisposed of.

Mr. ELLENDER. Mr. President, will the Chair have the amendment stated?

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 14 line 16, after the word "products", it is proposed to insert a semicolon and a proviso, as follows:

Provided further, That no part of this or any other appropriation contained in this act shall be available for the procurement of any article of food or clothing not grown or produced in the United States or its possessions, except to the extent that the Secretary of the Army shall determine that a satisfactory quality and sufficient quantity of any articles of food or clothing grown or produced in the United States or its possessions cannot be procured as and when needed at United States market prices and without unduly increasing future United States market prices and except procurements by vessels in foreign waters and emergency procurements or procurements of highly perishable foods by establishments located outside the continental United States, except the Territories of Hawaii and Alaska, for the personnel attached thereto: *Provided further,* That, notwithstanding the provisions of the foregoing proviso, the Secretary of the Army is authorized to purchase from the Commodity Credit Corporation any meat owned and stored by such Corporation on the date of enactment of this act which the Secretary determines to be of a satisfactory quality for the use of the Military Establishment, or for civilian feeding in occupied areas.

The VICE PRESIDENT. Without objection, the committee amendment is agreed to. The bill is open to further amendment.

Mr. THOMAS of Oklahoma. Mr. President, there are two amendments pending, which I should like to call up in order. The first one comes in on page 87. It is the amendment offered by the junior Senator from Illinois [Mr. DOUGLAS]. It contains no monetary item, but simply states a limitation. Speaking for the committee, the committee has no objection to accepting the amendment and taking it to conference.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 87, line 25, it is proposed to strike out the figure "$14,040" and insert "$14,040 on housing units for generals; $12,040 on housing units for majors, lieutenant colonels and colonels, or equivalent; $11,040 on housing units for second lieutenants, lieutenants, captains, and warrant officers, or equivalent; or $10,040 on housing units for enlisted personnel."

On page 88, line 2, after the comma strike out down to the period on line 4 and insert "the cost per unit shall not exceed two times the cost of such units in the continental United States: *Provided,* That the cost of the land and improvements for all such housing, both within and outside the continental United States, shall not exceed 15 percent of the cost of the construction of such housing units."

The VICE PRESIDENT. Debate is not now in order on any amendment. Without objection, the amendment is agreed to.

Mr. THOMAS of Oklahoma. Mr. President, the two Senators from Pennsylvania have offered an amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 99, after line 19, it is proposed to insert the following new section:

SEC. 635. In order to clarify the original intent of Congress, hereafter, section 2 and that part of section 3 (a) preceding the words "provided, however," of title III of the act of March 3, 1933, 47 Stat. 1520, shall be regarded as requiring the purchase, for public use within the United States, of articles, materials, or supplies manufactured in the United States in sufficient and reasonably available commercial quantities and of a satisfactory quality, unless the head of the department or independent establishment concerned shall determine their purchase to be inconsistent with the public interest or their cost to be unreasonable.

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent to speak one sentence in explanation of that amendment.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. THOMAS of Oklahoma. The amendment, if adopted, will give manufacturers of foreign materials the same protection they have in using domestic materials.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The VICE PRESIDENT. The bill is open to further amendment. If there be no further amendments, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The VICE PRESIDENT. The question is on the passage of the bill——

Mr. DOUGLAS. Mr. President, I move that House bill 4146 be recommitted to the Committee on Appropriations with instructions to reconsider the amounts provided therein, for budgeted and nonbudgeted items, and to report the same back to the Senate with the smaller sums of money in all appropriations and contract authorizations, wherever there is a difference between the amounts passed by the House of Representatives and the amounts recommended by the Senate Appropriations Committee.

Mr. President, is a statement permissible on this motion?

The VICE PRESIDENT. Debate is not in order on the motion.

Mr. DOUGLAS. I ask for the yeas and nays.

The yeas and nays were ordered.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOUGLAS. Mr. President, I rise to ask unanimous consent to be permitted to make a statement explaining the nature of the motion to recommit.

Mr. WHERRY. Mr. President, I object.

The VICE PRESIDENT. Objection is heard. The clerk will continue the call of the roll.

Mr. KERR. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. KERR. I should like to have the motion read again so that I can be sure I understand it.

Mr. DOUGLAS. Mr. President, the motion was placed on the desk on Friday evening, and I assume it is in the possession of the clerk.

The VICE PRESIDENT. The Secretary will read the motion of the Senator from Illinois.

The LEGISLATIVE CLERK. Mr. DOUGLAS moves that the bill be recommitted with instructions to reconsider the amounts provided therein, for budgeted and nonbudgeted items, and report the same back to the Senate——

Mr. DOUGLAS. Mr. President, I think the clerk is reading the wrong motion.

The VICE PRESIDENT. It is the only one he has.

Mr. McKELLAR. Mr. President, I ask for the regular order.

The VICE PRESIDENT. The regular order is the calling of the roll. The Chair is advised that there is a difference between the motion just read and the one made by the Senator from Illinois. Without objection, the clerk will read the motion so that Senators may know what they are voting on.

The LEGISLATIVE CLERK. Mr. DOUGLAS moves that House bill 4146 be recommitted to the Committee on Appropriations with instructions to reconsider the amounts provided therein, for budgeted and nonbudgeted items, and to report the same back to the Senate with the smaller sums of money in all appropriations and contract authorizations, wherever there is a difference between the amounts passed by the House of Representatives and the amounts recommended by the Senate Appropriations Committee.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. WHERRY. Are we to vote on this motion, or the one previously submitted?

The VICE PRESIDENT. The Senate will vote on this motion.

Mr. WHERRY. Is it a substitute for the other one?

The VICE PRESIDENT. No. The clerk read the wrong motion.

The clerk will continue calling the roll.

The legislative clerk resumed and concluded the calling of the roll.

Mr. LUCAS. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from California [Mr. DOWNEY], and the Senator from Washington [Mr. MAGNUSON] are absent on official business.

The Senator from Wyoming [Mr. HUNT] is absent by leave of the Senate on official business.

The Senator from Colorado [Mr. JOHNSON], the Senator from South Carolina [Mr. MAYBANK], the Senator from Nevada [Mr. MCCARRAN], and the Senator from Georgia [Mr. RUSSELL] are absent by leave of the Senate.

The Senator from Pennsylvania [Mr. MYERS] is absent on public business.

If present and voting, the Senator from Washington [Mr. MAGNUSON], the Senator from South Carolina [Mr. MAYBANK], and the Senator from Pennsylvania [Mr. MYERS] would vote "——."

Mr. SALTONSTALL. I announce that the Senator from Connecticut [Mr. BALDWIN] is absent by leave of the Senate on official business.

The Senator from Ohio [Mr. BRICKER], the Senator from New Hampshire [Mr. BRIDGES], the Senator from Indiana [Mr. JENNER], and the Senator from Minnesota [Mr. THYE] are necessarily absent.

The Senator from Washington [Mr. CAIN], the Senator from Michigan [Mr. FERGUSON], the Senator from Massachusetts [Mr. LODGE], and the Senator from New Hampshire [Mr. TOBEY] are absent by leave of the Senate.

The Senator from Oregon [Mr. MORSE] is absent on official business.

The Senator from Vermont [Mr. AIKEN], the Senator from Wisconsin [Mr. MCCARTHY], and the Senator from Kansas [Mr. REED] are detained on official business.

The result was announced—yeas 25, nays 49, as follows:

YEAS—25

Butler	Hickenlooper	Smith, N. J.
Byrd	Ives	Taft
Capehart	Kem	Vandenberg
Douglas	Long	Watkins
Dulles	McMahon	Wherry
Ecton	Malone	Wiley
Flanders	Martin	Williams
Frear	Millikin	
Hendrickson	Schoeppel	

NAYS—49

Anderson	Holland	Neely
Brewster	Humphrey	O'Conor
Chapman	Johnson, Tex.	O'Mahoney
Connally	Johnston, S. C.	Pepper
Cordon	Kefauver	Robertson
Donnell	Kerr	Saltonstall
Eastland	Kilgore	Smith, Maine
Ellender	Knowland	Sparkman
Fulbright	Langer	Stennis
George	Leahy	Taylor
Gillette	Lucas	Thomas, Okla.
Graham	McClellan	Thomas, Utah
Green	McFarland	Tydings
Gurney	McKellar	Withers
Hayden	Miller	Young
Hill	Mundt	
Hoey	Murray	

NOT VOTING—22

Aiken	Hunt	Morse
Baldwin	Jenner	Myers
Bricker	Johnson, Colo.	Reed
Bridges	Lodge	Russell
Cain	McCarran	Thye
Chavez	McCarthy	Tobey
Downey	Magnuson	
Ferguson	Maybank	

So Mr. DOUGLAS' motion was rejected.

The VICE PRESIDENT. The question now is, Shall the bill pass?

The bill (H. R. 4146) was passed.

Mr. THOMAS of Oklahoma. Mr. President, I move that the Senate insist upon its amendments, ask for a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to, and the Vice President appointed Mr. THOMAS of Oklahoma, Mr. HAYDEN, Mr. RUSSELL, Mr. O'MAHONEY, Mr. TYDINGS, Mr. GURNEY, Mr. BRIDGES, Mr. WHERRY, and Mr. CORDON conferees on the part of the Senate.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

REPORT OF NATIONAL MORTGAGE ASSOCIATION

The VICE PRESIDENT laid before the Senate a letter from the Commissioner, Federal Housing Administration, transmitting, pursuant to law, a report of the Federal National Mortgage Association, for the period January 1 through June 30, 1949, which, with the accompanying report, was referred to the Committee on Banking and Currency.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. DOWNEY, from the Committee on Interior and Insular Affairs:

H. R. 5764. A bill to authorize the granting to the city of Los Angeles, Calif., of rights-of-way on, over, under, through, and across certain public lands; without amendment (Rept. No. 966).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. KEFAUVER:

S. 2504. A bill to provide a larger Federal contribution for old-age assistance; to the Committee on Finance.

By Mr. LANGER:

S. 2505. A bill for the relief of Abdul Karim; to the Committee on the Judiciary.

By Mr. GURNEY:

S. 2506. A bill for the relief of Libuse Chalupnik Pavlish; to the Committee on the Judiciary.

By Mr. KNOWLAND:

S. 2507. A bill to authorize the United States Maritime Commission to grant to the East Bay Municipal Utility District, an agency of the State of California, an easement for the construction and operation of an interceptor sewer pipe line in an under certain Government-owned lands comprising a part of the Maritime Alameda Shipyard, Alameda, Calif.; to the Committee on Interstate and Foreign Commerce.

By Mr. BUTLER:

S. 2508. A bill to provide for obtaining certain data relating to Indians in connection with the taking of the seventeenth decennial census; to the Committee on Post Office and Civil Service.

MINIMUM-WAGE STANDARD—AMENDMENTS

Mr. TAFT submitted an amendment, and Mr. GILLETTE and Mr. ELLENDER each submitted amendments intended to be proposed by them, respectively, to the bill (S. 653) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes, which were ordered to lie on the table and to be printed.

NATIONAL FARM POLICY—ADDRESS BY SENATOR ANDERSON

[Mr. ANDERSON asked and obtained leave to have printed in the RECORD an address entitled "National Farm Policy," delivered by him at the twenty-first annual session of the American Institute of Cooperation, University of Wisconsin, Madison, Wis., August 26, 1949, which appears in the Appendix.]

POLISH-AMERICAN CONGRESS OF EASTERN MASSACHUSETTS AND AMERICANS FOR POLAND RELIEF—ADDRESS BY SENATOR SALTONSTALL

[Mr. SALTONSTALL asked and obtained leave to have printed in the RECORD an address delivered by him on August 28, 1949, to the Polish-American Congress of Eastern Massachusetts and Americans for Poland Relief, which appears in the Appendix.]

GENERAL DAWES AT 84—ARTICLE BY BASCOM N. TIMMONS

[Mr. LUCAS asked and obtained leave to have printed in the RECORD an article entitled "General Dawes at 84," written by Bascom N. Timmons, and published in the New Orleans States, which appears in the Appendix.]

BRITISH JETS REPORTED BRIDGING 10-YEAR LAG IN RESEARCH BY SOVIET—ARTICLE FROM THE WASHINGTON STAR

[Mr. BREWSTER asked and obtained leave to have printed in the RECORD an article entitled "British Jets Reported Bridging 10-Year Lag in Research by Soviet," from the Washington Evening Star of August 26, 1949, which appears in the Appendix.]

RECKLESS LENDING THE GREATEST THREAT TO UNITED STATES—ARTICLE BY LOUIS BROMFIELD

[Mr. KEM asked and obtained leave to have printed in the RECORD an article entitled "Reckless Lending the Greatest Threat to United States" written by Louis Bromfield, and published in the Kansas City Star of August 16, 1949, which appears in the Appendix.]

NEW CONCEPT OF STOCKHOLDERS—LETTER FROM WILMA SOSS

[Mrs. SMITH of Maine asked and obtained leave to have printed in the RECORD a letter from Wilma Soss dated August 16, 1949, on the subject New Concept of Stockholders, which appears in the Appendix.]

AN ATLANTIC UNION?—EDITORIAL FROM THE PITTSBURGH POST-GAZETTE

[Mr. KEFAUVER asked and obtained leave to have printed in the RECORD an editorial entitled "An Atlantic Union?" from the Pittsburgh Post-Gazette of July 29, 1949, which appears in the Appendix.]

HOT DAYS ON THE POTOMAC—EDITORIAL FROM THE NEW YORK TIMES

[Mr. KEFAUVER asked and obtained leave to have printed in the RECORD an editorial entitled "Hot Days on the Potomac," from the New York Times of July 31, 1949, which appears in the Appendix.]

THE ONLY WAY TO REARM EUROPE—ARTICLE BY ALEXANDER P. DE SEVERSKY

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the body of the RECORD, as a part of my remarks, an article entitled "The Only Way To Rearm Europe," by Maj. Alexander P. de Seversky, which appeared in the American Mercury for March 1949.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE ONLY WAY TO REARM EUROPE

(By Maj. Alexander P. de Seversky)

(With this article Major de Seversky returns to his old battleground, and begins another fight for the most intelligent and effective use of air power in global warfare. Surely no one is more competent to make such an analysis. He alone, for a long time against the most vehement protests and objections of men high in the Army and Navy, saw the importance of the plane as an offensive, strategical, and tactical weapon. Before the war was over virtually every one of his ideas had been adopted by our armed forces, and the very men who had denounced him had only the highest praise for him. In awarding him the Medal of Merit, President Truman again referred to his "courageous labors in arousing our democratic public opinion in support of modern and adequate air force." The American Mercury was very proud in discovering Major de Seversky and in being the first magazine to open its pages to his articles, which eventually became the truly historic book, Victory Through Air Power. Now, at a time when our country is again in crisis

and when the matter of defense is inexorably tied in with our foreign policy, the Mercury considers it a privilege to open its pages to him again. What he now has to say is perhaps even more important than what he said in the momentous years 1939–45. It merits the attention of every American solicitous for the welfare of his country.—The Editors.)

I

In the interests of world peace and its own security, America should help restore the military potential of western Europe. On this long-term objective there seem to me no reasonable grounds for disagreement.

The hope of an economically healthy and morally self-reliant Europe is precluded as long as the nations beyond the iron curtain live under the continuous menace of Soviet conquest. Peace will remain tentative at best until a military balance of power is established on that Continent and its democratic nations cease to be military wards of the United States. The ultimate creation of such a balance is possible. Given economic rehabilitation and social stability, western Europe could muster the resources for self-defense.

But nothing is gained by ignoring the fact that Soviet Russia, today and in the next few years, holds physical dominance over Europe. If the Red Army, spearheaded by its teeming tactical aviation, were set rolling westward, there is no force in existence to stop its progress to the Atlantic. Talk of containing the Soviet colossus on the Elbe or the Rhine, even if the proposed 45 divisions were available, is unrealistic. Stalin cannot be blocked where Hitler crashed through.

Nor could an American decision to rearm Europe possibly alter this melancholy fact, no matter how lavishly it might be backed by our Treasury. The time element cannot be canceled out. The process would be slow—5 to 10 years on the most optimistic reckoning. In this interval the Soviets would retain their dominance over that land mass, checked only by effective power outside the Continent.

The creation of a force in Europe capable of meeting a Red land offensive would require not only the training and equipment of several hundred divisions, the construction of a great supporting tactical air armada, but the restoration of the industrial strength on which an effective military machine must rest. It would require—and this may prove to be the slowest part of the job—the moral reconditioning of the European people for combat and resistance.

While this gigantic task is under way, what would the masters of the Kremlin be doing? Those who discuss the revival of west European military vitality shy away from the distressing question. Their calculations assume that Soviet Russia will watch passively while a balance of military power is being built. The assumption seems to me fatuous.

We must face up to the truth that Moscow has, and will continue to have, the physical capacity to interrupt and to smash west European rearmament at any stage before its completion. Whether under the spur of aggressive ambitions or compulsive fears, the U. S. S. R. is likely to strike before the rearmament program jells. The temptation to do so will increase as mountains of equipment, new air bases, revived industries are piled up in western Europe, providing ever more enticing booty for a conqueror.

The logical moment of attack, indeed, can be estimated. It would be the stage at which preparations will be large enough to be worth capturing but not yet strong enough or sufficiently integrated to offer decisive resistance.

We are seeing the lengths to which the Kremlin and its fifth columns go in their determination to stymie the Marshall plan. Obviously military recovery, constituting an even more direct challenge to the Soviet position, will call forth correspondingly sharper interference. Should they delay attack beyond a certain point, the moral rehabilitation of western Europe, its greater economic and political stability, will become more formidable obstacles to the Soviet offensive. The healthier the democratic segment becomes, the harder Soviet Russia will find it to digest its conquest after taking military possession. Intervention long before western Europe becomes a self-sustaining entity—unless it is prevented by a counterforce elsewhere—must therefore be accepted as a near-certainty.

This does not mean that an early start in the military revival is not desirable or feasible. It does mean that the effort would be futile unless it were insured by adequate American strength—and strength of the right kind.

II

It is generally assumed that the Kremlin has been restrained thus far (political considerations aside) by fear of touching off a war to the finish with the United States of America. Probably Soviet Russia is not yet fully prepared for such a showdown. However that may be, certainly the only factor that can be counted upon to restrain Moscow in the future is the prospect of deadly American retaliation. Atom-bearing American air power is the sword of Damocles hanging over its head. Any policy which hampers the forging of that sword or tends to blunt its striking edges would be disastrous.

The indispensable condition for west European rearmament is the existence of a force capable of shielding the undertaking.

It must be a force that acts as a deterrent upon Russia. Under present-day conditions, huge armies and navies can hardly deter a nation whose great might is on the surface. Only American strategic air power "in being," i. e., in existence and ready to go into immediate action, offers the assurance that the hoped for rebirth of European capacity for self-defense will not be nipped in the bud. It is the sole force that may discourage a would-be aggressor from attacking or, in the worst case, compel him to loosen his grip on the Continent.

But this retaliatory force must not be based on Europe and its environs, where it would serve as an additional invitation to Soviet attack and, more important, would have to share the fate of Europe if the Red offensive were successful.

Strategic air power, whether it delivers atom bombs or any other kind of destruction, is no stronger than its bases. Once those bases are eliminated, the aviation becomes inoperative. If obliged, by reason of inadequate range, to strike from western Europe, this air power will be as vulnerable to attack and neutralization as any other military objective on that land mass. It will be subject to defeat by land power through the seizure or demolition of its bases.

The only base near Europe that will be tenable is the British Isles, not merely because they are separated from the Continent by water but because they have the industrial capacity and manpower to generate air power equal in quality and quantity to that of an enemy. This base will be a powerful ally of our air strength, certainly in the initial contest for air supremacy.

Any other base near Europe, within the orbit of Russia's striking air force, cannot be defended. In order to survive, such bases must be endowed with aerial defenses capable of thwarting attack by the total aerial potential of the enemy. They would have to possess, that is to say, defensive air power on the scale and with the same self-sustaining ability as the British Isles or the United States, which, of course, is economically impossible. What is true of such fixed overseas bases is true a hundredfold of the floating bases called aircraft carriers; their defensive capacity obviously must be infinitely smaller than what can be deployed on land; besides, they can be sunk with one blow.

Let me at this point make clear the distinction between strategic and tactical aviation. They are animals of entirely different species. The telltale difference is not in size, though the strategic aircraft are normally larger, but in the functions for which they are designed and equipped.

Tactical aircraft are designed to operate with and support surface forces, helping them to achieve their objectives. They are auxiliary to the surface strength—in effect, artillery of much longer range to clear a path for surface advances and to cooperate in winning surface battles.

Strategic air force, by contrast, is designed primarily for destruction of the industrial complex of the enemy nation and the rest of his means of waging war. Its role is to strangulate the opposing military effort in the enemy homeland; if successful, it makes surface conflict unnecessary and impossible.

It is thus apparent that big strategic bombers are not a proper weapon against armies supported by tactical aviation. Used for that purpose, they are simply reduced to tactical airplanes and, since they are not built or geared for such operations, are uneconomical and inefficient to boot. Great armies, well equipped and backed by vast reserves of matériel, cannot be defeated by strategic aviation through direct assault. Strategic air action has to be directed against the source and center of enemy war-making power—but that will not affect the armies in the field until they exhaust their reserve weapons and supplies. In Europe, this interval would be more than sufficient to allow the Red Army to occupy the whole Continent.

The fact that the strategic aircraft carry atomic destruction does not change the picture, for the atomic bomb also is not a proper weapon against advancing ground troops. After inspecting Hiroshima and Nagasaki and later witnessing the atom tests at Bikini, I was convinced that the tactical use of atomic bombs against soldiers and tanks is a highly unprofitable undertaking. This view was later corroborated by General McAuliffe, the hero of the bulge, who was deputy commander of the joint task force at Bikini. "The atomic bomb is a strategic rather than a tactical weapon," he declared. The Bikini experience, he pointed out, showed that soldiers in dugouts or tanks could weather the blast, head, and radiation of nearby atomic explosions and go on fighting.

I am fully aware that these conclusions run counter to popular misconceptions on atomic bombing effects. The fact is that in the aerial explosions over Bikini, Hiroshima, and Nagasaki, there was no residual or "latent" radioactivity to speak of. The rescue workers and Red Cross were able to enter the bombed areas immediately and work without hazard to themselves. The radioactive danger existed only at the moment of explosion, which is an infinitesimal fraction of a second, and affected only those who were directly exposed to the rays. Even Japanese who happened to be in primitive earth dugouts near the center of explosion were not touched by radiation. That is why soldiers properly dug in will survive to fight again, as General McAuliffe rightly said.

The confusion on this score has been caused by the results of underwater explosion of the atomic bomb at Bikini. That bomb was artificially planted under water and detonated by remote control, as a kind of laboratory experiment. Millions of tons of water were mixed with radioactive fissionable material. This poisoned water drenched the ships, leaving radioactive deposits in all the crevices of the structures, from which they could not be completely removed without dismantling the ships. Hence they had to be destroyed. This condition does not prevail in aerial attacks on land forces. The tactical use of the atomic weapon against

armies is therefore highly impractical at present, particularly considering the prodigious national effort that goes into their manufacture.

In short, strategic aviation based on Europe, being unable to stop surface attack by superior land forces, could be rapidly eliminated. To fulfill role as a deterrent, as a means of decisive retaliation, it must be immune to Soviet attack. To make it part of the very area it is expected to protect, through dependence on European bases, is to court disaster.

An important principle of warfare at the present stage of technological development needs to be understood:

(1) A preponderant land force in being, with its supporting tactical aviation, cannot be prevented from taking possession of its own continent, except by superior land force already on the same continent. (2) Preponderant strategic air power located on one continent can neutralize and liquidate the land force of another continent through destruction of its means of waging war, communications, transportation, food, and water supply.

In other words, preponderant land force can be stopped only by opposing land power of the necessary magnitude and vitality originated on the same continent. If that is not available, it can be challenged only by long-range strategic air power operating from another continent—from bases that are not menaced by hostile land forces and are shielded, moreover, by the entire defensive might of that continent.

The reinforcement of defending armies from overseas on a decisive scale is today out of the question. Encouraged by the success of the European invasion in the last war, some people stake their hopes on another and larger invasion; some such illusion underlies the demand for universal military training in our country. They forget that conditions have changed fundamentally.

In the last war, aircraft were still of limited range—not for technical reasons but because all the belligerents were blind to the need to exploit range to its full limit. Our factories were unmolested. Great expanses of ocean were open to us. We could amass large armies in England without serious interference. Despite this, the invasion required years of intensive preparation and could not begin until the enemy's land strength had been sapped and his air strength virtually destroyed.

Today American factories would be under aerial bombardment, as would points of embarkation and disembarkation. No water area would be safe from enemy attack. Under these new conditions naval transport is too vulnerable to deliver millions of men and their equipment on the endangered continent in time to prevent its seizure. Air transport cannot as yet attain the lift to deliver and supply, let us say, 100 or 150 divisions across an ocean. The Berlin airlift, for all its dramatic achievement, should not engender illusions on this score; far-reaching technological advances—such as the replacement of present methods of propulsion by atomic energy—must be made before the transport of manpower on such a huge scale becomes feasible.

It is thus clear that to deter Soviet Russia from overrunning all of Europe in a crisis—or to liberate the continent if it is taken over by the Red Army—we have only the aforementioned sword of Damocles. Without it, a military revival of western Europe will never be permitted by the great land power which is now potentially master of the continent.

Invincible strategic air power operating in part from the British Isles and in the main from the American continent must therefore have number-one priority in planning the economic revival and military defense of Europe. It is the pre-condition for the rearmament of the democratic portion of that land mass.

When west European statesmen grasp this central fact, they will see the fallacy of American military aid at the expense of long-range air power. They will no longer feel that the United States is "abandoning" Europe if it chooses to channel its resources into the air, rather than into a utopian attempt from the outset to match Russia's 300 divisions with west European divisions. On the contrary, any let-down in our strategic air program would amount to an abandonment of Europe to its fate.

To store perishable goods, the first and minimal need is a stout roof. Rearmament of western Europe, until it is brought to the point where it balances the huge Soviet surface might, will remain exceedingly perishable goods. The protective roof can be provided only by American air power independent of European bases and geared for instant attack on Russian industries and communications.

Under the guarantee of such a roof, democratic Europe can begin to reorganize its military potential. The fighting manpower will be drawn from its own large population, while we provide the equipment and industrial tools. As its industries are revived, there will be less call for the American contribution, until ultimately western Europe stands on its own feet.

III

Though restoration of western European military strength, with the French Army as its core, is a primary goal, it must remain subsidiary at this stage, both in the matter of investment and priority. The right-of-way must be given to long-range strategic air power.

There are some, especially among the more rhetorical European leaders, who visualize a grand coalition of all the countries west of the iron curtain to match the Soviet potential division for division. Most of these divisions are to be provided by Europe, though equipped largely by America; the rest will be trained on our side of the ocean and, when war starts, conveyed to Europe by an immense Navy sailing under its own umbrella of air power.

Not even opulent America is rich enough in men and materials to translate such a grandiose conception into reality—and at the same time develop the strategic air power which alone could restrain Russia from rudely interrupting the whole effort. First things must be put first in the plans for world security.

American manpower and resources, when measured against those of the Soviet Union and the Eurasian continent it dominates, are extremely limited. We cannot afford to build anything and everything that is proposed without courting bankruptcy and dispersing our strength into the bargain.

The present official plans call for building simultaneously the largest possible land, sea, and air forces. Obsessed by the "team" concept—the combined Army-Navy-Air Force operations developed during World War II—we are splitting our potential three ways. The military budget for the fiscal year 1950 earmarked equal amounts, about $4,500,000,000 for each of the three services, on the arbitrary and unrealistic assumption that they will play equal roles in any coming war.

A recent press summary of the view of our high command stated that "the United States can develop overwhelming superiority in the air and at sea, but it will find it hard to compete" with Russia's land power. Since Russia is a self-contained continent which does not depend on overseas supplies, the reference to our overwhelming superiority on the sea is irrelevant. Why then assign a third of our wealth to a force which Russia can and will ignore? Why assign another third to the land force, which we admit in advance will be defeated? Logic demands that we invest our national effort preponderantly in the one force, air power, where our overwhelming superiority can assure victory.

Sooner or later this logic will be recognized. The team of the last war was a makeshift designed to carry short-range aviation step by step, atoll by atoll, within striking distance of the industrial heart of Japan proper. Now, with transoceanic aviation range a reality the makeshift is no longer needed. Air power has become the predominant strategic force, our first line of security, with the surface services reduced to auxiliary functions.

An enlightened public opinion must lead to a reappraisal and reassignment of roles, and our resources must be invested in the decisive force of modern war making. Billions being squandered on outlived surface forces will then be saved. Having reduced our effort on land and sea, we shall be enabled to undertake the important job of restoring military vigor in western Europe without an intolerable strain upon our economy and upon our free way of life.

Meanwhile, however, we are launched on an incredibly profligate strategy, almost suicidal in its waste of our substance on superfluous weapons. It is draining American national resources and committing American productive capacity at an alarming rate. To add to it the burden of massive European rearmament could only spread our limited strength still more thinly, with consequent weakening of the whole complex and without assuring clear-cut superiority in the most decisive sphere, which is today the air ocean. In theory we would be attempting to revitalize European self-defense; in actuality we would be making that very thing impossible.

Unfortunately, the great debate over fundamental strategic issues among our military men is being kept in large part a family secret. The American people, who in the final analysis must make the decision, are being kept ignorant by officialdom. When they know all the facts, as in the end they must, they will determine whether our country will be a land, air, or sea power. We cannot be all three without condemning ourselves to defeat.

Military leaders, psychologically and mentally committed to their respective strategies, in the nature of the case will never come to a free unanimous decision. To leave it all to one man, the Defense Secretary, as is now being proposed, is undemocratic and dangerous; the military defeat of totalitarian nations holds a clear warning in this connection.

When the American people decide that long-range air power operating from their own mainland—now technologically realistic and feasible—is their sole strategic reliance, they will effect real economy in our national defense. They will then have a margin of wealth and manpower to spare for a genuine military revival in western Europe. At the same time that strategy will guarantee to the democratic nations of that Continent the necessary time for rearming without Soviet interference.

The rearmament effort, in addition, will tend to divide the Soviet air potential. Knowing that a surface counterforce is being developed, Moscow will have to maintain its own surface strength at peak. It will therefore have to commit a large portion of its resources to the immense tactical aviation that goes with modern land power. The amount Russia will have available for the lang-range air contest and home defenses will thus be reduced, with a relative enhancement of American strategic air might.

In its preparatory years, Nazi Germany built a Siegfried Line. From subsequent German strategy it is now apparent that the Nazis did not put much faith in surface obstructions. Why then did they build it? The answer, I believe is that they were eager to stimulate French faith in the Maginot Line. Every franc siphoned off into the use-

less types of defenses raised Germany's relative weight. Steps for west European rearmament will serve similarly to siphon off an ever larger part of the Soviet industrial and raw-material potential into surface force, with a consequent advantage to American strategic air power.

But the problem of restoring European defensive vitality cannot be considered in a vacuum. It is inexorably bound up with the whole global equation and must be put in its proper relative place in the picture. A table of priorities in this crucial period of preparedness for peace—and for victory if war is forced upon us—would be roughly as follows:

First, long-range American strategic air force, and the reinforcement of the British Isles as our most important and tenable advance base.

Second, rearmament of western Europe, and the industrial recovery of that area to make possible the ultimate generation of independent military strength.

Both these purposes must be pushed simultaneously, of course. But in the assignment of appropriations and allocation of resources priority must be reserved to the first of them. To do otherwise would be tantamount to killing the goose that lays the golden eggs of American deterrent and retaliative power.

Within the framework of this realistic pattern, a beginning should be made immediately in the restoration of European military might. It will be a shot in the arm for the morale and self-respect of the nations involved. It will provide at least the minimum strength for policing purposes, to hold down fifth-column activities and to defeat them if they take violent forms. It will initiate the long-term program for an ultimate balance of military power on the European continent.

It has become a truism in our epoch that foreign policy is only as effective as the military power by which it is buttressed. Once we adopt a simple and logical military strategy, one that is within our means, our foreign policy will also be simplified. We shall be able to pursue our goal of world peace with self-assurance and without being misunderstood either by friends or potential enemies.

NATIONAL AND PER CAPITA DEBTS OF THE COUNTRIES OF EUROPE AND THE UNITED STATES FOR 1939

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a tabulation which has been compiled by the Library of Congress, which shows the debts of the various North Atlantic Pact countries and the iron curtain nations, giving the dates of the debts, the money denomination, the United States equivalent, the debts in local currencies and the debts in United States dollars, the populations in the year of the debts, the current per capita debt, and the 1939 per capita debt.

The VICE PRESIDENT. Is there objection?

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

ERP COUNTRIES, WITH THE EXCEPTION OF THE UNITED STATES, TOTAL DEBTS AND POPULATION

Total debts in United States dollars, $162,975,055,758.

Total population, 219,832,000.

ATLANTIC PACT NATIONS WITH THE EXCEPTION OF THE UNITED STATES

Total debts in United States dollars, $157,562,289,150.

Total population, 184,229,000.

Comparative list of the national and per capita debts of the ERP countries and the rest of Europe and the United States of America for 1939 and the latest available dates

Country	Date	Money denomination	United States equivalent	Debt in local currency	Debt in United States dollars	Population in same year as debt given	Current per capita debt	1939 per capita debt
ERP countries:								
Austria	Oct. 30, 1948	Schilling	$0.10	11,714,700,000	1,714,700,000	6,755,000	$253.841	$89
Belgium [1]	July 31, 1947	Franc	.022829	276,769,000,000	6,318,364,067	8,421,000	750.310	190
Luxemburg [1]	Jan. 1, 1947	do	.02275	4,276,000,000	97,270,246	289,000	336.575	81
Denmark [1]	Mar. 31, 1948	Kroner	.20864	1,484,000,000	309,621,760	4,190,000	73.895	64
France [1]	Jan. 1, 1948	Franc	.008407	2,499,073,000,000	20,989,706,711	41,500,000	505.776	283
Greece	June 30, 1948	Drachma	.000199	1,000,000,000,000	199,000,000	7,780,000	25.578	87
Iceland [1]	Jan. 1, 1949	Kronur	.1536	170,000,000	26,113,671	134,000	194.878	73
Ireland	Mar. 31, 1948	Pound	4.03	42,521,000	171,359,630	2,997,000	57.177	99
Italy [1]	June 30, 1947	Lira	.00444	1,309,171,000,000	5,812,719,241	45,373,000	129.064	176
Netherlands [1]	do	Guilder	.37760	13,686,000,000	5,167,833,600	9,629,000	536.697	259
Norway [1]	Jan. 1, 1948	Kroner	.20160	6,117,261,181	1,233,239,854	3,181,000	387.689	122
Sweden	Jan. 1, 1949	do	.27823	11,598,000,000	3,226,911,540	6,883,000	468.823	100
Turkey	Jan. 1, 1948	Lira	.3540	1,459,591,634	516,695,438	19,500,000	26.497	2
United Kingdom [1]	Apr. 30, 1949	Pound	4.03	25,184,000,000	101,591,520,000	50,300,000	2,019.712	667
Bizone of Germany								
French zone of Germiny								
Trieste								
United States of America [1]	July 1, 1949	Dollar		252,292,246,513		148,902,000	1,694.351	351
Canada [1]	Mar. 23, 1949	do	1.03	15,600,000,000	15,600,000,000	12,900,000	1,209.302	384
Iron curtain and other countries:								
Albania		Lek						
Bulgaria	Mar. 31, 1946	Leva	.003472	112,235,683,310	389,682,293	6,993,000	55.724	70
Czechoslovakia	June 30, 1946	Koruna	.01994	85,427,700,000	1,703,428,340	12,916,000	131.885	111
Finland	Jan. 1, 1946	Markka	.007353	85,506,000,000	628,725,620	3,835,000	163.944	29
Hungary	Sept. 30, 1943	Pengo	.08455	6,500,000,000	549,575,000	9,440,000	58.217	36
Poland	Jan. 1, 1947	Zloty	.009804	35,827,000,000	3,512,479,100	23,781,000	147.701	29
Portugal [1]	do	Escudo	.040501	10,339,000,000	415,900,000	8,312,000	50.036	33
Rumania	Mar. 31, 1947	Lei	.006536	45,226,229,184	295,598,634	16,530,000	17.882	39
Spain	Jan. 1, 1947	Peseta	.08913	49,319,026,338	4,395,804,820	27,503,000	159.830	93
Switzerland	do	Franc	.2317	8,702,702,000	2,016,416,050	4,547,000	443.460	338
U. S. S. R	Sept. 1, 1939	Ruble	.1990	35,419,000,000	7,048,381,000	170,467,000	41.362	
	Jan. 1, 1947	do	.18867	494,466,336,000	26,208,000,000	193,000,000	1,357.920	
Yugoslavia	July 1, 1948	Dinar	.02304	28,120,000,000	647,884,800	15,700,000	41.267	32

[1] Atlantic Pact country.

NOTES

1. Population figures are from the United Nations, Monthly Bulletin of Statistics, vol. III, No. 7 (July 1949) pp. 10–13.
2. Conversion rates are from:
(a) Federal Reserve Bulletin, vol. 35, No. 6 (June 1949), p. 753.
(b) United Nations: Monthly Bulletin of Statistics, vol. III, No. 7 (July 1949), pp. 150–51.
(c) International Monetary Fund, International Financial Statistics, vol. II, No. 9 (June 1949), pp. 12–13.
(d) Federal Reserve Board, Banking and Monetary Statistics, 1943, p. 662.
3. 1939 per capita debt burden totals are taken from: U. S. Government, Senate Committee on Finance, Foreign Assets and Liabilities of the United States, December 18, 1947, p. 131.
4. Sources for national debts of ERP countries:
(a) Austria: Economic Cooperation Administration; Country study. Austria, February 1949, p. 30.
(b) Belgium; UN Economic and Social Council; Belgium, Public Finance Data, 1937–48. 1948, p. 29.
(c) Luxemburg: Whitaker's Almanac, 1949. London 1949, p. 948.
(d) Denmark: Ibid, p. 913.
(e) France: Europa, London, Europa Publications, Ltd., June 1948, p. 3.
(f) Greece: ECA Country Study. Greece, February 1949, p. 21.
(g) Iceland: ECA Country Study. Iceland, February 1949, p. 14.
(h) Ireland: Statesman's Yearbook, 1948. p. 93.
(i) Italy: Europa, May 1948, p. 3.
(j) Netherlands: Whitaker's Almanac, 1949. p. 955.
(k) Norway: Ibid., p. 958.
(l) Sweden: ECA Country Study. Sweden, February 1949, p. 23.
(m) Turkey: ECA Country Study. Turkey, February 1949, p. 17.
(n) United Kingdom: International Monetary Fund. International Financial Statistics, vol. II, No. 5 (May 1949), p. 123.
(o) French zone, Bizone of Germany, and Trieste left out since their statistics do not relate themselves to the rest.
(p) United States: U. S. Treasury, Daily Treasury Statement, July 1, 1949, p. 2.
(q) Canada: Montreal Daily Star, Montreal, March 23, 1949. p. 17.
5. Sources for national debts of "iron curtain" countries and rest of Europe:
(a) Albania: No external debt.
(b) Bulgaria: Statesman's Yearbook, 1948, p. 755.
(c) Czechoslovakia: Ibid., p. 818.
(d) Finland: Europa, Finland, May 1948, p. 5.
(e) Hungary: Statesman's Yearbook, 1948, p. 1008.
(f) Poland: Europa, Poland, May 1948, p. 4.
(g) Rumania: Whitaker's Almanac, 1949, p. 974.
(h) Spain: Statesman's Yearbook, 1948, p. 1237.
(i) Switzerland: Whitaker's Almanac, 1949, p. 984.
(j) U. S. S. R.: Moody's Governments and Municipals, 1948, p. 1905.
(k) Yugoslovia: Whitaker's Almanac, 1947, p. 1003

IRREGULARITIES IN THE ADMINISTRATION OF WAR FOOD ORDER 119 BY THE WAR FOOD ADMINISTRATION IN DELAWARE—STATEMENT BY SENATOR WILLIAMS

Mr. WILLIAMS. Mr. President, I ask unanimous consent to have inserted in the body of the RECORD a statement by me as to irregularities in the administration of war food order 119 by the War Food Administration in Delaware. I was unable to get time to make the statement today under the conditions existing.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

IRREGULARITIES IN THE ADMINISTRATION OF WFO 119 BY THE WAR FOOD ADMINISTRATION IN DELAWARE—STATEMENT BY SENATOR WILLIAMS

Mr. President, I take the opportunity of calling to the attention of the Senate, and particularly the farmers on the Delmarva Peninsula, the results of an investigation which was conducted during the war years relating to one phase of the activities of the War Food Administration. As you know, the War Food Administration is the name under which the Commodity Credit Corporation operated during the war years, and is the same corporation which the Honorable Lindsay C. Warren, Comptroller General of the United States, in his report to the Congress of March 30, 1949, charged with having spent over $366,000,000 of the taxpayers' money for which it was unable to render an accounting.

I fully recognize the fact that the information which I am about to present to the Senate is related to transactions which took place some 4 years ago. However, until recently, I was unable to obtain all of the facts relating to this investigation. I consider these facts of such vital consequence to the farmers on the Delmarva Peninsula, particularly in my own State, that I feel they should be made public even at this late date.

Before giving a detailed report I will summarize a few of the high lights of this investigation.

These files show that during the 3-month period in 1945 in which the investigation was conducted, 1,862 loads, or over two-thirds of the live poultry shipped from the Delmarva area was going out under improper certificates.

There are statements in these files of the individuals responsible admitting that farmers' names were forged to many of these certificates and that the poultry was being shipped out of the area in the farmers' names without either their knowledge or consent.

There is also contained in these files undisputed charges that in many instances these forgeries were conducted with the knowledge of either Clifford W. Shedd, State director of the War Food Administration, or his subordinates.

There is evidence in these files that a large percentage of the poultry leaving Delmarva Peninsula through these improper methods was being disposed of in the black market in New York City through a corporation largely owned by some of the same buyers who were operating on the peninsula and shipping the poultry under the forged certificates.

These files show that another partner in this New York corporation and the man who exercised the power of a czar over our poultry industry during the war years was a certain Charles Herbert, a notorious New York gangster with a long criminal record.

These files also show that at no time during the operations of WFO 119 did the Government buy any poultry at below the ceiling prices, notwithstanding the fact that in many instances the poultry was purchased from the farmer by the processor at prices substantially below the ceiling price. This was a direct violation of the terms of the contract in which the seller represented that the contract price was based upon the estimated price paid to the producers.

This report completely exonerates the farmers on the Delmarva Peninsula and at the same time places the responsibility for whatever black-market conditions existed on a small group of buyers who were operating with the knowledge of the State director of the War Food Administration or his subordinates in that area.

Any of the statements which I have made can be verified from the five investigation reports which were submitted by Special Agents Harold Mesibov and Robert J. Duff to the War Food Administration, identified as follows: August 14, 1945, file WFO 119–59; August 23, 1945, file 4–37; September 19, 1945, file WFO 119–42; October 9, 1945, file 4–36; and October 16, 1945, file WFO 119–42–1.

In order that the records of this case may be complete, I shall review its complete history.

During the war years many loose charges of black-market operations were made by prominent Government officials against the farmers in the Delmarva area. Speaking in their official capacity as heads of the different Government agencies, including the OPA and the War Food Administration, they made wholesale charges that the farmers in this area were shipping their poultry to be sold on the black markets, in violation of the OPA regulations and also in violation of the 100-percent set-aside of WFO 119, issued on December 1, 1944.

WFO 119 set aside 100 percent of the poultry in the Delmarva area for use of the armed services and called for the stationing of soldiers at every highway outlet. The officials in Washington, responsible for the operations of both the War Food Administration and the OPA, were so convinced that the majority of the farmers in this area were law violators that in the issuance of WFO 119 they included a sentence stating that one of the main reasons for the issuance of the order was not altogether to obtain the poultry for the Army, but was primarily to break up the alleged black market prevailing in that area.

The farmers in our State, knowing that the charges contained in this order were false, became very indignant and the situation grew so tense that the Honorable Walter W. Bacon, governor of our State, called a meeting of the farmers at his office in Dover, Del., with the acting State director of the War Food Administration, Clifford W. Shedd. At this meeting the governor requested that either the War Food Administration produce evidence of its charges or else retract them. Mr. Shedd, as spokesman for the War Food Administration, admitted that the Government could not support its charges and agreed to obtain from his superiors a public apology to the farmers in that area.

WFO 119, setting aside 100 percent of the poultry produced on the Delmarva Peninsula for use of the armed services went into effect on December 11, 1944. And during the period in which this order was in effect, poultry was not supposed to be shipped from the peninsula unless each load was accompanied by a release signed by the farmer, the buyer, and the State Director for the War Food Administration.

Notwithstanding the fact that soldiers were stationed at every outlet on the peninsula to check each load of poultry leaving the area, the press continued to prominently play up charges that many loads of poultry were leaving the area daily and ending up in the black markets in the eastern cities.

From its New York office the Office of Price Administration sent hordes of special agents into each county on the Delmarva Peninsula, with specific instructions that they check each farmer in that area. These many agents were continuously releasing front-page articles to create the impression that all the farmers in our area were crooks. The result was that during the brief period in which the agents operated they not only almost completely destroyed the reputations of the farmers themselves but they also destroyed the good will of the city consumers which our farmers, over a period of years, had worked so hard to develop.

We who live in that area, being familiar with the poultry industry and knowing many of these farmers personally, could not understand why prominent officials of the United States Government should continue to make charges which we knew full well were false. I am not trying to say that there were not some violations o the OPA in that area as there were in all parts of the country. But I do say that the large majority of our farmers were doing their best at all times to comply with the wartime regulations.

In the midst of this period during which time the War Food Administration was demanding 100 percent of our poultry, we read in the newspapers that a special investigation was being conducted in our area. In the Philadelphia Record of June 13, 1945, an article appeared stating that the Federal Bureau of Investigation had been quietly probing the poultry black market in the Delaware-Maryland area and that startling results were expected. The article stated that their findings would reach high into Delaware State politics and perhaps into the Washington headquarters of the War Food Administration and the OPA itself. Many of us felt that at last the truth would soon be exposed, and that the loose charges which had been made against the farmers in the Delmarva Peninsula would be repudiated.

However, for some reason which I cannot understand, the results of that investigation were never released to the public. The wholesale charges which were made against our farmers, accusing them of black market operations, have been allowed to stand during these intervening 4 years. Although the OPA has passed out of existence, the names of many of these farmers have remained on the black list of the Federal Government as suspected law violators. The Bureau of Internal Revenue, supplied with this list and believing the farmers to be guilty of having received black-market money, has assigned an unusually large number of agents to the area to continue the investigations. In view of these circumstances I feel that the report of the investigation conducted by the special agents of the War Food Administration, which for some unexplained reason has remained a top secret and has been suppressed, should be released to the public. This investigation clearly proves that the charges that wholesale black market operations were being conducted by the farmers of the Delmarva Peninsula were lies.

In the reports of this investigation as filed with the Department by Special Agents Harold Mesibov and Robert J. Duff, can be found a complete exoneration of the charges which were made against the farmers in this area. These amazing documents do contain some startling revelations and rather serious charges of irregularities, but not on the part of the farmers who had been so freely accused of law violations; on the contrary, the reports contain rather serious charges of irregularities on the part of the Government officials themselves who were responsible for the operations of the program on the Peninsula.

In order that the record might be put straight and the responsibility placed where it belongs, here are some of the facts as contained in this report covering the period between May 7, 1945, through August 6, 1945.

I refer first to—

FILE NO. 4–36 DATED OCTOBER 9, 1945

On June 11, 12, 13, and 14, 1945, at the Dover, Del., office of Clifford W. Shedd,

Deputy Administrator of WFO 119, 4 special agents examined all of the releases and applications made available to them, and found that of a total of 2,762 releases issued by Shedd's office, less than one-third of them were supported by growers applications. The report reveals that when applications for releases were solicited or recommended by one particular representative of a certain group of poultry buyers, they were given top priority by Mr. Shedd's office. One thousand three hundred and eighty-four of these releases were granted on requests submitted through this one representative, and of that number, 944 were not supported by growers applications. One thousand three hundred and seventy-eight releases were issued during the same period to buyers applying directly to the office of Clifford W. Shedd, the Deputy War Food Administrator, and of this number, 918 were not supported by growers applications as required by law.

FILE WFO 119–42 DATED SEPTEMBER 19, 1945

The report contains signed admissions that the names of the farmers appearing on many of these WFA releases were forgeries and that a large percentage of the poultry which was moving out of this area into the black market was being shipped out in the name of the individual farmers on the Delmarva Peninsula without either their knowledge or consent. Moreo.er, the report contains charges that some of these forgeries were committed with the knowledge and approval of the Government officials in charge of the operations at the Office of the War Food Administrator at Dover, Del.

FILE NO. 4–36 DATED OCTOBER 9, 1945

The report further shows that Clifford W. Shedd, during the month of May 1945, alone, issued these unauthorized releases for 1,700,000 pounds of poultry for sale in civilian markets in spite of repeated warnings from Gordon W. Sprague, his superior in Washington, that the Army needed the poultry.

FILE WFO 119–42 DATED SEPTEMBER 19, 1945

There is evidence in the report that members of this buyers' group were actually paying their official representative for the releases which he was receiving from Clifford W. Shedd's office in Dover.

FILE WFO 119–42 DATED SEPTEMBER 19, 1945

The report indicates that a large percentage of the poultry moving out of this area during the period of the investigation, much of it on forged certificates, was handled through the West Seventeenth Street Poultry Co., 425 West Seventeenth Street, New York, N. Y., and ultimately was disposed of in that market. It shows that this New York poultry company which was acting as a clearing house for a large percentage of the poultry leaving the Delmarva Peninsula was substantially owned by the same group of buyers who were controlling operations on the Delmarva Peninsula and shipping poultry to this concern in the name of the Delaware farmers on forged certificates.

FILE WFO 119–42 DATED SEPTEMBER 19, 1945

The record further shows that Charles Herbert of New York City was part owner and general manager of this corporation or clearing house in New York City, and in that capacity practically controlled the distribution of all poultry moving from the Delmarva area. Apparently this was not a new experience for Mr. Herbert since the files show that this was the same Charles Herbert who was convicted in 1929 of racketeering and terrorism in the operation of a chicken monopoly at that time and for violation of the Sherman Anti-Trust Act.

On July 9, 1936, a New York newspaper referred to this Charles Herbert as a "notorious racketeer" and the article stated that Mr. Morgan, Commissioner of Markets for New York, was leaving for Washington to seek the aid of the G-Men to break up the poultry racket. According to this newspaper report, Morgan turned over to Special Prosecutor Thomas E. Dewey evidence of a so-called shakedown racket and abuses which he attributed to this same Charles Herbert. In 1937 this same Charles Herbert was again sentenced for from 4 to 10 years for racketeering in the poultry markets in New York. Numerous other indictments and convictions are listed in the files against this same Charles Herbert, including records of many charges during this same period against the owners of the firm for violations of OPA regulations and numerous other Government orders.

Substantial financial losses accrued to the farmers through the ignoring by Mr. Shedd of that provision of WFO 119 which provided that the amount saved through the purchase of any poultry by the buyers below the ceiling price must be passed on to the Government in its entirety. Each contract between the processors and the Government contained a provision which stated:

"The contractor represents that the contract price * * * is based upon an estimated price paid to the producer * * * for live chickens to be processed hereunder. In the event and to the extent that the actual price paid to the producer of live chickens purchased for the performance of this contract is less than such estimated price, the contract shall be reduced by the same number of cents or fraction thereof, per pound."

The purpose of incorporating this provision in all contracts was to remove all incentive from the buyers of forcing the price of broilers at the farm below ceiling price since had this provision been enforced, such savings would have been merely passed on to the Federal Government.

Mr. David L. Hume, chief of the poultry section, headquarters, quartermaster market center system, Chicago, Ill., in response to an inquiry of June 23, 1949, as to how much, if any, poultry the Government procured below the ceiling price, replied that to the best of their knowledge—

"All poultry purchased under WFO 119 by the market center system was at applicable maximum OPA prices. * * * Further, WFO 119 was administered by the War Food Administrator. The Quartermaster Corps was only an authorized buyer under the terms of the order."

Once again we find that Mr. Shedd, in ignoring this provision of the law, allowed unwarranted profits to accrue to this same privileged group at the expense of the farmer.

Notwithstanding all the irregularities which transpired under the administration of WFO 119 by Clifford W. Shedd, we find that instead of any disciplinary action being taken against him, Mr. Shedd was actually given a promotion and an increase in salary of $580 per year, and was retained on the rolls of this same corporation until April 16, 1946. On that date he was all wed to resign and accept a position with a higher salary in the Department of Commerce, which position he still holds today.

This is another example to prove the maxim, "If you make a mistake in the Federal Government, make it big and involve enough people, and you can get away with it."

Mr. President, it seems rather ironical that we should find that not only were these wholesale criminal charges which were made against our farmers false, but that they were originated and encouraged by the officials of the same Government agency which at that time was spending hundreds of millions of dollars of the taxpayers' money without keeping any record of it.

These tactics of making false charges against our farmers were employed by the State director of the War Food Administration in an apparent effort to divert the attention of the OPA investigators and the public from the irregularities in his own office.

This is one of the most flagrant miscarriages of justice which has ever come to my attention, and I think the Administration, which has had these files in its possession for over 4 years and has done nothing about them, should explain:

1. Why have the contents of this report been withheld from the public for over 4 years; and

2. Why have these files not been referred to the Department of Justice?

And the most important question of all is, Was it this same group which was responsible for the flagrant manipulations of the broiler market on the Delmarva Peninsula as recently as July of this year?

1949 AGRICULTURAL HARVEST

Mr. WILEY. Mr. President, I send to the desk a statement on a momentous canning strike which has just been averted—a strike which could have paralyzed Wisconsin agriculture as well as farmers throughout the Nation. I ask unanimous consent that it be printed at this point in the CONGRESSIONAL RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

COMMENTS BY SENATOR WILEY ON 1949 AGRICULTURAL HARVEST

Mr. President, throughout the Nation the agricultural harvest of 1949 is proceeding in full swing. This year we in Wisconsin are proud of a particularly good harvest which, while not bumper in size, is sufficient, thanks to late June rains and a tremendous corn crop which is expected to hit around 130,000,000 bushels.

As usual, the Wisconsin farmer faced the ravages of nature but came through with flying colors. A drought threatened for a considerable time to keep the hay fields as bare as a floor. Corn borers struck in the southern part of the State. Insects ravaged much of the pea crop, and yet in spite of it all we will harvest over 5,500,000 tons of hay; 110,000,000 bushels of oats; 6,250,000 bushels of barley; 13,000,000 bushels of potatoes; 10,000,000 cases of peas, and many other crops.

WISCONSIN'S LEADING CANNERY PRODUCTS

I have pointed out previously on the floor the pride of my State in its great canning production. The Badger State leads the Nation in the production of peas for canning and while this year's crop of peas will fall short of the 1945 peak of 16,000,000 cases, we will still hold first place in the Nation in canned peas. We rank first in the Nation in the production of sweet corn for canning and we will have a pack of around 7,000,000 cases. We will pack 1,650,000 cases of green and waxed beans with the limas still to come. We are going to have wonderful yields from our lush beet fields—between 10 and 12 tons yield to the acre.

All of this spells lifeblood to Wisconsin's over 150 canning factories, employing around 30,000 workers with an annual payroll of $15 to $20,000,000. Canned peas, canned kraut, canned green beans, limas and waxed beans—these are the stuff and substance of much of the prosperity of the Badger State.

And yet, but a week or so ago it looked as though a tremendous proportion of this golden yield of nature would be rotting in the fields. A strike was scheduled in a vital canning company and this strike undoubtedly would have spread. The corn, the peas, the beans, would have moldered in the fields if the cans were not instantly available.

From all over the State of Wisconsin came telegrams to my office urgently pleading for action to prevent this disaster—a potential

calamity not only to the small canning factories but to the individual farmer. I, of course, immediately got in touch with the Federal Mediation Service in the Department of Labor and I am glad to say that this strike has been put off until October.

APPRECIATION OF WISCONSIN CANNERS

I am grateful for the many messages which have poured in from Wisconsin expressing gratification that our Federal authorities were able to forestall a disastrous stoppage.

I should like to quote from one letter from a Wisconsin canning company typical of many splendid letters for which I am humbly grateful:

"I want to take this opportunity of thanking you for the splendid cooperation that you gave to us and your promptness in handling our request for assistance in preventing that strike of American Can Co. employees.

"I rather imagine that you received a deluge of requests and it certainly is gratifying to note the promptness of the decision * * * and I am positive that your efforts materially aided our industry in securing this objective. Thank you again."

Now, Mr. President, the reason I bring this issue up is not merely as an act of pride in the great canning and farming industry of my State nor is it to merely express heartfelt thankfulness that a dreadful canning strike has been averted; rather, it is to point up the fact of the harmful economic consequences of strikes—to labor, to management, to farmers, to the public. Fortunately, reason prevailed in this recent instance. The peas and beets and beans did not rot in the fields as they might have. It was a narrow escape and I am hoping that even in the long run no strike will come to pass.

LET US UNITE TO PREVENT AVOIDABLE STRIKES

Let labor, businessmen, farmers, consumers, unite to help put more vitality in Federal and State labor statutes so that calamitous strikes such as the one that we have just avoided in the canning industry may be held to an irreducible minimum. Let not labor miss vital pay envelopes; let not crops for which the farmers sweated and strained be lost. Let not the public be denied wholesome, nutritious foods.

PURCHASE OF AUTOMOBILES BY CERTAIN DISABLED VETERANS

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 2115) to authorize payments by the Administrator of Veterans' Affairs on the purchase of automobiles or other conveyances by certain disabled veterans, and for other purposes, which was, on page 1, line 9, after the word "of", to insert "World War I and."

Mr. THOMAS of Utah. I move that the Senate disagree to the amendment of the House, ask a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. PEPPER, Mr. HILL, Mr. DOUGLAS, Mr. TAFT, and Mr. MORSE conferees on the part of the Senate.

MINIMUM-WAGE STANDARD

The VICE PRESIDENT. The Chair lays before the Senate the unfinished business, Senate bill 653.

The Senate resumed the consideration of the bill (S. 653) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the amendment to the pending bill, by way of a substitute for the entire language of the bill.

The Chair is informed that practically all of the amendments which have been sent to the desk to be printed and to lie on the table are amendments to the substitute, and for that reason the Chair supposes that the substitute will be regarded as the language of the bill.

Mr. TAFT. Mr. President, I wonder if we could not enter into a unanimous-consent agreement to treat the substitute as the pending bill.

The VICE PRESIDENT. Under the precedents, that is the case anyway, so that amendments to the substitute will be considered as amendments in the first degree instead of the second degree.

Mr. PEPPER. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. PEPPER. What is the unfinished business? Is it Senate bill 653?

The VICE PRESIDENT. It is.

Mr. PEPPER. That is the measure now before the Senate, is it not?

The VICE PRESIDENT. It is before the Senate at this time. There is no amendment pending, but the substitute reported from the committee is to be treated as the text of the bill.

Mr. PEPPER. Mr. President, the pending bill is the Fair Labor Standards Act of 1938, which is proposed to be amended. Senators will recall that in 1938 the first Federal legislation upon this subject was enacted.

Mr. LUCAS. Mr. President, will the Senator yield for a short statement?

Mr. PEPPER. I yield.

Mr. LUCAS. It is the hope of the majority leader and others who are vitally interested in this measure that we may be able to conclude the bill by Wednesday night. We can do so by having a night session tomorrow evening and perhaps a night session on Wednesday. It is the thought of a great number of Senators that we then might take a recess until the following Wednesday—practically a week. I merely mention it now so that Senators may be thinking about it overnight, and I shall be glad to talk a little later to the Senator from Nebraska [Mr. WHERRY] and the Senator from Ohio [Mr. TAFT] to see whether or not some arrangement can be worked out.

Mr. TAFT. Mr. President, will the Senator from Florida yield?

Mr. PEPPER. I yield.

Mr. TAFT. Do I understand that if the bill is not finally disposed of Wednesday night we will continue consideration of it on Thursday until action on it is completed?

Mr. LUCAS. Yes. The Senator is correct about that. We will have to continue consideration of it until it is finished. But I was hoping that perhaps we might finish it on Wednesday some time and take perhaps a week's recess after that, if we could.

Mr. WHERRY. Mr. President, will the Senator from Florida yield to me so that I may say something in connection with what has just been stated by the majority leader?

Mr. PEPPER. I yield.

Mr. WHERRY. I took up the matter of the recess with my distinguished friend from Illinois, and I understood him to say that the Senate would stay in session through Friday, that there would be no Labor Day recess except on Saturday, Sunday, and the Monday holiday. Is that still the position of the majority leader?

Mr. LUCAS. The Senator is correct in that statement. That was what we agreed to some time ago, but in later discussions we felt that perhaps a couple of days more might do Senators no harm.

Mr. WHERRY. This is the first time I have heard anything like that. I have advised many of my colleagues on this side of the aisle what the Senator from Illinois advised me as to a possible vacation. So as much as I should like to comply with the Senator's request or suggestion, it seems to me that it is simply another evidence of the confused situation in which we find ourselves. I think the program should be announced far enough in advance to enable Senators to make their plans. I should like very much to have had a week, but after the decision was made I announced it to the Members on this side of the aisle.

Mr. LUCAS. There is not very much confusion in this sort of a situation, in my opinion. If anyone is confused it may be the Senator from Nebraska, who usually is.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. PEPPER. I yield to the Senator from Wisconsin.

Mr. WILEY. I trust some arrangement may be worked out that will be satisfactory to everyone. Assuming that we can complete action on the bill Wednesday night, is it the idea that the Senate would then take a recess until the following Tuesday?

Mr. LUCAS. Until the following Tuesday or I might even go as far as to suggest the following Wednesday. This is merely a suggestion. I have talked to a number of Senators who thought that perhaps we should have three or four more days recess around Labor Day time. The arrangement the Senator from Nebraska speaks of was made some time ago by the policy committee. I advised the Senator from Nebraska that I thought it would not do any harm, even at this hour if I should say something about the latest proposed arrangement. There is nothing very unusual about it.

Mr. WILEY. Mr. President, may I continue further?

Mr. PEPPER. I yield.

Mr. WILEY. My own thought is that because the fact that the Senate is going to be in session through September and into October, a great many Senators, and I am sure the Senator from Illinois is one, and I include myself, not having in contemplation months ago that the Senate would remain in session so late in the year, have put themselves on the spot in relation to making definite speaking appointments. This is what I ask: Assuming that the program the Senator speaks of will become effective, so that a

recess can be taken until Tuesday of next week or perhaps Wednesday of next week, can that not be supplemented by information being given to Senators as to what the next and the next and the next piece of legislation will be which will be called up, so we will have some definite understanding of what to expect in the future? In other words, if there are 6 or 10 pieces of legislation, will they come up in a certain order? Can we be given an understanding on that subject? If so, it will, I believe, add to the ability of Senators to make plans for the future.

Mr. LUCAS. Let me say to my distinguished friend from Wisconsin that I am only one member of the Democratic Policy Committee. The next matter of legislation that will be considered by the Senate, after the disposition of the pending measure, will be the reciprocal trade agreements measure.

Mr. WILEY. What follows that?

Mr. LUCAS. It is a little difficult to say, because, according to what the Senator from Colorado [Mr. MILLIKIN] said the other day, it will require at least 10 days to consider the reciprocal trade agreements bill. So we have now approximately a 2-week program ahead of us. It is somewhat difficult to say exactly what the program will be beyond 2 weeks. A number of bills will be taken up following the reciprocal trade agreements measure.

Mr. WILEY. That helps me a little bit. I suppose the Senate will take up the arms program next after that.

Mr. LUCAS. I am not so sure. That may be. But that is a decision which is to be made by the policy committee, I will say to my friend.

Mr. WILEY. Would it not be well for the policy committee to arrive at some decision so that other Senators could know where they are going?

Mr. LUCAS. The Senator from Nebraska in a statement he made last night to the people of America, said I had no program of any kind. I will say that I reluctantly took the time of the Senate last week and pointed out a great many bills on the calendar which we are going to try to consider. I should like to sit down, probably after tomorrow evening, with the Senator from Nebraska and the Senator from Ohio and see whether we can agree upon the six, seven, or eight bills I previously mentioned. Maybe we can reach an agreement respecting some kind of limitation of time on those bills. If we can, well and good. If we cannot, we will simply move along. I think we are doing quite well and I believe the country feels we are doing quite well. I am satisfied that we are.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. SALTONSTALL. I think it would not be out of line to suggest to the majority leader that if we are going to try to reach a final vote on the pending bill by Wednesday night, it might be advisable to consider having a night session tomorrow night. It will be very helpful to me if we can complete action on the bill by Wednesday night. I hope we can. I would suggest a night session tomorrow.

Mr. PEPPER. Before the able leader makes any statement in reply to that suggestion I should like to say that the committee has reduced the bill to a very simple one. I have to offer in the first instance some committee amendments which will remove some of the points of controversy. I really do not think the bill will require protracted debate in the Senate. I see no reason why we should not possibly get through with it tomorrow, certainly not later than the following day, during the day. We are not going to take up extra time with speeches. Senators are familiar with this subject. We did not think we would call for a vote this afternoon, because many Senators are absent. But we thought we might start voting tomorrow.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. SALTONSTALL. I do not understand that the Senator objects to a night session tomorrow night. Does he object?

Mr. PEPPER. No. We are glad to have it. I think we have removed a great deal of controversy from this area. I am hoping that we can get through at an early date.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. LUCAS. In line with the suggestion which has been made, I desire to notify the Senate that there will be a night session tomorrow night on this bill, with the hope that we can get through by Wednesday evening. As we move along tomorrow we will see if we can get a unanimous-consent agreement to vote on Wednesday night. In that way we can perhaps get away from Washington for a few days.

Mr. WHERRY. Mr. President——

Mr. PEPPER. I yield to the Senator from Nebraska.

Mr. WHERRY. I desire the floor in my own right. How long does the Senator from Florida expect to speak?

Mr. PEPPER. Only for a few minutes. As I previously stated, we shall not consume the time of the Senate with unnecessary discussion of this subject. Senators are familiar with the background of the legislation, and what the bill generally proposes.

As I recall, the first Federal legislation on the subject of fair-labor standards was proposed in the Senate by then Senator, now able Justice, Hugo Black, who introduced the 30-hour-week bill. I believe the Senate passed that bill. Prior to that time there had been numerous State enactments on the subject of minimum wages and maximum hours of labor, and governing conditions of work by employees of industry. However, as I stated, it was not until 1938 that the Congress itself took action in this field.

I see in the Chamber at the moment my distinguished colleague, the Senator from Louisiana [Mr. ELLENDER] and the distinguished chairman of the committee, the Senator from Utah [Mr. THOMAS]. I myself was a member of the conference committee which finally adjusted the existing legislation between the Senate and the House of Representatives. So many of us have personal recollections of the history of this legislation in the Senate.

It will be recalled that the first law of 1938 provided a minimum wage of 25 cents an hour. It provided, however, that that wage should gradually be increased until it should reach 40 cents an hour. We actually achieved 40 cents an hour as the minimum wage about 1943. Industry committees were authorized to take some part in the elevation of the minimum wage. As Senators will recall, the maximum hours were fixed at 40 hours a week, with certain exceptions. I think we have summarized rather succinctly in our report, a paragraph or two of which I shall read, the need for this legislation and the background of it. I read from the report of the committee:

> The need for legislation to improve the effectiveness of the Fair Labor Standards Act of 1938 in meeting the objectives sought to be achieved by Congress when it enacted that act in 1938, namely, to promote economic justice and security for the lowest paid of our wage earners, to create conditions of employment stability, and to eliminate unfair competitive labor practices in industry, has long been apparent. Legislation to accomplish this purpose has been under active consideration by the Congress since 1945. Extensive hearings on comprehensive proposals to amend the act were held before the Committee on Labor and Public Welfare in 1945, in 1948, and again in 1949. Legislation raising the minimum wage to 65 cents an hour, strengthening the child-labor provisions, and making other changes in the act was passed by the Senate in 1946 but failed of enactment when the House of Representatives did not act thereon. Upward revision of the minimum wage has been repeatedly requested by the President since his message to Congress of September 6, 1945. In his state of the Union message of January 5, 1949, the President reported that "The health of our economy and its maintenance at high levels further require that the minimum wage fixed by law should be raised to at least 75 cents an hour." As a result of its study and deliberations, the committee has concluded that legislation to raise the minimum wage standard provided in the Fair Labor Standards Act to 75 cents an hour, to improve and strengthen the child-labor provisions of that act, and to improve the act's administrative effectiveness should be enacted by the Congress at this time.
>
> Proposals were made to the committee during its hearings for comprehensive revision of the standards, definitions of terms, coverage and exemptions, and administrative machinery provided in the Fair Labor Standards Act of 1938. The committee has not attempted to pass judgment on the merits of all of these various proposals.

At this time the committee is confining the amendments which it proposes be made in the Fair Labor Standards Act of 1938 to a limited number.

First, it proposes to raise the minimum wage to 75 cents an hour from the present maximum of 40 cents an hour, which has been in effect since 1943, and was authorized by the act of 1938.

The committee proposes certain changes in the legislation with respect to child labor. I know of no opposition to the suggested changes. They appear to be necessary in the light of experience.

One change is this: The present law does not forbid the employment of child labor, or, to use the more exact term,

"oppressive child labor." It only forbids the shipment in interstate commerce of goods upon which or in connection with which child labor has been employed within 30 days prior to shipment. Obviously that made it possible for an employer disposed to do so to hold the goods in his warehouse for 30 days, although he had used child labor in their production, and then ship them without hindrance or restraint into the unimpeded channels of interstate commerce. I do not know of anyone who wishes to countenance or permit such a practice. So we went directly to the heart of the matter in the pending bill by forbidding oppressive child labor in commerce, which throughout the act means commerce among the several States, or in the production of goods for commerce.

We made two additional minor amendments. Heretofore the law has forbidden the employment of child labor in agriculture during the time when the child was legally required to attend school. That raises rather difficult legal questions, as to what are the laws respecting compulsory education, what is delinquency, and so forth. So we adopted what we believe to be a simpler and clearer test, namely: Was the school in the district in which the child resided in session or not? If it were in session, then the bill would forbid the employment of the child during that time; but if the law did not require the school to be in session, or if, as occurs in some areas, the school were let out in order that the children might help in some emergency, the school would not be in session, and the child would not be forbidden to work in agriculture.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. ELLENDER. The amendment does not prohibit a child from being employed after school hours, does it?

Mr. PEPPER. It does not. A child can be employed in agriculture outside the time when the school is required to be in session in the district in which he resides.

Mr. GREEN. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. GREEN. What does the Senator mean by "the school"? Does that mean public school?

Mr. PEPPER. It means public school.

Mr. GREEN. Do not different schools have different practices?

Mr. PEPPER. I suppose it would be the school to which the child would normally go as a pupil, in the district in which he resides.

The other amendment is a rather minor one, but it was felt that a correction should be made in the law. Under the present law a parent may employ his child in agriculture at any time other than the time when the school is in session, without hindrance or obstruction. Under the present law a parent cannot employ his child who is above the age of 16 years and below the age of 18 years in an occupation which is found by the Children's Bureau to be hazardous; but there is a loophole in the present law. A parent could employ a child less than 16 years of age in hazardous mining or manufacturing operations. No one would say that a parent should be forbidden to employ a child between the ages of 16 and 18 in hazardous mining or manufacturing operations, but should be permitted to employ a child under the age of 16 in a hazardous mining or manufacturing operation. That is a minor change.

Another minor change was to permit children to participate in radio, motion picture, and dramatic performances, because of certain well-recognized exceptions in that field.

First, we raised the minimum wage to 75 cents an hour. Then we tightened up the child-labor provisions a little.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. ELLENDER. I wonder whether the distinguished Senator from Florida will give us the basis for fixing the minimum at 75 cents.

Mr. PEPPER. Will the Senator permit me to state what we attempt to do by the bill as reported, and then give the justification for it in respect to the minimum wage?

Mr. ELLENDER. Very well.

Mr. PEPPER. A third category in the bill now before the Senate proposes to do two things: First, to aid the worker who has not received unpaid wages from his employer by authorizing the Wage-Hour Administrator to work out an agreement with the employer and the employee as to any wages due the employee by the employer, and to supervise the adjustment of the wage claim. In other words, the Wage-Hour Administrator is authorized to ascertain, in case of complaint, the amount of wages alleged to be due the worker, and which might have been found to be due by the wage-hour inspector, and to supervise the adjustment of the claim. Second, the bill authorizes the Government to bring suit on behalf of the employee for any back wages the employee might be due from the employer or any wages that might have been in dispute as between the employee and the employer. We do those two things, as it were, for the benefit of the employee.

We do two additional things for the benefit of and the clarification of the duty and responsibility of the employer, namely, if the Wage-Hour Administrator supervises the settlement of a wage claim or a wage question and if the employer pays the amount which the Wage-Hour Administrator finds to be due the employee, and if the employee accepts it, then, under the provisions of our bill, the employee waives the right he has under the present law to sue the employer and, if he recovers, to get not only the wages which might have been in arrears, but twice the wages in arrears, as a penalty, and, in addition, attorney's fees. Thus, in a case in which the Government might at the instance of the employee sue the employer for wages due the employee, but not paid, the employer by virtue of being sued by the Government, after it is authorized by the employee to bring the suit, is held, by the fact of the suit, to be the recipient of a waiver—and so is the employer—on the part of the employee to sue for additional amounts. In other words, the Government can sue only for wages due, but not for penalties.

So by this bill we have helped the employee by providing for his benefit with respect to the enforcement of his rights by way of litigation or settlement; but at the same time, in either of those cases, we have given the employer protection against subsequently having to pay more than either he paid voluntarily or than the Government recovered by way of suit.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. WATKINS. It seems to me that this bill, by putting the Government in the position of a claimant, places the Government in an entirely new position, entirely different from any position the Government has ever occupied under the law.

Mr. PEPPER. Several State laws do that. An employee is often intimidated by fear of reprisal if he does bring suit against his employer. If he sues in his own right, of course, he has to have sufficient funds to pay an attorney or must have some arrangement for paying the attorney, which generally means the attorney has to take the case on a contingent basis, and that may lead to vexatious litigation.

In the report we have included figures showing how the litigation involved in the collection of claims has been reduced, even when it was found that the wages were in arrears by the employer. Of course, the remedy on the part of the Government is a rather harsh one or it is an ineffective one. I refer to the right of injunction to prevent abuse on the part of the employer. That remedy is seldom satisfactory. On the other hand, if the employer agrees that the wages are due the employee and are unpaid, then the employee may find a lawyer to bring suit for him, and may use the records of the Wage-Hour Division, and may recover not only the wages due but twice that amount, and attorney's fees as well.

So we felt it would be mutually helpful if the Wage-Hour Administrator had a right to try to adjust these claims and disputes, find out what might be due, if there were any doubt about it, and to find what the worker is justly entitled to receive, and then to have the employer given assurance, as the bill does, that if he pays that amount to the employee and if the employee receives it, the employee cannot later sue for more. So if we write such provisions into law, they will be in the interest of both the employee and the employer.

Mr. WATKINS. I understand those are the provisions of the amendment the Senator now is proposing.

Mr. PEPPER. That is one of the provisions of the bill now before the Senate.

Mr. WATKINS. The Senator would permit, would he not, the United States, acting in behalf of the worker, to bring suit for wages the worker claims are due him and which may be in dispute between the employee and the employer.

Mr. PEPPER. Yes.

Mr. WATKINS. In other words, that would place the Government squarely on the side of the employee.

Mr. PEPPER. No; I would not say it would place the Government on the side of the employee. The Government presently inspects the books.

Mr. WATKINS. I understand that.

Mr. PEPPER. The Government has a duty at the present time to make inquiry about the enforcement of the law. All this bill does is to permit the Government either to bring suit in the name of the employee and protect the employer against having to pay a penalty, if he pays the wages which are due, or else to bring about an amicable settlement and protect the employer from having to pay more than the wages actually found to be due.

Mr. WATKINS. Mr. President, will the Senator further yield?

Mr. PEPPER. I yield.

Mr. WATKINS. It seems to me that in many instances the employer is a stronger party before the law because of his resources, and what not, than any individual worker is. So I can understand why it is proper to give the Government the right to inspect the books, and so forth.

Mr. PEPPER. The Government already has that right, under existing law.

Mr. WATKINS. But to permit the Government to bring suit in the name of the employee, a plaintiff, seems to go too far. It seems to me that both parties should have the right to equal protection under the law.

Mr. PEPPER. Mr. President, I am afraid the Senator from Utah does not understand the present law. The present law permits the Government to bring a criminal prosecution against the employer if he is found to be willfully failing to comply with the law.

Mr. WATKINS. But the employer has a right to have a trial.

Mr. PEPPER. Yes. Of course, in case of a suit, the trial is by a judge and jury.

Mr. WATKINS. Yes. But in this case, this proposed law would make the Government one of the parties to the suit.

Mr. PEPPER. The Government would sue; but the determination of whether the Government was correct would still be made by a judge and jury.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. ELLENDER. I understand these proposals to be permissive. The employee will retain his present rights.

Mr. PEPPER. That is correct.

Mr. ELLENDER. And if the employee should sue in his own name, the employer would be responsible for double damages and for attorney's fees, if the employee were successful in the suit.

Mr. PEPPER. That is correct.

Mr. ELLENDER. Under the amendment, the Government would sue for the wages due the employee, and the employer would be saved the double penalities provided by the present law.

Mr. PEPPER. That is correct.

Mr. ELLENDER. On the other hand, the suit would have to be brought and adjudicated in one of the courts of the country.

Mr. PEPPER. Yes. I can foresee that there would not be an instance in which the Government would actually sue the employer unless there was a dispute about the law or the facts, a dispute which could not be reconciled except in a forum where it could be reconciled.

I dare say that when the bill becomes law, it will be found to be possible for the Government, through the Wage-Hour Administrator, to act as mediator and to settle these disputes between employees and employers in a way that will be satisfactory and beneficial to both.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. EASTLAND. Can the employer settle the dispute for an amount less than the amount of the wages found to be due?

Mr. PEPPER. That is a matter of law. We do not purport to affect the law. Whatever the law on that subject is, it will remain to be.

Mr. EASTLAND. What is the law?

Mr. PEPPER. My recollection is that the worker cannot settle his claim for less than the minimum wage provided by the law; that to do so would be to violate the law; and everyone is bound to observe the law, of course.

Mr. EASTLAND. Then the employee cannot waive his claim?

Mr. PEPPER. He cannot waive it except under the 2-year statute of limitations. He cannot sue after 2 years. But he does not waive it. He may not elect to bring suit to enforce it.

Mr. EASTLAND. But for 2 years the Government can enforce it, even though the worker does not desire to do so. Is that correct?

Mr. PEPPER. Of course we did not pass a law saying to employers, "You shall pay the minimum wage only to such workers as ask for it." The law is binding upon the employer, who cannot avoid his duty to observe the law.

Mr. EASTLAND. I was not arguing with the Senator. I merely wanted to know what the law is. Can the workman waive his right?

Mr. PEPPER. Not in the contractual sense. He may lose his right by failing to assert it, but he cannot waive it in the contractual sense, as I understand the law. However, we do not here legislate upon that subject.

Mr. EASTLAND. But we are proposing to legislate that the Government can enforce that right for the worker, even though he does not desire to seek its enforcement himself?

Mr. PEPPER. But, Mr. President, only in the instance where the employee requests the Government to do so. It is only where the Government is requested, or where the worker acquiesces in the Government's action.

Mr. ELLENDER. Mr. President, if the Senator will yield, let us clear up this point a little bit. Is it the Senator's understanding that, should the employee ask permission for the Government to sue for him, even the Government could not compromise it, except under certain conditions and except to a certain extent?

Mr. PEPPER. That is according to my understanding.

Mr. ELLENDER. But there is nothing in the Senator's amendment which indicates that, is there?

Mr. PEPPER. No; there is nothing in the amendment.

Mr. ELLENDER. So it would be relegated to the existing law on the subject, would it not?

Mr. PEPPER. That is correct. Whatever the courts have held to be the law is not affected.

Mr. President, there is another minor amendment we put into the bill. It was felt that the small Western Union offices, where the one who runs the office operates on a contractual basis for the Western Union Co., and where the volume of business done is less than $500 a month, should be exempted from coverage. That is one of the provisions of the bill.

In addition to that, in respect to the amendment of the overtime provisions, we have added buttermilk, so that those engaged in the processing of buttermilk may have the benefit of the seasonal exemptions which apply. The processing of buttermilk has a year-round exemption from overtime payment.

Mr. EASTLAND. Why?

Mr. PEPPER. It was done at the instance of the Senator from Vermont [Mr. AIKEN], who felt that buttermilk should come in the same category as other agricultural commodities which enjoy the same exemption at the present time.

I have stated what will be left in the bill when the committee amendments which the committee considered and authorized the Senator from Florida to present on behalf of the committee, are adopted by the Senate, as I hope they will be. Let me say we started originally, as Senators know, with the idea that we might extend the coverage of the law, and that we might reduce certain of the exemptions which the present law contains, in addition to raising the minimum wage and tightening up somewhat in respect to child labor and a few other minor provisions. We had a strong subcommittee that discussed the matter at great length. We debated the pros and cons of the matter, the sentiment which was in favor of extension of coverage and reduction of exemptions, as well as the sentiment in the Senate and in the Congress which was opposed to extending the coverage of the act.

We brought to the Senate originally a bill that made a slight extension in coverage; that is to say, our original bill (S. 653), which is now before the Senate, provided for the removal of the minimum-wage exemption in the handling and processing of agricultural commodities within the area of production. The present law, as is well known, provides that the handling, packing, storing, and processing of agricultural commodities within the area of production as defined by the Administrator are exempt from both the minimum-wage provisions and the maximum hour provisions of the law. The worker so employed gets neither the minimum wage required by the law nor overtime on work above 40 hours a week, for which the present law allows extra payment, if there is statutory exemption of such labor. That is the bill which first came to the Senate.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. PEPPER. In a moment. The effect of what the committee did would

have been to bring about 336,000 workers within the coverage of the law with respect to the minimum wage, and it was estimated by the committee that about 125,000 of those workers were not at the present time receiving 75 cents an hour. So the legal effect of the amendment would have been to bring about 336,000 of those workers under the coverage of the law, but only with respect to the minimum wage. They would have received no benefit whatever from the overtime provisions of the law. All those workers would have been immune. They would not have been allowed to receive any of the overtime benefits of the law. About 125,000 of those 336,000 workers, it was estimated, would have had their wages increased. That is the bill which the committee originally brought to the Senate.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. PEPPER. I yield to the Senator from Louisiana.

Mr. ELLENDER. At this point will the distinguished Senator classify for us what wage earners will be included in the approximately 300,000 who would have been affected if the amendment proposed by the committee had been adopted by the Senate.

Mr. PEPPER. Generally they would have been those engaged in the handling, storing, packing, or processing of food and kindred products, such as butter, cheese, condensed and evaporated milk, ice cream, canned, preserved, and frozen fruits and vegetables. Those activities would be under the heading of manufacturing generally. Then, persons in the wholesale trade, such as cotton wholesaling, including country buying, dairy products, cream stations, and country buying, fruit and vegetable country buying, fruit and vegetable packing; grain country buying, and elevators; tobacco auction warehouses, and country buying; poultry and eggs, country buying; livestock, farm products, cold storage, cotton ginning and processing, and a certain number of miscellaneous activities, would have had the benefit of the minimum-wage provision but not the benefit of the overtime provisions of the law, had the committee bill stood.

Mr. ELLENDER. Does the present law exclude them?

Mr. PEPPER. It excludes them from both the minimum-wage and overtime provisions.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. EASTLAND. Mr. President, that statement is certainly erroneous with respect to cotton gins and compresses which are within the area of production as defined by the Administrator. Those facilities in towns of 2,500 people are not defined as within the area of production.

Mr. PEPPER. It is true, as the Senator says, that from the very beginning it has been most difficult for the wage and hour Administrator to define the area of production. It was originally intended that the area of production meant generally the part of a neighborhood in which production occurred; but when he undertook to define it as a legal matter, the Administrator ran into all sorts of difficulties, for example, as to what should be the size of the town, what should be the distance a commodity would be transported, and so forth. What I am saying is that that has been the law since 1938. We thought we could make some progress in extending the minimum wage to those workers. Frankly, we did not feel that they were getting what they were entitled to receive. However, as I started to say, at the committee meeting this morning the committee determined to retract from that provision in the pending bill the language which would have extended minimum-wage coverage to those who are now within the area of production as defined by the Administrator in the handling and processing of the commodities which we have described.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. ELLENDER. Does the Senator's proposal leave the law exactly as it is now written?

Mr. PEPPER. It does. Whatever complaint there is on the part of the Senator from Mississippi relates to the law as it has been in effect since 1938. We are not changing it. What I now propose to do, Mr. President, is to offer a committee amendment which would eliminate the provision in the pending bill which would have made a change in the present law.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. ELLENDER. Before doing that, will the Senator tell us whether the committee took into consideration the fact that the area of production should be defined by the Secretary of Agriculture or some other person, rather than by the Administrator?

Mr. PEPPER. I thank the Senator for asking that question. The committee did take that into consideration. The matter was also taken into consideration in the House of Representatives. There is a letter in the RECORD to the chairman of the House Commitee on Labor and Public Welfare, from the Secretary of Agriculture, pointing out why he does not think it proper to vest in him that jurisdiction and that duty. There is also a letter to the same effect to the Senate committee, from the Secretary of Agriculture. I have a copy of the letter which was written to the chairman of the House Committee on Labor and Public Welfare. I do not have the letter which is coming to the Senate committee from the Secretary of Agriculture, which is substantially the same as this letter, except that I understand it contains an additional paragraph stating why he should not have this jurisdiction. The letter which I have reads as follows:

UNITED STATES DEPARTMENT
OF AGRICULTURE,
Washington, June 17, 1949.

Hon. JOHN LESINSKI,
Chairman, Committee on Education and Labor, House of Representatives, Washington, D. C.

DEAR MR. LESINSKI: I understand that it is proposed in a bill to amend the Fair Labor Standards Act (H. R. 4272), which has been referred to the Committee on Education and Labor, that authority to define the term "area of production" as used in certain exemptions in that law relating to the handling and processing of agricultural and horticultural commodities, be given to the Secretary of Agriculture. Because this Department would be directly affected by such a change in the law, and believes that there are certain difficulties inherent in such a proposal, I am taking the liberty of making known to you my views on the matter.

I do not think I need to set forth in detail the difficulties of defining the term "area of production." This Department is aware of these difficulties, having been consulted by the Secretary of Labor prior to the issuance by the Administrator of the Wage and Hour Division of the present regulations under the Fair Labor Standards Act dealing with this matter. The subject has been one of fairly extensive discussion and correspondence between the Department of Labor and the Department of Agriculture. As a result of these discussions, I am in agreement with the Administrator that the "area of production" concept is inherently inequitable and that corrective action should be taken by Congress to eliminate these inequities in the interest of sound public policy. Your committee has acted wisely, in my judgment, in recommending legislation which explicitly specifies exempt activities instead of imposing upon the Administrator the responsbility for defining a concept which is very difficult to define satisfactorily.

If, however, the Congress should decide to retain the "area of production" concept in the Fair Labor Standards Act, I am convinced that the proposal to transfer the problem of defining the term to the Secretary of Agriculture would not alleviate the present difficulties. For these difficulties revolve around inequities inherent in the very use of the term itself, since employees who are doing precisely the same things are exempt if they do them in the "area of production" but not exempt if they do them somewhere else. Furthermore, such action would create new uncertainties and problems since authority in the administration of the Fair Labor Standards Act with respect to such employees would be divided between two agencies. Conflicts of interpretation would be very likely to develop, such as experience has shown to be common when two agencies share jurisdiction over the same field. At the very least, such divided jurisdiction would add to the expenses of administration and would slow up the processes of advising individuals as to their status under the act. Accordingly, I would not favor any such transfer of authority with respect to the definition of "area of production" as is proposed in H. R. 4272.

Sincerely,

CHARLES F. BRANNAN,
Secretary.

Before I yield to the able Senator from Mississippi, let me say that the whole theory upon which the committee brings this bill to the Senate at the present time, stripped, as it is, almost to the very bone and relieved of almost all controversies, is in the hope that we may get this bill through this session of the Congress. There are many Senators and many citizens who want to extend coverage, who want to amend exemptions so that they will be less restrictive than at the present time. There are undoubtedly inequities in the area-of-production concept, and perhaps in other aspects of the law, but it is a complicated, long-drawn-out, and rather tedious process to perfect the law in a short time. That is the reason why we who wanted to extend the coverage, reduce exemptions, and raise the wage even higher, have been willing to subordinate our feeling about the matter to the sentiment of our col-

leagues, and that is why we bring to the Senate a bill unanimously supported by the subcommittee and by the full committee, with the Senators from Ohio and Missouri, in addition to the Senator from New Jersey, reserving the right with respect to one amendment to address themselves to it. I do not mean that Senators have foreclosed themselves, but the bill we bring here comes with the unanimous support of the subcommittee and of the full committee.

I want to say to the senior Senator from Mississippi that the area-of-production matter is a very difficult one. It may be that it should be somewhat clarified, and it may be that in the next session of the Congress we may go into the whole question of clarifying difficulties of that character. But we are very earnestly hopeful that we can get a sample bill through this session of the Congress.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. PEPPER. I yield to the Senator from Mississippi.

Mr. EASTLAND. Is that provision retained in the bill?

Mr. PEPPER. Yes.

Mr. EASTLAND. It was condemned by the Secretary of Agriculture in the letter which the Senator read.

Mr. PEPPER. That is correct. It has been difficult of administration. It does contain in equities affecting both sides, no doubt inequities to the employer as well as to the employee, and it is no doubt a subject which should receive consideration by the Congress.

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. STENNIS. In view of the difficulties which the Senator has himself pointed out, and which have also been pointed out by the Secretary of Agriculture, what is the argument in favor of retaining any reference to the area of production? On what is it based?

Mr. PEPPER. It is based on this: At the present time there is a complete exemption in the processing of agricultural products in the area of production because it was generally considered that that is the neighborhood of the farm, as it were, a sort of a community institution. If we did not have the area of production and did not in some other way affect the matter, there would be, perhaps a large commercial enterprise hundreds of miles away which might not be subject to any part of the Fair Labor Standards Act; or, to turn it around the other way, there might be an enterprise a few hundred yards from where the farmer grew his commodity, and it might be subject to it.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. PEPPER. Will the Senator permit me to finish? It has always been felt by the advocates of this legislation that everyone who processes an agricultural commodity, no matter how large a processor he may be or how much of a commercial enterprise it may be, should be subject to the provisions of the law.

Let us consider the Campbell Soup Co., in Camden, N. J., having 10,000 employees. It is hard to understand why the Campbell Soup Co. should have an exemption from the minimum-wage law and the maximum-hour law when it is a big commercial manufacturing institution. On the other hand, if there were a gin somewhere in a community where cotton was grown, and it was more or less of a community enterprise, it was felt that it should not be subject to the Fair Labor Standards Act.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. PEPPER. I yield to the senior Senator from Mississippi.

Mr. EASTLAND. As a matter of fact, today, are not such gins, in a locality where cotton is grown within a few hundred yards of the gin, subject to the law?

Mr. PEPPER. I believe the size of the town in which the gin is located is one of the criteria. But of course that is an administrative regulation, due, no doubt, to the fact that it is generally assumed that not very much cotton is grown right around a large city. It is generally supposed that the area of production is out in the country, in rural sections, that the community institutions are serving them, and that they ought not to be considered as industrial operations. I believe, as the Secretary of Agriculture says, that there are inequities both ways. On the other hand, we may deny the workers the right to get a minimum wage and overtime pay in the Campbell Soup Co., althought it is a 10,000-employee institution.

Mr. STENNIS. Mr. President, will the Senator from Florida yield?

Mr. PEPPER. I yield to the junior Senator from Mississippi.

Mr. STENNIS. Does the committee make any recommendation with respect to coping with this problem?

Mr. PEPPER. The committee has not done so, except that it was our general idea that we might at the next session of the Congress take up the question of coverage and go more thoroughly into it. I can say as a member of the committee and a member of the subcommittee—and I am chairman of the subcommittee handling the subject now before the Senate—that we shall be very glad to consider anything the able Senators from Mississippi and other Senators may wish to submit on that subject.

Mr. STENNIS. The Senator is dissatisfied, is he not, with the present situation, but does not have any immediate remedy?

Mr. PEPPER. That is correct; we do not at the present time have an immediate remedy.

My attention has been called to the fact that the letter addressed to Hon. ELBERT D. THOMAS, chairman of the Committee on Labor and Public Welfare of the Senate, has now arrived, and I have it in my hand. I believe it is substantially identical with the letter to Hon. JOHN LESINSKI of the House Committee on Labor, with the exception of the paragraphs at the end of the letter, which read as follows:

In addition to the considerations set forth above, I should also like to point out that the proposal is inconsistent with one of the basic principles defined by the Hoover Commission on the Organization of the Executive Branch of the Government, namely: That the agencies and functions of the Government should be grouped according to major purposes. It would be inconsistent with the principles of sound administration for the Department of Agriculture to have functions under a labor statute, just as it would be inconsistent for the Department of Labor to have functions under statutes relating to agriculture.

Accordingly I do not favor any such transfer of authority with respect to the definition of "area of production" as is proposed in H. R. 5856.

This letter is dated August 29, 1949, and is from the Secretary of Agriculture. I offer the letter for the RECORD.

The PRESIDING OFFICER (Mr. THYE in the chair). Is there objection?

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
Washington, August 29, 1949.

HON. ELBERT D. THOMAS,
Chairman, Committee on Labor and Public Welfare,
United States Senate,
Washington, D. C.

DEAR SENATOR THOMAS: My attention has been called to the provisions of H. R. 5856, the bill to amend the Fair Labor Standards Act which has been passed by the House of Representatives, which provides that the authority to define the term "area of production," as used in certain exemptions relating to the handling and processing of agricultural and horticultural commodities, would be vested in the Secretary of Agriculture. Because this Department would be directly affected by such a change in the law, and believes that there are certain difficulties inherent in such a proposal, I am taking the liberty of making known to you my views on the matter.

I do not think I need to set forth in detail the difficulties of defining the term "area of production." This Department is aware of these difficulties, having been consulted by the Secretary of Labor prior to the issuance by the Administrator of the Wage and Hour Division of the present regulations under the Fair Labor Standards Act dealing with this matter. The subject has been one of fairly extensive discussion and correspondence between the Department of Labor and the Department of Agriculture. As a result of these discussions, I am in agreement with the Administrator that the "area of production" concept is inherently inequitable and that corrective action should be taken by Congress to eliminate these inequities in the interest of sound public policy.

If, however, the Congress should decide to retain the "area of production" concept in the Fair Labor Standards Act, I am convinced that the proposal to transfer the problem of defining the term to the Seretary of Agriculture would not alleviate the present difficulties. For these difficulties revolve around inequities inherent in the very use of the term itself, since employees who are doing precisely the same things are exempt if they do them in the "area of production" but not exempt if they do them somewhere else. Furthermore, such action would create new uncertainties and problems since authority in the administration of the Fair Labor Standards Act with respect to such employees would be divided between two agencies. Conflicts of interpretation would be very likely to develop, such as experience has shown to be common when two agencies share jurisdiction over the same field. At the very least, such divided jurisdiction would add to the expenses of administration and would slow up the processes of advising individuals as to their status under the act.

In addition to the considerations set forth above, I should also like to point out that the proposal is inconsistent with one of the

basic principles defined by the Hoover Commission on the Organization of the Executive Branch of the Government, namely: that the agencies and functions of the Government should be grouped according to major purposes. It would be inconsistent with principles of sound administration for the Department of Agriculture to have functions under a labor statute, just as it would be inconsistent for the Department of Labor to have functions under statutes relating to agriculture.

Accordingly, I do not favor any such transfer of authority with respect to the definition of "area of production" as is proposed in H. R. 5856.

Sincerely,

CHARLES F. BRANNAN, *Secretary.*

Mr. EASTLAND. Mr. President, will the Senator from Florida yield?

Mr. PEPPER. I yield to the senior Senator from Mississippi.

Mr. EASTLAND. I understand that the Senator thinks small community enterprises, such as cotton gins, which gin cotton in the community where the cotton is grown, should be exempted from the provisions of the act?

Mr. PEPPER. That has been the general theory upon which the act has proceeded. I do not care to commit myself unequivocally on what we might agree to in the future, but I have always felt that the size of the institution, the number of employees, and perhaps the volume of business done, might well have something to do with the question. Generally speaking, a small community institution has been outside the scope of coverage. If we could work out some way by which we would exempt the small community institution, and extend coverage to those institutions which are larger in character and industrial in nature, I should be very much pleased.

Mr. EASTLAND. The question I desired to ask the Senator was this: For the same reason, does not the Senator think that a small peckerwood sawmill in the country, which works only a few men, should be exempted?

Mr. PEPPER. That raises a difficulty. If, as we shall be able to show later, we should exempt the small sawmill, it would remove from coverage several hundred thousand employees now getting the benefits of the act. The sawmills are still in existence. I think it will be generally agreed that the impact of this legislation is no more severe than the impact of the original minimum-wage law in 1938. Many of the operators thought they would have to go out of business, and some have said so vociferously. Some said so to me in a campaign I was waging at that time. But I was gratified to have many of these gentlemen come around later and tell me that they were mistaken in the fears they entertained about the impact of the legislation upon their sawmills.

Mr. EASTLAND. Does not the Senator think that a small peckerwood mill, where the operator works his brother-in-law, his brother, his boy, his cousin, and perhaps his uncle, in the community, should be exempt?

Mr. PEPPER. I do not. I regret very much that I cannot go along with my distinguished friend in that respect. I think one of them is different in nature, as a manufacturing enterprise, generally, from an enterprise making commodities to be shipped through the channels of commerce. I think such an enterprise is generally different in character from the small gin, although I say even the small gin does present a problem. I am advised that about 135,000 workers now covered would have the coverage removed if the amendment with respect to the small sawmills were agreed to. But that will come along at a later time.

Mr. President, I am authorized on behalf of the committee to offer an amendment the legal effect of which is to restore the law to just what it is now under the Fair Labor Standards Act of 1938, with respect to the handling, storing, and processing of agricultural commodities within the area of production. That is the legal effect of it, in appropriate language. I offer the amendment as a committee amendment for the consideration of the Senate.

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. PEPPER. I yield for a question.

Mr. STENNIS. I should like to ask the Senator a question with respect to the "area of production" matter we have been discussing. The adoption of the amendment the Senator now offers, on the general subject of processing plants, would not preclude an amendment from the floor on the matter of area of production; would it?

Mr. PEPPER. It would not. It is not intended that floor amendments should be precluded. We are now in the period of committee amendments, and I am offering the amendment as a committee amendment.

Mr. TAFT. Mr. President, I understand that if this amendment is adopted it will restore the complete exemption of cotton gins.

Mr. PEPPER. Just as they were.

Mr. TAFT. And country elevators?

Mr. PEPPER. That is correct.

Mr. EASTLAND. May I ask the Senator from Ohio a question?

Mr. PEPPER. Let me say, first, that there are two amendments now offered that are primarily affected by the amendment I am presenting. One is the amendment offered by the junior Senator from Mississippi and the Senators associated with him. Another is the amendment offered by the Senator from Maryland [Mr. O'CONOR] which would do just exactly what the amendment I offer proposes, namely, restore the law to what it was in the 1938 act with respect to area of production. Then there was an amendment by the Senator from Iowa [Mr. GILLETTE] which I think was intended to restrict the language of the bill which the committee has presently presented to the Senate.

Mr. TAFT. How about the amendment of the Senator from Nebraska?

Mr. PEPPER. The Senator from Nebraska [Mr. BUTLER] presented an amendment with respect to grain elevators. I conferred with him this morning about the action of the committee, and I understand the Senator is satisfied with the committee amendment, so that meets his question. He did not like the language of Senate bill 653 with respect to grain elevators.

I now feel that with the exception of the matter suggested by the Senators from Mississippi, and the matter of the definition of "area of production" given by the Secretary of Agriculture, the committee takes care of the amendments I have described. So, Mr. President, I do not know of any opposition to the amendment proposed by the bill to the present law. We are simply keeping the law in its present form.

If there is no objection, I will now offer as a committee amendment the amendment to which I have referred.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 40, beginning with line 13, it is proposed to strike out down through "(11)" in line 16 and insert "by striking out the period at the end thereof and inserting a semicolon and the following: 'or (12)'."

On page 40, beginning with line 23, strike out through line 6 on page 41.

On page 41, lines 7 and 16, strike out "(c)" and "(d)" and insert in lieu thereof "(b)" and "(c)", respectively.

The PRESIDING OFFICER. Without objection——

Mr. ELLENDER. Just a moment. I understood there would not be any votes on any amendments this afternoon.

Mr. EASTLAND. Mr. President, I ask that there be no action taken on any amendments this afternoon.

Mr. PEPPER. Let the amendments remain then as the pending amendments.

The PRESIDING OFFICER. The amendments will remain as the pending amendments. Without objection, the amendments will be considered and acted on en bloc.

Mr. PEPPER. I send to the desk, so it may be printed and lie on the table for consideration, another amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 41, after line 17, it is proposed to insert the following:

Section 13 of such act is amended by adding at the end thereof the following new subsection:

"(e) The provisions of sections 6, 7, and 12 shall not apply with respect to any employee engaged in the delivery of newspapers to the consumer."

Mr. PEPPER. I see the Senator from Ohio is on his feet. The amendment was proposed by him this morning in the committee. It has to do with the exemption of newsboys. If the Senator from Ohio cares to explain it now, I should like to have him do so.

Mr. TAFT. The amendment makes it perfectly clear that the boys engaged in the delivery of newspapers to the home and the consumers are exempt. I think Senators know various people whose sons are engaged in that business today.

Mr. ELLENDER. The Senator means if they have a contract direct with the newspaper company?

Mr. TAFT. No; any boy delivering newspapers to the home. I believe such boys are exempt already. I believe they are exempt because of the fact that such work is not in interstate commerce. I think they are exempt because of the fact that they are usually independent contractors. But we have added some

additional restrictions on child labor. The newspapers were particularly concerned lest that restriction might in some way affect the newsboys. So they have asked that it be made perfectly clear, without any doubt whatever, that boys who are concerned solely in delivering newspapers to the consumers shall not be covered by any of the provisions of the act. I think there was general agreement in the committee and elsewhere on that question, and I see no reason why the amendment should not be adopted.

Mr. THOMAS of Utah. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. THOMAS of Utah. I think it ought to be pointed out that the whole theory of child-labor legislation was to stop the exploitation of children. Everyone knows that the ordinary newsboy is not exploited labor in any sense at all.

Mr. PEPPER. I thank the able chairman of the committee for that statement.

I ask that the amendment be printed and lie on the table.

The PRESIDING OFFICER. The amendment will be printed and will lie on the table.

Mr. PEPPER. Another committee amendment, Mr. President, is in response to an amendment offered by the able Senators from Colorado [Mr. JOHNSON and Mr. MILLIKIN], to the effect that employees "in connection with the operation or maintenance of ditches, canals, reservoirs, or waterways, not owned or operated for profit, and which are used exclusively for supplying and storing of water for agricultural purposes," shall be regarded as agricultural in character.

Mr. ELLENDER. Why does the committee limit it to those not operated for profit?

Mr. PEPPER. That was the amendment offered by the Senators from Colorado. It was felt that it was proper to restrict it primarily to nonprofit operations that were substantially so much in aid of agriculture as to be agriculture in character.

Mr. ELLENDER. I may say to the Senator from Florida that we have quite a few such operations in Louisiana which would not come under the amendment as it is now proposed. While they operate for profit to some extent; yet they are owned by the farmers themselves. I cannot for the life of me see any difference between such operations and those provided for in the amendment.

Mr. PEPPER. If it is a cooperative, I would not say it is operating for profit.

Mr. ELLENDER. I would not say they are exactly cooperatives, but they are owned by a few of the farmers within the districts, and they serve other farmers at the same time. I wonder if the Senator would eliminate the words "or operated for profit."

Mr. PEPPER. The committee has not authorized the Senator from Florida to act except upon the amendment offered by the Senators from Colorado, and this is the amendment the Senators from Colorado have offered. But the Senator can well understand that there might be quite a difference between a cooperative enterprise in aid of agriculture and a profit-making enterprise in aid of agriculture. It can readily be understood that a private utility might be furnishing electric power and light to agriculture, and yet we would not exempt the employees engaged in that activity, although they were contributing very directly to agriculture. If we get away from the idea of the cooperative it can be seen how difficult it is to draw the line between those who should be included and those who should not be included.

Mr. President, I am informed that in the House of Representatives, where it was proposed that those engage in such activities for profit should be exempt, an amendment to that effect was voted down in the House of Representatives.

I offer the amendment as a committee amendment and ask that it be printed and lie on the table.

The PRESIDING OFFICER. Without objection it is so ordered.

Mr. PEPPER. The committee has authorized me to submit one additional amendment. The effect of the amendment would be to allow the Secretary of Labor to issue certificates to employers employing messengers primarily engaged, although not necessarily exclusively engaged, in the delivery of messages, permitting such employers, in the cases found to be proper by the Secretary of Labor, to pay such employees a less wage than the minimum wage fixed by the law; in other words, the wages are a sort of learner's or apprentice's wages. That is primarily for the benefit of companies engaged in the delivery of messages. That is a committee amendment, and I send it to the desk and ask that it be printed and lie on the table. The amendment is as follows:

On page 41, after line 17, insert the following:

"Section 14 of such act is amended by striking out in clause (1) the words 'and of messengers employed exclusively in delivering letters and messages,' and inserting in lieu thereof 'and of minor messengers under 18 years of age employed primarily in delivering letters and messages.' "

The PRESIDING OFFICER. The amendment will be printed and will lie on the table.

Mr. ELLENDER. Mr. President, I wonder if the Senator would be good enough now to summarize for us, in the light of the amendment he has sent to the desk, how the exceptions now provided for in the law will be affected by the pending measure if all the amendments submitted to it shall be adopted?

Mr. PEPPER. I thank the Senator for the inquiry. I shall be glad to do it. First we raise the minimum wage from 40 to 75 cents an hour.

Second. In the respect I enumerated a while ago, which I shall be glad to repeat, if necessary, we tighten the provisions relating to child labor.

Mr. ELLENDER. What I had in mind was the exemptions particularly.

Mr. PEPPER. Third. We authorize the Wage and Hour Administrator to supervise the settlement of wage disputes, or in the cases I mentioned, to bring suits at the instance of employees upon the conditions set forth in the law, namely, the waiver of the employee's right to sue for himself thereafter and to collect either the wages due or a penalty thereon, or the cost of the suit, including attorney's fees.

We exempt the small Western Union offices, that is, what might be called contract offices, not operated on the premises of the Western Union but generally in a store or shop somewhere on a contractual basis between the operator and the company, where the total volume of business done is less than $500 a month.

Fourth. We permit the Secretary of Labor to give a certificate to the employer in such cases permitting an employer to pay less than the minimum wage to workers under 18 years of age engaged primarily in the delivery of messages.

In effect, we reversed the decision of the United States Supreme Court holding that workers engaged upon reclamation and irrigation projects were subject to the coverage of the present law, by providing that if the employer is an association not for profit and the employees are engaged in this work, it shall be treated by the act as agricultural, and the employees shall not be entitled to the minimum wage or overtime provisions of the law.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. ELLENDER. Did the Supreme Court make any distinction as to whether they were operated for profit or not?

Mr. PEPPER. I think the case actually decided by the Supreme Court was a nonprofit case. I am not entirely certain, but that is my recollection.

Agricultural exemption provided in section 13 (a) (6) of the act does not extend to employees of mutual ditch company engaged in supplying water to its farmer stockholders since employees are not engaged in agricultural production, although their work is necessary for such production.

It is my understanding that it was a mutual company and not one for profit.

Then we specifically provide that newsboys shall not be subject to the coverage of the law. I believe that is a pretty fair summary of what the bill would do if enacted into law as the committee recommends it to the Senate.

Mr. ELLENDER. Then, as I understand the distinguished Senator, the committee has broadened the exemptions rather than further restrict them.

Mr. PEPPER. Generally speaking, that is so.

Mr. ELLENDER. Are all the exemptions now provided for in the law retained?

Mr. PEPPER. All exemptions now provided in the law are retained. What we have attempted to do is to try to raise the minimum wage and leave the controversial questions with respect to extended coverage and reduced exemptions to subsequent action by the Congress.

Mr. THOMAS of Utah. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. THOMAS of Utah. Plus the reference to child labor.

Mr. PEPPER. Yes. I mentioned that earlier in my statement.

Mr. ELLENDER. I was discussing exemptions and no other part of the bill.

Mr. PEPPER. We are pleased with the fact that we think the committee has

recommended some salutary improvements in the provisions of the present law, and in that sense there is a little extension of coverage. It gives more children protection than otherwise; but on the whole we have leaned backward trying to accommodate ourselves to the sentiment of our colleagues, so that we can get a bill through this session of the Congress. Senators know that this bill will no doubt go to conference, and we shall have there the duty of reconciling our differences with the House of Representatives. We started with the idea that we would get a bill to which the Senate would agree, just as we got a bill to which the committee unanimously agreed and reported to the Senate in the hope that we could get something done in this session of Congress toward raising minimum wages.

Mr. ELLENDER. At whose instance was the Committee on Labor and Public Welfare called together this morning?

Mr. PEPPER. It was called by the distinguished chairman. I suggested it, because I was chairman of the subcommittee. Before the discussion of the bill should proceed, it was my suggestion to the distinguished chairman that it would be well for our committee to get together again and consider all the amendments submitted by our colleagues. To the best of our information and belief, we considered this morning every amendment which had been offered by any of our colleagues in the Senate.

Mr. ELLENDER. Am I to understand that all Senators who offered amendments to the pending bill were notified of the meeting?

Mr. PEPPER. No; there was no notification beforehand. I have mentioned to Senators whom I saw afterward that we tried to accommodate ourselves to their amendments, but there was no hearing. We did not invite other Senators to be present. It was simply a committee discussion of the amendments which we were informed were pending in the Senate.

Mr. ELLENDER. And to which the committee gave its sanction.

Mr. PEPPER. To most of which we gave the sanction of the committee.

Mr. President, let me add a few words in justification of the principal purpose of the bill. The principal purpose of the bill is the increase in the minimum wage. In 1938 the rate provided only $832 a year for full-time employees, but the lowest emergency budget figure established by the WPA study was $928.

The Committee on Education and Labor acknowledged in 1938 that the 40-cent rate "does not give a sufficient wage to maintain what we would like to regard as the minimum American standard of living." Since 1938 per capita income payments more than doubled—from $539 to $1,410 in 1948. Income of employees has tripled, from $44,700,000,000 to $140,300,000,000 in 1948. Farm income has quadrupled, from $4,400,000,000 to $18,400,000,000 in 1948. Income of unincorporated business and professional enterprises more than quadrupled, from $6,100,000,000 in 1938 to $24,900,000,000 in 1948. Corporate profits before taxes increased more than 10 times, from $6,100,000,000 in 1938 to $24,900,000,000 in 1948. That was before taxes. Corporate profits after taxes increased more than nine times between the passage of the Fair Labor Standards Act of 1938 and the year immediately past, 1948. Average hourly earnings of manufacturing employees have more than doubled, from 64 cents an hour to $1.37 an hour in July 1949. In those areas where the lowest wages prevail, the southeast and southwest regions, the percentage increase in per capita income has been substantially greater than the increase for the country as a whole.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. ELLENDER. I invite the Senator's attention to the fact that should this bill be enacted it would raise the minimum 87½ percent, from the present minimum of 40 cents. That is a greater sum, percentagewise, than what the Senator is reciting.

Mr. PEPPER. It is only the legal level which is being raised. We have figures, brought out at the hearings, to show that about half the wages which will be increased by this bill are already 65 cents an hour or above, and only about half of the one and a quarter million, say, who will be benefited by this law make less than 65 cents an hour at the present time. In other words, instead of raising the real wages from 40 cents an hour abruptly to 75 cents an hour, which would probably be too abrupt an increase, what we are actually doing is raising real wages by law from 65 to 75 cents, from 70 to 75 cents, from 60 to 75 cents, from 55 to 75 cents, and from 50 to 75 cents; but there are very few wages that go below 50 or 55 cents an hour. It is the law which has lagged behind the facts. Now we are trying to improve the wage situation of that segment of our citizens who, we believe, are getting less than they should receive. If the Senator will permit me, I have the figures here.

In all industries, of the 22,601,000 who are estimated to be covered by the present Fair Labor Standards Act, it is estimated that about 590,000, or 2.6 percent, make less than 65 cents an hour, and 1,500,000, or 6.6 percent, make less than 75 cents an hour. That is for all industries. In manufacturing industries, of the 22,601,000 covered, we estimate that 14,612,000 are engaged in manufacturing industries, and that 430,000 of those, or 2.9 percent of all those engaged in manufacturing industries, make less than 65 cents an hour, and only 1,000,000, or 6.8 percent of those engaged in manufacturing industries make less than 75 cents an hour.

In nonmanufacturing industries the Secretary of Labor estimates that there are 7,989,000. Of these, 160,000, or 2 percent, make less than 65 cents an hour at the present time and 500,000, or 6.3 percent, make less than 75 cents an hour at the present time.

Mr. ELLENDER. Is it not a fact that most of the wages to which the Senator refers have been fixed through collective bargaining?

Mr. PEPPER. No; that is not true. One of the real necessities for this legislation is that so many of the people at the bottom of the economic ladder are not unionized and do not have the benefit of collective bargaining. If collective bargaining were applicable to all the workers of the country, it might not be necessary to have any legislation of this character at all; but the Senator well knows that the people who need public help, who need the aid of their Government, are the people who are not united one with another, and cannot individually stand up adequately to protect their economic rights. Consequently the necessity for legislation previously, and even now, in the several States in their field, and in the case of the Federal Government in its field.

Mr. ELLENDER. Has the committee gone into the problem of trying to determine why it is that the wage did not reach the maximum fixed in the law before 1943?

Mr. PEPPER. That matter certainly was gone into in the hearings. We heard considerable testimony on it. One reason or another was cited as being responsible for that situation. But the point is that the minimum wage did move steadily upward, and did reach the 40-cents-an-hour minimum by 1943. Of course, that was the average.

Mr. ELLENDER. Was not it shown that if the wage had been increased to the full 40 cents, it would have caused unemployment?

Mr. PEPPER. Of course, that is a matter of opinion. If we were today talking of raising minimum wages abruptly from 40 cents an hour to 75 cents an hour, of course, that would be a most abrupt change. But we are simply talking of increasing the wage 5, 10, or 15 cents an hour, not an abrupt elevation from 40 to 75 cents an hour.

Mr. President, all major groups have participated in this upward movement of the worker's income. The cost-of-living index has increased from 101 in 1938 to 170 as of June 1949. Forty cents will now buy what 24 cents bought in 1938. An increase in the minimum wage to 67 cents an hour would be required merely to provide a real minimum wage equivalent to 40 cents in 1938. In other words, without making any progress whatever in respect to giving a larger share of the products of our economy to the workers who are not able to maintain themselves as American families and individuals should be maintained, if we were to do nothing but take into account the rise in the cost of living, we would have to fix the figure at 67 cents an hour. But certainly when we were setting our goal in 1938 we never thought that would be the ultimate Congress ever would provide.

On the contrary, in my opening statement at that time I stated that the Committee on Education and Labor, as it was known in those days, stated, when it reported to the Senate the Fair Labor Standards Act of 1938, that the wage fixed in that proposed statute "does not give a wage sufficient to maintain what we would like to regard as the minimum American standard of living."

Mr. TAFT. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. TAFT. I wish to point out also that the wages of all nonagricultural workers, I think, have increased approximately 110 percent since 1939, as compared to the 87½ percent represented by the difference between 40 cents and 75 cents. So, as a matter of fact, even with 75 cents as the minimum, agricultural workers get a smaller share of the national income than they got under the 1939 set-up, because they are not keeping up with the general rise in the standard of living.

Mr. PEPPER. I thank the Senator from Ohio very much for emphasizing that fact.

Mr. President, the total annual direct cost of this bill to the employers of the country would be about $325,000,000, or about one-half of 1 percent of the total wage bill for all covered employees of, roughly, $60,000,000,000 for the country as a whole. That is approximately equal to 3 percent of the increase in wages made voluntarily during the past calendar year. In 1948 the Nation's total wage bill was increased by $12,000,000,000. So we feel that the two purposes of the 1938 act, namely, first, to give the worker the wage he is entitled to enjoy, and, second, to give the worker a wage that will make it possible for him to maintain a decent standard of living, should still be the aims of the Congress and of the country, and that, therefore, we should raise the minimum wage under the Fair Labor Standards Act to 75 cents an hour.

Mr. President, in a general way, I think that covers what the committee proposes to the Senate.

As I have said, we have made many concessions to contrary points of view, and we have reported a bill on which we hope we can have substantial agreement, and which we hope can be enacted at this session of Congress.

VOTING RECORDS ON ECONOMY PROPOSALS

Mr. WHERRY. Mr. President, I may say for the benefit of the majority that I shall now read into the RECORD the record of the majority leader and the record of the junior Senator from Nebraska regarding their economy votes, which I was foreclosed earlier today from placing in the RECORD, when I asked recognition to speak in favor of the motion for rescission. At that time the majority leader objected to my citing the record. I shall quote his statement at that point:

Mr. LUCAS. I will take 30 minutes of that time.

Mr. PEPPER. Mr. President——

Mr. WHERRY. Mr. President, I prefer not to yield until I conclude.

Mr. PEPPER. I wonder whether the Senator will defer until the majority leader has a chance to reach the floor.

Mr. WHERRY. That is why I have just announced that I would take up this subject matter. After I have read this material into the RECORD, I shall be happy to yield to any Senator. In fact, it is very unusual for any Senator to be denied the right by unanimous consent to insert a statement, either in the Appendix of the RECORD or in the body of the RECORD, when request for that purpose is made from the floor.

I am reading the statement made today by the majority leader when he addressed the Senate in the 31 minutes allowed to him on the rescission motion. I am reading from the RECORD. I wish to be sure that this is absolutely accurate.

I read further:

A moment ago when the distinguished Senator from Nebraska [Mr. WHERRY] asked unanimous consent to insert in the RECORD my voting record, I objected to it, primarily because of the fact that after listening to the Senator from Nebraska last night on the radio, and knowing of all the mistakes he made in that address, I was a little afraid to trust him with my voting record at that particular time without having an opportunity to look at it before it went into the RECORD. I shall have more to say about that subject before the day is over.

That is taken from the record of the remarks of the Senator from Illinois before the Senate today.

Mr. President, that procedure forces me to give to the Senate the speech I made over the radio. I had intended to ask unanimous consent to have it placed in the RECORD. I suppose some Senators would rather not have to listen to it. Inasmuch as the Senator from Illinois objected to my placing in the RECORD his voting record, which I had prepared from the RECORD relative to his votes on economy measures and questions, I suppose I should not ask unanimous consent to insert this radio speech in the RECORD because of the errors the Senator from Illinois alleges I made in the speech. So here is my radio speech:

My fellow Americans, some of you, no doubt, are amazed that I appear on the Drew Pearson program, for we are as far apart as the poles on many public questions.

Certainly there is no mistake about that.

I read further:

Time and again this Washington correspondent has attacked me on this program and in his column—

And I suppose he will do it next week when he returns. There is no mistake about that.

I read further:

but I shall not use this precious time he has so graciously given me to take off his hide. I shall use it more profitably by presenting to his radio audience my views on domestic and foreign issues that vitally affect every one of you.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. WHERRY. I prefer not to yield until I have concluded these remarks. Then I shall be glad to yield to any Senator who wishes me to yield.

Mr. ELLENDER. I was wondering how the Senator from Nebraska got the invitation.

Mr. WHERRY. I shall be glad to answer that question when I conclude this speech. It was unusual and I shall answer that question when I have concluded my remarks.

I read further:

Your freedoms; your jobs, your plants, your mines, your factories, mills, and farms, your lifetime savings, are all at stake because the Eighty-first Congress is drifting like a ship without a rudder. It is being buffeted by the administration lobbyists and pressure groups, all demanding their pay-off—all reaching for the Public Treasury.

Mutiny has broken out among the Democrat crew. The President first lashes them, then he purges them, then he abuses them, then he invites them back to the fold.

Certainly there is no mistake about that.

I read further:

What can you expect when the pilot of the ship of state is so confused and confounded?

So the big question in Washington today is: When will Congress ever adjourn? The answer is: No one knows—not even Drew Pearson.

Certainly there is no mistake about that.

Mr. KERR. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. STENNIS in the chair). The Senator from Nebraska prefers not to yield until he has concluded.

Mr. WHERRY. I further said:

Last Sunday on this program, the Senate majority leader said the session might last until Thanksgiving; 3 days later he told the Senate it might run until Christmas; and in response to a question I asked him last Wednesday the majority leader said he had no program, he had decided to let nature take its course.

The Senator from Illinois has said I am inaccurate. I cite the CONGRESSIONAL RECORD, page 12141, which shows there was quite a discourse. At the very end of the observations made by the majority leader, he said:

and that we must let nature take its course in the Senate, and that is what I expect to do from now on until we finish the session.

That observation is not in error. On a nearby page of the RECORD, page 12143, there appears the following colloquy:

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield to the Senator from Nebraska.

Mr. WHERRY. May I ask the distinguished majority leader this question: Does the Senator have any adjournment date in mind at all?

Mr. LUCAS. I have no adjournment date in mind whatever.

Mr. WHERRY. Between now and January 1?

Mr. LUCAS. I have not. I did say the other night when speaking on the radio, that Congress might get away from here by Thanksgiving.

Mr. WHERRY. So we can plan on Thanksgiving as the date?

Mr. LUCAS. No.

Certainly there is no mistake about that. At the end of that three hours of colloquy which was engaged in by the majority leader, the minority leader, the Senator from Indiana [Mr. CAPEHART] and several other Senators—I think we all remember it—the Senator from Illinois made an observation, in response to which I rose to address the Chair. I shall read a part of the colloquy which ensued:

Mr. WHERRY. Mr. President, would the distinguished majority leader be willing to ask unanimous consent that it be the sense of the Senate that we authorize the majority leader and the minority leader of the Senate to consult with the majority and minority leaders of the House with the idea of at least working toward a goal for adjournment and submitting a program to

both the Senate and the House to carry out the objectives?

Mr. LUCAS. After the appropriation bills are out of the way, if we can ever get them out of the way, I will sit down with the Senator and discuss the subject. I should like to take that proposal up with our own policy committee

I hope the Senator feels that I am serious in connection with the subject of adjournment. If night sessions are the answer, as proposed by the Senator from Indiana, we shall have night sessions.

Mr. WHERRY. Would the Senator from Illinois object if I made that unanimous request?

Mr. LUCAS. I would not want it proposed now.

Mr. WHERRY. Would the Senator object if I made the request?

Mr. LUCAS. After all, only a few Members are present.

Mr. HAYDEN. Mr. President, I will object, because I want to get on with the Interior Department appropriation bill.

Mr. WHERRY. Would the Senator from Illinois object if I were to make the request? I should like very much to cooperate.

Mr. President, that proffer of a unanimous-consent request on my part stands today. I should like very much indeed to cooperate. I should like, if it is possible, to have a proposal of this kind go to the House. They have recessed until September 21. I should like to go to the House in company with the distinguished majority leader and try to work out an arrangement to serve as a goal concerning an adjournment date for the first session of the Eighty-first Congress, and also to bring back to Members of the Senate a program which might be considered during the time between now and such adjournment date. But certainly the observations I made were taken accurately from the RECORD, which is self-explanatory. They are not inaccurate; they are true:

For 8 months, one of the longest continuous sessions of Congress in history, the record of the Eighty-first Congress is failure.

That may be debatable. But I say to Senators, examine the RECORD.

The President blames it on a Republican filibuster—

He admits it; he says it is a Republican filibuster which is blocking his program—

but a compilation by the Library of Congress—

I did not make it. I tried to insert these records in the CONGRESSIONAL RECORD the other day. I asked the majority leader whether he would yield, but he would not yield at that time, so I placed them before the American people. They are now in this speech. This information is from the Library of Congress. I did not assemble the figures but—

a compilation by the Library of Congress shows that from January 3 to August 15, the Republican Senators used 1,563 pages of the CONGRESSIONAL RECORD while the Democrats used 1,612 pages.

Now, Mr. President, who is filibustering?

Mr. KERR. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Oklahoma?

Mr. WHERRY. Not at this time.

The PRESIDING OFFICER. The Senator declines to yield.

Mr. WHERRY. I continue:

This Congress can adjourn within 30 days.

Perhaps that is an erroneous statement. I think it can. I think we should get together and adjourn in 30 days, if we really tried to do so, and I have offered to do that. In fact, I voted for the resolution to adjourn September 30, and to work out with the House before then, if it recessed, a program of adjournment.

The longer it stays in session the more of your money it will spend.

There can be no doubt about that.

Congress should pass only absolutely necessary legislation, then order a 10 percent cut in appropriations and go home.

That is not bad advice. Of course, it probably will not be taken, but it is good advice, and I think the American people would like to see it done. I read the next part of the speech:

The American people have not received all those rosy things the President and his left-wing campaigners promised last November. Instead they have gotten—

Perhaps the Senator quarrels with the adjectives used, but I want to say the word "turbulent" was used by the new chairman of the Democratic National Committee, in his acceptance speech, in which he said the Democratic Party was a turbulent party. I used the equivalent of his word. I got it from that speech, in which the adjective "turbulent" appeared. To anyone who thinks that is not correct, I say, go back and ask him about it. He used the word, so I have used something like it. I take no pride of authorship. He said "turbulent." I said:

Instead they have gotten a warring, quarreling, snarling Democratic majority in Congress. The majority leadership is in the hands of the President's lieutenants, and they cannot escape their responsibility by blaming others.

They are simply prolonging this session of Congress to squeeze through some part of the President's socialistic welfare state that was promised the pressure groups who helped elect him.

Unkept promises made by the administration to pressure groups, are only a part of the bill of particulars.

Trials of Communist spies who have run through our Government like water through a sieve are becoming commonplace.

One of the achievements of the Drew Pearson program has been the exposure of 5-percenters.

"Five percenter" has become a byword. On the part of some it is a vehicle for jokes and jests.

There is no doubt of that.

But for others it is a mark of loss of confidence and deep humiliation. It is a brand that will stick to this administration. It cannot be erased. And when morality flies out the window in the offices of government, good government goes with it.

The first thing Members of Congress will learn when they go home is that the people are sick and tired of the Eighty-first Congress and the weakness of this administration. So, in keeping with the style of the program, I now make a prediction.

A Republican Congress will be elected in 1950 to stop this multibillion give-away show, the biggest give-away show on earth.

The Truman administration has presented measures that would threaten the solvency of our Government, destroy competitive enterprise, and carry the United States deeper into the swamps of socialism.

The President has submitted requests under the label of social welfare, costing over a period of 50 years, $1,250,000,000,000.

That much money in silver dollars would make seven stacks reaching to the moon, with enough left over to pay off the present national debt of over a quarter trillion dollars.

If anyone wishes to differ with those figures, let me say that they were compiled by the Baltimore Sun. I have called attention to them dozens of times, and no one has ever questioned them.

Fantastic? Yes, but it is true.

You businessmen, you working men and women, and you housewives, who do most of the buying for your families, all of you know that such a program would bankrupt the country. And yet, those recommendations have been officially made to your Congress by the President of the United States.

He had Congressman SPENCE introduce a bill to give him, the President, one man, absolute power to build and operate any kind of factory or mill he chooses; think of it, in competition with free enterprise and free labor.

If anyone doubts that observation, let him get the bill, read it, and analyze it.

That is the big stick, the club the President asks for, to be held over the owners of industry and the working men and women. To the businessmen, "Comply with my orders or I will put the Government in direct competition with you." And to the working men and women, "I'll tell you when and where you can work."

And there are administration bills to give him, the President, one man, absolute power to put ceilings over prices and wages, and floors under prices and wages; bills for free education, free medicine, free hospitals, free everything, a life of ease and abundance without work. He, the President, promises the Government will take care of us from the cradle to the grave.

But you know these things are not free. They have to be paid for out of direct taxes and the cost of living. These proposals of free bread and circuses were taken from the decadent days of the Roman Empire. They did not work then, and they will not work now.

Mr. President, I should like to digress long enough to call attention to Germany and Italy, two nations who went clear to the left, and which are now trying to work their way back toward the right. That is a good example for us in connection with the suggestion of furnishing money for a continuation of Socialist government in Europe.

And the worst of all of the socialistic schemes is the so-called Brannan farm plan. It is an economic monstrosity, a brazen attempt to buy the farmers' votes and their liberty of free enterprise, out of the Public Treasury; and, at the same time, buy the votes of urban citizens, by subsidizing their food bills out of the Public Treasury.

It may be that that is a mistake. But I asked the distinguished Senator from Illinois if he agreed with the Brannan farm plan, and he did not answer. Perhaps I have gone too far in my impression of how much socialism is involved therein. But read the original bill, not the amended bill, or bills introduced here and there, or modified ones—read the original Brannan farm bill. It provides

for complete control of the farmers of the United States.

The solution of farm surpluses is utilization, not destruction.

I think America must come to that sooner or later, for whether we are Republicans or Democrats, a way must be found whereby every surplus farm product can be utilized so that there may come from each farm product a source of revenue and a profit for those who produce.

Grain and other starchy commodities when coverted to alcohol and used as a blend with gasoline, make a premium grade of motor fuel that can be sold competitively.

Mr. President, I got that statement from the Department of Agriculture. I am told that alcohol as an injector furnishes a kind of gasoline of higher octane than is produced even by tetra-lead. I know it is being used across the water. In automobiles, airplanes, and in other varieties of gasoline motors alcohol can be used competitively. I am quite satisfied that after the evidence is examined by those who now would like to mix it with a low-grade motor fuel, it will be found that it can be done competitively. With the price of corn at $1 a bushel, 500,000,000 bushels of corn made into alcohol and so used would rid us of our surplus of agricultural production and we would not have to worry about support prices, Brannan plans, Aiken plans, or any other plans. The problem would solve itself, and once again the farmer would be on a free competitive enterprise basis.

And there are many other opportunities for utilization of farm surpluses. But until full utilization of crops is carried forward our farmers are entitled to the protection of the present 90 percent parity law. National prosperity depends upon a prosperous agriculture.

The Truman administration, in foreign affairs, is guided by the same alien ideology it seeks to impose upon our own people—a policy in which aid and comfort have been given to the Russian-directed Communist Army in conquering China, and a policy which supports Socialist governments in Europe. Both are of the same cloth; both wind up in dictatorship.

Since the end of the war, you taxpayers have poured $32,000,000,000 in cash and goods into Europe. But the Economic Cooperation Administration has failed to solve the basic economic problems for which it was established. Elimination of trade barriers and establishment of free convertibility of currencies by ECA countries have not been accomplished. These are their domestic problems and failure to solve them defeats the very purposes of ECA.

Certainly there can be no question about that statement. I questioned Administrator Hoffman about it, and he said he agreed that the purpose of ECA would have to be accomplished, namely, the elimination of trade barriers and the establishment of convertibility of currencies, or he doubted whether it could continue successfully after 1952.

And, now, on the eve of the British-Canadian-American conference on more aid to Great Britain, it should be understood by all participants, including our own, that there must be no more bypassing of Congress, and no more commitments bartering away protections for American industry, agriculture, and labor.

Until we have full utilization of farm crops in this country our farmers are entitled to the protection of the present 90-percent parity law. I am one who has to get a part of his living from a farm, and I agree that national prosperity depends upon a prosperous agriculture.

With ECA failing to accomplish its purpose, demands are now made for an appropriation of $1,500,000,000 for military establishments in North Atlantic Treaty countries. This aid is sought even though the Security Council provided for in the treaty has not yet even been created.

We were told that the North Atlantic Treaty would be implemented by arms, and the arms would come under a program recommended by the Security Council.

Before the United States embarks upon piecemeal scattering of arms and armaments among treaty countries, Congress should have the recommendations of the Security Council. Unless reasonable time is given the Council after its formation, we will get figures that have been hatched by the State Department and planted with the Council, in a frantic effort to manufacture propaganda, in support of an immediate billion-and-a-half arms appropriation for Europe.

Mr. President, that is sound. If we are to take the action recommended by the proponents of the North Atlantic Treaty, we must pin our faith to the recommendations of the Security Council. Until those recommendations are made, and made in good faith, and presented to the different committees—certainly they should be referred to the Appropriations Committee—there can be no justification of appropriations. We should not act to save face, or because of moral commitments, or anything else, until we have the recommendations of the Security Council in behalf of the appropriations.

Fellow Americans, there can be no lasting peace in the world until the sins of Teheran, Yalta, and Potsdam are washed away; until there is reestablished a forthright foreign policy dedicated to preservation of a free America in a free world of free men.

There can be no lasting prosperity, happiness and security for our own people under the threat of the Truman Democrats to destroy our historic way of life through socialism, spendthrift government, and unbearable taxes.

One or the other will be destroyed. There is no room for compromise. America cannot survive half slave and half free.

We Republicans accept President Truman's challenge to take his philosophy of bigger and bigger Government—

We have the largest peacetime appropriations ever known in the history of the American Government, and if Congress remains here much longer, they will be much larger than they are. I repeat:

We Republican's accept President Truman's challenge to take his philosophy of bigger and bigger Government and more and more socialism to the people in the congressional campaigns already under way.

I said "we," and I hope I was expressing the thoughts of all Republicans.

We shall defend and champion the principles of our Republic, those principles upon which America has become great and strong, and the bulwark of liberty—supremely confident of the decisions of the people.

For the American people are peace-loving, tolerant of the rights of others, and determined to make representative republican government work under the guidance of Almighty God.

Mr. President, that is the end of the speech. I appeal to those who heard it to say with me that it is the truth, that our republican form of government, representative government, is on trial; that America is at the crossroads, and we must not continue to go further and cross over the line into socialism, but must preserve the freedoms our people have had for over 160 years, and which I hope they can enjoy for generations to come.

Mr. LUCAS. Mr. President——

Mr. WHERRY. Mr. President, I am not through.

Mr. LUCAS. I am sorry. I thought the Senator had concluded.

Mr. WHERRY. I shall be glad to yield when I have concluded my remarks.

The PRESIDING OFFICER. The Senator from Nebraska declines to yield.

Mr. WHERRY. Mr. President, the reason I made that speech was that the Senate majority leader said that he objected to the record I am about to read into the CONGRESSIONAL RECORD relative to his votes on the appropriations. He said at the beginning of his remarks that I had made mistakes, implying at least that my statements were inaccurate. I leave that decision to the American people when they read that speech.

Getting down now to the subject matter at hand, which is the record of the majority leader, I want to read the statement he made. I am reading it from the Wall Street Journal of August 27, 1949. I shall read every word of it. The Senator from Oklahoma [Mr. THOMAS] was trying to get credit for cutting appropriation figures in the Appropriations Committee; the President wanted all the credit at the White House, and Secretary Johnson wanted some of the credit to go to the Pentagon. Then along comes the majority leader and makes a statement. I read from the Wall Street Journal:

Meanwhile Senate Majority Leader SCOTT LUCAS, of Illinois, put out another statement boasting about the budget cuts the Senate has voted with his blessing.

"The budget cuts the Senate has voted with his blessing." Perhaps I cannot understand the English language, but that certainly covers the water front. That is the whole book. That covers every vote the Senator has cast, whether in favor of a committee amendment or against a committee amendment. I read that again:

Meanwhile Senate Majority Leader SCOTT LUCAS, of Illinois, put out another statement boasting about the budget cuts the Senate has voted with his blessing. Mr. LUCAS estimated the Senate has already pared $800,000,000 from the budget for fiscal 1949-50 and he predicted—

Senators will notice that he predicts, too, as I also have made predictions on the Drew Pearson program. This is what he said:

"We can reasonably expect a final total reduction of approximately $1,800,000,000."

"As majority leader," the Illinois lawmaker stated—

That particular language is not in quotation marks.

"I have advocated every reduction in Federal expenditures recommended in reports of the Senate Committee on Appropriations."

I want Senators to note that.

"I have advocated every reduction in Federal expenditures recommended in reports of the Senate Committee on Appropriations. I am fully aware that the people of Illinois, as well as the people from every State in the Union, are seeking reductions in the cost of government."

This statement seemed to put Senator LUCAS somewhat at odds with his White House Chieftain. In his midyear economic report to the Congress last month, the President warned lawmakers against cutting funds for essential Government fuctions. He claimed the huge volume of spending by Federal and local governments is itself an element of great stability in the national economy.

Mr. President, I called attention to that statement when I made my remarks in behalf of the rescission motion. I said, "What about the record of the majority leader?"

Let me read again:

"As majority leader," the Illinois lawmaker stated, "I have advocated every reduction in Federal expenditures recommended in reports of the Senate Committee on Appropriations."

We have just passed the Interior Department appropriation bill. That is something fresh in our minds. The committee amendments on Southwestern Power were four in number.

The first was to reduce by $2,383,885 funds for electric power to be available until expended.

The second was to reduce by $195,000 funds available in the current fiscal year.

Another was to reduce by $2,742,095 the amount of obligations authorized.

The next was to set up continuing fund for power transmission facilities in the Southwestern Power Administration.

Those four committee amendments were voted on en bloc. That amendment comes within the bracket of the observations made by the majority leader. How did he vote? There were 38 yeas and 45 nays, and the Senator from Illinois is recorded as voting "nay."

I now take up the vote on foreign aid. I shall speak of the vote on the committee amendment. I was a member of that committee. The committee amendment proposed a cut-back of $74,000,000 in the $1,074,000,000 for the last quarter of the fiscal year 1949. That amendment was rejected. It was a committee amendment and was rejected. The vote was yeas 37, nays 41. The Senator from Illinois is recorded as voting in the negative.

So there are two instances that come within the bracket of the last observation made by the Senator from Illinois.

I am scanning through the various measures which have been acted upon, and the votes cast upon them. I come now to State, Justice, and Judiciary, 1950. The Flanders amendment to increase the Voice of America funds $3,656,100 over the amount recommended by the committee, was presented on the floor. The vote on that amendment was 33 yeas and 45 nays. The Senator from Illinois voted "aye."

Now let us go back to the first observation made by the Senator from Illinois in his release:

Meanwhile, Senate majority leader SCOTT LUCAS of Illinois put out another statement boasting about the budget cuts the Senate has voted with his blessing.

Well, here they are, I wanted to insert these matters in the RECORD, but the majority leader refused to have the matters inserted, so I will have to read them. The statement I have in my hand gives many votes by the Senator from Illinois on various measures. I cannot let the statement I have just read from the release put out by the Senator from Illinois go by unchallenged. To let that language stand unchallenged would mean that there is no question that the Senator from Illinois has been in support of all proposed reductions. That is the way I would interpret the language, and I believe anyone who understands the English language cannot interpret it in any other way.

I could give more examples, but I am simply glancing through the list to give a few. I think those I have cited give a pretty good idea about what the majority leader's record is respecting economy.

I now refer to ECA extension. The Wherry amendment to cut the authorization by 15 percent would have meant a reduction of $814,500,000. The vote on that amendment was had on April 1. It was rejected 14 yeas, 68 nays. The majority leader voted "nay."

The second amendment on ECA extension was the Taft-Russell amendment to reduce the authorization by 10 percent, a reduction of $543,000,000. That was voted on on April 1. It was rejected 23 yeas, 54 nays, and the Senator from Illinois voted "nay."

On the first deficiency appropriation, 1949, the Bridges amendment to strike out funds for a new steam plant was voted on on April 13. It was rejected, 30 yeas, 55 nays, the Senator from Illinois voting "nay."

Mr. President, that is one amendment on which I voted to increase an appropriation. It is the only vote I have cast for increasing an appropriation which Senators can find in the books. I did so because the law authorized the steam plant. For us to sabotage the authorization by not appropriating the money seemed to me to go directly in contradiction to the will of Congress.

The Senator from Illinois turns around and does not seem to agree with me.

I have another case to cite. That is the ECA measure. No one worked any harder than I did to block the authorization of ECA, and that is exactly what I would have done respecting the steam plant if that plant had come up for authorization. I have taken the position since I have been in Congress that once an authorization is made, it is simply a question of justification for appropriations. I have done my level best to maintain that position in the two votes relating to such matters.

The Labor-Federal Security appropriation, 1950. There were amendments voted on on April 27 and 28. The first was for an increase of funds for cancer research. The second was for increase of funds for mental health. The third was the Bridges-Ferguson amendment to suspend the rule and direct the Secretary of Labor to reduce expenditures by 5 percent. The fourth was the Taft motion to recommit with instructions to reduce by 5 percent.

I wish to say for the benefit of the majority leader that he did not vote on any of these amendments. I do not say that every Member of the Senate can always be present to vote. I am not criticizing him, although I feel that the people back home want us to vote on these issues. I have taken the position since I have been in the Senate that I should be present to vote. On one or two occasions I have been officially excused, once in connection with the investigation of the atrocities in the political camps in Germany, and once when I returned to Nebraska in connection with the Kearney Air Base, and probably one or two other times. Aside from those occasions, I have been present in the Senate and have voted these questions up or down. If I had known about it, I would never have consented to a pair when I was across the water. I think the people want to know how we stand on every issue that comes up in the Senate. I do not say that I have been right, but I pray God that I was right. I am trying to do my level best to give the kind of representation that I think is becoming a United States Senator.

Take the Green motion to reconsider the vote on recommittal of the bill which I just mentioned. The vote was 43 yeas and 41 nays. The Senator from Illinois voted "yea."

On the Ferguson substitute motion to the Taft motion to recommit the bill with instructions to cut 5 percent after all committee amendments were adopted, the motion was rejected. The vote was 41 yeas and 44 nays. The Senator from Illinois voted "nay."

On the Taft motion to recommit, the second vote, the motion was rejected by a vote of 41 yeas to 43 nays. That was a close vote. If we had done that, we would have done exactly what the Secretary of Defense is doing right now in the Department of Defense. On that vote the Senator from Illinois voted "nay."

In connection with the Treasury-Post Office bill for 1950, the Ferguson-Bridges motion to suspend the rule so as to permit a 5-percent reduction, on May 11, the vote was 37 yeas and 45 nays. The Senator from Illinois voted "nay." The motion was rejected.

On the Knowland amendment limiting to 95 percent the funds to be expended, on May 11, the amendment was rejected by a vote of 33 yeas and 45 nays. The Senator from Illinois voted "nay."

On the Bridges motion to recommit the 5-percent reduction, May 11, the motion was rejected by a vote of 38 yeas and 44 nays. The Senator from Illinois voted "nay."

On the Long amendment to increase school-lunch funds, which was rejected, the vote was 14 yeas and 60 nays. On that vote the Senator from Illinois voted "nay."

On the Bridges-Ferguson amendment to suspend the rule in connection with a

5-percent reduction, on May 19, the amendment was rejected by a vote of 32 yeas and 52 nays. The Senator from Illinois voted "nay."

On the Bridges-Ferguson motion to recommit, in connection with a proposed 5-percent reduction, on May 19, the motion was rejected by a vote of 32 yeas and 50 nays. The Senator from Illinois voted "nay."

On the Butler motion to lay on the table the Douglas substitute motion providing for a 40-percent reduction in civil-functions appropriations, on May 20, the motion was agreed to by a vote of 59 yeas and 15 nays. The Senator from Illinois voted "nay" on that motion. Of course, everyone knows that a 40-percent reduction in civil-functions appropriations would practically destroy much of the construction programs under that particular bill. I voted against the reduction of 40 percent, but I did support a 10-percent reduction in the civil-functions appropriations. I thought that was just. I thought we could make that kind of a cut and continue most of the construction.

On the Bridges-Ferguson motion to recommit the civil-functions bill, in connection with a proposed 10-percent reduction, on May 20, the motion was rejected by a vote of 29 yeas and 48 nays. The Senator from Illinois voted "nay."

On the Wherry motion to recommit, in connection with a 5-percent reduction, I tried to get at least half of the 10-percent reduction. On May 20 that motion was rejected by a vote of 33 yeas and 44 nays. The Senator from Illinois voted "nay."

On the Ferguson motion to reconsider the vote by which the amendment of the Senator from Oklahoma [Mr. THOMAS] was agreed to, in connection with a project costing $10,460,000, on May 20 the motion was rejected by a vote of 36 yeas and 39 nays. The Senator from Illinois voted "nay."

I have already mentioned the State-Justice Department appropriations.

In connection with the legislative branch appropriations, on the Bridges amendment to appropriate $9,000,000 for the new Senate Office Building, on June 15, the vote was 29 yeas and 52 nays. The Senator from Illinois voted "nay."

I have already mentioned foreign aid and the proposed cut-back of $74,000,000.

The committee amendment to increase the amount under "Bureau of the Budget, salaries and expenses" from $2,983,050 to $3,314,500 was agreed to on July 27 by a vote of 51 yeas and 33 nays. The Senator from Illinois voted "yea."

On the committee amendment to increase the amount under "Council of Economic Advisers, salaries and expenses," from $300,000 to $340,000, on July 27, the Senator from Illinois voted "yea." The vote was 40 yeas and 39 nays.

On the committee amendment to increase the amount under "Civil Service Commission, salaries and expenses" from $14,000,000 to $16,250,000, on July 27, the amendment was rejected by a vote of 38 yeas and 41 nays. The Senator from Illinois voted "yea."

On the Gillette-Malone motion to reconsider the vote by which the committee amendment was rejected, the motion was agreed to on August 2 by a vote of 46 yeas and 44 nays. The Senator from Illinois voted "yea."

On the second vote on this committee amendment, on August 2, it was agreed to by a vote of 51 yeas and 40 nays. The Senator from Illinois voted "yea."

On the committee amendment to increase the amount under "Federal Communications Commission—Salaries and expenses," from $6,525,000 to $6,333,000, on July 27, the amendment was agreed to by a vote of 40 yeas and 39 nays. The Senator from Ilinois voted "yea."

On the committee amendment to increase the amount under "Public Buildings Administration—Salaries and expenses in the District of Columbia" from $31,140,000 to $32,750,000 on July 28 the amendment was rejected by a vote of 41 yeas and 46 nays. The Senator from Illinois voted "yea."

On the committee amendment to increase the amount under "Public Buildings Administration—Salaries and expenses, public buildings in the District of Columbia" on July 28 the amendment was rejected by a vote of 39 yeas and 48 nays. The Senator from Illinois voted "yea."

On the committee amendment to increase the amount under "Public Buildings Administration—Salaries and expenses outside of the District of Columbia" from $23,968,800 to $24,968,800, on July 28 the amendment was rejected by a vote of 38 yeas and 49 nays. The Senator from Illinois voted "yea."

On the committee amendment to increase the amount under "Public Roads Administration—Federal aid to postwar highways", from $225,000,000 to $241,509,000, on July 28, the amendment was agreed to by a vote of 61 yeas and 20 nays. The Senator from Illinois voted "yea."

On the Bridges amendment to the committee amendment under "Office of Housing Expediter—Salaries and expenses," the Senator from New Hampshire [Mr. BRIDGES] sought to reduce the committee figure of $24,075,000 to $21,667,500. On July 29 the amendment was agreed to by a vote of 45 yeas and 42 nays. The Senator from Illinois voted "nay."

On the committee amendment to increase the amount under "Interstate Commerce Commission—General Expenses," from $9,321,000 to $9,621,000, on July 29 the amendment was agreed to by a vote of 45 yeas and 40 nays. The Senator from Illinois voted "yea."

On the Williams amendment to reduce the committee figure under "United States Maritime Commission—Salaries and expenses" from $63,054,424 to $59,901,703, on August 1, the amendment was rejected by a vote of 30 yeas and 56 nays. The Senator from Illinois voted "nay."

On the committee amendment to increase the amount under "United States Maritime Commission—Salaries and expenses" from $62,380,424 to $63,054,424, on August 1, the amendment was agreed to by a vote of 45 yeas and 43 nays. The Senator from Illinois voted "yea."

On the Saltonstall amendment to increase the amount allowed by the committee under "United States Maritime Commission—Maritime training," on August 1, the amendment was agreed to by a vote of 33 yeas and 31 nays. The Senator from Illinois voted "nay."

On the Ives motion to lay on the table the Saltonstall motion to reconsider the vote by which the previous amendment, regarding maritime training, was agreed to, on August 1, the motion was agreed to by a vote of 35 yeas and 30 nays. The Senator from Illinois voted "nay."

I have already referred to the Interior Department bill.

Mr. President, the record speaks for itself. I have cited one or two votes with respect to which the majority leader should be given credit; but I have mentioned the record as I found it, relative to his votes, in support of the statement I made, that some people talk economy, but they do not vote economy. If there have been any erroneous statements made, certainly the RECORD shows the answer to the second part of his statement. The RECORD, with the exception of possibly three or four votes, shows where the Senator from Illinois stands with regard to the appropriations which we attempted to reduce on the floor of the Senate. The RECORD stands.

Mr. President, I also attempted to get into the RECORD a few remarks and statistics relative to the junior Senator from Minnesota [Mr. HUMPHREY]. He was present a moment ago. I had hoped that he would remain in the Chamber. I shall not say anything unfair about him, but I should like to have him present. I announced when I started what my purpose would be.

The PRESIDING OFFICER. The Chair is advised that the junior Senator from Minnesota is on his way back to the Chamber.

Mr. WHERRY. I hope so.

First, I stated that he had supported a great many legislative authorizations which I thought would increase the appropriations, if authorized, in the neighborhood of $30,000,000,000. I may be in error about the $30,000,000,000. We can hardly tell when we project some of these schemes just how much they will cost the people of the United States. However, my experience is that once a thing is authorized it never grows smaller. It always grows larger. Once a bureau in created, in my opinion there is no chance ever to abolish it. The record is pretty clear in that respect.

Let us examine the RECORD to see what legislation the junior Senator from Minnesota has introduced, sponsored, or spoken in behalf of. He has given his blessing to a number of bills. I am not quarreling with the merits of the bills. Every Senator has a perfect right, according to his own fundamental belief, to introduce any bill he cares to introduce.

Senate bill 110, providing for the Labor Extension Service, is estimated to involve an increase of $2,500,000 for Federal aid for adult education. The program is to run for 10 years. I think it would involve an expense of $115,000,000.

Senate bill 522, the Local Public Health Units Act of 1949, involves an estimated cost of $15,000,000.

In connection with Senate bill 653, the minimum wage bill, I think there is no

increase in cost, although I am not certain as to that.

With regard to Senate bill 831, social-security extension to State employees, no estimate is available. No one can tell what that program might cost. Again let me say that I am not arguing the merits of these bills. I am not for this particular bill, even with all the merits which the Senator has advanced.

With regard to Senate bill 881, price support for milk, no cost estimate is available.

In connection with Senate bill 1066, aid to the physically handicapped, no estimate is available. The President's Commission got $75,000 this year.

Next comes the Missouri Valley Authority bill, Senate bill 1160. I have heard the cost of that bill estimated as low as $6,000,000,000. I have heard others put a figure on it as high as $9,000,000,000. I do not know what the cost would be. It is represented that it would be paid back to the United States Government.

Mr. President, I have been in the Senate for 7 years. I have been a member of the Appropriations Committee. I should like to ask now how much money has ever been paid back from TVA to the Public Treasury. I am not quarreling with TVA, which has been authorized by Congress. But I ask the question. My opinion is that once the Missouri Valley Authority is authorized our experience with that will be similar to our experience with TVA. Once the bureaus get the money in their hands, with the absolute authority they have, we will not even get an accounting. I tried to get an accounting through the Comptroller General's Office. Because of the authority of the TVA, it is pretty difficult to get an accounting of any kind.

With regard to Senate bill 1404, the antilynching bill, I am with the Senator on that bill, strongly. I believe in it. There is no cost involved in connection with that bill. If there is any cost, it will be nominal.

In connection with Senate bill 1453, education of professional health personnel, the estimated cost is $30,000,000.

There is the bill for aid to schools with war-incurred enrollments. I do not know how much the cost of that program will be, no matter how worthy its cause; but it is estimated to cost many million dollars.

Mr. HUMPHREY. Mr. President, if the Senator will permit me to interrupt, let me say that as the bill was passed by the Senate last Saturday, its cost is to be $67,260,000.

Mr. WHERRY. Very well; I accept the amendment—that the cost will be $67,260,000.

Then there is the Indian tribal funds bill. We have no cost estimate for that. I know it is difficult to arrive at a cost estimate.

Then there is the Columbia Valley Administration bill. I do not know what the cost of that will be; but a conservative estimate shows that the cost will run not less than $6,000,000,000, and my judgment is that it will take much more. I have listened to pages and pages of testimony in the Appropriations Committee about these Authorities; and from the hearings we get some idea not only of how exhaustive and extensive such Authorities are in regard to the authority they want, but also in regard to the money they handle.

Then there is the aid-to-education bill for 1950, plus 5 years more. I do not know what the cost of that will be. I think the cost for the first year was estimated to be $300,000,000, but I have seen estimates all the way up to $3,000,000,000 for the 5-year period. I am not saying that figure is correct, but it is an estimate. Of course, it is difficult to estimate the total cost.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. HUMPHREY. I was not privileged to be a cosponsor of that legislation. I protested that I was not privileged to be a cosponsor. But I am glad to state that I am in favor of it, and I want the folks in Minnesota to know that I wanted to be a cosponsor of that legislation. Even if it should cost a billion dollars, I would favor it.

Mr. WHERRY. Mr. President, at least I have enabled my colleague, the Senator from Minnesota, to bring that to the attention of the people of Minnesota.

Mr. HUMPHREY. Yes, and I appreciate it.

Mr. WHERRY. Mr. President, we can go down the list and can cite five or six more measures involving large sums of money.

Here is one, the bill for aid to elementary and secondary education, costing perhaps $300,000,000.

Then here is the one of which the Senator from Minnesota [Mr. HUMPHREY] is also a cosponsor—I am sure that is correct—the Economic Expansion Act of 1949, the so-called Murray bill—in other words, the socialized medicine bill. No one knows what it will cost.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. WHERRY. I prefer not to yield.

Mr. HUMPHREY. I should like to say a word on a point of clarification.

Mr. WHERRY. Very well. I yield.

Mr. HUMPHREY. Surely the Senator from Nebraska knows that the Economic Expansion Act of 1949 is not the socialized medicine bill. I would not want him to confuse the two bills.

Mr. WHERRY. I withdraw that statement. Perhaps I have grouped the two of them together. The Senator from Minnesota is in favor of the Murray-Dingell bill.

Mr. HUMPHREY. No; I am for the administration's health bill .

Mr. WHERRY. Well, it is the same thing, with a new name. If we take both of them together, Mr. President, there is no living man who can predict what their cost will be.

Once again I submit the figures of the Baltimore Sun about all of these socialistic programs: that extended over a period of 50 years, they will cost the people of the United States $1,250,000,000,000—one trillion two hundred and fifty billion dollars. No Senator has disputed those figures, so far as I know, on the floor of the Senate since they have been offered.

Mr. President, let me say in conclusion that I also had made a request of the distinguished junior Senator from Minnesota for the printing of certain material in the RECORD; but he objected to the introduction of the material in my speech, which was in support of the McClellan resolution. That material was on the independent offices appropriation bill. The Senator from Minnesota came before the Senate and endorsed the minority views, and in his speech of endorsement he said that the Congress could save $2,000,000,000 in ECA funds, in the funds for the arms bill, and in the funds for the independent offices appropriation bill, I believe I am correct about that; I am speaking now offhand.

Let us see what the record of the Senator from Minnesota is on the independent offices appropriation bill as it came before the Senate. By the way, Mr. President, he picked the one bill, of all bills, to my way of thinking, on which it is very difficult to make a saving. That is the reason why I support the proposal for having economies made in the whole Government establishment. I think all these agencies should do what Secretary Johnson did. Some agencies can go further than others in that respect; but certainly the heads of the Government agencies know where the least impact on essential services will be when cuts are made.

But the distinguished junior Senator from Minnesota said, in effect, "Let us take the independent offices appropriation bill." As I have said, Mr. President, of all bills he could have chosen, that is the one bill which seems to me to be the most impractical for that purpose.

I should like very much to ask consent to have inserted in the RECORD a statement of the position of the Senator from Minnesota regarding amendments to that bill involving appropriations amounting to millions of dollars. However, since I am afraid objection might be made, I shall read this material into the RECORD.

The full amount of that bill is $8,051,000,000. Of course, that entire amount could be saved if a 100-percent reduction were made in the appropriations. The fixed amounts total $5,817,000,000, which is 72 percent of the total. The reducible amounts total $2,234,000,000, which is 28 percent of the total carried in the bill. So it seems to me that of all the bills which could have been selected for the purpose of making a reduction in appropriations, this one would be the most difficult. But as to the independent offices appropriation bill, in reference to which the Senator from Minnesota said he would like to give the country an example of how cuts could be made—and I should like to give the statement as it appears in the CONGRESSIONAL RECORD—we find in that bill an amendment to increase the funds for the Bureau of the Budget to the extent of $331,450. That amendment was adopted on July 27, 1949.

Then there is an amendment increasing by $40,000 the funds for the Council of Economic Advisers. That amendment was adopted on July 27, 1949.

The Senator from Minnesota is not recorded as voting on either of those items.

I believe he was away on official business. I do not wish in any way to disparage his record, for he has been a very faithful Member of the Senate. But he was somewhere else.

On the amendment increasing the funds for the Civil Service Commission by $2,250,000, which amendment was rejected on July 27, 1949, the Senator from Minnesota is not recorded as voting. All these amendments were to the independent offices appropriation bill.

Pardon me, Mr. President, I notice that the Senator from Minnesota was recorded as "not voting" on all those items. It was stated, in connection with the announcement of his pair with the Senator from New Jersey [Mr. SMITH], that the junior Senator from Minnesota [Mr. HUMPHREY] would have voted "yea."

On the amendment for increasing the funds for the Federal Communications Commission by $108,000, which amendment was adopted on July 27, 1949, the junior Senator from Minnesota [Mr. HUMPHREY] is recorded as not voting, but it was announced, in connection with his pair with the Senator from New Jersey [Mr. SMITH], that he would have voted "yea." So there was no decrease in appropriations there.

On the amendment increasing by $16,509,000 the funds for Federal-aid post war highways, which amendment was adopted on July 28, 1949, the junior Senator from Minnesota voted "yea."

On the amendment increasing by $1,000,000 funds for maintenance of public buildings and grounds outside the District of Columbia, which amendment was rejected on July 28, 1949, the junior Senator from Minnesota voted "yea."

On the amendment adopted July 29, 1949, increasing by $300,000 the funds for the Interstate Commerce Commission, the junior Senator from Minnesota voted "yea."

On the amendment adopted August 1, 1949, increasing funds for the United States Maritime Commission the junior Senator from Minnesota voted "yea."

On the amendment adopted August 2, 1949, increasing funds for the Civil Service Commission by $2,250,000, the junior Senator from Minnesota voted "yea."

Mr. President, that is clear evidence to me—and it is in the RECORD—that those who now come before the Senate saying they are willing to cut appropriations $1,800,000,000 or $2,000,000,000 have not been voting the will of the Senate Appropriations Committee entirely, and certainly have not gone along with the Members of the Senate who have tried so judiciously, if you please, to cut the appropriations on the floor of the Senate. I am not bragging about my own record. It is not in question. But if anyone wants to pick on it, I say to him, go ahead and pick on it. To anyone who wants to look at that record, I say, look at it. Perhaps I am wrong. I have been told at times that I am, that I ought to agree to these things, that I ought to do his, that, and the other; but, believe me, Mr. President, it has been my conviction from the very beginning that the thing to do in the Eighty-first Congress was to balance the budget. Perhaps it would require more taxes, but I believe it would produce confidence on the part of business. I think business has lost confidence in the past 6 months. The idea of increasing the income-tax brackets does not mean anything unless there are good business conditions. There must be confidence on the part of the businessmen of the country; there must be confidence on the part of all segments of the country, if we are to raise more taxes instead of less. We have got to do that, Mr. President, because the expenditure budget is away higher than it has ever been in any other peacetime year in the life of the Republic. Of course there are those who say, "Deficit spending is justified." If it is justified, then, as I said this morning, why not make a real budget? Why not make it $100,000,000,000? What is the use playing with $42,000,000,000, $45,000,000,000, or $50,000,000,000? To me, that is the answer to that problem.

Mr. President, the time is here when we cannot have everything. The time is here when every Government agency must do exactly what has been done by the Military Establishment. If it is possible to make a cut in military expenditures, it is possible to cut expenditures in every other branch of the service, in every other Government institution. There can be no doubt about that. Yes, Mr. President, there will be attacks made against me, and this and that will be said; but remember the RECORD will show that the junior Senator from Nebraska said, if Secretary Johnson could cut military expenditures, as he has done, it is possible for every other department of the Government to cut expenditures.

Mr. President, I did not intend to take all this time to read these things into the body of the RECORD, regarding my distinguished colleagues, the majority leader from Illinois and the junior Senator from Minnesota, but they both objected to the insertions when I offered them, when I was limited to 12, 13, or 14 minutes in my support of the rescission amendment. I deeply appreciate the fact that the junior Senator from Minnesota offered to permit me, by unanimous consent, to introduce the last record to which I have referred. I think that is the proper attitude, and I appreciate the Senator's courtesy. I have spoken with no intention of hurting or harming anyone. But I say the record speaks for itself. It is emblazoned in the CONGRESSIONAL RECORD. But I say my criticism is still correct, that it is impossible to authorize everything on earth without paying for it. The cost of government cannot be cut, unless appropriations are reduced. That is what I have attempted to do. It is my feeling that when we look at the record, it has not been done by some of those who now say, "Oh, yes, I am for economy." I now yield to the Senator from North Dakota.

Mr. LUCAS. Mr. President——

Mr. WHERRY. Just a moment. The Senator from North Dakota asked me a moment ago if I would yield. That is why I yielded to him.

Mr. LANGER. No, Mr. President, I want the floor in my own right.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. ELLENDER. Will the Senator kindly tell us how he came to get the spotlight on the Drew Pearson program?

Mr. WHERRY. I am glad to tell the Senator. I had been told Drew Pearson had four open dates on the program; that the Senator from Ohio [Mr. TAFT] had been asked to take one; that the majority leader of the Senate, and I believe the majority leader of the House, or someone else, had taken either one or two of the other programs; and I was asked whether I would like to take the final one. At first, I may say, I felt I should decline, because I knew I would be asked, as a Senator asked me this morning, "What has happened to you? Why are you on that program?" I thought about it a long time. That is why, in the introductory paragraph, I said, "Some of you will be amazed." They were amazed. I have been asked, "Why did you appear on this program?" This man has attacked me on the air, I do not know how many times, and my first impulse was to say, "I will simply take the hide off of you, Drew Pearson." Years before I met the majority leader, long before I knew of his great prowess, when I was a member of the State legislature, I was told by one of the smartest Nebraska Democrats I think I have ever known, when I read him an editorial written by a Democratic friend of mine in the State legislature, when these things really got under my hide, "You will never get anywhere answering adverse publicity." They hurt me then, but one becomes accustomed to them in the Senate. It is difficult to get good men to accept public office because of attacks made upon men in such positions, and it is regrettable that it is so. I went home on one occasion and found my daughter crying about the things a certain editor had said about me. I said, "Don't worry." I went to see this Democrat, who was then governor. I had befriended him. After he read it, he said, "Kenneth, do not worry about it. You did not commit murder. Your name was correctly spelled. Believe me, get publicity, even if it is adverse publicity. Let them say anything they want to." [Laughter.]

Mr. President, I am sorry to detain Senators. I shall be glad to answer any questions. I merely want to say I thought it over. I thought, "What is the use of spending my valuable time saying anything about Drew Pearson? His friends would not believe it anyway, and my friends know how I feel about the matter." I said to myself, "He has one of the largest radio audiences in the country. I am going to use it profitably. I am going to take this golden opportunity to talk to his radio audience about the things I have mentioned this afternoon." I would just talk my heart out to try to defend this great country of ours.

Perhaps I am wrong; perhaps we are going socialistic; perhaps some of us will not be reelected because we do not vote for these proposals. This is my answer to the pressure groups. Let me say, Mr. President, I shall finish in the Senate in 5 years. I shall tell my grandchildren—and they will be able to say to their children—the junior Senator from Nebraska

never once sold his country down the river to socialism; he always did his level best to protect the free-enterprise system of America. I would rather go down to defeat than to do otherwise. Oh, yes; the majority leader said, "You do not very often vote with the majority, not even on your side." My answer is, "I would rather go down to defeat, having tried to save America and the free-enterprise system, than to vote with the majority and plunge the country into socialism." That is my answer. That is why I went on the Drew Pearson program. Incidentally, I must have done a pretty good job. I got under the hide of the majority leader. I got under the hides of a good many people. That is the reason I read this matter in the RECORD.

I conclude with this humble statement. In 7 years I have never made a request on this floor to insert something in the RECORD that was turned down until this afternoon. I do not like to read these things into the RECORD any more than Senators like to have them read. I cannot understand why the majority leader should have refused my request. If there was anything wrong with the record I presented, he had a perfect right to correct it. The objection did not do him any good. I have offered to cooperate with the majority leader. Time and time again I have helped him on unanimous-consent requests. Even after the colloquy the other day, in all sincerity, I assured him I would help if he would only ask unanimous consent to try to make an arrangement whereby the House would agree to a legislative program and to an adjournment date. I meant it from the bottom of my heart, and I mean it now. I shall be very glad to do that.

I hope the next time I present a unanimous-consent request to place something in the RECORD, the Senator will not object, because after all, there is a certain fellowship here; there is a friendly feeling. I do not have a thing in the world against the junior Senator from Minnesota. He knows that if he asked a favor of me, I would certainly do my best to grant it. I do not have anything in the world against the majority leader, and he knows it. If he does not know it, I shall try to demonstrate it, if there is anything he wants me to do that I have not done.

Mr. President, I shall try to protect the interests on the minority side, but I should like to cooperate with the majority, expedite the program, and vote legislative measures up or down and go home. I hope I said the right thing when I made my speech. I hope it is not erroneous.

Mr. LUCAS. Mr. President, when the Senator from Nebraska, the very distinguished minority leader, said a moment ago that a newspaperman in Nebraska told him that regardless of what kind of publicity one receives, whether it be adverse or otherwise, it is still publicity, and do not worry about it, I knew why the Senator made the radio speech on Drew Pearson's time last night, in spite of his hatred for Drew Pearson, and I know why he repeated it on the floor of the Senate today.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I shall not yield. Please do not ask me to, because I want to finish my speech.

I know why the Senator made the same speech on the floor of the Senate today. In all my experience in the United States Senate, this is the first time I ever knew of a Senator to speak on the radio one night and then deliver the same speech the next day on the floor of the Senate.

It reminds me a little of the story of the colored lady who was keeping company with a very fine colored gentleman. The mother of the girl asked her one night how she was getting along with her beau, and the girl replied, "Pretty well, but he sure do recommend himself awful highly."

The Senator from Nebraska hopes that, as a result of his speech last night on the radio and as the result of the repetition of his speech today on the floor of the Senate, someone will pick up something as a result of what he said, and will use it for publicity purposes.

I shall demonstrate to the Senator from Nebraska that I had good reason when I objected to the Senator's request to put quite a lot of material into the RECORD because of an error or two which the distinguished Senator from Nebraska made last night on the radio.

The Senator a few moments ago made a rather remarkable statement which I cannot permit to pass without comment. He said that business has lost confidence in the country. It is the hope of the reactionary Republicans of this country, that business will lose confidence. But that is not the fact. So long as there are 60,000,000 persons employed, so long as there are 30,000,000 farmers, with money in the bank and bonds and securities, so long as we have men and women in communities of 4,000 people such as the one in which I live, whose business is better now that it ever has been at any period in peacetime, no one can tell me that business is losing confidence in this great America of ours, under the free-enterprise system about which the Senator talks.

Mr. President, the "socialism" arguments that we hear on the floor of the Senate are a lot of political poppycock. When Mr. Roosevelt ran for the Presidency in 1932, we heard about "inexperience." In 1936 we heard from the same people the charge of "regimentation" and "dictatorship." In 1940 the Republicans came along with the battle cry of regimentation, dictatorship, third term, and a Roosevelt dynasty. In 1944 what did we hear? Communism was the big issue in that campaign. The Senator from Nebraska says Communists and spies are working all through the Government, as if the Government were honeycombed from top to bottom with Communists, when the Senator knows that this Government today is the one outstanding champion of democracy in the world standing between communism and freedom for every individual in America and all the other democracies.

If we had followed the advice and the philosophy of the Senator from Nebraska in our votes on the floor of the Senate with respect to the foreign policy of this Nation, communism today might very well be triumphant in France and Italy and perhaps England. The Senator would not be crying about the socialistic government of England; he might be crying about the communistic government there, if we had followed the philosophy of the isolationist doctrine which he has preached ever since he has been a Member of the United States Senate.

The Senator speaks of Truman Democrats who are trying to ruin the country. Yet the Senator from Nebraska, on this very day, pleaded with the Senate to give the President of the United States—that so-called socialistic President—unbridled power to use appropriations amounting to billions of dollars as he should see fit.

Then he condemns the Truman Democrats for being socialistic and left-wing campaigners. I do not know to whom the Senator was referring when he used the expression "left-wing campaigners." I am one of the campaigners for Harry Truman. I went on the hustings last fall for him and was happy to do it. The American people responded to the honest, sincere, and factual campaign of Harry Truman. But, now, whoever campaigned for him, whether they were left-wingers, right-wingers, one-wingers, or two-wingers, are subjected to a smear for having supported Harry Truman. The Senator from Illinois is not in the left-wing camp, nor in the Wallace camp. But the Senator from Nebraska and Henry Wallace and his group are on the same platform, so far as the foreign policy of this Nation is concerned. I do not say that they are on the same platform for the same reason at all, but, nevertheless, they are all on the same side of the question in their opposition to our foreign policy.

I happened to listen to the broadcast made last night by the distinguished Senator from Nebraska. I just happened to turn the radio on and when I turned it on, of course, the dulcet voice of the Senator really got to me; I had to stay there; I just could not leave that magnetic appeal which he made to the American people. He announced that he would express his views on a number of subjects, and what an excellent and far-reaching platform he made for the Republicans. I listened, hoping that he would at some point in his remarks offer some constructive suggestions which might be of value to us and of benefit to America. When the Senator reached the end of his broadcast, I felt very sad because there was one of the leaders of the Republican Party speaking with an authoritative voice on behalf of the Republican minority, and yet he did not have a single constructive idea to offer to the American people.

There was not as single thing in his speech but criticism. Mr. Senator from Nebraska, many of you gentlemen in the Republican Party have followed that old trail ever since 1932, the course of destruction; you have damned and criticised and raised hell about everything the Democratic administrations have done, but never have you offered the people of America a single constructive suggestion. As a result, you have lost every

election, and you will continue to lose until you offer a constructive program to the American people. You cannot go on the radio and make these trillion and billion dollar statements, as you did last night, and expect the people to pay any attention to you.

Mr. President, I believe the two-party system is essential to the growth and development of our democracy. I believe that vigorous competition between representatives of the two great parties gives health and vitality to American political life. But how can there be the healthy competition necessary for America when one party has a program and the other has none? How can we advance, when a notable leader of one party spends his time in raking over the ashes of the past and hurling dust in the eyes of the people?

He declared that the majority leader of the Senate had informed him that the majority leader had no program—and he made that statement, Mr. President, in the face of the fact that I reluctantly took some of the Senate's time last week to go over, point by point, the comprehensive legislative program of the majority.

Of course the opposition would like to have me say that we are going to get out of here in 15 days, or 20 days. They would like to see that happen, and then filibuster upon a couple of bills in order to prevent us from enacting the legislative program that was adopted in the Democratic platform at the Philadelphia convention last year—a program which we propose to carry through. I say to the Senator from Nebraska, whether he likes it or not, we are going to try to do it.

Mr. President, we have a great deal of work to do, and I do not intend to analyze all of the mistakes in the radio broadcast of the Senator from Nebraska. But I cannot allow one of his statements to stand uncorrected, because it involves a splendid institution upon which we all depend for accurate and impartial information. I refer to the Library of Congress.

He told the American people—and I quote from his exact words—"a compilation by the Library of Congress shows that from January 3 to August 15, the Republican Senators used 1,363 pages of the CONGRESSIONAL RECORD while the Democrats used 1,612 pages." He gave these figures to support his charge that the Democratic majority is responsible for the length of this session.

Mr. President, he quoted those figures last night with all the glee of one who had won a great victory, and he repeated them upon the floor of the Senate today in a futile attempt to convince the American people that the Democrats in Congress have been responsible for the slow-down in legislative action in the Senate which has been apparent during all these months we have been attempting to enact a constructive program of legislation.

These figures are the same as those cited by the junior Senator from Michigan [Mr. FERGUSON] in the debate here in the Senate last week. The Senator from Michigan undoubtedly made the figures available to his colleague from Nebraska. The Senator from Michigan also asserted, according to the CONGRESSIONAL RECORD for August 24, 1949, pages 12147–12148, that the figures were prepared by the Library of Congress.

I made inquiry of the Library of Congress, Mr. President, and I learned that the Library did not supply the figures placed in the RECORD by the Senator from Michigan. The distinguished minority leader, the Senator from Nebraska, used the same figures in his radio speech apparently without checking to make certain that the figures had come from the Library.

He fell into the same type of error all through his speech, taking a statement from the Wall Street Journal, some statement from the Baltimore Sun, some statement from the CONGRESSIONAL RECORD which somebody else had made, without checking the figures himself. And he went to the thinking people of this country with that sort of information.

When I made my inquiry, the Library informed me that a survey was being made on this subject of space consumed in the CONGRESSIONAL RECORD, and agreed to give me the results when the survey had been completed.

In a letter dated August 26, 1949, the Assistant Director of the Legislative Reference Service of the Library of Congress, Mr. W. C. Gilbert, has given me the computations made by the Library staff. The figures in Mr. Gilbert's letter are in direct contradiction to the figures cited by the minority leader and by the junior Senator from Michigan.

As a matter of fact, Mr. President, the results of the Library of Congress survey prove beyond any doubt that the Republican Members of the Senate are largely responsible for the delays which have kept us in session so long this year. When we eliminate the 3 weeks of filibuster, the percentage of difference is marked and significant with respect to which party has taken so much time here on the floor of the Senate. The figures I cite include all speeches which have been made by Members of the Senate, and all the time consumed by Democrats as well as by Republicans.

I wish to call the attention of the Senate to these very significant figures, prepared by experts of the Library of Congress. Republican Senators filled 2,779 columns, or 926 pages of the RECORD, in the period through August 15, excluding routine matters, the Appendix and insertions of statements. On the same basis, Democratic Senators filled 2,434 columns, or 811 pages.

It is just the opposite of what the Senator has been telling the American people, what he told them over the radio last night during this big program about which he talks, on time which was given to him by Drew Pearson. Of course he had a large audience.

The percentages in the Library of Congress survey and in my own survey were almost identical. Both studies revealed that Republican Members of the Senate occupied more than 53 percent of the speaking space in the RECORD. Democratic Members took a little less than 47 percent of the space.

Let us remember, Mr. President, that during most of this period there were 54 Members of the majority and only 42 Members of the minority. The Republican Members averaged more than 22 pages apiece in the RECORD, judging by the Library of Congress survey. The Democratic Senators average 15 pages. On the basis of individual averages, each Republican Senator spoke nearly 50 percent more than each Democratic Senator.

Mr. President, I wish to read the letter I received from the Library of Congress. It is very brief. It reads as follows:

Hon. SCOTT W. LUCAS,
United States Senate,
Washington, D. C.

DEAR SENATOR: You asked for, and Dr. Griffith agreed to send you, the results of an examination of the CONGRESSIONAL RECORD, January 3 through August 15, with respect to the speaking space taken up by the Senators of the two parties.

That was exactly the same period the Senator from Michigan [Mr. FERGUSON] used in his speech when quoting these erroneous figures and exactly the same period used by the Senator from Nebraska in his radio address. The letter continues:

Our computation was made in terms of a half column or more, excluding Appendix and insertions in the body of the RECORD. Original calculations have not been rechecked, but were done carefully.

Democratic Senators: 2,434 columns, or 811 pages.

Republican Senators: 2,779 columns, or 926 pages.

Very truly yours,
W. C. GILBERT,
Assistant Director,
Legislative Reference Service.

Mr. President, in view of these glaring inaccuracies, does anyone wonder why I objected to the Senator from Nebraska putting my voting record into the CONGRESSIONAL RECORD? Is it not understandable when one realizes that he spoke to the American people last night using figures which were absolutely wrong, telling them that he had the information from the Library of Congress, which is completely contradicted by the letter from Dr. Gilbert of the Legislative Reference Service I have just quoted?

Mr. President, I believe that Members on both sides of the aisle have indulged too often in exhaustive debates, and I have pleaded again and again for voluntary limitations on speeches. I have advocated a rule of relevancy, in order to enable the Senate to conduct its business with the efficiency desired by the American people.

Just as certainly as I stand before the Senate today, Mr. President, in order to handle all the controversial and important problems the American Government must solve from this time on, in the role of world leadership which we acquired in World War II, the rule of relevancy and germaneness must come into existence in the United States Senate. Such a rule is necessary if we are to expedite the business of the Government in the efficient manner the people

of the Nation expect us to handle their affairs. It is high time we break away from the lethargy which has been displayed here and from the doctrines of the past and adopt some rules in the Senate that will really give us an opportunity to transact some business.

I did not intend to bring up this question of responsibility for the length of the session, because I felt that we had discussed it very fully last week. But the distinguished minority leader has made an issue of it, and he has given to the Nation figures which are wholly incorrect and which do not agree at all with the figures actually obtained by the Library of Congress survey.

Mr. President, I believe I have clearly demonstrated that there were some major inaccuracies in the speech made last night by the Senator from Nebraska.

I will leave it to his colleagues on the other side of the aisle, to the great senior Senator from Michigan, and the renowned junior Senator from New York, to answer the attacks of the minority leader against the bipartisan foreign policy which has done so much to strengthen and promote America's world leadership in a time of peril.

As the whole world knows, the senior Senator from Michigan and the junior Senator from New York have been among the principal architects of our foreign policy, that far-sighted policy which has united the free people of the earth and halted the bloody march of communism.

Mr. President, as far as my record on the economy issue is concerned, I am flattered that the Senator from Nebraska has seen fit to spend so much time to talk about me as he has. I must be very careful, or I shall begin to think that I am quite important as a result of the time he devoted to me on a coast-to-coast radio program last night; and again by the way he challenged me in the Senate today with the figures he has placed in the RECORD.

But he is not fooling me or anyone else, Mr. President. I know that if I am a candidate for reelection next year those figures will be used in Illinois. That is perfectly all right with me. I hope the Senator from Nebraska will come to Illinois next year with those figures if I am a candidate for reelection, and when that time comes I will discuss them and my record with the people of my State, people who will understand and act on the facts in 1950, just as they did in 1948. I am not ashamed of my record at all. My record can stand just as it is.

I went along with the distinguished chairman of the Appropriations Committee on the cuts that came out of that committee with the exception of the $74,000,000 cut the Senator from Nebraska mentioned. I did not go along with the power cuts because of what was involved in those cuts. It was not a question of the relatively small amount of appropriations one way or another. What was involved was a great principle, the question of public power of this Nation. I can well understand how the Senator from Nebraska feels after being defeated on that issue, as he has on practically every other issue he has raised in the Senate since I have been majority leader. The question involved was public power versus the private utilities. Everyone knows that. The amount of dollars spent or saved was not the issue at all. It was not a question of economy as some Senators would like to make it appear to the American people. The question involved was that of giving to the public utilities of the Nation power they should not have.

Mr. President, I thank the Senator from Nebraska for his references to me on the radio last night in his speech to the Nation. I want to thank him for repeating that same speech today on the floor of the United States Senate. I am sure the few Senators who have remained here have greatly enjoyed his speech. At least the Senator from Illinois is extremely happy and contented to know that as a result of the repetition he will receive some publicity in Illinois tomorrow, whether that publicity is good or otherwise. As the Senator from Nebraska said, it is still publicity.

I yield the floor.

Mr. HUMPHREY. Mr. President, after the very splendid remarks made by our great majority leader, the only purpose for which I rise is to make a correction in the RECORD. This is necessary in view of the polite but pointed remarks of the distinguished minority leader.

Mr. President, I might say that the issue raised by the minority leader is not exactly a new one, and I am so pleased and so honored to know that an issue raised in the State of Minnesota has reached the floor of the United States Senate. Members of the Senate will be interested in some of the background of this issue.

There happens to be an Old Guard Republican Party newspaper in Minnesota, still campaigning for McKinley, which somehow or other made a compilation of the legislative items in which the junior Senator from Minnesota had been interested, or concerning which he had made proposals. I should also like to say that this newspaper wound itself up into great knots and contortions in the most recent election in the State of Minnesota, and was not even successful in delivering the vote of its own home town for its own selected candidate.

This particular newspaper in the State of Minnesota made a compilation of the items in which the junior Senator from Minnesota had interested himself. The compilation totaled up to, as I remember, about $14,000,000,000. The editorial the newspaper prepared with a very interesting one, and I felt highly complimented by it, since I come from a relatively poor family, not having been born with a silver spoon in my mouth. The editorial was entitled "The Million Dollar Baby." That is pretty good for one who was born in South Dakota, who was privileged to grow up and mature somewhat in Minnesota, and then came down finally to the rugged existence of Washington.

Some time later the junior Senator from Minnesota noticed that he was getting more publicity respecting his sponsorship of legislation. None other than the great oracle of misinformation, Fulton Lewis, Jr., commented in a similar vein on the radio. Not many pay very much attention to what he says on the radio, and only a few ever believe what he has to say—but Fulton Lewis, Jr., not to be outdone by the great sponsor of the McKinley administration in our State, determined that he would raise the figures. He finally got his figures up to around $23,000,000,000—and, with no new legislation introduced.

Now the minority leader has apparently been caught up in his own criticisms of the New Deal philosophy, and has grown exuberant in his statements. Today on the floor of the Senate, he said that the junior Senator from Minnesota is the sponsor or cosponsor of legislation running up to $30,000,000,000. I wish that the campaigners for McKinley in my State, Fulton Lewis, Jr., the great distorter of fact and fiction; and the distinguished minority leader, would all get together and decide whether the figures amount to $14,000,000,000, $23,000,000,000, or $30,000,000,000, so that when the time comes when I again face the electorate of my State I can go to them and say that there has been agreement between these great apostles of progress.

Having been privileged to have done a little research work in my time, I determined that the best thing to do was to have an accurate computation made, in order to answer those who are the unsuspecting doubters, those who may have been led astray by this propaganda, and to present the accurate figures to those who otherwise would not get the truth. I have prepared an analysis of the legislation proposed by me in the Eighty-first Congress.

There is a key to the analysis. "A" deals with the first fiscal year annual cost. "B" is the fiscal cost at peak year. I have gone down the entire list of legislation presented by the Senator from Nebraska, starting right out with the first bill he mentioned, to establish a labor education extension service. I heard the Senator from Nebraska say that would cost something like two and one half billion dollars. But according to the best information the junior Senator from Minnesota has been able to get, it will cost $25,000,000, at the maximum.

Another piece of legislation to which the Senator from Nebraska referred was that dealing with the Inland Waterways Corporation. The distinguished minority leader and the junior Senator from Minnesota are cosponsoring that legislation to increase the capital stock of the Inland Waterways Corporation.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. WHERRY. The reason I cosponsored it was because I was identified with that legislation last year and the year before. I feel that the thing to do is to get the Inland Waterways Corporation into the hands of private investors, and that this is the way to do it.

The PRESIDING OFFICER. (Mr. WITHERS in the chair). The Chair does not believe that Senators can settle political questions by speaking back and forth to each other. The Senator from Minnesota can yield only for a question.

Mr. HUMPHREY. I am glad to yield for a question.

Mr. WHERRY. Is it not true that the Senator from Nebraska has not only sponsored this legislation this year, but was a cosponsor with the late Senator Overton of Louisiana, the theory being that this appropriation, if it goes through, will help to stabilize the Inland Waterways Corporation and permit it to operate until private enterprise can completely take over?

Mr. HUMPHREY. Increasing the capitalization of the Inland Waterways Commission means a great deal to our section of the country.

The junior Senator from Minnesota joined with the Senator from West Virginia [Mr. KILGORE] and other Senators to remove illiteracy by adult education. There are 5,000,000 illiterates in the country. The only regret I have is that the program is not extensive enough. Illiteracy is the most expensive waste in the country. The maximum total cost will be $15,000,000. The United States Chamber of Commerce has said that for every dollar spent for adult education we get a $4 return. So it would be well for us to deduct from the items of the junior Senator from Minnesota $60,000,000, because an investment of $15,000,000 will yield at least $60,000,000.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. PEPPER. I think I recall that Mr. Hoover stated at one time that the national crime bill of the country was about $15,000,000,000 a year.

The PRESIDING OFFICER. The Senator from Minnesota cannot yield for a speech. He can yield only for a question.

Mr. PEPPER. Does not the Senator believe that a great many contributions to that criminal cost come from the ranks of illiterates?

Mr. HUMPHREY. According to the best evidence we have from famous criminologists, the Federal Bureau of Investigation, and educators, crime and illiteracy go hand in hand. I am very grateful for the observation of the Senator from Florida.

The next bill which the Senator from Nebraska mentioned was Senate bill 522, to provide for local public health units. The junior Senator from Minnesota joined in sponsoring that bill. I asked for the privilege of cosponsoring that legislation, because it is an honor and a real privilege to work for the improvement of public health facilities and the general health of the American people.

The next bill to which the junior Senator from Minnesota attached his name was a bill to include State and local government employees in old-age and survivors insurance benefits. That bill was mentioned by the Senator from Nebraska, who said that no estimate of cost was available.

The next item is milk parity. Yes, indeed, I believe in parity for the dairy farmers. If the Senator from Nebraska does not believe in parity for the dairy farmers, let him say so. The junior Senator from Minnesota stands squarely for a fair deal and a Fair Deal—capital "F" and capital "D"—for the American dairy farmer, the American cereal-crop farmer, or any other farmer.

The next bill which was mentioned by the Senator from Nebraska was a bill to provide aid to the physically handicapped. If we ever reach the point where this great rich country of ours cannot take care of the physically handicapped, we shall have lost all claim to human decency. Our bill would cost a little money—perhaps $5,000,000. If we aid the physically handicapped, they will produce a hundredfold. Today they are a liability because they are nonproductive. With assistance, the physically handicapped can become productive citizens.

The next bill mentioned by the Senator from Nebraska is the bill to establish a Missouri Valley Authority. The distinguished Senator from Nebraska estimates the cost at between $6,000,000,000 and $9,000,000,000. Let us get the record clear. The program for the Missouri Valley development has already been authorized by Congress. The Seventy-ninth and Eightieth Congresses both took action on the authorization of the Missouri Valley development—something for which we in the Midwest have fought for years. The Missouri Valley Authority bill does not include one dollar of authorization or appropriation. All it does is to take over the Missouri Valley development plans already authorized.

What we are doing is proposing a different type of administration, which the Hoover Commission says will save millions of dollars. Those who are great advocates of the Hoover Commission and admirers of the great engineer—and he is indeed a great engineer—should be impressed by what the Hoover Commission has to say.

What does Mr. Hoover have to say about the present Pick-Sloan plan? What has he to say about development of the Columbia and Missouri Valleys under the Pick-Sloan plan? I will tell the Senate what he says. He says that it is wanton extravagance, waste, and inefficiency. So it is not in order to talk about appropriations. I submit that unless we do something about revising the river valley developments we are going to have real waste. Do not take my word for it. I am not an expert. Look at the Hoover Commission's report.

The Senator from Nebraska estimates the cost at between $6,000,000,000 and $9,000,000,000. I say to the Republican policy committee, which has helped to compile these statistics, according to the Scripps-Howard newspapers: Shame on you. When you are looking for facts, get the facts, and do not go on an ethereal fishing expedition and fish something out of the Milky Way and bring it to the floor of the Senate and say that the cost is estimated at between $6,000,000,000 and $9,000,000,000.

Then there is the Federal antilynching bill. I thank the distinguished minority leader for agreeing with me about it. We do believe exactly the same way on that.

Mr. WHERRY. And the anti-poll-tax bill.

Mr. HUMPHREY. There will be some expense for those bills.

Then there is the school health service bill. That bill was voted unanimously on the floor of the Senate. It calls for the expenditure of $35,000,000. Am I in favor of it? Mr. President, when this country cannot afford to spend $1.50 a child for school health services, then I say this country has lost all claim to saying it is a democracy. Any Senator who does not want to favor school health services should stand up and be counted. I am for it; I simply feel that $35,000,000 is not enough—to be penny pinching at the expense of the American children.

Then there is the bill for medical education. Yes, indeed, Mr. President; I favor that. That will provide medical education in areas where doctors are scarce. Of course I favor medical education, and so does the distinguished leader of the Republican Party, the Senator from Ohio [Mr. TAFT]. In fact, he has been for a good many of these measures.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. LUCAS. I have said before, I say to the Senator——

The PRESIDING OFFICER. Speeches cannot be made by a Senator who is yielded to, for a Senator may be yielded to only to ask a question, following which there perhaps will be an answer.

Mr. LUCAS. Does not the Senator from Minnesota agree that the Senator from Ohio has been for practically everything we Democrats have favored, except for the last item, the so-called socialized medicine bill?

Mr. HUMPHREY. Absolutely; and when we reach the point of discussing that, I wish to observe just who is the Socialist.

Then there is the bill for aid to schools because of war-incurred added responsibilities for education. We voted on that bill just last Saturday. Is it not remarkable, Mr. President, that the Senate passed that bill? All I wish to say is that if all I am ever condemned for in my public life is that I want to give a child a chance to go to school, I will be a very honored man.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. LUCAS. Do I correctly understand that the distinguished minority leader let that go by without objecting to it?

Mr. HUMPHREY. I must say that he did, even though it involves an appropriation of $7,000,000.

Mr. LUCAS. Terrible.

Mr. HUMPHREY. Yes, indeed; such a waste of public funds. Why, Mr. President, we could save several millions of dollars by not having those children go to school at all. But I will never be a party to that.

I suppose we do not have to fight about the bill for aid to the Indian tribes.

Now we come to the Columbia Valley Authority bill. This bill, introduced by 18 Senators, does not call for any increased appropriations. It simply reorganizes the present Army engineers, Bureau of Reclamation, and Bonneville projects into a well-knit and well-organized over-all plan which in fact would

reduce administrative costs and would increase the efficiency of operations. Two hundred and thirty-three million dollars is now being spent in the Columbia Valley, and these expenditures are increasing annually. It is vital that we begin to spend this amount efficiently and intelligently. It is time we spent our money with intelligence, Mr. President. Let Senators examine the Hoover Commission report, and they will find that the junior Senator from Minnesota is doing very well.

The Mississippi River Parkway bill simply authorized a survey to determine the feasibility of a national Mississippi parkway. This would be of great help to our area. Yes; I am guilty of favoring that bill.

Then there is the bill for the appropriation of $5,000,000 for school-construction surveys and an authorization for school construction in emergency areas. Who objected on the floor of the Senate when that bill was before the Senate last Saturday? I want this vote to go into the RECORD in indelible ink. What Member of the Senate objected last Saturday to having the Federal Government provide for the construction of schools in emergency areas? The distinguished Senator from Ohio did.

Mr. President, I am in favor of the emergency school construction; and I say without fear of successful contradiction that every dollar that is put into schools and public education will yield fourfold, at a minimum. Some persons can call such things expenditures if they wish to call them that, but I call them investments. The Metropolitan Life Insurance Co. builds a large housing project, but does anyone in the business world say, "Just look at what the Metropolitan Life Insurance Co. is doing. It is spending money. Look at all that waste"? Oh, no, Mr. President. It is considered an "investment."

Others invest in education. I have heard Members talk on the floor of the Senate about their investment in education. It seems to me that school education is an investment.

Any country that can build race tracks, night clubs, new bank buildings, and new clubs for those who like to sit around and smoke their big cigars and talk about the good old days of the Republican Party can afford to build a few schools, and the people who sit around the clubs can afford to pay for them, too.

The junior Senator from Minnesota is next taken to task for the national health program, comprising seven titles. Six of the titles are agreed to by both the majority and the minority of the committee. The only title that is in controversy is the insurance title. I wish to say that I would hate to believe the accuracy of the Baltimore Sun's figures on the cost of the national health-service program used by the minority leader. I participated in a radio program last Saturday with the distinguished leader of the Republican Party, the Senator from Ohio [Mr. TAFT]. He said the national health-insurance program would cost $6,000,000,000. I agree; I think that is a correct estimate. It would be raised by the payment of pay-roll taxes, by which the American people would pay for their health care, and they would not be on the gravy train, where the Republican Party would have them, because the program of the Republican Party for health would be paid out of the Federal Treasury. But the Democratic Party believes in free enterprise and free initiative, and we say a man should pay for his health care.

I should like to see the distinguished Senator from Ohio and the Baltimore Sun get together in regard to their estimates of the cost of the health program. I have great respect for the Baltimore Sun. It is a fine newspaper; it has a fine sports section; not only that, but I like its Sunday comics, and I have respect for some of its news articles.

But I am becoming upset in my confidence in the honest, well-informed, highly respected leadership of the Republican Party.

Mr. WHERRY. Mr. President, would the Senator like to yield?

Mr. HUMPHREY. I yield for a question.

Mr. WHERRY. I ask the Senator if he did not hear me say earlier today that the Baltimore Sun has projected the cost of all the welfare plans of President Truman, and has figured the total cost over a period of 50 years; and over a 50-year period the total cost is estimated to amount to one trillion, two hundred and fifty billion dollars. I also said that no one on the floor of the Senate had ever disputed that figure. But now the junior Senator from Minnesota comes forward and says that the Baltimore Sun is fine for its comics and sports news, but not for anything else.

Mr. HUMPHREY. Mr. President, I dispute the authenticity of a 50-year prognostication on the part of the Baltimore Sun or on the part of anybody. Who can talk with accuracy about conditions 50 years from now? I still dispute the authenticity of the comments of the distinguished junior Senator from Nebraska or of anyone else who may wish to project himself into the future that far. Why, Mr. President, 50 years in the future, if the Republican Party keeps on with what it is doing, we shall not have a Republican Party. Fifty years in the future, Mr. President, if the Baltimore Sun continues its present editorial policy, we shall not have a Baltimore Sun. The American people are catching up with all that.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. WHERRY. Does not the Senator from Minnesota think that if his party can keep on giving away as it has started to do, we shall not have any Republic at all in 50 years?

Mr. HUMPHREY. Mr. President, I am very glad the Senator from Nebraska mentioned that.

Mr. WHERRY. Certainly.

Mr. HUMPHREY. Because, you know, when we had a balanced budget and a sound Government program and "confidence" in business, and when we had a Government with "good, substantial, conservative, hard-headed people" in power, what did they do to this country? We did not have "planners"; we did not have "fancy, light-headed New Dealers," or idealistic Fair Dealers. But we had the distinguished President Harding, the distinguished President Coolidge, the distinguished President Hoover. Let me tell you what they did.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. HUMPHREY. Not now, Mr. President.

Let me tell you what they did to the farmers. President Hoover vetoed the McNary-Haugen bill twice. The Republicans at that time helped the farmer so much that they put him into debt to the extent of about $15,000,000,000 in mortgages, paying a high rate of interest. They permitted the farmer's income to go down 60 percent from 1919 to 1929. They had the great Andrew Mellon as Secretary of the Treasury; and the only accomplishment of which he could boast in that respect was a tax refund of about $3,000,000. They had the Smoot-Hawley tariff.

At that time, I was a boy, a young chap, going to the University of Minnesota. I remember that the National City Bank of New York—after declaring a dividend and getting their slice of the melon—"What we need is to breed confidence."

The Republican Party won the election in 1928. They had a balanced budget. But what did the farmers have? Did they have electricity or farm price supports? No; but they had to pay 8 percent interest. Did they have Farm Security or a Farm Credit Administration or old-age pensions or social security?

In contrast, Mr. President, what have the Democrats done for the country? They took this country from a $32,000,000,000 national income up to a $250,000,000,000 national income, last year; and the Senator from Nebraska and the Senator from Minnesota and all their relatives have done better under this administration and under 16 years of democracy than could have been done in all the prior years of this country's history.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. HUMPHREY. I yield.

Mr. WHERRY. And you give-awayers have run up a public debt of $255,000,000,000.

Mr. HUMPHREY. Well——

Mr. WHERRY. And let me say——

Mr. HUMPHREY. I do not yield now.

Mr. WHERRY. Let me ask the Senator this question——

Mr. HUMPHREY. Not now. I have the floor; do I not, Mr. President? I believe I have.

The PRESIDING OFFICER. The Senator from Minnesota has the floor. No other Senator is authorized to speak or to interrupt the Senator who is speaking, except to ask a question, if yielded to for that purpose.

Mr. HUMPHREY. Let me say that that $250,000,000,000 public debt stands as a monument on the part of the American people who are living; that war debts

shows what the American people have done to preserve their country. I remember when the Republican Party said, "If we ever get a public debt of over $45,000,000,000, the country will have gone to the dogs." That was only a few years ago, Mr. President. They had political palsy; they were quaking from the top to the bottom.

How did we get this debt? We got it because during the war we had to spend from $90,000,000,000 to $100,000,000,000 a year. The American people went to a deficit-financing program during the war. It was a deliberate matter of public policy.

The war debt piled up.

Let us talk a little about that debt. The Seventy-ninth Congress levied a tax program that in 1948 yielded a $8,400,000,000 surplus. At that time we were starting to pay off the debt.

The Eightieth Republican Congress surely helped the tax program. Republican Senators have talked a great deal this afternoon about the McClellan resolution. I say that it was simply a cover-up for the mismanagement and the ill-conceived tax policy of the Eightieth Congress.

What was the tax bill of the Eightieth Congress? It was a rich man's tax bill. What did that bill do? In 1948 there was a surplus of $8,400,000,000. In 1949 there was a deficit of $1,500 000,000. In 1950, Mr. President, the deficit will be anywhere from $3,000,000,000 to $5,000,000,000 or possibly $6,000,000,000. Why? I will tell you why. It is because the author of H. R. 1—and by the way, he is back in Minnesota, running a small-town newspaper now, and has been replaced by a very distinguished Member of the House of Representatives, a farmer who was not in favor of House bill 1, nor were the people of his district in favor of House bill 1.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. HUMPHREY. Not at this point.

Mr. President, what did House bill 1 do? That bill was sold to the American people as the great tax-relief bill. I shall show the Senate what it did. I shall talk now about married couples. I am interested in married couples with dependents, for I am a family man. I like to think of folks having children if they possibly can. So let us consider net income before personal exemptions. What is the percentage increase in income after taxes under that law, for a family with an income of $1,500 a year? The figures I shall give come from a United States Treasury Department bulletin.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. HUMPHREY. I yield.

Mr. WHERRY. Did not President Truman have a tax bill which was practically the same?

Mr. HUMPHREY. No.

Mr. WHERRY. Yes, he did—the same thing, only under a different name.

The PRESIDING OFFICER. The Senate will be in order.

Mr. WHERRY. Mr. President, I ask the Senator, Is it not a fact that he did?

Mr. HUMPHREY. No; it is not a fact. The fact is that President Truman vetoed this bill.

Mr. WHERRY. His own bill?

Mr. HUMPHREY. His own bill never came here. Let us not talk about something which never happened. Let us talk about something which happened. The point I made is, the Republican Party passed this bill. If the Senator wants to defend the bill as being equitable, I shall give him the privilege, for I shall yield the floor in a few moments. I want to point out what happened as a result of that tax bill.

The PRESIDING OFFICER. The Chair will advise Senators that the rules of procedure must be followed. The rules have been prescribed by the Senate, and they should be observed. They do not permit running colloquy between Senators.

Mr. HUMPHREY. Mr. President, as I understand, I have the floor. Is that correct?

The PRESIDING OFFICER. The Senator from Minnesota has the floor.

Mr. HUMPHREY. I thank the Presiding Officer.

What did the tax bill provide? It provided that if one had a net income, before exemptions, of $5,000, he would get a 4-percent increase in his take-home pay. If he had a $10,000 income before personal exemptions, he got a 7.2-percent increase in take-home pay. If he had a $25,000 yearly income before personal exemptions, he got a 20.1-percent increase in take-home pay. If he had a $50,000 net income before personal exemptions, he got a 30.1-percent increase in income after taxes, or what we may call take-home money, or what a man has that he can spend. If he had a $100,000 income, he got an increase in take-home money of 45.1 percent. If he had a $250,000 net personal income before exemptions, he got an increase in take-home pay of 59.1 percent. That is a matter of record. And if he had an income greater than that, the percentages went on up.

That is the tax bill which was passed. I say now, the Treasury would not be having a deficit, we would not be having this trouble, we would not have to have the McClellan amendment and all these economy speeches, if the tax bill which was passed by the Republican Eightieth Congress had never been put on the statute books.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. HUMPHREY. I wanted to make that clear, because it is my considered judgment.

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Nebraska?

Mr. HUMPHREY. I yield for a question.

Mr. WHERRY. Is it not a fact that the tax bill which the Republican Congress passed took 7,000,000 people completely off the tax rolls?

Mr. HUMPHREY. I should say it was 6,000,000.

Mr. WHERRY. Was it 6,700,000?

Mr. HUMPHREY. That is correct.

Mr. WHERRY. I say it was about 7,000,000. Mr. President, will the Senator yield for a further question?

Mr. HUMPHREY. Mr. President, I may say it took 6,000,000 people off the tax roll, who had incomes of $600 a year. So we were great benefactors. Is it not wonderful to give people who have an income of $600 a year all these opportunities? Just consider the magnanimous spirit. If a man has an income of $600 a year, he is privileged never to pay any Federal income taxes.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. HUMPHREY. If the Senator wants to defend that——

Mr. WHERRY. I should like to ask one more question in connection with the matter of taxes.

Mr. HUMPHREY. I yield for a question.

Mr. WHERRY. Is it not true that 71 percent of the tax benefit went to people having an income of $5,000 or less?

Mr. HUMPHREY. If the Senator means, is it not true that 71 percent of the people who were benefited by the tax law had incomes of less than $5,000 a year—to be sure; to be sure. But what the junior Senator from Minnesota says is that the percentage of take-home pay under that tax bill favored the rich. There is not a shadow of doubt as to who got the money, not a shadow of doubt. Senators know what is said about figures. It is perfectly true the vast majority of the American people have incomes of less than $5,000 a year.

Let us go a little further. The minority leader has pointed out to me very graphically all the bills I have helped to sponsor. I have them listed. I wanted to clear up the Baltimore Sun's argument on this question. The Senator from Ohio [Mr. TAFT] referred to the subject. I want to get that cleared up. It is fascinating to me, and I know it is to some of my colleagues.

I sponsored a bill to incorporate the American Veterans Committee. I was for the bill for the relief of the Winona Machine & Foundry Co., and so was my predecessor, and I think that company should be given relief. They had a legitimate war claim against the Government for $7,148. I was for the bill to authorize the Federal Government to lease Sandstone Prison to Minnesota, which my distinguished colleague was fortunate enough to have passed in the present Congress, and which will mean a great deal to the State of Minnesota. He is to be commended for his very active support of the bill and for his success in having it passed.

I am for veterans' preference; certainly I am. Then there is the National Commission on Intergovernmental Relations. I introduced a resolution for an FBI investigation of the Victor Reuther shooting.

I am for a Leif Erickson Memorial. I am for a Near East Survey Commission, and I am for the St. Lawrence seaway, too. I am for vocational rehabilitation; and, with the distinguished Senator from North Dakota [Mr. LANGER], in the case of the Department of Agriculture appropriation bill I favored the appropriation of more money for the REA's. The latter project is listed in the compilation of the Republican policy committee as an expenditure. Yet in fact it is nothing

more nor less than a loan which pays 2 percent interest.

Mr. President, in order that there may be complete accuracy, I submit for the RECORD, the complete analysis and statement of legislation proposed by the junior Senator from Minnesota in the Eighty-first Congress.

The PRESIDING OFFICER. Is there objection?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

LEGISLATION PROPOSED BY SENATOR HUBERT H. HUMPHREY, OF MINNESOTA, IN THE EIGHTY-FIRST CONGRESS

(Key: A, first fiscal year's annual cost; B, fiscal cost at peak year)

S. 110: To establish a Labor Education Extension Service.

A—$1,000,000 (maximum).

B—$25,000,000 (estimate).

In this bill I joined with Senators MORSE, THOMAS, AIKEN, THYE, and DOUGLAS to provide for college extension education work for wage earners on a basis similar to that which now exists for farmers through agricultural extension. Since very few of the universities are sufficiently well organized now, my estimate is $1,000,000 cost for the first year. At its peak, serving all 48 States and 40,000,000 wage earners, my estimated annual cost is $25,000,000, as compared with $65,000,000 for agricultural extension, $33,000,000 of which is the Federal contribution.

S. 211: Inland Waterways Commission.

A—None.

B—None.

This bill would increase the capitalization of the Inland Waterways Corporation by a Federal loan of $18,000,000 which would be self-liquidating. The Inland Waterways Corporation provides over-all common carrier water service to both large and small shippers, and through its Federal barge lines insures low competitive rates. This is an important service for Minnesota agriculture and commerce. I am joined by 15 Senators in sponsoring this legislation.

S. 320: To remove illiteracy by adult education.

A—$5,000,000.

B—$15,000,000.

According to the 1940 census 10,000,000 citizens had less than 5 years of school and were illiterate. I joined with Senators KILGORE, MAGNUSON, and MORSE to aid the States to maintain adult education programs for basic elementary school education.

S. 522: To provide for local public health units.

A—$250,000.

B—$50,000,000 (estimate).

More than 40,000,000 Americans are living in areas not served by local public-health units, mostly because their communities cannot afford to provide the staff and equipment necessary for these projects. I joined with 12 Senators in sponsoring this Federal grant program to States to provide public-health services. It is difficult to estimate the cost to the Federal Government, since that will depend on the need and extent of State participation.

S. 831: To include State and local government employees in old age and survivors insurance.

A—None.

B—None.

This bill will allow a State or any political subdivision if it so wishes to allow its employees to be subject to the old age and survivors insurance program.

S. 881: Milk parity.

A—None.

B—None.

I introduced this bill to direct Secretary of Agriculture to announce the parity price of milk and milk products. This was crucial to the preservation of our dairy industry.

S. 1066: Aid to the physically handicapped.

A—$5,250,000.

B—$5,250,000.

Seventeen Senators are joined with me in this bill to provide medical services, education, vocational guidance, employment opportunities, and other assistance to the blind, deaf, and other physically handicapped. The bill also provides for a rehabilitation program and for assistance to the States in grants of $60 per month to those so physically handicapped that they are unable to be rehabilitated for employment.

S. 1160: To establish a Missouri Valley Authority.

A—None.

B—None.

Sixteen Senators are joined in this bill to replace the present plans now in operation in the Missouri River Basin sponsored by the Army engineers and the Bureau of Reclamation (Pick-Sloan plan). An MVA would create an over-all authority and will result in a net saving to the American people. The MVA bill would not mean any increased appropriation over what would be spent for developing a Missouri Valley Basin. Rather it is estimated that a MVA will reduce the total cost by one-third or more. The Pick-Sloan plan now plans to expend more than $1,000,000,000 annually. That amount could be reduced so that at its peak only $400,000,000 would be required under MVA.

S. 1404: Federal antilynching bill.

A—None.

B—None.

This is a measure designed to carry out the President's civil rights program by making lynching a Federal crime.

S. 1411: School health service.

A—$35,000,000.

B—$35,000,000.

This bill received the unanimous support of all members of the Senate Labor and Public Welfare Committee, Democrats and Republicans. It provides assistance to the States for health services for school children in order to develop programs of disease prevention, diagnosis, and treatment.

S. 1453: Medical education.

A—$47,000,000.

B—$72,000,000.

This bill has the unanimous support of the Senate Committee on Labor and Public Welfare. Evidence presented by college presidents and medical experts was overwhelming for the need of more doctors, dentists, and nurses, particularly in rural areas, small towns, and veterans' hospitals. This bill provides for scholarship assistance to alleviate the shortage of a 5-year emergency period. Every dollar spent here is a great saving in human lives and suffering.

S. 1515: War emergency school assistance.

A—None.

B—None.

The Federal Government is already providing assistance to local school facilities overburdened by war activities. This bill would not authorize further funds but would liberalize administrative provisions.

S. 1633. Aid to Indian tribes.

A—None.

B—None.

S. 1645: Columbia Valley Authority.

A—None.

B—None.

This bill, introduced by 18 Senators, does not call for any increased appropriations. It simply reorganizes the present Army Engineers, Bureau of Reclamation, and Bonneville project into a well knit and well organized over-all plan which in fact would reduce administrative costs and increase the efficiency of operations. Two hundred and thirty-three million dollars is now being spent in the Columbia Valley and those expenditures are increasing annually. It is vital that we begin to spend this amount efficiently and intelligently.

S. 1649: Mississippi River Parkway.

A, B—$250,000.

This bill simply authorized a survey to determine the feasibility of a national Mississippi parkway. This would be of great help to our area.

S. 1670, S. 2317: School construction.

A—$5,000,000.

B—$100,000,000.

Educators are all agreed that Federal assistance to States to build schools is essential if our children are not to suffer increasingly from improper and poor education. I was chairman of the Senate subcommittee to study this problem and the evidence was unanimous. S. 2317 which I have introduced is a substitute for S. 1670, and provides for a survey of the whole problem for the first year with emergency assistance as quickly as possible. It is difficult to estimate the total cost of the project as that would depend on the school population and the need.

S. 1679: National health program.

A—$10,000,000.

B—$6,000,000,000 (estimate).

It is very difficult to estimate the cost of health legislation. Any such estimate, however, must take into account the fact that the American people now spend more than $6,000,000,000 on medical bills. The medical cost for the Nation as a whole is estimated at $27,000,000,000 in wages and productivity lost. To place health care on an insurance basis would make health cost a financial reality for the American people, a vast number of whom cannot now afford medical services. This means a saving to Americans, not only financially, but in terms of lives and human suffering.

S. 1734: A Commission on Civil Rights.

A—None.

B—None.

This bill carries out the provisions of the President's civil rights program by establishing a Commission on Civil Rights.

S. 1772: To provide certain benefits for certain employees in the postal field service.

A—None.

B—None.

This bill provides for additional benefits to certain postmasters and employees in the postal field service with respect to annual and sick leave, longevity pay, and promotion.

S. 1805: Cooperative health.

A—$25,000,000 (includes loans).

B—$25,000,000 (includes loans).

The $25,000,000 to be appropriated under the terms of this bill is to be used primarily for funds which are to be repaid with interest. The purpose of this bill is to aid rural and other areas to obtain the best of medical services by permitting loans and grants to cooperatives and nonprofit associations so that they can acquire, construct, and equip health centers.

S. 1839: Incorporate the American Veterans Committee.

A—None.

B—None.

S. 1904: For the relief of the Winona Machine & Foundry Co.

A, B—$7,148.

This is to settle a legitimate war claim.

S. 1936: To authorize the Federal Government to lease Sandstone prison to Minnesota.

A—None.

B—None.

This bill authorizes the Attorney General to lease to the State of Minnesota the Federal correctional institution at Sandstone should it no longer be needed by the Department of Justice.

S. 1937: Veterans' preference.

A—None.

B—None.

This bill provides special assistance to veterans with service-connected disabilities of 60 percent or more.

S. 1934: National Commission on Intergovernmental Relations.

A—None.

B—None.

I was one of 29 Senators who introduced this bill to make a comprehensive survey of the relationships between the national, State, and local governments of the United States.

Senate Resolution 113: Air coach lines.

A—None.

B—None.

Senate Resolution 120: Victor Reuther.

A—None.

B—None.

This resolution urges the Department of Justice to investigate the attempted assassination of Mr. Reuther.

Senate Joint Resolution 44: Leif Erickson.

A, B—$20,000 (maximum).

Senate Joint Resolution 98: Near East Survey Commission.

A—None.

B—None.

This resolution provides for a comprehensive inquiry to aid the United States and the United Nations in deciding on plans with regard to the economic development of the Near East.

Senate Joint Resolution 99: St. Lawrence seaway.

A—None.

B—None.

This year's budget provides for an expenditure of $20,000,000 which will be completely self-liquidating. All the funds appropriated will be self-liquidating. Its purpose is to approve an agreement between the United States and Canada for the development of the Great Lakes-St. Lawrence Basin which will open up the Great Lakes to ocean low-cost shipping, as well as expend the water power of the St. Lawrence. This will be of great assistance to our area.

H. R. 2023: Oleomargarine.

A—None.

B—None.

I was one of 26 Senators to introduce this bill to repeal the oleo tax and regulate the sale of oleo. This bill has the approval of all farm and dairy groups.

H. R. 3333: Vocational rehabilitation.

A—None.

B—None.

My amendment in connection with this legislation does not provide for additional funds. It is simply to earmark out of already appropriated funds $250,000 for vocational rehabilitation centers and facilities.

H. R. 3997: Department of Agriculture appropriation.

A—None.

B—None.

My amendments to the agricultural appropriations bill are all in the form of expanding the local facilities of the Department by $151,000,000 for REA loans to farmers and for particular assistance so that farmers could borrow money for telephone facilities on an REA basis.

Mr. HUMPHREY. Mr. President, just one or two other items. I have another note here which I want to bring to the attention of my colleagues, after which I shall yield the floor. I have heard, as the majority leader pointed out, much said about welfare states, socialism, and other things of similar character. I heard it stated that the junior Senator from Minnesota had said perhaps we could cut from the budget about $2,000,000,000. I may say that with $450,000,000 taken from the budget estimate on ECA; with about $1,250,000,000 taken from the budget estimate for the armed services appropriation, we have come pretty close to cutting from the budget what the junior Senator from Minnesota said he thought could be cut from it. I pointed out I was going to support the committee, and 99 percent of the votes of the junior Senator from Minnesota have been in support of the Appropriations Committee, because I have confidence in the committee. I think the Appropriations Committee is equipped by personnel and by a staff to know what they are doing. There have been one or two times when I have voted for increases above the recommendations of the Appropriations Committee, but it has been after full debate on the floor of the Senate.

The junior Senator from Minnesota has voted for appropriations. I voted for them because I thought they were important. I voted for appropriations to pay for the interest on the national debt. I believe in the monetary system, and in our free-enterprise system. I voted for appropriations for ECA, for foreign aid, and I voted for appropriations for veterans' benefits. I voted for appropriations for national defense.

I should like to remind the distinguished minority leader of a fact which I think has escaped the attention of some persons. The war is not over. Some people think we can turn off the spigot of war and turn on the spigot of peace; but the war is far from being over. We are still paying the price of war, and we shall be paying it for years to come. There may be those around us who do not think we ought to have deficit financing. But I submit to the Senators, we cannot renege on our obligations. We have made a commitment in the North Atlantic Pact that if there is aggression in Europe, we shall go to war. I ask the budget balancers, are we going to balance the budget then, too?

I suppose we shall have to have an economy argument before we put into effect the North Atlantic Pact.

The Senator from Minnesota voted for national defense appropriations, because he remembered the bitter debates regarding those who failed to vote for the fortification of Guam. I remember the bitter arguments about those who failed to vote the money that should have been voted for Pearl Harbor. I think, as one young man, I have learned a lesson, and I am not going to be a party to any penny-pinching economy. I know that there is a war menace loose in the world, and I do not expect the United States of America to be defended by the New York Police Department.

I will say the same thing about ECA as I said in the early hours of this debate. When we have the Communist menace on the run, when we are able to cause trouble for Stalin in Europe, when we are able to help those nations back on their feet, when we are able to save what remnants of democracy there may be left in Europe, do Senators think it is economy to start penny pinching? We paid an average of $100,000,000,000 a year to fight World War II. That was a cheap war as compared with a world war III. So long as we have the forces of reaction on the run we should put on the pressure. Now is the time to keep on going.

What does the Republican Party stand for? We know they are not for socialism. They have said that. They are not for communism. I do not know whether they are for the Liberty League. They have not renounced it. I am sure they are not for the program they stood for in 1932. We can criticize the days of the New Deal, but the only criticism the Republican Party has is to say "Me too." Everything we have put up the Republican Party has eventually come around to. They are strong supporters of social security, but in 1936 they fought it as undermining the Republic.

We stood for social security, old-age pensions, help for the aged and blind, children and mothers, and the Republican Party fought against them as if they were the socialism about which we are hearing today. I am grateful that the Republican Party has been impressed by the value of the New Deal and Fair Deal objectives. I am grateful that now, 10 years later, or 8 years later, they have taken those programs into their bosoms.

To what program is the minority opposed? Here is the program of the Fair Deal: We believe in FHA. There were people who did not believe in it, in the past. Big loan companies testified against it.

We believe in REA. There were forces of reaction which did not believe in that, either.

We believe in Federal deposit insurance. All of those things changed the pattern of America. We believe in social security, old-age pensions, aid to the blind, aid to mothers and children; we believe in unemployment compensation and we think it should be somewhat adjusted with the cost of living.

We believe in price supports for American farmers, and in cheap farm credit.

We believe in public health, soil conservation, better educational systems, in the regulation of the stock market, and in public power and federally owned transmission lines.

The State of Nebraska has public power. If there is any one State which is really socialistic, it is the State of Nebraska. Socialism means the public ownership of the means of production and distribution. It means the ownership by the State of the means of production and distribution. No State in the Union has a finer system of public power than has the State of Nebraska.

We believe in the Tennessee Valley Authority. We believe in higher wages. We want them to be at least 75 cents an hour. We believe in a fair labor law based upon the Wagner Act.

Those are the essential objectives of our program. If anyone wants to call that socialism, the people of America have never been frightened by calling names. The Republican Party has earned credit for being the greatest name-calling organization in politics. It has called more names and received fewer votes and has won fewer elections than any other political party.

The Republican Party has 95 percent of the newspapers on its side, but the American people have a good, calm sense of judgment, and they went right to the ballot box, where people do not put in dollars; we do not win elections by putting dollar bills into ballot boxes. They

put pieces of paper in the ballot boxes, with little "X's" marked on them. The American people have repudiated the scarecrow leadership of the Republican Party since 1932. The American people have repudiated the misleading information of some of the commentators and editorial writers of the vast majority of American newspapers, and the American people have gone ahead to increase their families, to improve their homes, to improve America. Their sons and daughters won a war, and they are willing to pay their fair share of the cost.

Never did I feel more confident about the election in 1950 than at this moment, because, so far as the Republican Party is concerned, it will hang up its political scarecrow, and the American people will send back to the Senate a new group of fighting freshman Senators, and to the House an overwhelming group of fighting Representatives. American progress will be on the move.

I yield the floor.

Mr. WHERRY. Mr. President, I want to congratulate the Senator for coming back to his real philosophy before he closed. He started out on an economy drive with $2,000,000,000 and wound up with the big give-away show about which I have been talking—the Brannan plan. He is for socialized medicine, Federal aid to education, and controlling the curriculums of the schools. I am opposed to that kind of a program, and I shall fight it to the last. Pleas are being made for more aid, for more funds. The American people are not asking for the Brannan plan; they are not asking for socialized medicine, or the Murray-Wagner-Dingell bill. They are not asking for the kind of socialism advocated by the junior Senator from Minnesota. I hope the American people will speak. They will not speak with dollars. They are going to speak with ballots, come November next year, and they will not vote for those who plunged this country further into debt to a point where it can never liquidate. Chief Justice Vinson has said that when taxes take more than 25 cents out of each dollar, the saturation point has been reached. Today each and every one of us is paying 33 cents out of every dollar for Federal, State, and local taxes.

Mr. President, I say that this country cannot long exist if we are to continue to follow the New Dealers, give everything away on earth, and increase the debt from $250,000,000,000 by billions upon billions, as they are seeking to do at this very moment. It will not be the Republican Party that will fade out of the picture, it will be the Republic itself.

The junior Senator from Minnesota can stand up for all the socialism he wants to, he can breathe it into the ears of young Americans, and he can go just as far as he pleases. That is his business. But I for one still believe in the free enterprise system in the United States. If being opposed to socialism means that I believe in the ideology of McKinley, very well, I will accept the challenge. What we need today is a few more honest-to-goodness Americans who believe in that, instead of the ideology that is being preached and the ideology that is being practiced in western Europe, and being practiced here and there throughout the United States of America. It never has worked, it will not work now, but it will destroy the fundamental principles upon which this Government has been founded. The Senator can have it, he can have all the socialism he wants, and when he gets through he will be in a dictatorship, and we will lose the very freedom of which the junior Senator has been boasting this afternoon.

That is what you are doing to the young people of this country, that is what you are doing in Minnesota, that is what you are doing in the United States. Believe me, I am going to fight to the last ditch to oppose socialism. It is said I have not a program. That is the best program anyone can stand on today, it is the most constructive program—to defend America, the freedoms of America. That is the most liberal program one can stand on today.

Mr. HUMPHREY. Will the Senator yield?

Mr. WHERRY. I will not yield now. That is the most liberal program anyone can follow, to preserve for the boys and girls of America the freedoms we have known for 160 years.

Mr. President, this country did not become great on the foundations of socialism this man is teaching and preaching to the young people of this country. This country grew great because of the free-enterprise system, because of the freedom of opportunity and the junior Senator from Minnesota is hamstringing it.

Mr. HUMPHREY. Will the Senator yield?

Mr. WHERRY. He is going to make a dictatorship out of this country. That is the end of socialism, that is the history of socialism, and that is exactly what we can expect.

Mr. President, I am not going to yield until I finish. The majority leader made all of his speech on the statement that the CONGRESSIONAL RECORD did not reveal the number of pages which were used by the Republicans and the Democrats. I wish to submit some figures for the record. I do not like to make the request in the absence of the majority leader, but if I can have fair play on the part of the Senator who is now the acting majority leader, I should like to present figures as to the space occupied by individual Senators in the CONGRESSIONAL RECORD in the way of speeches, the record having been compiled by the Senate Library. It does not include insertions in the RECORD. This is further evidence that the statement I made over the radio and on the floor this afternoon was absolutely authentic. I should like to place the figures in the RECORD at this point.

The PRESIDING OFFICER. Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

Republicans

	January											February										March													
	3	5	6	10	13	17	18	20	24	27	31	3	7	8	10	14	17	21	22	25	28	1	2	3	4	5	7	8	9	10	11	12	14	15	16
Aiken											1/6			3/6																						
Baldwin							1 1/6			1 1/6	3 1/6			1 1/6						2									1/6		2/6	9			1 3/6
Brewster					2								1/6				1/6			4/6				2			1/6	1 1/6					1/6	
Bricker											2									2/3								1/3						
Bridges	1/6									1/6	1 2/6		5/6		5/6													9 1/6						
Butler		1/6				1/6					1/6			1/6			1/6																	
Cain				1/6	2/6						3 1/6							5/6									33 3/6	1/6						
Capehart					7/6		1 1/6							1/6			1																	
Cordon					1/6						1				1/6														2					
Donnell	1/6				5		1 1/6			1			5/6	2 1/6		3 1/6										1/6			6 1/6		1/6		2
Ecton																																			
Ferguson					1/6	3/6	1/6								2													1		2 1/6				1/6
Flanders					1 7/6						1/6			2/6																				1/3
Gurney										1/6																									
Hendrickson																																			
Hickenlooper					1/6		1			1/6	1/6			1/6														1/6			1 3/6				
Ives							1/6			1/6			1/6				1/6												2/6	2/6				1 1/6
Jenner							2/6																						1						
Kem							2/6																		1/6										
Knowland				1/6	1/6	1/6				1	1/6		2 1/6	2/6		2/6	1/6				1/6	1		3		2/6				1 1/6		1		1 1/6
Langer		1/6	1/6	1/6	2 2/6		1/6		1 3/6	2/6	2	1/6		2 1/6	3	2/6	10				2														1/6	1 2/6
Lodge		2/6	1/6	1/6		1/6	1/6						2/6			2/6	2/6														2/6				
McCarthy							1/6					1/6													1 1/6										
Malone																												2/6							
Martin							1/6																				1/6								
Millikin		1/6			1/6	1/6	1/6																												
Morse	1/6	1 1/6		7 1/6	2		2		2/6	2 1/6			2 5/6	1 1/6		5/6				3		1 2/6			1/6			1		1/4				4 2/6
Mundt																																			
Reed				1/6	2																														

Republicans—Continued

	January											February										March														
	3	5	6	10	13	17	18	20	24	27	31	3	7	8	10	14	17	21	22	25	28	1	2	3	4	5	7	8	9	10	11	12	14	15	16
Saltonstall		1/6				1				2/6	2/6	2/6	1/6		5/6		1/6				1/6	1/6		1/6	2/6		1/3					1				1
Schoeppel																																					
Smith (New Jersey)		1/3	1		3/6	1/6							1/6																		3/3					
Smith (Maine)																																					
Taft		1/3	2/3	2/3			1/6			1 1/3				1			3/6			1/6		1/6		2/3												
Thye										1/6	1/3				5/6																					5/6
Tobey	1/6				5/6		1/6						1 1/3	5/6			2/3			1/3												1/3				
Vandenberg	1/3	2/3				1			1/6					1/3																	2 2/3				
Watkins				1 2/3	1/6					1/3														1	8 1/3			8 1/3								
Wherry	1/6	1/6			5/6		1 1/6						6 1/3	1 1/6	2 5/6	2/6					6 1/3	1/3				2/3	1/3		1/6		2/3	2 2/3		2
Wiley		1/6	1/6	1/6	2/3	1	1/3		1/6	5/6	1/6	1 3/6											1								1/3		1		
Williams					1 7/6										1 1/6																				
Young															2/6																				
Total	5/6	4	2	10 3/6	22	3 3/6	10 3/6		2 5/6	9 5/6	15	2 1/6	14 5/6	12 1/6	11 3/6	6	12 7/6	3/6		6 5/6	8 5/6	3 2/6	1	4 7/6	12 1/3	2/3	1 5/6	44 1/6	12 1/6	15 7/6	17 1/3	11 2/3	3 3/6	3/6	15 2/3

	March—Continued											April																							May		
	17	18	21	22	23	24	25	28	29	30	31	1	2	4	5	6	7	8	11	12	13	14	18	19	20	21	22	25	26	27	28	29	2	3	4
Aiken		1/6		1/6		2/6	2/6		5/6		1/6			3 2/3	1/6					3/3							1/6					1/6	1 1/3	1 2/6	
Baldwin	3/6		3/6		1 2/6	1/6		1/6			1/6			3 2/3	1 5/6		1 7/6		1/3		1 2/3					1/6					1/6	1 1/3	1/6	4 1/3
Brewster	1 2/3	1							6		2/6							1/3				1/6			4 2/3	2/3	1/6	2 3/3							
Bricker			1	3 1/3	2 3/6				2 1/6																	1 1/3				1						
Bridges		1/6					1/6	1/6									2 1/3	3/6	2 1/6	1/6	1 1/6	1/6				1 5/6			1/6	1 1/3	1 5/6				
Butler																				1/6							5/6	3/6								
Cain			1 5/6						1				7 2/3				1			1/6	1 3/6				1/3	2 5/6	2 1/3		1						2/3
Capehart	1/6			3	1 2/3		6 7/6			1	1/6	2 7/6						1 1/6							3/6	1 3/6		1/6							
Cordon					1/3										7/6													1/6							
Donnell	7 1/6	1/6	3 1/3		1/6		5 1/3	2/3	5/6	1 3/3	2/3	2 1/3	2/3		1 5/6	1	5/6	1/6		1/6	1/6						2 1/3		5/6		1/6			1/6		1/6
Ecton																												2/6								
Ferguson	2/6		1/6	1/3	2/3		1/3		1/6			1/3					2/3		1	2 1/3	1 3/3			2/6	1/3		1/3	1/6	1/6	2/6	2 5/6	1/6	1/6		1/6
Flanders				2/3	1/6											1/6				1/6	2		1		1/6	2/6									5/6
Gurney		1/6																	1/6								1/6	2/6		2/6			2/6		
Hendrickson	1							2/6			1/6	2 1/3							2/6								1/6					1/6			
Hickenlooper		1/6		2/3	1 2/3			1/6	1/6					2/6	5/6		1									1/3	1	1 1/6		7/6			1/6	2/6	3/6
Ives					2/6				1/6						2/6		2/6								1/6	1/6			1/6		5/6	1/6	3/6	1 1/3	1 2/3
Jenner	2/3				2/6	1 5/6	2/6	6 2/3			7/6	1	2/3		1 2/6		2/3											2/3								
Kem		2/3				2/6					1/3	1 1/6	7/6	1		1/6	1 2/3	2/6												1/6						
Knowland	3 2/3	2 2/6		3/6	1	1/3	3/6		1/6	1 1/6			1							2/3	1/6	1 1/6			1/6	1/6	1	1/6			1 5/6	2 1/6	1/3		2/6	
Langer	1/3			1 1/3							1/6				7 1/3					1/6	1/6				2 5/6	5/6	1 2/6		1/6	8 1/6	1	1 5/6		1/6	
Lodge		1/6					1/6	1 1/6			1/3	1		2/6			2 1/3														8	1 5/6	2 5/6	1/3	
McCarthy					2/3				1 2/3					1/3	3 2/3		2/6		1/6		1/3	2/3		2/6	2 3/6	1 5/6			1/6					1/3	
Malone		1/3		1					2/6	1 3/6	10 2/3	1 3/6		5/6		5 2/3	5/6	2/6		1 1/3						1										
Martin				1/3	1/6																	2/6									1/6	1/6		1 5/6	
Millikin				1											2/6			1/6															1/6		
Morse	1 2/3	4 1/3						2/6					7				5 2/3	1/3	1 1/6	1/3		7		5/6		2/6		2/6			1/6		3	1 7/6	
Mundt																						2 1/6														
Reed																						1/6														
Saltonstall			1/3			1/6		1/3		1/6			1/6	1/6								1/3				1		2/6	5/6	1 1/6	2/3	5/6	1/6	1/6	1/6
Schoeppel		1/6	1/6																1/6											1/6			1/6	2/6
Smith (New Jersey)								7 1/6																												
Smith (Maine)	1																																			
Taft	2 1/6		1 1/3		1	3/6		5/6	2/3	5			3 1/6		3/6	2/6	1/6								1/3	8 3/6				1/6	1 1/3	2/3	7 2/3		2 1/3
Thye	1														1/3					1					2/3		2 1/6	5/6			3/6	1/6			
Tobey	1/6	2/6	1/6		1																					5/6									
Vandenberg			1			3 1/6	1/6					3 1/3			2/6	2/6		1/6							1/6	1/6									
Watkins			3	2/3		2/6	1/3	1 5/6	6 5/6										1/3																
Wherry	3 1/3	2/3	2/3	1	1/6		1 1/3	1 3/6			2/3	1	2/3	1/3	5/6	1/3		1 1/6	1/6	1/6		1/6		1/6	1/6	1			1/6	1 1/3	2/6	1/6	8/6	2 1/3	7/6
Wiley				2/3			1/6			3 1/3							2								1/6			1/6	4 1/6	1/3	2/6	1/3	1/6	1/6	
Williams		1/6				1	1	1/6													1/6					7 5/6	1/6	1 5/6					2/6		
Young															2/6											1/3	1/6						1/6		
Total	24 1/6	10 1/3	12 2/3	12	14 2/3	6 1/6	16 7/6	20 7/6	19 7/6	13 5/6	20	27 1/6	9 7/6	6 1/6	19 5/6	19	9	9 1/6	3 7/6	6 1/3	7 1/6	11 7/6	1	4 1/6	12	23 3/3	16 5/6	7 5/6	15 5/6	8 7/6	12 1/3	12 1/6	16 1/3	12 5/6	15 1/3

	May—Continued																		June																	
	5	6	9	10	11	12	13	16	17	18	19	20	23	24	25	26	27	31	1	2	6	7	8	9	10	13	14	15	16	17	20	21	22	23	24
Aiken	1 1/3	1/6		5/6	1/3				1/3			1/3	3/6	1/6	1 1/6			1/6		3/6		8/6				1 7/6			1/3		1 7/6		2/3		
Baldwin		2/6	1/6	2 3/3	3/6									1 7/6																	1 1/3	1/6	5/6		
Brewster		1/6		1 5/6	1/6	1/6					1/3	8/6																				1 1/6		1/6	5/6	
Bricker										1/6												1/3	1/6													
Bridges				5/6	5/6						1/6	1/6					1/6			1/3										2/3			1 1/6	1/6		1/6
Butler		1/6	1/6			2/6							5/6										1/6			1				2/3					
Cain	1/6			1/3	1/6	6 1/6	1/6		1/6		1/6		1 1/3			2/3																				
Capehart								1/6	1 3/6										1/6							1/6			1 1/6	3/6				3/6	
Cordon					7/6				2/3	3/6		1/6													1/6										
Donnell	10										3/6	1 3/6																2 5/6	5/6	7	2 3/6		1/3	4 2/3	
Dulles																																				
Ecton		1/6																		2/6															
Ferguson	2/6			1/3	2 5/6	1/6		1/6	3 5/6	1 1/6	2 2/6	3 1/3			2/3	1/6	1			2/3							1/3			1/3		1/6				
Flanders	2/6		1/6			1 1/6		1/6					3/6	1/6	1 1/6	1/6		1/6		1/3		1 1/6						1/6								
Gurney											1/6	1/3																								
Hendrickson		1 1/6					1/6						2/6		1/6			2/6								1/6	1/3				1/3	4/6	1 2/3			
Hickenlooper							1/6	2/6																								1/6				
Ives				1/3					1/6	4 1/3																										
Jenner		1/6																																		
Kem									1				1/6	1/3	1/3	1 1/6																				
Knowland				1 1/6	2				1/3		5/6	1/6				1/6	1/6										1/3									1/6
Langer	3 2/6	1/6	1/6	2/3	2 2/6		5 5/6	1/6		3 2/6		1/6	1/6			1/3		1 1/6	2 1/6	7 2/3	1/6	2/6	1 5/6			1 7/6		1/6							5/6	5 1/6
Lodge								1/3					1 2/6	1 3/6	2/3	1/6				2/6						1/6		2/6							
McCarthy		1/6		1 1/3				1/6								2/6										3 5/6				1/6	3 1/3				
Malone								1/6						1				7/6		2/3	1 1/3							1/6		2/6					

Republicans—Continued

	May—Continued																		June															
	5	6	9	10	11	12	13	16	17	18	19	20	23	24	25	26	27	31	1	2	6	7	8	9	10	13	14	15	16	17	20	21	22	23	24
Martin				3/5					2/5					1/6							2							1/6								
Millikin					1/6																												1/6		
Morse						7 1/6	7/6	5 1/3					2/6	4 5/6	1 1/6	1 2/3		6 1/3				3 5/6	2	5				4 5/6	2 5/6		9 7/6	1/6	3 2/3	1	
Mundt															1/6																				
Reed										2/6	1/3	1/6																							
Saltonstall	3/6	1/6		3/6	1 1/6	5/6	2/3	3/6	2/6		1		5/6	1/6	1/6	5/6	3/6		3/6	1 5/6	1/6	1	1/6	1/6	1/6		1/6	1/6	1/6	1/6					
Schoeppel		5/6	3/6								1/6						5/6			5/6												1 1/3			
Smith (N.J.)																																			
Smith (Maine)			3/6										1/3				1/6					1/6													
Taft	1	5/6			1		2/6				1 3/6						1						8 1/6	1 2/3	1/3		2/6	8/6	4 1/6		2/3	1/3		2	1/6
Thye	1/6							1/6					2/6							1/6							1/6						5/6	1/6	
Tobey																			1/6	1/6							1/3			1/6	5/6	1/6		
Vandenburg					1/6			2				1/6	1/6			2/6						1/6				2/3		1/6						1 1/6
Watkins																			5 1/6																
Wherry		3 1/3	3/6	1 1/6	2 5/6	7/6	1/6		3	1/6	1 1/6	2/6	1 1/6			4 1/6	2 1/6		1/6	5/6	2/6						1/6				3 1/3	3/6		
Wiley	3/6	1/6			1/6	1/3	2/6	1/6	2				1/3			1/3	2/6	1/6	1/6		1/6	7/6		2/3			1/6			1/6	3 1/6	2 3/6			
Williams		1/6		3/6								1/6			6 1/6	1	2/6			1/6				1				1/6				7/6			
Young													2/6																						
Total	19 3/6	6 5/6	1 1/6	12	15 1/6	18 3/6	8 5/6	9 1/6	13 3/6	9 1/6	8	7 1/6	7 5/6	15 1/6	12 1/6	12	7 5/6	9	14 1/6	7 5/6	2 1/6	8 5/6	1 1/6	8 1/6	1 1/6	10 7/6	2	11 3/6	10	13 7/6	18 5/6	15	15 1/6	8 3/6	13 1/6

	June—Con.				July																		August											
	27	28	29	30	1	5	6	7	8	11	12	13	14	15	18	19	20	21	22	25	26	27	28	29	1	2	3	4	5	8	9	10	11	12	15
Aiken		1/6	2/6															2/3	1		2/6		3/6	3/6	1 3/6	4/6									
Baldwin		1/3	1 1/6	1/3					1		1/3		1/3				5 1/6				5 5/6				2/6	1/6		2/3						
Brewster																					2/6	1/6						1 3/6	1/6			3/6			
Bricker	1/3		1/3	1 1/3																		2/3	1/3	1/6											
Bridges				1/3								1/6								5/6		2/3		7/6				3/6	2/3						
Butler	1/6		1/3	1/3				3/6													1/6								5/6					1/6
Cain				1/3	6		2 1/3							2/3	3							1	5/6								5/6		3/6	2/6
Capehart			1/6	2/3																	1/6		1/6			1/3					1 1/3	1/3	5/6	
Cordon																						1/3			5/6		1/3	1/6						1/6
Donnell	2 1/6	2/3	2 1/3	1		5 2/3		10	1 3/6	3	4 3/3	2 2/3		1 7/6	19		1	5 1/6			1					1/3	5/6	1 1/3						1/6
Dulles											8						1/6											1/6	5/6						
Ecton																																			
Ferguson		7/6						1				5			1/6				1/6	5/6	1 5/6	2	1 1/6	1/6	5/6	2				1 5/6		5/6			
Flanders							5					1						1 1/3					1/6									2 1/6	5/6	
Gurney													1/6										1/6											
Hendrickson	1/6						1 5/6					4 1/3									1/3								2/3					
Hickenlooper										1/6				1/3						1/6									1/6					
Ives		3/3	7/6	5/6				1/3		1/3				11					2/6						1 2/3									
Jenner								1/3			1/3		2/3		1/3		1/6		1	4 2/3									2 1/6	1 7/6		1/6			
Kem																				1 7/6														
Knowland	1/6	1/3	2 2/3			2	1	1		3/3									1				1/6	1/3	5/6		1/6		1/3	2 1/6	1/6				
Langer			1		1							4	11		1/6				9		1 1/6			2 1/6					2	1/6				
Lodge		1 1/3		3 2/3					3								1/3	1/3			1/6		2/3				3/6		1/6	3/6				
McCarthy					1/3					1			1 1/3								7 5/6							2/3						
Malone	1		4					4 2/3	2		8							1		1/6			1/6			1 5/6		1 1/3		1 7/6				
Martin			5/6												1 5/6					1/3														
Millikin							1					1/6																		1/3				
Morse	2	2 1/6		1/3			1 1/3	2			3/3	1/6	3/3	9					6		1/3		1 1/6	5/6		2 1/6				1/6		3 5/6	
Mundt				1/3				2/3					5		1/6				1/6										2/6					
Reed																																			
Saltonstall	1/6	3/6	1/6	1/6											2 2/3	1/6			1/3	1/3	1/6	3/6	3/6	1/6	1 1/6	1/6	1/6	1/3		2/6					
Schoeppel																					1/6									1/3				
Smith (N.J.)				3/6				1/6		3					1/3			2/3											5/6					
Smith (Maine)																						1/6										1/6		
Taft	2	3 1/6	4 2/3	2 1/3						5	1/3							1 1/3				5/6	1 1/3	5/6				1/6		1/6				1 1/6
Thye		1/3																		5/6									1/6		3/6			1/6
Tobey			3/6				1/3		1/6															1/6		1/6				2/6	2/6			
Vandenberg		1 1/3					7	1/3		1	1/6	1/3		1/3	1/6	1/6	1/6	2	1/3	1/3	1/3		5/6				5/6	5/6	3/6					1/6
Watkins									10 1/3		2/3						8 1/3	5 1/6			1/6													
Wherry	1/6	1/6	1/6	2/3		1/6	1 1/6	1	3	2/3	1 1/3	1/3	2/3	3	2/3	1/6	1/3	5 1/6	1/6	1 5/6	1	3/6	1/6	2 1/6		1/3	2	1/6	1	2 5/6	1/6	6 5/6	3/6	4	1/6
Wiley				1/3					1/6	1/6							1/6	7/6			1/6		1/3											1/6
Williams				2/3			1/3														1/6		1 3/6	5/6	5/6	3/6		1/6		1/6				
Young																											1/6								1/6
Total	8 3/6	12 3/6	18 1/6	14	7 1/3	8 1/6	15 1/6	25 7/6	21 3/3	14 2/3	16 1/6	18	19 7/6	25 1/6	27 5/6	1/3	15 5/6	24 1/6	18 1/3	10 7/6	19 5/6	12 3/6	9 7/6	8 1/3	7 3/6	8 7/6	5 1/6	7 1/3	6 5/6	13 3/6	3 3/3	3 3/6	7 1/6	5 3/6	2 5/6

Democrats

	January											February									March													
	3	5	6	10	13	17	18	20	24	27	31	3	7	8	10	14	17	21	22	25	28	1	2	3	4	5	7	8	9	10	11	12	14	15	16
Anderson						1/6									3/6																				
Byrd																																			
Chapman																																			
Chavez					1/6	1/6			1																								1 1/3		
Connally					2/6	5/6	1 1/6			3/6	1			5/6		1 2/3						4						1/6	1/3						
Douglas																																			
Downey																																			
Eastland																					1/3			1/6	3/6				1			3 2/3	3/6	1/3	
Ellender		1/6		1/6																												5 3/6			
Frear																																			
Fulbright		1					1/6				2 3/3									1 1/3	1/6	1/6			13 1/3	18								
George					5/6		1				3/6			3/3							2 1/3									2/3	1 1/3				1/6
Gillette																							3												
Graham																																			
Green				2/3																															
Hayden	1/6	1/6			3/6					1/6		1 2/3	1				3/6	1/3			3 1/6														1 2/3
Hill						2/3			1/6								1/6								1/6	2/3			2/3			2 1/3	1/6	5/6	

Democrats—Continued

	January											February										March														
	3	5	6	10	13	17	18	20	24	27	31	3	7	8	10	14	17	21	22	25	28	1	2	3	4	5	7	8	9	10	11	12	14	15	16
Hoey					3/6		1/6				2	3/6			2/3								5				1							1/6	
Holland																							29												1/3
Humphrey																						3								1/6		2 2/3	3/6	8
Hunt																																			
Johnson (Colo.)		1/3					2/3			2/6																									
Johnson (Tex.)																													5 3/3						
Johnston (S. C.)					1/6								1/3	3/6						1/6												14		
Kefauver										1/3																	1/3			3					
Kerr																																			
Kilgore					3/6				1/6																						2/3				
Long																						3/6	4	1/3	1/3	1/3		1 1/6	3/3	2/3	1/3		1	1/6	1/3
Lucas	1/6	1/6	1/6		2 1/6	1/6	5/6		1/3	3/6	1/3		4 3/6	2 1/3			1/6			1 2/3	3/6			1/6	1/6	1/6		2/3		2 2/3	2 1/6	2 1/3	2 1/3	1/6	9 1/3
McCarran		1/6		1/6		1 1/6	3/6		1/6	3/6																									
McClellan						1/3																1/6	1/6			2/3			20						
McFarland																														1/3					
McGrath					1/6																											1			
McKellar	1/6									1/6			1 1/3		1/3					1 1/3			1/6							5				
McMahon																																			
Magnuson					1/6		1/3										5/6												1/6					
Maybank		3/6					1/6		1/6	1/6	1 7/6		5/6	4 1/3							3/6		1/6	1/6					3/3			1 1/3		3/6	
Miller																																			
Murray																							4												
Myers		3/6			1/6				1/6				2 1/3			3/6	1/3				3/6					3/6			3 1/3			1/6		
Neely																																			
O'Conor					2 2/3	1/3			1/3			1		2/3													1/3			5				
O'Mahoney					1/6					2/3	1/3			1/3																5 1/3				
Pepper			1/3	1/3			1/6			1 1/6	1 2/3		1/3	3			1 2/3			4 1/6			1/3		1/6	2/3	2/3			11 1/3	5 1/3			5/6
Robertson		1/3					1/6			1/6				1									1/3	1/6								2/3	2/6	26	
Russell	1/6	1/3			1/6	1/3				1		1/3		1/6							3	3 1/6	2/6	1/3		1/6		2/3	6 1/3		1/3	2/3	1/6	3 1/3
Sparkman					1/6					1/6	1 3/6													2/6				1/3					1/3	3/6
Stennis													1/3									5		2/6						1/3		1		5/6	
Taylor						1/6	1 1/6			7/6																									
Thomas (Utah)			3/3		1/6					1 1/6		3/6													1/3									
Thomas (Okla.)										2/6				3/6																					
Tydings		1/6			1/6					5/6	5/6	1/6			1/6												1/6			1/3	3 2/3			
Wagner																																			
Withers																																			
Barkley	2/3	2 1/6	1/6	1 1/6	1/6	3/6	7/6		2																										
Total	1 1/6	5 7/6	1 2/6	2 1/3	8	4 1/6	6 2/3		3 1/3	8 7/6	11 5/6	3 1/6	10 3/6	13 1/6	1/6	1 5/6	3 5/6	1/3		8 7/6	9 3/6	13 7/6	19 5/6	30 5/6	15 1/6	21 1/6	1 2/3	2 5/6	29 7/6	25 2/3	22 3/6	16	62 2/3	43 7/6	23 5/6

	March—Continued											April																							May		
	17	18	21	22	23	24	25	28	29	30	31	1	2	4	5	6	7	8	11	12	13	14	18	19	20	21	22	25	26	27	28	29	2	3	4
Anderson		7			1				1/3						1/3				1/3								2 3/6	1 7/6							
Byrd																											1 1/6		2/3			3/3			
Chapman																																			
Chavez																			1/6										1/6	2/3	1 1/6	1 1/6			
Connally			1 2/3			8	2 1/3	1 1/6	1/3	1/6		5 1/6	3/3		3 1/3	1 2/3	3/6	1/3		3/6		1 1/3		1/6			1/6		3/6			1/6			3/6
Douglas	3 3/3		1 1/6	5/6	2			2/6	1/3		1/3												6 1/3			2 7/6					2 3/6		1/3	
Downey																			1/6																
Eastland																												5 1/3	2/3	1/6					
Ellender						2/6		1/6		1/6			13 3/3	2	1/3							3 5/6													
Frear																							5/6				5/6								
Fulbright				5/6		1/6		1	2/3	11 1/3					6	1/6		1/6																	2
George	3/6					1 2/3	1/6		2						1/6				3/3																
Gillette	1 1/3																	1/6													1/6	5/6			
Graham																																			
Green						3/6										1/3				2/3													1/6		
Hayden	1 2/3	1/6																				1/3											1/6		
Hill																			1/6	1 1/6	7/6			2/3					5/6			4 2/6	1/6		3/6
Hoey			2/3	1 1/3																													1/6		
Holland	1/3		1/3	1 2/3															1/6								3 1/3	5/6			1	1		
Humphrey	1/3			2/3													6 1/3							7 1/6	5/6	1/3			5/6		1/6	5/6	1/6	7 2/6	
Hunt																																			
Johnson (Colo.)	3/6																								8 1/3									1/6	1/6
Johnson (Tex.)																																			
Johnston (S. C.)																										1/6	1/6		1/6		1/6				
Kefauver		2/3																		5/6	7/6									1/6	2/3		3/6	3/6
Kerr																																			
Kilgore																									2/6					1/6		1/6			
Long		1/6	1/6		1/3	3/3		3/6	1/3	1/3		1 1/3	1/3	1/6	2/3	2/3			2/3	1/3	1/3	1 1/6				1/3						1/3	1/6	1/3	1/6
Lucas	1		1	1/3	3/3		3/6	1/3	1/3		1/6	1 1/3	1/3	1/6	2/3	2/3			1/3	1							2 3/6	1	1/6	1/6		1/3			
McCarran		1/6												1/6																					
McClellan				3/6	1/6				2/3															1/6	5/6				3/6						
McFarland																												1/6							
McGrath									4							1/6																			
McKellar																			3/6	1/6	1 2/3									2 3/6					
McMahon					2/3		3/6	1				3/6					2		4/6	1/3	1/6		3/6						3/6				3/6		
Magnuson	3/6	1/6		3/6	1										1 2/3	2/3		3/6	1/3	1/3	1/6			5	1/3		1/6			2 1/3		1/6	3/6		
Maybank	1		4 1/6	1 5/6				2/3				3/6			1 1/6		3/6		1/3			2 1/3		2/6	1/6	1		1/6	1/6	1/6		3/6	1/6		
Miller																				1/6															
Murray																								1			3/6								
Myers		1/3		1/3	2/3	1 1/6											1/6								3/6	2 5/6		2/6	3/6	1/6	3/6	3/6	1/3	5/6	
Neely			1																							1/3				7/6					
O'Conor																															1/6	1/6		1/3	1 1/6
O'Mahoney				2/3	1/3										1/6	1/6			1 2/3											2 2/6	5/6	1/6			
Pepper	6 1/3			1/3	2/3	1/6				2/3					2/3	2 1/6		1 1/3								1/3	2/3		1/6	2 2/3	1/6			2/6	1
Robertson				1/6		1/3						3							1/6	1/6	10 2/3				5/6										1/6

Democrats—Continued

	March—Continued											April																			May		
	17	18	21	22	23	24	25	28	29	30	31	1	2	4	5	6	7	8	11	12	13	14	18	19	20	21	22	25	26	27	28	29	2	3	4
Russell	2½							1				1½						½								1½									
Sparkman		⅔	13⅔	1½	3½			1	3⅔											½		7⅔	⅔	1	1	3½									
Stennis																																			
Taylor																		1						½		½					⅔				
Thomas (Utah)							4						½																½			⅔	4½	2½	1½
Thomas (Okla.)														½			⅔		½							4½	3½	½				½			
Tydings				⅔			1	½				9				½	½		½		⅞	½			⅔	½		⅔	⅔	⅞		1⅞	3½	
Wagner																																			
Withers									½																									½
Barkley																																			
Total	18	11½	23½	10⅝	14	9⅔	7⅞	5⅞	12½	12⅔	⅛	20⅜	14½	2⅝	14⅞	5⅝	9⅜	3½	5⅞	3⅔	15⅛	16½	7½	15⅝	12½	15	12	12	5⅝	11⅛	7½	11⅜	8⅝	16⅜	7⅜

	May—Continued																		June																
	5	6	9	10	11	12	13	16	17	18	19	20	23	24	25	26	27	31	1	2	6	7	8	9	10	13	14	15	16	17	20	21	22	23	24
Anderson											⅛		⅝		2⅝	3⅞	⅛			1½															
Byrd	3	2⅜						⅛						⅛		1⅜																			
Chapman																																			
Chavez		1⅜		⅛								⅛				⅛							⅛					⅛		1⅛				⅛
Connally		⅜	⅛	⅜								⅛	⅛			⅛																⅜			⅜
Douglas		⅛		6⅛							⅛	2⅛		⅛	⅜	⅛	⅛						⅝	9⅜			⅛	⅛	4	⅛	⅛	⅛		⅜	
Downey							⅛					⅜	⅛																						
Eastland																		⅛	2⅞																
Ellender		⅛					⅛				⅛	⅜		3														⅛							
Frear	⅛						⅛	⅛																								⅜			
Fulbright		1⅛						⅜														4⅛										⅛			
George					⅝																											⅜	⅛		
Gillette	⅛	⅛					⅛	⅛								4										⅛			⅛						
Graham																																			
Green				⅜																								⅛							⅛
Hayden				⅜	⅝													⅛															⅛		
Hill	⅝	⅛	⅛					⅛				1⅛		⅛										⅛				⅝				⅜			
Hoey						⅛							⅛																						
Holland						⅛		⅛				⅜	⅜			⅜	2⅛	1⅛										1⅜	⅛		⅛	⅛		4	⅝
Humphrey		⅜			⅛	1⅛	⅛					⅝		3⅝		⅜			⅛	1⅛	⅜		1⅜		19		14⅜	1⅞	5⅞	2⅝	⅛			4⅛	
Hunt		⅛	5			1	⅞																												
Johnson (Colorado)	⅛	1⅛											⅛					⅜		⅛										⅛		⅜			
Johnson (Texas)						⅛							⅛																			⅜			
Johnston (S. C.)		⅛	6⅛	⅛	1⅜	1⅜	5	1⅝																								⅔	⅛		
Kefauver																⅜	5⅛	⅞							⅞									
Kerr																																			
Kilgore	⅓				⅛		⅜						⅝																						
Long	⅝	⅝	⅛	⅛		⅜	⅜					⅓							⅛			⅛			⅛	⅔	⅜		⅛	⅛	⅛				
Lucas			⅜	⅛	1⅛	⅜	⅞	⅝			1⅜		1⅞		⅛	⅛	⅝	⅛	⅛	⅜	⅜	⅛	⅛	⅛		⅝	⅛	⅛	⅛	⅛	⅜	1⅝	⅝	2⅝	⅔
McCarran	⅛	1⅛	⅛	2			⅜	⅓				⅛	1⅝							⅜	1	6⅓										⅝		1	⅔
McClellan						1⅝	⅜	6⅜				2⅝	⅝			⅛				⅔									⅜	⅛					
McFarland																																			
McGrath			1⅛	⅛		⅞	2⅞	3⅔					1⅛							1⅛		⅛									⅛		⅜		
McKellar	⅜			⅛	⅞			⅛			⅛	2⅜	⅜					⅜		2										1⅛	⅝				
McMahon	2⅛				⅝						⅓								⅛																
Magnuson		⅛																		1⅛											⅜	⅓		⅛	⅛
Maybank	⅜	⅔	⅜	4⅛	2						⅝	⅛								⅛	⅛										⅜	1⅛	⅓		
Miller																																			
Murray												⅜																							
Myers	⅛	⅛			⅞	⅛	⅛	⅜			⅛	⅓		⅛	⅛	⅓		⅜	⅛	⅛	⅔	⅛	⅜		⅛		7⅔	⅛		⅛					
Neely	1⅜		⅛		⅛	⅛	2⅛																					⅛				⅛	1⅓	⅛	
O'Conor	⅛	⅜					⅛	⅛			⅛		⅜		⅛			4	⅛				⅛		⅛										
O'Mahoney		1		⅛	1⅛	⅜								⅜			⅛	⅛	3⅛				⅛		⅛		⅛		⅛			⅜			
Pepper				⅓	1⅛	⅜	⅛						⅜					⅜		⅛		1	13⅜	⅜					⅓	2	⅜	⅛		3	
Robertson	⅜			⅝	⅜			2			⅜	1	1	⅛					⅜	⅝		⅝									⅛		⅛	
Russell		⅛																⅛		⅓														⅜
Sparkman																⅛					⅛													
Stennis																		⅛	⅛															
Taylor																	⅓					⅛									⅜		
Thomas of Utah	⅛						⅛										2⅝		⅛		17⅓			1⅓	⅝	7⅜		⅓	⅛	2⅜			⅜	⅓	
Thomas of Oklahoma								⅛				⅞			⅝					⅜					⅛									
Tydings						⅜					2⅜		7⅝		⅝	3	2⅞			⅜									⅜	⅜		1⅞	⅛		
Withers																																			
Total	9⅞	12⅜	13⅞	17⅛	11	6⅜	14⅝	16⅛			10⅞	11⅝	16⅔	3⅜	5⅜	15⅛	13⅝	10⅛	6⅝	12	19⅜	12⅜	15⅜	14⅝	20⅞	9⅜	22⅜	5⅜	11⅜	8⅔	8⅔	9⅞	4	16⅛	4⅛

	June—Con.				July																				August									
	27	28	29	30	1	5	6	7	8	11	12	13	14	15	18	19	20	21	22	25	26	27	28	29	1	2	3	4	5	8	9	10	11	12	15
Anderson							⅔															⅛				⅝	2				⅜				
Byrd			1										1								⅛			⅝											
Chapman																																			
Chavez							1	1												⅛	⅛		⅛					1⅝	⅝		⅜				⅜
Connally	⅛					9	⅛					⅛	1		⅜	⅛		2⅞			⅛	1	⅝			⅛			⅝						
Douglas		⅜	⅛	⅓																			⅛							⅝	4⅜	⅜	5⅓		
Downey				1														⅜			⅛									⅜					
Eastland																				4															
Ellender																					5						⅓		⅜				1⅝		
Frear																														2⅓					
Fulbright														7				⅛			⅜	⅛	⅜	⅓							⅛				⅛
George																	⅛	1			⅛	⅜	⅜	⅛		⅛				⅜			⅓	⅛

Democrats—Continued

	June—Con.				July																				August										
	27	28	29	30	1	5	6	7	8	11	12	13	14	15	18	19	20	21	22	25	26	27	28	29	1	2	3	4	5	8	9	10	11	12	15
Gillette	----	----	----	----	----	----	1/6	----	----	5	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	1 1/6	----	----	----	----	----	----
Graham	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	8	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----
Green	----	----	----	----	----	1 1/3	----	----	1/3	----	----	----	----	----	----	----	----	----	----	1/6	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----
Hayden	----	----	----	1/6	----	----	----	----	----	----	----	----	----	----	----	----	1/6	----	----	----	1/3	----	----	2/6	----	----	1/6	5/6	1/6	----	----	1/6	1 2/3	7/6
Hill	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	5/6	----	----	----	----	----	2/6	4 1/3	----	2 5/6	----
Hoey	----	1 1/3	1/6	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----
Holland	8 1/6	1 1/3	5/6	1	----	----	----	----	----	----	2/3	----	----	----	----	----	----	----	----	----	----	1/3	1/6	----	1/3	----	----	----	1/6	----	2/6	----	----	----	----
Humphrey	1/6	1 2/3	----	8	----	----	----	----	----	----	----	2/3	----	----	----	----	2	----	----	----	----	----	----	----	----	1 2/3	----	----	----	----	1/6	----	----	1 2/3	----
Hunt	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	1/6	----	1/6	----	----	----	----	----	----	----	----	1/3	----	----	----
Johnson (Colorado)	----	----	5/6	----	----	----	1/6	1/3	----	----	2/6	----	----	----	----	----	----	----	----	----	1/3	----	----	----	----	----	----	----	----	2/3	2/6	3/6	7/6	----
Johnson (Texas)	1/3	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----
Johnston (S. C.)	----	----	----	----	----	----	1/3	----	----	----	----	----	----	----	----	----	2/6	----	----	----	2/6	----	----	----	----	----	----	----	----	1/6	----	----	----	----	----
Kefauver	1/6	----	----	----	----	----	----	----	----	4 1/3	----	5/6	----	----	----	----	----	----	----	----	7/6	----	1/6	----	----	1	----	----	2/6	----	----	1	4 7/6	1 1/6	----
Kerr	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	3 5/6
Kilgore	----	----	----	----	----	----	----	----	----	----	----	----	----	1/3	----	----	----	----	----	----	1/6	----	----	----	----	1/3	----	----	----	----	----	----	----	----	----
Long	----	----	----	----	----	----	----	----	3 1/3	2/6	----	----	----	----	----	----	----	----	----	----	5/6	2/3	----	----	----	----	1/3	----	12 5/6	5/6	2 2/6	----	----	----	----
Lucas	1/6	1 1/3	1 5/6	1/3	----	2/3	7/6	1/3	1/3	2/3	----	----	1/3	2	1/6	----	1/6	7/6	1/3	1 1/6	1/6	1	1/6	1/6	----	1/6	1 5/6	1	2/6	----	----	1/6	1	1/6	1/3
McCarran	1 7/6	----	----	----	----	----	1 2/3	1/6	1/3	1/6	----	1/6	----	1/3	1/6	----	7/6	----	----	1	2/6	1/6	----	----	----	----	----	1 1/6	1/6	1 2/3	1	1/3	----	1 2/6	----
McClellan	----	7 1/3	1/3	1/3	----	----	----	----	1/6	1/6	1/6	----	----	----	1/6	----	1/6	3 1/3	1/3	1/6	----	1/6	----	7/6	----	----	----	5 1/6	1 1/6	1 1/6	2 2/6	----	----	----	1 2/6	1/6
McFarland	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----
McGrath	2 5/6	----	----	----	----	1/3	1	----	1/6	----	----	----	----	----	----	----	----	1/6	----	----	1/6	----	----	----	----	1/3	----	----	----	----	----	----	----	----	----
McKellar	----	----	----	1/3	----	----	----	----	----	----	----	----	----	----	----	----	----	----	2/6	1/6	1 2/6	----	1/3	1/6	----	----	2/6	1/3	1/3	----	----	----	----	----	2 2/6
McMahon	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	2 1/3	5/6	----	----	2/6	1/6	----	1/6	----	1 2/3	----	----	----	----	----	----	----	----	----
Magnuson	----	1/6	----	----	----	----	----	----	1 2/3	----	----	----	4 1/3	----	----	----	----	----	----	----	2/6	1/6	5/6	1/6	3 1/6	----	1/6	----	----	1/6	----	----	1/6	----	----
Maybank	----	2/3	1/6	2/3	----	----	----	1/6	1/3	----	----	----	----	----	----	----	----	----	1/6	----	1/3	----	1/3	----	----	1/3	----	----	----	----	1/6	----	----	----	----
Miller	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----
Murray	----	----	----	----	2	1/3	----	----	----	----	----	----	----	7	----	----	----	----	----	----	----	----	1/6	----	----	----	----	----	1/6	----	----	----	2/3	3/6	----
Myers	----	----	----	----	----	----	----	----	----	----	----	1/6	----	----	----	1/6	1/6	----	1/6	----	1/6	----	1/6	----	----	3/6	----	----	1 1/6	----	----	1 5/6	----	----	----
Neely	----	2/3	----	1	----	----	----	----	----	----	----	----	----	----	----	----	----	1	----	2/3	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----
O'Conor	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	1/3	----	----	----	----	----	3/6	3/6	----	----	1/6	----	5/6	----	----
O'Mahoney	----	----	----	----	1	----	2/3	----	2/3	----	----	----	----	----	1/6	----	----	1/3	----	----	1/6	1 1/6	6 5/6	2 5/6	3 1/6	5 5/6	----	1/6	----	----	7/6	1/6	3/3	1 1/6	1/3
Pepper	----	2	----	1	----	----	1 1/3	----	----	----	----	----	2/3	12	----	----	----	1/3	----	----	5/6	1	1/3	2/3	2 5/6	1 1/6	----	----	----	1/3	1/6	----	----	7/6	----
Robertson	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	4 1/3	1/6	1/3	4/6	----	2/6	----	----	----	----	----	----	----	----	----	----	----
Russell	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	1/6	1/6	1 2/3	----	1/6	----	----	----	2 5/6	1 2/6	----	----	----	----	----	----
Sparkman	----	----	----	----	----	----	----	----	3	----	2 3/3	----	----	----	----	----	----	----	----	----	----	----	1/6	2	----	----	----	1/6	----	----	----	----	2	----
Stennis	----	----	----	----	----	----	----	----	----	1/6	2	----	----	----	----	----	----	----	----	----	----	1/6	----	----	----	----	----	----	----	----	----	----	----	----	----
Taylor	----	----	----	----	----	----	1/6	----	----	----	----	----	----	----	----	----	8	----	----	----	1/6	1/6	----	----	3/3	1/6	----	----	----	----	2/6	----	----	----	----
Thomas of Utah	1	1	1 1/6	1/3	----	1/6	5	----	----	----	----	1/6	----	----	----	----	----	2/3	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----
Thomas of Oklahoma	1/6	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	2/3	----	----	----	----	----	----	----	----	----	2/6	2/3	----	----	----	1/6	6 1/3
Tydings	2/3	2/6	----	----	----	----	----	----	----	1/3	----	----	1	----	1/6	----	----	----	----	----	----	----	6	----	----	----	----	1/6	----	----	----	1 3/6	1/6	----	----
Withers	----	2/3	----	1/3	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----
Total	15 1/6	13 5/6	5 3/6	6 2/3	31	1 1/6	13 3/6	1 5/6	13 1/3	10 7/6	5 2/3	2 3/6	8 1/3	28 2/3	7/6	3/6	21 5/6	8 3/6	6 3/6	8	13 1/6	8 2/3	17 1/3	9 1/6	11 3/6	15 1/6	12 3/6	10 1/3	7 5/6	7 2/6	5 3/6	22 2/6	13 1/6	16 2/3	14 1/3

Mr. WHERRY. Mr. President, when I spoke on the Senate floor, while the majority leader was making his remarks, I did say that I thought the people of this country had lost confidence. In what? I said in the administration. I said 6 months ago they began to lose confidence, and I am satisfied that is true. If it is not, what was all this difficulty about wanting to stop the wheels of Government—wanting to stop the recession, as it is called?

Mr. President, I say that the thing for the Congress to do is to pass only the necessary legislation, and certainly that is not socialism; that is not advocating the principles of the welfare state, which the Senator from Minnesota champions; and I am not saying he has not a right to do that.

We should go home before there can be passed some of the legislation proposed—legislation increasing the debt and the taxes upon the American people—which will become unbearable, and which will wreck this country financially and politically.

Oh, yes; some on the other side are laughing, but they will see the day when the American people, especially the workingman, will once again plead for the principles of free enterprise and freedom which they have had under the greatest government on the face of the earth, which has been anything but socialism. I say that with sincerity in my heart.

I wish we could get this man from Minnesota to plead for free enterprise and the competitive system, and offer legislation, instead of talking about this thing and that thing, and this particular group and that one, and then going to England with large numbers of our young people and breathing into their ears the theories of socialism. It is all right for them to know about it, but the fundamental thing we should do is to continue the great free-enterprise system and pay off all the debt we can, cut the costs of Government, as the junior Senator from Minnesota was attempting to do when he started out to cut $2,000,000,000 from the appropriations, but wound up by telling me we were going to have to spend billions in the foreign countries and give them everything they wanted.

Personally, I am just one man from Nebraska.

Mr. HUMPHREY. Will the Senator yield?

Mr. WHERRY. In a moment. Perhaps I do not have all the following in the United States Senate I should have. More than once this afternoon the junior Senator from Minnesota with delight mentioned the senior Senator from Ohio as the great leader of the Republican Party. That is fine. I know he appreciates the compliment. But let me tell the Senator that the junior Senator from Nebraska is not asking for any honor or glory, but he has the courage to vote against socialism and these appropriations, and I am going to continue to do so as long as I am in the Senate.

Now I yield.

Mr. HUMPHREY. Mr. President, I should like to ask the distinguished minority leader, since he has expressed his great interest in and affection for free enterprise and the competitive system, how he voted upon the motion to reconsider Senate bill 1008, which is known as the basing-point legislation.

Mr. WHERRY. Mr. President, there is no use going into another debate on S. 1008.

Mr. HUMPHREY. I merely wanted to know how the Senator voted.

Mr. WHERRY. I was not the one who moved to bring forward that bill, but I tell the Senator from Minnesota that one who wants cement in Minnesota today cannot get it as cheaply as he could have gotten it if he had let the bill go through and let the cement manufacturers send cement into his State. He is just pushing the people back 150 miles and saying, "That is as far as you can go." The decision made by the Supreme Court is one of the decisions which have done more to impede free enterprise than anything else, and unless we can change it and bring some stability out of the confusion in which we now find ourselves, I tell the Senator that the free enterprise system is in serious danger. Men in Minnesota have pleaded with me to assist in getting legislation to permit the steel companies of Pittsburgh to absorb the freight so that they could ship and sell their products to the people of that area. Unless they can get it done, they will have to move defense plants now located there. It is foolish for a man to stand on the floor and say that S. 1008

in any way would restrict private enterprise.

I say on this floor that I will do as much as will the Senator from Minnesota in getting legislation, if he wants to go into that matter, to prevent monopoly, and I have a record of 7 years of working for the small-business men of this country, and I will stake my case on what I have done in those 7 years. I say now that the failure to secure action on the particular bill the Senator is talking about is a disgrace. A conference should have been had on it. We should have agreed to the report, and put at rest the confusion in which we now find ourselves, which is making an issue of absorption of freight, resulting in constriction of territory in which business cannot continue to exist.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. HUMPHREY. Does the Senator support the Carroll amendment to House bill 1008? I ask the question on the basis that all the small-business organizations of America, including such organizations as the National Association of Retail Druggists, are in support of the Carroll amendment. I wonder how the Senator stands on the Carroll amendment.

Mr. WHERRY. I will tell the Senator exactly how I stand on it. I would go along with the distinguished Senator from Minnesota and completely eliminate section 3, which has to do mostly with what the Senator is talking about. But on the question of freight absorption, I think the Carroll amendment nullifies the Kefauver amendment, and if adopted, it will nullify the provision entirely so we will not know where we are.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. WHERRY. Wait a minute. Let me finish.

The PRESIDING OFFICER. The Senator from Nebraska declines to yield.

Mr. WHERRY. No; I am not going to refuse to yield, but I should like to finish my statement, if I may. The Senator wants to put words in my mouth. I certainly am not for the Carroll amendment as an amendment to the Kefauver amendment in the second section of the bill, because if that amendment is adopted, it will leave us just where we now are. Does the Senator from Minnesota agree with that statement?

Mr. HUMPHREY. The Senator from Minnesota would merely say to the Senator from Nebraska that he is for the Carroll amendments as they are written.

The PRESIDING OFFICER. The Chair will be obliged to declare Senators out of order if they do not abide by the rules.

Mr. WHERRY. Mr. President, the Senator from Minnesota refuses to answer my question. So I shall now endeavor to conclude once again.

The PRESIDING OFFICER. The Senator from Nebraska has no right to ask the Senator from Minnesota a question.

Mr. WHERRY. That is correct, Mr. President. I do not want to breach the rules. The Senator from Kentucky has been an excellent Presiding Officer.

The PRESIDING OFFICER. The Chair is merely trying to keep Senators within the rules.

Mr. WHERRY. Mr. President, I want to conclude with this final statement: There are those who talk about economy who do not vote their convictions. That certainly has been demonstrated by the record of the majority leader and that of the junior Senator from Minnesota.

Mr. President, I yield the floor.

Mr. HUMPHREY. Mr. President, I desire to make a comment on the Senator's statement before we conclude the session. I feel it is only a matter of personal privilege for the junior Senator from Minnesota to try to set at ease the mind of the distinguished minority leader by saying that his political faith is that of a Democrat and not that of a Socialist. His economic philosophy is that of a free enterpriser, and not that of a monopolist. I do not speak only on the basis of theory, but I speak from experience. I am sure many of my distinguished colleagues are participants in the business community. I have always pointed with pride to the fact that my business experience has been in a corner drugstore, in which business I am a partner.

I stand in defense of American liberties. I stand for the defense of true free enterprise in this country, free from monopolies. That is my faith.

Mr. WHERRY rose.

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Nebraska?

Mr. WHERRY. No, Mr. President, I wish to speak after the Senator shall have concluded.

RECESS

Mr. HUMPHREY. Since the business of the Senate is pretty well concluded for today, in the absence of the majority leader, I, as acting majority leader now move that the Senate take a recess until 12 o'clock noon tomorrow.

Mr. WHERRY. I do not object.

The PRESIDING OFFICER. The question is on the motion of the Senator from Minnesota.

The motion was agreed to, and (at 7 o'clock and 15 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, August 30, 1949, at 12 o'clock meridian.

SENATE

TUESDAY, AUGUST 30, 1949

(Legislative day of Thursday, June 2, 1949)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Bernard Braskamp, D. D., pastor of the Gunton-Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

Most merciful and gracious God, in this moment of sacred communion we are praying for ourselves and for one another, seeking together those blessings which none can ever find or enjoy alone.

May we daily live among our fellow men as the messengers and mediators of helpfulness and hopefulness. May our character and conduct be to others a source of strength and encouragement.

Grant that we may have more of the mind and mood of the Master which alone can bridge the chasms that divide the members of the human family.

We live in one world; make us one in spirit. Show us how our declarations of interdependence and oneness with all mankind may become a blessed reality.

In Christ's name we bring our petitions. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Monday, August 29, 1949, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts:

On August 27, 1949:

S. 259. An act to discontinue divisions of the court in the district of Kansas.

On August 29, 1949:

S. 1962. An act to amend the cotton and wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended; and

S. 2391. An act to authorize the construction, operation, and maintenance of the Weber Basin reclamation project, Utah.

MESSAGE FROM THE HOUSE—ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the Speaker pro tempore had affixed his signature to the following enrolled bills and joint resolutions, and they were signed by the Vice President:

S. 936. An act to provide for the care and custody of insane persons charged with or convicted of offenses against the United States, and for other purposes;

S. 973. An act to exempt from taxation certain property of the National Society of the Colonial Dames of America in the District of Columbia;

S. 1250. An act extending the Institute of Inter-American Affairs;

S. 1859. An act to transfer from the Administrator of Veterans' Affairs to the Attorney General of the United States for the use of the Bureau of Prisons, a certain tract of land located at Chillicothe, Ohio;

S. 2146. An act to provide certain additional rehabilitation assistance for certain seriously disabled veterans in order to remove an existing inequality;

S. 2298. An act to authorize the Administrator of Veterans' Affairs to convey certain lands and to lease certain other land to Milwaukee County, Wis.;

H. R. 225. An act to repeal section 460 of the act of March 3, 1899 (30 Stat. 1336), as amended, providing for certain license taxes in the Territory of Alaska;

H. R. 632. An act for the relief of John E. Burns;

H. R. 807. An act for the relief of Chattooga County, Ga.;

H. R. 1065. An act for the relief of the estate of James Lander Thomas;

H. R. 1132. An act for the relief of Mabel H. Slocum;

H. R. 1446. An act for the relief of Conrad L. Wirth;

H. R. 1631. An act for the relief of John J. O'Mara;

H. R. 1701. An act for the relief of Mrs. Vesta Mainn and Mrs. Edna Williams;

H. R. 1790. An act to restore certain land in Alaska to the public domain and to authorize its sale to Ford J. Dale, of Fairbanks, Alaska;

H. R. 1792. An act for the relief of Charles E. Ader;

H. R. 1979. An act for the relief of Soo Hoo Yet Tuck;

H. R. 2091. An act for the relief of Jack McCollum;

H. R. 2170. An act authorizing changes in the classification of Crow Indians;

H. R. 2471. An act for the relief of Wait W. Rostow;

H. R. 2475. An act to authorize and direct the Secretary of the Interior to sell to Albert M. Lewis, Jr., certain land in the State of Florida;

H. R. 2594. An act for the relief of Grace L. Elser;

H. R. 2628. An act for the relief of Auldon Albert Aiken;

H. R. 2702. An act to authorize the Secretary of the Army to convey by quitclaim deed certain mineral rights in certain lands situated in the State of Oklahoma to Alfred A. Drummond and Addie G. Drummond;

H. R. 2706. An act authorizing the issuance of a patent in fee to Susie Larvie Dillon;

H. R. 2920. An act authorizing the issuance of a patent in fee to George Swift Horse;

H. R. 3071. An act to authorize the Secretary of the Army to purchase certain property in Morgan County;

H. R. 3197. An act relating to the sale of the old Louisville Marine Hospital, Jefferson County, Ky.;

H. R. 3383. An act to provide that extra compensation for night work paid officers and employees of the United States shall be computed on the basis of either standard or daylight-saving time;

H. R. 3478. An act to extend the time of completing the construction of a bridge across the Mississippi River at or near a point between Delmar Boulevard and Cole Street in the city of St. Louis, Mo., and a point opposite thereto in the city of East St. Louis, Ill.;

H. R. 3589. An act to convey to the city of Miles City, State of Montana, certain lands in Custer County, Mont., for use as an industrial site;

H. R. 3637. An act to permit the sending of braille writers to or from the blind at the same rates as provided for their transportation for repair purposes;

H. R. 3665. An act for the relief of Mrs. Josephine Wagnon Walker;

H. R. 3667. An act authorizing the Secretary of the Interior to issue a patent in fee to Lenora Farwell Fritzler;

H. R. 3768. An act for the relief of Mrs. Justa G. Vda. de Guido, Belen de Guido, Mulia de Guido, and Oscar de Guido;

H. R. 3803. An act for the relief of Mrs. Mary L. W. Dawson;

H. R. 3829. An act to provide assistance for local school agencies in providing educational opportunities for children on Federal reservations or in defense areas, and for other purposes;

H. R. 3837. An act for the relief of Annie Balaz;

H. R. 3881. An act to provide for the use of the State course of study in schools operated by the Bureau of Indian Affairs on Indian reservations in South Dakota when requested by a majority vote of the parents of the students enrolled therein;

H. R. 4026. An act relating to the exchange of certain private and Federal properties within the authorized boundaries of Acadia National Park, in the State of Maine, and for other purposes;

H. R. 4073. An act to provide for the conveyance to the State of New York of certain historic property situated within Fort Niagara State Park, and for other purposes;

H. R. 4208. An act to add certain surplus land to Petersburg National Military Park, Va., to define the boundaries thereof, and for other purposes;

H. R. 4254. An act authorizing the Secretary of the Interior to issue a patent in fee to Sidney Blackhair;

H. R. 4688. An act to ratify and confirm Act 4 of the Session Laws of Hawaii, 1949, extending the time within which revenue bonds may be issued and delivered under chapter 118, Revised Laws of Hawaii, 1945;

H. R. 5155. An act for the relief of Francesca Lucareni, a minor;

H. R. 5160. An act for the relief of Mrs. Giustina Schiano Lomoriello;

H. R. 5205. An act to quitclaim certain property in Enid, Okla., to H. B. Bass;

H. R. 5207. An act to amend section 50 of the Organic Act of Puerto Rico;

H. R. 5390. An act to authorize the Secretary of the Interior to exchange certain Navajo tribal Indian land for certain Utah State land;

H. R. 5535. An act to amend the Philippine Rehabilitation Act of 1946;

H. R. 5620. An act permitting the use for public purposes of certain land in Hot Springs, N. Mex.;

H. R. 5929. An act to amend the Army and Air Force Vitalization and Retirement Equalization Act of 1948;

S. J. Res. 109. Joint resolution to amend the National Housing Act, as amended;

H. J. Res. 281. Joint resolution to authorize the President to issue posthumously to the late John Sidney McCain, vice admiral, United States Navy, a commission as admiral, United States Navy, and for other purposes; and

H. J. Res. 338. Joint resolution to authorize the Administrator of Civil Aeronautics to undertake a project under the Federal Airport Act for the development and improvement of Logan International Airport at Boston, Mass., during the fiscal year 1950.

CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hill	Myers
Anderson	Hoey	Neely
Brewster	Holland	O'Conor
Bridges	Humphrey	O'Mahoney
Butler	Ives	Pepper
Byrd	Johnson, Tex.	Reed
Capehart	Johnston, S. C.	Robertson
Chapman	Kefauver	Saltonstall
Chavez	Kem	Schoeppel
Connally	Kerr	Smith, Maine
Cordon	Kilgore	Smith, N. J.
Donnell	Knowland	Sparkman
Douglas	Langer	Stennis
Dulles	Leahy	Taft
Eastland	Long	Taylor
Ecton	Lucas	Thomas, Okla.
Ellender	McCarthy	Thomas, Utah
Flanders	McClellan	Thye
Frear	McFarland	Tobey
Fulbright	McKellar	Tydings
George	McMahon	Vandenberg
Gillette	Magnuson	Watkins
Graham	Malone	Wherry
Green	Martin	Wiley
Gurney	Miller	Williams
Hayden	Millikin	Withers
Hendrickson	Mundt	Young
Hickenlooper	Murray	

Mr. MYERS. I announce that the Senator from California [Mr. DOWNEY] is necessarily absent.

The Senator from Wyoming [Mr. HUNT] is absent by leave of the Senate on official business.

The Senator from Colorado [Mr. JOHNSON], the Senator from South Carolina [Mr. MAYBANK], the Senator from Nevada [Mr. MCCARRAN], and the Senator from Georgia [Mr. RUSSELL] are absent by leave of the Senate.

Mr. SALTONSTALL. I announce that the Senator from Connecticut [Mr. BALDWIN] is absent by leave of the Senate on official business.

The Senator from Ohio [Mr. BRICKER] and the Senator from Indiana [Mr. JENNER] are necessarily absent.

The Senator from Washington [Mr. CAIN], the Senator from Michigan [Mr. FERGUSON], and the Senator from Massachusetts [Mr. LODGE] are absent by leave of the Senate.

The Senator from Oregon [Mr. MORSE] is absent on official business.

The VICE PRESIDENT. A quorum is present.

TRANSACTION OF ROUTINE BUSINESS

The VICE PRESIDENT. Without objection, the Chair will recognize Senators for the transaction of routine business, without debate.

WEBER BASIN RECLAMATION PROJECT, UTAH—STATEMENT BY THE PRESIDENT

The VICE PRESIDENT. The Chair has received a communication from the President, including a statement issued on the occasion of his signature and approval of Senate bill 2391, authorizing the construction, operation, and maintenance of the Weber Basin reclamation project in Utah. Without objection, the statement of the President will be printed in the RECORD. The Chair hears no objection.

The statement is as follows:

AUGUST 30, 1949.

STATEMENT BY THE PRESIDENT

I have approved S. 2391, to authorize the construction, operation, and maintenance of the Weber Basin reclamation project, Utah.

This bill will authorize the Secretary of the Interior, through the Bureau of Reclamation, to construct, operate, and maintain the Weber Basin project for the purposes of supplying irrigation water to 70,000 acres of new lands and supplemental water to 30,000 acres of land now inadequately irrigated; supplying municipal, industrial, and domestic water; controlling floods; generating and selling electricity; and for other beneficial purposes.

I have signed this bill with reluctance because it was enacted without following the normal procedures for obtaining full information and adequate review concerning irrigation projects before authorization. The bill appears to have been enacted on the basis of the information contained in a preliminary report of the regional director of the Bureau of Reclamation. This report had not been reviewed by other interested agencies or by the Executive Office. So far as I know, there has been no final report on the project by the Secretary of the Interior or the Commissioner of Reclamation.

The enactment of this bill under these circumstances raises a number of serious questions. These questions are raised

because there has not been sufficient opportunity to review the adequacy of the data contained in the report of the regional director, and because the bill represents in some respects basic departures from the established reclamation law.

I have given my approval to the bill only because I am convinced, after careful study and after discussions with several Members of Congress from Utah, that the project is basically sound and that it will be possible to overcome the most serious difficulties arising from the lack of adequate consideration before the project was authorized.

The provisions of the bill which appear to be most questionable are as follows:

1. It authorizes the repayment of irrigation water supply costs over a period of 60 years instead of the period of 40 years which has prevailed heretofore under the reclamation law.

2. The project report of the regional director contemplates a nonreimbursable allocation of cost in the amount of $4,656,000 for recreation. The allocation of cost to recreational facilities is not now authorized under reclamation law. If the allocation authorized in connection with the project were uniformly applied as a precedent, it would ultimately involve the Government in the expenditure of hundreds of millions of dollars.

3. Under the proposed repayment plan for the project, the amounts repaid by municipal and industrial users would be applied first to the repayment of the cost allocated to municipal and industrial purposes, and then to the repayment of part of the cost allocated to irrigation—all of this on a basis which would provide total revenues over a period of 60 years sufficient only to cover the total reimbursable cost without interest. Thus, in addition to receiving no interest on the reimbursable irrigation cost, the Government would also receive no interest on the reimbursable cost for municipal and industrial uses.

4. The report on the project was not referred to the Department of the Army for review and comment by the Chief of Engineers in accordance with the provisions of section 1 of the Flood Control Act of 1944. Consequently, the Corps of Engineers has had no adequate opportunity to consider the phases of the project in which it is interested. On the basis of such study as he has had time to make, however, the Chief of Engineers raises serious questions as to the amount allocated for flood control.

5. The report on the project was not made available to the Department of Agriculture. Consequently, it has not been possible for that Department to express its views with regard to the agricultural and economic feasibility of the proposed plan.

There is no urgency for immediate construction of the Weber Basin project. In fact, the plans of the Bureau of Reclamation call for construction to be spread over a period of 12 years. I believe, therefore, that the objections to the present authorization can, for the most part, be eliminated—some of them by future action of the Congress, and some by the exercise of the discretion which the bill fortunately permits.

The bill does not commit the Secretary of the Interior to the cost allocations made in the report of the regional director. It is flexible enough to permit an apportionment of the cost on an equitable and sound basis consistent with the facilities and system of operation finally adopted for the project. The construction of the proposed recreational facilities can be postponed until such time as the Congress has enacted basic standards for the allocation of costs to recreational purposes in connection with reclamation projects. The questions of proper allocation of flood control benefits and construction costs can be resolved between the Secretaries of the Interior and the Army. Additional information concerning the ability of water users to repay the costs of irrigation features of the project can be developed in consultation with the Department of Agriculture. The questions of a 60-year repayment period and interest on the reimbursable costs for municipal and industrial water users will be reconsidered when a complete study of this project is available.

For the foregoing reasons, I am directing the Secretary of the Interior to take the following steps: To complete his study of this project and submit a final report; to defer initiation of construction of any of the recreational facilities pending determination of a national policy on recreation at water resources development projects; to work out with the Department of the Army a sound flood control plan and cost allocations; to consult with the Department of Agriculture on the ability of the water users to repay the costs of the irrigation features; to make such other adjustments in the plans, estimates, cost allocations and repayment obligations as may be required on the basis of the above and the data which will become available when detailed surveys, engineering designs and refined estimates are completed; and to defer final negotiations on any repayment contracts with the water users until definite repayment amounts and conditions are settled.

I do not intend to submit any requests for construction appropriations until the above preparation has been accomplished and it is known as surely as possible what is going to be done, how much it will cost, how much is going to be repaid and when. It would seem that this plan for proceeding with the Weber Basin project is only fair to the water users who will eventually have to return to the United States the investment allocated to irrigation and municipal water supplies.

I have always favored a sound water resources development program and the authorization of additional projects as needs arise and as they are found to be justified. I consider it essential that the program be not jeopardized by premature authorization of projects in advance of resolution of questionable features. To do so may lead to unsound action which will endanger the success of our whole reclamation program.

Approved August 29, 1949.

HARRY S. TRUMAN.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following communication and letters, which were referred as indicated:

REVISED SUPPLEMENTAL ESTIMATE, PAYMENT OF CLAIMS AND JUDGMENTS (S. DOC. NO. 111)

A communication from the President of the United States, transmitting a revised supplemental estimate of appropriation, involving an increase of $465,694.10, for the payment of claims and judgments (with accompanying papers); to the Committee on Appropriations and ordered to be printed.

REPORT ON DEVELOPMENT OF WATER AND RELATED RESOURCES, CENTRAL VALLEY, CALIF.

A letter from the Secretary of the Interior, transmitting, pursuant to law, a report and findings of the Department of the Interior on a comprehensive plan for development of the water and related resources of the Central Valley of California (with accompanying papers); to the Committee on Interior and Insular Affairs.

DEPARTMENT OF MEDICINE AND SURGERY IN VETERANS' ADMINISTRATION

A letter from the Deputy Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to amend the act entitled "An act to establish a Department of Medicine and Surgery in the Veterans' Administration," approved January 3, 1946, as amended, to extend the period for which employees may be detailed for training and research, and for other purposes (with an accompanying paper); to the Committee on Labor and Public Welfare.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate and referred as indicated:

By the VICE PRESIDENT:

A resolution adopted by the Maui Lions Club, of Wailuku, Maui, T. H., favoring the enactment of House bill 199, to provide the privilege of becoming a naturalized citizen of the United States to all immigrants having a legal right to permanent residence and to make immigration quotas available to Asian and Pacific peoples; to the Committee on the Judiciary.

A resolution adopted by the Junior Order United American Mechanics, State Council of Kentucky, Covington, Ky., protesting against the enactment of legislation providing an increase in the number of displaced persons to be admitted into the United States; to the Committee on the Judiciary.

A petition of sundry citizens of the State of New York, praying for the enactment of Senate bill 2115, to authorize payments by the Administrator of Veterans' Affairs on the purchase of automobiles or other conveyances by certain disabled veterans, and for other purposes; to the Committee on Labor and Public Welfare.

A letter in the nature of a memorial from the Pacific County Medical Society, signed by A. G. Dalinkus, secretary-treasurer, remonstrating against the enactment of legislation providing compulsory health insurance; to the Committee on Labor and Public Welfare.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, August 30, 1949, he presented to the President of the United States the following enrolled bills and joint resolution:

S. 936. An act to provide for the care and custody of insane persons charged with or convicted of offenses against the United States, and for other purposes;

S. 973. An act to exempt from taxation certain property of the National Society of

the Colonial Dames of America in the District of Columbia;

S. 1250. An act extending the Institute of Inter-American Affairs;

S. 1859. An act to transfer from the Administrator of Veterans' Affairs to the Attorney General of the United States for the use of the Bureau of Prisons, a certain tract of land located at Chillicothe, Ohio;

S. 2146. An act to provide certain additional rehabilitation assistance for certain seriously disabled veterans in order to remove an existing inequality;

S. 2298. An act to authorize the Administrator of Veterans' Affairs to convey certain lands and to lease certain other land to Milwaukee County, Wis.; and

S. J. Res. 109. Joint resolution to amend the National Housing Act, as amended.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service:

Sundry postmasters.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. FLANDERS (by request):

S. 2509. A bill to improve financial control and audit of the Post Office Department, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. MURRAY:

S. 2510. A bill to authorize and direct the Secretary of the Interior to issue to Anson Harold Pease, a Crow allottee, a patent in fee to certain lands; to the Committee on Interior and Insular Affairs.

By Mr. BYRD:

S. 2511. A bill for the relief of Dr. John R. Portaria; to the Committee on the Judiciary.

By Mr. CHAVEZ (for himself and Mr. ANDERSON):

S. 2512. A bill to authorize the construction, operation, and maintenance of the Vermejo reclamation project, New Mexico; to the Committee on Interior and Insular Affairs.

By Mr. WILEY:

S. 2513. A bill to give a short title to the act of July 1, 1898, commonly known as the Bankruptcy Act; to the Committee on the Judiciary.

By Mr. CHAPMAN:

S. 2514. A bill for the relief of Gertrude Hancock, administratrix of the estate of Arch F. Hancock; to the Committee on the Judiciary.

By Mr. JOHNSTON of South Carolina:

S. 2515. A bill to provide a fidelity trust fund in the Post Office Department, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. KEFAUVER:

S. 2516. A bill relating to education or training of veterans under title II of the Servicemen's Readjustment Act, as amended; to the Committee on Labor and Public Welfare.

AMENDMENT OF CIVIL SERVICE RETIREMENT ACT—AMENDMENT

Mr. HILL submitted an amendment intended to be proposed by him to the bill (H. R. 5465) to amend section 4 (e) of the Civil Service Retirement Act of May 29, 1930, as amended, which was ordered to lie on the table and to be printed.

MINIMUM-WAGE STANDARD—AMENDMENTS

Mr. HUMPHREY and Mr. KEFAUVER each submitted an amendment intended to be proposed by them, respectively, to the bill (S. 653) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes, which were ordered to lie on the table and to be printed.

Mr. FULBRIGHT submitted amendments intended to be proposed by him to Senate bill 653, supra, which were ordered to lie on the table and to be printed.

Mr. McCLELLAN (for himself, Mr. STENNIS, and Mr. GEORGE) submitted two amendments intended to be proposed by them, jointly, to Senate bill 653, supra, which were ordered to lie on the table and to be printed.

ADDRESS BY SENATOR ANDERSON AT DEMOCRATIC OUTING NEAR HAMILTON, OHIO

[Mr. MAGNUSON asked and obtained leave to have printed in the RECORD an address delivered by Senator ANDERSON at the annual Democratic outing at LeSourdsville Lake, near Hamilton, Ohio, on August 28, 1949, which appears in the Appendix.]

APPEAL BY SENATOR WILEY FOR CONTINUED USE OF BUTTER BY THE ARMED SERVICES

[Mr. WILEY asked and obtained leave to have printed in the RECORD a letter addressed by him to the Acting Quartermaster General urging the continued purchase of butter for the use of the armed services, which appears in the Appendix.]

THE DOLLAR AND THE POUND—ARTICLE FROM THE NEW REPUBLIC

[Mr. HILL asked and obtained leave to have printed in the RECORD an article entitled "Dollar and Pound for Better or Worse," published in the New Republic of August 29, 1949, which appears in the Appendix.]

THERE MUST BE A RIGHT AND A WRONG—EDITORIAL FROM THE DYERSVILLE COMMERCIAL

[Mr. HICKENLOOPER asked and obtained leave to have printed in the RECORD an editorial entitled "There Must be a Right and a Wrong," from the Dyersville Commercial, of Dyersville, Iowa, of July 27, 1949, which appears in the Appendix.]

ADDRESS BY SENATOR SCHOEPPEL AT THE OIL INDUSTRY'S NINETIETH BIRTHDAY CELEBRATION

[Mr. MARTIN asked and obtained leave to have printed in the RECORD the address delivered by Mr. SCHOEPPEL on the occasion of the oil industry's ninetieth anniversary celebration at the Drake Well Memorial Park, Titusville, Pa., August 27, 1949, which appears in the Appendix.]

LIMITATION OF DEBATE IN THE UNITED STATES SENATE—ARTICLE BY SENATOR MYERS

[Mr. MYERS asked and obtained leave to have printed in the RECORD an article entitled "Limitation of Debate in the United States Senate," written by him, and published in the Temple University Law Quarterly, which appears in the Appendix.]

ACCENT ON UNITY—EDITORIAL FROM THE WASHINGTON POST

[Mr. WHERRY asked and obtained leave to have printed in the RECORD an editorial entitled "Accent on Unity," published in the Washington Post of August 30, 1949, which appears in the Appendix.]

DECLINE IN CAUCASIAN POPULATION OF HAWAIIAN ISLANDS

Mr. BUTLER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a brief article entitled "Territory of Hawaii Caucasian Population Has Loss of 16,764," published in the Honolulu Advertiser for August 21, 1949.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TERRITORY OF HAWAII CAUCASIAN POPULATION HAS LOSS OF 16,764

The net decline of almost 10,000 in the population of the Territory from July 1, 1948, to July 1, 1949, was reflected entirely in the Caucasian group, according to population figures made public by M. A. Taff, Jr., Chief of the Bureau of Health Statistics.

In one year this group dropped from 180,480 to 163,716, a loss of 16,764 persons. The Japanese racial group increased 3,422, from 176,280 in 1948 to 179,702 in 1949, to become the largest single population group.

The third largest group, the part-Hawaiians, increased from 70,110 to 73,277. All other racial classifications remained about the same or increased but slightly.

The alien population, according to the same population report, declined 4,710 during the same 12 months, from 74,020 to 69,310. Major losses were among the Japanese and the Filipinos, whose alien populations decreased 1,154 and 3,090, respectively.

MINIMUM-WAGE STANDARD

The Senate resumed the consideration of the bill (S. 653) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Florida [Mr. PEPPER] as a committee amendment to the text of the substitute.

Mr. TAFT. Mr. President, I wish to make a brief statement in behalf of the bill as a whole. I intend to support one or two of the amendments which will be offered, but I wish to state the reasons why I am in favor of the basic principles of the bill.

Under a system of free enterprise, a system in which economic freedom exists, no one except the Government can afford to pay a man more than the value of the work he does, as reflected by the value of the product and the amount of money people are willing to pay for it. At least no one can afford to do so for very long. I suppose the Government could continue indefinitely to pay people more than they are worth; but no industry

could do it, certainly on a general scale. We cannot raise wages by law simply because we would like to see men and families get more money, because if we do, the ultimate result, if we raise wages too high, is to create unemployment and leave men without any jobs, instead of improving their condition.

The classic instance of that, in my experience, was presented to us when the distinguished Senator from New Mexico [Mr. CHAVEZ] and I went to Puerto Rico. We found that the Federal wage and hour law had been applied to Puerto Rico, which I do not think was intended in the beginning. However, it was applied, though repealed several years later. The result was to destroy the needlework industry in Puerto Rico and for many years put between 100,000 and 200,000 people out of work altogether. They were on the unemployment rolls. So in general we should not raise wages to such a point that a man gets more than the real value of his work.

I do not believe that the minimum wage has any direct bearing on the cost of living. It has no direct relationship to the cost of living. A's cost of living, with a family, may be many times B's cost of living. There is no way I can see to relate the minmum wage to the cost of living. The minimum wage must be related to the value of the work a man does.

On the other hand, under our economic system, particularly where there is no organization of labor, I believe very strongly that wages come to exist which are below the actual economic value of the work. I voted for a minimum-wage law in Ohio when I first went to the legislature in 1921. The particular instance we had at that time was the case of girls coming to the larger cities and obtaining employment in restaurants. They had to accept whatever was offered. The wages they received were far below the real value of the work they were doing. That is one of the justifications for the minimum-wage law. It is to give the unorganized worker some protection equivalent to what the organized worker gets when he is represented by a union dealing with the employer.

I believe also that wages often exist simply because of long custom. Certain wages have always been paid, and they continue to be paid. It is possible that the product is sold for a cheaper price than it need be sold for. People have come to accept certain things as being cheap without realizing that they are cheap because of an artificially low wage in a particular industry. Possibly the price of the product can be raised. Possibly those who say they cannot pay more wages can pay more wages.

We cannot go too far; but it seems to me that we have an obligation to get, if we can, the minimum wage up to a point where people in general get the value they are entitled to receive, but not to the point at which unemployment is created.

The bill proposes to increase the minimum wage from 40 cents an hour to 75 cents an hour, an increase of about 87½ percent. Wages in industry in general have increased far more than that amount. I have here the report of the President's economic advisers, which shows that in the manufacturing industry, where I think there are some 14,000,000 workers, hourly rates of wages since 1939 have increased 118 percent; they have increased from 63.3 cents an hour in 1939 to $1.38 an hour in June of this year. That has been a steady increase, and of course, it has been obtained largely by organized labor—unions—and by general increases in those industries. In the retail trade, where people generally have not considered that there have been any substantial or undue wage increases, wages, nevertheless, since 1939 have increased 103 percent. The 1939 monthly average was 53.6 cents an hour; in May of this year it was 1.11\frac{1}{10}$ an hour.

In bituminous coal mining the increase has been greater; it has been from 88.6 cents an hour in 1939 to $1.95 an hour in May of this year, an increase of 120 percent over 1939. In the building-construction industry, wages have increased from 93 cents an hour to $1.93 an hour, an increase of 107 percent.

So today, among nonagricultural workers, which comprise some 40,000,000 people, there is an average wage rather close—I cannot give the exact figure—to $1.20 or $1.30 an hour.

We are proposing that the minimum wage be 75 cents an hour, or an 87½-percent increase in the minimum wage. Perhaps it is a greater percentage increase than that, because the previous minimum wage of 40 cents an hour was not reached until 1940. Nevertheless, we are trying to bring the minimum wage up nearer to the average wages. If we do not do that, we shall have an increasing disparity affecting the American workers. In the manufacturing industry workers are getting $1.38 an hour, and in the building trade workers are being paid $1.93 an hour, and coal miners are being paid $1.95 an hour. Those are average figures, of course; they include many workers who are paid more than that, and a good many workers who are paid less than that. In the retail trade, where there is less organization and where wages have traditionally been lower, the figure is $1.11 an hour.

So it seems to me that if we wish to do what we can—of course, we cannot do everything at one time—we should provide for unorganized workers a minimum wage having some relationship to other wages, unless we wish to have a growing disparity and unfairness in income in the United States.

Of course, the proper minimum wage for us to decide upon is a guess. Perhaps 75 cents an hour is a little too high; perhaps it is too low. I do not believe anyone can tell. Yet from all the circumstances and from the evidence before the committee, it is my impression that a 75-cent minimum wage in interstate commerce, which is all we can effect, is not going to put anyone out of business or out of work. I believe it is a safe figure.

There is another justification, of course, for minimum wages, and perhaps it was an additional reason for the enactment of the Federal law. That is the fact that if there are very low wages in an industry in one part of the country, that holds down the wages and the standard of living of people in that industry in other parts of the country. One of the reasons for the minimum wage was to provide a minimum which would not permit what may be unfair competition, in effect, because of conditions in one part of the country which would have a generally bad effect upon the condition of workers in other industries.

I do not believe there has been any real dissatisfaction with a minimum-wage law up to date, so far as the wage end of it is concerned. The difficulty with the minimum-wage law and the troubles and difficulties we have had with it have arisen almost entirely from the limitation on hours and the resultant overtime which develops. We do not now propose to change that in any way. It was adopted on a share-the-work philosophy which I think was wrong. I do not think there should have been any share-the-work philosophy; or, if there had been, then certainly as opportunities for employment increase, the number of hours should also increase.

Mr. PEPPER. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. LUCAS in the chair). Does the Senator from Ohio yield to the Senator from Florida?

Mr. TAFT. I yield.

Mr. PEPPER. I was glad to hear the able Senator from Ohio advert to the function of the Federal statute in protecting the employer who wishes to pay a fair wage and does pay a fair wage, against a competitor who is not disposed to do so. Is it not a fact that there were many State laws on the subject of minimum wages, and yet the State laws could not protect the fair employer in one State, in competition with an unfair employer in another State who was not paying a minimum wage? I think the only way that could be done was by the Federal statute.

Mr. TAFT. The Senator from Florida is entirely correct, Mr. President. I was saying that hour limitations were originally passed before this law was enacted, on the theory that people should not be required to work more than a certain number of hours; for instance, in some industries where women are employed, they should not work more than a certain number of hours; and in other industries it was harmful to men to work more than a certain number of hours. But the 40-hour workweek was based on an entirely different theory of sharing the work; and I think some day the whole theory should be reexamined and we should determine whether we wish to continue that kind of provision. But, as I have said, the legislative proposal now before the Senate would not change that in any way. It merely would change the minimum wage to 75 cents an hour.

I do not believe there has been any serious difficulty with the operation of the minimum wage, except in Puerto Rico, where of course the standard of living is half what it is in the lowest State of the United States. Other than in Puerto Rico, I do not believe the minimum-wage end of the law has created any un-

employment; and so long as we keep it in relation to general wages, I do not believe it will create any unemployment.

The American Federation of Labor says the only way real wages can be increased is by an increase in the productivity of the workers. That is done for the most part by giving them better tools. There are some industries which have greatly increased the productivity of labor; there are other industries which have not done so. Yet it seems to me we cannot afford to give the benefit of increased productivity only to the workers in the industries where that has occurred. It seems to me to be obvious that some of the general advantage from increased productivity should spread out over the entire population, and should not be held down so that it does not in any way bring about an increase in the wages of workers who are the lowest in productivity and who therefore get the lowest wages.

There is another reason why the minimum wage will not result in putting people out of work. I believe in all industries which have been paying 65 cents an hour better methods of operation can be found. Many industries are forced, because of competition with other industries, to find better ways of doing the work, so as to increase the productivity of their labor. The number of people who will be put out of work will be infinitesimal. There are ways by which to a certain extent productivity can be increased in a particular industry, and the 75 cents an hour can thereby be justified, even though 65 cents an hour perhaps is all that seems to be payable today.

So, Mr. President, I believe that a minimum-wage theory is consistent with the maintenance of a free-enterprise system, provided we proceed moderately, provided the prescribed minimum wage is in relation to wage rates paid generally in industry throughout the United States, and provided that, so far as the Federal Government at least is concerned, we limit it to matters in which interstate commerce is involved. I see no justification constitutionally or otherwise for the Federal Government's attempt to go into a State and try to fix the minimum wage for all the people in the State. The States have minimum-wage laws. They can perform the function. They are familiar with local conditions. They are far more able to provide a proper variation of wages to meet the particular conditions in each industry. They leave more discretion to State boards to determine what the minimum wages should be, and they can do a piece of work in that field. The Federal Government is interested only in interstate commerce.

I intend to support certain amendments which try to limit the extension of interstate commerce where the courts have tried to extend it; I mean, in order to meet and overrule the Court's attempt to extend it. Of course, I think we have to accept the fact that interstate commerce pretty well goes back to the beginning of production, but I do not think we have to accept any claim that interstate commerce extends to retail distribution, or to distribution within a State, even though the goods come from outside the State. I see no reason why the Federal Government should be concerned with that, and I do not believe interstate commerce, or the constitutional concept of interstate commerce, should extend to the distribution of goods once they have crossed the State line and have been placed in a warehouse or otherwise for distribution solely within the State.

Mr. President, on the general basis of the bill I believe we can hope to maintain a more equitable economy, and I think we can maintain greater equality in the United States and prevent hardship and poverty in many cases through the passage of the pending bill.

Mr. TOBEY. Mr. President, I am addressing my comments first, if I may, to the distinguished Senator from Florida [Mr. PEPPER], and also I should like to invite my friend the Senator from Ohio to make any interpolation he cares to make in my questions in order that I may obtain light on this subject. In common with other Senators—I doubt not they have been receiving communications, too—I have been receiving letters and telegrams from the different interests in my own State of New Hampshire, a small State relatively. I have in my hand a telegram from the president of the New Hampshire Hotel Association, which reads as follows:

> The members of the New Hampshire Hotel Association believe that bill S. 653 would be very harmful to hotels, retail and service establishments. Hotels have no production but specialize in rendering personal service to guests. Compensation to employees in the hotel business consists of wages, meals, lodgings, gratuities, and other considerations and would be impossible to fairly adjust compensation for each individual under a wage-and-hour law. You are urged to support an amendment which would exempt hotels, retail and service establishments. We are very grateful for your good work and helpful cooperation.

The telegram is signed by Mr. O. Theodore Robichaud, president of the New Hampshire Hotel Association. I have other telegrams from similar concerns in the same industry. I inquire if my understanding is correct that Senate bill 653, which seeks to increase the minimum wage 75 cents, already exempts hotels and that they are not placed under the Fair Labor Standards Act?

Mr. PEPPER. The Senator is correct. Hotels and restaurants are not included at the present time under the Fair Labor Standards Act of 1938, and their status is not affected in any way whatever by Senate bill 653, so that, if the bill is enacted by the Congress and becomes law, they will remain not covered by the Fair Labor Standards Act.

Mr. TOBEY. So, if Senate bill 653, establishing a minimum wage, is enacted, it will not affect hotels at all. Is that correct?

Mr. PEPPER. That is correct.

Mr. TOBEY. I refer now to the laundry industry. I doubt not other Senators have had the same experience. I have here a telegram from the president of the New Hampshire Laundry Owners Association, which for the benefit of my colleagues, I shall read:

> WHITE RIVER JUNCTION, VT., *July 13, 1949.*
> Hon. CHAS. W. TOBEY,
> *Senate Office Building,*
> *Washington, D. C.:*
>
> As president of New Hampshire Laundry Owners Association speaking for the organization I strongly urge your support of Senator HOLLAND'S proposed amendment to Senate bill 653 which will I understand clarify the exemption for laundry and dry-cleaning plants. In face of declining volume now being suffered by members of our organization any increase whatever in present minimum of 50 cents per hour means more unemployment for persons normally employed in our industry, and can well mean the actual closing of a number of plants. Give the laundry and dry cleaning industry in New Hampshire a break by going down the line for us this once.
>
> ROBERT M. LEWIS,
> *Williams Laundry Co., President,*
> *New Hampshire Laundry Owners Association.*

I have a similar letter from other laundrymen in the State. The question is: Are their fears unjustified? As I understand, laundries are not now included in Senate bill 653. Is that correct?

Mr. PEPPER. I shall try to answer the able Senator from New Hampshire as accurately and as fully as I can. Senate bill 653 does not change the law upon the subject of the coverage of retail and service establishments. If Senate bill 653 were to become the law, the law on the subject would remain exactly what it is today.

Later on, there will be a fuller discussion of the subject, when the amendment of my distinguished colleague [Mr. HOLLAND] and his associates comes up for consideration. What they complain about is not the provisions of Senate bill 653, but the decisions of the United States Supreme Court in interpreting the present Fair Labor Standards Act? We shall address ourselves to that question when the amendment comes up; but I may merely say now the general explanation is this: At the present time the United States Supreme Court has held, in a decisive opinion on the subject, written by a distinguished former colleague of ours, Mr. Justice Burton, that in determining whether a service establishment is a retail service establishment, or whether a selling establishment is a retail sales establishment—a retail store—if more than 25 percent of the sales of the establishment, service or retail, is to commercial or industrial users or customers or purchasers; if, for example, a service establishment, say, a laundry, does 75 percent of its business, with the ordinary household, and it is a laundry of the ordinary, usual character, then it makes no difference what the other 25 percent of its dollar volume is, it is still a retail establishment and, being a retail establishment, unless it does 50 percent of its business in interstate commerce, its employees are not covered at all.

If the Senator will allow me, while I am on the subject, I shall make the same application to the retail establishment, which we generally think of as a store. Let us remember that all the employees of the retail establishment are exempt,

provided the retail establishment does not do more than 50 percent of its business in interstate commerce. First, to determine what is the criterion of a retail establishment, the statute itself does not lay down any standard, but over the course of years, the Wage and Hour Division has adopted the test supported by the courts, including the Supreme Court of the United States, namely, Is more than 25 percent of the volume of business of the retail establishment of a wholesale character, that is, is more than 25 percent sold to people who purchase for a profit or business motive instead of for the purpose of consumption as the ordinary purchaser buys when he goes into the ordinary retail establishment? In the case of a store, if only 25 percent, or less than 25 percent, in dollar volume of the sales of the retail establishment are either to commercial users, industrial users, or in large quantity, it is still a retail establishment. But if more than 25 percent of its dollar volume sales are to commercial purchasers, industrial purchasers, or purchasers who buy with a profit motive in large quantity, then it does not have the status of a retail establishment.

Mr. TOBEY. But the part over and above the 25 percent that brings them within the pale of the law is the only part that would come under the law. Is not that true?

Mr. PEPPER. No. It is very significant as to whether it is a retail establishment or whether it is not. If it is a retail establishment by the definition we have just discussed, then it can do 50 percent of its business in interstate commerce, across State lines, and still not be covered by the law. It could not do that unless it were a retail establishment and had a statutory exemption. If it is not a retail establishment, if more than 25 percent of its business is other than retail, so that, in substance, it is wholesale in character, then the employees of the establishment who participate in interstate commerce are covered by the law, but only the employees who so participate. In the case of a wholesale mercantile establishment, that would include those engaged in the ordering of the goods and in the receipt of them, and perhaps in their storage in the warehouse. But it would apply only to those engaged in an interestate operation.

Mr. TOBEY. I thank the Senator. I should like to make one more comment——

Mr. PEPPER. Senate bill 653 does not change the law whatever on that subject.

Mr. TOBEY. I thank the Senator for his enlightening statement.

Mr. HOLLAND. Mr. President, before we leave the field of laundries, I should like to make a very short statement in connection with that field.

Mr. TOBEY. I was about to take up another subject, so the Senator may go ahead, please.

Mr. HOLLAND. I may say to the distinguished Senator from New Hampshire that after having made a careful study of the situation of laundries, it is completely clear to me that the status of laundries is just about as clear as mud, under the present law, and that that is what is causing their concern.

I have in my hand two letters from the Wage and Hour Administrator, one dated July 2, 1942, to former Representative Hartley, of New Jersey, and the other dated January 6, 1947, to Representative NORRELL. They are too long to go into in great detail; but I think it would make it completely clear as to the mess, if I may use that word, the laundries are in, if I should read two paragraphs from the latter letter, that of January 6, 1947, to Representative NORRELL, and then perhaps make a brief statement. Here is a paragraph taken from page 2 of that letter:

> As early as 1940 my predecessor as Administrator of these divisions publicly expressed the opinion that some laundries could qualify as service establishments and others could not. Those which could qualify were stated to be the ones who restricted their customers to private individuals and householders and who limited their work to laundering and cleaning of wearing apparel and household linens. The opinion went further and explained that other types of laundries engaged in work for commercial customers, such as hotels, restaurants, manufacturing establishments, and other laundries could not qualify as service establishments.

The Senator will see that the line of distinction was not based on the question of intrastate commerce as against interstate commerce, but solely, for the purposes of this particular paragraph, on the kind of customers.

Coming to the last page of the letter, I shall read four paragraphs which show the present confusion:

> In June 1943 the Circuit Court of Appeals for the Sixth Circuit decided the case of *Lonas* v. *National Linen Supply Company* This was a case in which an employee sued a laundry which was the kind the Administrator had said was not a service establishment. The circuit court of appeals ruled in favor of the laundry and said in effect that all laundries were service establishments, regardless of the kind of customer they served.
>
> The Supreme Court of the United States was asked to review this case, and on November 8, 1943, it refused to do so. Thereafter I issued a public statement directed particularly to the laundries in which I said simply that I would withhold any action against laundries so long as this decision of the circuit court of appeals remained effective.

In other words, the circuit court of appeals held that the laundries were service establishments and were exempted, and the Administrator announced that he would not proceed against any of them.

I continue to read from the letter:

> On January 28, 1946, the Supreme Court of the United States decided the case of *Roland Electrical Company* v. *Walling*. Although this case did not involve a laundry, it did involve the question of what constitutes the kind of service establishment which was entitled to the exemption, and in its decision the Supreme Court overruled the earlier decision of the circuit court of appeals in the Lonas case.
>
> The laundry industry, of course, has known of this decision for almost 11 months, and a few weeks ago I issued another public statement specifically directed to the laundry industry in which I advised that industry that beginning January 15, 1947, my enforcement policy will be to apply the law to those laundries which, under the opinion expressed by the former Administrator and under the decision of the Supreme Court, are not entitled to the exemption.

Mr. President, the best I can get from these letters, after reading the cases, is that the Administrator now places laundries on notice that the decision in the Roland case has muddied up the question and that they proceed at their own risk.

The amendment which is referred to as the Holland amendment, though I am joined in it by five other Senators—the Senator from Iowa [Mr. GILLETTE], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Pennsylvania [Mr. MARTIN], the Senator from Nebraska [Mr. WHERRY], and the Senator from New Hampshire [Mr. BRIDGES]—seems to make the matter perfectly and crystal clear. The amendment is asked for by the laundry people, because they do not know what their situation is, and they are peculiarly apprehensive, not only because the situation is not clear—on the contrary, it is scrambled—but because their hazard is perhaps enhanced by increasing the minimum wage, under the pending bill, from 40 to 75 cents.

So, if I may be permitted to supplement the statement of my distinguished colleague, I would say that insofar as laundries are concerned, I do not believe their status will be clarified by the passage of Senate bill 653, and that it seems to me the Senate would be wise to clarify their status as has been attempted to be done by the House in passing a few days ago the Lucas amendment which embraced a great many things, some of which I approve and some of which I do not approve, but which contained, among other things, the specific wording in the so-called Holland amendment, including the language applicable to laundries and also applicable to retail and service establishments generally.

Mr. TOBEY. Since the document from which the Senator read was dated in 1947, can the Senator state whether there has been any subsequent change in interpretation?

Mr. PEPPER. If the Senator will allow me——

Mr. TOBEY. I yield.

Mr. PEPPER. My distinguished colleague referred to confusion, and I thought at one time there was some innuendo of criticism against the Administrator. I was sure, as he read on, that it became clear and that such innuendo was not intended. But the ruling of the Administrator, put into effect in 1947, was based upon the decision of the United States Supreme Court, rendered in 1946. Of course, prior to that time, the Administrator had to be governed by the law as it was declared by the circuit court of appeals, but afterward the United States Supreme Court, Mr. Justice Burton writing the opinion, laid down an opinion which the Administrator thought supported him, and he changed his regulations in accordance with the interpretation of the law declared by the Supreme

Court. Those regulations remain in effect at the present time.

I may say that I do not think it is a question of ambiguity which is involved, but the industry wants to get out from under coverage. It wants Congress to repeal the decision of the Supreme Court because it does not like the definition and the interpretation of the law made by the Supreme Court. Of course Congress has ample authority to do that, but we who are the advocates of not changing the law as the courts are interpreting it would like our colleagues not to take a position reversing the Supreme Court of the United States until they have heard both sides of the case, because, otherwise, it would have the effect of removing several hundred thousands of persons from coverage who are now covered by the law. That is also pertinent to this discussion.

Mr. TOBEY. I thank the Senator from Florida.

Mr. HOLLAND. Mr. President, will the Senator yield further?

Mr. TOBEY. I yield.

Mr. HOLLAND. I think some Senators might misunderstand the statement of my able colleague to have been that the decision of the Supreme Court related only to laundries. As a matter of fact, it related to the sale of manufacturing machinery to manufacturers. The real point was whether that kind of sale should be considered as a retail sale; but the language of the decision is such that the Administrator says it applies to laundries, and he has, therefore, put them on notice that it does apply to them.

I may say, in order to clarify the matter as much as it can be at this time, thought I expect to go into it in greater detail, that the pending amendment does not in any way seek to exempt a laundry which is in interstate business, that is, doing business on an interstate basis. Nor does it attempt to exempt laundries which have served railroads, bus lines, and the like, which are in interstate business. It does seek to make crystal clear the fact that local laundries which are performing a local service, are just as much exempt if they take laundry from a local hotel, local courthouse, local city hall, or local business building, as they are if they take laundry from the homes of the community which they serve. Of course, there is a percentage basis, which is the same percentage that is in the interpretative ruling of the Administrator.

Mr. TAFT. Mr. President, will the Senator from New Hampshire yield?

Mr. TOBEY. I yield to the Senator from Ohio.

Mr. TAFT. The Senator no doubt is familiar with the original Wages and Hours Act. That act exempts altogether any employees engaged in any retail or service establishment the greater part of whose selling or servicing is in intrastate commerce. In my opinion the Supreme Court opinion has whittled that down. I presume to differ with the Supreme Court, at least with their language. The Supreme Court has not taken an absolutely definite position, but they at least suggest various kinds of businesses as not being retail or service establishments which I think are retail or service establishments.

The Senator has cited the case of a laundry. They suggest that a laundry that is providing laundry service for an industrial establishment is no longer a retail-service establishment whose selling is in intrastate commerce. It seems to me it is such an establishment.

Then we have the case of the establishment selling farm equipment. The Administrator himself says that farm implement dealers are retail sellers. But later on he says that the Supreme Court has grave doubt on whether it will uphold the decision that the sale to and the servicing for farmers of farm equipment is exempt-type selling or servicing.

The Supreme Court suggest, at least, that if one sells farm equipment to a farmer, equipment which he is going to use on his farm in producting goods for other people, it is not a retail sale. I think obviously it is a retail sale. They say, in effect, that a paint store which sells paint to one to paint his house is a retail store, but if it sells the same quantity of paint to a painter who comes and paints the house, then it is not a retail store. In other words, gradually they have been entrenching on the original amendment.

I think all of the difficulty would be cleared up by the adoption of the amendment of the distinguished Senator from Florida. When we adopt it, I do not think we will do one thing more than reaffirm the original position of the Congress of the United States in the first wage-hour law, in which Congress said that "any employee engaged in any retail or service establishment the greater part of whose selling or servicing is in intrastate commerce" was exempted. The amendment would reaffirm the original law, removing the doubts which have been cast on it in rulings in Supreme Court cases and other cases.

Mr. TOBEY. Mr. President, let me say to the Senator from Ohio that I was a Member of the House of Representatives when the 40-cent minimum wage law was passed—it seems like four centuries ago—and having a minimum wage law of that kind has been a disgrace to the country, in my opinion.

I should like to see the minimum wage law, in accordance with Senate bill 653, fix the minimum wage at 75 cents. But I do want consideration for those who write me, who apparently are sincere, and who are worrying about their position under the proposed law. Apparently the Senator from Ohio feels that the pending bill, with the Holland amendment, would take care of the idiosyncrasies and the whittling down processes to which he has referred.

Mr. TAFT. Mr. President, I think it would take care of retail stores, farm-equipment dealers, laundries, hotels——

Mr. TOBEY. The hotels are now out, are they not?

Mr. TAFT. The hotels are out, I think there is a good deal of language in the cases which suggests that some hotels might be found to be under the interstate commerce provisions.

Mr. TOBEY. What is the Senator's judgment about it?

Mr. TAFT. If I had been originally construing the law, I would have excluded hotels. But I am not sufficiently familiar with the cases which have raised these questions, and some kinds of hotels are very much concerned lest they be covered by the law.

Mr. PEPPER. Mr. President, will the Senator from New Hampshire yield?

Mr. TOBEY. I yield to the Senator from Florida.

Mr. PEPPER. I interrupt only, if the Senator from New Hampshire will accept my apology, because I have before me Interpretative Bulletin No. 6, Retail and Service Establishments, issued June 1941, in which they quote as follows on page 6:

> Typical examples of service establishments akin to retail establishments, within the meaning of the exemption are: Restaurants, cafeterias, roadside diners, hotels, tourist homes, trailer camps, home laundries, barber shops, beauty shops, public baths—

And so on.

Mr. TAFT. I quite agree with the Senator that the present ruling of the Administrator is that they are exempt, but the representatives of the hotels do not feel a bit certain that under the decisions they will stay exempt, at least as to certain types of hotels.

Mr. THYE. Mr. President, will the Senator from New Hampshire yield?

Mr. TOBEY. I yield to the Senator from Minnesota.

Mr. THYE. I should like to ask whether Senate bill 653 in any manner changes the exemption now allowed canneries, commercial canneries, such as canneries which might be engaged in processing peas, sweet corn, or any of the vegetables. They have been exempt under the law. Does Senate bill 653 in any way change that exemption?

Mr. PEPPER. If the Senate should adopt the committee amendment which we propose, the present law would not be changed with respect to the subject inquired about by the Senator, namely, canneries and other agricultural operations.

Mr. THYE. They are engaged seasonally, and when the season arrives, they must work night and day, Sundays and Saturdays.

Mr. PEPPER. We understand that. At the present time the law is that certain types of operations which are in the area of production get complete exemption from both the minimum wage and maximum hours provisions of the law. All those which are outside the area of production are entitled to a 14 weeks' seasonal exemption from liability to pay overtime, not minimum wages, but from overtime, and it is within the discretion of the Administrator to award them an additional 14 weeks' seasonal exemption if an appropriate showing therefor is made. Our bill, when the committee amendment, as I hope it will be, is adopted, will leave the law on that subject entirely unchanged.

Mr. THYE. I should like to ask a further question, relative to creameries.

Mr. PEPPER. The answer is the same with respect to creameries or any other agricultural operation. When the bill was reported to the Senate, as other Senators on the floor who are members of the committee will attest, we did attempt to make a step forward by removing the exemption of the minimum-wage coverage for workers engaged in the processing of agricultural commodities within the areas of production. But there was considerable objection to that action of the committee on the part of our colleagues, and finally at a meeting of the committee we resolved, in the interest of trying to forward the legislation, to restrict that proposal, and yesterday I offered an amendment on behalf of the committee which, if adopted, will leave the law exactly as it is with respect to employees in any agricultural operation.

Mr. THYE. I have had a great number of telephone calls and other communications concerning the exemptions allowed telephone companies. At present they are allowed 500 subscribers.

Mr. PEPPER. They are allowed 500 units at the present time. Where they do not have more than 500 units, they are exempted from the coverage of the law.

Mr. THYE. The increase in the number of telephone subscribers of many small telephone units existing in small cities or towns has placed them beyond the exemption.

Mr. PEPPER. If the Senator from New Hampshire will allow me, I will say there is no doubt that a great many people believe that the number should be raised to 750 subscribers. They believe that one of the 500-subscriber exchanges in existence at the time the law was previously enacted, would no doubt have 750 subscribers now.

Mr. THYE. That seems to be only a common-sense assumption.

Mr. PEPPER. To be perfectly candid with the Senator, I will say the House extended the exemption to 750 units. The problem we are going to be obliged to face, Mr. President, in consideration of this law, is basically this: At a time when we were holding out a little hope and a little encouragement to the workers of the country that we were going to add a little bit to the assistance they might expect, are we going to raise the wages of some and take others out from under the coverage of the present law? To be perfectly frank, I might as well say now, not in criticism, but by way of explanation, that the bill which has come over to us from the House of Representatives, and which adopts the 75-cents-an-hour wage criterion, will benefit, in respect to wages, about 1,250,000 workers, according to an estimate of the Department of Labor; but it is the estimate of the Department of Labor that about 1,000,000 workers now covered by the present law will be taken from under any coverage. I am not so sure that that is a victory for the cause of aiding the worker. We start out first with the hope that we might extend coverage and raise wages. If we wind up, however, by taking away the coverage of a great many workers, I am not so sure, as I said before, that that can be considered to be a victory for the cause of aiding the workers.

Mr. TOBEY. Is it the Senator's thought that by adopting the proposed amendments the legislation now pending before the Senate would be analogous to or exactly in the form of the House bill as it came to the Senate in the first place?

Mr. PEPPER. There is no doubt that every one of these amendments, whatever merits they may have, will have the legal or practical effect of removing coverage from many workers throughout the country now covered by the law of the land.

Mr. SCHOEPPEL. Mr. President, will the Senator yield?

Mr. TOBEY. I yield to the Senator from Kansas.

Mr. SCHOEPPEL. I should like to say to the Senator from New Hampshire that the very question he has raised with reference to laundries and hotels, and the question raised by the distinguished Senator from Minnesota [Mr. THYE], is being raised in my State, and there is a very definite desire for a greater degree of clarification in reference to those industries which are in that agricultural section of the United States than the measure now pending before us presumes to give them. So I am going to be very definitely interested, I say quite frankly, in the extent to which the amendments might go because there is a general feeling that much confusion exists, and the laundry industry and hotel proprietors and owners are in much of a quandary as to what is going to happen to them.

With respect to the telephone companies in Kansas, the general feeling has been that if the minimum were placed at 750 subscribers, a greater degree of good would be accomplished than by leaving the figure at 500 subscribers, in view of the increase in the number of subscribers that has come about in local communities, as the Senator knows.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. TOBEY. I yield.

Mr. PEPPER. I made a misstatement inadvertently a moment ago. I stated that the House bill raised exemptions to telephone exchanges to those having 750 units. I was in error in that statement. The House voted down the amendment which made such provision, and under the House bill the present exemption of 500 units is made.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. TOBEY. I yield.

Mr. HOLLAND. Since the question of hotel exemption has come into discussion, I may say that I agree entirely with my distinguished collegaue and with other Senators, that hotels were never intended to be included; and that hotels and restaurants should be exempted and excluded.

I call Senators' attention to the fact that there are two reasons why hotels and restaurants are both extremely apprehensive. First is the fact that a Federal court has already in one case held that a restaurant, though independently owned and managed, and having nothing to do with a factory, though its principal job was to feed the employees of the factory and others who come in, was not exempt under the provisions of the act. Furthermore, one of the largest of the labor organizations is now taking the position very aggressively that hotel labor comes under the purview of the National Labor Relations Board, and is moving to that end by an affirmative course which could be discussed if it were necessary.

The point I make is that not only because of the two matters which I have mentioned, but also because of the general situation which has resulted from the fact that when there is any relation at all to interstate commerce—and, of course, many times the guests at hotels are travelers from other States—there seems to be the desire to reach out and grab more jurisdiction not only under this law but under similar laws. The hotel people and the restaurant people feel that they are entitled to have their status made perfectly clear under the provisions of the amendment, so there can be no question of their inclusion, particularly when it is now sought to raise the minimum wage to 75 cents an hour. So they are apprehensive, and have communicated their apprehensions to the Senator from New Hampshire, and I may say, after having made a study of the situation, I feel they are thoroughly justified in their apprehensions.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. TOBEY. I yield.

Mr. WHERRY. I want to voice complete accord with the observations made by the distinguished junior Senator from Florida, and also those made by my colleague from Kansas [Mr. SCHOEPPEL]. I have received many communications from people of my State who are completely confused about this matter. I have received communications and requests from laundry owners and restaurant owners, and also from retail implement dealers, coal dealers, and hardware dealers that clarification be made of the existing confusion. I am not sure that all of them are taken care of by the Holland amendment. I think we have to go further than that amendment goes. I desire to join in the particular effort being made by the Senator from Florida, because I feel there is a need for clarification, judging from the mass of correspondence I have received from my own State of Nebraska as well as from other States of the Union.

Mr. TOBEY. Mr. President, I speak directly to the chairman of the subcommittee, the distinguished senior Senator from Florida [Mr. PEPPER]. I am sure the Senate will pardon the personal observation I wish to make, because the experience I shall mention relates to the bill. Last winter, during the examination conducted by a subcommittee of the Senate Committee on Interstate and Foreign Commerce into the Textron enterprises, we discovered a situation in Puerto Rico which puzzled me. We found that while the textile workers in the North and in the South were receiving $1.23 an hour, in Puerto Rico the

workers were receiving 25 cents an hour, and in the sewing rooms women are working for 15 cents an hour. Of course, I realize fully what was stated a moment ago, that living conditions are different, and so forth. Yet the disparity in wages was far more extreme than the difference in living conditions would justify. I desire to read recommendations from the report of the subcommittee of the Committee on Interstate and Foreign Commerce in connection with our investigation of Textron, Inc.:

The subcommittee urges that the appropriate committees of the Congress consider the various aspects involved in the Puerto Rican problem with a view to adopting these proposals in part or in full. They are as follows:

1. Raise the minimum wage of the industrial employees in Puerto Rico to such a level as will eliminate the unfair competitive advantage that now exists by virtue of low-cost production as effected by the use of cheap labor.

In the report of the Committee on Labor and Public Welfare, cognizance is taken of that situation, and they are referring to Puerto Rican and Virgin Island industries when they say as follows, which appears on page 4 of the committee report on S. 653:

The bill provides that such procedures will continue to be used with respect to such employees with a view to bringing the rates in these islands as rapidly as is economically feasible up to the 75-cent minimum-wage objective. The evidence before the committee is clear that Puerto Rican and Virgin Island industries still need the special procedures provided for by the Congress in 1940. It is expectation of the committee that under the provisions of the bill existing minimum-wage rates in the islands will be reconsidered as rapidly as possible in order to assure that the highest minimum-wage rates practicable will be established and that industries in the islands will not gain a competitive advantage over the comparable industries on the mainland.

So the Senator's thinking and the thinking of the committee which adopted this provision squares with what the Subcommittee on Interstate and Foreign Commerce, of which I was chairman, recommended in its report last fall, which report was later adopted by the full committee of the Senate.

I think it should also be pointed out, as collateral evidence, that certain industries have gone to Puerto Rico and reaped the benefit of a 25-cent minimum wage, as against a wage of $1.23 here. Furthermore, they have been given a 12-year holiday from all Federal income taxes. As a result of the small wages and the tax exemption, both the North and the South will suffer from that kind of policy. We have given hundreds of millions of dollars to this ward of ours, which is now siphoning off our industries. She is like the sirens in the Aegean Sea in ancient times, who combed their hair and lured sailors to their doom. This bait is offered, and our industries go down there. In 12 years an industry which receives a tax holiday can write off the cost of the entire plant. I understand there are six such industries down there now.

This is a part of the entire picture. We are interested in America, and in Puerto Rico, but we want justice and equity to prevail in the relationship between those two great entities, and between the Puerto Rican industrial situation and the textile industry here. Does not the Senator agree?

Mr. PEPPER. Entirely so.

I see the able Senator from Ohio [Mr. TAFT] in the Chamber. Since the question of hotel coverage has arisen, I think it might be well to clarify this question, not only with respect to the Fair Labor Standards Act, but also with respect to the National Labor Relations Act, because no doubt the two may be considered as related. We know that this question has been raised. There was some discussion during the hearings conducted by the Joint Committee on Labor-Management Relations, of which the Senator from Ohio and I are members, as to whether hotels were covered. As I recall, Mr. Denham testified in those hearings that because hotels were substantial buyers of such items as linen and soap, much of which passes across State lines, and because commercial hotels were designed to accommodate the traveling public, their business would affect interstate commerce, and that he, as general counsel, intended to assert jurisdiction.

However, if I recall correctly, Mr. Herzog, Chairman of the Board, testified that in his opinion jurisdiction might depend on the size of the hotel, and that there might be a difference between a country inn and a commercial hotel in a city serving traveling salesmen.

I am informed that in a case which came up from Miami Beach, Fla., involving the Vanderbilt Hotel, the National Labor Relations Board held that the Board did not have jurisdiction in that case over a labor dispute, and therefore that the National Labor Relations Act did not cover wage disputes with respect to hotel employees and hotel managements.

I thought it might be appropriate, since this question has arisen, to inquire with regard to this situation of the able Senator from Ohio, who is one of the primary authors of the Taft-Hartley law, and also the principal author of the recent bill which was passed by the Senate, called the Taft law.

I wonder if the able Senator from Ohio can tell us whether it was the intention of the authors of the Taft-Hartley law, or of those associated with him in the sponsorship of the recent Taft bill on the subject of labor-management relations, that hotels should be covered, and that disputes between employees of hotels and the management thereof should come within the National Labor Relations Board jurisdiction, or under the provisions of the Taft Act.

Mr. TAFT. Mr. President, the Senator from Florida told me that he intended to ask this question. Of course, I cannot speak for all those who framed the Taft-Hartley law, or the bill which was passed by the Senate this year. However, I am told that during 13 years of operation under the Wagner Act the National Labor Relations Board never took jurisdiction over a hotel. The Taft-Hartley law did not change in any way the language providing the jurisdiction of the Board, or the general definition of interstate commerce.

It was not my intention in 1947, nor do I believe it was the intention of other members of the Committee on Labor and Public Welfare, to broaden or extend the jurisdiction of the Board in that respect. In fact, I feel very strongly that it should not be done. In recent years we have seen a growing tendency on the part of the administrative agencies to extend their jurisdiction in fields previously reserved for State action. Merely because a local retail or service industry receives merchandise which has crossed State lines, it does not follow, in my opinion, that the local enterprise is one which affects interstate commerce. A hotel performs its service within four walls. It ships nothing into commerce. It produces no goods for commerce. In my opinion the act was never intended to cover the hotel industry.

Mr. PEPPER. Would the statement just made by the able Senator from Ohio apply equally to resort hotels, as well as commercial hotels, serving the general public?

Mr. TAFT. I do not believe that the act was ever intended to cover any part of the hotel industry, as we know it, whether we are considering resort hotels or the more common commercial hotel found in both cities and small towns. At least, I am sure that such was never my intention.

Mr. PEPPER. I thank the Senator.

Mr. THYE. Mr. President, I should like to ask the able Senator from Florida a question. I noted that in the House language, by a specific provision, newspapers of 5,000 circulation and under were exempted, whether they were weekly newspapers or daily newspapers. I wondered what the attitude of the committee or the Senate might be on the question whether we should amend that provision so as to provide the same exemptions as are provided in the House language.

Mr. PEPPER. Mr. President, the Committee on Labor and Public Welfare has not affected that subject at all. We have not offered, and do not contemplate offering, any amendment on that subject. Rather, we contemplate leaving the law as it is at the present time. However, that would be one of the subjects in conference between the Senate and the House. I do not see any great detriment in our agreeing to the House language in conference. I do not wish to commit myself to a solemn decision at this time. Certainly I have no right to commit my colleagues who may be in the conference. But that is certainly one of the subjects for conference. Since the number of subscribers is not increased, the effect inevitably would be to let out from under coverage a few workers who are now covered. At the present time only weekly newspapers having fewer than 5,000 subscribers are exempt; but the employees of a daily newspaper, even though it has fewer than 5,000 subscribers, are presently covered. If we exempt them by a

provision in this bill, it means that we take coverage away from so many more workers who are now covered. I do not know the number of workers who would be adversely affected, but that question poses a problem.

Mr. THYE. Did the committee give some consideration to the question?

Mr. PEPPER. I do not recall that emphasis was placed upon the question in the hearings. Frankly, at the moment I do not recall whether it was brought to the attention of the committee in the course of the hearings or not. I do not recall any witness who appeared before the committee at its hearings to ask for such an exemption. I can refresh my memory by referring to the record.

I ask the Senator from Ohio whether he recalls any witness appearing before our committee at the hearings and asking that the exemption which is currently extended to weekly newspapers of less than 5,000 circulation be extended to daily newspapers.

Mr. TAFT. I do not remember any. Of course, more extensive hearings were held last year before the subcommittee of which the Senator from Connecticut [Mr. BALDWIN] is a member, but I do not believe that any such request was made at that time.

Mr. PEPPER. The representative of the staff does not recall that that subject was brought to our attention in the course of the hearings. However, as I stated yesterday, to as great an extent as possible we are trying to confine our bill to the purpose of raising the minimum wage to 75 cents an hour, leaving the more controversial subjects for future consideration by Congress.

Mr. THYE. Without changing any of the exemptions or coverages?

Mr. PEPPER. That is correct, with the exception of those amendments which we have accepted at the urging of our colleagues. Had our bill, with the committee amendment to which I referred earlier, with regard to area of production, been adopted, we would not have extended coverage at all, except perceptibly in the field of child labor. We would have given protection to some children who would not otherwise have had it. But I believe that is the only instance in which we move forward in the extention of coverage and protection.

Mr. THYE. But the committee intends, in the course of the Eighty-first Congress, to study the entire question of exemptions.

Mr. PEPPER. Yes. As I stated yesterday to the distinguished Senator from Mississippi, there are many questions which might be considered by the Congress. It might consider proposals to adjust this or correct that, or perfect something else; but we feel that at this stage of the session it would be difficult to undertake a rewriting of the entire basic Fair Labor Standards Act. However, I assure the Senator that, if I am in the conference with the House of Representatives, sympathetic consideration will be given to the provision in the House language which allows exemptions to employees of newspapers with less than 5,000 circulation.

Mr. THYE. With that assurance, I shall not belabor the Senate or the committee with an amendment to that effect.

Mr. PEPPER. I thank the Senator from Minnesota very much.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. LANGER. I should like to inquire whether or not mutual telephone lines are excluded.

Mr. PEPPER. At the present time the law makes no distinction between a mutual or cooperative telephone exchange and one which is privately operated for profit.

Mr. LANGER. I am informed by various letters and telephone calls from North Dakota that lines in small towns with less than 500 subscribers cannot possibly exist in competition with the large telephone companies, because the larger companies can take money from the big cities to make up deficits in smaller places.

Mr. PEPPER. The committee had very definite testimony pro and con on the question of exemptions for telephone exchange operators and employees. The union representatives and representatives of the employees told us how great was the need for the removal of the exemption now had and for the extension of the law. There were others, who represented management, who argued for a greater exemption than the law now allows.

So it is simply a question of whether Senators feel we should remove from coverage certain workers who now are covered by the law or whether we should give them a little greater benefit.

Mr. LANGER. How many fewer people will be covered by the proposed legislation now before us?

Mr. PEPPER. I am advised by a member of the staff that it would unfavorably affect about 10,000 employees to raise the exemptions from 500 to 750 subscribers.

Mr. TAFT. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. MCFARLAND in the chair). Does the Senator from Florida yield to the Senator from Ohio?

Mr. PEPPER. I yield.

Mr. TAFT. I am advised that there are about 10,000 companies having 500 subscribers or less. There are about 580 additional companies having between 500 and 750 subscribers. How many employees there are per company in the case of the 580 companies, I do not know. I would not suppose there would be quite as many as the Senator suggests. I would think it would be more than three or four per company, but I might be mistaken.

Mr. PEPPER. There are that many employees in that field. Figures as to the number per company would be only an estimate. But I certainly think it would be several hundred, and it might be a thousand or two thousand.

Mr. LANGER. Can the Senator also tell me about the laundry situation? There are many small laundries in my State. Are they covered?

Mr. PEPPER. I think I can say unequivocally that small laundries are not covered. No laundry is covered unless more than 25 percent of its business goes to industrial concerns or to business concerns or to people who get service in larger volume than the ordinary laundry customer does.

Mr. LANGER. I thank the Senator.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. WHERRY. I should like to ask the acting majority leader whether he understands that it is the intention of the majority leader to have the Senate continue in session tonight.

Mr. PEPPER. It is the desire of the distinguished Senator from Illinois [Mr. LUCAS], the majority leader, that we progress on the bill during the day as far as we can, and it is the hope to conclude action on the bill either tonight or tomorrow or tomorrow night. The Senator will recall the announcement of the majority leader that he was disposed to have the Senate take a week's recess after the conclusion of action on this proposed legislation, if the Senate chooses to do so.

Mr. WHERRY. Can the Senator from Florida state whether there has been a decision regarding a recess for an hour tonight between 7 and 8 o'clock?

Mr. PEPPER. I have not been consulted about that; but I think it is a wise course, and I should be glad to have that done.

Mr. WHERRY. Many Senators have inquired about the plans for tonight.

Mr. PEPPER. Mr. President, I have just this moment received word that that is the plan for the majority leader, and I assume that will be done.

Mr. WHERRY. So the acting majority leader says there will be a recess between 7 and 8 o'clock tonight; does he?

Mr. PEPPER. That is the information I now have, and I think the Senator can rely upon it.

ANTITRUST LAW PROSECUTIONS IN THE OIL INDUSTRY

Mr. GILLETTE. Mr. President, the junior Senator from Iowa has often been critical of the practice of using the consideration of appropriation bills for the discussion of extraneous matters. However, I have a very good reason for asking the indulgence of Senators for about 15 minutes while I make a statement on a subject of outstanding interest, I believe, to all persons in the country. The statement is one which I intended to make several weeks ago; but in view of the fact that it dealt with certain correspondence between the Office of the Attorney General and my office, I reached the conclusion that the presentation of the statement at that time might be considered as critical of the then Attorney General, whose nomination to a seat on the Supreme Court was then pending in the Senate, and who has since been confirmed, and now is an Associate Justice of the Supreme Court. Because of that situation I delayed making the statement. But I wish to make it now.

Recently, there has been considerable agitation and discussion relative to the need for strengthening our antitrust

laws. Several Senators, individually or through committees, have been assiduously studying this need and have been suggesting legislation to implement the need. Mr. President, we can pass all the antitrust laws we can conjure up and we can appropriate all the money necessary to enforce such laws; but unless there is a determined effort to file the necessary suits for enforcement and to prosecute the suits to a favorable conclusion, there will be little effectiveness in our antitrust legislation. Under the Sherman Antitrust Act, only the Attorney General can authorize the institution of a suit. A district attorney might have all the evidence in the world on which to base a suit under that act, and he might have all the necessary zeal to prosecute for infractions of the law; but his hands are tied until the Attorney General of the United States approves the institution of the action.

Following the winning of the Government's criminal case against many of the major oil companies at Madison, Wis., in the period 1936–40, there were a great many Senators and House Members, including myself, who felt that something more was needed in that field of activity. We felt that the 22 integrated oil companies should be enjoined from continuing to exploit the people in the manner that was evidenced in the disclosures in the Madison oil trials, and that they should be put under some restraining order of the courts.

It is interesting in this connection to call attention to some recent correspondence between the former Attorney General, Hon. Tom Clark, and myself. On April 13, 1949, I addressed to the Attorney General a letter, which I shall now read:

The Honorable TOM CLARK,
Attorney General of the United States, Department of Justice, Washington, D. C.

MY DEAR GENERAL: On September 18, 1940, during my former Senate service, I addressed a letter to the Honorable Robert H. Jackson, who was then Attorney General, with reference to the discussions then under way pertaining to the filing of an antitrust suit against the 22 major oil companies. There was at that time some opposition to the filing of such a suit on the part of the National Council for Defense. I had urged at that time that a prayer be inserted in the proposed complaint asking for divorcement of the oil industry into its various logical segments.

On September 28, 1940, Mr. Jackson replied that he had authorized the Antitrust Division to commence the proposed civil action so far as it sought to present existing abuses in the oil industry, but delaying the divorcement issue until a later time. Mr. Jackson stated in part in his letter to me:

"The Defense Commission indicated that a court decree of divestiture at this time would create a number of serious problems for the national defense. Accordingly, this action does not seek at this time to compel the oil companies to get rid of their pipe lines, barges, or other facilities for the transportation and distribution of petroleum. I believe there might be serious consequences from a disruption of these facilities at a time when we have no capital presently willing, so far as I am able to ascertain, to acquire and operate these facilities for themselves.

"The National Defense Commission, however, referring to the divestiture phase of the case says: 'The Commission does not suggest that the proposed suit should be abandoned.' It is not being abandoned either in a later action or by amendment of proceedings in the existing suit if at the time of trial it shall appear that the abuses in the oil industry can be corrected in no other way."

The suit was filed on September 30, 1940, in the District Court for the District of Columbia and is known as Civil Action No. 8524, the *United States of America* v. *American Petroleum Institute*. On February 22, 1944, Attorney General Francis Biddle addressed a letter to me, which said in part:

"The antitrust suit, *United States* v. *American Petroleum Institute et al.*, has been continued until the termination of the war."

As you know, I was not in the Senate at the time the war ended. At that time, I understand there were rumors afloat that this civil action would be dismissed. In fact, a story to that effect was carried in the New York Journal of Commerce on February 20, 1946. I have been told that when this clipping was presented to your office, Acting Attorney General J. Howard McGrath wrote the inquirer in part as follows:

"There is no basis of fact for the recent article in the New York Journal of Commerce to which you refer. The Department is not contemplating dismissing the American Petroleum Institute or any other defendant involved in that case."

I am now told that rumors are circulating to the effect that your Department intends to dismiss this suit. It is my feeling that the suit ought not to be dismissed but that vigorous effort should be made to proceed to bring the case to trial and, at this time, amend the pleadings to seek judicial divestiture of the 22 major oil companies. I am very sure that but for the imminence of war your predecessor in office would have included such a prayer for divestiture at the time of filing the suit.

This suit was based on disclosures made at the Madison oil trials, the Temporary National Economic Committee hearings and the investigations by your Department. There has been too much work put in this case to even consider its dismissal at this time. It seems to the undersigned that to dismiss would be tantamount to giving the defendants a clean bill for their many years of violation of the antitrust laws. Similarly, it would seem that those who have suffered, particularly the independents and the consumers, would be denied relief they justly deserve.

I should like to have you comment on the above and I am hopeful that it will be your policy to instruct your antitrust division to proceed with a speedy trial of this case.

With personal greetings, I am,
Sincerely,

GUY M. GILLETTE.

The attention of the Senators is now directed to the reply to the foregoing letter which I received from the Attorney General dated May 2, 1949, as follows:

Hon. GUY M. GILLETTE,
United States Senate, Washington, D. C.

MY DEAR SENATOR: This will refer to your letter of April 13, 1949 addressed to the Attorney General regarding the status of the antitrust case entitled *United States* v. *The American Petroleum Institute, et al.* (Civil Action No. 8524), pending in the United States District Court for the District of Columbia.

This suit was filed in September 1940, against the American Petroleum Institute, 22 major oil companies and 344 subsidiaries and affiliates under various sections of the Sherman and Clayton Acts. Proceedings were suspended during the war in order to permit oil company personnel to concentrate on the war effort.

On reexamination after the war, it was decided that the suit was so large and unwieldy as to exclude any expedition and clear presentation of all the issues in a single law suit. The case involves the operations of the several hundred defendants in all four major branches of the industry, namely, production, transportation, refining, and distribution. It was decided to break the suit down into segment suits which would treat separately with antitrust problem posed at each stage of the industry. Consequently, the Department has been engaged during the past several years in preparing and filing segment suits.

At the distribution level, two suits were filed in 1947, one against Standard Oil Co. of California and the other against Richfield Oil Co., charging that the exclusive dealing arrangements between these companies and their service-station operators violated the Sherman and Clayton Acts. Upon trial of the Standard Oil Co. case, the Government received a favorable decree and the appeal has been allowed at the Supreme Court and we are now awaiting a decision. The Richfield suit is being prepared for trial. Additional suits at the distribution level are being prepared. In addition, for more than a year, the Department has been presenting evidence to a grand jury sitting in Los Angeles, with reference to the pricing practices of the oil companies in the Rocky Mountain and Pacific coast areas. This investigation is nearing completion. Investigations in the refining and transportation branches are under way and may lead to the filing of additional suits.

I wish to assure you that we are preparing segment suits as rapidly as possible to eliminate any antitrust violations in the petroleum industry. Our efforts have been Nation-wide in scope because of the country-wide operations of each of the major integrated oil companies. Action on the American Petroleum Institute case is being held in abeyance pending the completion of the above investigations and decisions concerning the feasibility of segment suits and the likelihood of substantial elimination of restraints of trade in the petroleum industry as a result thereof.

Yours sincerely,

PEYTON FORD,
The Acting Assistant to the Attorney General.

I should point out that since the receipt of the letter I have just read, the Supreme Court of the United States has affirmed the decision of the lower court in the exclusive-dealing case against the Standard Oil Co. of California, but I should also like to direct attention to the fact that the point covered in the Standard of California decision is only 1 of some 30 or more violations of the antitrust law charged against that company and 21 other defendants in the case which was docketed in 1940 as civil action No. 8524. It is also to be noted that in the third paragraph of the letter from the Attorney General, the writer states, "the Department has been engaged during the past several years in preparing and filing segment suits," while in the final paragraph of the letter, he states, "Action on the American Petroleum Institute case is being held in abeyance pending the completion of the above investigations and decisions concerning the feasibility of segment suits." It is also interesting to note the concluding statement of the letter that action on the Petroleum Institute case is dependent on

the likelihood of substantial elimination of restraints of trade in the petroleum industry, as a result thereof.

In other words, Mr. President, it appears to be assumed that the boys will run to cover, and, by the elimination of certain processes on which the original charges were based, they might, after 9 years' delay, find it unnecessary to prosecute the suits on the basis on which they were instituted, because possibly the defendants may eliminate the practices complained of. It would seem from the Attorney General's letter that they have filed two simple suits against 2 of the 22 defendants on the one question of exclusive dealing. The 20 remaining defendants and the more than 30 specific violations of the antitrust laws charged remain unattended to. It must be assumed that the Attorney General's office had evidence of the thirty-odd antitrust law violations in its files when it instituted civil action No. 8524 9 years ago, back in 1940. Otherwise, they certainly would not have filed the suit. The complaint at that time was authorized by the then Attorney General, Robert H. Jackson, now Mr. Justice Jackson, of the United States Supreme Court, and cooperating with the then Attorney General Jackson was that able exponent of enforcement of the antitrust laws, the Honorable Thurman Arnold. If the evidence was in the Department's files then, why, except for the period of the war years, has it been buried all these years. I have been informed that the able Senator from Virginia, Senator ROBERTSON, received a letter from the Assistant Attorney General Peyton Ford, dated April 15, 1949, which contained the following paragraph in discussing the suit No. 8524:

> We were satisfied at the time the suit was filed in September 1940, that we had sufficient evidence in our possession to make a prima facie case on the violations of law as charged. This evidence is still available as well as evidence secured since that date.

Yet, Mr. President, with evidence sufficient to predicate the filing of a suit 9 years ago, and the accumulation of additional evidence since that time, they are considering the possibility of dividing these suits into segment suits, of which they have recently filed two. In addition to that, there is the statement in the letter which I have just read to the effect that possibly a condition may develop which will eliminate the necessity for prosecuting the suits for which they have such complete preparation, under their own statement, involving years of study and investigation.

There is one side light I desire to mention before I take my seat, Mr. President. Inquiry at the Antitrust Division and at the Government Printing Office discloses that copies of the complaint in the civil action to which I have been referring are not available. If any Senator or anyone else wishes a copy of the complaint, it is not available. The copies have disappeared. My office has attempted to secure copies, but they have disappeared. The only way in which any Senator could acquaint himself with the situation would be to pay a personal visit to the Department of Justice and to make personal study of the file.

It is for the reason that I think a delay of this kind for 9 years is inexcusable, with a prospect that there will be additional delay based on no contingency other than the hope that the infractions on which the original suit was based will not be continued by the defendants against whom the suits were instituted, that I have asked the indulgence of the Senate during this debate on the pending bill to make this brief statement.

THE CHINESE SITUATION

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the body of the RECORD as a part of my remarks an editorial which appeared in the New York Times under date of August 25, entitled "Chiang's New Role," and also to have printed a copy of the release which was issued by Secretary Johnson on August 16, 1949, when he released the text of General MacArthur's reply to the request that he testify before the combined committees, to be immediately followed by the statement to which General MacArthur refers in his cablegram, the more complete statement which he gave to the House Committee on Foreign Affairs under date of March 3, 1948.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

[From the New York Times of August 25, 1949]

CHIANG'S NEW ROLE

Though abandoned by his wartime allies and without any official government position save that of President in retirement, Generalissimo Chiang Kai-shek is again emerging as the leading figure in the attempt to rally the Chinest National forces for last-ditch resistance against Communist subjugation. He is doing so in his capacity as President of the Supreme Policy-Making Committee of the Kuomintang, which controls the Government and enables him to direct both its political and military activities to the point of appointing even the commander in chief of the army.

As President of the Policy Committee he has been negotiating with the Presidents of Korea and the Philippines for an Asiatic pact to stem the Communist tide. Now, belying reports that he is abandoning continental China and is retiring completely to Formosa, he has gone to the provisional capital of Canton and from there to the wartime capital of Chungking in an effort to unite the quarreling National factions and generals and reorganize the National defenses. His efforts are backed up by the first National counter-offensive since the debacle of Nanking—an offensive which appears to have scored at least some initial successes and demonstrates that the National regime has fight still left in it.

The reemergence of Chiang Kai-shek in the present crisis can only be ascribed to the renewed realization on the part of all Chinese National factions that he is the only man with sufficient personal authority and prestige to hold them together and perchance save them from hanging separately. Certainly all other leaders who have attempted to take his place have proved to be dismal failures.

Whether Chiang Kai-shek will succeed at this late date is, of course, another matter. The State Department is adamant against any assistance to him. But it will be noted that among those who urge new military support to the National regime is Dr. Stanley K. Hornbeck, the former State Department expert on Far Eastern affairs, who was replaced in that capacity toward the end of the war by men of a different orientation. In considering the Chinese problem Congress cannot ignore his views and those of men like him.

THE SECRETARY OF DEFENSE,
Washington, August 18, 1949.

Hon. WILLIAM F. KNOWLAND,
United States Senate,
Washington 25, D. C.

MY DEAR SENATOR KNOWLAND: My reply to your letter of August 6 has been delayed because of an exchange of communications between this office and General MacArthur. Attached for your information and files is a copy of a message which I received from General MacArthur yesterday.

With warm personal regards, I am,

Sincerely yours,

LOUIS JOHNSON.

SECRETARY JOHNSON RECEIVES COMMENT FROM GENERAL MAC ARTHUR IN RESPONSE TO SENATE COMMITTEE RESOLUTION REQUEST

Secretary of Defense Louis Johnson today made public the text of a reply received from Gen. Douglas MacArthur in response to a Senate Combined Foreign Affairs and Armed Services Committee resolution requesting that he express his views before it on the far eastern situation. Secretary Johnson forwarded the text of the resolution to General MacArthur and asked for his comment.

The text of General MacArthur's reply:

"For the reasons set forth in my public statement of August 11, I believe I can best serve the national interest by remaining at my post of duty here. This statement was as follows: 'I could not help but be deeply appreciative of the honor reflected in the desire expressed by certain distinguished members of the United States Senate that I proceed to Washington to give my views for consideration by the Congress on the issue of United States arms aid to the Government of China. I believe, however, that during this moment critical events in the Far East the interests of the American people are better served by my remaining at my post here, especially in view of the fact that the focal point of inquiry (China) is under the direct jurisdiction of the Joint Chiefs of Staff acting through a naval commander and has never been within the area of my command responsibility or authority. Furthermore, on March 3, 1948, I forwarded on request my general views on this subject to the chairman of the House Committee on Foreign Affairs. My specific views with respect to the strategic potentialties of the area embracing my Far East command are fully on file with the Department of the Army. There is little that I could add to either. While it is, of course, unnecessary for me to confirm my complete loyalty and devotion in the implementation of any directives or views of the Government with reference to my movements and duties, it is my understanding that both the President and the Secretary of Defense have made clear that my return in such circumstances is able matter for the exercise of my own judgment in the light of considerations bearing upon the national interest as I evaluate them.

"'Needless to say, it is difficult for me to ignore heartwarming and friendly overtures to return to my native land for which it is only natural for me to long just as would any one else in my circumstances. But an impelling sense of duty in a position of highly critical responsibility leaves me with no other recourse.'

"MACARTHUR."

MARCH 3, 1948.

CHINA AID PROGRAM

I am grateful to the Committee on Foreign Affairs of the House of Representatives for the confidence reflected in its desire that I appear before it to give my views on American policy in the extension of aid to China. The pressure of my operational duties in the administration of Japan, especially at this time of change in the Japanese Government, however, renders it impracticable for me to leave my post. And even were it otherwise, I gravely doubt that I could give constructive and helpful advice as to details involved in pending aid proposals, which I have not seen nor had any opportunity to study. China, as you perhaps know, is a theater of United States Navy control, outside the scope of my existing authority. I have no representatives there, and, apart from general background knowledge, such detailed information as has been available to me has been derived largely by indirection. Exhaustive investigations of the Chinese situation have been made by responsible United States officials, but these studies are not within my channel of information or command and in consequence I am not adequately familiar therewith. I have furthermore not had the opportunity to visit China for many years. With this background, you will readily perceive I am not in a position to render authoritative advice with reference to the myriad of details on which a definitive policy for this particular area must necessarily rest.

In general answer to your specific questions, I can say without the slightest hesitation that a free, independent, peaceful, and friendly China is of profound importance to the peace of the world and to the position of the United States. It is the fundamental keystone to the pacific arch. Underlying all issues in China is now the military problem. Until it is resolved little progress can be expected toward internal rehabilitation regardless of the extent of outside aid. Once it is resolved, however, there is little doubt but that China's traditional resiliency will provide the basis for rapid recovery to relative stability.

The Chinese problem is part of a global situation which should be considered in its entirety in the orientation of American policy. Fragmentary decisions in disconnected sectors of the world will not bring an integrated solution. The problem insofar as the United States is concerned is an overall one and can only be resolved on the broadest possible global basis. It would be utterly fallacious to underrate either China's needs or her importance. For if we embark upon a general policy to bulwark the frontiers of freedom against the assaults of political despotism, one major frontier is no less important than another, and a decisive breach of any will inevitably threaten to engulf all. Because of deep-rooted racial and cultural and business ties, we are prone to overconcentrate on happenings and events to our east and to underemphasize the importance of those to our west. America's past lies deeply rooted in the areas across the Atlantic but the hope of American generations of the future to keep peace with the progress of those of the past lies no less in the happenings and events across the Pacific. While fully availing ourselves of the potentional to the east, to our western horizon we must look both for hope of a better life through yet untapped opportunities for trade and commerce in the advance of Asiatic races, and threat against the life with which we are even now endowed. For beyond that horizon upon the outcome of the ideological struggles in which opposing forces are now engaged and the restoration of political, economic, and social stability, rests war or peace, assurance or threat, hope or fear.

The international aspect of the Chinese problem unfortunately has become somewhat clouded by demands for internal reform. Desirable as such reform may be, its importance is but secondary to the issue of civil strife now engulfing the land, and the two issues are as impossible of synchronization as it would be to alter the structural design of a house while the same was being consumed by flames. Friendly and searching as our interest may be in the reformation of China's institutions and practices to bring them closer into line with our own concept of liberty and justice, and right and wrong, the maintenance of China's integrity against destructive forces which threaten her engulfment is of infinitely more immediate concern. For with the firm maintenance of such integrity, reform will gradually take place in the evolutionary processes of China's future.

The flow to China of military supplies, surplus to our own requirements, has been resumed. Additional material support should be measured in equitable relation to such global aid as may be determined upon in the orientation of American policy, without underrating the strategic importance to us, as to the world, of a free and peaceful China, without ignoring her impoverishment and fatigue in consequence of so many years of violent struggle over her soil, without failing accurately to assess her potential in the stability and advancement of our own future standard of life, and without neglecting to recognize our long and friendly relationship, well tested through years of peace and years of war.

In the determination of our global policy, care must, of course, be exercised to avoid commitment of our resources beyond what we can safely spare—the sapping of our national strength to the point of jeopardy to our own security—and the overburdening of our people beyond their capacity to maintain a standard of life consistent with the energies with which they are naturally endowed. For it would be illogical for us to yield our own liberties in the safeguard of the liberties of others—to forfeit our own heritage of freedom in securing the freedom of others. No less illogical would it be to extend our material aid beyond hope of reciprocal repayment through contribution in one form or another to human progress. For it would not serve our purpose merely to create in return for our sacrifice a condition of indigence and mendicancy elsewhere, to become a brake upon human advancement.

It is one of the traditional characteristics of the American people that in times of great crises they have never failed to rise to masterful heights to meet the challenge of the time. Never before has our wise, fearless, and positive leadership of a confused world been more needed as a stabilizing influence. Never before have the American people been more ready to assist others if it be a purposeful sacrifice. For we on American soil bare before the eyes of the entire world the workings of a way of life which despite the veil of confusion and disorder and self-serving ambition is the cherished hope and goal of all mankind. Let us, above all else, preserve it.

MACARTHUR.

NOTE.—The above message despatched to the Honorable CHARLES A. EATON, chairman, Committee on Foreign Affairs, House of Representatives, by radio ZX-40728, dated March 3, 1948, in response to a radio received from him inviting General MacArthur to appear before the Committee on Foreign Affairs to give his views on what American policy should be with respect to proposals of aid to China and other critical areas in the Far East. He also requested that if it were impracticable for the General to appear in person that he send a statement presenting his views. The radio was released to the press in the United States on March 4, 1948.)

Mr. KNOWLAND subsequently said: Mr. President, I wish to read to the Senate a policy statement by the foreign affairs committee of the American Legion, approved by its executive board at its meeting in Philadelphia yesterday:

PHILADELPHIA, PA., *August 30, 1949.*

Senator WILLIAM KNOWLAND,

Senate Office Building:

Our long friendship and common causes with the Chinese prompt a policy of not abandoning this area to Communist aggression. Full support should be made available to any groups or organizations that can be supported by our Government, who will fight the forces of communism and outside aggressors in order to preserve the basic rights and liberties of a free China.

We particularly urge our Government to lend its aid in forming a regional pact, under article 51 of the United Nations Charter, composed of those freedom-loving countries of the Pacific and Far Eastern area who, through self-help and mutual aid, desire to guarantee their mutual defense and to preserve individual liberties.

LEON HAPPELL.

In addition to the telegram, Mr. President, and in connection with previous requests I made to have printed in the RECORD, as a part of my remarks, quotations from General MacArthur's message to the House Foreign Affairs Committee in April 1948, I wish to call to the attention of every Member of the Senate—and I shall ask unanimous consent to have the entire article appearing today printed in the RECORD as a part of my remarks—a series of articles, beginning today, by Mr. David Sentner, of the International News Service. I merely want to read from the first paragraph or two of this series of articles, which will be published during the next week. It is an article which begins in this way:

The Far East is America's new frontier.

The Soviet Red flood in China must be beaten back before it sweeps through Asia and laps the shores of the United States. Otherwise, world war III is inevitable.

China may not yet be lost to the Communists.

That is General MacArthur, military master of the Pacific, speaking.

"The Red roll in China must be stopped," he said.

"It must be fought anywhere and everywhere.

"It is not that we are pro-Chinese or pro-Nationalist but only that we must be anti-Communist.

"What would do the most good right now would be a ringing announcement that we will support anyone and everyone in China and the Far East who is fighting communism.

"This would have an effect like adrenalin on the morale of all Asia."

Mr. Sentner made these as direct quotations from his interview with General MacArthur. He goes on with his article. I believe it is an important series of articles, since the combined committees were unable to get General MacArthur here to give his testimony. Because of the serious situation in the Pacific area, I think this series of articles should be "must" reading for the Members of the Senate. I ask to have the entire article printed in the RECORD as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Journal-American of August 30, 1949]

MACARTHUR URGES CHINA AID TO HALT RED DRIVE IN ASIA—WORLD WAR III SEEN IF UNITED STATES FAILS TO ACT—GENERAL TERMS FAR EAST NEW FRONTIER OF AMERICA

(What is really happening in China? Can China be saved from the Communists? How does communism in Asia imperil the United States? David Sentner, ace Washington correspondent of the Hearst newspapers, makes his first report from a 20,000-mile plane trip through the Orient to learn what can be done to roll back the Red tide. In Tokyo he talked to Gen. Douglas MacArthur, America's famous Pacific warrior and outstanding authority on the Far East. What General MacArthur might have told a Senate committee regarding his views on the Red menace in the Pacific, if he could have detached himself from his vital post, is revealed in the following article, first of a series.)

(By David Sentner)

The Far East is America's new frontier.

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WE MUST STOP COMMUNISM

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"What would do the most good right now would be a ringing announcement that we will support anyone and everyone in China and the Far East who is fighting communism.

"This would have an effect like adrenalin on the morale of all Asia."

I made Tokyo my first news-gathering halt in a a 20,000-mile flying trip in search of the real truth about China and the Communist threat in the Pacific.

General MacArthur invited me to lunch at his home in the American Embassy. This meal is considered his major relaxation period in a 14-hour day of hard work, 7 days a week.

TELLS OF MOUNTING DANGER

As he sat erect across from me with romanesque profile and tunic open at tanned throat the general looked in fighting trim.

We talked for more than 3 hours, with the chic and charming Mrs. MacArthur listening quietly and intently.

This meal was hardly relaxation for the general as he neglected his food, speaking intensely about the mounting danger to our country from the global machinations of the Soviet Union.

Was China going all-out Red? Was it too late to help the National Government forces?

General MacArthur, in replying, emphasized that he necessarily spoke unofficially and only as a military man. China, under the theater of the Navy, was outside his scope of authority, he pointed out.

However, speaking strictly across a luncheon table, he thought—

That China was not gone.

That China was now more a military than a political problem.

That the Chinese Red Army is not as good as the Japanese Army which the Nationalist forces held off and eventually pushed back.

That an effective Nationalist naval blockade of Red Chinese coastal territory plus aerial strafing could possibly change the situation.

That a military miracle for the Nationalist forces was not impossible.

"I go along with General Chennault," General MacArthur added bluntly.

Major General Chennault, famous wartime commander of the Flying Tigers, insists that a few hundred million dollars spread over the next few years in American aid to China could turn the tide against the Chinese Reds.

General MacArthur warned that America's destiny lay in the Far East.

STRESSES VAST OPPORTUNITIES

He urged that the United States be awakened not only to the danger posed by the flaming Red sword over Asia but to America's limitless future in the far Pacific.

The westward march of America did not stop when we reached the edge of the Pacific, he said.

A vast new opportunity for trade and commerce dwarfing anything in our history could be over the Pacific horizon.

A billion people, more than half the world's population, are in Asia, hungering for American initiative and business enterprise to free them from poverty, malnutrition, and an ox-like existence.

It was bosh to think that the people of Asia would not go for the American way. Human beings were the same everywhere, regardless of race, in their craving for liberty and a better life.

The successful guidance of the Japanese along the path to democracy by the American occupation authorities showed that it could be done, the general pointed out.

MAC ARTHUR'S MIRACLE IN JAPAN

The new MacArthur miracle was apparent from the time my Pan-American plane fought through "Typhoon Gloria" to a safe landing at the Tokyo airport.

Japan was transformed into a breakwater of democracy against the churning Red surf in the Pacific.

The Japanese have stopped bowing before the emperor's palace. They even fish in the moat around the imperial palace. In Tojo's day such desecration meant the death penalty.

Once again the Japanese are playing baseball and Babe Ruth is still the national hero. The sand lots are so jammed that sometimes the same second base is used for two separate baseball games.

It used to be that Japanese women walked several steps behind their men. Now, Japanese couples walk hand in hand in imitation of the GI's out strolling with their girls.

The occupation authorities have taught the policemen to be friends of the kids. And the Japanese adults have learned not to be afraid of policemen, even talking back to them.

MacArthur truly has brought democracy to the Orient.

MINIMUM-WAGE STANDARD

The Senate resumed the consideration of the bill (S. 653) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Florida [Mr. PEPPER] on behalf of the committee, on page 40, lines 13 and 23, and on page 41, lines 7 and 16.

Mr. MURRAY. Mr. President, I rise to address the Senate briefly in support of the pending measure, providing for the amendment of the Fair Labor Standards Act of 1938. I am supporting the bill as unanimously reported by the committee. Although it was my hope that many more improvements would be made in the Fair Labor Standards Act than are provided for in the bill, particularly a much-needed extension of the benefits of the act to employees who do not now enjoy protection, nevertheless, in the interest of achieving a desperately needed increase in the minimum wage, I am supporting the bill, together with the amendments agreed to by the committee.

Among the legislative matters before the Congress today, few, if any, are more vital to our economic welfare than increasing the minimum-wage rate. The 40-cent rate was inadequate when enacted, and has long been outmoded by rising costs of living and increased production. The modest 75-cent minimum rate recommended by the committee would do little more than correct the 40-cent rate to meet the increases in the cost of living since 1938. It makes practically no allowance for increased productivity during the past 10 years, and in effect denies a fair share of the fruits of that increase to the workers. The committee feels that our economy could support a minimum-wage rate well in excess of 75 cents, but we have confined our recommendation to this low figure in order to remove every possible objection to immediate enactment of a 75-cent standard.

I cannot conceive of anyone seriously questioning the fact that a 75-cent minimum is nowhere near high enough to provide the minimum standards of living necessary for health, efficiency, and general well-being of workers, which is the primary objective of the act. A 75-cent minimum, assuming steady employment, would give the worker an annual income of only a little more than $1,500. This is not sufficient to provide an adequate minimum standard even for single workers, which would require over $1,700 annually in the lower-cost areas. Workers with families would obviously require considerably more. But while the 75-cent minimum would not provide the lower-paid workers with a decent minimum standard of living, it would improve their lot considerably. It will not enable them to buy automobiles or refrigerators or to send their boys to college, but it will provide their families with more nutritious food, and warmer clothing, and will enable many of them to keep out of debt.

The 1,625,000 underpaid workers who would directly benefit from the new minimum are primarily unorganized workers who are paid low wages because of poor bargaining power, but who contribute just as much to the Nation's prosperity as do more fortunate workers. A 75-cent minimum would enable these underpaid workers to participate a little more in the gains of our postwar economy. It would improve somewhat the position of these low-paid unorganized workers in relation to the more highly paid workers protected by collective-bargaining agreements.

The 75-cent minimum would eliminate unfair competition resulting from payment of substandard wages, at least at its worst levels. It should be emphasized that this form of unfair competition is not in most cases the choice of the individual employer. In low-wage industries, the many fair-minded employers are pre-

vented from paying decent wages only by the fact that their competitors would be given a great advantage if they voluntarily increased their wage costs. Other employers who are now paying decent minimum rates are suffering from unfair competition by competitors who pay substandard wages. Any decline in prices may force these employers to decrease wages in order to meet unfair competition. A 75-cent minimum would make it possible for all employers to carry on their business without degrading the living standards of their workers.

Although a 75-cent minimum rate would be of tremendous benefit to low-paid employees, it would have little impact on our economy. In industries subject to the act, as revised by S. 653, only 1,625,000 of the 22,900,000 covered employees now receive less than 75 cents an hour, and most of these underpaid employees receive more than 65 cents. The increase in wages required to bring these underpaid employees to 75 cents would be less than 1 percent of the total wage bill for all covered employees.

I am surprised that there is any opposition to this modest minimum wage rate. I expected that the same interest groups who in 1938 predicted that the 40-cent minimum would ruin the Nation would repeat the same prediction regarding the 75-cent proposal. But I did not expect that some newspapers, news broadcasts, and commentators would lend themselves to a campaign to discourage enactment of a decent minimum wage by presenting readers and listeners with predictions of rejections by this Congress of the meager 75-cent rate. Many of these stories were nothing but malicious gossip, which reflected on the motives of Members of Congress as well as on the good sense of the American people. But a few went on to seriously question the practicability of a 75-cent minimum rate. Think of it, supposedly well-informed editorial writers and columnists questioned the ability of this Nation, with an annual income of more than $200,000,000,000, to provide a 75-cent-an-hour wage to employees who now earn less than $1,500 annually. They predicted dire economic consequences if the wages of these underpaid employees were increased by $325,000,000—a fraction of 1 percent of the total national income. These supposedly well-informed advisers to the public did not even stop to consider the obvious contradiction between their predictions and the fact that the wages and salaries of all workers were increased last year alone by $12,000,000,000. And much of this $12,000,000,000 increase was received by highly paid employees and not those underpaid workers who happen to be the victims of ill-managed industries and incompetent employers.

Some of my colleagues may be thinking, "These averages and national totals are very impressive, but what about the effect on particular industries in low-wage areas? How can they adjust to a 75-cent minimum?" Let me assure them that I am mindful of the serious problems of adjustment which would be found by some industries. I have listened attentively to the statements which their spokesmen have made before the committee and have given their special situations much study. I am convinced that these industries can adjust to a higher minimum with no increase in the number of firms going out of business, with no decrease in employment, and with great benefit to their employees and to the general welfare of the areas in which they operate.

Let us consider the problems of one of these industries, the southern sawmill industry. The southern sawmill industry would no doubt face more serious problems of adjustment than would many other industries. But the witnesses before the committee who stated that the effects of a 75-cent minimum on the industry would be disastrous grossly exaggerated the effect on their industry. The committee was told that 75 percent of the employees of the southern lumber industries earned less than 75 cents. A Bureau of Labor Statistics survey of September and October 1946 was cited showing 82 percent earning less than 75 cents at that time. Since that time average hourly earnings in southern sawmills have increased from 71 cents to 81 cents, and the percentage of employees earning less than 75 cents has decreased substantially.

Compared to the effect on all industries in the Nation as a whole, the southern sawmill industry will be more seriously affected by a 75-cent minimum, and it is not my purpose to minimize that effect. But the industry will be able to adjust to the new minimum.

An indication of the ability of this industry in the South to adjust to a 75-cent minimum is afforded by a review of experience since passage of the act in 1938. In April 1939, after the 25-cent minimum had been in effect for 6 months, 75 percent of the employees of southern sawmills were found by the Bureau of Labor Statistics to be earning less than 30 cents an hour. Moreover, many of these workers only 6 months before were earning less than 10 cents an hour, so that their earnings had to be increased by two and one-half times to bring them up to the 25-cent minimum. The 1938 act required a much more drastic adjustment by the southern sawmill industry than will the proposed 75-cent minimum. Yet the industry adjusted to the 30-cent rate, which went into effect in October 1939, and went on to improve the wage level to such a degree that in June 1941 a tripartite industry committee was able to recommend a 35-cent minimum rate, and this, remember, was before the tremendous expansion of the industry in response to war needs.

Since 1939 average hourly earnings in southern sawmills have increased from 33 cents to 81 cents, or about 150 percent. Lumber prices, however, have increased over 200 percent and prices for southern pine considered separately have also increased over 200 percent. Even if the slight decline in prices which has occurred since last August should continue, the industry is well able to adjust to a new minimum.

Close analysis of the problems of other low-wage industries, such as fertilizer, cotton garments, cotton gins, and tobacco will support the same conclusion, that while these industries will be substantially affected by an increase in the minimum-wage rate, they will be able to make a satisfactory adjustment to a 75-cent rate. Furthermore, the 75-cent minimum will have less effect than the original 25- and 30-cent minimum, or the 40-cent minimum established by industry committee action or the voluntary increases in wages made during recent years.

Opponents of minimum-wage legislation have made much of the possible indirect effects on wages above the minimum as a reason for not adopting decent minimum-wage standards. Their argument is that occupational differentials must be maintained, and that, therefore, any increase in the wages of underpaid employees must be matched by an increase in the wages of all other employees. There is a germ of truth in this argument, but the magnitude of these indirect effects has been, to say the least, grossly exaggerated. Obviously, occupational differentials in a steel mill with a $1-an-hour entrance rate would not be affected by a 75-cent minimum. Similarly, it is nonsense to suppose that the wages of a sawmill worker in the Northwest who receives $1.50 an hour will be affected by an increase in the wage of a southern sawmill worker to 75 cents. It is only in plants which pay some workers less than 75 cents that there need be any effect at all on rates above 75 cents. Such plants employ only a small proportion, certainly less than 25 percent, of all covered workers.

Even in these plants the indirect effects will be moderate. Skilled workers in such plants are frequently paid very high rates, which are the result of scarcity of skilled labor and superior bargaining power. The Bureau of Labor Statistics states that in many industries the wage differentials between skilled and unskilled workers are relatively greater in the southern regions than elsewhere in the country. Certainly, a modest increase in the wages of low-paid workers need not result in a similar increase in the rates of these high-paid employees, in order to maintain an abnormally great wage differential.

Thus an increase in the minimum to 75 cents would add only a small amount to wage bills, and most firms could well afford to absorb the increased amount. Some of the increased cost may be more than offset by the increased productivity of better-nourished and healthier workers, with greater peace of mind about their ability to meet their household expenses. Some firms will also find it possible, under pressure of increased wage costs, to introduce more efficient methods of operations and thus pay higher wages with no increase in prices and no decrease in profits. Many of the low-wage plants could decrease profits and still have a reasonable return. A few slight increases in prices may result, but the magnitude of this type of adjustment would be nowhere near as extensive as that resulting continuously from wage increase made voluntarily or through collective bargaining.

Opponents of minimum-wage standards have made much of the fiction that low-paid workers are nonproductive

workers and are not worth a decent wage. I am certain that most Members of the Senate realize that this is utter nonsense, and that it grossly insults the less-fortunate Americans who find themselves employed in low-wage industries. Their wages are not low because they work less hard or have less skill than higher-paid workers. The low wages of many industries can only be understood as a result of chance economic and social forces beyond the control of either the low-paid employees or of his employer. There are many examples of such industries in which wages have been raised to a higher level as a result of union organization. The workers who now earn less than the 75 cents are preponderantly the unorganized workers whose wages remain low because of a weak bargaining position. They are not obtaining their fair share of the goods and services which they helped to produce.

In times like these, wages below 75 cents an hour are definitely substandard wages. An industrial establishment which continues to pay wages considerably below subsistence is a substandard establishment. It is being subsidized at the expense of the lowest paid, neediest workers, those least able to bear it. An employer who can stay in business only by paying subminimum wages is a hazard to our whole economy. His unfair competition threatens the higher labor standards which his fair-minded competitors desire to maintain. The existence of such substandard wages sharply curtails the purchasing power and narrows the markets for the products of our farms and factories. Such substandard wages degrade our people, and contribute to such social evils as sickness, high mortality, illiteracy, juvenile delinquency, and crime.

Even if the cost of living should decline somewhat from its present all-time high, 75 cents would still not constitute a high minimum wage, although this would result in a slight increase in the meager real income of the worker at the minimum level. For there is no reason to expect any substantial decline. There are many factors in our present economy to prevent this, such as the level of the national debt, the price-support policy for basic agricultural products, the stability of wages established by union contracts, and the demand for our products for European recovery and for defense. A reasonable minimum wage would constitute an additional factor against any marked decrease in the price level. It would help bolster purchasing power where it needs bolstering and serve to stabilize economic activity.

It is a matter of record, not of opinion, that people with the smallest income spend the largest percentage of their income. The families with just enough to get along on, or with less than enough, obviously cannot save anything. They spend all their earnings. An increase in the purchasing power of the underprivileged will go far toward bolstering the market for goods. The 75-cent minimum wage will enable them to buy more clothes and to eat better food. Instead of bread, potatoes, and beans, they can buy fresh fruits, meat, fresh vegetables, and enough milk, butter, and eggs. Farmers need a market for their products at reasonable prices, and low-wage employees need increased income to buy better food. Those interested in the welfare of farmers should realize this common interest of the farmer and the low-paid industrial employee.

Finally, I firmly believe that America can afford and should provide wages which will guarantee a minimum standard of decency for all of its citizens. Our system of private enterprise does not mean the right of some to exploit others. It is not and has never been synonymous with privilege nor with privation. We pride ourselves on our high living standards, and our Nation is thought of in other lands as the land of promise—including the promise of a decent standard of living. A reasonable minimum is a measure of that promise.

We of the Democratic Party are committed to this philosophy. The platform which we presented to the voters specifically promised a minimum wage of at least 75 cents an hour. This promise of our party was repeated countless times during the 1948 election campaign. It was one of the basic tenets of the program which won overwhelming support for Democratic candidates. To fail to approve a minimum rate of at least 75 cents would be to fail to carry out this clear mandate. Can any Democrat or any Republican who made similar campaign commitments now go back to his constituents, confess failure to give full support to this 75-cent minimum-wage proposal, and expect to retain their confidence? The American people demand that this modest step toward better living for its underprivileged workers be taken by Congress, and I ask all forward-looking Members to join with me in its support.

Mr. MAGNUSON. Mr. President, I ask unanimous consent to have printed at this point in the RECORD remarks prepared by me dealing with the pending measure.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

NOTES IN SUPPORT OF A 75-CENT MINIMUM WAGE

Mr. President, for several years there has been practically unanimous agreement that the minimum wage provisions of the Fair Labor Standards Act of 1938 are outmoded and need to be revised in the light of changed economic conditions. In order to effectuate this purpose, committees of both the House and Senate have conducted investigations and held exhaustive hearings over a period of some 4 years. Thus far, however, no amendments have been enacted and as a result, the obsolete 40-cent standard is still the law of the land. This standard is admittedly grossly inadequate to effectuate the public policy stated in the preamble to the Fair Labor Standards Act, namely, to eliminate labor conditions detrimental to the maintenance of the minimum standard of living necessary for health, efficiency, and general well-being of workers. Moreover, a 40-cent minimum offers virtually no protection against a vicious spiral of wage cutting which may occur as a result of the present downward adjustments of business activity.

It is therefore not only highly propitious to take this action now but absolutely imperative that the Congress increase the legal minimum wage during its present session in order to assure that the wages of low-paid workers will remain at reasonably decent levels and that there will be no recurrences of the wage and salary slashing which would destroy the purchasing power necessary to maintain our mass consuming markets. Obviously if this objective is to be accomplished, the minimum wage level should be established high enough to provide genuine support for the wage structure.

The unanimous opinion of the members of the Senate Labor Committee is that no minimum of less than 75 cents an hour is really sufficient to carry out the goals of our national minimum wage policy. Legislation incorporating an hourly minimum rate of at least 75 cents has been urged by the Administrator of the Wage and Hour Division and supported by the Secretary of Labor and the President of the United States. These recommendations were made on the basis of careful study of the various factors involved and after years of experience in administering minimum wage legislation. The committee nevertheless has made its own independent investigation of the appropriate level of the minimum wage and, after protracted hearings and exhaustive testimony, has determined that all important segments of the American economy can adjust to a 75-cent minimum without undue economic hardship and that no rate of less than 75 cents an hour will protect the current wage levels of our lower-paid workers or permit them to maintain reasonably decent standards of living.

The level of a proposed minimum wage must be judged from a number of points of view. Of prime importance, of course, is the economic feasibility of a particular minimum rate. In addition, consideration must be given to the benefits which will accrue to individual workers receiving low incomes and to the over-all social and economic effect of maintaining and improving the living standards of low-wage workers.

With relation to a 75-cent minimum, the Wage and Hour and Public Contracts Divisions of the Department of Labor estimate that 1,625,000 of the more than 22,900,000 workers covered by the minimum wage provisions of the committee's bill are currently earning less than that rate. The majority of these 1,625,000 low-paid workers are receiving within 10 to 15 cents an hour of the proposed 75-cent mnimum so that the over-all dollar cost of putting such a rate into effect would amount to less than 1 percent of the wage bill for all employees covered by the act. Moreover, only about one-half of all employees other than governmental employees, are subject to the minimum wage provisions of the Fair Labor Standards Act. Accordingly, the adoption of a 75-cent minimum hourly rate would cause an increase in total national income derived from employment of less than half of 1 percent. It is difficult to conceive that anyone would seriously contend that such a small increase in employment costs could have any major repercussions on our national economy. Admittedly, some individual industries will have more difficulty in adjusting to higher minimum wage standards than others but from the standpoint of the Nation as a whole, it seems obvious to me that a 75-cent minimum is not only economically feasible but indeed a very conservative level for the minimum wage under current economic conditions.

In evaluating a minimum wage, too much emphasis is frequently given to the estimated dollar cost of raising the earnings of workers receiving below a given rate. In actual practice, adjustments to higher minima follow a number of different patterns which result in a material reduction in the apparent cost increases which will be occasioned by an increase in the minimum rate. Even if such were not the case, however, the pay roll increase involved in adjusting to a 75-cent minimum is so modest that the full cost

can very readily be absorbed by the economy without any appreciable impact.

While I am still discussing the minimum wage primarily from the employer's point of view, I should like to point out that the most frequent reason given by manufacturers for their inability to pay more nearly adequate wage rates lies in the fact that their competitors are able to obtain labor at lower standards. With a uniform minimum of 75 cents an hour, however, this argument loses its validity and most fair-minded employers admit that they can adjust to such a rate if other members of their industry are required to observe a decent legal standard.

The factor of competition is equally important in maintaining current wage rates. For example, firms employing the majority of workers in the cotton-textile industry are paying a minimum rate of 94 cents an hour or higher at the present time and are perfectly willing to continue doing so as long as competitors within their industry pay comparable rates. However, with the current weakness in textile markets, a few nonunion firms are beginning to trim their wage rates, and if this trend continues and gains momentum, the cotton-textile industry could again become one of the lowest paying industries in the country.

Such a development would have a profound effect on the economy of New England, but the effects in the Carolinas, Virginia, Georgia, Alabama, and other Southern States would be little short of disastrous. The notable progress which these States have achieved during the past generation in raising the living standards of their working people might be entirely wiped out if a spiral of wage cutting gets underway in the textile industry. Moreover, this is no idle postulation, for at least one cotton mill in Georgia has recently slashed its rates by 25 percent and another by 18 percent. If this type of dog-eat-dog competition is allowed to continue unchecked, it is obvious that the income and purchasing power of entire communities in the South will be drastically reduced.

Fortunately, this Congress has within its power ability to set a floor under wages to check this type of deflationary spiral which can and only in bankrupt firms and poverty-stricken workers. Admittedly, a 75-cent minimum offers very limited direct protection to a worker now receiving a minimum of 93 cents an hour or more, but in view of the apparent impracticability of attaining a higher rate in the immediate future, it will at least prevent a very grave collapse of purchasing power among the masses of low-income workers. For the Congress to vote any lesser rate than 75 cents would appear to me to invite economic disaster. In fact, if we fail to pass a minimum of 75 cents, I think we shall not only be missing one of our greatest opportunities to forestall a depression, but we shall be seriously negligent in our duties toward all of our constituents. For let me point out that an increase in the minimum wage to 75 cents is not just a measure which will protect low-income workers. It offers insurance, albeit in my opinion too limited, to businessmen, farmers, and higher-income workers that the spiral of deflation cannot continue beyond that floor and that mass purchasing power will not dry up. This in turn will restore a degree of confidence among our industrial and financial communities and prevent purchasing agents and consumers from waiting until the wages of the workingman have been badly squeezed before they renew their normal volume of buying.

Thus far, I have spoken of a 75-cent minimum in terms of its effect on industry and the national economy. I should like now to shift my discussion to an analysis of what a 75-cent minimum means to the individual workers. The Congress has declared its objective to be the elimination of labor conditions detrimental to the maintenance of a minimum standard of living necessary for health, efficiency, and general well-being of workers. How closely does the income permitted by a 75-cent minimum come toward obtaining this objective?

In answering this question, I should state that an employee working a normal schedule of 40 hours per week will gross approximately $1,500 annually. In many industries, seasonal fluctuations and temporary lay-offs will not permit the attainment of this income level. However, let us assume that the worker at the minimum of 75 cents enjoys relatively full employment throughout the year; will his income of $1,500 permit him to live at a decent minimum standard of living?

In conjunction with the enforcement of their minimum-wage laws, some 12 widely scattered States and the District of Columbia have undertaken postwar surveys of the costs of a minimum adequate budget for single persons without dependents. These studies included costs in many smaller communities as well as in the metropolitan centers. Nevertheless, adjusted for present-day living costs, a minimum decent standard of living in any one of these areas would cost in excess of $1,700 per annum and in many instances the cost would be considerably more. It is obvious, therefore, that the cost of living will have to decline very substantially before a single worker without dependents or outside obligations will be able to support himself at a reasonably decent minimum standard of living with a 75-cent minimum. If the Congress should enact any lesser rate than 75 cents, it is apparent that we shall fall hopelessly short of accomplishing the very minimum objective of our national fair labor standards policy. For the above conclusion pertains only to a single worker whereas it is a well-known fact that the vast majority of our working people necessarily support one or more dependents, and this is characteristically the case with workers at the minimum wage.

It is apparent that from the worker's point of view, any minimum of less than 75 cents an hour would fall miserably short of the objectives of national minimum-wage policy. In fact, any minimum of less than 75 cents would represent no improvement over the admittedly inadequate purchasing power afforded by a 40-cent rate in the prewar period.

Similarly, from the point of view of the fair-minded manufacturer, a rate of at least 75 cents an hour is required to prevent unfair competition from firms paying extremely low wages. I have illustrated this by citing the situation in the textile industries but the problem is by no means confined to any single industry or group. Of course, many of the large basic industries which pay minimum rates of $1 an hour or more, such as autos, primary metals, coal mining, etc., are highly organized and it may be presumed that the unions in these industries will be able to protect their members from drastic wage declines. In addition, however, there are innumerable smaller industries which are highly competitive but only partially organized, that are now paying minimum rates of 75 cents an hour or higher. With the current downturn in economic activity competition among these smaller businessmen will make it practically impossible for them to preserve their current wage standards in the absence of statutory protection. Many of these employers do not want to reduce their wage rates and have dissatisfied employees living at indecently low standards of living. They realize full well that in the end wage slashing simply leads to depression and benefits no one. Yet they are helpless to prevent this course in the absence of a fair legal minimum and many of them have accordingly urged that the Congress take prompt action to head off the threatening deflationary spiral. Thus, it is apparent that on the question of a 75-cent minimum, the interests of labor and fair-minded farsighted management are united.

What other groups are concerned with a 75-cent minimum for employees subject to the Fair Labor Standards Act? The worldwide depression of the thirties proved convincingly to the American farmer that his economic welfare is inexorably tied to the prosperity of the urban worker who provides his mass markets, for if the unskilled laborer cannot buy meat and milk, the repercussions on our agricultural economy are very severe. In fact, a reduction in the purchasing power of low-income industrial workers is almost invariably accompanied by a disproportionately large fall in farm income. Farmers, therefore, have an enormous stake in the maintenance and improvement of incomes of low-wage workers for their markets depend upon such workers receiving sufficient incomes to afford adequate diets.

Manufacturers, merchants, and employers in the service trades are in a position similar to that of farmers. The vast majority of them cater to the mass consuming markets and their sales patterns follow closely the trends in purchasing power of the working population. Of course, their profit margins are even more sensitive and fluctuate much more sharply than their sales. So the welfare of these groups is also closely bound with the prosperity of the masses and their interests also demand that low-income workers receive income sufficient to permit them to buy at least the necessities of life.

It may be presumed since all of the other economic interests would benefit directly or indirectly in the maintenance and improvement of the living standards of low-income workers that only the consumer would pay. Even if there were no counterbalancing factors and the full monetary cost of a 75-cent minimum fell upon the consumer, the effect on the cost of living would be very small, probably around one-third of 1 percent. This amounts to less than one-tenth of the recent reductions in the cost of living which the consumer has enjoyed. While this negligible percentage can scarcely be characterized as an undue hardship, in actual practice the counterbalancing factors might outweigh even this small cost. For example, most consumers also receive income as producers and almost every group of producers would benefit directly or indirectly by a higher minimum. Similarly, all consumers are taxpayers and in one way or another the social and economic wastes of indecently low wage standards are passed along to the community through relief payments, cost of crime and crime prevention, and the innumerable additional items that are the inevitable concomitants of poverty. Thus, the additional cost of merchandise to the consumer might well be offset against his tax bill.

Low wage rates are not necessarily an index to low over-all costs and higher minimum wage standards frequently spur management to adopt more efficient techniques. Thus the United States has the highest wage standards in the world but in a wide variety of fields, American prices are also the lowest in the world. Similarly, individual manufacturers who pay among the highest wage rates in a given industry also are among those with the lowest total costs. When faced with higher wage standards, other manufacturers can also adopt more efficient techniques and work lay-outs and thereby utilize their labor forces more effectively. In fact, such adjustments are constantly taking place in the American economy and after a brief lag during the late war and early postwar periods, the productivity of the average American wage earner has now begun to rise. Moreover, it is reasonable to anticipate that increasing output per man-hour will be experienced from now on owing to the lower turn-over of labor and the ability of manufacturers and other businessmen to obtain the latest types of machinery and other

equipment. It is obvious that the incidence of a 75-cent minimum upon the cost of living and thereby upon the consumer as such will be negligible.

In conclusion, I should like to state that in my opinion a legal minimum wage of 75 cents an hour is in the best interests of all groups in our Nation and that the immediate adoption of this rate is urgently needed to forestall a depression of our living standards and the unhappy consequences of too drastic deflation. I therefore strongly urge the approval of the committee's bill.

Mr. HENDRICKSON. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hill	Myers
Anderson	Hoey	Neely
Brewster	Holland	O'Conor
Bridges	Humphrey	O'Mahoney
Butler	Ives	Pepper
Byrd	Johnson, Tex.	Reed
Capehart	Johnston, S. C.	Robertson
Chapman	Kefauver	Saltonstall
Chavez	Kem	Schoeppel
Connally	Kerr	Smith, Maine
Cordon	Kilgore	Smith, N. J.
Donnell	Knowland	Sparkman
Douglas	Langer	Stennis
Dulles	Leahy	Taft
Eastland	Long	Taylor
Ecton	Lucas	Thomas, Okla.
Ellender	McCarthy	Thomas, Utah
Flanders	McClellan	Thye
Frear	McFarland	Tobey
Fulbright	McKellar	Tydings
George	McMahon	Vandenberg
Gillette	Magnuson	Watkins
Graham	Malone	Wherry
Green	Martin	Wiley
Gurney	Miller	Williams
Hayden	Millikin	Withers
Hendrickson	Mundt	Young
Hickenlooper	Murray	

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the amendment offered by the Senator from Florida on behalf of the committee, which will be stated.

The CHIEF CLERK. On page 40, beginning with line 13, it is proposed to strike out down through "(11)" in line 16 and insert "by striking out the period at the end thereof and inserting a semicolon and the following: 'or (12)'."

On page 40, beginning with line 23, it is proposed to strike out through line 6 on page 41.

On page 41, lines 7 and 16, it is proposed to strike out "(c)" and "(d)" and insert in lieu thereof "(b)" and "(c)", respectively.

Mr. BUTLER. Mr. President, I have the impression that the amendment just read by the clerk may make it unnecessary to consider the amendment which I have proposed, affecting grain elevators.

Mr. PEPPER. Mr. President, I should like to answer the question, but I was about to ask that the pending amendment be laid aside for the time being and that we proceed with one of the other amendments, because a certain Senator wishes to be present when this amendment is considered.

Let me answer the able Senator from Nebraska by stating that the effect of the amendment is to restore the law to its present content and provisions on the subject of area of production. That is the amendment which the committee decided to offer to retract from the provision of the bill under which minimum wages would be required to be paid in the processing of agricultural commodities within the area of production. But if this amendment is adopted, then the part of the present law exempting the processing of agricultural commodities in the area of production will be continued, and such workers will get neither the minimum wage nor the overtime the law otherwise would allow.

But, Mr. President, I ask that this amendment be temporarily laid aside, and that we take up amendment lettered "D—8–29–49."

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 41, after line 17, it is proposed to insert the following:

Section 14 of such act is amended by striking out in clause (1) the words "and of messengers employed exclusively in delivering letters and messages," and inserting in lieu thereof "and of minor messengers under 18 years of age employed primarily in delivering letters and messages."

Mr. PEPPER. Mr. President, as I explained yesterday, this is one of the committee amendments. It was offered at the suggestion of some of the messenger companies, especially the Western Union Telegraph Co., who felt that they should have the right to apply to the Administrator for a certificate permitting them to pay less than the statutory minimum wage to messengers who are engaged primarily in the delivery of their messages, and who are under 18 years of age. We understand that the amendment does not require the Administrator to give such a certificate, but merely gives these companies the right to apply for a certificate.

I move the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment lettered "D."

The amendment was agreed to.

Mr. DOUGLAS. Mr. President, I wonder whether the Senator from Florida will make somewhat clearer the exemptions which the committee is proposing and the present conditions concerning the area of production as named in the act. It is my understanding that it exempts all cotton gins in the so-called area of production. Is that correct?

Mr. PEPPER. That is correct.

Mr. DOUGLAS. I further understand that it exempts all tobacco warehouses and tobacco storage sheds.

Mr. PEPPER. It does.

Mr. DOUGLAS. Does it exempt grain elevators in the area of production?

Mr. PEPPER. That is correct. I thank the Senator for the privilege of reading the pertinent provisions of the Fair Labor Standards Act of 1938, which the amendment would restore in effect, in regard to this particular matter.

Mr. ROBERTSON. Does this amendment in effect restore that part of the present law?

Mr. PEPPER. It does.

Mr. ROBERTSON. The present situation, with the farmers facing surpluses, is such that we do not wish by act of Congress to place an additional burden on the farmers, a burden which would come back on them in terms of lower net prices.

Mr. PEPPER. That is exactly the point.

Mr. THYE. Mr. President, if the Senator will yield to me, let me inquire whether it includes creameries which process buttermilk.

Mr. PEPPER. Let me read the provision of the present law which would thus be continued:

To any individual employee within the area of production, as defined by the Administrator, engaged in the handling, packing, storing, ginning, compressing, pasteurizing, drying, preparing in their raw or natural state, or canning of any agricultural or horticultural commodities for market or in making cheese or butter or other dairy products.

Mr. THYE. That is the language of the old act?

Mr. PEPPER. Yes; and this amendment will restore the old act to that extent.

Mr. THYE. The old act did not exclude a creamery which processed buttermilk. For that reason, I submitted an amendment to exclude a creamery which processes buttermilk.

Mr. PEPPER. We have an amendment, offered at the instance of the Senator from Vermont [Mr. AIKEN], which expressly carries the exemption to buttermilk.

Mr. THYE. Earlier in the session I introduced a bill which would place buttermilk under the same exemption as that enjoyed by any other dairy product. I wish to make certain that in the new legislation that will be covered, because this matter affects the milk-powdering plants, which normally are exempt; but the moment they begin to powder buttermilk they have not been exempt.

Mr. PEPPER. That is correct; and those plants now will have exactly the same status as other dairy-product plants now have.

Mr. O'CONOR. I should like to ask a question in respect to the sea food processing establishments. Are the provisions of the old law as to them retained?

Mr. PEPPER. In respect to sea food, the Senate bill does not change the present law. However, the House of Representatives in its bill amended the present law and applied the minimum wage provisions of the present law to the processing of sea food, but gave to the employees in that industry an overtime exemption. That is one of the matters which will come up in conference, where we shall be pleased to present the views of the Senator from Maryland.

Mr. ROBERTSON. Was that the Bates amendment?

Mr. PEPPER. I believe it was, although I am not sure. But it is in the House bill.

Mr. O'CONOR. The position of the Senator from Florida, as I understand it, is to retain, so far as possible, the present provisions of the law in regard to sea food. Is that correct?

Mr. PEPPER. That is correct.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. TOBEY. In view of the comments I have just heard about the many industries which are to be exempted from the

operations of the wage-hour law, I question who will come under the law. I wonder whether a graph or chart, so simple that a high-school student can understand it, has been made, so that the people of the country may be able to know who comes under the law and who does not. I also wonder whether, when the graph is made, it will be found that the preponderance or majority of the employees come under the law or do not come under it.

Mr. PEPPER. I am glad to have the opportunity to state that about 22,600,000 workers in the United States are covered by the present law.

Mr. TOBEY. And how many workers are there?

Mr. PEPPER. Some 60,000,000.

Mr. TOBEY. About 35 percent are covered. Is that correct?

Mr. PEPPER. That is correct.

Mr. TOBEY. What about the others?

Mr. PEPPER. The others are not covered.

Mr. TOBEY. Why?

Mr. PEPPER. Because Congress in its wisdom saw fit not to do so.

Mr. TOBEY. And why did Congress see fit to act in that way? Congress made that decision because of special interests pulling and hauling and conniving, did it not?

Mr. TAFT. Mr. President, if the Senator will yield, I suggest that the Constitution prevents the Congress from prescribing in the case of wages paid to persons not engaged in interstate commerce.

Mr. TOBEY. Earlier today statements were made about the whittling away of exemptions by various Government agencies.

Mr. TAFT. Various agencies, in my opinion, extended the meaning of the term "interstate commerce" under the Constitution far beyond the field in which that term properly operates. The court decisions have resulted in doing that, too. I think it will be found that very few employees in any sense of the word can be said to be engaged in interstate commerce.

Mr. PEPPER. Mr. President, I am afraid I would regretfully differ with my distinguished friend, the Senator from Ohio. Congress has not approached the border of its authority in this field. Some of us hoped Congress would extend the coverage so far as the power of Congress reaches, by putting the words "affecting commerce" into the law. At the present time, the coverage applies to only two categories, namely, those engaged in the production of goods for commerce and those engaged in commerce. The courts—and the action on the part of the courts is the subject of amendments to the bill—have given significance to that language. The law also says, "in respect to the production of goods for commerce, and production necessary to the production of goods for commerce, or whatever is necessary to the production of goods for commerce"; so it broadens the category a little bit. The courts by interpretation have given rather full, but I think fair, significance to what the law already says. But they have made it clear in their decision that Congress did not reach anything near the border of its power in this field. Congress not only did not reach as far as we could have, but it has expressly exempted all agricultural employees under the provision I just read, affecting those engaged in handling, storing, or packing agricultural commodities within the area of production—whatever that means.

Mr. TOBEY. That is what started me.

Mr. PEPPER. Numerous other groups had been specifically exempted in the old law.

Mr. TOBEY. What I am getting at is this——

Mr. TAFT. Mr. President, will the Senator yield?

Mr. TOBEY. Just a second, and I shall be glad to yield. We have a human society made up of different elements, the capitalists, among whom I have many friends and associates, the free-enterprise fellow, the entrepreneurs, the little-business fellows, and the workers and the toilers. We have a Congress of the United States. We talk about minimum-wage legislation as a beneficent thing. Is it, or is it not? If it is good, why do we circumscribe it by letting out Tom, Dick, and Harry all along the line, because of some special influence or effort exerted on us? If we are going to raise an umbrella over human society, in fixing a minimum wage, why make it a leaky one, through which the rain will come? Why not make it something which will hold water all along the line?

I respect my friend from Ohio [Mr. TAFT]; I have a deep regard for him. He is frank and sincere in what he says. I submit to him I should like to have a minimum-wage law which will encompass all of human society, one that will result in the greatest good to the greatest number. But as I see it, we are here putting through a piece of legislation which has a lot of holes in it, with people escaping from it, and society as a whole being affected only in a partial form. Is that a fair statement, or is it not?

Mr. PEPPER. It is the view of the Senator from Florida, speaking only for himself, that the law should be extended to the limit of the congressional power. I believe it would be good for the country. I believe it would be good for the people in the higher wage groups as well as in the lower wage groups. But at the same time we are faced now with the practical problem of trying to get the minimum raised from 45 cents an hour to 75 cents an hour. Those of us who wanted to extend coverage and try to help the workers in groups that are not organized have made concessions in order to get something done. That is the reason we are opposing exemptions which will take large numbers out of the provisions of the law.

Mr. TOBEY. Mr. President, one closing shot. Let me say I wish to goodness there were available in the CONGRESSIONAL RECORD a graph which would make so plain that "he who runs may read" the proportion of the workers, and who and what they are, who come within the provision, and who are exempted. With that before us in graphic form, we might have a little more intelligible idea about this measure. But groping our way through it and relying on colloquies between Senators is not going to be very conducive to a clear understanding of the matter.

Mr. ROBERTSON. Mr. President, I want to say to my distinguished friend from New Hampshire that I cannot picture any industrialist who is the least concerned over whom we exempt and whom we do not. The labor unions have a membership of 15,000,000-plus, and I do not know of any big industrialist whose plant is not unionized, or who does not pay higher than the going union wage, as the penalty of not being unionized. But I shall speak of some who are exempt. First, the farmer. The average farm in Virginia is only 90 acres. We could not provide a minimum of 75 cents an hour for the self-employed farmer, though he would like to be assured of that much. In 1947, when farm income reached its all-time high, the average cash income of the farm group constituting 20 percent of our population was only $700. It was one-half, or less than one-half, the cash income of the nonfarmer group. Knowing that we could not provide financial or so-called social security for the farmer when we wrote this law in 1935—and I believe my distinguished colleague was with me in the House at that time—we said we could not make the farmer, who was then still in the midst of a terrific depression, pay a minimum wage when he had no chance of controlling his production, no chance of controlling his prices, and no opportunity to pass on to anyone else his increased cost of production. So, we exempted the farmer, the farm worker. Then, we exempted the initial processing of fresh fruits and vegetables. Had we not done so, it would have been passed back to the farmer in reduced prices for what he produced. But we put in the law the words "in the area of production," and we have been in a row over it ever since. The courts have made many different decisions; but finally a number of them joined with the fifth circuit in Georgia in the so-called Peanut-Cleaning case, which attempted to define what was an area of production for processing. I may say to my distinguished colleague from New Hampshire that those were the primary exemptions.

Then the sea-food industry became greatly depressed, and we applied the exemption to the first processing of sea food. The men who go down to the sea in ships in all sorts of weather work hard for a very small compensation during ordinary times. In the past 2 or 3 years sea foods have sold pretty well, but it was not a normal situation. We exempted them, because it would have been passed back to them in a lower price for their fish, oysters, lobsters, crabs, and what not. Those are the principal exemptions.

We then exempted the small telephone company, the small mutual company, with only 500 subscribers, the company having a hard time to make ends meet. They could not keep up their lines in bad weather. The lines would break down. They did not have metallic circuits. They were not required to pay the minimum wage. They would employ someone, who would perhaps be living at home, with a little switchboard at her

home, a woman who was glad to work for $50 a month, and live at home, to run the little mutual company. We exempted such companies from the provisions of the law. There were a few other similar exemptions. But the exemptions do not at all touch the real industrial life of the Nation which I feel the Senator had in mind when he expressed the fear that if we go back substantially to the present law, we shall be doing a grave injustice to a large number of workers. I do not think that is true.

We are, however, trying to protect our rural sections. The farmers have had two or three prosperous years, but they are now facing a very serious and perhaps a very bleak future. We may give them 90 percent of parity this year. We do not know what kind of parity we shall have next year, or the year after. I was talking with a good friend last Saturday, and reminded him of when he bought his feed cattle about this time last year, paying 26½ cents per pound and the fact that I had then said to him. "If you will fatten those cattle and get them to market next August, you may get 25 cents a pound. That will be the top you will get. I am no prophet, but I see a bad future for cattle." He told me last Saturday he sold the cattle at 23 cents a pound and lost money on them. Even if it is possible to put 300 pounds on a steer in a year, the man ought to get 2 or 3 cents a pound more for the finished steer than he pays for it, if he expects to make any money. If he does not, if he sells it for the same price he paid for it, he will just about break even. But by selling for less than he gave for it, he will lose money. In September last year, the same type of cattle was selling in Virginia at 32 and 33 cents a pound. The price is down 10 cents a pound. Nobody knows what cattle off grass are going to bring in October, but I guarantee the price paid for them will not be as high as the price paid for those that have been finished off with corn and cottonseed meal to go to market in August. They always bring top prices, and when the grass cattle come in, whether from the splendid blue grass in Virginia, or from the ranges of Montana and other Western States, the price goes down. We can send cattle with white marble fat on them from our blue grass, and we contend they are just as good as those finished in a corn lot in Iowa or Kansas.

When they are sold in competition with grass-fed steers from all over the States, the price goes down.

I attended a sale in Bedford early last September. I talked to some men who said they had paid as much as 40 cents a pound for feeder steers. I said, "You are certainly going to take a terrific beating when those steers go to market."

In Virginia this year there is a large apple crop, more than 8,000,000 bushels. There are some 25,000,000 bushels more in the Nation than there were last year. Last week apples were selling at $1 a bushel less in New York City than they sold for at the same time last year. One of the large growers in Virginia, who expects to harvest 750,000 bushels of apples this year, told me that only through processing a part of his apples in his own processing plant could he hope to break even, and that if he were dependent upon the market he would have to sell at $1.75 or $1.50 a bushel apples which cost him $2 a bushel to place on the market.

Mr. President, that condition can be multiplied all over the farming sections of the Nation. It is something which causes me genuine concern, because, while Virginia has been becoming largely industrialized and we like to see agriculture balanced by industry, Virginia is still predominantly an agricultural State. I frequently go into the farming sections of Virginia. I feel very close to the farmers, and I would deplore any action by the Congress which would needlessly increase the cost of production, knowing that the farmers cannot afford to assume the increased cost, nor do they have the power to pass it on to the consumer.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. EASTLAND. Does the Senator think the passage of this bill will destroy the little food processors and aid monopoly?

I invite the Senator's attention to the fact that in the city of Luray, Va., there is a peach-canning plant employing 80 girls who receive a wage of 50 cents an hour. The people who operate the plant and give the girls their employment say that if they are forced to pay 75 cents an hour they will have to close up.

Mr. ROBERTSON. I happen to know about that instance.

Mr. EASTLAND. As a result, Heinz, Del Monte, and other great companies will profit.

Mr. ROBERTSON. That is correct. I am quite familiar with our small canneries in Page County, because I represented that district for 14 years in the House of Representatives. They can peaches, string beans, and tomatoes. The average storage space is perhaps the size of this room. They serve to keep down prices of Del Monte and other big packers who otherwise would monopolize the market and who would make us pay more for our food.

I was talking with a man on the Eastern Shore recently and comparing his cost of production—he was packing tomatoes—with that of Campbell. Everyone knows about Campbell soup——

Mr. TOBEY. "Just add hot water and serve."

Mr. ROBERTSON. Yes. He told me that the workers in his plant on the Eastern Shore were colored boys and colored girls, and that practically all the workers in the Campbell plant, which is his competitor, were skilled, trained white workers. He told me that the per-unit production in the Campbell plant was approximately 40 percent more than that in his plant. He said, "How can we possibly pay the same hourly wage that Campbell pays and stay in business in competition with Campbell?" He said, "We cannot possibly do it." In that little plant I think the minimum wage is 50 cents an hour. Of course, skilled workers receive more than that. I imagine that in the Campbell plant the minimum wage is $1. That plant is unionized. My Eastern Shore constituent said, "Even with that differential, with their more efficient methods and selling technique, we have difficulty in keeping our product on the market in competition with Campbell's." It is only the price that does it.

I feel, as the Senator from Mississippi said, that if we change the present law and include small laundries, small stores, small bakeries, and bring farmers into the picture, we shall make a great mistake.

In my little town of Lexington, of what a small laundry can do I had an illustration. There is one laundry in the town. The OPA fixed the price it could charge and some other agency fixed what it had to pay. I have forgotten the details. Anyway, the laundry was losing from $2,000 to $3,000 a month in operation under the OPA prices. Laundries in Lynchburg, 50 miles to the South, and a laundry in Staunton, 36 miles to the north, were sending trucks into Lexington and getting the business because they had better machinery and had mass-production methods. Our little laundry could not compete. The OPA granted a little increase in price and a little increase to the workers, and the laundry is still operating. But if we increase the minimum wage to 75 cents an hour, that laundry will have to go out of business. It is not making any money at this time; it is largely a service for Washington and Lee and VMI. The workers will find themselves out of work, and we shall have no laundry service in the city of Lexington, but will have to get service from 50 miles to the south or 36 miles to the north.

There have been small bakeries in Lexington, but they have had to go out of business a long time ago. Bread trucks from the large cities come into the territory and the consumers pay twice what they used to have to pay.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. EASTLAND. What the Senator says with reference to laundries is true of small business in general. Small business does not have the necessary capital to buy labor-saving equipment, and when the wage scale is pushed up to the same figure as in the larger plants where production is greater, it means that small business will have to close down. This is a bill to aid monopoly and big business.

Mr. ROBERTSON. It will work out that way. The Senator from New Hampshire will recall that Mr. George Love testified in the coal hearings that his coal mines had to be worked more than 3 days in the week in order to make a profit. I asked him this question: "What investment in plant and equipment have you made per worker?" He said, "$15,000."

Where can we find a little operator who can put in $15,000 per worker in order to get the last word in mechanized operation?

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. TOBEY. I think this discussion is very much worth while, if only for the reason that we are sending across the country evidence of our zeal and interest, in the Senate of the United States, in the little people of the country. It is

a wonderful thing. May it stick. That is all I ask.

Mr. ROBERTSON. The Senator may remember that the great Lincoln said, "God must love the common people, for he made so many of them." There are more little people in this country than big people, more little enterprises than big enterprises. I feel that the little man and the little enterprise are the foundation of the free or competitive enterprise system, and certainly they are the foundation for the personal freedom and democratic institutions which we love and are supposed to cherish.

Mr. DOUGLAS. Mr. President, will the Senator from Virginia yield?

Mr. ROBERTSON. I yield to the Senator from Illinois.

Mr. DOUGLAS. I take it that the Senator from Virginia is aware of the fact that the small laundries, those which work merely for one locality, or for localities within the State, are exempt from the Federal law, and that therefore the illustration which the Senator has given really is not an argument against the law, because they are not included under the Federal law.

Mr. ROBERTSON. The small laundries are not under the Federal law, but there is something in the Senate bill which would not exempt them. I am speaking to that issue right now, and, of course, if we do not leave it in the bill, well and good, but I have no advance information as to the attitude of the Senate, as to whether or not the majority is going to stay with the present law on that subject, or try to bring the little laundries, the little storekeepers, the little people generally, under the law.

Is it not true, I ask the Senator, who is a member of the committee, that there was something in the Senate version of the wage-hour bill which changed the provision as to laundries?

Mr. DOUGLAS. That was the original bill introduced, but, as the distinguished Senator from Florida has said, the phrase "affecting commerce" has been deleted from the bill, and the coverage under the bill now before the Senate is no more extensive than the coverage of the existing law.

Mr. ROBERTSON. Let me ask my distinguished colleague when that phrase was deleted from the bill.

Mr. DOUGLAS. It was deleted, I think, about a month ago.

Mr. ROBERTSON. From the bill? Was it deleted from the bill that was reported from the Senate committee?

Mr. DOUGLAS. The phrase "affecting commerce" was deleted from the bill, and today we have deleted the phrase for extending control over the "area of production." Now the bill is precisely back to the present act.

Mr. ROBERTSON. That is very fine, and I am gratified, but my constituents read the first bill and wrote me about it. I have not kept up with the second bill or the other amendments. I wish to commend my distinguished colleague from Illinois for taking that wise action, and I hope further action of the Senate will be in that direction, plus a reduction of the 75-cent minimum to 65 cents. I might as well cover the whole subject while I am at it, and that is the last issue I plan to discuss.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield to the Senator from Florida.

Mr. PEPPER. I merely wish to make the observation, if I may, that in the original bill, to which the able Senator has adverted, the object was not to bring in little people; the retailer and service establishment were brought in only in case they did half a million dollars' worth of business a year. So it was not a little grocery or corner drugstore that was brought in.

Mr. HOLLAND. Mr. President, will the Senator from Virginia yield?

Mr. ROBERTSON. I yield to the junior Senator from Florida.

Mr. HOLLAND. I merely wanted to say, in connection with the discussion of the laundry exemption just indulged in by the junior Senator from Illinois, that, after the rather long discussion which took place on the floor of the Senate, I think he is mistaken in his conclusion. The laundry which does business solely in the local community remains exempted under the present situation, because the rule applied to laundries, just as to retailers, is on the basis of the purpose for which the work is done, and for what kind of clientele. For instance, a laundry a large part of whose business is for hotels, or for the city hall, or the county courthouse, or for other types of business, doctors' offices, and the like, can and does lose the exemption, so that the question does not at all have to do, under the present situation, with seeking to protect a group that is already fully protected, but, on the contrary, is an effort to protect the group that was intended to be protected by the original bill, and, as shown very clearly by all the remarks of the original proponents, to have been intended to be protected, but from whom the protection has been withdrawn under the regulations and under the interpretations.

Mr. ROBERTSON. I assumed the Holland amendment was necessary. If I am shown it is not necessary, of course we do not have to consider it, but otherwise I shall be glad to support the Holland amendment. I have proceeded on the assumption that the amendment is necessary.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield to the Senator from Florida.

Mr. PEPPER. There has been a great deal of confusion about the so-called laundry and retail establishment, and the confusion has not been eliminated. I wish to make it doubly clear, because I do not want to add to the confusion or make any conscious contribution to it—and I cannot make it too clear—that the position the committee has taken is not to bring intrastate commerce under the coverage of the act, but to prevent an enterprise from getting the exemption of a retailer, and being able to sell 50 percent of its goods in interstate commerce and not have a worker covered. That is the issue. Senators do not seem to realize that what they are asking is the privilege of getting someone classified as a retailer, or as a service establishment, and then have him send half his goods, if he chooses to do so, across State lines, and not have the workers engaged in the interstate commerce covered. If his activities are restricted to the State, very well, but the amendment of my distinguished colleague starts off in the first paragraph by referring to "50 percent"—referring to a case where an establishment does not do more than 50 percent of its business in a State. Where does the other 50 percent go?

So, when we come to a full discussion of this matter, there are two sides to it. I do not want Senators to foreclose their minds by thinking that the committee is trying to apply or has applied the provision to the little service establishment or the little merchant and others in the same class.

Mr. ROBERTSON. Mr. President, my distinguished colleague from Florida referred to the time when we will come to a full discussion. I have a speech on this subject written in my office, and I had planned to deliver that speech, but when we were told that if we would be brief in our comments, and work hard, and perhaps work tonight and perhaps work tomorrow, we might get out of here Thursday and have from Thursday until next Wednesday, I decided to leave my speech in my office, and make a short comment in lieu of a full discussion. But even in a short comment I cannot omit some reference to the 75-cent minimum for those who are now covered. I am not talking about bringing other people in, but referring to those who are now covered. I honestly feel that it would be a mistake to make the minimum 75 cents from a number of standpoints.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield to the junior Senator from Florida.

Mr. HOLLAND. There is no thought at all of bringing about by the so-called Holland amendment any condition under which the present application of the present law with reference to interstate business is changed in the slightest jot or title. The present law reads, referring to exemption, "any employee engaged in any retail or service establishment the greater part of whose selling or servicing is in intrastate commerce." Instead of leaving the language of the law to be interpreted solely upon the question of the interpretation of "greater part," our amendment proposes to state clearly that whenever more than 50 percent of the business is in intrastate commerce the condition is met. I wish to say at this stage, because I would not have any misunderstanding whatever get abroad on this subject, that under my amendment there is not the slightest change from the present law insofar as bringing in any workers engaged in interstate commerce, meaning commerce between the various States, is concerned.

Mr. PEPPER. Mr. President, will the Senator from Virginia yield?

Mr. ROBERTSON. I yield to the senior Senator from Florida.

Mr. PEPPER. Let me say, in response to my distinguished colleague's observation, that what he does is to change the definition of who is a retailer. That is the significant matter. If one is a retailer, then he can ship half of his goods in interstate commerce and his employees are not covered. It is only, however, when the statute makes one a retailer that he can do that. So, when my distinguished colleague enlarges the category of retailers he enlarges the right to ship in interstate commerce without the workers engaged in the interstate commerce being subject to a Federal statute which regulates interstate commerce. That is the difference between us.

Mr. ROBERTSON. Mr. President, I wish to conclude very briefly on the subject of the 75 cents an hour minimum figure in the House bill. Some years ago a relatively small carpet plant was located in my home county, about 15 miles from Lexington. At that time farm hands were making from 20 cents to 25 cents an hour, and most of the men that went to work in that plant had previously been farm workers; and women who worked there had no previous employment at all.

Recently the manager of that plant told me that the minimum wage paid in that plant was $1.10 an hour. I rejoice in that. Time after time the CIO has endeavored to unionize that plant, but never with any success.

This plant was subject to the wage-and-hour law. Its officials have discussed the wage question with me. I said to them, "Always raise wages to your employees before the time comes when the law will force you to increase the wages." They did so. They never waited for the 35 to 40 cents an hour law to become effective. They were always ahead of the law in respect to increasing wages.

In addition to that they provided hospitalization for their employees. They keep two automobiles in readiness for use in case any employee becomes sick, or there should be trouble in the family. In such event a driver is available and the employee sent home.

The employees are taken to and from their work in busses. Every employee lives at home, has a garden and a cow. The employees are happy and contented because they are treated with friendly consideration. The minimum wage paid the employees is $1.10 an hour.

The plant received four E awards for making duck and other materials during the war. That plant produced over and above the call of duty during the war, and was recognized and rewarded by receiving the E awards.

But, Mr. President, I want to say that if by law we attempt to force some little operator, who does not have the productive capacity nor the market, to pay his employees a minimum of 75 cents an hour, we are going to work an injustice against certain types of workers who cannot, in such a plant, be paid 75 cents an hour, and they will have no employment. That is point No. 1.

Point No. 2 is that I do not think we can stabilize a given standard of living simply by passing a law. I think they have gone pretty far in Great Britain along that line, and it has not worked, and it will not work in this country.

Point No. 3 is that this 75-cents-an-hour minimum wage is going to operate primarily against the farm products—against what people eat and what they wear. If we do make the program work, we are simply going to increase the cost of living to those who are a little above the 75-cents-an-hour minimum-wage level, so their wages will not go as far as they have previously. The person who cannot produce enough to earn 75 cents an hour is going to be infinitely worse off.

Mr. President, these appear to be very flush times, except when we look at the budget situation. They are not so flush for the Treasury Department. But from the standpoint of the national income, the money we are spending, and the style in which we are living it might seem that these are pretty flush times. Certainly in the future there is going to be a period of reckoning. We cannot support this economy by borrowed money indefinitely. Sooner or later we have got to get down to rock bottom and balance the budget. We must face up to the stern realities that we cannot have more than we actually produce.

In view of those uncertainties why would it not be the part of wisdom to proceed with this problem—and certainly all of us sympathize with those who now do not receive as much as 75 cents an hour—to provide at the start for a minimum, let us say, of 65 cents an hour, and see whether that works. If that does not work, we will all certainly be glad we did not make it 75 cents an hour. If it does work, and some of us would be greatly surprised to see our economy stabilized on the basis of a national income in excess of $200,000,000,000 a year, but let us suppose it does, that will be time enough to say, "Well, for the least skilled worker we will stabilize you at 75 cents an hour, and if you cannot get jobs paying that wage, we still have a social-security system or some other system that will take care of you without working." But Senators know we will never have any system that will take care of people without working. And we have no assurance now that all small enterprises can survive and pay a minimum wage of 75 cents an hour.

I appeal to my colleagues to join with us in the South, where the increase is going to be felt immediately, to set the figure for the time being at 65 cents an hour, and see how that works.

ADDRESS BY THE PRESIDENT AT THE AMERICAN LEGION CONVENTION, AUGUST 29, 1949

Mr. KEM. Mr. President, at the American Legion convention in Philadelphia yesterday, President Truman addressed himself to what he called, "Our International Economic Policy." He laid down certain principles which he said should govern our discussions with representatives of the United Kingdom when they come to Washington to talk about further aid to Britain. I have no doubt that one statement made by Mr. Truman has attracted the attention of many Members of the Senate and of the American people generally. It is this—and I quote from President Truman's speech:

> We recognize that each nation has its own political problems and that its uses different political labels and different slogans from those we use at home. In the same way, nations have different business practices and different governmental devices for achieving the same economic ends.

This raises the question: Are the present government of Great Britain and the present administration in the United States trying to achieve the same economic ends?

Mr. President, the Socialist government of Great Britain has plainly and unmistakably told us what are its economic ends. The present government of Great Britain is committed to the principles of Karl Marx. The first of these principles is the abolition of private property and the government ownership of the means of production. This is not merely as Mr. Truman seems to think, a political label or a mere slogan. It is a serious, a deathly serious, policy of governmental action. It represents an attempt to destroy the institution of private property in Great Britain. Working on this policy the present Government of Great Britain has already brought about the nationalization of one-fifth of the total economy of that country. Plans have been announced and are being rapidly pushed to take over much or all of the remainder.

Does this mean that the President has committed himself to work toward the same economic end as Socialist Great Britain? Is Mr. Truman's statement a trial balloon? The American people are entitled to know exactly where he stands, and what he means.

This program carried out in the United States would mean the destruction of an economic system that has given our people the highest standard of living the world has ever seen. Our economic system is the envy of the people of all the rest of the world. Are we prepared to junk it, and to take in its place the economic plans and objectives of the present Socialist leaders of Great Britain?

If so, our British friends can bring with them to Washington a complete blueprint. It is ready at hand.

British farmers, for example, are regulated and directed from sunup to sundown. A British farmer may neither kill a pig nor give a dozen eggs to a neighbor without first applying for and acquiring a permit from the proper authorities. The Minister of Agriculture can force a farmer off his own land if he does not plow, sow, or reap according to plan. Is this what Mr. Truman is proposing for the American farmer?

A British carpenter cannot give up his job without permission. If he does so, he goes to prison for 3 months, or pays a fine of $300. Is this what Mr. Truman proposes for the American workers?

These are but two examples of what happens to the rights and liberties of a free people under the economic system now prevailing in England, and for which Mr. Truman appears to have expressed on our behalf some degree, at least, of like-mindedness.

But the question remains, If this economic end is so sound and good, why are

the British coming to Washington? Why do we have the gold rush of 1949?

The most fundamental question in what the President calls "our international economic policy" is whether the money of the American people, earned under a system of free enterprise and personal initiative, shall be used in further experiments in British socialism.

We all agree with Mr. Truman when he says that we are not proposing to interfere in one another's internal politics. But, Mr. President, the representatives of the American people have the responsibility of saying how the money of the American people, taken from them in taxes, shall be spent. We are told on highest authority that the money of the American people is now being used as a slush fund to keep the British Socialist Party in power. It is to this problem that we earnestly hope our representatives at the Washington Conference will devote their best thought and earnest attention.

TRADE AGREEMENTS

Mr. MALONE. Mr. President, will the Senator yield?

Mr. KEM. I am glad to yield to the Senator from Nevada.

Mr. MALONE. Mr. President, I should like to ask the distinguished Senator from Missouri if he has in mind some of the suggestions which have been put forth in the press lately, to the effect that the British and their attendants coming to the September conference, might propose, for example, a combination of the dollar and the pound, a sort of a "dolpound," an economic combination or interdependence of the sterling-bloc area and the dollar area.

Mr. KEM. Several proposals have been suggested, including the one to which the able Senator from Nevada has referred. Another is that Marshall-plan funds be used for the purpose of purchasing Canadian wheat, and in that way building up the dollar reserves in England. But I will say to the Senator from Nevada that so far as I have seen, all the suggestions advanced have one thing in common. They contemplate a means or method of tapping the American Treasury, which the British have done so often, so successfully, and so prolifically in the past.

Mr. MALONE. Mr. President, will the Senator further yield?

Mr. KEM. I am glad to yield.

Mr. MALONE. When I visited Toronto, Canada, in 1947 I chided the Canadians in an address to the Mining Association of Canada about waiting for the Marshall plan money to go to England to be used by that nation to buy wheat for cash in Canada.

Do I correctly understand the Senator to say that all these plans, such, for example, as the 1934 Trade Agreements Act, under which the State Department has established a special selective free-trade policy to divide the markets with the nations of the world, all depend upon the United States Treasury, and all amount to a division of the markets, which is the source of our income in this country?

Mr. KEM. From my point of view, that is true. We see the British making barter agreements with Argentina, with the purpose, intent, and result of excluding American enterprise from the markets of the Argentine; and at the same time we see the British suggesting that we should lower our tariffs so that they can come into the markets of the United States. There twin policies are policies in which the American people are bound to lose. It is a case of "heads I win, tails you lose."

Mr. MALONE. Mr. President, will the Senator further yield?

Mr. KEM. I am glad to yield.

Mr. MALONE. Under the method of making these agreements pursuant to the 1934 Trade Agreements Act, when they enter into an agreement with us they immediately put into effect quotas, embargoes, manipulation of their currencies for trade advantage, thus nullifying their part of this agreement so that only our country is affected by the trade agreement. But when we make an agreement with any foreign nation the multilateral theory prevails and any advantage given that nation through lowering our import fees or tariffs immediately becomes available to all the other nations of the world, and we keep our part of the agreement—so it is a one-way trade. Is that true?

Mr. KEM. I think that is true.

Mr. MALONE. I should like to ask the Senator from Missouri who benefits from such a system when this nation with which the trade is made immediately nullifies it—and through the multilateral system all any nation has to do is to keep quiet, and finally we make enough trades on practically every commodity so that it will get all of the benefits without even making any so-called trades. Is that true under present conditions?

Mr. KEM. That is the way it works according to many observers. It is a very interesting thing that when the British loan of $3,750,000,000 was being proposed in 1946, the proponents of the loan urged that that was a way to prevent the execution of bilateral barter agreements between Great Britain and other countries of the world. We went along and accepted the proposal. We loaned or gave Great Britain the enormous sum of $3,750,000,000. We incorporated in the agreement, which was ratified by Congress, a provision to the effect that Great Britain should not make any more barter agreements. But we now learn that Great Britain is continuing to make them. It seems that the provisions of the British loan agreement have been waived either expressly or by implication by the executive department of the Government. I raise this point: If the agreement required the authority of Congress to make, should not Congress have the prerogative and right of passing upon any proposals to waive or modify its provisions?

Mr. MALONE. Mr. President, will the Senator further yield?

Mr. KEM. I yield.

Mr. MALONE. I was about to ask that very question of the Senator from Missouri. Was there a provision in the loan agreement, or in the approval by Congress of the loan, whereby the State Department, or the executive department of the Government, could modify any part of it without further congressional action?

Mr. KEM. I understand that the position of the executive department is that the agreement was made by the executive department, and that it was then ratified by Congress, but that it was primarily an agreement of the executive department, and remained so. The position of the executive department is that representatives of that department have the right now to change its provisions if they see fit to do so.

Mr. MALONE. According to that line of reasoning, if an attorney proposes an agreement between two parties, after it is duly signed and notarized the attorney having written it, may modify the agreement upon the request of either party to the agreement without the consent of the second party.

Mr. KEM. The contention as I understand is, the agreement was the agreement of the executive department of the Government in the first place, that the ratification by Congress was merely a confirmation of what the executive department had done, and that the executive department is now clothed with the authority to change it if it wishes to do so.

I will say to the Senator from Nevada that in my judgment good faith demands that the provisions of the agreement be carried out until they are modified or changed by the elected representatives of the American people sitting in the Congress of the United States.

Mr. MALONE. I should like to ask the Senator a further question on that point. If approval by Congress carried the further privilege of modifying the agreement, and if the executive department has the authority to modify an agreement at any time, why not simply give the executive department blanket permission to make any agreement it wishes to make without consulting Congress at all?

Mr. KEM. Of course, the answer is that if the executive department had come to Congress for a blank check, they would not have gotten what they asked. And so perhaps they have succeeded in doing indirectly what they would have been unable to accomplish directly.

Mr. MALONE. Yes.

Mr. President, will the Senator yield further?

Mr. KEM. I am glad to yield.

Mr. MALONE. There has been clear indication in the newspapers, that over a period of several years, the European governments have had a way of using their effective psychology on the United States by shocking us with their outlandish proposals first and then putting over a slightly modified form of an agreement containing substantially what they wanted in the first place.

For example, we have the austerity of Britain and other European nations built up in the news stories to the highest point at the present time, and now their representatives are coming to the United States in an attempt to get further funds and a further division of our markets with the sterling bloc countries.

Does not the statement the President made at the American Legion convention

and do not the statements he has made elsewhere and the announcements the State Department has made support the theory that we are going to continue to even a greater extent opening our markets to the countries of the sterling bloc area, and that also perhaps we may act in accordance with the suggestion made by Mr. Bevin in 1947, and now renewed in the newspapers, namely, that we should purchase the currencies of those nations at a rate slightly reduced from the present official rate, but not down to the actual value, and that we should make those purchases in gold, and thus give those nations our Fort Knox gold? Has not that suggestion definitely been made?

Mr. KEM. I think it has. I think all have directly or indirectly the same objective in mind, namely, to tap and to tap again the Treasury of the United States and the resources of the American people.

Mr. MALONE. In other words, all of it leads to a direct cost and drain upon the Treasury of the United States or to a division of our markets, which is the basis of our national income.

Mr. KEM. Yes; and such a division is a division of the source of our wealth, which is even more important in the long run than a division of our Treasury funds.

Mr. MALONE. Yes.

Following that, let me say that in debate some weeks ago, we brought out the fact that some 30 different values are given to the pound sterling, depending upon the particular area or type of trade in which it is involved at the moment. In other words, the official rate for the pound sterling is $4.03, whereas the rate on the market—whether it be called free market, black market, brown market, tan market, or whatever one may wish to call it—is about $2.10, and that is the rate that smart traders are paying today. The pound sterling can be purchased for approximately $2.10 on the open market. The Senator is familiar with that matter, I suppose.

Mr. KEM. Yes.

Mr. MALONE. Suggestion has been made, perhaps as a feeler, that the Secretary of the Treasury would insist upon a certain devaluation of the pound sterling to $3.25 or perhaps $3 before this Nation would invest its money. If the United States bought the pound sterling at that price, say $3, in exchange for gold, that would still be at least 90 cents above the market price for the pound sterling. Such a step would logically lead to the next step—only hinted at by the news despatches, that a year or two after the United States pays gold for those foreign currencies, the foreign countries thus obtaining our gold will raise the price of such gold and sell it back to us at a profit. We would of course still have the worthless paper.

Mr. KEM. I think that is being proposed now, namely, that the value of the dollar be reduced—in other words, that the price at which we buy gold from the British and other nationals shall be raised. Uncle either gets less or pays more.

Mr. MALONE. For example, if the Senator will yield for a further question—and I think our minds meet on this matter—while some of our Government officials write books or documents such as the white paper on China, and various other publications to obscure the real objective, nevertheless the objective is not changed. The objective is to establish a direct channel to the Treasury of the United States, which holds our wealth in terms of money, or to divide our markets, which is the source of our wealth. Is not that true?

Mr. KEM. I think undoubtedly it is true.

Mr. MALONE. I thank the Senator.

Mr. KEM. Mr. President, I wish to close by saying that I think the situation shows beyond question that the representatives of the United States at the forthcoming conference with the able and experienced British negotiators should be on guard to protect the interests of the American people. I express the hope that our representatives will be on their guard in the spirit of the embattled farmers who stood at Concord Bridge and fired the shot heard 'round the world.

COMMITMENTS WITHOUT THE INTERVENTION OF CONGRESS

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. KEM. I am glad to yield.

Mr. WHERRY. In view of the statement made by the President of the United States to the effect that consideration would be given to Britain, regardless of her internal affairs or politics; and in view of the further fact that the participants at the conference are now going to hold further discussions in an attempt to arrive at some economic union, nevertheless does not the Senator from Missouri feel that regardless of whatever conclusions might be reached, no moral or legal commitments should be entered into without having the Congress and the American people know what those commitments and agreements are?

Mr. KEM. I agree absolutely. I think we have before us the pertinent example of what has occurred in the case of the British loan. Certain provisions were incorporated in the agreement ratified by Congress, but now the executive branch of our Government claims the right to modify those provisions at will. Of course, we also have our poignant recollection of what happened at Yalta. Our representatives at Yalta upon their return home, said they had made no commitments in certain fields. Later it developed that certain epoch-making and world-shaking commitments were in point of fact made at that time. Now these commitments at Yalta are considered by many at home and abroad to be moral obligations of the American people.

Mr. MALONE. Yes. Let me ask the distinguished Senator if in reality he is serving notice, in his own interest and in behalf of the people he represents, that the representatives of foreign countries who are participating in these negotiations, as well as the representatives of the United States who are participating there, should take notice that no moral commitments bypassing the Congress of the United States shall be made.

Mr. KEM. Mr. President, I wish to associate myself with the very eloquent statement made in the Senate a few days ago by the minority leader, the distinguished Senator from Nebraska [Mr. WHERRY], when he served notice on the British representatives. At that time I said I thought that was a patriotic statement worthy of an American statesman. I associated myself with it then, and I am glad to have opportunity to associate myself with it again today.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. KEM. I am glad to yield.

Mr. MALONE. Has not Congress already abrogated some of its very important powers? For example the Constitution of the United States gives Congress the authority to fix tariffs and import fees on goods and other products imported from foreign nations. Has not the Congress already abrogated that authority and placed it directly in the hands of the State Department, without any restriction whatever, under the 1934 Trade Agreements Act; and cannot the State Department, without any suggestion from Congress or any approval by Congress, make a so-called trade treaty which amounts to a real treaty and becomes the supreme law of the land? Has not the State Department already reduced the tariff and the import fees, below the differential of cost of production due principally to the difference between the standards of living of these countries? Does Congress now have any right whatever to question or to adjust such tariffs or import fees in any manner at all?

Mr. KEM. Mr. President, I yield to my distinguished friend, the Senator from Nevada in the field of knowledge in the Reciprocal Trade Agreements Act and its operation. It would be carrying coals to Newcastle for me to undertake to add to his information in that important field.

Mr. MALONE. Mr. President, if the Senator will yield further, I should like to say that the "reciprocal-trade" phrase has been invented as a means of selling free trade to the American people. That phrase does not occur in the 1934 act in any way whatsoever. It is impossible to make effective trade agreements with a country that manipulates its trade for its own benefit and advantage or which engages in bloc buying and bloc selling for its own advantage.

Also it is impossible to have an effective trade agreement with a country which makes bilateral trade agreements in direct conflict with the principle agreed upon. The South American bilateral trade agreement is an example and tends to cut off our normal trade with that country. In other words, the result has been something entirely different from what Congress had in mind, and the result is not any benefit whatever to us in the way of trade.

Mr. KEM. I thank the Senator for his interesting contribution to this discussion.

MINIMUM WAGE STANDARD

The Senate resumed the consideration of the bill (S. 653) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes.

Mr. PEPPER. Mr. President, I call up the next amendment on the desk, which is a committee amendment.

The PRESIDING OFFICER. The Chair will state there are two or three committee amendments. The clerk will state the next amendment.

The CHIEF CLERK. On page 40, at the end of line 12, it is proposed to insert the following:

By inserting before the semicolon following the word "agriculture" in clause (6) thereof a comma and the following: "or in connection with the operation or maintenance of ditches, canals, reservoirs, or waterways, not owned or operated for profit, and which are used exclusively for supply and storing of water for agricultural purposes;".

Mr. PEPPER. Mr. President, the Senator from Louisiana [Mr. ELLENDER] has a modification of the amendment which he wishes to offer. I yield to the Senator from Louisiana.

Mr. ELLENDER. Mr. President, I propose to modify the amendment, on line 6, after the comma, by adding "or operated on a share-crop basis,".

Mr. PEPPER. Mr. President, I ask that the amendment be modified as suggested.

The PRESIDING OFFICER. Without objection, the amendment proposed by the Senator from Florida, on behalf of the Committee on Labor and Public Welfare, will be modified as suggested by the Senator from Louisiana. The question is on agreeing to the amendment proposed by the Senator from Florida, on behalf of the committee, as modified.

The amendment, as modified, was agreed to.

Mr. PEPPER. Mr. President, I call up the next amendment, which is my amendment B, dated August 29, which I offer for myself and on behalf of the Committee on Labor and Public Welfare.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 41, after line 17, it is proposed to insert the following:

Section 13 of such act is amended by adding at the end thereof the following new subsection:

"(e) The provisions of sections 6, 7, and 12 shall not apply with respect to any employee engaged in the delivery of newspapers to the consumer."

Mr. PEPPER. Mr. President, that is the amendment proposed by the Senator from Ohio, simply making it clear that newsboys delivering papers to the consumer are not covered.

The PRESIDING OFFICER. Without objection, the amendment offered by the Senator from Florida for himself and on behalf of the Committee on Labor and Public Welfare, is agreed to.

Mr. PEPPER. Mr. President, those are the only amendments offered by the committee which I care to call up at the present time.

The PRESIDING OFFICER. The Chair informs the Senator from Florida there is one committee amendment which has been passed over.

Mr. PEPPER. I know there is one. I should like it to go over temporarily. We shall consider it later. It is the one restoring the area of production to what it is in the present law.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. PEPPER. I yield to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I should like to send to the desk an amendment which I intend to propose and shall call up at a later time. I ask that it be printed.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table.

Mr. HUMPHREY. Mr. President, in view of the fact, as has been stated in the Senate, that there is a possibility we might be able to draw these deliberations and debates to a timely close, I had prepared certain material on one section of Senate bill 653, section 7, and on section 16 of the Fair Labor Standards Act. I therefore offer at this time, as a statement, material pertaining to the right of the employees to collect unpaid wages due and to sue for the payment of back wages, as an explanation of the amendment which has been offered by the Senate Committee on Labor and Public Welfare. I ask that it be included in the body of the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

THE RIGHT TO COLLECT UNPAID WAGES DUE AND TO SUE FOR THE PAYMENT OF BACK WAGES

Mr. President, I desire to speak in support of S. 653, a bill to amend the Fair Labor Standards Act of 1938. This bill comes to the floor with the unanimous support of the Committee on Labor and Public Welfare. It is bipartisan and noncontroversial, and I hope it will remain that way. I must admit that I had hoped to see the benefits of this act extended to many employees who do not now enjoy such protection. I believe many of my fellow Senators share my feelings on this subject. However, it was believed best at this time to attempt only the most needed and less controversial improvements in the act. I know that many Senators will express themselves in behalf of the proposed 75-cent minimum wage. I wish to address myself to a provision of the bill which is designed to remedy a serious defect in the enforcement machinery of the act. This provision is one which is contained in other Federal laws dealing with wage payments and in most of the State wage laws. Without this provision, the act is not and cannot be the effective piece of legislation it was intended to be. A good law may be rendered worthless by failure to provide adequate machinery for enforcement.

More than a decade ago, Congress passed the Fair Labor Standards Act, a good law, benefiting the workers, the employers, and the country as a whole. Its purpose is to safeguard to the lowest paid workingmen at least a minimum income for health and decency, to protect fair-minded employers who wished to pay their workers living wages against unfair competition from less scrupulous employers, to raise living standards and improve the general prosperity and welfare in the country. To fully attain these beneficial aims it is necessary that the provisions of this act apply fairly and equally to all employees and employers covered by it. With this intent Congress authorized the Administrator to bring civil suits in the courts to restrain violations, and, in the case of willful violations, to institute criminal action. The Congress also provided that employees may bring suits to recover unpaid minimum wages and unpaid overtime compensation, and an additional equal amount as liquidated damages, against employers who violate the wage and overtime provisions of the act.

It is not enough to establish standards unless we provide at the same time that the standards will be fully effective. It, no doubt, appeared to Congress, at the time, that the penalties which they had provided would secure compliance with the act. More than a decade of experience in the administration of this act, however, has revealed a serious flaw in this enforcement machinery. For, after all, the purposes of the act can only be achieved if all the employers pay and all the employees actually receive the minimum wages and overtime compensation required by the act. Equitable and fair enforcement requires, not simply that employers be enjoined from violating the act in the future, or that they be fined or jailed for willful violations in the past. Equitable enforcement requires that each and every employer be required to pay all of his covered employees the required minimum wage and overtime compensation, and that none of them be able to evade this obligation. A large proportion of cases where violations are found are suitable neither for civil litigation, usually because the violations have ceased, nor for criminal prosecution, because the element of willfulness was not present or could not be proved. But whether the case is brought to court or not, the employees have not received the wages which were legally due them.

In its inspection activities each year, the Wage and Hour and Public Contracts Divisions have discovered many millions of dollars of unpaid minimum-wage and overtime compensation due employees under the act. The Divisions have followed the policy in violation cases not warranting legal action of requesting employers to pay employees back wages unlawfully withheld under the act. When informed that they have been in violation, some employers voluntarily agree to make restitution to their employees, but many others refuse to pay up the back wages due their employees. Since the Administrator does not have adequate authority to bring action for the recovery of the money due the employees under the act, the great preponderance of back wages found due does not get paid. During the last 4 years, these sums amounted to over $32,000,000.

At the present time the only method of enforcing the payment of wages which the law requires is through employee suits under section 16 (b) of the act. Employees, singly, or in a group, may bring civil action under this section of the statute to recover directly the unpaid wages due them, in which case they are entitled to an additional amount as liquidated damages. But that it is not sufficient just to give the employees the right to sue is indicated by the fact that no actions have been brought with regard to the overwhelming bulk of the wages unlawfully withheld. For example, between October 1938 and June 1945, a period of over 6½ years, only a few thousand employee suits were instituted. In this same time over 100,000 complaints were lodged with the Divisions. Except in instances where employee suits have the backing of a strong union, employees are reluctant to sue their current employers. They fear reprisals: discrimination in job assignments, denial of promotions, insecurity of job tenure. The 2-year statute of limitations generally prevents their suing a former employer. And thus wages legally due are forever lost.

Of the more than 20,000,000 employees covered by the act there are approximately 9,000,000 who do not belong to any labor union. These unorganized workers are the lowest paid, the ones most in need of the benefits of the act. They are the ones most

likely to be victimized by noncomplying employers. They are also the ones who are least likely to sue. They lack cohesion necessary for employees to sue in a group, and are not likely as individuals to be able to stand the expense and risk involved in a law suit. They are also much less apt to be informed of their rights under the act, and of the limitations on the period in which they can sue to recover, than are members of labor unions. Yet the protection afforded by the act to the low-paid unorganized workers is a safeguard to the whole structure of fair labor standards in the country. The undermining of the standards of these workers threatens the standards of the workers throughout industry. It also is a threat to the enforcement of the act.

The Congress acted with commendable dispatch to bar employees from bringing suit to recover back wages which it considered was merely a windfall and not properly due them. I refer to congressional action to negate the Supreme Court ruling on the so-called overtime-on-overtime problem. The employees involved in that situation were members of strong unions, received high hourly wages and enjoyed excellent overtime provisions in their union agreements. What about the unorganized workers? They are the lowest paid, very often are unaware of their rights and are understandably afraid to take any action which they think might jeopardize their jobs. The Congress should, in simple fairness, see to it that these employees receive what we in Congress declare as a matter of law should be paid.

There is no question of punishing employers. The only question is one of assurance that wages legally due shall be paid. The only way to make sure that employees receive the wages due them is to give authority to the administrative agency to supervise payment of the back wages, and, if necessary, to sue for payment of back wages due. An employer must pay debts due creditors. Why then should he be permitted to disregard wages due his employees? He will not be required to pay interest for the money he withheld; he is not subject to punitive damages or to a fine. Under this provision he is simply required to pay what he rightfully should have paid sometime in the past. The law-abiding employer should not be at a competitive disadvantage with respect to those employers who will evade the law if their odds for successfully doing so are great enough.

The Congress acted so that employers whom the Congress considered maintained good labor standards should not suffer loss because of unanticipated claims based on technicalities of the act. Similarly, the Congress should provide that the other kind of employer is not permitted to evade his responsibility under the law because of a defect in the machinery of enforcement.

I am certain that the Congress did not anticipate the possibility that many hundreds of employees would never receive wages found by the Divisions to be due them under the act. It seems to me that it should be a matter of justice that employees should receive what is owed them. The fact is that an increasingly large proportion of unpaid minimum-wage and overtime compensation is not being received by the employees involved. The reports of the Wage and Hour and Public Contracts Divisions show that in the fiscal year 1945, 86 percent of the establishments in violation of minimum-wage or overtime-pay requirements made restitution of unpaid wages; in the fiscal year 1946, 81 percent; in 1947, 76 percent; in 1948, 63 percent; and for fiscal year 1949, only 62 percent. Even more revealing is the decreasing amount of restitution being made. Of the back wages owed in the fiscal year 1946, 62 percent was paid; in 1947, 48 percent; in 1948, 40 percent; and in 1949, back wages paid had dropped to only 35 percent of the amount found due, and the proportion being paid is going down daily. Clearly the trend appears to be that an increasing percentage of employers in violation are refusing to pay to employees the back wages which the law says belongs to them. More and more employers are refusing to make restitution on the ground that many other employers are not doing so. They also point out that even if they made restitution, they would still be subject to the possibility of suits under section 16 (b) of the act for an additional amount as liquidated damages.

This is a most unfortunate situation, and most unfair to all concerned—employees and employers alike. It is shameful that large numbers of the lowest-paid workers should be cheated out of millions of dollars legally due them. These are the very workers the act seeks to protect. By failing to ensure their rights to their wages, the act becomes self-defeating. Just as H. R. 858 and the Portal Act define and set limits on the obligations of employers under this law, it is also necessary to protect employees by safeguarding the minimum-wage standards established by the act. And in the case of these low-wage workers, the loss of this money means the difference between a decent subsistence and actual privation.

Not only the workers, but many employers too, are penalized by the failure to insure uniform restitution of back wages due. For employers who do pay are placed at a competitive disadvantage with respect to those who do not. Some employers who have unknowingly violated the minimum wage or overtime provisions are distressed at having inadvertently deprived their employees of earned wages, and eager to make restitution. On the other hand, some employers will refuse to make such restitution if they have reason to believe they can get away with it. These recalcitrant employers make it difficult for the well-meaning employers who have to compete with them to treat their employees as fairly and equitably as they would desire. Moreover, those who do not make restitution also gain a competitive advantage over the employers who are complying with the act. It is manifestly unfair to employers who desire to comply with the act to allow violating employers to gain a competitive advantage from failure to maintain minimum labor standards. It is unjust that the conscientious and complying employer should suffer a severe burden in comparison with noncomplying competitors.

Moreover, the payment of back wages is essential if compliance with the act is to be assured. All laws which the Congress enacts should be enforced equitably and effectively. Surely this is not attained when some employers who have violated the act pay up the back wages due their employees while others do not do so. If some employers are allowed to profit from violations others are tempted to ignore the act in the hope that they too can get away with it for a long time before they are caught. This encourages violation of the act.

The proposal now before us corrects this flaw in the original act. This section authorizes the administrator, upon making an inspection and finding that back wages are due, to supervise the payment of the wages due to employees affected. If an employer refuses to pay, the Administrator is authorized to institute court action, if necessary, to collect such back wages. The section also provides that once an employer has paid back the wages due, he would be completely protected from the possibility of employee suit on this violation for an additional amount as liquidated damages.

This type of action would by no means be an innovation. It is provided for in many State wage laws; in fact, in nearly all of the State minimum-wage laws passed since 1933. Among the States in which the authorities empowered to administer the minimum-wage laws are given the right to sue and collect back wages are: California, Connecticut, Hawaii, Illinois, Kentucky, Louisiana, Massachusetts, New Hampshire, New Jersey, New York, Ohio, Oregon, Pennsylvania, Puerto Rico, Rhode Island, Utah, Washington, and Wisconsin. In most States with minimum-wage laws it is taken for granted that proper enforcement of such laws requires that the enforcement agency be authorized to collect back wages owing to underpaid employees as part of its regular duties.

The proposed amendment would actually not change the present administrative procedure to any appreciable extent. Granting the Administrator the right to sue for back wages due does not, of course, mean that he would have to go to court in case of violation. This right would be used only as a last resort. It would result in little, if any, increase in the number of cases in which legal action is found necessary. Administrative practice would continue exactly as at the present time. Inspectors would continue to visit establishments of employers subject to the provisions of the act to ascertain whether the establishments were in compliance, advise employers of their obligations, and point out corrective measures. Where violations are found, they are commonly technical in nature, or due to inadvertence or to misunderstanding of the law. The inspector will inform the employer of the approximate amount of money due in restitution to the employees, obtain his consent to payment in full, and supervise the payment. Only in those few cases where the employer refused to make restitution of wages clearly owed would the Administrator need to resort to court action. The cases would be few indeed if employers knew that the Administrator had the authority to institute such action.

At the present time the Administrator can only plead for restitution by a violating employer. In the early years after the act became effective a great many employers willingly consented to pay the restitution to their employees. But, in recent years, as I have already shown, more and more employers are refusing to do so. As a result, whereas the divisions used to arrange for voluntary payment of a very large proportion of back wages, collections are now running on an average of about 35 percent, and in some regions, as low as 11 percent. One reason for this is that the employers who do pay are placed at a competitive disadvantage with respect to those who do not. Another is that an employer is deterred from making restitution because by acknowledging his violation he obviously becomes vulnerable to a suit for liquidated damages.

I am confident that nearly all employers found in violation would pay back wages due if they knew that the Administrator had the authority to collect, and if they were certain that they would be protected against 16 (b) suits if they paid up. But, it would not be equitable merely to grant the Administrator authority to collect the money without giving him the right to sue for it. This would mean that the more conscientious and the more timid employers would come in and pay up while the remaining employers would not pay. Under the law all employers should be treated alike.

The proposed amendment would not in any way affect the Divisions' use of criminal proceedings or injunction suits where violations are willful and flagrant or involve falsification of records. Nor would it impair the right of the employees to sue under section 16 (b) rather than rely on the action of the Administrator if they chose. Suit under this amendment would be brought only in those cases where an employer refused to pay back wages due. And I am sure such suits would be few, for, as I have said, employers would pay back wages legally due if they know the Divisions had the authority to collect, especially if provision was also

made to relieve them of double liability when simple restitution of wages legally due and not willfully withheld was made under the supervision of the Divisions. This result is confirmed by experience in the States.

We are being asked to increase the minimum wage to 75 cents so that the national minimum should again reflect an income level which will afford American employees a decent minimum standard of living. This increase is essential in order that the minimum wage have some relation to the increased cost of living, provide the lowest paid workers at least approximately the same purchasing power as they had before the war, and restore the balance between the wages of low-paid unorganized workers and the more highly paid skilled and organized workers. It is also necessary in order to eliminate unfair competition by a small group of employers who have not brought their wages in line with those prevailing in most industries, and to bolster purchasing power as a brake on declining economic activity, for the sake of the stability of all industry.

But any increase in the minimum wage may be purely illusory if the Administrator is not granted authority to collect back wages, and the right to sue if such payment is refused. Unless an effective means is provided for getting back wages paid, the employer can gamble upon not getting caught. For if he is caught all he has to do is come into compliance in the future without any penalty being imposed upon him whatsoever. He will have successfully cheated his employees out of their legally due wages; the employees will not have received the minimum wages and the purposes of the increased minimum would not have been effectuated.

The right of the Administrator to collect back wages would make the inspection service a more effective instrument for the enforcement of the act. It would result in an increase of confidence in the Divisions' ability to correct violations and secure back wages owed. It would promote a more fair and equitable treatment of both employees and employers under the act. It would safeguard to the low-paid workers the minimum wages legally due them. It would aid in obtaining compliance from those employers who will only comply if they know they will probably have nothing to gain by violating the law. Those employers who comply or wish to comply with the act have nothing to fear from this proposal. Those who attempt to evade its provisions would not be permitted to retain their unfair gains. Thus the right to sue would increase the equitable and effective enforcement of the act. I urge the adoption of this good amendment to this good law.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. BUTLER. I have an amendment which I send to the desk and ask to have read.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 41, at the end of section 6, it is proposed to add the following new subsection:

(e) Section 13 (a) of such act is further amended by repealing clause (11) and inserting in lieu thereof the following: "(11) any switchboard operator employed in a public telephone exchange which has not more than 750 stations."

Mr. BUTLER. Mr. President, I have a short statement I wish to make in support of the amendment.

The PRESIDING OFFICER. The Senator from Florida has the floor.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. PEPPER. I was just going to say, with the concurrence of the Senator from Ohio, who no doubt will also be a member of the conference, I am willing to take the amendment to conference and consider it in conference.

Mr. TAFT. I am perfectly willing to do that. In principle, I assume that in all probability the exemption of stations of 750 today probably would not cover any cities or towns which were not covered by the 500 exemption 10 years ago when the bill was passed. There has been a rapid increase in stations.

Mr. PEPPER. That was rather my feeling about it.

Mr. TAFT. I do not have the figures. I think the conference committee could consider it at least and see whether it should be done. According to the figures furnished me, there are 10,000 exchanges having 500 subscribers or less. There are about 580 exchanges having between 500 and 750 subscribers. If the amendment were finally adopted, I do not think it would affect more than 2,000 or 3,000 employees.

Mr. PEPPER. We shall be glad to take the amendment to conference. If the Senator desires to submit a statement for the RECORD in substantiation of the amendment, we shall be very glad to have it.

Mr. BUTLER. Mr. President, I submit the statement for the RECORD, and ask that it be printed as a part of my remarks at this point.

Mr. PEPPER. We are very glad to have it.

Mr. BUTLER. I have in the statement certain of the figures the Senator wanted.

Mr. PEPPER. I thank the Senator very much.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Mr. President, I present for the consideration of the Senate an amendment I have prepared which would exempt from the minimum-wage and maximum-hour sections of the Fair Labor Standards Act all rural telephone companies having less than 750 stations. The present act provides such an exemption only for such companies having less than 500 stations.

By way of background, I might explain that when the original Wage-Hour Act was passed, no exemption was provided for these small telephone companies. Very soon, however, it was realized that the little rural exchanges were in no position to comply with the provisions of the act. I believe it was generally assumed that such companies would not be affected by the act anyhow, since such a very small percentage of their business was interstate. However, the Administrator ruled that they were covered by the act. Very promptly, therefore, an amendment to the original act was passed, providing an exemption for such exchanges having less than 500 stations.

The bill reported by the committee proposes to leave this exemption just as it is; in other words, to continue the exemption for companies having less than 500 stations The difficulty with that, Mr. President, is that a great many of these small exchanges in the little country towns have added on enough customers so that they are no longer covered by the exemptions. A great many of the exchanges that had perhaps three- or four-hundred-odd stations back in 1938 now have five or six hundred. That is due to the greater prosperity in the rural sections of the country that has come about during the last few years, which has enabled many farm families to afford telephone service who never could before. I believe that my amendment really comes close to carrying out the original intent of the act by exempting most of the smaller independent companies which serve small-town or rural sections.

In practically every State, telephone rates are regulated by the State commission, and, of course, we all know that those rates are based primarily on costs of operation. It is obvious that if their costs go up, it will be necessary to raise rates to subscribers. In many farming regions, the subscribers simply will not stand for an increase in rates, and it will simply mean that many subscribers will discontinue their phone service. I do not believe we want to bring about that result, Mr. President. We should be aiming at methods to expand telephone service in the rural regions, instead of passing regulations that will have the effect of cutting down the availability of such service. No one who has lived on a farm several miles from town—perhaps a mile or more from the nearest neighbor—will deny the extreme importance of permitting every family to have its own telephone. In case of sickness or some other emergency, a telephone frequently makes the difference between life and death. I do not believe the Congress should take any action that will place the telephone service in these sections beyond the reach of the average farm family. We do not have enough telephones on the farm today, Mr. President. I certainly don't believe the Congress should take any action to make it still more difficult for the farmer to acquire such service.

I have been supplied with a tabulation as to how the independent telephone companies of the country are affected by the Fair Labor Standards Act. I am referring now just to the independent telephone companies and not to the Bell companies. Of the 19,000 exchanges in the entire country, Mr. President, more than 11,000 are operated by independent telephone companies. Of these 11,000 exchanges, almost 10,000 serve less than 500 telephones and are, therefore, already exempted under the law and under the proposed bill of the committee. About 500 more would be exempted by my amendment. About 150 more are in the class having between 750 and 1,000 stations, while less than 500 have more than 1,000 stations. My amendment, therefore, relates to this small group of approximately 500 independent companies out of the 11,000 independent exchanges. I believe that my amendment, therefore, carries out the real intent of the original exemption which was designed to exempt those exchanges primarily serving small town and rural communities. Certainly any town of any substantial size at all, together with the nearby rural subscribers, has a great many more than 750 stations on its exchange and would not be affected at all by this amendment.

I estimate that between 3,000 and 4,000 switchboard operators would be affected by the amendment. In other words, the amendment relates to exchanges where not more than two or perhaps occasionally three operators are on duty at any one time. It is important to realize that if, as expected, the application of the 75-cent minimum forces a sharp increase in rates and results in many subscribers dropping their telephones, it will mean unemployment among the very group that this bill is designed to benefit—that is, the telephone operators themselves. If several hundred present subscribers discontinue their service at each of the exchanges affected, it will mean that one or two or three of these operators will be laid off at those exchanges.

Mr. President, I hope very much that the Senate will adopt this amendment and take it to conference. The House committee in reporting the bill recommended the 750

exemption, and I believe that those most familiar with the problems of the industry are generally in favor of it. I do not believe that we should pass any legislation right now that will seriously hamper the program of extending telephone service to every farm home in the country.

Mr. DOUGLAS Mr. President, I ask unanimous consent to have inserted in the body of the RECORD at this point a statement which I prepared on the child-labor provisions of the bill. It would abbreviate the discussion if it were printed rather than stated.

The PRESIDING OFFICER. Is there objection?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR DOUGLAS ON CHILD LABOR PROVISIONS OF NEW WAGES-AND-HOURS BILL, S. 653

The wages-and-hours bill (S. 653) which the Senate now has before it makes two very important improvements in the present child labor provisions: (1) By shifting the test of regulation from goods shipped in interstate commerce to employment "in commerce or in the production of goods for commerce," it decreases by about 125,000 the number of children and juveniles under 18 who can be "oppressively" employed, and (2) by making more definite the rules concerning the relation of child labor in agriculture to school attendance, it protects the children of migratory farm workers and others who are outside the compulsory attendance requirements of the States. I shall briefly discuss each of these points.

1. The original Fair Labor Standards Act did not directly regulate the employment of children in the interstate commerce or the production of goods for commerce. Instead, it tried to do so indirectly by prohibiting the shipment in interestate commerce of goods which within a previous span of 30 days had been worked on by "oppressive child labor"—namely, by children under the age of 16 and, in certain specific cases, under the age of 18 where the work was held to be especially dangerous or injurious to health. In effect, such goods were declared to be "hot and contaminated cargo" which were to be quarantined for 30 days before they could enter into the stream of interstate commerce.

This curious and clumsy provision was directly taken over from the Child Labor Act of 1916 when the overruling majority of judges believed that the Federal Government had no direct power to regulate employment in manufacturing and mining. The attempt was therefore made by Congress in 1916 to reach the same end indirectly by controlling the shipment of goods in interstate commerce which was produced by child labor. It was hoped in this way to build on the legal precedents which had previously upheld the power of Congress to deny shipment into interstate commerce of decayed eggs, diseased cattle, lottery tickets, and the transportation of women destined for immoral purposes. Despite these precedents, however, the Supreme Court in the case of *Hammer* v. *Dagenhart* (247 U. S. 251) ruled that the 1916 act was an unconstitutional exercise of the commerce clause. A later attempt to prohibit and regulate child labor under the taxing power was similarly declared unconstitutional (*Bailey* v. *Drexel Furniture Co.*, 259 U. S. 20). Then attempts to ratify the child labor amendment of 1924 also failed.

The opponents of child labor were therefore extremely cautious when the Federal Fair Labor Standards Act was drafted in 1937 and passed in the next year. While the sections fixing minimum wages and standard hours of labor for adults engaged in interstate commerce and in the production of goods for commerce directly regulated these minimum wages and standard hours, the opponents of child labor were fearful that despite the five Labor Board cases of 1937, the Supreme Court might later hold that the fact the Wagner Act had been declared to be constitutional would not be a precedent for permitting the Federal Government to regulate or prohibit the labor of children in these industries. For while the Wagner Act could be justified on the ground that it was designed to prevent organizational strikes and hence aimed to ensure a free flow of commerce, no similar defense could be put up for the direct regulation of employment which was embodied in the Fair Labor Standards Act.

The opponents of child labor were, therefore, afraid in 1938 to take the chance of direct regulation which was being followed in the wages-and-hours section of the act and instead fell back upon the "hot cargo" features of the 1916 law which they thought would have a better chance of being upheld by the Supreme Court. But this method, in practice, has proved to have a number of defects, such as the following: (a) Since only the shipment of goods was regulated, child labor in the form of providing services in transportation was excluded from coverage. This meant that children employed as drivers, loaders, and helpers for interstate trucking concerns, children employed on railroads and boats and those in the communications industries were denied the protection of the act. These number altogether over a hundred thousand.

(b) It became possible for some employers to employ children and then to hold back the goods for more than 30 days and afterward ship them. This has been practiced in the case of lumbering and canning and is perfectly legal under the present law. I do not know how many children have been deprived of protection in this fashion but certainly the administrative complications of discovering how long goods have been held before being shipped have been very real and extremely burdensome.

Now let it be noted that the Supreme Court in the case of *U. S.* v. *Darby* (312 U. S. 100) held in 1940 that the Federal Government did have the power to regulate wages and hours in both commerce and the production of goods for commerce. Consequently, it would be similarly constitutional directly to regulate or prohibit oppressive child labor in these lines. In the present bill we are therefore asking the Federal Government to assume these powers and to include in the coverage the children whom I have mentioned and who have hitherto been excluded.

I do not believe there is any real opposition to this proposal. If it is against the public interest for children to work in a factory, it is similarly against the public interest for them to work on a boat or railway in interstate commerce or on trucks and busses which are in the flow of interstate commerce.

Furthermore since some of this work, such as lumbering and trucking, is particularly dangerous, there is no reason why children from 16 to 18 should be denied the necessary protection which others of a similar age are given. Here it should be noted that, as the distinguished Senator from Florida stated on the floor on Monday (CONGRESSIONAL RECORD, p. 12439) the committee has accepted an amendment which would exempt children who deliver newspapers to the consumer. Also exempted are child actors of all descriptions (p. 12435), while the administrator is also authorized to permit the payment of less than 75 cents an hour to juveniles under the age of 18 who are primarily engaged in the delivery of messages (p. 12440).

2. The second main improvement which the bill makes is in the field of farming. Let us be clear from the outset There is no Federal regulation at any time or anyway for children who work on their parent's farms and we do not propose that there should be any.

But there is child labor in commercial agriculture where children are hired to weed and to harvest the crop. Sometimes these children are hired directly by an outside large-scale farm. Sometimes the head of a family will be paid a piece rate and it then becomes a nice legal question whether his children are working for him or for the farmer or landowner who lets out the contract. While the 1938 Fair Labor Standards Act extended the child-labor provisions to these types of agriculture (which was not done in the case of wages and hours for adults), it does so only when the children are not legally required to attend school (sec. 13c).

This clause has opened the way to abuses. Some States, for example, do not require the children of migrant laborers to attend school and since these youngsters did not have to go to school, they are, therefore, excluded from the children's labor provisions of the present act. Similarly, some States do not require all children to attend school for all of the school term and these, therefore, are now excluded.

The present bill plugs these gaps by providing that the exclusion shall only apply outside of school hours. This provision permits children to work outside of school hours and during school vacations on any farm, commercial as well as family. But they cannot be hired out to work during school hours for someone who is not their parent. This not only protects the children of migratory laborers from excessive work, but it also encourages States and school districts to get more of the children in school. It thus removes the present discrimination against rural children by giving them the same freedom to attend school which is now given to city youngsters. The act does not prescribe education. That is properly left to the States and localities. But it does push back the temptation to hire children for projects during school hours when they should be getting such education as the localities may come to provide.

Taken as a whole, these provisions are a constructive advance and, in my judgment, should be enacted into law.

Mr. PEPPER. Mr. President, that disposes for the present of all the committee amendments which we care to bring up, and we might proceed to the consideration of amendments offered from the floor.

The PRESIDING OFFICER (Mr. MAGNUSON in the chair). The committee amendment is open to further amendment.

Mr. HOLLAND. Mr. President, I wish to speak as briefly as I may upon an amendment which has been proposed by the Senator from Iowa [Mr. GILLETTE], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Nebraska [Mr. WHERRY], the Senator from New Hampshire [Mr. BRIDGES], the Senator from Pennsylvania [Mr. MARTIN], and myself, which amendment is proposed to clause 2 of section 13 (a) of the Fair Labor Standards Act of 1938. I ask at this time, Mr. President, that the proposed amendment may be printed in full at this point as a part of my remarks.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield to the Senator from Ohio.

Mr. TAFT. I suggest to the Senator that he might offer the amendment so that it will be pending before the Senate.

Mr. HOLLAND. I appreciate the Senator's suggestion, Mr. President, and I offer the amendment and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Florida, for himself and other Senators.

The CHIEF CLERK. On page 41, after line 17, it is proposed to insert the following:

(e) Section 13 (a) of such act is further amended by striking out clause (2) thereof and inserting in lieu thereof the following:

"(2) Any employee employed by any retail or service establishment, more than 50 percent of which establishment's annual dollar volume of sales of goods or services is made within the State in which the establishment is located. A 'retail or service establishment' shall mean an establishment 75 percent of whose annual dollar volume of sales of goods or services (or of both) is not for resale and is recognized as retail sales or services in the particular industry; or (3) any employee employed by any establishment engaged in laundering, cleaning or repairing clothing or fabrics, more than 50 percent of which establishment's annual dollar volume of sales of such services is made within the State in which the establishment is located, provided that 75 percent of such establishment's annual dollar volume of sales of such services is made to customers who are not engaged in a mining, manufacturing, transportation, or communication business."

Renumber the remaining clauses of section 13 (a) in proper sequence.

Mr. ELLENDER. Mr. President, if the Senator will yield, I should like to suggest the absence of a quorum.

Mr. HOLLAND. I yield for that purpose.

Mr. ELLENDER. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hickenlooper	Murray
Anderson	Hill	Myers
Brewster	Hoey	Neely
Bridges	Holland	O'Conor
Butler	Humphrey	O'Mahoney
Byrd	Ives	Pepper
Cain	Johnson, Tex.	Reed
Capehart	Johnston, S. C.	Robertson
Chapman	Kefauver	Saltonstall
Chavez	Kem	Schoeppel
Connally	Kerr	Smith, Maine
Cordon	Kilgore	Smith, N. J.
Donnell	Knowland	Sparkman
Douglas	Langer	Stennis
Dulles	Leahy	Taft
Eastland	Long	Taylor
Ecton	Lucas	Thomas, Okla.
Ellender	McCarthy	Thomas, Utah
Flanders	McClellan	Thye
Frear	McFarland	Tobey
Fulbright	McKellar	Tydings
George	McMahon	Vandenberg
Gillette	Magnuson	Watkins
Graham	Malone	Wherry
Green	Martin	Wiley
Gurney	Miller	Williams
Hayden	Millikin	Withers
Hendrickson	Mundt	Young

The PRESIDING OFFICER. A quorum is present.

Mr. HOLLAND. Mr. President, in my judgment no bill increasing the minimum wage in the Fair Labor Standards Act should become law without at the same time clarifying the retail and service establishment exemptions in the act. For the purpose of the record I shall at this time read the exemption which at present is in the act, and which appears in section 13 (a) 2. I quote:

Any employee engaged in any retail or service establishment the greater part of whose selling or servicing is in intrastate commerce.

Mr. President, it will be apparent that under the provision of the present law which allows exemptions to employees of retail and service establishments there is no spelling out whatever of any definition of what constitutes a retail establishment or a service establishment; to the contrary, it is left in the air entirely as to just what Congress had in mind at the time it wrote that provision into the law in 1938.

Mr. PEPPER. Mr. President, will my colleague yield for a clarification?

Mr. HOLLAND. I yield.

Mr. PEPPER. The present law does not define what is a retailer. Am I correct in that?

Mr. HOLLAND. That is correct.

Mr. PEPPER. Am I correct also, if it is within the knowledge of my distinguished colleague, that the Wage-Hour Administrator has laid down certain criteria which attempt to aid in the definition of retailer or the operator of a retail service establishment?

Mr. HOLLAND. That is correct. The Wage-Hour Administrator is given no regulatory power, under the law, but he has assumed to give interpretative rulings which are regarded as administrative rulings, and for the purpose of clarifying the act have been all that industries could discover to clarify their status under the act.

Mr. PEPPER. Am I correct, then, in understanding that while the able Senator's amendment does not designedly intend to affect the amount of intrastate business which the retailer or the operator of a service establishment may carry on, it is the purpose and it would be the effect of the distinguished Senator's amendment to change, for all practical purposes, the definition of retail establishment and retail service enterprise as it is presently held by the Wage-Hour Administrator?

Mr. HOLLAND. The purpose of the sponsors of the amendment, including the junior Senator from Florida, is to clarify the present law, and make it increasingly clear, as completely clear as possible, to retail establishments and service establishments, which in our opinion were not included within the provisions of the original law, but whose idea of the law, because of the interpretative rulings which have been put out from time to time, and of various decisions which have largely been based upon those interpretative rulings, is not clear, but instead is very much muddied by the developments under the original law and the interpretative rulings.

It is our desire to clarify entirely the status of retail and service establishments by defining them, and letting them know beyond any peradventure of a doubt, whether and when they are in fact exempt from the provisions of the law. We think that objective is much more important now than it has been heretofore, because of the intended increase in the minimum wage to 75 cents an hour. We do know that the apprehension on the part of many persons engaged in the retail and service establishments of the country is great because of the increased minimum wage which is proposed, and because of the fact that their position is not being clarified by S. 653, but, instead, the entire lack of clarification and the confusion which have resulted and have existed up to this time will be continued.

It is the view of the sponsors of the amendment that it is the duty of Congress at this time, while the act is being amended, to clarify the meaning of the terms "retail establishment" and "service establishment," so that every person affected thereby, both employers and employees, including, of course, the Administrator and his staff, as well, may know who are intended to be exempted from the workings of the wage-and-hour law by the provision now proposed to be inserted in the law.

HISTORICAL BACKGROUND OF RETAIL AND SERVICE ESTABLISHMENT EXEMPTION

Before discussing the provisions of the amendment that we are proposing, permit me to review the historical background of this exemption.

STATEMENT OF PRESIDENT ROOSEVELT

On May 24, 1937, President Roosevelt sent a message to the Seventy-fifth Congress requesting the enactment of minimum wage and maximum hour legislation for those "who toil in factory." He also stated:

And so to protect the fundamental interests of free labor and a free people we propose that only goods which have been produced under conditions which meet the minimum standards of free labor shall be admitted to interstate commerce. Goods produced under conditions which do not meet rudimentary standards of decency should be regarded as contraband and ought not to be allowed to pollute the channels of interstate trade.

Thus twice in this lead-off paragraph President Roosevelt made it clear that he was basing this approach upon the interstate commerce clause of the Constitution.

I continue quoting from President Roosevelt:

Although a goodly portion of the goods of American industry move in interstate commerce and will be covered by the legislation which we recommend, there are many purely local pursuits and services which no Federal legislation can effectively cover.

STATEMENT OF SENATOR BLACK

In introducing consideration of the bill in the Senate, Senator Black, now Mr. Justice Black, of the Supreme Court of the United States, said:

It provides a method of obtaining the objective of minimum wages and maximum working hours in industries throughout the Nation which engage in the transportation of their goods in interstate commerce. It is not intended to, and does not, attempt to provide by Federal legislation the fixing of minimum wages and maximum hours of employment in all the varied peculiarly local business units of the Nation.

In that opening statement of then Senator Black it was made clear again that this bill was based upon the operation of the interstate commerce clause, and that it was not contemplated in any way to fix minimum wages and maximum hours of employment in those varied and peculiarly local business units of the Nation.

I continue to quote from Senator Black:

So the bill, insofar as it relates to maximum hours of employment and minimum wages, is limited, except to the small extent I have heretofore indicated (section 8 (a)), summarized above in paragraph 4 (1) (b), to goods which are actually manufactured for transportation and are transported in interstate commerce. We, therefore, eliminate in the beginning any idea that this is an effort to regulate wages and hours in the various service employments throughout the Nation.

The reason for this limitation, said Senator Black, was twofold: Firstly, because the bill "rests squarely upon the interstate-commerce clause" of the Constitution, and, secondly, because it was the prevailing, if not unanimous, sentiment of the committee that—

Businesses of a purely local type which serve a particular community, and which do not send their products into the streams of interstate commerce, can be better regulated by the laws of the communities and of the States in which the business units operate.

Mr. President, I do not believe that the philosophy of this act could have been more clearly stated as being based upon the interstate-commerce clause and as being intendedly kept from any application to businesses that operated within State lines than is shown by these preliminary statements by President Roosevelt and by Senator Black at the time of the introduction of a bill which became, by passage by Congress and approval of the President, the wage-and-hour law.

STATEMENT OF CONGRESSMAN CELLER

When the original bill was debated in the House in 1938, Congressman CELLER, of New York, now chairman of the House Judiciary Committee, offered the amendment which was the basic draft of the present exemption now in the law. Notwithstanding that the House had been assured by Mrs. NORTON, chairman of the House Labor Committee, that the law would not be applied to the retail and service trades because they were not sufficiently related to the stream of interstate commerce, Mr. CELLER insisted upon his amendment. He stated:

Dissolve all doubt, dispel all chance of misinterpretation, accept it (his amendment) and then retail dry goods, retail butchering, grocers, retail clothing stores, department stores will all be exempt.

Mrs. NORTON responded:

I think this amendment will not weaken our bill but will, in fact, strengthen it. Therefore, I ask the committee to stand with us in accepting this amendment.

The Celler amendment, having been accepted by the committee, was passed by the House and with certain changes not material here, was retained by the conference committee and was in the bill as finally enacted by Congress in 1938.

I have already read from the bill the exact language in which the amendment was incorporated into that act and in which it still remains in that act.

The original reasons, as shown by the debates and the records of the hearings, for exempting retail and service establishments were three in number—and I ask Senators to follow these closely:

First. The fact that complete reliance must be placed on the interstate commerce clause. And that it was only by and through the operation of that clause that jurisdiction was given to the Congress. It was only by remaining within the jurisdiction of that clause that the bill could remain on safe ground.

Second. That there were wide variations in wage scales and hours of work in these particular establishments, that is retail and service establishments; and,

Third. That there was great difficulty in enforcing Federal wage-and-hour regulations in local business.

In the course of his presentation Senator Black sought occasion to bring into the RECORD and to state in the RECORD—though I shall not quote him now—the fact that in the attempt at enforcement of NRA, the law, and the regulations thereunder, it had been found a hopeless task to enforce Nation-wide regulations against local businesses in the classes mentioned as to which conditions were so completely variable in the various States of the Nation and in the various communities within any State.

It is plain from the history and language of the exemption that Congress intended to exempt two types of establishments. First, retail establishments, and second, service establishments. The retail establishment is the establishment selling goods. The service establishment is the one rendering service, such as the hotel, laundry, restaurant, the repair garage, and the beauty parlor. Of course, some establishments both sell goods and render services, such as a hotel, which provides lodging and also sells food.

We must not lose sight of the fact that the Fair Labor Standards Act is not only a minimum-wage law, but also a maximum-hours law.

I have already mentioned that much of the present apprehension on the part of retailers and service establishments throughout the Nation is because of the proposed increase in the minimum wage and also because of the possible effect of the maximum hours on their particular business.

Unlike most businesses producing goods for commerce, retail and service businesses outside of the metropolitan areas are operated on a 6-day workweek. Most States prescribing maximum hours standards for women and minors in merchandising establishments provide an 8-hour day and a 48-hour workweek. Retail and service businesses operate on a 6-day workweek because they are necessarily adapted to the living requirements and buying habits of their communities. For example, the coal dealer delivers coal and fuel to homes, apartment buildings, and hotels 6 days a week. The housewife does her shopping at the grocery store, the shoe store, and the clothing store 6 days a week, the heaviest shopping day being Saturday. Repair garages normally operate 6 days a week servicing and repairing cars and local delivery and farmers' trucks. A great deal of the farmer's buying from lumber yards, hardware stores, or other shops and establishments occurs on Saturday. Unless drastic changes are made in our living habits it is reasonable to assume that most retail and service businesses must continue to operate for at least 48 hours a week or longer to serve the needs of their respective communities. Where processors of goods for commerce are required to operate for more than 40 hours, they have found it practicable, because of the size of their labor pool, to introduce a staggered-shift system or work which avoids the increased cost of overtime compensation.

So far as most retail and service businesses are concerned, it is very doubtful whether such a device would be possible. It is true that some of the larger stores in our bigger cities have found it feasible to limit the workweek of their employees to 40 hours by granting a day off each week, but this would not be feasible in the case of the thousands of small retail and service businesses located in our smaller communities, unless they increase their labor force.

As to the question of increase in the minimum wage to 75 cents an hour, no evidence was submitted to the committee showing that wages can be raised to 75 cents an hour in this field without substantially curtailing employment. Such evidence as was presented to the committee showed that the impact of a 75-cent minimum in the retailing industries, for example, would have the effect of substantially curtailing employment. A recent survey made by the Illinois Federation of Retail Associations shows that 1,896 out of 4,607 employees in 368 stores located outside the metropolitan areas in Illinois received less than 55 cents an hour. The average number of employees per store was found to be 12. Seventy percent of the employees were found to be females and male minors, and 30 percent only were found to be male adults.

I wish the Senate would note that the survey which I have just described was made in Illinois. I am not talking obout my own State of Florida or any other Southern or Western State, where, in many places, we all know that the average would be lower, and where the impact of a 75-cent minimum might be even greater.

As a result of court rulings and administrative interpretations tens of thousands of establishments throughout the country which have tradtionally been recognized as retail are in doubt as to whether the exemption applies to them. Without such clarification as we propose in our amendment it is very possible that these establishments will accrue many millions of dollars of retroactive liability.

The Administrator of the Wage and Hour Division, Mr. McComb, has recognized the doubt which surrounds the meaning of the present retail and service establishment exemptions, and has urged Congress to clarify such doubt. I refer to the Administrator's annual report to

Congress for 1948, particularly pages 118 to 123, inclusive. The doubt arose because the Administrator and the courts, including the United States Supreme Court, ruled that the sale of goods and services for business use, as distinguished from family or household use, was not retail.

Mr. President, that is the real milk in the coconut in our particular amendment. It will be found upon reading the recommendations for changes as made by the Administrator of the Wage and Hour Act that he himself recommends a change. He himself says that a change is necessary. No one can tell under present conditions whether he is in the clear or not, or whether he is exempt or included within the act, in many classifications of retail and service establishments. But the difference between his suggestions and those included in this amendment is that the suggestions of the Administrator are predicated upon continuing the requirement that the sale of goods and services for business use can never be a retail sale and can never come within the purview of this exemption. I shall dwell at greater length upon this question later, but I think it is proper at this time to say that that is the nub of this controversy, because the Administrator himself has in so many words, and at considerable length, insisted that changes be made in the law, and he has recommended to the Congress that amendments be made.

At this time I ask unanimous consent that there be printed in the RECORD at this point as a part of my remarks a portion of the 1948 annual report of the Administrator of the Fair Labor Standards Act. I refer to that section beginning on page 118, under the heading "Retail or service establishments," and running to the next heading, nine lines from the top of page 123.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

RETAIL OF SERVICE ESTABLISHMENTS

In view of Supreme Court decisions on the subject, it is recommended that the Congress consider amending the Fair Labor Standards Act to remove doubt in application of the section 13 (a) (2) exemption for any employee engaged in a retail or service establishment the greater part of whose sales or services is in intrastate commerce. By incorporation in the act of specific language similar to that used in the tests applied by the Divisions in determining the eligibility of an establishment for the exemption, doubt raised about the application of the tests in varying situations would be removed and uniformity in administration of the act could be achieved.

At present, the Divisions hold that the exemption applies to employees engaged in an establishment that meets two requirements: (1) It must be a retail or service establishment and (2) the greater part of its selling or servicing must be in intrastate commerce.

The second requirement is regarded as met in a situation where it is determined that more than 50 percent of the total gross receipts of the establishment is derived from selling or servicing in intrastate commerce, defined for purposes of this exemption as a sale or service in which all elements of the transaction take place within the same State. The determinations with respect to this requirement have not proved difficult to apply.

The first requirement, however, entails consideration of several factors to determine whether the transactions carried on by the establishment are such as to characterize it as a retail or service establishment. While other characteristics of the establishment must be considered, it is clear at once that an establishment engaged to a substantial extent in making nonretail sales or performing nonretail servicing cannot be regarded as a retail or service establishment. The Supreme Court has stated that the same general principles apply to service establishments as to retail establishments for purposes of this exemption.

The basic test in determining whether a sale is a retail sale is the purpose of the buyer. A transaction in which goods are bought for personal use by a private consumer is a retail sale; the sale of goods for resale or other business use or, in general, for use by any purchaser other than the private consumer is a nonretail transaction. This distinction represents standard usage of marketing experts, and was adopted by the Supreme Court in the cases dealing with the section 13 (a) (2) exemption.

The Divisions consistently have used this test in distinguishing retail from nonretail transactions. In applying the test the Divisions have used, for enforcement purposes, a 25-percent tolerance, so that the exemption is considered defeated when the nonretail transactions of the establishment over a 6-month period exceed, in value, 25 percent of the establishment's total dollar revenues. In order to deal practically with the problem presented by establishments engaged in selling goods used by both private individuals and business or other nonprivate purchasers, the Divisions have used a "price-quantity test" for determining whether a particular transaction is retail or nonretail.

Under this test a sale to a business or other nonprivate purchaser is considered a retail sale unless it is made in quantity materially in excess of the quantity usually purchased by a private purchaser and, except for lumber and building materials, at a price lower than that paid by a private purchaser. The use of this test makes it unnecessary to require the keeping of records not ordinarily maintained by establishments making many over-the-counter sales to customers who buy in small quantities, pay cash, and do not normally disclose the purpose of their purchase. While the price test has not contributed significantly to effective application of this provision of the act, the quantity test is a reasonable and practical guide and has proved valuable in enforcement.

PROBLEMS RAISED

The great majority of situations involving the exemption have not presented any particular problems under the guides followed by the Divisions in ascertaining whether the exemption provided in that section of the act applies. But the exceptions, while few, have raised difficult problems.

With respect to dealers in lumber and building materials, the Divisions have used the quantity test, but not the price test. It has been the Divisions' position that sales not involving a quantity of goods materially in excess of that normally involved in a sale to the general consuming public is a retail sale. Sales of lumber and building materials to a contractor who purchases the goods on behalf of a private individual to build a home for that individual are considered retail sales.

The Divisions' position as to the status of farm implement dealers under the exemption was clarified in a release (R–1741) issued on February 12, 1942. The release stated that sales of farm implements to a farmer were considered by the Divisions to be retail sales.

Associations and dealers in coal, lumber, and farm implements have raised the question as to the effect that the 1946 decisions of the Supreme Court in two cases (*F. J. Boutell Service Co.* v. *Walling* and *Roland Electrical Co.* v. *Walling*) may have upon the Divisions' application of the exemptions to the business of their member groups. The Roland case involved a company engaged in selling industrial goods and services to manufacturers engaged in the production of goods for commerce and to other industrial and business customers. The stipulation of facts in this case includes the statement that 99 percent of the active accounts of the company were with commercial or industrial firms. The Boutell case involved an affiliated company engaged exclusively in performing services as mechanics and repairmen on a fleet of trucks used in interstate commerce by the parent company.

The Court did not have occasion in these cases to pass on the Divisions' 25-percent test, although it referred with apparent approval to the Divisions' position that the exemption does not extend to establishments in which a substantial amount of the business is with industrial or business users. Government agencies, institutions, and similar customers. The Court appeared to recognize that the retail or nonretail character of a transaction may be tested both by the type of customer and by the quantity involved, and referred to the interpretations of the Administrator as reinforcing this position.

On the other hand, these decisions and others, including *Martino* v. *Michigan Window Cleaning Co.* (1946), cast grave doubt on whether the Supreme Court will uphold the position that the sale to and servicing for farmers of farm equipment is exempt-type selling or servicing. The Court in the Martino case again held that "servicing customers for whom such services were necessary in their production of goods for interstate commerce" is not exempt servicing under section 13 (a) (2). Also, these decisions raise serious problems as to whether the Divisions' test of what is "selling or servicing in intrastate commerce" is too narrow, and whether the courts may broadly hold that no selling or servicing which constitutes engagement in commerce or in the production of goods for commerce is "in intrastate commerce" for purposes of the exemption, even though all elements of the transaction take place within the same State.

These problems are difficult, and the Administrator has been giving careful consideration to the question whether or to what extent the decisions of the Supreme Court necessitate revision of the position stated in the interpretations previously issued on these points. It is his firm conviction that the guides used by the Divisions in applying the section 13 (a) (2) exemption are reasonable, and are necessary to the effective enforcement of that provision. However, since there is serious doubt as to whether the present language of the statute supports them, he believes the statute should be amended to do so.

RECOMMENDATION

Section 13 (a) (2), then, should include the 25-percent tolerance and the quantity test. Provision also should be made in the amended statute for the problem presented with respect to farm-equipment dealers and others on sales to farmers, and on the interpretation of selling "in intrastate commerce."

The Administrator, therefore, recommends that statutory language be added to the present section 13 (a) (2) to accomplish this purpose. The amending language should provide that for the purpose of section 13

(a) (2) an establishment shall not be deemed to be a retail or service establishment if more than 25 percent of its semiannual gross receipts is derived from activities other than (1) selling or servicing to private individuals for personal or family consumption; (2) selling or servicing (but not for resale) to any type of customer if neither the type nor the quantity of goods sold or serviced differs materially from the type or quantity characteristic of the transactions described in (1) above; selling to farmers, or servicing for farmers, goods of types and quantities used by the ordinary farmer in his farming operations. The amendment should further provide that for the purpose of section 13 (a) (2) selling or servicing in intrastate commerce shall be deemed to include any selling or servicing transaction in which no element of the transaction takes place outside the State where the establishment is located and no transportation, transmission, or communication across State lines is involved.

Such an amendment would embody in the statute the guides used by the Divisions in applying the exemption, with the exception of the price test. That test has in the past been used together with the quantity test, but has contributed little if anything to the practical problem of employers and of the Divisions' inspectors in distinguishing between retail and nonretail transactions. In ordinary times and in practically all industries large quantity sales are made at discounts. In some industries and localities, particularly with a seller's market, the discounts may disappear, although nothing else has changed in the transaction. The price test has never been applied to dealers in lumber and building materials.

QUANTITY TEST IMPORTANT

However, the quantity test is highly important and useful. In the decision in the Roland case the Supreme Court said:

"The verb 'retail' means 'to sell in small quantities, as by the single yard, pound, gallon, etc.; to sell directly to the consumer; as, to retail cloth or groceries.' " (Webster's New International Dictionary, Unabridged (2d ed., 1938).)

The recognition accorded to a quantity test by the Supreme Court confirms the view that the Divisions have been considering, that the quantity test should be continued and should stand by itself. This eliminates the confusion to employers and inspectors, in checking back on transactions in goods subject to frequent price fluctuations and variability, that would result from trying to determine whether a price differential on a large quantity sale represented the shading of the price, a fluctuation in the market, or a trade or quantity discount. Therefore, the quantity test is retained in the Administrator's proposed amendment.

The proposed amendment also would solve the problem illustrated by the situation of the farm-implement dealers, a problem which applies also to such establishments as lumber dealers, hardware stores, or general stores, located in rural counties where nearly all of their customers are farmers. In hundreds or even thousands of towns a position that the sale of goods used by a farmer in connection with his farming activity is counted against the 25 percent nonretail tolerance would be tantamount to saying that there are no exempt retail establishments in these rural communities. If the Congress wishes to adopt this view, it should be clearly stated in the statute. The Administrator does not believe it was intended.

Also incorporated in the proposed amendment is the Divisions' guide for determining when the sales or services of an establishment constitute selling or servicing "in intrastate commerce" for purposes of the section 13 (a) (2) exemption. The importance of this definition in retaining the present scope of the exemption is readily apparent from the references previously made to recent Supreme Court decision involving section 13 (a) (2) and to the applicability of the exemption to dealers located in rural communities and selling primarily to farmers. If the legal reasoning of the Court were to develop along the line that any sale of goods or rendering of services used in the production of goods for commerce is selling or servicing in interstate commerce, there would be no point in saying that selling or servicing to farmers can be retail selling or servicing. The establishment making 50 percent or more of its sales to farmers would fail to meet the statutory test for local enterprise if the farmer customers produce goods for commerce. If the Congress wishes to retain the exemption for such establishments, the amendment should include the Divisions' interpretation of what constitutes a sale or service "in intrastate commerce" for purposes of section 13 (a) (2).

The effect of the proposal would be to clarify the present exemption contained in section 13 (a) (2) for retail and retail service establishments. It is not intended by this proposal to suggest that there should not be a reconsideration of this exemption in order to restrict it to the typical retailer serving householders in his neighborhood. During the last session of Congress proposals were made for eliminating the exemption for chain organizations as well as for independent retail establishments handling a substantial volume of commodities. The Administrator believes there is a great deal of merit in a proposal to eliminate the exemption for retail enterprises with far-flung interstate operations or which have substantial interstate effects but he is not prepared to make a specific recommendation at this time on the precise type of standard to be used to define the kind of retail enterprise which should be brought under the act. He does feel, however, that the act should not be made applicable to the vast majority of small local retail merchants serving their own community.

Mr. HOLLAND. Mr. President, I shall not attempt to read in extenso from the recommendations of the Administrator, but I think it would be well to read at least certain paragraphs from those recommendations. It will clearly appear that the Administrator has recognized—and it is an inescapable fact—that there is hopeless confusion in this field. Anyone who would stand for a continuation of that confusion, particularly in the face of an increase in the wage up to 75 cents, would be projecting upon many elements in the industries which are affected a very deep problem which affects their ability to continue to operate.

I read the first paragraph from the section of the report of the Administrator to which I have referred, and which has been ordered to be printed in the RECORD:

In view of Supreme Court decisions on the subject, it is recommended that the Congress consider amending the Fair Labor Standards Act to remove doubt in application of the section 13 (a) (2) exemption for any employee engaged in a retail or service establishment the greater part of whose sales or services is in intrastate commerce.

I digress long enough to say that the Administrator has limited this part of his report and this part of his recommendation entirely and exactly to that portion of the act to which our amendment is addressed.

I continue to quote from the same paragraph:

By incorporation in the act of specific language similar to that used in the tests applied by the divisions in determining the eligibility of an establishment for the exemption, doubt raised about the application of the tests in varying situations would be removed and uniformity in administration of the act could be achieved.

Mr. President, I have already heard it argued in this debate—and it will probably be argued further—that this amendment is meant to meet a decision of the United States Supreme Court and of other courts of the Federal judiciary. I call attention to the fact that in this recommendation and report of the Wage and Hour Administrator he makes it very clear that he recommends a change in the act, precisely because of the fact that the Supreme Court decisions have brought about a muddy condition in this particular field. The first six words of his recommendation are:

In view of Supreme Court decisions—

I shall not quote in great detail from the recommendation. I do quote, in the effort to be fair to the Administrator, his statement of the basic test. I have already stated to the Senate that it is upon that basic test that the issue is made which is included within our amendment.

I quote the paragraph appearing at the middle of page 119, in the belief that it will make clear the recommendation and position of the Administrator:

The basic test in determining whether a sale is a retail sale is the purpose of the buyer. A transaction in which goods are bought for personal use by a private consumer is a retail sale; the sale of goods for resale or other business use or, in general, for use by any purchaser other than the private consumer is a nonretail transaction. This distinction represents standard usage of marketing experts, and was adopted by the Supreme Court in the cases dealing with the section 13 (a) (2) exemption.

I believe that is a clear statement of the Administrator's position. He makes it very clear that his position is based upon a theory which he insists upon—and it is fair to say that he has insisted upon this theory in the formulation of his interpretative rulings; and the courts, persuaded by those interpretative rulings, have gone further and adopted them in some cases. The standard is that the purpose of the buyer determines the retail or nonretail character of the sale. I shall try to make that as clear as I can. In other words, he says—and this is exactly what he means—that if a housewife goes to a drygoods store to buy towels, that is a retail sale, but if the proprietor of a small hotel located in a small town, or even a village, goes into the same store, is served by the same clerk, buys the same number of towels, paying exactly the same price, under no circumstances can that sale be regarded as a retail sale, because it is for a business use.

There is no use arguing about it. That is exactly what the Administrator has ruled, and following his ruling the courts have set up, at least prima facie, the existence of that kind of interpretation. It is from that sort of silly, illusory, and

ridiculous interpretation that the merchants and service people of the Nation want to get away. Our amendment is confined to their effort to get away from that kind of interpretation.

One can search this amendment as he pleases, and he will find no item of manufacturing involved. There cannot be found in this amendment any matter which breaks down in the slightest the exclusion of interstate commerce or interstate business from the purview of the law. Instead, there is found in the amendment a complete clarification of other terms, including this one, and a completely clear statement that a business sale does not necessarily have to be a nonretail sale.

Mr. President, let me continue with my illustration, a fair illustration of what may happen any day in the town where any Senator may live. This shows how completely ridiculous and unfair the existing rule is. Let us say that the wife of the Senator from Mississippi goes to a furniture store to buy a bedroom suite of furniture, which later will be found in the home of the Senator from Mississippi and his family. That is a retail sale because the furniture is purchased for household use in the home where the Senator from Mississippi and his family reside. But, Mr. President, if the Senator's son or my son or any other young lawyer just starting out in business were to go to the same business establishment, and there were to be waited on by the same clerk, and there purchased, let us say, a modest desk for use in his law office, under the interpretations which have come down from the Wage and Hour Administrator, and which now to a certain extent have been frozen into the law by the approval of those interpretations by court rulings, that particular sale would be held to be, not a retail sale, but a business sale. No matter how small the size of the sale, it will not be held to be a retail sale, because the purchase is made for business use. There can be no doubt about that.

So it would be in the case of a purchase by a doctor or in the case of any other purchase whether small or large, made for business use. I am talking about sales which are so small in size that they cannot in any sense be called wholesale or cannot in any sense be subject to discounts because of large size. On the contrary, I am speaking of retail sales to the owner of a business. The existing regulations make that distinction, which I say is a false and an illusory one, and one which does not carry out in any sense what I believe to have been the intent of Congress.

Mr. President, at this point I should like to read a statement made by Representative CELLER, of New York, in the recent debates in the House of Representatives, dwelling upon this question. The debate took place on August 10, 1949. I have already related the fact that Representative CELLER was present at the time when the original wage and hour law was passed. He submitted the amendment which went into the law and constituted this particular exemption. I have already read from the RECORD of the debates at that time what he said on this particular subject. Now I read what he said a few days ago when this particular point was at issue in the House of Representatives:

Mr. CELLER. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, permit me to dip a bit into the past history of the Wages and Hours Act and to point to the debates in this Chamber as of May 23, 1938, on the original bill. Just as there has been considerable doubt expressed this morning as to what is meant by "retail or service establishment," during that debate there was doubt likewise when the present act was debated. In order to give clarification to the language of the bill relative to retailing as submitted by the House Committee on Education and Labor I offered the following amendment: "but no such order is applicable to any retail industry the greater part of whose sales is in intrastate commerce."

In the debate that followed I said:

"Dissolve all doubt, dispel all chance of misinterpretation, accept it (my amendment) and then retail dry goods, retail butchering, grocers, retail clothing stores, department stores will all be exempt."

The gentlewoman from New Jersey [Mrs. NORTON], chairman of the House Committee on Labor, responded:

"I think this amendment will not weaken our bill but will in fact strengthen it. Therefore I ask the committee to stand with us in accepting this amendment."

My amendment was accepted. In the conference that resulted, my amendment was changed so that we finally have in the bill today section 13 (a) (2) following: "any employee engaged in any retail or service establishment the greater part of whose selling or servicing is in intrastate commerce" shall be exempt.

Unfortunately, neither the committee nor the House or Senate defined in the old act what was a retail establishment or retail service establishment.

It will be noticed that Mr. CELLER, whose hindsight is better than his foresight was in 1938, states with regret that a definition was not placed in the bill in 1938 so that there would be no doubt as to what was intended.

I read further from Representative CELLER'S statement on the floor of the House on August 10, 1949:

As a result, there have been many interpretations of the language in section 13 (a) (2) by the courts, notably the Supreme Court in the case of *Roland Electrical Co.* v. *Walling* (326 U. S. 657), in which the Court held that an establishment was not retail unless it was engaged in making sales to meet personal and household needs rather than commercial or business needs.

This means that the following sales would not be retail: A hardware store to business customers, a coal dealer to an apartment house, hotel, or school, a furniture store to an office rather than to a home, an automobile supply store to a business outfit, a farm-implement dealer to farmers, and a stationery store to a business customer.

Mr. FLANDERS. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. FLANDERS. I note that in the Senator's quotation from Representative CELLER'S speech he mentions the case of the hardware dealer who makes a sale to a business purchaser. I do not note that the Senator's amendment will take care of that situation.

Mr. HOLLAND. It does take care of many phases of that situation, but it does not clearly take care of one additional phase of the situation which is proposed to be cared for by a second amendment which I understand will be offered by the distinguished Senator from Vermont—an amendment having to do with resale and giving a definition of "resale." A sale by a hardware store to a hotel involves no question at all, nor does a sale by a hardware store of equipment to a doctor, to be used in his office. There is a question in the case of a sale by a hardware store to a contractor who intends to use the material thus sold to him to make repairs to a residence. I understand that situation is to be taken care of by an amendment to be offered by the Senator from Vermont.

Mr. FLANDERS. That is true. The Senator from Florida does not consider that the amendment which I and other Senators will offer is out of line with the pending amendment; does he?

Mr. HOLLAND. No; not at all. I think it gives an additional exemption in the case of the class of sales to which I have just referred, and which may not be clearly included under the exemption provided in the amendment offered by myself and other Senators. Not only do I intend to approve the distinguished Senator's amendment, but I intend to support it, because in the drafting of this amendment there was no intention to work hardships on the hardware merchants or any other group of bona fide retailers who are doing business in intrastate commerce.

Mr. FLANDERS. I thank the Senator.

Mr. HOLLAND. Mr. President, I read further from the address made in the House of Representatives by Representative CELLER on August 10, 1949:

Mr. Chairman, may I say that the language used must and should be crystal clear. It cannot be clumsily worded. Otherwise doubt and misunderstanding arise. I maintain that the particular provisions of the Lesinski bill with reference to retailing are not clear and are full of ambiguity and will give rise to all matter and kinds of litigation—costly litigation.

When we remember that practically every dealer on Main Street will be confronted with this problem and will be also confronted with the danger of liability that might be retroactive, we must pause before we accept the very unusual wording of retail establishments and services as contained in the Lesinski bill. I am for the Lesinski principle of 75 cents minimum wage. I am for the Lesinski bill in general, with the exception that I think there should be clarification with reference to what is meant in that bill by the words that seek to describe retailing as to services and as to the sale of goods. I think the provisions of the Lucas bill on page 28, section 13 (a) (2), is such proper clarification that we should accept, and at the appropriate time I shall offer an amendment along those lines.

Mr. President, I am happy to say to the Senate the wording which is referred to by the gentleman from New York, Representative CELLER, in his statement is the precise wording which appeared in the Lucas bill, the precise wording which was adopted later by the House, and it is the precise wording which now appears in the amendment which has been offered by other Senators and myself. So it would appear that the amendment which we offered not only meets the

standard, in the eyes of Mr. CELLER, of being crystal clear, but that it also meets the problems of little dealers—as he says, "every dealer on Main Street"—who are confronted with the problem, and it meets it in such a way that he says he intended later to lift that provision out of the Lucas bill and offer it as an amendment; which was unnecessary, because the whole Lucas bill, containing this provision with others, was substituted for the then pending Lesinski bill.

I simply want to say to the Senate, so it cannot possibly be misunderstood, that the exact wording referred to by Mr. CELLER—who was, by the way, the author of this provision in the original bill in 1938, which is the wording now before the Senate, and which he says is crystal clear—meets the intentions and objectives which were in the minds of those who passed the original bill in 1938.

Mr. President, before I get away from the point, I may say it is highly important for us to remember we are approaching the end of the session, and it is highly important for us to remember that every time we can take action which does not require the subject matter to go to conference, it is desirable to do so, if we can do it without surrendering the principle. I remind the Senate that we now know that the provisions of the pending amendment are identical with the provisions of the bill as passed by the House and with the provisions which were reported by Mr. CELLER as being crystal clear in meeting the objectives of those who sponsored the original measure.

Mr. SPARKMAN. Mr. President, will the Senator yield for a question?

Mr. HOLLAND. I yield.

Mr. SPARKMAN. I wonder if the Senator from Florida can tell us whether, under the amendment offered by him, any of the groups that are now covered by the provisions of the Wage and Hour Act would be taken out from under the act; and if so, the approximate number.

Mr. HOLLAND. I am glad the Senator asked that question. I am told the Congressman from Texas [Mr. LUCAS] addressed an inquiry on that subject perhaps 2 weeks ago to the Wage and Hour Administrator, and he has not as yet received a report. I was told by my able colleague in a quite informal discussion some days ago that he understands about 25,000 who were included are removed by this amendment. I would say, however, that if only one who was included should be excluded by this amendment, I should still be in favor of it, because what is sought is to return the bill to its original meaning and to bring the bill into reasonable channels of enforcement and of business performance, which have certainly been greatly departed from under the interpretations which have been issued and which have at least in some respects gained the approval of the courts. My answer, to make it complete, would be this: Whatever number is included are included, if I understand the situation correctly, because of misinterpretations of the original intent, they should be excluded, and no one has reasonable ground of complaint if they be excluded, because they were not intended to be covered by the provisions of the original act, at least in the intention of its sponsors.

Mr. SPARKMAN. Mr. President, if the Senator will yield further, I may say the statement he has just made very largely answers the question I was preparing to ask, which was whether the purpose of the Senator's amendment was to draw more clearly the line which he feels would be in keeping with the intent of Congress in the enactment of the original act?

Mr. HOLLAND. That is exactly correct, and I may say I rely not only upon my own feeling that it will do so, but upon the statement of Mr. CELLER, who was the author of the original amendment, and who strongly stated only a few days ago in the words which I have just read, his feeling that this amendment does take care of the situation and carry out the objectives of those who supported the original provision.

Mr. PEPPER. Mr. President, will my colleague yield?

Mr. HOLLAND. I yield.

Mr. PEPPER. I do not know how long Mr. CELLER has been associated with this legislation, but I know some of the Senators, among others, the Senator from Louisiana [Mr. ELLENDER] and myself, and the chairman of the subcommittee, the Senator from Utah [Mr. THOMAS], who were members of the Committee on Education and Labor when the bill was favorably passed upon by the Senate in 1938. The three of us named were members of the conference committee. There is nothing inconsistent, according to my knowledge, between what was originally intended by this legislation and what has subsequently been decided by the courts and by the Wage and Hour Administrator.

What I rose to say, however, was that I have asked the Wage and Hour Administrator if he would not give us a statement in writing as to how many, according to his best judgment, would be removed from the present coverage of the act, as presently interpreted, by the amendment of my distinguished colleague. I shall have it here before the debate is concluded.

Mr. HOLLAND. I thank my colleague. A little earlier in my remarks, I made it clear we were chatting informally when he told me he anticipated that 25,000 would be affected.

Mr. PEPPER. If the Senator will allow me, the reason I rose was because in conversations subsequent to the one I had with my eminent colleague the Wage and Hour Administrator told me the number of people who would be uncovered is quite a good deal larger than the number I first had in mind when I discussed it with my colleague.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. HOLLAND. I yield.

Mr. WHERRY. I ask the distinguished junior Senator from Florida what difference it makes, whether it is 20,000, 25,000, or 30,000? The purpose of the amendment is to clarify the situation so the intent of the act as it was passed in its inception will be carried out. Is not that true?

Mr. HOLLAND. That is correct. But I may add that even though it were the original intent, as I think it clearly was, at least on the part of Mr. CELLER and others, still it would not necessarily have been a sound or logical decision.

Mr. WHERRY. I agree to that.

Mr. HOLLAND. But the more I have studied the matter, the more it seems to me to have been a sound and logical conclusion, because I find no logical justification whatever for distinguishing between retail and nonretail sales upon the basis which has been laid down by the Administrator of the Wage and Hour law, a distinction which is now confronting the business people on the main streets of the Nation.

Mr. WHERRY. Mr. President, if the Senator will yield further, I may say that is the point I wanted to make. It seems to me it is sound and sensible. It is another reason why I joined with the distinguished Senator in sponsoring the amendment.

Mr. HOLLAND. I thank the Senator. I am glad to have him as a joint sponsor of the amendment.

Mr. President, the doubt arose because the Administrator and the courts, including the United States Supreme Court, ruled that the sale of goods and services for business use, as distinguished from family or household use, was not retail. I cited several cases which I shall read into the RECORD at this time, though I do not propose to weary the Senate by quoting from the cases:

Roland Electrical Co. v. *Walling* (326 U. S. 657); *Boutell* v. *Walling* (327 U. S. 463); *Martino* v. *Michigan Window Cleaning Co.* (327 U. S. 173); *McComb* v. *Deibert* ((E. Dist. Pa., 1949) 16 Labor Cases, par. 64, 982).

The Administrator's position is succinctly summarized in his 1948 annual report to Congress, page 119, in which he says:

> The basic test in determining whether a sale is a retail sale is the purpose of the buyer. A transaction in which goods are bought for personal use by a private consumer is a retail sale; the sale of goods for resale or other business use or, in general, for use by any purchaser other than the private consumer is a nonretail transaction.

This ruling of the courts and the Administrator was completely novel and theretofore unheard of in any of the retail trades. The ruling meant that the following sales would not be retail:

> By a farm implement dealer to farmers for business purposes rather than for personal use; by an automobile dealer of trucks for business use; by a hardware store to business customers; by a coal dealer to apartment houses; and by a dry goods store, a paint store, a furniture store, a stationer, a lumber dealer, and many of the other countless retailers in the Nation to business customers. (Supplemental Views of Senators TAFT and DONNELL in S. Rept. No. 640, 81st Cong. 1st sess., the Senate Labor Committee Report on S. 653, p. 9.)

These rulings, and the few decisions which have been based upon them, together with the more strained rulings which have resulted from those decisions, have brought about the present situation which I think compels the Congress to pass clarifying legislation.

Mr. President, I advert to the Roland Electrical Co. case which was mentioned this morning, and which is mentioned in

the letter of the Administrator in which he puts the laundry people upon their guard as to their being outside the exemptions of the Wages and Hours Act.

In addition to the opinion of the United States Supreme Court in the Roland Electrical Co. case, it seems to me the administrator went about as far afield as it is possible to go in adapting a decision which was addressed to one set of facts and to one sort of situation to a completely different one. In that case the business involved was that of furnishing machinery and repairing and keeping up electrical machinery for a manufacturing enterprise, which involved services which, by their very nature, are not to be rendered to every Tom, Dick, and Harry, but which are available only to and used only by large manufacturers with large investments in factories containing large amounts of electrical equipment.

From the dicta and the references in that decision, the administrator backs off and takes a new start, in support of the ruling of his predecessor, under which he is standing strongly upon his insistence that business sales, no matter how small they may be and no matter how they may happen, in spite of the fact that they are completely intrastate—and I invite the attention of the Senate to the fact that by no manner of means does the law extend to interstate business—are not within the purview of exemption under the act, and, drawing his conclusion from that case, he gives applicability to business which never could have been considered as within the purview of retail business. The Administrator then issues his new regulations and has made every little laundry and many other businesses in the United States fearful as to just where they stand.

Mr. PEPPER. Mr. President, will my colleague yield?

Mr. HOLLAND. I yield.

Mr. PEPPER. I rose only to invite my distinguished colleague's attention to the statement he just made, that if a sale is made to a business purchaser, the quantity or the size of the sale is not important. If my colleague intended to say that, I respectfully submit that I do not so understand the rules and regulations of the Wage and Hour Administrator. I am basing my statement upon the Fair Labor Standards Act of 1938, and the 1948 annual report, from page 119 of which the Senator just quoted. I invite especial attention to the next to the last paragraph of page 119, where the following language occurs:

> Under this test a sale to a business or other nonprivate purchaser is considered a retail sale unless it is made in quantity materially in excess of the quantity usually purchased by a private purchaser, and, except for lumber and building materials, at a price lower than that paid by a private purchaser. The use of this test makes it unnecessary to require the keeping of records not ordinarily maintained by establishments making many over-the-counter sales to customers who buy in small quantities, pay cash, and do not normally disclose the purpose of their purchase. While the price test has not contributed significantly to effective application of this provision of the act, the quantity test is a reasonable and practical guide and has proved valuable in enforcement.

So I suggest that it is my understanding that even if the purchaser is a business purchaser, nevertheless, if the quantity purchased is merely such as would ordinarily be purchased by a consumer, the sale is not counted as other than a retail sale.

Mr. HOLLAND. Of course the purpose of the entire fight made against the amendment, as I understand, is the unwillingness of the Administrator to accept the conclusion that business sales are in many instances, in fact, in most instances, in the average small business in our towns and cities, retail sales and are so regarded by those who make them and by those who make the purchases. The purpose of the amendment is to make that perfectly clear, so that no administrator, whether the present one, or his successors, may depart from that rule.

I may say to the Senate that one of the things which have made for trouble in this matter has been the vacillation and the change in regulations and in attitude from time to time, which we think can be corrected only by making clear what is meant by a retail sale, retail establishments, and service establishments.

Mr. PEPPER. Mr. President, will my colleague yield once more?

Mr. HOLLAND. Gladly.

Mr. PEPPER. Is it not a fact that under the amendment offered by my distinguished colleague and his associates a so-called retail establishment could sell to purchasers in any quantity whatever without losing its retail character?

Mr. HOLLAND. No. If sales were made in sufficient quantity so there would be a discount and they would be regarded not as retail sales, but as wholesale sales, they would lose their exemption. That is perfectly clear from the amendment, and it is perfectly clear from all the discussion of the subject before the committee and on the floor of the Senate. There are many people in business, as, for instance, automobile dealers, who, in the very nature of things do not sell small articles, but sell by the unit, and who would sell a truck to an individual purchaser just as they would sell one to any business enterprise, one at a time, at the same price. Yet under the rulings of the Administrator, as upheld by one of the courts, those who are selling trucks are not making a sale which can be regarded as retail, because the truck is to be used in business. Therefore, under the test and standard imposed, such a sale can never be regarded as a retail sale. In other words, the distinction is made that the same salesman selling a Cadillac car to a person for his use by himself and his family is regarded as having made a retail sale, whereas in selling a Ford truck to someone who is going to use the truck for business purposes, as trucks have to be used, he is regarded as not having made a retail sale. The unfortunate businessman who is in the truck business solely, or a large part of whose sales are sales of trucks, is deprived of the exemption, and is in a terrible fix, whereas his neighbor across the street, who may be selling a much more expensive article, is exempted because his article is sold in the form of passenger cars to family users thereof.

Mr. PEPPER. Mr. President, will my colleague yield?

Mr. HOLLAND. I yield.

Mr. PEPPER. I again call attention to the fact that I do not so understand the regulations of the Wage-Hour Administrator. It is my understanding that if the article purchased by the business user is the kind of an article generally that is bought in only such quantity as an ordinary consumer would require, the sale would not be regarded as other than a retail sale. For example, take the truck case my colleague cited. I have talked to the representative of the Wage-Hour Division a good many times about this matter, and it is my understanding that if the sale to a business user of a truck is of the same general kind of truck that a farmer or an individual user would buy, for example, a pick-up truck, the fact that the business purchaser happened to buy the truck makes no difference, but if it is a 5-ton truck, or a 10-ton truck, the kind of truck which no individual user for consumption purposes would ordinarily acquire, but is adopted only for the kind of business use for which a truck is ordinarily used, that would not be accounted as a retail sale, but would be accounted as a nonretail sale. If an automobile dealer sold a Cadillac passenger car to a business user, it would be considered a retail sale, but if he sold a fleet of Cadillac cars to one who was operating a taxicab company, or a commercial venture, that would not be regarded as a retail sale.

Mr. HOLLAND. Mr. President, in reply to my distinguished colleague, I will say that in the ruling of the court in the case of McComb against Deibert, in the eastern district of Pennsylvania, and now, as I understand, on appeal before the United States Court of Appeals for the Third Circuit, the court departed entirely from the principle announced by my colleague, and I shall, if I may, read from that decision a couple of paragraphs.

While that case turned on only one type of retailer, namely, an automobile dealer, it exemplifies graphically the error of the position taken by the courts and the Administrator. I call the attention of my colleague to the fact that in that case the court in effect held that no sale of a truck can be retail, because a truck is always sold for business purposes rather than for personal, family, or household use. Even though the court denied the exemption, it found—and I quote from the decision of the learned judge:

> It is a well-recognized concept in the automotive-trade industry that sales of trucks in nonfleet quantities to persons for business or commercial use and not for resale purposes have always been regarded as retail; sales of trucks for resale or in fleet quantities are not considered retail.
>
> The industry has never drawn any distinction between the sale of passenger cars and the sale of trucks with respect to the question of whether the transaction is retail or not. In both cases, the transaction is regarded as retail so long as the sale is to the ultimate purchaser in nonfleet quantities. No distinction is drawn from the fact

that the truck is sold for business or commercial purposes while the passenger car is, in the main, sold for personal or family use. The same holds true for passenger-car parts and truck parts.

Mr. President, those two paragraphs are quoted from the decision of the learned judge in the trial court in the case of McComb against Deibert.

Mr. PEPPER. Mr. President, will my colleague yield?

Mr. HOLLAND. I yield.

Mr. PEPPER. Does the Senator have before him anything to indicate the nature of the truck which was actually involved in that case?

Mr. HOLLAND. I have the entire decision, if my colleague would like to read it.

Mr. PEPPER. I call attention to that because I have been informed that it is pertinent to observe that the truck in that case was a distinctive kind of truck, built only for a business purpose, not the kind of a truck which would be purchased ordinarily by one expecting to use it for his personal use.

Mr. HOLLAND. In reply, I call to the attention of my distinguished colleague the fact that the paragraphs quoted included no such reference at all, but instead state a general rule and state a general finding and holding of the learned judge in that case. It seems to me that it goes even further than that in the last sentence, which I read, namely:

The same holds true for passenger-car parts and truck parts.

Under the ruling, a distinction is made as between parts going into a passenger car and put on in a garage, the sale of which parts is held to be a retail sale, and parts for a Ford truck put on in the same garage by the same workmen. The latter is held to be a business sale and not a retail sale, and is not in the exempt classification.

Mr. President, this is a complicated subject matter, and the junior Senator from Florida makes no pretense to having grasped all its elements, but he has grasped sufficient to be very sure of his ground that most of the small-business people of the Nation are terribly apprehensive about the present situation which obtains, and that some of those who participated in drafting the original law are perfectly clear in their statement that the purpose of the original law has been departed from and stultified by the regulations which have been issued or the interpretative rulings and the opinions of the courts which have been based thereon.

Mr. President, it is readily apparent that to hold that a sale for business use is not a retail sale would defeat the exemption for a vast number of establishments.

I call attention again to the fact that the Administrator, acknowledging his trouble, is recommending legislation on the part of Congress, and says it should be passed in order that the situation may be clarified. The only substantial difference between the Administrator and his recommendation and the amendment which we propose is that we propose to do away with this artificial distinction between a retail sale on the one hand and a business sale on the other, which, regardless of the size, and regardless of the fact that it is intrastate, can never be held to be a retail sale under the regulations or under the interpretative rulings of the Administrator.

The Administrator himself has acknowledged that most establishments in rural communities would lose the exemption under a literal application of the Supreme Court's interpretations.

I shall not quote in too great detail from the Administrator's report, but it is as clear as can be from his report that he is now put to it to find a way by which he can exempt the operations of little stores in country towns, the stores, garages, and filling stations which serve farmers. He calls attention in his report and in his recommendations to the fact that if the regulations and interpretative rulings are strictly carried out, and if the rulings of the court are strictly followed, it is hard to find any merchant in the country who is exempt. How far afield that is from the original purpose of the act, because it certainly was in the minds of the framers of the act that they were bringing about freedom from Federal restriction, that people were to be freed under the provisions of the act. Nothing could be clearer from a reading of the debates at the time the law was passed.

I quote exactly the words used by the Administrator in his report on this subject, because I think they show what trouble he is in. I call these words to the attention of my distinguished colleague:

In hundreds or even thousands of towns a position that the sale of goods used by a farmer in connection with his farming activity is counted against the 25 percent nonretail tolerance would be tantamount to saying that there are no exempt retail establishments in these rural communities.

If the Congress wishes to adopt this view, it should be clearly stated in the statute. The Administrator does not believe it was intended.

What does he say then? He says that the interpretative ruling, backed up by some decisions and the obiter dicta in those decisions, have gone so far that, if technically read and technically applied, it would be hard to find any country merchant who is exempt from the provisions of the Wage and Hour Act, and he ends with the statement I last read:

If the Congress wishes to adopt this view, it should be clearly stated in the statute. The Administrator does not believe it was intended.

So, in spite of the fact that a clear case is made for that sort of interpretation, he has found a way, by interpretative ruling that clearly runs in the face—and I say this advisedly—of the decisions and of his interpretation of the law in other fields. I say, he has found a way to issue a ruling that, insofar as country merchants are concerned, they are not to be included; but he calls the attention of the Congress to the fact that if the present law, as now interpreted in other fields and by the courts, is technically enforced, there are no exemptions for country merchants. He says that if Congress wants to leave that kind of situation it had better spell it out clearly in the law, because he does not believe that is what was intended.

Mr. President, that is the situation with which we are dealing. It seems to me to be clear that at this time, when Congress is considering making greater this threat against so many hundreds of thousands of our fellow citizens who are merchants and the heads of service establishments, by increasing the minimum wage rate, it certainly is the duty of Congress to clarify the situation so that this great mass of merchants and suppliers of service, who were never intended to be covered by this law, may know with assurance that they will be free from the hazard of having to pay heavy damages for something they did back yonder, and of having to have their records examined and suits brought against them in matters concerning which they thought they were clear, but which subsequent developments proved they were not.

Mr. President, it is readily apparent that to hold that a sale for business use is not a retail sale would defeat the exemption for a vast number of establishments. The Administrator himself has acknowledged that most establishments in rural communities would lose the exemption under a liberal application of the Supreme Court's interpretation. I have already read to the Senate the wording of his recommendation on that point.

The historical background of the exemption, which I have previously reviewed, shows that there was no basis at all for any legalistic distinction between those retailers selling to customers purchasing for household or family use and those purchasing for business use. No rational distinction can be drawn between establishments selling to business customers and those selling to household users, for purposes of the exemption, because, first, generally the same establishment will sell to both types of users; and, second, even where one establishment is selling to business users exclusively and another to household users only, both are local businesses and would have equal difficulty in conforming to national wage and hour standards, both are located in the same community, and both draw employees from the same labor pool and have similar working conditions.

PROCEEDINGS IN THE PRESENT CONGRESS TO CLARIFY RETAIL AND SERVICE ESTABLISHMENT EXEMPTION

Mr. President, I am not a member of the Senate Labor Committee, but I have been advised both by members of the committee and counsel that the hearings in both the House and Senate on amendments to the Fair Labor Standards Act at this session of Congress and in former sessions are replete with testimony of retailers and the service industries beseeching Congress to clarify the exemption. It is conclusively shown by such testimony that there is no sound reason to distinguish between an establishment making sales to customers for personal use and an establishment making sales to customers for business use in determining whether or not the establishment

is retail. This testimony was never denied.

In response to the unanimous request by the retail and service trades for clarification of the exemption, the House in the bill which it passed on August 11, 1949—H. R. 5856—clarified the exemption by stating precisely the conditions under which the retail and service establishment exemption shall apply. This amendment adopted by the House is identical with the one we are now offering.

On August 10, 1949, in the course of the debates on the amendment in the House, Representative CELLER, who, as I have said, was the author of the present exemption in the law, spoke in support of the amendment passed by the House. I have already read into the RECORD the remarks made by Representative CELLER at that time. He stated it was a proper clarification and that the House should accept it. He referred to the court decisions holding that an establishment was not within the exemption if it was engaged in making sales to meet commercial or business needs, and pointed out the need for overruling such decisions.

SUPPLEMENTAL VIEWS OF SENATORS TAFT AND DONNELL IN REPORT OF SENATE LABOR COMMITTEE ON S. 653 (S. REPT. 640, 81ST CONG., 1ST SESS.)

Mr. President, I desire now to come a little closer to the Senate itself. In the report of the Committee on Labor and Public Welfare on the bill now before the Senate, S. 653, the Senator from Ohio [Mr. TAFT] and the Senator from Missouri [Mr. DONNELL] filed supplemental views expressing the urgent need for clarification of the retail and service establishment exemption. After reviewing briefly the legislative history of the present exemption in the law, they made the following statement:

The opinion of the Supreme Court of the United States in *Roland Electrical Co.* v. *Walling, Administrator* (326 U. S. 657), gave rise to the view that many, perhaps most, of the establishments which had previously been commonly recognized as retail are not embraced within the exemption so written into the law (S. Rept. 640, p. 9).

Mr. President, in order that the RECORD may contain the statement respecting exemption contained in the supplemental views of the Senator from Ohio and the Senator from Missouri, I ask unanimous consent at this time to incorporate those views in the RECORD.

There being no objection, the supplemental views were ordered to be printed in the RECORD, as follows:

SUPPLEMENTAL VIEWS OF MR. TAFT AND MR. DONNELL

We approve the increase in the minimum wage to 75 cents per hour for manufacturing and mining industries and for interstate transportation, transmission, and communications industries. In certain local retailing industries, however, the evidence before the committee shows that the impact of a 75-cent minimum would have the effect of substantially curtailing employment. A retail business under a growing tendency of court decisions may be found to be engaged in interstate commerce because it receives merchandise which has crossed State lines, even though the goods have come to rest within the State before the retailer handles them. We do not believe this law should regulate in this field. The wide variation in the operating practices of local distributive trades and services is in itself an argument against Federal minimum wage and maximum hour legislation covering such trades and services.

President Roosevelt, who in 1937 urged the enactment of such legislation for those "who toil in factory," added "there are many purely local pursuits and services which no Federal legislation can effectively cover" (H. Doc. 255, 75th Cong., 1st sess.). Chairman (now Mr. Justice) Black of the Senate Labor Committee stated that the legislation was not intended to fix minimum wages and maximum hours in all the varied peculiarly local business units of the Nation, because such units "can be better regulated by the laws of the communities and of the States in which the business units operate" (81 CONGRESSIONAL RECORD 7648).

A special exemption was written into section 13 (a) (2) of the law for "any employee engaged in any retail or service establishment the greater part of whose selling or servicing is in intrastate commerce."

The opinion of the Supreme Court of the United States in *Roland Electrical Co.* v. *Walling, Administrator* (326 U. S. 657), gave rise to the view that many, perhaps most, of the establishments which had previously been commonly recognized as retail are not embraced within the exemption so written into the law. In that case the Court said: "Accordingly, in proportion as the meaning of the 'retail' is restricted to sales made in small quantities to ultimate consumers to meet personal rather than commercial and industrial uses of those articles, so it is correspondingly appropriate to restrict the word 'service' to services to ultimate users of them for personal rather than commercial purposes."

Enforcement by the Administrator of a rule that there are exempt only such sales or services as are "to ultimate consumers to meet personal rather than commercial and industrial uses" would result in the following sales not being retail: by a farm implement dealer to farmers for business purposes rather than for personal use; by an automobile dealer of trucks for business use; by a hardware store to business customers; by a coal dealer to apartment houses; and by a dry goods store, a paint store, a furniture store, a stationer, a lumber dealer, and many of the other countless retailers in the Nation to business customers. Enforcement of this rule would cause numerous retail service establishments such as gasoline service stations and garages not to be exempt. It should, notwithstanding the foregoing, be pointed out that in the case of the farm implement dealers the Administrator has not applied the minimum wage and maximum hour requirements. We think there is strong reason in support of the view that a sale of goods or services to a customer may be a retail sale even though the customer is a business user rather than a personal or household user.

In *McComb* v. *Deibert* (E. D. Pa., 1949) (16 Labor Cases 64,982), the Administrator successfully contended that an automobile dealer's establishment, selling trucks to retail dairies, farmers, and other local customers was, because the trucks were sold for business purposes rather than for personal family or household use, not exempt.

There is no sound basis to distinguish, in determining whether or not a sale is retail, between sales to customers for personal use and sales to customers for business use. Accordingly, it is our view that concurrently with any increase in the minimum wage, section 13 (a) (2) of the law should be amended to remove such distinction.

Mr. HOLLAND. I come now, Mr. President, to the proposed amendment. It will be observed that in the amendment which we have offered there are two numbered paragraphs. These are numbered 2 and 3, both to become a part of section 13 (a) of the present law. Paragraph 2 provides generally an exemption for retail and service establishments; paragraph 3 provides specifically an exemption for certain types of laundries and dry-cleaning establishments.

I shall first discuss briefly paragraph (2) of the amendment. Under paragraph (2) the retail and service establishment exemption will apply only if three separate tests are met. First, more than 50 percent of the sales by dollar volume of goods or services must be made in the State in which the establishment is located.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. HOLLAND. I yield.

Mr. DOUGLAS. That is the condition which prevails now, is it not?

Mr. HOLLAND. It is not so admitted in some of the regulations and by some of the decisions. I agree with the Senator that that is precisely the condition that should prevail.

I read again:

No employer now engaged in any retail or service establishment the greater part of whose selling or servicing is in intrastate commerce is exempted—

The amendment spells it out in dollar value. It says:

more than 50 percent of which establishment's annual dollar volume of sales of goods or services is made within the State in which the establishment is located.

So it cannot be based upon any other basis than the dollar value of more than 50 percent thereof.

Mr. DOUGLAS. I hope the Senator will forgive me for asking these questions as the Senator goes along. I do not do so for the purpose of making the going of the Senator from Florida more difficult but merely to bring out the facts as he presents them.

Mr. HOLLAND. I appreciate the remarks of the Senator from Illinois, and I welcome any questions he may ask. They are constructive, and I shall do my best to answer them.

As I said, paragraph (2) relates to—

any retail or service establishment, more than 50 percent of which establishment's annual dollar volume of sales of goods or services is made within the State in which the establishment is located.

Mr. PEPPER. Mr. President, will my colleague yield?

The PRESIDING OFFICER (Mr. HILL in the chair). Does the Senator from Florida yield to his colleague?

Mr. HOLLAND. I yield.

Mr. PEPPER. I should like to ask a question. Let me predicate it with this statement: One of the fears which those of us who have opposed the Senator's amendment have had is that the more we enlarge the category of the retail establishments the more we enable retail establishments of that character to sell across State lines without any of their employees being protected by the act. The present law does allow as much as 50 percent—or 49 percent, to make it clear—of the goods of an establishment which is admittedly a retail establishment to be sold across State lines. Would

the able Senator be willing to modify his amendment, in lines 5 and 6 on page 1, in the language "more than 50 percent of which establishment's annual dollar volume of sales of goods or services is made within the State in which the establishment is located," so as to say "more than 90 percent," and use the same figure in line 6 on page 2 of his amendment, so as to make it clear that at least 90 percent of the business of these service establishments and retailers which my distinguished colleague is solicitous to protect shall surely be done within the State? If the Senator is willing to accept that modification of his amendment, on behalf of the committee I am willing to accept his amendment.

Mr. HOLLAND. I appreciate the suggestion of my colleague; but it seems to me that to raise the present figure of the law from the greater part, which is certainly more than 50 percent to 90 percent, would mean that the number of organizations to which the exemption was extended would be largely decreased, and that instead of helping the very people we are trying to help, we would instead be giving them a stone when they are crying for bread. I certainly would not accept the suggestion.

The second of the tests is that 75 percent of such sales of goods or services must be to ultimate consumers, and not for resale. In that regard, as I understand, there is little departure from the present regulations, which, however, are subject to change and are not based upon anything in the law, but were taken out of thin air by the Administrator as he went along in the performance of his duties.

Third, 75 percent of such sales must be recognized in the particular industry as retail sales or services. I wish to discuss those three tests separately. I shall be very happy to reply to any questions on any of the three tests when I complete the discussion of each particular test, but I respectfully request my colleagues to let me finish the discussion of a particular test; then if there are any questions I shall be happy to endeavor to answer them.

Under the first test, a retail or service establishment is exempt so long as more than 50 percent of the annual dollar volume of the establishment's sales are made within the State in which the establishment is located. This language is merely substituted for the language "the greater part of whose selling or servicing is in intrastate commerce," found in the present law, thus resolving the confusion and ambiguities which such language has created.

I see no possible sound ground upon which anyone could object to the restatement in a clearer way of this particular provision of the present law. I refer Senators to the Administrator's annual report to Congress for 1948, pages 120 to 122.

As the present language in the law has been construed, there is serious question as to whether an establishment is selling or servicing in intrastate commerce when it sells to or renders services for customers within the State who are themselves engaged in interstate commerce, or in producing goods for interstate commerce—such as a farm implement dealer selling to farmers, who produce goods for interstate commerce. In other words, while we have every reason to believe that in the first instance it was meant that this exemption should be extended to a merchant who sold more than 50 percent of his goods within the State, we are going to make it clear. We are not going to leave a question as to whether a small retail sale within the State might be deprived of its intrastate character solely by reason of the fact that the sale is made to someone who incidentally is in interstate business. I see no reason why anyone could find fault with this attempt at clarification, which does not depart from the original intention. It certainly does bring clarification where there is nothing but cloudiness now.

As an instance of the confusion which arises because of the wording of the present law, I refer to the cases of *Kirschbaum* v. *Walling* (316 U. S. 517, 526) and *Boutell* v. *Walling* (327 U. S. 463, 467).

Moreover, there is grave question as to whether an establishment is selling in intrastate commerce where it sells goods received from outside the State to customers within the State from whom it had prior orders for such goods, or even where, without prior orders, it sells fast-moving merchandise so received from outside the State to regular customers within the State.

I am not raising this question. It is raised by the Administrator in his report. He says that it is a confusing situation, which ought to be clarified. Both these points which we have last made are found in the report and recommendations of the Administrator. How anyone could find fault with the effort to carry out recommendations which have been found to be necessary to clarify a a situation and which we know comply with the original intention, we fail to see. I refer also to the case of *Walling* v. *Jacksonville Paper Co.* (317 U. S. 564).

These questions would be resolved by making it plain in the law that a retail or service establishment is exempt so long as more than 50 percent of its annual dollar volume of sales is made within the State within which it is located. Thus such establishment would be exempt, regardless of the fact that the sales of the goods or services within the State were (a) made pursuant to prior orders from customers; (b) contemplated the purchase of goods from outside the State to fulfill customers' orders; or (c) were made to buyers engaged in interstate commerce, or in the production of goods for interstate commerce—and particularly farmers, who, of course, do produce goods for interstate commerce.

That completes my discussion of the first test, and I pass to the second.

The second test provides that in order for an establishment to be exempt, at least 75 percent of its sales must not be for resale. In other words, at least three-quarters of the goods or services sold must be to the ultimate consumer. It is my understanding that this couples in well with the present interpretation, and on that point if there is objection from anyone I shall be very glad to hear it. That is at least my clear understanding of the present administrative ruling on the question.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. DOUGLAS. I should like to ask the Senator from Florida what his judgment would be of the effect of his amendment upon the following case: Assume the case of a lumberyard which sells large quantities of lumber to a building contractor, who then uses the lumber to erect 100 houses. Is that a sale to a consumer, or is it a sale for ultimate resale? Would that be included under the minimum-wage law, according to the Senator's amendment, or would it be excluded?

Mr. HOLLAND. I will say to the Senator that under my understanding of the amendment, such a sale would be regarded as a sale for resale, and that it would require additional action clearly to exempt that sort of sale from the provisions of the minimum-wage law. I understand that such an additional amendment has been prepared by the distinguished senior Senator from Georgia [Mr. GEORGE], and will be offered. It was not the intention of the junior Senator from Florida and those associated with him to attempt to cover everything, but simply to confine ourselves to the clarification of the cloud of confusion which has arisen out of the original act. Senators will find in the amendment, I think, nothing which relates to manufacturers, even though they sell their own goods, and nothing which relates to the question which the Senator mentions. Of course, it would be a legal sale, but it would have to be comprehended within the 25 percent, rather than the 75 percent, under the amendment offered by the Senator from Florida and others.

Mr. DOUGLAS. Mr. President, I am sure the intentions of the Senator from Florida were excellent. But is it not true that if we were to introduce into the law the phrase "resale" there would be many dealers who would say that "resale" would not occur unless the specific commodity were later resold to another person, whereas in the case I cited the lumber is not resold, but is put into a building and a charge is made for the erection of the building?

Despite the legislative interpretation the Senator from Florida has given, I am very much afraid that such a sale would be exempt. It would not be considered wholesale, but would be considered retail, and therefore the amendment would operate to place outside the law a transaction which otherwise would be regarded as coming under the law.

Mr. HOLLAND. Mr. President, it is my understanding that the Senator from Vermont [Mr. FLANDERS] has an amendment dealing with the specific subject of resale. The Senator from Georgia [Mr. GEORGE] has an amendment dealing with other subjects akin thereto. Those amendments, when placed together, will provide a larger coverage than will be provided by the amendment we are now discussing.

The amendment we are now discussing has to do with the great multitude of

small-business men, the retailers and service establishments, who beyond any question whatsoever we intended to be exempted. But in many cases they have been deprived of their exemption, and in other cases they have become apprehensive as to whether they will be deprived of their exemption by the strained construction placed by the courts, as stated in the report of the Wage and Hour Administrator, who bases his recommendation upon those court rulings.

Mr. DOUGLAS. As I understand the law and the interpretations which have been given to it, a sale of lumber to a householder who wishes to erect his own house is a sale at retail, and, if made within a State, is exempt; and a sale of lumber in small quantity to a contractor, even though the contractor subsequently uses the lumber to erect a house, is regarded as a sale at retail. But I understand that a sale of lumber in large quantities to a contractor who uses it for construction purposes is considered a sale at wholesale.

I am very much afraid that the exemption the Senator proposes—the exemption of "resale" transactions—would permit concerns or merchants who really are selling to large contractors to gain exemption from the law. That would be true not only in the case of lumber, but also in the case of paint, agricultural implements, coal, and automobiles.

I should also like to ask the Senator from Florida the meaning of the phrase:

> And is recognized as retail sales or service in the particular industry.

Who is to define that?

Mr. HOLLAND. Who but the Administrator? If the administrative or interpretative ruling is not regarded as sound by the individual person concerned, then he can appeal; and then the matter will be ruled on by the courts.

Mr. DOUGLAS. I understand that the interpretation which would be made would be that given to "retail sale" by a trade association.

Mr. HOLLAND. That is one criterion, of course; but I do not believe the Senator from Illinois, and certainly not the Senator from Florida, would wish to delegate full authority in the matter to a trade association or any other interested group.

Mr. DOUGLAS. Its interpretation would be very persuasive, would it not, even if not controlling?

Mr. HOLLAND. Yes; it would be quite persuasive.

Mr. DOUGLAS. Are sales of less than a carload regarded as retail sales in the coal industry?

Mr. HOLLAND. I understand that is the case.

Mr. DOUGLAS. So a sale of nine-tenths of a carload of coal would be regarded as a retail sale, although by no stretch of the imagination would an ordinary individual household consumer burn nine-tenths of a carload of coal in the course of a winter. If nine-tenths of a carload of coal is purchased, it obviously is purchased for the purpose of being resold, or if purchased by a hotel or a manufacturing concern, then, in effect, the sale is a wholesale one, even though it is classified by the trade association as retail.

Mr. HOLLAND. I am afraid the Senator from Illinois has brought me into a field where I have very little information, never having even bought a hod of coal, in Florida.

Mr. DOUGLAS. The Senator should visit us in Illinois, because we have had a great deal of occasion to use coal.

Mr. HOLLAND. I thank the Senator. I think the coal dealers are one group who feel that their exemption has largely been taken away from them by the present regulations. I have not talked to them about the matter, and I have no great amount of information regarding it.

Mr. DOUGLAS. I am afraid this definition would open up a very wide avenue for increase. Since those "in the particular industry" would have a large part in framing the definition, they would naturally try in a very human sort of way to give it the meaning most favorable to themselves.

Mr. PEPPER. Mr. President, will my colleague yield?

Mr. HOLLAND. I yield.

Mr. PEPPER. Supplementing what the Senator has said, I understand that the coal dealers claim the right to sell up to a carload of coal and still to have the sale regarded as a retail sale. I understand that a carload of coal is approximately 100 tons of coal. The Wage and Hour Administrator has not regarded a sale of 100 tons of coal as a retail sale. Yet the coal dealers insist that up to 100 tons of coal shall still be regarded as a retail sale. I know of nothing in the pending amendment which would not permit that.

Mr. HOLLAND. I call the attention of both my able interlocutors to the last statement I made on this particular subject, when I said:

> The second of the tests is that 75 percent of such sales of goods or services must be to the ultimate consumers, and not for resale.

Of course, that statement is a part of the legislative history and record, since we are offering this amendment and are sponsoring it.

Mr. PEPPER. Would my colleague call an apartment house or hotel an ultimate consumer?

Mr. HOLLAND. I certainly would.

Mr. PEPPER. That is the point. A sale of 100 tons of coal to an apartment house or hotel would not be considered a retail sale. Under the Senator's amendment it would be regarded as a retail sale because the apartment house or hotel would be burning the coal. But under the present administration it would not be regarded as a retail sale, because the quantity is vastly larger than the quantity which ordinarily would be purchased by an individual consumer as a consumer.

Mr. HOLLAND. Mr. President, I find it impossible to distinguish between sales in small volume—which are recognized in an industry as retail—and sales to a local hotel or local laundry or to a local business building or city hall or courthouse or any other business place, when the sale is a part of the normal, everyday retail business, assuming that the sale is not made in such quantity that discounts are allowed. Of course if it is, it comes in the category of wholesale sales.

It seems to us that it is completely fanciful to attempt to distinguish between retail sales and nonretail sales on the simple basis of what will be the use to which the commodity purchased will be put. I think that is a completely false standard and criterion.

Mr. DOUGLAS. Mr. President, will the Senator yield for a further question?

Mr. HOLLAND. I yield.

Mr. DOUGLAS. Is it not true that at this time a contractor who purchases materials in small quantities is not regarded as a wholesale purchaser; but he is regarded as a wholesale purchaser only when he makes mass purchases which clearly he will not use himself, or which clearly are not on a small scale, but are for some large construction job or a large painting job, or, in the case of coal in large quantities to a commercial establishment, and so forth? It is only then that the purchase is regarded as a wholesale transaction.

So I think the present law is far more generous on that point than the Senator from Florida has, perhaps unintentionally, implied.

Mr. HOLLAND. Mr. President, there is not the slightest intention on the part of any sponsor of this amendment to bring wholesale sales within the purview of retail sales; and there is nothing in this amendment which for a moment would permit that to be done.

To the contrary, one of the standards laid down is that, in order to be regarded as a retail transaction, it must be regarded as retail in the very industry or business in which the sale is made.

Mr. DOUGLAS. I hope the Senator will not think I am unduly questioning him, but I would appreciate it very much if he would say how a wholesale transaction would be defined under the definition or distinction he is making.

Mr. HOLLAND. A wholesale transaction would be one in such quantities as to be beyond the industry's standard for retail sales and when the purchases are made in such quantities as to entitle the purchaser to discounts such as are allowed in wholesale transactions. I think the same standard would apply to any type of commodity sold.

In every industry there is a complete distinction between retail selling and wholesale selling. If there are cloudy or obscure or uncertain matters, it was never my thought or the thought of the Senators who join with me in offering the amendment that we would reach perfection at one jump; but we think we shall have clarified the matter and shall have alleviated the intense apprehension and shall have helped solve the great problems that countless thousands of small businessmen are encountering. They are crying out for relief. Incidentally their call for relief is supported by the Administrator in advocating relief and by the recommendation on this subject of two able Senators, members of the Senate committee; and likewise it is supported by the very clear testimony of the original author in the House of Representatives of this specific provision, who certainly should know something about

what he attempted to accomplish. Certainly he said very clearly what he intended to accomplish, as I have indicated in the presentation I have made today of the speech he delivered a few days ago in the House of Representatives.

Mr. DOUGLAS. Mr. President, will the Senator pardon me for raising just one more point?

Mr. HOLLAND. Gladly.

Mr. DOUGLAS. I am sure that is the intention of the Senator from Florida. But would not the effect of his phrasing be to substitute the definition of an interested group of parties, namely, the trade association, of what is a retail sale, for the definition given by the Administrator, who presumably at least is nonpartisan? And would it not therefore be to the interest of the trade association or purchaser to interpret retail sales as broadly as possible in order to increase their exemption from the act?

Mr. HOLLAND. The question of the distinguished Senator is a fairly long one. I shall attempt to answer it. It seems to me under the law as suggested by the amendment a clear test would be one discoverable in any industry by honest search, and that the Administrator would be given plenty of authority to discover what is the rule, what is the meaning of the term in the particular industry, and to give effect to it. If he should find a clouded situation he always has access to the courts.

I may say I favor this line of questioning by the distinguished Senator, and I think it shows up clearly, first, the necessity for clarification; secondly, the impossibility of clarifying it so as to meet every possible contingency in every possible industry. How better could the matter be left than by recognizing the dividing line between retail sales and wholesale sales in the particular industry of the thousands of industries which will be affected by this law, leaving to an able Administrator and the just courts to decide between citizens if any question arises?

I call attention in passing to the fact that the heart of the Administrator, like that of the Congress, bleeds with particular volume for the plight of the farmer. In the course of his recommendation, he pointed out that the farmer was in a bad way, and that the farming communities were in a bad way, and that there was doubt whether there was any business in the farming communities which was clearly exempt under the law and the regulations, or the interpretative rules and regulations and decisions as they now stand.

Under the third test, any sale or service to a private consumer, businessman who does not purchase to resell, or farmer will have to be treated by the Administrator and courts as a retail sale or service, so long as such sale or service is recognized in the particular industry as a retail sale or service. Thus, the sale by a farm-implement dealer of farm machinery to a farmer will be retail if the sale is regarded as retail in such industry and only in a very exceptional case would a sale of farm implements not be regarded as retail.

I may say to the Senate, the Administrator had a very difficult thing to do. Because of his compassion for the farmers, he had to distinguish between the sale of expensive farm implements, some of them costing more than the little Ford or Chevrolet truck, and the sale of the Ford or Chevrolet truck to the same farmer, in the same locality, by adjoining businesses on the same little man's street. But he did find a way, by his regulation, and because of the abundance of his sympathy for the plight of the farmer, to enter a ruling under which sales by a farm-implement dealer of farm machinery to farmers would be regarded as retail though in the case of a Ford truck it was not so.

So, too, sales by the hardware store, the coal dealer, the automobile dealer, the dry-goods store, the paint store, the furniture store, the stationer, and so forth, whether made to private householders or to business users, will be retail, so long as they are not for resale and are regarded as retail sales or services in such trades. Likewise, the services of hotels, restaurants, repair garages, filling stations, and the like, whether rendered to private householders or to business customers, will be retail, so long as they are regarded as retail services in such trades. No longer will it be possible for the Administrator to rule, as he has under the present law, that if a drug store sells drugs to a physician or hospital the sale is not retail, but if it sells drugs to a private household consumer the sale is retail; or that if an automobile dealer sells a truck to the local butcher, baker, or grocer the sale is not retail, but if he sells a passenger car to a private consumer the sale is retail. These and the many other like discriminatory interpretations of the Administrator are eliminated by the amendment. Under the amendment the courts would decide the question of what sales or services are recognized as retail in that particular industry. An employer claiming exemption would have the burden of proving to the courts that, in fact, 75 percent of his sales or services are recognized as retail in his industry.

I digress at this point long enough to remind the Senate that no additional burden or duty is placed upon the Administrator by this act, but that, to the contrary, the burden is placed upon the employer claiming exemption to show that, in fact, 75 percent of his sales or services are recognized as retail in his particular industry.

The amendment thus has the effect of confirming the exemption for the various local neighborhood businesses which it was the original purpose of the existing law to exempt. Included among such businesses are the grocery stores, the hardware stores, the clothing stores, the dry-goods stores, restaurants, hotels, theaters, stationery stores, farm-implement dealers, automobile dealers, coal dealers, paint stores, furniture stores, and lumber dealers.

Anyone opposing the proposed amendment must necessarily take the position that Congress, in granting the retail and service establishment exemption, intended to reject what is traditionally recognized as a retail sale or service in industry, and to adopt an arbitrary concept of what is retailing or servicing which has no meaning in industry.

I call particular attention to that. The Congress used the terms "retail" and "service establishment" in their customary meaning, in their customary application, as they were customarily understood in the various industries of the Nation. How anyone, now, could oppose the giving of that concept to complete reality through this amendment, I fail to see, because it would simply carry out clearly what was the intention and objective of those who offered the original act, and those who voted for it and brought it to passage.

The industry-recognition test which we have proposed is a simple one. It is one clearly understood by both the employees and the employers in the industry involved.

I wonder whether anyone could say an employee in the lumber business, or in any kind of business, in any of the country stores or places of business in the Nation, does not know the difference between a retail sale and a wholesale sale, does not know when a discount is being given, when the volume is sufficient, so as to constitute a wholesale transaction of the particular sale which is involved.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. ELLENDER. As a matter of fact, is it not true that most States have laws on the statute books defining retailers and wholesalers?

Mr. HOLLAND. That is correct. The tax gatherers are supposed to know the difference between wholesalers and retailers.

Mr. ELLENDER. Exactly.

Mr. HOLLAND. The salesman in the hardware store knows full well whether a sale he is making is a retail sale or not. The automobile salesman also knows whether a sale he is making is a retail sale or not. The same is true of employees in grocery stores, clothing stores, dry-goods stores, furniture stores, and so forth. Moreover, it should be remembered that any employer who asserts that his establishment is exempt must assume the burden of proving that at least 75 percent of his sales are recognized in his industry as retail. This is not a task which the Administrator has to assume.

Anyone claiming an exemption does it with full knowledge that the burden is upon him to establish to the sound satisfaction of the Administrator or his agents that more than 75 percent of the sales have been made at retail, and, of course, on the intrastate level in the community in which the business is located.

Almost any retail or service establishment—stationer, hardware store, automobile dealer, coal dealer, lumber dealer, and so forth—may do some selling which is not strictly regarded as retail, such as selling to purchasers who buy to resell. Consequently some tolerance of nonretail activities must be allowed if the exemption is not to be completely read out of the law. The Administrator himself has recognized the necessity for

this tolerance. The proposed amendment fixes this tolerance at 25 percent, the same tolerance presently allowed by the Administrator.

The Administrator himself has recognized the necessity for this tolerance. He restricts the tolerance to 25 percent, though the law gives him no specific authority to do so.

The proposed amendment fixes this tolerance at 25 percent.

Paragraph 3 of the proposed amendment contains a specific exemption for laundries and establishments engaged in cleaning clothing and fabrics. This exemption contains two limitations. First, over 50 percent of the establishment's annual dollar volume must be derived from the sale of services in the State in which it is located. Second, 75 percent of such volume must be derived from the sale of services to customers who are not engaged in a mining, manufacturing, transportation, or communication business.

I invite particular attention at this time to the fact that the laundries which have more than 25 percent of their business in the servicing of the Pullman Co., bus lines, or steampship lines, automatically lose their exemption. Since this question came up and since the amendment was sent out, I received a complaint from a laundry which wishes to be included in the exemption, and stated very frankly that the business involved the serving of interstate carriers, and it would like to be exempt. But there is no thought at all, under this amendment, of exempting such a business as that.

I want the Senate to know that there has been a good faith effort to extend in no jot or tittle into the field of businesses which are exempted, and it will be in interstate rather than intrastate businesses. If there is any increase of the number of businesses which will be exempted, which are, in part, in interstate commerce, which is accomplished by this amendment, we have not been able to discover it.

The first limitation means that the laundry or cleaning establishments must be primarily engaged in serving customers within its State. If it is primarily engaged in serving customers outside the State of its location, it will not be exempt.

Under the second limitation no laundry or cleaning establishment would be exempt if more than 25 percent of its business is with such customers as factories, mines, railroad companies or bus companies. Thus large laundries, whose customers consist primarily of interstate businesses, such as a laundry furnishing linen to pullman trains, will not be exempt. So also, industrial laundries or linen supply companies, more than 25 percent of whose sales are to mining, manufacturing, transportation or communication customers, will be unable to qualify for the exemption and will, as at present, remain subject to the act.

We have in our State a goodly number of laundries whose business is largely confined to the servicing of manufacturing establishments and business establishments. They cannot be exempted under the provisions of this amendment, because, if more than 25 percent of their sales and services is to mining, manufacturing, transportation, or communications customers—this has no relation to interstate business; it has to do with intrastate business—they will not be able to qualify for exemption and will remain as at present subject to the act.

On the other hand, the laundry or dry cleaner will be exempt whether it launders towels or other linen for barber or beauty shops, doctors or dentists offices, or schools, hospitals, restaurants or hotels, or for the housewife.

We come back to the same distinction under the present law, a distinction which is most artificial, a distinction between work done for families and that done for the little village barbershop, beauty shop, doctor's office, dentist's office, or for any of the other purely local establishments. There is no sound justification for differentiation between those two classes of business.

The question may be asked why laundries, dry-cleaning establishments, and linen supply houses need a special exemption and are not exempt under paragraph (2) of the proposed amendment. The answer is clear. One of the two tests laid down in paragraph (2) to qualify for the retail and service establishment exemption is that 75 percent of the establishment's sales of services must be recognized as retail services in the industry. This requirement would deprive most local laundries of the exemption. There is no clear concept in the laundry and cleaning industry of retail services. Irrespective of whether the laundry work is done for a private householder, a business customer such as a hotel, barber shop, restaurant, and so forth, or is done in large or small quantities, such work is not treated as retail, nonretail, or wholesale in the industry. To assure exemption therefore for the laundry and cleaning establishment, which is engaged in a purely local business, it is necessary to write a special exemption in the law for laundries and dry cleaners.

Laundries, dry cleaners, and linen supply houses are in need of the same relief from the Roland decision as the other retail and service establishments.

Mr. President, I should like at this time to place in the RECORD two letters from the Administrator of the wage-and-hour law which were referred to in the colloquy this morning, and which I shall not attempt to read in detail. I wish to place them in the RECORD so that it may be clearly and conclusively shown, first, that laundries are in trouble and no one knows who is exempt and who is not; second, that the Administrator, after ruling one way, abandoned that ruling and went to another kind of administration, and then, after a case was decided involving electrical machinery, and not laundries, came to a position announced by an earlier Administrator some years previously and notified the laundries that they were subject to a ruling made years ago. Can there be any question about the confusion which has prevailed in this industry?

Mr. President, I ask unanimous consent to include in the RECORD a letter addressed to L. Metcalfe Walling, Administrator, Wage and Hour Division, United States Department of Labor, from Representative Fred A. Hartley, Jr., from which I should like to read only one paragraph for the information of the Senate:

The ruling denies to some laundries the benefits of section 13 (a) 2 of the Wages and Hours Act on the tenuous argument that some of their customers are hospitals, barber shops, hotels, etc. I helped draft the act and served on the conference committee which wrote the act in its present form. I can assure you that it was the intent of the committee to exclude service establishments, including laundries, so long as the majority of business is within the State. There was no intention to draw a line between laundries based on the customers served.

I shall not read the rest of the letter.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., July 1, 1942.

L. METCALFE WALLING,
Administrator, Wage and Hour Division, United States Department of Labor, Washington, D. C.

DEAR MR. WALLING: Mr. Robert Skinner, a laundry operator in my State, has called to my attention a ruling by the Wage and Hour Division which has caused great distress to members of the laundry industry.

The ruling denies to some laundries the benefits of section 13 (a) 2 of the Wages and Hours Act on the tenuous argument that some of their customers are hospitals, barber shops, hotels, etc. I helped draft the act and served on the conference committee which wrote the act in its present form. I can assure you that it was the intent of the committee to exclude service establishments, including laundries, so long as the majority of business is within the State. There was no intention to draw a line between laundries based on the customers served.

I would appreciate your courtesy in examining this matter with Mr. Skinner. I am confident that it is your desire to see that the rulings of the Division properly reflect the purposes of the act.

Very truly yours,

FRED A. HARTLEY, JR.

Mr. HOLLAND. Mr. President, the reply to Mr. Hartley's letter is a two-page letter, and I ask unanimous consent that it be incorporated in the RECORD as a part of my remarks. I shall not read the letter; Senators can see it for themselves. It says that a case was pending and that the Administrator preferred not to comment, and that he is inclined to be sympathetic with Mr. Hartley's position in the matter.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES
DEPARTMENT OF LABOR,
WAGE AND HOUR DIVISION,
New York, N. Y., July 2, 1942.

Hon. FRED A. HARTLEY, JR.,
House of Representatives,
Washington, D. C.

MY DEAR CONGRESSMAN HARTLEY: I had a very pleasant conference today with Mr. R. B. Skinner, Mr. George H. Johnson, of the American Institute of Laundering, and Mr. Stanley I. Posner.

I advised them that I am sympathetic to their difficulties, and that I feel for the next 2 or 3 months, pending the decision by the

courts of litigation involving this very point, I cannot make any modification in our present interpretations. I believe that relatively little hardship will be imposed by this short delay in considering modification of the present interpretation of the law regarding laundries and service establishments which was issued by my predecessor, General Fleming.

I am very much inclined to the view that all laundries, regardless of whether they do so-called commercial work or not, were intended by the Congress to be exempt, as you definitely state, and regardless of the outcome of the litigation I am inclined at the present time to think that our interpretation should be revised in this regard. I am sure you will understand, however, that it is extremely awkward for me to take any stand during the pendency of litigation in the courts which is inconsistent with the position which has officially been taken in our brief. I am, of course, thinking only of the intrastate service establishments, as the law clearly states that even service establishments are subject if they do the greater part of their business across State lines.

I appreciate very much your bringing this matter to my attention.

With kindest personal regards, I am,

Sincerely yours,

L. METCALFE WALLING,
Administrator.

Mr. HOLLAND. Mr. President, the third letter to which I refer was dated January 6, 1947, from Mr. L. Metcalfe Walling to a Member of the House of Representatives, and I ask leave at this time to incorporate the letter in the RECORD, as a part of my remarks.

The PRESIDING OFFICER. Is there objection?

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES
DEPARTMENT OF LABOR,
WAGE AND HOUR AND
PUBLIC CONTRACTS DIVISIONS,
Washington, D. C., January 6, 1947.

Hon. W. F. NORRELL,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN NORRELL: Reference is made to the request which your office made to Mr. Grimes, of my office, for an explanation of the applicability of the Fair Labor Standards Act to laundries.

The situation with respect to laundries under the Fair Labor Standards Act is that some laundries are subject to the act and others are not. The employees who are subject to the Fair Labor Standards Act are those who are engaged in interstate commerce and those who are engaged in any occupation necessary to the production of goods for interstate commerce. In all probability, most employees who work in laundries, particularly in cities or towns which are not close to a State line, are not subject to the Fair Labor Standards Act simply because they do not engage in interstate commerce or in the production of goods for interstate commerce.

In order to determine whether employees of a particular laundry are covered or not, the first thing to ascertain is whether the laundry engages in interstate commerce. A laundry may do a so-called wholesale business without engaging in interstate commerce. For example, in addition to servicing individuals, a laundry might also do work for hotels, barber shops, beauty parlors, and retail stores, all located in the same State where the laundry is located, and under such a factual situation the laundry would not be engaged in interstate commerce and its employees would not be subject to the act.

On the other hand, the laundry might be engaged in interstate commerce and its employees engaged in work necessary to the production of goods for interstate commerce even if all of the laundry's commercial customers are located in the same State. An example would be a laundry doing laundry work for a manufacturing establishment which produces goods to be shipped out of the State, and an immediate example would be a laundry doing work for a meat-packing plant. The employees in the laundry washing the white clothes used by the meat-packing employees would be engaged in an operation necessary to the production of the meat.

Another example would be a laundry which washes table linens or bed linens for a railroad company or a steamship company which is going to use the linens on its trains or ships in interstate commerce. I think it can be assumed that there will be very few such situations.

The Fair Labor Standards Act provides a complete exemption from both its minimum wage and overtime pay requirements for a person employed in any retail or service establishment, the greater part of whose selling or servicing is in intrastate commerce, This provision is written in the law itself and whether any particular laundry qualifies for the exemption is entirely a question of fact.

As early as 1940 my predecessor as Administrator of these divisions publicly expressed the opinion that some laundries could qualify as service establishments and others could not. Those which could qualify were stated to be the ones who restricted their customers to private individuals and householders and who limited their work to laundering and cleaning of wearing apparel and household linens. The opinion went further and explained that other types of laundries engaged in work for commercial customers such as hotels, restaurants, manufacturing establishments, and other laundries could not qualify as service establishments.

The former Administrator also stated that where the laundry could qualify as a service establishment and on some occasions did some commercial work he would not, for enforcement purposes, consider that laundry to have lost its exemption and he fixed the amount of leeway at 25 percent of the firm's business, based on dollar volume over each period of 6 months. This opinion of the earlier Administrator was given the widest possible publicity. In essence, it was a simple statement to the effect that whether a particular laundry was a kind of service establishment entitled to the exemption depended upon the type of customer the laundry served.

On June 1943 the Circuit Court of Appeals for the Sixth Circuit decided the case of *Lonas* v. *National Linen Supply Company.* This was a case in which an employee sued a laundry which was the kind the Administrator had said was not a service establishment. The Circuit Court of Appeals ruled in favor of the laundry, and said, in effect, that all laundries were service establishments regardless of the kind of customer they served.

The Supreme Court of the United States was asked to review this case, and on November 8, 1943, it refused to do so. Thereafter I issued a public statement directed particularly to the laundries, in which I said simply that I would withhold any action against laundries so long as this decision of the Circuit Court of Appeals remained effective.

On January 28, 1946, the Supreme Court of the United States decided the case of *Roland Electrical Company* v. *Walling.* Although this case did not involve a laundry, it did involve the question of what constitutes the kind of service establishment which was entitled to the exemption, and in its decision the Supreme Court overruled the earlier decision of the Circuit Court of Appeals in the Lonas case.

The laundry industry, of course, has known of this decision for almost 11 months, and a few weeks ago I issued another public statement specifically directed to the laundry industry in which I advised that industry that beginning January 15, 1947, my enforcement policy will be to apply the law to those laundries which, under the opinion expressed by the former Administrator and under the decision of the Supreme Court, are not entitled to the exemption.

Sincerely yours,

L. METCALFE WALLING,
Administrator.

Mr. HOLLAND. There are some Senators now present who were not here this morning, and I shall read a few paragraphs from the letter, as follows:

In order to determine whether employees of a particular laundry are covered or not, the first thing to ascertain is whether the laundry engages in interstate commerce. A laundry may do a so-called wholesale business without engaging in interstate commerce. For example, in addition to servicing individuals a laundry might also do work for hotels, barber shops, beauty parlors, and retail stores, all located in the same State where the laundry is located and under such a factual situation the laundry would not be engaged in interstate commerce and its employees would not be subject to the act.

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On January 28, 1946, the Supreme Court of the United States decided the case of *Roland Electrical Company* v. *Walling.*

I pause to remind the Senate again that that had to do with manufacturing equipment in the electrical field, and with the repairing of such equipment, and not with sales of ordinary stocks in trade, which are sold to ordinary customers.

The letter continues:

Although this case did not involve a laundry, it did involve the question of what constitutes the kind of service establishment which was entitled to the exemption and in its decision the Supreme Court overruled the earlier decision of the circuit court of appeals in the Lonas case.

Mr. President, it is easy to see the kind of reasoning which was followed by the Administrator in that particular recital. He said that the ruling of the Supreme Court in the Roland case, having to do with electrical equipment, and repairs thereof, overruled the earlier decision of the circuit court of appeals in the Lonas case, which had to do with a laundry, and with an entirely different subject matter, in a completely different field.

The letter continues:

The laundry industry, of course, has known of this decision for almost 11 months and a few weeks ago I issued another public statement specifically directed to the laundry in

which I advised that industry that beginning January 15, 1947, my enforcement policy will be to apply the law to those laundries which, under the opinion expressed by the former Administrator and under the decision of the Supreme Court, are not entitled to the exemption.

In other words, to those laundries which are doing business by way of serving hotels, barber shops, beauty parlors, business buildings, public buildings, and the like.

Mr. President, those two letters show more clearly than any talk by anyone outside of the Administration could show the reason, and the justified reason, for the grave apprehension which prevails on the part of the laundry establishments throughout the Nation.

I hope that the Senate will feel, as it seems we should feel, that it is incumbent upon the Senate, at the time there is being written into the law an amendment which will make the cause for apprehension greater in that the wage will be materially increased, to write into the law an amendment which will clarify the position of each laundry, so that it may tell with crystal clarity whether or not it is exempted from the provisions of the law.

Mr. President, I have several questions which have been suggested in the discussion during the pendency of the amendment, and I shall state them in the closing part of my remarks in the form of question and answer, in the belief that it may be a helpful way to proceed.

SOME QUESTIONS CONCERNING THE PROPOSED AMENDMENT

The amendment which we have introduced has been a product of several months work and discussion. It was placed in its present form some 2 months ago and has had wide circulation. I have had numerous inquiries as to its effect upon various situations and its effect upon various court decisions. I have been asked the following questions:

Question. What effect would this amendment have upon the large mail-order houses which make retail sales?

Answer. None whatever. They are not exempt under the present law because most of their sales are made to out-of-State customers, and they would remain nonexempt for the same reason under the proposed amendment.

Question. What effect would this amendment have upon chain stores?

Answer. It leaves them in exactly the same position as they are today. Their warehouses and central offices would continue to be subject to the act. The individual branch stores, however, would continue to be exempt. This was the holding of the United States Supreme Court in *Phillips* v. *Walling* (324 U. S. 490), and there is no intent in the proposed amendment to change such holding. To the extent that any branch store of a chain has a problem in connection with its sales to business customers, the amendment would remove the problem as it does for other stores.

Question. In *Boutell* v. *Walling* (327 U. S. 463) the Supreme Court held that a repair establishment, affiliated with an interstate motor carrier and engaged exclusively in repairing the trucks of such motor carrier was not exempt as a service establishment. Would that case be decided any differently under the proposed amendment?

Answer. No; for the reason that the servicing of such a repair establishment would not be recognized as retail in the industry. This is so because such establishment is not open to the general public and is really the same as a repair department operated by the interstate motor carrier itself. A repair establishment affiliated with an interstate motor carrier is not like a garage patronized by auto and truck owners generally.

Question. In *Roland Electrical Co.* v. *Walling* (326 U. S. 657) the Supreme Court held that a company engaged in selling industrial goods and service to manufacturers engaged in the production of goods for interstate commerce and to other industrial and business customers was not a retail or service establishment. Would that case be decided any differently under the proposed amendment?

The market for the type of equipment is of course extremely limited, and there has been no contention anywhere that one supplying that type of equipment is engaged in a retail business.

Answer. Definitely not. The sale and servicing of manufacturing machinery and manufacturing equipment used in the production of goods is not regarded as retail selling or servicing in the industry which distributes or services that type of equipment.

Question. In *Kirschbaum* v. *Walling* (316 U. S. 517), the Supreme Court held that the retail and service establishment exemption did not apply to maintenance employees of a loft building occupied by firms engaged in the manufacture of goods for interstate commerce. Would that case be decided any differently under the proposed amendment?

Answer. No. The renting and maintenance of a loft building or of an office building are wholly unrelated to the concept of retail selling or servicing.

Question. Would the proposed amendment have the effect of exempting banks, insurance companies, credit companies, newspapers, telephone companies, gas and electric utility companies, telegraph companies, etc.?

Answer. No. These types of businesses are not considered exempt under the retail or service establishment exemption in the present law because the selling and servicing which they do are not generally considered to be retail. The proposed amendment would do nothing to change their nonexempt status under the retail and service establishment exemption. To the extent that Congress intended to exempt any of these businesses it created special exemptions for them. See, for example, section 13 (a) (8) (exemption for small weekly and semiweekly newspapers); section 13 (a) (9) (exemption for local trolleys and local motor bus carriers); section 13 (a) (11) (exemptions for switchboard operators of small telephone exchanges).

Question. Do quantity and price involved in a sale play any part in the proposed amendment in determining the applicability of the exemption?

Answer. Yes. Under paragraph (2) of the proposed amendment a sale is not retail unless regarded in the particular industry as such. As a general rule, sales in quantities substantially larger than those to the average buyer and at a substantial discount are regarded as wholesale and not as retail.

Question. Do many retail and service establishments engage in some wholesale or nonretail transactions?

Answer. Yes. The Administrator recognizes this under his present interpretations which permit a retail or service establishment to devote 25 percent of its business to wholesale or nonretail selling or servicing without losing the exemption.

Question. What tolerance or allowance for wholesale or nonretail selling or servicing is provided for in the proposed amendment?

Answer. Twenty-five percent. The same as the Administrator allows under the present law. See the Administrators 1948 Annual Report to Congress, page 119. Under paragraph (2) of the proposed amendment the 25-percent tolerance would be for transactions not recognized in the particular industry as retail selling or servicing such as sales for resale and quantity sales at a discount. As to laundries and cleaning establishments a 25-percent tolerance is provided for their sales of services to industrial customers.

Question. What type of service establishments would the proposed amendment exempt?

Answer. Generally, restaurants, hotels, repair garages, watch-repair establishments, beauty parlors, barber shops, hospitals, farm equipment repair shops, laundries, drycleaning establishments, valet shops, battery shops, refrigerator repair shops, typewriter repair shops, taxicab companies, exterminator service companies and other establishments performing local services.

Question. Is there any doubt about the application of the existing retail and service establishment exemption in the law to hotels?

Answer. Yes. Applying the philosophy of the Roland decision there is doubt whether a hotel, engaged primarily in serving commercial travelers or business customers, is exempt.

I may say in amplifying that statement in my prepared remarks, Mr. President, that I have already mentioned, during the colloquy, the fact that there are at least two other reasons why the hotel and restaurant people are most apprehensive. The first of those is the ruling of the Federal court to the effect that a restaurant which is located within or near a factory, and which primarily is serving the employees of the factory, but which is also serving the general public who come there, and at the same price, cannot be exempted, even though its business is entirely separate and it is run by persons who have no connection at all with the manufacturing business.

The other matter which is causing concern, Mr. President, is that one of the large labor organizations, I believe it is the American Federation of Labor, has made every effort to have the hotel industry included within the purview of the National Labor Relations Board jurisdiction, and I think it is also generally known that there is difference of opinion between the learned counsel for the Board, Mr. Denham, and at least a majority of the Board as to whether hotel labor is subject to the jurisdiction of that Board.

Mr. President, the pendency of these two matters which I have mentioned, plus the uncertain effect of the Roland decision, have presented such a situation to the hotel people and the restaurant people that they do have apprehension and they have every justification for being anxious as to what their status is, and for asking that their status be clarified as this act is being amended.

Question. Have the courts ever held that a hotel or restaurant was not entitled to the exemption?

Answer. Yes. It has been held that a restaurant located in a factory, operating as an independent establishment and wholly unconnected in ownership and management with the factory, was not entitled to the exemption, notwithstanding that the restaurant sold and served its food directly to

the employees of the factory and others of the general public. *McComb* v. *Factory Stores* (81 F. Supp. 403 (N. D. Ohio 1948)). The exemption was denied on the basis of the decision in the Roland case.

Question. What change in the exemption status of laundries and cleaners generally will be effected by the proposed amendment?

Answer. The principal change is the elimination of the retail-nonretail concept as applied to sales of laundering or cleaning services—

Which is nonexistent in their industrial parlance, and for which there is no sound precedent whatever—

and the substitution therefor of an exemption limitation based upon the volume of laundry sales to industrial-type customers. This, in turn, will mean that under the proposed amendment the exempt or nonexempt status of laundries will not be dependent upon whether, instead of being for a housewife, towels were laundered for a barber shop, sheets were laundered for a hospital, or aprons were laundered for the butcher.

Question. Will all laundries or dry cleaners be exempted from the act by the proposed amendment?

Answer. No; by no means. Only those establishments which can qualify under the two limitations of the proposed amendment will be exempted.

Question. Will our proposed amendment exempt any more employees than the present retail exemption?

The answer is "No," insofar as concerns those who are exempted under the proper meaning of the original act. The answer will be "Yes" as to some undetermined number, stated to me some weeks ago as being some 25,000, who are included in the field that has been included within the jurisdiction of this act by interpretative rulings and by the courts in following those rulings in some cases.

Answer. No. The Administrator concedes in his 1948 annual report to Congress that the Supreme Court's decisions have virtually destroyed the exemption for all retail and service establishments located in the rural communities and selling and serving farmers. He further concedes that such decisions cast considerable doubt upon the application of the exemption to any retail or service establishment, wherever located, making some sales to business users. Since practically every retail or service establishment makes some such sales, this means that the status of all retail and service establishments is doubtful under the present exemption. The amendment clears up that doubt by exempting the establishments which are traditionally regarded as retail. It is only in the sense that it clarifies such doubt that the amendment can be regarded as expanding the present exemption. But in a real sense it is not expanding the exemption at all but simply confirming it for those establishments which the Congress always intended to exempt. The contrary view must assume that in originally granting the retail and service establishment exemption, Congress intended to reject what is traditionally recognized as a retail sale or service in an industry and to adopt an arbitrary concept of what is retailing or servicing.

Mr. President, that concludes my prepared remarks. There are two additional subjects to which I wish briefly to address myself, but I yield now to my colleague [Mr. PEPPER].

Mr. PEPPER. I wonder if my colleague will be good enough to yield for the submission of a unanimous-consent request.

Mr. HOLLAND. I yield.

Mr. PEPPER. Mr. President, it is the hope of all of us that we can progress this matter as much as is proper. I wish to submit a unanimous-consent request that we vote on the pending amendment not later than 9:30 this evening, with the understanding that when the junior Senator from Florida has concluded his remarks we will seek to take a recess, to resume the session at 8 o'clock this evening. The hour and a half between 8 o'clock and 9:30 o'clock would be divided, 1 hour to the senior Senator from Florida and one-half hour to the junior Senator from Florida, with the understanding that no reply will be attempted to the remarks of the junior Senator from Florida until the resumption of the session at 8 o'clock this evening.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Florida?

Mr. SALTONSTALL. Mr. President, it is my understanding that that is agreeable to the senior Senator from Ohio [Mr. TAFT], who is interested in this subject. I understand from conversation with the senior Senator from Florida that the amendments of the Senator from Georgia [Mr. GEORGE], the amendment of the Senator from Vermont [Mr. FLANDERS], and any other amendments are not included in this agreement.

Mr. PEPPER. That is correct.

Mr. SALTONSTALL. They will come up either after the vote tonight, or at the session tomorrow.

Mr. PEPPER. That is correct.

The PRESIDING OFFICER. Is there objection?

Mr. CONNALLY. Mr. President, reserving the right to object, why should we take such a long recess for supper? It does not require an hour and 40 minutes to eat a bite of supper. We are just killing time.

Mr. PEPPER. Mr. President, it was contemplated at the time it was announced that there would be a request for a recess, that the recess would begin at 7 o'clock, with the understanding that we would resume at 8. It was contemplated that the session would continue until 7 o'clock.

Mr. CONNALLY. Why can it not continue until 7 o'clock?

Mr. PEPPER. It can continue until 7 o'clock, of course; but it was not known exactly how much longer the junior Senator from Florida would be addressing the Senate. It was thought that if we could obtain a unanimous-consent agreement to vote at 9:30 we probably would not lose very much time.

Mr. CONNALLY. We would be losing the same amount of time. Setting the time for voting at 9:30 does not make any difference in the amount of time we would lose. I have gone through with many of these agreements, and have sat around for an hour waiting for 8 o'clock to arrive. Unless one is working under the wages-and-hours law he ought to be able to finish supper in an hour.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Florida?

Mr. CONNALLY. I make the objection, unless the recess is taken at 7 o'clock.

Mr. WHERRY. Mr. President, I believe the Senator from Texas misunderstood. It was not the intention to recess until 7, or about that time. Is not that correct?

Mr. PEPPER. I had anticipated that when the junior Senator from Florida had concluded his remarks, whatever the time might be, we might take a recess until 8 o'clock. So far as I am concerned, I am perfectly willing to modify the request. I see that the majority leader is now in the Chamber. I leave the matter to his good judgment. Speaking for myself, I am perfectly willing to address the Senate when the junior Senator from Florida has concluded; but I also wish a reasonable length of time to address myself to this amendment after we resume the session following the dinner hour. The division of time suggested is agreeable to me. I will leave the division of time as it was suggested in the proposal which I made.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. SALTONSTALL. Mr. President, will the Senator from Florida yield for a question?

Mr. CONNALLY. Just a moment. I thought the Senator from Florida yielded to me.

Mr. President, I do not press the objection. If Senators want to sit around for an hour twiddling their thumbs and waiting until the hour of 8 o'clock, it is all right with me.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request proposed by the Senator from Florida?

Mr. HOLLAND. Mr. President, reserving the right to object, I can finish in 5 or 6 minutes more. We could return here at 7:30, and conclude at 9.

Mr. PEPPER. Some Senators have been notified that the session will not be resumed until 8 o'clock. So far as I am concerned, I am perfectly willing to begin my remarks on this subject when my distinguished colleague concludes. At the same time, I should like to have a reasonable time after the resumption of the session.

Mr. SALTONSTALL. Mr. President, it is my understanding that the time between now and 7 o'clock is not divided.

Mr. PEPPER. That is correct.

Mr. SALTONSTALL. So that any Senator who wishes to speak before 7 o'clock may do so.

Mr. PEPPER. Yes. We can continue until 7 o'clock.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Florida? The Chair hears none, and it is so ordered.

Mr. McKELLAR. Mr. President, will the Senator from Florida yield to me for a moment?

Mr. HOLLAND. I yield.

Mr. McKELLAR. I have an amendment which I should like to offer. It will require only a few moments. I think probably the Senator from Florida [Mr. PEPPER] will be good enough to accept it. I send the amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The pending question is the amendment offered by the junior Senator from Florida [Mr. HOLLAND]. Is there objection to temporarily laying that amendment aside for the purpose of considering an amendment to which there may be no objection?

Mr. SALTONSTALL. Mr. President, reserving the right to object, I should like to ask the senior Senator from Florida and the senior Senator from Ohio if they know what the amendment is, and if they have any objection to it being considered at this time.

Mr. PEPPER. Mr. President, both of us know about the nature of the amendment, and both of us have expressed to the able Senator from Tennessee some concern about it, and considerable doubt as to whether it would be acceptable to Members of the House of Representatives. However, we have stated that we are willing to present the matter and allow it to have fair consideration in conference.

The PRESIDING OFFICER. Does the junior Senator from Florida consent to the temporary withdrawal of his amendment for the purpose of considering the amendment of the Senator from Tennessee?

Mr. HOLLAND. I do.

The PRESIDING OFFICER. The amendment offered by the Senator from Tennessee will be stated.

The LEGISLATIVE CLERK. On page 41, in the committee amendment, before the period in line 18, it is proposed to insert a semicolon and the following: or any home worker engaged in sewing baseballs or softballs.

Mr. PEPPER. Mr. President, we are willing to take the amendment to conference.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Tennessee [Mr. McKELLAR].

The amendment was agreed to.

Mr. McKELLAR. I thank the Senator from Florida and the Senator from Ohio.

The PRESIDING OFFICER. The amendment offered by the junior Senator from Florida [Mr. HOLLAND] is again before the Senate, and the junior Senator from Florida is recognized.

Mr. HOLLAND. Mr. President, there are two matters which I wish to place in the RECORD at this time, which I think have not been mentioned heretofore by me. One is this:

Just as the Congress recognized the fact that the subject of retail business and of service businesses was a matter which was much better within the handling of the State laws and local laws—as, indeed, is required, as I understand, under the Federal Constitution—so the States have seemed to understand the question because a great many of the States have adopted minimum-wage-and-hour provisions applicable to businesses which are intrastate.

Without attempting to encumber the RECORD by placing in the RECORD the full tabulation of provisions of State laws, which are shown in the record of the hearings at pages 369 and following, I wish to call attention to certain things appearing in that tabulation which clearly show the fact that the States have recognized retail businesses as being not subject to the hours yardstick or the overtime yardstick to the same degree as interstate business. The compilation shows that even the most progressive and forward-looking States, as they are generally regarded, have recognized the fact, first, that retail businesses are subject to State regulation; and, second, that that regulation in no way should be so extreme, so far as the hours requirement or the wage requirement is concerned, as is the regulation required in other fields.

For example, in this tabulation it appears that in the State of California, a highly progressive and very fine State, there is a law, which became effective June 1, 1947, providing for a 48-hour workweek. This is applicable to retail and service trades in that State. There is a recognition that that kind of business must operate 6 days a week in order to serve its public. There is a minimum rate of pay of 65 cents an hour for experienced workers and 50 cents an hour for inexperienced workers.

In the State of Illinois—and I am glad to see present the distinguished majority leader [Mr. LUCAS]—I note that similar action has been taken. In the case of women and minors employed in retail and service industries, a 48-hour workweek is provided, indicating that the customs and habits of the people of Illinois are not vastly different from those of the people of California or other States. This type of institution is supposed to remain open 6 days a week, and in order to serve its public it must do so. I note that the scale of pay prescribed by the State of Illinois, one of our most progressive States, is 45 cents an hour for learners or apprentices and 55 cents an hour for those who are classified as experienced salesmen or workers in this particular field.

I shall not encumber the RECORD by reading a vast number of others; but I notice that in the State of New York a 40-hour workweek is prescribed in the large cities, and a 44-hour workweek in the smaller cities, thus recognizing the habits of the people and showing that this is a subject which is peculiarly subject to local or State control. In other words, a 40-hour workweek is prescribed in the large cities; and a 44-hour workweek, with a maximum of 48 hours, is prescribed in the smaller cities, in various classifications. In the State of New York, the maximum rate is 52½ cents an hour for full-time workers in the retail trades. This list does not mention the service trades. I do not know whether they are included in it. The rate is 57½ cents an hour for part-time workers who work on rush days or who work less than the minimum of 30 hours a week, the maximum being 48 hours a week in the smaller cities and towns. I call attention to these facts in order to show clearly that in this matter the custom varies as between different communities, and to show how within a State there are differences which have been recognized in the cases I have mentioned and in many other cases, as Senators will observe if they examine the statement of the various classifications.

Now I wish to place in the RECORD the showing with reference to the State of New Hampshire, because the distinguished junior Senator from New Hampshire [Mr. TOBEY] has expressed an interest in this matter. It is interesting to note that in his State of New Hampshire—which, as he stated earlier today, is predominantly a rural State, with few exceptions—a workweek of 54 hours is allowed in trade and service industries for women and minors, both experienced and inexperienced in working in those trades and services. From that, I would judge that perhaps the New England traditional practices of thrift and of long hours of work still prevail in that section of the country. So it is interesting to note that 54 hours of work are permitted in a workweek in frugal New England, which all of us admire so greatly, whereas 48 hours is the permissible workweek in the great State of Illinois, represented by the two able and distinguished Senators who now are on the floor of the Senate, and in the great State of California—indicating that the traditional habits of the New Englanders still persist, and that the present arrangement gives a chance for the habits and customs of the people to be expressed in that way, through local legislation, which everyone knows will, in the very nature of things, more nearly suit the people and the businesses in which the people are engaged, as they are affected by such matters.

So in New Hampshire, I notice again an indication of the traditional New England frugality in the fact that the minimum wage is 35 cents an hour for inexperienced workers and 50 cents an hour for experienced workers.

Mr. President, by studying the list, I think it will clearly appear that there is a definite distinction, recognized as such by the acts of the legislatures of the various States, as between those States and as between various classes of communities in those States. For instance, I notice that one of them has three zones listed. I do not have available at this time information as to how the zones are determined.

But it is obvious that this matter is a subject for legislation which, from the very nature of things, calls for local handling and now is being handled locally in such a way as to justify the feeling, which has been expressed both on the floor of the Senate and on the floor of the House—it was expressed the other day on the floor of the House by one of the Members of the House who helped draw the original act, and it has been expressed on the floor of the House

by other Members—that here is a field which must be left to local regulation, and which cannot be measured, for instance, from the standpoint of the compensation paid to a factory worker; and that this subject is treated differently in States in which similar conditions exist. So the wisdom of local rule is amply borne out by the material I now have before me. It fully bears out the contentions made by the sponsors of the original act and by the sponsors of this amendment that this field calls for local handling and for varied handling, as conditions may require.

Mr. President, I close my remarks by reminding the Senate that this amendment is called for by a great many people representing a great many different points of view—so much so, that I should think it would be impressive to Senators to recount the varying sources from which the call comes at this time for the adoption of the amendment, and I shall do so: First, it comes from the House of Representatives, which has approved this amendment in the very words in which the amendment is proposed here. The result is, Mr. President, that if these words are written into the Senate bill, there will be no basis for a conference between the House and the Senate in these waning hours of a hectic session; but, instead, the subject matter will have been completely and finally handled, for the House of Representatives has shown clearly its feelings in this matter. The original sponsors of the bill in the House of Representatives, including Representative CELLER, have clearly shown that they approve the wording of the amendment, and that if the amendment were not adopted by the House in the words now included in the Lucas bill, one of the sponsors proposed to offer it because he believes it so clearly expresses the sentiment of the original sponsors of the act that he wishes it written into this bill.

Next, Mr. President, I call the attention of the Senate to the fact that two extremely able Members of this body have, by their separate reports in connection with the committee report, after the hearings on the bill were held, insistently recommended that this field calls for action along the lines suggested by them. That recommendation certainly fits in with the amendment. We already have been told, earlier today, by the Senator from Ohio that he approves the amendment as written and that he is asking for its adoption. So we have the endorsement and recommendation of the objectives of this amendment, as it is written, by those two distinguished Members of this body.

Next, we have an insistent recommendation from the Administrator himself of an amendment in this exact field, although not exactly this amendment. However, his recommendation is of an amendment which covers many of the objectives of this amendment. Let it be perfectly clear that I am not saying that his recommendations are identical with those of the sponsors of this amendment, but several times in the course of my remarks I have said that he recognizes the necessity for action in the precise field to which this amendment applies, and that he recognizes the necessity for the adoption of some of the provisions of this amendment, because he requests the adoption of an amendment which will follow the practice which has been laid down in the rulings he has made heretofore in this field.

Furthermore, I have pointed out that there is only one area of substantial difference between the Administrator's recommendations and the provisions of this amendment, and that difference has to do with the artificial distinction the Administrator makes between business sales of any kind and retail sales. Under his ruling, no business sale can be classified as a retail sale.

In closing, Mr. President, let me say that I have never seen demonstrated in connection with any proposed legislation with which I have been concerned such a unanimity of opinion by all the persons concerned with it.

Mr. PEPPER. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. GEORGE in the chair). Does the Senator from Florida yield to his colleague?

Mr. HOLLAND. I ask my colleague to wait just a minute, please, until I complete this summation.

Mr. President, both the small business organizations of the Nation—at least, the ones with which I am acquainted, the two organizations which generally speak for small business throughout the Nation on a national basis—have strongly urged the adoption of the amendment. I have received a telegram from Mr. Lyle W. Jones, director of the Washington office of the National Small Business Men's Association. I shall not encumber the RECORD by having the telegram printed in the RECORD at this point; but any Senator who wishes to see the telegram may certainly do so. It strongly endorses the amendment.

I have also received a similar telegram from Mr. Fred A. Virkus, chairman of the Conference of American Small Business Organizations, located at Chicago, Ill. His telegram also is available to any Member of the Senate who wishes to see it.

Various groups of retail industry have strongly requested and sponsored the amendment, including, among others—of course I cannot recount all of them; this morning I asked to have the list brought up to date, but I wish to indicate how generally the amendment is supported by persons whose businesses are affected, and who request that this amendment clarifying their status be adopted as a part of the law:

The Retail Paint and Wallpaper Distributors of America, Inc., St. Louis, Mo.

The American Retail Coal Association, Chicago, Ill.

Mr. Arthur D. Condon, representative of the Retail Merchants' National Association. I understand that is an association of chain stores. I make no apology for having such representation from a group of chain organizations, who certainly are entitled to just as fair treatment as anyone else.

The managing director of the National Retail Hardware Association, with an office at Boston, Mass. Perhaps the distinguished Senator from Massachusetts knows the managing director, Mr. Rivers Peterson, who has informed the Senator from Florida of his strong support of the amendment.

The National Automobile Dealers' Association, with an office in Washington, D. C.

The American Hotel Association.

The American Institute of Laundering.

The National Restaurant Association.

The National Retail Dry Goods Association.

There are others, and I am sorry that my list cannot be stated to be inclusive, but time did not permit making it up. I have never seen such a completely common front taken by business groups who felt first they were entitled to this relief and should have it, and, second, that they did not want to have their amendment confused with others which had to do with exempting industries which might be on the border line, in that they were partly manufacturing or that they were more in interstate commerce than was projected in the terms of the original act.

I believe my distinguished colleague was absent when I made the statement today that I had a letter from a laundry in our State asking that the amendment be reworded so as to include them, but stating frankly and with complete candor the nature of their business. The nature of their business was such that they could not be included without doing violence to the approach of the original sponsors of the bill. They were servicing the railroads, the Pullman Co., and the like. It may be my distinguished colleague had a communication from that same business.

Mr. President, we have endeavored to draw an amendment which really applies to the bona fide retail stores, and to the bona fide laundries, and to the bona fide service establishments in general. We think we have not done violence, but instead have followed meticulously the purposes of the original law, and we strongly hope and sincerely ask that the Senate approve this amendment, so as to prevent action being taken by which the degree of apprehension under which small business is suffering throughout the Nation at this time will be enhanced, as it will be enhanced by increasing the minimum wage from 40 cents to 75 cents or 87½ cents.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. DOUGLAS. I appreciate the fact that the junior Senator from Florida has been speaking for a considerable period of time, and that he is probably tired as a result of his effort. I shall try to be very brief in the questions I ask him. The Senator from Florida mentioned the fact that two members of the Committee on Labor supported the Holland amendment. I wonder whether the Senator from Florida would mention the members of the committee who are opposing the Holland amendment.

Mr. HOLLAND. I am not able to give that information. All the other members of the committee I presume are in the Senate and may be heard upon it. I have not represented that any others than the two have recommended this or

a similar amendment. There may be others who feel the same way, but I do not know. My statement does not apply to any others except the two whom I mentioned, the senior Senator from Ohio and the senior Senator from Missouri.

Mr. DOUGLAS. Since there are 13 members of the committee, and since only 2, so far as I know, have explicitly favored the Holland amendment, it would seem to me that the overwhelming weight of opinion on the committee was contrary to the amendment proposed by the Senator.

Mr. HOLLAND. I suspect that will be found to be the case. The Senators on the Democratic side of the aisle have been in an unusual and a not too easy situation in all legislation affecting labor in this session, due to the fact that all eight of our distinguished colleagues from the Democratic side who are upon this committee have apparently seen eye to eye and with complete unanimity, in the programs which were reported in the fields of labor legislation, and they have not seen it, as many of us have, who have taken a position similar to that taken by the sponsors of this amendment, so that we have been in a situation where we have had no staff members to assist us, no colleagues on our side from whom we could receive counsel, comfort, or sympathy. I am unable to say what the attitude of the members of the committee, on the other side of the aisle, other than the two whom I mentioned, and whose position was shown in the report, may be; but I taken it for granted most of them will have found opportunity to express their views on the amendment and on the legislation in general during the course of the debate.

Mr. DOUGLAS. I may say to my good friend from Florida, if he has a feeling that the interests of Senators who feel similarly to him, are not represented on the Labor Committee, that sometimes those of us who are Democrats from the North and the East have a feeling that we are not represented on certain other committees of the Senate; so that we can mutually commiserate with each other on these matters.

Mr. HOLLAND. That can hardly be true on the two committees to which I have the honor to be assigned, the Committee on Public Works and the Committee on Agriculture and Forestry. I find no division as amongst the members of our party or the other party on any partisan lines, and I have been rather amazed to see the complete unanimity with which our eight brethren on the Committee on Labor and Public Welfare have marched together in their support or opposition of any measure which touched the field of labor.

Mr. DOUGLAS. We are happy to be companions in a good cause, I may say; but I should like if I may to ask the Senator some questions, on lines 6 and 7 of his amendment.

Mr. PEPPER. Mr. President, will the Senator yield for just a moment, before he asks the question?

Mr. DOUGLAS. I yield.

Mr. PEPPER. If my colleague will allow, I should like to call attention to the fact when this matter was before the committee, as the Senator from Ohio and other members of the committee will attest, the committee went so far as to permit a listener, Mr. Pool, who has been identified somewhat by association with this amendment, who has advocated it, who wrote a letter to the committee on behalf of it—I think perhaps he came and testified—we allowed him actually to come into the committee room and sit with the committee in executive session, to see whether we could work out something of the character which my distinguished colleague now proposes.

After we had considered it and heard the representatives of the Wage and Hour Division telling how many people would be uncovered if such an amendment were adopted, and contemplating the difficulties which would be encountered if that amendment were in the law, it was finally not pressed by members of the committee who had previously urged it, but they did reserve the right to support such an amendment later, if they chose to do so, if it were submitted on the floor of the Senate. So the committee did not neglect to give consideration to this proposal, but even permitted a private lawyer to come into executive session and sit with the committee and discuss the question.

Mr. HOLLAND. I will say to my colleague that I am sure that what he has stated is exactly correct, and yet the committee reported a bill which is materially different from that which is presented as affected by the various committee amendments offered at the last moment. I hoped that the change of heart on the part of the committee which has manifested itself in other portions of the bill might perhaps be manifested also in this particular matter, which I think is of tremendous importance to the Nation, and particularly to small businesses.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. DOUGLAS. May I ask the Senator if he will turn to lines 6 and 7 of his amendment. I should like, if I may, to modify the statement I made earlier that this provision of his amendment seems to be identical with the present law. As I read the amendment, it provides that if a sale is made within the State in which the establishment is located, it is an intrastate sale.

In other words, the test is made the place of sale, not the person to whom the sale is made or the delivery made.

Perhaps I may be making a speech instead of asking a question, but I should like to illustrate the point. Suppose there is a store close to the border line between the States of Indiana and Illinois, and more than 50 percent of the patrons of that store come from Illinois. The store is really engaged in interstate commerce, because it is selling to Illinois residents to many of whom it makes deliveries. That situation quite frequently occurs, because the State of Indiana does not have a sales tax as has the State of Illinois. I would say that it is interstate commerce in those cases where the sale is made in Indiana but the delivery of goods by the store is made in Illinois. But the sales of all take place within the State of Indiana, and therefore, according to the Senator's definition, it would not be interstate commerce, but intrastate commerce.

Mr. HOLLAND. I may say to the distinguished Senator that if his conception of what constitutes interstate sales is correct, it is different from what I understand to be the rule now being enforced by the Administrator. I do not understand that there is any artificial distinction made to bring a sale by an Indiana citizen to an Illinois citizen, who comes to the store to buy and who buys in ordinary retail quantities and pays the ordinary retail price, into the purview of interstate commerce. If that were the test, the hotels in the State of Florida would be conducting an interstate business. As the Senator knows, Florida offers entertainment to countless citizens from other States. I do not understand that the Administrator has ever made any contention—if he has, he has gone beyond what I have understood—that that constitutes interstate business. But if there is any feeling that it might be such a thing, it makes me all the more warmly espouse our amendment. It is manifest to me that such a ruling would be completely out of line with what I understand to be the real standard and measure of what constitutes interstate business.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. PEPPER. Possibly the Senator from Illinois has in mind a case in which sales might be made to a carrier. In the first part of the amendment of my distinguished colleague there is no exemption with respect to sales to a transportation company. It relates to the laundry section. Possibly the delivery of a commodity with the design that it is to be transported out of the State might be regarded as a sale in interstate commerce.

Mr. HOLLAND. I thank my colleague. I do not understand that that particular element has been brought into the discussion at all.

Mr. PEPPER. If the Senator will permit one other question on that point, carrying out the interrogation made by the Senator from Illinois, I should like to invite the attention of the Senator from Illinois to the point. The amendment offered by the Senator from Florida changes, does it not, the criteria to sales made within the State in which the establishment is located, rather than to sales made in intrastate commerce. That was the point to which I was trying to invite attention. If the Senator will examine the bill, if he has it before him, he will notice in section 13 that in defining the exemption the present law provides as follows:

> The provisions of sections 6 and 7 shall not apply with respect to—

Then I skip down to the pertinent part—

> any employee engaged in any retail or service establishment the greater part of whose selling or servicing is in intrastate commerce.

It does not say "is within the State." It says "is in intrastate commerce"; meaning, I assume, as distinguished

from or in contradiction to interstate commerce. But the amendment of my distinguished colleague would provide exemption to any employee of any retail or service establishment "more than 50 percent of which establishment's annual dollar volume of sales of goods or services is made within the State in which the establishment is located."

The present law takes into significance the legal concept of intrastate commerce as distinguished from interstate commerce; but in that part of the amendment of my distinguished colleague geography, in the nature of the commerce, is made the criterion.

Mr. HOLLAND. I thank my distinguished colleague, but I should like to invite attention to the fact that the Administrator himself, in his recommendation, calls attention to that very cloudy feature of the present law. He calls attention to the fact, in particular, that any farmer producing goods for interstate commerce might be held to be not within the exempt classification of the present law. He found a manly means to phrase a rule which took that particular question out of the picture. We are trying to take it out so clearly that there cannot be any question about it, that there cannot be a cloud left indicating that when a sale is made to a farmer who is producing goods which will move across a State line it might be regarded as an interstate sale. That, we think, is a completely false standard, and we are trying to substitute a clear, fair, and enforceable standard which the sponsors in the House say complies particularly and meticulously with their original intent. We are trying to substitute that sort of a clear standard for the cloudy provision in the present law.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. TAFT. May I invite attention to another reason why that language is necessary and desirable? In our supplemental views we pointed out that a retail business might be found to be engaged in interstate commerce because it received merchandise which had crossed State lines, even though the goods came to rest within the State before the retailer handled them. In other words, as the court pushed the concept of interstate commerce backward to the producer, here is an effort to push the idea forward to the consumer. But to make clear that that is not what Congress intends, it is desirable to say, rather than that it is a sale in interstate commerce, that it might be said to be interstate commerce because the goods come in from outside before they reached the store. If we want to make it clear, the language in the Senator's amendment is necessary and desirable.

Mr. HOLLAND. I thank the Senator, and I think his statement is exactly correct. I think the adoption of the amendment would completely clarify the point, which is not only admittedly cloudy now, but may become increasingly so as the courts continue in their uncertain and unpredictable course of extending the definition of what constitutes interstate commerce.

Mr. AIKEN. Mr. President, will the Senator from Florida yield for a question?

Mr. HOLLAND. I yield to the Senator from Vermont.

Mr. AIKEN. I have been wondering about some words in the Senator's amendment. I read beginning with line 8 on page 1:

> A "retail or service establishment" shall mean an establishment 75 percent of whose annual dollar volume of sales of goods or services (or of both) is not for resale—

It is all right so far. Then it proceeds—

> and is recognized as retail sales or services in the particular industry.

Does not that throw the situation wide open for each industry to determine whether its sales shall be considered retail or wholesale?

Mr. HOLLAND. It is not the judgment of the sponsors of the amendment that that would be the result. On the contrary, it is our belief that the Administrator would have a function to perform, and if he goes astray, in the judgment of individuals who are affected he could be appealed from, the case could be taken to court. It is our judgment that we are simply using words and terms in the way they are customarily understood, just as was done on the passage of the original act, except that we are going far enough to leave something definitive by this amendment. In the original act we spoke of retail establishments and service establishments, and no one yet has been able to jell a clear definition of what either of those types of agencies comprehends.

Mr. AIKEN. What is the purpose of the words "and is recognized as retail sales or services in the particular industry?" Does not that leave the interpretation up to the industry concerned? It seems that with those words out there would be little objection to the Senator's amendment, and it probably would be a good thing to put in the provisions which we are given to understand are already accepted by the Government. With these words in, "and is recognized as retail sales or services in the particular industry," it does seem to me it is left pretty wide open for an industry to determine for itself whether it is to come under the provisions or not. I am asking for information.

Mr. HOLLAND. There is no more question left there than under the original act, when the words "retail establishment" and "service establishment" were used. The question is what constitutes a retail sale and what constitutes service, and in each case that is not defined in the act, but instead is defined variably in various industries by determining what are the habits and practices in the industry.

Mr. AIKEN. Let me put the question in another way. Why are these words necessary to the amendment, and in what way do they strengthen and clarify it?

Mr. HOLLAND. They make it very clear, crystal clear, that no one standard can apply to every type of business, but that the standard we are trying to write is to give weight to a certain type of sale, which is a bona fide retail sale, and for the determination of that the Administrator and the courts, as well as the people who are in business, are warned that the rules prevailing in the business, the understanding of the term in the business, would apply, with complete knowledge that the same understanding may not apply in different businesses, because the same standard or rule cannot at all be safely applied to all businesses.

Mr. AIKEN. Will the Senator permit me to put the question in still another way, and I think this is the last way in which I shall propound it. The language is "and is recognized as retail sales or services in the particular industry." Who does the recognizing?

Mr. HOLLAND. The Administrator, the courts, the merchant, his employees, the enforcement officer, and everyone else. Here is the standard set up, and for the determination of the standard everybody who is concerned has a right to discover what his standard in the particular industry is. An employee who has rights under the bill, if he sees something happening in the name of retail business which he knows is not retail business, has a perfect right to assert himelf, and when he asserts himself, he shall not have his complaint fall on deaf ears. If he can show that a practice which is being sought to be shown as a retail practice is not so at all, of course it will not be so held.

Mr. AIKEN. Then we have the Senator's assurance that this wording is clearly not intended to permit any industry to determine for itself what are generally recognized as retail sales?

Mr. HOLLAND. No. We discussed that matter earlier in the afternoon. There could be various criteria which could be applied, one of which of course would be the conclusion of the trade association in the particular industry. But that is only one criterion. Others would apply. The well-settled habits of business must be applied. They will not necessarily be the same in all trades or businesses.

The PRESIDING OFFICER. The Chair reminds Senators that while the unanimous-consent agreement did not fix the hour for recessing, it did fix the time when the Senate should return.

Mr. PEPPER. I thank the Chair. I was going to call the attention of able Senators to that fact, in the hope that perhaps they might conclude their discussion as early as possible.

Mr. AIKEN. I was merely trying to get the meaning of these few words clear in my own mind, and also clear for the RECORD, because with such clarification, if the words are clarified in the right way, as one member of the committee I see little objection to the remainder of the Senator's amendment.

Mr. HOLLAND. I thank the Senator.

Mr. AIKEN. If these words would permit each industry to decide for itself whether sales were retail or not, I could see considerable objection to the amendment.

COMMITTEE SERVICE

On motion of Mr. LUCAS, and by unanimous consent, it was—

Ordered, That Mr. NEELY be assigned to the chairmanship of the Committee on the District of Columbia;

That Mr. KERR be excused from further service as a member of the Committee on Interior and Insular Affairs and assigned to service on the Committee on Finance;

That Mr. KEFAUVER be excused from further service as a member of the Committee on Interstate and Foreign Commerce and assigned to service on the Committee on the Judiciary;

That Mr. HUNT be excused from further service as a member of the Committee on Rules and Administration and assigned to service on the Committee on Interstate and Foreign Commerce;

That Mr. TAYLOR be assigned to service on the Committee on Rules and Administration; and

That Mr. LEAHY be assigned to service on the Committee on the District of Columbia and the Committee on Interior and Insular Affairs.

RECESS

Mr. PEPPER. Mr. President, I move that the Senate stand in recess until the hour of 8 o'clock.

The motion was agreed to; and (at 7 o'clock and 8 minutes p. m.) the Senate took a recess until 8 o'clock p. m.

EVENING SESSION

On the expiration of the recess, the Senate reassembled, when called to order by the Vice President.

MINIMUM WAGE STANDARD

The Senate resumed the consideration of the bill (S. 653) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes.

Mr. PEPPER. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hayden	Millikin
Anderson	Hendrickson	Mundt
Brewster	Hickenlooper	Murray
Bridges	Hill	Myers
Butler	Hoey	Neely
Byrd	Holland	Pepper
Cain	Humphrey	Robertson
Capehart	Ives	Saltonstall
Chapman	Johnson, Tex.	Schoeppel
Connally	Johnston, S. C.	Smith, Maine
Cordon	Kem	Smith, N. J.
Donnell	Kerr	Sparkman
Douglas	Kilgore	Stennis
Dulles	Knowland	Taft
Eastland	Langer	Taylor
Ecton	Leahy	Thomas, Okla.
Ellender	Lucas	Thomas, Utah
Flanders	McCarthy	Thye
Frear	McClellan	Tobey
Fulbright	McFarland	Vandenberg
George	McKellar	Watkins
Gillette	McMahon	Wherry
Graham	Magnuson	Wiley
Green	Malone	Williams
Gurney	Martin	Young

The VICE PRESIDENT. A quorum is present.

A unanimous-consent agreement has been entered into to vote at 9:30 p. m. The time from now until then is to be divided, two-thirds to the senior Senator from Florida [Mr. PEPPER] and one-third to the junior Senator from Florida [Mr. HOLLAND]. Taking out the time consumed by the quorum call, the senior Senator from Florida has about 50 minutes and the junior Senator from Florida about 25 minutes.

Mr. HOEY. Mr. President, will the Senator yield for a moment?

Mr. PEPPER. I yield.

Mr. HOEY. I offer an amendment to the pending measure, which I ask to have printed and lie on the table.

The VICE PRESIDENT. The amendment will be received, printed, and will lie on the table.

Mr. PEPPER. Mr. President, I regard this as one of the crucial votes which will be had on this measure. It goes to the very heart of one's attitude toward the whole subject of the Fair Labor Standards Act. It has been represented by the distinguished Senators who are the advocates of the amendment that it was for the clarification of the law. I have no doubt that it would have that practical effect; but I was reminded of the story told on the floor the other day by the able junior Senator from West Virginia [Mr. NEELY]. Senators will recall that his time was limited, and he was speaking very animatedly upon a given subject, when he was interrupted by the arrival of a messenger from the House of Representatives. The Chair interrupted the Senator from West Virginia, although the Senator did not have very much time to spare, for the purpose of receiving a message from the House. The distinguished Senator from West Virginia said in his own inimitable way, "Mr. President, this incident today reminds me of the time when J. P. Morgan one day was accosted by a likable tramp, and was so enamored of him that he gave him $5 and sat and talked with him for a good while. He was so intrigued by the fellow that he told him that if he would come back next Saturday afternoon he would give him $5 more. Next Saturday, of course, the tramp was back and Mr. Morgan gave him $5. The same thing happened the next Saturday afternoon. Mr. Morgan became tired of the loquacious fellow, and when he returned the fourth time Mr. Morgan said to one of his aides, "Just tell the fellow I am out; that I cannot be here this afternoon." The aide asked Mr. Morgan, "What shall I tell him is the occasion for your absence?" "Oh," said Mr. Morgan, "tell him a member of my family is going to be married, and that I had to leave hurriedly. But here is $2.50 instead of $5." When the tramp arrived the aide gave him the $2.50 and told him the reason for Mr. Morgan's absence. The tramp took the $2.50, looked at it rather hesitatingly, and then said, "Well, all right, I will take it this time, but the next time a member of his family gets married I hope he does not do so at my expense."

Mr. President, to get at the heart of this matter, the amendment of my distinguished friend and colleague would clarify the law all right, but at the expense of the workers of the country who are presently covered by the law, or who would be covered by it in the future. My distinguished colleague said that he had received messages from a considerable number of people and organizations, and he named the Automobile Dealers' Association, and the Hotel Operators' Association, and the Retail Merchants' Association, and other entrepreneurs and employers. He said he had never seen such unanimity among the people affected as had appeared in this case. I rose to make inquiry whether my distinguished friend had received any communications from the employees who would be deprived of coverage by his amendment.

I wonder if they do not have the right to be heard. I wonder if they are not interested parties in this case. I wonder if we want to clarify the Fair Labor Standards Act at the expense of 200,000 workers of America who would otherwise be getting, not a bounty, but a minimum wage of 75 cents an hour, which, for a 40-hour week, is $30 a week, and for 4 weeks is $120, about $1,500 a year.

Mr. President, I am not asking Senators to take my word. I received a letter dated today from the Wage and Hour Administrator, and I should like to read it, if I may, to the Senate. It is addressed to me, and is dated Washington, D. C., August 30, 1949. It is as follows:

Pursuant to your request, I have the following comments on the Holland retail and service establishment amendments to S. 653.

My best estimate as to the effects of these amendments, based on information now available to me, and depending upon the interpretation of these amendments by the courts, is that if they are enacted, they may completely remove from the protection of the Fair Labor Standards Act approximately 200,000 employees who are now covered by its wage-and-hour provisions.

The bill would substitute a completely new set of definitions of a retail or service establishment in place of the clear definition now recognized by the courts. Years of litigation would be required to determine how the exemption should be applied. The amendment would give rise to exceedingly difficult problems in administration, since it is by no means clear what different industries regard as retail sales.

Another major objection to the Holland amendment is that establishments which specialize in selling or servicing business customers could nevertheless be considered retail establishments. This is contrary not only to Supreme Court decisions on this question but also to the principles held by experts in the field of distribution.

The Holland amendment also provides that a laundry or linen-supply house which is primarily engaged in commercial work is exempt as a retail-service establishment. Under the present law, as you know, it is quite clear that the ordinary home laundry which specializes in work for private consumers is exempt even though it may perform up to 25 percent of gross sales in commercial work in large quantities.

In effect—

Concludes the Administrator—

What the Holland amendment does is to include substantial segments of wholesale distribution under the retail exemption.

Mr. President, that is this question in a nutshell.

Before I get away from it, I also have a letter dated this day from the Administrator on the subject of the hotel exemption. I wish it to be crystal clear that hotels, restaurants, barber shops, beauty establishments—in other words, everything that we in ordinary parlance regard as local small retail or service establishments—are completely exempt

from the application of the present law. This is the letter on hotel exemptions:

UNITED STATES DEPARTMENT OF LABOR,
WAGE AND HOUR AND PUBLIC CONTRACTS DIVISION,
Washington, D. C., August 30, 1949.

Hon. CLAUDE PEPPER,
United States Senate,
Washington, D. C.

DEAR SENATOR PEPPER: It has been called to my attention that some confusion has arisen regarding the status of hotels under the Fair Labor Standards Act and that the Wage and Hour and Public Contracts Divisions have held that hotels must comply with the provisions of this act. I would like to make clear to you my position on this matter.

I do not know of any situation during my administration and during that of former Administrators, encompassing a period of more than 10 years, where an ordinary hotel serving the general public has been found not to be exempt under the Fair Labor Standards Act.

Very truly yours,
WILLIAM R. MCCOMB,
Administrator.

As I ventured to say a moment ago, first, the purpose of this amendment is to clarify the law, but to clarify it so that fewer workers will be covered. But I wonder if really the effect of it is going to be to clarify the application and inpretation of the law. I have before me the rulings of the Wage and Hour Administrator. I have before me decisions of the United States Supreme Court—and, if it makes any difference, a definitive decision rendered for a unanimous court was written by a former distinguished colleague of ours in the Senate, a man who bore no reputation for being rabid in the advocacy of radical principles or policies, Mr. Justice Burton of the United States Supreme Court. Reference has been made to what some House Member said about what was the original intent of the Fair Labor Standards Act, and to the effect that the purpose of this amendment was to restore the original intent. Over there sits the distinguished Senator from Utah [Mr. THOMAS]. He was the second or third ranking Democratic member of the Committee on Education and Labor out of which this legislation came. He was a member of the conference committee which wrote the final form of the bill. The distinguished Senator from Louisiana [Mr. ELLENDER] was a member of that conference, if I correctly recall. I know that he was a member of the committee, and I believe he was also a member of the conference. I am confident that he was. The Senator from Florida was a member of the conference and a member of the committee. We ourselves have some recollections as to what the intent of that act was.

While we did give exemption to retail establishments and retail service establishments, we were thinking about the corner grocery store, the drug store, the barber shop, and beauty shop. We were thinking about the kind of store or establishment which I meet when I walk down the streets of my little city in Florida, the kind which Senators ordinarily encounter when they walk down the streets of their home towns or cities. We did not think primarily of a big establishment which did more than 25 percent of its business with those who purchase not as consumers, but as business customers. I do not know of any grocery store in my home town that makes more than 25 percent of its sales to business customers and industrial enterprises intending to make a profit from the purchase instead of to consume the article or enjoy the service required.

The United States Supreme Court can be expected to have conducted some research on the subject of intent. I read from a decision written by a former colleague, Mr. Justice Burton, of the United States Supreme Court. This opinion was written in 1946:

While its language and coverage were changed in details—

The Justice means from the time of its introduction—

the bill did not depart substantially from its original purpose. This purpose remains the key to the meaning of the words defining its coverage and also to those defining exemption from coverage. There never was an intent expressed to exempt retailers other than the local merchants of the type dealing with the ultimate consumer. Section 13 (a) (2) clarified the exemption of such of these as were near State lines and of local merchants whose purchases might be interstate although the greater part of their sales were intrastate.

This is the United States Supreme Court speaking on this subject. Justice Burton states in an earlier part of the opinion that at first the words "affecting commerce" were used in the bill, and that they were later deleted. Then he says:

The remaining coverage relates only to employees (1) "in (interstate) commerce"—from whom section 13 (a) (2) exempts employees of retail and service establishments the greater part of whose selling or servicing is in intratstate commerce and to those (2) "in production of goods for (interstate) commerce."

The debates in Congress show an attempt to restrict the word "retail" to such transactions with ultimate consumers as are commonly carried on at local drygoods, butchering, or grocery stores. The words "service establishments" and "servicing," however, were introduced in the final conference report and were not discussed on the floor.

Mr. President, I know of no better guide for what the Congress had in view than an analysis by the Supreme Court of the United States, especially by a Justice who had had legislative experience in the Senate.

That is exactly what the Wage and Hour Administrator has put into effect. I have it all here in his own words. He makes very clear what the standards are. There is no ambiguity. No; there is too much certainty for those who have to pay wages. That is the reason why they are so anxious to be exempted. It is not the uncertainty, Mr. President. It is the fact that they are already covered, and they know they are covered. They prefer not to be covered. They had a right to resist coverage, but, Mr. President, it was my experience that there were a few who wanted to be covered on the employer side when we enacted this law. I received a great many bitter protests by letter, by telegram, by telephone call, and by personal contact. Some felt that they could not afford to pay the rates. Some felt that they should not be covered for economic reasons. Perhaps some did not want to make the division of their income with their employees as generous as the law would have required. But if the criterion of coverage is to be those who would like to be exempted, I doubt if we shall have more than a shadow of coverage left when we get through with this legislation.

Here is the 1948 annual report of the Wage and Hour Administrator. Let us see if there is any ambiguity in the application of this law:

In view of the Supreme Court decisions on the subject, it is recommended that the Congress consider amending the Fair Labor Standards Act to remove doubt in application of the section 13 (a) (2) exemption for "any employee engaged in a retail or service establishment the greater part of whose sales or services is in intrastate commerce."

He was only purporting to clarify it so that the wage-hour administrative regulation would be embodied in the statute. If there was any ambiguity, that would settle it. He did not propose to clarify the law by relieving coverage.

The report continues:

By incorporation in the act of specific language similar to that used in the tests applied by the Divisions in determining the eligibility of an establishment for the exemption, doubt raised about the application of the tests in varying situations would be removed and uniformity in administration of the act could be achieved.

At present, the Divisions hold that the exemption applies to employees engaged in an establishment that meets two requirements:

(1) It must be a retail or service establishment, and (2) the greater part of its selling or servicing must be "in intrastate commerce."

The second requirement is regarded as met in a situation where it is determined that more than 50 percent of the total gross receipts of the establishment is derived from selling or servicing "in intrastate commerce," defined for purposes of this exemption as a sale or service in which all elements of the transaction take place within the same State. The determinations with respect to this requirement have not proved difficult to apply.

The first requirement, however, entails consideration of several factors to determine whether the transactions carried on by the establishment are such as to characterize it as a retail or service establishment. While other characteristics of the establishment must be considered, it is clear at once that an establishment engaged to a substantial extent in making nonretail sales or performing nonretail servicing cannot be regarded as a retail or service establishment. The Supreme Court has stated that the same general principles apply to service establishments as to retail establishments for the purposes of this exemption.

Mr. President, here is the heart of the matter:

The basic test in determining whether a sale is a retail sale is the purpose of the buyer.

Does this amendment purport to define purpose more accurately?

I continue to read from the annual report of the Wage and Hour Administrator:

A transaction in which goods are bought for personal use by a private consumer is a retail sale.

That fits right in with what Mr. Justice Burton says, and it follows his opinion.

I read further from the annual report of the Wage and Hour Administrator:

> The sale of goods for resale or other business use or, in general, for use by any purchaser other than the private consumer is a nonretail transaction.

Is not that rather easily ascertained? If a farmer goes into a store and buys a truck, if he is going to take the truck to his farm and operate it there, that is a retail sale. Let us suppose that a representative of a business concern goes into a store to buy a desk or a water cooler. If the desk or the water cooler is not different from the one the ordinary consumer or lawyer or doctor might have, or if it is one that is in ordinary use, even if the purchaser is a business purchaser, that is a retail sale.

But suppose a painter, instead of wanting to buy a bucket of paint to paint his house or instead of being a contractor who says to the clerk in the store, "I have a contract to paint Mr. Jones' home, and I want to buy the paint from you," on the contrary says to the clerk, "I am going to build a subdivision, and I am going to buy all my paint from you." Mr. Justice Burton in his opinion says that is not a retail sale.

Suppose a purchaser buys a 10-ton truck adapted only for use by a contractor, and suppose the purpose to be served is a business purpose. Then that sale is not a retail sale.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. TAFT. It is not claimed that the sale of one truck is a wholesale sale, is it? The Wage and Hour Administrator does not claim that, does he? What else can it be but a retail sale?

Mr. PEPPER. Mr. President, I do not know of any general categories or types of sales except wholesale and retail. Generally such sales partake more of a wholesale than of a retail nature.

Mr. TAFT. Certainly a sale of one truck is not a wholesale sale.

Mr. PEPPER. But I am talking of a sale of a truck which for all practical purposes is a custom-built truck.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. PEPPER. Of course I am speaking under a time limitation, and I hope Senators will understand that. However, I yield.

Mr. CAPEHART. It is not quite clear to me how the Senator expects an automobile dealer to run his business if part of his sales are retail and if another part, as the Senator has mentioned, are wholesale. How will such a dealer operate his business?

Mr. PEPPER. He will merely keep a record of what sales are retail and what sales are not retail. If more than 25 percent of his sales are not other than retail, he is operating a retail service establishment or he is a retail dealer.

Let us consider the case of a coal dealer. Do Senators know why the coal dealers are complaining? They want the right to sell a carload of coal—all the testimony is in the record; and let me say that I understand that a carload of coal is 100 tons of coal—and to have that regarded as a retail sale. They want to be able to sell it to the Stevens Hotel in Chicago, for example, or to the Westchester Apartments in Washington. The Wage and Hour Administrator says that is not a retail sale. An ultimate consumer does not buy 100 tons of coal; at least, that is the experience of the Wage and Hour Administrator.

So, as I have said, the Wage and Hour Administrator has laid down criteria which are clear and understandable and are being applied. They are three: First, what is the purpose of the purchaser? In other words, what is the nature of the use to which the article is to be put? What is the character of the article, and what is the quantity of the goods sold?

Let me give some definitions of what are in their nature retail and what things are characteristic of wholesale transactions.

The Standard Industrial Classification developed by experts of the various industries defines retail trade to include—

> Establishments engaged in selling merchandise for personal, household, or farm consumption, and rendering services incidental to the sale of the goods.

The 1939 Census of Business Reports contains the following definition:

> Selling in a retail manner is selling in individual units or small quantities to personal and household consumers, from established places of business, for consumption, rather than for resale.

Webster's New International Dictionary defines "retail" as—

> To sell in small quantities, as by the single yard, pound, gallon, etc.; to sell directly to the consumer, as to retail cloth or groceries.

The standard textbook on wholesaling—Beckman and Engle's "Wholesaling Principles and Practices"—distinguishes between wholesaling and retailing by the following terms:

> Wholesaling includes all marketing transactions in which the purchaser is actuated solely by a profit or business motive in making the purchase.
>
> Retailing includes all marketing transactions in which the purchaser is actuated solely by a desire to satisfy his own personal wants, or those of his family or friends, through the personal use of the commodity or service purchased.

Is the Wage and Hour Administrator monstrously wrong when he adopts the same criteria, especially when the United States Supreme Court laid the criteria down before him?

Mr. President, let me state a little more in regard to the qualification of the amendment. What does the amendment do? The present law contains, in section 13 (a), a description of the exemptions of retailers, in this language:

> (2) Any employee engaged in any retail or service establishment the greater part of whose selling or servicing is in intrastate commerce.

It does not say "the greater part of whose selling or servicing is in a given State," but it says "is in intrastate commerce as distinguished from interstate commerce."

The amendment offered by my distinguished friend and colleague eliminates entirely intrastate commerce, and makes geography the criterion, for his amendment extends to—

> Any employee employed by any retail or service establishment, more than 50 percent of which establishment's annual dollar volume of sales of goods or services is made within the State—

It does not say "in intrastate commerce," but it says—

> is made within the State in which the establishment is located.

So there is that change in the law, and it has significance; it was not done accidentally. It means we do not count as interstate sales the sales made to an interstate carrier or to one engaged in the production of goods for commerce outside the State. It is a definition weighted against the workers.

Mr. President, I am going to come back to that in just a moment, and state one of the basic reasons why we oppose the amendment. I shall state it now, and I shall repeat it. It is that my friends are seeking a retail tag to give a wholesaler exemptions from coverage. That is what it amounts to. From what coverage? Not from coverage with respect to his intrastate sales. A retailer has the right to sell 50 percent of his goods across State lines, and not one of his employees can or will be covered. A wholesaler does not have that right, Mr. President. Obviously, therefore, they wish to enlarge the category of the retailer. By doing so, they give a greater immunity to shipping in interstate commerce, without a man in the enterprise being covered.

But what about the wholesaler down the street who is a competitor? In the case of one who in substance is wholesaling, every one of his employees who may participate in interstate commerce is covered by the law. Talk about fairness competitively—what about the real, acknowledged, admitted wholesaler who has to compete with this newly defined retailer who in substance is in the wholesaling business? That wholesaler does not have one employee exempt, and the retailer under this definition has every employee exempt, if he sells only 50 percent, or, to be more literal, 49 percent of his goods across State lines.

I asked the question of the distinguished advocates of this amendment, and I ask it again, would they accept a modification providing that none of this business was done across State lines? They have not been disposed to accept it. I said, "Would you accept an amendment that 50 percent of the sales could be wholesale in character, but keep the present definition of the law by the Supreme Court and the Wage-Hour Administrator, which now has become fixed?" That was declined. I asked, if they would accept a limitation that not more than 10 percent of the goods could go across State lines. They turned that down. They claimed the right unimpaired to enlarge the definition of the

retailer and then the immunity to ship 49.99 percent of their goods across State lines without a single worker being covered by a Federal law. That is the significance of this amendment, Mr. President.

Going a bit further, on the question of clarification, here is the definition:

A "retail or service establishment" shall mean an establishment 75 percent of whose annual dollar volume of sales of goods or services (or of both) is not for resale.

What does "resale" mean? The Senator from Illinois [Mr. DOUGLAS] this afternoon asked the question, "What about the contractor who buys enough paint to paint a whole subdivision? Is that resale?" The reply was "I would regard it as such." But the contractor did not sell paint; he sold houses. How many lawsuits would it take to settle that point?

A man buys lumber at a lumberyard, not for one house, but for a subdivision. Is that a resale? He does not sell the lumber as lumber; he sells a hundred houses. How many lawsuits would be involved before that question was settled?

Now here is another objection to the amendment which is going to clarify ambiguity and eliminate all disputes. It says, "is not for resale, and is recognized as retail sales or services in the particular industry." I thought, Mr. President, I heard something about a man not being a judge in his own case. It looks exactly as if Congress intended the industry to be the arbiter. How many lawsuits is it going to take to clarify that provision of this clarifying amendment?

Mr. LUCAS. Mr. President, will the Senator yield at that point?

The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from Illinois?

Mr. PEPPER. I yield.

Mr. LUCAS. Does the Senator agree with me that if this amendment becomes law, under the very provision he is now discussing we shall add confusion and uncertainty both upon the part of the employers and the employees, and we shall have fastened on to us years upon years of litigation over what that provision means?

Mr. PEPPER. Mr. President, the implication of the Senator's question answers itself. We shall have thrown away 11 years of tedious and painful litigation. The clarification is on the side of the certainty that we now know. Some may not like the present law, but at least they know what the law is. But if we start out with this new definition, Mr. President, we have got 11 years more of litigation before we reach the point where we now are, in the clarification of the law.

Mr. President, as was pointed out this afternoon on the floor of the Senate, is it not in the interest of industry to take a liberal interpretation? Is it necessary to prove in court what the industry says the practice is? That means it is taken out of the legislative hands; it is taken out of the forum of the judiciary, and left to the industry to decide what is retail and what is not retail.

The coal industry says, "We can sell 100 tons of coal. How dare you say it is not retail?" Perhaps the automobile industry says, "We can sell a fleet of trucks." Someone else says, "We can sell hundreds of thousands of gallons of paint." Mr. President, can it be a clarifying amendment? Can it bring certainty to this troubled field? As you know, Mr. President, it is sometimes better in a lawsuit to know what the law is, than forever to face an uncertainty as to what it will be. I see eminent lawyers in this Chamber. How can the courts, under our blessed system of jurisprudence, definitively determine this dispute, except by case after case of inclusion and exclusion? That is what we had for 11 years. Yet in the Senate, after a few hours' debate, it is proposed to tear up and overturn the adjudicated cases which have now become the settled law of the land, the decisions of the highest courts. Remember Mr. Justice Burton decided that case in 1946. If it had been far wrong, I dare say it would have been reviewed and materially altered since 1946.

Mr. President, it is not the uncertainty of the law my distinguished friends wish to avoid. It is the painful fact of the certainty of the law of coverage that has now been established.

Mr. President, much has been said about the laundry business. The present law does not apply to the little laundry any more than it applies to the barber shop in our home towns. But if more than 25 percent of the business of a laundry is not for housewives and for homes and for ordinary consumers, but is for big enterprises of commercial or industrial character, or if the laundry handles business of that kind in such volume that it is distinct from home laundering, if it is more than 25 percent of their dollar volume the business is not retailing; and, in that event, what is the penalty? Every employee is not covered, but only those who are engaged in interstate commerce. Let us consider both sides of this question.

If the amendment offered by my distinguished friend shall prevail, it will mean that 200,000 workers will be taken out from under coverage. That means 50 percent of the sales of retail stores and service establishments may be made across State lines, but not a worker will be covered. If we prevail, what will be the awful result? The law will remain settled and clear, and all that will happen is that only those employees in the laundry or in the store whose policy is nonretail, all those who participate in interstate commerce, will be covered; those who do not, will not be covered. That would mean ordinarily the shipping clerk, the one who orders the goods from afar, the one who goes to the station and brings them up to the warehouse, and, in the case of big central warehouses, those who operate the warehouses.

Is that a situation which would move the Senate to disturb a settled law, remove 200,000 workers from coverage, and rob them of the hope of coverage in the years ahead?

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. PEPPER. I yield to the Senator from Illinois.

Mr. LUCAS. The Senator is talking about 200,000 workers. In view of the fact that the bill does not undertake to add any coverage, it does seem to me that those who seek to take out from under the law persons who are already covered, instead of doing something in a progressive way, are going in the opposite direction.

Mr. PEPPER. That is the last point. I thank my distinguished colleague for raising it. I leave the last question with my distinguished colleagues.

The VICE PRESIDENT. The Senator has until 4 minutes after 9 o'clock.

Mr. PEPPER. I thank the Chair.

Mr. President, I leave this thought with my distinguished colleagues. This morning I was stirred. I felt a little rebuked by the eloquence and the sincerity of the burning words of the distinguished Senator from New Hampshire [Mr. TOBEY]. He made my conscience prick itself a little. Why, Mr. President? Because I was here championing the bill. About all I had done during the day was to accept emasculating amendments in the hope that possibly we would be able to pass a bill which would make a little contribution to health and happiness. I was not one of those who wanted to retreat. I cannot, for the life of me, fail to see the misery in households which are affected. I like to look at the table to see what the diet is. I should like to see the quality of the clothing they wear. the sort of recreation they can enjoy. When we hear the desire of the employer to be exempt, I would ask the Senators to consider the fellow who is not able to help himself. He is not a union member, ordinarily; he does not have a strong organization behind him to enforce his demands. Organization members are receiving an average of $1.77 an hour. This bill affects the little fellow at the bottom of the ladder who has no protection but the law. All the help he ever received was when a beneficent Government interested itself in his standard of living and in his welfare.

We started out with a bill which would have extended coverage. We could have employed the full Federal power and made a definition not only of the production of goods in interstate commerce, but the production of goods affecting interstate commerce, as we had the power to do, as the Supreme Court said. We could have done that as a Congress. The distinguished and eminent Senator from Utah [Mr. THOMAS] introduced a bill recommended by the Administrator and, no doubt, by the President. But we elected to forego all that.

I happened to be chairman of the subcommittee. It was a distinguished subcommittee. The able Senator from Ohio [Mr. TAFT] was a member of it; the distinguished Senator from Missouri [Mr. DONNELL] was a member of it. The eminent Senator from Oregon [Mr. MORSE], on the minority side, was a member of it; and there were the eminent chairman of the committee, the eminent Senator from West Virginia

[Mr. NEELY], the junior Senator from Illinois, distinguished as he is, and myself.

As chairman of the subcommittee, Mr. President, I believe my colleagues will attest that I bent over backward to get a unanimous-consent agreement as to the kind of bill we should bring to the Senate. When I had to concede, I conceded. The only thing with which we came to the Senate, Mr. President, was a little tightening up of the child-labor law and the right of the Government to sue, with the penalty being waived, for the back wages of the worker who had not had the courage or the willingness to sue for his own right and due. We did make a little timid step forward. We did come forth with a bill that would have extended the minimum wage to workers engaged in agricultural processing when the work was done by a proprietor other than the farmer. But when we ventured to come within the portals of this great Chamber the frigidity of the atmosphere tended to affect the dominant motif in our attitude, and we went away and retreated back to the present law.

Mr. President, we face the Senate with a bill, therefore, which does little more than raise the minimum wage to 75 cents an hour. I have not yet heard an amendment which would take out our little child-labor provision. I at least hope nothing will happen to that. Mr. President, I do not imply in any sense of the word any criticism, of course, of what our sister body did in its wisdom, but I am told—and I give it as an accurate description of legislative action—that while our sister body raised the minimum wage to 75 cents an hour and conferred appreciable benefits on a million and a quarter workers, it removed the lid of coverage and protection from a million workers. I do not know what the gain is there. If we benefit a million and a quarter persons and take another million persons completely out from any kind of coverage, even the little 40 cents an hour which they now have, I wonder if that is the kind of a bill the Senate wants to pass. Are we going to increase the wages of a million and a quarter workers and then eliminate 200,000 persons already covered, even from the 40 cents an hour, even from the maximum of which they are now the beneficiaries?

Mr. President, today we were accepting some of these amendments, and I thought they appreciably sacrificed the worker. Maybe we could go even further in trying to convince our colleagues that the committee was trying to be reasonable and fair. This afternoon I pointed out how far the committee went in trying to be fair. This is not something which we came here stubbornly to resist. We went so far in executive session that a Mr. Poole, who, I understand, is a lawyer who represents some of the interested employees and who, we were told, was in the waiting room and was informed on the subject, was invited to come and sit at the committee table and tell us about his amendment. We debated it and discussed it. We allowed the Wage and Hour Administrator to give his views upon it, and finally, when we heard both sides, some of the Senators who had advocated it, more or less resignedly, I thought, said they would not press it, at least, but would reserve the right to consider the matter on the floor of the Senate.

I mention that because when they heard the Wage-Hour Administrator, when they saw the difficulty of definition involved, at least they did not press the matter to a final conclusion at that time.

Mr. President, I think the essential decision the Senate has to make is, are we going to give the workers better protection, a better bill, or are we going to take away the gains which have already been hard won for those fortunate enough to have this little succor and encouragement from the Government of their country?

I have the figures here, and let me say just a word about our country. Six million seven hundred and seventy-six thousand spending units, 19,785,920 Americans, by the figures of 1947, made in our America less than $1,000 a year. Thirty-one million made less than $2,000 a year—31,000,000 Americans made less than $2,000 a year. Who would suggest that a budget for an average family of four should be less than $4,000 a year? What Senator would sponsor a budget, a standard of living, for a family of four, of less than $2,000 a year? This bill gives less than $1,500.

How are those people ever to be lifted up? How are they ever going to be contributing to our purchasing power. If we lose our foreign markets, partially or wholly, how are our own people ever to be better able to buy the abounding products of our factories and farms, unless they get a little larger share of the bountiful productivity of this great and beautiful country?

Mr. President, while others are speaking about technicalities, I, too, say that this amendment is not a clarifying, it is a confusing amendment, condemning the country to years of litigation and real uncertainty. I say that if I err in my vote, I shall err on the side of a few more calories in the diet, a little bit better garment, perhaps a little better house, for the family which might profit a little from the favorable action of the Senate.

The VICE PRESIDENT. The Senator has two more minutes.

Mr. PEPPER. I will save that.

The VICE PRESIDENT. The Senator reserves 2 minutes.

Mr. HOLLAND. I yield to the senior Senator from Ohio.

The VICE PRESIDENT. The senior Senator from Ohio is recognized.

Mr. TAFT. Mr. President, I am inclined to agree with the senior Senator from Florida those in control of any industry in this country can afford to pay a minimum wage of 75 cents, but that is not the problem that is involved in this particular case. The problem is, how far does the Federal Government have any jurisdiction or right or propriety in trying to regulate the wages of people who have no relation whatever to interstate commerce, or those who we think should not be included in interstate commerce?

We are not obliged to go to the Supreme Court. The Supreme Court may be right or they may be wrong in their gradual extension of the concept of interstate commerce to a point where it seems to include everybody in the United States, no matter what he is doing, because in some way his activity has some slight effect on interstate commerce.

Congress itself has frequently undertaken to determine what is within the jurisdiction of the Federal Government, and even if it were constitutionally possible, it is to my mind exceedingly unwise for the Federal Government to assume to go beyond interstate commerce in economic matters, and try to regulate the affairs of communities and States who have particular local problems, who are closer to those problems, and who are more inclined and more able to deal justly and correctly with the problems which they have to meet.

I entirely dispute the argument of the senior Senator from Florida that there is any exclusion of persons from the wage-hour law by the amendment of the distinguished junior Senator from Florida. The senior Senator from Florida read a statement from the Wage-Hour Administrator that 200,000 workers would be excluded from the coverage of the act by the Holland amendment. I do not think any workers would be excluded from the coverage of the act as it was originally enacted. It is true that the Wage-Hour Administration, with the assistance of the courts, has steadily encroached on the exemption which was contained in the original act relating to retail establishments. I think the figure is excessive, but it may be that if we let the law entirely alone, the Wage-Hour Administrator would succeed in including into the act not only the 200,000 mentioned, but perhaps a million more persons employed in retail establishments. That is the reason for the amendment, because what has happened has been a steady encroachment on the exemption, enacted and intended by the Congress of the United States, in this case and that case, in many cases getting favorable opinions from the courts, which extended the concept of interstate commerce far beyond what I think Congress thought it was in the beginning, and far beyond what I think it ought to be.

The original act was very simple. It was indefinite. The present proposal is said to be indefinite, but it certainly is not as indefinite as was the original act, which provided an exemption of "any employee engaged in any retail or service establishment the greater part of whose selling or servicing is in intrastate commerce."

What is a retail establishment? I think everyone knew what a retail establishment was, and there were included in the list those who sold automobiles one by one, those who sold farm machinery to farmers. Retail stores of all kinds, hardware stores, the ordinary laundry, all but the most exceptional laundry, in the minds of all of us are retail establishments. Those are the establishments Congress intended to exempt. But what has happened under the law is that the

Administrator has found new ways of encroaching on the exemption.

The Senator from Florida has dealt with one of those ways. He has developed a concept that sales which are made to people who are not actually going to consume the article that is sold to them are not retail sales. The Senator from Florida upholds the idea that the test is the purpose of the buyer. What on earth has the purpose of the buyer to do with whether a sale is a retail sale or a wholesale sale? The purpose of the buyer, in my opinion, has nothing whatever to do with the question of whether a sale is a retail sale.

Under this concept, the Administrator, with some support from the courts, made rulings in the case of those selling automobiles, under which, if I buy an automobile for my own use, for ordinary pleasure purposes, that is a retail sale, but if an automobile salesman sells a truck to a commercial establishment, that is not a retail sale. He does not dare say it is a wholesale sale, because we all know it is not a wholesale sale. He says it is a nonretail sale. Under that concept he has gradually excluded a large number of dealers on the theory that the test is the purpose of the use to which the article is to be put, and if it is to be used in a business instead of in a home, it is a nonretail sale.

In the case of those who sell farm machinery, the Administrator is implying, with the assistance of the courts, that a farm machinery dealer who sells a tractor or a plow to a farmer is not a retail establishment, because the farmer is not going to use the article just for his own pleasure, he is going to use it to plow the land and make crops which are then to be passed on by him, sold to somebody else.

It is said that a man may sell only in small lots, in an ordinary retail sale, as a retail store, yet if he sells to a factory, and the factory is not going to consume the articles, but use them as tools in the factory, that is not a retail sale. In that way the Administrator has gradually encroached in this whole field, until all stores are doubtful today whether or not they are going to be retail establishments for many months to come.

Let us take a stationery store which sells legal forms, and all kinds of stationery. The Administrator says if those forms are sold to a lawyer who is using them in his business, that is not a retail sale, because the purpose of the buyer is not to consume them; it is to use them in his business.

Take a furniture store which sells furniture. It would not be a retail furniture store if it should sell a certain amount of furniture for office use to people who use the furniture in offices. That concept, to my mind, is utterly erroneous, and it has resulted in a steady encroachment against the retail establishment, until many retail establishments do not have the faintest idea whether or not they are to remain retail establishments and be exempt under the act.

There is another method by which there is a fairly steady encroachment. The original act provides under the heading "Exemptions":

(2) Any employee engaged in any retail or service establishment the greater part of whose selling or servicing is in intrastate commerce.

What is intrastate commerce? We have a decision of the Supreme Court in Walling against Jacksonville Paper Co., involving a matter of wholesale, but the principle is the same. That decision was that if the consumer puts in the order and then the dealer orders the goods from outside the State, even though they stop at the warehouse on the way to the consumer, it is all an interstate sale; it is no longer an intrastate sale.

In other words, there is the tendency on the part of the Court to extend the theory of interstate commerce beyond the stopping point. When I was in college the universal judgment was that once the goods came to rest in a warehouse that ended the interstate commerce movement, but from there on they were in intrastate commerce. But under the decisions of the Court the view is gradually being extended that this interstate business is going right on down to the consumer if the goods have come from outside the State. Therefore, none of the retail establishments can be certain that their sales are any longer in intrastate commerce, if more than 50 percent of the goods involved come from outside the State. So we have had a steady encroachment on this exemption.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from Florida.

Mr. PEPPER. I respectfully call the attention of the able Senator to the language in the Roland case, which I read a moment ago. In that case it was the interpretation of the Supreme Court that the exemption of the retail establishment being specific in the law, there was no possibility of charging such establishment with the goods which came in from the outside, as having any influence upon their character. That is definitely set out in the Roland case.

Mr. TAFT. In the first place, I do not object to being accused of trying to reverse the Supreme Court. We are constantly reversing the Supreme Court. The distinguished Senator from Florida accepted an amendment this afternoon exempting ditch diggers of Colorado, which would reverse an opinion of the Supreme Court of the United States which held that ditch diggers in Colorado were not agricultural employees. The Senator from Florida joined in reversing that opinion this afternoon by accepting an amendment respecting those ditch diggers. That I believe was put into the bill as a committee amendment.

My objection is that the Supreme Court is extending the definition of interstate commerce to such a point that there is not going to remain any such thing as intrastate commerce. Whether that is so or not, or whether the Supreme Court is right or not—it may be entirely right—I think we have the function of deciding what we meant when we intended to exclude retail establishments in intrastate commerce. I think the Congress intended then to exclude intrastate commerce in that sense. Congress intended to take the position that retail sales are not the concern of the Federal Government. All the pending amendment does is to reaffirm what Congress did in 1938, as the distinguished junior Senator from Florida [Mr. HOLLAND] so graphically set forth in showing the intention of the authors of the act, of President Roosevelt, of the gentleman from New York, Representative CELLER, who is, I think, the author today of an amendment in the House of Representatives, similar to that of the Senator from Florida, which he has proposed in order that the situation may be cleared up. He himself, I think, was also the author of the original exemption provision in the act of 1938.

The senior Senator from Florida objected to the suggestion that besides having to be sales in accordance with the principles we have all recognized, the amendment imposed one additional condition, namely, that the sales must be "recognized as retail sales or services in the particular industry." The senior Senator from Florida says that would give the industries the right to decide the matter for themselves. It would not do so. Hardly an industry can be found in which the question of what is retail and what is wholesale has not been settled for years. It is a question of fact just as much as any other question of fact. It is a question of fact which we are perfectly able to determine.

Mr. President, there is not any discretion left to the industry. What is a retail sale in a particular industry is for the Administrator and the courts to determine.

Certainly the amendment provides a far more definite definition than the definition in existing law, which simply says that retail establishments shall be exempt.

Mr. President, I do not desire to burden the Senate. I will say, however, that I agree entirely with the Senator from Florida that it is our general understanding, and it is one which I am perfectly willing to stand by, that we do not extend the coverage of the act, certainly in any substantial respect, nor do we cut down the coverage of the act. We simply increase the rate from 45 cents to 75 cents an hour.

So far as the pending amendment is concerned, it is no more than a reaffirmation of the intention of Congress in 1938. Both the Senator from Missouri [Mr. DONNELL] and I, who filed the supplemental statement which will be found at the end of the report, felt very strongly that we were not in any way extending the exemption. We are simply reaffirming the position the Senate has taken heretofore.

I am inclined to agree with the Senator in the view that there is no reason to make exemptions, though a few have been made, that were not exemptions under the original law. I do not object to telephone exchanges having less than 750 subscribers being exempted under

the amendment. The growth in telephones since 1938 has been very close to 50 percent. So the figure of 750 is properly comparable to the figure 500 as it was 10 years ago. By that proposal I do not believe we are making any substantial additional exemption.

Mr. President, I submit to the Senate that we should not encourage and permit the gradual extension of the concept of interstate commerce to cover all retail establishments, to cover all service establishments such as laundries, or to cover all hotels. I may say that the present general counsel of the National Labor Relations Board, contrary to my opinion, claims that he can cover all hotels under the National Labor Relations Act. If we do not want to have the whole concept of local and intrastate commerce finally eliminated, then I believe we ought to adopt the amendment suggested by the distinguished junior Senator from Florida.

Mr. HOLLAND. Mr. President, I believe my colleague reserved 2 minutes. Does he wish to use them now?

Mr. PEPPER. I yield the 2 minutes to the majority leader, and he may use them at his pleasure.

Mr. HOLLAND. Mr. President, I have wearied the Senate too long already, but there are several points I should like to make in conclusion.

The VICE PRESIDENT. The junior Senator from Florida has 10 minutes.

Mr. HOLLAND. The first is with reference to a point ably made by my distinguished colleague, which if I understood him correctly—and I tried to take down his exact words—was, that if the opponents of the amendment prevail, if the proponents of the law without change prevail, and these are quotations from his statement, "the law remains settled and clear as it now is."

Mr. President, in such case it does remain as it now is, but I think my distinguished colleague strayed from the facts, as I understand them, when he referred to that as being a settled and clear status, because as I read the report and the recommendations of the Administrator of the wage and hour law, I find that apparently he feels that the situation is anything but settled and clear.

In this summary I shall reread two paragraphs from the recommendations of the Administrator:

In view of Supreme Court decisions on the subject—

Because of those, he is asking this change—

it is recommended that the Congress consider amending the Fair Labor Standards Act to remove doubt in application of the section 13 (a) (2) exemption for "any employee engaged in a retail or service establishment the greater part of whose sales or services is in intrastate commerce." By incorporation in the act of specific language similar to that used in the tests applied by the divisions in determining the eligibility of an establishment for the exemption, doubt raised about the application of the tests in varying situations would be removed and uniformity in administration of the act could be achieved.

The Administrator certainly recognizes that doubt exists, and that nonuniformity exists, and that there is anxiety on the part of all concerned because of the present cloudy picture which the Administrator portrays in his recommendation. It is admitted that the amendment does not square entirely with the recommendations of the Administrator. In my earlier remarks I have indicated the particulars in which it does not so square. But it does tend to meet certain specific recommendations of the Administrator, who finds the situation anything but settled and clear, as indicated by my distinguished colleague [Mr. PEPPER].

I read one further paragraph from the report of the Administrator:

The proposed amendment—

It will be seen that he proposes an amendment—

also would solve the problem illustrated by the situation of the farm implement dealers, a problem which applies also to such establishments as lumber dealers, hardware stores, or general stores, located in rural counties where nearly all of their customers are farmers.

These are not my words. This is from the report and recommendations of the Administrator:

In hundreds or even thousands of towns a position that the sale of goods used by a farmer in connection with his farming activity is counted against the 25 percent nonretail tolerance would be tantamount to saying that there are no exempt retail establishments in these rural communities. If the Congress wishes to adopt this view, it should be clearly stated in the statute. The Administrator does not believe it was intended.

There is not the slightest doubt that the Administrator himself is in great doubt as to whether any rural stores of any kind could technically be exempted under the Act and under the decisions as they now stand, based upon his interpretative rulings. He calls our attention clearly to the need for amendment, so clearly that I think it cannot be strongly or seriously contended that the act is settled and clear in its present condition.

The next point has to do with the 200,000. I do not know whether the number is 200,000 or 25,000, as apparently was thought at one time was the number. If it is 200,000, there is a better case for this amendment than there would be if the number were 25,000, because everyone who would be excluded by this amendment is excluded because he is now included under interpretations which depart from the provisions and objectives of the original law and of the original sponsors of the act. Two hundred thousand is no great number when we look at the total of our 20,000,000 who are affected. It is less than 1 percent, if my figuring is accurate. I do not know whether that number is right or wrong. Two weeks ago we tried to get an expression from the Administrator on the subject, and up until today we had not received an answer. Whether the number mentioned is right or wrong, it shows that a number, whether more or less, have been brought under the operations of the law who were not intended to be brought under the operations of the law by the objectives of the original sponsors and by the law which they thought was perfectly clear upon this subject.

One further point, and I shall conclude. My next point is with reference to hotels. I think it is wholly futile for any of us to feel or claim for a moment that hotels have not every reason to be anxious and apprehensive about the situation which now prevails, and which will apply to them in so much heavier degree, with so much greater hazard, when we raise the standard of the minimum wage to 75 cents, if that be done under the proposal incorporated in this bill. Why is that true? First, because of the general implications of the Roland decision and other similar decisions.

There are two other things which I should mention. Let us recall the illustration of the restaurant operating in the way which I indicated this afternoon, serving primarily a manufacturing establishment, or the personnel of that establishment, to whom its sales are made as individuals. In addition, the restaurant serves any members of the public who care to come in. The restaurant had no connection whatever, so far as its ownership, management, profit, or investment was concerned, with the manufacturing establishment. It has been held by the Administrator, in a decision upheld by the courts, that such a hotel comes within the purview of the law and is excluded from exemption. Furthermore, we have a peculiar situation under which there is great contention as to whether the jurisdiction of the National Labor Relations Board pertains to hotel labor. The question has been cause for dispute between learned counsel for the National Labor Relations Board and the majority of that board. The cause is a celebrated one. I think everyone knows of the wrangling which has been going on in connection with that subject. Everyone knows about the contention made by a great labor organization that hotel labor is included within the purview of the law, and is so included because of the interstate character of the operation of the hotel. If the business is interstate for that purpose, it is interstate for the purpose of application of this law. I think it is important, from the standpoint of protecting great industries which need this protection, and were never intended to be included within the purview of the operations of the law, to extend to them the protection which would be afforded by the operation of this amendment.

I close by reminding Senators that the States have shown their willingness to deal with the problem, and have made it crystal clear that it is a question which should be dealt with effectively on the local basis, and must be so dealt with. State after State has found it impossible to deal with some of these businesses on a State-wide basis. In one State there is a division into zones, with a certain treatment for the large cities, another for smaller cities, and still another for the very small communities. Each State, I think, has shown its unwillingness to have applied a 40-hour limitation. The legislature of every State

which has passed on this question knows that such businesses must operate for more than 40 hours a week. The habits of the community and the expectancy of the customers in dealing with this type of business require that the customers be taken care of on a 6-day basis rather than a 5-day basis.

The minimum wage limit fixed has followed the character, habits, and convictions of the communities and of the States which are concerned. The problem is dealt with so ably and in such a varied way as to exemplify the wisdom of the founding fathers, who kept this subject within the jurisdiction of the States, as well as the wisdom of Congress in 1938, when it very carefully retained this field within the jurisdiction of the several States. Congress realized how uniquely qualified the States were to deal, in a varied way, with this problem, each within its own confines.

Mr. President, I have one more point, and then I shall conclude. I have 1 minute more.

By the passage of this bill as it now stands we force upon literally tens of thousands of businesses in this Nation the necessity of complying with red tape and restrictions, and all kinds of comprehensive bookkeeping detail which otherwise would not be forced upon them, because they are all kept within the cloud of uncertainty as to whether or not the law applies to them.

Mr. President, there is no justice in that sort of thing. Regardless of what may be the decision of the Congress with reference to the enlargement of the wage, we should clarify the question of jurisdiction, and we should adopt this amendment.

The VICE PRESIDENT. The time of the Senator from Florida has expired.

The senior Senator from Florida has 2 minutes remaining.

Mr. PEPPER. Mr. President, I yield to the majority leader.

Mr. LUCAS. Mr. President, I have been greatly impressed with the fairness of the Committee on Labor and Public Welfare, which reported the minimum wage bill, in dealing with practically one question, namely, the increase in the wage rate from 40 to 75 cents an hour.

I have received many letters from my constituents in Illinois asking me to support this amendment or that amendment. I have told them that I hoped that no controversial amendments would be sponsored on the floor of the Senate, because we were trying to get through a minimum-wage law to increase the wage rate, and do only that one thing.

The able Senator from Ohio [Mr. TAFT] and the able Senator from Florida [Mr. PEPPER] agree that this is practically a reaffirmation of what was done in 1938. If the pending amendment is adopted, I undertake to say that as a result of this debate, regardless of what anyone may say, thousands of people will be relieved from the act as a result of the amendment. It will do exactly what the senior Senator from Florida [Mr. PEPPER] says with respect to the chaos and confusion which will exist in this country. The courts will be interpreting this act for many years to come.

Mr. President, I plead with the Senate to stand by the majority of the Committee on Labor and Public Welfare, which reported this bill on the theory that there was just one thing involved, namely, the increase of the wage rate from 40 to 75 cents an hour. Many amendments seeking additional coverage could have been attached to the bill. The result would have been interminable debate, because there is much to be said with respect to additional coverage for others who are involved in a wage-rate measure of this kind.

Mr. President, we should let the law remain as it is, with one exception, and that is to increase the rate to 75 cents an hour. At some later date all the other amendments, including the so-called clarifying amendments and the so-called additional-coverage amendments, can be fully debated; but let us stand by the committee at this particular time.

The VICE PRESIDENT. The time of the Senator has expired. All time has expired.

Mr. WHERRY. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hendrickson	Mundt
Anderson	Hickenlooper	Murray
Brewster	Hill	Myers
Bridges	Hoey	Neely
Butler	Holland	Pepper
Byrd	Humphrey	Robertson
Cain	Ives	Saltonstall
Capehart	Johnson, Tex.	Schoeppel
Chapman	Johnston, S. C.	Smith, Maine
Connally	Kem	Smith, N. J.
Cordon	Kerr	Sparkman
Donnell	Kilgore	Stennis
Douglas	Knowland	Taft
Dulles	Langer	Taylor
Eastland	Leahy	Thomas, Okla.
Ellender	Lucas	Thomas, Utah
Flanders	McCarthy	Thye
Frear	McClellan	Tobey
Fulbright	McFarland	Vandenberg
George	McKellar	Watkins
Gillette	McMahon	Wherry
Graham	Magnuson	Wiley
Green	Malone	Williams
Gurney	Martin	Young
Hayden	Millikin	

The VICE PRESIDENT. A quorum is present.

The question is on agreeing to the amendment offered by the junior Senator from Florida [Mr. HOLLAND], for himself and other Senators, to the text of the committee amendment.

Mr. AIKEN. Mr. President, I move to amend the amendment offered by the Senator from Florida and other Senators, in the following way: On page 2, in lines 2 and 3, to strike out the words "and is recognized as retail sales or services in the particular industry," and then properly to punctuate the sentence.

On this amendment to the Holland amendment, I ask for the yeas and nays.

The VICE PRESIDENT. Let the amendment to the amendment first be stated.

The LEGISLATIVE CLERK. In the Holland amendment, on page 2, in line 2, after the word "resale" it is proposed to strike out "and is recognized as retail sales or services in the particular industry," and to correct the punctuation.

Mr. HOLLAND. Mr. President——

The VICE PRESIDENT. For what purpose does the Senator from Florida rise?

Mr. HOLLAND. I make a point of order that the time has expired, under the unanimous-consent agreement, and the voting is now to take place on the amendment which has been debated, on which I am perfectly willing to yield, provided——

The VICE PRESIDENT. The point of order is overruled if it is made on the ground that the amendment offered by the Senator from Vermont to the Holland amendment is not in order. The amendment of the Senator from Vermont to the Holland amendment is an amendment in the first degree, inasmuch as the text of the bill has been accepted as the committee amendment. Therefore, the amendment offered by the Senator from Vermont to the Holland amendment is not an amendment in the second degree, but is an amendment in the first degree, and therefore is in order. But, under the unanimous-consent agreement, it cannot be debated.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. WHERRY. I am not at all interested in questioning the ruling, but I should like to ask the President of the Senate this question: Under the unanimous-consent agreement, when the hour of voting arrives—which in this case is 9:30 p. m.; and let me say that I am asking this question in order to have information in regard to future occasions—is an amendment in order to the amendment which is the subject of the unanimous-consent agreement?

The VICE PRESIDENT. Oh, yes; but no debate can occur.

Mr. WHERRY. But it is in order?

The VICE PRESIDENT. Yes; amendments to it are in order.

Mr. HOLLAND. Mr. President, I ask unanimous consent for the proponents and the opponents of the Aiken amendment to my amendment each to have 2 minutes to discuss the amendment to my amendment.

The VICE PRESIDENT. Is there objection?

Mr. LUCAS. Mr. President, of course the unanimous-consent agreement has been entered. If we are now to begin to have further unanimous-consent requests agreed to, I wonder how long we shall continue in that way. Some other Senator may subsequently request 5 minutes' additional time.

I do not object; but if we are going to begin to grant such further unanimous-consent requests, we may continue for a long period of time.

The VICE PRESIDENT. Of course, objection can always be made to such requests.

Mr. LUCAS. I understand.

The VICE PRESIDENT. Is there objection? The Chair hears none.

If the Senator from Vermont wishes to have 2 minutes, he is recognized.

Mr. AIKEN. Mr. President, I have moved to strike out the words "and is recognized as retail sales or services in the particular industry," as they appear on page 2, in lines 2 and 3, in the amendment offered by the Senator from Florida [Mr. HOLLAND] for himself and other Senators.

In my opinion and in the opinion of persons who understand retail law better than I do, those words constitute the joker in the amendment, and, if enacted into law, they would virtually permit an industry to determine for itself whether its sales should be considered as retail or wholesale. If these words are stricken out, I see no objection to the remainder of the amendment. But if these words remain in the Holland amendment—and, as I have said, I consider them to be the joker in the amendment, and I believe they would do something which we would not want to have done—then I think the Holland amendment should be defeated.

The VICE PRESIDENT. Does the Senator from Florida wish to be recognized for 2 minutes?

Mr. HOLLAND. Yes.

Mr. President, I object, for two reasons, to the adoption of the amendment offered by the Senator from Vermont to our amendment. First, if these words are stricken out that will necessitate a conference with the House of Representatives, because our amendment is drafted in the precise language that has already been incorporated in the House measure.

My second reason for objecting is that I think the Aiken amendment to my amendment is without foundation and without merit. There is no proper background against which to determine the meaning of "retail sales or services" without looking to see the meaning of the term "retail sales" or the term "retail services" in the particular industry which is affected. That already is implicit in the act we now have. When we talk about retail or service establishments, there must be a definition. Of course, that definition should properly be laid against the background of the understanding of the people affected by it, as to what constitutes retail services or retail sales.

So it seems to me that the entire approach of the Aiken amendment to my amendment flies in the face of the best interpretation. All of us know that the retail sale of coal and the retail sale of shoes are not made under the same standards. And so for different commodities, Mr. President, we have to find the definition which is understood by the people dealing in that industry; and if there is any more proper basis for it, I do not know what it is—to be determined, of course, by the Administrator and subject to the rule of the court in each particular case. There is no sounder basis than that for the determination of what a retail sale or a retail service means.

Mr. AIKEN. Mr. President, do I have a few seconds left.

The VICE PRESIDENT. The Senator has 2 seconds left.

Mr. AIKEN. Mr. President, the remarks of the Senator from Florida indicate to me now that the words of the amendment do mean much more than I understood from his remarks which were made before the Senate recessed for dinner. I think it is all the more important that these words be stricken from the amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Vermont to the amendment offered by the Senator from Florida.

Mr. AIKEN. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. SALTONSTALL (when his name was called). On this question I am paired with the junior Senator from Oregon [Mr. MORSE]. If he were present he would vote "yea." If I were permitted to vote, I should vote "nay." I withhold my vote.

The roll call was concluded.

Mr. MYERS. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from California [Mr. DOWNEY], the Senator from Idaho [Mr. MILLER], the Senators from Maryland [Mr. O'CONOR and Mr. TYDINGS], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Kentucky [Mr. WITHERS] are necessarily absent.

The Senator from Wyoming [Mr. HUNT] is absent by leave of the Senate on official business.

The Senator from Colorado [Mr. JOHNSON], the Senator from South Carolina [Mr. MAYBANK], the Senator from Nevada [Mr. MCCARRAN], and the Senator from Georgia [Mr. RUSSELL] are absent by leave of the Senate.

The Senator from Tennessee [Mr. KEFAUVER] is absent on official business.

The Senator from Louisiana [Mr. LONG] is absent on public business.

The Senator from New Mexico [Mr. CHAVEZ] is paired on this vote with the Senator from Maryland [Mr. TYDINGS]. If present and voting, the Senator from New Mexico would vote "yea," and the Senator from Maryland would vote "nay."

The Senator from Louisiana [Mr. LONG] is paired on this vote with the Senator from Georgia [Mr. RUSSELL]. If present and voting, the Senator from Louisiana would vote "yea," and the Senator from Georgia would vote "nay."

I announce further that if present and voting, the Senator from Maryland [Mr. O'CONOR] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Connecticut [Mr. BALDWIN] is absent by leave of the Senate on official business.

The Senator from Ohio [Mr. BRICKER] and the Senator from Indiana [Mr. JENNER] are necessarily absent. If present and voting, the Senator from Ohio [Mr. BRICKER] would vote "nay."

The Senator from Michigan [Mr. FERGUSON] and the Senator from Massachusetts [Mr. LODGE] are absent by leave of the Senate. If present and voting, the Senator from Michigan [Mr. FERGUSON] would vote "nay."

The Senator from Oregon [Mr. MORSE] is absent on official business and his pair has been announced by the Senator from Massachusetts [Mr. SALTONSTALL].

The Senator from Montana [Mr. ECTON] and the Senator from Kansas [Mr. REED] are detained on official business.

The result was announced—yeas 24, nays 49, as follows:

YEAS—24

Aiken	Ives	Myers
Douglas	Kilgore	Neely
Flanders	Langer	Pepper
Graham	Leahy	Sparkman
Green	Lucas	Taylor
Hayden	McMahon	Thomas, Okla.
Hill	Magnuson	Thomas, Utah
Humphrey	Murray	Tobey

NAYS—49

Anderson	Gillette	Millikin
Brewster	Gurney	Mundt
Bridges	Hendrickson	Robertson
Butler	Hickenlooper	Schoeppel
Byrd	Hoey	Smith, Maine
Cain	Holland	Smith, N. J.
Capehart	Johnson, Tex.	Stennis
Chapman	Johnston, S. C.	Taft
Connally	Kem	Thye
Cordon	Kerr	Vandenberg
Donnell	Knowland	Watkins
Dulles	McCarthy	Wherry
Eastland	McClellan	Wiley
Ellender	McFarland	Williams
Frear	McKellar	Young
Fulbright	Malone	
George	Martin	

NOT VOTING—23

Baldwin	Johnson, Colo.	O'Conor
Bricker	Kefauver	O'Mahoney
Chavez	Lodge	Reed
Downey	Long	Russell
Ecton	McCarran	Saltonstall
Ferguson	Maybank	Tydings
Hunt	Miller	Withers
Jenner	Morse	

So Mr. AIKEN's amendment to Mr. HOLLAND's amendment was rejected.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the junior Senator from Florida.

Mr. WHERRY. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. SALTONSTALL (when his name was called). On this question I am paired with the junior Senator from Oregon [Mr. MORSE]. If he were present and voting he would vote "nay." If I were permitted to vote I would vote "yea." I therefore withhold my vote.

The roll call was concluded.

Mr. MYERS. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from California [Mr. DOWNEY], the Senator from Idaho [Mr. MILLER], the Senators from Maryland [Mr. O'CONOR and Mr. TYDINGS], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Kentucky [Mr. WITHERS] are necessarily absent.

The Senator from Wyoming [Mr. HUNT] is absent by leave of the Senate on official business.

The Senator from Colorado [Mr. JOHNSON], the Senator from South Carolina [Mr. MAYBANK], the Senator from Nevada [Mr. MCCARRAN], and the Senator from Georgia [Mr. RUSSELL] are absent by leave of the Senate.

The Senator from Tennessee [Mr. KEFAUVER] is absent on official business.

The Senator from Louisiana [Mr. LONG] is absent on public business.

The Senator from New Mexico [Mr. CHAVEZ] is paired on this vote with the Senator from Maryland [Mr. TYDINGS]. If present and voting, the Senator from New Mexico would vote "nay," and the Senator from Maryland would vote "yea."

The Senator from Louisiana [Mr. LONG] is paired on this vote with the Senator from Georgia [Mr. RUSSELL]. If present and voting, the Senator from Louisiana would vote "nay," and the Senator from Georgia would vote "yea."

I announce further that if present and voting, the Senator from Maryland [Mr. O'CONOR] would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Connecticut [Mr. BALDWIN] is absent by leave of the Senate on official business.

The Senator from Ohio [Mr. BRICKER] and the Senator from Indiana [Mr. JENNER] are necessarily absent. If present and voting, the Senator from Ohio [Mr. BRICKER] would vote "yea."

The Senator from Michigan [Mr. FERGUSON] and the Senator from Massachusetts [Mr. LODGE] are absent by leave of the Senate. If present and voting, the Senator from Michigan [Mr. FERGUSON] would vote "yea."

The Senator from Oregon [Mr. MORSE] is absent on official business, and his pair has been announced by the Senator from Massachusetts [Mr. SALTONSTALL].

The Senator from Montana [Mr. ECTON] and the Senator from Kansas [Mr. REED] are detained on official business.

The result was announced—yeas 50, nays 23, as follows:

YEAS—50

Anderson	Gillette	Millikin
Brewster	Gurney	Mundt
Bridges	Hendrickson	Robertson
Butler	Hickenlooper	Schoeppel
Byrd	Hoey	Smith, Maine
Cain	Holland	Smith, N. J.
Capehart	Ives	Sparkman
Chapman	Johnson, Tex.	Stennis
Connally	Johnston, S. C.	Taft
Cordon	Kem	Thye
Donnell	Kerr	Vandenberg
Dulles	Knowland	Watkins
Eastland	McCarthy	Wherry
Ellender	McClellan	Wiley
Flanders	McFarland	Williams
Fulbright	Malone	Young
George	Martin	

NAYS—23

Aiken	Kilgore	Myers
Douglas	Langer	Neely
Frear	Leahy	Pepper
Graham	Lucas	Taylor
Green	McKellar	Thomas, Okla.
Hayden	McMahon	Thomas, Utah
Hill	Magnuson	Tobey
Humphrey	Murray	

NOT VOTING—23

Baldwin	Johnson, Colo.	O'Conor
Bricker	Kefauver	O'Mahoney
Chavez	Lodge	Reed
Downey	Long	Russell
Ecton	McCarran	Saltonstall
Ferguson	Maybank	Tydings
Hunt	Miller	Withers
Jenner	Morse	

So Mr. HOLLAND'S amendment was agreed to.

Mr. LUCAS. Mr. President, I think it was the general understanding of all Senators that after we voted on this amendment the Senate would take a recess until tomorrow. I should like to make an announcement, if I may, because I think it is rather important——

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. LUCAS. I yield to the Senator from Florida.

Mr. HOLLAND. Mr. President, I move that the Senate reconsider the vote by which the amendment was agreed to.

Mr. WHERRY. Mr. President, I move that that motion be laid on the table.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Nebraska.

The motion to lay on the table was agreed to.

Mr. LUCAS. Mr. President, it is my understanding that there are five other amendments to the bill which are now pending, and it is my hope that we may be able to conclude action on those amendments tomorrow. If we can finish the amendments and vote on the bill tomorrow, the Senate will proceed to take 3-day recesses until a week from today, giving the Senators approximately a week to go home or to do anything they like, without attending sessions of the Senate. It is my understanding from the Senator from Florida and the Senator from Ohio that we can probably finish tomorrow. We shall meet at 11 o'clock in the morning and remain here until we do finish. If we cannot finish the bill, we shall have to return the following day. The highly controversial amendment is now out of the way, and I hope that we shall be able to conclude action on the bill by not later than tomorrow night at approximately this time.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WHERRY. Did I correctly understand the majority leader to say that the Senate would take a recess until a week from today? He meant Wednesday, did he not?

Mr. LUCAS. Yes.

Mr. WHERRY. So that the 3-day recess will begin on Wednesday, and the Senate will be in session again the following Wednesday. Is that correct?

Mr. LUCAS. That is correct.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield to the Senator from New Hampshire.

Mr. TOBEY. Mr. President, the Senators are assembled here. There is quite a large group present. Why not remain and do some business and make assurance double sure?

Mr. LUCAS. It is perfectly agreeable to me if the Senators desire to continue with the bill. It was my understanding——

Mr. TOBEY. Mr. President, I ask unanimous consent that the Senate remain in session until midnight and make some progress with the bill.

Mr. LANGER. I object.

The VICE PRESIDENT. Objection is heard.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. LUCAS. I yield to the Senator from North Dakota.

Mr. LANGER. Mr. President, I ask unanimous consent that the Senate meet tomorrow morning at 6 o'clock and work right on through. Farmers go to work early in the morning and work until late at night.

Mr. McCLELLAN. I object.

The VICE PRESIDENT. Objection is heard.

Mr. LUCAS. Mr. President, it is my understanding that the Senator from Delaware [Mr. WILLIAMS] desires to address the Senate a few moments.

Mr. WILLIAMS. I shall take a very few minutes.

Mr. LUCAS. I yield the floor. I am willing to stay here until the Senator from Delaware finishes his speech. There will be no votes, and all Senators who desire to go home may do so.

IRREGULARITIES IN ADMINISTRATION OF WAR FOOD ORDER 119 ON THE DELMARVA PENINSULA

Mr. WILLIAMS. Mr. President, yesterday I placed in the RECORD the summary of the investigation of certain irregularities in the administration of WFO 119 on the Delmarva Peninsula.

Mr. Clifford W. Shedd, Deputy War Food Administrator, in a statement issued to the press this morning, categorically denied my charges on two points: First, he stated that to the best of his knowledge neither he nor any of his employees had any part in the irregular handling of the paper work relating to the movement of poultry; and second, Mr. Shedd said, "The WFA had nothing to do with the price that the farmer received for his poultry or the price the Quartermaster Corps paid the processor for the finished product."

In order to refresh Mr. Shedd's memory on the first part of his denial, I shall quote directly from the reports of the investigation. This investigation was conducted and reports prepared by the Office of Investigatory Services, Compliance Investigation Division of the War Food Administration, New York, N. Y. Copies of these reports are now in the files of the Department.

First, I quote from pages 41 and 42 of file No. 4–36, dated October 9, 1945, covering the following days of the investigation: May 14–16, 28–30; June 1, 4–8, 11–14, 19; July 6, 16, 17, 20, 23, and 28, 1945. This report was prepared by Special Agent Harold Mesibov and approved by Special Agent Robert J. Duff. I quote:

> Special Agents Foster, Penn, Ploff, Fitzpatrick, and reporting agent, on June 11, 12, 13, and 14, 1945, at the office of the Deputy Administrator of WFO 119, Dover, Del., examined all of the releases and applications made available by Miss Matthews, and prepared summarizations in the names of each separate buyer and hauler of the different releases issued to them.
>
> There is annexed to this report and marked "Exhibit 7," a chart setting forth the authorization numbers of the respective buyers and haulers to whom releases were issued after March 1, 1945, the approximate date when the application form was first required; the name and address of the buyer or hauler;

and the number of releases either supported by or issued without growers' applications.

It should be noted that of a total of 2,762 releases issued by Shedd's office, only 900 or slightly less than one-third of the said releases were supported by growers' applications.

These files contain conclusive proof that in many instances this poultry which was leaving the peninsula on improper certificates carried the forged signatures of the Delmarva farmers. As evidence of this statement, I quote from file No. 119–59, dated August 14, 1945, covering the following days of investigation: May 29–31, June 1, 4, 5, 8, 15, 18, 19, 25, July 7, 18, 1945. This report was prepared under the supervision of special agent Harold Mesibov and approved by the special agent in charge, Robert J. Duff. The report specifically links Clifford W. Shedd with the irregularities, the summary of which is found on pages 1 and 2. I quote:

Investigation disclosed that Polin Poultry Co., on May 28 and 29, 1945, moved five truckloads of live poultry out of the Delmarva area on the strength of false certifications, executed at point of area exit, that the poultry was to be delivered to authorized Army processing plants. All of these shipments were actually delivered to live poultry markets for resale in civilian channels.

Each of the drivers of the foregoing trucks advised that these deliveries were upon instructions from Howard Polin and that they did not have knowledge of the contents of either the manifests accompanying the trucks or the certificates they signed at the point of exit for inspectors of the War Food Administration.

David Polin stated that the false manifests and certifications were a device resorted to with the full knowledge and approval of Clifford W. Shedd, Deputy Administrator, War Food Order No. 119, to facilitate the movement to civilian channels of poultry, which could not be handled by authorized processors in the area. Polin also stated that this scheme, the purpose of which was to avoid misunderstanding between the drivers and Administration inspectors at the area exit, was resorted to after Shedd obtained blanket permission from Gordon W. Sprague, Administrator, War Food Order No. 119, to release poultry already loaded which the processing plants were not able to handle, and because the late evening hour prevented Shedd from gaining access to his office in the Post Office Building in order to prepare the necessary releases.

Exhibits 1, 2, and 3 attached to report WFO 119–59 comprise the releases of three of these loads of poultry moving from the premises of Raymond Hitch, Salisbury, Md., and on these releases it is stated that the poultry was moving, one load each to Paramount Poultry Co., Philadelphia, Pa., Quaker City Poultry Co., Philadelphia, Pa., and to Swift & Co., Palmer, Mass.

Exhibits 4 and 5 attached to the same report are copies of releases for two loads of poultry moving from the premises of Layfield Bunting, with addresses at Selbyville, Del., and Bishop, Md., both loads supposedly consigned to the Quaker City Poultry Co., Philadelphia, Pa.

Raymond Hitch, poultry grower, Fruitland, Md., on June 19, 1945, furnished Special Agent Ploff with a signed statement, a copy of which can be found on pages 27 and 28 of file WFO 119–59, in which Mr. Hitch not only denies signing the certificates for his three loads, but also denies selling the poultry to the Polin Poultry Co.

I ask unanimous consent that his statement be printed at this point in the RECORD.

The VICE PRESIDENT. Is there objection?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

SNOW HILL, MD., *June 19, 1945.*

I, Raymond Hitch, make the following statement to Robert M. Ploff, who has identified himself to me as a Special Agent of the Office of Investigatory Services, War Food Administration, knowing that this statement may be used in evidence.

I am 51 years of age, married, a citizen of the United States of America by birth, and reside at Fruitland, Md. I own and operate a poultry farm at the same place. I have been in this business for approximately 2 years.

On May 28, 1945, 2 trucks belonging to the Polin Poultry Co., Selbyville, Del., came to my farm and picked up 2 loads of chickens. There were approximately 9,000 chickens in this crop. These chickens had been contracted for by the Swift & Co., that they would pick up these 2 loads of poultry on May 28, 1945.

I was not home when the Polin trucks arrived and I was told by my wife later that day that the chickens had been picked up by the Polin Poultry Co. I was under the impression that Polin was acting as a hauler for Swift & Co.

I was surprised to receive a check from the Polin Poultry Co. about a week later in payment for the two loads of poultry. I was under the impression that I would receive a check from Swift & Co.

Neither my wife or myself ever signed an application for release of these chickens. We were both under the impression that they were being taken to the Swift & Co. plant at Salisbury. I do not know where the two loads of chickens actually went. I have never met anyone connected with the Polin Poultry Co.

If these two loads of poultry left the peninsula on a release, they did so without my knowledge.

I have read the above statement consisting of three pages, have signed each page, and it is the truth to the best of my knowledge.

RAYMOND A. HITCH.

Witness:

ROBERT M. PLOFF,
Special agent.

Mr. WILLIAMS. Mr. President, in an interview with Special Agent Ploff, details of which are found on page 28 of Report WFO 119–59, Mr. Bunting denied having signed applications for releases of the two loads of poultry which went out in his name.

On page 1 of the same report we find that in speaking of the transaction involving these five loads of poultry, Mr. Polin stated that the false manifests and certifications were a device resorted to with the full knowledge and approval of Clifford W. Shedd, Deputy Administrator, War Food Order No. 119, to facilitate the movement to civilian channels of poultry, which could not be handled by authorized processors in the area.

Nor are these all of the examples given in these reports of certificates which were issued carrying the forged signatures of our farmers. For instance, in file No. WFO 119–42, dated September 9, 1945, beginning on page 2, we find a list of farmers' names and certificate numbers which were issued under their names without their knowledge. I ask unanimous consent that the list be printed in the RECORD at this point.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Release No.	Grower	Address
P1–109.34, P1–109.18, P1–109.19.	Harvey O. Bunting.	Dagsboro, Del.
P1–109.35, P1–109.36, P1–109.37.	William Massey	Georgetown, Del.
P1–109.30, P1–109.34.	Frederick M. Hall (also Fred Hall).	Willards, Md.
P1–109.42, P1–109.44, P1–109.45.	Dora Evans	Roxana, Del.
P1–109.43, P1–109.44.	Donald Evans	Selbyville, Del.
P1–109.47	James C. Hastings	Sharptown, Md.
P1–109.37, P1–109.38.	Alfred P. Richardson.	Redden, Del.
P1–109.76	Charles Steele	Dagsboro, Del.
P1–109.31, P1–109.33, P1–109.46.	John H. Tyre	Selbyville, Del.
P1–109.16	Lester C. Newton	Bridgeville, Del.
P1–109.23, P1–109.24, P1–109.25.	Lorenzo B. Brittingham.	Laurel, Del.
P1–109.26, P1–109.27, P1–109.28, P1–109.29.	Henry Graves	Georgetown, Del.
P1–109.10	Clarence Rayne	Frankford, Del.
P1–109.6	Madison Gray	Selbyville, Del.
P1–109.48	Harvey West	Millsboro, Del.
P1–109.17	Fred Dodd	Stockley, Del.
P1–20.78	Elwood Wright	Millsboro, Del.

Mr. WILLIAMS. Mr. President, attached to this same file, WFO 119–42, identified as exhibit Nos. 1 to 28, are copies of these original releases, along with the statement of individual farmers denying the signatures, and also included in this file on page 29 under date of June 26, 1945, is a statement on the part of the operator responsible, admitting the forgeries in these particular cases.

If Mr. Shedd needs any further evidence as to irregularities in his office, I refer him to file No. 4–37 dated August 23, 1945, in which detailed accounts are given of two other instances in which the signatures of poultry growers were forged to applications for the release of poultry without the knowledge or consent of the growers. Once again in this report is the confession of the individual responsible for the forgeries, containing a charge that the forgeries were executed with the knowledge of an official of the Dover office and one of Mr. Shedd's subordinates.

The other exception which Mr. Shedd made to my statement was to the effect that the WFA had nothing to do with the price that the farmer received for his poultry or that the price the Quartermaster General paid the processors for the finished product. As evidence that Mr. Shedd is wrong in that statement, I ask unanimous consent to have inserted in the RECORD at this point a letter addressed to Miss Joan C. Warner, secretary in my office, who has been assembling this information, under date of June 27, 1949, and signed by Lt. Col. W. E. Barksdale, Supply Division, QMC.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE ARMY,
OFFICE OF THE QUARTERMASTER GENERAL,
Washington, D. C., June 27, 1949.

Miss JOAN C. WARNER,
Care of Hon. John J. Williams,
United States Senate.

DEAR MISS WARNER: Reference is made to our telephonic conversation of June 23. This office had previously been contacted regarding War Food Administration Order 119, which called for 100-percent set-aside of poultry in 1944 or 1945, particularly with reference to the Del Mar area.

Mr. David L. Hume, Chief of the Poultry Section, Headquarters, Quartermaster Market Center System, Chicago, Ill., was contacted on June 23. The following is quoted from his teletype message:

"To the best of our knowledge, all poultry purchased under WFO 119 by the market center system was at applicable maximum OPA prices. It should be pointed out that in 1944 and 1945, technically, the matter of ceiling prices was the responsibility of the then OPA and the vendors. Final responsibility as to the interpretation of OPA regulations rested with that agency and the seller. We do not believe that WFO 119 mentioned price; it was vendor's responsibility to offer poultry to the Quartermaster market centers and also his responsibility to comply with the then regulations governing prices. Further, WFO 119 was administered by the War Food Administrator. The Quartermaster Corps was only an authorized buyer under the terms of the order.

"To answer your question in terms of legal validity would require an audit of thousands of old records and the services of an expert OPA price auditor."

Also quoted for your information is a special provision which was included in the contract in connection with procurements under WFO 119 titled "Contract provision in poultry contracts incident to WFO 119":

"The contractor represents that the contract price stated on the first page hereof is based upon an estimated price paid to the producer as shown on the first page of this contract for live chickens to be processed hereunder.

"In the event and to the extent that the actual price paid to the producer of live chickens purchased for the performance of this contract is less than such estimated price, the contract shall be reduced by the same number of cents or fraction thereof, per pound, that the actual price to the producer of such live chickens is less than the estimated price to the producer.

"Demand for such reduction may be made in writing by contracting officer any time until 60 days after the conclusion or termination of this contract."

It is hoped that the above information may be of some value to you. If we can be of further assistance do not hesitate to call on us.

Sincerely yours,

W. E. BARKSDALE,
Lieutenant Colonel, Quartermaster Corps, Supply Division.

Mr. WILLIAMS. Mr. President, this letter specifically states that there was a contract provision in poultry contracts incident to WFO 119, which reads as follows:

In the event and to the extent that the actual price paid to the producer of live chickens purchased for the performance of this contract is less than such estimated price, the contract shall be reduced by the same number of cents or fraction thereof, per pound.

This letter also states that WFO 119 was administered by the War Food Administrator and the Quartermaster Corps was only an authorized buyer under the terms of the order. Whether the War Food Administration or the Quartermaster Corps was responsible for the enforcement of this provision is beside the point; the fact remains the provision was ignored and the farmers suffered substantial losses as a result.

Mr. Shedd cannot dispute that fact.

I can only repeat what I said yesterday, that it is a rank miscarriage of justice to have allowed the cloud of suspicion to remain on the names of these farmers of the Delmarva Peninsula when all this time the Department had in its possession information which would have completely exonerated them from any blame.

Mr. FREAR. Mr. President, I should like to associate myself with the remarks just made by the distinguished senior Senator from Delaware, as well as with the remarks he made yesterday, as they are found on pages 12430–12431 of the RECORD.

I also should like to congratulate the Senator for the tireless effort he has put forward in behalf of the broiler growers of Delaware. He has made a wonderful contribution, and I am sure that his remarks and the evidence he has submitted amply refute the statements contained in the article in the Wilmington newspaper this morning.

Mr. WILLIAMS. I thank the junior Senator from Delaware. I may say that he has worked just as hard on this problem as I have.

MINIMUM WAGE STANDARD—AMENDMENT

Mr. HOEY submitted an amendment intended to be proposed by him to the bill (S. 653) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes, which was ordered to lie on the table and to be printed.

RECESS

Mr. LUCAS. Mr. President, I move that the Senate stand in recess until 11 o'clock a. m. tomorrow.

The motion was agreed to; and (at 10 o'clock and 7 minutes p. m.) the Senate took a recess until tomorrow, August 31, 1949, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate August 30 (legislative day of June 2), 1949:

IN THE AIR FORCE

The following-named officers for promotion in the United States Air Force under the provisions of section 107 of the Army-Navy Nurses Act of 1947. These officers have been found physically and professionally qualified as required by law:

To be captains, Air Force Nurse Corps

Bean, Catherine Barbara, AN1378.
Christman, Florence M., AN1098.
Cook, Ruby, AN754.
Easterling, Elsie F., AN1093.
Erdmann, Marjorie Bertha, AN1675.
Flynn, Margaret Cecelia, AN1382.
Hays, Helen Marie, AN750.
Hodgson, Maralee Ruth, AN1380.
Hovatter, Velma Arizona, AN920.
Kruger, Ruth A., AN1387.
Lang, Mildred D., AN1585.
Levy, Marietta, AN1384.
Linhares, Alice M., AN912.
Miller, Irene Ethel, AN1581.
Murphy, Mary Cecelia, AN908.
Quintini, Audrae A., AN1395.
Rydzewski, Helen, AN1729.

To be captains, Women's Medical Specialists Corps

Beck, Mary Frances, AJ49.
Folmar, Evelyn, AR10079.

The following-named officers for promotion in the United States Air Force under the provisions of sections 502 and 509 of the Officer Personnel Act of 1947. Those officers have been found physically qualified as required by law:

To be captains, Medical Service Corps

Cook, Paul Marvin, 19503A.
Delahunt, John Clark, 19509A.
Horton, Russell Ervin, 19501A.
Howell, Louis Grady, 19500A.
Manrow, William Edward, 19504A.
Nicholson, Guy Christopher, 19506A.
Powell, Dudley Forbes, 19507A.
Rohles, Frederick Henry, Jr., 19505A.
Smith, Stuart Springer, 19502A.
Sykes, Edward George, 19508A.

To be major, Chaplains

Pierce, Palmer Phillippi, 18759A.

The following-named officers for promotion in the United States Air Force under the provisions of sections 502 and 508 of the Officer Personnel Act of 1947. Those officers whose names are preceded by the symbol (×) are subject to examination required by law. All others have been examined and found physically qualified for promotion:

To be first lieutenants, United States Air Force

Blanton, William Jennings, 17553A.
Bunn, DeWitt Relyea, 17557A.
Burkett, Daniel Lee, 17571A.
×Maurer, Lyle Eugene, 17554A.
McCurdy, Norman Roy, 17556A.
Rhoads, William Clarence, 17555A.
Robinson, Leroy Buddie, 17573A.
Roy, Carl William, 17572A.
×Smith, Walter Aloyusius, Jr., 17574A.

NOTE.—These officers complete the required years' service for promotion purposes during July through December. Dates of rank will be determined by the Secretary of the Air Force.

IN THE NAVY

Rear Adm. John W. Roper, United States Navy, to be Chief of the Bureau of Naval Personnel and Chief of Naval Personnel in the Department of the Navy for a term of 4 years.

Rear Adm. Edwin D. Foster, Supply Corps, United States Navy, to have the grade, rank, pay, and allowances of a vice admiral while serving under a Presidential designation as Chief of Naval Material.

Rear Adm. Charles W. Fox, Supply Corps, United States Navy, to be Paymaster General and Chief of the Bureau of Supplies and Accounts in the Department of the Navy, with the rank of rear admiral, for a term of 4 years.

Rear Adm. Thomas L. Sprague, United States Navy, to have the grade, rank, pay, and allowances of a vice admiral while serving under a Presidential designation as Commander, Air Force, United States Pacific Fleet.

IN THE MARINE CORPS

The following-named citizens (civilian college graduates) for permanent appointment to the grade of second lieutenant in the Marine Corps:

Ernest B. Altekruse, a citizen of Indiana.
Maurice C. Ashley, Jr., a citizen of New York.
John R. Dickson, a citizen of New York.
George E. Hayward, a citizen of New York.

The following-named enlisted men for permanent appointment to the grade of second lieutenant in the Marine Corps:

Raymond L. Barrie, Jr.	Richard R. Miller
Robert J. Barton	William Morse, Jr.
Henry A. Commiskey	Pierre D. Reissner, Jr.
John F. Conroy	"S" "E" Sansing
Robert H. Corbet	Charles B. Sturgell
Thomas E. Driscoll	Leonard C. Taft
Francis A. Gore, Jr.	Gerald G. Tidwell
Harold A. Hatch	Thomas W. Turner
Miles "M" Hoover, Jr.	Robert "H" White
James H. MacLean	James F Wolfe, Jr.
Max A. Merritt	

The following-named enlisted men (meritorious noncommissioned officers) for permanent appointment to the grade of second lieutenant in the Marine Corps:

Derrell C. Briden	Raymond C. Paulson
Harold L. Dawe, Jr.	Charles R. Petty
Robert D. Dern	Warren C. Sherman
Wiley J. Grigsby, Jr.	Robert W. Taylor
Charles H. Opfar, Jr.	

HOUSE OF REPRESENTATIVES

TUESDAY, AUGUST 30, 1949

The House met at 12 o'clock noon, and was called to order by the Speaker pro tempore [Mr. COX].

Rev. Frank L. Snyder, pastor of the Clarendon Baptist Church, Arlington, Va., offered the following prayer:

Eternal God, our Heavenly Father, we pray that the Holy Spirit shall work in the mind and heart of every citizen of our Nation; work in all of us, we beseech Thee, from the humblest post of duty to the highest position of responsibility, that which is Thy will. Help us to fully realize that we can labor together in serving our generation only when our Lord, who always went about doing good, leads us.

Teach us, we pray, that Thou art the Lord of our lives, the Ruler of our country, and the sovereign God of all nations. And since Thou shalt bring every work into judgment, of individuals and of nations, whether it be good or bad, give us all the needed grace to do justice, love mercy, and to walk humbly with Thee, our God. In the name of the Judge of all the earth, we pray. Amen.

The Journal of the proceedings of Friday, August 26, 1949, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 225. An act to repeal section 460 of the act of March 3, 1899 (30 Stat. 1336), as amended, providing for certain license taxes in the Territory of Alaska;

H. R. 632. An act for the relief of John E. Burns;

H. R. 807. An act for the relief of Chattooga County, Ga;

H. R. 1065. An act for the relief of the estate of James Lander Thomas;

H. R. 1132. An act for the relief of Mabel H. Slocum;

H. R. 1446. An act for the relief of Conrad L. Wirth;

H. R. 1631. An act for the relief of John J. O'Mara;

H. R. 1701. An act for the relief of Mrs. Vesta Meinn and Mrs. Edna Williams;

H. R. 1790. An act to restore certain land in Alaska to the public domain and to authorize its sale to Ford J. Dale, of Fairbanks, Alaska;

H. R. 1792. An act for the relief of Charles E. Ader;

H. R. 1979. An act for the relief of Soo Hoo Yet Tuck;

H. R. 2091. An act for the relief of Jack McCollum;

H. R. 2170. An act authorizing changes in the classification of Crow Indians;

H. R. 2471. An act for the relief of Walt W. Rostow;

H. R. 2475. An act to authorize and direct the Secretary of the Interior to sell to Albert M. Lewis, Jr., certain land in the State of Florida;

H. R. 2594. An act for the relief of Grace L. Elser;

H. R. 2628. An act for the relief of Auldon Albert Aiken;

H. R. 2702. An act to authorize the Secretary of the Army to convey by quitclaim deed certain mineral rights in certain lands situated in the State of Oklahoma to Alfred A. Drummond and Addie G. Drummond;

H. R. 2706. An act authorizing the issuance of a patent in fee to Susie Larvie Dillon;

H. R. 2920. An act authorizing the issuance of a patent in fee to George Swift Horse;

H. R. 3071. An act to authorize the Secretary of the Army to purchase certain property in Morgan County;

H. R. 3197. An act relating to the sale of the old Louisville Marine Hospital, Jefferson County, Ky.;

H. R. 3383. An act to provide that extra compensation for night work paid officers and employees of the United States shall be computed on the basis of either standard or daylight saving time;

H. R. 3478. An act to extend the time for completing the construction of a bridge across the Mississippi River at or near a point between Delmar Boulevard and Cole Street in the city of St. Louis, Mo., and a point opposite thereto in the city of East St. Louis, Ill.;

H. R. 3589. An act to convey to the city of Miles City, State of Montana, certain lands in Custer County, Mont., for use as an industrial site;

H. R. 3637. An act to permit the sending of braille writers to or from the blind at the same rates as provided for their transportation for repair purposes;

H. R. 3665. An act for the relief of Mrs. Josephine Wagnon Walker;

H. R. 3667. An act authorizing the Secretary of the Interior to issue a patent in fee to Lenora Farwell Fritzler;

H. R. 3768. An act for the relief of Mrs. Justa G. Vda. de Guido, Belen de Guido, Mulia de Guido, and Oscar de Guido;

H. R. 3803. An act for the relief of Mrs. Mary L. W. Dawson;

H. R. 3829. An act to provide assistance for local school agencies in providing educational opportunities for children on Federal reservations or in defense areas, and for other purposes;

H. R. 3837. An act for the relief of Annie Balaz;

H. R. 3881. An act to provide for the use of the State course of study in schools operated by the Bureau of Indian Affairs on Indian reservations in South Dakota when requested by a majority vote of the parents of the students enrolled therein;

H. R. 4026. An act relating to the exchange of certain private and Federal properties within the authorized boundaries of Acadia National Park, in the State of Maine, and for other purposes;

H. R. 4073. An act to provide for the conveyance to the State of New York of certain historic property situated within Fort Niagara State Park, and for other purposes;

H. R. 4208. An act to add certain surplus land to Petersburg National Military Park, Va., to define the boundaries thereof, and for other purposes;

H. R. 4254. An act authorizing the Secretary of the Interior to issue a patent in fee to Sidney Blackhair;

H. R. 4688. An act to ratify and confirm Act 4 of the Session Laws of Hawaii, 1949, extending the time within which revenue bonds may be issued and delivered under chapter 118, Revised Laws of Hawaii, 1945;

H. R. 5155. An act for the relief of Francesca Lucareni, a minor;

H. R. 5160. An act for the relief of Mrs. Giustina Schiano Lomoriello;

H. R. 5205. An act to quitclaim certain property in Enid, Okla., to H. B. Bass;

H. R. 5207. An act to amend section 50 of the Organic Act of Puerto Rico;

H. R. 5390. An act to authorize the Secretary of the Interior to exchange certain Navajo tribal Indian land for certain Utah State land;

H. R. 5535. An act to amend the Philippine Rehabilitation Act of 1946;

H. R. 5620. An act permitting the use, for public purposes, of certain land in Hot Springs, N. Mex.;

H. R. 5929. An act to amend the Army and Air Force Vitalization and Retirement Equalization Act of 1948;

H. J. Res. 281. Joint resolution to authorize the President to issue posthumously to the late John Sidney McCain, vice admiral, United States Navy, a commission as admiral, United States Navy, and for other purposes; and

H. J. Res. 328. Joint resolution to authorize the Administrator of Civil Aeronautics to undertake a project under the Federal Airport Act for the development and improvement of Logan International Airport at Boston, Mass., during the fiscal year 1950.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 160. An act to amend section 801 of the Federal Food, Drug and Cosmetic Act, as amended;

H. R. 734. An act for the relief of Curtis R. Enos;

H. R. 1437. An act to authorize the composition of the Army of the United States and the Air Force of the United States, and for other purposes;

H. R. 1620. An act for the relief of Robert E. Bridge and Leslie E. Ensign;

H. R. 1694. An act to provide for the return of rehabilitation and betterment of costs of Federal reclamation projects;

H. R. 1746. An act to provide that the United States shall aid the States in fish restoration and management projects, and for other purposes;

H. R. 1824. An act to amend the act of July 23, 1947 (61 Stat. 409);

H. R. 1976. An act to authorize the sale of certain allotted inherited land on the Flathead Indian Reservation, Mont.;

H. R. 2517. An act directing the Secretary of the Interior to convey certain land to Palm Beach County, Fla.;

H. R. 3616. An act authorizing the issuance of a patent in fee to Lulu Two Spears Iron Bird;

H. R. 3618. An act for the relief of the legal guardian of Marcia Moss Carroll, a minor, and Charles P. Carroll;

H. R. 3826. An act to amend the act of January 16, 1883, an act to regulate and improve the civil service of the United States;

H. R. 3851. An act to amend Public Law 289, Eightieth Congress, with respect to surplus airport property and to provide for the transfer of compliance functions with relation to such property;

H. R. 3886. An act authorizing the Secretary of the Interior to issue a patent in fee to Jeanette Pearl Burns;

H. R. 4306. An act for the relief of Zora B. Vulich;

H. R. 5300. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1949, and for other purposes;

H. R. 5134. An act to promote development in cooperation with the State of Colorado of the fish, wildlife, and recreational aspects of the Colorado-Big Thompson Federal reclamation project;

H. R. 5310. An act to confer jurisdiction on the State of California over the lands and residents of the Agua Caliente Indian Reservation in said State, and for other purposes;

H. R. 5356. An act to provide for the conveyance of land to the Norfolk County Trust Co. in Stoughton, Mass.; and

H. R. 5670. An act authorizing transfer of land to the county of Bernalillo, State of New Mexico, for a hospital site.

The message also announced that the Senate had passed bills and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 76. An act to authorize the Secretary of the Interior to convey a certain tract of land in the State of Arizona to Lillian I. Anderson;

S. 477. An act to authorize and direct the Secretary of the Interior to issue to Winifred DeCoteau a patent in fee to certain land;

S. 481. An act for the relief of the legal guardian of Clarence Herbert Hartman, a minor;

S. 486. An act for the relief of Song Kwan Lee also known as Paul Molina;

S. 522. An act to amend the Public Health Service Act to authorize assistance to States and their subdivisions in the development and maintenance of local public-health units, and for other purposes;

S. 738. An act for the relief of Earl B. Hochwalt;

S. 1048. An act for the relief of Saul Phillips;

S. 1282. An act to authorize grants under the Federal Airport Act for minor projects at major airports, and for other purposes;

S. 1447. An act for the relief of John M. Hart;

S. 1542. An act to authorize the withdrawal of public notices in the Yuma reclamation project, and for other purposes;

S. 1660. An act providing for the conveyance to the Franciscan Fathers of California of approximately 40 acres of land located on the Hunter-Liggett Military Reservation, Monterey County, Calif.;

S. 1706. An act to authorize the Public Health Service to admit to its hospitals persons committed by State courts who are beneficiaries of the Service, or narcotic addicts, and for other purposes;

S. 1737. An act for the relief of George M. Vaughan;

S. 1764. An act for the relief of George K. Haviland;

S. 1801. An act for the relief of Mrs. Effie S. Campbell;

S. 1829. An act to authorize the Secretary of the Interior to transfer to the Crow Indian Tribe of Montana the title to certain buffalo;

S. 2018. An act to authorize advancements to and the reimbursement of certain agencies of the Treasury Department for services performed for other Government agencies, and for other purposes;

S. 2072. An act to create a Commission to make a study of the administration of overseas activities of the Government, and to make recommendations to Congress with respect thereto;

S. 2227. An act to amend the act approved July 18, 1940 (54 Stat. 766; 24 U. S. C., 1946 ed., sec. 196b), entitled "An act relating to the admission to St. Elizabeths Hospital of persons resident or domiciled in the Virgin Islands of the United States," by enlarging the classes of persons admissible into St. Elizabeths Hospital and in other respects;

S. 2228. An act to amend the Public Health Service Act with respect to venereal disease rapid-treatment centers, and for other purposes;

S. 2269. An act to provide for the enlistment of aliens in the Regular Army;

S. 2316. An act to authorize the construction and equipment of a guided-missile research laboratory building for the National Bureau of Standards, Department of Commerce;

S. 2372. An act to amend the Atomic Energy Act of 1946;

S. 2436. An act to amend the act entitled "An act to authorize the construction, protection, operation, and maintenance of public airports in the Territory of Alaska";

S. 2441. An act to amend section 81 of the National Defense Act, as amended, to provide for additional officers of the National Guard of the United States on active duty in the National Guard Bureau; and

S. Con. Res. 62. Concurrent resolution favoring the suspension of deportation of certain aliens.

The message also announced that the Senate agrees to the amendments of the House to a bill and joint resolution of the Senate of the following titles:

S. 936. An act to provide for the care and custody of insane persons charged with or convicted of offenses against the United States, and for other purposes; and

S. J. Res. 109. Joint resolution to amend the National Housing Act, as amended.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1250) entitled "An act to amend the Institute of Inter-American Affairs Act, approved August 5, 1947.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 4146. An act making appropriations for the National Security Council, the National Security Resources Board, and for military functions administered by the National Military Establishment for the fiscal year ending June 30, 1950, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. THOMAS of Oklahoma, Mr. HAYDEN, Mr. RUSSELL, Mr. O'MAHONEY, Mr. TYDINGS, Mr. GURNEY, Mr. BRIDGES, Mr. WHERRY, and Mr. CORDON to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 2115) entitled "An act to authorize payments by the Administrator of Veterans' Affairs on the purchase of automobiles or other conveyances by certain disabled veterans, and for other purposes, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. PEPPER, Mr. HILL, Mr. DOUGLAS, Mr. TAFT, and Mr. MORSE to be the conferees on the part of the Senate.

The message also announced that the Vice President has appointed Mr. JOHNSTON of South Carolina and Mr. LANGER members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers referred to in the report of the Archivist of the United States numbered 50–7.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

AUGUST 26, 1949.

The honorable the SPEAKER,
House of Representatives.

SIR: I have the honor to transmit herewith a sealed envelope from the President of the United States, addressed to the Speaker of the House of Representatives, received in the office of the Clerk on August 26, 1949.

Very truly yours,

RALPH R. ROBERTS,
Clerk of the House of Representatives.

CLAIMS OF CITY OF NEEDLES, CALIF., AND THE CALIFORNIA-PACIFIC UTILITIES CO.—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I return herewith, without my approval, the enrolled bill (H. R. 559) to confer jurisdiction upon the United States District Court for the Central Division of the Southern District of California to hear, determine, and render judgment upon the claims of the city of Needles, Calif., and the California-Pacific Utilities Co.

The apparent purpose of the measure in question is to provide a forum for the determination of certain claims against the United States on account of a rise in the level of the bed and surface of the Colorado River in the vicinity of Needles, Calif. This rise is alleged to have been caused, in part at least, by the acts of the United States in constructing and operating Hoover Dam, located upstream from Needles, and Parker Dam, located downstream from Needles. Parties other than those named in the enrolled bill have instituted suit against the United States on account of the rise in the river level, and the Court of Claims has ruled in favor of their claims (*Cotton Land Co. v. United States*, 109 Ct. Cls. 816). This decision, however, is subject to appeal and has not yet become final.

The provisions of the enrolled bill seemingly are intended to waive the 6-year period of limitations established by statute for the institution of suits upon claims of the types here involved, since the year 1941 is referred to as the time when the alleged losses were sustained. The legislative history of the bill fails to reveal any justification whatever for exempting the two claimants named in its provisions from the general rules of law prescribing the period within which the United States may be sued. Other parties asserting claims based on the same circumstances have found it entirely pos-

sible to sue in time. No showing appears that the city of Needles and the California-Pacific Utilities Co. have been hindered from following the same course by events beyond their control. I can find no equitable ground for excusing them from the legal consequences of their own delay.

Particularly is this so because of the prejudicial effect which a waiver of the statute of limitations, or of other available defenses, might have upon the legal relations between the United States and the Metropolitan Water District of Southern California. One of the primary reasons for the construction of Parker Dam by the United States was to provide a forebay for the pumping plant through which water is diverted from the Colorado River into the aqueduct serving Los Angeles and its neighboring communities. These latter works belong to and are operated by the Metropolitan Water District. When the United States undertook the construction of Parker Dam, it entered into a contract with the Metropolitan Water District, which is still in effect. Among other things, this contract provides:

> The district agrees to save the United States, its officers, agents, and employees, harmless from all claims whatsoever arising out of the construction and maintenance of said [Parker] dam, and from all claims whatsoever arising out of such operation thereof as may be necessitated by the requirements of the district. The district agrees to pay all damages resulting from the flooding of lands.

I am advised that any right of the United States under the foregoing provision to recover indemnity from the Metropolitan Water District on account of the claims covered by the enrolled bill would probably be lost, or at least be made open to question, were the United States voluntarily to relinquish available defenses, such as the statute of limitations, against these claims.

Stated in another way, had the claimants filed their claims on time, the United States would probably not have been required to pay the cost as it would in the event the claimants were successful under the procedure proposed in this enrolled bill. The cost would have been borne or at least shared under the indemnity agreement by those for whose benefit the Parker Dam was constructed and operated.

Another feature of the proposed bill which might prejudice the substantive interests of the United States is the recital that the losses sustained by the claimants were caused by the operation of the Hoover Dam and the Parker Dam. This recital could be construed as a legislative finding of fact that each of these two dams was a factor in causing the alleged losses. Such a legislative declaration would be inconsistent with the findings of fact made by the Court of Claims in the case previously cited. In that case, the Court of Claims found that the direct cause of the rise in the bed and surface of the Colorado River was a delta formed in the channel of the river at the upper end of Lake Havasu, the reservoir created by Parker Dam. The court further found that the construction, maintenance, and operation of Parker Dam and the impounding of the water thereby in Lake Havasu was the direct cause of the formation of the delta.

The contract with the Metropolitan Water District provides for indemnity with respect to claims arising out of the construction, maintenance, and operation of the Parker Dam. Accordingly, the enactment of this bill declaring that the damage to the claimants resulted from the operation of both the Hoover and the Parker Dams might jeopardize the Government's right to indemnification under this contract.

Finally, this declaration that the operation of the dams caused the losses, in addition to its effects on the United States' rights of indemnity, might be directly prejudicial on the merits of the claims themselves.

It is true that the enrolled bill contains a clause stating that the passage of this act shall not be construed as an inference of liability on the part of the Government of the United States, but the extent to which this clause qualifies or negatives the preceding language concerning the cause of the alleged losses is uncertain.

For these reasons, I am constrained to withhold my approval from H. R. 559.

HARRY S. TRUMAN.

THE WHITE HOUSE, *August 26, 1949.*

The SPEAKER pro tempore. The objections of the President will be spread at large upon the Journal.

GRAND ARMY OF THE REPUBLIC

The SPEAKER pro tempore. The Chair desires to announce that pursuant to the provisions of House Concurrent Resolution 102, Eighty-first Congress, and the authority conferred upon him by the order of the House of August 26, 1949, empowering him to appoint commissions and committees authorized by law or by the House, the Speaker on Saturday, August 27, 1949, appointed as members of the joint committee to represent the Congress at the eighty-third and final national encampment of the Grand Army of the Republic to be held at Indianapolis, Ind., from August 28 to September 1, 1949, the following Members on the part of the House: Mr. JACOBS, Indiana; Mr. NOLAND, Indiana; Mr. DENTON, Indiana; Mr. HARVEY, Indiana; Mrs. HARDEN, Indiana.

PARLIAMENTARY INQUIRY

Mr. RANKIN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. RANKIN. Mr. Speaker, when the message of the President was read just now we could not hear the reading, there was so much noise in the House. Will it be printed in the RECORD so we can see it tomorrow?

The SPEAKER pro tempore. It will.

SENATE BILLS REFERRED

Bills and a concurrent resolution of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 76. An act to authorize the Secretary of the Interior to convey a certain tract of land in the State of Arizona, to Lillian I. Anderson; to the Committee on Public Lands.

S. 477. An act to authorize and direct the Secretary of the Interior to issue to Winifred DeCoteau a patent in fee to certain land; to the Committee on Public Lands.

S. 481. An act for the relief of the legal guardian of Clarence Herbert Hartman, a minor; to the Committee on the Judiciary.

S. 486. An act for the relief of Song Kwan Lee also known as Paul Molina; to the Committee on the Judiciary.

S. 522. An act to amend the Public Health Service Act to authorize assistance to States and their subdivisions in the development and maintenance of local public health units, and for other purposes; to the Committee on Interstate and Foreign Commerce.

S. 738. An act for the relief of Earl B. Hochwalt; to the Committee on the Judiciary.

S. 1048. An act for the relief of Saul Phillips; to the Committee on the Judiciary.

S. 1282. An act to authorize grants under the Federal Airport Act for minor projects at major airports, and for other purposes; to the Committee on Interstate and Foreign Commerce.

S. 1447. An act for the relief of John M. Hart; to the Committee on the Judiciary.

S. 1542. An act to authorize the withdrawal of public notices in the Yuma reclamation project, and for other purposes; to the Committee on Public Lands.

S. 1660. An act providing for the conveyance to the Franciscan Fathers of California of approximately 40 acres of land located on the Hunter Liggett Military Reservation, Monterey County, Calif.; to the Committee on Armed Services.

S. 1706. An act to authorize the Public Health Service to admit to its hospitals persons committed by State courts who are beneficiaries of the Service, or narcotic addicts, and for other purposes; to the Committee on Interstate and Foreign Commerce.

S. 1737. An act for the relief of George M. Vaughan; to the Committee on the Judiciary.

S. 1764. An act for the relief of George K. Haviland; to the Committee on the Judiciary.

S. 1801. An act for the relief of Mrs. Effie S. Campbell; to the Committee on the Judiciary.

S. 1829. An act to authorize the Secretary of the Interior to transfer to the Crow Indian Tribe of Montana the title to certain buffalo; to the Committee on Public Lands.

S. 2227. An act to amend the act approved July 18, 1940 (54 Stat. 766; 24 U. S. C., 1946 edition, sec. 196b), entitled "An act relating to the admission to St. Elizabeths Hospital of Persons resident or domiciled in the Virgin Islands of the United States," by enlarging the classes of persons admissible into St. Elizabeths Hospital and in other respects; to the Committee on Education and Labor.

S. 2228. An act to amend the Public Health Service Act with respect to venereal disease rapid-treatment centers, and for other purposes; to the Committee on Interstate and Foreign Commerce.

S. 2316. An act to authorize the construction and equipment of a guided-missile research laboratory building for the National Bureau of Standards, Department of Commerce; to the Committee on Interstate and Foreign Commerce.

S. 2436. An act to amend the act entitled "An act to authorize the construction, protection, operation, and maintenance of public airports in the Territory of Alaska"; to the Committee on Interstate and Foreign Commerce.

S. 2441. An act to amend section 81 of the National Defense Act, as amended, to provide for additional officers of the National Guard of the United States on active duty in the National Guard Bureau; to the Committee on Armed Services.

S. Con. Res. 62. Concurrent resolution favoring the suspension of deportation of certain aliens; to the Committee on the Judiciary.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and joint resolutions of the House of the following titles, which were thereupon signed by the Speaker pro tempore:

H. R. 225. An act to repeal section 460 of the act of March 3, 1899 (30 Stat. 1336), as amended, providing for certain license taxes in the Territory of Alaska;

H. R. 632. An act for the relief of John E. Burns;

H. R. 807. An act for the relief of Chattooga County, Ga.;

H. R. 1065. An act for the relief of the estate of James Lander Thomas;

H. R. 1132. An act for the relief of Mabel H. Slocum;

H. R. 1446. An act for the relief of Conrad L. Wirth;

H. R. 1631. An act for the relief of John J. O'Mara;

H. R. 1701. An act for the relief of Mrs. Vesta Meinn and Mrs. Edna Williams;

H. R. 1790. An act to restore certain land in Alaska to the public domain and to authorize its sale to Ford J. Dale, of Fairbanks, Alaska;

H. R. 1792. An act for the relief of Charles E. Ader;

H. R. 1979. An act for the relief of Soo Hoo Yet Tuck;

H. R. 2091. An act for the relief of Jack McCollum;

H. R. 2170. An act authorizing changes in the classification of Crow Indians;

H. R. 2471. An act for the relief of Walt W. Rostow;

H. R. 2475. An act to authorize and direct the Secretary of the Interior to sell to Albert M. Lewis, Jr., certain land in the State of Florida;

H. R. 2594. An act for the relief of Grace L. Elser;

H. R. 2628. An act for the relief of Auldon Albert Aiken;

H. R. 2702. An act to authorize the Secretary of the Army to convey by quitclaim deed certain mineral rights in certain lands situated in the State of Oklahoma to Alfred A. Drummond and Addie G. Drummond;

H. R. 2706. An act authorizing the issuance of a patent in fee to Susie Larvie Dillon;

H. R. 2920. An act authorizing the issuance of a patent in fee to George Swift Horse;

H. R. 3071. An act to authorize the Secretary of the Army to purchase certain property in Morgan County;

H. R. 3197. An act relating to the sale of the old Louisville Marine Hospital, Jefferson County, Ky.;

H. R. 3383. An act to provide that extra compensation for night work paid officers and employees of the United States shall be computed on the basis of either standard or daylight saving time;

H. R. 3478. An act to extend the time of completing the construction of a bridge across the Mississippi River at or near a point between Delmar Boulevard and Cole Street in the city of St. Louis, Mo., and a point opposite thereto in the city of East St. Louis, Ill.;

H. R. 3589. An act to convey to the city of Miles City, State of Montana, certain lands in Custer County, Mont., for use as an industrial site;

H. R. 3637. An act to permit the sending of braille writers to or from the blind at the same rates as provided for their transportation for repair purposes;

H. R. 3665. An act for the relief of Mrs. Josephine Wagnon Walker;

H. R. 3667. An act authorizing the Secretary of the Interior to issue a patent in fee to Lenora Farwell Fritzler;

H. R. 3768. An act for the relief of Mrs. Justa G. Vda. de Guido, Belen de Guido, Mulia de Guido, and Oscar de Guido;

H. R. 3803. An act for the relief of Mrs. Mary L. W. Dawson;

H. R. 3829. An act to provide assistance for local school agencies in providing educational opportunities for children on Federal reservations or in defense areas, and for other purposes;

H. R. 3837. An act for the relief of Annie Balaz;

H. R. 3881. An act to provide for the use of the State course of study in schools operated by the Bureau of Indian Affairs on Indian reservations in South Dakota when requested by a majority vote of the parents of the students enrolled therein;

H. R. 4026. An act relating to the exchange of certain private and Federal properties within the authorized boundaries of Acadia National Park, in the State of Maine, and for other purposes;

H. R. 4073. An act to provide for the conveyance to the State of New York of certain historic property situated within Fort Niagara State Park, and for other purposes;

H. R. 4208. An act to add certain surplus land to Petersburg National Military Park, Va., to define the boundaries thereof, and for other purposes;

H. R. 4254. An act authorizing the Secretary of the Interior to issue a patent in fee to Sidney Blackhair;

H. R. 4688. An act to ratify and confirm Act 4 of the Session Laws of Hawaii, 1949, extending the time within which revenue bonds may be issued and delivered under chapter 118, Revised Laws of Hawaii, 1945;

H. R. 5155. An act for the relief of Francesca Lucareni, a minor;

H. R. 5160. An act for the relief of Mrs. Giustina Schiano Lomoriello;

H. R. 5205. An act to quitclaim certain property in Enid, Okla., to H. B. Bass;

H. R. 5207. An act to amend section 50 of the Organic Act of Puerto Rico;

H. R. 5390. An act to authorize the Secretary of the Interior to exchange certain Navajo tribal Indian land for certain Utah State land;

H. R. 5535. An act to amend the Philippine Rehabilitation Act of 1946;

H. R. 5620. An act permitting the use, for public purposes, of certain land in Hot Springs, N. Mex.;

H. R. 5929. An act to amend the Army and Air Force Vitalization and Retirement Equalization Act of 1948;

H. J. Res. 281. Joint resolution to authorize the President to issue posthumously to the late John Sidney McCain, vice admiral, United States Navy, a commission as admiral, United States Navy, and for other purposes; and

H. J. Res. 338. Joint resolution to authorize the Administrator of Civil Aeronautics to undertake a project under the Federal Airport Act for the development and improvement of Logan International Airport at Boston, Mass., during the fiscal year 1950.

The SPEAKER pro tempore announced his signature to enrolled bills and a joint resolution of the Senate of the following titles:

S. 936. An act to provide for the care and custody of insane persons charged with or convicted of offenses against the United States, and for other purposes;

S. 973. An act to exempt from taxation certain property of the National Society of the Colonial Dames of America in the District of Columbia;

S. 1250. An act extending the Institute of Inter-American Affairs;

S. 1859. An act to transfer from the Administrator of Veterans' Affairs to the Attorney General of the United States for the use of the Bureau of Prisons, a certain tract of land located at Chillicothe, Ohio;

S. 2146. An act to provide certain additional rehabilitation assistance for certain seriously disabled veterans in order to remove an existing inequality;

S. 2298. An act to authorize the Administrator of Veterans' Affairs to convey certain lands and to lease certain other land to Milwaukee County, Wis; and

S. J. Res. 109. Joint resolution to amend the National Housing Act, as amended.

ADJOURNMENT

Mr. PRIEST. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 10 minutes p. m.), pursuant to House Resolution 345, the House adjourned until Friday, September 2, 1949, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

892. A letter from the Commissioner, Federal Housing Administration, transmitting the report prepared by the Federal National Mortgage Association on its activities during the period January 1 through June 30, 1949; to the Committee on Banking and Currency.

893. A letter from the Acting Director, United States Courts, transmitting a draft of a proposed bill entitled "A bill to amend titles 18 and 28, United States Code, with respect to the time of reporting to Congress rules of procedure adopted by the Supreme Court for criminal, civil, and admiralty cases and the time of their taking effect"; to the Committee on the Judiciary.

894. A letter from the Acting President, Board of Commissioners of the District of Columbia, transmitting the Semiannual Report of the Administrator of Rent Control, covering the period January 2 to June 30, 1949; to the Committee on the District of Columbia.

895. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated November 13, 1947, submitting a report, together with accompanying papers, on a review of reports on Calcasieu River and tributaries, Louisiana, requested by resolutions of the Committee on Rivers and Harbors, House of Representatives, adopted on January 24, 1939; the Committee on Flood Control, House of Representatives, adopted on January 26, 1939, and February 2, 1944; and the Committee on Commerce, United States Senate, adopted on February 8, 1939; to the Committee on Public Works.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BONNER: Committee on Merchant Marine and Fisheries. H. R. 5305. A bill to increase the retired pay of certain members of the former Lighthouse Service; with an amendment (Rept. No. 1334). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DOYLE:

H. R. 6157. A bill to amend the Armed Forces Leave Act of 1946 to provide that payments be made to survivors for unused leave

accumulated after September 8, 1939, by a member of the armed forces who was separated from service by death before September 1, 1946; to the Committee on Armed Services.

By Mr. HAVENNER:

H. R. 6158. A bill to amend the National Housing Act, as amended, and for other purposes; to the Committee on Banking and Currency.

By Mrs. DOUGLAS:

H. Con. Res. 134. Concurrent resolution to express the sense of the Congress with respect to discrimination against amputees in the employment of operators of certain motor vehicles; to the Committee on Interstate and Foreign Commerce.

By Mr. EBERHARTER:

H. Res. 352. Resolution providing for the consideration of the bill (H. R. 6000) to extend and improve the Federal old-age and survivors insurance system, to amend the public-assistance and child-welfare provisions of the Social Security Act, and for other purposes; to the Committee on Rules.

By Mr. LESINSKI:

H. Res. 353. Resolution providing for the consideration of the bill (H. R. 4453) to prohibit discrimination in employment because of race, color, religion, or national origin; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Washington, relating to the construction of a series of four dams and locks to provide slack-water navigation from the mouth of the Snake River to Lewiston, Idaho; to the Committee on Public Works.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. DURHAM introduced a bill (H. R. 6159) for the relief of Artemissia Robert Batis, which was referred to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1466. By the SPEAKER: Petition of Maui Lions Club, Wailuku, Maui, T. H., petitioning consideration of their resolution with reference to passage of H. R. 199, known as the Judd bill; to the Committee on the Judiciary.

1467. Also, petition of Mrs. J. G. Feustel, Union Park Townsend Club, No. 1, Union Park, Fla., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1468. Also, petition of Elsworth J. Kime and others, Miami, Fla., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1469. Also, petition of Miss Alice Myers and others, Cassadaga, Fla., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1470. Also, petition of Isaac Journigan and others, Fort Pierce, Fla., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1471. Also, petition of Mrs. Bertha Miller and others, Orlando, Fla., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

SENATE

WEDNESDAY, AUGUST 31, 1949

(Legislative day of Thursday, June 2, 1949)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Dr. W. McLeod Frampton, Jr., minister, First Presbyterian Church, Chester, S. C., offered the following prayer:

O, Thou who art the Creator and Preserver of all mankind, the source of life and knowledge, grant Thy blessings to abide upon these who have been called to guide and direct the affairs of our Nation. Bless and illumine them by Thy holy spirit to the end that they may be faithful servants, men of courage and vision. Strengthen and undergird them with Thy divine power and grant the spirit of wisdom and understanding to whom Thou hast given the authority of government.

Continue Thy grace and favor upon our Nation that we may ever serve as the sentinels of freedom and the custodians of glory. In Thy mercy forgive us for our failures and sins. For Thy manifold blessings we give Thee our praise and gratitude as we offer this our prayer in the blessed name of Him who loved us and gave Himself for us, Jesus Christ our Lord. Amen.

THE JOURNAL

The VICE PRESIDENT. Without objection, the reading of the Journal of the proceedings of Tuesday, August 30, 1949, will be dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on August 30, 1949, the President had approved and signed the joint resolution (S. J. Res. 109) to amend the National Housing Act, as amended.

CALL OF THE ROLL

Mr. PEPPER. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hendrickson	Murray
Anderson	Hickenlooper	Myers
Brewster	Hill	Neely
Bridges	Hoey	O'Mahoney
Butler	Holland	Pepper
Byrd	Humphrey	Reed
Cain	Ives	Robertson
Capehart	Johnson, Tex.	Saltonstall
Chapman	Johnston, S. C.	Schoeppel
Chavez	Kem	Smith, Maine
Connally	Kerr	Smith, N. J.
Cordon	Kilgore	Sparkman
Donnell	Knowland	Stennis
Douglas	Langer	Taft
Downey	Leahy	Taylor
Dulles	Long	Thomas, Okla.
Eastland	Lucas	Thomas, Utah
Ecton	McCarthy	Thye
Ellender	McClellan	Tobey
Flanders	McFarland	Tydings
Frear	McKellar	Vandenberg
Fulbright	McMahon	Watkins
George	Magnuson	Wherry
Gillette	Malone	Wiley
Graham	Martin	Williams
Green	Miller	Withers
Gurney	Millikin	Young
Hayden	Mundt	

Mr. LUCAS. I announce that the Senator from Wyoming [Mr. HUNT] and the Senator from Tennessee [Mr. KEFAUVER] are absent by leave of the Senate on official business.

The Senator from Colorado [Mr. JOHNSON], the Senator from South Carolina [Mr. MAYBANK], the Senator from Nevada [Mr. MCCARRAN], and the Senator from Georgia [Mr. RUSSELL] are absent by leave of the Senate.

The Senator from Maryland [Mr. O'CONOR] is necessarily absent.

Mr. SALTONSTALL. I announce that the Senator from Connecticut [Mr. BALDWIN] is absent by leave of the Senate on official business.

The Senator from Ohio [Mr. BRICKER] and the Senator from Indiana [Mr. JENNER] are necessarily absent.

The Senator from Michigan [Mr. FERGUSON] and the Senator from Massachusetts [Mr. LODGE] are absent by leave of the Senate.

The Senator from Oregon [Mr. MORSE] is absent on official business.

The VICE PRESIDENT. A quorum is present.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. PEPPER, and by unanimous consent, the Committee on Armed Services and the Committee on Foreign Relations, meeting jointly, were authorized to sit during the session of the Senate today.

TRANSACTION OF ROUTINE BUSINESS

The VICE PRESIDENT. Without objection, the Chair will recognize Senators for the transaction of routine business, without debate.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following communication and letter, which were referred as indicated:

SUPPLEMENTAL ESTIMATE, DEPARTMENT OF STATE (S. Doc. No. 112)

A communication from the President of the United States, transmitting, pursuant to law, a supplemental estimate of appropriation, involving an additional $170,000, for the Department of State, fiscal year 1950 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

REPORT ON LEASING OF CERTAIN PROPERTY

A letter from the Secretary of the Army, transmitting, pursuant to law, a report on property leased, as of June 1, 1949 (with an accompanying report); to the Committee on Armed Services.

PETITIONS

Petitions were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A resolution adopted by the Junior Order United American Mechanics, State Council of Kentucky, favoring the enactment of the so-called Barden bill, providing Federal aid to education; to the Committee on Labor and Public Welfare.

By Mr. SALTONSTALL (for himself and Mr. LODGE):

Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on Post Office and Civil Service:

"Resolutions memorializing Congress to issue a stamp commemorating the one hundred and fifty-fifth anniversary of the birth of George Peabody

"Whereas on February 18, 1950, there will be observed the one hundred and fifty-fifth

anniversary of the birth in the city of Peabody, Mass., of George Peabody, the first great American philanthropist who bestowed so much of his great wealth for the education of the poor and in general for the benefit of mankind, and who probably as much as any individual helped by his financial ability to make this country the greatest nation in the world; and

"Whereas it seems fitting and proper that the name of George Peabody be immortalized forever by having a stamp issued, if possible, on February 18, 1950: Therefore, be it

"*Resolved*, That the General Court of Massachusetts respectfully memorializes the Congress of the United States to provide for the issuance of such a stamp; and be it further

"*Resolved*, That copies of these resolutions be sent forthwith by the State secretary to the President of the United States, to the Postmaster General, to the presiding officer of each branch of Congress and to the members thereof from this Commonwealth.

"In house of representatives, adopted August 22, 1949.

"LAWRENCE R. GROVE,
"Clerk."

"In senate, adopted, in concurrence, August 23, 1949.

"IRVING N. HAYDEN,
"Clerk."

RESOLUTIONS OF THE AMERICAN LEGION, DEPARTMENT OF PENNSYLVANIA

Mr. MYERS. Mr. President, recently I received from the American Legion, Department of Pennsylvania, copies of resolutions Nos. 13 and 23, which were approved by them in convention assembled at Pittsburgh, Pa. These resolutions deal with the GI bill of rights and the erection of a veterans' hospital in Philadelphia, Pa. I ask that they be appropriatey referred and printed in the RECORD.

There being no objection, the resolutions were referred to the Committee on Labor and Public Welfare and ordered to be printed in the RECORD as follows:

Resolution 13

Whereas the American Legion has been ever mindful of the fact that nothing is more integrally associated with the hopes and aspirations of the average veteran than economic security, which in most instances can be obtained through gainful employment; and

Whereas most younger veterans have not been able to accumulate sufficient work experience or security to protect them in layoffs; and

Whereas restrictions as to age imposed by many employers present a very serious obstacle to the older worker seeking new employment; and

Whereas for these reasons veterans are suffering severe economic handicaps to a far greater extent than other members of the labor force; and

Whereas veterans and their organizations must now place greater reliance and dependence on the Veterans' Employment Service and the State Employment Service to alleviate these conditions: Now, therefore, be it

Resolved, That the American Legion, Department of Pennsylvania, in convention assembled in Pittsburgh this 12th day of August 1949, does hereby request and urge the national officers of the American Legion to take the necessary action to impress upon Congress the imperative need for the appropriation of adequate funds for each and both of these organizations to stand as a bulwark between the veterans and the uncertainties of unemployment by assuring these veterans the obtaining of the guarantees of maximum job opportunity set forth in the Servicemen's Readjustment Act of 1944 (GI bill of rights); and be it further

Resolved, That copies of this resolution shall be sent to each of the Senators and Congressmen from the Commonwealth of Pennsylvania.

Resolution 23

Whereas an appropriation has been made by the Congress of the United States for a veterans' hospital in Philadelphia; and

Whereas a site has been selected for the erection of a veterans' hospital in the city of Philadelphia; and

Whereas there is a great veteran population in Philadelphia, a large number of which have been in need, and are in need of hospitalization; and

Whereas many veterans are finding it necessary to accept hospitalization in already crowded State and municipal institutions: Now, therefore, be it

Resolved, That the Department of Pennsylvania, the American Legion in convention assembled August 12, 1949, go on record as favoring the 1,000-bed veterans' hospital in Philadelphia by the original appropriation of the Congress of the United States; and be it further

Resolved, That the Department of Pennsylvania, the American Legion, go on record as urging Congress to take appropriate steps to have the erection of a Philadelphia veterans' hospital started immediately.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CONNALLY, from the Committee on Foreign Relations:

H. R. 5773. A bill to authorize the carrying out of the provisions of article 7 of the treaty of February 3, 1944, between the United States and Mexico, regarding the joint development of hydroelectric power at Falcon Dam, on the Rio Grande, and for other purposes; without amendment (Rept. No. 967).

By Mr. O'MAHONEY, from the Committee on Interior and Insular Affairs:

H. R. 4029. A bill to authorize the Secretary of the Interior to procure for the Everglades National Park with available funds, including those made available by the State of Florida, the remaining lands and interest in lands within the boundary agreed upon between the State of Florida and the Secretary of the Interior, within a part of that authorized by the act of May 30, 1934 (48 Stat. 816), and within which the State has already donated its lands, and for other purposes; with an amendment (Rept. No. 968).

By Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service:

S. 621. A bill for the relief of Horace J. Fenton; without amendment (Rept. No. 969).

By Mr. FLANDERS, from the Committee on Post Office and Civil Service:

H. R. 86. A bill to amend the Civil Service Retirement Act so as to make such act applicable to the officers and employees of the Columbia Institution for the Deaf; with an amendment (Rept. No. 970).

By Mr. HUMPHREY, from the Committee on Post Office and Civil Service:

H. R. 2619. A bill to extend the benefits of the annual and sick leave laws to part-time employees on regular tours of duty and to validate payments heretofore made for leave on account of services of such employees; without amendment (Rept. No. 971).

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. DOWNEY:

S. 2517. A bill for the relief of Morris Plevin, also known as Melvin Belkin; to the Committee on the Judiciary.

(Mr. WILEY introduced Senate bill 2518, providing for revision of the patent laws for the purpose of clarifying and strengthening the rights of inventors and encouraging investment in research to the end that the patent laws will better function to promote the progress of science and the useful arts, which was referred to the Committee on the Judiciary, and appears under a separate heading.)

By Mr. BUTLER:

S. 2519. A bill authorizing the issuance of a patent in fee to Charles D. Stabler; and

S. 2520. A bill authorizing the issuance of a patent in fee to Walter Tebo; to the Committee on Interior and Insular Affairs.

By Mr. IVES:

S. 2521. A bill for the relief of Khodarahm Sourshian; to the Committee on the Judiciary.

By Mr. ANDERSON:

S. 2522. A bill to stabilize prices of agricultural commodities; to the Committee on Agriculture and Forestry.

By Mr. McCARTHY:

S. 2523. A bill for the relief of Orhan Osman Yirmibes; to the Committee on the Judiciary.

STRENGTHENING OF PATENT LAWS

Mr. WILEY. Mr. President, at the request of the Milwaukee Patent Law Association, I am happy to introduce for appropriate reference a comprehensive bill for strengthening of the American patent system. It is my privilege to serve as chairman of the Subcommittee on Patents, Trade-marks and Copyright Law of the Senate Judiciary Committee. In this capacity I hope to schedule hearings sometime early next year at which leading patent attorneys and others interested in this problem will be invited to present their expert reactions.

It is with particular pride that I call the attention of my colleagues to the pioneering work which has been done by the Patent Law Association of Wisconsin's largest city—Milwaukee. In 1947 and 1948, the Milwaukee Patent Law Association submitted numerous proposals which became the subject of very earnest consideration by the patent section of the American Bar Association. Last September in Seattle, it was my privilege to address this patent section, and, as usual, I am glad to say the Milwaukee group was in the forefront of attempting to strengthen the patent system. I do not underestimate the fine work which has been done by other associations in other States. But it is with natural pride that I mention the leadership done by this splendid group of attorneys in my own State.

This comprehensive bill which I am introducing today is of necessity highly controversial. It is by no means submitted as a final draft because no one would presume to have the final word on one of the most complicated subjects

of American law. Suffice it to say that among its aims the bill proposes as follows:

First. A clear statement of the patent grant which is not deceptive in any way.

Second. A strengthening of the presumption of validity of a patent.

Third. A clarification of the rights of a patentee with respect to licenses under the patent.

Fourth. Clarification of the rights of a patentee who sells or leases goods under the patent to restrict the use or sale thereof by the purchaser.

Fifth. Clarification of the rights of a patentee when one or more of his claims are held to be invalid.

Sixth. Establishing of a definition of what constitutes infringement.

I need hardly point out to my colleagues that the recent decisions of the United States Supreme Court in the patent field have caused a tremendous amount of uncertainty and confusion. The divided court has thrown a cloud over many fields of patent law. The present situation is as harmful to the free enterprise system, or even more so, than if there were similar confusion and uncertainty over the antitrust laws. As a matter of fact, it has been pointed out by many experts that the patent field holds even more significance to the future of our free enterprise system than do antitrust statutes. Be that as it may, I believe that these Milwaukee proposals will help contribute toward greater encouragement of research and inventions which in turn provide the lifeblood for an expanding system of private initiative and endeavor.

The bill (S. 2518) providing for revision of the patent laws for the purpose of clarifying and strengthening the rights of inventors and encouraging investment in research to the end that the patent laws will better function to promote the progress of science and the useful arts, introduced by Mr. WILEY, was read twice by its title, and referred to the Committee on the Judiciary.

NOTICE OF HEARING ON NOMINATION OF WILLIS W. RITTER, OF UTAH, TO BE UNITED STATES DISTRICT JUDGE FOR THE DISTRICT OF UTAH

Mr. KILGORE. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Thursday, September 8, 1949, at 11 a. m., in room 424, Senate Office Building, upon the nomination of Willis W. Ritter, of Utah, to be United States district judge for the district of Utah, vice Hon. Tillman D. Johnson, retired. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Nevada [Mr. MCCARRAN], chairman, the Senator from Idaho [Mr. MILLER], and the Senator from Wisconsin [Mr. WILEY].

ADDRESS BY THE PRESIDENT AT AMERICAN LEGION CONVENTION

[Mr. MYERS asked and obtained leave to have printed in the RECORD the address delivered by the President at the national convention of the American Legion, at Philadelphia, Pa., on August 29, 1949, which appears in the Appendix.]

HAPPENINGS IN WASHINGTON — RADIO ADDRESS BY SENATOR MARTIN

[Mr. MARTIN asked and obtained leave to have printed in the RECORD the text of a radio address entitled "Happenings in Washington—Program No. 6," delivered by him on August 29, 1949, which appears in the Appendix.]

UTAH ARRIVES—ADDRESS BY SENATOR THOMAS OF UTAH

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD an address entitled "Utah Arrives" to be broadcast over radio station KSL, Salt Lake City, Utah, August 31, 1949, which appears in the Appendix.]

IS BANKRUPTCY OUR GOAL?—ARTICLE BY SENATOR BYRD

[Mr. BYRD asked and obtained leave to have printed in the RECORD an article by him entitled "Is Bankruptcy Our Goal?" from the September issue of the Country Gentleman, which appears in the Appendix.]

CONGRESSMEN CANNOT BE SPECIALISTS IN EVERYTHING—EDITORIAL FROM BALTIMORE SUN

[Mr. MCCLELLAN asked and obtained leave to have printed in the RECORD an editorial entitled "Congressmen Can't Be Specialists in Everything," published in the Baltimore Sun of August 31, 1949, which appears in the Appendix.]

ATLANTIC UNION RESOLUTION

[Mr. SPARKMAN (for Mr. KEFAUVER) asked and obtained leave to have printed in the RECORD an editorial entitled "Atlantic Union Resolution," from the Meriden (Conn.) Daily Journal, and an article entitled "Federal Union Resolution Widely Hailed," from the Meriden (Conn.) Record of July 28, 1949, which appears in the Appendix.]

OUR ROAD TO ATLANTIC UNION—ADDRESS BY EDWARD J. MEEMAN

[Mr. SPARKMAN (for Mr. KEFAUVER) asked and obtained leave to have printed in the RECORD an address delivered by Edward J. Meeman on August 15, 1949, before the Memphis Chapter of the Atlantic Union Committee, which appears in the Appendix.]

THE CASE FOR ZIONISM—ARTICLE BY RABBI ABBA HILLEL SILVER

[Mr. IVES asked and obtained leave to have printed in the RECORD an article entitled "The Case for Zionism," written by Rabbi Abba Hillel Silver, and published in the Reader's Digest for September 1949, which appears in the Appendix.]

A FREE CHURCH IN A FREE STATE—ADDRESS BY SENATOR STENNIS

[Mr. ROBERTSON asked and obtained leave to have printed in the RECORD a radio address entitled "A Free Church in a Free State," delivered by Senator STENNIS on the Presbyterian Radio Hour, July 14, 1949, which appears in the Appendix.]

BONUS MARCH RIOT—COMMUNIST PLOT TOLD

Mr. SMITH of New Jersey. Mr. President, I have just had called to my attention three important newspaper articles recently published by the New York Journal-American which relate the story of one John T. Pace, who was a former Communist and who confesses in these articles that the bonus march on Washington 17 years ago was Communist inspired and was aimed to smear former President Hoover and Gen. Douglas MacArthur. This statement by Mr. John T. Pace, who apparently now is a deputy sheriff in Tennessee and a hard-working farmer, and chairman of the Americanization department of the American Legion in the United States, is of such importance historically that I ask unanimous consent to have these articles printed in the RECORD in connection with my remarks.

The first of the articles, entitled "Bonus March Riot Plot Told," appeared in the New York Journal-American on Sunday, August 28. I ask unanimous consent that it may be printed at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

EX-RED BARES MOSCOW ORDER TO SMEAR HOOVER, MACARTHUR—BONUS MARCH RIOT PLOT TOLD

(In an exclusive interview with the Communist leader of the 1932 "bonus march" on Washington, the New York Journal-American today in the first of a series of three articles exposes the 17-year-old Red Fascist smear of former President Hoover and Gen. Douglas MacArthur. In his own words, John T. Pace, former Communist, tells for the first time how Moscow directed this smear, because the two great Americans put down revolution without firing a shot.)

(By Howard Rushmore)

CENTERVILLE, TENN., August 27.—A 17-year-old smear campaign against former President Herbert Hoover and Gen. Douglas MacArthur today was branded a Communist plot by the one man in the United States who knows the complete inside story.

He is John T. Pace, a soft-spoken native of the Tennessee hill country who was commended by the Communist international for his revolutionary leadership of the bonus march on Washington in 1932.

And it was Pace, a secret Communist Party member, who was assigned by Moscow to whip up a propaganda campaign of hatred against Mr. Hoover and General MacArthur after the march had ended.

Using the technique of the big lie long before Hitler and Goebbels copied the device for Nazi purposes, the Communists accused the only living ex-President and MacArthur of killing World War I veterans.

DUTY TO SET RECORD STRAIGHT

That lie, repeated over and over by the New Deal, the parlor pinks, and the Russian-firsters for 17 years, has been drummed into the public mind so often that millions of Americans have forgotten or have never known the true facts.

"I feel it's my duty to set the record straight," Pace said today in his office at the Hickman County Courthouse.

The wiry little man who was twice arrested for his inciting to riot during the days of the bonus expeditionary force is now a solid citizen of this little community.

He is a deputy sheriff, hard-working farmer, and chairman of the Americanism department of the American Legion in the country.

Pace is no longer a Communist. He quit the subversive group 3 years after the bonus march, and since that time has battled the Reds as zealously as he once served their cause.

"I feel responsible in part for this often-repeated lie about President Hoover and General MacArthur," Pace said.

"I've never told this story before, but I think it's about time, and the only reward I want is the knowledge that all veterans

and everyone else will know the truth about two great Americans."

ORDERED TO PROVOKE RIOTS

"I led the left-wing or Communist section of the bonus march.

"I was ordered by my Red superiors to provoke riots.

"I was told to use every trick to bring about bloodshed in the hopes that President Hoover would be forced to call out the Army.

"The Communists didn't care how many veterans were killed.

"I was told Moscow had ordered riots and bloodshed in the hopes that this might set off the revolution.

"My Communist bosses were jumping for joy on July 28 when the Washington police killed one veteran.

"The Army was called out next day by President Hoover and didn't fire a shot or kill a man. General MacArthur put down a Moscow-directed revolution without bloodshed, and that's why the Communists hate him even today."

Before Pace and the Communists moved in on the BEF at Anacostia Flats along the Potomac, the bonus march was an effort by American veterans to win what they considered just and reasonable demands.

A spontaneous movement led by Walter W. Waters, the original marchers were bona fide veterans who set up their camp under military discipline with rigid orders to eject Reds and agitators.

SIX THOUSAND VETS WENT BACK HOME

A Democratic Congress refused to grant their demands despite President Hoover's recommendation, and about 6,000 then accepted Government transportation to return to their homes—transportation granted by a congressional appropriation requested by Hoover.

By July only 7,000 of the original 15,000 marchers remained in Washington.

They were divided into two groups—the right-wing veterans led by Waters and the Communist-led section which Pace took over.

"When the bonus march first started the Communist Party's official line was to ignore it," Pace said.

"I was in Detroit when the movement first spread. I had moved there a few years before from Tennessee and joined the Communist Party in 1931.

"In those years the party's national membership was about 3,000, most of them aliens. As a native American of old southern stock, the Reds jumped at recruiting me when I fell for their line about the Communists being able to solve the depression problems.

"Early in 1932 when veterans started their demands for a bonus the Communists sneered at them and called them reactionary.

"However, when the veterans in Wayne County scheduled a bonus march on City Hall the district committee of the Communist Party called an emergency meeting to discuss the situation.

"I was a member of the district committee, and I argued that the Communists should infiltrate the veterans and take over the campaign."

URGED VETS TO SIGN FOR MARCH

"Some of the other Reds were against this plan, arguing that the veterans were Fascists.

"However, five of us were given permission to take part in the legitimate veteran demonstration at City Hall.

"We five Communists took over the march, and I made a speech at City Hall urging all veterans to register for a bonus march on Washington.

"More than 400 signed up. I was named the commander of the march.

"The Detroit Communists were jubilant at my success and wired national headquarters in New York for further orders.

"The answer came back for me to lead the veterans to Cleveland, where the party would have other delegations ready.

"I was to report by long-distance phone to a secret number in Washington to 'Comrade Levine.'

"I was given a pocketful of money and told to go ahead.

"So about 500 Michigan veterans under the leadership of five well-heeled Communists took over a freight train and headed east.

"The Communist Trojan horse of the bonus march was on the move."

RECORD CLEARS GENERAL IN BONUS RIOT SMEAR

Former President Herbert Hoover, since 1932 the target of an unremitting Communist smear "campaign," has always answered his Red and New Deal critics with: "Let the record speak for itself."

That record, backed by findings of the Attorney General, the FBI, Washington police and Army Intelligence shows that Hoover's action in calling out the Army July 28, 1932, was inevitable if Communist revolution was to be put down.

And because the former President insisted that General MacArthur drive out the Red "veterans" without firing a shot—which was done—the Communist Party has smeared both of them for almost two decades.

MANY WERE NOT VETS

Mr. Hoover's statement, issued on the day the Communists were driven out, is quoted in part:

"In order to put an end to this rioting and defiance of civil authority, I have asked the Army to assist the District authorities to restore order.

"Congress made provision for the return home of the so-called bonus marchers who have for many weeks been given every opportunity of free assembly, free speech and free petition to Congress.

"Some 5,000 took advantage of the arrangements and have returned to their homes.

"An examination of a large number of names discloses the fact that a considerable part of those remaining are not veterans; many are Communists and persons with criminal records.

"The veterans amongst these numbers are no doubt unaware of the character of their companions and are being led into violence which no government can tolerate."

(The day before Mr. Hoover issued this order, Communist-led marchers had attacked Washington police, throwing bricks and using clubs. In self-defense, the police opened fire, killing one veteran. A dozen police were injured, some seriously.)

USED NO FIREARMS

At the direction of President Hoover, Patrick J. Hurley, then Secretary of War, told General MacArthur:

"In your orders (to evacuate the Government buildings taken over by the Communists) insist that any women and children who may be in the affected area be accorded every consideration and kindness.

"Use all humanity consistent with the due execution of this order."

It is also known that President Hoover, although aware that many of the Communist veterans were armed, personally ordered General MacArthur not to use firearms.

At the President's direction, MacArthur's troops drove out the Reds without firing a shot.

Mr. SMITH of New Jersey. Mr. President, the second article, entitled "Ex-Red Tells Stalin Plot for 1932 Bonus Riot" appeared in the New York Journal-American on Monday, August 29, 1949. I ask unanimous consent that the article be printed at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

EX-RED TELLS STALIN PLOT FOR 1932 BONUS RIOT

(By Howard Rushmore)

CENTERVILLE, TENN., Aug. 29.—Hoping for bloodshed and violence, the Communist Party agents working within the ranks of the bonus marchers used every Red-Fascist trick to get President Hoover to call out the Army in 1932.

And when he did and General MacArthur put down the Communist bid for revolution without firing a shot, Red-Fascist wrath was directed against these two great Americans—a raging smear campaign that has lasted for almost two decades.

John T. Pace, now a deputy sheriff in this quiet Tennessee town, but in 1932 Communist leader of the left-wing section of the bonus march, said:

"I was told over and over again how much Stalin was interested in this campaign."

The ex-Communist, in an exclusive interview, said after he arrived in Washington in June as leader of a thousand veterans from the Middle West:

"Although I had been named by the Communist Party as leader of the left-wing group, I did not make a move without consulting Emmanuel Levine.

"Even before I led the marchers into Washington, I had been told by my Communist superiors that Levine was the boss.

"The first day I arrived in the Capital I was told to report to Levine in a secret office he kept in the city. I was given ample funds for cabs and other expenses.

"Levine, a veteran Communist agitator, told me that Moscow regarded this bonus march as a real propaganda opportunity to bring about revolt and hatred against President Hoover.

"Levine said the 'veterans have some Fascist mis-leaders who don't want violence—your job is to keep them stirred up and our party must take over.' "

Pace said a Communist International representative in New York was in daily touch with Levine and that Levine had told Pace:

"Here's your chance of making a name for yourself with Stalin."

According to Pace, Levine kept a scrapbook of newspaper stories and photographs of all Communist rioting.

"The scrapbook was a record of our agitation and was sent to Moscow to show Stalin what we had done.

"We had only about 400 Communists among the 7,000 veterans, but we controlled every action," Pace continued.

"Two hundred Communists from New York, none of them veterans, joined us. At Levine's command, I led a delegation of several hundred Reds down Pennsylvania Avenue to seize an abandoned Government building near the Capitol.

"WE'LL PROVOKE COPS

"Under Levine's direction, we planned this seizure carefully. We knew that it was illegal, but when I brought up this point, Levine said, 'We'll provoke the cops and get some action.'

"What kind of action?" I asked.

"He looked at me sternly and said, 'Comrade Pace, in every revolution some workers must die.' "

"Levine said the 'CI Rep,' meaning the Moscow agent in New York, wanted violence because President Hoover would then be forced to call out the Army.

"FULL-SCALE REVOLUTION

" 'Once the Army steps in, we'll have a full-scale revolution going,' Levine told me. "That will provide excellent propaganda against Hoover and we can agitate from coast

to coast and recruit thousands of veterans to the party."

After Pace's group had seized the Government building, Levine told Pace to lead marchers into areas which had been ruled out of bounds by police.

These areas invaded by the Reds included the White House

"Levine instructed me: 'Keep picket lines around the White House. Make speeches denouncing Hoover. Get yourself arrested. It will all make good publicity.' "

Meanwhile Pace kept in touch with his subordinates in the ranks of the Red section of the "Bonus Expeditionary Force" as it was called.

"We sent Communists into Anacostia Flats where several thousand legitimate veterans led by W. W. Waters, an anti-Red, were camped.

"They did not want violence, so Levine told me to provoke it. I sent Communists into their ranks with orders to throw bricks at cops and even our own Red marchers to provoke trouble.

"Waters didn't fall for our Communist tactics, but we did succeed in bringing over several hundred of the legitimate veterans to our buildings. We recruited some of them into the party."

GOT HIMSELF ARRESTED

Pace said that Levine also ordered continuous propaganda among all the veterans "about the Soviet rule and how the Red Army was the best army in the world."

Parades, demonstrations and minor riots were organized each day, Pace added.

"The Communists drew up a program that ran like clockwork. So many were to be arrested each day. We were to defy police efforts to evict us from the buildings we had seized.

"I led demonstrations in front of the White House and after the police had warned me a dozen times, I was arrested.

"Levine had told me such an arrest could also be utilized for propaganda. I spent 6 weeks in jail and the Communists stirred up a national campaign of martyrdom on my behalf.

"I was in jail when General MacArthur drove the Reds out of the Government buildings, but word was sent to me through Communist agents that the Moscow 'rep' was proud of me and would meet me in New York when I was released."

Mr. SMITH of New Jersey. Mr. President, the third article, entitled "Ex-Red Tells How Smear of Hoover and MacArthur Started—Communists Instigated Drive for Propaganda During 1932 Bonus March" appeared in the New York Journal-American on Tuesday, August 30, 1949. I ask unanimous consent that the article be printed at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

EX-RED TELLS HOW SMEAR OF HOOVER AND MACARTHUR STARTED—COMMUNISTS INSTIGATED DRIVE FOR PROPAGANDA DURING 1932 BONUS MARCH

(By Howard Rushmore)

CENTERVILLE, TENN., August 30.—The current Communit smear of former President Hoover and General MacArthur—an attack echoed by New Dealers, pinks and Russia Firsters for 17 years—originated in a secret Red meeting near Union Square in New York City in August 1932.

At that meeting, the leader of the left-wing section of the bonus march was complimented for his successful revolutionary activities by the representative of the Communist International.

And this "veterans" leader was then sent by Stalin's agent on a well-financed national tour to incite hatred against Hoover and MacArthur.

John T. Pace, now a deputy sheriff here and a violent foe of the Communist Party since he quit the subversive group in 1935, tells for the first time of this Moscow-directed smear.

In an exclusive interview the former Communist said:

"I was in jail when the other Communists deliberately led a riot against the Washington police who attempted to evict them from a Government building the Reds had seized.

"From other Communists, I learned that the Reds had thrown bricks at the cops, used clubs on them and in self-defense the police fired, killing one veteran who, ironically, wasn't a Communist.

"Then President Hoover ordered out the Army and told General MacArthur to drive the Reds out of the building and back to Anacostia Flats."

Pace said that before he had been arrested, Emmanuel Levine, his Red boss, had declared:

"We want the President to call out the Army—then we'll have a real revolution going."

PEACEFUL TACTICS ENRAGE REDS

"But MacArthur did the job without firing a shot and acting under Mr. Hoover's instructions, prevented any violence," Pace said.

"That sent the Communists at each other's throats, for our orders had been to provoke all the violence possible."

Pace, immediately after he was freed, was ordered to New York.

"I was told to come to an address near Union Square. It was a highly secret meeting and plenty of the big-shot Communists were there, including Browder, Foster, and Stachel."

(Earl Browder, former secretary of the Communist Party, William Z. Foster, present chairman of the Reds, and Jacob Stachel, now educational director of the Communist Party.)

"Levine and I made reports on the bonus march and our work in Washington," Pace continued.

"Then a squat, dark-haired man was introduced to us as the 'CI Rep' (Communist International representative).

"This man complimented me for my work. Speaking with a thick Russian accent, he said Moscow was pleased with my 'working class leadership.'

"He told me that Moscow wanted me to make a national tour speaking in every State to agitate against President Hoover and General MacArthur.

"This Moscow agent said I was to refer to Mr. Hoover as 'the murderer of American veterans' and to MacArthur as 'the tool of the Fascists.' "

Pace said he had no doubt of the 'CI Rep's" influence for, "Foster, Browder, and the rest of the big shots were scared to death of him and kept saying 'Yes, Comrade' and bowing to him."

The Moscow agent, Pace added, told him to stress the fact that the troops had been responsible for killing veterans.

"I knew that MacArthur's men didn't fire a shot, but I had at least one 'commissar' with me during all my speaking tour to see that I followed instructions."

TOUR ARRANGED

"The 'CI Rep' also told the party leaders to arrange my speaking tour under the auspices of the Workers' Ex-Servicemen's League, a Communist-front group."

Pace said he made the tour and arranged for a convention of Red veterans in Cleveland that fall.

"Almost every day I received instructions from New York to call Mr. Hoover and General MacArthur every name in the book.

"The list of names ranged from 'Fascist murderers' to 'Wall Street butchers' and some unprintable ones.

"The Communist press joined in the campaign. Hundreds of thousands of pieces of literature against President Hoover and MacArthur echoed the line of the 'CI Rep.'

SECOND MARCH FAILS

"I had never seen such an active smear and even at the time a devoted Communist. I got a little sick of the lies that appeared in this propaganda."

At party orders, Pace called a convention of the league in Cleveland that fall and organized a second bonus march on Washington under complete Communist control.

"This failed miserably, but it carried out the smear of Mr. Hoover and MacArthur," Pace said.

"Communist leaders told me the smear campaign was successful.

"They were happy when the parlor pinks took up the smear against the two great Americans and even today the Reds boast that the propaganda drive of 1932 carried on by the Communists turned the Nation against Mr. Hoover."

HAILS HOOVER'S MOVE

Now active in the American Legion and a speaker before dozens of patriotic groups, Pace said:

"On the basis of my personal experience, I want to repeat again and again that Mr. Hoover took the only step he could have taken to avert a bloody revolution right there in Washington.

"And that General MacArthur, by evicting the Reds without firing a shot, took the wind out of the Red propagandists who had ordered me to provoke bloodshed and violence.

"Even today we find such prominent persons as Mrs. Eleanor Roosevelt echoing the old Communist propaganda against these two Americans.

"It's about time Americans examined the facts. And the facts are that both President Hoover and General MacArthur outsmarted the Communists and the Reds have never forgiven them."

READY TO REPEAT FACTS

Pace, who quit the Communist Party in 1935, said he was "willing at any time to repeat my story" to any "group of Americans who value truth above character assassination."

"And don't forget," he added, "Lenin, leader of the Russian revolution, told Communists 30 years ago 'we use the lie whenever necessary as long as it helps the Red cause.'

"Mr. Hoover and General MacArthur have been victims of a highly organized well-financed Communist lie for 17 years.

"I hope my story gives them the benefit of the truth."

Mr. SMITH of New Jersey. Mr. President, these three articles were written by Howard Rushmore, special reporter for the New York Journal-American, who based the articles on an exclusive interview with the former Communist leader John T. Pace, who apparently now desires to clear his past and according to Mr. Rushmore's statement, feels it his duty to set the record straight.

Mr. President, I also ask unanimous consent to include in the RECORD a column from the Sunday Star of Washington, D. C., dated Sunday, August 28, 1949, which refers to these same articles under the title, "Moscow Ordered Riots in 1932 Bonus March, Ex-Communist Says." I ask unanimous consent that the article be printed at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MOSCOW ORDERED RIOTS IN 1932 BONUS MARCH, EX-COMMUNIST SAYS

NEW YORK, August 27.—The New York Journal-American quotes an ex-Communist as saying he got orders from his Red superiors to provoke riots in the ill-fated 1932 bonus march on Washington.

"The Communists didn't care how many veterans were killed," the ex-Communist, John T. Pace, is quoted in the first of a copyrighted series on the 1932 march that turned into disorder.

In a dispatch from Centerville, Tenn., written by Howard Rushmore, the Journal-American quotes Mr. Pace as declaring:

"I've never told this story before, but I think it's about time; and the only reward I want is the knowledge that all veterans and everyone else will know the truth about two great Americans."

FEELS RESPONSIBLE

Mr. Pace referred to former President Hoover and Gen. Douglas MacArthur, whom the Journal-American says have been accused of killing World War I veterans in bonus march rioting.

"I feel responsible in part for this often-repeated lie about President Hoover and General MacArthur," Mr. Pace said.

The newspaper gave this account of an interview with Mr. Pace:

"I led the left wing or Communist section of the bonus march," Mr. Pace said. "I was ordered by my Red superiors to provoke riots.

"I was told to use every trick to bring about bloodshed in the hopes that President Hoover would be forced to call out the Army."

HOPED FOR REVOLUTION

"The Communists didn't care how many veterans were killed," Mr. Pace said. "I was told Moscow had ordered riots and bloodshed in hopes that this might set off the revolution."

He continued:

"My Communist bosses were jumping for joy on July 28 when the Washington police killed one veteran.

"The Army was called out the next day by President Hoover and didn't fire a shot or kill a man. General MacArthur put down a Moscow-directed revolution without bloodshed; and that's why the Communists hate him even today."

WANTED IMMEDIATE PAYMENT

The bonus marchers, mostly World War I veterans, arrived in Washington on May 30, 1932. They were trying to get Congress to make immediate payment of a $2,400,000,000 bonus bill.

On July 28, after President Hoover ordered the evacuation of the marchers, fierce rioting broke out between the veterans and Washington police. One veteran was shot to death.

About 40 police and veterans were wounded and 2 policemen were mortally hurt.

TOOK OVER PARADE

Federal troops under General MacArthur moved in and forced the veterans out of their camps the next day.

Mr. Pace told the Journal-American he was in Detroit when the bonus march plan started. He said, "I argued that the Communists should infiltrate the veterans and take over the campaign."

He said he and four other Communists "took over" a legitimate bonus parade in Detroit and he was named commander of the area's contingent for the Washington march.

Mr. Pace, the newspaper said, is now a deputy sheriff and farmer. It said he is chairman of the Americanism Department of the American Legion.

PROGRESS OF THE NATIONAL COMMITTEE FOR FREE EUROPE, INC.

Mr. DULLES. Mr. President, I should like to remind the Senate that tomorrow, September 1, marks the tenth anniversary of the beginning of the fighting phase of World War II, a conflict that has profoundly affected the lives of peoples the world over. It seems to me a suitable occasion for a free people to take a look at the course of the fight for freedom over the past decade. I ask unanimous consent that there be printed in the body of the RECORD a statement prepared by me on the progress of one agency which is fighting on the freedom front in the struggle for men's minds.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

On September 1, 1939, Hitler invaded Poland. Seventeen days later the armies of Nazi Germany and Soviet Russia met in mid-Poland and crushed out its freedom. Six of the ten years which followed were spent in the costliest military struggle of history. The last 4 years have seen a costly and unstable peace.

One dictator's power in Europe has been destroyed; another's has grown and spread. Of the countries freed of Nazi domination, only France, Italy, the Benelux countries, Denmark, Norway, and the western half of Austria and Germany are free today.

When during the war the Red army repelled Hitler in the east we applauded their military achievements. The Russians announced that they marched in the name of self-defense, of security, and of liberation. These aims were also our aims. But the liberation they promised to the lands freed of the Nazis is today a mockery. In the Baltic states, in Poland, eastern Germany and Austria, Czechoslovakia, Hungary, and Rumania, freedom is again unknown. The peoples of those countries have merely exchanged one tyranny for another.

In the Atlantic Charter the United States and Great Britain set as their objective to assure fundamental freedoms to all peoples, and Soviet Russia subsequently subscribed to this objective. At Yalta we joined with the Soviet Union and the United Kingdom in pledging to assist the liberated nations of Europe and the Axis satellite states alike to create democratic institutions of their own choice. Through the machinery of the United Nations this country has made repeated efforts to carry out the promise of freedom.

At the end of this decade, however, we become aware that there is a new threat to peace and freedom in the world, and that countermeasures are necessary. In the economic sphere we have implemented the Marshall plan with ECA. In the political and military spheres we have ratified the North Atlantic Pact and are moving to enact a military assistance program. In the all-important and more difficult sphere of the struggle for men's minds we have made only meager efforts.

There are, however, encouraging signs that we are realizing that the forces of freedom are dynamic. To supplement the Government's "Voice of America" there was recently formed a committee of private citizens called the National Committee for Free Europe, to act in fields where Government cannot act. On June 13 the junior senator from New Jersey (MR. HENDRICKSON) read into the RECORD a statement by the senior Senator from New Jersey (Mr. SMITH) announcing the formation of the National Committee for Free Europe, Inc., under the chairmanship of the Hon. Joseph C. Grew, former Under Secretary of State and Ambassador to Japan at the time of Pearl Harbor, together with a statement by the committee of June 1, its declaration of policy and portion of the introductory remarks to the press by Mr. Grew. I have been supplied with a progress report of the first 2 months of operation of this committee and it is that which I now desire to read into the RECORD.

The final political value for Americans is freedom. Knowing that freedom at home can survive for long only in a world which is mostly free, we have fought for freedom in two World Wars. In this critical period when again freedom is everywhere threatened as never before, Americans who still enjoy its blessings, are charged, as individuals, with a grave responsibility. We must, at whatever cost, preserve freedom at home and exert every effort to see that it is restored abroad. Only when this is done will the great war aims for which we sacrificed so much be securely attained.

The report by the National Committee for Free Europe, Inc., follows:

"In carrying out the aims and objectives of the National Committee for Free Europe, Inc., three operating committees have been organized.

"I. COMMITTEE ON INTELLECTUAL COOPERATION

"The first need has been to extend aid to these refugees from Communist oppression abroad. Committee I, therefore, is finding suitable employment for them in educational and other institutions. It is its purpose that these refugees, in appropriate cases, prepare memoranda, monographs, books and other studies, which might usefully be circulated. Also generally to encourage and support activities which will help keep them in bodily and spiritual health and at the same time increase the fund of knowledge and understanding in the United States with respect to those countries now under Communist domination which they have been forced to leave.

"Within 2 months after the incorporation of the National Committee for Free Europe this committee has already some concrete achievements:

"(a) Broad contact had been effected with refugee circles, and information had been collected with respect to those now in the United States and those who might usefully be brought here. This information, particularly that touching their political and intellectual achievements, assists the committee to bring together the right workers and the right work.

"(b) Under a cooperative arrangement with the Library of Congress, 12 exiled jurists (2 from each of the 6 "iron-curtain" countries) had been put to work analyzing and indexing the new laws and decrees which have for some time been pouring into the Library from Bulgaria, Czechoslovakia, Hungary, Poland, Rumania, and Yugoslavia and, which, for lack of staff, have piled up unexamined—despite inquiries from Congress, departments of the Government, and private sources on the new laws of these countries.

"(c) A cooperative study with the Carnegie Endowment for International Peace was being organized. The study relates to the future of the Danube Valley and is designed to assist the peoples of that key region some day to solve their problems by democratic means.

"(d) A rapidly mounting number of exiles was being helped to undertake intellectual tasks on an individual basis. For example, a leading juris-consult who escaped from Czechoslovakia would make a study of the fundamental alterations which are taking place in the judicial life of Czechoslovakia in consequence of the Communist revolution there.

"II. COMMITTEE ON RADIO AND PRESS

"This committee's task is to explore the field of radio broadcasting toward Europe and ascertain the facilities that can be made available to enable the exiled political and intellectual leaders to communicate by radio

to the peoples in eastern Europe. In developing these facilities the committee takes into account, naturally, the official and primary position of the Voice of America. It can, however, usefully supplement and support the work that is already being done, and by means of radio and the printed word it can promote contact between the exiled leaders and their fellow citizens in Europe. In this way they can help to keep alive the ideals of individual and national freedom.

"III. COMMITTEE ON AMERICAN CONTACTS

"This committee develops contacts between the exiled leaders here, who have the requisite language and personality qualifications, and the American public, particularly as it may be reached through the trade-unions, farm organizations, colleges, and universities, civic organizations, and the like. These contacts are worked out by means of lecture engagements and by arranging to disseminate, in the form of pamphlets, monographs, and other publications, current information available to these exiled leaders respecting European countries in areas from which they have come."

In addition to the activities outlined above which are being developed by the three operating committees, the National Committee for Free Europe is making real progress with the task of encouraging the democratic exiled leaders from the "iron-curtain" countries to draw together into effective working groups for each of these six countries. Such groups can in each case become a symbol of democratic hope to the millions remaining under Communist oppression in the homelands and can also be a practical working contact for the National Committee in the accomplishment of the tasks set out above for committees I, II, and III.

The National Committee for Free Europe has thus taken up a definite and eminently practical role in the defense and counter-attack against the Communist assault.

In this defense and counterattack three main sectors are discernible—military, economic, psychological—or the contest of ideas. We are spending billions on military defense. Certainly this is unavoidable as safeguard, but it promises no ultimate solution in our favor, since a third world war, even if victorious for us, may well destroy freedom everywhere. The economic effort of the Marshall plan promises a more enduring contribution to world-wide peace with freedom; but, plainly, only in the contest of ideas can a victory be won capable of yielding us one world and that our kind of world.

And it is in this sector of the contest of ideas that the National Committee for Free Europe comes into action. It is keeping alive and in vigor the east European leaders who share our democratic thought. It is preparing radio facilities which will enable these leaders to speak to their own peoples again in the known, familiar tones, telling them that the ideas of freedom and democracy are more alive and fighting than ever. And some day, when the iron curtain goes, and the east European peoples can again make their own lives in their own way, these exiled leaders whom we have befriended, will return more convinced than ever that the free and democratic way is best.

MINIMUM-WAGE STANDARD

The Senate resumed the consideration of the bill (S. 653) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes.

The VICE PRESIDENT. The bill is open to amendment.

Mr. FLANDERS. Mr. President, on behalf of the Senator from Nebraska [Mr. WHERRY], the Senator from Iowa [Mr. GILLETTE], and myself, I offer the amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment offered by the Senator from Vermont for himself and other Senators will be stated.

The CHIEF CLERK. On page 38, line 25, after "SEC. 2." it is proposed to insert "(a)."

On page 39, between lines 10 and 11, it is proposed to insert the following:

(b) Section 3 of such act is further amended by adding at the end thereof a new paragraph as follows:

"(n) 'Resale' shall not include the sale of goods to be used in residential or farm building construction, repair, or maintenance."

Mr. PEPPER. Mr. President, if I correctly understand, the Senator from Vermont uses the word "resale" in the sense in which it is used in the so-called Holland amendment, which was adopted by the Senate last evening.

Mr. FLANDERS. The intention is to make sure that the essentially retail establishments which sell to contractors for building are treated in the same way as those on the same street in essentially the same type of industries are treated in the Holland amendment.

Mr. PEPPER. Mr. President, will the Senator yield at this point?

Mr. FLANDERS. I yield.

Mr. PEPPER. I can see no objection to the Senator's amendment with respect to residential building construction or the sale of goods to be used in farm building construction, because it is unlikely that such construction would be in large volume. That means that such residential construction would be more or less an individual dwelling for one single family, I believe. The same would apply to the repair and maintenance of farm building construction.

But I should like to ask the Senator whether he intends to condition his amendment so that the resale of goods to be used in residential construction, repair, or maintenance would be sales that would be bona fide retail sales, recognized as bona fide retail sales by the industry, and would not be sales as a wholesaler, in substance and in fact, or sales as the representative of a jobber, but would be bona fide retail sales at established retail prices, and recognized by the industry as retail sales.

Mr. FLANDERS. Mr. President, it seems to me that the Senator from Florida has expressed fairly the purpose of the amendment. It had been my thought, at least, that in amending the Holland amendment as proposed, we would leave intact in the Holland amendment the part beginning on page 1, in line 8, which I shall read:

A "retail or service establishment" shall mean an establishment 75 percentum of whose annual dollar volume of sales of goods or services (or of both) is not for resale and is recognized as retail sales or services in the particular industry.

What is proposed by my amendment is simply to leave that provision intact, except for a definition of the word "resale" for particular types of stores. That is my understanding of the amendment. I do not have legal training, and I may misconstrue the meaning of the amendment; but, at least, that is its purpose.

Mr. PEPPER. Mr. President, if the Senator from Vermont will be disposed to modify his amendment in the respects I suggested, I shall be very glad to accept the amendment. I think it would not, with that understanding, appreciably enlarge the Holland amendment or be detrimental.

Mr. FLANDERS. There is a possibility of spelling out what I have conceived to be inherent, if that would clear up the situation any.

Mr. PEPPER. I believe it would be better if the Senator would be disposed to modify his amendment so as to incorporate the essence of those suggestions.

Mr. FLANDERS. A change can be made on the basis of "retail sales as recognized in the industry." Reference can made to retail prices or established retail prices.

In the latter case, question does arise as to whether it is an established retail custom to make graduated quantity discounts on sales which are essentially retail sales. I am not sure about that.

If that were the case. I wonder whether established graduated sales prices would come under the category of established retail prices, provided the sales were still recognized as retail sales in the industry.

Mr. PEPPER. Of course, there has to be some point at which volume becomes significant in distinguishing between a retail sale and wholesale sale. One of the criteria of a retail sale is generally that it is in reasonably small volume and is at a retail price. I thought that if we provided that the sales were at established retail prices and were recognized in the industry as being retail sales, that would provide satisfactory safeguards—in other words, that they might be called retail sales, but in substance or in character might be made by a jobber and in substance and in fact be resales.

Mr. FLANDERS. Mr. President, I think our purposes are identical. We are simply trying to arrive at wording which will accomplish our identical purposes.

Mr. PEPPER. If the Senator will be kind enough to add at the end of his amendment—

Provided, That such sales are at established retail prices and are recognized as retail sales in the industry.

I believe the purpose both of us have in mind will be accomplished.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. FLANDERS. I yield.

Mr. WHERRY. I can understand the position of the distinguished Senator from Vermont, in view of the fact that the Holland amendment has been adopted. All the Senator from Vermont seeks to do in his original amendment is to spell out what "resale" means in the case of materials for residential or farm building construction, repair, or maintenance. I am a cosponsor of the amendment, and I should like to go along with the Senator from Vermont and with the Senator from Florida.

I would not object, if I understand the theory correctly, for it seems to me that what the distinguished Senator from Florida wants to provide is that in order

to be a retail sale it must be recognized as such in the industry.

Mr. PEPPER. That is correct.

Mr. WHERRY. I think we would make a terrible mistake if we were to leave in the amendment the words "established retail prices," for that would lead to hopeless complications and confusion. I happen to know something about retail business. There would be hopeless confusion if such a provision were placed in the bill. We would not clarify anything if we inserted those words in the amendment. I do not believe that is the intention of the amendment.

It seems to me that the distinguished Senator from Florida does not want a resale made in a residential district to be classified as wholesale. It has to be defined as a retail sale so far as the industry is concerned.

Again I use the example previously used by the distinguished Senator from Ohio and other Senators—that of painting a house. If the distinguished Senator from Florida wishes to paint his house and if he buys a gallon of paint for that purpose, that is a retail sale. If he buys paint for use by a professional painter who is going to paint his house, that is still a retail sale.

But if a man buys paint for wholesale purposes, we do not want him to come under the exemption.

Mr. PEPPER. That is all I wish to make clear.

Mr. WHERRY. I suggest that the purpose will be achieved by using this language:

Provided the sale is recognized as a retail sale in the industry.

That will cover the situation, but will not lead to hopeless conflict in regard to a definition of "retail sale," according to the various examples that have been cited here.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. FLANDERS. I yield.

Mr. PEPPER. The only concern I have is that the retailer might be designated as the representative of the jobber, and he might simply handle as a sale what was in substance a jobber's sale, saying that, "I am the agent" for some kind of commodity—for instance, paint, or some other article going into home construction. He might sell enough of it to constitute sufficient material to be used in a 15,000-unit residential subdivision; and certainly no one would claim that would be a retail sale.

That is why I was saying that if we provide that it must be a part of the regular retail practice, at the regular established retail price, and if it is recognized in the industry as a retail sale, probably the safeguards will be adequate.

Mr. FLANDERS. Mr. President, let me say first I was in error in speaking of this as an amendment to the Holland amendment. It is not. It is an amendment to the bill itself, an amendment which clarifies or defines a word in the Holland amendment. I merely want to get away from the idea that it is a second-degree amendment. It is not; it is a first-degree amendment.

Mr. PEPPER. That is correct, but the amendment enlarges the provisions of the Holland amendment, and we did not want the enlargement to be indefinite beyond some measure.

The VICE PRESIDENT. What is the modified form of the Senator's amendment now, if he has one?

Mr. FLANDERS. The amendment I am presenting defines in a special way the word "resale," to be found on page 2, line 2, of the Holland amendment.

Mr. HOLLAND. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Vermont yield to the Senator from Florida?

Mr. FLANDERS. I yield.

Mr. HOLLAND. Is it not really more accurate to say the amendment proposed seeks to limit the meaning of the word "resale" so that it may not apply to one particular situation?

Mr. FLANDERS. Yes; that is a fairly clear description of the purpose of the amendment.

Mr. HOLLAND. I thank the Senator.

Mr. FLANDERS. Mr. President, since coming to the floor another situation has been brought to my attention which relates to such goods as paint, wallpaper, and a custom, old in the trade, of selling to the paperer at 5 or 10 percent off what the same dealer will sell to someone who is unwise enough to want to paper his own house. I hope I shall be prevented from ever undertaking that folly myself. I have seen amateurs doing it, and it is not an edifying spectacle. But I should like to inquire of the Senator from Florida whether he would feel that the custom is justified and permitted under the phrase "established prices"? It is an established practice, anyway.

Mr. PEPPER. I am very sorry I missed the suggestion the Senator made, or the case he put.

Mr. FLANDERS. The case is that of the established practice of dealers in wallpaper, as an example, of selling at 10 percent off to the professional paperer who papers a room in the house of a client, and charging the individual home owner the full retail price, if he buys the paper himself.

Mr. PEPPER. That feature would not be objectionable. I may say the only thing I think the committee would be concerned about is the case I put. The Senator's amendment broadens the Holland amendment because as I understood my distinguished colleague in his discussion when he was asked whether, if a so-called retailer sold enough lumber or paint to a contractor to build or paint a whole subdivision, he regarded that, as I recall, as a resale. He regarded it as a resale because the contractor was selling the lumber or the paint. The Senator from Vermont wants to provide that the sale of goods to be used in residential or farm building construction, repair, or maintenance shall not be regarded as a resale because under the Holland amendment, if it is a resale, it is not retail, as a general thing.

The Senator from Vermont did not have any limitation on volume. I understand there are some large housing projects in New York where as many as 15,000 units are brought together in one compact area, built by one contractor. I cannot imagine anyone calling the furnishing of all the brick or all the lumber or all the paint for such a project as that a retail sale. That is the reason I was thinking volume sales would not be at the established retail price but would be at the wholesaler's or jobber's price. That would be one way of determining whether it was in fact a bona fide retail sale.

Mr. WHERRY. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Vermont yield to the Senator from Nebraska?

Mr. FLANDERS. I yield.

Mr. WHERRY. I again respectfully submit that everything can be accomplished which the Senator from Florida is talking about, if the distinguished Senator from Vermont would make his modification read, "Provided the sale is recognized as a retail sale in the industry." That covers the entire situation and does not leave subject to an indefinite interpretation the question of what an established retail price is. If the words "established retail price" are included, we shall become hopelessly involved. I want to do exactly what the distinguished Senator from Vermont is attempting to do.

Mr. FLANDERS. Mr. President, I also want to do what I feel quite sure is exactly what the senior Senator from Florida wants to do. We are trying to get together on this amendment. I should like to interrogate the senior Senator from Florida with regard to this situation. I should rather expect that, if he or I went to a local lumber dealer and bought 100 feet or so of lumber for the repairing of a house or a barn, we would be charged somewhat more per thousand feet than if we were building a house or a barn. In other words, I am inquiring whether the established retail price takes care of quantity discounts of that sort.

Mr. PEPPER. As I said, that is not the sort of thing that would be objectionable to the committee. The only thing the committee wishes to guard against is the merchant calling it a retail sale when he sells in large quantities as, in fact, a wholesaler or as the representative of a jobber. If the Senator, when he offers an explanation of his amendment, desires to omit from the amendment itself the subject of established prices, but is willing to state that the sale he has in mind, which will not be regarded as a resale with respect to the building or repair of residential or farm property, must be a bona fide retail sale recognized as such by the industry and not recognized as being in substance and in fact a wholesale sale, and not a sale made as a representative of a jobber—with that legislative background to the Senator's amendment, if he is willing to accept the modification "provided the sale is recognized as a bona fide retail sale by the industry," it will be acceptable.

Mr. FLANDERS. I should like to get this matter clear, because as I have thought it over I have seen some difficulty in the use of the words "established

price," and some difficulty in connection with defining them. Under those circumstances does the senior Senator from Florida feel that we could omit those words, or does he want to define them?

Mr. PEPPER. No; I would be agreeable to omitting the suggestion I made that the amendment as modified include the provision that it be at established retail prices, and merely let the modification be, at the bottom of his amendment, "provided that such sale shall be recognized as a bona fide retail sale in the industry."

Mr. WHERRY. That is all right.

Mr. FLANDERS. I think, Mr. President, we would be in agreement on that amendment.

Mr. PEPPER. If the Senator will modify his amendment in that respect, we shall have no objection.

The VICE PRESIDENT. Is it in a form now which the Secretary can state?

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. FLANDERS. I yield to the Senator from Nebraska, and request the Senator from Florida to listen carefully.

Mr. WHERRY. The amendment is on line 8, after the period, which is the end of the definition of "resale" as outlined in the original amendment. This is the modification:

Provided the sale is recognized as a bona fide retail sale in the industry.

Mr. PEPPER. That is all right.

The VICE PRESIDENT. The question is on agreeing to the amendment as modified, offered by the Senator from Vermont [Mr. FLANDERS] for himself and other Senators.

The amendment as modified was agreed to.

The VICE PRESIDENT. The bill is open to further amendment.

Mr. PEPPER. Mr. President, there is another amendment which I think might be taken up at this time. I see the senior Senator from Nebraska on the floor. May I have his attention?

Mr. BUTLER. Certainly.

Mr. PEPPER. Would the Senator care to call up his amendment at this point, the one with reference to outside buyers?

Mr. BUTLER. Yes.

The VICE PRESIDENT. The Senator from Nebraska offers an amendment which the clerk will state.

The CHIEF CLERK. It is proposed to amend section 13 by adding at the end thereof the following new subsection:

(f) The provisions of section 7 shall not apply with respect to any individual employee as an outside buyer of poultry, butter, eggs, cream, or milk in their raw or natural state.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. BUTLER. I yield.

Mr. PEPPER. Do I correctly understand that the Senator merely intends to exempt from the overtime provisions of the Fair Labor Standards Act an outside buyer who buys from farmers poultry, cream, and the other farm products mentioned in his amendment, in their raw or natural state?

Mr. BUTLER. Yes. It puts the buyer in the same category as an outside salesman.

Mr. PEPPER. An outside salesman is exempt from both the minimum wage and the overtime provisions, but the Senator's amendment exempts him from the coverage of section 7 of the act.

Mr. BUTLER. That is correct.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Nebraska [Mr. BUTLER].

The amendment was agreed to.

The VICE PRESIDENT. The bill is still open to amendment. If there are no further amendments——

Mr. PEPPER. Mr. President, I should like to call up the Ellender amendment. The Senator from Louisiana has left the floor temporarily. I should like to ask the clerk to state the Ellender amendment. I am sure the Senator from Louisiana can be reached by the time the amendment is read.

The VICE PRESIDENT. The amendment offered by the Senator from Louisiana will be stated.

The CHIEF CLERK. It is proposed to strike out section 3, page 39, of the bill, and insert in lieu thereof the following:

SEC. 3. (a) Section 6 (a) of such act is amended by striking out paragraphs (1), (2), (3), and (4) and inserting in lieu thereof the following:

"(1) Until and including December 31, 1950, not less than 65 cents an hour.

"(2) For each calendar year after 1950, not less than the rate prescribed for such year in the applicable order of the Administrator determined and issued as follows: On or before the first day of December 1950 and on or before the first day of December of each calendar year thereafter, the Administrator shall (A) ascertain the rate, computed to the nearest tenth of a cent, which bears the same ratio to 65 cents an hour as the average 'Consumer Price Index for Moderate-Income Families in Large Cities' (as determined and published in the Federal Register by the Bureau of Labor Statistics) for the 12-month period ending October 1 of such calendar year bears to the average 'Consumer Price Index for Moderate-Income Families in Large Cities' (as determined and published in the Federal Register by the Bureau of Labor Statistics) for the 12-month period ending October 1, 1949; and (B) issue an order prescribing as the minimum hourly wage rate for the immediately succeeding calendar year the rate so ascertained (adjusted to the nearest cent): *Provided*, That, in no event shall the minimum hourly wage prescribed by the Administrator be less than 55 cents an hour, nor in excess of 75 cents an hour.

"(b) Such section 6 (a) is further amended by striking out '(5)' and inserting in lieu thereof '(3)'.

"(c) Section 6 (c) of such act is amended to read as follows:

"'(c) The provisions of paragraphs (1) and (2) of subsection (a) of this section shall be superseded in the case of any employee in Puerto Rico or the Virgin Islands engaged in commerce or in the production of goods for commerce only for so long as and insofar as such employee is covered by a wage order heretofore or hereafter issued pursuant to the recommendations of a special industry committee appointed pursuant to section 5'."

Strike out section 4, page 40, of the bill, and insert in lieu thereof the following:

"SEC. 4. Section 8 of such act is amended by striking out '40 cents an hour' wherever it appears therein and inserting in lieu thereof 'the effective hourly rate under section 6 (a)'."

Mr. PEPPER. Mr. President, before the Senator from Louisiana begins his remarks, I should like to make an announcement, if I may. Naturally, all of us are anxious to expedite the consideration of this measure today, and there will undoubtedly be a certain number of yea-and-nay votes. I think it would expedite our conclusion of this measure today if Senators would be within ready reach of the Chamber. I do not know how long the Senator from Louisiana will speak, but I suspect there may be a yea-and-nay vote on the Senator's amendment before a very long time has elapsed. I merely wanted to make that announcement.

Mr. ELLENDER obtained the floor.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. LUCAS. May I inquire how long the Senator expects to speak? I ask that question because I have an appointment at the White House at 12:30.

Mr. ELLENDER. I think I shall speak perhaps until 2 o'clock.

Mr. President, before proceeding to the merits of the pending amendment, I should like to quote from a few passages indicating the views expressed by some of the advocates of the law which is now on the statute books.

I was privileged to be a Member of the Senate when that law was enacted, and, as was brought out in debate yesterday, I served as one of the conferees in the effort to iron out the differences which existed between the House and Senate when those two bodies acted on the bill.

I wish first to quote what the late President Roosevelt had in mind in his advocacy of a minimum-wage law. He said:

It is the "rudimentary standard" to guarantee labor health and decency, to prevent the sweatshops which feed into our society undesirable citizens, burdening the community with juvenile delinquency, disease, and all the other evils of dire poverty. No employer has a right to continue in business if he can survive only on sweated labor. And such an employer's competitors deserve protection against sweatshop competition in order that they might pay their employees decent wages and remain in business. But when wages are so high as to be disproportionate to production, employment falls off. The loss of just one job is the loss to the community of that much buying power.

I now quote from the Senator who introduced the original bill, and who now dignifies the Supreme Court of the United States, Mr. Justice Black. This was the next step, the Senate debate:

Senator BLACK. I may state parenthetically that the pending bill recognizes that it would be wholly and completely impossible at this time, without a complete disarrangement and dislocation of industry and business, to bring about overnight a complete leveling of the wage scale throughout the Nation. It also recognizes the fact, however, that wherever a man may live, whether it be in the South, the North, the East, or the West, when he is compelled to work in order to obtain food and clothing for himself and his family, he is entitled to receive a minimum wage sufficient to prevent him from dying from slow undernourishment and slow starvation.

I again quote Senator Black:

Senator BLACK. The bill is intended to prevent, so far as wages are concerned, the payment of wages which are below a necessary subsistence level. The bill is written upon the principle that the Congress should not attempt to make itself a wage-fixing body. We believe that wages should be fixed by agreement between employer and employee, except that the bill has as its objective withdrawing from competitive conditions the wage level necessary for a person to live on, wherever he may be.

Senator WALSH. In other words, one of the objectives of the bill is that the progressive employers in good standing will not be subjected in the public market to competition with chiselers and sweatshop operators. Therefore the board will seek to correct such a condition by compelling competitive employers to reach the same or better labor standards.

I now quote Senator Borah, who was also a Member of the Senate at that time:

Senator BORAH. We are not undertaking to fix a full wage. We are not dealing with that question at all. We are not undertaking to fix a maximum wage. We are not dealing with that subject at all. We are dealing with one question, so far as wages are concerned, and that is a minimum wage. I associate the question of a minimum wage with what I call a minimum standard of decent living. I think every part of the country, North or South, East or West, is prepared to pay a sufficient wage to maintain workmen in a standard of decent living. As a nation we must do that.

Then I quote a remark made by myself during the debate:

Senator ELLENDER. As has been often said during the present debate, it is our desire to help that class of labor that cannot, by collective bargaining, achieve a living wage. We are merely providing a bargaining agency for these unfortunates so that they may have the chance to improve their condition.

I now quote an excerpt from the report of the Senate Committee on Education and Labor when it reported the bill, namely, Senate bill 2475, Seventy-fifth Congress, first session:

The right of individual or collective employees to bargain with their employers concerning wages and hours is recognized and encouraged by this bill. It is not intended that this law shall invade the right of employer and employee to fix their own contracts of employment, wherever there can be any real, genuine bargaining between them. It is only those low-wage and long-working-hour industrial workers, who are the helpless victims of their own bargaining weakness, that this bill seeks to assist to obtain a minimum wage.

The committee believes that a start should be made at the present session of the Congress to protect this Nation from the evils and dangers resulting from wages too low to buy the bare necessities of life and from long hours of work injurious to health. This law proposes to accomplish this purpose by closing the channels of interstate commerce to goods produced under conditions which do not meet the rudimentary standards of a civilized democracy.

There, Mr. President, we have the views and recommendations of those who considered the original wage-hour bill when it was before the Senate in 1937. The proposal now before us is that the Federal statutory minimum wage for persons engaged in interstate commerce, in the production of goods for interstate commerce, and in occupations "necessary" to the production, handling, or processing of goods for interstate commerce, be increased by 87.5 percent. Such a proposal at any time should be acted upon only after the most careful and deliberate consideration. This is particularly true when, as now, the economy of the entire Nation is in a delicate, not to say precarious, condition—floating, as it were, in a sea of uncertainties.

We would be derelict in our duty to the Nation—indeed, we would be guilty of gross irresponsibility—if we should take action upon such a proposal without appraising, measuring, and gaging as accurately as possible the probable impact of that action upon each segment of the economy of the Nation.

The argument has been advanced in some quarters that the impact of an increase in the statutory minimum at this time can be gaged by the impact of the minima established under the exising act. That argument continues on the thesis that the progressive statutory minima of 25 cents, 30 cents, and 40 cents, produced no unfavorable results, thus confounding the critics who at the time of enactment of the present law predicted widespread unemployment and economic dislocations as the result of enactment of a Federal statutory minimum wage.

The fact is, however, that 10 years of experience under the Fair Labor Standards Act of 1938 are virtually worthless as a measuring stick of the probable effects of increasing the present wage minimum. Yet it is blandly proposed that we increase the minimum by 87.5 percent—and it is planned that that be done at a time when business and industry definitely are on the downgrade.

Such a proposal is reckless and ill-advised. An increase in the minimum to an unrealistic figure could accelerate the downward trend. It could turn what has been called "disinflation" into a real recession.

Most Senators know that the Fair Labor Standards Act grew out of the National Industrial Recovery Act of 1933. That act represented an effort to halt and reverse the deflation which had then been under way since 1929. It represented an attempt to put a floor under wages and boost prices, and, in connection with other recovery measures, generally to reverse the downward trend. The law was enacted during a period of extreme alarm and uncertainty, and almost everyone agreed that unusual and bold steps were needed to prevent the threatened collapse of our economy.

All in all, 557 so-called codes of fair competition were established under NRA. The minimum wages fixed in these codes ranged generally from 25 to 40 cents an hour, but in a substantial number of codes workers were exempt from the wage provisions. The codes also shortened hours. There was general agreement at the time that higher wages and higher prices were a most desirable objective, since both had been plummeting downward for more than 3 years.

I should like to remind Senators that the level of our economy today differs radically from that of 1933, so radically that until recently the President and the country at large have regarded inflation as our chief danger. The President proposed quite recently a far-reaching legislative program to deal with inflation.

In the summer of 1935 the Supreme Court declared the entire NIRA unconstitutional, and the Congress immediately sought ways and means of putting another foundation under wages and prices. The Public Contracts Act, or the Walsh-Healey Act, became law in 1936. It established certain standards of wages and hours for Government contractors.

Mr. SCHOEPPEL. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield to the Senator from Kansas.

Mr. SCHOEPPEL. The distinguished Senator from Louisiana has mentioned the Walsh-Healey Act. Does the Senator think that if the pending measure should be passed, establishing the minimum at 75 cents an hour, there will be any further necessity for the Walsh-Healey Act?

Mr. ELLENDER. I think it should be repealed, as there is no longer any need for it.

Mr. PEPPER. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. MAGNUSON in the chair). Does the Senator from Louisiana yield to the Senator from Florida?

Mr. ELLENDER. I yield.

Mr. PEPPER. The Walsh-Healey Act simply provides, does it not, that the wage which prevails in a community shall be the wage at which Government work shall be done?

Mr. ELLENDER. But its purpose is more or less to fix a minimum. However, there is some way by which, in its operation, the wage established under its provisions is always higher than that prevailing in the community.

Mr. PEPPER. Mr. President, will the Senator yield further?

Mr. ELLENDER. I yield.

Mr. PEPPER. Naturally it would be higher than the minimum wage. It provides that the worker shall be paid the prevailing wage, the general wage which prevails in the area where the Government work is being done.

Mr. ELLENDER. But the act was passed with the idea of having a minimum wage established on Government work, was it not? That is my understanding of the Walsh-Healey law.

Mr. PEPPER. Mr. President, I would say it was done for the purpose declared in the act, namely to see to it that the prevailing wage was paid by a contractor doing Government work.

Mr. ELLENDER. Practically all work done by contractors for the Government is performed by union labor, and since union workers are protected by collective bargaining agreements with respect to wages, hours, and other working conditions, I can see no necessity for retaining the Walsh-Healey Act.

Two years later, Congress enacted the Fair Labor Standards Act but it did not repeal the Walsh-Healey Act, although the two statutes were in conflict, and the Walsh-Healey Act remains on the books today.

One of the factors which caused the passage of minimum wage legislation was the recession of 1937. While that set-back was short lived, it was sharp and disposed the Administration to try to find new safeguards against deflation.

The original bill called for a 40-cent minimum with power delegated to a board to establish less than 40 cents in cases where a 40-cent minimum was too high. The discussion and debates in committee hearings and consideration on the floor clearly showed that many persons feared that an impractical minimum would do more harm than good. Others questioned the theory behind the legislation, insisting that any minimum made for rigidity in the economic structure and would do more harm than good in the long run.

The present act was signed by the President on June 25, 1938. A minimum wage of 25 cents an hour became effective October 24, 1938. One year later the minimum automatically increased to 30 cents an hour. October 24, 1945, the present 40-cent minimum became mandatory.

However, under administrative procedures provided in sections 5, 6, and 8 of the present act, minima higher than the effective mandatory minimum, but not exceeding 40-cents an hour, could be and were established in many industries prior to the date on which the 40-cent minimum became mandatory.

While those charged with administration of the Fair Labor Standards Act were sympathetic with labor, conditions were such that increases in the minimum came about gradually. In 1939 and 1940, for example, a 40-cent minimum was the exception and not the rule. The rate in textiles, for instance, was 32½ cents per hour and the 40-cent rate was not applied in textiles until 1942.

As the result of recommendations of industry committees, accepted by the Administrator, the minimum wage in various industries between 1939 and 1942 was 30 cents, or 32½ cents, or 35 cents, or 37½ cents, or 40 cents per hour. This was the general pattern followed by industry committees. Most of them reached the 40-cent minimum in two stages. Some adopted the 40-cent minimum directly. Others reached 40 cents in three stages. By the end of 1943 the 40-cent statutory minimum wage was fully in effect in virtually all industries, and activities in interstate commerce, and in the production of goods for commerce.

With the outbreak of the European war in the last quarter of 1939, there was set in motion a chain of circumstances which continuously and increasingly minimized the significance of the statutory minimum wage. The industrial plant of the Nation developed in size, and in volume and speed of activity and production to create the miracle that won the recent war. As industrial activity and production increased, so did employment, costs, prices, wages, and salaries, so that for manufacturing, transportation, communication, and distribution generally—and I emphasize the word "generally" because there were and are exceptions—the actual minimum wages, that is, starting wages for the least productive and most unskilled workers advanced to and have been maintained upon a level above the 40-cent minimum.

As a result, with the exception of some small businesses, marginal industries, rural and semirural industries in the less highly industrialized areas of the country in instances where exemptions were not effective, the statutory minimum wage provided under the existing act had had no discernible impact. Therefore, experience under the present act provides no criterion by which to judge the probable effect of an increase in the statutory minimum at this time.

Almost the entire period since enactment of the present act has been marked by a continuous and substantial expansion of our economy, created and maintained by the artificial stimulus of the war, and the aftermath of war, including the need for rehabilitation and support of foreign nations devastated or impoverished as the result of war.

In recent months there has been a distinct break in the ascending spiral. During and especially since the latter half of 1948 there has been a reversal of the upward trend in most of the factors used to measure economic activity.

On the basis of 1926 as 100 percent, the Bureau of Labor Statistics' Index of Wholesale Prices showed a monthly average for 1948 of 165.1 for all commodities. For August 1948 the index reached a peak of 169.8; for June of 1949, however, the index had declined to 154, and for the week ending July 5, 1949, to 152.7.

A similar though less marked decline has appeared in the Bureau of Labor Statistics Consumers' Price Index for Moderate-Income Families in Large Cities, which is generally referred to as "the cost of living index." Based upon the average of 1935 to 1939, inclusive, as 100 percent, the monthly average of that index for 1948 was 171.2. For the months of August and September 1948 it stood at the peak of 174.5. By February 1949, however, that index had declined to 169, and for the month of June 1949 it is 169.6.

The United States Department of Agriculture Index of Prices Paid by Farmers, which is based upon the average 1910–14 as 100 percent, average 249 for the year 1948. By December 1948 the index had declined to 247; and in June, 1949 it was 245. Similarly the Department of Agriculture Index of Prices Received by Farmers for their produce based upon 1909–14 as 100 percent was 287 for the entire year 1948. It declined to 268 for the month of December 1948 and the index for June 1949 is 252.

The combined index of Standard Poor's Corp. for the prices of industrial, railroad, and utility company stocks is based upon the average of 1935–39 as 100 percent. The average of that combined index for 1948 was 124.4. For June 1948 it was 135.1; for December 1948 it was 119.4; for June 1949 it was 112; and for the week ended June 29, 1949, it was 112.5.

Reports of the Department of Commerce indicate that unemployment has increased from 1,642,000 in October 1948 to 4,095,000 in July of 1949. A part of that difference may be due to seasonal variations. Comparing July 1948 with July 1949 there has been an increase of 1,868,000—from 2,227,000 to 4,095,000—accompanied by a decrease in the total civilian labor force of 27,000.

During the first 4 months of 1949 there was a consistent downward trend of average weekly hours of work in all manufacturing industries, according to reports of the Department of Labor. During the month of May there was an increase of three-tenths of 1 hour over the preceding month.

According to preliminary estimates of the Board of Governors of the Federal Reserve System, industrial production for the United States, in June 1949 showed a five point drop for the fourth successive month. This decline was shared by all three major components, that is, the manufacture of durable goods, the manufacture of nondurable goods, and the production of minerals. Based upon the average of 1935–39 as 100 percent, and allowing for seasonal adjustments, the following declines are indicated in each of the following lines for the first 5 months of the current year:

Lumber and lumber products: January, 129; February, 123; March, 129; April, 126; May, 124.

Machinery: January, 268; February, 262; March, 252; April, 240; May, 230.

Nonferrous metals and products: January, 183; February, 186; March, 184; April, 168, May, 146.

Iron and steel: January, 228; February, 232; March, 233; April, 219; May, 204.

For chemical products and the indices for the same months are respectively: 257; 250; 245; 237; and 234.

For petroleum and coal products they are: 228; 221; 213; 210; and 211.

For textiles and textile products: 160; 157; 142; 129; and 123.

As reported by the Securities and Exchange Commission, the total proceeds from new corporate security issues fell heavily in the first quarter of 1949, reflecting a decline in both fixed and working capital financing.

Declines are also noticed in corporate profits, personal income, manufacturing and department store inventories and sales, and national income. Farm income for the United States increased somewhat from April to May of this year, but the May figure is still substantially below farm income for May a year ago.

On the other hand, average hourly earnings and average weekly earnings, as reported by the Department of Labor, are relatively firm; and so are sales—at both wholesale and retail.

In addition to these facts, we should never lose sight of the fact that our economy and our present rate of industrial activity are still sustained in substantial part by an artificial and temporary factor, namely, the export of a large volume of goods, commodities, and materials under the Marshall plan. Any permanent legislation dealing with minimum wages should be carefully considered in the light of the conditions which are likely to prevail in the absence of such artificial stimuli.

In this welter of uncertainties one certainly stands forth clearly: We should proceed with the utmost caution and circumspection in the manner and the extent of any increase in the minimum

wage, lest ill-considered legislative action prove the deciding factor which aggravate the decline in employment, prices and production, and plunge the Nation into a recession or a major depression.

Unfortunately there is no way in which we can determine the significance of these declines in the various economic indicators. They may signify only a leveling off—a sound and wholesome readjustment to a more realistic and stable basis. On the other hand, they may signify that our economy is hovering on the brink of a recession or an economic decline of even more serious proportions. We simply do not know; and there is no way in which we can determine the course of future events with any degree of assurance.

Even those of us who consider a Federal statutory minimum wage sound in principle, must view with grave misgivings the proposal to increase the existing minimum to a point 87.5 percent above its present level.

The argument is heard that an increase in the statutory minimum to 75 cents an hour will have little effect because the actual minimum is already higher than 75 cents for all but approximately 1,500,000 people. This figure may be accurate, but the conclusion certainly is not accurate. The Bureau of Labor Statistics reports that average hourly earnings, including overtime and other premium earnings, for April 1949 range from $1.106 in retail trades to $1.376 in manufacturing, to $1.932 in mining of bituminous coal, to $1.933 in building construction trades. These figures, remember, are not minimum hourly wage rates, but average hourly earnings, including wage premiums, production bonuses, and pay for sick leave, holidays, and vacations.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. PEPPER. I know that Senators will note with special satisfaction that the distinguished junior Senator from Rhode Island [Mr. LEAHY] is now gracing the Chamber by presiding over this body. I salute him upon his first appearance in the chair.

Mr. President, I was about to ask the able Senator from Louisiana if it is not a fact that about half the workers whose wages would be increased by the 75-cent level are at the present time making 65 cents an hour or more.

Mr. ELLENDER. I expect to place that information in the RECORD at the proper place. It is my recollection at the moment that of the one and a half million in that category about 50 percent receive less than 65 cents.

The actual minimum wage probably is 75 cents or higher for the lowest-paid employees throughout a large part of American enterprise, including mining, manufacturing, transportation, communications, and commercial activities generally where such operations are conducted by the larger companies and in the more populous areas which are most highly developed industrially.

The argument that the 75-cent minimum wage would affect only those persons now receiving less than that amount, however, is wholly fallacious. It is likely that wages in the higher brackets will increase percentagewise to the same extent as that fixed by the Congress.

Whether workers are men or women, organized or unorganized, the matter of relationships between wages, salaries, or other rates of pay ranks in importance with the level of the rate of pay itself. It is through such differentials that the incentive is provided for superior efficiency, superior skill, superior training, superior experience, and superior productivity.

In any establishment or any industry the actual minimum unit of pay for the lowest-paid employees cannot be increased in a vacuum. There must inevitably be corresponding increases throughout all pay grades in order to preserve established differentials.

A substantial increase in the minimum has its effects throughout the pay structure. The higher-paid workers will wish to maintain their differentials over the lower-paid workers. If a worker earning 60 cents per hour has his wage increased by legislative action to 75 cents, does anyone suppose that the worker earning, let us say, 80 cents, will not demand and get a raise to a dollar an hour or more? The worker earning 80 cents is getting 20 cents per hour more than the worker earning 60 cents because of greater skill and greater value to his employer.

An increase to 75 cents in the wage of the lowest-paid worker does not increase his value to his employer, nor does it decrease the value of the higher-paid worker. The relative status of each, so far as efficiency and productivity are concerned, remains the same.

The Administrator of the Fair Labor Standards Act stated in his annual report for 1944 that—

> In addition to those workers (3,650,000) receiving direct pay increases to bring their wages up to the minimums, many others who were earning more than the established minimums received indirect pay advances following the wage orders.

It is conceded that in most instances where the actual minimum rate of pay is now lower than 75 cents an hour—including many small businesses, and many new infant industries—the local economy is predominantly agricultural or horticultural in nature. This is the nature of the economy of virtually all of the Southern States, and most if not all southern cities.

The fact that wages in the establishment of such an employer are on a lower level than wages at competing establishments in more highly industrialized areas does not mean that the production costs of the employer are actually lower, or that his profits are greater than those of his competitors. Such lower wage scales are often offset by numerous factors, including higher freight rates to markets for the commodity or article produced, higher in-bound freight rates on raw materials going into the manufacture of the finished product, less efficient machinery, less efficient methods, less efficient labor, and other conditions creating greater man-hour requirements per unit of production.

In a great many instances it is only because of lower wage and salary scales that such operators can continue in business on a profitable basis in competition with operators located in the more highly industrialized areas. Continuation of such operations means continuation of pay rolls, purchases, employment, production, and a continued contribution to the economic welfare of the community in which they are conducted.

Is it not better for such communities, such establishments, and their employees that employment be provided at such relatively lower wage and salary scales rather than for such establishments to cease operations, thus destroying employment opportunities, pay rolls, purchases, income, and production, to the detriment of the entire community?

In instances and areas where the relatively lower wage and salary scales prevail, it is almost universally true that living costs are less than in instances and areas where higher wage and salary scales prevail. If such scales are measured in purchasing power, in the ability to provide the necessities and comforts of life, the differential in income is often reversed, because the employees receiving the lower rates of pay are able to maintain a higher standard of living than are those who receive a higher rate of pay for the same or similar work in an area where living costs are substantially greater. In other words, where the differential in the cost of maintaining a given standard of living equals or exceeds the corresponding differential in rates of pay, then the lower-paid employee is actually as well off, or better off, than his more highly paid counterpart.

Where the present actual minimum rate of pay is less than whatever figure may be established by the Congress as the statutory minimum, the amount of the required increase in order to reach the new minimum for all employees now receiving less than that minimum would not begin to measure the effect of the increase. The percentage of increase from the present actual minimum rate of pay to the new statutory rate of pay, or something approaching it, generally speaking, must be applied to the total cost structure of wages and salaries, in order to measure the effect of the new minimum on any given employer or industry.

Whether such resulting increase be 10 percent, 25 percent, 50 percent, or more, it would, generally speaking, be impossible to absorb that increase out of profits. The resulting increase in operating costs would have to be met by an increase in the price of the finished product or service, by adoption of more efficient operating methods, by the increased use of machinery and decreased use of hand labor, by discharging less efficient employees, by employing fewer and more efficient employees, or by some combination of such alternatives.

It would be rare indeed that such economies could be effected exclusively by more efficient operating methods. To the extent that business operations were suspended, unemployment increased, or prices of goods and services increased, the net result would be a direct injury to

the very persons whom this law is designed to benefit.

Throughout the history of this legislation there has been much confusion of thinking by labor spokesmen, by workers, by employers, and by lawmakers. The idea of a minimum wage has consistently been confused with the average or typical wage. There is, in fact, a vast difference between the two. There has also been a great deal of fuzzy thinking, predicated upon the rather foolish assumption that the existing level of prices and production would not change, except to move to higher levels.

Less than 12 months ago, one manufacturer confidently asserted that his operations would not be affected by a statutory minimum of 60 cents. The declining price of his product now impels him to the conclusion that his business probably could not survive under a minimum of 60 cents an hour. I suspect that there are thousands of other employers in potentially the same circumstances who have labored, and perhaps still are laboring, under a similar delusion.

At any rate, many industries which are paying on the average more than 75 cents an hour are taking too little interest in this issue.

Mr. President, we have before us a proposal which tends to raise all wages. This proposal comes at a time when the price trend is downward and when unemployment is rising.

At this point, I should like to quote an eminent economist. He is Dr. Paul H. Nystrom, professor of marketing at Columbia University, president of the Limited Price Variety Stores Association, and chairman of the Central Council of National Retail Associations. He stated before the subcommittee of the Senate Committee on Labor and Public Welfare:

> It must be clear to all that the establishment of a higher minimum wage by law never does, and never can, increase production. It can, however, increase the costs of production and raise prices. By raising wage rates it can establish such rigidities in prices as to make it difficult to meet the conditions of business recession. An indiscriminate raising and freezing of wage rates by law, without relation to the conditions of employment and the trends of productivity, is as surely unsound as it would be for our Government to issue unregulated and irredeemable paper money. Both are in principle the same.

Mr. President, there is an element of deception in this effort to legislate a high minimum wage. The workers are not told that a high minimum, if it increases wages all along the line, is bound also to raise prices. For example, the goods and services which could be purchased for 40 cents in 1939 cost on the average about 66 cents today. A worker who received 40 cents an hour in 1939 and receives 66 cents today has had no increase at all in his real wage.

Let me say at this point, Mr. President, that my reason for reaching the conclusion that 65 cents is about the proper figure is that back in 1938 the original bill fixed the minimum at 40 cents; but, for reasons developed during the hearings, we felt that the 40-cent minimum was too high at that time. In conference, we agreed, as I have said before, to make the minimum 25 cents for the first year, 30 cents for the second year; and the 40-cent minimum was to be attained at the end of 7 years from the time when the law was enacted. Even though the industry committees provided for in the law had the power to increase the minimum from 25 cents an hour or 30 cents an hour to 40 cents an hour, that minimum—which by the law was to take effect at least at the end of 7 years—was not attained until 1943. When the industry committees met and made increases, they were made in two or three steps, showing at the time that if the permissive 40-cent minimum had been imposed on many industries, it would have caused unemployment and harm.

As I said a moment ago, if the 40-cent minimum had been adopted back in 1938, from the time of the enactment of the law, that 40-cent minimum would be about equivalent to a 66-cent minimum today, for in 1938 40 cents would buy approximately what 66 cents can buy today. But instead of making it 66 cents, the proponents of the pending bill want to increase it to 75 cents.

If the minimum should be raised and wages pushed up all along the line, the entire price level is likely to follow. If the price rise is equal to the increase in wages, as it well may be, no benefit will result to the workers, and we shall only have added more rigidity to an economic structure which must remain flexible if it is to make the adjustments necessary to keep it in a healthy and flourishing condition.

The effects of a higher minimum may well be a rise in both wages and prices, accompanied by an acceleration of unemployment. The question of employment is one that cannot be overlooked in any action we take on minimum wages. I have before me a report on Employment and Unemployment, printed on July 8 for the use of the Joint Committee on the Economic Report. This study reports that a million and a half more persons are jobless now, allowing for seasonal factors, than was the case last fall. Approximately 3,800,000 were unemployed during June 1949, as compared to 2,200,000 in June 1948. Allowing for seasonal fluctuations, the rise in unemployment has been at the rate of approximately 150,000 a month. Every industrial State has been hit by the recession, and the New England States have been hardest hit.

As I have stated previously, some industries have felt that a boost of the minimum to 75 cents would not affect them, since they are now paying more than this figure. But as I have tried to show, an increase in pay for only a few unskilled workers eventually will result in other raises throughout the wage-and-salary structure. The effects of the proposed 75 cents cannot be discounted even in those industries where the average minimum is well above 75 cents.

The decline in unemployment has been accompanied by a shortening of the workweek. This is attributable both to the reduction, or elimination, of overtime and to the shortening of the workweek in an attempt to spread the available work. In May, according to the study referred to, the factory workweek averaged 38.6 hours, which was 1.3 hours below the May 1948 level. The reduction of hours in some industries has been very substantial. For example, the May workweek in cotton-textile mills averaged only about 34 hours, or 6 hours less than a year ago.

Later, I propose to discuss the specific effects of a 75-cent minimum on particular industries. At this point, however, I wish to make a general observation which has been borne out by experience. The best way, and the only effective way, to obtain and keep real wage increases is to utilize our resources, including labor, to the fullest extent.

Some labor leaders had doubts about the efficacy and desirability of the first minimum-wage law. They felt that, in practice, the minimum might become the maximum. Experience, however, showed that expansion in employment was accompanied by increases in wages which quickly made the existing statutory minimum inoperative in most industries. Or to state it another way, industry and business shared generously in the profits which followed the wartime stimulation of productivity.

Mr. President, a statutory minimum wage is the lowest wage which can legally be paid to any worker in any occupation, in any industry or any activity covered by the law imposing that minimum.

It was the purpose of the Fair Labor Standards Act of 1938 to fix a floor under wages, which floor would be lower than the actual minimum prevailing in higher-wage industries—but higher than the lowest minimum wage paid at the time by employers in the lowest-wage industries.

Experience during the war and postwar years shows that the lowest paid workers—especially in the lowest-pay industries, received wage increases which relatively were much more extensive than increases received by other workers. That experience shows very clearly that the relatively full use of our resources, including labor, is a much more effective stimulant to wage increases than a statutory minimum wage.

The workers who need and can be benefited by a statutory minimum wage are those employed in operations having an unconscionably low minimum and in which the actual minimum wage can be increased without causing unemployment, without destroying operating profits, and without compelling price increases which will either destroy the market for the product or increase living costs by an amount sufficient to reduce the purchasing power below the level of the purchasing power of the previously existing actual minimum.

A statutory minimum wage is, and must be, intended to be paid only to a relatively small number of inexperienced and unskilled workers, and workers in occupations producing goods or services which will not command a price high enough to enable payment of wages above that minimum.

The argument has been advanced since enactment of the present law that the statutory minimum wage should be sufficient to maintain a family of four.

Such a measure is wholly impracticable and unrealistic. In the first place, according to a recent study, such a basis would require a minimum wage of approximately $2 an hour. In the second place, the typical worker employed at a statutory minimum wage, according to the same study, is a person who does not support anyone but himself, and is usually a young person. Undoubtedly, there are and have been individuals employed at the statutory minimum who, by force of unfortunate circumstances, are the sole support of other persons. Manifestly, however, such situations cannot be cured by a uniform Nation-wide statutory minimum wage.

It is no part of the purpose of such a minimum wage to guarantee a minimum standard of living for four persons, three persons, two persons, or even for one person. The purpose of any effectual statutory minimum wage is, and must be, no more than to prevent the unjust exploitation of labor by employment at "sweatshop wages"—unconscionably low wages—most likely to occur where the labor supply exceeds the demand. Any other concept and any minimum wage fixed at a level out of harmony with this concept—to the extent that it has any practical application, inevitably will prove a boomerang and produce injury to the very persons intended to be benefited. This would be brought about by denying employment to such persons—that is, by outlawing their employment—at the highest wages justified by the market price of the product of their labors. A typical example of such a situation is presented by the so-called "peckerwood" sawmills of the Southern pine industry, referred to by my distinguished friend from Mississippi [Mr. EASTLAND] during the debate a few days ago, which I shall discuss a little later.

Mr. President, I desire now to dwell for some time on the necessity for a flexible minimum wage.

The level of the statutory minimum in cents per hour from the standpoint of the worker is of only secondary importance. The matter of primary importance to him is the purchasing power of the minimum in terms of food, clothing, shelter, and other necessities and comforts of life.

The prices of such cost-of-living items so fluctuate that any rigidly fixed minimum wage would be thrown out of proportion by any substantial fluctuation in the cost of living, just as the 40-cent minimum is out of balance with the cost of living today.

There are people who would like nothing better than to see the Federal Government impose a complete system of controls over our economic and personal life, such as control of production, control of employment, control of wages, to mention but a few. That is the way to dictatorship. I thank God it is not, and I pray God it will not become, the American way.

Certain controls by the Federal Government are necessary and wholesome. But even those controls cease to be wholesome when they control too much; when they extend so far that they tend to stifle initiative and development; when they hamper in too great a degree the free play of economic forces.

A rigid minimum wage pegged at so high a level as to be out of harmony with prevailing economic conditions at any time, even with respect to a small segment of American enterprise, would be unwise and dangerous. In a period of economic decline it would be disastrous because of its natural tendency to stifle needed production, and create wholesale unemployment, misery, and want.

Since the cost of maintaining any given standard of living fluctuates upward and downward with changing economic conditions, it seems to me that the only rational and realistic means of providing such a minimum standard through the regulation of minimum wages, is to provide a minimum wage which will also fluctuate upward and downward with changing economic conditions. Only by means of such a flexible minimum can anything approaching a constant minimum of real wages be provided.

This poses the question of how to provide for such flexibility.

As pointed out in a recent study by Mr. Gustav Peck, of the Legislative Reference Service, the fluctuation of wages is characteristic of a progressive society and a free economy. In a free economy, wages go up or down in response to changes in the labor market, changes in productivity, changes in job content, changes in relative bargaining power, changes in cyclical influences, and changes in the cost of living. Since minimum wages are paid in money, and not in goods and services, a rise in the cost of living reduces the quantity of goods and services which can be purchased with the minimum wage. A rise or fall in the cost of living changes the substance of a fixed statutory minimum wage more than such rise or fall affects other wages, because contract or competitive wages generally reflect changes in the cost of living, while a legal minimum wage, rigidly fixed, cannot be changed at all except by action of the legislative body, or, in the case of wage-board determinations, only after time-consuming procedures.

Legislative action is indeed one means of providing flexibility. That means is impracticable for a number of reasons, the more important of which perhaps are the difficulty and time required to effect a change, and the possibility that the changes will be affected as much by political factors as economic factors. Proposed changes have been an active question before at least three Congresses; and as yet no change has been effected. The legislative process is too slow and too cumbersome.

Substantially the same objections apply to the use of wage-board procedures for effecting changes in statutory wage minima.

If the future course of the national economy could be charted with accuracy, statutory provision might be made for changes at periodic intervals. In view of the uncertainties with which we are confronted, such an expedient at this time would be even less wise than the establishment of another rigid minimum.

It has recently been suggested that the minimum wage might be geared to a percentage—for example, 40, 50, or 60 percent of average straight-time hourly earnings for each industry or group of industries. This suggestion, though beautiful in theory, is wholly impracticable because of the formidable administrative difficulties which would be involved, and which could be solved, if at all, only by an army of administrators.

Clearly the most practicable and feasible means of providing flexibility is to provide an initial minimum wage which, under prevailing conditions, is reasonable and feasible for the weakest segments of American enterprise subject to the minimum, and to tie that initial minimum to the most appropriate and reliable index, or indicator, of economic activity in order that the minimum may increase or decrease with and in proportion to changes in economic conditions.

Mr. President, as I stated a moment ago, when the original minimum-wage bill was introduced in Congress, the maximum asked for was 40 cents. We did not think at that time that 40 cents should be paid, and, although the board provided for in the act had the legal authority to increase the 25-cent minimum and the 30-cent minimum fixed in the act to 40 cents, yet it required 5 years, until we were in the midst of the war, before the final goal of 40 cents was actually reached, which was the rate advocated by some back in 1938. That 40 cents would be worth but 66 cents today, and hence the reason, as I have stated, for fixing the minimum at 65 cents and providing an escalator clause in the law which would permit that fixed minimum to rise or fall depending on the cost of living. It is very simple, and, as I shall indicate in a moment, the Consumers' Price Index, which the Department of Labor has been carrying on for the past 10 years, is, in my opinion, an ideal index to follow. As I shall try to demonstrate, it keeps abreast of the cost of living.

If the pending amendment shall be enacted, the 65-cent minimum will be fixed on the basis of the figure shown in the Consumers' Price Index. If the index should go up 10 points or down 10 points, so will the wage, in direct proportion to the increase or decrease in the present index.

Numerous statistics and indexes are regularly compiled and published by Government and private sources indicating changes in various phases of national economic activity, each of which is in some degree an indicator of the prevailing economic tone of the Nation. Such indicators include railroad carloadings, production of steel, coal, and other raw materials, expenditures for personal consumption, corporate profits, farm income, per capita income, national income, inventories and sales, new construction, expenditures by industries for new plant and equipment, industrial and manufacturing production, prices of stocks and bonds, and wholesale prices of articles and commodities generally.

None of these, however, provides a direct measure of changes in the cost of maintaining any given standard of living. The Bureau of Labor Standards in-

dex of wholesale prices comes closest to providing such a criterion. The objection to it is that workers do not obtain the things they need at wholesale prices—nor do they buy all items involved in the computation of that index.

There is an indicator regularly compiled and published by the Bureau of Labor Statistics, in the Department of Labor, which is appropriate, feasible and practicable. That is the Bureau of Labor Standards "Consumers' Price Index for Moderate-Income Families in Large Cities," formerly called the BLS "Cost of Living Index." This index reflects current average prices of food, clothing, rent, fuel, electricity, refrigeration, house furnishings, and miscellaneous goods and services purchased by wage earners and clerical workers, in terms of percentage relationship to average prices of the same items prevailing during the 5-year period 1935 to 1939 inclusive. It measures average changes in retail prices of foods, rents, goods, and services purchased by wage earners and lower salaried workers in large cities. The time-to-time changes in retail prices are weighted by 1934–36 average expenditures by families whose annual incomes averaged $1,524 in 1934–36. The data for individual cities are combined for the United States and weighted by population to arrive at a national index. The index is published for the 15th of each calendar month.

Separate indexes are published monthly for separate items of food, clothing—apparel—rent, fuel, electricity, and refrigeration—gas and electricity being separately indicated—house furnishings and miscellaneous goods and services. In addition to these individual indexes, a composite or combined index for all items is published for each of 34 individual cities, and as an average for the entire country.

Those cities are Atlanta, Ga.; Baltimore, Md.; Birmingham, Ala.; Boston, Mass.; Buffalo, N. Y.; Chicago, Ill.; Cincinnati, Ohio; Denver, Colo.; Detroit, Mich.; Houston, Tex.; Indianapolis, Ind.; Jacksonville, Fla.; Kansas City, Mo.; Los Angeles, Calif.; Manchester, N. H.; Memphis, Tenn.; Milwaukee, Wis.; Minneapolis, Minn.; Mobile, Ala.; New Orleans, La.; New York, N. Y.; Norfolk, Va.; Philadelphia, Pa.; Pittsburgh, Pa.; Portland, Maine; Portland, Oreg.; Richmond, Va.; St. Louis, Mo.; San Francisco, Calif.; Savannah, Ga.; Scranton, Pa.; Seattle, Wash.; and Washington, D. C.

Indexes published for the various cities do not indicate whether the individual or combined prices of cost-of-living items are greater or less in any city than in another. They indicate only the relationship of current prices in a given city to the average of prices in that same city for the same quantities of the same items during the 5-year period 1935–39.

It is proposed that the minimum wage, initially established as being fair and appropriate under currently prevailing conditions, be considered as 100 percent; and that the average Consumers' Price Index for Moderate-Income Families in Large Cities for all items for the United States for a base period sufficiently broad to equalize seasonal fluctuations would likewise be regarded as 100 percent. It is proposed that, as this average index fluctuates during corresponding successive annual periods, the initial minimum wage will be increased or decreased in direct proportion to the percentage relationship of the most recent annual index period to the average index for the base period. Changes in the minimum wage would be made only in units of whole cents per hour. Resulting fractions of less than one-half cent woud be dropped and fractions of one-half cent or more would be considered one whole cent.

Before adopting this index as the controlling factor of fluctuations in the minimum wage, it would be wise to inquire into the method of its construction, its theory and methodology, including the manner in which data are gathered, assembled, tabulated, weighted, and combined.

This can be done by referring to official releases of the Bureau of Labor Statistics, published from time to time in the Monthly Labor Review.

There is also needed an objective appraisal of the accuracy and integrity of the index. Such an appraisal has been made by a special committee of the American Statistical Association; and the report of that committee was published in the December 1943 issue, No. 224, volume 38, of the Journal of the American Statistical Association.

As a result of criticisms leveled at the Consumers' Price Index during the earlier war years, a request for such an appraisal was made of the American Statistical Association by the Bureau of Labor Statistics through the Secretary of Labor. As a result of that request, the following committee was appointed by Dr. E. A. Goldenweiser, president of the American Statistical Association, to review and appraise the cost-of-living index with reference both to its construction and to its usage.

The committee consisted of the following members:

Frederick C. Mills, chairman, professor of economics and statistics at Columbia University and a director of the National Bureau of Economic Research; former president of the American Statistical Association and of the American Economic Association; author of the Behavior of Prices, Economic Tendencies in the United States, and Prices in Recession and Recovery;

E. Wight Bakke, professor of economics at Yale University; hearing officer, representing the public on national cases for the War Labor Board; author of the Unemployed Man, and Citizens Without Work;

Reavis Cox, professor of marketing, at the University of Pennsylvania, on leave; director of research projects for the Retail Credit Institute of America; editor in chief of the Journal of Marketing; author of Competition in the American Tobacco Industry, and Marketing of Textiles;

Margaret G. Reid, professor of economics, at Iowa State College; author of Economics of Household Production, Consumers and the Market, and Food for People;

Theodore W. Shultz, professor of economics at the University of Chicago, and consultant to the Board of Governors of the Federal Reserve System; author of Vanishing Farm Markets and Our World Trade, and Farm Prices for Food Production;

Samuel Stratton, president of Middlebury College; coauthor of the Economics of the Iron and Steel Industry, Problems in Corporation Finance, and Financial Instruments and Institutions.

Appointed by the committee to serve as its technical staff were the following:

Dorothy S. Brady, senior statistician, Bureau of Human Nutrition and Home Economics, United States Department of Agriculture; author of miscellaneous articles and reports particularly in the field of family income and expenditure;

Solomon Fabricant, member of the research staff of the National Bureau of Economic Research; head economic analyst, War Production Board; author of Capital Consumption and Adjustment, and Employment in Manufacture.

The main body of the report of that special committee reads as follows:

FOREWORD

The cost of living index published by the Bureau of Labor Statistics has been one of the important statistical tools of the country for a quarter of a century. Designed to measure changes in the prices paid for goods and services by city consumers of moderate income, it is widely used by statisticians, economists and Government officials. It has often been an important factor in wage negotiations, and has served to throw light upon the effects of fiscal and other governmental policies. In technical statistical work it serves as a deflator to be used in computing real income and expenditures.

As wartime strains and distortions have spread through the American economy, criticisms of the index have developed. In particular, its use as a guide in wage adjustments has been widely questioned. Many critics express doubt of its accuracy as a measure of the extent to which the country has experienced inflation under the stimulus of hugh governmental expenditures. Much of what these critics say takes the form of declarations that the index does not provide an accurate measure of what is happening to consumers' expenditures.

This loss of confidence in a basic and generally accepted statistical measure has occasioned much concern in professional and governmental circles. Accordingly, Dr. E. A. Goldenweiser, president of the American Statistical Association, at the request of the Bureau of Labor Statistics, transmitted through the Secretary of Labor, appointed this committee to review and appraise the cost of living index with reference both to its construction and to its uses. Having named the committee, he left it completely free and independent to pursue its investigations in such directions as seemed appropriate to it.

In our review we have canvassed interested labor organizations, employers' associations, and consumer groups. Evidence on changes in living costs has been submitted to us by representatives of these groups and by governmental agencies. Special field studies have been initiated by the committee and conducted by agents of the Bureau of Labor Statistics under the supervision of committee representatives.

The evidence we have assembled, detailed explanations of our findings and certain technical recommendations will be given in a supplementary report. We here present our conclusions in a condensed general summary followed by our answers to questions that pose the major issues.

GENERAL SUMMARY OF CONCLUSIONS

The principal conclusions to which we have come are: First, that within the limitations established for it, the cost of living index provides a trustworthy measure of changes in the prices paid by consumers for goods and services. Second, that many of the difficulties and doubts which have arisen concerning the index have their origins in attempts to use it uncritically for purposes for which it is not adapted.

The phrase "cost of living" is ambiguous. Some of the difficulties the use of this index raises grow out of this fact. In everyday speech families are apt to think of their cost of living as the total amount they spend for consumer goods and services. Several different factors may cause such expenditures to change. Thus, they may change because the unit prices of goods and services rise or fall. Again, they may change because families are forced by circumstances beyond their control to alter their manner of living, as when the exigencies of war make some goods unavailable. Yet again, they may change because families have experienced an increase in income and can afford to buy more goods or better goods.

Changes caused by alterations in manner of living and in income have been particularly important during the war. This is true because of the very great migrations of labor and shifts in occupation characteristic of the period. Because of shifts from lower to higher paid jobs, rises in wage rates, and extension of the workweek, many individual and family incomes have advanced more rapidly than living costs. Studies by the Department of Commerce indicate that the annual average compensation of wage earners and salaried workers in private nonagricultural industries increased 37 percent between 1939 and 1942 (from $1,268 to $1,753). Living costs, as measured by the Bureau of Labor Statistics index, increased 17 percent in the same period.

As used in technical statistical parlance, the term "cost of living" has applied only to the first of the factors which determine family expenditures, that is, to unit prices. The cost-of-living index has undertaken to measure only this one factor. Any use made of the index must keep this limitation in mind. Many of the difficulties which critics of the index have encountered arise from forgetting that it is designed to measure only changes in retail prices and trying to use it for purposes to which it is not suited unless it is supplemented by a number of additional statistical measures.

After a careful investigation of the relevant evidence we believe that the index records with a satisfactory degree of accuracy what has happened to unit prices paid for consumers' goods by city families of moderate income.

We have been much impressed during our investigation by the integrity, alertness, intelligence, and technical competence of the Bureau's staff. We feel that, on the whole, working under very trying circumstances, they are doing an excellent job of carrying out the task assigned to them.

Mr. President, I gave just now the foreword of the study made by the statisticians. They have indicated the accuracy of such study. It is upon the basis of statistics which are gathered monthly and compiled by the Bureau of Labor Statistics that we propose to act in order to determine the extent to which wages should go up or down from the fixed minimum.

I have before me a list of questions and answers indicating the major issues before the committee when it started to make this investigation in order to determine the accuracy and worthiness of the Consumers' Price Index. Here are some of the questions which were asked:

Are the prices reported to the Bureau those actually paid by customers of reporting retail stores?

The answer to the question is incorporated in the material which I shall ask to have printed in the RECORD.

Another question is:

Are the retail stores included in the Bureau's sample representative of those patronized by wage earners and lower-salaried workers in metropolitan areas covered by the Bureau's compilations?

More than a dozen questions were asked and answered. I do not intend to take the time of the Senate to read the summary. I therefore ask unanimous consent that it be printed in the RECORD at this point as a part of my remarks. It contains a discussion by the committee of the issues before it when it undertook to make this study.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

MAJOR ISSUES BEFORE THE COMMITTEE

1. Are the prices reported to the Bureau those actually paid by customers of reporting retail stores?

The Bureau obtains its prices through field agents who interview the owners or managers of the stores they visit. They do not actually purchase the merchandise they price. Prices for chain stores are obtained, as a rule, not in the stores themselves, but from the central offices. This method of collecting prices has led to the criticism that the quotations reported will be higher or lower than actual prices according to whether it is to the interest of the retailer to appear to be holdprices above or below the true market. During a depression period, when there is strong business pressure on retailers to avoid price cuts, a tendency for retailers to report prices higher than those they actually charge might be expected. On the other hand, during the present war, when the regulatory pressure is to hold prices below the levels they would reach in a free market, there may be a tendency for retailers to report prices lower than those they actually charge.

Answer. We have tested reported food price quotations through actual purchases at 159 independent stores and 37 chain stores in 17 cities. (A test on May 18, 1943, covered Atlanta, Boston, Chicago, Cleveland, Dallas, Denver, New York, and San Francisco. A test on June 15, 1943, covered Atlanta, Detroit, Houston, Milwaukee, Newark, New York, Philadelphia, Salt Lake City, San Francisco, Seattle, Scranton, and Washington.) Stores visited were selected from those reporting to the Bureau. Our buyers made these purchases as actual customers, not as Bureau or committee agents. Eleven hundred and twenty-seven purchase prices were compared with the same number of prices reported by the stores for the same dates: 862 purchase prices (76 percent) were identical with reported prices; 90 purchase prices (8 percent) were lower than reported prices; 175 purchase prices (16 percent) were higher than reported prices.

We find a slight tendency for prices reported to the Bureau of Labor Statistics to understate prices actually charged customers. In its net effect this understatement involved a difference of not more than 1.8 percent of the total cost of the foods priced.

To check the accuracy of food prices reported to the Bureau by central officers of food chains, agents of the Bureau, under the supervision of this committee, visited 200 individual chain stores, distributed among 6 cities. (The test, made on June 15, 1943, covered Atlanta, Detroit, Milwaukee, San Francisco, Scranton, and Washington.) Price reports to the number of 10,366 were obtained for comparison with those reported by central offices for the same date: 8,023 prices in individual stores (78 percent) were identical with those reported by central offices; 970 prices in individual stores (9 percent) were lower than those reported by central offices; 1,373 prices in individual stores (13 percent) were higher than those reported by central offices.

On balance, there is a slight tendency for prices reported by central offices to understate the prices charged in chain store outlets. In its net effect this understatement involved a difference of 0.6 percent of the total cost of the foods priced.

We believe that these checks confirm the essential accuracy of the food prices reported to the Bureau. The observed discrepancies indicate a margin of reporting error of less than 2 percent.

Our field tests were confined to food prices because these have been most frequently questioned in our hearings. However, members of the committee have accompanied the Bureau's agents and have observed the collection of the prices of other consumer goods. We believe these to be substantially accurate.

It should be noted that the obtaining of reported prices which at any one time are lower than the true prices does not necessarily reduce the accuracy of the index as a measure of changes over a period of time. If merchants since the beginning of the war have consistently underreported their prices, the trend of the index would not be affected. In any event, since the understatement in June 1943 was slight, it may be inferred that even if merchants tended to understate their prices somewhat more than before, the effects upon the index would be negligible.

2. Are the retail stores included in the Bureau's sample representative of those patronized by wage earners and lower-salaried workers in metropolitan areas covered by the Bureau's compilations?

The Bureau selects the stores from which it obtains prices on the basis of criteria which indicate where wage earners and lower-salaried workers in the city buy goods and services. The specific stores from which its agents obtain price quotations are necessarily changed over a long period but they are changed slowly. Some users of the index believe that migrations of labor during the war have changed the purchasing habits of the workers so drastically that the group of stores priced by the Bureau is no longer representative. They stress especially the belief that the changes in shopping habits have had the effect of transferring patronage from low-priced to high-priced stores. One example often given of this is the possible transfer of trade from city stores to suburban stores. Another illustration is the possible transfer of trade from chain to independent stores.

Answer. The only adequate way of answering this question would have been to ask a representative sample of workers where they made their purchases. The Bureau, in selecting its sample of stores, considers many factors in order to assure itself that the stores selected are in neighborhoods where the income groups concerned purchase goods. We are satisfied that the Bureau's criteria are the best that can be devised without a new family survey. The weight given to chain and independent stores is based on comparative volume of business with respect to all income groups and not merely those included in the index. It has recently been revised to take account of wartime shifts in buying. If low-income purchasers have shifted their marketing from one type of store to another, the weight given to each in the index may not truly reflect their comparative volume of business with respect to this group.

Since the elaborate survey necessary to answer this question by actual study of the purchasing habits of workers and other low-income groups could not be made by this committee, we have undertaken two checks which throw indirect light on this problem. (The methods used in making these checks and their limitations are described in the Appendix.) Food prices were obtained in June 1943 from a number of independent retail stores in addition to those normally surveyed by the Bureau. One hundred and ninety-five of these were located within the limits of six cities (Atlanta, Detroit, Milwaukee, San Francisco, Scranton, and Washington) and 145 were located in the suburban area of four cities in which there had been marked wartime expansion (Detroit, Milwaukee, San Francisco, and Washington). The latter sample was selected to ascertain whether prices in outlying areas in which there had been considerable population increases were higher than prices in the central cities. The criteria of selection employed were those used by the Bureau in obtaining its present sample of reporting stores. For each of 78 food products priced the average price in independent stores in the regular sample in a given city was compared with the average price in the added sample of independent stores in outlying districts of the city.

Four hundred and fifty-three (not all of the 78 foods were priced in each city) comparisons were made in testing the regular samples against samples drawn from within the limits of the same cities: 37 average prices from the check sample (8 percent) were identical with those from the regular sample; 269 average prices from the check sample (59 percent) were lower than those from the regular sample; 147 average prices from the check sample (33 percent) were higher than those from the regular sample.

The net effect of these discrepancies was to make the total cost of the food priced in the added sample of stores within city limits 1.7 percent less than the cost of the same foods in the regularly reporting stores in the same cities. Statistical tests described in the appendix show that this difference is not large enough to be significant.

Three hundred and five comparisons (not all of the 78 foods were priced in each city) were made in testing the regular sample against samples drawn from outlying areas of the same cities: 30 average prices in the outlying areas (10 percent) were identical with those from the regular sample; 165 average prices in the outlying areas (54 percent) were lower than those from the regular sample: 110 average prices in the outlying areas (36 percent) were higher than those from the regular sample.

The net effect of these variations was to make the total cost of foods priced in the sample of stores in outlying areas 1.7 percent less than the cost of the same foods in the regularly reporting stores in the cities proper.

We conclude that food price reports from the retail stores included in the regular Bureau sample are representative of prices prevailing in stores patronized by wage earners and lower salaried workers in the cities covered by the tests made and in suburban sections of the metropolitan areas tested. In particular, we find in this evidence no support for the opinion that prices in independent stores in suburban districts are consistently higher than prices in independent stores in neighboring large cities.

These comparisons rest on samples of independent stores in representative metropolitan districts. We believe that the conclusions drawn are generally valid for such areas in the country at large. Exceptions may be found in specific boom areas. Smaller cities and towns are not included in the Bureau's cost-of-living index.

The tests here reported relate to price levels on a given date. On the committee's recommendation similar tests are being made for subsequent months in order that the regular sample and the added samples may be compared with reference to price changes over a period of time.

3. To what extent is the Bureau's index of living costs affected by the omission of black-market prices?

Wartime ration and price controls have led to a widespread belief that much retail trade is now being done at prices far above officially established ceilings through both regular and irregular channels of distribution. If this were true, and if above-ceiling prices were not adequately represented in the Bureau's compilations, the cost-of-living index would be biased downward.

Answer. We distinguish between black markets proper, in which rationed goods are sold without exchange of ration coupons and retail stores in which some goods are sold at above-ceiling prices with surrender of ration coupons by customers. We have made no systematic investigation of markets of the first type. The questioning of informed witnesses indicates that the families to which this index relates do not purchase important quantities of goods in such markets. The Bureau does not attempt to obtain price quotations in these markets. It is the opinion of the committee that it should not do so. Transactions in rationed goods effected without exchange of ration coupons should not be represented in an official index of living costs.

The Bureau does obtain above-ceiling prices charged in ordinary retail outlets, with customary exchange of ration coupons, and these prices are included in the index. Among the prices reported for April and May 1943 for pork products, 1,981 out of a total of 8,707 (23 percent) were above ceilings. It is not likely, however, that all such cases are reported to the Bureau. The net difference between reported prices and the purchase prices recorded in our field tests is an indication of the possible magnitude of the effect of the failure to report all above-ceiling prices. We conclude that there is probably an error in the index because of the under-reporting of above-ceiling prices by ordinary retail outlets, but that for food products this error does not exceed 2 percent.

4. Does the index of living costs measure hidden price increases due to quality deterioration?

Although the formal quotation for an item may remain unchanged, its true price may be raised by reducing the quality offered. Thus, a shirt quoted at $1.95 throughout the war may have increased substantially in price if the quality has deteriorated. Critics of the index argue that this sort of hidden increase in prices has been very large and is not reflected in the index.

Answer. The Bureau of Labor Statistics seeks to hold quality factors constant by pricing goods with specified characteristics. For many types of consumer goods it is able to do so today. For other goods and services quality deterioration is an inevitable accompaniment of the war effort. The lessened comfort of traveling, reduced delivery and laundry services, the use of cuts of meat of lower grade, are examples of quality deterioration that we accept as necessary under war conditions. With limited exceptions these quality reductions are unavoidable. This does not mean that all consumers are today buying goods of lower quality. Many workers whose incomes have risen during the war are buying clothing and food of higher quality than they could afford in the past. These come at higher prices, and mean to the buyer a higher level of family expenditures. To the degree that higher quality goes with the higher prices this is a change in the level of consumption, not an increase in the cost of living.

With reference to the cost-of-living index, our concern is with the price equivalent of quality change. We believe that consumers' goods and services, in the aggregate, have since 1939 suffered some loss of quality that is not reflected in reported prices. No dollar value can be put on this loss. In large part it is an intangible and unmeasurable element of the war. Consumers cannot be compensated for it. The cost-of-living index takes incomplete account of it.

5. Are the rents reported to the Bureau those actually paid by tenants?

Some users of the index have been under the impression that rentals are still obtained from rental agents, who are under pressure from the rent control authorities, and that the rent reports are, therefore, biased downward.

Answer. We have made no field check on this point, but we have examined the Bureau's procedure. We find that all rental reports are now obtained directly from tenants by agents who visit their homes. We believe that the rents thus reported are free from bias and may be accepted as accurate.

6. Are the housing facilities included in the sample representative of those occupied by wage earners and lower-salaried workers in large cities?

Answer. The Bureau's housing sample prior to September 1942 was made up of houses and apartments handled for the owners by rental-management firms. This sample was losing its representative character under conditions of housing scarcity and rent control. Between September 1942 and June 1943 a complete new sample was drawn in each city covered. The total number of family dwelling units included is 51,500.

In our opinion the new samples are satisfactory representations of family dwellings in the cities represented in the general index. We do not believe that these 34 cities adequately represent the diversity of urban housing conditions in the country as a whole. We recommend that advantage be taken of rental surveys now in process or being planned by the Bureau and the Office of Price Administration to increase the coverage of the index.

We note one other limitation on the coverage of the Bureau's sample. This includes family-dwelling units only. Under wartime conditions single rooms and portions of former family-dwelling units have become more important as living quarters for workers. Evidence presented to the committee indicates that rental rates for individual rooms and for parts of family-dwelling units have risen more rapidly in many congested war centers than have rentals for whole family-dwelling units. We note, however, that the amount spent on room rentals in the spring of 1942 by urban families of two or more persons amounted to only about 1.9 percent of all expenditures on housing by such families (Study of Spending and Saving in Wartime, a pending publication of the Bureau of Labor Statistics). Today such expenditures may be in the neighborhood of 2 percent of the total amount spent on housing by urban families of moderate income. The inclusion of these expenditures in the Bureau's rent index, even at levels well above those of 1942, would affect the total cost of living index only slightly.

7. Does the Bureau's rent index accurately measure recent changes in the cost of housing to wage earners and lower-salaried workers living in large cities?

Answer. We believe that for the areas covered by the Bureau's sample the index of rents provides an acceptable measure of changes in the cost of housing for urban workers who live in the same communities and in residences of the same general types as those occupied before the defense and war effort. We point out, however:

(a) There has been deterioration in the quality of housing in certain regions. For example, houses on the average are older, and a larger proportion of those included in

the index are in need of repairs and renovations if prewar standards are to be maintained. This deterioration is in some degree unavoidable and in some part unmeasurable. It constitutes a loss that is not taken account of in the index of living costs. However, the committee would point out that certain directly measurable changes, such as the discontinuance of "free rent" for certain periods of the year or the shift of payments for water or heat from landlord to tenant are recorded by the Bureau as rent increases.

(b) Workers who have moved from low-rent to high-rent areas and workers who have moved from family dwelling units to rooms in lodging houses or homes have experienced substantial advances in housing costs. These advances are not measured by the rent index of the Bureau of Labor Statistics. These changes are illustrations of the changes in manner of living referred to above. Although they may have an important effect upon family expenditures they cannot be measured by an index designed to record changes in unit prices over a period of time.

8. Are the goods and services priced now typical of those purchased by wage earners and lower-salaried workers in large cities?

An index of the cost of living, if it is to be meaningful, must measure changes occurring in the prices of what is actually consumed. The committee has given attention, therefore, to the methods by which the Bureau has adjusted the elements of the index to changes in consumption.

Answer. The basis for the selection of commodities and services included in the index is a study of consumer expenditures relating to the years 1934–36. The standards represented in that selection related to the consumption of urban families supported by wages or clerical salaries with incomes averaging about $1,500. These standards were somewhat higher than the level of expenditures of this group in the thirties because the sample did not include families receiving relief of any kind or families with incomes under $500. With the rising incomes of 1939 and succeeding years, wage earners' expenditures probably came closer to the standards on which the cost-of-living index is based. As of 1940 the commodities and services included in the index were probably more representative of actual consumption by urban workers than they had been 5 years before. Since 1941 rationing and the disappearance of commodities have altered the kinds and quantities of goods and services consumers can buy. Corresponding changes have been made in the composition of the index-of-living costs. (See Bureau of Labor Statistics Cost-of-Living Index in Wartime, by Faith M. Williams, in the July 1943 Monthly Labor Review.)

Durable metal goods have been virtually withdrawn. The current food index was adjusted in March 1943 on the basis of the Department of Agriculture's estimates of expected consumption of different kinds of food in 1943. Other elements of the index have been altered to accord with rationing orders. There is no completely satisfactory solution of the problem faced by makers of a cost-of-living index when the character of consumption is changing. We believe that the adjustments made by the Bureau represent a reasonable compromise between the desire to reflect current consumption and the desire to maintain an index that measures with accuracy average changes in the unit prices of consumer goods and services.

We would add that changes in the kinds and quantities of goods consumed by average families in the United States have not as yet been very great. Mass consumption is slow to change. Purchases of new durable goods are, of course, smaller, but such goods constitute in normal times only some 10 percent of consumer outlay for families with moderate incomes. For wage earners and salaried workers in the country at large, the distribution of expenditures for food, clothing, and rent has not been substantially modified (see the comparative distributions of consumer expenditures from 1939 to 1942, Survey of Current Business, March 1943). The index of living costs, it must be remembered, relates to changes in the average situation of city wage earners and clerical workers, not to the experience of particular families.

9. Does the index of living costs measure changes in average family expenditures on consumer goods and services?

This question reflects the popular interpretation of the phrase "cost of living" as representing the total amount families spend for goods and services.

Answer. No. The index is designed to measure only those changes in family expenditures resulting from changes in unit prices. It is not designed to measure alterations in family expenditures resulting from changes in manner of living, whether the changes are due to choice or necessity (certain forced changes are taken into account by recently introduced methods of treating the difference in price between a higher-priced article and one no longer available as a price increase). Such alterations can be measured only by other statistical devices, such as direct inquiry into actual family incomes and expenditures or the index of consumer expenditures now being published by the Department of Commerce. The distinction between changes in family expenditures due to price movements and those due to shifts in the way of living is of special concern today when the pattern of living is being altered for a great many consumers. Rising incomes are giving many families opportunities to live on higher levels than they have known before.

10. Does the Bureau's index provide an acceptable approximation to recent changes in the cost of living for urban workers?

Answer. Yes.

The index shows the following changes in the cost of living in the United States:

	Percent
From March 1943 to August 1943	0.3
From September 1942 to August 1943	4.6
From January 1941 to August 1943	22.2
From August 1939 to August 1943	24.9

The various tests we have made indicate that these measurements define with satisfactory accuracy changes in the prices of the goods and services purchased by urban workers.

With this statement we repeat two necessary explanations and two necessary qualifications.

(a) The index relates to living costs for wage earners and lower-salaried workers in large cities.

(b) The index is primarily a measure of changes in the average unit prices of consumer goods and services. It does not measure changes in family expenditures resulting from changes in income or in the place or manner of living. (Many such changes have come with recent migrations of labor and occupational shifts. Because occupational shifts have, in general been from lower- to higher-pay industries and from lower- to higher-paid jobs within industries, personal and family incomes have advanced more rapidly than average wage rates and much more rapidly than living costs. The Department of Commerce estimates that the average annual compensation of employees (wage earners and salaried workers combined) in private nonagricultural industries increased 37 percent between 1939 and 1942 (from $1,268 to $1,733). Living costs increased 17 percent in the same period.) The general effect of the shifts in incomes and in ways of living that have occurred since 1939 has been to advance total family expenditures at a rate greater than that shown by the Bureau's index of living costs.

(c) The index does not measure the full effects of quality deterioration in certain consumer goods and services and in housing.

(d) The kinds of goods and services used by the average family have changed somewhat under the impact of war and will continue to change. The Bureau has made changes in the list of goods that it prices and has altered the relative importance of component items to take account of the disappearance of goods and changes in consumption resulting from rationing. These shifts are reflected in the index. Their effect on the actual course of the index has not been great. Checks made by us show that price changes have dominated the movements of the index in recent years.

We have said that the index provides an acceptable approximation to recent changes in living costs. We believe that as a measure of price changes affecting urban workers in large cities it is a good approximation.

11. Is the index an adequate instrument for use in matters of public policy?

Those charged with the formulation of public policy and its implementation must frequently make use of an index of living costs. The President, congressional committees, and public agencies such as the War Labor Board, the Social Security Board, the Office of Price Administration, the Treasury, Bureau of the Budget, State Department, and others must consider the economic experience of citizens as reflected in the index in formulating and in evaluating the effect of their several policies.

Answer. We have indicated our conviction that the index is a satisfactory instrument for measuring what it attempts to measure—average movements in the retail prices of goods and services purchased by city workers. If public policy is in need of a guide on this point, the index is a satisfactory one.

In general it can be said, therefore, that the greater the dependence of public policy upon a measurement of what is happening nationally to prices of consumers' goods, the more useful the index is. On the other hand, the greater the dependence of public policy upon a measurement of what is happening to prices in particular areas, for particular population groups, and for particular commodities not covered by the Bureau, the less useful it becomes.

The value of the index for certain uses is greatly enhanced if it is used as one among several measures rather than alone. For some problems it should be used as a first approximation to the truth, to be corrected by knowledge of the particular situation. A thermometer reading is useful to the physician if used in conjunction with other indicators of the health of the patient and as a guide to further diagnosis.

We cite three examples of public use of the index to illustrate our point:

(a) Use of the index to measure the degree of inflation.

If we define inflation as a situation in which the aggregate value of all goods and services exchanged in an economy increases more rapidly than the physical volume of these goods and services, a cost-of-living index is an obviously relevant measuring tool. The Bureau of Labor Statistics Index, however, does not cover all consuming groups in our economy. It relates only to the retail prices of consumers' goods purchased by families of moderate income in large cities. Prices in primary markets and in various wholesale markets are also important indicators of inflation. For this reason, we do not believe that the Bureau's cost-of-living index should be used by itself as a measure of the extent of inflation. It has great value as one among a group of measurements available to administrators of an anti-inflation program.

(b) Use of the index in the control of retail prices.

The index is a useful instrument in retail price control. Its use would be greater if coverage were broadened to include prices of more commodities. However, it should be remembered that the commodities selected for measurement are chosen not only because they are important in the customary purchases of consumers but also because their price movements are like those of related commodities. If the present national and city averages were supplemented by regional measures and by more detailed index numbers for commodity groups, their usefulness would be greatly increased. Effective price control cannot be based solely upon averages comprehending great diversity.

(c) Use of the index as an instrument in making wage and salary adjustments.

On the general question of policy involved in deciding whether wage rates and salaries should in times of peace be adjusted in accordance with movements of an index of living costs, the committee does not speak. However, we have been asked to appraise the Bureau's index with reference to the uses to which it is now put. If the index is to be appropriately used in this connection, several facts must be kept in mind.

The general index is a national average, and relates to large cities only. There is considerable variation in the level of living costs in different parts of the country, and in the degree of change in living costs in different regions. There are industrial variations in living costs. Costs in coal towns and textile towns are affected by special factors and have distinctive movements. Living-cost changes vary also with income levels. Recent advances have been somewhat greater for workers at lower income levels because foods, which have risen sharply in price, are of greater importance in the budgets of low-income families. (Furthermore, the actual family expenditures of low-income groups have probably risen more than those of higher income groups because consumers at low-income levels have not been in position to economize by purchasing goods of lower grades than those to which they have been accustomed in the past.) Such variations are characteristic of economic changes in a system as diverse as that of the United States.

These facts have relevancy for several possible uses to which the index may be put in connection with wage and salary adjustments. In the first place, in the application of general wage policies of national scope it is proper and necessary to utilize a measure that averages these varying movements, as a national index does. If wages and salaries of workers in particular industries and at particular income levels are to be adjusted to living-cost changes affecting them specifically, indexes of living costs adapted to special circumstances will be required. The construction of adequate regional and other special-purpose index numbers of living costs would involve broader sampling and heavier expenditures by the Bureau of Labor Statistics.

The use of the index in such specific wage adjustments is not of course, the one which is currently most significant. Wage rates cannot be contractually geared to the movements in the cost-of-living index under the Federal Government's present stabilization policy if to do so would result in wage increases inconsistent with that policy. In the Government's stabilization program the cost-of-living index has two uses: first, to explain the 15-percent increase in wage rates permitted by the Little Steel formula, and second, to give an indication of the pressure placed upon present wage rates by workers' experience in meeting the rising cost of living. We have found no evidence that would invalidate the index for the first purpose. For the second purpose, however, that of estimating the pressure on present wage rates and the present wage adjustment formula by workers' experience with living costs, a national average of living costs is not satisfactory. The reason for this does not arise from any inaccuracy, but from the fact that it is an average. The experience from which dissatisfaction comes is not that of the statistical average man. It is the experience of the individual worker or group of workers involved. (It should be pointed out also that the worker's dissatisfaction with living costs is modified somewhat by his earnings and that changes in total earnings from whatever causes are important in this connection as well as changes arising solely from the alteration of wage rates.)

The fact that the index is one of prices and not of consumers' actual expenditures should provide further warning. The difference between the movements of prices and changes in actual expenditures is significant in times of great mobility, changes in the pattern of living, commodity and housing shortages, quality deterioration, and increased taxes and bond purchases. Since a price index cannot reflect completely these facts of consumers' experience, it cannot fully measure what workers mean by changes in their cost of living. The dissatisfaction or satisfaction of workers arises from their own and not the statistician's conception of the cost of living in relation to their own and not the average income.

One further point needs emphasis. A decline in the plane of living cannot be prevented in an economy that absorbs a large part of the country's products for military purposes. When the total available supply of consumers' goods declines, the real income and the plane of living of the average citizen must decline. If the wages and salaries of any group or the prices received by any group are geared to a cost-of-living index, making it possible for them to purchase the same volume of goods as before, the consequences are clear. The remainder of the population whose income is not geared to the index must suffer a greater decline in their plane of living than would be expected in view of the reduction in the available supply of consumers' goods. It is not intelligent conservation of the Nation's human resources, of course, to permit a reduction in the plane of living of those living at or near subsistence levels. But for the population at large war means reduced consumption.

The use of a cost-of-living formula to adjust the income of one group of citizens will not prevent reduction of consumption for citizens generally. It can result only in shifting a larger share of the burden of that reduction onto the shoulders of those whose income is not geared to the formula. The preferable alternative is one that combines rigorous and extensive taxation, Government borrowing from individuals, rationing and price control as means of restricting consumption, keeping inflationary forces in check, and insuring an equitable sharing of the burdens of war.

RECOMMENDATIONS TO THE BUREAU OF LABOR STATISTICS

In the course of its hearings and work the committee has reviewed the many uses the Bureau of Labor Statistics must take into account in making its cost-of-living indexes more effective during the war and in the coming period of reconstruction. The following recommendations are based upon this review. They are made with the understanding that proper consideration will be given to the costs of the studies proposed, as well as to the needs of administrators and legislators from the information these studies will yield. The Bureau and the appropriate congressional committees will weigh the expected benefits against these costs.

With this proviso, the committee recommends:

1. That the Bureau of Labor Statistics provide separate regional indexes of changes in city living costs. The economic differences between the several large geographic areas of the United States make it essential that separate indexes of the cost of living for various regions be prepared.

2. That the Bureau expand its indexes of the cost of living in small cities so that they will be as representative of these cities as the large city indexes are for large cities.

3. That the Bureau cooperate with other interested governmental agencies to collect the information necessary and to prepare an index of the cost of living for nonfarm communities in the United States.

4. That the Bureau take steps immediately to prepare and publish cost of living indexes for:

(a) Communities of different sizes.

(b) Certain specialized industrial areas, such as those in which coal mining, textiles, etc, are concentrated.

5. That the Bureau immediately expand its work on the development of measures of geographic differences in cost of living; and that analyses of these differences be continuously carried on.

To carry out the foregoing recommendations it will be necessary for the Bureau immediately to expand its samples of large and small cities, and employ existing information and collect additional data to develop weights which will reflect the geographic, industrial, and economic factors involved in the proposed indexes.

6. That frequent small-sample studies of family expenditures and incomes be conducted, and that once in 5 years a comprehensive study be made to provide data on local differences in income and consumption habits among occupational groups in the United States. Furthermore, that adequate analyses and integration of these studies and existing data be planned and regularly provided for. Since these kinds of studies provide the weights which reflect the changes in consumption habits and are important in keeping the cost of living indexes in line with current economic development, it is essential that they be made periodically.

7. That the Bureau undertake analyses of the shifting importance of the various items included in family budgets and the degree to which these items are correlated with other items in price movement. To keep sufficiently abreast of these kinds of changes, the committee feels that a comprehensive study of the interrelationships of price changes and of the correlation between price changes and other factors (size of community, quality, and season) should be made.

8. That the Bureau publish average prices for the principal commodities and services in each of the major groups of consumption and that as rapidly as the validity of the samples and averages of subgroups of these goods and services can be assured, that indexes and average prices for these groups also be published. For general index purposes, some of the Bureau of Labor Statistics samples (of cities, goods, and services) might be reduced; the pressure for increasing detail on the part of those using these indexes, however, requires larger samples for most phases of the work. At the present time—except for foods, fuels, and certain other commodities—the Bureau of Labor Statistics is not warranted in publishing basic data on average prices by cities because the samples have in general been considered as inadequate to provide more than stable relatives for large aggregates of commodities and services.

In periods of rapid changes in consumption habits, the specifications of goods and services purchased by consumers, as well as the lists of stores from which consumers buy, must be reviewed at frequent intervals if the

cost of living index is to be maintained as a dependable instrument.

9. That the Bureau pay continuous attention through special studies to changes in the specific consumer goods and services which it prices, continuing the survey of wartime prices initiated in the spring of 1943.

10. That the Bureau conduct frequent field surveys to determine the necessity of changing the number of outlets from which prices are obtained, or of shifting from outlets in one area to those in another, in order to maintain adequate samples for the indexes, as well as for the average prices.

11. That the Bureau prepare for publication a historical summary of the development of the concept of the cost of living index and of the purposes for which that index is used. The Bureau of Labor Statistics index of the cost of living has been developed with gradual improvements in methodology since the introduction of the index of food costs in 1903 by the Commissioner of Labor Statistics. The report herein recommended should, in addition, describe the expansion of uses to which the index has been put, and provide an explanation of the ideal form of index which would serve these several purposes.

FREDERICK C. MILLS,
Chairman.
E. WIGHT BAKKE.
REAVIS COX.
MARGARET G. REID.
THEODORE W. SCHULTZ.
SAMUEL S. STRATTON.

Mr. ELLENDER. Mr. President, following the discussion which I have just had incorporated in the RECORD, there was a rather full description of the Index, together with other illuminating information related thereto, published in a supplementary report as an appendix to the report previously referred to. The following descriptions and appraisals are taken from the appendix. I shall read only a few selections from this general description of the index, and thereafter, rather than take the time of the Senate, I shall ask that it be incorporated in the RECORD.

Definition: The cost of living index prepared by the Bureau of Labor Statistics is an answer to the question, "How much has the cost of living changed?" This question as stated is not specific and before an index can be computed, a precise definition of the term "cost of living" is needed. Thus, families do not live at the same income level each year; some receive additional income, others have less. If the question, "How much has the cost of living changed?" is defined to mean how much living costs changed when only the effect of changes in prices is considered, then changes introduced by variations in income are ruled out. The Bureau of Labor Statistics has arrived at the procedures used in computing its cost of living index by assuming that the question of "How much living costs have changed" can be answered by measuring the changes which would have occurred in a family's cost of living if it had purchased the same goods and services in two periods. The index then is a measure of the changes in the cost of a bill of goods and services consisting of identical quantities and similar qualities in any two successive periods in given amounts. This is not the only possible definition that could be adopted. It is, however, the one most widely used for indexes of this type and the most suitable for practical computation, given the present collections of data on consumer behavior and our knowledge of economic laws.

As I indicated a while ago, I do not intend to take the time of the Senate to read the general description of the index which I propose be used in order to ascertain the cost of living. I ask unanimous consent that the general description be printed in the RECORD at this point as a part of my remarks.

There being no objection, the description was ordered to be printed in the RECORD, as follows:

GENERAL DESCRIPTION OF THE INDEX

Definition: The cost-of-living index prepared by the Bureau of Labor Statistics is an answer to the question, "How much has the cost of living changed?" This question as stated is not specific and before an index can be computed, a precise definition of the term "cost of living" is needed. Thus, families do not live at the same income level each year; some receive additional income, others have less. If the question, "How much has the cost of living changed?" is defined to mean how much have living costs changed when only the effect of changes in prices is considered, then changes introduced by variations in income are ruled out. The Bureau of Labor Statistics has arrived at the procedures used in computing its cost-of-living index by assuming that the question of "How much living costs have changed" can be answered by measuring the changes which would have occurred in a family's cost of living if it had purchased the same goods and services in two periods. The index then is a measure of the changes in the cost of a bill of goods and services consisting of identical quantities and similar qualities in any two successive periods in given amounts. This is not the only possible definition that could be adopted. It is, however, the one most widely used for indexes of this type and the most suitable for practical computation, given the present collections of data on consumer behavior and our knowledge of economic laws.

Population groups represented: The index of the cost of living computed by the Bureau of Labor Statistics measures the changes in the cost of goods and services purchased by specific groups in the population described as families of "wage earners and lower-salaried clerical workers in large cities." The commodities and services included in the index, their weights and specifications, the cities covered, and the sample of stores within cities were all selected with recognition of this restriction in population coverage. The index does not purport to be representative of other groups in the population, such as single individuals, however employed, families of business and professional men, or families living on pensions or relief allowances, nor does it take account of changes in the cost of living of families migrating to large cities from rural communities or from other cities.

Precision of measurement both in the weights and in the prices is of importance, but in general an index is affected less by errors in the weights than by errors in the prices. The movement of the index may, however, be significantly influenced by changes in the weights for particular items if such changes are associated with the price changes.

Selection of weights: The weights for the commodities and services in the present index were derived from studies of the expenditures of wage earners and clerical workers made in 1934-36, described below. From the 578 items of family expenditures recorded separately on the schedule, 198 were selected for the index on the basis of two criteria: (1) importance in the family budget, and (2) correlation in the price movements of related commodities.

For each item selected for the index, the expenditure weight was determined by adding together the average expenditures for the article itself, the average expenditures for similar items known to have the same price movement, and the proportionate share of the miscellaneous expenditures of the same consumption group. For example, the expenditure weight for studio couches was the average expenditure for studio couches, other couches, day beds, and davenports; a relative part of expenditures for miscellaneous furniture; and a relative part of the expenditure for articles of house furnishings itemized on the survey schedule as other house furnishings expense.

The method of allocating the weights to the items included in the index is explained in detail in the Bureau of Labor Statistics Bulletin No. 699: Changes in Cost of Living in Large Cities in the United States, 1913–41. The details for the food group, for example, are given in table 6 of that bulletin and those for clothing in table 10.

Development of specifications: In order to standardize its measurement of price changes, the Bureau has developed descriptions or specifications for most items in the index. Each specification represents, in the opinion of commodity experts and specialists in industry and the various trades, the article most frequently purchased in the price lines in which wage earners and clerical workers were concentrating their purchases in 1934-36. Each article is described in terms used in the trade, and details of construction are given in order that the article may be readily identified. For clothing, the fabric, stitching, size ranges, style, and other features are stated. For furniture, the kind of wood, finish, construction, metal fixtures, and other details are fully described.

Since these descriptions are designed primarily for the collection of prices on the same qualities in many cities from time to time, some range in construction details is allowed in order that prices may be obtained on goods sold in different parts of the country. Thus, although the specifications are detailed, more than one type, quality, or price level may satisfy a given specification. In the usual practice, the quality satisfying the specification and selling in largest volume is selected in each outlet giving price information, and this choice is followed throughout the period during which the particular specification is used for that outlet.

Because of changes in manufacturing processes, kinds of materials available, style, etc., certain specifications become outmoded, the length of the period for which they are valid varying for the different groups of merchandise. The specifications for such articles as winter clothing need to be modified about every 2 years in normal times, and in wartime even more frequently. The new specification is made to adhere as closely as possible to the one used in the previous periods in respect to such fundamental characteristics as materials and design.

Cities included in the sample: The national cost of living index representing large cities is based on price data collected in three samples of cities most of which are over 100,000 population. For each quarterly period (March, June, September, and December) the index is calculated by combining the national food-cost index, which is based on changes in food prices in 56 cities, and the indexes of prices of other important goods and services in 34 out of the 56 cities. For the other 8 months of the year the index is calculated on the basis of food prices in 56 cities and the prices of an abbreviated list of other commodities and services in 21 of the 34 cities. This monthly index was begun in 1940.

Collection and number of prices: Prices for the items chosen for the index and described by the specifications are collected by agents of the Bureau from a sample group of the stores in each city included in the index.

The goods and services priced for the index are selected to represent the typical purchases of wage earners' families. They are changed as required by normal market de-

velopments as well as by wartime conditions. In June 1943 the total list of articles had been reduced from the 198 included, on the basis of the family expenditures survey in 1934–36, to 183. This total list of 183 items included prices of 59 foods, 43 articles of clothing, 12 kinds of fuel, 23 kinds of housefurnishings, and 46 miscellaneous goods and services. Two or more qualities are priced for most articles of clothing and housefurnishings and for some of the commodities in the other groups. Altogether, therefore, prices of 342 different articles and qualities are obtained for the official cost-of-living index in each city. For the interquarterly monthly indexes a somewhat smaller number of articles is priced.

Foods: Food prices for the food-cost index are obtained for all staple foods, such as bread, butter, potatoes, etc., in 56 cities. They are obtained in these cities from 1,129 independent grocery stores and markets, 208 chain organizations, 152 dairies, and 340 bakeries. The 208 chains represent 8,640 stores, making a total of 10,261 outlets represented.

Clothing: The clothing prices represents those items usually purchased by city wage earners' families, including men's suits, work clothing and shirts, and women's dresses, hose, coats, shoes, and various accessories. Clothing for infants and most articles for boys and girls are not included.

Housefurnishings: Living-room and dining-room suites, mattresses, bedsprings, stoves, washing machines, sheets, glassware, etc., represent the furniture and furnishings which are priced for this group in the index. It is in this group of articles that most changes have occurred since the beginning of the war period.

Fuel, electricity, and ice: As indicated above, 12 different kinds of fuels are priced. Special emphasis is placed on those fuels which are of importance in each locality. Typical bills for gas and electricity are computed from the rate schedules obtained from utilities in the large cities.

Miscellaneous goods and services: A large variety of goods and services purchased by the average family in the wage-earner and clerical group is priced. These include such diverse commodities as drugs, automobiles, and tires, and such services as medical and dental care and haircuts.

Rents: Since September 1942 rents have been gathered directly from tenants. More than 1,500 dwelling units are surveyed in a typical large city every quarter. Prior to the middle of 1942 rents had been based upon reports for identical dwelling units, obtained from rental management agencies.

Altogether, more than 145,000 price quotations are obtained for calculating the cost-of-living index each quarter.

As noted, since the outbreak of the war many articles have, of necessity, been dropped from the list and others have been added. Most important of those dropped were automobiles and tires, electric refrigerators and other durable houshold equipment, and certain textile products—notably silk hose. Substitutes for some of these were added, such as wartime models of furniture, and rayon hose. Some foods, such as hamburger, liver, and rolled oats, have been added because of their wartime significance.

APPRAISAL OF THE METHODS OF OBTAINING PRICES AND PRICE RELATIVES

Selection of the sample outlets: Since the index measures the trend of prices of goods purchased by wage earners and lower-salaried clerical workers, the stores selected for the sample are taken as representative of the outlets patronized by such families. For the collection of food prices independent outlets are chosen from districts in the city proper (not including suburbs) where the residents are chiefly wage earners and lower salaried clerical workers. Such districts are selected on the basis of local information relating to general rent level, location of plants and factories, and the concentration of racial groups. The individual food stores in the sample are chosen so that the number from each sales-volume group is proportional to the total sales of that group. As shown by data of the Bureau of the Census, the sales-volume groups are as follows: sales of less than $20,000 per year; $20,000 and under $50,000; $50,000 and under $250,000; and $250,000 and over.

Retail food prices are collected from the same stores at each pricing period. When a store is dropped from the sample for any reason, a replacement having the same type of operation is chosen from the same neighborhood and the same sales-volume group.

All important grocery chains within the corporate limits of the city are included in the sample, and if more than one type of store is operated by a particular chain, prices are secured from each type having different selling prices. The prices from chain and independent stores are combined by use of weights, based on the total sales for the two types of organization as reported by the Bureau of the Census and the BLS-OPA Food Margin Survey of 1942. Prices from the individual corporate chain organizations are weighted according to each organization's annual sales in each city as reported by each firm to the Bureau.

The outlets from which retail prices of other goods have been priced have been selected on the basis of size and kind of outlet, type of operation, quality of commodities sold or services rendered, and location and clientele. Both department and specialty stores are included in the store samples, as well as national, sectional, and local chains, and independent stores. Outlets selling commodities or rendering services on a cash-and-carry basis are represented as well as those granting regular credit and delivery service or installment credit. Stores operated by mail-order houses are included in the Bureau's sample in those cities where they are situated.

For each article other than food, price quotations are obtained from at least 5 stores in New York City and at least 4 stores in other cities. Some stores visited supply prices for just one article, others for several articles, but only a few stores are able to give prices for all of the articles in a commodity grouping as described by the specifications. Thus, in most cities it is necessary to visit 10 or more stores in order to obtain at least four quotations for each article priced in the clothing group.

General description of the method of pricing: Most of the prices used in the calculation of the Bureau of Labor Statistics cost of living index are obtained by trained representatives through personal interviews with store managers or buyers. As a rule, the only data not obtained by personal call are prices of household fuels and rates for electricity and gas. Retail fuel prices are reported on questionnaires mailed directly to the dealers, and all data on rates for electric current are obtained from the Federal Power Commission. Gas rates are obtained from the utility companies by mail.

In stores where prices are regularly posted in full view of the customers, the representative obtains price data by personal inspection of the posted prices and checks these with proprietors or managers. If prices are not posted, the representative fills out the schedule by questioning the manager. Whenever possible, merchandise and price tags are examined.

In the collection of prices of foods as well as of other commodities, in order to maintain comparability each representative is provided with a set of records which gives the brand, lot number, or grade (where it is available) and other identifying information relative to the prices obtained during previous months, as well as the general specifications described above. If the same brand or quality is no longer available, the representative substitutes a new one and obtains the previous period's price for the substitute. By having prices for earlier months readily available, the representative can determine whether the substituted item was of the same general price level in the previous month as the item no longer stocked by the reporting store.

All data for the cost of living index are published as referring to the middle of the month. Food prices are collected each month and apply to the Tuesday nearest the fifteenth; collection may, however, be made on the preceding Monday or the following Wednesday. Collections of data for items other than food are usually made in the 2 weeks preceding or the week following the date to which the index applies. For the monthly index, an abbreviated list of commodities and services is priced. The full list is priced at 3-month intervals.

Variability of prices among outlets: The Bureau has not in the past calculated measures of the dispersion of prices among outlets on the basis of which the sampling errors of the average prices and of the price relatives could be estimated. In March 1943, the Bureau began to include in its monthly release "Retail Food Prices by Cities," the ranges of food prices—that is, the highest and lowest prices reported for each food—in all of the cities included in the food-cost index. These published data are not adequate, however, for computing statistical measures of variability. The calculation of the standard deviations of the prices of a few selected foods in Detroit indicates that the standard errors of the average prices for the foods, when based on 15 to 20 quotations, are all probably less than 1 cent and most are less than half a cent.

To judge whether the Bureau's sample of stores is representative of those where wage earners buy and to evaluate the accuracy of the regular price reports, the committee developed three special tests described in the following section.

Special tests of the price reports: (1) Additional samples of stores. In June 1943 the Bureau of Labor Statistics, at the request of this committee, conducted experimental tests designed to provide some information that would lead to an evaluation of the price data collected. In the first of these tests, a sample of independent food stores (within the corporate limits of the city), in addition to the Bureau's regular sample, was chosen in accordance with criteria set by the committee staff. The prices of foods were obtained in the same way and on the same day that the Bureau of Labor Statistics representatives obtained the prices for the regular sample. This test was conducted in six cities: Washington, Detroit, Milwaukee, Atlanta, San Francisco, and Scranton. A second additional sample of stores was chosen from the suburbs of four of the cities: Washington, Detroit, San Francisco, and Milwaukee. In July price reports were obtained from the stores included in the additional samples in Washington, Detroit, and San Francisco.

In choosing the stores for this test, the recent Census publication giving block statistics for cities of 50,000 or more population made it possible to delineate the districts to be sampled more directly and objectively than was possible when the regular samples of reporting stores were chosen. Areas in which the average rent or rental value of dwellings in each block was not less than $15 and not more than $50 were considered districts in which wage earners and lower-salaried clerical families live. The selection of this range of average rent was based on the distribution of rents paid by wage earners and lower-salaried clerical workers included in the sample of urban families surveyed in the 1941 expenditure study. (Bureau of Labor Statistics Bulletin

No. 724: Spending and Saving of City Families in Wartime.)

In the suburbs a similar sample was chosen to test whether the level of prices there differed significantly from that in the city proper, to which the Bureau reports are limited. Here an additional criterion was used in defining the districts to be included in the sample. The commuting fare in the districts chosen was restricted to not more than twice the fare on public transportation within the city limits.

All food stores on streets within the districts selected were listed and from these lists every nth store was selected, n being determined so as to yield the same number of stores as are in the regular sample.

Most of the differences between the averages from the additional samples and those from the regular sample were less than 5 percent but there was a majority of cases in which the average from the regular sample exceeded those from the additional samples. The suburban samples differed no more from the regular sample than did the additional sample within the city limits. If the differences between the two samples within the city limits can be explained, it may be concluded that the regular sample is representative of the level of prices in the whole metropolitan area in which the wage-earner families live and buy their food.

Weighted aggregates of the prices reported in the additional samples were below the corresponding aggregates of the regular sample in five of the six cities. The difference averaged 1.7 percent. The smallest discrepancy (0.6 percent) was in Milwaukee where, as exception to the general rule, food costs averaged somewhat higher in the additional stores than in the Bureau's regularly reporting stores. Prices in the additional sample within the city limits were 1.5 percent below the prices in the regular sample in Detroit; 2 percent in San Francisco; 2.1 percent in Washington and Scranton; and 4.8 percent in Atlanta. This repetition of similar discrepancies in five out of six cities would not be expected on the basis of sampling alone. It is therefore necessary to conclude that the regular samples and the additional samples differed systematically in some respect.

Two possibilities must be considered to explain a systematic difference between the samples: First, that the regular samples yield an overestimate of the average prices of the commodities reported; and second, that the additional samples gave underestimates of the prices of foods, individually and in the aggregate. The first of these explanations implies either that the stores in the regular sample include a disproportionate number with relatively high prices or that a tendency has developed for the stores to report on lines of foods with higher prices than the average for the specification ranges. The latter hypothesis can be verified to some extent by a study of the brand distribution of the price reports for the canned and packaged foods.

The stores reporting to the Bureau in each of the samples were asked to give prices for the best-selling brands. In the regular sample the brands reported as best selling over a period of time tend to be mainly those having a wide national or regional distribution. In a given month, particularly in a time of shortages, packers' label brands may be more widely sold by retailers, as was indicated by a a large proportion of stores in the additional samples reporting prices on such brands. When the average prices of a few foods were tabulated by brand the additional samples and the regular sample were in close agreement. For example, the average price of a nationally advertised brand of macaroni in the Detroit regular sample was 20.1 cents; in the additional sample within the city limits, 19.4 cents; and in the suburban sample, 19.2 cents. Nearly all of the reports in the regular sample were for this brand, while more than half of the stores in the additional samples reported other and less-expensive brands. As a result the average price for all brands in the regular sample amounted to 19.4 cents and to 14.8 cents in the two additional samples.

It thus appears quite probable that in the case of the canned and packaged foods the difference between the regular and the additional samples was in the distribution of the reports among the different brands. Only a comprehensive study of the volume of sales of each food defined by the specification would give the basis for judging whether the regular sample yields a representative distribution among brands over a period of time. It is apparent from the example given above that in a given month this distribution may be quite unrepresentative of the brands on grocers' shelves. An interesting problem is raised by these considerations: Should the distribution of price reports each month conform to the particular frequencies existing at that time? If so, not only the price reporting but also the calculation of price changes would be made much more complicated and expensive. If, on the contrary, it is considered theoretically desirable to achieve a distribution that is representative of the sales by brands over a longer period, such as 6 months or a year, then it may be expected that any new sample in times like the present would differ from the regular sample, as in this experiment.

The difference between the regular and the additional samples were not limited to the canned and packaged foods. In most of the meats and in some of the fresh vegetables and fruits also the average prices reported by the stores in the regular sample were higher than the average prices in the stores in the additional samples. For these foods it is reasonable to assume that in the additional samples there were few or no prices reported above ceiling prices. As noted elsewhere, the stores in the regular sample report prices above the established ceilings sufficiently often to raise the average price as much as the differences under consideration. Since the owners or managers of the stores in the additional samples could easily have misunderstood the nature and purpose of the inquiry on the part of Government representatives with whom they had had no previous acquaintance, it is not unlikely that in most cases the prices reported were less than or equal to the ceiling price.

The chief function of the collection of retail prices is to measure the price changes over a period of time. Therefore, a comparison of the results from the additional samples in the three cities where the data were collected in both June and July offers the most significant test of the city samples. An index of the change in food costs was calculated, using exactly the same procedures for each of the three samples. The decrease during this period resulted from the seasonal decline in fresh fruits and vegetables and a lowering of some ceiling prices by the Office of Price Administration.

	Change in the cost of foods from June to July 1943 in—		
	Detroit	San Francisco	Washington, D. C.
Regular sample	−1.7	−4.4	−1.4
Additional samples:			
City proper	−1.5	−3.7	−3.4
Suburbs	−.7	−4.3	−1.8

The differences between the regular sample and the additional sample within the city proper for San Francisco and Washington suggests a margin of variation larger than is desirable in the index series even though they can, by means of statistical tests, be attributed to sampling fluctuations. The question, therefore, arises whether the number of stores in these samples is large enough to yield a measure of relative change in price that would not, in general, vary as much from sample to sample. The price changes for separate foods in the three samples were in general agreement when they were based on 20 or more quotations. Over half of the changes for the three samples, however, had to be measured from a smaller number of reports. Less than 10 quotations in the Detroit surburban and Washington additional city sample were obtained for more that one-third of the foods (table III). Even though the weight of a single food is small, the composite effort of a large sampling error in a substantial number of price relatives can apparently lead to a large variation in the weighted aggregate. At the present time, the prevalence of shortages has intensified this problem. It thus appears that in order to keep at a minimum the variation in the measure of relative price change in individual cities, it may be necessary for the Bureau of Labor Statistics to add temporarily to its sample of independent stores. It should be noted, however, that the measure of price change in independent stores forms only part of the total estimate of change. If the change is more accurately measured for chain stores, the error is obviously less than indicated in this comparison.

2. Prices from chain-store outlets. The Bureau regularly collects chain-store food prices from district or local headquarters of the predominant chains in each city or from a single store designated by the headquarters. The various chains consented to a test in which the prices reported by central offices were checked against the actual prices being charged in a sample of the chain outlets in the city. This test was to ascertain whether the prices charged in the individual chain outlets center around the approximate price scale established by the chain headquarters. In all 6 cities, 78 percent of the prices reported by the individual outlets were the same as the prices reported by the chain headquarters (table IV). In 4 of the cities, there were more prices in the individual stores above the headquarters price than below; in two cities—San Francisco and Scranton—the reverse was the case. The comparison is best summarized in the percentage difference between the food cost aggregates obtained combining the average prices for each food with the weights used in calculating the index. The average prices reported by the individual stores resulted in aggregates that ranged in the 6 cities from 0.6 percent below to 1.7 percent above the aggregates based on the average prices reported by the central offices.

3. Prices paid by purchasers: The third test was a comparison of prices secured by the Bureau's representatives with prices actually paid by purchasers. A special group of Bureau of Labor Statistics agents unknown to the Bureau's regular respondents was provided with funds and ration points and instructed to buy certain items from the regular list of commodities in 12 cities. The purpose of this test was to discover whether there was any tendency on the part of store managers interviewed regularly by the Bureau's representatives to report prices differing systematically from those charged their customers on the same date. The agents making the purchases were provided with a list of the brands and specifications of foods priced in May in each of the stores included in the test. These agents were not the agents who regularly visit these stores. They were expressly selected for this job and went to the stores as ordinary customers and were

in no way identified as Government employees. These agents were strangers in the stores and might therefore be subject to any differential treatment that the retailer may accord to different groups among his patrons.

After the purchases were made, the shopper requested a receipt from the person serving him. This receipt did not as a rule record prices for the individual foods, grades, or qualities of the foods purchased. After the shopper had left the store he prepared a report showing, by store name and outlet number, the foods purchased, the quantity of each, the total cost, and the stated price per unit. The amount for each article in general appeared on the receipt, but the other quantitative information had to be supplied from memory. Brands and grades were recorded for canned and packaged goods. The shopper had no definite assurance that the retailer had supplied him with the grade of meats requested and, therefore, no quality information was listed for the meats.

The purchase reports were then compared with the price reports obtained from the regular monthly interview with the owner or manager of the store. Prices paid tended to be above prices reported for items in the meat, fresh fruit, and vegetable groups. In other foods the prices paid by purchasers and the prices reported to agents were in substantial agreement. The magnitude of the differences is illustrated by the unweighted averages of the prices of 24 foods in the 12 cities.

If a purchaser bought the list of foods purchased in this test and if the test-purchase prices had been combined with the weights used in the cost-of-living index in June, his bill would have been 1.7 percent greater than that calculated from the prices reported to the Bureau.

This simple comparison, however, does not describe the situation accurately because subsequent analyses by the committee's staff have shown that the list and quantities of foods purchased were not strictly comparable with those regularly priced. If allowance is made for these differences and a similar grocery bill is calculated with the weights used in the cost-of-living index, the difference is only 1 percent. In detail, analysis indicated that when the differences between the prices paid and the prices reported were appraised food by food and store by store, certain reports on purchases were eliminated from the comparison because the grade or brand differed from that shown on the regular price report.

Item and unit	Averages of reported prices	Averages of purchase prices
	Cents	*Cents*
Flour, wheat, 5 pounds	33.5	33.6
Macaroni, 8-ounce package	8.7	8.7
Corn flakes, 11-ounce package	9.9	10.0
Rolled oats, 20-ounce package	11.8	11.7
Round steak, 1 pound	48.9	50.3
Chuck roast, 1 pound	33.5	35.4
Veal cutlets, 1 pound	54.7	55.2
Pork chops, 1 pound	42.8	42.9
Bacon sliced, ½ pound	23.7	23.8
Ham sliced, 1 pound	59.4	59.5
Milk, evaporated, 14½ ounces	10.4	10.4
Cabbage, 1 pound	10.2	10.4
Carrots, bunch	8.4	8.7
Potatoes, 1 pound	5.6	5.8
Peaches, No. 2½ can	26.4	26.9
Pineapple, No. 2½ can	32.4	32.4
Grapefruit juice, No. 2 can	14.8	14.9
Beans, green, No. 2 can	15.8	16.0
Corn, No. 2 can	15.0	15.1
Peas, No. 2 can	15.4	15.4
Tomatoes, No. 2 can	13.8	13.8
Navy beans, 1 pound	11.1	11.3
Salad dressing, 1 pint	27.3	27.6
Corn sirup, 24-ounce bottle	16.3	16.5

The best-selling brand within the specification had shifted in some retail stores and in accordance with the established practice the price reporters had obtained the price for a different brand in June, and a new May price for the same brand. There was, accordingly, no June report for the brand bought by the shopper.

The other differences between prices paid and the prices reported were then appraised in terms of the possibility of errors in the shopper's reports on quantity purchased and grade or brand received. For example, a shopper's report of the purchase of 2½ pounds of chuck roast for 85 cents was considered consistent with a price of 35 cents a pound, since the weight recorded was doubtless a "rounded" estimate. Forty-seven percent of all the differences between the pairs of prices could be explained by the purchase of a different grade from that priced or by inaccuracies in the reported quantities. The relatively large number of such cases accents the difficulties of using reports of purchases as a method of recording prices and price changes.

Out of a total of 809 comparisons there were, after editing for comparability, 97 cases which might be considered indicative of errors in the regular price reports. Most of these differences, particularly those in which the purchase price exceeded the reported price, occurred in foods for which the retailer had been reporting the same price for two or more months. This suggests that a few of the regular reporters may fall into the habit of reporting no changes in many of their prices, in order to shorten the interview. This inference is further supported by the fact that such cases tended to be concentrated in certain stores. With the increasing difficulties that retailers are facing in the conduct of their business, there may be an increase in the number of retailers regarding the monthly price report as a chore to be completed as quickly as possible.

The Bureau has continuously revised its sample of stores in each city and at the present time is directing the revisions so that the distribution of the stores in the sample conforms to the distribution shown by the Census for sales-volume groups. Substitutes are being introduced for stores that appear not to be giving completely accurate reports.

Comparison of price reports with ceiling prices: At the present time, a new type of question on the accuracy of the price reports has been raised: Do the respondents report the actual selling prices or the legal (ceiling) prices? To investigate this problem, a comparison has been made of the prices reported and ceiling prices of five pork products at selected dates in the stores in 56 cities. The results of this study, presented in table V, show that 25 percent of the prices quoted to the Bureau as of April 20 were above the dollar-and-cents ceilings established on April 1. These percentages state number of price quotations above ceiling prices in relation to the total number of price quotations collected by the Bureau. They do not provide an estimate either of the relative number of individual stores charging more than the ceiling price or of the proportion of sales at prices above the legal limits.

For the same purpose, a comparison of prices for canned fruits and vegetables on which community ceilings had been established in Cleveland for July 13, 1943, showed that 55 percent of the canned fruit and 50 percent of the canned vegetable quotations received by the Bureau were above community ceiling prices. In the Atlanta region, 22½ percent of price reports to the Bureau in 16 cities on September 14 were above ceiling levels, and in the Denver region, 37 percent of the meats, 24 percent of the canned fruits, approximately 19 percent of the eggs, and 14 percent of the canned vegetables priced on August 17 were above legal ceilings. These findings indicate that the prices reported to the Bureau are not limited to the legal price limits.

Use of specifications in obtaining retail prices in the war period: The retail prices which form the basis of the Bureau of Labor Statistics cost-of-living index represent the cost of goods of the same quality in successive months, insofar as it is possible to price goods of the same quality in wartime markets. As previously explained, the Bureau's field representatives are provided with detailed descriptions of quality and they secure current prices of goods of the defined qualities from store managers and store buyers in personal interviews. When goods of the kind previously priced disappear from the market, new specifications are written to describe the articles currently available and which have the same use. Variations among different stores in qualities sold and the limited information available in regard to the quality of the goods sold make it necessary to allow a range of quality within each specification. With the aid of these specifications and of their training in evaluating merchandise, the Bureau's representatives normally are able to obtain prices of goods of the same general quality from one pricing period to the next.

The task at the present time, however, is especially difficult because wartime shortages necessitate frequent changes in the use of materials and designs by manufacturers, and it is no doubt true that goods of poorer quality are being priced in certain types of merchandise. It would be possible to follow prices of goods of equivalent serviceability more accurately if there were closer quality controls in the production of consumers' goods, and if manufacturers labeled the quality of the goods they produce (by grade, or some other objective measurement). Informative labels which identify the quality of the goods sold are available in relatively few retail stores and for very few commodities in these stores.

The Bureau follows the policy of continually developing new specifications to insure that the list of goods priced for the index is representative of current purchases. In pricing for the June 1943 clothing-cost index, 68 new specifications were used; for example, specifications for four grades of rayon stockings, one grade of cotton anklets, and six qualities of men's suits were added.

Information supplied by manufacturers makes it possible to ascertain changes in materials and construction a season ahead of the appearance of new types of goods in retail stores. Differences in marketing procedures and in climatic conditions in different parts of the country sometimes result in the introduction of new products in the metropolitan areas in the North in one quarter, and in the smaller cities or in the South the following quarter.

In periods of changing incomes, store buyers report that their sales volumes have shifted and thus they recommend pricing in the current period a new item which is within the quality range allowed by the specification but is higher in price than the article priced in the past. When such a change is reported the Bureau's representatives take special care to ask about the new quality in as much detail as possible in order to determine whether the change represents a shift in both quality and price or a change in price only.

When a substitution is made because the quality of the article selling in greatest volume has changed, and the article previously priced is still obtainable, the price of the new article in the current period is compared with its price in the previous period in calculating the index. This process is known as "linking."

The linking process is not used if a commodity which has been a volume-seller disappears from the market (and from the cooperating outlet in particular) and only higher-priced substitutes are available. The

price change shown in this case is calculated in one of two ways. If the higher-priced commodity were a new one the full percentage increase is used in calculating the index. If, on the other hand, the new commodity had been available in the previous pricing period and had been sold in large volume alongside the previously specified commodity, the price change from the old commodity to the new one is determined over two pricing periods by relating the price of the new to the average price of the old and new in the first period. This procedure is followed on the assumption that many members of the group to which the index applies purchased the higher-priced article in the earlier period. Since it is impossible to obtain information on the volume of sales for each quality to the public at large, much less to this particular group, the two prices for the earlier period are given equal weight in the average.

These procedures, which take account of the effect of the disappearance of lower-quality merchandise on the actual cost of living of the wage-earner and clerical group, were the most important factors in producing increases in the clothing-cost index in July and August 1943 and were important factors in the increase shown for September 1943.

APPRAISAL OF THE METHODS OF DERIVING AND ADJUSTING THE WEIGHTS

General description: The original cost-of-living index of the Bureau of Labor Statistics was developed from data on the consumption of wage earners and clerical workers in large cities during the period 1917–19. Cost of living indexes, based on the 1917–19 consumption data were published at regular intervals from February 1921 through 1934. In 1935, the Bureau improved the method of calculating the index and introduced a completely revised system of weights.

A fixed-weight index may remain valid, according to the definition of the index, over a considerable period of time and possibly, with minor revisions, for as long as a decade. Eventually, however, the consumption pattern represented in the index becomes outmoded, and must be completely revised. In the period between 1920 and 1935 many goods and services not commonly sold at the time of the original expenditure study became part of the consumption of wage-earner and clerical groups. Subsequent changes in the price relationships among the various commodities in the family budget altered the relative importance of the goods and services represented in the index and the need for new expenditure data became apparent.

From 1934 through 1936 the Bureau conducted a Nation-wide study of the money disbursements of wage earners and lower-salaried clerical workers. This study, conducted in a period when there was widespread unemployment and large relief rolls, was so planned that it would produce information on expenditures of wage earners and clerical workers living in relatively normal circumstances. Consequently, the sample was confined to families with at least one earner, who was employed a specified length of time during the survey year and who had earnings of at least $300 during this period. In addition, no families who had received direct relief or work relief during the year were included. The result of these restrictions was to provide data for cost weights in the index at an expenditure level that would become more representative as the Nation moved toward full employment. Had the Bureau elected to describe the expenditure level prevailing at the time of these surveys, the weights in the index would have deviated markedly from the average plane of living of the groups represented within a few years.

The information from these surveys formed the basis of the revised weights. The net effect of the changes is illustrated by the group weights for all cities shown below:

Item	Relative importance in the index in 1935–39 for—	
	Original index	Revised index
Food	31.1	33.9
Clothing	13.8	10.5
Rent	16.0	18.1
Fuel, electricity and ice	6.3	6.4
Housefurnishings	4.7	4.2
Miscellaneous	28.1	26.9
All items	100.0	100.0

The changes in the group weights, in themselves, although relatively large, did not constitute the major alterations in the construction of the index. The changes in the weights for items within groups were more significant, especially in the furnishings and miscellaneous categories. Nevertheless, the comparison of the new and the original index over the period for which both were computed does not reveal large differences in movement (see charts 2 and 3, Bureau of Labor Statistics, serial No. R. 1156).

Changes made in the index in the recent period: The changes in the types of goods and services available to civilians during 1942 and 1943 have necessitated more extensive revisions of the weights than is required in peacetime. These changes are described in an article by Faith M. Williams entitled "Bureau of Labor Statistics Cost-of-Living Index in Wartime," in the Monthly Labor Review, July 1943.

By December 1942 the following goods were dropped from the indexes for all cities: New and used automobiles, refrigerators, washing machines, metal bedsprings, studio couches and innerspring mattresses, sewing machines, vacuum cleaners, gas cook stoves and silk stockings, slips and yard goods. Rayon stockings, cotton hose for women and girls were added to all city indexes and cotton-felt mattresses were included in the 22 cities where they were available. The weights for automobile repairs, streetcar and bus fares and for rayon yard goods and slips were increased while the weights for gasoline and oil and for fuel oil in the area defined by ration order No. 11 were decreased.

Effect of changes in weights on the movement of the index: The effect of the various changes in weights which have been made in the BLS cost of living index since the beginning of the war has been measured by the committee in two different ways. In the first place, the indexes for five cities were recalculated on the basis of the weights used in calculating the February 1943 index. Since the first weight change was made in January 1942, the index was recomputed back to December 1941. The results of this calculation are shown in table VI. These indexes were calculated by dropping from each monthly aggregate, beginning with December 1941, the aggregate for the goods not available in February 1943, and by making the appropriate change in each aggregate for which the weight was different in February 1943 than in the base period. The result of this procedure was to produce indexes with constant weights from December 1941 to February 1943. As of the latter date, there was no difference between the recomputed series and the published indexes for New York City. Among the other cities, the greatest difference appeared in the San Francisco index, where it amounted to 0.4 of an index point.

Secondly, the index for all cities combined was recalculated on the assumption that money which could not be spent for goods no longer available would have been spent for goods within the same index group of commodities. For instance, it was assumed that some of the money previously spent on gasoline for automobile travel was spent for other kinds of transportation; that more of the money formerly spent on automobile purchases was spent on repairs, etc. The index which was obtained by the second calculation is shown in table VII. This index was computed by applying to the dollar aggregates for each group of goods and services relative changes in costs for that group as published. The recomputed index (shown in table VII) was lower than the published cost of living index for December 15, 1942, by two-tenths of a point; this lower level was due to the increased weight resulting from the computation which fell upon the more stable items in the index. Table VIII shows the effect of the recomputation on the relative importance of the various groups of items.

Effect of complete weight revision: If a revision similar to that introduced in 1935 were envisaged now, a similar expenditure study would need to be undertaken. The wage-earner and clerical groups have experienced an appreciable rise in average income since 1940. At the same time, prices have been rising and to a certain extent adjustments to price changes have been made possible by the increase in income. The weights in the index are based on the money expenditures of families that had in 1934–36 an average income of $1,524. The index represents the cost, at present prices, of the goods purchased in 1934–36 at the level of $1,524 income. At the present time, the average income of similarly defined population groups is probably well above $2,000. Their money expenditures are determined by the income, the price level, and the availability of goods. To illustrate the degree of difference between the allocation of expenditure costs in the index and the expenditure pattern prevailing at a time other than the base period, data from the Bureau of Labor Statistics Survey of Spending and Saving in Wartime for the first quarter of 1942 for wage earners and lower-salaried clerical workers in large cities are compared with the expenditure weights in the index for February 1942, in the accompanying tabulation:

Item	Cost [1] weights in cost-of-living index, February 1942 [2]	Expenditures [1] by wage earners and clerical workers in large cities, first quarter, 1942	
		All income levels	Income level, $1,500
Food	35.1	32.8	34.3
Housing and fuel	23.3	18.4	21.4
House furnishings	4.5	4.8	3.3
Clothing	11.1	11.8	10.6
Miscellaneous	26.0	32.2	30.4
All items	100.0	100.0	100.0

[1] Percentage of total costs.
[2] Income level in 1934–36 was $1,524.

An index based on average current expenditures for current income levels would put less emphasis on housing, slightly less on food, and more weight on the miscellaneous groups. If, beginning in February 1942, the group indexes had been weighted by the distribution of the average actual expenditures of all wage earners and clerical workers in large cities in the first quarter of 1942 (column 2 above) the change in the index from February 1942 to October 1943 would have been 10.2 percent. This was exactly the change shown by the index computed according to the 1934–36 weights adjusted for shortages.

APPRAISAL OF THE CITY SAMPLE

In 1940 there were 199 cities having a population of 50,000 or more in the continental United States. The national (average) cost of living index of the Bureau of Labor Sta-

tistics is based on a sample of 34 of these cities as shown below:

1940 popu'ation	United States		BLS sample, number of cities
	Number of cities	Total population (thousands)	
500,000 or more	14	22,368	14
100,000 to 500,000	78	15,620	16
5 ,000 to 100,000	107	7,344	4
Total	199	45,332	34

The cities in the sample comprise 61 percent of the total population in large cities. Two of the cities, New York and Chicago, have nearly one-fourth of the urban population in cities of 50,000 or more.

The indexes for each city are combined to form the national average by weighting each city index so that it represents the population in the cities in the surrounding area. The weight for the city of Detroit, for example, is based upon its own population plus that of Jackson, Kalamazoo, Toledo, Grand Rapids, Flint, Lansing, and Saginaw. The population weights of the cities in the index which were revised in March 1943 on the basis of the data from the 1940 census (for a complete list see Monthly Labor Review, July 1943: The Bureau of Labor Statistics Cost of Living Index in Wartime), and the population estimate derived from the distribution of the sugar-ration books are shown below:

Region and city	*Population weight*
North Atlantic:	
Boston	8.8
Portland, Maine	.2
Manchester	.1
Buffalo	3.9
New York City	13.4
Philadelphia	7.2
Pittsburgh	4.2
Scranton	.9
Baltimore	1.8
Washington	1.9
Richmond	1.0
Norfolk	.7
Atlanta	1.3
Savannah	.6
Jacksonville	1.1
South Central:	
Birmingham	2.0
Memphis	.9
Mobile	.3
Houston	3.9
New Orleans	1.1
North Central:	
Chicago	8.1
Milwaukee	1.7
Indianapolis	2.2
Cincinnati	4.1
Detroit	6.1
Cleveland	3.6
St. Louis	2.5
Kansas City	2.8
Minneapolis	1.7
Western:	
Denver	1.2
Seattle	1.3
Portland, Oreg	.7
San Francisco	3.1
Los Angeles	5.6

The combination of the city data in the national average may be expressed by the formula: $(\Sigma n_i e_i R_i)/(\Sigma n_i e_i)$ where n is the population weight and e_i is the cost weight in the base period, and R_i is the index for the ith city. The influence of each city in the national average depends both on the population weight and the expenditure level of wage earners and clerical workers in that city in the base period. The cost of the goods purchased by clerical workers in 1934–36 in each of the 34 cities is shown below, at average 1935–39 prices.

The families of wage earners and clerical workers in both New York and Chicago had relatively high expenditures in 1934–36 as compared with similar families in other large cities, and consequently the expenditure weight of these cities in the national index is even greater than if the weight represented population alone.

Atlanta	$1,315.02
Baltimore	1,350.06
Birmingham	1,287.01
Boston	1,593.58
Buffalo	1,533.28
Chicago	1,659.25
Cincinnati	1,480.34
Cleveland	1,639.68
Denver	1,524.34
Detroit	1,692.73
Houston	1,447.05
Indianapolis	1,452.91
Jacksonville	1,339.14
Kansas City	1,400.54
Los Angeles	1,587.77
Manchester	1,454.46
Memphis	1,238.84
Milwaukee	1,591.71
Minneapolis	1,593.99
Mobile	1,191.80
New Orleans	1,215.69
New York	1,846.31
Norfolk	1,355.48
Philadelphia	1,590.33
Pittsburgh	1,527.32
Portland, Maine	1,476.96
Portland, Oreg	1,499.58
Richmond	1,428.88
St. Louis	1,507.31
San Francisco	1,690.05
Savannah	1,182.22
Scranton	1,422.70
Seattle	1,588.04
Washington, D. C	1,958.81

Tests show that the number of cities in the sample is large enough to provide a stable national average. In March 1943, when the all-city index was 126, the standard deviation of the city indexes from their average was 0.37 point, that is, the variation in the monthly change in the individual cities amounted to about three-tenths of a percent. In order to corroborate the usual tests of significance of the average, the 34 cities in the sample were divided into two subsamples of 18 cities each selected on a stratified random scheme (because of the importance of New York City and Chicago, they would be included normally in any stratified sample. They were, therefore, included with 16 other cities in each of the subsamples). The indexes calculated for these two subsamples are shown in table IX. The two subsamples were in substantial agreement, although the first tended to give consistently higher values than the second, a finding which may appear in samples when all of the measures are positively correlated.

The Bureau of Labor Statistics also collects data and constructs indexes for a sample of 20 small cities (see table I) representing cities with population of 5,000 and less than 50,000. These 20 cities have a total population of 374,996 which represents 1.6 percent of the total population of the 1,843 cities which in 1940 had populations within this range. The number of small cities in the index sample compared with the number in each population group of cities is shown below:

1940 population	United States		BLS sample, number of cities
	Number of cities	Total population (thousands)	
25,000 to 50,000	213	7,417	6
10,000 to 25,000	665	9,967	9
5,000 to 10,000	965	6,682	5
Total	1,843	24,066	20

The number of cities for which the Bureau conducts cost-of-living studies is not large enough to provide regional or State averages. Even though two out of three large cities in a State may be represented in the index, they may not give a sound basis for driving an estimate of all the cities in the State. The city is so large a sampling unit that even a large "sample" of the cities in a geographic area may yield averages that are biased estimates of averages for the total group of cities.

The national average cost of living has uses in connection with many problems of economic analysis and administrative policy. It is possible that regional or State averages would have similar usefulness in connection with regional or State problems, but indexes for geographic groups would prove more useful if the coverage extended beyond the large cities.

COMPARISON OF THE BUREAU OF LABOR STATISTICS INDEX WITH OTHER INDEXES

State indexes: Several State agencies prepare cost-of-living indexes for cities in their States. The Bureau of Labor Statistics assisted the Pennsylvania Department of Labor and Industry, the Michigan Department of Labor and Industry, and the Bureau of Business Research of the Louisiana State University in inaugurating their indexes by preparing weights for their use and by transmitting copies of the Bureau's schedules and specifications for adaptation to their situations. At their request, the Bureau trained their field agents in its price-collection methods and their office staffs in its method of office computation. The Bureau does not, however, correspond with these agencies currently on the matter of editorial decisions arising in the processing of the data. The procedures used by the Massachusetts Division of the Necessaries of Life and the New Jersey Department of Agriculture are completely independent of those of the Bureau. In general, the price changes as shown by the State indexes for commodity groups and for all living costs are of the same order of magnitude as the changes measured by the Bureau in cities or groups of cities in the same region. The few large differences can be explained on the basis of differences in methods of price collection. In Pennsylvania, Michigan, and Louisiana the State indexes are prepared for communities not included in the Bureau's sample, and the State agencies in Massachusetts and New Jersey do not publish separate figures for the cities in these States covered by the Bureau. Hence, strict comparisons of the Bureau's series with State series are not possible.

National Industrial Conference Board cost-of-living indexes: The National Industrial Conference Board currently computes two series of cost-of-living indexes—one based on a prewar fixed weight budget, the other on a wartime budget based upon the prewar budget adjusted by methods similar to those adopted by the Bureau of Labor Statistics.

The indexes for the prewar budget are computed separately for 70 cities and for the United States. The national index is based on data from many cities in addition to those for which separate indexes are prepared. This series extends back to 1914 and is based upon a list of goods and services similar to that used in the Bureau of Labor Statistics index prior to 1942.

In May 1943 the Board began publication of revised indexes for individual cities and by October had completed revision of indexes for 58 cities. These revisions take account of data received too late for inclusion in the current monthly figures and utilize newly available family-expenditure data. The revisions include changes in budgetary weights. Publication of a series of indexes based on a wartime budget began in the late spring of 1943.

A comparison of the percentage change from March 1942 to September 1943 in the indexes series for the 27 cities covered by both agencies shows that in 19 of the 27 cities, the BLS index advanced more rapidly than the NICB wartime index, and in 16 cities, it advanced more rapidly than the NICB prewar index. The greater change in in the BLS indexes was caused chiefly by larger increases in the cost of clothing, housefurnishings, and miscellaneous items. The following tabulation shows the number of cities for which the change in the BLS index was higher than the change in the indexes based on NICB wartime budget, and NICB prewar budget, between March 15, 1942, and September 15, 1943. In the same period the relative change in the cost of living in all large cities amounted to an increase of 8.4 percent in the Bureau of Labor Statistics series and to an increase of 7.1 percent in the prewar and of 7.2 percent in the wartime series of the National Industrial Conference Board.

	Number of cities for which same percentage change was shown by BLS and NICB	Number of cities for which greater percentage change was shown by—	
		BLS	NICB
Comparison with NICB wartime series:			
All items	0	19	8
Food	0	13	14
Clothing	0	21	6
Rent	2	15	10
Fuel, electricity, and ice	1	14	12
Housefurnishings	0	19	8
Miscellaneous	0	25	2
Comparison with NICB prewar series:			
All items	0	16	11
Food	1	14	12
Clothing	0	22	5
Rent	2	15	10
Fuel, electricity, and ice	1	12	14
Housefurnishings	1	18	8
Miscellaneous	0	19	8

THE INDEX AS REPRESENTATIVE OF BROADER POPULATION GROUPINGS

The groups represented by the index of the Bureau of Labor Statistics, wage earners and clerical workers in large cities, comprised about 20 percent of the total population as indicated in chart I in the years 1935–36. The other official index based on retail prices—that of the Bureau of Agricultural Economics—covering the commodities farmers buy represented another fifth of the population. Thus, about three-fifths of the population is not represented directly by any published index. The Bureau of Labor Statistics collects data on the cost of living of wage earners and clerical workers in 20 small cities which could be used as a preliminary basis for an index for wage earners and clerical workers in cities of 2,500 to 50,000 population. This group adds about 14 percent of the population to the index coverage, leaving over two-fifths of the population for which little or nothing is known about the changes in living costs.

The population groups just described are of unequal importance in the hypothetical national index, in terms of the dollar value of their expenditures. The groups covered by the index for large cities and by the potential index for small cities have a greater weight in terms of dollar expenditures than in terms of population (chart II). The one-third of the families of the country in the wage-earner and clerical groups who lived in cities, large and small, spent 41 percent of the total United States outlay for consumer goods and services in 1935–36. The farm population accounted for another 12 percent of these aggregate expenditures, leaving 47 percent of the total national expenditures not covered by a cost-of-living index.

The cost of living has increased somewhat more in small cities than in large cities (chart III). Hence a national index for wage earners and clerical workers in urban communities in the period for which data are available would be above the level of the large-city index. The general order of magnitude of such an index is illustrated in the estimates given below for the period December 1940 through March 1943.

Index for wage earners and clerical workers

[December 1940=100]

	In large cities	In small cities (estimated)	In all cities (estimated)
1940—December	100.0	100.0	100.0
1941—June	103.9	103.1	103.6
December	109.8	110.3	110.0
1942—March	113.5	113.8	113.6
June	115.6	115.8	115.7
September	117.0	117.5	117.1
December	119.6	120.1	119.7
1943—March	121.9	122.7	122.2

The index for wage earners and clerical workers in large cities (December 1940=100) was only 0.3 below the index for that group in all cities in March 1943.

The groups whose expenditures formed the base-period weights for the cost-of-living index in large cities had an average money income of $1,524 in 1934-36. All urban families in 1935-36 had an average income of $1,785. The differences in expenditure patterns for these two levels of average income are slight, as is indicated by the following group percentages:

	Percent of total expenditures	
	Wage-earner and clerical families in 1934–36 [1]	All urban families in 1935–36 [2]
Food	33.5	31.3
Housing	17.1	15.5
Household operation (including fuel)	10.9	12.2
Furnishings	4.0	3.5
Clothing	10.6	10.3
Automobile	5.8	7.8
Medical care	3.9	4.6
Personal care	2.0	2.2
Recreation	5.5	6.3
Education	.5	1.0
Gifts	2.9	3.4
Other	.8	.4

[1] U. S. Department of Labor, Bureau of Labor Statistics, Bulletin No. 638: Money Disbursements of Wage Earners and Clerical Workers, 1934–36.

[2] National Resources Committee, Family Expenditures in the United States, 1935–36.

These differences in group weights would alter the index very little if the constituent items priced for the index remained the same. The items chosen for an index applicable to the total urban population would doubtless differ in some respects from those that were selected for the index of wage earners in large cities. However, since the consumption of the numerically large middle group is represented in the index, the differences in the choice of items would result in a measure that probably would not deviate substantially from the published index.

An estimated index for all nonfarm families (urban and rural nonfarm families) may be compared with the Bureau of Labor Statistics index for large cities in the table below. This index was prepared for the committee on the basis of the present figures for small and large cities and the different expenditure levels of groups living in large cities, small cities, and in rural nonfarm territory on the assumption that price changes in all small communities were the same as in the small cities. It appears that in the period for which such estimates can be made, the Bureau of Labor Statistics index was only slightly lower than an index representing all nonfarm families.

[December 1940=100]

	BLS large-city index	Index for all nonfarm families (estimated)
1940—December	100.0	100.0
1941—June	103.9	103.5
December	109.8	110.0
1942—March	113.5	113.6
June	115.6	115.6
September	117.0	117.2
December	119.6	119.9

INDEXES FOR DIFFERENT REGIONAL OR INDUSTRIAL GROUPS

The national index is often the most suitable in a given situation, but frequently it is used simply because no index exists for the geographic unit under consideration. The Bureau's indexes for individual cities coupled with the information assembled by several of the States give evidence of the degree of geographic variation in the changes in the cost of living of wage earners and lower-salaried clerical workers. Little or no information has been accumulated for estimating the variability of changes in the cost of living among the component groups in this broad classification or among the segments of the population not represented.

The percentage changes in the cost of living in 34 cities from August 1939 to September 1943 ranged from an increase of 21.4 percent in Minneapolis to an increase of 34.0 percent in Norfolk. In approximately half of the cities the rise in the cost of living was in excess of the average. Most of the cities in which the rise in the cost of living was above the national average are in the South and the West. Since the small cities in these regions likewise have experienced a relatively great increase in the cost of goods and services purchased by wage-earner and clerical families, it is apparent that a national index cannot be taken as representative of the trend in the separate regions.

In order to develop indexes representative of particular groups, the price collection and the expenditure studies of the Bureau would have to be greatly expanded. The sample of 34 large cities plus the 20 small cities and other cities now included in cost-of-living studies by the Bureau is far too small to provide an adequate basis for regional or State indexes.

An index for a region would require a city sample composed of approximately as many cities as are now included in the national sample since the variation in the changes in prices in cities within a region is nearly as great as the variation in the price changes in all cities of the country. If indexes were prepared for 5 regions, the total city sample should include no less than 100 communities.

Indexes for industrial groups such as textile workers or coal miners would also require samples of stores in about as many communities as are now in the national sample. The present 34-city index includes only 2 cities in the coal-mining areas and 5 that may be called textile centers. An index for either group would require a larger representation of small towns than would be necessary for regional indexes, as workers in both these industries are largely concentrated in small cities and towns.

Mr. ELLENDER. Mr. President, I should like to read a few excerpts from the testimony of some of the witnesses who testified before the committee with respect to the flexible clause about which I have been speaking for the past hour.

The first excerpt is from the testimony of Jack Garrett Scott, general counsel of the National Association of Motor Bus Operators, giving his estimate of the effect of a high statutory minimum wage on consumers:

The National Association of Motor Bus Operators is the trade association of the intercity motor bus industry, that is, those motor carriers who transport passengers between cities, towns, and other communities as distinguished from those who perform a mass transportation service in urban or local areas. We have something over 1,000 members, including members of affiliated State associations. There are about 1,500 motor carriers of passengers subject to the Interstate Commerce Act. Of these, all but about 200 have gross revenues of less than $100,000 a year.

The question of flexibility in the minimum wage seems to us to be one of real importance. It is well known that prices and living costs constantly fluctuate. No one can prophesy with any degree of accuracy what such costs will be next year or the year following. It would be an unfortunate anomaly if in times of depression when revenues and living costs are down, an inflexible minimum wage, with its necessarily attending differentials, would require fixed or increasing costs of operation. That is a particularly dangerous consideration in the case of a strictly regulated industry such as ours, in which fares and hence revenues are under the control of Federal and State regulatory agencies. The prices which we charge for our services cannot be changed at will. And even if they could, any substantial fare increase, particularly in a period of depression, would tend to price us out of the market, as our primary competition is with the privately owned automobile and not with competing commercial carriers of passengers.

We urge that serious consideration be given to a statutory plan whereby the minimum wage is geared to living costs, both upward and downward, based upon indices of the Bureau of Labor Statistics, and subject to change each year by the Administrator according to the cost-of-living figures compiled and presented by that Bureau. A similar plan in some rather large labor contracts tends to prove the practicality of the suggestion, according to our best information, and would seem to be equitable to all concerned. After all, what employees are mainly interested in is real wages, what their money will actually buy, and not in the actual number of dollars and cents which they are paid at any given time.

Here is an excerpt from the testimony of Mr. Howard B. Carlisle, Jr., representing the American Cotton Manufacturers' Association:

I would make the prediction that many mills today, both large and small, would have to choose between substantial losses and closing down if the minimum today were $1 an hour. And it is entirely possible that a minimum of 75 cents per hour might within the next few months result in widespread unemployment through inability to pay that wage and operate at a profit.

We are hopeful that the bad years will not come again. The cotton-textile industry would like to continue to be in a position to pay wages approximating those that are being paid now. But there is no assurance from the committee, from the Congress, or the President that we will not again find ourselves in a distressed situation.

What happens then if we are saddled with a 75-cent minimum, or a minimum even lower? During other distressed periods we reduced wages, but many mills managed to keep going. They kept going because they did lower wages and reduced other costs. The workers accepted these reductions because they preferred wage cuts to unemployment. But with a high minimum wage the mills cannot meet conditions realistically. If hard times come, they will have to shut down and throw their men out of work.

I notice that I am amusing the distinguished Senator from North Dakota [Mr. LANGER] very much. I am glad that he has come into the Chamber to listen to me.

The escalator clause which I have incorporated in this amendment fixes the wage at 66 cents, a figure which would have been reached if the 40-cent minimum had been the law in 1938, by using the cost index which I have discussed. I ask the Senator from North Dakota to bear in mind that back in 1938 the original bill provided for an initial 40-cent minimum; but, as I stated a while ago, after hearing evidence from all sides the committee came to the conclusion that it would have caused harm to industry and misery to many workers, and would have put them out of work if we had fixed a rigid 40-cent level back in 1938. So we fixed the minimum at 25 cents, and at the end of 1 year it was automatically increased to 30 cents. From then on, for the next 5 years, it would automatically have been fixed at 40 cents; but we provided within the law machinery whereby, if persons interested could show that the wage could be raised from 25 cents or 30 cents to 40 cents, the maximum provided for in the bill, then the industry committees could fix the wage at the higher rate. But even during the war it was 5 years—from 1938 to 1943—before the maximum amount provided for in the law was reached.

In my amendment I provide that we shall begin with a minimum equal to the highest minimum provided for in the original law, back in 1938. The amendment refers to a consumers' price index. If the index rises, wages will increase in proportion; if the index lowers, wages will decrease in proportion. As I have just indicated, that is a most reliable scientific index, and I believe it will serve the purposes we have in mind.

I quote now from Donald Kirkpatrick, general counsel for the American Farm Bureau Federation:

The organization has a substantial membership in most of the agricultural counties in the United States and in Puerto Rico, aggregating over 1,325,000 farm families, which families produce a large part of the food and fiber of the Nation. According to the last census report, the farmers in the United States produced over 275 different agricultural commodities. Hired farm labor in 1948 approximated 2.5 million persons engaged as piece workers, day laborers, weekly wage earners. Many were employed on a monthly basis, others on an annual basis. Many received in kind, as part compensation for their services, some of the commodities which they helped produce; and also, in many cases they received their family housing. Exceedingly few of them worked on a straight hourly basis. These facts suggest some of the complexities involved in seeking to establish by Federal law a minimum hourly wage and a maximum hourly period for hired farm labor.

H. R. 2033, for all practical purposes, Mr. Chairman and gentlemen of the committee, in our opinion removes the exemption of hired farm labor; it removes the exemption on labor used in first handling and first processing of dairy products, field crops, and fresh fruits and vegetables. Exemptions for seasonal operations are also eliminated.

The American Farm Bureau Federation, through its delegate body and board of directors, has directed its executive officers to oppose without compromise any increase in the maximum basic wage that is not tied to a cost-of-living index. Using the existing minimum-wage base, except as it has been modified by administrative proceedings and orders, would, under a flexible formula, substantially increase the basic minimum wage. Under our proposal if the cost-of-living index goes up or down, then the basic minimum wage would be adjusted accordingly by the Administrator under a formula provided in the law. The American Farm Bureau Federation believes this to be sensible and sound in approach; one that will not strait-jacket our economy; and one that places proper emphasis on real wages as distinguished from hourly rates of pay. We have followed this principle in our support of agricultural legislation by relating parity prices for farm products to the current prices of things farmers buy. (Abstract from hearings before the Committee on Education and Labor on H. R. 2033, vol. II, pp. 999, 1000.)

Mr. President, as I indicated a moment ago in regard to the basic figure I have been discussing—of course, I do not wish to burden Senators with repetitious statements—but I desire to emphasize the point that the pending proposal is, in my opinion, the only sensible one for us to adopt. There must be flexibility in respect to any wage law enacted.

If the 40-cent minimum were increased in proportion to the increase in the cost of living since its effective date—that is, as I said a while ago, from the time when it became fully effective, back in 1943—the per-hour wage increase would be to only 52.5 cents an hour.

But as I have just indicated for these purposes, I am not using the date on which the full 40 cents an hour pay took effect, in 1943, but instead I take it back to 1938. Those figures indicate that the maximum amount would have been 66 cents, rising to that point from 40 cents, had we back in 1938 provided for a flexible floor based on the cost-of-living index.

I should like to read into the RECORD a statement regarding the effect of a rigid 75-cent minimum on a few industries in my section of the country. I am sure the same effect would be felt in other parts of the United States. Most of the examples I shall give relate to the South. In this connection, I realize quite well that some persons may feel that a rise in the minimum wage would be a good thing because it would curtail industrial activity in the South and would prevent the industrial expansion in the South. However, that is an extremely short-sighted view. It ignores the interdependence of our entire economy, which has been truly called a seamless web. It ignores the fact that this country has become the great industrial nation it is because of the lack of internal tariffs and because of the freedom to develop our resources. It ignores the extremely low per capita income in most Southern States and the existence of a surplus labor pool in many areas. It ignores also the direct and indirect effect of an unrealistic rise in the minimum wage on southern farming areas, and, in fact, on all farming areas.

I should like now to refer to a study made by Dr. J. Norman Efferson, economist for the Louisiana Agricultural Experiment Station at Baton Rouge, La. Dr. Efferson's prepared statement may be found on page 755 of the Senate subcommittee's hearings on proposed amendments to the Fair Labor Standards Act. Dr. Efferson is an able and reputable economist, and, so far as I know, his conclusions have not been disputed. He said:

If the minimum wage in the Louisiana sugarcane industry is increased from 40 to 60 cents—

Not to 75 cents, but from 40 cents to 60 cents—

the total labor costs will be increased from $100,000 per year to $135,000 per year, or a net increase of about $35,000 per mill per year, based on the 1943–47 experience.

If the minimum is increased from 40 to 75 cents, the labor costs will be increased from an average of $100,000 per mill per year, to about $150,000, or an increase of about $50,000 per mill per year.

Average earnings of these mills in the past 5-year period were only $20,000 per year—

I may say in passing that during the last sugarcane grinding season in Louisiana four of the mills closed; they were unable to operate at a profit.

I read further—

therefore, an increase in the minimum wage up to 75 cents per hour indicates that annual earnings in the future will be a minus quantity, approximating a loss of $30,000 per mill per year. This will mean a prospective loss of 6 percent per year on the investment in comparison with the previous 5-year earnings of 4 percent on the investment. These changes would occur with the increase in the minimum wage, but with all the presently existing exemptions from overtime pay for this seasonal industry still being maintained. If other adjustments are made in the overtime-pay exemptions, the losses will be even greater.

I might remind the Senate that the Louisiana sugarcane industry is a highly specialized one, the only other sugarcane area in the United States being in Florida. I might also remind the Senate that the world supply of sugar is very great and that there probably will be in the years ahead great difficulty in maintaining prices. Obviously, an increase in the minimum wage to 75 cents will mean the crippling, if not the destruction, of one of my State's great industries. It follows quite naturally that the ruin of this industry will be followed by the ruin of the farmers who depend upon the production of cane sugar for their livelihood.

There is other testimony in the record of the hearings bearing on this problem and all of it points to one thing—a blow crippling and destructive to the Louisiana sugar industry, if the minimum is raised to 75 cents, and if existing exemptions are removed as is proposed in the Senate bill, which fortunately is not the case thus far. For those who are interested, I think a study of the record referred to would be very illuminating.

I should also like to refer Senators to the testimony of Mr. William Rhea Blake, vice president of the National Cotton Council of America, which is found on page 1385, volume 2, of the House hearings on the Fair Labor Standards Act. In an able paper, Mr. Blake analyzes the prospective effects of a 75-cent minimum on the entire cotton producing South. Mr. Blake points out that in 1947 total income payments of all kinds to individuals throughout the country were enough to equal $1.54 per hour for every member of the labor force fully employed on a 40-hour week, 50 weeks a year. But in the 10 Southern States which grow most of our cotton the total income was equal to only $1.05 an hour. In the three States of South Carolina, Mississippi, and Arkansas, it was equal to only 83 cents an hour.

Let me emphasize what this figure means. If the total interest, profits, dividends, professional fees, and salaries of all kinds, and wages of every type of skilled labor, had been put into one pot for the purpose of paying an average wage with full employment of the labor force, no overtime being included, the wage would have been 83 cents an hour. This is only 8 cents more than the minimum for the most unskilled worker proposed in the bill before the Senate. And mind you, Mr. President, this was in 1947, one of the most prosperous years in our entire history. I wonder what will become of the economies of those three States.

Let us compare this 75 cents with the average wage paid farm workers in some of the Southern States. The average rate per hour for workers who receive no additional compensation by way of room or board, on January 1 of this year, was 53 cents in North Carolina, 45 cents in South Carolina, 51 cents in Louisiana, 42 cents in Georgia, 46 cents in Alabama, 47 cents in Mississippi, 48 cents in Tennessee, 51 cents in Arkansas, and 59 cents in Texas. These are not minimum rates; they were average rates paid after a succession of several extraordinarily valuable cotton crops.

Let us analyze the figures further. If the farmer paid 75 cents an hour to cover the average cost of labor alone for the production of cotton, he would have to get 32½ cents a pound for his crop. Only twice in the past 100 years has the cotton crop brought this figure—35.4 cents in 1919 and 32.64 cents in 1946.

What is the reason for the low income in the South, despite several years of high prices for cotton and other farm products? One primary reason is that the South does not have a sufficient amount of industry; and agriculture carries the burden of supporting too many people. In the 10 Southern States referred to, 43 percent of this country's farm population has to find a living on 24 percent of the land.

The South needs more industry and must have it if this great area is to solve its economic problem. Yet here we have a proposal which would block and cripple the industrialization of the South.

The South has been condemned by many persons outside the South for the poverty in which its people live. Many programs and propositions have been put forward to remedy this state of affairs. But now the Congress of the United States proposes to take action which shackles us and tells us we cannot use our resources, labor, and otherwise. The Federal Government is putting itself squarely in the way of our future progress and development. It proposes to decrease our purchasing power and to keep us perpetually in a colonial state.

Under this bill the South is in the position of a child whose shoes are taken away from him and who then is to be whipped for being barefoot. For make no mistake about it, the poverty which will be forced upon us will be used against us and many plans will be put forth to reform us, to break up land holdings, for intervention by the Federal Government in our economic affairs.

These plans and programs will not take into account realities, or the fact that we are crippled by unwise legislation.

I fully agree with Mr. Blake when he says:

Regardless of the high purposes behind this bill, it would have the practical effect of sectional legislation, aimed at holding Southern people on the farm and keeping the South in the economic status of a province.

I have told the Senate about the prospective effects on the sugar industry of this legislation. The effects of a 75-cent minimum are bound to be ruin and the curtailment of employment in many other industries.

Nevertheless, the legislation is put forward in the name of prosperity and protection for the workers. To anyone who knows the true situation, the words are mockeries, bitter and jarring.

At this point, I should like to refer to the testimony of the able junior Senator from Arkansas [Mr. FULBRIGHT] on this matter. It begins on page 795 of the Senate hearings. I shall take the liberty of quoting from a portion of his testimony:

I am sure the committee realizes that the State of Arkansas and the South generally are well behind the Nation as a whole in economic development. I believe, as President Roosevelt called, I believe he said it was the economic problem No. 1 some years back. I will not labor you with statistics to prove this point other than to say that Arkansas' per capita income in 1947 was $710. We are making rapid progress, as can easily be seen, when this figure is compared to $252 in 1940.

A great part of this rise is attributable to increased industrialization, but even now we have few industrial giants among our industries. Our increases are largely in small, young industries, which are undergoing the same struggle for existence and growth experienced in the North and East many years ago. It may be said that some of them are inefficient and should give way, but if efficiency is the proper or only criterion we will make way for monopoly.

The point the distinguished Senator from Arkansas makes is a most important one. Most of our southern industries are comparatively young and small. Of necessity, some of them are paying less than the minimum proposed in this bill. Let alone, many of them will grow and eventually will be able to pay as much as more favorably situated industries in other sections. Are we then to condemn them to death and put an end to the industrialization in the South, an

industrialization necessary if ever we are to escape the shackles of poverty? Are we to ignore actual conditions, to strike at southern industry in the name of progress and to make only the giants of industry able to operate and survive?

The passage of the 75-cent minimum wage is the passage of legislation for monopoly. It is a travesty on our professed concern for the little fellow and our feverish inquiries into giant combinations of business and industry. We pass laws under which only monopolies can survive and then wonder why we have monopoly.

For the cottonseed-processing industry, the imposition of a 75-cent minimum, without overtime penalty, would raise labor costs by 25 percent and total operating costs by about 12.5 percent. Of course, the addition of overtime penalties would raise the figures substantially. Most of the industries are small in size and highly competitive. Many of them find existence difficult as circumstances are today.

The 75-cent minimum would force many of them out of business. The ones which survive must pass the extra costs along to the cotton farmer.

If any Senator is interested in this matter, I refer him to the testimony of Mr. John H. Todd, acting executive secretary of the National Compress and Cotton Warehouse Association, whose testimony will be found on page 658 of the Senate hearings and 872 of the House hearings. Others connected with this industry also testified and supplemented the data given by Mr. Todd.

The lumber industry in the South is another industry which wonders how many of its members can exist under a 75-cent minimum. Before the House Labor Committee this year, Walter W. Kellogg, representing the Southern Hardwood Producers, Inc., and the National Lumber Manufacturers Association, testified against the proposed increase in the minimum and for reasons similar to those expressed by the southern pine industry. He pointed out that wages in the lumber industry in the West are approximately twice as high as those in the South—and for very good reasons. However, the pending bill does not take these reasons into account. The proposed minimum applies to all.

Industry after industry testified this year before the Senate and House committees about the prospective effects of a 75-cent minimum. I think their testimony should be considered carefully. Industry after industry testified before the Senate and House committees against the proposed increase in the minimum and against the extension of coverage and other proposals in the pending bill before us. That testimony is a matter of record and should be studied carefully.

I once more wish to remind the Senate that the tide of business is going out. The country today fears deflation, not inflation. All industry and business indices are declining. They are going down as the number of unemployed mounts.

All of us are hopeful that the downswing is simply an adjustment and is temporary and salutary in character. Yet, we do not know. Other countries are in grave difficulties. Our exports are declining. There is a world-wide scarcity of dollars. Business is uneasy, and a great part of that uneasiness springs from fear of governmental action.

We profess loyalty to free enterprise. Collectivism has not worked well. The Labor government in England is having its troubles. Nationalization of basic industries and government intervention in almost every phase of life has brought only more austerity to British citizens.

The United States, probably the most capitalistic Nation remaining in the world, is helping in one way or another almost every country remaining outside Russia's orbit.

We should, therefore, examine with the most scrupulous care the panaceas which call for more and more state power over our economic system. The wage-hour bill has short-time implications which arouse great concern as to its wisdom and feasibility. The long-time implications are equally grave. The Senate should act only after the most careful deliberation. Obviously, a 75-cent minimum is much too high. The figure finally adopted should be in conformity with the trends in business and industry and every proposal in the bill to extend the sphere of Government control should be critically scanned before it is approved.

Mr. President, I have before me other figures relating to various industries, figures particularly showing the effect of the wage and hour law upon the southern pine and lumber manufacturing industry. I shall not take the time of the Senate to read them. The statement paints the same picture with respect to southern pine manufacturers as the one I have tried to present with respect to sugarcane and cotton, which are two of the South's major industries. I ask unanimous consent that the memorandum be placed in the RECORD following my remarks.

The PRESIDING OFFICER (Mr. FULBRIGHT in the chair). Is there objection?

There being no objection, the memorandum was ordered to be printed in the RECORD.

(See exhibit 1.)

Mr. ELLENDER. Mr. President, I should now like to read from a memorandum handed me by one of my constituents who visited with me last week. He is engaged in a very small business in Louisiana. He has a watchman's service. The company, of which he is executive vice president, employs men to watch the docks and services of that kind. The statement is by Mr. Louis S. Gurvich, executive vice president, New Orleans Private Patrol Service, Inc. It is dated August 24, 1949, and reads as follows:

MEMORANDUM WITH REFERENCE TO WATCHMEN AND PROPOSED WAGE AND HOUR BILL

The first thing I would like you to know is that at no time in the past, or do we contemplate in the future the use of men outside of the State of Louisiana.

Our men at the present time are engaged in guarding ships, cargo, manufacturing plants, office buildings, homes, and patrol duty where it is not confined to one business or home or building, but a neighborhood of several establishments. As a result of our guarding properties engaged by industries classified as interstate commerce, the Administrator of the previous act saw fit to include us as being covered by the wage-hour law.

The majority of our watchmen at the present time are receiving 60 cents per hour, some 65 cents per hour. This is due primarily to the inability of the companies with which we do business to pay more, or else the lack of desire on the part of the companies to pay more due to their losses not being compensatory with the cost of the watchmen. A great many of these jobs would be lost to electrical devices, such as burglar alarms and American District Telegraph, which seems to run opposite to the alleged purpose of the bill in that it would put men out of work rather than raise their wages. At the present time these devices are not being employed for reasons peculiar in some cases to the industry concerned or else because they are not as satisfactory as the presence of a watchman. However, the increase in cost that would be necessitated by 75-cent-minimum wage would cause a number of companies to use these devices or do away with watchmen altogether as their losses would no longer justify the original cost or increase in cost.

The foreign shipping companies which we service use us because the cost would not be greater than using their own seamen. In the event of a raise they would resort to using their own seamen. I mention this, not in an attempt to get you to keep wages as low as they are in foreign countries, but to point out that regardless of our intentions American men would be out of work nonetheless.

The average age rate of our men is over 50 years of age.

Listen to this:

The average age rate of our men is over 50 years of age. The present number of men we employ is approximately 220.

That is only one company out of many.

These men are men that the government, industry, and labor find most difficult to take care of. The three individually or collectively cannot provide the security for these men. Their only security at the present time is their job as watchmen or guards. You are doubtless familiar with the fact that men of this age are seldom hired today by any company. My men have never unionized, which is an indication that they, too, realize their security rests with their job in my employ. I stress this point as there is no other industry connected so closely with the shipping business that is not unionized.

In many instances it will be said that regardless of whether my concern, the New Orleans Private Patrol Service, Inc., goes out of business, watchmen will be used by these customers nonetheless. In this regard I would like to point out that my concern and its administrators are in many instances creators of jobs and not merely brokers of manpower to fill jobs that have existed and will exist in the future. Collectively, the administrators of my concern have the ability to go out and sell watchman service to people who have heretofore not thought it necessary or who thought the expense was too great. We have collected those

people in the latter category and inaugurated community (or neighborhood) patrolmen. Individual watchmen, who on the average have less than a high-school education, would not be able to go out and sell the public as we have done.

We have the largest watchman agency in the entire South and have been in business for 18 years.

I speak for my competitors as well as my own concern when I say that none of us could stand the pressure of the administration's minimum wage bill or any 75 cents per hour bill that includes watchmen. I would say that collectively the watchmen agencies in New Orleans employ at least 650 men. The payroll of my concern last year was over $400,000. Loss of an industry such as this, I think you will agree, would seriously affect the economy of Orleans, Jefferson and St. Bernard Parishes.

I will state again that less than half of the positions (110 of the 220) covered by my concern would survive the minimum wage bill and that these 110 positions would be no better off in that there would be no overtime such as they now receive. Our men at the present are all guaranteed 16 hours overtime. Their average wage is approximately $40 per week. Forty hours at 75 cents per hour would be $30 per week. Hence, I believe you can see clearly that the bill would in no wise benefit any of my employees and would be detrimental to the company and at least one-half of its employees.

I would like to thank you very much for the opportunity of presenting you these facts and figures, and wish you every success.

LOUIS S. GURVICH,
Executive Vice President, New Orleans Private Patrol Service, Inc.

AUGUST 24, 1949.

Mr. ELLENDER. Mr. President, I should like to dwell for a few moments on the number of employees who would be affected in various industries. The distinguished Senator from Florida [Mr. PEPPER] asked a while ago about the estimated percentage of workers in manufacturing industries who would be affected by this bill if it should be enacted into law. From a compilation made by my office, taken from the hearings, the total workers earning less than 75 cents an hour are 1,201,420. Of that number the lumber and timber products industry—that is, merely the sawmills; it does not include loggers and some others connected with the mills—employs 658,000 workers. Of that number 34 percent earn less than 65 cents an hour, and 13 percent earn under 75 cents. A total of 47 percent of all the workers in the South who are engaged in the lumber and timber industry would be affected by a 75-cent minimum wage.

Let us consider the tobacco industry, which employs a total of 84,000 persons. Thirty-five percent of that number would be affected.

In the leather industry there are 349,000 workers, 23 percent of whom would be affected. So on, down the line.

Mr. President, I ask unanimous consent to place in the RECORD at this point the entire table from which I have been reading.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Estimated percent of workers in manufacturing industries earning less than specified rates, July 1947

Industry group	Number of workers	Workers earning less than 65 cents		Workers earning over 65 but under 75 cents		Total workers earning less than 75 cents	
		Number	Percent	Number	Percent	Number	Percent
Lumber and timber products	658,000	233,720	34	85,540	13	319,260	47
Tobacco	84,000	15,960	19	13,440	16	29,400	35
Leather	349,000	45,370	13	34,900	10	80,270	23
Furniture	419,000	37,710	9	50,280	12	87,990	21
Apparel	1,040,000	104,000	10	83,200	8	187,200	18
Food	1,223,000	97,840	8	100,070	9	197,910	17
Stone, clay, glass	411,000	8,220	2	41,100	10	49,320	12
Printing and publishing	422,000	21,100	5	29,540	7	50,640	12
Textiles	1,158,000	57,900	5	57,900	5	115,800	10
Chemicals	547,000	16,410	3	21,880	4	38,290	7
Paper	373,000	7,460	2	14,920	4	22,380	6
Nonferrous metals	386,000	3,860	1	3,860	1	7,720	2
Products of petroleum and coal	163,000	----------	(1)	1,630	1	1,630	1
Rubber	212,000	----------	(1)	2,120	1	2,120	1
Machinery, except electrical	1,149,000	----------	(1)	11,490	1	11,490	1
Electrical machinery	557,000	----------	(1)	----------	(1)	----------	(1)
Iron and steel	1,547,000	----------	(1)	----------	(1)	----------	(1)
Transportation equipment	395,000	----------	(1)	----------	(1)	----------	(1)
Automobiles	785,000	----------	(1)	----------	(1)	----------	(1)
Total, all manufacturing	12,294,000	649,550	5	551,870	5	1,201,420	10

[1] Less than ½ of 1 percent.

NOTE.—Straight-time hourly earnings exclusive of premium pay for overtime and late-shift work.

Source: Distribution of Factory Workers by Hourly Earnings, July 1947. Release of Oct. 27, 1947. Bureau of Labor Statistics, Department of Labor, Washington, D. C.

Mr. ELLENDER. Mr. President, I should like to incorporate in the RECORD at this point in my remarks a few excerpts from some of the testimony taken by the Senate committee as well as by the House committee, as to the effect of a high statutory minimum wage on the consumer. I shall not take the time of the Senate to read these excerpts. I know that time is precious and that many of us would like to spend a few days at home. So I ask unanimous consent, Mr. President, that this memorandum be inserted in the RECORD at this point.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

EFFECT OF HIGH STATUTORY MINIMUM WAGE ON CONSUMER

WALTER W. KELLOGG, SOUTHERN HARDWOOD PRODUCERS, INC., AND THE NATIONAL LUMBER MANUFACTURERS ASSOCIATION

Changing the present wage to 75 cents per hour would mean raising the base wage rate by 87½ percent, an increase which would be reflected all the way up the line from the marginal workers to the most highly skilled worker. The effect on the job security of the marginal worker is not difficult to foresee.

No guaranty of employment is either stated or implied by any increase in the minimum wage rate arbitrarily fixed by law. Those who advocate minimum wage legislation in general and the current proposed increase in particular, on the ground that it provides protection, obviously are in error. No protection for employment is offered by a minimum wage law. Arbitrarily raising the minimum wage does not increase the productive efficiency or the worth of an employee. No minimum wage law can compel an employer to pay higher wages and at the same time keep all his former employees. Two factors will determine whether or not these marginal employees will be kept on the job at a higher wage rate. The first is whether or not the employer is able to obtain a higher productive return from this higher paid marginal employee. The alternative is whether or not he can secure a higher price for his product with which to cover the wage increases fixed by legislation.

Naturally, in a seller's market such as we have had for many years, lumber could be sold at higher prices and these prices could be raised when necessary to cover increased labor costs. Under such conditions, the records show that practically all of the mills are paying substantially above the present minimum.

It is admitted by most economists—those of the Government and of private industry—that the seller's market of the past 2 years is giving away fast to a buyer's market. Greater resistance is being shown to high prices. When these conditions reach the point that manufacturing costs must be reduced, then it is reasonable to expect that many, if not most, of the marginal workers whose wages have been raised arbitrarily by law will be the first to lose out.

In the southern hardwood industry, an increase in the present prevailing minimum rate to 75 cents an hour undoubtedly would cause a serious curtailment of employment at the first sign of a recession in our current inflated economy. This, naturally, would result in a sharp decrease in the production of lumber at the very time when it is needed so greatly in our national housing and other domestic requirements. (Abstract from hearings before House Committee on Education and Labor on H. R. 2033, vol. I, pp. 652, 653.)

ROBERT DARRAH, SOUTHERN WHOLESALE LUMBER ASSOCIATION

So the whole point of this thing is if they go ahead and raise these wages to 75 cents, and say "Now, you either have to give that man 75 cents, or keep your hands off him," and they are going to keep their hands off. That is all there is to it. That laborer, in the final analysis, is going to be the man who suffers. You can put the sawmill man out, and then when you get the thing working good, the price will go back up and he can get back in. In the meantime the man who is suffering is the small man, and he will have to go on relief, or something, but they are the ones you are talking about up here right now, that very bunch of fellows out there, mostly Negroes, who are going to suffer. I feel that is what is going to happen, if you do this, and I think it would be a terrible mistake. (Abstract from hearings before the House Committee on Education and Labor on H. R. 2033, vol. I, p. 650.)

THOMAS O. MOORE, VICE PRESIDENT, P. H. HANES KNITTING CO., WINSTON-SALEM, N. C.

I am appearing here today on behalf of the American Cotton Manufacturers' Association which represents by far the larger

portion of the cotton-textile industry in the United States.

The cotton-textile industry is one of the largest employers of labor in the country. There were about 523,000 persons employed by the industry in January 1948; by October 1948 employment had dropped to 511,000 employees; and in January 1949, the last month for which figures are available, employment had dropped to 494,900. In January 1948 weekly hours per employee averaged 40.7; in October, 36.9; and by January 1949 the weekly hours had dropped to 36.3. I am submitting these figures to indicate that our industry is one which has already experienced a substantial decline in the volume of business with resultant adverse effects upon employment.

In our opinion, a 75-cent minimum is far too high and would result in widespread unemployment and economic distress.

An increase in the minimum has ramifications that go far beyond the apparently simple act of hoisting the figure involved. Our wage structure is inextricably related and interwoven. The skilled and higher paid workers in any industry will seek by every possible means to maintain existing differentials. An increase in the minimum for the lowest paid and unskilled workers eventually means a raise in other pay scales. Either the higher paid workers will have their pay increased to maintain the percentage differential above the lowest paid workers, or there will be labor trouble. The alternative is loss by the employers and increasing unemployment. (Abstract from hearings before subcommittee of Senate Labor and Public Welfare Committee, on bills relative to Federal Labor Standards Act amendments, p. 944.)

HAROLD O. SMITH, EXECUTIVE VICE PRESIDENT, UNITED STATES WHOLESALE GROCERS' ASSOCIATION, WASHINGTON, D. C.

My name is Harold O. Smith, Jr. I am executive vice president of the United States Wholesale Grocers' Association, a national trade organization of wholesale food and grocery distributors, with headquarters in Washington, D. C.

Any increase of the wages of lowest-paid employees will inevitably bring demands from employees above that level for proportionally similar increases, thus resulting in upping the entire wage structure.

The great majority of wholesale grocers whose costs of doing business will be increased by the wage raise will not be able to pass on the increase because of price resistance on the part of both retailers and consumers who on the present declining market are expecting and demanding lower and lower prices and would refuse to accept the burden of wage increases at the wholesale level attempted to be transferred to them in the form of higher price merchandise. Such wholesalers would have to absorb the increase. Some of them might do so but it would bring them for the most part dangerously near the break-even point. Many others, however, could not stand the increased expense. Their businesses could not be kept liquid but would have to be liquidated.

Increased cost of living will result in those few cases where the wholesaler can manage to pass on the wage increase. Cost of living will also be increased where the wage raise results in manufacturers' increasing the price of their products to the wholesaler. (Abstract from hearings before subcommittee of Senate Labor and Public Welfare Committee on bills relative to Federal Labor Standards Act amendments, pp. 1187, 1188.)

WILLIAM L. HUMPHRIES, ARKANSAS WHOLESALE GROCERS' ASSOCIATION

At the outset, I want to say that we have no brief against labor, as such. In fact, we feel it an integral part of industry. But we feel that the minimum wage proposed in this amendment covering various phases of interstate commerce which are difficult to separate and segregate would tend to reach a point of saturation to where it would strangle industry in the South, particularly the 13 Southern States and Arkansas most of all, we believe. We find in our industry in the South that we have a gross profit of 7.9 percent. We have an operational cost of 6.5 percent. We have a net profit of 1.4 percent above taxes. And if the minimum wage is set at 75 cents, not only that, but other industries will be adversely affected to the extent that employees will be, many of them, out of employment, and the cycle of prices and labor will continue and work back against the good of the consuming public and the Government as a whole. (Abstract from hearings before the House Committee on Education and Labor on H. R. 2033, p. 448.)

RHEA BLAKE, EXECUTIVE VICE PRESIDENT, NATIONAL COTTON COUNCIL OF AMERICA, MEMPHIS, TENN.

I represent the National Cotton Council, which is the organization of cotton farmers, ginners, merchants, warehousemen, seed crushers, and spinners. The raw-cotton industry, made up of these six groups, provides the incomes of more people than any other industry in America. There are 7,000,000 or 8,000,000 people living today on about 1,500,000 American cotton farmers, and the employees of gins, merchant firms, compresses, and warehouses, oil mills, and spinning plants, add approximately another 700,000.

The South needs and must have industry to raise its total income before it can pay the kind of minimum wage that would be appropriate in a region that is already industrialized. But the law that is now before you would be the most powerful action that could possibly be taken to block and cripple the industrialization of the South. By foisting upon southern industry a minimum wage that is much too high, it would demoralize much of the industry that we now have and discourage new investments in industrial plants. It thoroughly ignores the millions of farm people in the South who get 50 cents an hour or less for their labor and could not possibly get more out of 29- or 30-cent cotton today, and who got about 15 cents an hour out of 9- and 10-cent cotton before the war.

It is a dangerous business to try to freeze any costs at the peak of an inflationary spiral, particularly the biggest of all cost items, which is wages. We are in danger of causing a great deal more unemployment than would otherwise occur.

As prices go down, the South is particularly vulnerable because it is mainly a producer of raw materials, which fluctuate widely, and its chief industries, such as textiles and lumber, are notoriously subject to market declines in a recession. I plead with you not to make unlawful for the South to hire people at the wages it can pay. (Abstract from hearings before House Committee on Education and Labor on H. R. 2033, vol. II, pp. 1384, 1387, 1390.)

AUSTIN E. ANSON, EXECUTIVE MANAGER, TEXAS CITRUS AND VEGETABLE GROWERS AND SHIPPERS, HARLINGEN, TEX.

Our membership numbers 230 members and extends from Pecos, Tex., on the west, to Dallas and Jacksonville on the east, Houston to Brownsville and from Brownsville to Crystal City along the Rio Grande. Our shipments last year covered 22,065 cars of citrus and 4,810 cars of vegetables, and an additional 20,314 cars equivalent by trucks, which as you can readily see covers an enormous volume of food.

Our wage scale in the packing house runs from 40 to 65 cents per hour. In the vegetable sheds where more roustabout, or trucking, or common labor type is needed, approximately 60 percent of the labor draws 40 cents per hour.

This common labor which we are able to employ in many instances, is not worth even 40 cents an hour, as the turn-over is so rapid in labor that it is difficult to train one group to an individual job before you have to start all over and train a new group. The balance of the 40 percent in the shed is paid from 40 to 65 cents dependent on their ability to sort and handle the fruit. Packers are paid on a piece-work basis and they earn even higher wages dependent upon their ability to pack.

In the citrus sheds the wage scale runs from 50 to 65 cents, with approximately 26 percent of the labor drawing 40 cents an hour, the balance drawing the higher bracket in proportion to their ability. This difference being that more common labor is needed in a vegetable shed than in a citrus packing house; also the vegetable sheds hire from 100 to 250 people, where a citrus packing house will employ a maximum of from 50 to 60 laborers.

Our workers are all Latin-American descendants and the majority of them benefit materially from fruits and vegetables that they take home with them daily to their families or camps for their daily consumption.

We understand this entire Congress is interested in reducing the cost of living. Without question you are most certainly going to either increase the cost of living so far as fruits and vegetables are concerned, or you are going to reduce returns to the producer if you place this burden on us.

To illustrate this we will bring you this very simple example of citrus. For the past two seasons the Texas citrus producer has not in most instances secured his cost of production, which last year ran $10 per ton on grapefruit, and this year is running $15 per ton. The current price on grapefruit, under the present wage-and-hour system, figures $15 per ton, or 60 cents per packed box for fruit to the grower. From the best estimates we can receive from all of our growers and shippers it now costs from 85 cents to $1 to pack a case of grapefruit. If you increase the costs on the citrus packing industry from a 40-cent minimum to a 75-cent minimum, you will increase that packing cost per box to 30 cents a box.

It is just simple arithmetic that the 30 cents is going to come out of the grower or be added to the consumer's cost, and judging from our past 2 years' experience and the pressure that you and all others are bringing to bear on the consumer price, we at the production end feel that it is going to come out at our end. You would then return the grower not $15 a ton or 60 cents a box for his fruit, but $7.50 per ton or 30 cents per box, which is just about one-half of his cost of production. In computing these figures the citrus group did not take into consideration any thought that you would deny us our present 28-week exemption. The same rule holds good on vegetables.

You see, we are so far away we have not even had a chance to see this law and read it. We just hear about it and are scared about it.

We took a cross section of our membership, and we selected one of our mixed-car shippers, who is naturally a heavy user of common labor—the common labor comprising 65 percent of the total labor used on the shed as a good example.

Their hourly pay wage for the last season ranged from 40 cents on the common labor to 65 cents on the more experienced and expert labor. The total labor bill on this shed for the 28 weeks operation was $75,846.33. As you increase the wage scale on this shed to a minimum of 75 cents an hour instead of 40 cents an hour, which they are now paying, it would undoubtedly increase the shed labor bill to approximately $150,000 for

the season, or practically double their labor bill.

If you should eliminate the exemption clause and require an 8-hour day, 74 cents per hour minimum and time and a half after the 8-hour day on this type of operation, it will triple our wages. We want to impress upon you that it would come out of only two sources, the producer or the consumer.

Taking the cheapest crop that this vegetable shed packs, cabbage, which is now netting the grower $10 per ton, which they claim is their cost of production, if you increase costs as described above and apply them to the vegetable industry, it will mean that this grower will not receive $10 per ton; he will receive approximately $7.50 per ton and growers cannot and will not grow cabbage for that figure.

It is in your laps, gentlemen. We produce in Texas thousands of cars of the food you eat at a time in the year when it is difficult for you to get it from any other source. If you insist on this scale you most certainly will have to take the full responsibility to the grower of reducing his returns, and that is exactly what is going to happen, as we know full well that the buying public is through paying high prices. We earnestly urge your consideration of including an exemption clause exactly as now written in the wage and hour bill exempting fresh fruits and vegetables from any provisions applying to minimum wages and allowing us the 28-week exemption as provided in the present law. (Abstract from hearings before the House Committee on Education and Labor, on H. R. 2033, vol. I, pp. 625, 626, 627, 628.)

J. T. SANDERS, LEGISLATIVE COUNSEL, NATIONAL GRANGE

The National Grange, the oldest and one of the two largest farm organizations, is both directly and indirectly interested in the labor-management question in general, and specifically in the Fair Labor Standards Act. The minimum-wage part of the act comes in very close direct contact with agriculture. Its impact on nonfarm workers in rural-situated industries is greater than on such workers in concentrated-population areas. The more rural an industry location is, as a rule, the lower its wages and the more does the minimum wage apply.

Obviously to spread a flat minimum wage over the highly industrialized area is far less rigorous in its impact on the adjacent agricultural economy and on the total economy than it is in its impact in agricultural States. Even in the heavily industrialized States, when both the direct and indirect influence is taken into account, the rigor of the impact is much greater on agriculture than on nonfarm industry in these highly industrialized areas. Thus, farming probably feels the impact of the law more than industry both in the heavily industrialized and agricultural areas.

There is a sound reason for this difference in wage rates. It is basically due to the lower cost of living in rural areas. The effect of overcrowded population is shown in higher rents, more time consumed in transportation, and many other ways. To try to equalize these conditions by law when they cannot be equalized is a most unsound and futile procedure. Wage levels will adjust themselves to costs, and the increased minimums will soon be reflected by a general increase of like amount spread straight across the industry.

If a minimum wage of 40 cents per hour was sound in 1938, 7 years before it was attained under the present act, and if the minimum were now raised above the 40-cent level by as much as the increase to date in cost of living, or 70 percent, the minimum would still be 7 cents under the proposed 75-cent minimum, or 68 cents.

We recommend most earnestly the following changes in the proposed law in order to cushion its prospective terrific impact on agriculture:

* * * * *

2. We recommend that some device be written into the law that will recognize the great basic differences in wage levels in different sections of the Nation. Even the present proposed bill recognizes this principle in its exception of Puerto Rico from the provisions of the bill. We have not studied means by which geographic variations can be recognized by the minimum-wage law, but we do know that to deny this basic economic force is to deny to many rural areas sorely needed industries and to deny the Nation a strategically and economically sound greater distribution of industry. We believe it possible to work out some schedule based on cost of living by areas which would mitigate much of the discrepancy, the inequities, and the instability which would follow the failure to recognize the factors which inevitably create differences in wage scales in different areas. (Abstract from hearings before House Committee on Education and Labor on H. R. 2033, vol. I, pp. 555, 556.)

JOHN H. TODD, COUNSEL AND ACTING EXECUTIVE SECRETARY, NATIONAL COTTON COMPRESS AND COTTON WAREHOUSE ASSOCIATION

The National Cotton Compress and Cotton Warehouse Association is a federated organization of some 600 owners and operators of cotton warehouse and cotton compress-warehouse facilities located throughout the cotton-producing States from North Carolina to California, inclusive.

We submit that either of the minimum wages proposed in this bill is too high, and that a minimum wage of 75 cents would in many instances defeat the purposes of the act and create unemployment and misery. There are many regions in this country—and I am thinking particularly now of the poorer rural sections of the South—where the local economy simply will not support a minimum wage of 75 cents per hour, even in these times of inflation, let alone in periods of disinflation or depression. This is true because the product of labor cannot be sold for a price sufficiently high to justify a wage of 75 cents. To impose a minimum of 75 cents where the product of labor cannot be sold for the equivalent of 75 cents per hour is not to improve the income of the workers, but to deprive the worker of employment at any wage. Economists thoroughly familiar with the conditions in the Southern States have concluded that the imposition of any minimum wage in excess of 55 or 60 cents per hour would cause substantial unemployment and misery; or in the alternative would result in widespread violation of and disrespect for the law. (Abstract from hearings before Subcommittee of Senate Labor and Public Welfare Committee, on bills relative to Federal Labor Standards Act Amendments, pp. 664, 666.)

STATEMENT BY ILLINOIS MANUFACTURERS' ASSOCIATION

The smaller, marginal producer would be the employer most adversely affected by the imposition of a 75-cent minimum wage. A great many small industries are able to provide jobs and a livelihood for many thousands of workers, even in consumer-goods lines, although their brand names are unknown to the public generally. They can do this only because they can produce and market their products at a lower consumer price than that of nationally known products. To raise their wage rates to the levels of the better known products would in many instances force these marginal producers out of business. (Abstract from hearings before House Committee on Education and Labor on H. R. 2033, vol. II, p. 1305.)

PAUL H. NYSTROM

My name is Paul H. Nystrom. I reside in New York. I am professor of marketing at the School of Business in Columbia University; president of the Limited Price Variety Stores Association, a national trade association; and chairman of the Central Council of National Retail Associations.

Whenever a minimum-wage rate is fixed by law, or by processes authorized and enforced by law, this rate becomes the basic-wage rate. Its effects are very much more far-reaching than changes in wage rates that are the result of economic conditions. Purely local changes in wage rates may have but few, if any, effects upon the rest of the wage rates in the wage structure. An individual employee, the employees of a particular concern, or even of a trade, may through collective bargaining, or otherwise, secure increases in wage rates that may not cause serious changes in the rest of the economy. But a change in the minimum or basic-wage rate fixed for an entire nation is much more likely to be followed by changes throughout the entire wage structure.

If the minimum or basic wage fixed by law is raised, all wage rates up above the previous minimum rate tend to be increased. Raising the basic wage rate affects the wage rates above it much the same as raising the foundation of a house tends to raise the entire house. (Abstract from hearings before Subcommittee of Senate Labor and Public Welfare Committee, on bills relative to Federal Labor Standards Act Amendment; pp. 1153, 1159.)

E. W. TINKER, EXECUTIVE SECRETARY, AMERICAN PAPER AND PULP ASSOCIATION, NEW YORK, N. Y.

The American Paper and Pulp Association is the over-all national association of pulp and paper manufacturers. It represents the sixth largest industry in the United States, employing upward of 222,000 workers. The industry has an annual production in excess of $5,250,000,000 and an investment capital of more than $4,250,000,000. Annual wages to the workers in the industry exceed $650,000,000, and the total annual tax bill approximates $400,000,000. In terms of providing tools for the workers, the investment per worker is conservatively calculated to amount to $20,700.

* * * * *

As previously pointed out, only a small segment of our whole economy, and of the pulp and paper industry, is directly affected at the present time by the proposed increase in minimum wages. It is inescapable, however, that the changing of the wages of the lowest-paid workers will require also an increase in the wages of the higher-paid workers. Established differentials between job classifications of a single employer and different employers would have to be restored, and the end result would be a substantial and unjustifiable increase in wages across the board for all employees. Such a result, of necessity, would increase unemployment. We all recognize that unemployment in the past several months has increased considerably and in excess of the seasonal pattern. The imposition of a 75-cent minimum will compel many of the high wage-paying businesses to curtail employment, with the displaced workers being forced back into the uncovered segments of the economy in their area, or being obliged to migrate to other areas where it will be impossible to absorb them unless wage rates there should be lowered. (Abstract from hearings before subcommittee of Sen-

ate Labor and Public Welfare Committee, on bills relative to Federal Labor Standards Act amendments, pp. 557, 558.)

Mr. ELLENDER. Mr. President, the last point on which I wish to dwell for a few moments is this: We are being asked by the proponents of this measure to establish a rigid minimum wage of 75 cents an hour. As I indicated in the early part of my remarks, such a rigid minimum is almost impossible without injuring hundreds and probably thousands of those persons whom we are trying to assist. The labor unions themselves, in their entire history, have been unable to fix wages through collective bargaining that are uniform throughout our country. There is a variance, depending on the locality, between the highest wages paid for various jobs. Let me give the Senate an illustration. The prevailing minima, particularly in the unionized sectors of various industries, are as follows:

Cotton-rayon industry:	
North	$0.97
South	.87
Knitted underwear:	
North	.97
South	.87
Wood and lumber:	
Spokane, Wash	1.25
West coast	1.325
Lake States	.85
Pennsylvania, Maryland, and West Virginia	1.00
South	.70–.75
Meat packing:	
Large cities	.915
Smaller cities	.885

In other words, Mr. President, in the wood and lumber industry there is a difference, depending on where the operations are located, as to wages fixed by union contracts, of a high of $1.325 on the west coast and a low of 70 cents in the South. In large cities it is 91½ cents, and in smaller cities 88½ cents.

Now, Mr. President, let us take the building-trades wage rates. In every city of any consequence there is a building-trades union, and let me point out, from a compilation made by the Engineering News Record, how the wages vary in various cities.

For carpenters the high is $2.75, the low $1.50. The following are the rates in the various cities:

Buffalo, N. Y	$2.25
Chicago, Ill	2.35
Jefferson City, Mo	2.00
Little Rock, Ark	2.50
New Orleans, La	1.88
New York	2.75
Philadelphia, Pa	2.25
Raleigh, N. C	1.50
Topeka, Kans	1.75
Trenton, N. J	2.50

Here we have a demonstration that the unions themselves with all the power they have back of them through collective bargaining are unable to fix the same wages for the same kind of work in various parts of the country. Yet the Senate of the United States today is being asked to fix a minimum of 75 cents applicable to everybody.

Next, let us take the case of the bricklayers. For unionized bricklayers, the rates obtained by collective bargaining are, high, $3.25; low, $1.65. The high is in the city of Newark, N. J., and the low in the city of Conway, Ark., the State from which the present distinguished Presiding Officer [Mr. FULBRIGHT] comes. The rates in the various cities are as follows:

Anderson, Ind	$2.75
Atlanta, Ga	2.25
Baltimore, Md	3.00
Baton Rogue, La	2.50
Charlotte, N. C	2.00
Conway, Ark	1.65
New York, N. Y	3.20
Newark, N. J	3.25
Phoenix, Ariz	3.00

For common labor on buildings, the high is $2.13, the low 65 cents. Bear in mind, the minima I am now discussing were fixed through collective bargaining by the unions, and all they have been able to do through collective bargaining is to have a differential between a high of $2.13 an hour for common labor on buildings and a low of 65 cents. Yet Senators are being asked to fix a Nationwide minimum of 75 cents. The figures for common labor on buildings in some of the cities of the country are as follows:

Chicago, Ill	$1.70
Jamestown, N. Y	1.50
Newark, N. J	2.13
Norfolk, Va	.80
Pierre, S. Dak	1.00
Richmond, Va	.90
Tulsa, Okla	1.25
Conway, Ark	.65

Next we come to painters, a class of workers highly unionized, wherein there is a differential in the scale of wages depending on where the contract is made. The high is $2.50, the low $1.25. The statistics of various cities are as follows:

Atlanta, Ga	$1.75
Cincinnati, Ohio	2.00
Concord, N. H	1.35
Conway, Ark	1.25
Detroit, Mich	2.10
Harrisburg, Pa	1.55
New York, N. Y	2.45
Newark, N. J	2.50
Seattle, Wash	2.20

Again I note that in Conway, Ark., through union agreements, the wage rate could not be fixed higher than $1.25.

Next let us take plumbers. The high is $3, the low, $1.50. I repeat, these are wage patterns existing in various parts of the country, and the rates are fixed through collective bargaining, with all the pressure which can be brought to bear by the unions, which I am sure operate locally. They have been unable, through their long history, to establish uniform wages for similar work throughout the Nation. Yet, I repeat, we are being asked to vote upon a minimum, not applicable in New York or Washington, where the wages are high, but all over the Nation. The statistics for the cities in regard to wages paid plumbers are as follows:

Bismarck, N. Dak	$1.75
Concord, N. H	1.50
Duluth, Minn	2.00
Milwaukee, Wis	2.25
New York, N. Y	3.00
Newark, N. J	2.50
Tulsa, Okla	2.75

Mr. President, the same condition prevails with respect to minimum wages fixed by law in the various States of the Union. I am sure that every State legislature, when a minimum has been fixed by law, took into consideration the local conditions in the respective States, and after hearing all the evidence, proceeded to fix a minimum. Let us see what the record shows with respect to that. I wish to say that all the States to which I shall refer have passed laws within the past 2 years, from 1947, midsummer, to 1949.

In the great State of California the rate for inexperienced labor is 50 cents, for experienced 65 cents. Those wages are statutory in the State of California. They have been fixed by law. Yet here we are being asked to make the minimum 75 cents. California is one of the most prosperous States in the Union, barring none, and, as I have said, its legislature fixed the minimum for inexperienced labor at 50 cents, and for experienced labor at 65 cents.

In the District of Columbia the rate for inexperienced labor is 55 cents, for experienced labor, 62½ cents.

In Illinois the rate for inexperienced labor is 45 cents, for experienced labor, 55 cents.

In Kentucky, for inexperienced labor the rate is from 40 to 50 cents, and the same for experienced labor.

In Massachusetts the rate for inexperienced labor is 50 cents, for experienced labor, 55 cents.

In Minnesota the rate is 37 to 45 cents for inexperienced labor, 45 to 55 cents for experienced labor.

Let me call attention to the fact that in most of the States where these minimas have been fixed by law the State is zoned. The rates are flexible in the State, depending on the locality where they are to be put into operation. Yet, I repeat, we are now being asked to fix an inflexible 75-cent minimum, without any recourse, except that when we find the damage which will be done we will be obliged to make such changes as may be necessary.

I come next to the State of New Jersey. Senators heard me read some figures a moment ago which showed that New Jersey led the procession so far as ability of unions to fix high wages for carpenters, for plumbers and so forth, is concerned. Let us see what New Jersey has been able to do on minimum wage legislation. New Jersey has fixed a minimum wage of 55 to 60 cents an hour for both inexperienced and experienced workers. Those are rates fixed by the State legislature of New Jersey.

The great State of New York has fixed a minimum rate of 50 cents for inexperienced workers and 52½ cents for experienced workers.

The rate in Oregon is 50 cents for inexperienced workers and 65 cents for experienced workers.

In Rhode Island the rate is 50 cents for inexperienced workers and 55 cents for experienced workers.

In Utah the rate is from 45 cents to 52½ cents for inexperienced workers, and

from 52½ cents to 57½ cents for experienced workers.

Wisconsin has fixed a rate of from 38 cents to 45 cents for inexperienced workers and the same rate, that is, from 38 to 45 cents, for experienced workers.

Mr. President, does it not seem to be almost folly for us, as intelligent men, to sit here and try to fix a minimum Nationwide rate which is higher than the rates fixed by the States which will be affected by the passage of this measure?

Mr. President, I am genuinely interested in establishing a fair minimum wage for workers. I voted for the Wage-Hour Act of 1938. I believe the Congress has been lax in failing to increase the 40-cent minimum during the past few years, but I believe the advocates of a rigid 75-cent wage are going too far. Their actions will hurt, rather than help, the workingman. The small-business man will be hurt too. As I have stated, the record is replete with testimony from sugar mills, cotton compresses, processing plants, lumber mills and other small establishments that they cannot possibly absorb up to 87½ percent wage increases at this time. Their only alternatives, they testified, are to increase prices of their products, reduce the number of workers, or close down completely. Since price increases today are out of the question, unemployment is bound to spread and I fear the laboring man will bear the brunt of the readjustment.

Mr. President, there is nothing more I can add. I sincerely hope the Senate of the United States will not at this time saddle the country with an inflexible 75-cent minimum. Let us provide that if prices go up, if the cost of living rises, so will employee's wages; and on the other hand, if prices go down, if the cost of living lowers, wages will go down. That is all my amendment would do. It would establish a basic wage of 65 cents. The wage may increase 10 cents dependent on the cost-of-living index that is provided for in the law, or it can go down 10 cents. My amendment would not permit any minimum wage to go lower than 55 cents, nor would it permit the wage to go higher than 75 cents. I do not know of a better way to take care of the situation. I humbly ask that the Senate vote favorably on this proposal.

Mr. President, I should now like to modify my amendment. The consumer-price index is not an agency fixed by law. It is not obliged to print its findings in any regular Government publication, such as the Federal Register.

I shall now read the modification of my amendment.

On page 3 of my amendment, between lines 7 and 8, I modify it by inserting the following:

(d) Section 6 of such act is further amended by adding a new section, as follows:

"(d) On or before December 1, 1949, and on or before December 1 of each calendar year thereafter, the Bureau of Labor Statistics shall cause to be published in the Federal Register the average consumer-price index for moderate-income families in large cities, for all items, for the United States, for the 12-month period ending October 1 of the then current calendar year."

Mr. President, I ask that my amendment be modified by the language I have just read.

The PRESIDING OFFICER. The Senator from Louisiana modifies his amendment by the language he has just read.

EXHIBIT 1

THE EFFECTS OF THE WAGE-HOUR LAW UPON THE SOUTHERN PINE LUMBER MANUFACTURING INDUSTRY

MINIMUM WAGE

The southern pine lumber manufacturing industry, operating in 12 Southern States—Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, and Virginia—employs together with the southern hardwood industry substantially more than 300,000 workers.

According to the latest semiannual wage survey conducted by the Southern Pine Association, 73 percent of the workers were getting less than 75 cents per hour in June 1949. The same survey indicates that 59 percent of the workers were getting less than 70 cents, and 39 percent were getting less than 65 cents. According to the same authority, the average straight-time wage in the industry for common labor, the lowest job classification, was 62 cents per hour. This is an average—not a minimum. The rates on which this average is based range from 40 cents and 45 cents to as high as 75 cents.

Experience in the industry shows that every increase of 1 cent in the minimum-wage rate, which inevitably reflects itself in the higher wage brackets, causes an increase of 46 cents per thousand feet in the cost of production. Thus, taking the average 1949 minimum rate of 62 cents, an increase in the minimum wage under the wage-hour law to 75 cents as proposed would mean an increase of $5.98 per thousand in the cost of producing a thousand feet of southern pine lumber. Since 62 cents is an average, the figures above do not reflect the greater and more burdensome increase in cost to those operations which pay less than the average.

Certainly it is not realistic to assume that with the declining market existing today, a compulsory minimum of 75 cents or even 65 cents could be forced upon the industry without causing wholesale unemployment and curtailing production. Even the Wage and Hour Division has recognized in hearings on this legislation that the southern lumber industry would be the most seriously affected by any increase in the minimum wage.

To understand wages in the industry, it is necessary to know the industry and the conditions under which it operates.

DESCRIPTION OF THE SOUTHERN PINE LUMBER INDUSTRY

It is predominantly a small mill industry with individual producing units varying dependent upon market conditions between 15,000 and 25,000, scattered throughout 12 Southern States. The annual production of southern pine is the largest of any species of lumber in the United States and amounts to more than 50 percent of the total national lumber supply for home and other light construction.

In good years mills go into production by the thousands, and cease production just as suddenly when demand subsides and costs of production cannot be recovered. For example, in 1946, the first year after the removal of wartime price and production controls, there were some 25,000 individual establishments producing lumber in the South. In the preceding year, 1945, when controls were still in effect, it was estimated that there were only some fifteen to seventeen thousand mills operating. Currently there is evidence that mills are going out of production as a result of the drastic decline in market conditions which started in late 1948.

Of the approximately 25,000 mills operating in 1946, the latest year for which such figures are available, 99 percent were small operations producing less than 5,000,000 board-feet of lumber per year. In that year, this 99 percent of the industry's producing units accounted for 79 percent of the industry's total production. Therefore, there is no questioning the importance of the small operations in maintaining a satisfactory production of southern-pine lumber.

The following description of the industry in 1939 by the United States Forest Service of the Department of Agriculture in a pamphlet Cost of Producing Southern Pine Lumber by Small Mills is accurate:

"About one-half of the total output of southern pine lumber is produced by small mills. * * * Most of these cut less than 10,000 board-feet a day and less than 2,000 M feet a year. The typical small mill is a portable mill, employing 6 to 10 men in the mill and about as many in the woods. It works more or less intermittently, seldom more than 200 days a year. These mills cut lumber either on their own account or under contract for concentration yards or other operators who take the rough lumber, finish it, and put it on the market.

"Few of the small-mill operators own timberland. Many of them buy stumpage from farmers or other land owners, but in many instances the stumpage is purchased by the concentration yard operators who employ the small-mill men to cut it for them. The timber is mostly second growth, some of it as young as 25 years, but more commonly 35 to 70 years old. Some mills are working in remnants of old stands. Most of the timber tracts operated are small, and consequently the mills move frequently. Some of them move as often as once in 10 days or 2 weeks, and cut as little as 50 M feet at a 'set.' Others stay in one place for several months; a few are semipermanent and remain several years at the same location.

"The operations vary widely in efficiency, owing to differences in equipment, in character of labor, in logging conditions and quality of timber, and in ability of the operators. Some have good, up-to-date mills and employ efficient methods of operation; many of the mills are poorly maintained, the power plants inadequate, and the logging equipment poorly suited for the job. There is a wide range in skill and industriousness of the labor, as well as in the executive and business ability of the operators. Although some operators keep careful and accurate records, accounting methods at most mills are crude. Many keep no written records at all, and have only a vague idea of their costs and earnings.

"Many of the small-mill owners are farmers and most of the woods and mill workers do farm work during part of the year. It is common practice for the operator himself to work in the woods or in the mill, as foreman, truck driver, or sawyer. Earnings both of the employees and of the operators are usually low, but constitute a needed cash income which many of them could not get from any other source."

There are three distinct types of manufacturing operations within the industry:

1. The integrated manufacturing plant, which performs all phases of manufacturing from the time the tree is cut until the finished product is dressed and loaded into the freight car for shipment. Some of these integrated units own their own timber stands and engage in tree farming for a sustained or perpetual yield. These are fewest in number.

2. The concentration yard which gets rough green lumber from small mills for further processing, ultimately supplying the finished product for shipment to the markets. There are some 1,500 of these.

3. The small portable, or so-called "peckerwood" mills, numbering in the thousands which cut rough green lumber for sale primarily for concentration yards for further processing. Integrated operations also often buy their output.

Southern-pine manufacturing is in reality more agricultural than industrial. The director of the farm extension service of Alabama Polytechnic Institute states that the sale of timber was the largest cash crop to Alabama farmers in the year 1946.

Most of the workers employed in the industry are farmers or part-time farm workers who work in the sawmills, and particularly in the logging operations, to earn money in the farming off-seasons.

While the growing of trees and harvesting of logs is essentially an agricultural project, the manufacture of lumber is second only to all other types of agriculture as a source of income to the people of the South.

While some companies in the industry are well financed and own enough land to assure them a perpetual supply of timber, thousands of small producers are marginal. In many cases, the owners of these operations work right along with their employees and in addition have the responsibility of meeting pay rolls, paying bills for timber supplies, equipment, repairs, fuel, etc., retaining what is left for themselves—and when there is any left, it is often no more than their own workers receive.

A statutory minimum wage fixed at a rate higher than the market will stand will force these producers to shut down. There is no such thing as their operating temporarily at a loss as they have no capital reserve.

LABOR COSTS HIGHER IN SOUTHERN PINE THAN COMPETITIVE WOODS

The southern pine industry exemplifies the effects of the wage-hour law on intra-industry competition between regions. The very nature of the southern pine industry calls for small units. An effort to concentrate some of this production in large units and to mechanize it to reduce the heavy labor costs can be of benefit to only a small part of the production. The major proportion must necessarily come from small rurally located units. High labor costs legislated upon these small units will not make them large nor force mechanization upon them. They will simply go out of business.

The production of 1,000 feet of lumber gives more man-hours of employment in the South than does an equal volume in other regions more adapted to mechanization. As an example, to produce 1,000 feet of lumber in 1944 required 11.1 man-hours in the West, 13.8 man-hours in the North, and 29.9 man-hours in the South.

While hourly wages in the southern pine industry are lower than those in other regions, southern pine pay more dollars in wages per unit of production. The reason for this is that the size of the timber and the sparsity of the timber stands in the South necessitate a greater number of man-hours per unit of production.

In 7 of the 10 years from 1926 through 1935, unit labor costs in southern pine were greater than those on the Pacific coast, while Pacific coast wage rates were about double those of southern pine. Surveys by manufacturers' associations within the lumber industry indicate that, regardless of the sharp differences in hourly wages in various sections of the industry, the percentage of labor cost in the total cost of making lumber is approximately the same throughout the lumber industry and that southern pine dollar labor cost per unit of production is slightly higher than in competitive regions.

SOUTHERN-PINE LABOR COSTS ARE HIGH COMPARED WITH OTHER INDUSTRIES

Southern-pine labor costs have shown persistent yearly increases since 1939; in fact, the upward trend has been much greater relatively than that experienced in 19 other industries. With an index number of 100 for all industries in 1939, labor costs in 1945 for southern pine had climbed to 241, while the 19 other industries had risen to only 148. Direct labor costs in 1937 represented 33 percent of total costs in the southern-pine industry. while in 1945 labor accounted for 41 percent of cost.

Due to the employment of large numbers of manual and unskilled laborers southern-pine manufacturers have a higher labor cost in relation to total cost than most other important industries.

* * * * *

High statutory wages constitute unfair competition between highly mechanized industries and those which have not achieved the same degree of mechanization, as well as between industries located in different regions.

It is not sufficient to say that high minimum wages will force those industries not mechanized to achieve mechanization. The Nation attained its present productive capacity through voluntary mechanization without the compulsion of legislation. Having done so to its present extent, it is not just nor logical to presume that further mechanization where practicable will not be accomplished without legislation.

Nor is mechanization the only answer. If it is, then those industries which employ unskilled and semiskilled labor to a large extent and which are not suited to mechanization or in which it has not progressed to the same degree as in others, must be forced out of existence, thus destroying job opportunities for the least productive workers.

The law establishes unfair advantages for industries whose natural competitive conditions have forced high wage standards upon them. It has the effect of protecting them from the competition of other industries which have not reached the same standard of progress but which are nonetheless useful in providing employment, service, and national income. Thus it creates a monopoly on progress and stifles industries which would otherwise attain high standards of employment and production if left to free competition.

COST-OF-LIVING FACTOR SHOULD RECOGNIZE REGIONAL DIFFERENTIALS

Advocates of the proposed amendment have predicated the need for an increase in the minimum wage upon the fact that the cost of living has increased appreciably during the past several years. Yet no recognition is given to the highly important factor of regional differentials in the cost of living, which is less burdensome in the southern pine-producing territory than in other parts of the country.

The Works Progress Administration, in connection with effort to create work for the unemployed, established an elaborate schedule of wages which recognized geographical differentials. If our Government recognized, through the WPA, the economic necessity and justice of wide differentiations in pay for comparable kinds and quantities of work performed by individual workers in different regions of the country because of differences in living costs, then it is manifestly unfair, discriminatory, and inconsistent for our Government to legislate on the South uniform rates of pay with other sections of the Nation when the differences in living costs continue to exist between the respective areas.

The South cannot grow under such unfair treatment accorded it by our National Government. If the wage-and-hour law must be kept alive, its minimum-wage level should not be further increased without recognizing the need for differentials such as were applied regionally by WPA when the Government itself was meeting pay rolls.

THE WAGE-AND-HOUR LAW WILL FAIL WHEN IT'S NEEDED MOST

The wage-and-hour law will fail miserably when the need for it—during times of depression—becomes most urgent and acute. During the years of the law's existence, the whole Nation has enjoyed relative prosperity, and, therefore, there has been no test of whether the minimum wage can survive a depression when thousands of businessmen throughout the country must decide whether to violate the law or close their doors. If this country is so unfortunate as to see another period of low business activity, workers will be glad to have the purchasing powers represented by the present 40-cent wage, because during such times some purchasing power is certainly better than none at all, and surely it's better than Government relief.

SUMMARY OF VITAL STATISTICS ON THE SOUTHERN PINE LUMBER INDUSTRY

LABOR REQUIREMENTS TO PRODUCE 1,000 BOARD FEET OF LUMBER—WEST VERSUS SOUTH

Because of large timber and highly mechanized units, the west coast lumber industry utilizes less manpower per unit of production than does the lumber industry in the South. In 1944, it took 11.1 man-hours in the West to produce 1,000 feet of lumber compared with 29.9 man-hours in the South to produce the same amount.

By 1946, it required 41.2 man-hours of labor in the South to produce 1,000 feet as revealed in a study by the Bureau of Labor Statistics, an increase of 34 percent over man-hour requirements per 1,000 feet in 1935 when it required 30.7 man-hours to produce a thousand feet.

BOARD FEET LOG CONTENT—WEST VERSUS SOUTH

The average content of a Douglas fir log is 1,074 board whereas a typical log in southern pine ranges from 60 to 100 feet in board-feet content. Many small southern operators cut logs whose board-foot content is as low as 35 feet. A fir log yields many times more board-feet of lumber than southern pine.

ACREAGE YIELD IN BOARD FEET—WEST VERSUS SOUTH

An acre of Douglas fir timber yields from 35,000 to 60,000 board feet according to a report of the Bureau of Labor Statistics dated February 15, 1941. The yield per acre in southern pine ranges from as low as 1,000 to 10,000 board feet.

NUMBER OF SAWMILLS IN THE SOUTH

It is estimated that normally there are from 15,000 to 18,000 southern pine mills. A high of 25,000 was reached in 1946.

BUSINESS RECESSION

Southern pine production in the first 6 months of 1949, estimated at 4,090,000,000 feet, declined 13 percent from the 4,703,000,000 feet produced in the same period of 1948.

Total orders received during the same respective periods are down 11 percent while unfilled orders of 228,000,000 feet at the end of June this year are 49 percent below those on hand at the end of the same month last year.

Estimated gross stocks of 1,740,000,000 feet at the end of June 1949 represented a 15-percent increase over gross stocks on hand a year earlier.

Reports are received daily that many mills are closing or curtailing production. Unemployment agencies report growing unemployment in the industry.

DIRECT LABOR COSTS

Direct labor costs per thousand feet of southern pine have risen considerably. From $8.18 per thousand feet in 1937, direct labor cost rose to $27.78 in 1947, and to $27.53 in 1948. Percentagewise, direct labor costs represented 33 percent of total cost per thousand feet in 1937 and 40 percent in 1947 and 1948. Total costs for the same years respectively were $24.99, $61.95, and $69.56.

TRANSPORTATION COSTS

Transportation costs too have been steadily increasing. In 1940 the rate on lumber from the Southwest to Chicago was 41 cents per hundred pounds or $10.25 per thousand feet. Today that rate is 64 cents or $16 per thousand, an increase of $5.75 per thousand or 56 percent.

From the Southwest to Detroit the 1940 rate was 42 cents—$10.50 per thousand, while today it is 66 cents or $16.50 per thousand, an increase of $6 per thousand or 57 percent.

From the Mississippi Valley to the same points, Chicago and Detroit, the rates in 1940 were 40 and 41 cents or $10 and $10.25 per thousand, respectively. These rates now are 64 and 65 cents or $16 and $16.25 per thousand, respectively, an increase of $6 each or 60 percent and 59 percent, respectively.

Mr. ELLENDER. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. McCLELLAN in the chair). The clerk will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hendrickson	Murray
Anderson	Hickenlooper	Myers
Brewster	Hill	Neely
Bridges	Hoey	Pepper
Butler	Holland	Reed
Byrd	Humphrey	Robertson
Cain	Ives	Saltonstall
Capehart	Johnson, Tex.	Schoeppel
Chapman	Johnston, S. C.	Smith, Maine
Connally	Kem	Smith, N. J.
Cordon	Kerr	Sparkman
Donnell	Kilgore	Stennis
Douglas	Knowland	Taft
Downey	Langer	Taylor
Eastland	Leahy	Thomas, Utah
Ecton	Long	Thye
Ellender	Lucas	Tobey
Flanders	McClellan	Tydings
Frear	McFarland	Vandenberg
Fulbright	McKellar	Watkins
George	McMahon	Wherry
Gillette	Magnuson	Wiley
Graham	Malone	Williams
Green	Martin	Withers
Gurney	Millikin	Young
Hayden	Mundt	

The VICE PRESIDENT. A quorum is present.

The question is on agreeing to the amendment offered by the Senator from Louisiana [Mr. ELLENDER], as modified.

Mr. PEPPER. Mr. President, the able Senator from Louisiana [Mr. ELLENDER], with his customary ability and strength, has presented his amendment. We are not going to take the time of the Senate for any protracted discussion of it. I think the issue is rather clear-cut. I believe that the Senate is disposed to act upon the amendment as speedily as possible.

The gist of the amendment offered by the Senator from Louisiana is to reduce the wage to 65 cents an hour for the immediate future, and thereafter to tie the statutory minimum wage to the index of the cost of living. In the first place, speaking as a Democrat, my party has definitely gone on record on the subject of what the minimum wage should be. I read from the Democratic platform adopted at Philadelphia last year:

We favor the extension of the coverage of the Fair Labor Standards Act as recommended by President Truman, and the adoption of a minimum wage of at least 75 cents an hour in place of the present obsolete and inadequate minimum wage of 40 cents an hour.

The distinguished chairman of the platform committee, the senior Senator from Pennsylvania [Mr. MYERS] is in the Chamber today. He will recall the report on that part of the Democratic platform by the platform committee, and the adoption of that platform by the Democratic National Convention.

I am proud, again speaking as a Democrat, that my party has taken that position. As I pointed out in my opening remarks on this measure, there has been such signal progress in the income of the more fortunate workers and in the profits and prosperity of employers that surely we should be willing, by virtue of law, to give this rather meager assistance to the unorganized mass of workers at the bottom of the economic pyramid.

I pointed out that in 1938, the rate of 40 cents an hour was fixed as the ultimate objective, and not the immediate objective, because the 1938 statute fixed 25 cents an hour as the immediate statutory wage.

In 1938 the 40-cent rate would have provided only $832 a year for full-time employment. But at that time the lowest emergency-budget figure established by the WPA after a study which was made was $928 for a year of livelihood for an individual. Yet we fixed the minimum wage at only $832 a year if the worker had full-time employment for the year. The Committee on Education and Labor, of which I had the honor to be a member, at the time it recommended that the 25-cent minimum wage be raised ultimately to 40 cents an hour, pointed out that—

This rate does not give a sufficient wage to maintain what we like to regard as the minimum American standard of living.

Mr. President, we did not fix 25 cents then and 40 cents later as the objective that we would ultimately meet and never transcend. We certainly trust that we have made progress in giving a larger share of the produce of our great economy to the unorganized workers at the bottom of the ladder.

I only refresh the memory of Senators when I say that per capita income payments since 1938 have more than doubled, from $539 in 1938 to $1,410 in 1948. Income of employees generally has tripled, from $44,700,000,000 in 1938 to $140,300,000,000 in 1948. Farm income quadrupled during that 10-year period, from $4,400,000,000 to $18,400,000,000. Income of unincorporated business and professional enterprises more than quadrupled, from $6,100,000,000 in 1938 to $24,900,000,000 in 1948. Corporate profits before taxes increased more than 10 times in that 10-year period, and corporate profits after taxes increased more than nine times in the 10-year period from 1938 to 1948.

Average hourly earnings of manufacturing employees more than doubled in that period, from 64 cents an hour in 1938 to $1.37 an hour in July of 1949. The cost-of-living index has increased from 101 in 1938 to 170 in 1949. So 40 cents now will buy what 24 cents bought in 1938. An increase in the minimum wage to 67 cents an hour would be required merely to provide a real minimum wage equivalent to 40 cents in 1938. So if we did nothing except to adjust for the increased cost of living, we would fix a rate of 67 cents an hour, representing no progress whatever in giving the lowest-paid worker who lives on a substandard basis any benefit above what he now enjoys.

I should like to refer to the preamble of the minimum-wage law, setting the objectives which Congress had in mind when it enacted that law:

SEC. 2. (a) The Congress hereby finds that the existence, in industries engaged in commerce or in the production of goods for commerce, of labor conditions detrimental to the maintenance of the minimum standard of living necessary for health, efficiency, and general well-being of workers (1) causes commerce and the channels and instrumentalities of commerce to be used to spread and perpetuate such labor conditions among the workers of the several States; (2) burdens commerce and the free flow of goods in commerce; (3) constitutes an unfair method of competition in commerce; (4) leads to labor disputes burdening and obstructing commerce and the free flow of goods in commerce; and (5) interferes with the orderly and fair marketing of goods in commerce.

So Congress then proceeded to enact the minimum-wage law.

Mr. President, we have not yet achieved our happy goal: our intention, first, to have unorganized workers receive a decent share of the income of the country as a whole; and, second, to have them receive a level of pay which would permit them to live according to a decent American standard of living.

The Democratic Party has pledged itself to a 75-cent minimum wage. Indeed, I think we are in arrears in providing that minimum wage.

Furthermore, the committee, after having extensive hearings on this subject, has unanimously recommended the 75-cent minimum-wage rate. There is no division in the committee, on either side, in regard to bringing to the Senate the unanimous recommendation of the committee for a minimum wage of 75 cents an hour.

The Senator from Louisiana by his amendment would add an additional element; he suggests that a 65-cent minimum wage be provided at this time, and that the future minimum-wage rate be tied to the index of the cost of living. I think the Wage and Hour Administration is correct in saying that that is an utterly impracticable method of ascertaining the minimum wage. Some 630,000 establishments are covered by this law. The Administrator would have to issue an order and bring it to the attention of every one of those units, lest they unintentionally violate the law as a re-

sult of not knowing what was the last regulation issued on the subject. So the committee recommends a fixed minimum of 75 cents an hour.

There are some who, when the bill was introduced, suggested that the minimum be 75 cents an hour, and with an escalator provision whereby it could rise to $1 an hour. On the other hand, there were others who thought the minimum wage should be set at 75 cents an hour now, but with an escalator downward.

After long consideration and study, the committee unanimously has agreed on a flat and fixed minimum of 75 cents an hour.

So I hcpe the Senate will reject the amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Louisiana [Mr. ELLENDER].

Mr. TAFT. Mr. President, I merely wish to say that I recognize some of the logical arguments in favor of the amendment proposed by the Senator from Louisiana, but I think the committee considered all of them.

In the first place, I think 75 cents an hour is a reasonable minimum wage under all the circumstances, and is in line, comparatively, with the minimum wage which was set when the Fair Labor Standards Act was first enacted.

In the second place, the sliding scale idea, although I think it might well be studied as a basis for minimum wages in the future, certainly has not been studied. We have had no expert advice on the subject.

Personally, I feel that the cost of living is not the proper basis for determining wages. The cost of living has always seemed to me to be an uncertain factor. It affects people in different ways. The cost of living for a man without a family is about half of the cost of living for a family of four.

The theory of a minimum wage is not to provide a wage which will pay a worker his cost of living, but to try to see to it that a man receives full value for the services he renders. The minimum wage is predicated on the belief that any working man or woman is worth at least that much in terms of pay. If there is a sliding scale, I should prefer to see it related to the general wage level in the United States, rather than to the cost of living.

I pointed out yesterday that the increase from 40 cents an hour to 75 cents an hour is an increase of approximately 87½ percent; that in the same period, between 1939 and 1949, the wages of approximately 14,000,000 workers in manufacturing industries have increased 118 percent, or from 63 cents an hour to $1.38. I pointed out that today the building construction workers are receiving an average of $1.97; the bituminous coal workers, $1.94; workers in the retail trades, whose rate of pay is about the poorest—and those trades include many workers who might be affected by this act, if they are covered by it at all—$1.11. The general wage in manufacturing is $1.38 an hour.

Under all those circumstances, I think 75 cents an hour is a reasonable wage. Based on an average of 2,000 hours of work a year, it will amount to $1,500 as a minimum for a man who works during the entire period.

Today the total compensation of all employees in the United States is $140,000,000,000. There are approximately 60,000,000 workers. So the average pay of all workers in the United States, including many who are well below the minimum proposed here, is $2,330. That is the average figure for all workers in the United States, including those who are receiving 50 cents an hour or 40 cents an hour today.

Under all those circumstances, it seems to me that a minimum wage of 75 cents an hour is approximately the correct one. I think further study might well be made of the subject of a flexible wage which can be adjusted in accordance with the general economy, so that the Congress may not be called upon to consider and pass on a particular figure.

Mr. President, the 75-cents-an-hour figure may be slightly wrong. It may be slightly high; it may be slightly low. But I feel that the Senate should approve the action of the committee.

Mr. MYERS. Mr. President, I have only a very brief statement to make on the bill to increase the minimum wage to 75 cents an hour for work done in interstate commerce. I do not think any further prolonged discussion is necessary on this amendment. I think all of us must agree that increasing the minimum wage from its present depression starvation level of $16 a week to $30 a week is a reform long overdue.

So, Mr. President, instead of telling each other at great length how devoted we are to the principle of a fair and decent American wage for American wage earners, I suggest that Senators proceed as promptly as possible to a vote on this matter, so that American men and women working 40 hours a week in work in interstate commerce can no longer be exploited at sweatshop wages of $16 a week.

The Senator from Florida has made reference to the Democratic platform written at Philadelphia last year. The Republican platform, also adopted at Philadelphia, was not so specific, not so exact, on this matter; but it did, at least, pledge that party to legislation to increase the minimum wage.

So here, in the vehicle of this bill, Mr. President, is the opportunity for members of both parties to make good on those platform pledges, pledges which should not be dismissed lightly by those making them, since they were designed to represent honest arguments to help the citizens of the United States determine which party they should vote for in an election to establish national policy over a period of 4 years.

Although the House of Representatives has passed a minimum-wage bill raising the minimum to 75 cents an hour, the wholesale exemptions written into that measure are attempts to remove this basic protection from great groups of wage earners now covered by the Fair Labor Standards Act.

The Senate has not gone as far in that respect as has the House; but unfortunately the Senate has adopted amendments which are estimated to exempt approximately 200,000 workers who presently are covered by the minimum-wage law. Therefore, the Senate must at least increase the minimum wage to 75 cents an hour.

Mr. President, in the 5 years I have served in the Senate, I have been a sponsor or cosponsor at every session of bills to improve minimum-wage standards. In the Seventy-ninth Congress we tried to enact a 65-cent minimum; but that measure was pigeonholed in the House after passage by the Senate.

In the Eightieth Congress, numerous bills were introduced in both the Senate and the House to raise the minimum wage and to expand coverage. Not a single such measure ever came from either the Senate or House Labor Committee. The issue never came to a vote in the entire 2 years, except in one instance. That was when the Senate, more than 2 years ago, was debating the portal-to-portal bill. Since that bill dealt with the Fair Labor Standards Act, I proposed an amendment to raise the minimum to a mere 60 cents an hour. I suggested such a very low figure because I felt it to be completely noncontroversial. The figure was so low that I felt it could go through on the portal bill without extensive debate and on its merits, and that we could later consider more comprehensive amendment of the Fair Labor Standards Act. But my amendment was tabled. It was tabled because there was a promise made that the Senate Labor Committee would shortly begin a comprehensive study of the whole problem of minimum-wage legislation and would report a bill reasonably soon. That being the case, it was maintained that there was little value in amending the Portal-to-Portal Act to increase the minimum wage to 60 cents.

But, Mr. President, the Senate Committee on Labor and Public Welfare, in the next 21 months of the Eightieth Congress, never got around to reporting any minimum wage legislation. Had my amendment for a 60-cent minimum been adopted in March 1947 we should at least have had a statutory minimum of $25 a week during the past 2½ years, rather than the present shameful minimum of $16.

But now things are much different, I trust. The Senate Committee on Labor and Public Welfare has unanimously reported the pending bill. It is a bill which does not widen minimum-wage coverage, although many of us believe such additional coverage will have to come eventually. But it does not, as it is estimated the House bill does, strip approximately 1,000,000 wage earners from the modest protection against unfair exploitation afforded them by the Fair Labor Standards Act.

Many of our manufacturers in recent years have come to recognize the importance of fair minimum-wage standards as providing protection for fair-minded, decent employers against the cut-throat competition of unscrupulous

employers who are able to obtain workers by paying the starvation wages of $16 a week.

I was therefore quite surprised recently to receive from the legislative chairman of the Philadelphia Textile Manufacturers Association a letter opposing the 75-cent minimum proposed in the pending bill. When, in a letter I wrote in reply, I expressed my surprise, and asked a number of questions about the wage levels of member firms in the organization, I began to receive separate letters from individual member firms expressing similar surprise over the position taken by the legislative chairman of the organization.

It is organizations such as that, Mr. President, who have been flooding the Senate with telegrams and letters, and who have had their representatives by the hundreds in the corridors of the Senate.

One member said to me flatly:

As a member of this association, we are not in accord with the stand of our legislative chairman. The writer personally recalls that in 1934 in our industry employees were working a 56-hour week at 12½ cents per hour minimum, a disgraceful rate common in the textile industry and considerably under rates being paid in other industries in our city.

I was subsequently informed by Mr. Sol Stetin, regional director in Philadelphia, of the Textile Workers Union of America, that the Philadelphia Textile Manufacturers Association probably represents most of the employers with whom the union has contractual relations. He informs me that these employers have complained frequently and bitterly to us about the unfair competition from unorganized areas. They have cited this problem many times in our own wage negotiations. The present stand of this association, if it represents the thinking of all such employers would seem to indicate that their complaints in the past have been somewhat insincere.

Mr. President, I ask unanimous consent that as a part of my remarks my letter to the legislative chairman of the Philadelphia Textile Manufacturers Association, and Mr. Stetin's letter from the Textile Workers Union of America, be printed at this point in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

AUGUST 10, 1949.

JOSEPH SCHMITZ, Jr.,
Chairman, Legislative Committee, Philadelphia Textile Manufacturers Association, Philadelphia, Pa.

DEAR MR. SCHMITZ: I am utterly amazed at the letter you sent me on behalf of the Philadelphia Textile Manufacturers Association protesting against the proposed increase in the minimum wage in interstate commerce from 40 to 75 cents per hour.

Is there any member company in your association which now pays 40 cents per hour? Is there any which pays less than 75 cents? Would a statutory minimum of 75 cents in any way damage the firms which belong to your association? What figure do your members believe the minimum should be set at—assuming you agree $16 a week is too low? Now, on the other hand, where is the worst competition to Philadelphia textile manufacturers coming from? Do these firms pay wages equivalent to those prevailing in the Philadelphia area?

It is my understanding that the textile industry in Pennsylvania and particularly in Philadelphia has suffered grievously from the unfair competition of firms in other parts of the country which pay wages far below the basis of human misery and the lowest possible wages. It is my firm belief that an increase in the minimum to 75 cents will aid rather than hurt the business of your member firms by forcing your unfair competition to pay at least a halfway decent wage to their employees—a wage of $30.

If you disagree with my analysis, please provide me with facts and figures showing what the prevailing wages are in Philadelphia's textile industry, what firms pay less than 75 cents, and how a $30-a-week minimum for 40-hour week would work any hardship on any of the firms which belong to your organization.

If your argument is that some day, perhaps, when we might have a depression, a statutory minimum of 75 cents might damage some business, that's a different matter. We are in no depression now and we have no intention of allowing depression to develop. However, policies geared to depression levels of business are the best way to bring on a depression.

I will appreciate further clarification from you of your organization's opposition to a 75-cent minimum wage.

Sincerely yours,

FRANCIS J. MYERS.

TEXTILE WORKERS UNION
OF AMERICA, CIO,
Philadelphia, Pa., August 15, 1949.

Hon. FRANCIS J. MYERS,
Senate Office Building,
United States Senate,
Washington, D. C.

DEAR SENATOR MYERS: I read with much interest the newspaper story of your correspondence with the Philadelphia Textile Manufacturers Association concerning the organization's opposition to the minimum-wage bill now before Congress.

I want to commend you most heartily for the stand you have taken in your letter to Mr. Schmitz. Your emphatic comments about the economic implications of the association's stand were most realistic, certainly far more realistic than their opposition, granted that wages in this area are uniformly above the proposed minimum-wage level of 75 cents an hour.

I think it is regrettable that such a thoughtless and short-sighted attitude should be expressed by the Philadelphia Textile Manufacturers Association. This group probably represents most of the employers with whom we have contractual relations and who have complained frequently and bitterly to us about the unfair competition from unorganized areas They have cited this problem many times in our own wage negotiations. The present stand of this association, if it represents the thinking of all such employers, would seem to indicate that their complaints in the past have been somewhat insincere.

I should certainly be interested to know whether the Philadelphia Textile Manufacturers Association will provide you with facts and figures as you request.

Again my heartfelt thanks on behalf of the 40,000 members of the Textile Workers Union of America in Pennsylvania.

Very truly yours,

SOL STETIN,
Regional Director, TWUA-CIO.

Mr. MYERS. Mr. President, I am pleased that we now have the opportunity finally to vote on a minimum wage bill in the Senate. I am confident the bill will pass. Soon after the Eighty-first Congress convened I introduced a bill substantially similar to the one the committee has reported. It raised the minimum from 40 to 75 cents per hour, but did not attempt to revise coverage. I said at that time that there was no controversy over the need for increasing the 40-cent minimum. The only controversy in that respect was how high it should be raised. Since our 1948 platform flatly promised a 75-cent minimum, I said that issue could readily be fought out and voted on and disposed of. On the other hand, however, every attempt to change the coverage of the act has been steeped in intense controversy.

As it turns out, we are now voting to raise the minimum and still not expanding coverage. In fact we are reducing and restricting coverage, although many of us are intent on defeating efforts to do that.

Mr. President, I ask unanimous consent that the statement I issued in introducing my bill earlier this year may be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

MYERS DRAFTS 75-CENT MINIMUM-WAGE BILL

Senator FRANCIS J. MYERS, Democrat, of Pennsylvania, said today he will have ready for introduction in the Eighty-first Congress at its opening session Monday a bill to raise the minimum wage from 40 cents to 75 cents an hour.

MYERS, who has been a cosponsor of various administration bills during the last 4 years to expand the coverage of the Fair Labor Standards Act as well as to raise the minimum wage, said his own bill will be restricted entirely to the wage-raising provision.

"There is no controversy over the need to increase the minimum wage for work done in interstate commerce from the present obsolete, starvation level of $16 for a 40-hour week," he declared. "Most of the Republican leaders of Congress have gone on record at one time or another, as has Governor Dewey, in favor of an increase.

"There is, however, considerable controversy over proposed changes in other sections of the Fair Labor Standards Act having to do with coverage, overtime, and so on. I strongly believe that we must not hold off on the enactment of legislation increasing the minimum wage to a realistic level until all of the many other issues involved in the Fair Labor Standard Act are settled in an omnibus bill.

"An increase in the minimum wage is an immediate, urgent necessity. While we are seeking to fight inflation with effective means, we must not forget that millions of Americans have already been impoverished by inflation and need the protection of a better minimum wage.

"This bill can be enacted into law almost immediately because the only controversy surrounding it has to do with the amount of the increase. President Truman and the Democratic platform are committed to a minimum wage of at least 75 cents. I think most members of the majority party in Congress agree with that platform promise. Many Republicans also concede 75 cents to be a reasonable figure. The bill, as I see it, can be disposed of promptly. After we have passed this bill, the Labor Committees of the House and Senate can then take up the fundamental issues involving other phases of the Fair Labor Standards Act and can consider them separately from the matter of

minimum wage, which is of an emergency nature."

MYERS introduced a similar bill, S. 1288, in 1947, providing for a 65-cent minimum on the day that President Truman signed into law the Portal-to-Portal Act. The President at that time had urged a 65-cent minimum wage be adopted immediately. However, no action was taken on this or any other minimum wage bill by the Labor Committee of either House in the Eightieth Congress.

At the time the portal bill was before the Senate, on March 21, 1947, the Pennsylvania senior Senator introduced an amendment to it to increase the minimum to 60 cents, a figure he said then was so noncontroversial that he thought it would be accepted without discussion. However, on motion of Senator TAFT, the Myers amendment was tabled. Although Senator TAFT promised that the Senate Labor Committee would promptly get to work on a minimum-wage bill, that was the last opportunity which either the Senate or the House had in the Eightieth Congress to vote on an increase in the minimum wage.

MYERS' 75-cent minimum would become operative 60 days after its enactment.

Mr. THOMAS of Utah. Mr. President, my time having been occupied with other tasks, I have been unable to participate in the debate on this important legislation. I was prepared to take part in the debate. I therefore ask unanimous consent that remarks I have prepared may be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

THE FAIR LABOR STANDARDS ACT IN ITS HISTORICAL PERSPECTIVE

Mr. THOMAS of Utah. Mr. President, it is with a great deal of feeling that I appear before the Senate to speak in behalf of S. 653, the bill the Senate Labor and Public Welfare Committee unanimously voted to report to the Senate, a bill which will raise the minimum wage under the Fair Labor Standards Act to 75 cents and make other needed improvements in the law.

It was my privilege to serve as chairman of the Senate Education and Labor Committee when the Fair Labor Standards Act was under consideration over 11 years ago, and further to serve as chairman of the conference committee which reconciled the divergent views of the House and Senate bills and which therefore created the Fair Labor Standards Act in its present form. I felt then that this law was a most important element of our social legislation and I still firmly believe that it has been an economic charter for a more decent standard of living to millions of our workers, particularly those who are unorganized or weakly organized. The bill before the Senate will restore to this fundamental document the meaning which has been dissipated by the unforeseen increases in the cost of living since the act went into effect.

Mr. President, as I have observed, the Senate Labor and Public Welfare Committee unanimously reported out this bill to amend the Fair Labor Standards Act. Each of the members of the committee has asked that his name be added to the bill, additions which I have been glad to see made, additions which underscore how widely accepted the Fair Labor Standards Act is and how important though moderate are the changes the bill before the Senate would make.

This growth in public acceptance and appreciation of the law contrasts vividly with the lobbies, the opposition, the struggles we had to go through in 1937 and 1938. Then, as has always been true when proposals have been debated to improve the lot of the working men and women, the opposition conceded the desirability of the goal but criticized the means. They have said in effect: "The aim of this legislation is proper; no one can talk against bettering conditions; but the legislation is absolutely impracticable. It will destroy business. It will cause business to go out of existence and bring about conditions which will be destructive to the welfare of our people."

Such arguments were made a hundred years ago when our States began to be concerned with young children working 11 to 14 hours a day, winter and summer, many of them without opportunity to attend school. Such arguments continued to be heard while one State after another passed child labor and school attendance laws. By 1900, there were child labor laws in some 28 States, some with very good standards and some with weaker requirements. These arguments about not interfering with business were heard again during the 1920's when the States were considering a child-labor amendment to the Constitution.

One of the major reasons for my gratification at the work I have been able to do in securing the passage of the Fair Labor Standards Act is the fact that in that law there is the fruition of a century of effort to curb effectively the exploitation of little children and to prevent the labor of little children from being used to undermine the labor standards of adult workers.

Oppressive child labor is a disease that feeds on itself. Time and again when times have been bad, the labor of children has forced down the wage levels of fathers and sad to relate mothers of children, requiring still other children to seek work to supplement their families' earnings or even to provide the sole support. The Fair Labor Standards Act today stands as a barrier to any such development, a barrier which would be further strengthened by the provisions of the bill before you.

The Fair Labor Standards Act at present contains a limited, an indirect prohibition of oppressive child labor, a prohibition not of employment but of shipping or delivery for shipment of goods produced in plants which during the preceding 30 days had employed oppressive child labor. S. 653 provides a direct prohibition of oppressive child labor in the production of goods for commerce, and adds a similar restriction for employment in interstate commerce itself. The bill before you also would assure more adequate schooling and give greater meaning to the restriction of the employment of oppressive child labor in agriculture, by recasting the exemption for children in agriculture to a basis which conforms to the hours when school is in session in the particular district. This is a decided improvement over the present basis, i. e., when legally required to attend school.

A second major standard in the Fair Labor Standards Act is the provision for a minimum wage. This provision underwrites the wages of 22,500,000 workers at the present time, more than half of the employees in the country outside of Government and outside the self-employed. The most important provision in S. 653 is the raising of this minimum from the obsolete figure of 40 to 75 cents, a figure which the Senate Labor and Public Welfare Committee unanimously believed was appropriate immediately to our postwar economic conditions.

Here again, I should like to ask the Senate to pause to look backward over legislative developments to see what a long way we have come with this bill toward assuring a more decent standard of living for our people. In the Senate debate on the Fair Labor Standards Act in 1946, I called attention to a congressional committee report in 1892 on the conditions in sweatshops in several large cities. I would like to call attention again to excerpts from the committee's report:

Wages (in sweatshops) average from 25 to 33⅓ percent less than in larger shops, and as to hours there is practically no limit, except the endurance of the employee * * * the hours of labor under this system rarely being less than 12, generally 13 or 14, and frequently 15 to 18 hours in 24. A large proportion—nearly, if not quite one-half of all clothing worn by the majority of our people is made under conditions * * * revolting to humanity and decency.

I should like also to call attention to the conclusion of this committee in 1892 that—

"So long as interstate commerce in this regard is left free, the stamping out of the sweating system in any particular State is of practically no effect, except to impose peculiar hardship upon the manufacturers of that State."

That conclusion was written in 1892, but it was nearly half a century before Congress acted upon these very sound conclusions to close the channels of interstate commerce to sweatshop labor. It was not until 1912, 20 years later, that the first State minimum-wage law was enacted in Massachusetts, a law which was not mandatory but advisory in character as to the minimum-wage standards for women, which employers should meet.

During the next 11 years, the legislatures of 17 of our States, including the District of Columbia and Puerto Rico, enacted laws to provide for minimum-wage standards for women, to set requirements that their wages should meet their necessary living costs and protect their health and welfare. In Utah, Arizona, South Dakota, and Puerto Rico, these laws set a legal minimum; in the other, the laws established industry committees or wage boards to establish the minimum, industry by industry.

These beginnings were given a rude setback by a 5-to-3 decision of the Supreme Court in invalidating the law for the District of Columbia in *Adkins* v. *Children's Hospital* and by other Supreme Court decisions using the Adkins case as a precedent.

This position of the Supreme Court continued to be a controlling precedent until 1937, when the Court by a 5-to-4 decision held Washington State minimum-wage law to be constitutional in the case of *West Coast Hotel Co.* v. *Parrish*. In fact, the Supreme Court did not fully overturn the Adkins decision, and its *Hammer* v. *Dagenhart* decision invalidating a national child-labor law in 1918, until 1941, in *United States* v. *F. W. Darby Lumber Co.* This case established the constitutionality of the Fair Labor Standards Act, and in its decision a unanimous Court declared that since the West Coast Hotel Co. decision in 1937, "it is no longer open to question that the fixing of a minimum wage is within the legislative power."

I do not want to dwell at length on the dark history of the country in the years after State minimum-wage legislation was found unconstitutional nor to evaluate at this time how effective these laws, primarily for women workers, might have been if they had been regarded as constitutional during the economic crisis of the early 1930's. It is sufficient to note that the pressure of interstate competition made these laws standing alone an insufficient bulwark.

In 1931, the first Federal step was taken by providing that prevailing wages should be paid on Government construction contracts, in the Davis-Bacon Act. In 1933 a second step was taken as part of the bold and imaginative program of our late and great President to rally the Nation in its fight against fear and for a New Deal. That program in the National Industrial Recovery Act set a floor under wages and a ceiling over

hours in industry after industry. That act, however, was also stricken by the Supreme Court in the Schechter decision in May 1935.

Some of us may have forgotten the consequences to wages and to hours resulting from the invalidation of the NRA and the codes of fair competition developed under it. In our hearings on fair labor standards in 1937, we were given the results of a study by the Bureau of Labor Statistics. In comparing wage changes in six industries in the year after the Schechter decision, the chief economist of the Bureau of Labor Statistics told the joint committee holding hearings that:

"The most important relationship that held in each of the six industries studied is the competitive advantage that accrued to those who cut wages more than the average or advanced them less than the average. In each of these industries the employer who cut wages gained, as he had hoped, relative to the man who did not."

As one measure of meeting this situation, the Walsh-Healey Public Contracts Act was passed in 1936. This act regulates hours of work and requires payment of prevailing minimum wages for workers employed on Government supply contracts in excess of $10,000, thus providing an important measure of industry stability over and beyond other Federal or State laws which may be applicable. This law also contains child-labor standards and furthermore represents the only Federal law in the field of safe and sanitary working conditions, providing Federal support to State action in this field and the only effective standards in some States.

The year 1937 with the historic West Coal Hotel Co. decision of the Supreme Court marked a resumption of both State and Federal activity. State laws which had been dormant revived. Consideration of more comprehensive Federal action again became possible.

On May 24, 1937, President Roosevelt sent to Congress his stirring message in which he declared in ringing words:

"The time has arrived for us to take further action to extend the frontiers of social progress. * * * The overwhelming majority of our population earns its daily bread either in agriculture or in industry. One-third of our population, the overwhelming majority of which is in agriculture or industry, is ill-nourished, ill-clad, and ill-housed. * * *

"Today, you and I are pledged to take further steps to reduce the lag in the purchasing power of industrial workers and to strengthen and stabilize the markets for farmers' products.

"The two go hand in hand. * * * Our Nation so richly endowed with natural resources and with a capable and industrious population should be able to devise ways and means of insuring to all our able-bodied working men and women a fair day's pay for a fair day's work. * * *

"All but the hopelessly reactionary will agree that to conserve our primary resources of manpower, Government must have some control over maximum hours, minimum wages, the evil of child labor and the exploitation of unorganized labor. * * *

"These rudimentary standards will of necessity at the start fall far short of the ideal. * * * Backward labor conditions and relatively progressive labor conditions cannot be completely assimilated and made uniform at one fell swoop without creating economic dislocations. * * *

"As we move resolutely to extend the frontiers of social progress, we must be guided by practical reason and not by barren formulas. * * * Our problem is to work out in practice those labor standards which will permit the maximum but prudent employment of our human resources to bring within the reach of the average man and woman a maximum of goods and services conducive to the fulfillment of the promise of American life."

The standards in the Fair Labor Standards Act still fall far short of the ideal. They will even under S. 653 still fall far short of the ideal. Some of us had hoped to make greater steps at this time toward the ideal, or at least to establish means whereby those steps could be taken. Let me remind the Senate again, the full Committee on Labor and Public Welfare unanimously felt that at least the steps contained in S. 653 could and should be taken at this time, as the contribution of this Congress in extending the frontiers of social progress in the field covered by the Fair Labor Standards Act.

The most important step in the bill is the increase of the statutory minimum to 75 cents, an arithmetic jump of 35 cents from the present 40-cent level, but an actual increase of only a few cents an hour for workers now receiving less than 75 cents.

Mr. President, I have attempted to show in broad historical perspective how the Fair Labor Standards Act has been the most recent and most effective means in a long history of events to curb the evils of oppressive child labor and to place a modest floor under wages. The act represents also the most recent and most important step in Federal legislation to prevent unduly long hours of work and to end the tragedy America was experiencing before the Fair Labor Standards Act became law—too long hours of work for some and no work or inadequate work for others.

I am proud of my native State Utah, because among other things it enacted the first law on limitation of hours of work in mines, in 1896. A famous case involving that act reached the Supreme Court of the United States in 1898, *Holden* v. *Hardy*. I remember that as a youngster I heard the arguments in regard to that case, how they hinged on the question of personal liberty. It was argued that the act which limited hours of work in mines to 8 hours a day deprived men of a constitutional right and privilege. The case involved a man who wished to work for 12 or 13 hours a day, and it was argued that to restrict him to 8 hours was a patent infringement upon personal liberty. But the Supreme Court fortunately handed down its decision in accordance with other factors. The Court held that the "right of contract, however, is itself subject to certain limitations which the State may lawfully impose in the exercise of the police power. * * * The legislature has also recognized the fact, which the experience of legislators in many States has corroborated, that the proprietors of these establishments and their operators do not stand upon an equality, and their interests are, to a certain extent, conflicting. * * * In other words, the proprietors lay down the rules and the laborers are practically constrained to obey them. In such cases self interest is often an unsafe guide, and the legislature may properly interpose its authority."

The question of this type of legislation depriving individuals of their liberty is fortunately a moot question today. That is a gain for the constitutional growth and development of our land. Clearly, our workers have more true freedom with an adequate minimum wage, restrictions on overlong hours, and greater opportunity as children to attend school than they had before the Fair Labor Standards Act became law. As the Supreme Court observed, to preserve and extend these freedoms where the proprietors "and their operators do not stand upon an equality * * * the legislature may properly interpose its authority."

I have dealt somewhat at length on this Utah law and the Supreme Court decision on it because that law represents a first attempt to achieve by legislative means a limitation of hours of work to 8 hours a day, a pattern which did not become general until a third of a century later. I do not want to go into detail at this time concerning the other steps in this progress of the past few decades from a 60- or 70-hour week to a 40-hour week, from a 12-hour day or longer to an 8-hour day. The 8-hour law on public works for the Federal Government, the laws limiting hours of work in transportation, the State laws limiting hours of work for women, and the NRA codes are all part of this general story, with the Fair Labor Standards Act as the latest and the greatest step along this line in our legislative endeavors.

The Fair Labor Standards Act, it is estimated, applies in its overtime provisions to almost half of the employees in this country, outside of governmental employees and apart from the self-employed. I wish more were covered by these very sound and desirable provisions on hours of work which by a premium on hours of work over 40 a week tend to curb arbitrary and unnecessary demands on the workers' leisure time, freeing him for other pursuits as an individual, as a parent, as a citizen. These overtime standards have served our country well in peace and in war.

The bill before the Senate makes two minor changes in the minimum wage or overtime exemptions, one concerning buttermilk and the other concerning certain small telegraph agencies.

S. 653 contains one other important provision which I should like to discuss briefly. This is the authority granted to the Administrator to collect back wages due employees under the Fair Labor Standards Act, by court action if necessary. We believe that this provision is one that is in the interests of the employer, the employee, and the country generally.

First, as to the employer, this provision is of advantage for those who conscientiously comply by insuring that their competitors pay wages due under the act; it is also of advantage to the employer who may be inadvertently in violation by permitting under the conditions set forth in the amendment that he merely pay back minimum wages and back overtime pay due under the law. The Fair Labor Standards Act contains a remedy for the future by permitting injunctions against future violations of the act. It contains two provisions for underpayments which have already occurred where an injunction is unsuitable: either the employees affected may sue for the back wages plus an equal amount as liquidated damages plus court costs or the Government may seek criminal penalties, such as a fine.

There are no remedies short of these two types of action when an injunction is not suitable. The power for the Administrator to collect back wages due under the Act would provide an action less severe than the other two remedies, and at the same time, employers who pay in full the back wages due under the Act to employees who agree to receive such payments are protected against the possibility of subsequent suits by employees for liquidated damages. In short, this provision permits employers to pay overdue wages required under the law without incurring the risk of further liability, thereby putting competitors under the law on an even footing.

The new provision relative to the Administrator's collection of back wages by court action if necessary also benefits the employee, who typically has foregone his rights under the present law rather than take the unknown, risky, and possibly expensive road of court action against his employer. This is illustrated by the fact that inspections this past fiscal year have disclosed large sums which should have been paid employees under the act, but only 35 percent of this money found due was actually paid. Over

the past 4 years, over $32,000,000 found due on inspection has not been paid.

Thus it is apparent that the new provision on collection of back wages is of benefit to the employer, the employee, and to all of us. The broad social purposes of this legislation cannot be safeguarded if the provisions are eaten away by noncompliance, with employers taking the risks of violation, and with their conscientious competitors who comply with the law damaged by such unfair labor standards.

Mr. President, I have tried to place the amendments to the Fair Labor Standards Act in S. 653 in their broad historical perspective, I have tried to show that they are in line with the broad social movements in this country to improve the lot of each of us. I have emphasized that the proposed changes are so noncontroversial that each of the members of the Senate Labor and Public Welfare Committee endorsed them and wanted to add his own name to the bill. I feel confident that this bill will obtain wide support and quick acceptance so that these needed changes in the Fair Labor Standards Act may become effective as soon as possible.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Louisiana, as modified by himself.

Mr. PEPPER. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk called the roll.

Mr. LUCAS. I announce that the Senator from New Mexico [Mr. CHAVEZ] and the Senator from Wyoming [Mr. O'MAHONEY] are absent on official business.

The Senator from Wyoming [Mr. HUNT] and the Senator from Tennessee [Mr. KEFAUVER] are absent by leave of the Senate on official business.

The Senator from Colorado [Mr. JOHNSON], the Senator from South Carolina [Mr. MAYBANK], the Senator from Nevada [Mr. MCCARRAN], and the Senator from Georgia [Mr. RUSSELL] are absent by leave of the Senate.

The Senator from Idaho [Mr. MILLER] and the Senator from Maryland [Mr. O'CONOR] are necessarily absent.

The Senator from Oklahoma [Mr. THOMAS] is detained on official business at the White House.

The Senator from Georgia [Mr. RUSSELL] is paired on this vote with the Senator from Oklahoma [Mr. THOMAS]. If present and voting, the Senator from Georgia would vote "yea," and the Senator from Oklahoma would vote "nay."

I announce further that if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Maryland [Mr. O'CONOR], and the Senator from Wyoming [Mr. O'MAHONEY] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Connecticut [Mr. BALDWIN] is absent by leave of the Senate on official business.

The Senator from Ohio [Mr. BRICKER] and the Senator from Indiana [Mr. JENNER] are necessarily absent.

The Senator from Michigan [Mr. FERGUSON] and the Senator from Massachusetts [Mr. LODGE] are absent by leave of the Senate. If present and voting, the Senator from Michigan [Mr. FERGUSON] would vote "nay."

The Senator from Oregon [Mr. MORSE] is absent on official business. If present and voting, the Senator from Oregon would vote "nay."

The Senator from New York [Mr. DULLES] and the Senator from Wisconsin [Mr. MCCARTHY] are detained on official business. If present and voting, the Senator from New York and the Senator from Wisconsin would each vote "nay."

The result was announced—yeas 26, nays 51, as follows:

YEAS—26

Butler	Fulbright	Mundt
Byrd	George	Reed
Chapman	Gurney	Robertson
Connally	Hickenlooper	Schoeppel
Cordon	Hoey	Sparkman
Eastland	Holland	Stennis
Ecton	Johnson, Tex.	Wherry
Ellender	Long	Williams
Frear	McClellan	

NAYS—51

Aiken	Ives	Myers
Anderson	Johnston, S. C.	Neely
Brewster	Kem	Pepper
Bridges	Kerr	Saltonstall
Cain	Kilgore	Smith, Maine
Capehart	Knowland	Smith, N. J.
Donnell	Langer	Taft
Douglas	Leahy	Taylor
Downey	Lucas	Thomas, Utah
Flanders	McFarland	Thye
Gillette	McKellar	Tobey
Graham	McMahon	Tydings
Green	Magnuson	Vandenberg
Hayden	Malone	Watkins
Hendrickson	Martin	Wiley
Hill	Millikin	Withers
Humphrey	Murray	Young

NOT VOTING—19

Baldwin	Johnson, Colo.	Morse
Bricker	Kefauver	O'Conor
Chavez	Lodge	O'Mahoney
Dulles	McCarran	Russell
Ferguson	McCarthy	Thomas, Okla.
Hunt	Maybank	
Jenner	Miller	

So Mr. ELLENDER'S amendment, as modified, was rejected.

Mr. ELLENDER. Mr. President, I offer another amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The Secretary will state the amendment offered by the Senator from Louisiana.

The CHIEF CLERK. It is proposed to strike out section 3, page 39, and insert in lieu thereof the following:

SEC. 3. (a) Section 6 (a) of such act is amended by striking out paragraphs (1), (2), (3), and (4) and inserting in lieu thereof the following:

"(1) Until and including December 31, 1950, not less than 70 cents an hour.

"(2) For each calendar year after 1950, not less than the rate prescribed for such year in the applicable order of the Administrator determined and issues as follows: On or before the 1st day of December 1950 and on or before the 1st day of December of each calendar year thereafter, the Administrator shall (A) ascertain the rate, computed to the nearest tenth of a cent, which bears the same ratio to 70 cents an hour as the average 'Consumer Price Index for Moderate-Income Families in Large Cities' (as determined and published in the Federal Register by the Bureau of Labor Statistics) for the 12-month period ending October 1 of such calendar year bears to the average 'Consumer Price Index for Moderate-Income Families in large Cities' (as determined and published in the Federal Register by the Bureau of Labor Statistics) for the 12-month period ending October 1, 1949; and (B) issue an order prescribing as the minimum hourly wage rate for the immediately succeeding calendar year the rate so ascertained (adjusted to the nearest cent): *Provided*, That in no event shall the minimum hourly wage prescribed by the Administrator be less than 65 cents an hour, nor in excess of 75 cents an hour."

(b) Such section 6 (a) is further amended by striking out "(5)" and inserting in lieu thereof "(3)."

(c) Section 6 (c) of such act is amended to read as follows:

"(c) The provisions of paragraphs (1) and (2) of subsection (2) of this section shall be superseded in the case of any employee in Puerto Rico or the Virgin Islands engaged in commerce or in the production of goods for commerce only for so long as and insofar as such employee is covered by a wage order heretofore or hereafter issued pursuant to the recommendations of a special industry committee appointed pursuant to section 5."

Strike out section 4, page 40, and insert in lieu thereof the following:

SEC. 4. Section 8 of such act is amended by striking out "40 cents an hour" wherever it appears therein and inserting in lieu thereof "the effective hourly rate under section 6 (a)."

In the proper place to insert:

"(d) On or before December 1, 1949, and on or before December 1 of each calendar year thereafter, the Bureau of Labor Statistics shall cause to be published in the Federal Register the average consumers' Price Index for Moderate Income Families in Large Cities, for all items, for the United States, for the 12-month period ending October 1 of the then current calendar year."

Mr. ELLENDER. Mr. President, I wish to state that the amendment just read is identical with the one just voted upon except that instead of fixing the minimum at 65 cents, it is fixed at 70 cents. The rate can rise to 75 cents in the same manner as provided for in the previous amendment, or it can be lowered to 65 cents. I do not wish to detain the Senate longer on this amendment, but, as I said, it is identical with the amendment just voted on with the exception I have stated.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Louisiana.

The amendment was rejected.

Mr. ELLENDER. Mr. President, I submit another amendment and ask that it be stated.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. It is proposed to strike out section 3, page 39, and insert in lieu thereof the following:

SEC. 3. (a) Section 6 (a) of such act is amended by striking out paragraphs (1), (2), (3), and (4) and inserting in lieu thereof the following:

"(1) Not less than 65 cents an hour or the rate (not in excess of 75 cents an hour and not less than 55 cents an hour) prescribed in the applicable order of the Administrator issued under section 8."

(b) Such section 6 (a) is further amended by striking out "(5)" and inserting in lieu thereof "(2)."

(c) Section 6 (c) of such act is amended to read as follows:

"(c) The provisions of paragraph (1) of subsection (a) of this section shall be superseded in the case of any employee in Puerto Rico or the Virgin Islands engaged in commerce or in the production of goods for commerce only for so long as and insofar as such

employee is covered by a wage order heretofore or hereafter issued pursuant to the recommendations of a special industry committee appointed pursuant to section 5."

Strike out section 4, page 40, of the bill, and insert in lieu thereof the following:

"SEC. 4. (a) Section 8 of such act is amended by striking out '40 cents' wherever it appears therein and inserting in lieu thereof '75 cents.'

"(b) Such section 8 is further amended by striking out all of subsection (e) and inserting in lieu thereof the following:

"'(e) Whenever the Administrator has reason to believe that because of a general recession in business activity the continued maintenance of the minimum-wage rate or rates for any industry established by section 6 (a) (1) or by wage order issued under this section is substantially curtailing employment in such industry, he shall convene the appropriate industry committee and refer to it the question of the minimum-wage rate or rates to be fixed for such industry, which shall be, having due regard to economic and competitive conditions, the highest minimum-wage rate for such industry which will not substantially curtail employment in the industry and which in any event shall not be less than 55 cents an hour. In any such proceeding, and in the approval or disapproval of any industry committee recommendations therein, the provisions of subsections (b), (c), (d), and (f) of this section shall apply: *Provided*, That no order shall be issued under this subsection reducing the minimum-wage rate or rates established by section 6 (a) (1) or by wage order for any industry unless the industry committee by a preponderance of the evidence before it recommends, and the Administrator by a preponderance of the evidence adduced at the hearing finds, that such action is necessary to prevent substantial curtailment of employment in the industry due to a general recession in business activity.'"

Mr. ELLENDER. Mr. President, it is not my purpose to detain the Senate very long, but I should like to have the attention of Senators for a few moments.

One of the main reasons urged against the amendment which I first offered was that it would do violence to a pledge contained in the platform of the Democratic Party. That party promised the people a minimum wage of 75 cents an hour. I understand the Republican Party's platform contained approximately the same pledge.

The purpose of the pending amendment is to permit flexibility, which I think is essential if we are to have a workable minimum wage law. When the present law was considered, back in 1938, the original bill provided for a maximum of 40 cents an hour. After long hearings held by committees of the House and Senate, it was decided that we could not afford to enact a 40-cent minimum, without flexibility. So we provided for the creation of industry committees, composed of an equal number of persons representing labor, management, and the public. These advisory committees were appointed by the Administrator. They were empowered to hold hearings to determine whether or not the minimum fixed in the law, which was 25 cents at the outset, to be increased later in the year to 30 cents, could be raised from either of those two figures to 40 cents. The law provided that the maximum floor, fixed in the law at 40 cents, would be attained in 7 years from the date of the act.

In the meantime, the industry committees convened and progressively raised the minimum-wage rate to the maximum rate fixed in the law, at 40 cents. It required 5 years for these committees finally to reach the goal of 40 cents.

I will ask my colleagues to remember that we were at war at the time, and that it was not until 1943 that the industry committees, with all the evidence before them, decided that a flat 40-cent minimum should be applied throughout the Nation.

The amendment I have offered today simply fixes a minimum of 65 cents and gives to the committees—I do not disturb the committees provided for in the law—the right to raise the minimum from 65 to 75 cents if any industry can stand that amount.

On the other hand, it provides further that the minimum fixed 65 cents can be lowered, but not lowered more than 10 cents. In other words, the amendment provides that the minimum fixed by law shall be 65 cents, but that it may be increased 10 cents or decreased 10 cents depending upon the findings of the advisory committees provided for in the present law.

Certainly, the platforms of both parties will be fulfilled if we should adopt this amendment, because it would make it possible for the industry committees created under the law to investigate various industries and find out whether or not the maximum rate, or any rate from 65 cents to 75 cents, can be imposed on an industry, and if it finds that the industry cannot absorb the increase, then the rate remains at 65 cents.

I plead with Senators to take into consideration that the fixing of an inflexible minimum is going to do untold injustice to many sections of our country. It will, I fear, halt industrial expansion in the South, and by wiping out the wage differential that has existed there, it will relegate us to the agricultural economy that has kept us poor in the past. And, Mr. President, in the event of a depression, the South will be the hardest hit, because under a rigid 75-cent minimum wage rate, many of the small industries of the South that are able to weather the initial impact of the legislation will inevitably be forced into bankrupcy.

I plead that Senators vote in favor of my amendment.

Mr. President, on my amendment I ask for the yeas and nays.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Louisiana [Mr. ELLENDER], on which he requests the yeas and nays.

The yeas and nays were ordered, and the roll was called.

Mr. MYERS. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Illinois [Mr. LUCAS], and the Senator from Oklahoma [Mr. THOMAS] are detained on official business at the White House.

The Senator from New Mexico [Mr. CHAVEZ] is detained on official business.

The Senator from Wyoming [Mr. HUNT] and the Senator from Tennessee [Mr. KEFAUVER] are absent by leave of the Senate on official business.

The Senator from Colorado [Mr. JOHNSON], the Senator from South Carolina [Mr. MAYBANK], the Senator from Nevada [Mr. MCCARRAN], and the Senator from Georgia [Mr. RUSSELL] are absent by leave of the Senate.

The Senator from Idaho [Mr. MILLER] and the Senator from Maryland [Mr. O'CONOR] are necessarily absent.

The Senator from Georgia [Mr. RUSSELL] is paired on this vote with the Senator from Oklahoma [Mr. THOMAS]. If present and voting, the Senator from Georgia would vote "yea", and the Senator from Oklahoma would vote "nay."

I announce further that if present and voting, the Senator from New Mexico [Mr. ANDERSON], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Illinois [Mr LUCAS], and the Senator from Maryland [Mr. O'CONOR] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Connecticut [Mr. BALDWIN] is absent by leave of the Senate on official business.

The Senator from Ohio [Mr. BRICKER] and the Senator from Indiana [Mr. JENNER] are necessarily absent.

The Senator from Michigan [Mr. FERGUSON] and the Senator from Massachusetts [Mr. LODGE] are absent by leave of the Senate. If present and voting, the Senator from Michigan [Mr. FERGUSON] would vote "nay."

The Senator from Oregon [Mr. MORSE] is absent on official business. If present and voting, the Senator from Oregon would vote "nay."

The Senator from Washington [Mr. CAIN] and the Senator from New York [Mr. DULLES] are detained on official business. If present and voting, the Senator from Washington and the Senator from New York would each vote "nay."

The result was announced—yeas 25, nays 51, as follows:

YEAS—25

Butler	George	Robertson
Byrd	Gurney	Schoeppel
Chapman	Hickenlooper	Stennis
Connally	Hoey	Wherry
Cordon	Holland	Wiley
Eastland	Johnson, Tex.	Williams
Ecton	McClellan	Young
Ellender	Mundt	
Fulbright	Reed	

NAYS—51

Aiken	Johnston, S. C.	Myers
Brewster	Kem	Neely
Bridges	Kerr	O'Mahoney
Capehart	Kilgore	Pepper
Donnell	Knowland	Saltonstall
Douglas	Langer	Smith, Maine
Downey	Leahy	Smith, N. J.
Flanders	Long	Sparkman
Frear	McCarthy	Taft
Gillette	McFarland	Taylor
Graham	McKellar	Thomas, Utah
Green	McMahon	Thye
Hayden	Magnuson	Tobey
Hendrickson	Malone	Tydings
Hill	Martin	Vandenberg
Humphrey	Millikin	Watkins
Ives	Murray	Withers

NOT VOTING—20

Anderson	Hunt	Maybank
Baldwin	Jenner	Miller
Bricker	Johnson, Colo.	Morse
Cain	Kefauver	O'Conor
Chavez	Lodge	Russell
Dulles	Lucas	Thomas, Okla.
Ferguson	McCarran	

So Mr. ELLENDER's amendment was rejected.

The VICE PRESIDENT. The bill is still open to amendment.

Mr. FULBRIGHT. Mr. President, I offer my amendment lettered "B," which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment offered by the Senator from Arkansas will be stated.

The LEGISLATIVE CLERK. On page 39, it is proposed to strike out line 15 and insert in lieu thereof the following:

(1) if the number of such employees exceeds 50, not less than 75 cents an hour;

(2) if the number of such employees does not exceed 50,

(A) during the first year following the effective date of the Fair Labor Standards Amendments of 1949, not less than 60 cents an hour,

(B) during the second year following such date, not less than 65 cents an hour,

(C) during the third year following such date, not less than 70 cents an hour, and

(D) after the expiration of the third year following such date, not less than 75 cents an hour.

On page 39, line 17, to strike out "(2)" and insert in lieu thereof "(3)."

On page 39, line 20, to strike out "paragraph (1)" and insert in lieu thereof "paragraphs (1) and (2)."

On page 40, after the period in line 4, to insert a new sentence as follows:

Such section is further amended by adding at the end thereof a new subsection as follows:

"(h) This section shall not apply except in the case of Puerto Rico and the Virgin Islands."

The VICE PRESIDENT. Does the Senator wish to have the amendments considered en bloc?

Mr. FULBRIGHT. Yes, Mr. President.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. FULBRIGHT. Mr. President, this amendment is a very simple one. In view of the action of the Senate on the recent amendment of the Senator from Louisiana [Mr. ELLENDER], I may say that it is in a sense an act of desperation in an effort to try to soften the blow on small businesses of the sudden change from 40 to 75 cents. I call attention particularly to the fact that it does not change the rate of 75 cents on all businesses employing more than 50 persons. With respect to those employing less than 50 persons, it provides a gradual achievement of 75 cents. In other words, at the end of 3 years it will reach 75 cents for all businesses, including the smallest.

There was somewhat of an analogy in the original bill, in the sense that it started at 25 cents an hour in 1938, and in a few years, through the use of advisory committees, it reached 40 cents. This is an effort to try to achieve the same thing.

It is perfectly obvious to anyone that the effect of the bill as written will have its principal impact upon small, new businesses engaged in any form of interstate commerce. That is especially true in my own State because it is a State which, among others in the South, has only recently begun to develop any kind of industries. Most of them are small industries, such as woodworking, metalworking, glassworking, and others in the nature of handicrafts. It would be a great blow to them to have the rate suddenly raised to 75 cents. I think the people engaged in small industries are perfectly honest. They ought to have a reasonable time either to liquidate and salvage what they can from their investment or sell out to one of the larger competitors, which is the usual procedure today.

I do not wish to detain the Senate too long, but I should like to invite attention to a few well-known facts—one of them being the extremely high rate of mergers in recent years. That condition comes about because of various factors. I believe that our tax system is one of the great defects in our economic system, in that the impact upon small businesses which have not yet accumulated reserves is much greater than it is on the great monopolies. The latter are quite able to withstand any period of recession. They are able to withstand this bill. As a matter of fact, the bill will not affect any of the major industries of the country in the slightest. As I see it, the only industries upon which it will have the slightest effect are the small, new businesses which have not yet built themselves up to such a status that they can afford to pay the wages which General Motors and other companies pay.

Mr. President, it seems to me that the sponsors of this legislation are quite willing to accept amendments which provide exemptions. Two such amendments were agreed to yesterday. The final decision is fairly certain. I believe that when we look back and see what little resistance was offered to the area-of-production amendment yesterday, and the willingness of the Senate to accept the Holland amendment, it only indicates that subconsciously, at least, the sponsors of the legislation know that this rate is too high. Therefore they are willing to make exemptions, which is exactly the reverse of the proper procedure. The rate should be low enough to include most workers. Some of those who need help must be excluded, and most of those thus excluded certainly should have exemption, because it at least lessens the troubles which will follow.

Mr. President, I think there is one basic fallacy in the attitude of the sponsors of this legislation, and that is the assumption that this kind of legislation is self-executing—that is, that the least experienced, the least efficient, and the poorest laborers in the country are going to maintain their jobs, and that the result will be automatically to raise them to a higher income. That is a very desirable objective, but I think our common sense should tell us obviously that that will not be so. If it were so, and if no unemployment and dislocations would result from increases in the rate, then I see no reason why the rate should not be $1.50 an hour. If 75 cents an hour is a good rate, and no unemployment will result from it, I think it ought to be $1.50 an hour, or $5 an hour, for that matter. No one would say that he really desires that people be not more prosperous than they are. We would all like to see everyone more prosperous, including ourselves. But that is a basic fallacy, I think, which runs through the entire approach.

If we are going to enact this measure, we should also provide increased unemployment payments to those who are forced out of employment, payments which would at least equal the amount they were earning before the law went into effect. That would be only fair. What we are going to do to many workers is to take them off the pay roll at 65 cents an hour and put them on relief at an amount equivalent to 25 or 30 cents an hour. That appeals to no one at all. It is unfortunate. It is bound to be the result in some of the smaller communities of the South, where our industries have not achieved the stability and prosperity which have been achieved in the North.

That is not altogether because they are not efficient. One important reason is that the large industries of the North and East were built up when tax rates were much lower than they are today. They already have their reserves in being, and they do not need to accumulate reserves. Under section 102 of the existing tax laws it is extremely difficult, if not impossible, for the smaller companies to build up their reserves very rapidly.

So I believe that if we are to enact the proposed legislation we should accompany it with increased compensation for the unemployed; and, of course, we should also adopt an amendment which would force employers to stay in business, if possible, at least until all their reserves are exhausted. The two provisions together might help over the hard places.

I should like to say a few words about what I think the effect will be, and why I am objecting to the proposal, as the representative of a State which is among the least industrialized and with the poorest per capita income in the Nation. I wish to cite a few figures regarding per capita income in the South. For example, in Arkansas we are making very rapid progress, but that has occurred only in recent years. In 1940 the per capita income in Arkansas was $250. In 1947 it was $751—an increase of over 300 percent. In 1948 it was $863. Before I came to the Congress, I had assumed that the people of the North would welcome some prosperity in the South and the development in the South of some ability to move forward and make progress. But it is very evident that that is not the case. I wish to cite one or two instances which have led me to believe that that is not the case.

One of the best known instances of that sort recently was the effort on the part of the Governor of New York to prevent the carrying into effect of the decision of the Interstate Commerce Commission to equalize freight rates. All of us are familiar with that matter. That fight had been going on for many years. But after the order of the Interstate Commerce Commission was issued, an injunction, inspired by the Governor of New York, according to the press, was sought and was obtained.

Another instance was the effort by the Governor of Connecticut—I believe Connecticut has the second highest per capita income of any State in the Union—to take action regarding labor conditions in the South. He exhibited much the same attitude. It will be recalled that earlier this year he called a meeting to raise $500,000, in order to go into the South and unionize labor in that area. In that case, his motive was not to help labor there, but to prevent competition with industries already established in Connecticut. In other words, the motive was obviously to try to freeze the economic pattern presently existing in this country.

On March 18, there was published the following special dispatch to the New York Times from Hartford, Conn.:

BOWLES URGES NORTH TO AID SOUTH UNIONS

HARTFORD, CONN., March 18.—Gov. Chester Bowles proposed today that New England industry help finance unionism in the South to assist New England in protecting itself against competition from sweat-shop operators.

Addressing a meeting of the New England Council, he said business and labor groups should offer their best wishes to Emil Rieve and his textile workers (CIO) and to other constructive democratic labor organizations working in Southern States.

He proposed that New England industry raise a $500,000 war chest to assist labor unions.

"This is a practical suggestion that will go a long way toward stopping the drain in certain fields of manufacturing away from the Northern States toward the South," he declared.

"Let me state my own emphatic belief that we in New England have more to offer the world today than at any other time in our history. Our greatest and most productive years lie not in the past but in the future."

He said New England had an abundance of skilled workers, proved management ability, excellent transportation, and basic Yankee vitality.

James J. Healey, associate professor of industrial relations at Harvard, said that labor "owes a deep debt of gratitude to the Taft-Hartley Act," for under it, he said, labor has become stronger than ever.

Of course anyone who competes against already established industries is regarded as being a sweatshop operator.

The last action of that sort, which I shall cite—and the instances I cite are merely typical of the attitude and the motives which I think are involved in legislation of this kind—was the introduction in the Senate, this year, of Senate bill 1061, by the senior Senator from Rhode Island. That bill is entitled "To prohibit the Reconstruction Finance Corporation from making loans to business enterprises which propose to use such loans for the purpose of relocating industries."

Mr. President, it seems to me it is going rather far to attempt to provide by an express provision of law that the Reconstruction Finance Corporation shall not aid any industry which seeks to relocate. I believe that the prevention of development in the South is one of the motives behind such proposed legislation.

In recent years, my own State has made valiant efforts to raise the income of its people. As a result of the war—not because of the help of our northern friends, but as a result of the war, and because the northern people could not help it—certain aluminum factories were established in our State. Actually, they should have been established there from the beginning, because 95 percent of the bauxite produced in the United States is mined in Arkansas. But not until the war period was a single reduction plant of any size located in Arkansas.

Of course we thought that if we improved our condition, our efforts in that respect would meet with the sympathy of all the other people of the country. However, that did not prove to be the case.

Mr. President, I am willing to support a minimum wage of 65 cents for the present time. I think that is in accord with and in proper relationship to the present 40-cents-an-hour minimum.

In every State of the Union which has minimum-wage laws, those laws recognize differentials between the wages paid in large cities and the wages paid in smaller communities. In that connection I refer to the very excellent study made on this subject by the Legislative Reference Service of the Library of Congress. That study is contained in the hearings. The study recognizes differences existing in every State as between metropolitan centers and rural areas—in other words a difference comparable to the difference between New York City and Arkansas or Louisiana. Furthermore, even in New York, which has the highest per capita income in the United States—I believe its per capita income is twice as high as that in my own State—the minimum wage is not as high as that provided by the pending measure. As I recall, a few minutes ago the Senator from Louisiana said that the minimum in New York is 55 cents.

Mr. IVES. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. IVES. I do not wish to prolong the debate; but the point the Senator from Arkansas is making was raised earlier today by the distinguished Senator from Louisiana, namely, that the several States which have imposed minimum wages have minimum wages which in most instances are substantially less than the 75-cent minimum wage provided by the pending bill. I should like to point out, inasmuch as I had something to do with the establishment of the minimum-wage level which now obtains, in the State of New York, that the principal reason—in fact, almost the sole reason—why the minimum wage in New York is not higher than it is—and I assume the same is true of the other States which have minimum-wage laws—is that it was realized that it might be found to be utterly impractical to provide by State law for a minimum-wage level so far out of line with the Federal minimum-wage level. That is why the New York minimum wage is at the point where it has been fixed.

Mr. FULBRIGHT. I wonder whether the Senator from New York and the people of New York also feel that the per capita income of the people of New York is out of line with the general per capita income in the United States. After all, the per capita income of New York is the highest in the Nation—$1,891—as compared to Arkansas' $863. I see no hesitancy on the part of New York to maintain that sort of relationship.

So it seems to me there is every reason in the world why New York could support a minimum wage level at least twice as high as that in Arkansas.

Mr. IVES. Mr. President, in reply, I should like to point out that although the wage level or wage mean in the State of New York is presumably higher than that in the State of Arkansas—and the Senator from Arkansas already has given figures indicating that—nevertheless, the fact remains that in some areas in the State of New York, there is a comparatively low wage level.

I should like to point out that the State of New York is made up of almost all phases, all types, all segments of the total ecenomy. In some sections of our State we have very high wages. Unfortunately, in other sections of our State we have much lower wages.

My point is that, regardless of the level of wages in Arkansas or regardless of the variation of wages in the State of New York, the fact still remains, presumably, that had the Federal minimum wage level been higher than the 40-cent level presently existing, the minimum wage in the State of New York would be substantially higher than it is today.

Mr. FULBRIGHT. Mr. President, I accept that as a reason, but I do not accept it as justification for the existence of a difference. If the Senator from New York wishes to advance that as one of the reasons why he, as a member of the New York Legislature, or others in New York did not wish to have a higher minimum wage in New York, I can only say that the minimum wage now existing in New York is out of relationship with what the minimum wage there should be, when we consider that over the years that community has siphoned the wealth from most of the remainder of the country, with the result that today the per capita income in the State of New York is more than $1,800.

The Senator from New York has said that there is great variation in New York in that respect. I certainly do not wish to leave the impression that no industries in my State pay high wages. Since the war, the few larger businesses in my State have paid and are paying high wages. That situation is not affected by my amendment, and neither does my amendment affect other firms in my State which pay high wages. The amendment I have offered has no effect upon the larger corporations, largely owned by capital in New York, whose citizens own many of our choice natural resources.

Mr. IVES. Mr. President, will the Senator yield at that point?

Mr. FULBRIGHT. Let me finish. Such establishments will not be saved anything, nor will they in any way be affected by the amendment. The amendment, as I say, is designed to soften the blow, and at least to give small industries an opportunity to liquidate in an orderly fashion and salvage what they can. It would not be for the benefit of the larger

companies which can afford this sort of thing.

Mr. IVES. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. IVES. The Senator from New York would like to point out, as he has had occasion to do in several previous instances, that the fact corporations are sometimes incorporated in the State of New York, or have their principal places of business in the State of New York, does not mean they are entirely owned by residents of the State of New York.

Mr. FULBRIGHT. It means the State receives a great part of the return from taxation, because their intangible assets are valued very greatly, and the State of New York gets the benefit to a great extent of the income from the standpoint of taxes. I may say that in some mysterious way—I am not acquainted with it—but if I were, I would teach the people of Arkansas the technique—the State of New York has been able to get its hands on a very large part of the wealth of the 48 States. I cannot explain it. Perhaps the Senator can tell us how they do it.

Mr. IVES. The Senator from New Senator yield on that point?

Mr. FULBRIGHT. I yield.

Mr. IVES The Senator from New York would like to point out that the State of New York derives its income largely, indeed almost exclusively, from those who do business in the State of New York, who are citizens of the State of New York and residents of the State of New York, and not from corporations doing business in the State. Whatever corporation tax there is in the State of New York is comparatively small, I think about 4½ percent, if my recollection is correct. The people who are residents of the State, however, have to pay fairly sizable income taxes in the State, and if to that extent they contribute to the State revenues, because they are stockholders, or because they receive income in the State of New York, it is not due exclusively, or to more than a very slight extent, to the fact that many corporations are doing business in the State of New York and may have their principal offices there.

Mr. FULBRIGHT. Mr. President, I did not intend to go afield as far as I have in an argument about the State of New York. I am delighted that the State of New York is as well off as it is. I hope I have never done anything that would in any way impede the progress, financially and otherwise, of the State of New York. I only object to the State of New York and other States undertaking to put what I consider an artificial impediment in the way of a development such as that which is now taking place in the South. I emphasize that I do not think the low wage rate is the major reason—it is merely one of many reasons which have contributed to the development of industries in the South in recent years. I think the quality of the labor, that is, the absence of communism and similar tendencies in labor in that area, has more to do with it than the price, because when institutions like the Westinghouse Co., build a plant there, as they have recently done, they will not be affected by this bill, either by my amendment or by the remainder of the bill. I have heard one of the men connected with that company say that it built a plant in that area not because they could pay lower wages, for they intended to pay exactly the same as they paid in other areas, but they thought there was a better quality of labor supply, one less likely to have strikes, less likely to be under Communist influence.

An element somewhat similar to that of the pending bill would be, if we were to pass a law requiring the banks in New York, Chicago, or Boston to lend their money at only 3 percent, and not discriminate as they do, and lend it to the big companies at 2½ to 3 percent. But when a corporation in Arkansas, say the Arkansas Power & Light Co., big as it is, wants to borrow money in New York, it pays more than does the Consolidated Edison of New York. It is an old tradition. The people of Kansas, I dare say, and the people of Missouri, pay more for the money they use in their business than comparable firms pay in New York. There are all those differences in the industrial field, which make it cheaper to do business in the great industrial centers.

Governor Bowles, of Connecticut, thinks it is unfair competition if the wage rate happens to be a little lower in South Carolina, Arkansas, or Louisiana— than it is in Connecticut or other northern States. I do not think it is a bit more unfair than is the difference in interest rates. We know that difference exists, and we know it will continue. A great many other differences of that kind enter into the business problem.

I merely want to call attention to an article in the Washington Post of August 24, which is in point. I think this kind of legislation contributes to the result, along with the tax policies I mentioned a while ago and the lack of any enforcible antitrust act, that is the defects in the Sherman and Clayton Acts contribute to the result. According to the article in the Post, this is what happens:

> Forty-six percent of the wealth of all the Nation's manufacturers is concentrated in 113 corporations, the Federal Trade Commission reported yesterday.

Imagine that—46 percent of the wealth of all the Nation's manufacturing industry is concentrated in 113 corporations.

> Other than saying this concentration of economic power is "a subject in which the Commission has long been interested," the report was issued without comment. * * * The 113 manufacturers, each with assets of more than $100,000,000, hold $16,093,000,000 of net capital assets, the report said. This covers property, plants and equipment.

It goes on to discuss the matter.

In another article which appeared only a few months ago, issued by the Federal Trade Commission, it was pointed out that the rate of mergers and absorptions by one corporation of another corporation's assets, had been much greater in the 3 years following the war, than ever before in our history. It is a process of concentration. As I say, of the contributing factors, I think, first and foremost, is a grave defect in our tax system, in which the graduation is the most disadvantageous to companies earning between $25,000 and $50,000. I think Senators are all familiar with what is known as the notch tax, which goes up to 53 percent on the second $25,000, and from there on it is 38 percent for all corporations. If the tax on the second $25,000 is averaged with the tax on the first, it is true it works out 38 percent. But if we are ever to have any small companies growing up to take the place of the companies which become old, decrepit, and senile, I believe it will be necessary to give them some encouragement, instead of putting impediments in the way of the growth of new industries, of small industries which will become large ones. I think we ought to help them.

I introduced a bill granting a specific exemption from taxation on the first $15,000, with the idea of helping small industries along. As I see it, we talk about small business, but every policy we actually put into effect disadvantageously affects their income and their ability to survive, which is just the opposite of the result desired. We are now putting a greater burden on them. No one will deny that this bill affects only the small, new, poor, beginner-type of industry. It has absolutely no effect on such companies as General Motors. I think it is defeating the very purpose the Nation should have in mind. I regret very much that it has been mixed up with a highly emotional approach. When it is so emotional, and we think of poor persons, of course, none of us would stand up and say we want one-tenth of 1 percent of the people to starve. Of course not. That is not the question. After all, this country has done much better by its poor people, without these artificial requirements in the law, than has any nation on earth. The Government of Russia gives unemployment insurance. I do not know what it is called, but the Government takes care of the people in that respect, rather than depending upon the initiative, ingenuity, and productive capacity of the people, as we do under our kind of system. I think we have done much better by that class of people, as well as by other classes than have the Russians.

I want to make it perfectly clear that I do not oppose a reasonable increase. I think it should be done under the same philosophy as that which was the basis of the original wage and hour law. I think it should start at 60 cents or 65 cents for all employees, and gradually increase.

I hope the Senate will give due consideration to this particular amendment. Its impact is not serious. It is temporary. It is designed to help for a period of 3 years companies having 50 or less employees. That is an adjustment period. I believe it is entirely consistent with the philosophy of the originators of the legislation. I hope the Senate will adopt my amendment.

Mr. PEPPER. Mr. President, I should like to say a word. The able Senator from Arkansas referred to the fact that the committee accepted certain amendments granting exemptions to certain

classes of workers; but the Senator will recall that those workers were only in very small groups for whom the committee voluntarily accepted exemptions. Exemption for the larger class was voted by the Senate over the objection of the committee.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. FULBRIGHT. I did not mean that the Senator had accepted them; the Senate accepted them, which evidenced its consciousness that the minimum was too high.

Mr. PEPPER. Mr. President, I have made inquiry with reference to the question, and I find that the amendment offered by the able Senator from Arkansas would have the effect of eliminating coverage from 490,356 of the 542,903 establishments now covered by the law.

Mr. FULBRIGHT. Mr. President, I do not understand the word "eliminating" in that connection. My purpose is not to eliminate coverage.

Mr. PEPPER. But the Senator's amendment would exempt workers in cases where an employer employs fewer than 50 workers.

Mr. FULBRIGHT. It does not exempt them in the sense of taking them out from under the act. The wage would be 60, then 65, then 70 cents an hour, and in 3 years the establishments affected will be in the same category as all others.

Mr. PEPPER. I intended to refer to the removal of those workers. As the Senator has stated, it would apply only for 3 years. Moreover, I am advised that establishments in which there are less than 50 persons employed embrace substantially one-fourth of all the workers covered by the act. There are approximately 22,600,000 covered by the act. One-fourth of those workers would be approximately 5,500,000 employees to whom the amendment of the Senator would deny 75 cents an hour minimum wage for the next 3 years. So, Mr. President, in view of the terrific repercussion on the employees now covered, I very much hope that the Senate, in its wisdom, will not see fit to adopt the amendment.

The PRESIDING OFFICER (Mr. MAGNUSON in the chair). The question is on agreeing to the amendment offered by the Senator from Arkansas [Mr. FULBRIGHT].

Mr. FULBRIGHT. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk called the roll.

Mr. MYERS. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Illinois [Mr. LUCAS], and the Senator from Oklahoma [Mr. THOMAS] are detained on official business at the White House.

The Senator from New Mexico [Mr. CHAVEZ] is detained on official business at the White House.

The Senator from Wyoming [Mr. HUNT] and the Senator from Tennessee [Mr. KEFAUVER] are absent by leave of the Senate on official business.

The Senator from Colorado [Mr. JOHNSON], the Senator from South Carolina [Mr. MAYBANK], the Senator from Nevada [Mr. MCCARRAN], and the Senator from Georgia [Mr. RUSSELL] are absent by leave of the Senate.

The Senator from Idaho [Mr. MILLER] and the Senator from Maryland [Mr. O'CONOR] are necessarily absent.

The Senator from Georgia [Mr. RUSSELL] is paired on this vote with the Senator from Oklahoma [Mr. THOMAS]. If present and voting, the Senator from Georgia would vote "yea," and the Senator from Oklahoma would vote "nay."

If present and voting, the Senator from New Mexico [Mr. ANDERSON], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Illinois [Mr. LUCAS], and the Senator from Maryland [Mr. O'CONOR] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Connecticut [Mr. BALDWIN] is absent by leave of the Senate on official business.

The Senator from Ohio [Mr. BRICKER] and the Senator from Indiana [Mr. JENNER] are necessarily absent.

The Senator from Michigan [Mr. FERGUSON] and the Senator from Massachusetts [Mr. LODGE] are absent by leave of the Senate. If present and voting, the Senator from Michigan [Mr. FERGUSON] would vote "nay."

The Senator from Oregon [Mr. MORSE] is absent on official business. If present and voting, the Senator from Oregon would vote "nay."

The Senator from Vermont [Mr. FLANDERS], the Senator from Pennsylvania [Mr. MARTIN], the Senator from Kansas [Mr. REED], and the Senator from Michigan [Mr. VANDENBERG] are detained on official business. If present and voting, the Senator from Michigan would vote "nay."

The result was announced—yeas 20, nays 54, as follows:

YEAS—20

Butler	George	Robertson
Byrd	Gillette	Schoeppel
Cain	Hoey	Stennis
Chapman	Holland	Wherry
Eastland	Kem	Williams
Ellender	Long	Withers
Fulbright	McClellan	

NAYS—54

Aiken	Hill	Murray
Brewster	Humphrey	Myers
Bridges	Ives	Neely
Capehart	Johnson, Tex.	O'Mahoney
Connally	Johnston, S. C.	Pepper
Cordon	Kerr	Saltonstall
Donnell	Kilgore	Smith, Maine
Douglas	Knowland	Smith, N. J.
Downey	Langer	Sparkman
Dulles	Leahy	Taft
Ecton	McCarthy	Taylor
Frear	McFarland	Thomas, Utah
Graham	McKellar	Thye
Green	McMahon	Tobey
Gurney	Magnuson	Tydings
Hayden	Malone	Watkins
Hendrickson	Millikin	Wiley
Hickenlooper	Mundt	Young

NOT VOTING—22

Anderson	Johnson, Colo.	Morse
Baldwin	Kefauver	O'Conor
Bricker	Lodge	Reed
Chavez	Lucas	Russell
Ferguson	McCarran	Thomas, Okla.
Flanders	Martin	Vandenberg
Hunt	Maybank	
Jenner	Miller	

So Mr. FULBRIGHT'S amendment was rejected.

Mr. HOEY. Mr. President, I wish to call up an amendment which I have offered.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. At the proper place in the bill it is proposed to insert the following:

Section 15 (a) (1) of such act is amended by adding at the end thereof the following: "And except that any such transportation, offer, shipment, delivery, or sale of such goods by a purchaser who acquired them in good faith and for value without notice of any such violation shall not be deemed unlawful."

Mr. HOEY. Mr. President, I have discussed the amendment with the senior Senator from Florida [Mr. PEPPER] in charge of the bill, and I have agreed to modify my amendment in the following way, which I believe will be acceptable to him, by striking out the word "and" in line 5, and adding after the word "faith" in line 4 the words "in reliance on written assurance from the producer that the goods were produced in compliance with the requirements of the act, and who acquired such goods."

Mr. PEPPER. Mr. President, I merely wanted it to appear in the RECORD that this amendment does not exempt any employees. It relates only to the purchaser who buys for value in good faith, without any notice that there has been any violation of the law in the production of the goods. The Senator's amendment provides that the purchaser must have in writing a certificate from the producer that he did comply with the law.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from North Carolina [Mr. HOEY] as modified.

The amendment, as modified, was agreed to.

Mr. MCCLELLAN. Mr. President, I call up an amendment which is now at the desk, and ask that it be stated.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. At the proper place in the bill it is proposed to insert the following:

( ) Any employee employed in planting or tending trees, cruising, surveying, or felling timber, or in preparing, processing, transporting, or sawing logs or other forestry products in pulpwood, sawmill, forestry, or lumbering operations, if the number of employees employed by his employer in such pulpwood, sawmill, forestry, or lumbering operations does not exceed 12.

Mr. MAGNUSON. Mr. President, will the Senator yield for a question?

Mr. MCCLELLAN. Yes.

Mr. MAGNUSON. The Senator's amendment, which has just been read at the desk, refers to logging and incidentals to logging. I believe the Senator has another amendment which refers to processing. Does the Senator expect to bring that amendment up immediately after the one now pending is disposed of? The two amendments are somewhat along the same line.

Mr. MCCLELLAN. Yes, I have another amendment, I will say to the Senator from Washington, which I believe is the one to which he refers, and in which he is particularly interested. I shall offer that next.

Mr. MAGNUSON. I thank the Senator.

Mr. McCLELLAN. Mr. President, my purpose in offering the amendment primarily is to clarify and remove a discrimination of a provision contained in the House bill. If Senators will turn to page 30, line 9, of the House bill, subparagraph (15), they will find this language:

Any employee employed in planting or tending trees, cruising, surveying, or felling timber, or in preparing, processing, transporting, or sawing logs or other forestry products—

Note this language—

in and about a saw mill, if the number of employees employed by his employer in forestry or lumbering operations does not exceed 12.

Mr. President, the House has placed in the bill an exemption where 12 or less workers are employed, as I interpret the language, where the woodsmen are engaged in felling trees and preparing and processing them into logs to be processed at a sawmill. The language says "in and about a sawmill." Of course, I do not know what interpretation will be placed upon that language, because actually trees are not converted into logs in a sawmill. Some of them may be converted from trees into logs about a sawmill. It depends upon what range is encompassed by the word "about." The truth is the logs may be processed out of a tree far removed from the mill which actually converts the log into lumber. It seems to me the language as it is, is ambiguous in that respect. But let us assume that it is not, and let us further assume that it actually does what obviously the House intended it to do, that is to exempt those small mills which are operating, and which have less than 12 employees.

The purpose of my amendment is simply to remove a discrimination that will result if this provision remains in the law, in that particularly in my State and in other States where we have paper mills, where we have pulpwood operations out in the forest, those who are engaged in the pulpwood operations, who employ 12 or less, would not come within the exemption, because the timber is not being cut in or about a sawmill, which is the qualifying statement in the language of the House.

Mr. President, if there is to be such an exemption in the bill, there is greater need, I may say, for it in the pulpwood industry, because in many instances those who actually go out and cut the pulpwood are very small operators indeed. Great numbers in my State and in Louisiana and in other States where we have paper mills, are farmers who, in the after-crop season, in between the cultivating period and the harvesting season, will process their timber, their pulpwood, and sell it to the mill. Or they will engage during that off-farm season, in buying small tracts of timber and processing the trees into pulpwood and selling the pulpwood to the mills.

Therefore there is greater need for the exemptions for those individuals. Farmers may occasionally engage in logging operations during that period, but there will be far more of them engaged in this pulpwood operation than there would in logging about a sawmill. In some instances the same crew of 4, 6, or 8 men will be engaged in both operations at the same time. They will be cutting the saw logs as they come to them, and they will be harvesting the pulpwood as it comes to them. So such a provision would create confusion.

Again I say that even if the provision were not in the House bill, there is really need for the amendment which I have offered, in that unless these small operators who engage in this work in order to earn some money in the off periods from their regular occupation of farming are given this 12-man exemption, and come within such a provision, it will be impossible for the mill companies to buy from them, because the small operators are so numerous it is impossible for the mill companies to supervise and know whether they are actually in compliance with the wage-and-hour law. In my opinion a change will be forced in the general operation, which will definitely result adversely to the interests and to the opportunities of many of these small operators in the pulpwood industry.

It may be asked "Why are they small operators?" It is true that in a great area of forests pulpwood is the basic crop of those mills. But they also receive much more than 50 percent of their raw products, of their pulpwood, from the independent land owner, from areas and from timber not owned by the company itself, by the operator. It is those operations, not the company operations as such—it is those operations where in order to earn some money during that period of time in between the crop seasons, when the farmer or the worker goes out for those 2 or 3 months' period, and undertakes to engage in this kind of occupation with a small crew and in order to supplement his income.

I point out that if there is no exemption for those workers an undue burden will be placed upon the mill company or the paper company, which must police all the small operators to see that every one of them is complying with the wage-and-hour law. Rather than assume that burden, the mill will simply make an arrangement whereby the timber will be sold directly to the company, and the company will use its own employees, whom it can supervise, to do the processing and get the timber to the mill, thus depriving many small operators of the opportunity they now enjoy to supplement their income in this fashion during 2 or 3 months of the year.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. EASTLAND. Do I correctly understand that the Senator's amendment simply exempts the small pulp operator or the farmer who, after he has made his crop in the summer, may go out to cut pulpwood during a few months in the winter, either by himself or together with other farmers, and who sells the pulpwood to the mills?

Mr. McCLELLAN. This is correct. I do not mean to mislead the Senate into believing that every operator is a farmer. Two or three men may go together as partners, or organize a crew, obtain a truck, and buy small tracts of timber and engage in cutting operations.

Mr. EASTLAND. As I understand, these are small local enterprises engaged in by farmers or local people who operate on a very small scale.

Mr. McCLELLAN. That is correct. It may be said that the timber could be sold direct to the mill company. It could. But when timber is sold direct to the mill company, the mill company employs its own crew and its own contractors to do the cutting and processing, thereby depriving the small operators of the additional income from their labor in cutting the pulpwood.

Mr. EASTLAND. Mr. President, will the Senator yield for a further question?

Mr. McCLELLAN. I yield.

Mr. EASTLAND. Does the Senator's amendment exempt a little "peckerwood" sawmill?

Mr. McCLELLAN. This amendment would exempt what my friend terms the little "peckerwood" sawmill, if it employs less than 12 persons. My amendment does not enlarge that number. I retain the same limitation of 12, but my amendment would broaden the House provision so as to cover a group of operators which is much larger than the group engaged in sawmill work. I am speaking particularly of the southern-pine area, as my friend from Mississippi knows.

Mr. EASTLAND. Does not the Senator know that those small mills are usually operated by farmers, or by someone who employs his brother-in-law, his cousin, his uncle, or his son-in-law? In other words, they are usually family affairs. There is no reason in the world why they should be included under the Wages and Hours Act.

Mr. McCLELLAN. That is true. As the Senator says, they are family affairs or neighborhood affairs. One man has the timber and he employs two or three of his neighbors. By that process they are able to market the timber.

Mr. EASTLAND. Does the Senator know that the large sawmills are opposing the amendment?

Mr. McCLELLAN. I so understand.

Mr. EASTLAND. Is it not a fact that the per man production of lumber in the large mills is much greater than it is in the little "peckerwood" mills which the Senator seeks to exempt? If the minimum wage for both is fixed at 75 cents an hour, it means that the small mill cannot compete and that literally thousands of small sawmill operators will be driven out of business.

Mr. McCLELLAN. As the Senator knows, during the past 2 years many of them have gone out of business. That has not been due solely to this situation. Other economic conditions have driven them out of business.

Mr. EASTLAND. How could they remain in business if they had to pay the identical wage scale paid by a large mill? Because the large mill is mechanized with labor-saving machinery, and is heavily capitalized, the workers in the large mill can produce much more lumber than can be produced in a small mill.

Mr. McCLELLAN. I think there is this difference: In the lumber business a mill company would buy the timber

and supervise the cutting of it. But in the pulpwood industry the mill must depend to a great extent—for more than half of its raw material—upon small operators.

Mr. EASTLAND. What the Senator says is true; but the point I am making is that if the Senator's amendment is not adopted, and the wage scale is equalized as between the large mill and the small mill, it means that thousands of small mills will be driven out of business.

Mr. McCLELLAN. I think that will be part of the result and part of the disadvantage.

While the amendment of my colleague [Mr. FULBRIGHT] has already been disagreed to, I associate myself with him. He presented his amendment a little while ago, and made a very persuasive factual address with reference to what the repercussions will be following the enactment of this bill. I do not say that in 4 or 5 years we may not overcome the handicap; but when the minimum wage is fixed at 75 cents an hour, and is made rigid to begin with, in our section it will mean immediate and serious harm. Make no mistake about it.

We talk about trying to help the laboring man. I am not opposed to higher wages. I am not opposed to fixing a minimum wage. I believe that the minimum wage ought to be increased. Conditions have changed since the 40-cent minimum was enacted into law. I am perfectly willing, and have always been willing, to support a flat increase up to 65 cents an hour.

Some of the industries in our State are what we term infant industries, or small industries which are starting in that section of the country. They must compete with larger organizations which have better financing, better equipment, and better staffs. In a sense they are almost monopolies. The smaller industries must struggle to get a start. When we impose upon them a minimum wage which they cannot meet, and they still must compete, we know that there is but one answer. As my colleague said, either they must go out of business, or there must be mergers. When they go out of business the plant no longer operates and the workers are thrown out of employment. Even when there are mergers, when they are swallowed up by the larger companies, in many cases the plants no longer operate. The larger companies merely buy up the small companies to get them out of competition, and the workers lose their employment.

We in the South are not opposed to raising the minimum wage or making continuous progress until we reach the point where we can be on the same economic level, the same level of wealth, and the same standard of wealth which characterizes other States in the Union. We are going to attain it, notwithstanding the handicaps of which my colleague spoke. We must pay higher interest rates. We must pay higher freight rates. We labor under many other economic handicaps which have developed in the course of the history of this country, but ultimately we shall attain our goal. Things which tend to hurt and hinder small business from growing, and which result in putting many small industries out of business, are not conducive to the growth and economic progress which we are striving to make.

Night before last I received a telephone call from a small manufacturer in my State. I was in the Senate restaurant eating dinner. The question he asked was this: "Tell me how much time I will have after you pass the 75-cent law. Tell me how much time I will have to get ready for it." My recollection was 60 days, and I told him that. I checked with other Senators sitting nearby, and asked if that was correct. The time allowed in the Senate committee amendment is 60 days. In the House bill it is 120 days. This man said to me, "If I can have 60 days, perhaps I can survive. It means that I will have to go in debt to buy more machinery, but when I get the machinery I can lay off a third of the men. I will have to do it."

That is exactly what happens to a number of small businesses. Is it better to do this thing gradually, and not let the whole blow fall at once, or shall we slap it on and let small business close? Some of them—not all of them—will go out of business. In the end I do not believe that we shall be destroyed. We are trying to help the laboring man, who suffers most. Probably the fortunes of the small-business men who have put their life savings into little plants will be wrecked; in addition, in the end the result will be to hurt the workers whom such businessmen otherwise would employ, and for whom they would provide a means of livelihood.

There is the problem, Mr. President. As my colleague ably and accurately said, the result simply will be to drive many men on relief. Although the purpose and the objective of all of us are the same I say it would be better to let men work for 60 cents an hour and have work, than to require a considerably higher hourly rate, but with the result that great numbers of men would have no employment, and so would have to go on relief.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. TAFT. I incorrectly advised the Senator. The amendments made in the act by the Senate bill are to take effect 120 days from the date of the enactment of the bill, not 60 days after its enactment. The House bill provides for 60 days, but the Senate bill provides for 120 days.

Mr. McCLELLAN. Yes; I reversed those figures in my previous statement. As the Senator from Ohio has just said, the House bill provides for an interval of 60 days, and the Senate bill provides for an interval of 120 days.

Mr. President, I hope the Senate will adopt the amendment, because certainly we should not favor one group and discriminate against another, when both groups are so closely related that they are hardly distinguishable.

As a matter of fairness and equity, and in the interest of the small farmers, this amendment should be adopted.

Mr. LONG. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. LONG. Does the Senator from Arkansas feel that a possible solution of the problem would be to broaden the coverage of the act and to have a wage scale, let us say, which would gradually increase or rise over a period of years, perhaps first being 60 cents an hour or 65 cents an hour, and later being somewhat higher?

Mr. McCLELLAN. I thought so, but the Senate has rejected that amendment. Therefore, the only alternative is this amendment. If the Senate does not adopt the amendment, many jobs will be ended and many men put out of work.

Mr. President, I yield the floor.

Mr. STENNIS. Mr. President, I wish to speak for only a few minutes in regard to the practical effects of the bill on the sawmills which, under the amendment, if it is adopted, will be exempt. There are a great number of them in Arkansas, Louisiana, Mississippi, and Alabama. I am familiar with the way they operate. In part, they are what may be called family affairs. A man who has sufficient capital to rig up a small sawmill often will hire several of his sons, perhaps several of his sons-in-law, several cousins, and some of his neighbors. They will operate the mill after they finish tending their crops in the summertime, after they finish gathering the crops in the fall, and at such times in the winter as they can.

A point which has not been brought out thus far in the debate is that they afford a market for small tracts of timber. A farmer or landowner cannot carry his timber to market; a buyer has to come to him. Such small sawmills, operating under the plan I have described, offer an immediate local market to the owners of small tracts of timber. Otherwise, the owners of such timber tracts have to take what they are offered by large operators located many miles away, and in that case the timber is taken many miles away from where it is grown and is manufactured by people who do not live in the community where the timber is grown. Moreover, not a single dollar earned from manufacturing the timber goes into the community where the timber was grown—over a period of perhaps 40 years—although the money received for the trees as standing timber does remain in the community. Someone else, someone far removed from that community, will get the benefit of the wages paid for manufacturing the wood into finished products.

So I can say of my own knowledge that the small sawmill operators will not be able to operate under such a minimum wage, although that wage can be paid by a larger operator who has all the benefits of modern mechanization and power. However, the smaller operators simply will not be able to compete.

Not only will the result be to do away with many small sawmill operations in rural areas, but also the income of those small communities will be greatly decreased.

So this is simply a matter of survival. I am sure that statement cannot be successfully contradicted.

Mr. MAGNUSON. Mr. President, I, too, do not wish to take too much of the time of the Senate on this amendment; but it is important, apparently, to certain sections of the country.

The Senator from Mississippi has said he has personal knowledge of some of these sawmill operations. I may say that I also have personal knowledge of some of these operations. But when Congress enacts a law making an exemption, it does not do so because of certain conditions existing in Mississippi, Arkansas or parts of Louisiana where the southern pine sawmill operators carry on their business; on the contrary, Congress enacts laws which apply to the entire country, and it puts into effect policies which apply to all the United States.

I personally am not too familiar with the type of operation in the areas to which the Senator from Mississippi has referred, but I know how those operations are conducted, for all operations in the lumber industry are the same. So, although it may be true that in some instances, perhaps geographically concentrated, the kind of operations described by the Senator from Mississippi are family affairs, yet I would wager with any Member of the Senate that not 2 percent of the operators who under this amendment would be exempt would employ sons, brothers-in-law, fathers-in-law, or other members of their families. This amendment involves removing from the application of the Act, even from the application of the 40-cent minimum wage law, approximately 130,000 unorganized workers in the United States, who probably are the worst paid of any workers in the country.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. PEPPER. Not only are they the worst paid of any workers in the United States, but I am advised that the accident record in connection with the production of pulpwood is particularly bad.

Mr. MAGNUSON. I have that record here.

Mr. PEPPER. I hope the Senator will present it to the Senate.

Mr. MAGNUSON. Mr. President, as the Senator from Florida has indicated, that work is highly hazardous. Some States have adequate workmen's compensation laws, but other States do not. It is not only highly hazardous work, but the workers are the lowest paid. Let me cite certain figures as to these 130,000 people. I do not know how we can exempt workers in a family arrangement. I have great sympathy for them, but I do not know how we can write a law covering 130,000 people and say in the law, "If you employ in-laws to the 'nth' degree, you pass from under the act." Let me cite what is paid. I said they were the most underprivileged and the most economically helpless, and I may say, the most inarticulate of all workers. Before the original act was passed, these workers were receiving on an average less than 10 cents an hour. Average earnings in southern lumber camps were less than 15 cents an hour over the whole area. Hours of work were as high as 50, 60, and even 70 a week, without extra pay for overtime. If anyone does not believe that, let him look at the records of over 500 injunctions issued by the Labor Department against southern operators operating in this manner. This does not apply entirely to small southern mills. The same substandard wages and hours were scattered throughout the Middle West, in most of New England, and in parts of the Middle Atlantic, as well as throughout the South. Other working conditions were equally bad. High accident rates were common. Waiting time due to break-downs in equipment were not paid for. Workers were charged for the sharpening of saws, for kerosene to keep the saws clean, and sometimes even for transportation to and from work.

Of course, this does not refer to the family arrangement. It refers to the 130,000 workers now under the act. The amendment offered by the Senator from Arkansas would remove them from the operation of the act, to the extent of from 15 to 40 percent, as a minimum. They would be excluded. They would be out.

As I say, the 130,000 workers in this industry represent probably the most underpaid class outside the peanut pickers in Texas. Probably, aside from the peanut pickers in Texas, they are the most underpaid. Historically, they are the most underpaid of any character of workers in the country.

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. STENNIS. Will the Senator disclose where he obtained the figures he has just quoted, with respect to 10 cents an hour? Those are not recent figures, but refer to a period some time ago.

Mr. MAGNUSON. The figures are from the Bureau of Labor Statistics. They refer to a period prior to the enactment of the original law.

Mr. STENNIS. To what year do the figures apply?

Mr. MAGNUSON. It is the average of a 10-year period.

Mr. McCLELLAN. What is the period referred to?

Mr. MAGNUSON. I have the figures here. Before the debate is concluded I shall be glad to submit them for the RECORD.

Mr. McCLELLAN. I can appreciate the fact that back in 1900, perhaps, they were being paid 10 cents an hour, but I want to say to the able Senator that in my State——

Mr. MAGNUSON. Mr. President, I yielded to the Senator from Mississippi. He asked me for the year. I stated the figures referred to a period prior to the enactment of the law. I shall be glad to furnish the year. But in 1933, if my memory serves me correctly, the average was less than 15 cents an hour.

Mr. STENNIS. If I may make a brief statement, let me say that I have lived in the middle of an area such as the Senator has in mind, all my life. Except for the years 1931 and 1932, I never heard of such a wage as 10 cents an hour. I do remember at that time lumber was selling for $8 a thousand.

Mr. MAGNUSON. I think the Senator misunderstood me. I said at that time many of these people were receiving 10 cents an hour, and I said the average was less than 15 cents an hour. I did not say they were all receiving 10 cents an hour. I shall submit for the RECORD the years to which the figures apply, but I know that in 1933 in the southern lumber camps in this particular type of operation, the mean average was less than 15 cents an hour. In my section of the country we are pretty conscious of those figures, and when the junior Senator from Arkansas talks about competition and says competition should be leveled all over the country, we believe in that.

Mr. FULBRIGHT. Mr. President, I did not understand the Senator.

Mr. MAGNUSON. The Senator made a plea here, and a very able one, expressing the hope that these conditions, which differ in different sections of the country, would all be equalized and become more uniform. We agree with that.

Mr. FULBRIGHT. I do not understand the Senator. I do not know how it is possible to equalize competition by legislation.

Mr. MAGNUSON. No, I mean equalizing the conditions under which people work.

Mr. FULBRIGHT. The Senator misunderstood me. My point was that in this instance, by legislative fiat, there is an effort to destroy an opportunity for the development of industry in the South.

Mr. MAGNUSON. I understand that, but I say that would not be the effect of the amendment. Its effect would be to close the great gap which now exists between the low wages paid in this type of operation in one section and the higher wages paid throughout the rest of the country.

Mr. FULBRIGHT. My amendment would do no such thing. It provided for bringing——

Mr. MAGNUSON. No; I said this amendment would do that—not the Senator's amendment.

Mr. FULBRIGHT. Very well.

Mr. MAGNUSON. Mr. President, the effect of the amendment is also to help the big operator, because of what are called concentration camps or yards. I think the Senator from Mississippi will agree with me on these facts. Most of the small operators collect logs, or they have a small sawmill and the logs go to what we in our section call a concentration lumber area, and the logs are sold in the concentrated areas. It may be to a large mill, it may be to a small mill. The logs may be sold locally, or they may be sold to a very large operator, such as the Weyerhaeuser Lumber Co. The big operators pay only what they know represents the cost of production. The price is determined. In this case, if the small sawmill operator were required to pay 75 cents an hour, if he were

required to level off his wage scale the same as all other operators, the same as all other types of business, the big operator would pay exactly that cost, because in many cases he is dependent upon his ability to get logs. The same is true in the plywood and paper industry, where logs are also brought into what we call concentration camps or yards.

I think we do no disservice to the operator who says, "I do not want to be under the act," because he is not going to be paid more than his costs, whether he pays wages of 15 cents an hour, 50 cents an hour, or 60 cents an hour. The one who sells is going to get from the operator to whom he sells only his cost of production. If he pays 75 cents an hour and is required to do so under the law, he is going to get that back as a cost. It is not going to hurt the operator. It is merely going to help 130,000 of the most underpaid and underprivileged workers in the country, with rare exceptions. They have been under the act for how many years? They have been under the act since its inception, and the operators have been paying the 40 cents an hour without any trouble since that time, because the operator who buys the logs, the concentration lumber camps that buy them, or the mills, or the pulp and paper mills, know what the cost of production is to a "t." So even though the operators opposed being under the 40-cents-an-hour provision, when we first passed this act, it has not hurt them one iota. In fact, it has helped them, and it has helped the persons working for them.

I cannot see any reason why 130,000 persons should be completely taken from under the provisions of the act. They have been historically the most underpaid and underprivileged class of workers. We should not allow them to slip back into the same class in which they were prior to the original act which finally raised their wages to 40 cents an hour. They are engaged in the most hazardous type of work. It is all manual labor, and they are completely unorganized.

I have here many facts and figures relating to the question, but I do not want to take the time of the Senate in reading them. Of course, Mr. President, if this amendment involved only family-operated sawmills, employing in-laws it would be a different matter. There are certainly some cases of that kind, but these sawmill operations are not all family affairs. Most of the operators make it their full-time business. They live on farms because they are close to the operations, but their farming usually amounts to a truck garden and the keeping of a cow.

Mr. EASTLAND. Mr. President, will the Senator yield

Mr. MAGNUSON. I yield.

Mr. EASTLAND. In view of the figures the Senator has given, I will say that at the present time and for a number of years the hourly wage in these little mills is and has been close to 75 cents an hour.

Mr. MAGNUSON. I would not dispute that, because we finally raised them from their substandard level of wages and employment when the original act was passed. But here is an amendment which would exclude them from the act.

Mr. EASTLAND. The thing which raised the wage was the price of lumber. The price of lumber is now going down.

Mr. MAGNUSON. So much the more reason why they should not be taken out from under the provisions of the law.

Mr. EASTLAND. A small mill cannot compete with the large sawmills.

Mr. MAGNUSON. The operator of the small mill is not attempting to compete with the large sawmill. He sells to the large sawmill and to the big lumber concentrator, who buys his product and gives him the exact cost of production which he knows he has to pay. He would raise it if the wage were 75 cents an hour.

Mr. EASTLAND. The product of the little mills does not compete with that of the large mills.

Mr. MAGNUSON. It is sold to persons in the same business, in 95 percent of the cases.

Mr. EASTLAND. That statement is certainly erroneous. The small operator sells to a planing mill. He pays the planing mill a profit to plane his lumber.

Mr. MAGNUSON. In some cases that is correct, but in the main he sells to a man in the lumber business who either has a planing mill or who processes the lumber further, or even buys in a log-concentration camp. This amendment applies to logging and to the whole business. The operator may even bring his logs into a big sawmill; and if he is paying labor 50 cents an hour, that is all he will get from the big fellow.

Mr. EASTLAND. I know the Senator does not want to put the little mills out of business.

Mr. MAGNUSON. No; of course not.

Mr. EASTLAND. The fact remains that they use hand labor. The hand production of lumber is not great; it is nothing like the production in the large mill. When we equalize the wage scales between the two, the little mills cannot compete. For that reason the big mills have a lobby in an attempt to defeat this amendment.

Mr. MAGNUSON. Most of the operators cut on company-owned land. The big company will say to these operators, "Here is the acreage; you cut it." If the big logging operator can be exempt if he can have the little fellows exempted, he will be glad to spread them out all over the area, cutting timber below the 75-cents-an-hour rate, buy the lumber from them, and pay them only the cost of production. The employee goes to the company store, and sometimes he is more in debt when he is through than the amount he has earned during the month. If the facts were what the Senator from Mississippi and the Senator from Arkansas contend, there might be some reason for this amendment.

In the matter of pulpwood and plywood——

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. EASTLAND. Mr. President, I ask unanimous consent to offer an amendment to the bill and have it immediately considered. I understand it will be accepted by the Senator from Florida and the Senator from Ohio and be taken to conference. The reason I offer the amendment now is because I want to leave the Senate.

The VICE PRESIDENT. The Senator from Mississippi asks that the amendment now being considered be temporarily laid aside in order to consider his amendment. Is there objection?

Mr. PEPPER. Mr. President, reserving the right to object, we have discussed the amendment with the Senator from Mississippi, and we will agree to take it to conference.

The VICE PRESIDENT. The Secretary will state the amendment.

The CHIEF CLERK. At the end of section 6, page 41 of the bill, it is proposed to add a new subsection as follows:

(e) Section 13 of such act is amended by striking out the period at the end of subsection (a), and inserting a semicolon and the following:

"or (13) the employees of any employer engaged in the ginning, storing, or compressing of cotton, or in the processing of cottonseed; *Provided*, That such employees are employed in, about, or in connection with such operation, or operations, conducted in any county in which cotton is produced as shown in the most recent annual cotton production report of the Bureau of the Census."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Mississippi [Mr. EASTLAND].

The amendment was agreed to.

Mr. MAGNUSON. Mr. President, to resume the discussion, I wish to point out not only the evil of taking all the people concerned in the lumber industry out from under the act, but I wish to refer to what the amendment would do and how the lumber operators would work under it.

The amendment which would deny all of the benefits of the act to these needy workers would not even help the small sawmill operators for whose benefit it is purportedly offered. The organization of the lumber industry is such that these small mills would most likely not benefit from any lowered labor costs resulting from the denial of fair labor standards to their employees. Most of these small mills are not bona fide independent operators. Few small mill operators sell their product directly to millwork establishments, to manufacturers, or to consumers. Direct selling is practically denied them because of their small volume of output and lack of financial resources. They generally sell all of their rough lumber to a concentration yard operator who dries and planes it before selling it to the industrial and wholesale markets, and most of these operators are financially dependent on the concentration yard which purchases their lumber. The yard finances their purchases of sawmill equipment and trucks, and advances them the funds to meet their pay roll and other costs. It is common practice for them to operate on timberland owned or leased or purchased for them by the concentration yard. They are essen-

tially contractors for these concentration yards. Few of them could continue in business if the yard owner wished them to close. The prices paid these operators for their work are set by the concentration yards. Generally those prices are just sufficient to pay their workers a subsistence wage and retain a small margin for their own labor. Under the Fair Labor Standards Act the concentration yards had to pay the small operators sufficiently high prices to enable them to pay their workers the minimum wage. If these workers are removed from the coverage of the act, the concentration yards will again be in a position to cut down the prices they pay the operators and thus the wages of the lumber workers by getting numerous small operators to bid against each other at the expense of their workers.

The same conditions also exist throughout most of the pulpwood industry. Virtually all of the pulpwood produced in this country is consumed by American pulp and paper mills. The mills obtain their pulpwood through a number of agents in the regions serving their respective mills. Each of the buying agents, variously known as contractors, buyers, agents, secures the services of a number of subcontractors or producers who actually engage the labor to produce the pulpwood. Each agent for the company usually has many producers whom he finances in varying degrees with funds advanced to him from the company. Both in the New England area and in the South the producers have few resources of their own, and are ordinarily not educated. As one expressed it, "The company men can outfigger me any time." The producers are told how much to cut. They cut from company-owned or leased land. They ship the pulpwood to the mill in the name of the company agent. The prices they paid for the lumber are barely sufficient to enable them to pay minimum wages to their workers and retain a narrow margin of profit for themselves. The producers' own earnings are often so small as to cause the turn-over among producers to be extremely high. Coverage under the Fair Labor Standards Act actually helped these producers somewhat as the wages of their own labor was increased.

It is probable that even more than 130,000 lumber workers will be denied the protection of the act as a result of this amendment. In an industry which lends itself so easily to subcontracting, it would not be at all difficult to engage more contractors, limiting each one to fewer than 12 employees in order to obtain the exemption. Even the larger, truly independent lumber mill operators might be compelled by competition to take advantage of this method of operation to obtain the exemption. A lumber mill operator might even attempt to escape the requirements of the act by setting up a foreman as a so-called independent contractor, by transferring some equipment to him, securing a chattel mortgage and deducting payments for the equipment from whatever price is paid him. A number of his workers could then become "employees" of the foreman-turned-employer, and the lumber mill operator could claim to be making a purchase in the open market. Who can say that the proposed amendment would not encourage such attempts to escape the obligations of the act? An operator could divide his operations, subcontracting his cutting to one subcontractor, his hauling to another, his planing to a third, and his stacking to a fourth. Thus this provision could result in splintering the lumber industry into small uneconomic units, and exempting the greater proportion of the workers in the industry.

Actually, if this exemption is passed, the larger lumber manufacturer may be compelled to subcontract his lumber production in the manner in which I have described by the force of competition. For, although the output of any single small mill may be inconsequential, the output of a large and increasing number of small mills is a considerable factor in the competitive market. If an army of small mills are allowed to depress their wage scales and lengthen their hours, while the larger mills have to comply with the wage and hour provisions of the Fair Labor Standards Act, the latter will be placed at a distinct competitive disadvantage. Under such circumstances, even though fair-minded employers might desire to see their employees obtaining the benefits of the act, they might find themselves unable to operate under such handicaps and be forced to resort to subterfuge to evade compliance. Enactment of legislation which by its very nature both encourages evasion and provides the means thereof is most inadvisable.

Considerable effort and thought was expended in bringing the many small lumber companies and mills into compliance with the act. This was more difficult in this industry than in other industries because of the low economic and educational level of the small producers. The provisions had to be explained to them practically on an individual basis, and assistance had to be given them in setting up methods of wage payments, schedules of hours, and maintenance of records. The large concentration yards and paper companies did very little to assist in bringing these producers into compliance. A few even aided the producers in attempts to evade compliance. From the first they argued against the passage of the act, they attempted to obtain exemption from it as engaged in agriculture, and later demanded its repeal. At the same time, they complained loudly that they were being subjected to the unfair competition of the small mills which were not complying with the act. Now these mills have been brought into effective compliance, including the maintenance of adequate records. The result of this has been decent minimum labor standards in this industry and, likewise considerable improvement in the business methods of the small producers. The proposed exemption, which is being demanded by some of the lumber and paper associations, would nullify this progress. If this amendment is passed these same representatives of the large lumber and paper companies will again be complaining of the competition of the small mills and clamoring for repeal of the entire act.

It is claimed that this exemption is necessary because of special conditions in the lumber industry of the South. As I have stated, low wages and poor working conditions in the lumber industry were not confined to the South. Nor are small mills to be found only in the South. An analysis of tax reports to the Social Security Board shows that the proportion of sawmills with 12 or fewer employees is greater in the Northeast and North Central States than in the Southern States. Sixty-eight percent of the Southern sawmills had 12 or less employees. In the Northeast and North Central States the proportion with 12 or less employees was 75 percent. Nearly half of the employees who would be denied the protection of the act by this amendment are employed in areas other than the South.

Certain segments of the lumber industry, like those of other low-wage industries, would find it more difficult, of course, to adjust to a 75-cent minimum than other higher-wage industries would. When the act was first passed the lower-wage industries found it more difficult to adjust to the legal minimum than the higher-wage industries did. At that time we were just coming out of a depression, and there were many low-wage industries. But they all managed to adjust. Now there are very few industries which are paying wages as low as 75 cents an hour. Some segments of the lumber industry are paying more than that. Certainly, in the lumber industry the adjustment to a 75-cent minimum at this time would be no greater than the adjustment successively to 25, 30, 35, and 40 cents from the 15-cent, 10-cent, or even less than 10-cent hourly wage was then. A Bureau of Labor Statistics survey is being cited in support of the argument that the Southern sawmills cannot pay 75 cents. The survey does show that 82 percent of the employees in that industry were being paid less than 75 cents in 1946. But large proportions were being paid less than the minimum in 1938, also. Moreover, since 1946 average hourly earnings in the lumber industry have risen from 71 cents to 81 cents, and the proportion of employees earning less than 75 cents has decreased substantially. The lumber industry is not the only industry that has made claims of inability to adjust to a minimum wage, nor is it the first time that this industry has made such claims. It has adjusted before. It can do so again.

These lumber workers have had the benefits of this act for more than 10 years, and their employers have been operating successfully under its provisions. Their removal from its coverage now would deny this large group of weak and needy workers not only the benefits of an increased minimum, but all the present benefits of the act. This act set up a bulwark against starvation and deplorable working conditions for these workers. They are the ones who need the protection of this act most, and have the most to lose from its withdrawal. And for what? This exemption, as I

have shown, will not even aid the small operators, whose income, instead of increasing is more likely to decrease in accordance with any decrease in the wages of his workers. It might actually harm this industry. It would cause unfair competition among the members of the industry, and perhaps result in inefficient decentralization. To remove this large group of helpless workers from the protection of the act would be a mistaken and unjust act. I urge you not to exempt these 130,000 lumber workers.

Mr. PEPPER. Mr. President, I should like to incorporate in the RECORD at this point what appears on page 63 of the supplemental report of the Committee on Education and Labor of the Senate on the Minimum Wage Act of 1946, under the heading "Lumber" down to the words "Minimum Wages and Unit Labor Costs," on page 64, and what appears on page 74 under the title "Lumber" down to the paragraph on "Tobacco," showing the very light effect, if any at all, the Wage-Hour Act in 1938 had upon the lumber industry.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

(d) Lumber: The profits of the lumber industry do not seem to have been affected by the passage of the present act. The 25-cent minimum became effective in October 1938, was raised to 30 cents in October 1939, and to 35 cents in October 1940. Net profit before taxes rose from an average of $2,300,000, for 1936–39, to $6,500,000 in 1940. Profits before taxes in relation to net worth for 51 major companies rose from 1.5 percent on net worth in 1936–39 to 6 in 1940.

The profit experience of the southern lumber industry has been very satisfactory under the act and during the war. Gross income and profits before taxes for the southern lumber industry compared favorably with that of the northern lumber industry and reasonably well with that of the entire United States lumber industry as follows:

Year and item	Entire industry	10 Southern States	9 Northern States
1938			
Total gross receipts	$753, 815, 000	$147, 716, 000	$85, 381, 000
Net profits before taxes	[1] 12, 279, 000	[1] 332, 000	[1] 2, 001, 000
1939			
Total gross receipts	924, 511, 000	185, 951, 000	100, 242, 000
Net profits before taxes	17, 503, 000	3, 814, 000	607, 000
1940			
Total gross receipts	1,091,731,000	217, 804, 000	101,141,000
Net profits before taxes	58, 840, 000	12, 541, 000	[1] 1, 286, 000
1941			
Total gross receipts	1, 526, 494, 000	299, 904, 000	160, 536, 000
Net profits before taxes	159, 983, 000	27, 839, 000	9, 507, 000
1942			
Total gross receipts	1, 738, 337, 000	314, 372, 000	185, 164, 000
Net profits before taxes	187, 987, 000	28, 540, 000	13, 450, 000

[1] Loss or deficit.

Source: Treasury Department.

In July 1943 the National War Labor Board permitted a 50-cent minimum for the industry and later a 55-cent minimum. Profits before taxes for the 51 companies reporting for 1936–40 rose to 14.2 percent of sales in 1942, from 6.5 percent in 1940; profits before taxes for 35 of these companies amounted to 11.2 percent of sales in 1943; and for the first half of 1944 or 25 of these companies, 12.1 percent. The relation of these profits before taxes to net worth for the 51 companies rose from 6 percent in 1940, to 17.5 percent in 1941, and to 20.3 percent in 1942; and for 35 companies profits before taxes were 16.8 percent of net worth in 1943, and for 25 companies 14.5 percent in the first half of 1944.

(e) Meat packing: The profits before taxes of the eight largest meat packers, representing about 75 percent of the employment in the industry in 1939, was 52 percent above the 1936–39 average and in 1944, 584 percent higher despite the fact that net sales only rose 6 percent in 1939, and 120 percent in 1944, respectively, above the 1936–39 average. The return of profits before taxes on net worth was 6 percent in 1939 and 25 percent in 1944, in comparison with 3.9 percent average for 1936–39.

* * * * *

(a) Lumber: A good example is the lumber industry, one of the hardest hit by the bill. The southern-pine branch of this industry claims that a substantial proportion of southern-pine producers could not survive the added costs to be imposed by the bill. The representatives of this branch of the industry estimated that the total increase in costs would be 25 percent at 65 cents. The Wage and Hour Administrator, however, pointed out fallacies in their methods of computation and in the assumptions underlying their computations, particularly in assuming that the increase in the minimum rate applied to all employees below the minimum and above the minimum, in assuming that all employees were earning the present statutory minimum to all costs instead of to labor costs which constitutes less than one-half of the total costs of operation of this branch of the industry.

An analysis of the data presented by the southern-pine industry committee shows that the computations were made by applying the same increase in the price ceiling of lumber as between the present minimum of 40 cents and 65 cents. The estimate of the direct labor cost of lumber corresponds to changes in each minimum from 40 cents.

Actually labor cost is only one factor in production costs. In fact 1942 salaries and wages were less than one-half of the total costs of operations. The southern-pine industry committee stated that it was 53 percent. Stumpage and depreciation costs are not affected by changes in the minimum. Finally, labor costs do not rise as much as the increase in the minimum since a number of workers in the southern-pine industry are already receiving well above 40 cents an hour. Only 20 percent of the workers in the southern lumber industry are under 50 cents, 46 percent under 60 cents, and 84 percent under 65 cents. It is quite obvious, therefore, that the increase to 65 cents would not raise the price of lumber by 25 percent or anything near that amount estimated by the southern-pine industry group.

Actually, the additional cost would be much less than claimed and would not hurt the profit position of the industry materially. Direct wage costs in the summer of 1945 would be increased 19 percent for the South, 3 percent for the North, and 9 percent for the entire industry. Since wages and salaries are only about one-third of the value of the product, manufacturing costs for the southern branch of the lumber industry would be increased by about 7 percent, for the northern branch, 1 percent, and practically no effect at all for the western branch.

Three-fourths of the increase would be offset by the elimination of overtime pay. This increase represents about 43 percent of the industry's 1944 profits: A reduction of 43 percent in 1944 profits before taxes would still leave these profits almost 600 percent above the prewar levels of profits before taxes and would yield almost 10 percent on the 1944 net worth of the industry, or seven times the prewar rate.

Mr. McCLELLAN. Mr. President, I was very much interested in some of the remarks of the able Senator from Washington. I do not know what period he is discussing when he claims that wages in the lumber industry were less than 10 cents an hour. I worked in that industry when I was 12 years old, receiving 12½ cents an hour, as a "waterjack" at a sawmill, and I got the minimum wage at that institution.

I can well appreciate—and this is the very thing I am trying to avoid now—that during the days of the depression some men may have worked for 10 cents an hour, but there were many not working at all, and we had to tax the American people to support them and enable them to sustain life, and we owe today the money we raised to do that. It has never been paid back.

I am trying to avoid a repetition of any conditions such as that, and in a situation like the one we are considering, by bringing the employees up to the 75-cent wage, we are actually favoring the big industries that want to take the little ones over and to monopolize the business. We had better give these folks who have 2 or 3 months' work a year an opportunity to market their own product with their neighbors, or with their families, earning a livelihood during that period of time. They are not able to get steady employment. This would afford them an opportunity. Many live out on the farms and in the outlying sections.

Mr. President, I shall not take further time out of deference to the wishes of Senators. I know they are all anxious to conclude the session. I merely urge them not to further burden and depress our people and magnify the problems we are going to confront with the 75-cent minimum tax.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Arkansas.

The amendment was rejected.

Mr. McCLELLAN. Mr. President, I have one other amendment which I shall call up. It is amendment lettered "F."

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 39, after line 25, it is proposed to insert a new section as follows:

SEC. 4. Section 7 of such act is amended by adding at the end thereof the following new subsection:

"(c) No employer shall be deemed to have violated subsection (a) by employing any employee for a workweek in excess of that specified in such subsection without paying the compensation for overtime employment prescribed therein if such employee is so employed in connection with the felling of trees, logging, or operations incidental to the felling of trees or logging performed prior to, and including, delivery of the logs to a mill for sawing or making pulp, and if such employee receives compensation for employment in excess of 56 hours in any workweek at a rate not less than 1½ times the regular rate at which he is employed."

Renumber sections 4 through 9 as sections 5 through 10, respectively.

Mr. McCLELLAN. Mr. President, I modify the amendment by inserting at the end of line 6, on page 2, the following:

Provided, That this exemption shall apply only during a period or periods of not more than 14 weeks in the aggregate in any one calendar year.

Mr. President, I wish to speak very briefly on the amendment, which applies to workers in the logging industry. We have rainy seasons, when the woods get wet and trucks can not go into the woods, so no logging can be done. In my State most of the timber is down in the bottoms, and there are periods of several weeks of time when, due to the rainy season, the loggers are not able to operate. The amendment makes provision for the period of time when operations can be conducted, just as in the canning industry, as in the processing of perishable foods, when exemptions are made with respect to working a certain number of additional hours per day and per week without being subject to the penalty. The amendment would make provision for exemption for the period of time when work can be done during the rainy seasons.

If I did not think the amendment was in the interest of the men doing such work I would not offer it. Logs cannot be gotten out during the wet season, during which the workers must remain idle. The men have no income during that period of time. When they can go back to work they are still held down to the minimum number of hours of work a day and a minimum number of hours of work a week. Therefore they are never able to make up the loss of income resulting from their inability to work when there is opportunity. I believe it is in the interest of the laboring man that he should be given the opportunity to work at such time as it is possible to work.

Mr. MAGNUSON. Mr. President, will the Senator yield for a question?

Mr. McCLELLAN. I yield.

Mr. MAGNUSON. I understand this amendment would apply only to the logging features; that is, to the preparation of logs.

Mr. McCLELLAN. Yes.

Mr. MAGNUSON. Not to any of the producing features of the logs?

Mr. McCLELLAN. The Senator is correct. The logging operations must be conducted during the open weather. When the weather is unfavorable, when climatic conditions are unfavorable, the workers are simply out of employment. A mill may continue to operate since it is under a shed, if the mill has enough logs on hand, but the workers in the forests can never make up the time they lose. The men cannot make up for the amount of money they have lost because the mill owners will not pay the workers time and a half and give them the opportunity to work overtime. I believe my amendment to be in the interests of the workers. I believe they should be permitted to work longer hours during the brief period of time they can do so.

Mr. MAGNUSON. What would be the number of hours for which the Senator would provide exemption?

Mr. McCLELLAN. The same number of hours now carried in the act.

Mr. MAGNUSON. Fifty-six hours in the week?

Mr. McCLELLAN. Fifty-six hours in the week, and for a period not to exceed 14 weeks in the aggregate. If we did not have a wet season there would not be any loss of time. Most of the individuals involved belong to the small-income group who need every dollar of income they can get, and if they are not given the opportunity to make up for time lost, as they would be under my amendment, they will sustain a considerable loss. If they lose the opportunity to work these extra hours during 8 or 10 weeks, it will mean a loss of one-tenth to one-fourth of their annual income.

Mr. PEPPER. Mr. President, I hope the amendment will not be adopted. There is no other nonagricultural operation which has such exemptions as provided by the Senator's amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment lettered "F", offered by the Senator from Arkansas [Mr. McCLELLAN] for himself and the Senator from Mississippi [Mr. STENNIS] as modified.

The amendment, as modified, was rejected.

Mr. GEORGE. Mr. President, I offer an amendment which I ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 41, after line 15, it is proposed to insert the following:

(d) Section 13 (a) of such act is further amended by inserting the following after clause (3) thereof: "or (4) any employee employed by an establishment which qualifies as a retail establishment under paragraph (2) of this subsection and is recognized as a retail establishment in the particular industry notwithstanding that such establishment makes or processes the goods that it sells."

Renumber the remaining clauses of section 13 (a) in proper sequence.

Mr. GEORGE. Mr. President, I wish to modify the amendment so as to safeguard against any abuses, by adding a paragraph at the end of the amendment. I send the modification to the desk and ask to have it stated.

The VICE PRESIDENT. The modification will be stated.

The LEGISLATIVE CLERK. At the end of the paragraph, after the word "sells" and the semicolon, it is proposed to insert the following:

Provided, That more than 85 percent of such establishment's annual dollar volume of sales of goods or services is made within the State in which the establishment is located.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. GEORGE. I am glad to yield.

Mr. PEPPER. The able Senator has been kind enough to discuss the amendment with members of the committee. The members of the committee have expressed to the able Senator from Georgia some concern about the possibilities of abuse that might lie in the amendment. We were certain that there was no such intention on the part of the able Senator from Georgia. I am of the impression that he had in mind small establishments generally, and that he did not intend language which would cover large scale establishments or manufacturers engaged in interstate commerce.

Mr. GEORGE. That is entirely correct, Mr. President. And I offer the modification in order to cover that situation as nearly as I can. I wish to say that the word "establishment" has been very well defined in the Wage and Hour Act. It means now a single physically separate place of business which possesses the characteristics of a retailer and it does not mean an entire business enterprise.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. GEORGE. Yes.

Mr. PEPPER. Does the Senator from Georgia by the word "establishment" as used in his amendment refer to a single building in which both the retailing and the producing operations take place?

Mr. GEORGE. A single establishment means a single separate unit in which both will take place. My purpose, Mr. President, and I wish to go on record as say so, is not to embarrass the administrators of the act by bringing in the large producers who might be extensive manufacturers, but only small retailers, who are strictly retailers, who fully comply with the provisions relating to retailers, but who make some other product which they sell on the premises.

Mr. PEPPER. Mr. President, with that explanation, the committee will be very glad to take the amendment to conference.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Georgia [Mr. GEORGE], as modified.

The amendment, as modified, was agreed to.

Mr. PEPPER. Mr. President, the last remaining committee amendment, which was deferred earlier in the consideration of the measure, is 8-29-49—E. I call up that amendment and ask to have it stated.

The VICE PRESIDENT. The Secretary will state the amendment.

The LEGISLATIVE CLERK. On page 40, beginning with line 13, it is proposed to strike out down through "(11)" in line 16 and insert "by striking out the period at the end thereof and inserting a semicolon and the following: 'or (12)'."

On page 40, beginning with line 23, it is proposed to strike out through line 6 on page 41.

On page 41, lines 7 and 16, it is proposed to strike out "(c)" and "(d)" and insert in lieu thereof "(b)" and "(c)", respectively.

Mr. PEPPER. Mr. President, this amendment merely restores the area-of-production status in the present law.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. BUTLER. Mr. President, the amendment offered by the Senator from Florida [Mr. PEPPER], who is handling the bill, and which was just agreed to, relates to the exemption of those engaged in the country elevator business. The Senator from Florida has told me

privately that the amendment as he has proposed it, and as it has been adopted, covers those engaged in the grain trade exactly as they were covered in the 1938 act.

Mr. PEPPER. Mr. President, that is correct. The amendment which was just adopted, the area-of-production amendment, restores in the bill the law as it now exists with respect to area of production and exempts the processing of agricultural commodities within the area of production.

Mr. BUTLER. I had in mind proposing an amendment at the end of section 6, to add these words: "or any employee employed in an establishment where the principal business is the handling, storing, or buying of grain received from the producers thereof, and where the number of persons employed in such establishment does not exceed five."

Mr. PEPPER. Mr. President, I have consulted with the staff, who are familiar with the law and the regulations of the Wage and Hour Administration on this subject. I am informed that employees so employed within the area of production are already exempt from both the wage-and-hour provisions of the law.

Mr. BUTLER. I think that makes unnecessary the presentation of my amendment.

The VICE PRESIDENT. The bill is still open to amendment.

Mr. CAIN. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment offered by the Senator from Washington will be stated.

The LEGISLATIVE CLERK. On page 44, after line 5, it is proposed to add new subsections (c) and (d), as follows:

(c) All employees who are exempt from the provisions of section 7 (a) of the Fair Labor Standards Act of 1938 (29 U. S. C. secs. 201–219), as amended, by virtue of sections 7 (c) and 13 (a) (10) thereof shall also be exempt from the maximum hours and overtime provisions of the Walsh-Healey Act (41 U. S. C. secs. 35–45, 49 Stat. 2036), as amended.

(d) The provisions of Public Law 177, Eighty-first Congress, first session, shall be applicable to the Walsh-Healey Act (41 U. S. C. secs. 35–45, 49 Stat. 2036), as amended, to the same extent that such law is applicable to the Fair Labor Standards Act of 1938 (29 U. S. C. 201–219), as amended.

Mr. CAIN. Mr. President, I wish to offer a very brief but concise explanation of this amendment.

On June 30, 1936, the Congress enacted the Walsh-Healey Act, which made provisions with respect to overtime compensation in connection with Government contracts.

Two years later, on June 25, 1938, another act was passed in connection with wages and hours of work. This act is known as the Fair Labor Standards Act. Notwithstanding the fact that the Fair Labor Standards Act purports to establish fair standards with respect to overtime, the Walsh-Healey Act, which is in conflict with the Fair Labor Standards Act, continues to remain in effect.

To eliminate such conflict in part I am offering an amendment which would have the effect of establishing uniformity between the two statutes in two respects.

First, under this amendment the exemptions from overtime for agricultural processing operations contained in the Fair Labor Standards Act are made applicable to Government contracts under the Walsh-Healey Act.

Second, the amendment would also provide that the provisions of the recently enacted law, outlawing overtime-on-overtime claims, shall be applicable to the Walsh-Healey Act to the same extent as such provisions are now applicable to the Fair Labor Standards Act.

I wish to emphasize that both of these provisions relate only to overtime, and have no effect upon the various prevailing minimum wage rates established under the Walsh-Healey Act.

Mr. President, I urge the adoption of the amendment.

Mr. PEPPER. Mr. President, at this late hour I hope the Senate will not confuse the Walsh-Healey Act with the passage of this bill. In view of the fact that we did not have an opportunity to consider this subject in committee, I hope the amendment will be defeated.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Washington [Mr. CAIN].

The amendment was rejected.

The VICE PRESIDENT. The bill is still open to amendment.

Mr. MAGNUSON. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment offered by the Senator from Washington will be stated.

The LEGISLATIVE CLERK. On page 40, line 13, it is proposed to change the word "clause" to the word "clauses," and immediately thereafter to insert the phrase "(3) and."

It is proposed to add a new section 10, to read as follows:

SEC. 10. Section 3, subsection (b) of such act is amended to read as follows:

"(b) 'Commerce' means trade, commerce, transportation, transmission, or communication among the several States or between any State and any place outside thereof."

Section 3, subsection (m), of such act is amended to read as follows:

"(m) 'Wage' paid to any employee includes tips received by such employee for which records are kept by the employer in accordance with regulations of the Secretary, and includes the reasonable cost, as determined by the Secretary, to the employer of furnishing such employee with board, lodging, or other facilities, if such board, lodging, or other facilities, are customarily furnished by such employer to his employees: *Provided*, That the cost of board, lodging, or other facilities shall not be included in the wage paid to any employee if the furnishing of such facilities is an incident of and necessary to his employment and such facilities are practicably available only from the employer."

Section 3 of such act is further amended by adding a new subsection (n) to read as follows:

"(n) 'American vessel' includes any vessel which is defined as a 'vessel of the United States' in title 18, United States Code, section 9, or which is documented or numbered under the laws of the United States."

Section 6 of such act is amended by adding a new subsection (d) to read as follows:

"(d) If such employee is employed as a seaman on an American vessel, not less than the rate which will provide to the employee, for the period covered by the wage payment, wages equal to compensation at the minimum hourly rate prescribed by paragraph (1) of this subsection for all hours during such period when he was actually on duty (not including off-periods aboard ship when the employee rendered no service)."

On page 41, line 6, of S. 653 strike out the period at the end thereof and insert a semicolon and the following:

"or (4) any employee employed as a seaman on an American vessel."

Mr. MAGNUSON. Mr. President, this amendment is not so long or so complicated as it would seem to be. The reason for the definitions it contains is that the Fair Labor Standards Act never applied to merchant seamen of the United States. When the act was originally being handled in the House of Representatives, I submitted the amendment; but we were under the impression that merchant seamen were covered in the way railroad workers and other workers are covered by specific acts. However, it has since been discovered that unquestionably American seamen on vessels not operating in the foreign trade are not covered by the act. The act applies only to seamen on vessels in the foreign trade.

The amendment would give American seamen the same minimum wage protection which is extended to other American workers under the act. I see no reason for exempting seamen from the act. Certainly compliance with the minimum wage provisions would not be difficult for the shipping industry, since most seamen are already receiving more than the proposed minimum rate under collective-bargaining agreements. Not only seamen in deep-sea shipping and on the Great Lakes, but even sailors on some of our inland waterways who are covered by union contracts, are currently being paid more than 75 cents an hour. Even on the inland waterways, where many of the workers are unorganized, a 75-cent minimum would not necessitate a raise in wages of all seamen on all waterways, but only on some, and then only a relatively small raise. The seamen who would benefit from this amendment are the unorganized and underpaid seamen who need the benefits of the act as much as any other workers do. When most of the employers in the industry are paying their workers a living wage, those who are paying their workers subminimum wages are thus obtaining an unfair advantage over their competitors. It is not right that they should be allowed to do so at the expense of their workers.

There never was any reason in the first place why seamen should have been exempt from the minimum wage provision. Their exemption was due entirely to a misapprehension as to the coverage of existing legislation for seamen. When the Fair Labor Standards Act was passed in 1938, the Congress appears to have been under the belief that the working conditions of all seamen were regulated by the United States Maritime Commis-

sion. Actually the Commission under the Maritime Act has authority to set minimum conditions only on vessels in foreign service receiving operating differential subsidies from the United States Government. But, only about one-third of our total deep-sea shipping is engaged in foreign trade, and only about 30 percent of that engaged in foreign trade is operating under subsidies. Thus, Maritime Commission regulations cover only the seamen who are employed on less than 10 percent of the American vessels engaged in deep-sea shipping. The wages of seamen on all the rest of the vessels in deep-sea shipping and those engaged in shipping on the Great Lakes and inland waterways are not regulated by any governmental agency. The only other Federal act covering seamen is the La Follette Act. This act requires that all vessels operating in deep-sea shipping and on the Great Lakes carry three crews. It contains no wage provisions whatsoever.

Unlike seamen, employees of the railroad and the motor transportation industry have been under the protection of the minimum wage provisions of the act since 1938. Water transportation is in direct competition with land transportation. There is no reason why seamen should be exempt from the minimum wage provisions, when the two major competing industries are complying with them. Equitable national policy, I am convinced, requires that these three important competing forms of transportation be treated alike in our minimum wage policy. Employees in all these industries should be accorded the right of minimum wage protection.

Any argument that seamen on American vessels should not be placed under minimum wage protection because of foreign competition is not sound. This argument appears to be based on the idea that American seamen should subsidize American ships in order to protect their interests. I do not believe this is a sound basis for a national policy. The maintenance of a foreign shipping trade concerns the American people as a whole. Should there be need to adjust differences in expenses, this is properly a matter of congressional action. Certainly, the individual seamen should not be expected to assume such costs and burdens by low wages. Actually, of course, the Congress has provided for the protection of our foreign trade by the establishment of the National Maritime Commission, under the Maritime Act. That act provides for subsidies to deep-sea vessels engaged in foreign trade. The Maritime Commission, as I have previously shown, sets minimum wages on such vessels. Currently minimum wages on vessels under the regulations of the Commission, as on other vessels in deep-sea shipping, are considerably above 75 cents an hour. In consequence, the argument that seamen should be exempt because of foreign competition is neither sound in principle nor in line with the facts of the present situation.

One other argument which has been raised is that if the minimum wage were applied to seamen, all working hours or even all 24 hours in a day would be counted as working time, since seamen have to stay on the boat even when not working. I myself think that is a most unlikely interpretation. However, just to make sure that no such interpretation about the working time of seamen could possibly be made, the amendment specifically includes a clause providing that an employer of seamen shall pay to each of his seamen not less than the minimum rate "for all hours during such period when he was actually on duty (not including off-duty periods aboard ship when the employee rendered no service)."

This provision makes such an interpretation of the working hours of seamen impossible.

I recognize that the extension of the overtime provisions of the act to seamen might raise many problems. Therefore, I am merely recommending that the seamen be covered by the minimum wage provisions. The overtime exemption for seamen would be retained. The extension of the minimum-wage provisions, as I have shown, would not raise any difficulties. It is needed to bring the wages of a small group of unorganized and otherwise unprotected seamen in line with those which prevail in the rest of the industry. Therefore, I urge the adoption of this amendment. It probably will apply to approximately 100,000 merchant seamen who, according to the Bureau of Labor Statistics are not receiving the minimum wage. Of course I think they should receive it.

Thus far in the consideration of the bill, all other efforts to obtain the adoption of amendments have been based on proposals to exempt certain persons from the application of the act, whereas the purpose of this amendment is to bring within the coverage of the act certain persons who now are not under the act.

I have discussed the amendment with many persons. I think there is no objection to it either from the unions or from the shipowners.

Mr. President, the amendment is a most desirable one, and I hope it will be accepted by the committee.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. DOUGLAS. Do I correctly understand that the amendment will establish the 40-hour workweek for those who work on such vessels?

Mr. MAGNUSON. No; I should say that the amendment is specifically worded so that the present arrangement as to overtime under the contracts with the unions will not be affected in any way whatsoever.

Mr. DOUGLAS. Would the amendment simply establish 75 cents an hour as the basic wage?

Mr. MAGNUSON. Yes. Of course, that will be dealt with under the conditions in that service.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. ELLENDER. Are all those seamen now exempted from the operations of the act?

Mr. MAGNUSON. Yes.

Mr. ELLENDER. Would the amendment place them under the act?

Mr. MAGNUSON. Yes, all except those who work on ships in the foreign trade. In that case the Maritime Commission must approve the wages and hours of work. But the Maritime Commission Act does not apply to merchant seamen working on American ships not in the foreign trade.

Mr. ELLENDER. Does the Senator's amendment in any wise affect those who are engaged in work on the inland waterways?

Mr. MAGNUSON. It would affect only those on the Great Lakes.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. DONNELL. I should like to ask the Senator whether the amendment was submitted to the Senate Committee on Labor and Public Welfare.

Mr. MAGNUSON. It was not.

Mr. DONNELL. So this is the first consideration that has been given to it. Is that correct?

Mr. MAGNUSON. It is the first official consideration, although it has been discussed.

Mr. DONNELL. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hendrickson	Murray
Anderson	Hickenlooper	Myers
Brewster	Hill	Neely
Bridges	Hoey	O'Mahoney
Butler	Holland	Pepper
Byrd	Humphrey	Robertson
Cain	Ives	Saltonstall
Capehart	Johnson, Tex.	Schoeppel
Chapman	Johnston, S. C.	Smith, Maine
Connally	Kem	Smith, N. J.
Cordon	Kerr	Sparkman
Donnell	Kilgore	Stennis
Douglas	Knowland	Taft
Downey	Langer	Taylor
Dulles	Leahy	Thomas, Okla.
Eastland	Long	Thomas, Utah
Ecton	Lucas	Thye
Ellender	McCarthy	Tobey
Flanders	McClellan	Tydings
Frear	McFarland	Vandenberg
Fulbright	McKellar	Watkins
George	McMahon	Wherry
Gillette	Magnuson	Wiley
Graham	Malone	Williams
Green	Martin	Withers
Gurney	Millikin	Young
Hayden	Mundt	

The VICE PRESIDENT. A quorum is present.

The question is on agreeing to the amendment of the Senator from Washington [Mr. MAGNUSON].

Mr. DONNELL. Mr. President, we have here an illustration of important proposed legislation brought in at the last minute, just before the bill is to be voted on finally, according to all present indications. To my mind it is a striking indication of the fact that we should not undertake to enact legislation in that way, without adequate hearings and consideration of all the evidence. It is absolutely impossible for anyone—at least, it is absolutely impossible for me—to give adequate consideration to this amendment within a few minutes or even within the time that might be afforded if we were to debate the amendment for an hour.

I notice that today under section 13 (a) of the Fair Labor Standards Act there is a specific exemption of any person employed as a seaman from the operations of sections 6 and 7 of the Fair Labor Standards Act.

As I understand, the primary purpose of the amendment, which consists of something over two pages of typewritten material, double-spaced, is to include merchant seamen within the provisions of the act, thereby entirely negativing a specific prohibition of the present act.

Mr. President, I do not know how many Senators heard and how many did not hear what I have been saying. It may not be of particular value, but I propose to suggest most respectfully that if we undertake at the last minute, without the committee having had the opportunity to consider a matter of this great importance, to change the law, which now expressly excludes any person employed as a seaman, and then turn around and include seamen through various provisions relative to their inclusion, the Senate would be adopting an exceedingly unwise course in taking such action.

Mr. President, I have had only a very few moments in which to make a very cursory examination of the proposed amendment. It will be observed that not only does it include a class of individuals specifically excluded by the existing act, but it undertakes to make a series of definitions which apply not only to the class to be included according to the amendment, but which also are applicable to all persons, the twenty-odd million, if that be the correct number, persons who are now covered by the act.

Let us take for illustration the definition of "commerce." The present definition of "commerce" under the Fair Labor Standards Act, itself, is "trade, commerce, transportation, transmission, or communication among the several States or from any State to any place outside thereof." We now find that the definition as set forth in this act is "trade, commerce, transportation, transmission, or communication among the several States or between any State and any place outside thereof." I do not know what is the difference in meaning between the two. Obviously for some reason it has been changed.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. DONNELL. In a moment. Obviously for some reason it has been thought advisable to change the wording—I quote the existing statute—"from any State to any place outside thereof," to the expression "between any State and any place outside thereof."

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from Washington?

Mr. DONNELL. Not for the moment, if you please, Mr. President.

I observe also that in the course of the proposed amendment the term "wage" is defined to include "tips received by such employee for which records are kept by the employer in accordance with the regulations of the Secretary. I do not understand that under the present definition of "wage," as set forth in the Fair Labor Standards Act, there is any provision for the inclusion of tips. I do not know the reason for this, but I say this new definition of "wage" will not apply solely to the seamen who are to be included, if the amendment shall be adopted, but will apply to the wages of every one of the persons among the 22,000,000 individuals who may receive tips. I think the committee is entitled to consider a question of that importance.

I was about to add, Mr. President, my understanding is the committee did have before it the question of the inclusion of tips and rejected it.

I note also there is a provision in this definition of "wage" including "board, lodging, or other facilities, if such board, lodging, or other facilities are customarily furnished by such employer to his employees," and there is a provision, I think, substantially to that effect already contained in the definition of "wages." But there is a proviso which has been added in the proposed amendment, which does not appear in the Fair Labor Standards Act. It reads as follows:

Provided, That the cost of board, lodging, or other facilities shall not be included in the wage paid to any employee if the furnishing of such facilities is an incident of and necessary to his employment and such facilities are practically available only from the employer.

I understand that provision or something similar to it was presented by itself, or perhaps in conjunction with certain other features, to the Committee on Labor and Public Welfare, and was rejected.

So we have here again, in the proviso to which I have referred, something which applies not only to the seamen, but to logging camps; it applies to any line of work in which board and lodging or other facilities of the type referred to herein may be used as a portion of the compensation of the employee.

This is by no means a complete analysis of the amendment. My point is not only that there are here presented matters of great importance which apply not only to seamen but to all the 22,000,000 persons embraced under the Fair Labor Standards Act, but my point goes further to the fact that it is unwise and undesirable to adopt an amendment of this scope which embraces such diverse matters and refers to such great numbers of people without the committee itself having had ample opportunity to consider all features of the amendment.

I have mentioned the fact that there are two provisions of the amendment which I think the committee has had before it and has rejected. But the provision in regard to the inclusion of the class of seamen themselves was not before the committee, and I think it decidedly improper to include it without the committee having had adequate opportunity to report thereon to the Senate.

So, Mr. President, I most earnestly urge that the amendment submitted by my distinguished friend from Washington be rejected. I yield to him now, if he desires to interrogate me.

Mr. MAGNUSON. I should like to have the floor. I was going to help save some time, but I missed the opportunity.

Mr. DONNELL. Very well. I yield the floor.

Mr. MAGNUSON. Mr. President, I merely want to take 1 minute. As I said in the beginning when I offered the amendment, its wording is not so complicated as it sounds. It is an amendment, the exact wording of which was discussed by the Committee on Education and Labor in 1946, when we were discussing the inclusion of seamen in the act. It is the same as the amendment which was approved by the Committee on Education and Labor and reported to the Senate. Had the Senator from Missouri listened—I do not know whether he had the opportunity—to the first part of my very brief statement, he would recall I stated the reason for their exclusion from the act was that everyone had been under the impression that under the Maritime Act the seamen were covered. It has been discovered they are not covered. It has been so ruled, and all the amendment proposes to do is to include seamen in the act.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. MAGNUSON. I shall yield in a moment. There is no attempt here to do anything that has not been discussed by many people. It did not happen to be submitted to the committee. I answer the Senator very frankly that the reason for the definitions is that the maritime business is a peculiar one, and all wages and all payments to maritime workers are based upon conditions with respect to tips, board and room, and all the things that are customary aboard ship. It is not complicated.

I am sure the Senator, who is probably one of the ablest lawyers in this body, will understand it. It is amazing to me he did not grasp it very quickly. But I am sure if he had had 2 or 3 minutes more he would have discovered the amendment is only what I have said it is. It is only an attempt to include seamen in the act. If Senators do not want seamen included, then they should vote down the amendment. There is nothing wrong with the wording of the amendment. It has been discussed with the committee; it has been reported to the Senate. It is the same as the amendment which was reported in 1946, and the only reason for excluding seamen was because it always had been thought the Maritime Act took care of them.

SEVERAL SENATORS. Vote! Vote!

Mr. VANDENBERG. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Michigan?

Mr. MAGNUSON. I yield.

Mr. VANDENBERG. I understood the Senator to say this covered the Great Lakes.

Mr. MAGNUSON. It covers the Great Lakes.

Mr. VANDENBERG. Is there any testimony whatever regarding the impact of the amendment upon the traffic in the Great Lakes?

Mr. MAGNUSON. Yes; there is testimony in the record of the hearings.

Mr. VANDENBERG. In what year was the testimony taken?

Mr. MAGNUSON. These are the 1949 hearings. I have also the 1946 hearings. In these hearings there is testimony on page 600 by the Northwest Towboat Association; on page 592 by the executive secretary of the CIO Maritime Union; on page 454 testimony by the counsel of the Lake Carrier's Association.

Mr. VANDENBERG. The testimony of the Lake Carrier's Association is completely hostile, is it not?

Mr. MAGNUSON. The Lake Carrier's Association oppose placing seamen under the act because they contend that the matter can be handled by the Maritime Commission. In the 1946 hearings there was much more testimony.

Mr. VANDENBERG. I am quite aware of the 1946 hearings. I do not think the testimony up to date is remotely adequate.

Mr. MAGNUSON. That may be correct.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. DONNELL. Am I not entirely correct in saying that the provisions in regard to the definition of wages, the proviso concerning board, lodging, and other facilities, and the provision regarding tips which are incorporated in the Senator's amendment are applicable not alone to seamen but to everyone under the Fair Labor Standards Act? Am I not entirely correct in that statement?

Mr. MAGNUSON. If the Senator is correct, there was no intention in the amendment to that effect. It was only intended, so far as one can use the English language, to apply to seamen in arriving at their wage scales. If the Senator construes it to other industries and other workers, then the amendment obviously should be changed.

The Senator from Michigan has said that the subject may not have been explored sufficiently. That may be true. I have simply said that the amendment puts seamen under the act. There are some persons in the Great Lakes area who oppose it. The lack of opposition in the American Shipping Association, which involves coastwise and foreign operators, is quite obvious. As a matter of fact, some of them would prefer it. There is some testimony in the 1946 hearings to that effect. It is unfortunate that we did not have an opportunity to appear before the committee. The Maritime Commission has said that it did not think the Maritime Act allowed it to agree to the wage scales and wage contracts. That is all there is to it. It involves only one simple question.

Mr. DONNELL. Mr. President, will the Senator yield further?

Mr. MAGNUSON. I yield.

Mr. DONNELL. I ask the Senator whether I am correct in my conclusion that the provisions which I recited, namely, with reference to the noninclusion of board, lodging, or other facilities, the provision in regard to the definition of camps, and the provision in regard to the definition of wages, including tips. I ask the Senator whether I am correct in my understanding that under this amendment those provisions apply not only to seamen, but to everyone under the Fair Labor Standards Act?

Mr. MAGNUSON. My interpretation of the amendment is that I do not think the Senator from Missouri is correct.

Mr. DONNELL. I certainly cannot agree with the Senator. It seems to me that those provisions do apply to everyone under the Fair Labor Standards Act.

SEVERAL SENATORS. Vote! Vote!

Mr. DONNELL. Mr. President, will the Senator yield for a further inquiry?

Mr. MAGNUSON. I yield the floor.

Mr. TAFT. Mr. President, this question was before the committee and this provision was in the bill which the committee had before it. The committee considered it and eliminated it from the bill, and certainly I do not think it should be restored at this time.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Washington [Mr. MAGNUSON].

The amendment was rejected.

The VICE PRESIDENT. The question is on agreeing to the committee amendment, as amended.

The amendment, as amended, was agreed to.

Mr. PEPPER. Mr. President, I ask unanimous consent that the pending bill be temporarily laid aside and that the Senate proceed to the consideration of House bill 5856, to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes.

The VICE PRESIDENT. The Secretary will state the bill by title.

The CHIEF CLERK. A bill (H. R. 5856) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes.

The VICE PRESIDENT. Is there objection to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. PEPPER. Mr. President, I move to strike out all after the enacting clause and to substitute the Senate bill as amended.

The motion was agreed to.

The VICE PRESIDENT. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The VICE PRESIDENT. Without objection, Senate bill 653 is indefinitely postponed.

Mr. PEPPER. Mr. President, I move that the Senate insist on its amendment, request a conference with the House thereon, and that the Chair appoint conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. THOMAS of Utah, Mr. MURRAY, Mr. PEPPER, Mr. TAFT, and Mr. AIKEN.

Mr. PEPPER. Mr. President, I ask that the bill be printed with the amendment of the Senate.

The VICE PRESIDENT. Without objection, it is so ordered.

CONTINUATION OF CERTAIN APPROPRIATIONS FOR THE FISCAL YEAR 1950

Mr. McKELLAR. Mr. President, the House a few days ago passed a continuing resolution providing for the payment of the salaries of employees of the Government, because of the fact that certain appropriation bills have not been passed. The resolution has been considered by the Committee on Appropriations and the committee has directed me to report the resolution favorably. I ask unanimous consent that the Senate consider House Joint Resolution 348.

The VICE PRESIDENT. The secretary will state the joint resolution by title.

The CHIEF CLERK. A joint resolution (H. J. Res. 348) amending an act making temporary appropriations for the fiscal year 1950, as amended, and for other purposes.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

Mr. WHERRY. Mr. President, I do not object to the consideration of the resolution, but I reserve the right to object, in order to inquire concerning it.

Mr. McKELLAR. The House passed it on August 24, continuing the appropriations until October 1, 1949. I cannot say that the House has adjourned, but Members have left for their homes. If we undertook to amend it delay would be involved. A good deal of trouble might be caused unless this resolution is passed. I think the only thing we can do is to pass it in the same words in which the House has passed it, and let it become the law so that employees of the Government can receive their pay.

Mr. WHERRY. Mr. President, the reason I reserved the right to object was because at the time the last continuing resolution was agreed to in the Senate I agreed to it at the request of the distinguished chairman of the Appropriations Committee, for whom I have the profoundest respect, and I hoped that would be the last time a continuing resolution would have to be passed by the Senate and the House, and that the appropriation bills would be out of the way.

Mr. McKELLAR. The hope of the Senator at that time was not any greater than my hope.

Mr. WHERRY. At that time I stated I would have no objection to going along with the Senator, but that it seemed to me that was the last time the Senate Committee on Appropriations should report favorably another continuing resolution. As I understand, this is the third time the Senate has been asked to pass a continuing resolution relative to these appropriations.

Mr. McKELLAR. That is true.

Mr. WHERRY. I should like to ask the distinguished Senator from Tennessee what assurance he has that if the resolution is passed at this time we will not have to pass another one next month?

Mr. McKELLAR. I cannot answer that question absolutely. The Senator knows the trouble we have had in conference with the Members of the House. We are hoping for the best.

Mr. WHERRY. I shall not object, because I want to comply with the wishes of the distinguished Senator from Tennessee, the chairman of the Committee on Appropriations. I know the difficulty under which he has been laboring, but I wish to say, if I may be permitted, that this is just one of the reasons why I voted to adjourn on September 30. I felt that if the adjournment date had been settled, that would at least accelerate the House and Senate Appropriations Committees getting together and our passing the appropriation bills and getting through with the need of continuing appropriations under the program under which we are now proceeding.

The VICE PRESIDENT. Is there objection to the consideration of the joint resolution?

There being no objection, the joint resolution was considered, ordered to a third reading, read the third time, and passed.

LEAVES OF ABSENCE

Mr. BREWSTER. Mr. President, I ask unanimous consent to be absent, under the designation of the Vice President, to attend the sessions of the Interparliamentary Union during the next 2 or 3 weeks.

The VICE PRESIDENT. Without objection, the leave is granted.

Mr. MAGNUSON. Mr. President, I ask unanimous consent to be absent from the Senate next Wednesday, Thursday, and Friday, for the purpose of taking an official trip to my home State.

The VICE PRESIDENT. Without objection, the leave is granted.

Mr. CAIN was granted leave of absence from the Senate on Wednesday and Thursday, September 7 and 8.

ANNIVERSARY OF ATTACK UPON POLAND BY HITLER

Mr. DOUGLAS. Mr. President, tomorrow, September 1st, is the tenth anniversary of one of the most infamous events in modern history, namely, the attack by Hitler and Nazi Germany upon Poland. There was no excuse for this attack. The Polish people had no aggressive designs and their government had followed a policy of peace and conciliation. But Hitler had decided upon war. He had been able to take over Austria and Czechoslovakia without resistance. Carried away by success, he thought he could do likewise with Poland.

Moreover, the week before he had made a secret treaty with Communist Russia dividing up Poland, under which Russia was to take the eastern portion of Poland while Hitler took the western portion.

The two sets of robbers moved to attack Poland. Hitler invaded Poland from the west and shortly thereafter Russia invaded that country from the east. The Polish people fought bravely, but they could not beat back those two giants, and in a month they were conquered. In particular, the people of Warsaw made an heroic defense and then, in revenge, the Nazis wantonly destroyed their city. Throughout the war the Nazis sought to enslave and, if possible, to exterminate the Polish people.

Their atrocities in the West were bad enough, but in Poland and the East they were far worse. The Nazis wanted to kill off a large portion of the Poles and to make the remainder literally slaves. The Russian Communists were also brutal in the areas which they controlled.

Finally, when toward the end of the war the Germans were weakening, the Polish patriots rose in Warsaw and made an heroic struggle. But instead of the Russian Army going to their help, that army traitorously paused on the outskirts of Warsaw and allowed the Nazis to exterminate the heroic resistance fighters. Then as the Germans retreated, the Russian armies followed. They could not have been dislodged without another war, so President Roosevelt at Yalta demanded first, that the Communist government of Poland be broadened and include the democratic elements, and second, that free elections be provided with all anti-Nazi groups participating and that freedom of the Allied press be granted. Those freedoms were promised by the Russians. It was also understood that the Russians would behave decently.

But the Russian Communists have gone completely back on their word and have violated their trust. Opposition parties have been crushed and opposing leaders thrown in prison, religion is discouraged, the press and the schools are controlled. Freedom has been abolished in Poland, and the Russians operate with cruelty behind the iron curtain. The so-called Polish Government is really not a Polish Government at all. It is a Communist-dominated Russian Government which oppresses the Polish people and is, in turn, despised by them.

In this dark hour, there is a saying of the Bible which we need to cherish "The mills of the Gods grind slowly, but they grind exceedingly fine." Sometime, by the grace of God, Poland will again be free. We need to cherish that hope and that determination so that from the ashes of desolation the Polish Nation may again arise—based on the principles of freedom and democracy and guided by the teachings of true religion.

Mr. IVES. Mr. President, I should like to interrupt for a few moments the deliberations of this body to make note of the fact that 10 years ago tomorrow the guns of war sounded as German troops invaded Polish soil. I note this anniversary not merely for the purpose of sorrowful remembrance, as it marked the beginning of a holocaust that left few American families untouched, but rather because it offers an opportunity for us to extend a positive message of hope and courage to the presently enslaved Polish people.

Today, on the eve of this anniversary, the people of Poland are once more struggling for freedom from totalitarian domination. The battle that was begun with the now-historic defense of Warsaw, continued on the battlefields of Tobruk and Arnheim, now rages fiercely in thousands of Polish hearts as they rebel against Communist domination.

We in the United States—now living in the last bastion of human freedom and hope in the world—must be increasingly aware of the similar struggles of now-enslaved people wherever they may live. In the names—now hallowed—of Polish men and women who fought and died with our forces in the European conflict, let us extend to the people of Poland a message of faith and courage on this historic anniversary.

The thoughts most prominent in my mind at this point are most eloquently expressed by that great English poet Percy Shelley in the last lines of his poem Prometheus Unbound:

To love and bear—
To hope till hope creates from its own wreck
The thing it contemplates.

With this message of faith goes also our hope that the Councils of Nations will bring justice to this great people—once our allies and now enslaved.

Mr. CAPEHART. Mr. President, I desire to take a moment of the Senate's time to call attention to the fact that tomorrow, September 1, will mark the tenth anniversary of the Nazi attack on Poland.

It is also appropriate at this time to call attention to the fact that only 2 weeks after the Nazi attack on Poland our former friend and ally, now recognized as an enemy, Russia, also attacked Poland.

Poland fought valiantly but futilely against these two powerful aggressors.

Then when the war's end came those who drew the lines on the new map of Europe not only disregarded Poland's right to consideration as a victorious rather than a vanquished ally—they treated the country which has always been our friend and which was the homeland of such great American patriots as Kosciusko and Pulaski as a defeated enemy.

If and when the constitutional requirement is complied with and the agreements of the infamous gatherings at Yalta and Potsdam are brought before the Senate in the form of treaties, I shall be happy to have the opportunity to withhold my vote from any treaty that recognizes Poland other than as a friendly and victorious ally in the last great war.

Mr. HENDRICKSON. Mr. President, on behalf of my distinguished colleague the senior Senator from New Jersey [Mr. SMITH] and myself, I ask unanimous consent to have inserted in the body of the RECORD, at this point, a joint statement which I now present, emphasizing the present plight of Poland on the tenth anniversary of its invasion in 1939 which brought on the cataclysm of war for its liberation.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

JOINT STATEMENT BY SENATOR HENDRICKSON AND SENATOR SMITH OF NEW JERSEY

Ten years ago today, the brutal conquest of Poland was begun. A war was thereby touched off which was to last 6 years, spreading to all corners of the world, taking 22,000,000 lives and bringing frightful and useless suffering to untold millions more.

Adolf Hitler, the prime author of this world tragedy, is dead, but the evil which he wrought is still with us. The destruction of

free Poland and the bestial extermination of millions of Polish citizens have left their mark on the map of Europe. The frightful story of the Nazis in Poland should stand for us as a permanent reminder of the curse of aggressive totalitarianism.

On this anniversary we should remember, too, the valor of those polish soldiers who fought the hopeless 22-day battle against the Nazi blitzkrieg, and who throughout the war, on many fronts, carried on the struggle against this enemy of mankind until victory was won. Their performance has added one more chapter to the valiant record of the Polish people's historic struggle for freedom.

But in marking this day we must above all remember that the challenge to freedom is not at an end. Yesterday that challenge bore the names of nazism, fascism, and emperor worship. Today we are faced with the same basic challenge, just as clear and perhaps even more powerful, in the guise of world communism. The leaders of this movement speak of democracy and the rights of the people, but the fruits of communism are a ruthless suppression of true democracy and human rights. No people knows this truth better than the people of unhappy Poland, whose sufferings at the hands of Russian communism began in 1939, and now continue under the tyrannical grip of a so-called people's democracy.

In the early days of our Republic, when the idea of democratic liberty gripped the minds of Americans and Poles alike, Thomas Jefferson said: "I have sworn upon the altar of God eternal hostility against every form of tyranny over the mind of man." That was the spirit of American action in those days. Today, when the United States stands as the greatest free nation in the world, that spirit still remains the wellspring of our policies abroad.

This fact, this certainty that the great power of America will always serve the highest moral purpose is the greatest source of hope for those people throughout the world who are carrying on their own struggle for peace and liberty. They know that America will never, through caution or wishful thinking, withdraw into careless isolation and forfeit her leadership of the free world. They know that the strength and devotion of the United States will be exerted against every barbaric challenge to the freedom and dignity of civilized men. As long as the challenge persists, no matter what name it bears, our efforts must not and will not be relaxed.

Today, 10 years after the launching of history's most frightful war of conquest, it is fitting that we should recall with sorrow and gratitude the tragic sacrifices of Poland in the struggle against tyranny. We must pledge ourselves, as free Americans, to exercise our power and vigilance to the end that the frontiers of freedom may be constantly extended, and that no dictator will ever again dare to shatter the peace of the world.

Mr. McMAHON. Mr. President, at dawn on September 1, 1939, bombs began to fall on peaceful Polish cities. Nazi tanks rumbled over Polish frontiers, and thus began the Second World War.

Tomorrow Poles everywhere and American citizens of Polish descent throughout the land will gather to commemorate the tenth anniversary of this tragic event. It is therefore most fitting that I recall the role played by Poland during the last war.

I remember well how ominous the outlook was in the beginning when Poland alone met the fury of the mighty German war machine and fought bravely against insurmountable odds. It was the magnificent stand of the Poles that gave England and France precious time to mobilize. Although we were thousands of miles away, Americans anxiously followed the epic defense of Warsaw when that unfortified capital defied the might of Hitler and thus fired the imagination of freedom-loving people everywhere.

It was only after the Red Army overran the eastern half of Poland and crushed the remaining resistance of organized forces, that Poland fell. But her sons fought on to final victory, at home in the underground, and outside of Poland on every front, on land, at sea, and in the air. And in that connection it must not be forgotten that when England was being mercilessly bombed by the Luftwaffe, the Polish aviators helped save that country by their courageous work with the Royal Air Force.

Perhaps not as spectacular but equally impressive were the activities of the Carpathian brigade which wrote such a glorious chapter in Poland's part in the African campaign on the sandy spaces of the Libyan Desert, at Tobruk, Bardia, and Gazela. The Carpathian brigade was composed for the most part of men freed by our intervention from the Russian slave camps to which they were taken by the Red Army.

American troops of Gen. Mark Clark's army can testify to the courage of the Polish fighters who fought side by side with them in the Italian campaign. For it was the Poles who covered themselves with resplendent glory in the capture of the strategic Monte Cassino which the Germans had turned into an impregnable fortress barring the road to Rome. All the assaults of our forces as well as the best of the English, after a record-breaking bombing by our Air Corps failed to bring the hoped for result and the Poles then came to grips with the enemy after days of the bloodiest attacks, the Polish flag flew atop Monte Cassino. The road to Rome and victory was made clear.

Closer to home, though, and more keenly felt was the substantial number of Polish names that graced the scrolls of honor in most of the communities throughout my State. These men carried on in the best traditions of the forebears who contributed much to the building of Connecticut.

Ironically, Poland today is not free to enjoy the fruits of victory, instead she is suffering under the atheistic regime of Stalin puppets, the very same oppressor who collaborated with Hitler to crush her in the early days of the war. I share with my fellow citizens of Polish descent the heartfelt sadness that they feel today. It is a sadness, however, which lifts with the thoughts of Poland's glorious past and above all with shining hopes for its future.

Mr. MYERS. Mr. President, tomorrow marks the tenth anniversary of the attack by Nazi Germany on her neighbor, Poland, an attack which unleashed the greatest global war in history. It is one of the great tragedies of our day that a war which resulted in victory, won at a shocking and almost inconceivable cost of human lives and human suffering, a victory for the forces of freedom and of decency, has not yet brought any of its benefits to the first nation to stand up courageously against the brutal aggression of modern history's most depraved tyrant.

Poland was seized and conquered by almost simultaneous attack from east and west. The partners, who were later to fly at each other's throats, Germany and Russia, Nazi Germany and Communist Russia, ganged up on Poland and destroyed her as an independent nation, made slaves of her people, and devastated her homes and industries.

Although the war is over, and has been over for 4 years, Poland has never regained her independence and her freedom. Her invaders from the east, who came first as conquerors—and a second time, under the false guise of liberators—made certain that Poland would be kept as a satellite and as a puppet nation subservient to the will of the Soviets. Poland today is a police state.

But, Mr. President, I have no hesitation today in predicting that the courageous spirit of the Polish people who have known invasion and domination and persecution and terrorism for centuries, will not die under this oppression. Poland will live again, a free nation, of free peoples.

The whole foreign policy of this Nation, and of all free nations which exist today, must be directed continually toward the encouragement of the aspirations of those brace persons behind stockades and prison gates of communism who seek freedom and will never give up in their fight for freedom.

LABOR DAY AND THE OPEN SHOP

Mr. MURRAY. Mr. President, the Senate will soon recess in honor of Labor Day. There are many things I should like to say in praise of the organized workers of America—men and women who have made this country the most productive in the world—but I hardly think it necessary.

Instead, I should like merely to ask unanimous consent to place in the RECORD at the conclusion of these remarks an article on the open shop written by Peter Finley Dunne, as reprinted in this week's issue of the Machinist.

Mr. President, that article was written some 50 years ago, but all too many Members of this and of the last Congress have still to learn its simple lesson. I believe the working men and women of America would far rather have me spend these few minutes calling Mr. Dooley's trenchant words of wisdom to the attention of the men who voted for the Taft-Hartley law than to spend them on words of praise for American labor, which needs them not at all.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MR. DOOLEY ON THE OPEN SHOP—IT'S ALL JUST A MATTER OF PRINCIPLE

(One of the brightest names among American journalists is that of Finley Peter Dunne, who, 50 years ago, while editor of the old Chicago Journal, wrote a number of brief, humorous essays in Irish dialect, as the sayings of Mr. Dooley. Published in book form, the essays of Mr. Dooley were on the best-seller list of that day. This week,

in observance of Labor Day, we reprint Mr. Dooley's observations on the open shop.)

"What's all this talk that's in the paper about this open shop?" asked Mr. Hennessy. "Why, don't you know?" said Mr. Dooley. "Really, I'm surprised at yer ignorance, Hennessy. What's th' open shop? Sure, 'tis a shop where they kape the door open t' accommodate the constant stream of min comin' in t' take jobs cheaper thin th' min that has the jobs.

"'Tis like this, Hennessy. Suppose one of these free-born Amerycan citizens is wurkin' in an open shop for the princely wage of wan large iron dollar a day for tin hours. Along comes another free-born son-of-a-gun, an' he sez to the boss, 'I think I kin handle th' job for 90 cints.'

"'Sure,' sez the boss, an' the wan-dollar man gets th' merry jinglin' can an' goes out into the crool world t' exercise his inalienable rights as a free-born Amerycan citizen t' scab on some other poor devil. An' so it goes, Hennessy.

"An' who gets the benefit? True, it saves the boss money, but he don't care no more for money thin he does fer his roight eye. It's all principle wid him. He hates to see th' min robbed of their indipindince. They must have their indipindince, regardless of anything else."

"But," said Hennessy, "these open-shop min ye minshun say they are fer the unions if properly conducted."

"Sure," said Mr. Dooley, "if properly conducted. An' there you are. An' how would they have thim conducted? No strikes, no rules, no contracts, no scales, hardly any wages, and damn few mimbers."

EXTENSION OF RECIPROCAL TRADE AGREEMENTS ACT

Mr. MYERS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 94, House bill 1211, to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended.

Mr. WHERRY. Is that the reciprocal trade agreements act?

Mr. MYERS. It is.

The motion was agreed to; and the Senate proceeded to the consideration of the bill (H. R. 1211) to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

EXECUTIVE SESSION

Mr. MYERS. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

Mr. WHERRY. Mr. President, I have asked in several executive sessions of the Senate that the Senate pass over the nominations of Ellis O. Briggs, of Maine, and Nathaniel P. Davis, of New Jersey. At this time I wish to withdraw my objection.

The VICE PRESIDENT. The clerk will state the nominations on the Executive Calendar.

DIPLOMATIC AND FOREIGN SERVICE

The Chief Clerk read the nomination of Ellis O. Briggs, of Maine, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Czechoslovakia.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Nathaniel P. Davis, of New Jersey, to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Hungary.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

POSTMASTERS

The Chief Clerk proceeded to read the nominations of sundry postmasters.

Mr. MYERS. Mr. President, I have a request that the nomination of the postmaster of Meridian, Idaho, be passed over.

The VICE PRESIDENT. Without objection, the nominations of postmasters, with the exception of the one in Idaho, are confirmed en bloc; and without objection, the President will be immediately notified of all nominations confirmed this day.

LEGISLATIVE SESSION

The VICE PRESIDENT. Without objection, the Senate will resume consideration of legislative business.

STATEMENT RELATIVE TO THE COMMITTEE ON THE JUDICIARY AND SENATOR McCARRAN

Mr. KILGORE. Mr. President, it has come to my attention that certain newspapers have made biting attacks upon the senior Senator from Nevada [Mr. McCARRAN], chairman of the Judiciary Committee of the Senate, and upon the committee. Among other things these newspapers have accused the committee and its chairman of inaction. This is a serious charge. As ranking majority member of the committee, I should like to make one or two comments about the committee's work, so that the instigators of these attacks may be fully advised as to the volume of work of the Senate Judiciary Committee, for which the Senator from Nevada as chairman, and the committee, are held responsible to the United States Senate.

Under the Legislative Reorganization Act, the chairman and the 12 members of the Judiciary Committee have the legislative burden which had previously been carried by four committees of the Senate. In addition to the usual Judiciary Committee work—proposed legislation for improvements in the judicial machinery, the work of revision and codification of the laws, all proposed consitutional amendments and Federal charters, legislation relating to national penitentiaries, and the consideration of many executive nominations—the Judiciary Committee now has the work of three Senate committees which were abolished by the Reorganization Act. It has the work of the old Committee on Patents, it has the work of the old Committee on Immigration and Naturalization, and perhaps most burdensome of all, it has the work of the old Committee on Claims.

To date, in the present session of Congress, the Judiciary Committee has had referred to it more than 1,400 House and Senate bills. Of the total of 2,512 bills introduced in the Senate since January of this year, the Judiciary Committee has received 1,053. In addition, it has received 356 House-passed bills. Of these the committee has disposed of 259 House bills and 377 Senate bills, sending to the Senate floor 212 House bills and 195 Senate bills, and taking committee action to postpone indefinitely 47 House bills and 183 Senate bills. Of the Senate bills remaining to be acted upon, some 375 are awaiting reports from the executive agencies concerned. That record speaks for itself.

Mr. President, it is a matter of public record that I have opposed the chairman of the committee upon more than one issue. For example, I have repeatedly urged prompt action on legislation to liberalize the displaced-persons laws. Several days ago I notified the majority leader that I would join with him in a move to discharge the committee from further consideration of this legislation. It is my sincere desire to secure Congressional action upon this important legislation before adjournment.

In a democracy there is plenty of room for differences of opinion. To me this seems a healthy condition. While I have had differences with the senior Senator from Nevada, I know from my personal experience as a member of the Committee on the Judiciary that PAT McCARRAN is a diligent and hard-working chairman. The record shows that the Senator from Nevada is more than able to defend himself.

I should like to express the hope that in the future all advocates will discuss the issues upon their merits. It is one thing to disagree with a man upon a matter of principle, but it seems to me it is quite another to level personal attacks.

ORDER FOR RECESS

Mr. MYERS. Mr. President, I believe we are not ready to adjourn yet, because there are several Senators who desire to make some remarks, but when we are ready, it is my intention to ask unanimous consent that at the conclusion of its business today, the Senate adjourn until Saturday, September 3, 1949, and that immediately after convening on said day the Presiding Officer shall, without the transaction of any business, declare the Senate in recess until 12 o'clock noon on Wednesday, September 7, 1949.

The VICE PRESIDENT. The Senator may make the request at the present time, if he desires.

Mr. MYERS. I do make the request.

The VICE PRESIDENT. Is there objection?

Mr. WHERRY. Mr. President, I am in total agreement with the unanimous consent request, but I think one matter should be clarified, namely, that when the Senate convenes on Saturday the phrase "without the transaction of any business" shall include everything, even speeches. Is not that correct?

Mr. MYERS. I have been informed by the Parliamentarian that the phrase "without the transaction of any business" includes unanimous-consent requests, speeches, or anything of that nature.

Mr. WHERRY. I have no objection.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. LUCAS. Mr. President, I should like to make one statement with respect to the unanimous-consent agreement just entered into. It has been reported to me that a number of Senators do not expect to be here a week from today. We are to take up the bill providing the extension of the Reciprocal Trade Agreements Act, and Senators realize that there will be some general debate before we enter upon the consideration of amendments or vote upon the passage of the bill itself. I should certainly dislike to see occur what some have suggested, that probably on Wednesday there will not be a quorum present when the roll is called at noon. I hope that all Senators, unless there is extremely urgent business detaining them, will return on Wednesday, in order that they may participate in the debate on the reciprocal trade agreements program, which, without doubt, is an extremely important matter. There are two philosophies about reciprocal trade, and from what the distinguished Senator from Colorado said a few days ago the debate will probably be rather extensive. No doubt the debate will be very interesting, and no one knows when we may reach a vote upon some particular amendment which may be offered.

I merely make this statement in order that there may be a quorum present a week from today.

Mr. WHERRY. Mr. President, I wish to say, forcefully as I can, that I agree with the observations made by the majority leader. To some of us the coming recess will not be a vacation, so far as going home is concerned. We will remain here, anxiously waiting for Senators to return next Wednesday and begin the debate, which will be an historic debate, on the extension of the Reciprocal Trade Agreements Act. So I join the majority leader in the sentiment he has expressed, and so far as I am concerned, I want Senators on this side to know it is very important for them to be here Wednesday, because as the majority leader has said, amendments might be brought up which would be important and might be voted on before the following Monday, which some might feel would be a safe time to return.

Mr. LUCAS. I thank the Senator from Nebraska for his cooperation, and for the statement he has made.

PROPOSED 3-YEAR EXTENSION OF THE 1934 TRADE AGREEMENTS ACT

Mr. MALONE. Mr. President, there has been much recent talk of a compromise on the proposed 3-year extension of the 1934 Trade Agreements Act, with an agreement to extend the act about 8 months without debate.

MORE TO THE COMPROMISE PROPOSAL THAN MEETS THE EYE

Mr. President, I believe there is a good deal more behind that proposal than meets the eye, and I should like to say now that since the proposed 3-year extension of the 1934 Trade Agreements Act has now been definitely placed upon the calendar for full debate, beginning on Wednesday, September 7, I shall not address the Senate as I had intended, but I shall ask unanimous consent to have my address and references appear in the RECORD at the conclusion of my remarks.

RECIPROCAL TRADE A TRICK PHRASE TO SELL FREE TRADE TO THE AMERICAN PEOPLE

Mr. President, I further wish to clarify the situation by suggesting that the majority leader has placed on the agenda a bill which has been advertised as a "reciprocal trade" agreements act.

Mr. President, there is no such thing as a reciprocal trade act, and never has been. "Reciprocal trade" is a trick phrase invented in 1934 at about the time of passage of the 1934 Trade Agreement Act, to sell free trade to the American people.

Mr. President, I want it made clear that it is the 1934 Trade Agreement Act that is to be debated beginning on Wednesday, September 7. I ask the majority leader if that is not correct.

Mr. LUCAS. It may be that I designated the subject under a little different title from the way it appears on the bill. Nevertheless, the order that was entered designates the bill we are going to consider a week from today.

THREE-YEAR EXTENSION OF 1934 TRADE AGREEMENTS ACT ON AGENDA

Mr. MALONE. In other words, the order entered is that we are to debate the extension of the 1934 Trade Agreements Act.

Mr. LUCAS. I suppose that is correct. I do not believe that is the exact title of it.

Mr. MALONE. That is the title, I might say; and it is not reciprocal trade, does not operate that way and that is not the effect—there can be nothing reciprocal about the methods utilized in such horse trading methods—as the Secretary of State has referred to the methods used—as I shall show at the proper time.

Mr. LUCAS. Well, I call it reciprocal trade.

Mr. MALONE. I understand that you can call it anything you may choose—but in my humble opinion it is about time to quit fooling the American people in regard to a matter that vitally effects their jobs and their future.

Mr. LUCAS. Whether the Senator from Nevada deems it to be that is, of course, a matter of opinion.

Mr. MALONE. "Reciprocal trade"—I repeat—is a trick phrase, invented in 1934 to sell free trade to the American people, and the phrase does not occur any place within the act in any form whatever.

Mr. LUCAS. We disagree on that point.

Mr. MALONE. We certainly do disagree upon that point, which will become perfectly clear in the debate beginning next week.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the address I intended to make to the Senate, had it not been agreed that the 1934 Trade Agreements Act would be debated at the beginning of the session on Wednesday, September 7.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

COMPROMISE DESIGNED TO PREVENT DEBATE—AND MAKE EFFECTIVE 153 ADDITIONAL TRADE TREATIES

The suggested compromise would be designed to prevent debate on the vital issues involved in the entire free-trade program, to lower the floor under wages in this country, and put the workingmen of this Nation in direct competition with the low-wage living standards and the slave labor of the foreign nations of the world.

TRANSFER AMERICAN JOBS TO FOREIGN SOIL

An extension of the act, as has been suggested, would simply continue the transfer of American jobs to foreign countries, which has already resulted in a dangerous unemployment situation in this country.

We are reliably informed that there has been 130 additional trade treaties completed by the International Trade Agreements Conference, which has just recessed at Annecy, France, and that 23 additional trade treaties have been negotiated to the point that they can very quickly be completed.

FIFTY-SEVEN STERLING-BLOC COUNTRIES EQUAL ACCESS TO OUR MARKETS

The 153 Annecy trade treaties through their further lowering of the tariff and import fees on imports into this country, without regard to the differential of the cost of production to the difference in the standards of living between this country and where the competition is located, will mean under the multilateral provisions of such treaties that the sterling bloc of 57 nations and entities covering more than one-fourth of the earth's surface will have almost equal access to our markets with our own producers, as well as the Netherlands' guilder and the French and Belgium's franc areas.

AMERICAN WORKERS COMPETE WITH LOW-WAGE AND SLAVE LABOR

It will mean that our people getting a minimum of $6 per 8-hour day according to the minimum wage bill we have just passed and up to $10 and $12 per day will be in direct competition with the 50 cents to $4 per day foreign labor throughout the world.

Our people then have a choice to make—they can meet the competition or become unemployed. Many have already chosen the unemployed route.

ONE-THIRD OF OUR 60,000,000 WORKERS TOTALLY OR PARTIALLY UNEMPLOYED

Let us see what is happening now in unemployment, these are the current figures from the Bureau of the Census and Bureau of Labor Statistics:

Total unemployment in the United States	[1] 4,095,000
Partially unemployed, including agriculture	[2] 18,272,000
Partially unemployed, not including agriculture	[2] 16,139,000
Employed 1 to 14 hours weekly	1,700,000
Employed 15 to 34 hours weekly	16,572,000

[1] Bureau of Census. Note: State unemployment insurance probably does not reflect more than 75 percent unemployed.

[2] Bureau of Labor Statistics. Sample from first week of July, subject to further check.

UNITED STATES-ENGLAND ECONOMIC CONFERENCE

Mr. President, the State Department has set up an international conference to convene early in September with representatives from Great Britain and the United States in attendance where further huge loans to that nation and to the countries of the sterling bloc area will be discussed.

Also strong representations are made that England will ask for a large part of our Fort

Knox gold in return for the purchase of her overvalued currency at a slightly reduced rate for the pound sterling—perhaps $3.25 or $3 per pound—but not reduced to its real value of $2.10 per pound—so that they would still profit approximately $1 per pound on the first transaction.

The currency could easily become less and less valuable as the true situation in England and in Europe comes to light through debate and through the disintegration of the European economy—so that the United States could be left with a large gold investment in practically worthless paper—also as advance reports indicate, that after a time, England and the sterling bloc countries would probably revalue the gold—raising its price and selling it back to us at a profit.

A BUILD-UP TO DIVIDE OUR MARKET—THE SOURCE OF OUR INCOME

In addition to all of that, they will ask for a practically unlimited market in the United States for the products of the 57 countries and entities of the sterling bloc—to divide our market—the source of our national income.

DIVIDE OUR MARKETS WITHOUT FURTHER AGREEMENT

In fact, if the 1934 Trade Agreements Act should be extended for several months—thus making effective the 130 additional trade agreements recently completed at the International Conference at Annecy, France, plus the 23 incomplete trade treaties—then under the multilateral conditions surrounding such treaties, the low-wage standard of living—and slave wage foreign countries of the world would have almost free and unlimited access to the markets of this country.

TARIFFS REDUCED FROM 45 TO 7 PERCENT IN 15 YEARS

It must be realized that the tariffs and import fees on imports to this country have already been reduced to an average from approximately 45 percent to about 7 percent of the value of such imports during the last 15 years—and further substantial reductions have been made in the 153 treaties arranged at Annecy, France.

The extreme danger of any agreement for an extension of the 1934 Trade Agreements Act without debate is that the floor under wages which has already been lowered to an extremely dangerous level—will result in an accelerated transfer of American jobs to foreign soil—and an extremely dangerous unemployment condition in this country—which has already reached alarming proportions.

Mr. President, I shall not only object to any such agreement to extend the 1934 Trade Agreements Act without debate, but I shall strenuously object to any attempt to limit the debate on this important and vital subject.

The people must be thoroughly informed.

STERLING RATES AND TRANSFERS

There are many different "trading" values of the pound sterling (The Wall Street Journal estimates about 30) all designed to confuse and operate for trade advantage for England, the mother country.

Mr. Hoffman, administrator of ECA in the European countries, had this to say about the lower wage standard of living country of England and the sterling bloc countries exporting their goods and products to the United States market:

"United States tariffs are a factor in keeping British goods out of the United States market, but our tariffs are now down to the average level of 1914, and are not the main obstacle to higher shipment (to United States) from the United Kingdom."

Mr. Hoffman has repeatedly urged that the ECA countries be allowed to increase the sales of their goods and products in the United States at the expense of the American workingmen—not of course realizing that to the extent they are allowed to supply our markets to that extent our national income would be reduced—and that we would soon be unable to buy their goods with our people unemployed.

The following is an excerpt from the International Post-War Service Supplement, dated January 1949, which is self-explanatory—and somewhat startling:

"STERLING RATES AND TRANSFERS

"Only specialists are able to penetrate the intricacies and mysteries of the international trade in sterling. The international trader has to deal with complex exchange and transfer rules, either in trade with sterling areas or wherever foreign competition from those countries plays a role.

"Sterling is bought and sold at a variety of rates and under conditions which can be correctly interpreted only by the expert. Three basic rates may be distinguished:

"1. Official rate: $4.035 for 1 pound of sterling. This rate is applied in officially authorized commercial transactions between the United States of America and the United Kingdom.

"2. The 'free market' rate in New York (black market in the sterling areas): At the beginning of 1949, $3.07 for 1 pound of sterling. The American tourist is entitled to take into Great Britain 5 pounds acquired on the free market abroad. In France, however, the disparity is disappearing and 'free market' sterling is approaching the status of a hard currency.

"3. Rates for transferable account sterling, also 'cross rates': About $3.20 at the beginning of 1949. This rate is used in purchases and sales of sterling derived from commercial transactions in 'transferable accounts' countries. Sterling can be transferred only within the area of transferable account countries or the sterling bloc.

"For the convenience of our readers, we give a short outline of the basic divisions of the world from the viewpoint of British sterling policy.

"I. STERLING AREAS

"The sterling bloc area represents a kind of multilateral trade area with a cooperative banking system. It pools the foreign exchange and gold resources of all participants under the leadership of Great Britain. British foreign exchange restrictions are more or less strictly enforced within the entire sterling area.

"The countries of the sterling area have close commercial and financial ties with Great Britain. The currencies are tied up with the value of sterling. Sterling funds can be transferred within the sterling area without major difficulties.

"The following countries belong at present to the sterling area:

"The United Kingdom, Australia, New Zealand, India, Pakistan, Union of South Africa, Ceylon, Southern Rhodesia, British dependent territories, trust and mandated territories, protectorates and protected states. The following non-British countries are also part of the sterling bloc: Burma, Iraq, the Faroe Islands, Egypt, Iceland, and the Anglo-Egyptian Sudan.

"The commercial ties between these members of the sterling bloc are more tight than before the war due to a system of government controls. But the political ties are not as close as they used to be. It is possible for South Africa or Australia or Pakistan to decide tomorrow to leave the sterling bloc, or to follow an independent course.

"But such a decision could not be easily taken. The solid core of blocked sterling funds in a dead weight that helps to keep the sterling bloc countries together. In addition, these countries are also each other's best customers.

"II. TRANSFERABLE ACCOUNTS COUNTRIES

"Sterling funds held in "transferable account" countries can be freely converted, transferred within this area, or be used for payments in other transferable account countries, or to residents in the sterling areas, but can be transferred to other countries outside the area only if approved by the Bank of England.

"The following countries belong to the 'transferable account' system:

"Chile, Czechoslovakia, Egypt, Ethiopia, Finland, Iran, Italy, Netherlands monetary area, Norway, Peru, Poland, Siam, Spanish monetary area, the Anglo-Egyptian Sudan, Sweden, and the U. S. S. R.

"III. BILATERAL ACCOUNTS COUNTRIES

"Sterling held in this area may be freely transferred to other accounts within the area and for payments to residents of the sterling area. Other transfers are possible, but are authorized only if a special arrangement has been made with the British authorities. The following countries have such bilateral account agreements:

"Argentina, Austria, the Belgian monetary area, Brazil, Bulgaria, Canada, China, Denmark, Greenland, the French franc area, Greece, Hungary, Japan, Lebanon, Palestine, the Portuguese monetary area, Rumania, Switzerland, Syria, Transjordan, Uruguay, and Yugloslavia.

"IV. AMERICAN ACCOUNTS COUNTRIES

"Sterling funds derived from commercial transactions and held by residents of these countries can be transferred to other countries only with the approval of British authorities. They may be converted into dollars at the official rate of exchange if acquired from current commercial transactions. The following countries belong to this system:

"The United States, dependencies of the United States, Philippine Islands, Bolivia, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, Guatemala, El Salvador, Haiti, Honduras, Mexico, Nicaragua, Panama, and Venezuela.

"UNITED STATES DISADVANTAGE

"Owners of sterling funds in countries of the second and third group have a great advantage over holders of sterling funds in the fourth group (including the United States).

"American buyers of commodities from the British Empire areas, for instance, must pay their bills in dollars or with sterling purchased at the official rate of $4.035. But traders belonging to the third group, Norway or Russia, for example, may acquire 'transferable account' sterling at a discount of 15 percent or more and with it acquire British commodities correspondingly cheaper than American traders. The margin of advantage has shrunk somewhat during the last quarter of 1948, but is still enough to offer great incentives to foreign traders who are able to take advantage of it."

Mr. President, I shall offer my flexible import fee bill as a substitute for the proposed 3-year extension of the 1934 Trade Agreements Act on Wednesday, September 7, when Congress reconvenes.

The flexible import fee measure would immediately establish a market for products and goods on a definite basis, bringing them in on our level of costs, on a principle of fair and reasonable competition.

There is no question of a high or a low tariff under the flexible import fee system. It simply represents the differential of the cost of production due principally to the difference in the wage-living standards.

Such import fee would be lowered in accordance with any rise in the living standards of the foreign nations and whenever any nation has reached our approximate standard of living—the common objective of free and unrestricted trade would be the almost immediate and automatic result.

It would tend to maintain our standard of living while we were assisting foreign nations to raise their own.

It is the floor under wages.

We cannot continue to increase our importation of man-hours of work without tragic consequences to our own employment and tax structure—and in many fields our national security would be threatened since we would become dependent for our vital supplies from foreign countries in time of emergency.

THE NATIONAL SECURITY RESOURCES BOARD

Mr. CAIN. Mr. President, the junior Senator from Washington wishes to consume about 20 minutes of precious time in discussing a public question which is, and must continue to be, of deep concern to every Member of this body and every citizen of our Republic.

On Monday of this week the Senate passed a $14,790,000,000 military appropriations bill. This staggering sum of money is to be appropriated to strengthen and broaden our military security both at home and abroad. The only possible justification for this appropriation is that our Nation will be made more secure in the future than it is today.

Included within this appropriations bill is a 1950 item of $3,000,000 for the National Security Resources Board. No testimony of any kind was taken by the Senate Committee on Appropriations on this $3,000,000 item, for the reason that it had been thoroughly considered and justified by the House of Representatives. The item was approved by the Senate on Monday without a single question being raised concerning the present status and effectiveness of the National Security Resources Board. I think several leading questions ought to be raised right now.

On yesterday the majority leader, the senior Senator from Illinois [Mr. LUCAS], said that he may lay before the Senate next week a definite legislative program for the remainder of the session and ask a limitation of debate on each scheduled "must" bill. Among the "must" proposals the Senator from Illinois has in mind is the military-assistance program for Europe. There is every reason to believe that the Senate will not recess until action has been taken on the proposal immediately to provide some of our friendly nations in Europe with arms and military assistance. If we provide this assistance to Europe in this session of the Congress we shall only do so because of our belief that arms and assistance will help certain European nations to prepare themselves now against the threat and possibility of war. There can be no other logical reason for even discussing the arms-to-Europe proposal at this time.

If we assume that it is imperatively necessary to arm Europe in time of peace and to spend more than $14,000,000,000 in time of peace for our National Military Establishment we must be absolutely certain that every component part of our security effort is properly manned and complying in every detail with its mission as laid down by the Congress.

Is there any Senator who can state with assurance that the National Security Resources Board is adequately performing the monumental responsibilities which were charged to it by the National Security Act of 1947? Is there a single Senator not in agreement with me as I state that our Nation's future security will obviously be insecure if the functions of the National Security Resources Board are not completely carried out? The National Security Resources Board was established by our Congress to so prepare this Nation that a future war would be unlikely, and to win that war if it comes.

For the benefit of the RECORD, and in an effort to help people think, I wish to define the six areas of responsibility which were delegated to the National Security Resources Board by the National Security Act of 1947, approved July 26, 1947.

The function of the Board is to advise the President concerning the coordination of military, industrial, and civilian mobilization, including—

First, policies concerning industrial and civilian mobilization in order to assure the most effective mobilization and maximum utilization of the Nation's manpower in the event of war.

Second, programs for the effective use in time of war of the Nation's natural and industrial resources for military and civilian needs, for the maintenance and stabilization of the civilian economy in time of war, and for the adjustment of such economy to war needs and conditions.

Third, policies for unifying in time of war the activities of Federal agencies and departments engaged in or concerned with production, procurement, distribution, or transportation of military or civilian supplies, materials, and products.

Fourth, the relationship between potential supplies of, and potential requirements for, manpower, resources, and productive facilities in time of war.

Fifth, policies for establishing adequate reserves of strategic and critical material, and for the conservation of these reserves.

Sixth, the strategic relocation of industries, government, and economic activities, the continuous operation of which is essential to the Nation's security.

Mr. President, I think that no man alive can deny the prime importance of any one and all of these functions to which I have referred. I think that no man is justified in wanting to arm Europe or to appropriate more than $14,000,000,000 in 1950 for our Military Establishment until he is concretely satisfied that the National Security Resources Board is adequately performing its duties and living up to its stupendous responsibility.

The dismal and distressing fact is that the National Security Resources Board has not had a Chairman since Mr. Arthur M. Hill resigned on December 15, 1948. For eight important months the Board has limped and staggered along without adequate leadership and with limited guidance.

Early in this year the President submitted a chairmanship nomination to the Armed Services Committee of the Senate. On March 15 that nomination was laid on the table by the committee. Some weeks later the nomination was withdrawn by the President. Since that nomination withdrawal no steps have seemingly been taken by the President to nominate a Chairman. The time has long since passed when an individual of great and outstanding capacity and ability should have taken over a portfolio of the greatest importance to our future welfare and safety.

For the obvious reason that the National Security Resources Board does not possess a Chairman, and has not for 8 months, it fell to the lot of a subordinate to justify the Board's 1950 budget. The reasons of justification were offered before the Appropriations Committee of the House of Representatives by Mr. Ralph K. Watkins, Director of Plans and Programs, on Thursday, March 24, 1949. I was deeply impressed and in agreement with much of the testimony which was offered by Mr. Watkins. This in part is what he said:

The Board is charged with a broad and complex responsibility, and one of basic importance to the Nation's security. The significance of this assignment is evident when we realize that currently about one-half of the national budget is directly devoted to national defense and international programs and that the work of nearly all major units of our Government bears an intimate relation to problems of national security. * * * Establishment of the National Security Resources Board is a significant milestone in the history of our national security organization. It reflects the broadening appreciation of the members of the economic, industrial, and civilian aspects of modern warfare.

The Board has a range of work that is just as broad as the life of this Nation—it is really broader than the economy. It is of tremendous scope.

The Joint Chiefs of Staff are responsible for developing strategic plans. It is our job, working in cooperation with the munitions board and other civilian agencies, to find out whether these strategic plans can be accomplished within the limits set by our resources; in other words, to see what is the economic capability of the Nation against which you judge the feasibility of strategic planning.

Our basic principle in this field is that the two have to be closely coordinated—strategic planning and resource mobilization must go hand in hand.

The impact on resources of the current security programs is in terms of what we are spending—roughly, the $20,000,000,000 we are spending on national defense and international programs, the Atomic Energy Commission, the Maritime Commission shipbuilding programs—what the impact is of those programs as we estimate them for the fiscal year 1950, and what that means in terms of the steel supply and the copper supply and the non-ferrous-metal supply. It is the difference between the current security programs—which are, of course, preparedness programs—on the one hand, and the estimate of what an actual war would take in the feasibility test.

That concludes the impelling observations which were made by Mr. Watkins in March of this year. These observations fully justified appropriating $3,000,000 to the NSRB for 1950.

Mr. President, on the basis of this testimony I think we ought to do nothing more in the way of appropriating money for our national security, or providing military assistance to our friends across the seas, until we are convinced that the National Security Resources Board is a

going and successful concern. Is there not some way in which the President can be prevailed upon to nominate a chairman who is qualified to assume the responsibility and for whom America will have a full measure of respect and confidence? If the President of the United States has valid reasons for his continuing delay in nominating a Chairman let him tell the American people what those reasons are. If he has no reasons which are valid the American people ought to insist that a nomination be submitted to the Senate at the earliest possible moment.

The lead editorial in the Washington Post of this morning expresses the hope that there is no truth in a current rumor that the President might resubmit the chairmanship nomination which the Armed Services Committee of the Senate tabled in March. I wish to read only the first paragraph and part of the second. The editorial is entitled "Men for the Jobs." It reads in part as follows:

We hope the reports that President Truman is considering the nomination of Mon C. Wallgren for a recess appointment as Chairman of the National Security Resources Board are unfounded. It is the legal right of the Chief Executive to nominate anyone he chooses for this important post. But the Senate already has judged Mr. Wallgren's qualifications and found them wanting. Even though Mr. Wallgren might be able to serve a few months through the maneuver of an interim appointment, such an evasion would court another Senate veto; besides being contemptuous of Congress.

The NSRB has been drifting leaderless for 8 months now. It is scarcely conceivable that during this time the President could not have located a chairman with better qualifications than his crony, Mr. Wallgren, possesses.

I thought in March, Mr. President, that the Senate and the Nation had heard the last of any attempt to appoint to the chairmanship of the National Security Resources Board the individual whose nomination was laid on the table by the Armed Services Committee of the Senate. For the good of the Nation I trust that we shall hear no more about it. My concern is not with that individual but with the health and preparedness of America. Until there is a competent Chairman at the head of the National Security Resources Board we have no right to be smugly satisfied that we are adequately preparing America for any eventuality. Until the right Chairman has been selected, confirmed, and is hard at work, we shall be doing no such thing. In all friendliness and sincerity I beseech the President of the United States to look for a highly competent and qualified person whose nomination is certain to be applauded and approved by the Senate and the Nation.

INVESTIGATIONS OF PROBLEMS OF SMALL BUSINESS

Mr. FREAR. Mr. President, at the outset let me say that since the Chamber is so full of Senators, and since I know that they are very anxious to get away for an extended holiday, I shall not feel insulted should any of them leave during my address.

Mr. President, on April 14 of this year, the Committee on Rules and Administration reported favorably Senate Resolution 101 submitted by the Senator from South Carolina [Mr. MAYBANK], chairman of the Senate Banking and Currency Committee. This resolution was agreed to on May 6, with a clarifying amendment to the effect that, irrespective of the scope and nature of any hearings held or investigations conducted by the committee regarding the problems of small business enterprises, the present jurisdiction of the Committee on Banking and Currency would remain as it is at present.

Senate Resolution 101, in part, authorized the Banking and Currency Committee to expend $30,000 for additional and temporary assistants and for expenditures by the Subcommittee on Small Business in investigating small business problems.

However, on June 29, less than 8 weeks after Senate Resolution 101 was agreed to, the Committee on Rules and Administration reported favorably Senate Resolution 58 to amend section (1) of rule XXV of the Standing Rules of the Senate by the establishment of a Committee on Small Business.

The resolution provides for the creation of a standing committee on small business, composed of 13 Senators, to which shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating to the problems of American small-business enterprises. Senate Report No. 598, Eighty-first Congress, first session, explains this further, as follows:

It shall be the duty of such committee to study and survey by means of research all the problems of American small-business enterprises, and to obtain all facts possible in relation thereto which would not only be of public interest, but which would aid the Congress in enacting remedial legislation.

I should like to point out that, so far, the duty of the standing committee is exactly the same as that of the Senate Banking and Currency Committee, through its Subcommittee on Small Business.

The Rules Committee report discusses current opposition to the reestablishment of a special committee on small business as follows:

There has been opposition to the reestablishment of a special committee on small business based primarily on these arguments:

1. That special committees are deemed by some members of the Senate to be in violation of the spirit of the Reorganization Act.

2. That a special committee does not have legislative authority and cannot act directly on legislation for small business, once its studies and investigations on a subject have been made.

Mr. President, it is common knowledge that a large number of Senators believe that special committees violate the spirit of the Legislative Reorganization Act of 1946. Anyone who doubts that should read Title III, The Legislative Reorganization Act and Special Committees, of Senate Report No. 128, Eighty-first Congress, first session, March 18, 1949. In order not to unduly detain the Senate and so that this title may be read in connection with my remarks, I ask unanimous consent of the Senate that it be printed at this point as part of my remarks.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

III. THE LEGISLATIVE REORGANIZATION ACT AND SPECIAL COMMITTEES

It is not within the scope of this report to review at length the conditions which existed before, and which led to the passage of, the Legislative Reorganization Act of 1946. Members of the Senate are fully aware of those conditions. However, it appears appropriate to discuss briefly at this point the effect of that act upon the policy of the Senate in reference to the continuance of special committees.

Two years ago, when the question of renewing the life of the Small Business Special Committee was before the Senate, the then senior Senator from New Mexico, Mr. Hatch, who is now a Federal judge, expressed his views upon the matter as follows:

"The inadvisability of designating special committees has already developed. There is no question about what was intended by the Legislative Reorganization Act. That has been debated so long and so effectively that it is hardly necessary to renew the old arguments. But as a lawyer and as one who has made some study of and research into the terms of the Reorganization Act and into the general law covering the subject, I should like to have the opportunity of standing before a court, arguing the intent and purpose of the Reorganization Act, and obtaining an unbiased and unprejudiced opinion from men trained in the law, whether or not special committees are authorized or intended by that act. I should welcome such an opportunity.

"As a matter of fact, Mr. President, Senators speak glibly—and I use that term inoffensively—as though no Reorganization Act had been passed. They do not realize that a complete revolution has occurred in the rules of the Senate.

"The Senator from Ohio [Mr. TAFT], chairman of the steering committee, argued that it had been the custom in the past to set up special committees, and he enumerated, as I recall, about four. Of course, that had been the custom. Of course, it had been done. Of course, the Democrats had done it during the time they were in power, but those were the very evils at which the Reorganization Act was directed. Can there be any doubt about that, Mr. President? Any person who read the debates that took place, who read the reports of the committees, who reads the newspapers, knows that that was intended.

"The committee work of the Senate has been so heavy throughout the years that, under the old rules and the old practice, none of us could properly discharge our duties on all the committees to which we had been assigned.

"It was to get away from that evil, to get away from that very condition, that the law was passed and the limitation provided that no Senator should serve on more than two committees, with the exception of the Committee on the District of Columbia and the Committee on Expenditures in the Executive Departments, whose members might serve on three committees.

"One may argue until he is black in the face that it was not intended to do away with special committees, but nevertheless reason and intelligence and knowledge of the conditions that existed all must lead to the conviction that it was the intention that Senators should serve upon two committees only. Whether they be standing committees or whether they be special committees, the result is the same. If a Senator served on two standing committees and on five special committees—which I understand is contemplated—there would recur the same

old evil which resulted from the former practice, and nothing would have been accomplished through the passage of the Reorganization Act except to increase the salaries of the Senators themselves and to create for themselves a retirement fund.

"Perhaps, Mr. President, those are harsh words. They are plain words, and I speak what I believe to be the absolute truth" (CONGRESSIONAL RECORD, Senate, January 24, 1947, p. 585).

The Joint Committee on the Organization of Congress in its report (No. 1011, 79th Cong., 2d sess., dated March 4, 1946) dealing with the whole subject of congressional reorganization declared (p. 6):

"We recommend that the practice of creating special committees of investigation be abandoned."

The La Follette-Monroney bill as passed by the Senate contained this provision in section 126:

"No bill or resolution, and no amendment to any bill or resolution, to establish or to continue a special or select committee, including a joint committee, shall be received or considered in either the Senate or the House of Representatives."

The House deleted that provision from the bill.

Representative MONRONEY, who was in charge of the bill in the House, when discussing the grant of subpena power to all standing committees, explained the subject as follows:

"Mr. Chairman, this was rather carefully considered by the House committee, and our set-up is considerably different from the set-up in the Senate. The Senate is plagued with a great many special committees. It is a rash that has broken out there which practically destroys the continuity and the power of the standing committees. In order to get away from that outbreak of special committees, the Senate wrote in this provision for subpena power by their standing committees" (CONGRESSIONAL RECORD, p. 10073, July 25, 1946).

The original section in the bill prohibiting special committees had been proposed by the joint committee of the Senate and the House. It was enacted by the Senate. Thus, the Senate made known its position on the subject of special committees.

Obviously, the Senate could hardly insist that the House should express a similar view with respect to its own committee situation which, as explained by Representative MONRONEY, was different.

The Vice President of the United States, when he was the senior Senator from Kentucky, explained the concurrence of the Senate in the House amendment to the La Follette-Monroney Act as follows:

"The Senator [Senator TAFT] is correct in stating that when the bill passed the Senate it carried a provision against the creation of any special or joint committee. The bill then went to the House, where the provision was eliminated. It came back to the Senate when we were on the verge of adjournment, and we almost had to accept the House amendment or get no legislation at all along that line. Senator La Follette, of Wisconsin, was operating almost at the point of a gun, in the sense that the bill had to be handled in the best way possible, and he yielded in regard to that and other House amendments in order that we might get some legislation.

"I do not believe that anyone has contended that the pending resolutions [including a resolution to continue the Small Business Committee for 8 months] violate the La Follette-Monroney Act, but they violate the spirit in which the Senate acted when it considered the question originally and placed in the bill a prohibiton against the creation of special committees" (CONGRESSIONAL RECORD, Senate, January 13, 1947, p. 285).

To that, Senator Lucas added:

"Mr. President, I undertake to say that this resolution does violate the spirit of the La Follette-Monroney Act. * * * I respectfully submit that under the Constitution of the United States we in the Senate of the United States have the right to make our own rules. The La Follette committee recognized that when it made the report, for it proposed that certain sections of title I be enacted by the Congress:

"'(b) With full recognition of the constitutional right of either House to change such rules (so far as relating to the procedure in such House) at any time, in the same manner and to the same extent as in the case of any other rule of such House.'

"In other words, we do not have to follow the Reorganization Act at all. The House makes its rules, and the Senate makes its rules. So far as the matter of following any part of the La Follette-Monroney Act is concerned, we in the Senate would not be compelled to do so under the Constitution of the United States. But when we review the debates on that subject which were held in this body, no one can gainsay that the Senate did not abolish special committees. I do not refer to what was said on the last day of the session, when practically every Member of the Senate had his bags packed, ready to go home. There was no time for debate or even a conference. Senator La Follette accepted the House version in order to get something. But I refer to what was said when this matter was debated at length.

"There we find statements and conclusions which will prove to every reasonable and prudent mind that the spirit of the Senate of the United States on special committees, as expressed at that time, certainly is being violated by these particular resolutions" (CONGRESSIONAL RECORD, Senate, January 13, 1947, pp. 285, 286).

Your committee believes that the Legislative Reorganization Act of 1946 was passed to eliminate the conditions that made for inefficiency, waste, and confusion. It was specifically directed against overlapping of committee jurisdiction and multiplicity of congressional committees. The Senate intended and resolved in the future to keep inquiries and investigations within the particular committee that would consider the legislation and report it to the Senate. Long experience had dictated the need for this reform.

As the La Follette-Monroney bill passed the Senate, with section 126 of the bill, it would have been necessary for the Senate to suspend the rules to set up a special committee.

The bill excepted from its provisions the Joint Committee on Atomic Energy. The bill encouraged joint hearings of the standing committees of the two Houses. Senator La Follette explained the sufficiency of those provisions as follows:

"However, I express it as my opinion, for whatever it may be worth, that at any time when a matter of great consequence, such as atomic energy was when it first became a subject for consideration, anc still is, for that matter, I have no doubt that the Senate and the House would suspend the rules to meet a situation of that kind.

"The reason why we have drawn this tight ban is that we know full well, from long experience, that unless there is a ban, to obviate which very extraordinary action such as suspendindg the rules is required, we will not check the tendency to appoint select committees of both the House and the Senate, and joint select committees, of which we now have a considerable number in both Houses, and I anticipate that as time goes on, unless the action here proposed is taken, they will multiply in geometric progression.

"If a subject of vital importance comes up, and it is obvious that a special committee should be created, there will not be undue difficulty in having the rules of either House suspended for that purpose. But I fear that if we did not have this ban we might conceivably reorganize and reduce the Senate committees, and find our whole purpose and object defeated by a rash of select and special committees in the future, which would put us right back where we started."

In the light of those observations made by one of the sponsors of the legislation; in view of the differences in the set-up of committees in the Senate and in the House, as explained by Representative MONRONEY, the other sponsor of the bill; and with knowledge of the unfavorable conditions under which the Senate concurred in the elimination by the House of section 126 prohibiting special committees, as explained by Senators BARKLEY and LUCAS, your committee is convinced that the clear intent of the Senate, formulated and expressed after long hearings and studies, was to avoid the creation of special committees except in matters of vital consequence, such as those relating to atomic energy. Reason and intelligence and knowledge of the conditions that existed must lead to the conviction that it was the intent of the Senate that special committees should be discontinued.

Eight of the nine select and special committees of the Senate, which were in existence when the Joint Committee on the Organization of Congress recommended abandonment of the practice of creating special committees, have since been allowed to expire. The one exception is the Special Committee on Reconstruction of Senate Roof and Skylights and Remodeling of Senate Chamber, which stands in a different light because of its nonpublic character.

The functions of six of those former special committees have been officially assumed by standing committees and the Special Committee on Atomic Energy has been superseded by a joint special committee. As has already been pointed out, the Senate always allowed an exception to be made for atomic energy, which is considered of vital consequence to national security.

The last special committee to expire was the Special Committee on Small Business, which terminated on January 31 of this year.

Mr. FREAR. The second argument referred to by the Rules Committee; namely, that a special committee lacks legislative authority to report legislation, is self-evident.

However, it is not quite so easy to understand this sentence which follows the enumeration and statement of the arguments in the Rules Committee report:

These two objections do not apply to the establishment of a standing committee on small business.

Mr. President, special committees are no more in violation of the spirit of the Legislative Reorganization Act of 1946 than is a standing committee on small business. The Senate has the power to set up the one or the other. However, both are equally in contravention of the spirit of the Legislative Reorganization Act of 1946. When this act was passed the intent of the Congress was clearly to eliminate the conditions that made for inefficiency, waste, and confusion. It was specifically directed against overlapping of committee jurisdiction and multiplicity of congressional committees. The Senate intended and resolved in the future to keep inquiries and investigations within the particular committee which would consider the legislation and

report it to the Senate. Long experience had dictated the need for this reform.

The sponsors of the La Follette-Monroney bill, and the Senate when it passed the legislation, intended to keep the number of committees down to a reasonable number, in order to save the time of Senators. This is why the number of standing Senate committees was cut down at that time from 33 to 15. As the then senior Senator from New Mexico, Senator Hatch, who is now a Federal judge, stated on this floor:

One may argue until he is black in the face that it was not intended to do away with special committees, but nevertheless reason and intelligence and knowledge of the conditions that existed all must lead to the conviction that it was the intention that Senators should serve upon two committees only. Whether they be standing committees or whether they be special committees, the result is the same. If a Senator served on two standing committees and on five special committees—which I understand is contemplated—there would recur the same old evil which resulted from the former practice, and nothing would have been accomplished through the passage of the Reorganization Act except to increase the salaries of the Senators themselves and to create for themselves a retirement fund.

Perhaps, Mr. President, those are harsh words. They are plain words, and I speak what I believe to be the absolute truth (CONGRESSIONAL RECORD, January 24, 1947, p. 585).

Judge Hatch was right. The number of standing committees must also be kept down to their present number, in keeping with the spirit of the Legislative Reorganization Act of 1946. If Senators are not assigned to more than two committees, they can give the time which is required for the thorough consideration of the matters coming before them in committee or subcommittee. For example, if a Senator is assigned to the Subcommittee on Small Business of the Committee on Banking and Currency, that means that he will not serve on another time-consuming subcommittee to which he would otherwise have been assigned.

I do not gainsay that the Senate has the right and power to set up another standing committee. Such action would be reasonable if it could be shown that a radical change in conditions has taken place since 1946, and that the new conditions call for a greater specialization over a new subject matter which lends itself well to permanent and exclusive treatment. Again, such action would be warranted, if it could be established that the volume of work with regard to a particular subject matter, heretofore committed to the jurisdiction of a standing committee, has so greatly increased since 1946 that it has become evident that 13 Senators must devote much more of their time to the consideration in committee of that particular subject matter, at the price of their neglecting equally important work on other standing committees.

The fact is that neither of those situations confronts us today. The committee which reported favorably the La Follette-Monroney bill and the sponsors of that measure held hearings and worked diligently for many, many months in studying the defects of the then existing legislative organization and procedures. They were fully acquainted with Senator MURRAY's Special Committee To Study the Problems of American Small Business Enterprises. That special committee had done its best work during the depression, the war, and the early postwar reconversion period. Still, they and the Senate made no exception for that special committee in recommending and voting for the abolishment of all special committees. It did not recommend 16 standing committees with one on small business; it recommended 15 standing committees, and left jurisdiction over small business where it traditionally existed: As to roughly 80 percent of small business proposals, in the Committee on Banking and Currency, where they naturally and logically belong; for the remainder of small business matters, in the various committees, such as Judiciary, Finance, Armed Services, and so forth, where they also logically and naturally belong. This point was well brought out in titles X and XI, Senate Report No. 128, Eighty-first Congress, first session, pages 15, 16, and 17. Mr. President, I ask unanimous consent that excerpts from the report be incorporated in the RECORD at this point, as part of my remarks.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

X. THE ADEQUACY OF THE STANDING COMMITTEES' PRESENT JURISDICTION WITHOUT THE AID OF SPECIAL COMMITTEES

The usual arguments were made in favor of the continuation of the Small Business Committee. Senator WHERRY pointed to its fine record of achievement, its specialization in matters affecting small business, the jurisdictions of the various committees involved, etc. Senator TYDINGS, however, placed his finger on the weakness of the presentation by saying:

"Let me ask the Senator from Nebraska whether the very argument he now makes for the Special Committee on Small Business could not likewise be made for the continuation of the Special Committee on Wool, which has to do with freight rates and with Government finance, direct or indirect, and with small business dealing with all the things the Senator has mentioned. Could not the same arguments be made for the continuation of the Special Committee on Silver, because related to silver are questions regarding the private manufacture or use of silver, in connection with the making of silverware, as well as a variety of other things, such as the medical and scientific uses of silver?

"So, Mr. President, every argument which is being made for the Special Committee on Small Business could be made equally well with respect to the need for the continuation of every other special committee which is or will be sought to be established despite the existence of the Reorganization Act.

"Therefore, if we set up a special committee for small business, we would be committed to set up other special committees for all the other special subjects which have been mentioned; and the result would be the destruction of the machinery of the Reorganization Act, which was so widely heralded by the Congress" (CONGRESSIONAL RECORD, Senate, January 24, 1947, pp. 566, 567).

There is found the full refutation of the argument that small business should come under a special committee because it involves the jurisdiction of several standing committees. There is hardly a subject of general legislation that does not, under some aspects, come under the jurisdiction of two or more committees. The Senate knew that when it passed the La Follette-Monroney bill.

That was the reason for the inclusion of the following provision in the Legislative Reorganization Act of 1946:

DECISIONS ON QUESTIONS OF COMMITTEE JURISDICTION

"SEC. 137. In any case in which a controversy arises as to the jurisdiction of any standing committee of the Senate with respect to any proposed legislation, the question of jurisdiction shall be decided by the presiding officer of the Senate, without debate, in favor of that committee which has jurisdiction over the subject matter which predominates in such proposed legislation, but such decision shall be subject to appeal."

Your committee is willing to rely upon the determination of the Presiding Officer of the Senate as provided for in the Legislative Reorganization Act of 1946. That act directs that there shall be referred to the Committee on Banking and Currency all proposed legislation, messages, petitions, memorials, and other matters relating to the following subjects, among others:

1. Banking and currency generally.

2. Financial aid to commerce and industry, other than matters relating to such aid which are specifically assigned to other committees under this rule.

5. Federal Reserve System.

9. Control of prices of commodities, rents, or services.

Certainly, there may be bills introduced to help small business specifically by amendment of the antitrust laws, and those will be properly referred to the judiciary. The bill may be directed specifically at a change in the laws relating to interstate commerce and that will be referred to the Committee on Interstate and Foreign Commerce, as it should be. However, Senators know that, in all likelihood, a bill to assist the small-business man will usually attempt to aid him by allowing him easier credit through the Federal banking system or through the Reconstruction Finance Corporation, or through some other form of financial aid. The assistance may take the form of voluntary or mandatory controls over steel or other products. Your committee feels confident that the bulk of these bills will be referred to the Banking and Currency Committee. That will follow either because the aids sought will fall specifically within the jurisdiction of your committee, or because the subject matter of a comprehensive small-business bill which will predominate will fall within the jurisdiction of the Banking and Currency Committee.

XI. TRADITIONAL AND ADEQUATE JURISDICTION OF BANKING AND CURRENCY COMMITTEE OVER MATTERS AFFECTING SMALL BUSINESS

As pointed out above, the original Special Committee To Study Problems of American Small Business was created in October 1940, pursuant to a resolution offered by the distinguished senior Senator from Montana, Mr. MURRAY. The Senate had not yet taken a position against establishing special committees, as it definitely did later by the passage of the La Follette-Monroney bill in 1946. In fact, special committees were very much in vogue in 1940. The original resolution was referred to the Committee on Education and Labor and favorably reported to the Senate by that committee.

However, it would be a mistake to conclude that small business, at that or any other time, had no other place to which to turn.

Today if small business desires assistance through a specific amendment of the antitrust laws, it must turn to the Judiciary Committee. If small-business interests require a specific change in the laws relating to interstate commerce, the small-business man still must turn to the Committee on Interstate and Foreign Commerce. Obviously, the bulk of the bills seeking to help small business pertained then, and still relate today, to financial assistance, such as by allowing the small-business man to obtain easier credit through the Federal banking system or through the Reconstruction Finance Corporation. That comes under the purview of your committee. The assistance may take the form of voluntary or mandatory controls over steel or other products and, again, this falls squarely within the jurisdiction of your committee. It cannot be seriously claimed that this is a source of confusion to the small-business man.

The latter is in the habit of writing to his Congressman or Senator about his problems and the small-business man is quickly directed to the right committee. It has always been so, and with the gradual increase in education, it cannot be successfully argued that the small-business man today knows less about his Government than his forebears and predecessors in business.

Therefore, the bulk of the bills introduced to help small business have been referred traditionally to your committee. That result followed either because the aids sought fell specifically within the jurisdiction of your committee, or because the subject matter which predominated in a comprehensive small-business bill, fell within the jurisdiction of your committee.

That was made plain by the ruling of the Vice President on February 7, 1949, which he explained as follows:

"There may be other committees which might have some jurisdiction over some matters affecting small business; but as the Chair sees it, in accordance with the practice of the Senate heretofore, the Banking and Currency Committee has had jurisdiction and has exercised jurisdiction over most of the resolution's legislative proposals affecting small business, and it is the only committee which has in the statement of its jurisdiction any reference to aid to industry and commerce, whether large or small, so far as that is concerned. No distinction is made under the rule" (CONGRESSIONAL RECORD, Senate, February 7, 1949, p. 845).

Proceeding with an explanation of his ruling, the Vice President read section 137 of the Legislative Reorganization Act of 1946, which follows:

"In any case in which a controversy arises as to the jurisdiction of any standing committee of the Senate with respect to any proposed legislation the question of jurisdiction shall be decided by the Presiding Officer of the Senate, without debate, in favor of that committee which has the jurisdiction over the subject matter which predominates in such proposed legislation; but such a decision shall be subject to an appeal."

The Vice President continued his remarks as follows:

"Therefore, so far as the rule giving specific jurisdiction to committees is concerned, which was one of the objects of the Reorganization Act, undoubtedly the preponderance of jurisdiction—even though that might not include all the jurisdiction which could be conceived of in that connection—would be in the Banking and Currency Committee" (CONGRESSIONAL RECORD, Senate, February 7, 1949, p. 845).

Mr. FREAR. Mr. President, it is difficult to understand the reasoning which could impel the Senate to establish a standing committee on small business. As the Rules Committee stated in its recent report (S. Rept. No. 598, 81st Cong., 1st sess.):

The numerous problems of small business fall within the jurisdiction of practically every committee in the Senate. These problems include taxation and finance, interstate and foreign commerce, growth of concentration and industry, antitrust legislation, education and labor, Government and armed-services procurement, and trade inspired by foreign economic programs and policies. These problems, generally diversified and oftentimes highly specialized, call for prompt investigation and remedial legislation.

I do not know of a single standing committee which will not promptly investigate a problem affecting small-business enterprises and which will not with equal promptness report legislation deemed helpful to small business. A contrary contention would be an unwarranted affront to the chairmen and members of our standing committees and to the Senate itself.

The able chairman of the Subcommittee on Small Business of the Senate Banking and Currency Committee, the Senator from South Carolina [Mr. MAYBANK], has consistently sent to the appropriate committees legislative and other proposals affecting small business which fell categorically within the jurisdiction of those committees. Such referrals have always met with the immediate cooperation of the chairmen of those standing committees. The appropriate committees were familiar with the particular type of proposal made, knew of the interest of the Subcommittee on Small Business in that proposal, understood the effect upon the whole legislative program that such a proposal would have, and invariably they have looked into the matter immediately. In this way, steps were taken to insure departmental and agency regulations and policies favorable to small business.

For instance, the Senator from Maryland [Mr. TYDINGS], chairman of the Armed Services Committee, cooperated promptly and wholeheartedly with our Subcommittee on Small Business in insuring that the Military Establishment regulations would be so designed as to protect the interests of independent small-business enterprises, after section 15 (e) of the standard Army Department contract was deleted. Section 15 (e) permitted the assignment of contracts or receivables arising therefrom to raise money to finance these contracts.

The distinguished chairman of the Judiciary Committee, the Senator from Nevada [Mr. MCCARRAN], has cooperated by promptly calling for action by his committee upon matters referred there by our subcommittee on small business.

Just a short time ago, the Senator from South Carolina [Mr. MAYBANK] referred to the Senate Finance Committee a legislative proposal that involved an excise tax on dry-cleaning solvent. This proposal was advanced by small-business men. The distinguished chairman of that committee, the Senator from Georgia [Mr. GEORGE], immediately ordered the staff of the Joint Committee on Internal Revenue Taxation to study the proposal in connection with the drafting of future amendments to the Internal Revenue Code.

I could cite many other such instances. We have never encountered any predisposition on the part of any standing committee to delay action on any matter affecting small business which we referred to them. Our experience has been quite to the contrary.

Evidently, the number of instances where matters had to be so referred to other committees are comparatively few in number, because the great number of legislative proposals affecting small business do fall within the jurisdiction of the Senate Banking and Currency Committee, as heretofore explained.

That is the reasonable and orderly approach to the small business problem. Matters that fall squarely within the jurisdiction of a standing committee should be referred to that committee, even though they affect small business. As the Rules Committee pointed out in its report, these problems affecting small business are "generally diversified and oftentimes highly specialized," and they "fall within the jurisdiction of practically every committee in the Senate."

It is ridiculous to assume that a standing committee with legislative powers can be expected to possess all the diversified and specialized knowledge of all the 15 standing committees. The sponsors of the Legislative Reorganization Act of 1946 knew that, and did not propose a standing committee on small business.

They knew that such a standing committee could not, among hundreds of other chores, be expected to acquaint itself with all the antitrust laws and constantly changing conditions to which they are applicable, so that they would be sure that an amendment to those laws professing to be a benefit to small business, would not be a detriment to the national economy or would not introduce confusion in the administration of the law or adversely affect the rights of all litigants before the courts interpreting those laws. Former Senator Bob LaFollette of Wisconsin knew that such matters should logically be referred to the Judiciary Committee whose constant experience adds immeasurable value to its recommendations.

For instance, a standing committee on small business might report favorably to the Senate an amendment to the antitrust laws extending the statute of limitations to 12 years, because small-business enterprises and that committee might believe it would serve to deter big business from violating those laws. On the other hand, while being equally sympathetic to small business, the Judiciary Committee through its experience would know that statutes of limitations exist because they are considered fair play in our legal system. They are designed to cause the Government to supervise the administration of the law and to punish crimes as soon as possible. They are meant to deter the Government from sitting back supinely and allowing witnesses to disappear or die, and then prosecuting a man who could otherwise

have proven his innocence, but who, because of the lapse of time and the clouding of the memories of witnesses, cannot, 10 years later, establish his innocence. I can foresee monumental prolonged debates and ceaseless contention between the chairmen of the standing committees and the small-business committee upon bill after bill, if a standing committee on small business is established. I have given but one instance where a conflict would ensue. Senators need think but a little on this score, and they can multiply these instances by the number of committees and the number of problems which, as the Rules Committee report states, "fall within the jurisdiction of practically every committee in the Senate."

The Senate would be doing the small-business man the greatest disservice it could possibly do him because it would be depriving him of the specialized knowledge based upon experience which committee members accumulate in a given field through service on a committee. For this specialized knowledge, it would substitute a group of 13 Senators who would attempt to act in all 15 committee fields of legislation—15 "jacks of all trades but masters of none." The result would be confusion and inaction gravely prejudicial to the interests of small-business enterprises.

I would not envy the task of the President of the Senate in determining to what committee should be referred a bill which directly or indirectly, expressed or implied, affected substantially small business. His safest course would be to send all bills to the small-business committee, in the expectation that some phase of every measure would be bound to affect small business.

He would have a problem, too, in determining what businesses would be affected by the bill, and in determining which businesses are small and which are big. If a standing committee is approved, then it would be as logical, and perhaps much more practical, to make it a large committee; in fact, perhaps it would be the thing to do to provide for only two standing committees—a committee on small business and a committee on big business—and then refer all bills to the one or to the other. We can picture the mad scramble there would be to be placed on the small-business committee. Perhaps the party in power could name all the members of the minority to the big-business committee, and then could refer all meritorious proposed legislation to the small-business committee. The fantastic possibilities are unlimited, if we decide to junk our traditional procedures—which were revamped and modernized 2 years ago—in order to satisfy the demands of those who would make capital out of a proposal to set up a standing committee on small business, regardless of the merit of the proposal.

Another pernicious result of setting up such a committee would be that members of the standing committees, more likely to perceive discriminations against small business in the legislation in which they specialize, could easily shrug their shoulders and say, "That is a matter for the Small Business Committee; let them handle that problem." The members of the Small Business Committee might never know of the existence of the problem. Such an arrangement would be an encouragement to inaction and a ready excuse for dodging responsibility.

The present system, Mr. President, is working out very well. The Banking and Currency Committee, which has traditional jurisdiction over the great bulk of small-business problems, is solving daily, through its Small Business Subcommittee, the problems of small business, and is doing so efficiently and promptly. The heavy volume of mail addressed directly to the subcommittee by small-business men is an overwhelming refutation of the arguments made by the proponents of a special committee, to the effect that the small-business man would not know where to go in the event the special committee was discontinued. From the countless glowing comments made by small-business men all over the country expressing their deep gratitude for what the subcommittee has done for them, it is apparent that they do not seem to miss the special committee or long for a standing committee on that subject matter.

Members of Congress, generally, including former members of the special committee, refer the small business problems of their constituents to our subcommittee; and I know they will vouch for our subcommittee's promptness in taking action upon matters referred to us.

What, then, can account for the following paragraph in the Rules Committee report—Senate Report No. 958, Eighty-first Congress, first session:

> Since the expiration of the former Special Committee on Small Business there has been no one Senate committee to consider and recommend legislation regarding the economic problems of small business, although almost every one of the standing committees of the Senate is in one way or another concerned with problems vitally and directly affecting small-business enterprises. The number and importance of the problems peculiar to small business warrants the establishment of a standing committee which will give full time and attention to the solution of these problems and which has authority to recommend remedial legislation to the Senate.

The Rules Committee then states the following facts which are carried in the Senate Banking and Currency Report No. 128, Eighty-first Congress, first session, pages 1 and 2:

> Three million six hundred and fifty thousand small business concerns in the United States are owned and operated, on the average, by 2½ persons each. This constitutes a total of 9,125,000 persons, or 92 percent of our entire economy. These concerns employ about 65 percent of all commercial and industrial wage earners and produce about 45 percent of our entire output.

Then follows the startling statement in the Rules Committee report:

> The former Special Committee on Small Business was in existence from October 1940 until January 31, 1949. Its expiration has resulted in the discontinuance of specialization on small-business problems in the Senate, a service which your committee believes is of great value to this large part of the Nation's economy.

Mr. President, less than 8 weeks after this body approved an appropriation for the Banking and Currency Committee to investigate, through its Subcommittee on Small Business, problems relating to small business, the Rules Committee, which had favorably reported this measure to the Senate, apparently has forgotten completely that a subcommittee is hard at work doing this very thing of specializing on small-business problems.

I am sure the junior Senator from Nebraska [Mr. WHERRY], a member of the Rules Committee, who pressed so hard this year for the continuation of the special committee which had afforded him the honor of a chairmanship in the last Congress, knew that small-business problems were being handled by the Subcommittee on Small Business of the Banking and Currency Committee.

The junior Senator from Nebraska, having failed to gain this body's approval of a special committee, is now seeking the establishment of a standing committee on small business. Early last month, when Senate bill 1647 was being discussed, the Senator from Wyoming [Mr. O'MAHONEY] stated that Senate bill 1647 would have favorable effects on small oil refiners. He mentioned, in passing, that this bill had formerly won the support of the special committee which was partially responsible for the bill.

Immediately, the junior Senator from Nebraska replied:

> It is convincing evidence that we should have a small-business committee working every day in the Senate of the United States (CONGRESSIONAL RECORD, July 6, 1949, p. 8918).

Mr. President, anyone reading that statement in the RECORD would conclude that there is not such a committee in existence. The Banking and Currency Committee, through its subcommittee of nine members and its staff, is hard at work day in and day out assisting small-business men, studying their problems and finding solutions to them.

Anyone who is inclined to believe that the small-business man fared better at the hands of the defunct special committee should read Senate Report No. 128, Eighty-first Congress, first session.

A few minutes later that day, upon the making of an objection to adoption of the standing-committee resolution by unanimous consent, the junior Senator from Nebraska [Mr. WHERRY] pressed the majority leader, the Senator from Illinois [Mr. LUCAS] for early consideration of the measure. The Senator from Illinois pointed out that the Senator from South Carolina [Mr. MAYBANK] "has already appointed a subcommittee on the Committee on Banking and Currency, which is dealing with small business at the present time."

The Senator from Illinois predicted that there will be "quite a little debate" upon the proposal to set up a standing committee. He added:

> I might say for the benefit of my distinguished friend, the Senator from Nebraska, that we had this matter up before our policy committee some time ago, and that committee was unanimously in opposition

to the appointment of a standing committee for small business (CONGRESSIONAL RECORD, July 6, 1949, p. 8926).

The members of the majority policy committee know how impractical and unworkable such a committee would be, as I have already pointed out. Also, I am sure they know that small-business matters are now in expert hands in the standing committee, where about 80 percent of them belong, and with the remainder being referred to appropriate committees when they fall categorically within the jurisdiction of such committees.

Also, I know that the members of the majority policy committee and other Senators are aware of the fact that small business matters have never been as quickly and satisfactorily handled as they are now, since this body approved, some weeks ago, a modest appropriation for the Banking and Currency Committee to carry on its traditional functions for the protection and prosperity of small-business enterprises.

On this point, let me give a few examples of achievements by the Subcommittee on Small Business which I have witnessed in the short time I have had the pleasure of being one of its members.

From the very beginning of this session, long before additional funds were approved by this body, the Subcommittee on Small Business, as it had done in the past, was in daily contact with small business enterprises, ironing out their problems and obtaining for them every possible advantage in their struggle with big business. Small businesses, for instance, were encountering innumerable difficulties in obtaining scarce commodities, such as steel. They were experiencing difficulties in obtaining export licenses. The subcommittee kept in constant touch with the Government departments and agencies involved, and it is to the lasting credit of the subcommittee, and of its energetic chairman, the Senator from South Carolina [Mr. MAYBANK], that the subcommittee can boast of a 100-percent record of success in this respect. A small-business man never brought a meritorious grievance to the attention of the subcommittee without obtaining immediate redress or prompt, favorable action upon a request for assistance.

Of course, this meant much running down to Government departments and agencies, many consultations and conferences, innumerable telephone calls to Government officials and leaders of industry; but the small-business man got what he was after, and succeeded in maintaining a prosperous, though modest, business which had been threatened with disaster.

This attention to individual cases did not diminish the subcommittee's efforts to discover and remedy the basic causes of these individual maladjustments. The cooperation of Government officials and leaders of industry with the efforts of the subcommittee was greatly influential in equalizing supply and demand, so that fewer and fewer commodities became scarce; and there exist today very few commodities the supply of which may be considered "tight." Many tributes of small-business men attest to the success of the subcommittee in hastening the day when scarce commodities were a thing of the past, a successfully surmounted former barrier to the prosperity of small business enterprises.

These daily achievements do not reach the newspapers. The Senator from South Carolina does not seek his reward in the press. He and the subcommittee get their reward in the warm appreciation of grateful small-business men and in the conviction that the national economy is in a healthier condition because of their efforts.

For instance, one small-business man who produced six types of goods used in the Military Establishment of the Government had been trying for about 3 years to get an opportuntiy to bid on Government contracts. In only one instance had he received a notice, and in that case he had been successful in getting an order. He had reams of acknowledgments from purchasing agencies of the Government to the effect that he would be notified of proposed Government purchases; but with the one exception mentioned, he had never been notified. When he appealed to our subcommittee for help, his business was on the verge of extinction. Our subcommittee investigated the case and completely documented it. It was thoroughly discussed with the appropriate official, and action was taken immediately by the latter to correct this situation and to assist not only this small-business man, but others similarly situated. The subcommittee's records show many other similar examples.

I do not wish to take the time of the Senate to read into the record the countless letters of appreciation received by the subcommittee.

Let me quote from a typical letter expressing the gratefulness of the owner of one small business enterprise:

MILWAUKEE, WIS., *June 1, 1949.*

Hon. BURNET R. MAYBANK,
Subcommittee on Small Business, Senate Banking and Currency Committee, Washington, D. C.

DEAR SENATOR MAYBANK: I wonder, Senator, if you can fully appreciate what a magnificently refreshing experience it was to find that the interests of small-business men such as myself are being cared for in such a splendid manner. The only thing within my power is to humbly thank you and your able assistants for being excellent representatives.

We knew we had a case and we realized we had a definite story to tell. What we didn't realize was the fact that Uncle Sam had an ear for us.

Thanks to you and your able staff, we will fight it out a while longer. Please stay with us; we're counting on your efforts in Washington for the survival of our enterprise.

There was, as you know, a similar activity which was given a great deal of publicity in the press in 1947 which bore very little fruit.

I sincerely wish that you and your staff knew how many people here are already aware of the job the present Subcommittee on Small Business is doing.

This is doubtless no time to wax philosophical—but I have thought again and again of what your committee is doing for America's so-called cold war with totalitarian ideologies.

If there is any one single and devastating war cry used by Communists all over Europe, it is "concentrated capital will inevitably and increasingly strangle small private enterprises." "Just look at America," they cry.

But you and your staff, under the farsighted auspices of the Senate Banking and Currency Committee, are taking the bull by the horns. Yours is perhaps the most singularly constructive job of any I encountered during a year spent in Washington. Stay with it please. National defense doesn't always—as many think—begin with big guns and fast armies. Our chief bulwark is in American confidence in American ideas, and you are building and repairing our fortress of ideas as ably as anyone I have seen in the District of Columbia.

Thanks for an invigorating experience. May your mission with the Small Business Subcommittee have success at every turn. If so, you will accomplish a mighty task for our country.

Sincerely,

JOSEPH H. CERT.

Here is a sample of the fine cooperation which our Subcommittee on Small Business receives from Government officials:

THE SECRETARY OF DEFENSE,
Washington, July 12, 1949.

Hon. BURNET R. MAYBANK,
Chairman, Subcommittee on Small Business, Senate Banking and Currency Committee, Washington, D. C.

MY DEAR SENATOR: I very much appreciated your letter of July 6, 1949, and the trouble to which you went in discussing and documenting certain problems with respect to the participation of small business in military procurement.

I hardly need to tell you of my deep personal interest in this subject, and I am therefore very pleased to have your concrete and constructive suggestions. I shall study them myself, and I am also requesting the Munitions Board to give them most careful consideration. You can expect to hear from me again in a short time.

With best regards, I am,

Sincerely yours,

LOUIS JOHNSON.

I wish to join at this time in those tributes paid to our able and energetic chairman by small-business men and the Secretary of Defense.

Some time ago our Subcommittee on Small Business asked the various armed services for statistics on the amount of business, the number of contracts, and the dollar value of the contracts awarded to small businesses, as compared to the contracts awarded to large establishments. The services answered they would be glad to furnish this data, as some of them had done so previously for the special committee. Our subcommittee succeeded in having all such figures channeled through the office of the Secretary of Defense in order that they would be complete, uniform, and based upon the same criteria. This having been done, our subcommittee looked into these criteria in order to determine whether the "fair share" and "fair proportion" provisions applicable to small business in the Armed Services Procurement Act and the Selective Service Act were being adhered to.

Apparently the armed services' figures had been accepted at par before our subcommittee looked into this matter. The services had been using the arbitrary figure of 500 employees as the breaking point between small business and big business. I do not say this in criticism of the armed services, because the Congress never made plain its intent in this respect. Our subcommittee found that all plants hiring 500 employees or less were classified as small business, even though they were subsidiaries of big corporations. Evidently, the intent of the Congress was to protect independent small business enterprises. The services immediately agreed that their figures on the participation of small business in procurement were misleading in this respect. They agred to work out a more sensible formula in consultation with our subcommittee. Our staff is gathering census data and other statistics in an effort to work out a more equitable formula.

It stands to reason that the breaking point has to vary with the different industries. In flour and other grain mill products, a fair breaking point, in terms of wage earners, may be 50. This would include as small business 88 percent of the establishments, and the value of products represented would be 41 percent. In cottonseed oil, cake, and meal, a fair breaking point, in terms of wage earners, may be 95. This would include as small business 98 percent of the establishments, and the value of products represented would be 95 percent. On the other hand, in cane-sugar refining a fair breaking point, in terms of wage earners, may be 22. This would include as small business 52 percent of the establishments, but would represent only 22 percent of the value of products. Among manufacturers of rubber boots and shoes, if the plants hiring 50 employees or less were considered small business, this would include 75 percent of the establishments, but only 20 percent of the value of products. The merit of such a system would be that it could easily be adjusted to more recent census figures, when available. In other words, our subcommittee is doing what has never been done before: It is approaching scientifically, for present and future legislative proposals, the definition of small business, so that when a measure to protect small business is passed by the Congress, everyone will know or can easily ascertain what a small business is.

Senators who are interested in "small business" may like to examine the hearings upon that subject held before our committee on June 6, 1949. They will find there that the Subcommittee on Small Business is given credit by the ECA for its constant assistance and study in devising methods to carry out the intent of the Congress that small business can be given assistance, insofar as practicable, to permit it to participate equitably in the furnishing of commodities and services. ECA has cooperated, by following the suggestion of our subcommittee that a catalog of likely exporters be developed, along the lines of a directory of United States small-business suppliers, to be distributed overseas. It has made a break-down of industries likely to lend themselves to small-business participation. ECA has cooperated with our subcommittee and has prepared a new ECA booklet, dated July 1, 1949, designed especially for the small-business man, explaining in simple language how he can participate in the ECA program. This will be made available to every known small-business enterprise in the country. The booklet is entitled "Information for American Businessmen on the Marshall Plan."

ECA has given immediate response to our subcommittee's wishes that it revise its policy with respect to purchases of lumber and plywood, in order to stimulate sales by American small-business men. As explained in ECA release 563, participating foreign countries must now afford American suppliers of lumber and plywood an opportunity to compete for the business, whether using ECA or non-ECA dollars, or be prepared to submit to ECA reasonable justification for contrary action. At our chairman's request, ECA is studying the possibility of making the same policy applicable to all industries as far as possible. In this connection, I refer to the Senate Banking and Currency Committee hearings on small-business participation in ECA program, June 6, 1949, pages 27 and 28.

One small-business man from Florida just the other day contacted our Subcommittee on Small Business. He explained that for quite some time he had been attempting to market a machine tool which he had developed, and which he was convinced could make a great contribution to industry. Everywhere he went, he said, he met with disinterest. Finally, he stopped at the office of our subcommittee and discussed the matter with the staff. The staff immediately looked into the possibilities of his device, made inquiries far and wide, and discovered that it might be of special use to the Navy. The small-business man was directed to the proper section of the Navy Department. His machine tool was tested, and was found to have a large potential use in the Navy. The efforts of our subcommittee resulted in a gain, not only to this small-business man, but to the armed services, as well.

Needless to say, our subcommittee is hard at work on legislation to aid the small-business man. At present it is gathering data from small-business exporters upon their problems in order to improve certain features of pending legislation, such as Senate Joint Resolution 93. This joint resolution, introduced by our chairman, for himself, the Senator from Montana [Mr. MURRAY], the Senatory from Florida [Mr. PEPPER], and the Senator from New Hampshire [Mr. TOBEY], would amend the Export-Import Bank Act of 1945, so as to provide for guaranteeing dollar payment to American small business for exports to Western Hemisphere countries. The bill would set aside $500,000,000 of the Export-Import Bank's $900,000,000 of presently uncommitted funds, and would direct that bank to use this $500,000,000 for small-business exporters.

Our subcommittee has been working long hours and days in gathering data to improve the business opportunities of veterans. It hopes to have ready soon a comprehensive and well-documented veterans' RFC bill which, when enacted, should have a considerable effect in maintaining business activity throughout the Nation, while giving small-business enterprises of veterans every opportunity to prosper. The bill will be especially designed also to assist small-business enterprises offering veterans the best employment opportunities.

Some of the subcommittee's proposals have passed into law, and have already proven their worth. For instance, section 4 (b) of the Export Control Act of 1949, which was reported to the Senate by the Banking and Currency Committee, provided in part as follows:

> In authorizing exports, full utilization of private competitive trade channels shall be encouraged insofar as practicable, giving consideration to the interests of small business, merchant exporters as well as producers, and established and new exporters, and provisions shall be made for representative trade consultation to that end.

Under this section it was possible recently to cause the Department of Commerce to instruct Foreign Service posts to warn certain foreign countries that they must discontinue the practice of discriminating in their import or price-control regulations against many independent small-business exporters. Such discrimination by certain foreign governments had taken the form of following a policy of issuing permits only to importers who were able to provide evidence that they possessed acceptance of orders from United States mills.

Our subcommittee has encouraged the Reconstruction Finance Corporation to liberalize its lending policies with regard to small business, in order to better equalize the advantages of small-business enterprises in their struggle with powerful organizations which have, of course, easier access to financing. Our subcommittee has urged the RFC to consider the prospective income from Government contracts as a factor in the credit rating of an application made by a small-business enterprise. In this connection, loans have been made recently to small businesses which have income from Government contracts. Our subcommittee has held its initial hearings on the price of gasoline and petroleum products in an effort to determine what protection can best be afforded to independent small-business petroleum producers, the effect of large company pricing policies upon oil jobbers, upon small-business enterprises making use of petroleum and petroleum products, such as small dry-cleaning solvent, upon those small businesses requiring gasoline for delivery trucks, etc. Statistics are being gathered; price structures are being scrutinized. The subcommittee will continue these efforts until all the ingredients of the price structure are known so that the Congress and the public will know, and so that proper remedial legislation may be enacted, if necessary.

On the 25th of last month, our committee began hearings on the coal industry. An effort is being made to estimate the possible effect upon the price of coal which the current proposal for a

coal czar is likely to have. The independence and existence of present independent coal producers may well be at stake. If the resulting price of coal were to be prohibitive, the continued existence of the coal industry itself might well be in the balance, because oil and natural gas might supplant the use of coal in industrial and in home use. The possible effects of stabilization proposals upon our economy, our banking and credit policies, and the survival of many small-business enterprises in many sections of the country are manifold and interrelated.

I could go on for days enumerating the achievements of our Small Business Subcommittee. Those I have cited are but a few that come to my mind. I shall give one more example, with which I am particularly familiar, because I was the member of the subcommittee who was particularly charged with looking into the following matter.

Recently the Department of the Air Force was holding a number of bids on a contract for spare parts—a contract involving a sum of about $1,500,000. It was considering awarding all the work to one company, which it had a perfect right under the law to do, inasmuch as the company was the lowest bidder on the whole contract.

For the subcommittee I looked into the matter. By examining the bids of the various companies, I found that if the awards were spread among a number of concerns a considerable saving would accrue to the Government, while assistance would be given to smaller companies. Some of the small companies had bid on only a portion of the contract and had submitted lower estimates for those items.

The Air Force cooperated 100 percent with the wishes of our Subcommittee on Small Business to promote healthy competition in the aircraft industry and at the same time to effect a substantial saving of Government funds. The Air Force awarded the work to companies in Ohio, Michigan, Kansas, California, and Delaware. By this action alone the Subcommittee on Small Business was successful in effecting a saving of $225,000. The Special Committee on Small Business, which expired in January of this year, spent approximately $123,000 during the calendar year 1948. That had been about the average expenditure for the past several years. Therefore, by the one action I have just mentioned our Subcommittee on Small Business saved almost enough money to pay for the expenses of the former Special Committee on Small Business for 2 years.

Please remember, Mr. President, that our subcommittee has had its appropriation for only a short time. There is a group of nine Senators which considers and recommends legislation regarding the economic problems of small business. This subcommittee gives full time and attention to the solution of these problems, and, through the Committee on Banking and Currency, it has authority to recommend to the Senate remedial legislation in about 80 percent of the cases involving the need for remedial legislation.

The instances I have cited of investigations of and solutions to all kinds of small-business problems by our Small Business Subcommittee, entirely refute the contentions of those who would make it appear that we can study, remedy, and get action from Government officials only upon matters with respect to which we have jurisdiction to report to the Senate. It is only when a solution involves specific legislation falling categorically and exclusively within the jurisdiction of another standing committee, that our subcommittee will refer a matter to another committee. That occurs with respect to only about one-fifth of small-business problems involving remedial legislation. It involves less than a fraction of 1 percent of the problems regularly brought to the attention of our Subcommittee on Small Business.

Traditional and present Senate procedure is based upon the accumulated wisdom and experience of the great Members of this body who have preceded us through the years since 1789. The Senate knew what it was doing when it gave the Banking and Currency Committee jurisdiction over most legislative proposals affecting small business. That was, and still is, the logical thing to do.

As expressed by Vice President BARKLEY in the Senate on February 7 of this year:

> There may be other committees which might have some jurisdiction over some matters affecting small business, but as the Chair sees it, in accordance with the practice of the Senate heretofore, the Banking and Currency Committee has had jurisdiction and has exercised jurisdiction over most of the resolution's legislative proposals affecting small business, and it is the only committee which has in the statement of its jurisdiction any reference to aid to industry and commerce, whether large or small, so far as that is concerned. No distinction is made under the rule (CONGRESSIONAL RECORD, February 7, 1949, p. 845).

Proceeding with an explanation of his ruling, the Vice President read section 137 of the Legislative Reorganization Act of 1946, which follows:

> In any case in which a controversy arises as to the jurisdiction of any standing committee of the Senate with respect to any proposed legislation, the question of jurisdiction shall be decided by the Presiding Officer of the Senate, without debate, in favor of that committee which has the jurisdiction over the subject matter which predominates in such proposed legislation, but such a decision shall be subject to an appeal.

The Vice President continued his remarks as follows:

> Therefore, so far as the rule giving specific jurisdiction to committees is concerned, which was one of the objects of the Reorganization Act, undoubtedly the preponderance of jurisdiction—even though that might not include all the jurisdiction which could be conceived of in that connection—would be in the Banking and Currency Committee (CONGRESSIONAL RECORD, February 7, 1949, p. 845).

Undoubtedly, Mr. President, these facts were in the minds of the majority policy committee when they unanimously rejected the proposal for a new standing committee on small business.

Only ignorance of the true facts or a desire to make political capital of the tremendous and justified popular support of any apparent attempt to plead the cause of small business could cause one to charge that the expiration of the special committee has resulted in the discontinuance in the Senate of specialization on small-business problems. I, for one, will not remain mute in the face of the splendid and unparalleled record of achievement of the Subcommittee on Small Business of the Senate Banking and Currency Committee.

Mr. President, I certainly appreciate the courtesy extended to me by all the Senators who have remained here to listen to this short address of mine.

Mr. CAIN. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. GRAHAM in the chair). Does the Senator from Delaware yield to the Senator from Washington?

Mr. FREAR. I yield.

Mr. CAIN. The junior Senator from Washington feels that he can safely speak for all the Senators who are on the floor of the Senate at this time in complimenting the Senator from Delaware for focusing attention on an important national question and for pointing out the activities which presently are being pursued by the subcommittee of the Banking and Currency Committee of the Senate.

Mr. FREAR. Mr. President, I wish to express my grateful thanks to the junior Senator from Washington.

ADJOURNMENT TO SATURDAY

The PRESIDING OFFICER. Is there further business to come before the Senate?

If not, under the order previously entered, the Senate now stands adjourned until Saturday next at 12 o'clock noon.

Thereupon (at 6 o'clock and 37 minutes p. m.) the Senate adjourned, the adjournment being under the order previously entered, until Saturday, September 3, 1949, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate August 31 (legislative day of June 2), 1949:

UNITED STATES PUBLIC HEALTH SERVICE

The following-named candidates for appointment and promotion in the Regular Corps of the Public Health Service:

To be senior assistant surgeon (equivalent to the Army rank of captain), effective date of acceptance:

Simon P. Abrahams

To be senior assistant nurse officer (equivalent to the Army rank of captain), effective date of acceptance:

Victoria F. Malinoski

Senior assistant sanitary engineers to be sanitary engineers (equivalent to the Army rank of major):

Lawrence B. Hall	John R. Thoman
Paul C. Henderson	Ralph J. Johnson
Ernest P. Dubuque	Frank A. Butrico
Harry Stierli	Bernard B. Berger

IN THE NAVY

The following-named midshipmen (aviation) to be ensigns in the Navy from the 3d day of June 1949:

Robert F. Abels	Kenneth W. Atkinson
James J. Ash	Patrick H. Benner

Harold A. Bowron, Jr.
Delbert E. Brandenburg
Henry G. Brewer, Jr.
Robert M. Christiansen
James C. Clarke
James E. Corbett
Allen C. Davis
Jack T. Davis
Andrew DiFonzo
LeRoy S. Ellison
Jack E. Fairchild
Robert J. Finley
Wylie D. Foster
Robert L. Gardner
Frank M. Gilman
Billy J. Goodman
Lyman W. Griswold
William H. Haight
Eugene B. Hale
Jerome E. Hamill
Robert L. Harbin, Jr.
James McI. Harrell
Gilbert W. Hicks
Henry F. Hite, Jr.
Alfred L. How, Jr.
Vern K. Hugus
Ivan W. Janssen
Ronald P. Johnson
Isaac F. Jones, Jr.
Richard W. Keirnes
Benny G. King
Richard I. Kirkland
Vance R. Kloster
Edmund V. Konieczny
Albert G. Kuehnappel
Calvin H. Lee
William Q. Leysath
Edgar K. Lofton, Jr.
Robert J. McCarty
James M. McClatchie
Ernest L. Marler
Robert E. Morgan
Paul H. Mozley
Matt O. Musick, Jr.
George I. T. Nielsen
Alan R. Nye
William R. O'Connell
David F. O'Connor
Eugene A. Pelton
Billy C. Putnam
Charles J. Raney, Jr.
Jack DeW. Riley
John P. Ritchie
George R. Simpson
George Sinkez
Raymond E. Smith
Robert R. Smith
William J. Snider
Edward L. Soule
Charles E. Spann, Jr.
Harold H. Sproull
Glenn M. Stokes
Richard P. Stroud
Phillip J. Sullivan
Charles A. L. Swanson
Stuart N. Templeton
William E. Tillerson
Patrick C. Tims
Don VanSlooten
John H. Wachtel
Edwin S. Wallace, Jr.
Joshua C. Werner III
Frank D. Whiteman
James J. Wilson, Jr.
Edward K. Winslow
Frank G. Ziegler

The following-named (civilian college graduates) to be ensigns in the Navy from the 3d day of June 1949:

Junius H. Arnold, Jr.
John W. Shook, Jr.

The following-named (civilian college graduates) to be ensigns in the Civil Engineer Corps of the Navy from the 3d day of June 1949:

David R. Bird, Jr.
Jerome E. Toffler

David V. Castner, Jr. (civilian college graduate) to be a lieutenant in the Dental Corps of the Navy.

Samuel L. Cooper (civilian college graduate) to be a lieutenant (junior grade) in the Dental Corps of the Navy.

The following-named to be ensigns in the Nurse Corps of the Navy:

Mary T. Kelly
Betty J. Kirby
Emma L. Nero
Faye J. Slate

The following named officers to the grades indicated in the Dental Corps of the Navy:

LIEUTENANT COMMANDERS

Charles H. Graves
Malcolm T. McGowen

LIEUTENANT (JUNIOR GRADE)

Fank J. Brauer

Felix L. Kensta (civilian college graduate) to be a lieutenant (junior grade) in the Chaplain Corps of the Navy.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 31 (legislative day of June 2), 1949:

DIPLOMATIC AND FOREIGN SERVICE

Ellis O. Briggs to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Czechoslovakia.

Nathaniel P. Davis to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Hungary.

POSTMASTERS

CONNECTICUT

Margaret S. Barboza, New Hartford.
George A. Sharon, Somers.
Arthur H. Buttery, Waterford.

HAWAII

Jack K. Saito, Makaweli.

LOUISIANA

Mary S. Hymel, Convent.

MASSACHUSETTS

Beatrice E. Taylor, Acton.
Harry X. McMichael, Blackstone.
Thomas G. Keating, Cohasset.
Raymond W. Comiskey, Dover.
James H. Vecchione, East Douglas.
James H. Short, North Brookfield.
James A. Moran, Wianno.

MICHIGAN

Robert H. Rainey, Onsted.

MINNESOTA

William G. Swanson, Benson.
Fred J. Peterson, Laporte.
Robert P. Fritzke, St. Clair.

MISSOURI

Zola B. Reynolds, Humansville.
Grace M. Schmidt, Labadie.
Donald L. Bolton, Mindenmines.
Hugh H. Chauncey, Walnut Grove.

MONTANA

Rollin N. Baggenstoss, Power.

NEW YORK

Harold J. Smith, Bliss.
Lloyd P. Jones, Chenango Forks.
Bernard W. Schatzle, Cold Spring.
Frederic E. Price, Gouverneur.
Mason H. Hollenbeck, Greene.
Lorin M. Albrecht, Mount Upton.
Howard T. Empson, Strykersville.
Edward N. Ksionzyk, Windsor.

PENNSYLVANIA

Frank R. Hammond, Lancaster.

WASHINGTON

Wilbert P. Quake, Arlington.

WISCONSIN

Anton R. Paul, Baileys Harbor.
Ruth E. Andrews, Wyocena.